April 25, 2019
SoftBank Group Corp.

Announcement by Yahoo Japan Corporation (Securities Code: 4689): Establishment of Split Preparation Companies, Execution of an Agreement Regarding Absorption-type Company Split, and Amendment to the Articles of Incorporation (Change in Trade Name) pursuant to Transition to a Holding Company Structure through a Company Split

SoftBank Group Corp. announces today that Yahoo Japan Corporation ("Yahoo Japan"), a subsidiary of SoftBank Group Corp., resolved to, at its Board of Directors Meeting held today, in order to transition to a holding company structure through a company split (absorption-type company split) on or around October 1, 2019, establish two split preparation companies as wholly-owned subsidiaries of Yahoo Japan and to execute an agreement regarding absorption-type company split with each of the successor companies with respect to the implementation of each absorption-type company split. Execution of said agreement is subject to a resolution approving of the same being passed at the ordinary general meeting of shareholders of Yahoo Japan scheduled to be held on June 18, 2019, and to being granted any approvals, permits, licenses and the like as may be required by the supervisory authorities.

In addition, Yahoo Japan also resolved to make changes to the Articles of Incorporation which will change its trade name to Z Holdings Corporation effective October 1, 2019 (tentative) subject to the effectuation of the absorption-type company split.

Please see the attached notice for further details.

April 25, 2019

Yahoo Japan Corporation
Kentaro Kawabe, President & CEO
Stock code: 4689

Establishment of Split Preparation Companies, Execution of an Agreement Regarding Absorption-type Company Split, and Amendment to the Articles of Incorporation (Change in Trade Name) pursuant to Transition to a Holding Company Structure through a Company Split

At its Board of Directors Meeting held today, Yahoo Japan Corporation (hereafter, the "Company" or "we"/"us"/"our") resolved to, in order to transition to a holding company structure through a company split (absorption-type company split) on or around October 1, 2019, establish two split preparation companies as wholly-owned subsidiaries of the Company and to execute an agreement regarding absorption-type company split with each of the Successor Companies with respect to the implementation of each absorption-type company split subject to a resolution approving of the same being passed at the Company's ordinary general meeting of shareholders scheduled to be held on June 18, 2019, and to being granted any approvals, permits, licenses and the like as may be required by the supervisory authorities. By transitioning to a holding company structure, the Company will seek to realize a more expeditious promotion of its business strategies, and further accelerate the business growth of the group as a whole.

In addition, the Company also resolved to make changes to the Articles of Incorporation which will change the Company's trade name to Z Holdings Corporation effective October 1, 2019 (tentative) subject to the effectuation of the Absorption-type Company Split (hereafter, "Amendment to the Articles of Incorporation").

Since the Absorption-type Company Split consists of absorption by wholly-owned subsidiaries, certain disclosure items and details are omitted.

I Transition to a Holding Company Structure by Company Split

1. Background and Purpose of Transition to a Holding Company Structure

Since 1996 when the Company started providing its services, we have worked to broaden the range of our operations and expand our businesses, capturing customer needs and market environments as they continuously change in response to progresses in communications environments, devices and technologies. As a result of our efforts to develop services to help make life more convenient for our users, the Company now has the largest numbers of users in Japan in such areas as "Yahoo! News," "Yahoo! Shopping," "YAHUOKU!" and "Yahoo! Wallet."

Under the new management structure started in FY 2018, the Company has been working towards becoming "a data company" by reviewing growth strategies in the services businesses and investment policies, and working to strive to grow even larger by utilizing one of Japan's largest aggregation of services and the data derived from these services.

In addition to our efforts to make the "on-line lifestyle" of our users more convenient through the various services offered on "Yahoo! Japan," going forward we will increase the convenience of our

users' "off-line lifestyle." As the first step, the Company established PayPay Corporation as a joint venture with Softbank Corp., and started providing smartphone payment services from October 2018. By utilizing data collected from our "on-line" and "off-line" businesses, we will increase profits in the following four businesses presented at the Company's FY2018-3Q Business Results Explanatory Meeting: "Integrated Marketing Solutions," "E-Commerce," "Fintech," and "Data Solutions."*

The Company determined that transitioning to a holding company structure that permits flexible and expeditious decision-making, optimum distribution of business resources, and speedier implementation of business strategies is the best course that we can take to further expand our businesses and maximize corporate value in the rapidly evolving internet industry. The Company also decided that, because the finance business requires enhanced governance and operational/financial policies different from those for internet services, it is appropriate to establish an intermediate holding company to control its finance businesses.

