



Yahoo Japan Corporation
FY2009-2Q Business Results
(Jul.-Sept. 2009)

October 27, 2009

Statements made at the meeting or included in the documents that are not historical facts are forward-looking statements about the future performance of Yahoo Japan Corporation and its consolidated subsidiaries and affiliates.

The Company cautions you that a number of important factors could cause actual results to differ materially from those discussed in the forward-looking statements. Such factors include, but are not limited to, the items mentioned in the Risk Factors in “Results for the Three Months Ended September 30, 2009.”

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FY2009-2Q Highlights – Financial Data

- Yahoo! JAPAN Group achieved growth from a year earlier in both revenue and profits.

(¥100M)

	2009-2Q	2008-2Q	YOY Change
Revenue	680	660	3.0%
Operating Income	344	330	4.3%
Ordinary Income	341	326	4.6%
Quarterly Net Income	200	177	13.1%

FY2009-2Q Highlights – Advertising

■ Display advertising

- Advertising from major advertisers declined in some industries, such as financial services and human resource-related industries, with display advertising sales falling compared with the second quarter last year. In contrast, advertising increased from industries and bodies recognizing the benefits of Internet advertising, such as the automobile industries and election-related bodies.
- Sales of high branding impact Brand Panel rose year on year and quarter on quarter.
- Election-related advertising hit a record high. Political parties, election boards, the Ministry of Internal Affairs and Communications, and other bodies ran multiple advertisements.
- Along with implementing a renewal of the free video content distribution site GyaO!, began offering highly visible products that match the needs of advertisers.

■ Listing (Pay per performance) advertising

(Paid search advertising [Sponsored Search] and interest-linked advertising [Interest Match])

- Listing advertising sales increased year on year.
- In interest-linked advertising, the number of accounts and sales rose steadily compared with the second quarter last year.
- Mobile advertising expanded substantially.

(¥100M)

Advertising	2009-2Q	2008-2Q	YOY Change
Revenue	341	351	-2.9%
Operating Income	189	183	3.3%

FY2009-2Q Highlights – Business Services

■ E-commerce-related revenues

- Yahoo! Shopping conducted sales promotions and special features, including a sale to commemorate the 10th anniversary of the start of services, a sales campaign offering Yahoo! Points, and a sale exclusively for Yahoo! Premium members. Transaction volume increased sharply from the same period last year.
- Supported by the December 2008 hike in store royalties, auction-related revenues of Yahoo! Auctions expanded substantially.

■ Data center-related revenues

- Data center-related revenues from IDC Frontier Inc., which became a consolidated subsidiary in March 2009, contributed to overall revenue growth.

■ Information listing revenues

- Revenues from Yahoo! BEAUTY's salon search and from Yahoo! Wedding, and other services rose. In contrast, Yahoo! Rikunabi's sales fell substantially year on year, but increased quarter on quarter.

(¥100M)

Business Services	2009-2Q	2008-2Q	YOY Change
Revenue	157	134	17.3%
Operating Income	55	50	8.9%

FY2009-2Q Highlights – Personal Services

■ Yahoo! Premium membership revenues

- As of September 30, 2009, the number of Yahoo! Premium member IDs reached a record high of 7.5 million. Moreover, revenues expanded notably from a year earlier, supported by the December 2008 upward revision of membership fees.

■ Yahoo! Auctions system-use revenues

- Yahoo! Auctions' CtoC transaction volume declined year on year under the impact of a drop in the unit price of winning bids due to consumers' growing preference for lower prices and due to the effect of long national holidays in September.
- Mobile transaction volume increased due to growth in DoCoMo Mobile Auction membership and others.

■ Pay content services revenues

- Revenues from such pay content services as Yahoo! Partners and Yahoo! Games continued to grow substantially.

(¥100M)

Personal Services	2009-2Q	2008-2Q	YOY Change
Revenue	184	175	5.2%
Operating Income	128	125	2.5%

Y! GyaO! Site Renewal, GyaO! Store Launch

Integrated Yahoo! Streaming and GyaO, creating the largest official video content distribution services in Japan. Began services for GyaO!, a free video content distribution site and GyaO! Store, a pay video content distribution site. Based on guidance by Yahoo! JAPAN and expansion of the product lineup, content viewing was up approximately 1.3 times and visitors to the site up about 1.5 times compared with the previous GyaO site (September figures).

GyaO! A free video content distribution site



Approx. 1,300 free items

GyaO! ストア A pay video content distribution site



Approx. 1,400 pay items

Linked to more than 100 Yahoo! JAPAN services



etc.

■ **Actions to increase profitability**

- Switched payments to content providers to revenue sharing system.
- Integrated distribution platforms.

■ **Targeting expansion in advertising and content fee collection revenues**

- Offering display, paid search, and interest-linked advertising.
- Proposing new types of advertising products.
- Using expansion of partners to increase pay and free content lineups and improve variety.

■ **Strengthening collaboration with TV stations**

- Fuji Television Network, Inc., and Nippon Television Network Corporation invested in the service.
- TV stations offering video content, such as Fuji TV On Demand, TBS On Demand, TV Asahi Video, and MBS On Demand.

Absorption Merger with Overture K.K.

Carried out absorption merger with wholly owned Overture K.K. on October 1, 2009

- Leveraging Yahoo! JAPAN's brand power, we are seeking to more aggressively expand listing advertising by acquiring many new advertisers, etc.
- Plan to expand advertising business by offering advertisers high quality services through sales of advertising product combinations, such as listing and display advertising.

Received the FY2009 Informatization Month METI Award

<Reason for Award>

Contributing to the spread and greater awareness of information securities measures among the public in Japan through special features and other actions regarding information security.

