



Yahoo Japan Corporation
FY2009-1Q Business Results
(Apr.-Jun. 2009)

July 28, 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 June 30, 2009.”

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FY2009-1Q Highlights – Financial Data

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

(¥100M)

	2009-1Q	2008-1Q	YOY Change
Revenue	676	655	3.2%
Operating Income	342	328	4.1%
Ordinary Income	340	324	5.2%
Quarterly Net Income	192	191	0.4%

FY2009-1Q Highlights – Advertising

■ Display advertising

- Decreased from a year earlier. Sectors such as Finance, Real Estate, Autos, and Recruiting were sluggish. In contrast, sectors such as Cosmetics/Toiletries and Beverage increased their spending on our display advertising.
- Behavior targeting decreased largely in sales, especially in sectors such as Real Estate or Recruiting. Demographic targeting increased in sales especially with advertising targeting women.

■ Paid search advertising

- Almost flat year on year. Revenue from advertisers in certain industries subscribing through advertising agencies, such as Recruiting sector, continued to decrease. Sales from advertisers subscribing through web site continues to increase.

■ Interest-linked advertising

- Increased 120% from a year earlier (Calculation based on Interest-linked advertising plus Content-linked advertising). A full three months contribution of revenue from mobile version, online orders acceptance, and advertising distribution to PC partner sites pushed up sales. Number of clients' accounts is increasing favorably.

(¥100M)

Advertising	2009-1Q	2008-1Q	YOY Change
Revenue	332	336	-1.4%
Operating Income	187	177	5.7%

FY2009-1Q Highlights – Business Services

■ E-commerce-related revenues

- Yahoo! Shopping :Transaction volume increased from a year earlier.
- Yahoo! Auctions: Revenues increased substantially, supported by the upward revision of store royalty fees in December 2008.

■ Data center related revenues

- Revenue of IDC Frontier Inc., which became a consolidated subsidiary in FY2008-4Q, contributed fully for three months.

■ Information listing revenues

- Amid the continued economic slowdown, sales of Yahoo! Travel, Yahoo! Gourmet, and other operations increased. Conversely, revenues of Yahoo! Rikunabi continued their steep decline, approx. 80% of decline from a year earlier, reflecting the stagnant employment sentiment among corporations.

(¥100M)

Business Services	2009-1Q	2008-1Q	YOY Change
Revenue	157	140	12.5%
Operating Income	56	55	2.0%

FY2009-1Q Highlights – Personal Services

■ Yahoo! Premium membership revenues

- The number of Yahoo! Premium member IDs as of June 30, 2009 hit a record high of 7.45 million.
Furthermore, revenues expanded substantially, supported by upward revision of membership fees in December 2008.

■ Yahoo! Auctions system-use revenues

- Yahoo! Auctions CtoC transaction volume decreased from a year earlier mainly due to the drop in average final price.

■ Pay content services revenues

- Revenues from such pay content services as Yahoo! Partners, Yahoo! Comics, Yahoo! Fortune Telling and Yahoo! Games continued their notable growth.

(¥100M)

Personal Services	2009-1Q	2008-1Q	YOY Change
Revenue	189	178	6.0%
Operating Income	132	127	3.6%



Review of FY2009-1Q Business Outlook

- Amid the increasing severity of conditions in the advertising market, display advertising sales continued to decline year on year. Although online application paid search advertising expanded, advertising sales through advertising agents decreased from some industries. The number of advertising accounts and sales of interest-linked advertising rose compared with a year earlier. With increased revenues from Yahoo! Premium membership fees and e-commerce-related sales and sales contributions from the newly consolidated IDC Frontier Inc. and GyaO CORPORATION, net sales reached the mid-point of the sales forecast range for the quarter.
- Due to continued efforts to further reduce SG&A expenses, primarily business commissions, operating income and ordinary income both exceeded the quarterly performance forecasts.
- In contrast, net income did not exceed but did fall within forecast range because of the booking of impairment losses on goodwill and other factors.

(¥ 100M)

	Actual	Forecast (As of Apr. 28, 2009)
Revenue	676	661 ~ 691
Operating Income	342	324 ~ 341
Ordinary Income	340	321 ~ 338
Quarterly Net Income	192	190 ~ 201



FY2009-2Q Business Outlook

- Compared with the same period in the previous fiscal year, we expect additional revenue from contributions by newly consolidated IDC Frontier Inc. and GyaO CORPORATION, the increases in Yahoo! Premium membership fees and Yahoo! Auctions store royalties, and the expansion in pay per performance advertising sales. On the other hand, the display advertising and recruiting business revenues are expected to face hardships during the period.
- Despite costs expected to rise because of the increase in the number of subsidiaries, the Group will endeavor to restrain the growth in SG&A expenses compared with the same period last year by controlling costs, particularly business commissions and depreciation and rental expenses.

