



Yahoo Japan Corporation

FY2012 3Q Business Results

(October-December 2012)

January 29, 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 the Risk Factors in “Results for the Three Months Ended December 31, 2012.”

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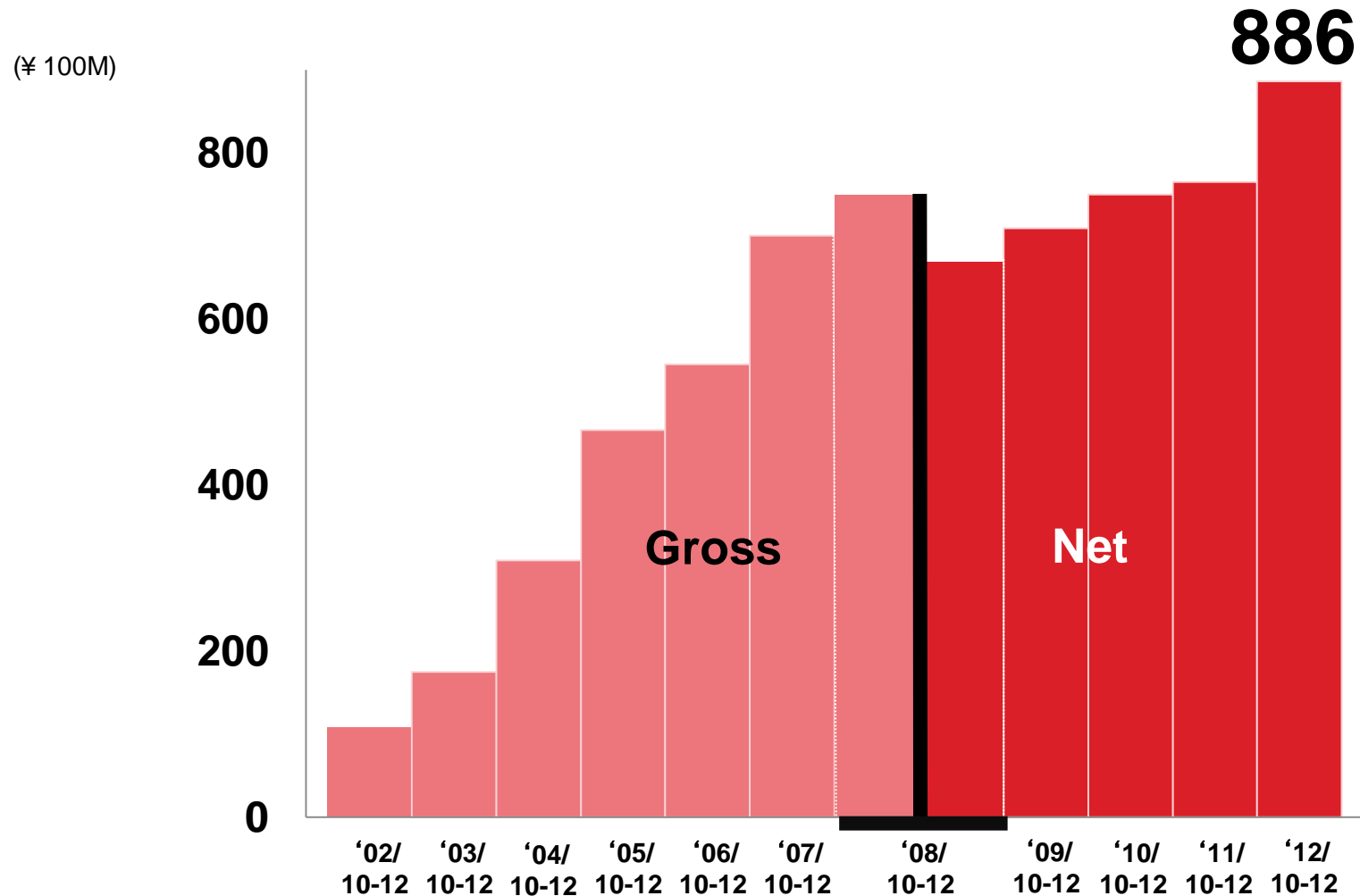
FY2012-3Q Financial Highlights

**Achieved Double-digit YoY Growth
for the First Time in 4.5 Years**

(¥100M)

