



Yahoo Japan Corporation
FY2013-1Q Business Results
(April-June 2013)

July 25, 2013

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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 “Risk Factors” in “Results for the Fiscal Year and the Three Months ended March 31, 2013.”

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FY2013-1Q Financial Highlights

Achieved 3 consecutive quarter Double-digit YoY Growth after an interval of 6 years.

(¥100M)

	2012-1Q	2013-1Q	YoY Change	Change Contributors
Revenue	775	923	19.0%	<ul style="list-style-type: none"> • Promotion Advertising revenue grew • Yahoo! Premium membership revenue increased • New consolidated subsidiaries were added in 2012-2nd half
Operating Income	421	486	15.4%	Increased cost due to consolidation of subsidiaries
Ordinary Income	427	490	14.6%	-
Quarterly Net Income	250	322	28.7%	Profit due to sales of investment securities

Quarterly Revenue

(¥ 100M)

1,000

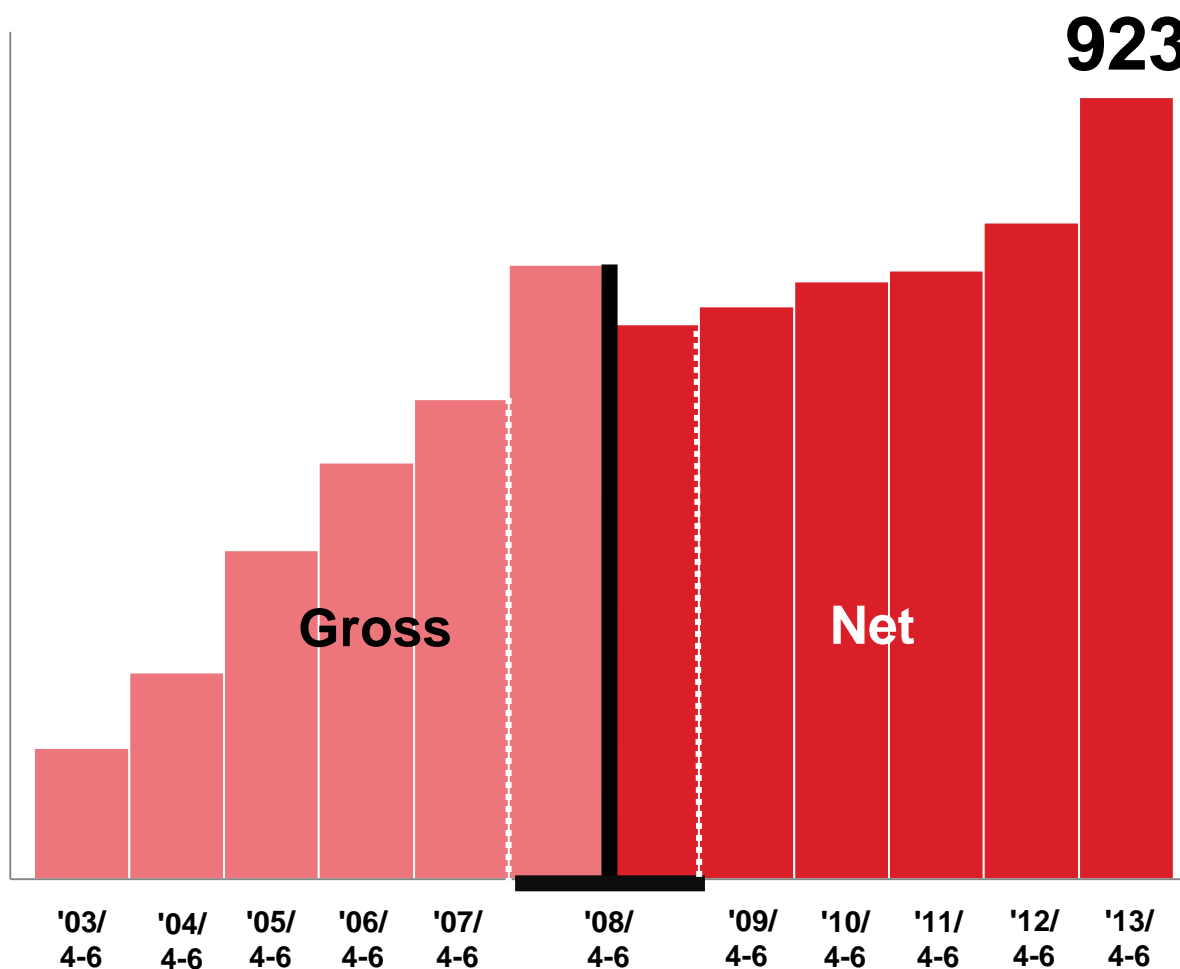
800

600

400

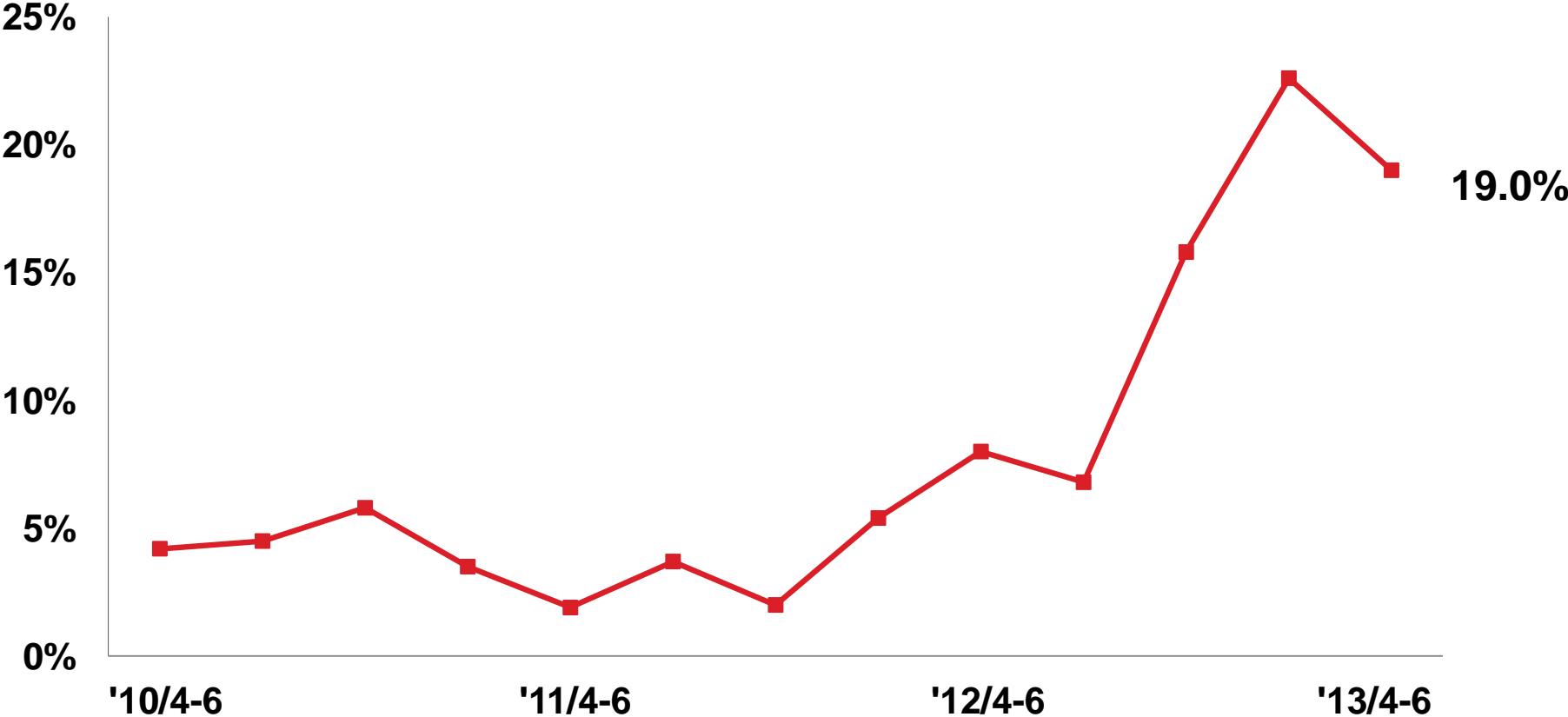
200

0



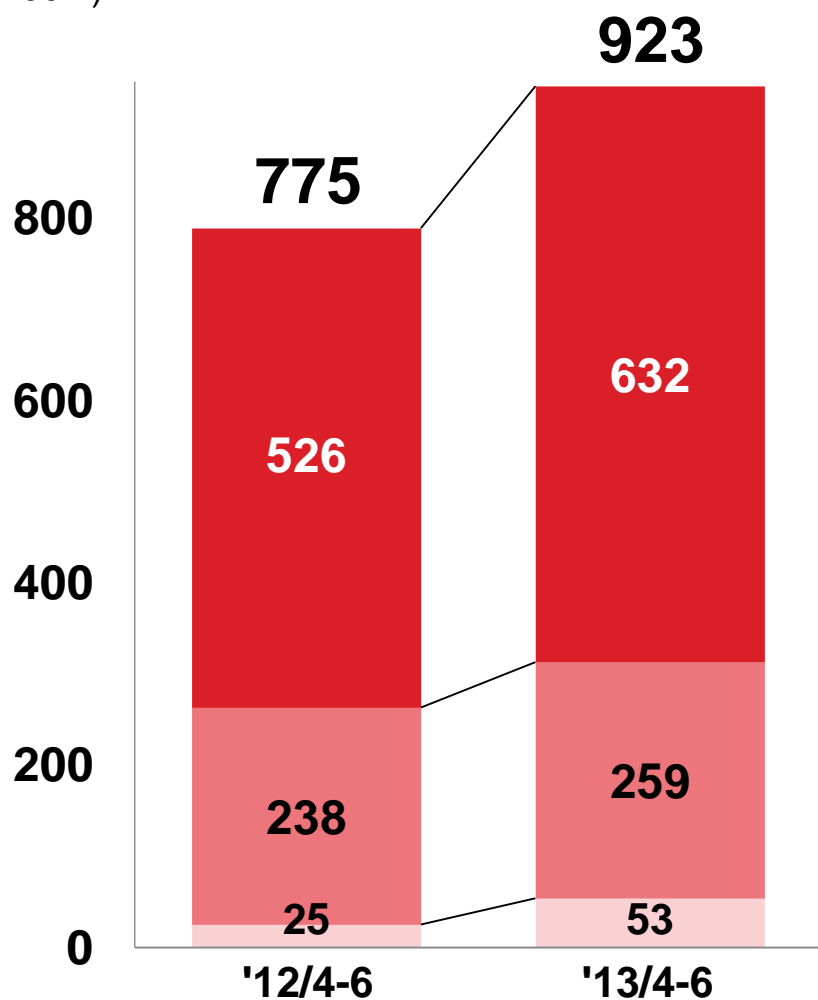
* Commencing with FY2008, we started indicating revenue on a net rather than gross basis, by eliminating certain items in cost of sales and SG&A. The figure on a gross basis for '08/4-6 is included for your reference.

Quarterly Revenue YoY Growth Trend



Quarterly Revenue Breakdown

(¥ 100M)



Total **+147** (¥100M)
+19.0%

Marketing Solutions Business **+20.1%**

Promotion Advertising revenue was strong.

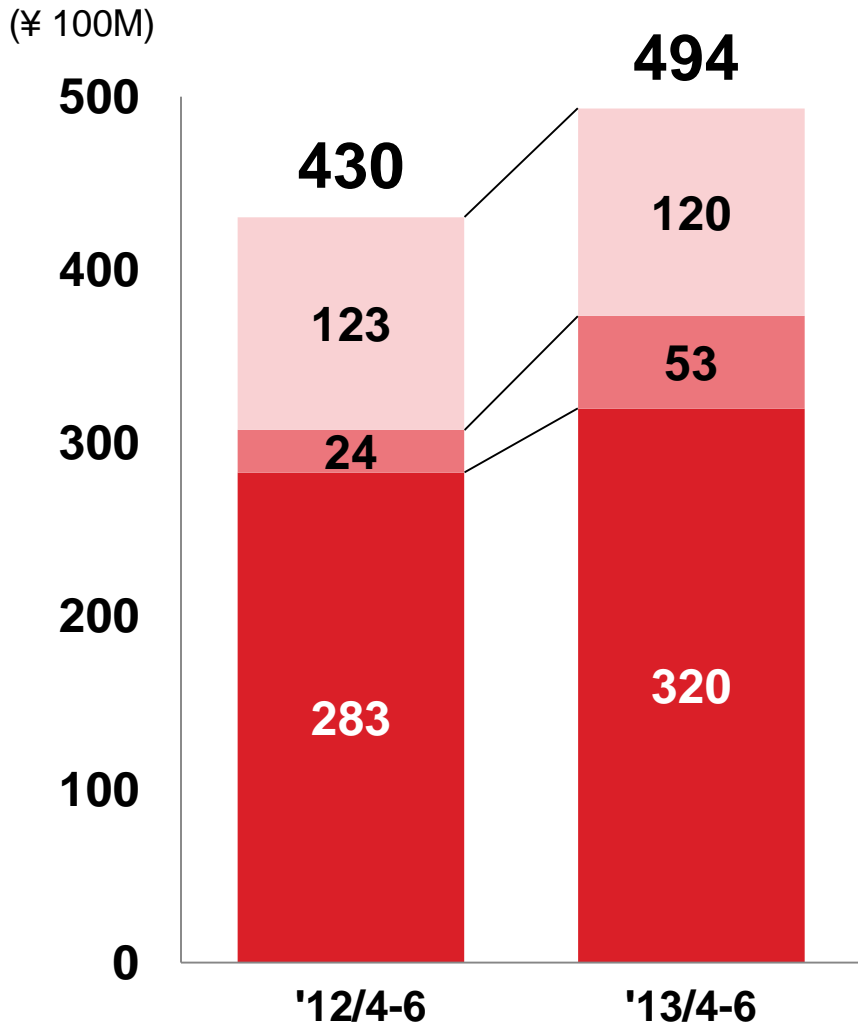
Consumer Business **+8.8%**

Yahoo! Premium membership revenue grew.

Other Business **+110.1%**

Start of FX business.

Quarterly Advertising-related Revenue



Total **+63** (¥100M)
+14.7%

Premium advertising revenue

-2.5%

Revenue of advertising products excluding “Brand Panel” (PC) were mediocre.

YDN and others

+117.8%

Yahoo! JAPAN Display Ad Network (YDN) revenue grew favorably.

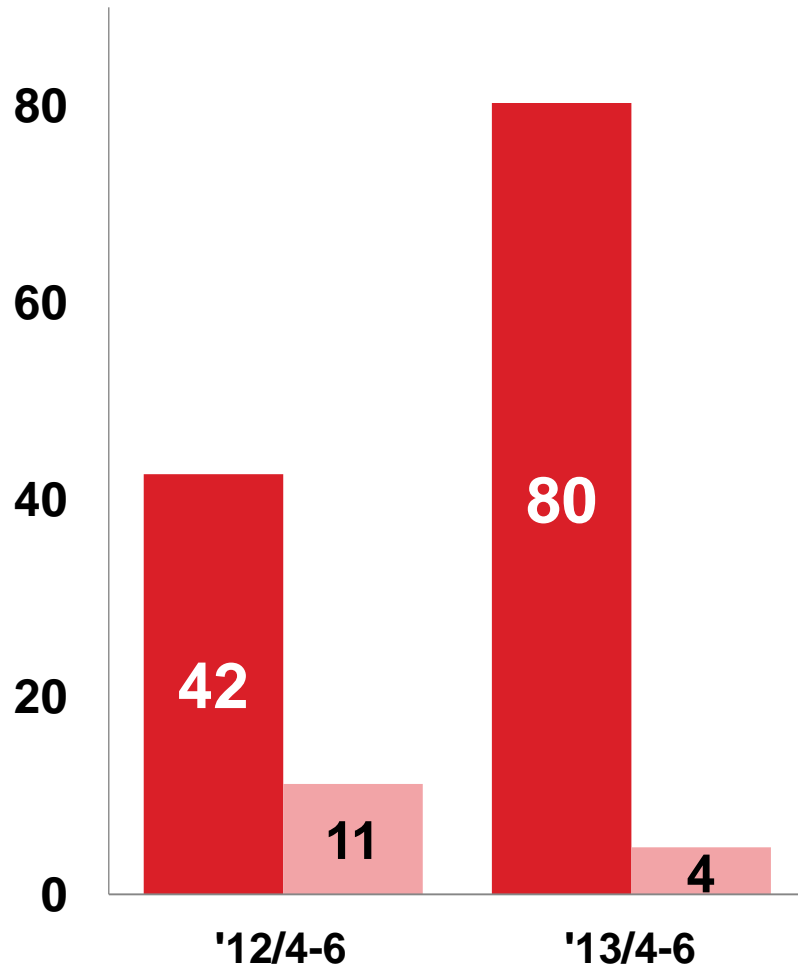
Sponsored Search

+13.4%

Smartphone advertising revenue rose substantially.