By creating iTres, a system that monitors access of data bases storing a company's critical information, Yahoo Japan Corporation became the first company in Japan to acquire ISO15408 certification in the data base access monitoring system field. This system contributes to strengthening information security in corporate systems.

Informatization Month Award

An award given to individuals or companies contributing to progress in the information systems by various government bodies*, such as the Ministry of Economy, Trade and Industry.

* Ministry of Economy, Trade and Industry; Cabinet Office; Ministry of Internal Affairs and Communications; Ministry of Finance; Ministry of Education, Culture, Sports, Science and Technology; and Ministry of Land, Infrastructure, Transport and Tourism.





Review of FY2009-2Q Business Outlook

- Although sales of the advertising business, particularly display advertising sales, declined year on year, there were signs of recovery. Interest-linked advertising sales surged notably both year on year and from the first quarter. Consequently, sales exceeded the mid-point of the forecast range.
- As a result of continued efforts to reduce SG&A expenses, primarily business commissions, operating and ordinary income both surpassed the mid-point of their forecast ranges.

(¥ 100M)

	Actual	Forecast (As of Jul. 28, 2009)
Revenue	680	660 ~ 693
Operating Income	344	328 ~ 350
Ordinary Income	341	328 ~ 350
Quarterly Net Income	200	193 ~ 207

FY2009-3Q Business Outlook

- We expect e-commerce-related revenues to grow based on transaction volume expansion. Advertising sales should increase on the strength of growth in listing advertising. With the benefits of the upward revisions in fees, etc., implemented in the previous fiscal year continuing, our forecast is for overall sales growth.
- The Group will endeavor to restrain the growth in SG&A expenses compared with the same period last year by controlling costs, particularly depreciation expenses and business commissions.

(¥ 100M)

	2008-3Q (Actual)	2009-2Q (Actual)	2009-3Q (Forecast)
Revenue	669	680	668~700
Operating Income	331	344	338~359
Ordinary Income	328	341	338~359
Quarterly Net Income	191	200	200~213

- Since the business environment of the Group can fluctuate substantially in the short term, it is extremely difficult to forecast performance for the full fiscal year with a high degree of confidence. Therefore, the Group announces its financial results on a quarterly basis together with the business outlook only for the following quarter.

FY2009-2Q Financial Results

•Main consolidated subsidiaries at the end of FY2009-2Q

- ◆ Firstserver, Inc.
- ◆ IDC Frontier Inc.
- ◆ Netrust, Ltd.
- ◆ Overture K.K. *
- ◆ Yahoo Japan Customer Relations Corporation
- ◆ Yahoo Japan Value Insight Corporation
- ◆ Y's Insurance Inc.
- ◆ GyaO CORPORATION
- ◆ Indival, Inc.
- ◆ NewsWatch, Inc.
- ◆ Y's Sports Inc.

•Affiliated companies (equity method) at the end of FY2009-2Q

- ◆ All About, Inc.
- ◆ CLASSIFIED Corporation.
- ◆ Estore Corporation
- ◆ Oricon DD, Inc.
- ◆ Tavigator, Inc.
- ◆ 4travel, Inc.
- ◆ BestReserve Co. Ltd.
- ◆ CREO CO., LTD.
- ◆ JWord Inc.
- ◆ Seven and Y Corp.
- ◆ ValueCommerce Co., Ltd.

*Yahoo! JAPAN undertook an absorption merger with Overture K.K., effective October 1, 2009.