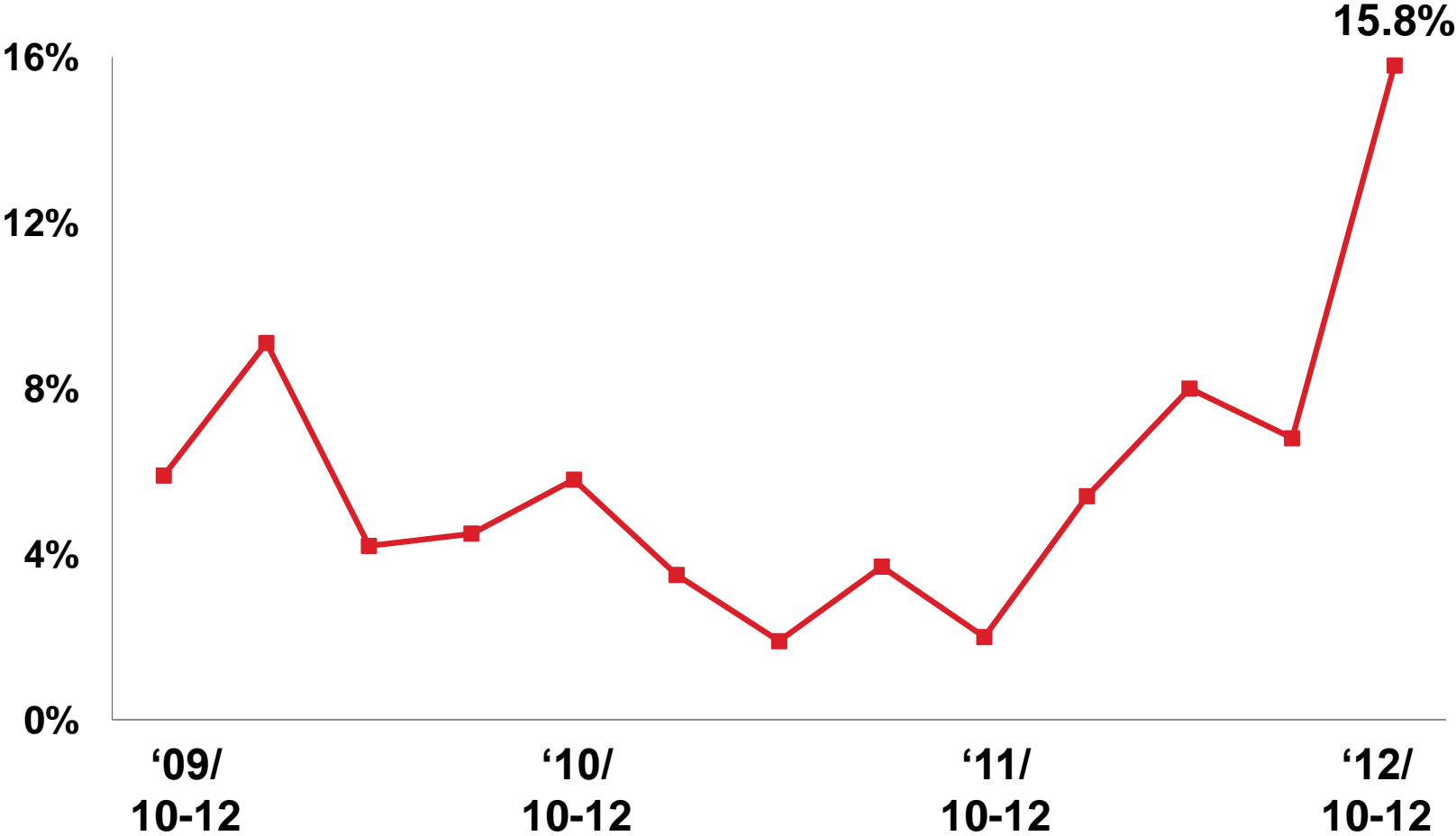
	2011-3Q	2012-3Q	YoY Change	Change Contributors
Revenue	765	886	15.8%	<ul style="list-style-type: none"> • Promotion (Listing) advertising revenue grew • Yahoo! Premium membership revenue increased by raising fees • ValueCommerce became a subsidiary
Operating Income	418	499	19.5%	<ul style="list-style-type: none"> • Efficient use of Business Commissions and Sales Promotion Costs
Ordinary Income	423	500	18.1%	-
Quarterly Net Income	253	309	21.9%	<ul style="list-style-type: none"> • Income tax rate lowered • Extraordinary profit was booked along with ValueCommerce becoming a subsidiary

Quarterly Revenue



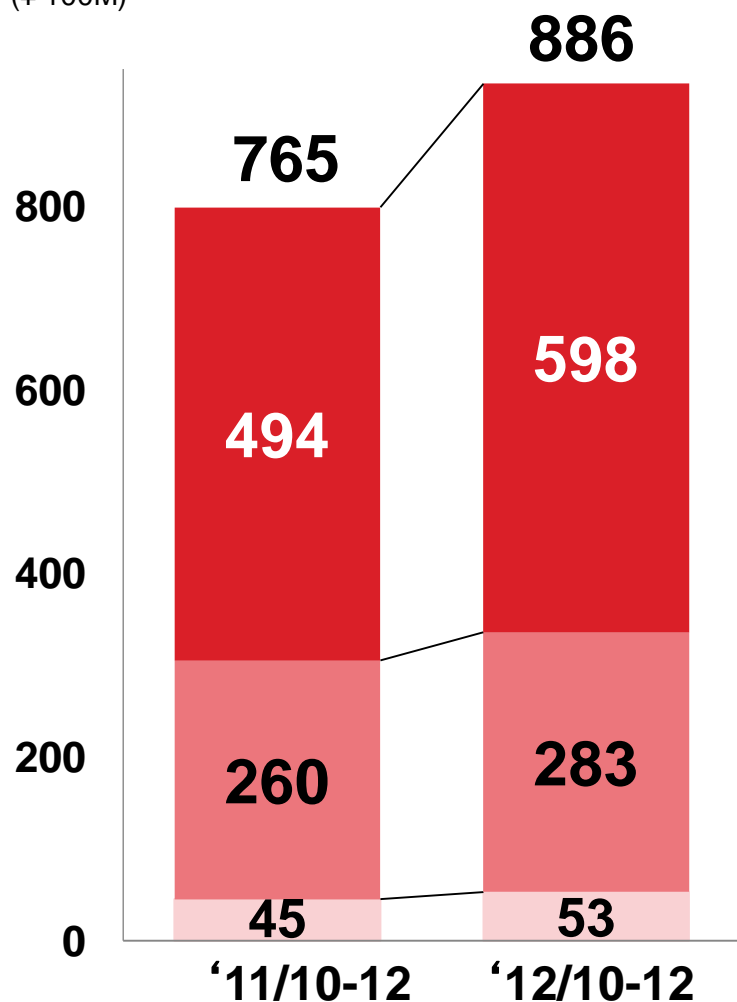
*Commencing with FY2008, we started indicating revenue on a net rather than gross basis, by eliminating certain items in cost of sales and SG&A. The figure on a gross basis for '08/10-12 is included for your reference.

