

Yahoo Japan's Acquisition of its Own shares—Limited Impact on Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on Yahoo Japan Corporation (security code: 4689)'s acquisition of its own shares..

- (1) Yahoo Japan Corporation (the "Company") announced today that it would acquire from the parent company SoftBank Group Corp. ("SBG") through a tender offer its own shares for approximately 220 billion yen, which is equivalent to about 11% of its outstanding shares. SBG announced that a subsidiary SoftBank Corp. ("SB"), a core company in Japan for the telecommunications business, would acquire through a tender offer the Company's shares for approximately 220 billion yen from US-based investment company, Altaba Inc. ("ALT"). SB owns approximately 43% of the Company's shares, but through a series of transactions, SBG will own approximately 36% and SB will own approximately 12% of the shares. Enhancement of collaboration between SB and the Company will be made more easily through direct holding of the Company's shares by SB as a telecommunications company.
- (2) Through acquisition of its own shares, equity attributable to owners of the parent company ("equity capital") will be reduced by approximately 220 billion yen for the Company. While its own shares to be acquired is equivalent to approximately 22% of the equity capital as of the end of the fiscal year ended March 2018, it will ensure equity capital amounting approximately 800 billion yen after the acquisition of its own shares. Its ratio of equity attributable to owners of the parent company to total assets will be maintained at a certain level. In addition, the Company will cover the funds required for the acquisition by its own capital and will not raise funds externally. Taking the above into consideration, JCR assessed that the acquisition will not cause any significant changes to the good financial structure and that the impact on the rating will be limited. Given that ALT still holds 27% of the Company's shares and there is a possibility that ALT will continue selling the shares, JCR will pay attention to the conditions of such sales.

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<Reference>

Issuer: Yahoo Japan Corporation

Long-term Issuer Rating: A Outlook: Stable

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