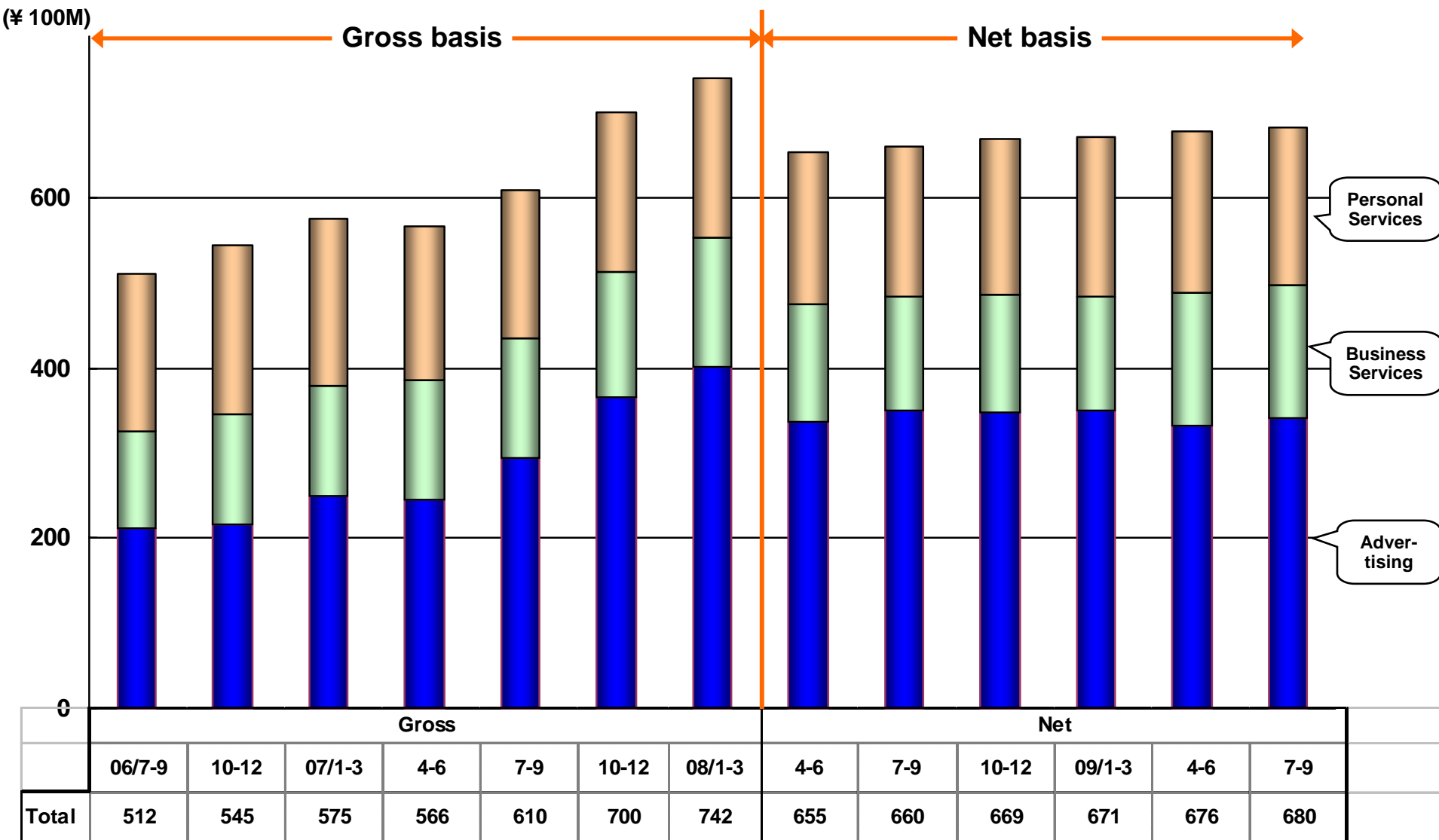


FY2009-2Q Statements of Income

	09-2Q	08-2Q	Changes
Revenue (¥100M)	680	660	3.0 %
Cost of Sales (¥100M)	83	70	17.9 %
Gross Profit (¥100M)	596	589	1.2 %
Operating Income (¥100M)	344	330	4.3 %
Ordinary Income (¥100M)	341	326	4.6 %
Quarterly Net Income (¥100M)	200	177	13.1 %
EPS (¥)	345	299	15.5 %
Number of Shares Outstanding (10 thousand) (Average of period) *	5,810	5,930	-2.0 %
Fully Diluted EPS (¥)	345	298	15.5 %
Number of Shares Assuming Full Dilution (10 thousand) *	5,816	5,936	-2.0 %

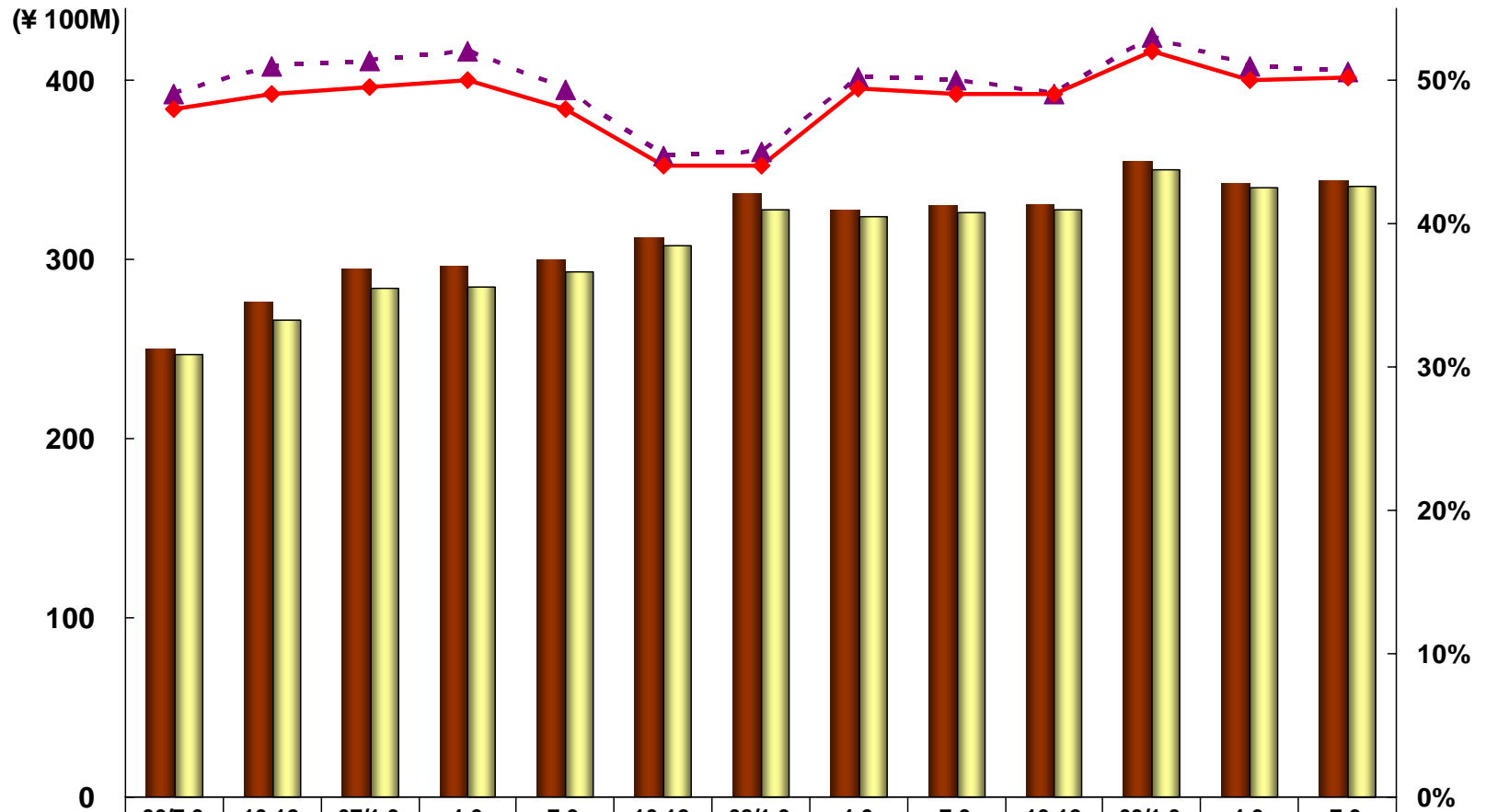
Notes: Number of Shares Outstanding and Number of Shares Assuming Full Dilution are excluding treasury stocks.