In order to realize such a transition to a holding company structure, we resolved to establish two split preparation companies as wholly-owned subsidiaries of the Company (each of these companies are hereafter referred to individually or collectively as the "Split Preparation Company(ies)" or "Successor Company(ies)"), and to execute an agreement regarding absorption-type company split with each of the Successor Companies with respect to the implementation of each absorption-type company split (hereafter, the absorption-type company split for the Yahoo Business and the Finance-related Group Companies Business Management Business are referred to as the "Absorption-type Company Split (Yahoo Business)," and the "Absorption-type Company Split (Finance-related Group Companies Business Management Business)," respectively, and these absorption-type company splits are hereafter collectively referred to the "Absorption-type Company Split") in order to cause each of the Successor Companies to succeed respectively to the Company's "Yahoo! JAPAN business" (our businesses other than business of managing group companies; hereafter, the "Yahoo Business") and the "business of management of finance-related group companies' operations" (hereafter, "Finance-related Group Companies Business Management Business") (hereafter, the agreement regarding absorption-type company split for each absorption-type company split is collectively referred to as an "Agreement Regarding Absorption-type Company Split").

* Reference: Yahoo Japan Corporation FY2018-3Q Business Results (Presentation Materials) page. 24-36

https://s.yimg.jp/i/docs/ir/archives/present/2018q3/en2018q3_presentation.pdf

The Absorption-type Company Split and the Amendment to the Articles of Incorporation are subject to a resolution approving of the same being passed at the Company's ordinary general meeting of shareholders scheduled to be held on June 18, 2019, and to being granted any approvals, permits, licenses and the like as may be required by the supervisory authorities.

2. Overview of the Absorption-type Company Split

(1) Schedule of the Absorption-type Company Split

Board of Directors Meeting to Approve of the Agreement Regarding Absorption-type Company Split	April 25, 2019
Establishment of the Split Preparation Companies	Early May 2019 (tentative)
Execution of the Agreement Regarding Absorption-type Company Split	Late May 2019 (tentative)
General Meeting of Shareholders to Approve of the Agreement Regarding Absorption-type Company Split	June 18, 2019 (tentative)
Effective Date of the Absorption-type Company Split	October 1, 2019 (tentative)

* For the Company, the Absorption-type Company Split (Finance-related Group Companies Business Management Business) is a simple merger under the provisions of Article 784, Paragraph 2 of the Companies Act and, as such, approval of the Agreement Regarding Absorption-type Company Split (Finance-related Group Companies Business Management Business) will not be discussed and resolved at the general meeting of shareholders. Approval of the Agreement Regarding Absorption-type Company Split (Yahoo Business) is scheduled to be discussed and resolved at the aforesaid general meeting of shareholders.

(2) Method of the Absorption-type Company Split

The method is an absorption-type company split in which the Company becomes the splitting company, and each of the Split Preparation Companies (i.e., the Company's wholly-owned subsidiaries Kioicho Bunkatstujunbi Kabushiki Kaisha for the Absorption-type Company Split (Yahoo Business) and Kioicho Kin'yu Bunkatstujunbi Kabushiki Kaisha for the Absorption-type Company Split (Finance-related Group Companies Business Management Business)) become Successor Companies.

(3) Details of allocation related to the Absorption-type Company Split

Because the Company owns all issued shares of the Successor Companies, at the time of the Absorption-type Company Split, there will be no delivery of monies, etc. by the Successor Companies to the Company as consideration for the rights and obligations to be assumed by the Successor Companies

(4) Treatment of new share subscription rights or bonds with new share subscription rights of the splitting company

There are no changes in the treatment of the Company's new share subscription rights resulting from the Absorption-type Company Split.

The Company has not issued any bonds with new share subscription rights.

(5) The amount of stated capital, etc. to be reduced as a result of the Absorption-type Company Split

There will be no change to the Company's stated capital as a result of the Absorption-type Company Split.

(6) Rights and obligations to be assumed by the Successor Companies

As a result of the Absorption-type Company Split, the Successor Companies will assume on the effective date the assets, liabilities, and other rights and obligations (excluding those otherwise provided for in the Agreement Regarding Absorption-type Company Split) that pertain to the Yahoo Business and the Finance-related Group Companies Business Management Business to be operated by the respective companies. The liabilities to be succeeded by the Successor Companies will be jointly and severally assumed by the Company as well.

