

August 30, 2016

To whom it may concern

Yahoo Japan Corporation  
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Stock code: 4689

**Yahoo Japan Corporation Announces Results of Tender Offer for Common Shares of eBOOK Initiative Japan Co., Ltd. (Stock Code: 3658), Determination of Number of Paid-in Shares for Allocation of New Shares to Third Parties, and Transfer to Consolidated Subsidiary**

On June 9, 2016, Yahoo Japan Corporation (the “Tender Offeror” or the “Company”) determined to acquire the common shares of eBOOK Initiative Japan Co., Ltd. (the “Target”) (listed on the First Section of the Tokyo Stock Exchange, Inc., Stock code: 3658) (the “Target Shares”) through a tender offer (the “Tender Offer”) under the Financial Instruments Exchange Act (Act No. 25 of 1948; as amended (the “Act”)) and has been conducting the Tender Offer since June 10, 2016. As the Tender Offer has ended on August 29, 2016, the Company hereby announces its results as follows:

Additionally, the board of directors meeting of the Target held on June 9, 2016 passed a resolution regarding the issuance of shares by means of third-party allocation, with the Company as the allottee and the payment period from July 29, 2016 through September 12, 2016 (if the shareholding ratio on a fully diluted basis before the Allocation of New Shares to Third Parties (Note 1) is below 41.00%, the number of issued common shares necessary to reach the shareholding ratio on a fully diluted basis after the Allocation of New Shares to Third Parties (Note 2) of 41.00% is, at maximum 2,373,400 common shares, with an issue price of JPY 850 per share for a total issue price of approximately JPY 2,017 million, hereinafter the “Allocation of New Shares to Third Parties”). Regarding the Allocation of New Shares to Third Parties, the Company intends to pay for the required number of Target Shares (provided, however, that shares less than 100 shares are rounded up) to obtain a shareholding ratio on a fully diluted basis after the Allocation of New Shares to Third Parties of 41.00% including the shares that the Company will acquire from the Tender Offer and the Target Shares that the Company owns as of June 9, 2016 (100 shares). In response to the results of the Tender Offer, the Company intends to pay for 127,800 shares (total issue price of approximately JPY 109 million) out of the shares (2,373,400 common shares) that the Target has resolved to issue as shares for the Allocation of New Shares to Third Parties, on the same day as the commencement date of settlement of the Tender Offer (September 5, 2016).

In the event that the settlement of the Tender Offer is completed, and the Company completes the payment of the Allocation of New Shares to Third Parties, the Target will become a consolidated subsidiary of the Company on September 5, 2016 (the commencement date of settlement of the Tender Offer and the scheduled date of the payment of the Allocation of New Shares to Third Parties).

(Note 1) The ratio which uses the number of the Target Shares (5,832,100 shares) as the denominator, which is the number of the issued Target Shares (5,354,800 shares) as of April 30, 2016 stated in “Summary of Financial Statements for the First Quarter of the fiscal year ending in January 2017 [Japanese standards] (consolidated) announced by the Target on June 7, 2016 (the “Summary of Financial Statements for the First Quarter”), plus the number of the Target Shares (477,300 shares) subject to a total of 3,530 units of the Share Acquisition Rights issued by the Target as of January 31, 2016 stated in the 16<sup>th</sup> Annual Securities Report submitted by the Target on April 22, 2016 (“Annual Securities Report”). The aggregate number of 3,530 units of share acquisition rights are: the total of 6th Series share acquisition rights 570 units (114,000 shares subject to acquisition right); 7th Series share acquisition rights 620 units (124,000 shares subject to acquisition right); 10th Series share acquisition rights 43 units (8,600 shares subject to acquisition right); 11th Series share acquisition rights 10 units (2,000 shares subject to acquisition right); 12th Series share acquisition rights 70 units (7,000 shares subject to acquisition right); 13th Series share acquisition rights 77 units (7,700 shares subject to acquisition right); 14th Series share acquisition rights 1,160 units (116,000 shares subject to acquisition right); and 15th Series share acquisition rights 980 units (98,000 shares subject to acquisition right) issued by the Target (collectively “Share Acquisition Rights”) as of January 31, 2016 (according to the Target, the total number of the shares subject to the Share Acquisition Rights as of June 9, 2016 is 477,300 shares).