Y! Quarterly Revenue



• Figures of 08/1-3 and before are indicated on gross basis.

Y! Quarterly Profits



	06/7-9	10-12	07/1-3	4-6	7-9	10-12	08/1-3	4-6	7-9	10-12	09/1-3	4-6	7-9
Operating Income	250	276	295	296	300	312	337	328	330	331	355	342	344
Ordinary Income	247	266	284	285	293	308	328	324	326	328	350	340	341
Operating Margin	49%	51%	51%	52%	49%	45%	45%	50%	50%	49%	53%	51%	51%
Ordinary Margin	48%	49%	49%	50%	48%	44%	44%	49%	49%	49%	52%	50%	50%

*Margins for 08/4-6 and after are affected by the change in the presentation basis for revenue from gross basis to net basis.



FY2009-2Q Revenue Breakdown by Business

(¥ 100M)

	Revenue	Sales Breakdown by Business Group		Gross Profit	SG&A	Operating Income	Operating Margin
Advertising	341	Media Business Group BS Business Group Consumer Business Group	67% 31% 2%	291	102	189	55.5%
Business Services	157	Media Business Group BS Business Group Consumer Business Group	15% 42% 43%	126	71	55	35.2%
Personal Services	184	Media Business Group BS Business Group Consumer Business Group	0% 0% 100%	180	52	128	69.7%

Y! SG&A Breakdown

(¥ 100M)

	09/2Q	%	09/1Q	QoQ Change	08/2Q	YoY Change
Personnel expenses	74	29.5%	72	2.3%	65	14.3%
Business commissions	31	12.4%	32	-3.1%	42	-25.7%
Communication charges	22	9.0%	25	-9.1%	23	-1.0%
Depreciation expenses	22	8.8%	21	3.2%	26	-15.3%
Royalties	19	7.7%	19	-2.0%	19	-0.8%
Content provider fees	17	7.1%	17	1.5%	15	16.8%
Sales promotion costs	16	6.5%	14	16.7%	12	33.4%
Lease and utility expenses	15	6.3%	15	1.8%	18	-13.0%
Sales commissions	9	3.9%	9	7.5%	10	-8.6%
Administrative and maintenance expenses	5	2.3%	5	-0.7%	5	-1.4%
Tax and public dues	2	1.2%	5	-41.6%	3	-4.5%
Payment commissions	2	1.0%	2	-1.5%	2	9.0%
Advertising expenses	2	0.8%	2	-16.9%	3	-34.0%
Allowance for doubtful accounts	1	0.8%	1	59.1%	1	0.4%
Amortization of goodwill	1	0.8%	3	-39.3%	2	-17.1%
Others	5	2.1%	6	-23.7%	8	-37.9%
SG&A Total	252	100.0%	255	-1.0%	259	-2.7%

Major factors for YoY changes

Increase in personnel (4,940 in total : +16.1% from 2008/9)

Reduced outsourcing by streamlining maintenance, operations and development

Decrease in purchasing assets due to improved efficiency in capital investment

Increase in affiliate expenses for auctions and others

Combined separate offices into Tokyo Midtown

Y! FY2009-2Q Balance Sheets

Major Items	2009/9/30	2008/9/30	Increase/ Decrease	Major Factors for Increase/Decrease	(¥ 100M)
< Assets >					
Current Assets	1,439	1,273	166	Increase due to operating activities	
Cash and Deposits	902	767	134		
Accounts Receivable -Trade	335	340	-5		
Fixed Assets	2,155	2,036	119	Absorption merger with SOFTBANK IDC Solution Corp.	
Tangible Fixed Assets	275	161	113		
Intangible Fixed Assets	164	145	19	Increase due to purchase of investment securities and decrease due to mark to market of securities	
Investment Securities	1,576	1,618	-41		
Total Assets	3,595	3,309	285		
< Liabilities >					
Current Liabilities	897	824	73	Repayment of borrowings	
Short-term debts	200	200	-0		
Accounts Payable-Other	104	106	-2		
Accrued Income Taxes	301	274	26		
Long-term Liabilities	3	200	-197		
Total Liabilities	900	1,024	-124		
< Net Assets >					
Shareholders' Equity	2,662	2,250	411	Decrease in acquisition and cancellation of own stocks in FY2008, and increase in net profit	
Common Stock	74	73	0		
Capital Surplus	25	24	0		
Retained Earnings	2,562	2,152	410		
Unrealized Gains on Available for Sales Securities	3	5	-1		
Minority Interests in Consolidated Subsidiaries	23	27	-3		
Total Net Assets	2,694	2,284	409		
Total Liabilities and Net Assets	3,595	3,309	285		