(¥ 100M)

	2008-2Q (Actual)	2009-1Q (Actual)	2009-2Q (Forecast)
Revenue	660	676	660 ~ 693
Operating Income	330	342	328 ~ 350
Ordinary Income	326	340	328 ~ 350
Quarterly Net Income	177	192	193 ~ 207

- 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.

FY2009-1Q Financial Results

•Main consolidated subsidiaries at the end of FY2009-1Q

- ◆ 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 **NEW!**
- ◆ Indival, Inc.
- ◆ NewsWatch, Inc.
- ◆ Y's Sports Inc.

•Affiliated companies (equity method) at the end of FY2009-1Q

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



FY2009-1Q Statements of Income

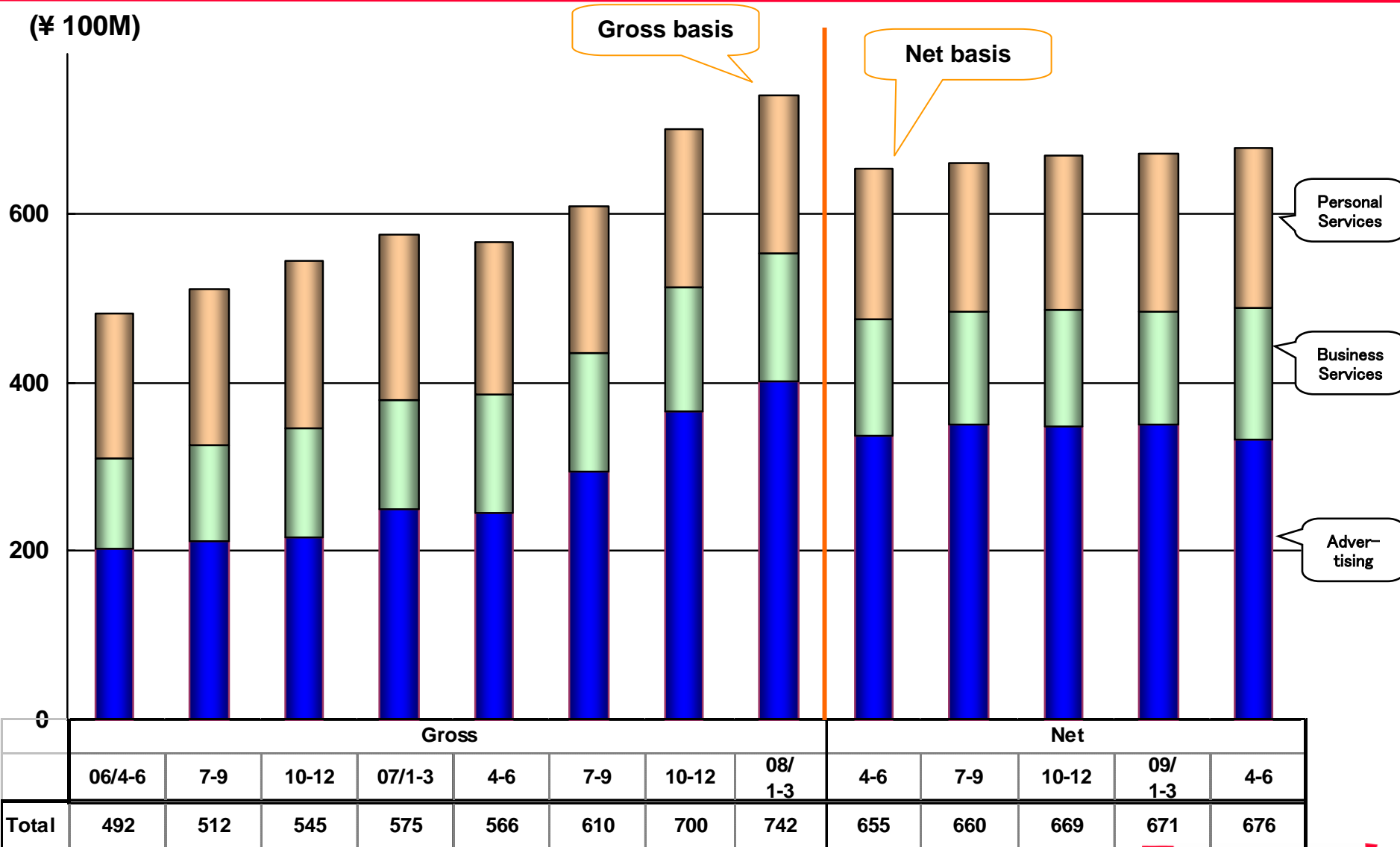
	09-1Q	08-1Q	Changes
Revenue (¥100M)	676	655	3.2 %
Cost of Sales (¥100M)	78	69	13.3 %
Gross Profit (¥100M)	597	586	2.0 %
Operating Income (¥100M)	342	328	4.1 %
Ordinary Income (¥100M)	340	324	5.2 %
Quarterly Net Income (¥100M)	192	191	0.4 %
EPS (¥)	331	317	4.3 %
Number of Shares Outstanding (10 thousand) (Average of period) *	5,810	6,034	-3.7 %
Fully Diluted EPS (¥)	330	317	4.3 %
Number of Shares Assuming Full Dilution (10 thousand) *	5,815	6,042	-3.7 %