Quarterly Revenue YoY Growth Trend



Quarterly Revenue Breakdown

(¥ 100M)



Total **+120** (¥100M)
+15.8%

Marketing Solutions Business
+21.0%

Promotion advertising revenue was strong

Consumer Business **+9.1%**

Yahoo! Premium membership revenue grew by raising fees

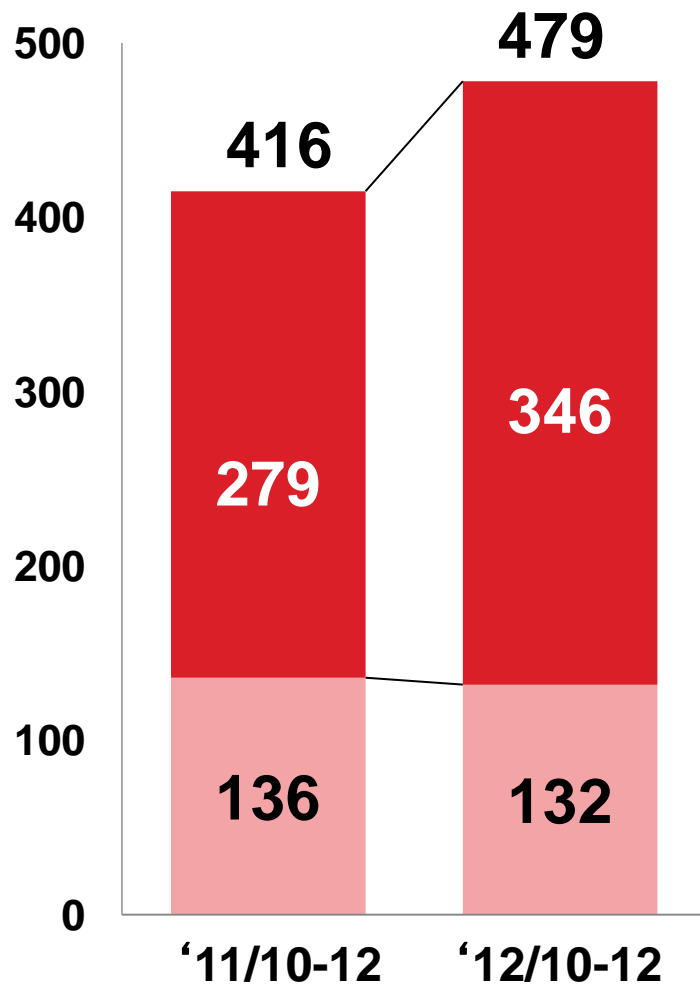
Other Business **+17.3%**

Improvement in credit card service business model.

Increase in inter-segment sales related to settlement services.

Quarterly Advertising-related Revenue

(¥ 100M)



Total +63 (¥100M)
+15.2%

Promotion advertising revenue +24.0%

-Smartphone advertising revenue rose substantially

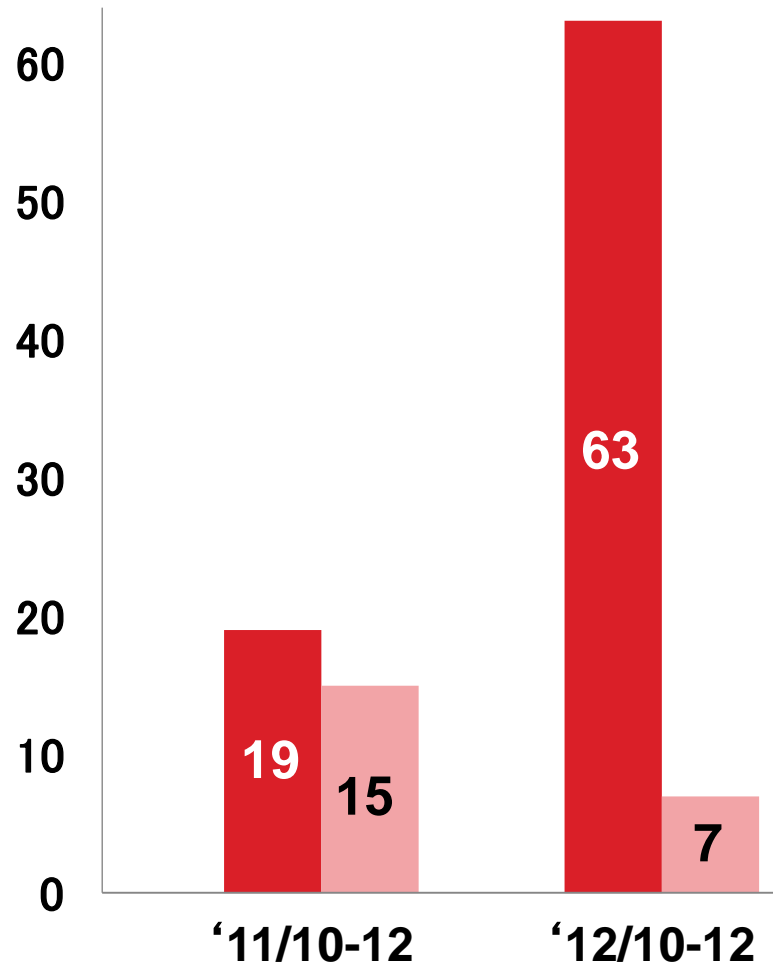
Premium (Display) advertising revenue -2.8%

-Revenue from premium advertising for smartphones grew

-Revenue in October was weak

Quarterly Advertising-related Revenue via Mobile Phones

(¥ 100M)



■ Smartphone advertising revenue

+43 (¥100M)

Smartphone advertising revenue ratio

4.6% → 13.2%

*Smartphone advertising revenues includes some revenues via tablet devices.