(Note 2) The ratio which uses the number of Target Shares to be held by the Company after the Tender Offer and the Allocation of New Shares to Third Parties as the numerator; and the aggregate number of: the total number of issued Target Shares (5,354,800 shares) as of April 30, 2016 stated in the Summary of Financial Statements for the First Quarter, the number of the Target Shares (477,300 shares) subject to the 3,530 units of the Share Acquisition Rights issued by the Target as of January 31, 2016 stated in the Annual Securities Report (according to the Target, the total number of the shares subject to the Share Acquisition Rights as of June 9, 2016 is 477,300 shares), plus the number of the Target Shares the Company will acquire after the Allocation of New Shares to Third Parties as the denominator.

I. Results of the Tender Offer

1. Overview of the Tender Offer

(1) Name and Address of the Tender Offeror

Name: Yahoo Japan Corporation

Address: 9-7-1 Akasaka, Minato-ku, Tokyo

(2) Name of the Target

eBOOK Initiative Japan Co., Ltd.

(3) Type of Share Certificates and Other Securities Subject to the Tender Offer

Common Shares

(4) Number of Share Certificates and Other Securities to Be Acquired

Number of Shares to Be Acquired	Minimum Number of Shares to Be Acquired	Maximum Number of Shares to Be Acquired
2,427,700 shares	990,800 shares	2,427,700 shares

(Note 1) If the aggregate number of the share certificates and other securities tendered through the Tender Offer (the “Tendered Share Certificates”) does not fulfill the minimum number of shares to be acquired (990,800 shares), the Company will not acquire etc. any of the Tendered Share Certificates. If the aggregate number of the Tendered Share Certificates exceeds the maximum number of shares to be acquired (2,427,700 shares), all or part of the excess Tendered Share Certificates will not be acquired, and the transfer and other settlements relating to the acquisition of the shares will be conducted under the pro rata method in Article 27-13, Paragraph 5 of the Act and Article 32 of the Cabinet Office Ordinance on the Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer (Ordinance of the Ministry of Finance No. 38 of 1990; including any amendments thereafter; the “Cabinet Office Ordinance”).

(Note 2) The Company also targets the shares less than one unit. If the right to request acquisition of shares less than one unit is exercised by a shareholder pursuant to the Companies Act (Act No. 86 of 2005 and successive amendment), the Target may acquire its own shares

from such shareholder during the Tender Offer period (the “Tender Offer Period”) in accordance with the statutory procedures.

(Note 3) At the Target’s board of directors meeting on August 12, 2016, a resolution was made to dispose of all of the 400,200 treasury shares it holds by means of allocating such shares to the Company and to apply for the Tender Offer.

(Note 4) Any of the Share Acquisition Rights may be exercised on or prior to the last day of the Tender Offer Period. The Target Shares that are to be issued upon such exercise are also subject to the Tender Offer.

(Note 5) The minimum number of shares to be acquired is: 20% (990,900 shares) of the difference (4,954,600 shares) between the aggregate number of issued shares (5,354,800 shares) as of April 30, 2016 stated in the Summary of Financial Statements for the First Quarter submitted by the Target on June 7, 2016 and the number of treasury shares as of April 30, 2016 (400,200 shares) stated in the Summary of Financial Statements for the First Quarter, minus the Target Shares owned by the Company as of the filing date of a tender offer registration statement concerning the Tender Offer (100 shares) (rounding down any amount less than 100 shares).

(Note 6) The maximum number of shares to be acquired is: 49% (2,427,800 shares) of the difference (4,954,600 shares) between the aggregate number of issued shares (5,354,800 shares) as of April 30, 2016 stated in the Summary of Financial Statements for the First Quarter submitted by the Target on June 7, 2016 and the number of treasury shares as of April 30, 2016 (400,200 shares) stated in the Summary of Financial Statements for the First Quarter, minus the Target Shares owned by the Company as of the filing date of a tender offer registration statement concerning the Tender Offer (100 shares) (rounding down any amount less than 100 shares).

(5) Period of the Tender Offer

(i) Period of the Tender Offer

From June 10, 2016 (Friday) through August 29, 2016 (Monday) (fifty five (55) business days)

(ii) Possibility of Extension at the Request of the Target

Not applicable

- (6) Price of the Tender Offer  
JPY 1,150 per common share

2. Results of the Tender Offer

(1) Success or Failure of the Tender Offer

As the aggregated number of the Tendered Share Certificates (2,315,700 shares) exceeded the minimum number of shares to be acquired (990,800 shares) and did not exceed the maximum number of shares to be acquired (2,427,700 shares) in the Tender Offer, the Company will acquire all of the Tendered Share Certificates as set forth in the public notice for commencing the Tender Offer and the tender offer registration statements(including subsequent amendments made by the amended tender offer registration statements).