Quarterly Advertising-related Revenue via Mobile Phones

(¥ 100M)



■ Smartphone advertising revenue

+37 (¥100M)

Smartphone advertising revenue ratio

9.9% → 16.2%

*Smartphone advertising revenue includes some revenue via tablet devices.

■ Feature phone advertising revenue

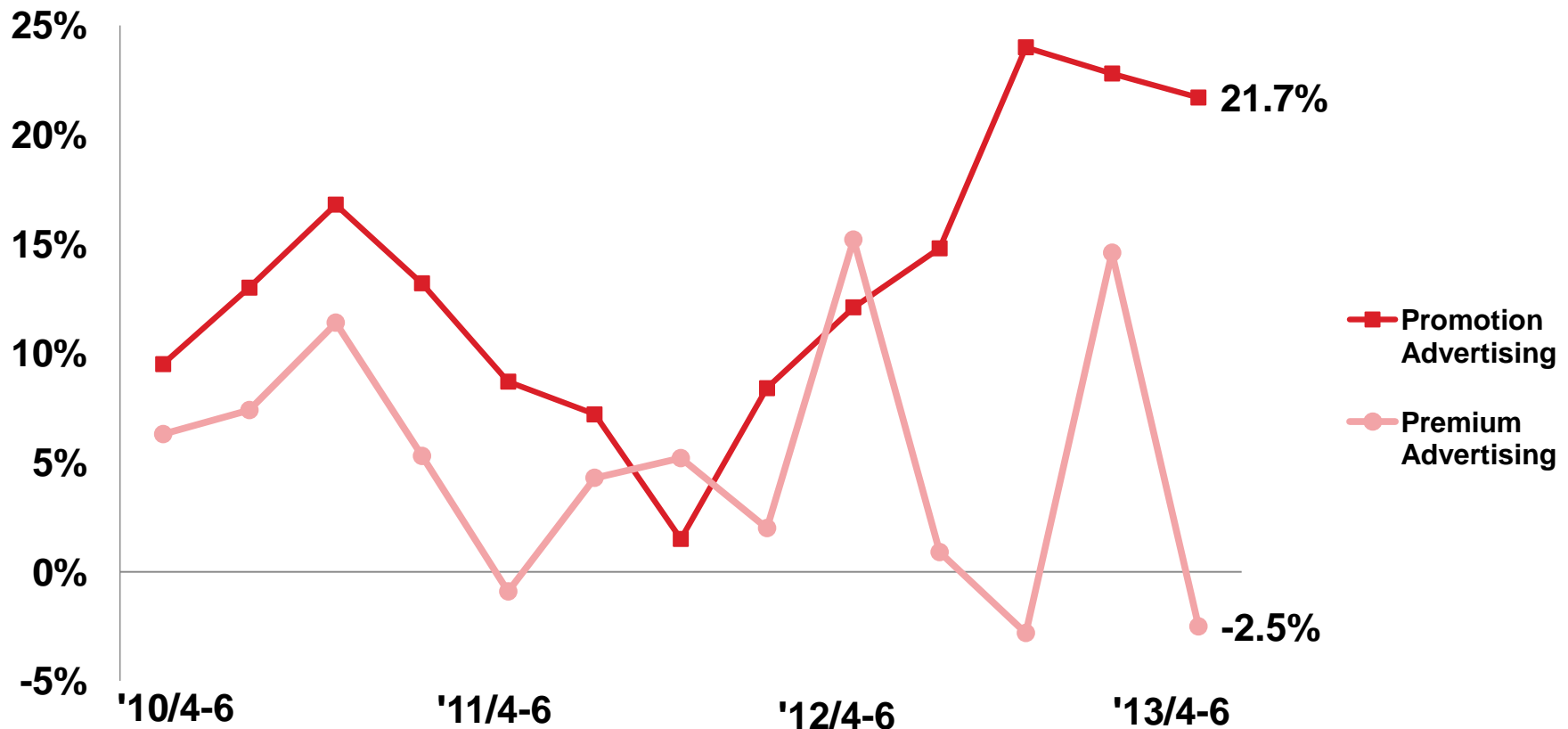
-6 (¥100M)

Feature phone advertising revenue ratio

2.6% → 1.0%

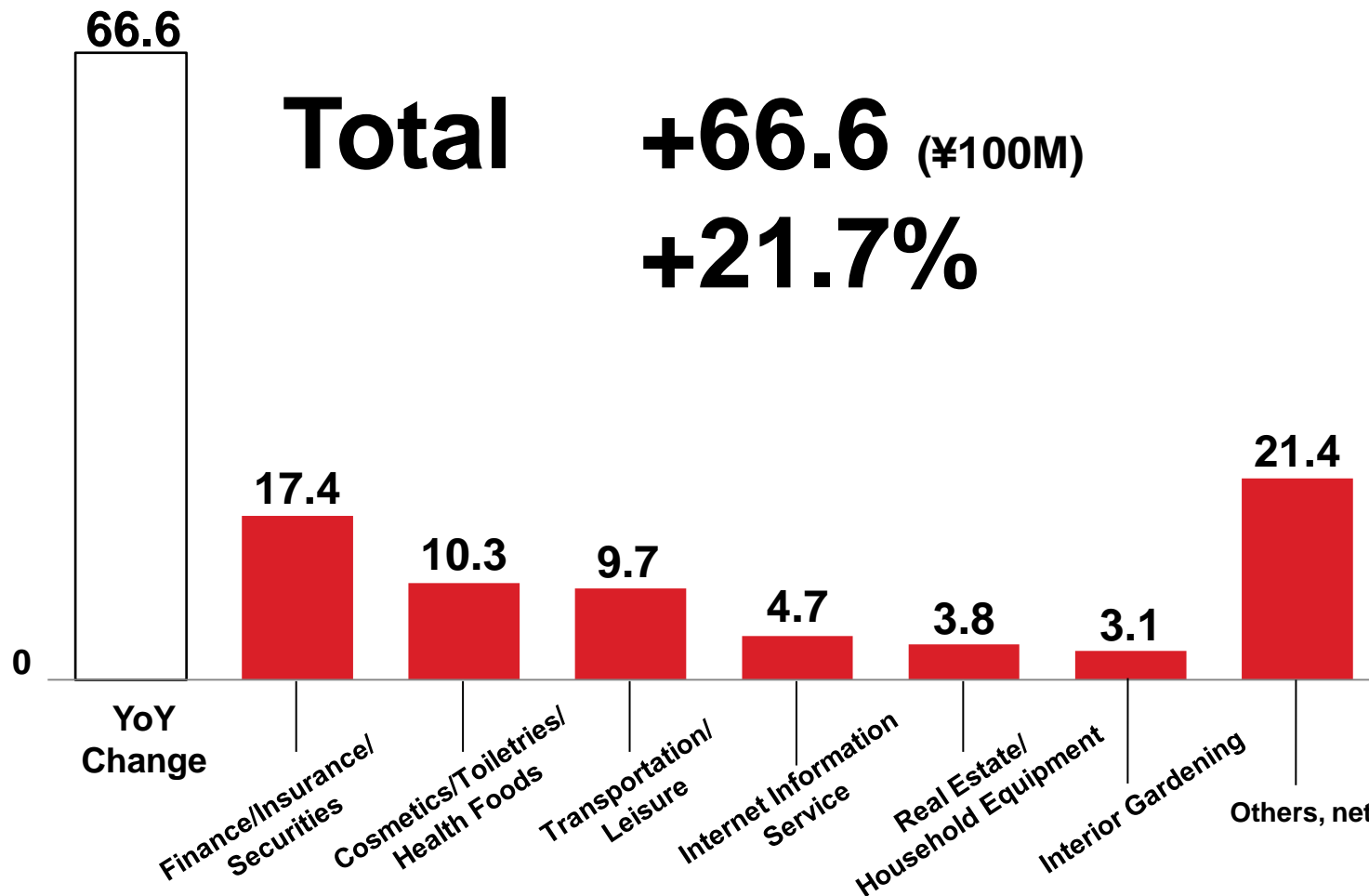
As a result of adopting a more accurate calculation method, prior figures have been restated.

Quarterly Advertising-related Revenue YoY Growth Trend



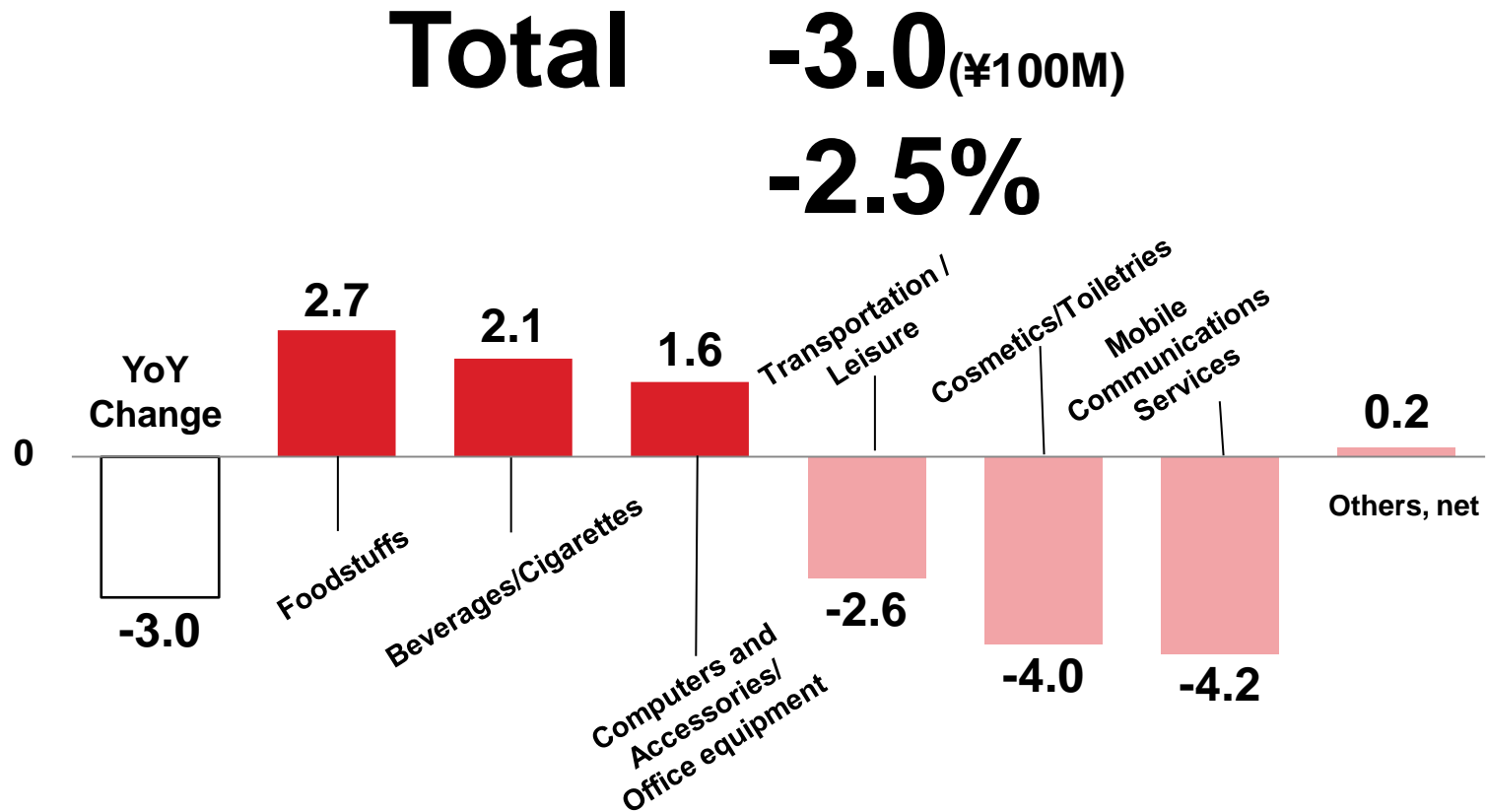
YoY Change Contributors by Industry - Promotion Advertising Revenue

(¥ 100M)



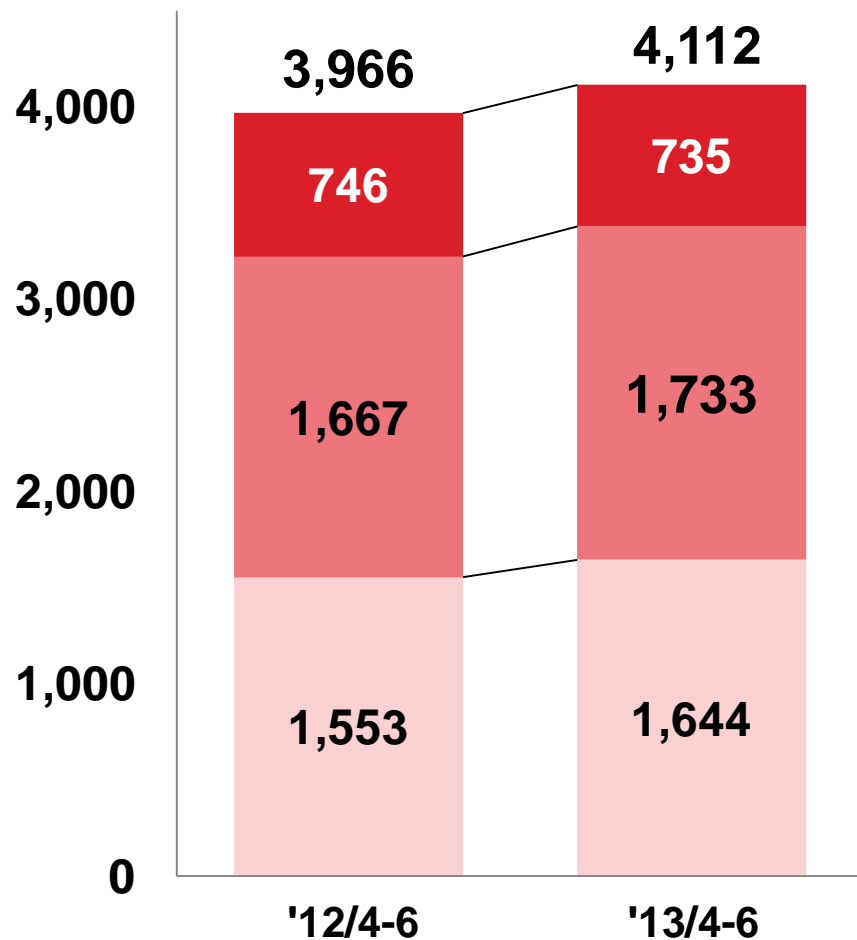
YoY Change Contributors by Industry - Premium Advertising Revenue

(¥ 100M)



Quarterly e-Commerce Transaction Value

(¥ 100M)



Total **+145** (¥100M)
+3.7%

Shopping-related **-1.4%**
Transaction value was almost flat.

Auction-related **+4.0%**
Transaction value increased.

Others **+5.9%**
(Settlement/Financial services, pay digital content, etc.)
Transaction value of pay digital content increased.

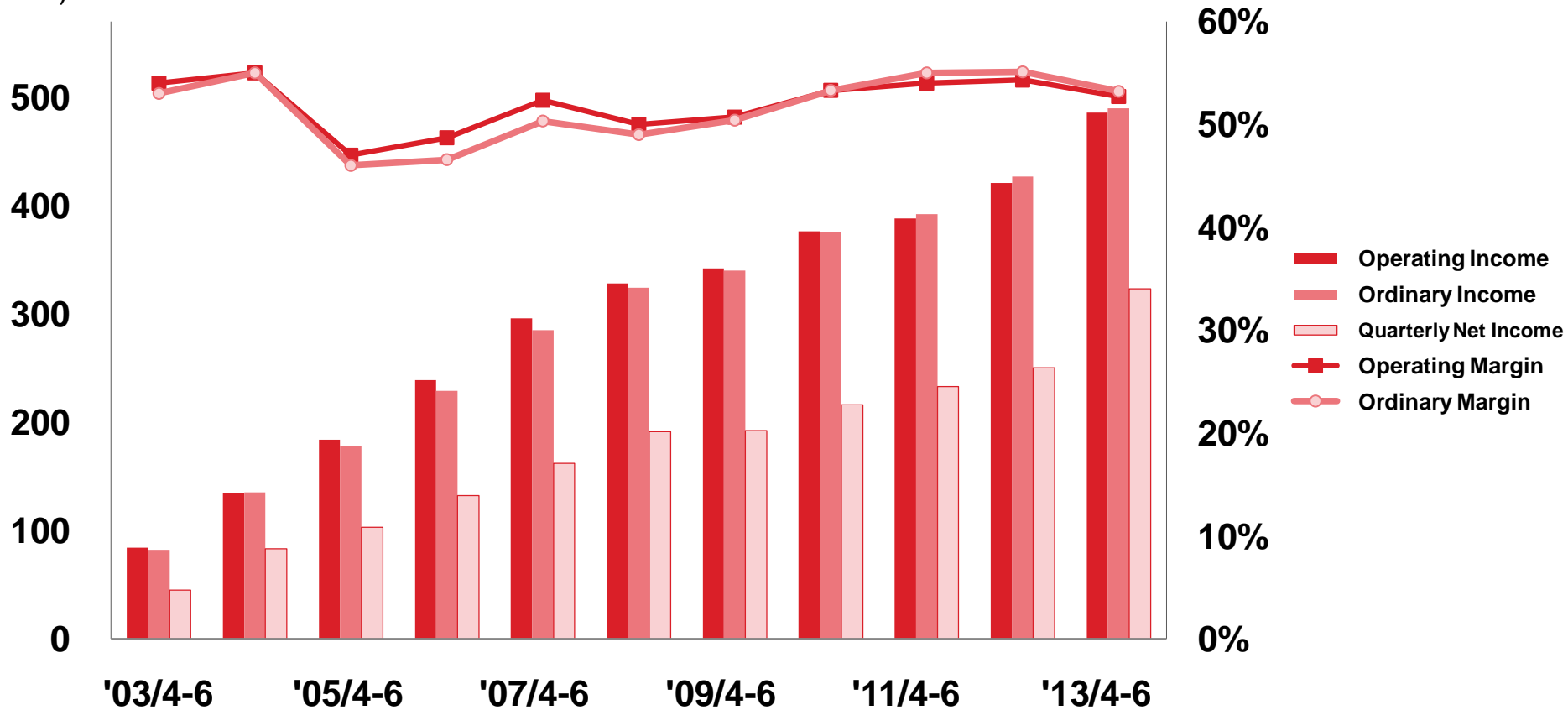
Yahoo! Wallet and settlement service transaction value grew.