FY2009-2Q Cash Flow Statements

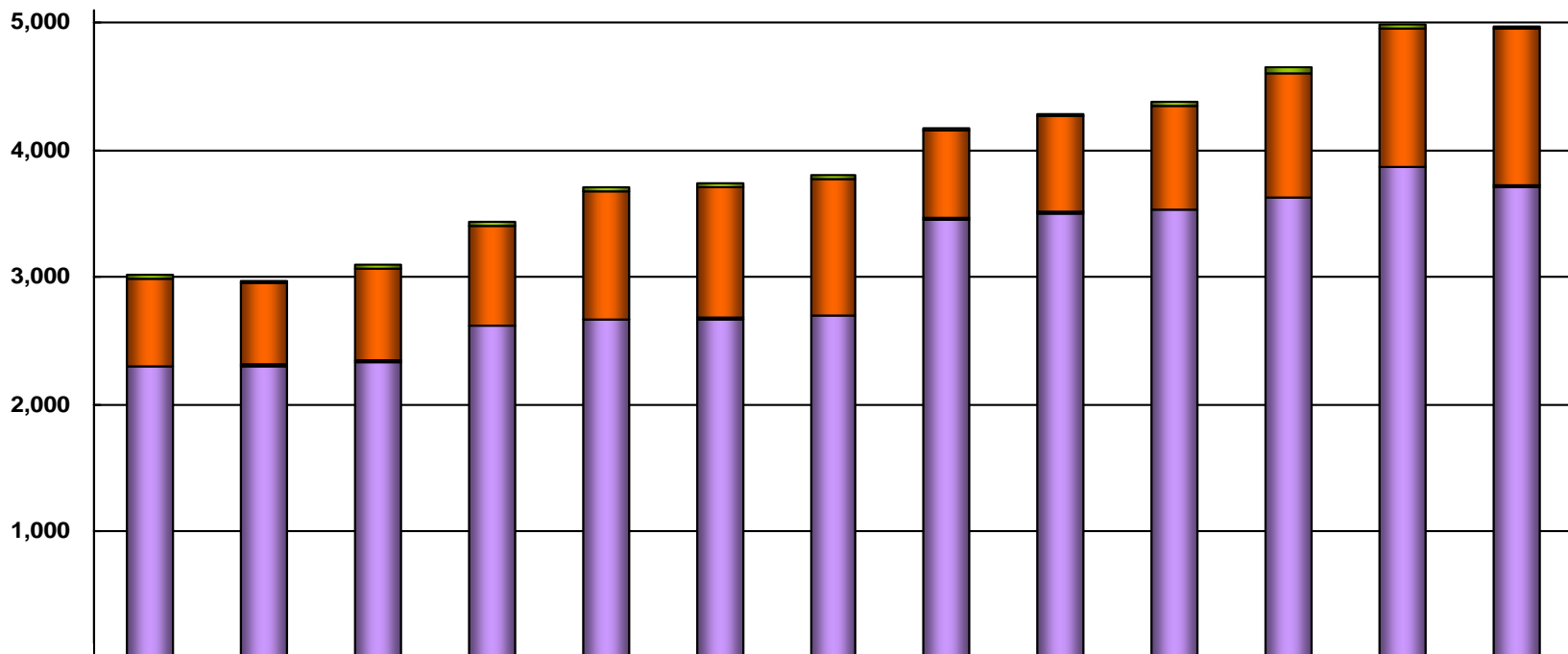
Major Items	FY2009-2Q (Jul.-Sept. 2009)	Major Factors for Changes (¥ 100M)
<u>Operating Activities</u>	<u>384</u>	
Net Income before Income Taxes	340	Increase in quarterly net income before income taxes
Depreciation Expenses	25	
Accounts Receivable/Payable-Trade	6	
<u>Investing Activities</u>	<u>-6</u>	
Acquisition of Tangible Fixed Assets	-5	
Acquisition of Intangible Fixed Assets	-5	
<u>Financing Activities</u>	<u>0</u>	
<u>Net Change in Cash Flows</u>	<u>378</u>	



Number of Directors and Employees

(Number of People)

(at the End of Quarter)



■ The above figures of employees include staff who have been dispatched.



Appendix

Y! Web Search Query Market in Japan

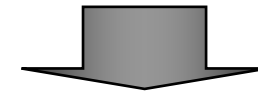
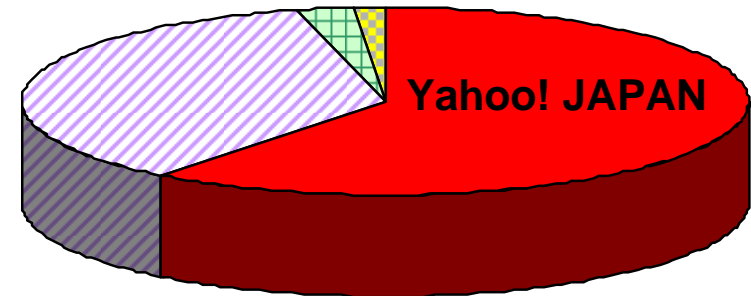
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Yahoo! JAPAN maintains the largest share of the web search query market in Japan

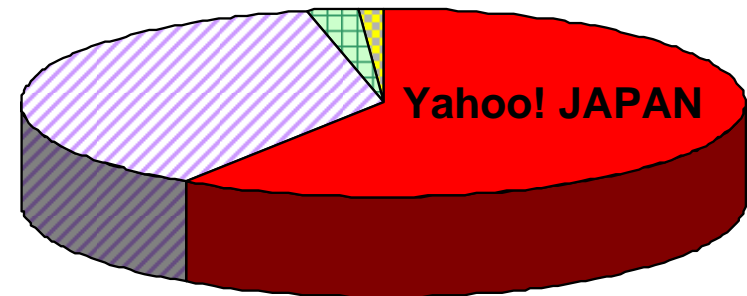
Among the 4 major search engines, the share of Yahoo! Search remains unchanged at approx. 60% from a year earlier.