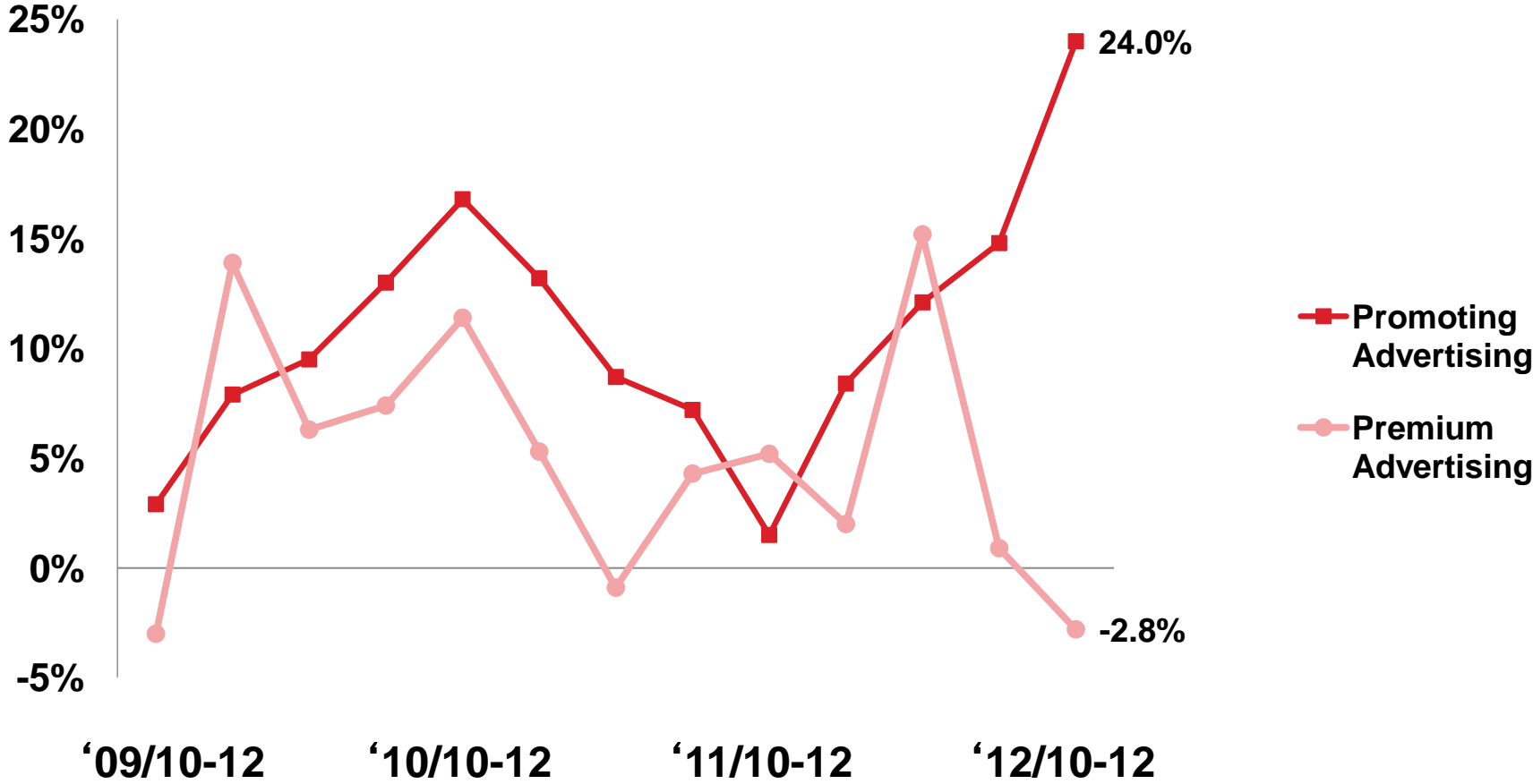
■ Feature phone advertising revenue

-8 (¥100M)