(7) Prospects of performance of obligations

Because assets will likely exceed liabilities after the Absorption-type Company Split for both the Company and the Successor Companies, and, as of today, no event which may adversely affect performance of the obligations following the Absorption-type Company Split is expected to occur, the Company has determined that there are no issues concerning the performance of obligations by the Company and the Successor Companies following the Absorption-type Company Split.

3. Outline of the Parties to the Absorption-type Company Split

		Splitting Company (as of March 31, 2019)	Successor Company (Yahoo Business)
(1)	Trade name	Yahoo Japan Corporation (the trade name is scheduled to be changed to "Z Holdings Corporation" as of October 1, 2019)	Kioicho Bunkatstujunbi Kabushiki Kaisha (the trade name is scheduled to be changed to "Yahoo Japan Corporation" as of October 1, 2019)
(2)	Location of head office	1-3 Kioicho, Chiyoda-ku, Tokyo	1-3 Kioicho, Chiyoda-ku, Tokyo
(3)	Name and title of representative	Kentaro Kawabe, President and Representative Director	Kentaro Kawabe, President and Representative Director
(4)	Main business	Internet Advertising business e-Commerce business Members Services business, etc.	Internet Advertising business e-Commerce business Members Services business, etc.
(5)	Paid-in capital	JPY 8,931 million	JPY 300 million
(6)	Establishment	January 31, 1996	Early May 2019 (tentative)
(7)	No. of shares issued	5,151,629,615 shares	40,000 shares
(8)	Fiscal year end	March 31	March 31
(9)	Major shareholders and shareholding ratio	SoftBank Group Japan Corporation 35.6% SoftBank Corp. 12.0%	Yahoo Japan Corporation 100%

(10) Performance and financial position in the immediately preceding fiscal year		
	Yahoo Japan Corporation (consolidated) (fiscal year ended March 2019)	Kioicho Bunkatstujunbi Kabushiki Kaisha
Total equity	JPY 910,523 million	–
Total assets	JPY 2,429,601 million	–
Equity attributable to owners of the parent per share	JPY 160.96	–
Revenue	JPY 954,714 million	–
Operating income	JPY 140,528 million	–
Income before income taxes	JPY 123,370 million	–
Net income attributable to owners of the parent	JPY 78,677 million	–
Basic earnings per share	JPY 14.74	–

		Successor Company (Finance-related Group Companies Business Management Business)
(1)	Trade name	Kioicho Kin'yu Bunkatstujunbi Kabushiki Kaisha (whether or not the trade name will be changed, the new trade name, and the timing of the change are to be determined)
(2)	Location of head office	1-3 Kioicho, Chiyoda-ku, Tokyo
(3)	Name and title of representative	Tomoaki Tanida, President and Representative Director
(4)	Main business	Finance-related group companies business management business
(5)	Paid-in capital	JPY 100 million
(6)	Establishment	Early May 2019 (tentative)
(7)	No. of shares issued	40,000 shares
(8)	Fiscal year end	March 31
(9)	Major shareholders and shareholding ratio	Yahoo Japan Corporation 100%

* Information regarding Successor Companies, which are expected to be established early May 2019, is provided based on the current schedule. As there is no fiscal year fixed for the Successor Companies, no data regarding performance and financial position in the immediately preceding fiscal year is provided.

4. Outline of the Business Divisions to be Split

(1) Main business of the divisions to be split

Successor Company	Main business of the divisions to be split
Kioicho Bunkatstujunbi Kabushiki Kaisha	Yahoo Business
Kioicho Kin'yu Bunkatstujunbi Kabushiki Kaisha	Finance-related Group Companies Business Management Business

(2) Financial position of the divisions to be split

(i) Yahoo Business

	Fiscal year ended March 2019 Actual performance of the business to be split	Fiscal year ended March 2019 Actual non-consolidated performance of the Company
Revenue	JPY 434,025 million	JPY 434,025 million

(ii) Finance-related Group Companies Business Management Business

	Fiscal year ended March 2019 Actual performance of the business to be split	Fiscal year ended March 2019 Actual non-consolidated performance of the Company
Revenue	–	JPY 434,025 million

(3) Items and book values of the assets and liabilities to be split

(i) Yahoo Business

Assets		Liabilities	
Item	Amount	Item	Amount
Current Assets	JPY 342,644 million	Current Liabilities	JPY 195,967 million
Fixed Assets	JPY 359,136 million	Fixed Liabilities	JPY 5,006 million
Total	JPY 701,780 million	Total	JPY 200,973 million

(Note) As the above amounts were calculated based on the balance sheet as of March 31, 2019, the amounts to be actually succeeded will be calculated by adjusting the above amounts to reflect the changes that occur prior the effective date.