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



Quarterly Revenue

(¥ 100M)

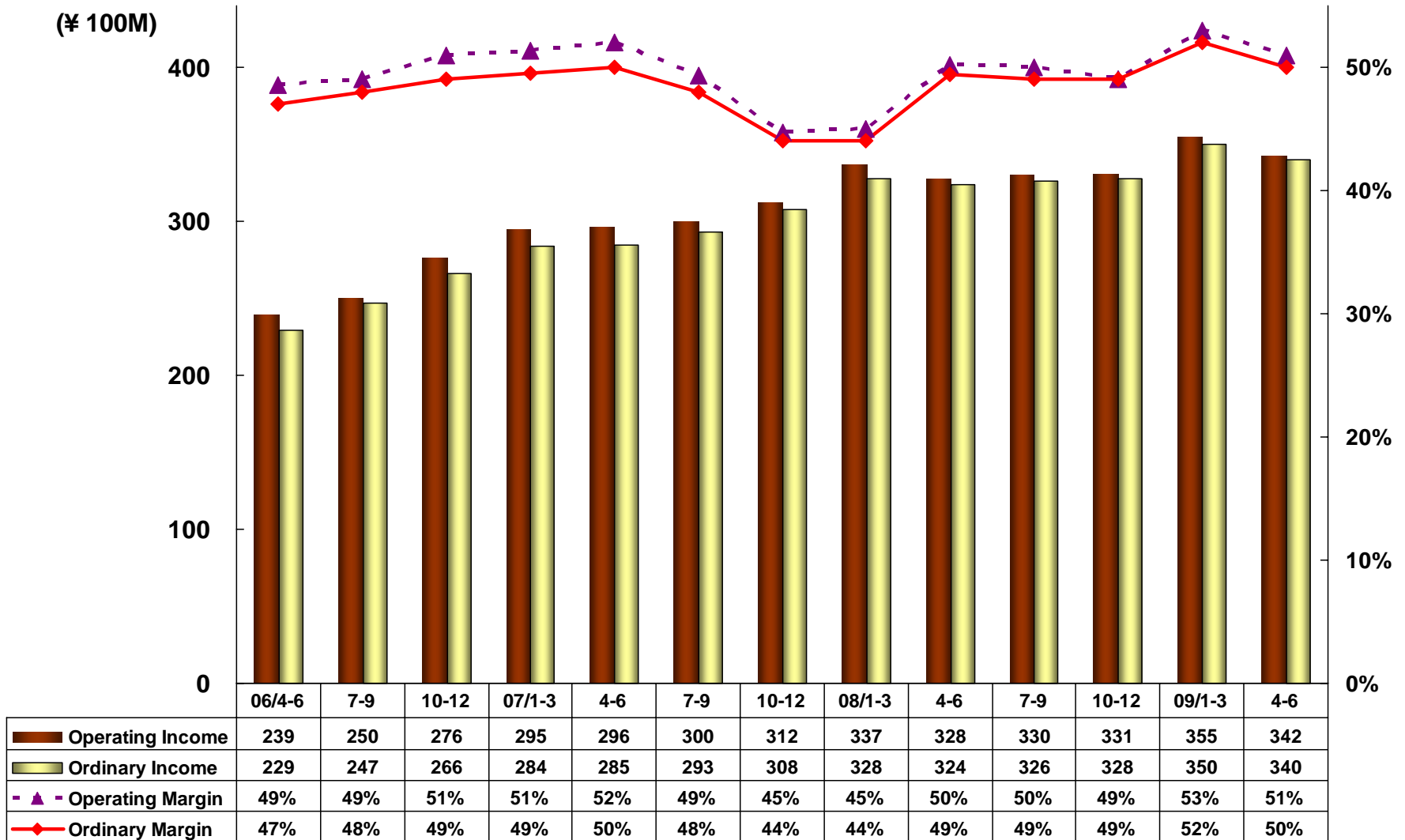


• Figures of 08/1-3 and before are indicated on gross basis.





