

September 9, 2014

To whom it may concern

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

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

Yahoo Japan Corporation (hereinafter the Company) has concluded an agreement to undergo an adsorption merger with its wholly owned subsidiary Crocos Inc., with an effective date of November 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

In August 2012, the Company made Crocos Inc. a wholly owned subsidiary to expand and improve its social media-based marketing services.

Since then, the companies have worked closely together on service development and marketing activities. However, to realize further synergies between Crocos Inc.'s social media-based marketing services and various other Yahoo Japan Corporation services, the Company has decided to absorb Crocos Inc. through a merger.

II. Outline of the Merger

1. Merger Schedule

Approval of merger:	September 9, 2014
Signing of merger agreement:	September 9, 2014
Effective date of merger:	November 1, 2014 (Planned)

Note: For Yahoo Japan Corporation, the merger will be a simple merger in accordance with the provisions of Article 796, Paragraph 3 of the Corporation Law of Japan. For Crocos 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, Crocos 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 Crocos 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

Crocos 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	Crocos Inc.
(2) Head office	9-7-1 Akasaka, Minato-ku, Tokyo	9-7-1 Akasaka, Minato-ku, Tokyo
(3) Representative	Manabu Miyasaka, President and CEO	Jun Okamoto, President and CEO
(4) Main business	Internet Advertising business e-Commerce business Membership services business Other businesses	Social media-based online marketing services business
(5) Paid-in capital	¥8,271 million	¥0.75 million
(6) Establishment	January 31, 1996	February 7, 2011
(7) Share issuance	5,694,900,600 shares	1,500 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	Crocos Inc. (Non-consolidated) Fiscal year ended March 31, 2014
Net assets	¥626,560 million	¥25 million
Total assets	¥842,749 million	¥183 million
Net assets per share (yen)	¥108.53	¥17,224.98
Revenue	¥386,284 million	¥183 million

Operating income	¥197,416 million	¥52 million
Ordinary income	¥197,634 million	¥56 million
Net income	¥125,116 million	¥40 million
Net income per share (yen)	¥21.82	¥26,970.71

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 adsorption merger is with Crocos 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.