(2) Date and Name of Newspaper for Announcing the Results of the Tender Offer

Under the provisions of Article 27-13, Paragraph 1 of the Act, the results of the Tender Offer was announced to the press at the Tokyo Stock Exchange on August 30, 2016, by means determined under the provisions of Article 9-4 of the Financial Instruments and Exchange Act Enforcement Ordinance (Cabinet Order No. 321 of 1965, including subsequent amendments) and Article 30-2 of the Cabinet Office Ordinance.

(3) Number of Share Certificates and Other Securities Tendered

Type of Share Certificates and Other Securities	Number of Shares Tendered	Number of Shares Acquired
Share Certificates	2,315,700 shares	2,315,700 shares
Share Option Certificates	- shares	- shares
Bonds with Stock Acquisition Right	- shares	- shares
Trust Beneficiary Certificates	- shares	- shares
Depository Receipts	- shares	- shares
Total	2,315,700 shares	2,315,700 shares
(Total Number of Dilutive Share Certificates and Other Securities)	-	(-)

(4) Ownership Percentage of Share Certificates and Other Securities after the Tender Offer

Number of voting rights represented by share certificates and other securities held	1 units	(Ownership percentage of share certificates and other securities prior to the Tender Offer: 0.00%)
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by the Company prior to the Tender Offer		
Number of voting rights represented by share certificates and other securities held by special related parties prior to the Tender Offer	- units	(Ownership percentage of share certificates and other securities prior to the Tender Offer: - %)
Number of voting rights represented by share certificates and other securities held by the Company after the Tender Offer	23,158 units	(Ownership percentage of share certificates and other securities after the Tender Offer: 43.25%)
Number of voting rights represented by share certificates and other securities held by special related parties after the Tender Offer	- units	(Ownership percentage of share certificates and other securities after the Tender Offer: - %)
Total number of voting rights of all shareholders of the Target	49,520 units	

(Note 1) “Number of voting rights represented by share certificates and other securities held by special related parties prior to the Tender Offer” and “Number of voting rights represented by share certificates and other securities held by special related parties after the Tender Offer” are the total numbers of voting rights represented by the shares certificates and other securities owned by special related parties (excluding the persons who are precluded from special related parties in the calculation of the proportion of ownership of share certificates and other securities pursuant to each item of Article 27-2, Paragraph 1 of the Act in accordance with Article 3, Paragraph 2, Item 1 of the Cabinet Office Ordinance.)

(Note 2) “Total number of voting rights of all shareholders of the Target” is the number of voting rights of all shareholders of the Target as of January 31, 2016 stated in the 17<sup>th</sup> quarterly report for the first quarter submitted by the Target on June 9, 2016 (whereby 100 shares constitute one unit). However, since the shares less than one unit and the treasury shares the Target holds are also subject to the Tender Offer, the calculation of “Ownership percentage of share certificates and other securities prior to the Tender Offer” and “Ownership percentage of share certificates and other securities after the Tender Offer” use the number of voting rights (53,548) as the denominator, which is represented by the total number of issued shares (5,354,800 shares) of the Target as of April 30, 2016 stated in the Summary of Financial Statements for the First Quarter.

(Note 3) The board of directors meeting of the Target held on June 9, 2016 passed a resolution regarding the Allocation of New Shares to Third Parties. Regarding the Allocation of New Shares to Third Parties, the Company intends to pay for the required number of Target Shares (provided, however, that shares less than 100 shares are rounded up) to obtain a shareholding ratio on a fully diluted basis after the Allocation of New Shares to Third Parties of 41.00% including the shares that the Company will acquire from the Tender Offer and the Target Shares that the Company owns as of June 9, 2016 (100 shares). In response to the results of the Tender Offer, the Company intends to pay for 127,800 shares out of the shares (2,373,400 common shares) that the Target has resolved to issue as shares for the Allocation of New Shares to Third Parties on the same day as the commencement date of settlement of the Tender Offer (September 5, 2016). If the Company makes the said payment, the “Ownership percentage of share certificates and other securities after the Tender Offer” of the Company will be 44.57% (rounded to two decimal points), which is calculated as follows: The denominator is 54,826 units, which is the result of adding the number of voting rights (1,278 units) represented by the number of shares for subscription to be paid in by the Company (127,800 shares) to the Target’s number of voting rights (53,548 units), which was used as the denominator to calculate the “Ownership percentage of share certificates and other securities prior to the Tender Offer” and “Ownership percentage of share certificates and other securities after the Tender Offer” as listed in (Note 2). This numerator is 24,436 units, which is the result of adding the number of voting rights (1,278 units) represented by the number of shares for subscription to be paid in by the Company (127,800 shares) to the “Number of voting rights represented by share certificates and other securities held by the Company after the Tender Offer” (23,158 units).