*Transaction value of FX business is not included.

Shopping-related and Auctions transaction value through Smartphones
17.8%→24.1%

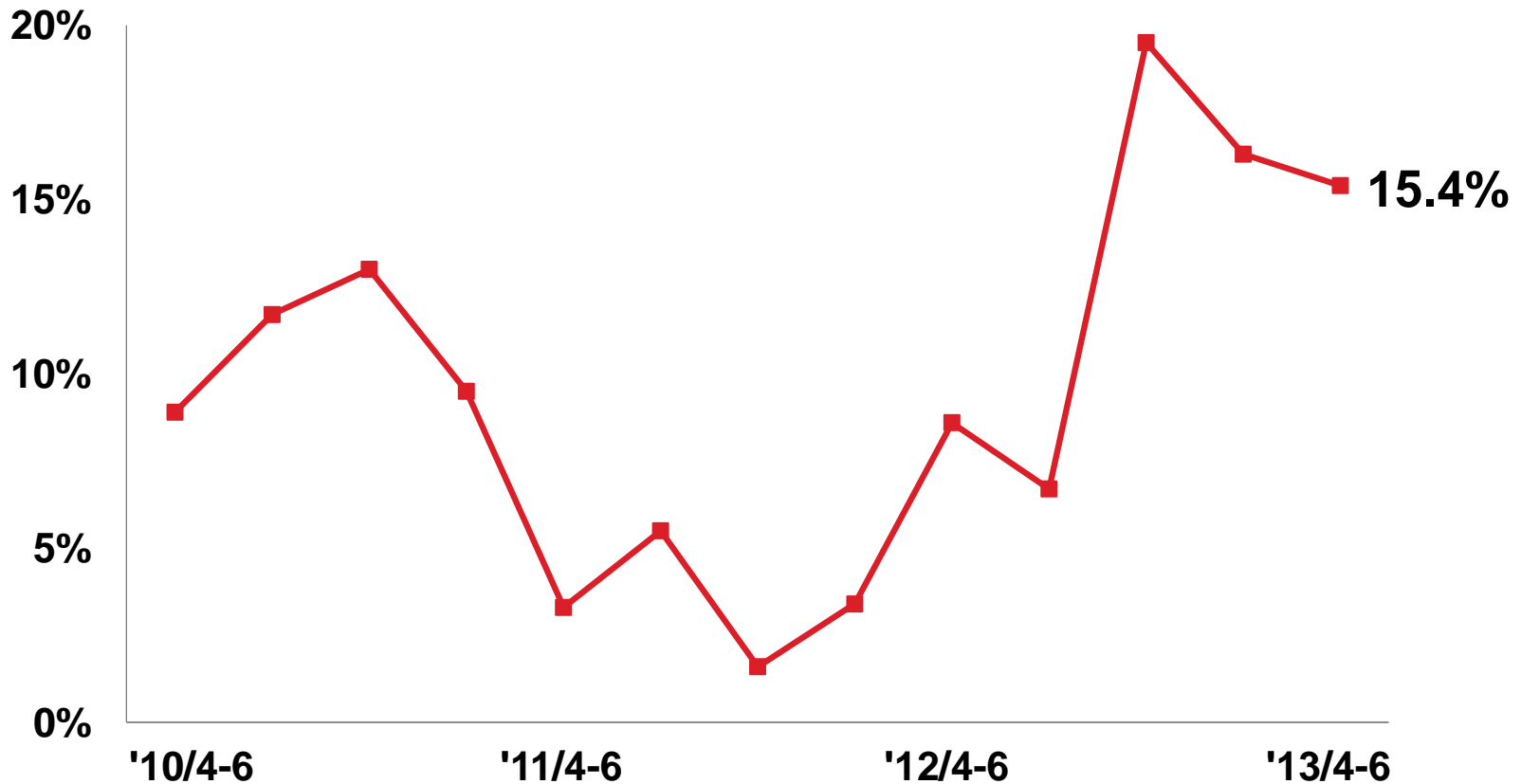
Quarterly Profits

(¥ 100M)



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

Quarterly Operating Income YoY Growth Trend



Revision of FY2013-1st Half Business Outlook

(¥100M)

	2013-1H (as of Apr. 25)	2013-1H (Revised)	Change Contributors
Revenue	1,800	1,858	Promotion advertising revenue growth in Q1 over expectations
Operating Income	920	956	-
Ordinary Income	922	959	-
Half-year Net Income	569	612	Profit due to sales of investment securities

FY2013-2Q Business Outlook

(For reference only)

(¥100M)

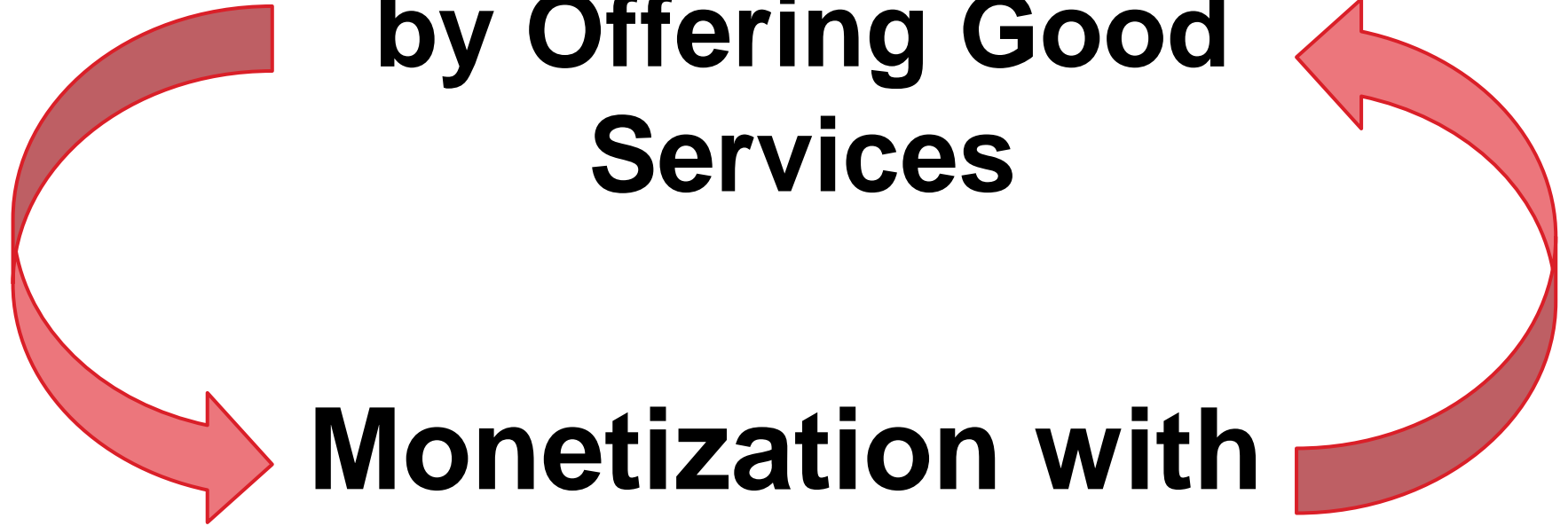
	2012-2Q (Actual)	2013-2Q (Forecast)	YOY Change	Change Contributors
Revenue	787	934	18.6%	<ul style="list-style-type: none"> · Advertising revenue expected to grow · Revenue from Premium membership expected to increase · New subsidiaries were added in 2012-2nd half
Operating Income	432	469	8.5%	Cost increases due to consolidation of subsidiaries
Ordinary Income	439	468	6.6%	-
Quarterly Net Income	271	289	6.6%	-

* Business outlook for 2013-2Q is an approximate calculation of the forecast for FY 2013 first half minus actual figures for FY 2013-1Q.

Marketing Solutions Business

**Acquisition of Users
by Offering Good
Services**

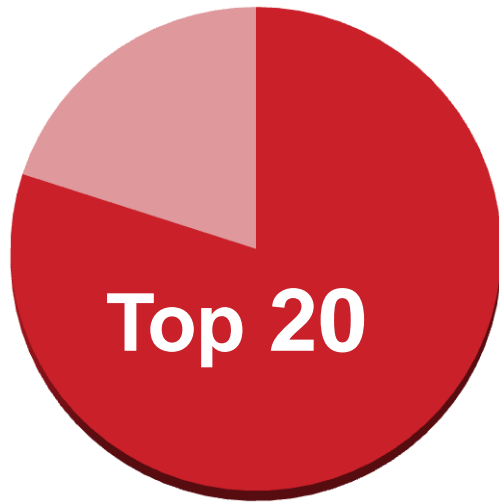
**Monetization with
Distribution of
Advertising**



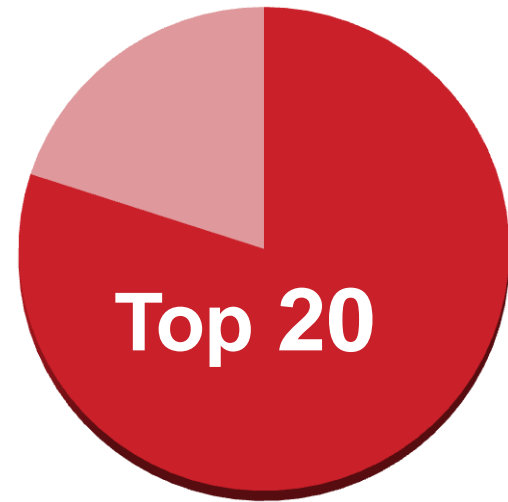
Services

Major Portions of Traffic and Revenue Are Generated Through the Top 20 Services

Traffic

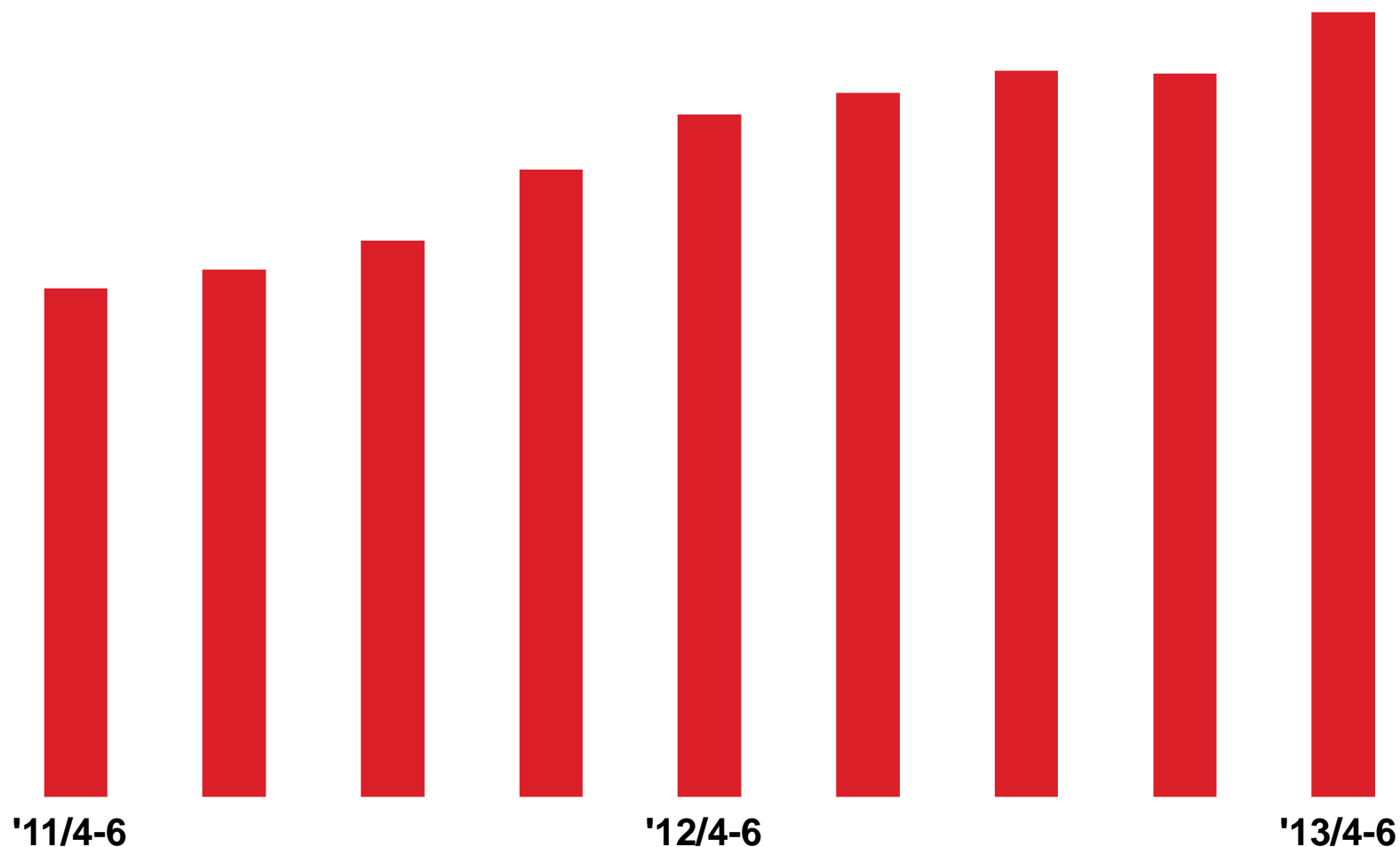


Revenue



(conceptual only)

DUBs* of Top 20 Services Grow Favorably



Source: Yahoo Japan Corporation

*DUB=Daily Unique Browser

Measures to Improve Usability (Top 20 services)

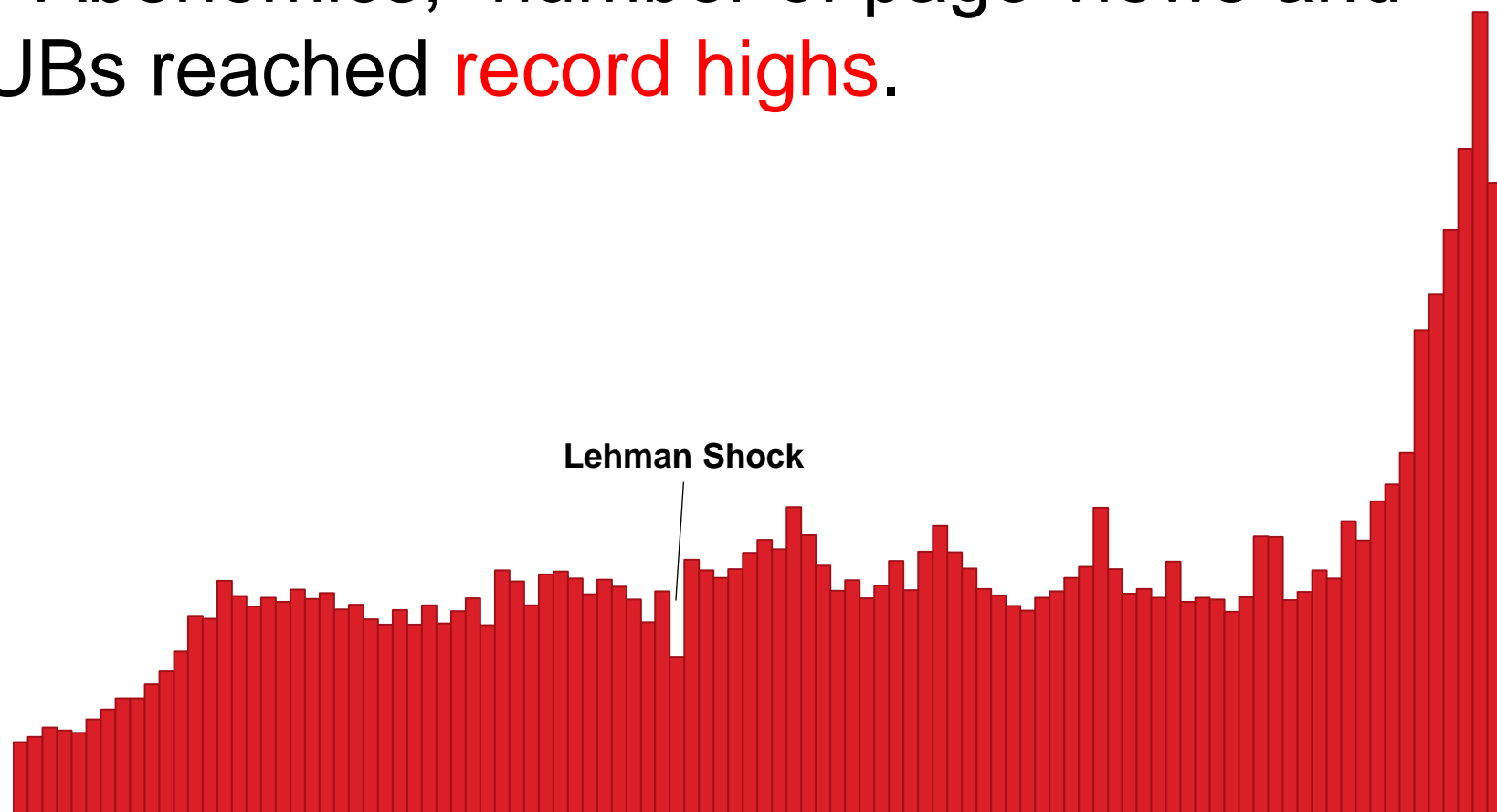
Renewed Yahoo! JAPAN Top Page After an Interval of 5 Years

Improved the design to be simple and user-friendly in order to optimize it to smart device screens



“Yahoo! Finance”

Because of usability enhancements and impact of “Abenomics,” number of page views and DUBs reached **record highs**.