Feature phone advertising revenue ratio

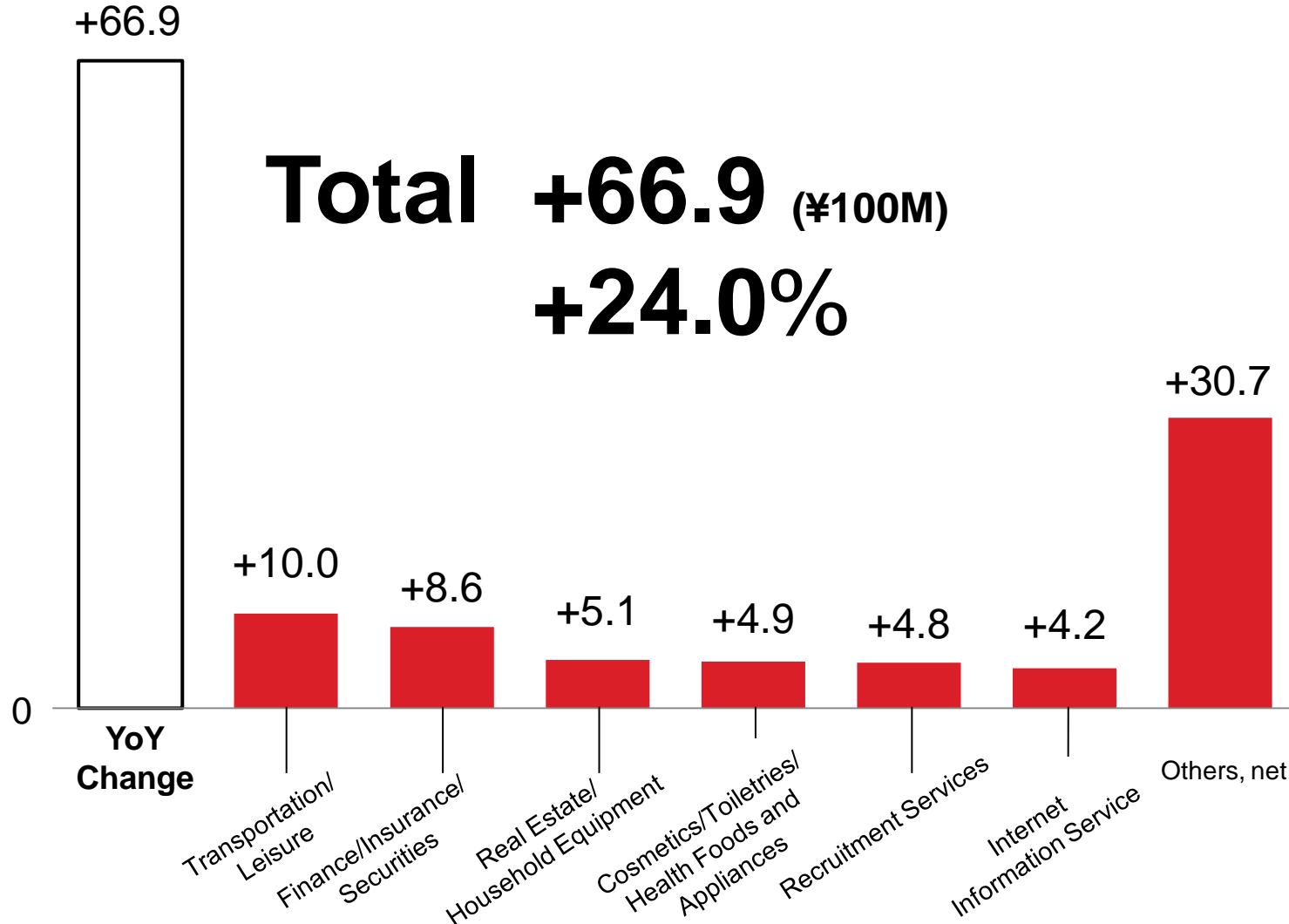
3.7% → 1.5%

Quarterly Advertising-related Revenue YoY Growth Trend



YoY Change Contributors by Industry - Promotion Advertising Revenue

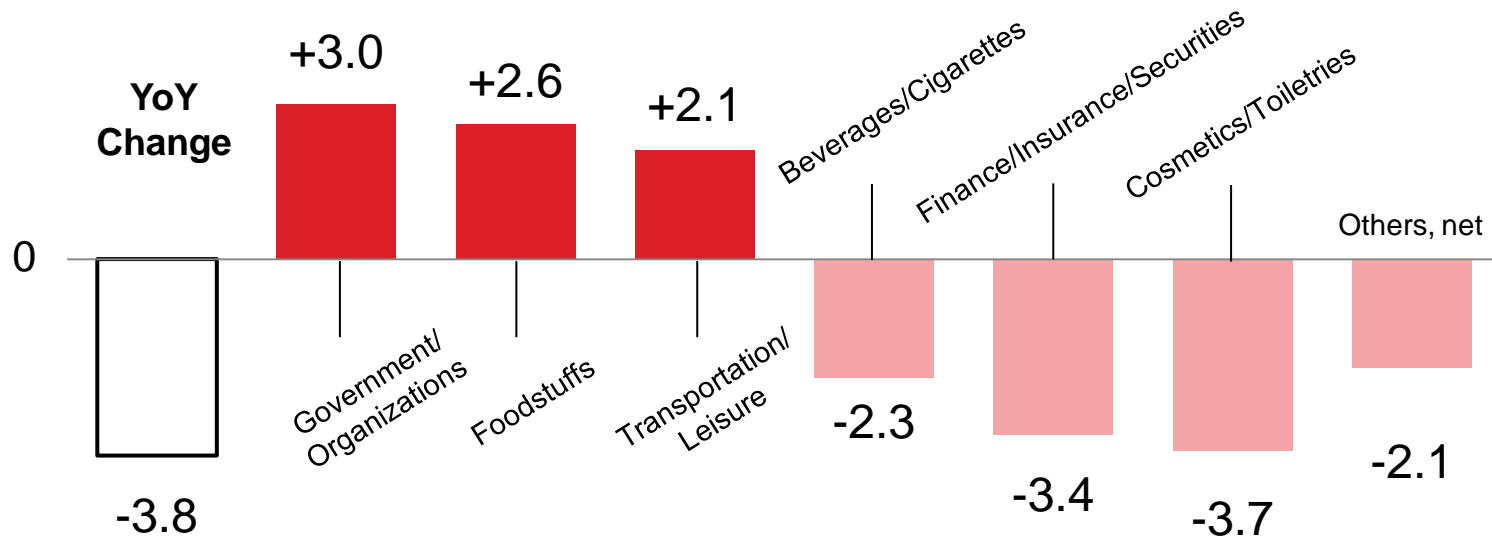
(¥ 100M)



YoY Change Contributors by Industry - Premium Advertising Revenue

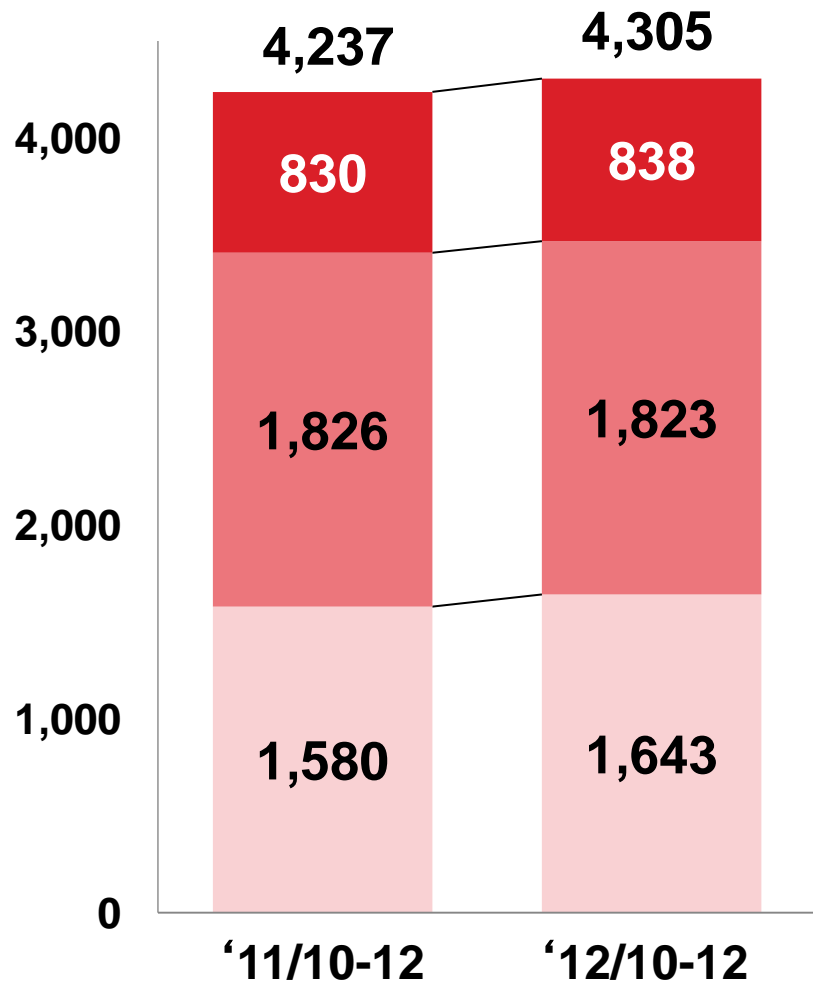
(¥ 100M)