Quarterly Profits



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



FY2009-1Q Revenue Breakdown by Business

(¥ 100M)

	Revenue	Sales Breakdown by Business Group		Gross Profit	SG&A	Operating Income	Operating Margin
Advertising	332	Media Business Group	66%	286	98	187	56.6%
		BS Business Group	32%				
		Consumer Business Group	2%				
Business Services	157	Media Business Group	13%	127	70	56	36.0%
		BS Business Group	41%				
		Consumer Business Group	44%				
Personal Services	189	Media Business Group	0%	186	53	132	69.9%
		BS Business Group	0%				
		Consumer Business Group	100%				



SG&A Breakdown

(¥ 100M)

	09/1Q	%	08/4Q	QoQ Change	08/1Q	YoY Change
Personnel expenses	72	28.6%	65	11.4%	61	18.7%
Business commissions	32	12.7%	32	0.0%	42	-24.4%
Communication charges	25	9.8%	24	1.0%	22	12.9%
Depreciation expenses	21	8.4%	30	-29.0%	23	-8.9%
Royalties	19	7.7%	19	-0.2%	19	0.7%
Content provider fees	17	6.9%	16	4.5%	13	31.0%
Lease and utility expenses	15	6.1%	16	-5.4%	17	-11.6%
Sales promotion costs	14	5.6%	12	13.1%	14	-1.4%
Sales commissions	9	3.6%	10	-15.8%	10	-11.2%
Administrative and maintenance expenses	5	2.3%	4	20.8%	5	5.4%
Tax and public dues	5	2.0%	1	286.8%	2	74.6%
Amortization of goodwill	3	1.2%	1	187.2%	2	55.4%
Payment commissions	2	1.0%	2	4.4%	2	16.1%
Advertising costs	2	0.9%	2	9.2%	3	-24.5%
Allowance for doubtful accounts	1	0.5%	1	-15.6%	1	-35.0%
Others	6	2.7%	6	6.6%	14	-51.8%
SG&A Total	255	100.0%	249	2.4%	257	-0.8%

Major factors for YoY changes

Increase in personnel (4,945 in total : +19.3% from 2008/6)

Brought development and other operations in-house

Yahoo! Variety and Yahoo! Encyclopedia

Combined separate offices into Tokyo Midtown

Additional estimated payment of business tax for FY2008

Acquisition of shares of subsidiaries

Higher debt collection rate for individual customers



FY2009-1Q Balance Sheets

Major Items	2009/6/30	2008/6/30	Increase/ Decrease	Major Factors for Increase/Decrease	(¥ 100M)
< Assets >					
Current Assets	1,056	1,148	-92	Increase due to operating activities and decrease due to acquisition of own stocks in FY2008 and investment securities	
Cash and Deposits	524	666	-142		
Accounts Receivable -Trade	335	341	-6		
Fixed Assets	2,176	2,036	140	Inclusion of fixed asset related to merger	
Tangible Fixed Assets	282	163	118		
Intangible Fixed Assets	176	146	30	Acquisition of shares of subsidiaries	
Investment Securities	1,580	1,616	-36	Increase due to purchase of investment securities and decrease due to mark to market of securities	
Total Assets	3,232	3,185	47		
< Liabilities >					
Current Liabilities	740	738	1	In 2008-1Q, accounts payable due to share buyback was booked here	
Short-term debts	200	200	-0		
Accounts Payable-Other	111	169	-58		
Accrued Income Taxes	137	123	14		
Long-term Liabilities	3	200	-196	Repayment of borrowings	
Total Liabilities	743	938	-194		
< Net Assets >					
Shareholders' Equity	2,455	2,211	244	Acquisition and cancellation of own stocks in FY 2008	
Common Stock	74	73	0		
Capital Surplus	25	24	0		
Retained Earnings	2,356	2,494	-138		
Treasury Shares	-	-381	381		
Unrealized Gains on Available for Sales Securities	6	8	-2		
Minority Interests in Consolidated Subsidiaries	23	25	-1		
Total Net Assets	2,488	2,246	242		
Total Liabilities and Net Assets	3,232	3,185	47		