Yahoo! Finance PVs

Started Offering Official Application of “Yahoo! News”

No.1
Ranked

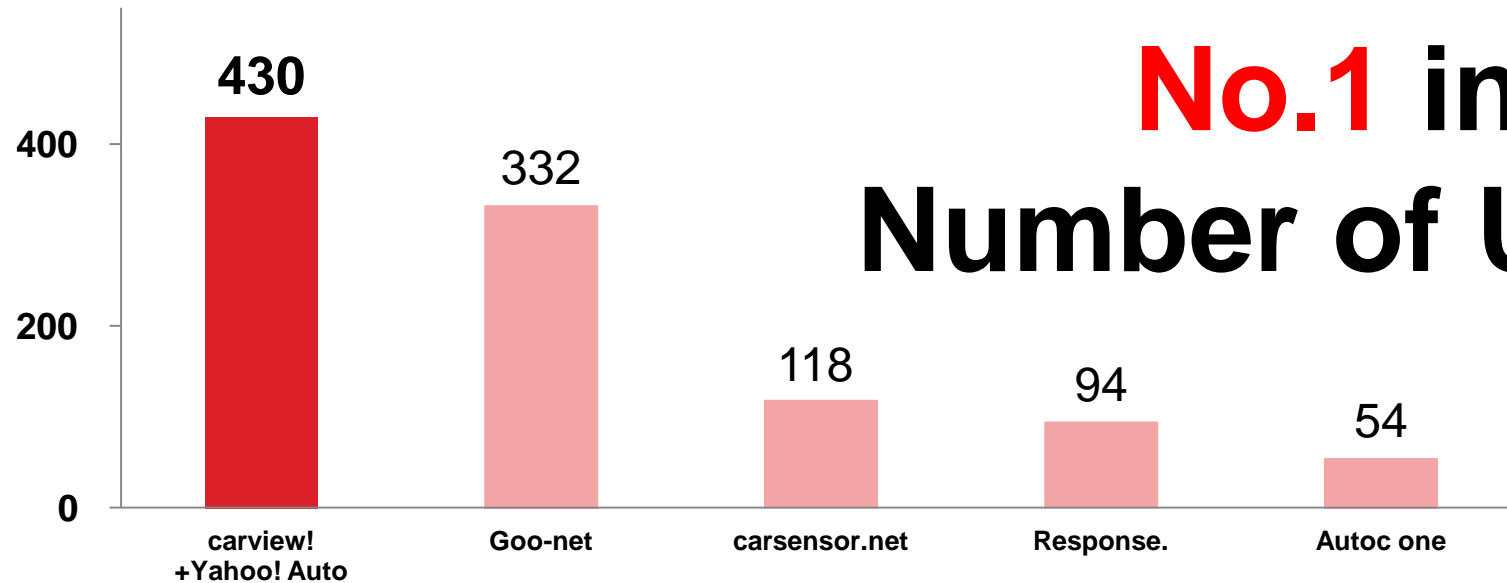
- 140 foreign and domestic companies / 210 media distribute more than 3,500 news articles per day.
- Application downloads the content at launch, enabling users to read articles even in out-of-service areas.
- Ranked as No.1 on AppStore Overall Ranking



Launched “carview!”

- Japan’s largest comprehensive automobile service site
- Direct link on Yahoo! JAPAN top page

(10 thousand Unique Users)



No.1 in
Number of Users

Source: Nielsen (NetView JP), access from home and office using PCs (excluding Internet application), June 2013. Data on carview! and Yahoo! Autos is based on each one’s sub-domain level, while other data are based on brand level.

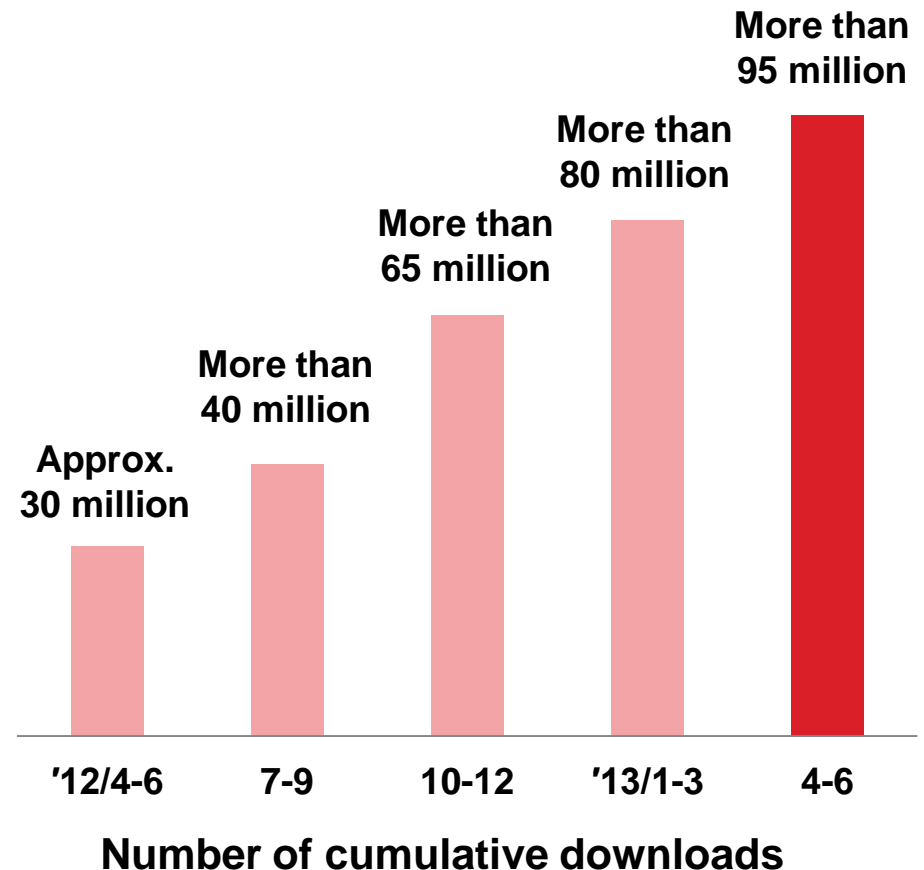
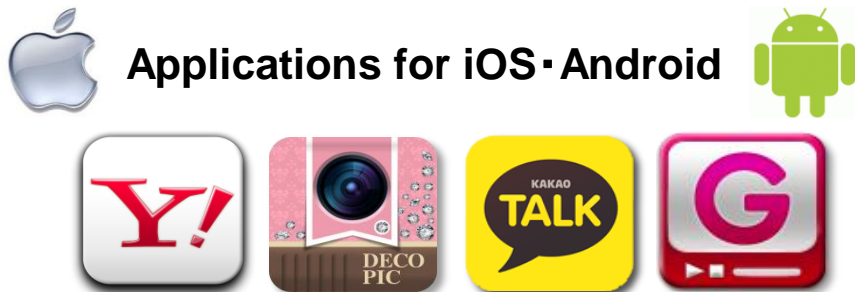
Measures to Improve Usability (Smartphone services)

Cumulative Number of Yahoo! JAPAN Applications Downloaded Increased

iOS+Android

Cumulative downloads:

95 million and up



Cumulative Number of Downloads of Apps of Community Factory Exceeded **25 million**

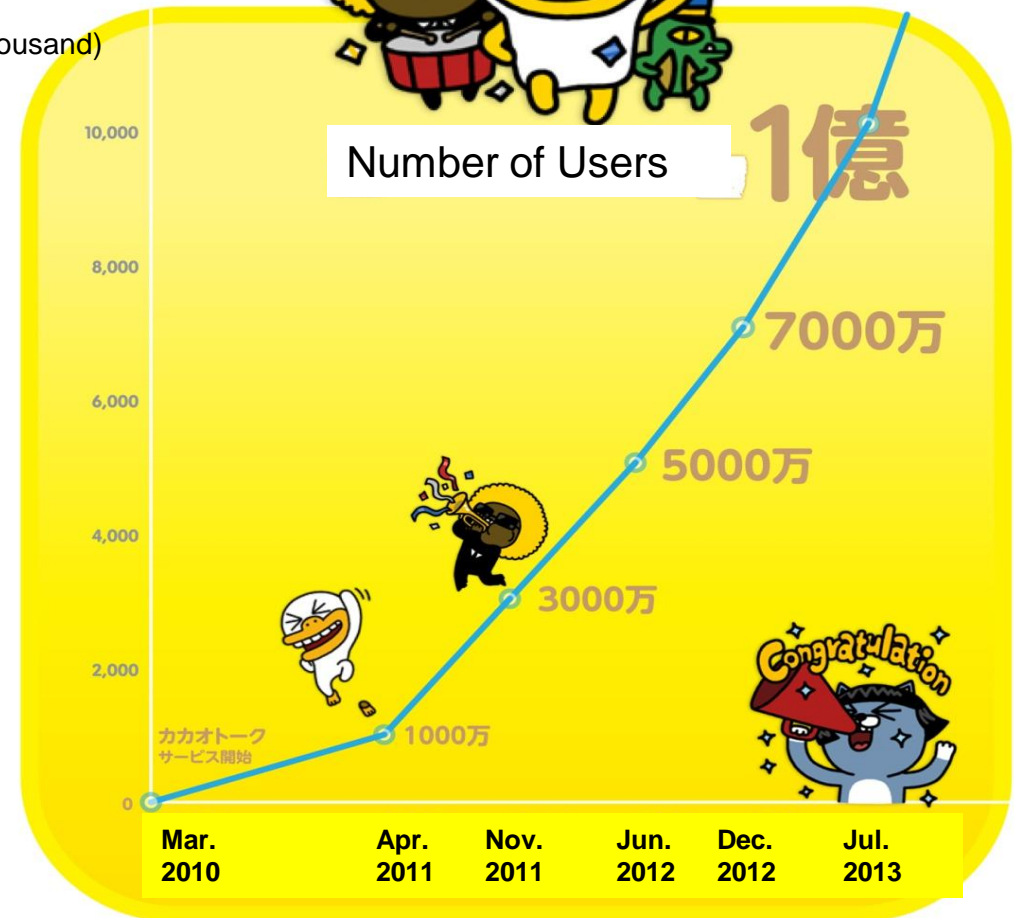


“KAKAO TALK”

Number of Users
Increased.

Global Users
exceeded
100 million on
July 1st.

(10 thousand)



“Yahoo! File Manager”

No.1
Ranked

Users can organize files on Android easily.

- Easy operation using drag and drop function
- Files can easily be compressed and shared.
- Ranked as No.1 in Google Play business category



“kazoc”

No.1
Ranked

- Cloud service which enables family members to save and share documents and childhood photo collections
- Won No.1 ranking in AppStore medical category

こどものおもいで、家族でつながる。
母子手帳アプリ

カゾック
KAZOC
Presented by Yahoo! JAPAN

無料だよ!

今すぐ、ダウンロード。

for iPhone
App Store からダウンロード

Android版 coming soon

Q "kazoc"で検索してね。(外部サイト)

こどもの成長とおもいでを
家族みんなで共有できるアプリ

The advertisement features a smartphone displaying the Kazoc app interface. The app shows a child's profile for '美羽' (Mitsuharu), a 0-year-old 3-month-old girl, with birth records and growth data. The interface includes fields for birth date (2012/09/23), birth time (05:20), and birth weight (2869g). Growth data includes height (59.5 cm), weight (6.2 kg), and chest circumference (39.2 cm). It also shows vaccination records for BCG and a photo album section.

“Yahoo! Medicine Note”

No.1
Ranked

- Provides “medicine time” alerts, checks remaining amount of pills and consumption history, and supervises administration for family members
- Gained No.1 ranking in AppStore medical category



“GyaO! KIDS”

No.1
Ranked

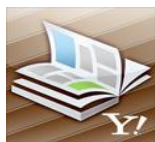
- Offers approx. 500 videos free of charge
- Improves usability for children by offering alarm function for watching too long or offering voice search, etc.
- Ranked No.1 in AppStore iPad entertainment category