Google maintains a share of over 35%.

August 2008



August 2009



■ Yahoo! Web search ■ Google Web search
■ msn Web search ■ goo Web search

Source: Video Research Interactive, access from home, Web Report. August 2008 & 2009

*Websites analyzed: Yahoo! JAPAN/Google/MSN/goo

*The shares were calculated based on the data of search result pages of the above 4 sites.

Display Advertising Sales by Industry

Industries with large year on year increase

- Government/Organizations
- Autos (Transport Equipment)
- Fashion/Accessories

Industries with large year on year decrease

- Finance/Insurance/Securities
- Real Estate/Construction
- Transportation/Leisure

	08/2Q	3Q	4Q	09/1Q	2Q
Autos (Transport Equipment)	10.7%	11.4%	12.9%	10.1%	13.0%
Finance/Insurance/Securities	18.9%	16.7%	14.0%	13.2%	12.6%
Cosmetics/Toiletries	10.2%	10.4%	10.2%	12.2%	11.1%
Real Estate/Construction	11.5%	10.7%	12.8%	8.9%	10.2%
Transportation/Leisure	7.9%	7.2%	6.3%	7.4%	6.2%
Beverages/Cigarettes	3.9%	3.3%	4.9%	7.2%	4.4%
Fashion/Accessories	3.4%	4.2%	3.1%	4.0%	4.3%
Mobile Communications Service	3.3%	4.1%	3.9%	5.0%	3.9%
Government/Organizations	1.2%	1.8%	1.6%	0.8%	3.8%
Foodstuffs	3.4%	3.6%	3.8%	4.1%	3.8%
Computers/Office Equipment	3.3%	3.4%	3.3%	1.9%	3.3%
Others	22.3%	23.2%	23.2%	25.2%	23.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

● The above are classified by contents of advertising.



Paid Search Advertising Sales by Industry

Industries with large quarter on quarter increase

- Transportation/Leisure
- Real Estate
- Information/Communication

Industries with large quarter on quarter decrease

- Medical, Welfare, Health and Beauty
- Recruiting Services
- Retail Sales Services

	08/4Q	09/1Q	09/2Q
Retail Sales Services	24.2%	26.5%	25.9%
Information/Communication	11.2%	11.9%	12.2%
Transportation/Leisure	9.2%	9.9%	12.0%
Finance/Insurance	11.0%	9.9%	9.9%
Real Estate	10.7%	8.6%	9.0%
Medical, Welfare, Health and Beauty	7.0%	7.0%	6.4%
Recruiting Services	7.3%	6.9%	6.3%
Educations/University	6.2%	6.0%	5.8%
Autos(Transport Equipment)	3.4%	2.8%	2.5%
Cosmetics/Toiletries	1.8%	2.1%	1.8%
Hobbies/Sports	1.5%	1.6%	1.5%
Others	6.5%	6.8%	6.7%
Total	100.0%	100.0%	100.0%

FY2009-2Q Major Advertisers - Display Advertising

Autos (Transport Equipment)

Honda Motor Co., Ltd.
Nissan Motor Co., Ltd.
IK CO.,LTD.

Finance/Insurance/Securities

Sumitomo Mitsui Banking Corporation
E.design Insurance Co.,Ltd.
ORIX Credit Corporation

Cosmetics/Toiletries

Shiseido Co., Ltd.
DHC Corporation
ORBIS Inc.

Real Estate/Construction

Asahi Kasei Homes Corporation
Nomura Real Estate Development Co., Ltd.

Transportation/Leisure

All Nippon Airways Co., Ltd.
Japan Airline Corporation

Beverages/Cigarettes

Coca-Cola (Japan) Company, Limited
ITO EN, LTD.
Suntory Limited

Fashion/Accessories

IMAGENET Co.,Ltd.
World Co., Ltd.

Mobile Communications Services

KDDI CORPORATION
SOFTBANK MOBILE Corp.

Government/Organizations

Ministry of Internal Affairs and Communications
Prefectural Election Administration Commissions
Political Parties

Foodstuffs

Kellogg Company, INC.
Yazuya, Co., Ltd.

- The above are classified by contents of advertising.



Additional Business Data: 2009-2Q

Average Daily Transaction Volume	Jul.-Sept. 2008	Jul.-Sept. 2009
Commerce (¥100M)	24.8	24.3
☆ Auction (¥100M)	18.7	17.6
☆ Shopping (¥100M)*	6.0	6.6
Yahoo! Mobile e-commerce (¥100M)	3.6	4.0
Subscriber Lines for Yahoo! BB Services	End of Sept. 2008	End of Sept. 2009
Total (10 thousand lines)	455.1	404.0
Number of lines marketed by Yahoo! JAPAN (10 thousand lines)	91.1	77.5
Other Data of Auction Business	Jul.-Sept. 2008	Jul.-Sept. 2009
Average Closing Price (¥)	5,147	4,858
Average Successful Auction Ratio (%)	19	16
Number of Business Express Contracts (Number of contracts/Monthly average)	Jul.-Sept. 2008	Jul.-Sept. 2009
	3,092	2,395

* The transaction volume of Yahoo! Shopping, Yahoo! Tickets and Yahoo! Travel, excluding fraudulent orders for both periods.