FY2009-1Q Cash Flow Statements

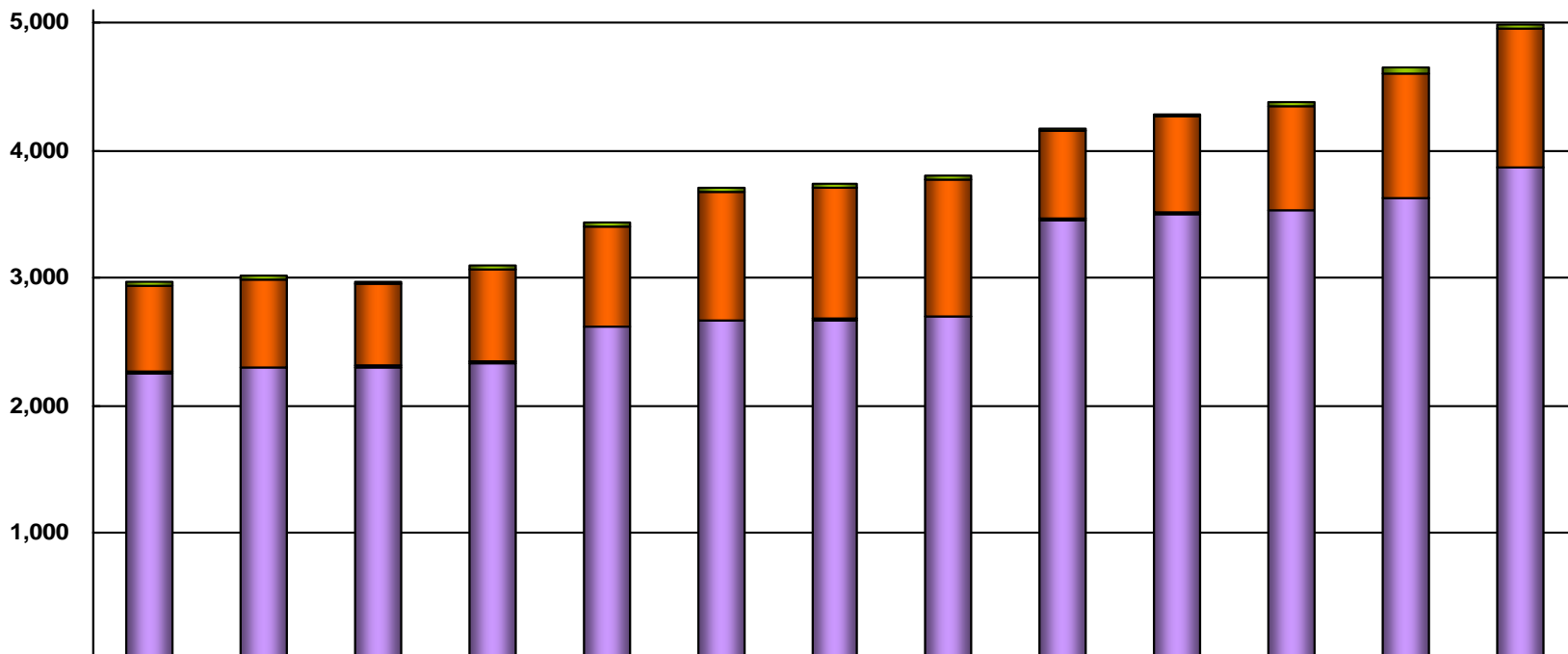
Major Items	FY2009-1Q (Apr.-Jun. 2009)	Major Factors for Changes	(¥ 100M)
<u>Operating Activities</u>	<u>361</u>		
Net Income before Income Taxes	328	Increase in quarterly net income before income taxes	
Depreciation Expenses	24		
Accounts Receivable/Payable-Trade	20		
Payment of Income Tax	-35	Decrease in income tax payment due to merger	
<u>Investing Activities</u>	<u>-34</u>		
Transfer to time-deposit account	-10		
Acquisition of Tangible Fixed Assets	-23		
Acquisition of Intangible Fixed Assets	-7		
<u>Financing Activities</u>	<u>-181</u>		
Repayment of Long-term Debt	-100		
Payment of Dividend	-75		
<u>Net Change in Cash Flows</u>	<u>145</u>		







Number of Directors and Employees

(Number of People)

(at the End of Quarter)