More Apps Ranked as No.1

No.1
Ranked

App Store



“Yahoo! Bookstore” in Overall Category



“GyaO!” in Entertainment Category



“Disaster Prevention Alert”
in Weather Forecast Category



“Yahoo! Weather Forecast/Disaster”
in Weather Forecast Category



“Yahoo! Dictionary” in Books Category



“Yahoo! Bookstore Viewer for Comics”
in Comics Category



“Yahoo! Family Medical Dictionary”
in Medical Category

Google Play

Measures to Increase Revenue and Profit

Premium Advertising

YDN

Products Categorized in Premium Advertising

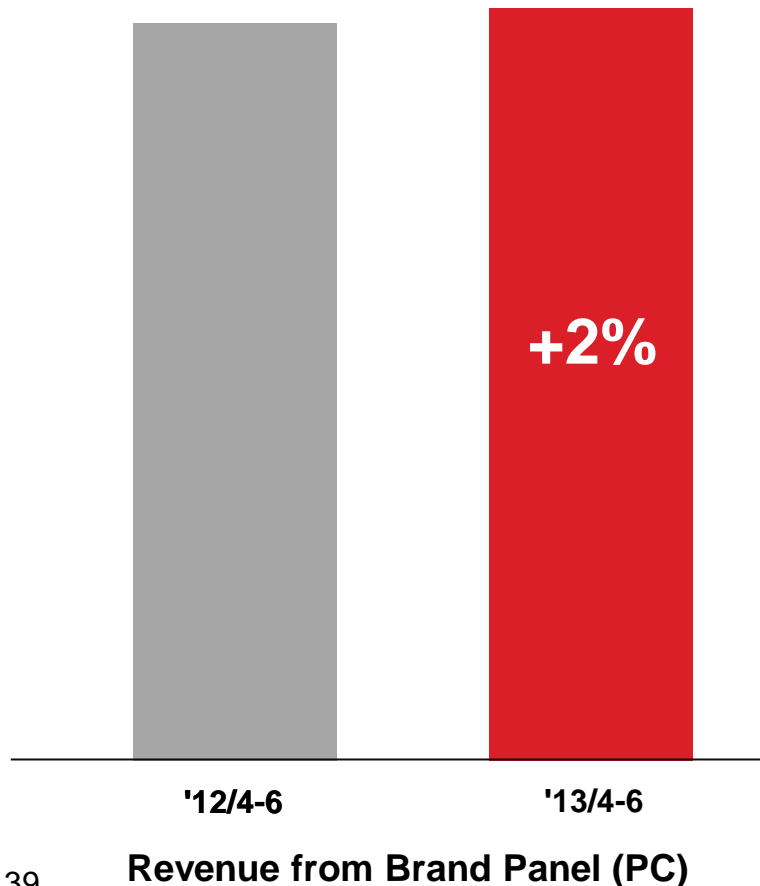


Brand Panel (PC)
=Favorable



Other Premium Advertising
=Not favorable

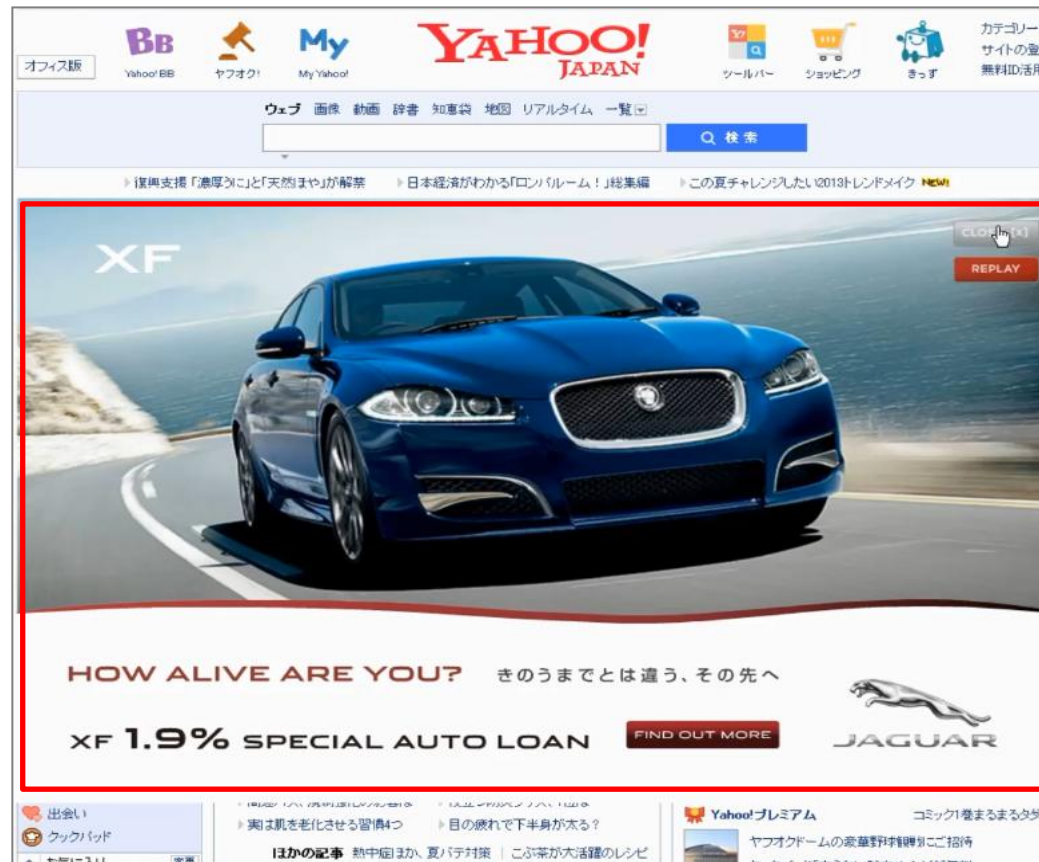
Revenue from “Brand Panel”(PC) Continues to Increase



Revenue share of rich ad in total “Brand Panel” revenue was **28%**.

Average unit price increased by starting to offer rich ad in January.

Monetization Efficiency Can Be Further Improved with Advanced Products (Utilization of Big Data and Rich Ad) and Sales Efforts



The image shows a screenshot of the Yahoo! Japan homepage. At the top, there are navigation links for 'BB', 'My', and 'YAHOO! JAPAN'. Below this is a search bar and a navigation menu. The main content area features a large advertisement for the Jaguar XF. The ad includes a blue Jaguar XF driving on a road, with the text 'XF' in the top left corner. Below the image, the text reads 'HOW ALIVE ARE YOU? きのうまでとは違う、その先へ' and 'XF 1.9% SPECIAL AUTO LOAN'. A 'FIND OUT MORE' button is visible. The Jaguar logo is in the bottom right corner of the ad. The ad is framed by a red border. Below the ad, there are more navigation links and a 'Yahoo!プレミアム' logo.

“Other Premium Advertising” * Not Favorable

*“Prime Display” (non-top page), “Brand Panel” on smartphones, etc.

Increase in sell-through-rate may result in growth in revenue.



Prime Display



Brand Panel for smartphones



Others

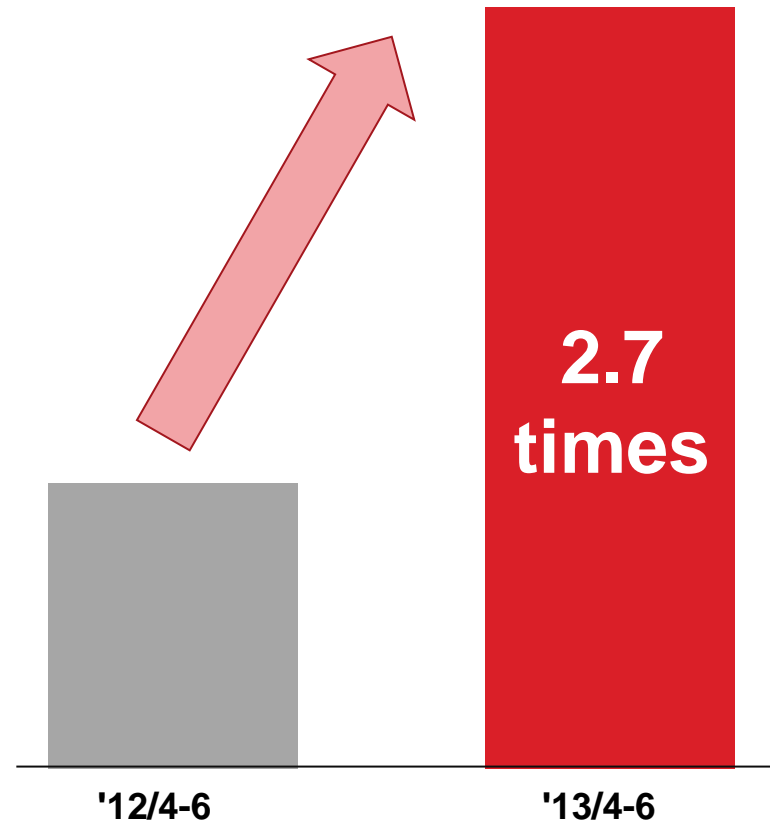
To Maximize Revenue, We Will Start Using Premium Advertising Space for YDN (from August)



Advertising Space Will Be Better Monetized with YDN

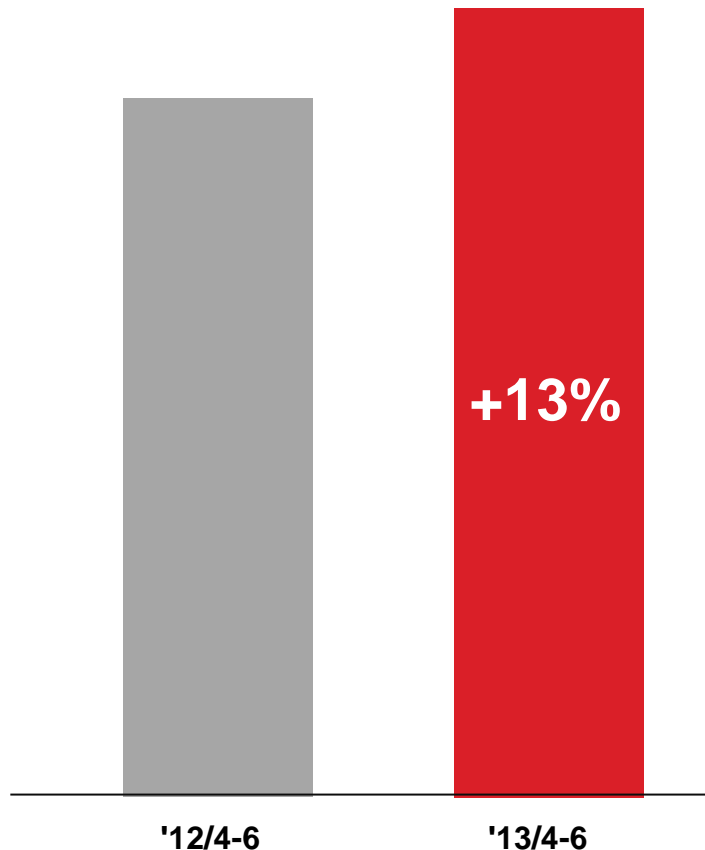
- Expecting an increase in sell-through-rate
- Will control to maintain the unit price on popular pages
- Will encourage advertisers to use “Smartphone Site Builder” to set up optimized pages, and increase the number of advertisers on smartphones

Similar to Previous Quarter, Revenue from YDN in FY2013-1Q Increased Dramatically



Paid Search Advertising

Revenue from “Sponsored Search” Continues to Grow



Revenue from Sponsored Search



Premium Search Display

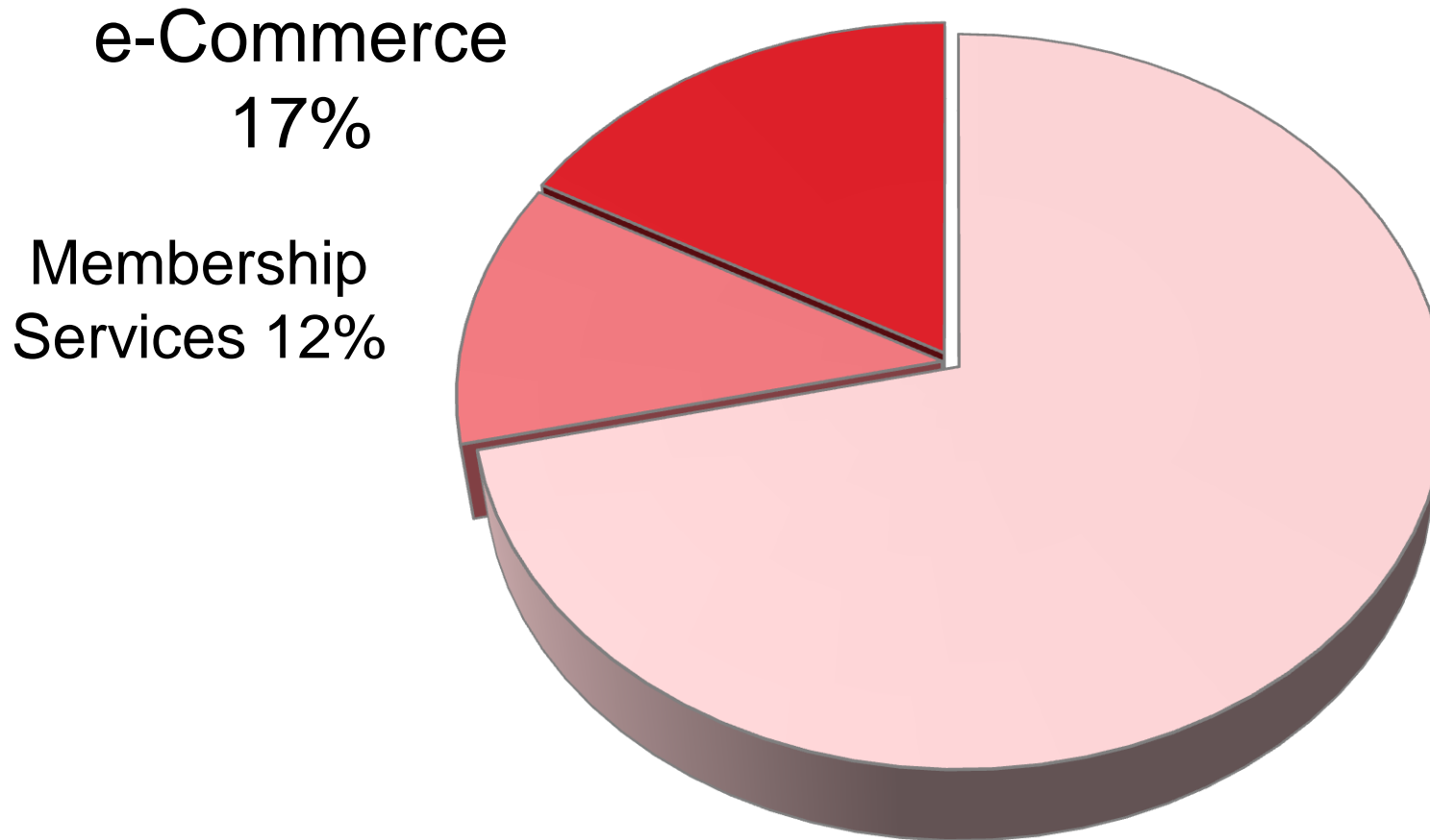
Display Advertising appearing on the search result pages

Appeals to users interested in services or products through mass media advertising

The screenshot shows a Yahoo! Japan search results page for the keyword 'トヨタ' (Toyota). A large blue box with the text 'Premium Search Display' is overlaid on the search results. The page displays the search bar, the Yahoo! Japan logo, and search results for 'toyota.jp | トヨタ自動車'. The search results include a link to the Toyota website and a list of sponsored search results.

Consumer Business

e-Commerce Is Important as Part of our Revenue, Yet Slower Growing



FY2012 Total Revenue
¥ 342.9 billion

Consumer Company Split into Two Units to Further Strengthen Each Business

To re-accelerate business growth, Consumer Company was split into two companies, thus each can focus on own business:

Consumer Business Company



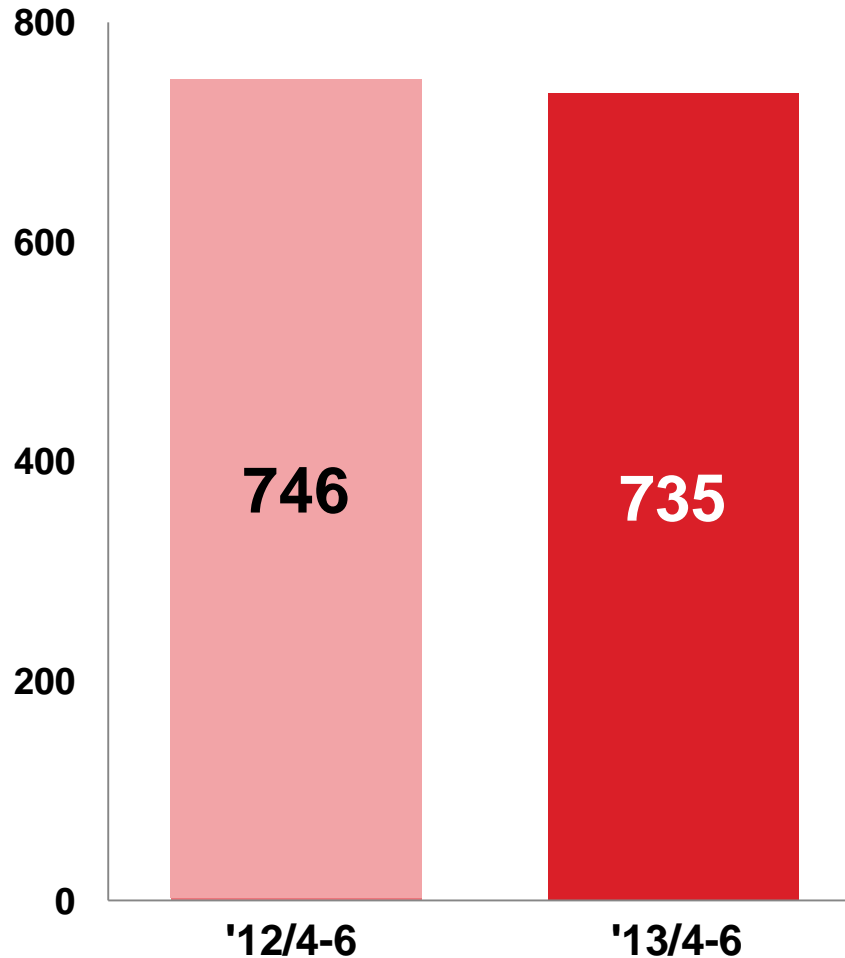
Shopping Company

YAFUOKU! Company

Shopping

Shopping-related Transaction Value Remained Flat on YoY basis

(¥ 100 million)