Total -3.8 (¥100M)
-2.8%



Quarterly e-commerce Transaction Value

(¥ 100M)

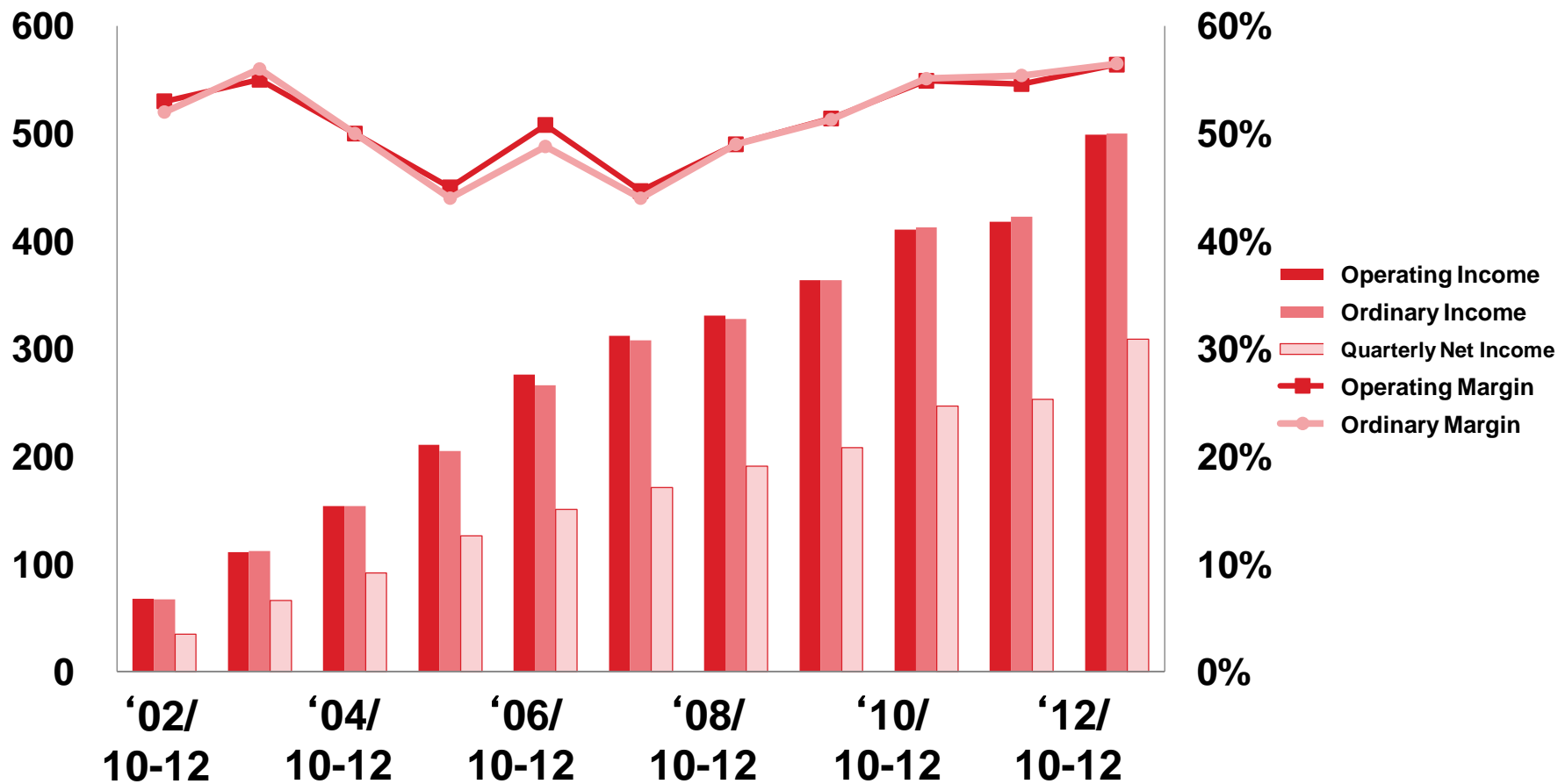


Total +67 (¥100M)
+1.6%

- **Shopping-related +0.9%**
 Increase in transaction value of travel
 - **Yahoo! Auctions -0.1%**
 Transaction value was almost flat
 - **Others +4.0%**
 (Settlement/Financial services, pay digital content, etc.)
 Transaction value of pay digital content and settlement value of Yahoo! Wallet increased.
- Shopping-related and Auctions transaction value through Smartphones 13.0%→21.5%