	06/6	9	12	07/3	6	9	12	08/3	6	9	12	09/3	6
Directors and Auditors of Subsidiaries 	31	31	25	27	27	33	31	32	26	25	24	39	31
Employees of Subsidiaries 	676	677	641	719	781	1,000	1,025	1,062	685	747	814	977	1,082
Directors and Auditors of Yahoo! JAPAN 	9	9	9	9	9	9	9	9	9	9	9	9	9
Employees of Yahoo! JAPAN 	2,255	2,297	2,302	2,340	2,618	2,666	2,670	2,697	3,459	3,508	3,532	3,622	3,863
Total	2,971	3,014	2,977	3,095	3,435	3,708	3,735	3,800	4,179	4,289	4,379	4,647	4,985

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



Appendix



Display Advertising Sales by Industry

Industries with large year on year increase

- Cosmetics/Toiletries
- Beverages/Cigarettes
- Mobile Communications Service

Industries with large year on year decrease

- Finance/Insurance/Securities
- Real Estate/Construction
- Autos (Transport Equipment)

	08/1Q	2Q	3Q	4Q	09/1Q
Finance/Insurance/Securities	18.1%	18.9%	16.7%	14.0%	13.2%
Cosmetics/Toiletries	9.2%	10.2%	10.4%	10.2%	12.2%
Autos (Transport Equipment)	12.3%	10.7%	11.4%	12.9%	10.1%
Real Estate/Construction	12.1%	11.5%	10.7%	12.8%	8.9%
Transportation/Leisure	7.9%	7.9%	7.2%	6.3%	7.4%
Beverages/Cigarettes	5.0%	3.9%	3.3%	4.9%	7.2%
Mobile Communications Service	3.3%	3.3%	4.1%	3.9%	5.0%
Foodstuffs	3.5%	3.4%	3.6%	3.8%	4.1%
Fashion/Accessories	3.7%	3.4%	4.2%	3.1%	4.0%
Information Processing Service	1.5%	0.6%	1.1%	1.1%	2.3%
Others	23.4%	26.2%	27.3%	27.0%	25.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

● The above are classified by contents of advertising.



Pay per Performance Advertising Sales by Industry

Industries with large quarter on quarter increase

- Retail Sales Services
- Cosmetics/Toiletries
- Transportation/Leisure

Industries with large quarter on quarter decrease

- Real Estate
- Finance/Insurance
- Autos (Transport Equipment)

	08/4Q	09/1Q
Retail Sales Services	24.1%	26.5%
Information/Communication	11.2%	11.9%
Transportation/Leisure	9.2%	9.9%
Finance/Insurance	11.2%	9.9%
Real Estate	10.6%	8.6%
Medical, Welfare, Health and Beauty	6.9%	7.0%
Recruiting Services	7.3%	6.9%
Educations/University	6.2%	6.0%
Autos(Transport Equipment)	3.5%	2.8%
Cosmetics/Toiletries	1.8%	2.1%
Hobbies/Sports	1.5%	1.6%
Others	6.5%	6.8%
Total	100.0%	100.0%



FY2009-1Q Major Advertisers (Display Advertising)

Finance/Insurance/Securities

Sumitomo Mitsui Banking Corporation
eBank Corporation
ORIX Credit Corporation

Cosmetics/Toiletries

Shiseido Co., Ltd.
DHC Corporation
ORBIS Inc.

Autos (Transport Equipment)

Honda Motor Co., Ltd.
Mazda Motor Corporation
IK CO.,LTD.

Real Estate/Construction

Mitsui Fudosan Residential Co., Ltd.
Nomura Real Estate Development Co., Ltd.

Transportation/Leisure

All Nippon Airways Co., Ltd.
Japan Airline Corporation

Beverages/Cigarettes

Coca-Cola (Japan) Company, Limited
Kirin Beverage Company, Limited
Suntory Limited

Mobile Communications Services

KDDI CORPORATION
SOFTBANK MOBILE Corp.

Foodstuffs

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

Fashion/Accessories

Giorgio Armani
NIKE

Information Processing Service

Microsoft Corporation

- The above are classified by contents of advertising.



