

October 1, 2014

To whom it may concern

Yahoo Japan Corporation  
Manabu Miyasaka, President and CEO  
Stock code: 4689

**Notification of Merger with Consolidated Subsidiary Ocenyc Inc.  
(shortened merger method)**

Yahoo Japan Corporation (hereinafter the Company) has concluded an agreement to undergo an absorption merger with its wholly owned subsidiary Ocenyc Inc., with an effective date of December 1, 2014 (planned). Details are as follows.

Since the merger is with a wholly owned subsidiary, certain of the disclosure items and details are omitted.

**I. Purpose of the Merger**

To heighten its user problem-solving capabilities by strengthening its ability to provide useful search results, Yahoo Japan Corporation converted Ocenyc Inc. into a wholly owned subsidiary in August 2013.

Now, the Company has decided to merge the two companies to take the next step toward further strengthening its response capabilities. The merger will transfer ownership of Ocenyc Inc.'s products and merchandise database to the Company, enabling Yahoo! Search to be more efficient in providing search results that meet the needs of users.

**II. Outline of the Merger**

**1. Merger Schedule**

Approval of merger:	October 1, 2014
Signing of merger agreement:	October 1, 2014
Effective date of merger:	December 1, 2014 (Planned)

Note: For the Company, the merger will be a simple merger in accordance with the provisions of Article 796, Paragraph 3 of the Corporation Law of Japan. For Ocenyc Inc., the merger will be a shortened merger under the provisions of Article 784, Paragraph 1 of the Corporation Law. Therefore, neither company will hold a general meeting of shareholders to approve the merger.

**2. Merger method**

Since the surviving company in the absorption merger will be Yahoo Japan Corporation,

Ocenyc Inc. will be liquidated.

3. Details of share, capital, or cash allocations related to the merger

Since the Company owns 100% of the shares of Ocenyc Inc., there will be no new share issuance or capital increase related to the merger or any cash compensation.

4. Treatment of new share subscription rights or bonds with new share subscription rights of the non-surviving company

Ocenyc Inc. has issued none of the above rights or bonds.

III. Outline of Merging Companies (at March 31, 2014)

	Surviving Company	Non-surviving Company
(1) Name	Yahoo Japan Corporation	Ocenyc Inc.
(2) Head office	9-7-1 Akasaka, Minato-ku, Tokyo	1-15-14 Minami-Aoyama, Minato-ku, Tokyo
(3) Representative	Manabu Miyasaka, President and CEO	Kenichi Shibata, President and CEO
(4) Main business	Internet Advertising business e-Commerce business Membership services business Other businesses	Shopping-related media operating business
(5) Paid-in capital	¥8,271 million	¥225 million
(6) Establishment	January 31, 1996	January 4, 2001
(7) Share issuance	5,694,900,600 shares	4,500 shares
(8) Fiscal year end	March 31	March 31
(9) Major shareholder and shareholding ratio	SoftBank Corp. 36.4% Yahoo! Inc. 35.5%	Yahoo Japan Corporation 100.0%
(10) Performance and financial position in the immediately preceding fiscal year		
	Yahoo Japan Corporation (Consolidated) Fiscal year ended March 31, 2014	Ocenyc Inc. (Non-consolidated) Fiscal year ended March 31, 2014
Net assets	¥626,560 million	¥377 million
Total assets	¥842,749 million	¥560 million
Net assets per share (yen)	¥108.53	¥83, 928
Revenue	¥386,284 million	¥426 million
Operating income	¥197,416 million	¥160 million
Ordinary income	¥197,634 million	¥160 million
Net income	¥125,116 million	¥97 million
Net income per share (yen)	¥21.82	¥21, 756

Note: Due to a change in its fiscal year-end, the Ocenyc Inc.'s figures for the fiscal year ended

March 2014 cover only the three-month period from January 2014 to March 2014.

#### IV. Status following the Merger

There will be no change in the basic items regarding the Company, such as name, head office location, representative, main business, paid-in capital, and fiscal year end as a result of the merger.

#### V. Outlook

Since the absorption merger is with Ocenyc Inc., a wholly owned subsidiary, the impact on the Company's consolidated and non-consolidated performances will be minor.

Reference: The Company's Second Quarter Cumulative Consolidated Performance Forecast for the Current Fiscal Year (Announced July 31, 2014) and Actual Second Quarter Cumulative Consolidated Performance in the Previous Fiscal Year

(Millions of yen)

	Revenue	Operating income
2Q cumulative performance forecast (Year ending March 31, 2015)	201,000	93,400
Actual 2Q cumulative performance (Year ended March 31, 2014)	188,040	97,880

\* International Financial Reporting Standards (IFRS) were adopted for the second quarter cumulative consolidated performance forecast of the current fiscal year. However, the actual second quarter cumulative consolidated performance figures for the prior fiscal year were prepared using generally accepted Japanese accounting principles.

The Company's Actual Consolidated Performance for the Full Year in FY 2013

(April 1, 2013 – March 31, 2014)

(Millions of yen)

	Revenue	Operating income	Ordinary income	Net income
Actual performance (Year ended March 31, 2014)	386,284	197,416	197,634	125,116

\* The actual performance figures for the full year in FY 2013 were prepared using generally accepted Japanese accounting principles.