(Note 4) “Ownership percentage of share certificates and other securities prior to the Tender Offer” and “Ownership percentage of share certificates and other securities after the Tender Offer” are rounded to two decimal points.

(5) Calculation of the Tender Offer Using Proportional Distribution Method

Not applicable

(6) Method of Settlement

- (i) Name and Address of the Head Offices of Financial Instruments Business Operators and Banks in Charge of Settlement

Daiwa Securities Co. Ltd.

9-1, Marunouchi 1chome, Chiyoda-ku, Tokyo

(ii) Commencement Date of Settlement

September 5, 2016 (Monday)

(iii) Method of Settlement

Promptly after the end of the Tender Offer period, a notification regarding the Tender Offer will be sent by mail to addresses or locations of tendered shareholders (in the case of foreign shareholders, the addresses of their standing proxies).

The Tender Offer will be settled by cash. By orders of the tendered shareholders, the tender offer agent will remit the proceeds from sale of share certificates and other securities to the place designated by the tendered shareholder (in case of foreign shareholders, standing proxies) (remittance fee may be charged) or pay the proceeds to the tendered shareholder's account in which the tender offer agent has received the tender, promptly after the commencement date of settlement.

3. Policies Subsequent to the Tender Offer and Prospects for Future

(1) Payment regarding Allocation of New Shares to Third Parties after the Tender Offer

The Target passed a resolution regarding the Allocation of New Shares to Third Parties at its board of directors meeting held on June 9, 2016. Regarding the Allocation of New Shares to Third Parties, the Company intends to pay for the required number of Target Shares (provided, however, that shares less than 100 shares are rounded up) to obtain a shareholding ratio on a fully diluted basis after the Allocation of New Shares to Third Parties of 41.00% including the shares that the Company will acquire from the Tender Offer and the Target Shares that the Company owns as of June 9, 2016 (100 shares). In response to the results of the Tender Offer, the Company intends to pay for 127,800 shares (total issue price of approximately JPY 109 million) out of the shares (2,373,400 common shares) that the Target has resolved to issue as shares for the Allocation of New Shares to Third Parties on the same day as the commencement date of settlement of the Tender Offer (September 5, 2016).

(2) Others

Except for the matters set forth in the aforementioned Item (1), there have been no changes made to the policies subsequent to the Tender Offer described in "Yahoo Japan Corporation Announces Commencement of Tender Offer for Common Shares of eBOOK Initiative Japan Co., Ltd. (Stock Code: 3658)", the announcement made by the Company on June 9, 2016.



4. Locations Where a Copy of the Tender Offer Report will be Available for Public Inspection

Yahoo Japan Corporation	9-7-1 Akasaka, Minato-ku, Tokyo
Tokyo Stock Exchange, Inc.	2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo

II. Transfer to Consolidated Subsidiary

1. Reason for Transfer

As a result of the Tender Offer and the Allocation of New Shares to Third Parties, the Target is expected to become a consolidated subsidiary of the Company effective from September 5, 2016 (commencement date of settlement of the Tender Offer and the scheduled date of the payment of the Allocation of New Shares to Third Parties).

2. Outline of Company to be Transferred to Subsidiary

(i)	Corporate Name	eBOOK Initiative Japan Co., Ltd.																				
(ii)	Head Office	2-9 Kanda Surugadai, Chiyoda-ku, Tokyo																				
(iii)	Name and Title of Representative	President and CEO Hitoshi Koide																				
(iv)	Description of Business	Distribution of e-books																				
(v)	Paid-in Capital	JPY 779,589 thousand (as of January 31, 2016)																				
(vi)	Date Established	May 17, 2000																				
(vii)	Major Shareholders and Shareholding Ratio (as of January 31, 2016)	<table> <tr> <td>Cookpad Inc.</td> <td>9.98%</td> </tr> <tr> <td>eBOOK Initiative Japan Co., Ltd.</td> <td>7.47%</td> </tr> <tr> <td>Hitoshi Koide</td> <td>3.17%</td> </tr> <tr> <td>SHOGAKUKAN Inc.</td> <td>2.99%</td> </tr> <tr> <td>Kohei Terada</td> <td>2.42%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust Account 9)</td> <td>2.38%</td> </tr> <tr> <td>Yusuke Suzuki</td> <td>1.59%</td> </tr> <tr> <td>Tomohiro Onuki</td> <td>1.31%</td> </tr> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td>1.28%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust Account)</td> <td>1.27%</td> </tr> </table>	Cookpad Inc.	9.98%	eBOOK Initiative Japan Co., Ltd.	7.47%	Hitoshi Koide	3.17%	SHOGAKUKAN Inc.	2.99%	Kohei Terada	2.42%	Japan Trustee Services Bank, Ltd. (Trust Account 9)	2.38%	Yusuke Suzuki	1.59%	Tomohiro Onuki	1.31%	The Master Trust Bank of Japan, Ltd. (Trust Account)	1.28%	Japan Trustee Services Bank, Ltd. (Trust Account)	1.27%
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Japan Trustee Services Bank, Ltd. (Trust Account)	1.27%																					