Additional Business Data: 2009-1Q

Average Daily Transaction Volume	Apr.-Jun. 2008	Apr.-Jun. 2009
Commerce (¥100M)	26.1	25.5
☆ Auction (¥100M)	20.2	19.1
☆ Shopping (¥100M)*	5.8	6.3
Yahoo! Mobile e-commerce (¥100M)	3.6	4.0
Subscriber Lines for Yahoo! BB Services	End of Jun. 2008	End of Jun. 2009
Total (10 thousand lines)	465.3	415.8
Number of lines marketed by Yahoo! JAPAN (10 thousand lines)	94.1	80.5
Other Data of Auction Business	Apr.-Jun. 2008	Apr.-Jun. 2009
Average Closing Price (¥)	5,099	4,854
Average Successful Auction Ratio (%)	22	18
Number of Business Express Contracts (Number of contracts/Monthly average)	Apr.-Jun. 2008	Apr.-Jun. 2009
	3,323	2,591

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



Role of New 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 and advertising planning and production costs/
Pay per performance 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

The Business Services (BS) Business Group plans regional and local living area information listing services and sells products and services to small and medium-sized enterprise clients, including agency and online sales. The group also manages sales activities in regions other than Tokyo. 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:

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

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/ Yahoo! BB ISP and content fees.



Role of New 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

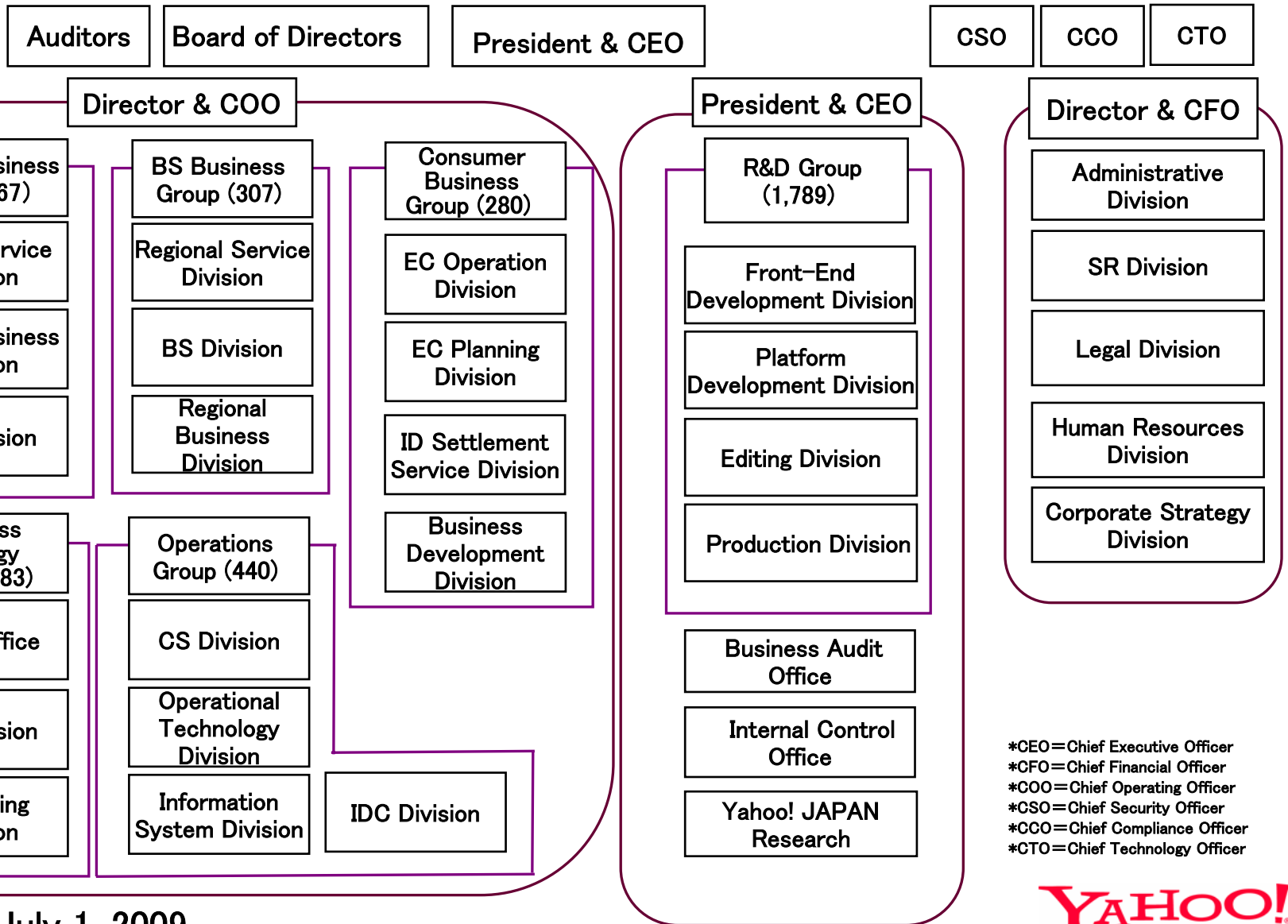
The Operations Group promotes the stability and efficiency of the overall systems of the Group and oversees the stable operations of the data center. Through its efforts to create a secure and reliable operating environment for the Group's systems, the Operations Group has established a control system 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