Role of Business Groups

Media Business Group

The Media Business Group plans various services used for listing advertising; collaborates with its content partners, the providers of information for its sites; and works with advertising agencies in planning and selling advertising products. Through these efforts, the Media Business Group seeks to offer websites that both users and advertisers will support.

Main revenues:

Display advertising (banner, text, email, and video advertising) sales/ Listing advertising (through advertising agencies) sales/ Information listing fees from Yahoo! Real Estate (newly-built properties) and other services / Sales of Yahoo! Research and other services.

BS Business Group

By offering information oriented to regions and users' lifestyles, the BS Business Group seeks to enrich the lives of users and to provide an information listing site where companies doing Internet businesses can effectively distribute information, expand and enhance their services, and utilize the strong advertising power of the site.

Main revenues:

Listing advertising sales (online services)/ Listing fees from Yahoo Real Estate (brokerage properties), Yahoo! Rikunabi, Yahoo! Autos, Yahoo! Travel, and other services/ Sales of Yahoo! Business Express, Yahoo! WebHosting, and other services/ Revenues related to the data centers.

Consumer Business Group

The Consumer Business Group plans and undertakes sales promotions for commerce-related services, primarily Yahoo! Auctions and Yahoo! Shopping; membership services, such as Yahoo! Premium; services for individuals, such as pay content services; and settlement services, such as Yahoo! Wallet. Through these services, the group aims to promote retail activities over the Internet and to enhance the convenience of users.

Main revenues:

Tenant and royalty fees of Yahoo! Auctions and Yahoo! Shopping/ Yahoo! BB incentive fees/ Yahoo! Auctions system-use fees/ Yahoo! Premium membership fees/ Content fees and Yahoo! BB ISP fees.

Role of Business Groups

Business Strategy Group

The Business Strategy Group is responsible for creating and implementing an overall marketing strategy for the Group that will increase the brand value of Yahoo! JAPAN and further expand the scope of the Group's open strategy. The Business Strategy Group plans services that promote the open strategy, works to acquire business partners based on alliances and to strengthen those relationships, and plans and prepares marketing efforts.

Operations Group

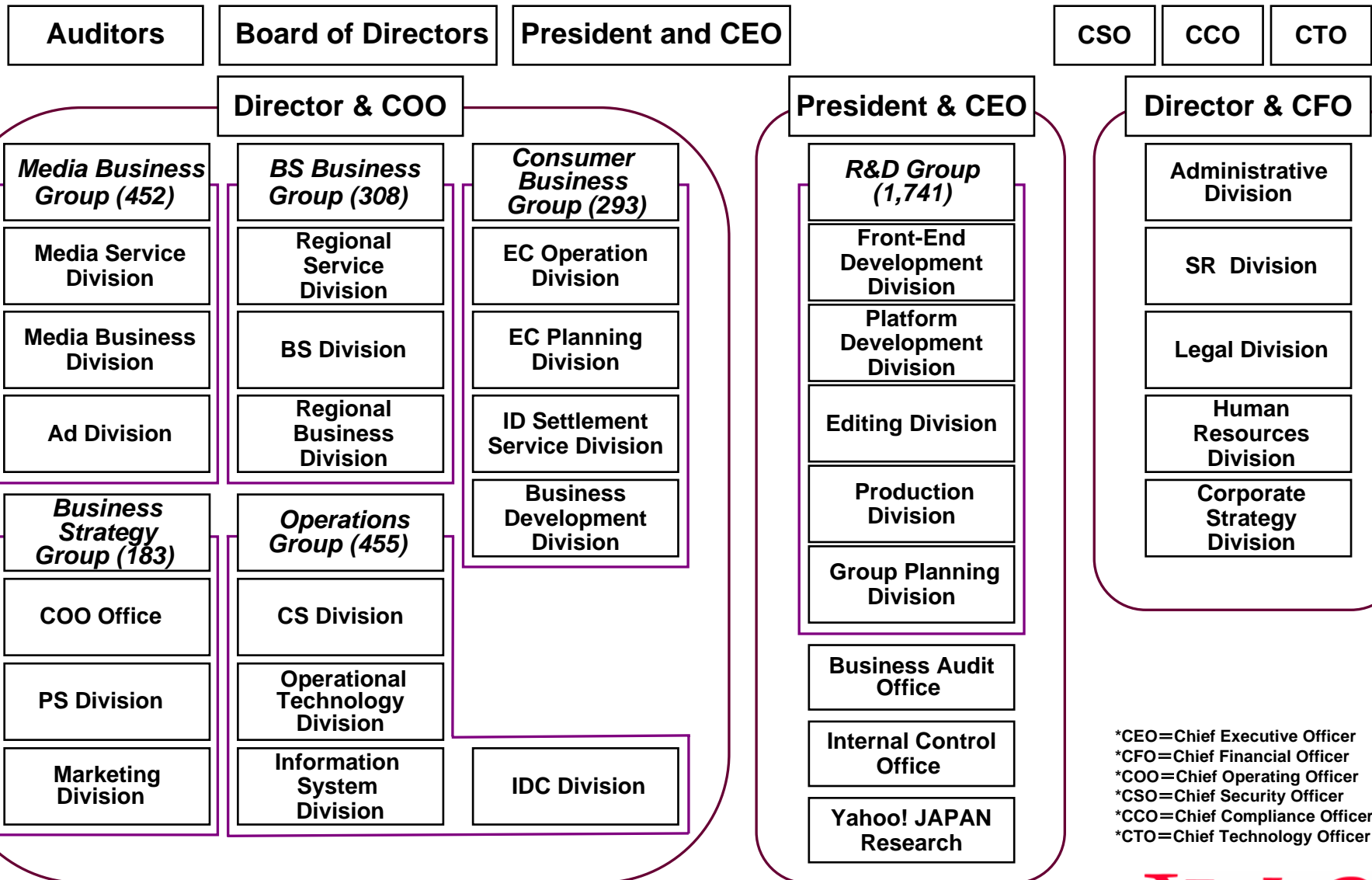
The Operations Group promotes the stability and efficiency of the overall systems of the Group and oversees the stable operations of the data centers. Through its efforts to create a secure and reliable operating environment for the Group's systems, the Operations Group has established a control system to prevent such incidents as service interruptions. In addition, the Operations Group promotes enhancement of customer satisfaction through the operation of the contact center.