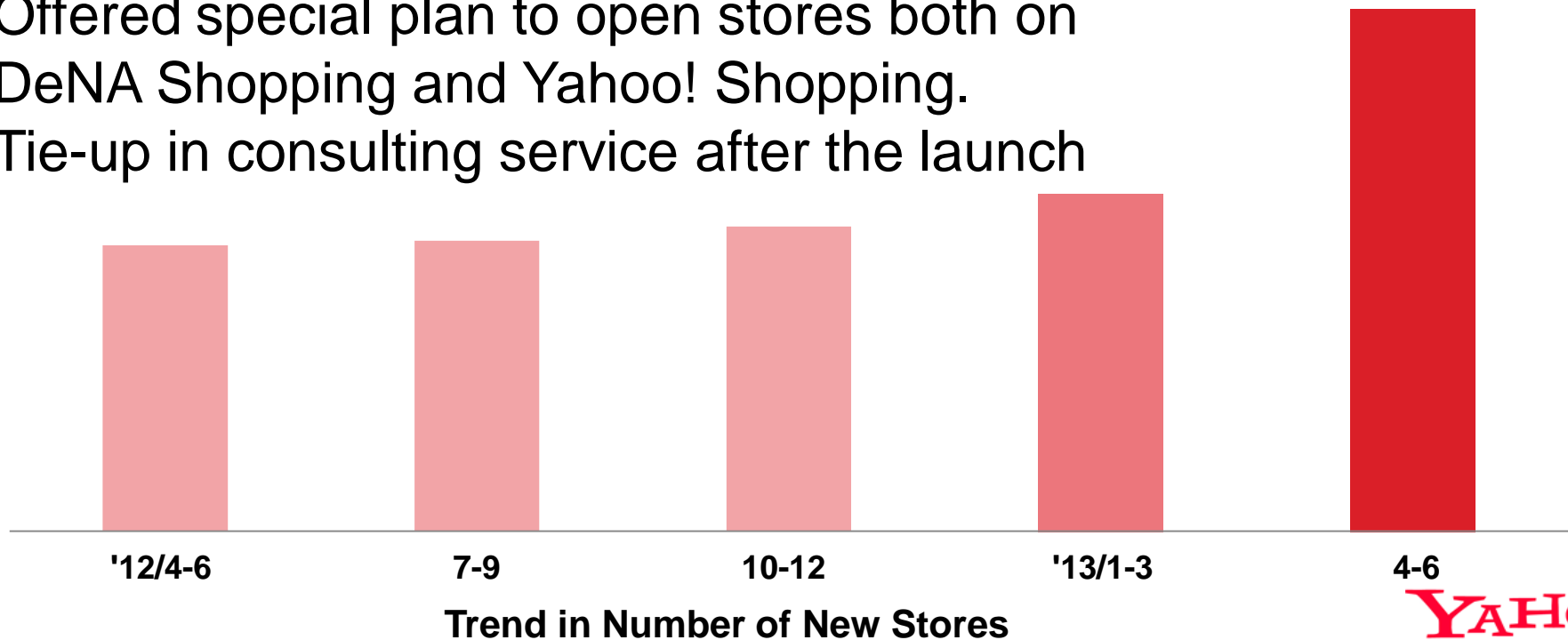


Total -10 (¥100M)
-1.4%

Decided **transaction value** to be the most important KPI going forward

Increase Number of Stores by Tie-Ups and Expand Transaction Value

- GMO Commerce, Inc. (Jan. 2013~)
Tie-up in inviting new stores to Yahoo! Shopping
- DeNA (Mar. 2013~)
Offered special plan to open stores both on DeNA Shopping and Yahoo! Shopping.
Tie-up in consulting service after the launch

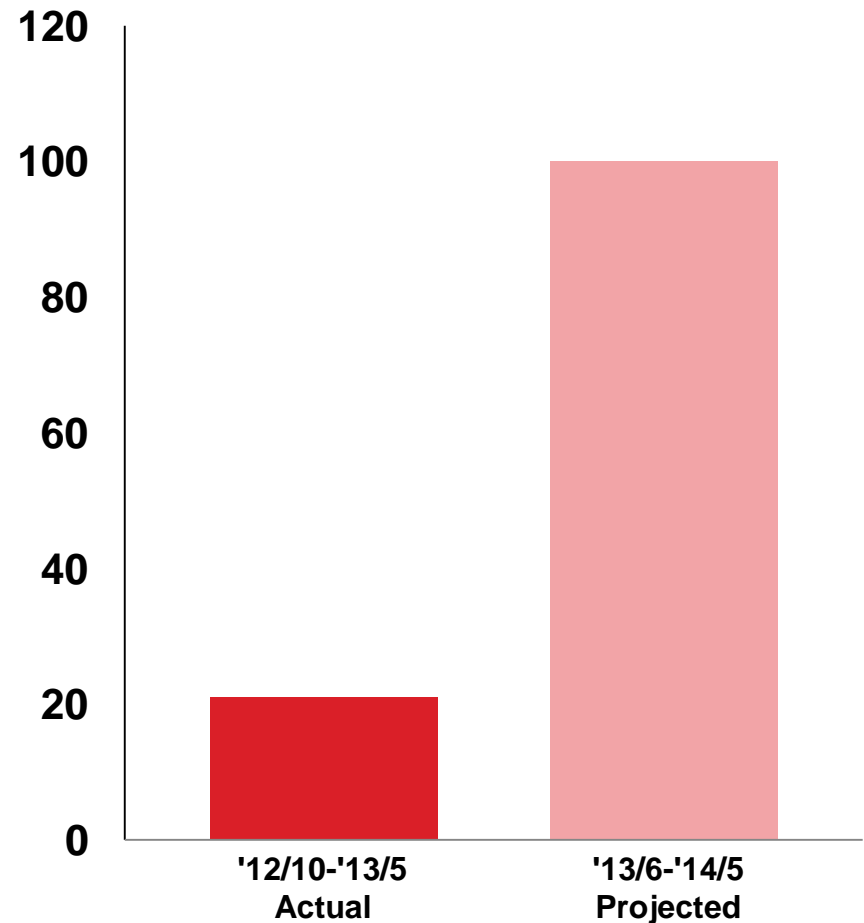


LOHACO

Aiming to Expand Transaction Value

- Transaction Value exceeded ¥2.0 billion.
(FY ended May 2013)
- Targeted transaction value for FY ending May 2014 is ¥10 billion.

(¥ 100 million)



LOHACO Transaction Value

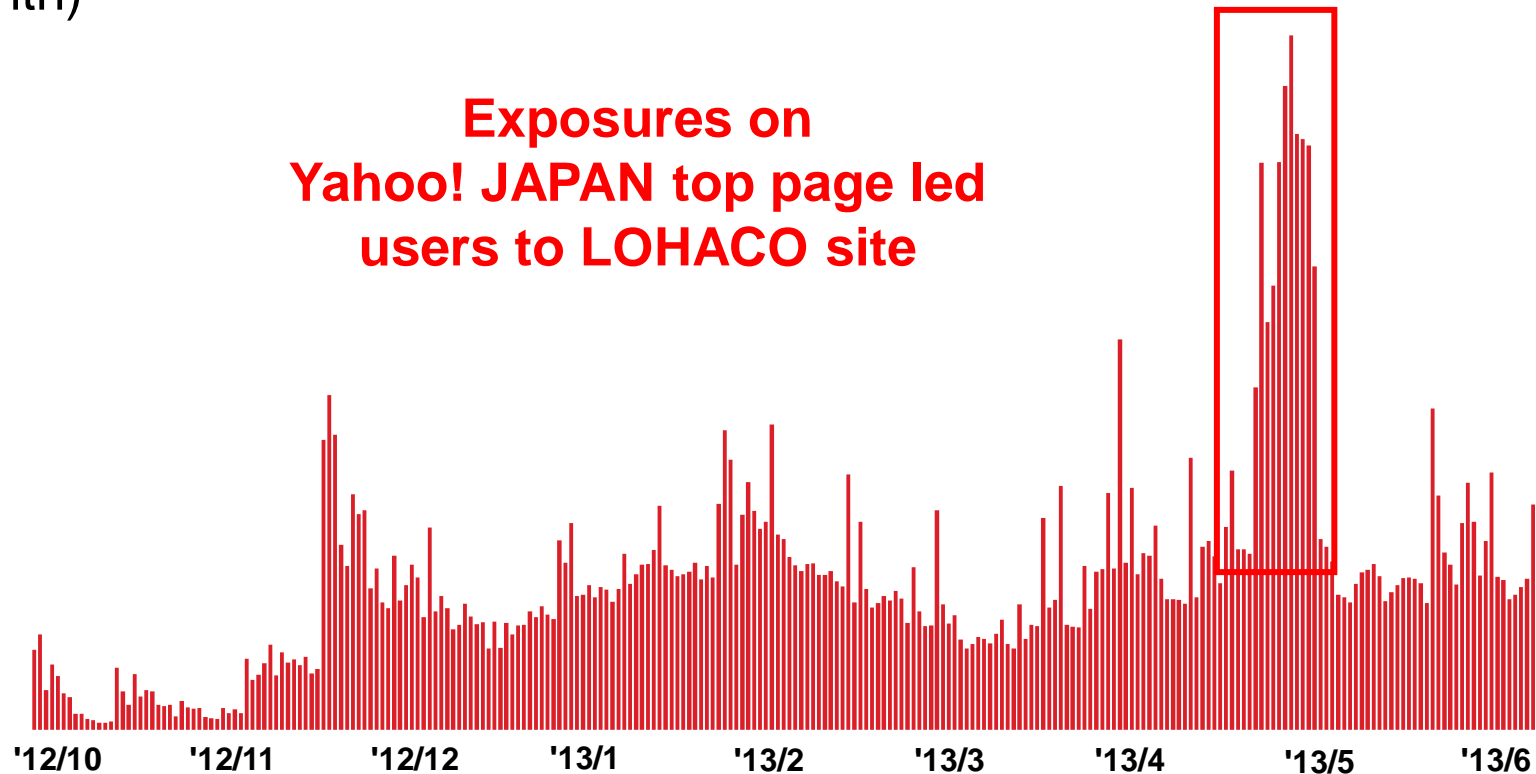
Three Measures to Achieve Goal of ¥10 billion

- ① Customer Acquisition
- ② Product Line
- ③ Distribution

Customer Acquisition Leveraging Strength of Yahoo! JAPAN

- Exposures on Yahoo! JAPAN will lead many potential buyers to LOHACO site.
- High repeating rate (20% of the buyers repeat purchasing in the following month)

**Exposures on
Yahoo! JAPAN top page led
users to LOHACO site**



Double the Number of Products

- Aim to expand product line from 30,000 SKU to 70,000 SKU for same day or next day delivery.

Planning to increase up to 50,000 by August

- Planning to offer basic items and private brand items at reasonable price
- Started to offer pharmaceutical products, pet supply items, and kitchen items

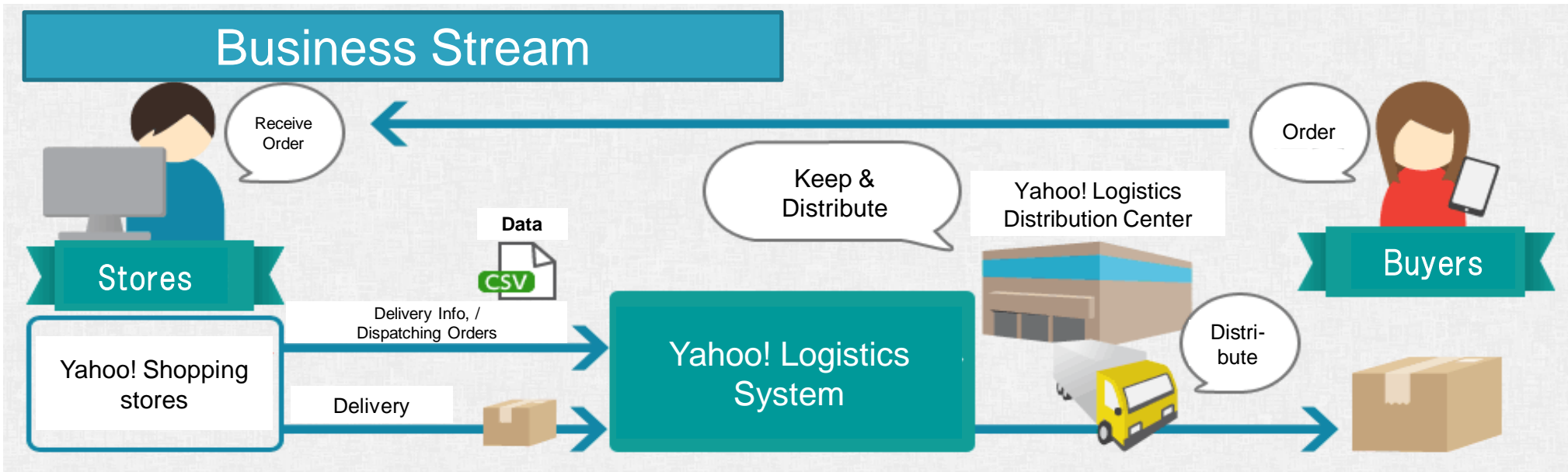
Enhancing Distribution Function with New Warehouse

Planning to start operating “ASKUL Logi PARK Greater Tokyo” (in Saitama Pref.) at the end of July



Started Yahoo! Logistics

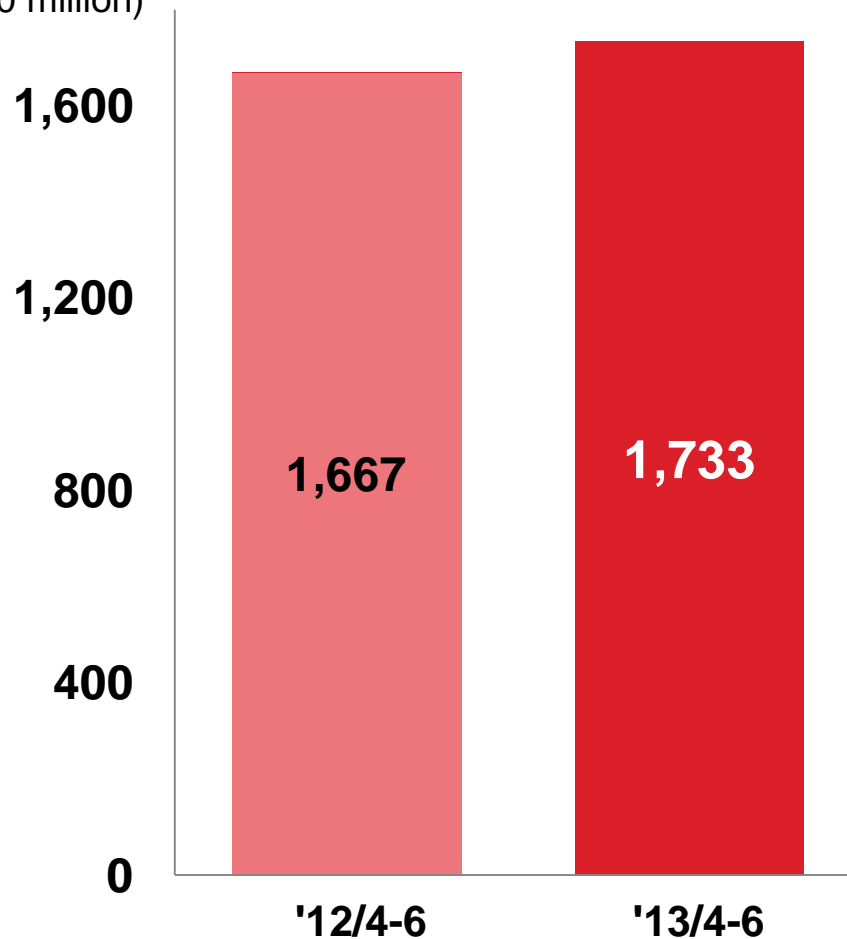
Logistics service for Yahoo! Shopping stores
(Started from July 19th)



YAFUOKU!

Auction Transaction Value Recovering

(¥100 million)



Total **+65** (¥100M)
+4.0%

Achieved 2 consecutive
quarter YoY Growth after
an interval of 5 quarters

Continue to Improve Various Functions of YAFUOKU!

- 1) Improvement of usability for smartphone apps
- 2) Improvement of usability of interface for smartphone browsers
- 3) Enhancement for longer staying time and higher retention rate
- 4) Enhancement of search quality



Continue Conducting Promotion Activities for YAFUOKU!