(viii) Relationships between the Company and the Target:			
Capital Relationship	The Company owns 100 Target Shares.		
Personnel Relationship	There is no personnel relationship between the Company and the Target to be specified.		
Transaction Relationship	There is no transaction relationship between the Company and the Target to be specified.		
Status as a Related Party	Not applicable.		
(ix) Consolidated Business Performance and Consolidated Financial Condition of the Target in the Past Three Years			
Fiscal Year-End	January 31, 2014	January 31, 2015	January 31, 2016
Consolidated Net Assets	JPY 1,941,742 thousand	JPY 2,162,239 thousand	JPY 2,460,490 thousand
Consolidated Total Assets	JPY 2,978,322 thousand	JPY 3,604,150 thousand	JPY 4,441,759 thousand
Consolidated Net Assets per Share	JPY 422.47	JPY 463.27	JPY 476.14
Consolidated Revenue	JPY 4,155,243 thousand	JPY 5,129,380 thousand	JPY 7,184,306 thousand
Consolidated Operating Income	JPY 450,529 thousand	JPY 313,367 thousand	JPY△166,031 thousand
Consolidated Ordinary Income	JPY 427,494 thousand	JPY 316,835 thousand	JPY△166,754 thousand
Consolidated Net Income	JPY 253,462 thousand	JPY 183,922 thousand	JPY△163,323 thousand
Consolidated Net Income per Share	JPY 59.80	JPY 40.02	JPY△31.86
Dividends per Share	JPY 0	JPY 0	JPY 0

(Note 1) The shareholding ratio of the “Major Shareholders and Shareholding Ratio (as of January 31, 2016)” is the ratio of the holding shares to the total number of shares issued by the Target (rounded to the second decimal place).

(Note 2) The numbers stated in the column of January 31, 2014 of the “Consolidated Business Performance and Consolidated Financial Condition of the Target in the Past Three Years” are the business performance and financial condition of the Target on a non-consolidated basis.

3. Number of Shares Acquired, Acquisition Price and Status of the Owned Shares Before and After Transfer

(i) Number of shares held prior to the transfer	100 shares (Number of voting rights: 1 unit) (Percentage of voting rights: 0.00 %)
(ii) Number of Shares Acquired	Through the Tender Offer: 2,315,700 shares

	<p>(Number of voting rights: 23,157 units )  (Acquisition Price: Approximately JPY 2,663 million)</p> <p>Through the Allocation of New Shares to Third Parties: 127,800 shares  (Number of voting rights: 1,278 units )  (Acquisition Price: Approximately JPY 109 million)</p>
(iii) Number of shares held after the transfer	<p>2,443,600 shares  (Number of voting rights: 24,436 units )  (Percentage of voting rights: 44.57 %)</p>

(Note 1) The denominator used for calculating the “Percentage of voting rights” is 54,826 units, which is calculated by adding (i) the number of voting rights (53,548 units) represented by the total number of issued shares (5,354,800 shares) of the Target as of April 30, 2016 stated in the Summary of Financial Statements for the First Quarter and (ii) the number of voting rights (1,278 units) represented by the number of shares for subscription to be paid in by the Company (127,800 shares).

(Note 2) “Percentage of voting rights” is rounded off to two decimal places.

4. Transfer Date (Planned)

September 5, 2016 (Monday) (commencement date of settlement of the Tender Offer and the scheduled date of the payment of the Allocation of New Shares to Third Parties)

5. Future Prospects

This transfer of the Target to a subsidiary is not expected to have a material impact on the earnings of the Company for the fiscal year ending March 2017.

Unless otherwise specified, this English-language document is prepared solely for the convenience of readers outside Japan. If there is any inconsistency between the English-language document and the Japanese-language document, the Japanese-language document will prevail.