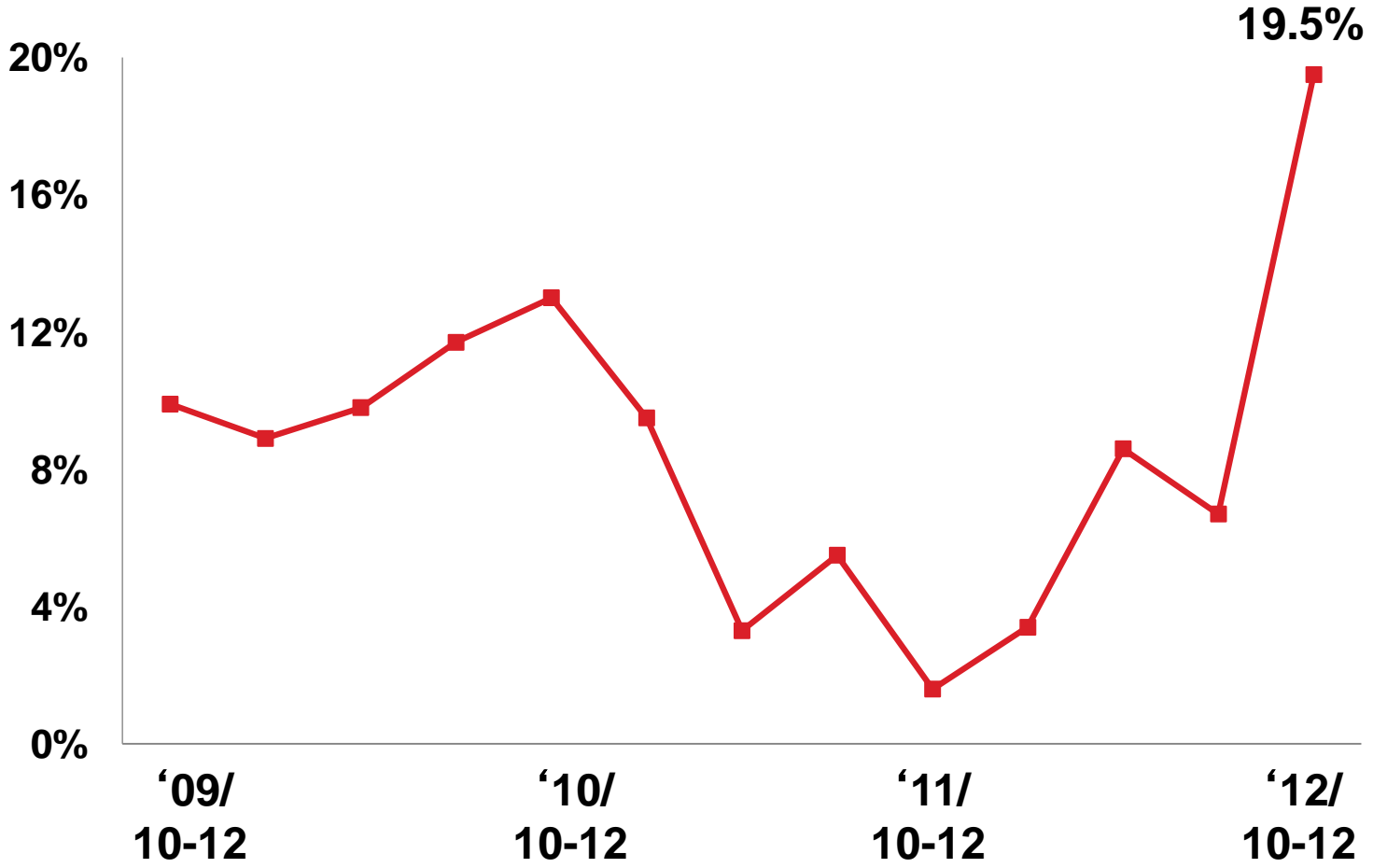
Quarterly Profits

(¥ 100M)



*Margins for '08/10-12 onward are affected by the change in the presentation basis for revenue from gross to net.

Quarterly Operating Income YoY Growth Trend



Revision of FY2012 Full Year Business Outlook

(¥100M)

	FY2012 Forecast (As of Oct. 24, 2012)	FY2012 Forecast (Revised)	Reason for Revision
Revenue	3,190 - 3,253	3,322 - 3,382	<ul style="list-style-type: none"> • Promotion advertising revenue grew favorably • ValueCommerce and others became subsidiaries
Operating Income	1,733 - 1,770	1,793 - 1,817	-
Ordinary Income	1,760 - 1,797	1,813 - 1,838	-
Net Income	1,073 - 1,096	1,106 - 1,121	-

Revised FY2012 Full Year Business Outlook Compared with Prior Fiscal Year

(¥100M)

	FY2011 (Actual)	FY2012 (Forecast)	Change Contributors
Revenue	3,020	3,322 - 3,382	<ul style="list-style-type: none"> • Promotion advertising revenue expected to grow • Yahoo! Premium membership revenue increased • ValueCommerce and others became subsidiaries
Operating Income	1,650	1,793 - 1,817	-
Ordinary Income	1,673	1,813 - 1,838	-
Net Income	1,005	1,106 - 1,121	-

FY2012-4Q Business Outlook

(For reference)

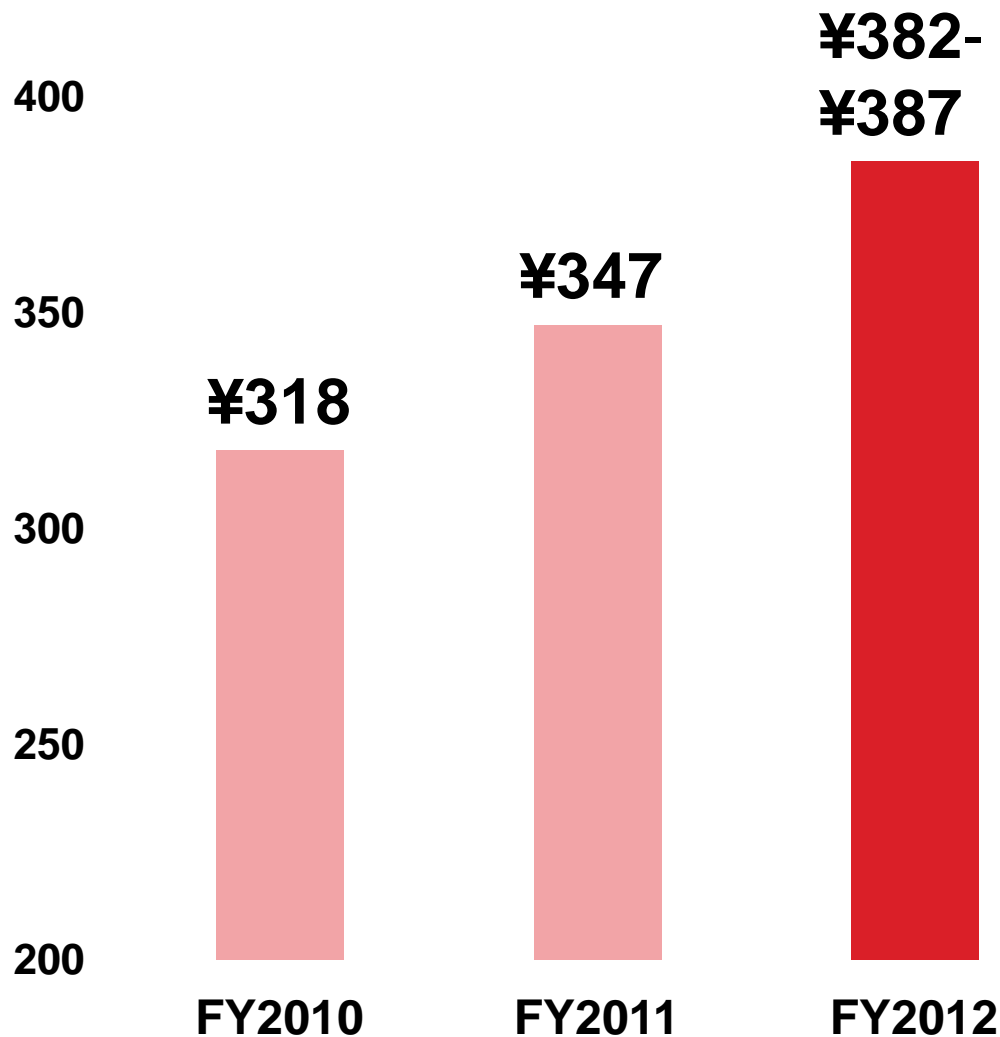
(¥100M)