Opened “Re-use Stand” in YAFUOKU! Dome

Contacted to one million people visiting the dome to watch baseball games

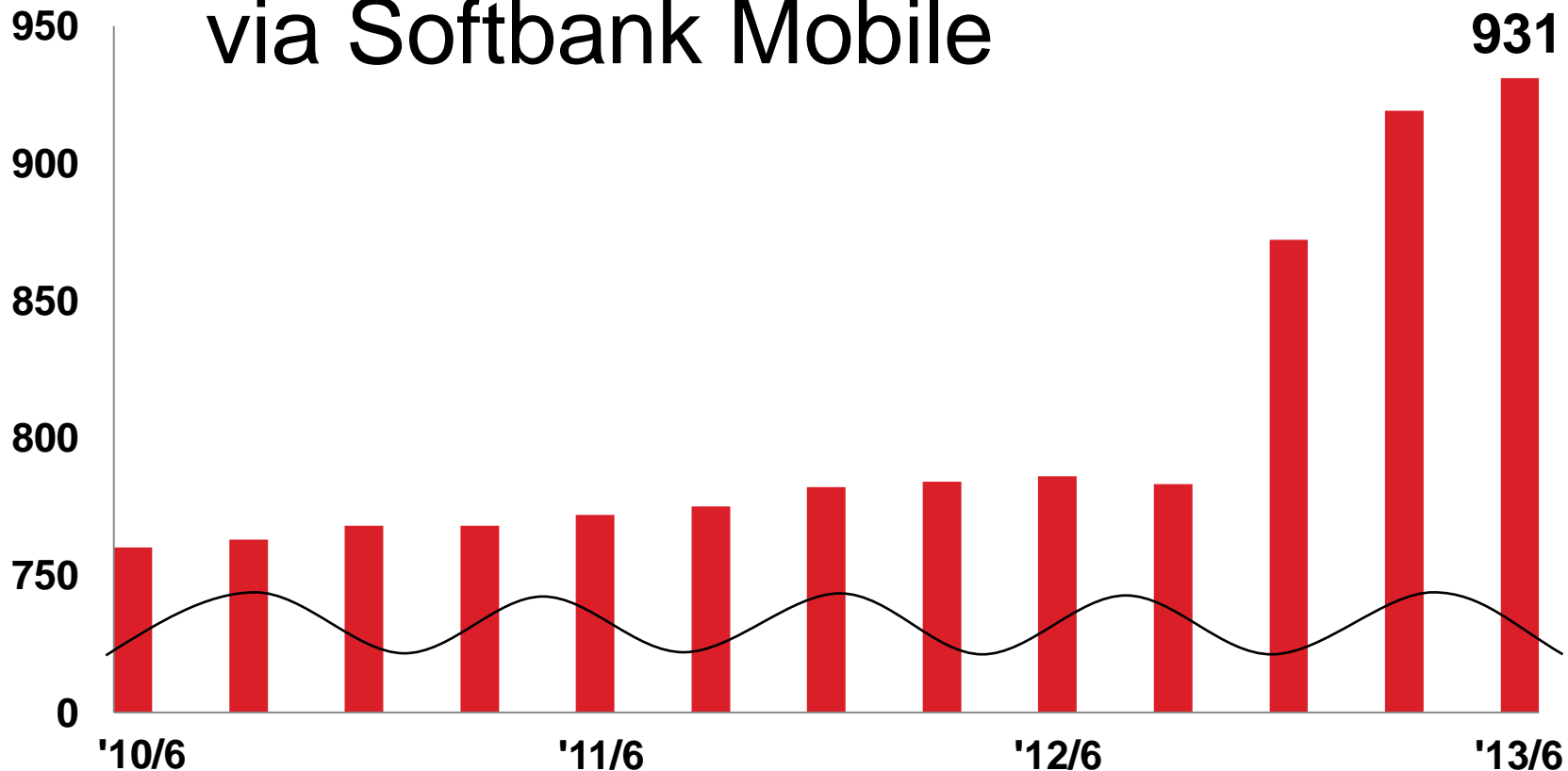


Premium Membership

Number of Premium Member IDs Reached 9.31 million

Strong increase in registration via Softbank Mobile

(10 thousand IDs)



Settlement & Finance

Other Businesses

Number of Active User IDs :
27 million

Number of
Yahoo! Wallet Accounts:
24.6 million

T Point

Started Japan's Largest Point Service Covering On-line and Off-line Market

- “Yahoo! Point” was unified into “T Point”.
- “T-ID” was integrated into “Yahoo! JAPAN ID”.



Yahoo! JAPAN

Started Offering “T Point” !

Number of Users are Expected to Increase by Integration

Number of T Members*:

44.54 million (as of the end of March 2013)

* Number of Active Unique Users




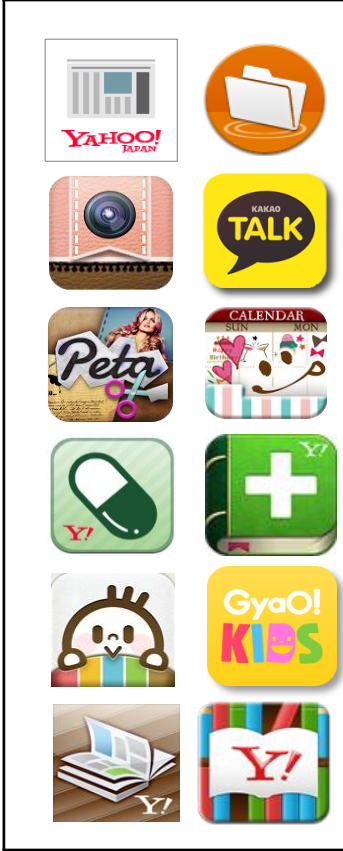









Handled in

52,981 Stores
(98 companies)



Growth Strategies and Progress

- Summary

	Only 1 Strategy	The Most Powerful Tag Teams	Unexplored Frontier	Smartphone Growth Initiatives
Advertising	 Promotion Advertising  Premium Advertising	 SoftBank	YJ Capital Project DEJIMA	
e-Commerce/ Membership services	 Shopping  <small>くらしをかるくする</small> LOHACO  Premium	LAWSON  SoftBank ASKUL	Bharti Group (India) 	
Others	  Finance 	 <small>Culture Convenience Club Co., Ltd.</small>		

Illegal Access to Yahoo! JAPAN Servers in May

- There is a possibility that a maximum of 22 million IDs were leaked.
- Within the above, 1.49 million IDs might have accompanied their non-invertible coded password and some of the information needed to re-settle the password.

Security Enhancement After the Illegal Access

1. Tighten authorization process for servers
2. Strengthen countermeasures for malware
3. Stricter log monitoring
4. Educate employees to focus on security issues

Supplemental Information

- P. 76 Quarterly Business Results**
- P. 90 Quarterly Business Data**
- P. 92 Organization, Personnel and
Affiliated Companies**

FY2013-1Q Statements of Income

	2012-1Q	2013-1Q	Change
Revenue (¥100M)	775	923	19.0 %
Cost of Sales (¥100M)	72	116	60.5 %
Gross Profit (¥100M)	703	806	14.7 %
SG&A (¥100M)	281	319	13.7 %
Operating Income (¥100M)	421	486	15.4 %
Ordinary Income (¥100M)	427	490	14.6 %
Quarterly Net Income (¥100M)	250	322	28.7 %
Fully Diluted EPS (¥)	432	560	29.6 %
Number of Shares Assuming Full Dilution (10 thousand) *	5,801	5,759	-0.7 %

* Number of Shares Assuming Full Dilution excludes treasury stocks.

FY2013-1Q Performance Breakdown by Business Segment

(¥ 100M)

	Revenue	Revenue Breakdown	Cost of Sales	SG&A	Operating Income	Ordinary Income	Operating Margin	Ordinary Margin
Marketing Solutions Business	632	Advertising-related 484 Corporate services, etc. 97 Information listing 29 e-Commerce-related 20	122	175	333	335	52.8%	53.1%
Consumer Business	259	e-Commerce-related 127 Membership services 111 Advertising-related 10 Others 8	5	61	191	192	74.1%	74.1%
Others	53	Settlement and Finance 40 Others 12	9	27	16	15	31.2%	28.9%
Adjustments	-21		-21	55	-56	-52	-	-
Total	923		116	319	486	490	52.7%	53.1%

Please see P.78 for the product items involved in the revenue of each segment.

FY2013-1Q Business Segment Breakdown

Marketing Solutions Business

- Advertising-related: Promotion advertising
(paid search advertising, interest-based advertising)
Premium advertising (banner, text, e-mail, and video)
- Corporate Services and Others: Data Center-related, Affiliate-related, Automobile-related,
Yahoo! WebHosting and others
- Information Listing Services: Yahoo! Real Estate, Indival, Yahoo! Travel and others
- e-Commerce-related: Pay digital content and others

Consumer Business

- e-Commerce-related: Tenant and system-use fees of YAFUOKU! and Yahoo! Shopping and others
- Membership Services: Yahoo! Premium, Yahoo! BB ISP fees, Yahoo! Partner
and other membership services
- Advertising-related: Premium advertising and others
- Others: Yahoo! BB incentive fees and others

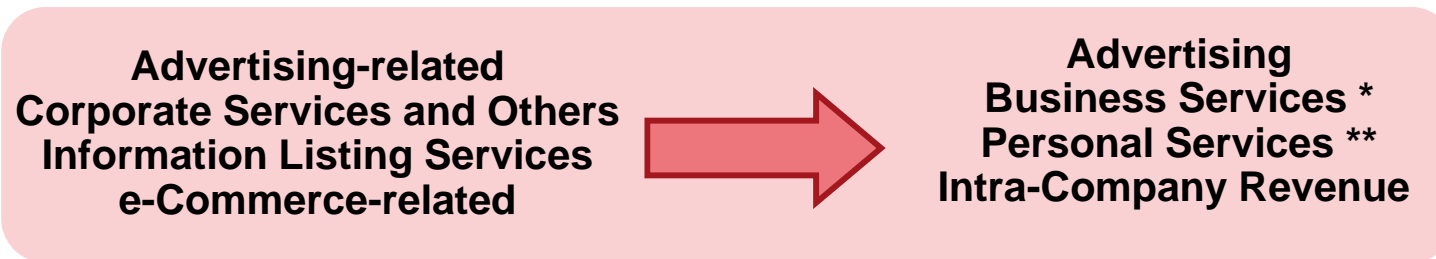
Others

- Settlement and Finance: FX-related service, Credit Card-related service,
Settlement-related services, Yahoo! Finance and others
- Others: Pay digital content and others

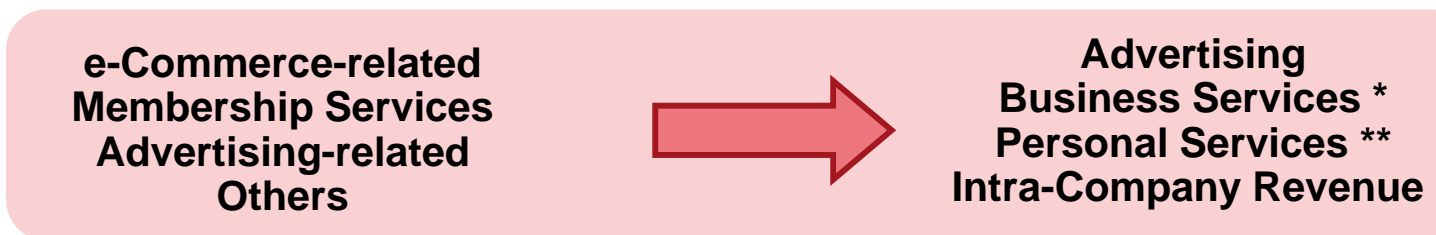
Change in Internal Classifications of Disclosed Business Segments (Planned)

Commencing with the second quarter of the fiscal year ending March 2014, the Yahoo Japan group plans to change the revenue classifications of disclosed business segments to bring them in line with internal management criteria.

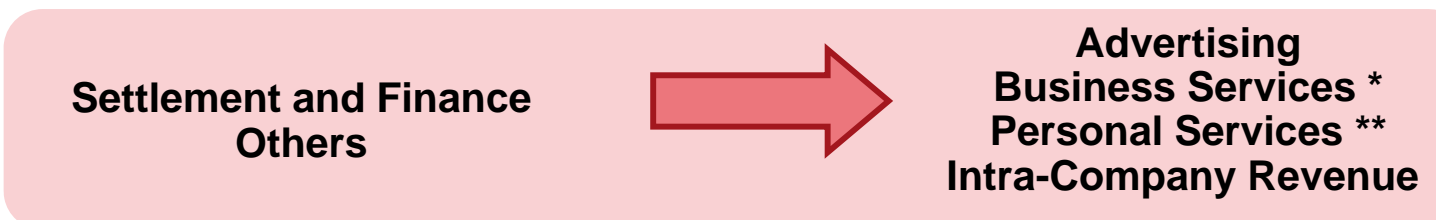
Marketing Solutions Business



Consumer Business



Others



* Corporate revenue other than advertising revenue

** Income from individuals

FY2013-1Q Performance Breakdown by Business Segment (New Classifications)

(¥ 100M)

	Revenue	Revenue Breakdown	Cost of Sales	SG&A	Operating Income	Ordinary Income	Operating Margin	Ordinary Margin
Marketing Solutions Business	632	Advertising 486 Business Services 110 Personal Services 29 Intra-Company Revenue 6	122	175	333	335	52.8%	53.1%
Consumer Business	259	Advertising 10 Business Services 60 Personal Services 183 Intra-Company Revenue 4	5	61	191	192	74.1%	74.1%
Others	53	Advertising 0 Business Services 15 Personal Services 31 Intra-Company Revenue 6	9	27	16	15	31.2%	28.9%
Adjustments	-21	Advertising -2 Business Services -1 Personal Services - Intra-Company Revenue -17	-21	55	-56	-52	-	-
Total	923		116	319	486	490	52.7%	53.1%

Business Segment Breakdown (New Classifications)

Marketing Solutions Business

- Advertising: Promotion advertising (paid search advertising, interest-based advertising)
Premium advertising (banner, text, e-mail, and video)
- Business Services: Data Center-related, Affiliate-related, Yahoo! Real Estate, Automobile-related, Individual, Yahoo! WebHosting, Yahoo! Travel and others
- Personal Services: Pay digital content and others

Consumer Business

- Advertising: Promotion advertising, Premium advertising
- Business Services: Tenant and corporate system-use fees of YAFUOKU! and Yahoo! Shopping, Yahoo! BB incentive fees and others
- Personal Services: Yahoo! Premium, Personal system-use fees of YAFUOKU!, Yahoo! BB ISP fees, Yahoo! Partner and others

Others

- Advertising: Premium advertising and others
- Business Services: Settlement-related services, Credit Card-related service and others
- Personal Services: Yahoo! Finance, FX-related service, Credit Card-related service, Settlement-related services and others

Quarterly SG&A Breakdown

(¥ 100M)

Major Factors for YoY Changes

	12/1Q	12/4Q	13/1Q	Composition Ratio	QoQ Change	YoY Change
Personnel Expenses	91	115	106	33.3%	-8.1%	15.9%
Business Commissions	38	36	38	12.1%	6.8%	1.1%
Sales Promotion Costs	27	30	27	8.7%	-8.8%	3.5%
Royalties	22	28	26	8.4%	-6.4%	20.0%
Depreciation Expenses	22	30	25	8.1%	-15.2%	15.9%
Content Provider Fees	16	18	18	5.8%	0.8%	13.3%
Lease and Utility Expenses	17	18	17	5.6%	-2.3%	2.1%
Communication Charges	15	16	16	5.1%	-1.7%	5.2%
Sales Commissions	13	14	11	3.5%	-22.2%	-14.7%
Administrative and Maintenance Expenses	5	7	6	2.2%	-4.5%	20.1%
Amortization of Goodwill	0	7	6	1.9%	-15.2%	608.5%
Advertising Costs	2	9	5	1.8%	-40.3%	177.0%
Taxes and Public Dues	3	5	4	1.3%	-19.4%	11.6%
License Fees	1	2	2	0.9%	7.7%	129.6%
Others	3	8	4	1.3%	-51.4%	21.1%
SG&A Total	281	350	319	100.0%	-8.7%	13.7%

Number of employees reached 6,134, up 610 persons (11.0%)

Increase in revenue

Increase in intangible fixed assets from acquisition of shares of CyberAgent FX, Inc.

Acquisition of shares of CyberAgent FX, Inc.

Consolidation of CyberAgent FX, Inc.

FY2013-1Q Balance Sheets

Major Items	2012/6/30	2013/6/30	Increase/ Decrease	Major Factors for Increase/Decrease	(¥ 100M)
< Assets >					
Current Assets	4,085	5,630	1,544		
Cash and Cash Equivalents	2,151	3,957	1,806	Cash from operating activities and collection of receivables from sales of shares of BB Mobile Corp.	
Notes and Accounts Receivable - Trade	423	519	96		
Notes and Accounts Receivable - Other	1,216	34	-1,181	Collection of receivables related to sales of shares of BB Mobile Corp.	
Foreign Exchange Dealings Cash Segregated as Deposits for Customers	-	709	709	Consolidation of CyberAgent FX, Inc.	
Fixed Assets	1,411	1,675	263		
Tangible Fixed Assets	369	456	86		
Intangible Fixed Assets	120	278	158	Consolidation of CyberAgent FX, Inc.	
Investment Securities	761	802	41		
Total Assets	5,497	7,306	1,808		
< Liabilities >					
Current Liabilities	728	1,684	956		
Accounts Payable - Other	165	165	-0		
Income Taxes Payable	152	185	33		
Foreign Exchange Dealings Deposits from Customers	-	809	809	Consolidation of CyberAgent FX, Inc.	
Long-term Liabilities	34	29	-4		
Total Liabilities	762	1,714	951		
<Net Assets>					
Shareholders' Equity	4,689	5,483	794		
Common Stock	80	81	1		
Capital Surplus	31	32	1		
Retained Earnings	4,633	5,373	739	Increase in net income	
Accumulated Other Comprehensive Income	15	30	15		
Minority Interests	23	71	47		
Total Net Assets	4,735	5,592	857		
Total Liabilities and Net Assets	5,497	7,306	1,808		

FY2013-1Q Cash Flow Statements

Major Items	FY2013-1Q (Apr. - Jun. 2013)	Major Factors for Changes	(¥ 100M)
<u>Operating Activities</u>	<u>89</u>		
Quarterly Net Income before Income Taxes	529	Increase in quarterly net income before income taxes	
Depreciation Expenses	32		
Amortization of Goodwill	14		
Gain-Loss on Sale of Investment Securities	-51		
Accounts Receivable and Payable -Trade	71		
Other Current Assets/Liabilities	-44		
Payment of Income Taxes and Other Taxes	-414		
<u>Investing Activities</u>	<u>-39</u>		
Acquisition of Tangible Fixed Assets	-65	Construction of data center and purchases of servers and network-related devices	
Acquisition of Intangible Fixed Assets	-8		
Acquisition and Sales of Investment Securities	29		
Interests and Dividends Received	4		
<u>Financing Activities</u>	<u>-235</u>		
Payment of Divident	-230		
<u>Net Change in Cash Flows</u>	<u>-183</u>		

FY2013-1Q Highlights

– Marketing Solutions Business (1)

Promotion advertising

(Paid search advertising [Sponsored Search] and interest-based advertising [Yahoo! Display Ad Network](YDN))

- Promotion advertising revenue rose 21.7% from the first quarter last year, supported by substantial growth in paid search advertising revenue and interest-based advertising revenue. The driving forces behind this revenue growth were aggressive sales activities based on strengthened collaboration with advertising agencies and continued efforts to reinforce functions to improve advertising effectiveness.
- Smartphone advertising revenues expanded substantially year on year.