(ii) Finance-related Group Companies Business Management Business

Assets		Liabilities	
Item	Amount	Item	Amount
Current Assets	–	Current Liabilities	–
Fixed Assets	JPY 32,309 million	Fixed Liabilities	–
Total	JPY 32,309 million	Total	–

(Note) As the above amounts were calculated based on the balance sheet as of March 31, 2019, the amounts to be actually succeeded will be calculated by adjusting the above amounts with the changes that occur prior to the effective date.

5. Situation after the Absorption-type Company Split (on or after October 1, 2019)

	Splitting Company	Successor Company (Yahoo Business)
(1) Company Name	Z Holdings Corporation	Yahoo Japan Corporation
(2) Location	1-3 Kioicho, Chiyoda-ku, Tokyo	1-3 Kioicho, Chiyoda-ku, Tokyo
(3) Name and title of representative	Kentaro Kawabe, President and Representative Director	Kentaro Kawabe, President and Representative Director
(4) Main business	Business management of group companies' operations, etc.	Internet Advertising business e-Commerce business Members Services business, etc.
(5) Paid-in capital	JPY 8,931 million	JPY 300 million
(6) Fiscal year end	March 31	March 31

	Successor Company (Finance-related Group Companies Business Management Business)
(1) Company Name	Kioicho Kin'yu Bunkatstujunbi Kabushiki Kaisha
(2) Location	1-3 Kioicho, Chiyoda-ku, Tokyo
(3) Name and title of representative	Tomoaki Tanida, President and Representative Director
(4) Main business	Business management of finance-related group companies' operations, etc.
(5) Paid-in capital	JPY 100 million
(6) Fiscal year end	March 31

6. Future Prospects

The Absorption-type Company Split is not expected to have a material impact on the performance of the Company.

As a result of the Absorption-type Company Split, most of the Company's revenues will be, among others, dividend income from the Company's group companies and most of the Company's expenses will be those relating to its functions as a holding company.

Reference: The Company's Actual Performance for the Full Year in FY2018

(JPY million)

	Revenue	Operating Income	Income before income taxes	Net income attributable to owners of the parent
Actual performance (Year ended March 31, 2019)	954,714	140,528	123,370	78,677

II Amendment to the Articles of Incorporation and Change in Trade Name

1. Purpose of the Amendment to the Articles of Incorporation and Change in Trade Name

Along with transitioning to a holding company structure, the trade name of the Company will be changed to "Z Holdings Corporation" The Amendment to the Articles of Incorporation will become effective as of the effective date of the Absorption-type Company Split (Yahoo Business) (scheduled for October 1, 2019) subject to the effectuation of the Absorption-type Company Split (Yahoo Business) and a resolution approving of the same being passed at the Company's ordinary general meeting of shareholders scheduled to be held on June 18, 2019.2. Details of the Amendment to the Articles of IncorporationThe Articles of Incorporation will be amended as follows.

(The underlined parts are changes from the current version)

Current Articles of Incorporation	Proposed Amendment
Chapter 1. General Provisions Article 1. (Trade name) The name of the Company shall be "*Yahoo Kabushiki Kaisha*," and the name in English shall be "Yahoo Japan Corporation." Articles 2 through 34 (omitted)	Chapter 1. General Provisions Article 1. (Trade name) The name of the Company shall be "*Z ホールディングス株式会社*," and the name in English shall be "Z Holdings Corporation." Articles 2 through 34 (same as the current provisions)

3. Schedule for Amendment to the Articles of Incorporation

Ordinary general meeting of the shareholders for amendment to the Articles of Incorporation:	June 18, 2019 (tentative)
Effective date of amendment to the Articles of Incorporation:	October 1, 2019 (tentative)

Disclaimer
This is an English translation of the captioned release. This translation is prepared and provided for the purpose of the reader's convenience. All readers are recommended to refer to the original version in Japanese of the release for complete information.