

August 27, 2015

To whom it may concern

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

Notification Regarding ASKUL Corporation Becoming a Consolidated Subsidiary

ASKUL Corporation (Head office: Koto-ku, Tokyo; President and CEO: Shoichiro Iwata; Stock Code: 2678, hereinafter ASKUL) has become a consolidated subsidiary of Yahoo Japan Corporation (hereinafter the Company). Details are as follows.

I. Reasons for Converting ASKUL to a Consolidated Subsidiary

ASKUL, the Company's affiliated company under the equity-method, has been acquiring its own treasury stock since May 21, 2015. The Company adopts International Financial Reporting Standards (IFRS) (hereinafter IFRS); and if ASKUL's acquisition of its own treasury stock is conducted as planned, the possibility of ASKUL being included in the scope of consolidation by the Company under IFRS has been disclosed in ASKUL's news release, "Renewal of Business and Capital Alliance Agreement with Yahoo Japan Corporation", dated May 19, 2015. As a result of the progress in ASKUL's acquisition of its treasury stock, the ownership ratio of ASKUL's voting rights held by the Company rose from 41.7% (as of May 20, 2015) to 44.4% (as of August 27, 2015). Therefore, the Company has made a judgement on whether ASKUL falls under the consolidated subsidiary under IFRS, based on IFRS 10 "Consolidated Financial Statements". The Company does not yet hold the majority of the voting rights of ASKUL, however, considering ASKUL's composition of shareholders and details of the voting rights exercised in ASKUL's past shareholders meetings, the Company has judged that ASKUL can be recognized as a consolidated subsidiary under IFRS.

The Company and ASKUL have mutually respected the other's independence on business operation as a listed company, and under the spirit of equal partnership, will proceed toward the goal of "providing the best e-commerce service to customers" in LOHACO, a B-to-C business operated by ASKUL.

II. Outline of Subsidiary Becoming Consolidated Subsidiary (ASKUL)

(1) Name	ASKUL Corporation
(2) Head office	3-2-3 Toyosu, Koto-ku, Tokyo
(3) Representative	Shoichiro Iwata, President and Chief Executive Officer
(4) Main business	Mail order business of products and services shown below: stationery, office materials, office furniture, fixtures, office

	interior supplies, computers and peripheral equipment, software, books, food, daily commodities, beverages, clothing, home electronics, hygiene products, medical supplies, medical equipment, nursing care supplies, business card, envelope and receipt printing services and office layout services	
(5) Capital stock	¥21,121 million (As of May 20, 2015)	
(6) Establishment	November 2, 1963	
(7) Major shareholders and shareholding ratio (As of May 20, 2015)	Yahoo Japan Corporation : 41.7% PLUS Corporation : 10.8%	
(8) ASKUL's relationship with Yahoo Japan Corporation	Capital ties	As of May 20, 2015, the Company holds 41.7% of voting rights of ASKUL and accounts ASKUL as an affiliate under the equity-method.
	Personnel ties	As of May 20, 2015, 2 of the Company's employees concurrently serve as ASKUL's directors. Also, as of May 20, 2015, 16 of the Company's employees are on temporary assignments to ASKUL.
	Business ties	The Company receives advertising placements from ASKUL, while the Company engages in the proxy collection of credit card payments for ASKUL.

(9) ASKUL's Consolidated Performance and Financial Position in the Past Three Years

(Millions of yen)

	Fiscal year ended May 31, 2015	Fiscal year ended May 31, 2014	Fiscal year ended May 31, 2013
Consolidated net assets	60,945	58,073	56,935
Consolidated total assets	132,667	119,976	110,151
Consolidated net assets per share (yen)	1,101.12	1,049.66	1,038.04
Consolidated net sales	276,759	253,408	226,610
Consolidated operating income	6,849	4,276	6,880
Consolidated ordinary income	6,959	4,449	7,241
Consolidated net income	4,032	2,165	5,812
Consolidated net income per share (yen)	73.29	39.75	107.50
Dividends per share (yen)	30.00	30.00	30.00

III. Ownership Status

Before the conversion (As of May 20, 2015)

Number of shares held: 23,028,600 shares

(Number of voting rights: 230,286 Ownership ratio of voting rights: 41.7%)

After the conversion (As of August 27, 2015)

Number of shares held: 23,028,600 shares

(Number of voting rights: 230,286 Ownership ratio of voting rights: 44.4%)

IV. Outlook

As a result of the conversion of ASKUL to a consolidated subsidiary, 59.6 billion yen is expected to be recognized as “Gain from remeasurement relating to business combination” in this fiscal year ending in March 31, 2016.

Considering the progress of the businesses, the Company plans to increasingly and proactively pursue sales promotional activities on e-commerce related business, credit card business and applications for smartphones in this fiscal year. Therefore, the related expenses will increase significantly. However, the Company expects the consolidated revenue and consolidated operating income for this fiscal year to exceed those of the previous fiscal year which ended in March 31, 2015, as a result of the increase in the profit from existing businesses and from the aforementioned “Gain from remeasurement relating to business combination”.

Reference: The Company's Actual Consolidated Performance for the Full Year in FY2014

(April 1, 2014 – March 31, 2015)

(Millions of yen)

	Revenue	Operating income	Income before income taxes	Net income attributable to owners of the parent
Actual performance (Year ended March 31, 2015)	428,487	197,212	208,298	133,051