Premium advertising

- Premium advertising revenue declined compared with the first quarter last year. Although, revenue of Brand Panel increased because of the introduction of Rich Ad, a new form of advertising expression, overall premium advertising revenue was down because of the decline in revenues of Display Panel and other advertising products.

(¥ 100M)

Marketing Solutions Business	2012-1Q	2013-1Q	YoY Change
Revenue	526	632	20.1%
Operating Income	285	333	16.8%

FY2013-1Q Highlights

– Marketing Solutions Business (2)

Corporate services-related revenue

- IDC Frontier Inc.'s revenue expanded year on year, supported by greater use of its cloud computing service by game-related companies.
- Revenue increased year on year due to consolidation of ValueCommerce Co., Ltd. and Carview Corporation.

Information listing revenue

- Yahoo! Real Estate revenue rose compared with a year earlier.
- With the December 2012 termination of the contract with Recruit Holdings Co., Ltd., Indival, Inc.'s operations have become the core for developing recruiting-related operations. Revenue declined compared with the same quarter last year.

e-commerce-related revenue (Pay digital content and others)

- Game-related revenue rose substantially from the first quarter last year. Besides the business alliance formed with GREE, Inc., favorably growing revenues of Yahoo! Mobage and other services also contributed to the growth in game-related revenue.

FY2013-1Q Highlights

– Consumer Business

e-commerce-related revenue (YAFUOKU!, Yahoo! Shopping)

- The overall transaction value of YAFUOKU! expanded year on year because of such factors as greater demand for high unit price items prompted by the recovery in the Japanese economy and the upgrading of the smartphone application.
- Although the overall transaction value of Yahoo! Shopping declined slightly compared to the first quarter last year, its smartphone transaction value rose year on year.

Membership services revenues

- Yahoo! Premium revenue rose year on year because of an October 2012 upward revision in membership fees and an increase in the number of Yahoo! Premium members with the start of registration through Softbank shops. The number of Yahoo! Premium membership IDs on June 30, 2013 climbed to 9.31 million IDs.

(¥ 100M)

Consumer Business	2012-1Q	2013-1Q	YoY Change
Revenue	238	259	8.8%
Operating Income	175	191	9.3%

Promotion Advertising Revenue by Industry

Industries with large year-on-year increase

- Finance/Insurance/Securities
- Cosmetics/Toiletries/Health Foods and Appliances
- Transportation/Leisure

Industries with large year-on-year decrease

- Fashion/Accessories

	12/1Q	2Q	3Q	4Q	13/1Q
Finance/Insurance/Securities	9.9%	9.9%	10.7%	12.2%	12.7%
Transportation/Leisure	9.3%	11.0%	8.9%	9.2%	10.2%
Cosmetics/Toiletries/Health Foods and Appliances	7.0%	6.9%	6.8%	6.7%	8.4%
Department Stores/Mail Order/Shopping Malls	7.8%	7.2%	8.5%	7.0%	6.5%
Real Estate/Housing/Household Equipment	6.8%	7.1%	6.7%	8.2%	6.5%
Medical, Welfare, Health and Beauty	6.7%	6.4%	5.7%	5.4%	6.1%
Recruitment and Human Resources Services	5.2%	5.3%	5.2%	4.9%	5.0%
Education/University	5.1%	5.0%	4.7%	5.2%	4.8%
Fashion/Accessories	5.1%	5.1%	5.0%	4.0%	4.1%
Information Processing/Software/Internet Information Service	3.2%	3.3%	3.9%	3.6%	3.8%
Interior/Gardening/Renovation/DIY	3.3%	3.3%	3.3%	3.1%	3.5%
Autos and Accessories (Transport Equipment)	3.1%	3.0%	3.0%	3.5%	2.7%
Others	27.5%	26.5%	27.6%	27.0%	25.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Premium Advertising Revenue by Industry

Industries with large year-on-year increase

- Foodstuffs
- Beverages/Cigarettes
- Computers and Accessories/Office Equipment

Industries with large year-on-year decrease

- Mobile Communications Service
- Cosmetics/Toiletries
- Transportation/Leisure

	12/1Q	2Q	3Q	4Q	13/1Q
Real Estate/Construction	11.5%	11.5%	9.7%	11.1%	11.2%
Foodstuffs	8.3%	8.5%	8.4%	7.5%	10.9%
Finance/Insurance/Securities	10.8%	9.9%	10.7%	10.2%	10.3%
Cosmetics/Toiletries	13.1%	11.7%	8.2%	6.8%	10.1%
Autos and Accessories (Transport Equipment)	8.8%	10.3%	10.5%	10.0%	9.4%
Transportation/Leisure	10.2%	10.8%	10.4%	10.9%	8.3%
Beverages/Cigarettes	4.3%	3.8%	3.1%	3.4%	6.3%
Fashion/Accessories	4.3%	3.7%	6.9%	4.2%	5.1%
Mobile Communications Service	6.7%	5.5%	5.0%	11.0%	3.4%
Computers and Accessories/Office Equipment	1.5%	2.2%	2.0%	2.3%	2.9%
Broadcasting	2.9%	2.4%	2.4%	2.3%	2.7%
Home Electronics/AV Equipment	1.4%	1.8%	3.5%	1.2%	2.5%
Others	16.2%	17.9%	19.2%	19.1%	16.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Quarterly Business Data (1)

Indicator (Quarterly average)	2012/1Q	2013/1Q
Number of total monthly page views (millions)	51,429	53,622
Number of total monthly smartphone page views (millions)(1)	7,525	13,934
Number of Daily UBs (Unique Browsers)(millions)(2)	51.63	59.40
Number of smartphone Daily UBs (millions)(1)(2)	13.35	22.84
Number of monthly active user IDs (millions)(3)	26.68	27.97
Number of Yahoo! Premium member IDs (quarter-end)(millions)	7.86	9.31

(1) “Smartphone” page views and Daily UBs include access through iPhones/iPods, Android smartphones (with screen sizes of less than 7 inches), and Windows Phones. They do not include page views using iPads or Android tablets. They also do not include some access via smartphone applications.

(2) The cumulative total number of browsers accessing Yahoo! JAPAN. Access via smartphone applications is recorded separately from access via smartphone browsers.

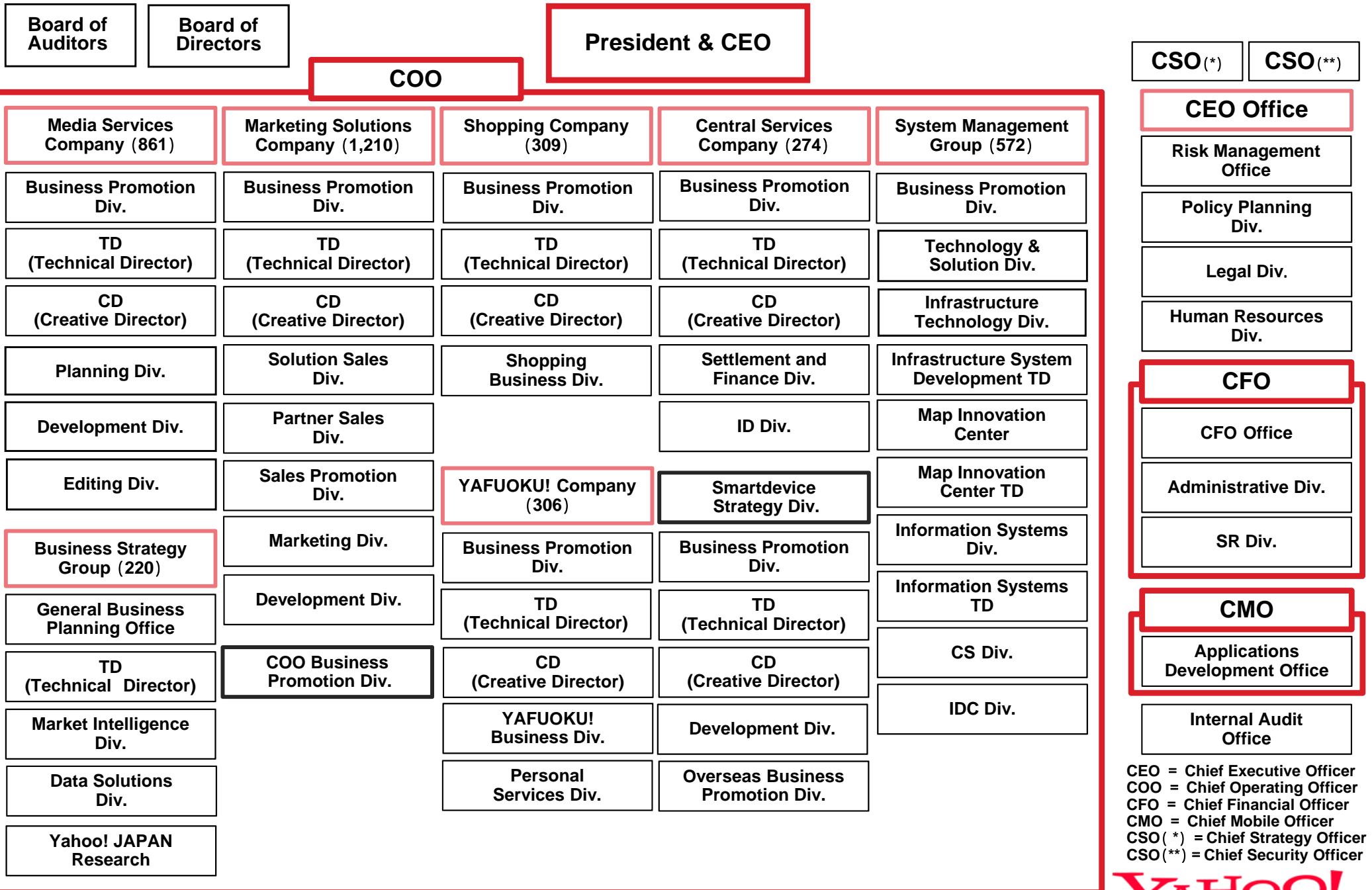
(3) Number of Yahoo! JAPAN IDs that are logged in each month.

Quarterly Business Data (2)

Indicator (Quarterly total)	2012/1Q	2013/1Q
Transaction value of YAFUOKU! (100 millions of yen)	1,667	1,733
Transaction value of shopping-related (100 millions of yen)	746	735
Transaction value of YAFUOKU! and shopping-related (100 millions of yen)	2,413	2,468
Transaction value of YAFUOKU! and shopping-related via smartphones (100 millions of yen)	428	594
Transaction value of e-commerce (100 millions of yen) *	3,966	4,112

* Includes YAFUOKU!, shopping-related, Yahoo! Wallet, Yahoo! Cards, pay digital content, etc. Does not include FX transaction value.

Organization Chart of Yahoo Japan Corporation



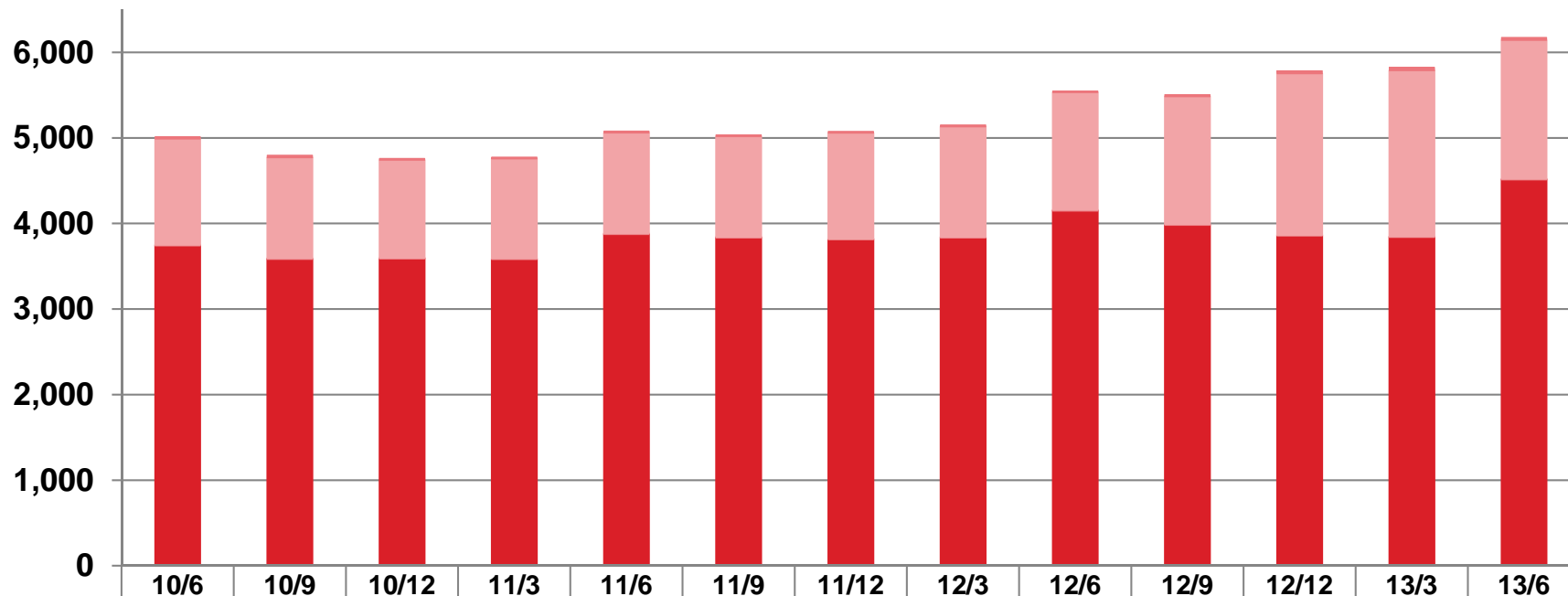
CEO = Chief Executive Officer
 COO = Chief Operating Officer
 CFO = Chief Financial Officer
 CMO = Chief Mobile Officer
 CSO(*) = Chief Strategy Officer
 CSO(**) = Chief Security Officer



Number of Directors and Employees

(Number of People)

(at the End of Quarter)



	10/6	10/9	10/12	11/3	11/6	11/9	11/12	12/3	12/6	12/9	12/12	13/3	13/6
Directors and Auditors of Subsidiaries	24	24	17	17	18	18	18	18	14	20	31	35	30
Employees of Subsidiaries	1,238	1,177	1,142	1,164	1,176	1,173	1,234	1,288	1,373	1,491	1,885	1,938	1,620
Directors and Auditors of Yahoo! JAPAN	9	9	9	9	9	9	9	8	9	9	8	8	9
Employees of Yahoo! JAPAN	3,743	3,586	3,591	3,584	3,876	3,835	3,815	3,836	4,151	3,984	3,859	3,842	4,514
Total	5,014	4,796	4,759	4,774	5,079	5,035	5,076	5,150	5,547	5,504	5,783	5,823	6,173

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

Consolidated Subsidiaries and Companies Accounted for by the Equity Method

(as of June 30, 2013)

•Major consolidated subsidiaries at the end of FY2013-1Q

- ◆ Carview Corporation
- ◆ Crocos, Inc.
- ◆ Firstserver, Inc
- ◆ IDC Frontier Inc.
- ◆ Netrust, Ltd
- ◆ Yahoo Japan Customer Relations Corporation
- ◆ YJ Capital Inc.
- ◆ Y's Sports Inc.
- ◆ Community Factory Inc.
- ◆ CyberAgent FX, Inc.
- ◆ GyaO CORPORATION
- ◆ Indival, Inc.
- ◆ ValueCommerce Co., Ltd.
- ◆ Y's Insurance Inc.

•Major companies accounted for by the equity method at the end of FY2013-1Q

- ◆ AnimatiC Inc. **NEW!**
- ◆ Classified, Inc.
- ◆ GxYz, Inc.
- ◆ KAKAO JAPAN Corporation
- ◆ Smart Kitchen, Inc.
- ◆ 4travel, Inc.
- ◆ ASKUL Corporation
- ◆ CRITEO K.K.
- ◆ JWord Inc.
- ◆ MACROMILL, INC.
- ◆ Tavigator, Inc.



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