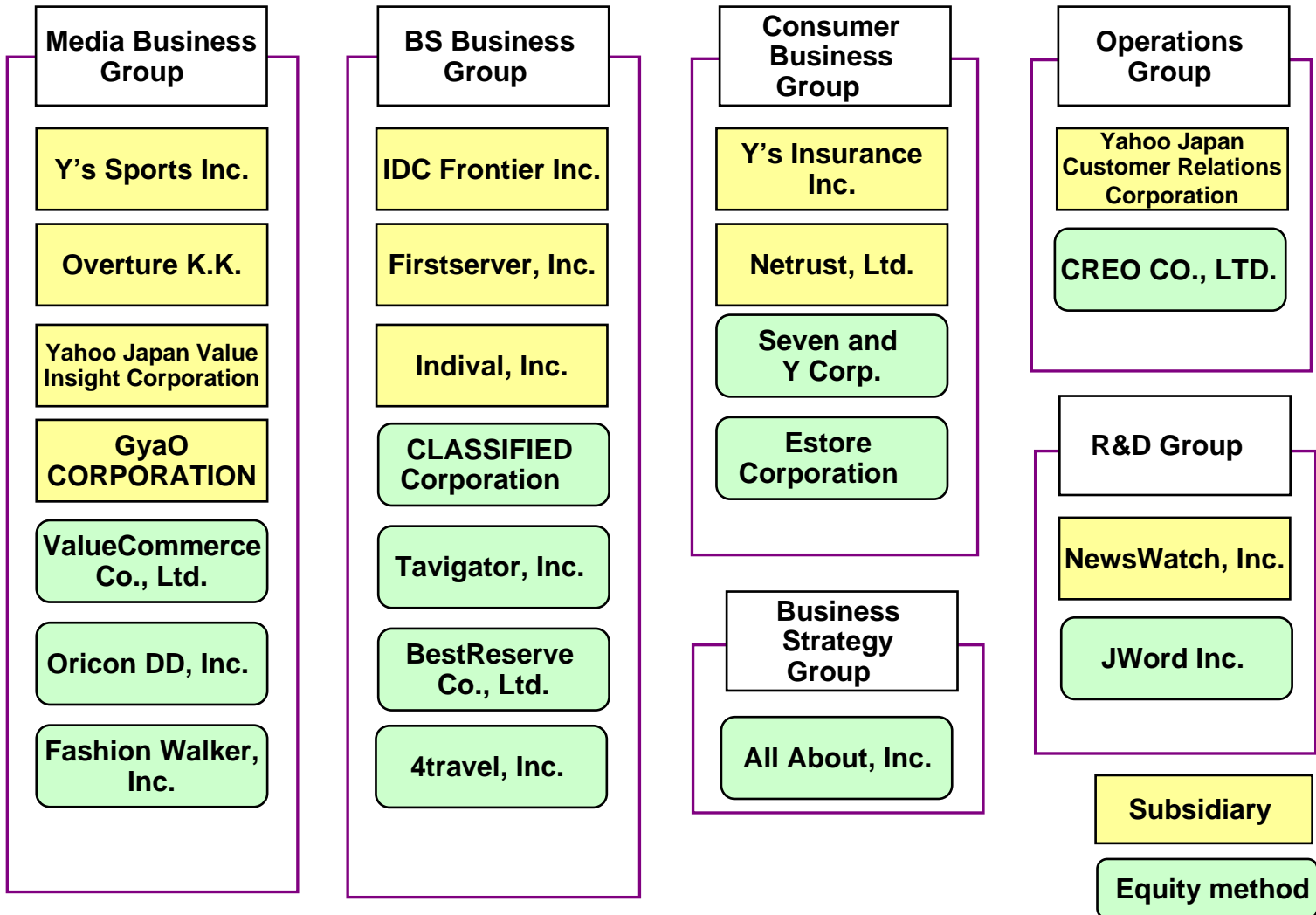


*CEO=Chief Executive Officer
 *CFO=Chief Financial Officer
 *COO=Chief Operating Officer
 *CSO=Chief Security Officer
 *CCO=Chief Compliance Officer
 *CTO=Chief Technology Officer





Yahoo! JAPAN Main Group Companies



Number of Employees (unconsolidated): 3,863
Number of Employees (consolidated): 4,945
As of June 30, 2009



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