R&D Group

The R&D Group houses the engineers who develop and improve the functions of the Group's services. The R&D Group also integrates the development of the basic platform for advertising, searches, fee collection, and other services, aiming to achieve development efficiency, flexible business resource allocation, and improve technology capabilities. It also pursues improvements in service quality and operability by unifying formulation, compilation, and design.



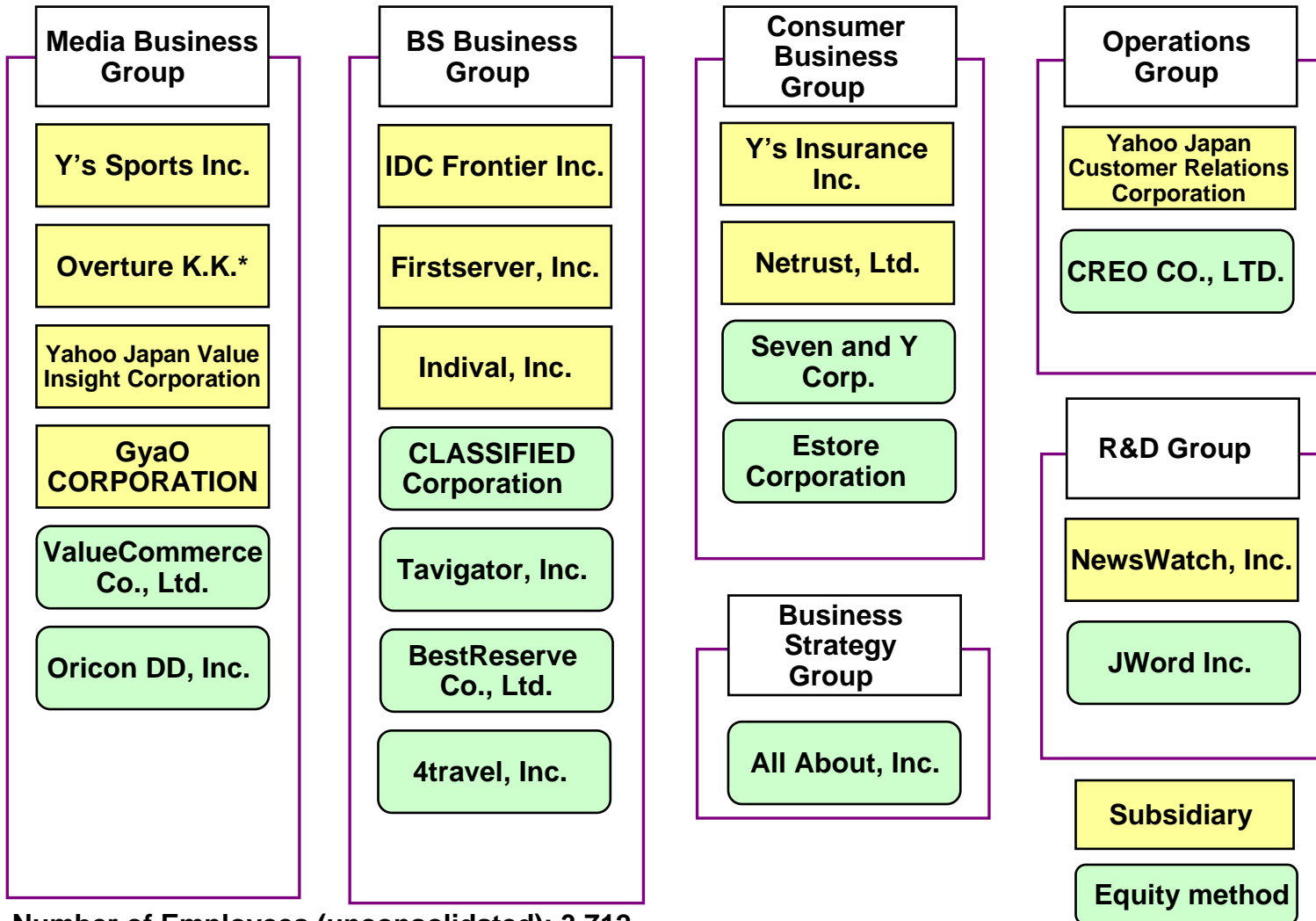
Organization Chart of Yahoo! JAPAN



*CEO=Chief Executive Officer
 *CFO=Chief Financial Officer
 *COO=Chief Operating Officer
 *CSO=Chief Security Officer
 *CCO=Chief Compliance Officer
 *CTO=Chief Technology Officer



Y! Yahoo! JAPAN Main Group Companies



Number of Employees (unconsolidated): 3,712

Number of Employees (consolidated): 4,940

As of Sept. 30, 2009

*Yahoo! JAPAN undertook an absorption merger with Overture K.K., effective October 1, 2009.



Yahoo Japan Corporation IR information is available at :
<http://ir.yahoo.co.jp/en/>