	2011-4Q (Actual)	2012-3Q (Actual)	2012-4Q (Forecast)	YoY Change Contributors
Revenue	799	886	871 - 932	<ul style="list-style-type: none"> • Advertising revenue expected to grow • Revenue from membership services expected to increase • ValueCommerce and others became subsidiaries
Operating Income	438	499	438 - 463	-
Ordinary Income	446	500	446 - 470	-
Quarterly Net Income	276	309	274 - 289	-

*Business outlook for 2012-4Q is an approximate calculation of the forecast for FY 2012 full year minus actual accumulated figures for FY 2012-1Q to 3Q.

Forecast of Cash Dividend for FY2012 (Revised)

Cash dividends per share
(¥)



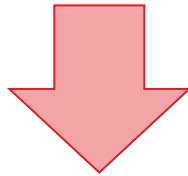
Cash dividend per share is expected to grow 10.1-11.5% YoY

The Company's target continues to be approximately 20% of consolidated net income as its forecast for dividends for FY2012.

Issuance of Stock Options Exercisable when Profit Target is Reached

Issued stock options to senior management. Doubling the operating income by March 201x is the basic condition to exercise the options.

(Options equivalent to 271,700 shares issued)



Aim to encourage senior management to commit and to contribute to the profit growth of the group.

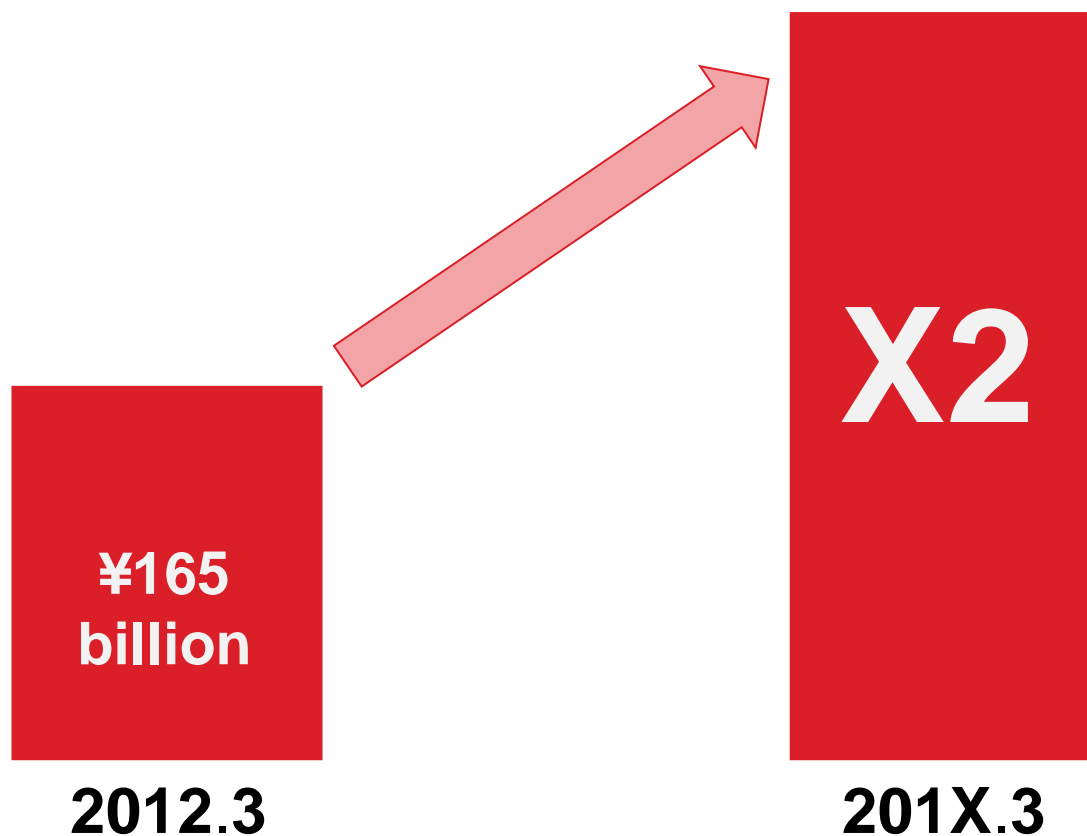
Share Buy Back

Total Amount of Acquisition	JPY 20 billion (Maximum)
Number of Shares to be Acquired	800 thousand (Maximum)
Method of Acquisition	Market purchase through trust banking company
Purchase Period	Feb.1-Mar.15, 2013

All the shares purchased will be cancelled.

Aim to Achieve Double-Digit YoY Growth in Operating Income

--> Double Operating Income
by FY ending 201X.3



Growth Drivers in Short Term

- 1 Paid search advertising**
“Sponsored Search”
- 2 Interest-based advertising**
“Yahoo! JAPAN Display Ad Network”
- 3 Yahoo! Premium
membership fee**

Measures to Re-accelerate Profit Growth

✓ Only 1 Strategy

Aiming to become a portal site for “Only 1” services by brushing-up/restructuring of own services and making alliances with external partners

✓ The Most Powerful Tag Teams

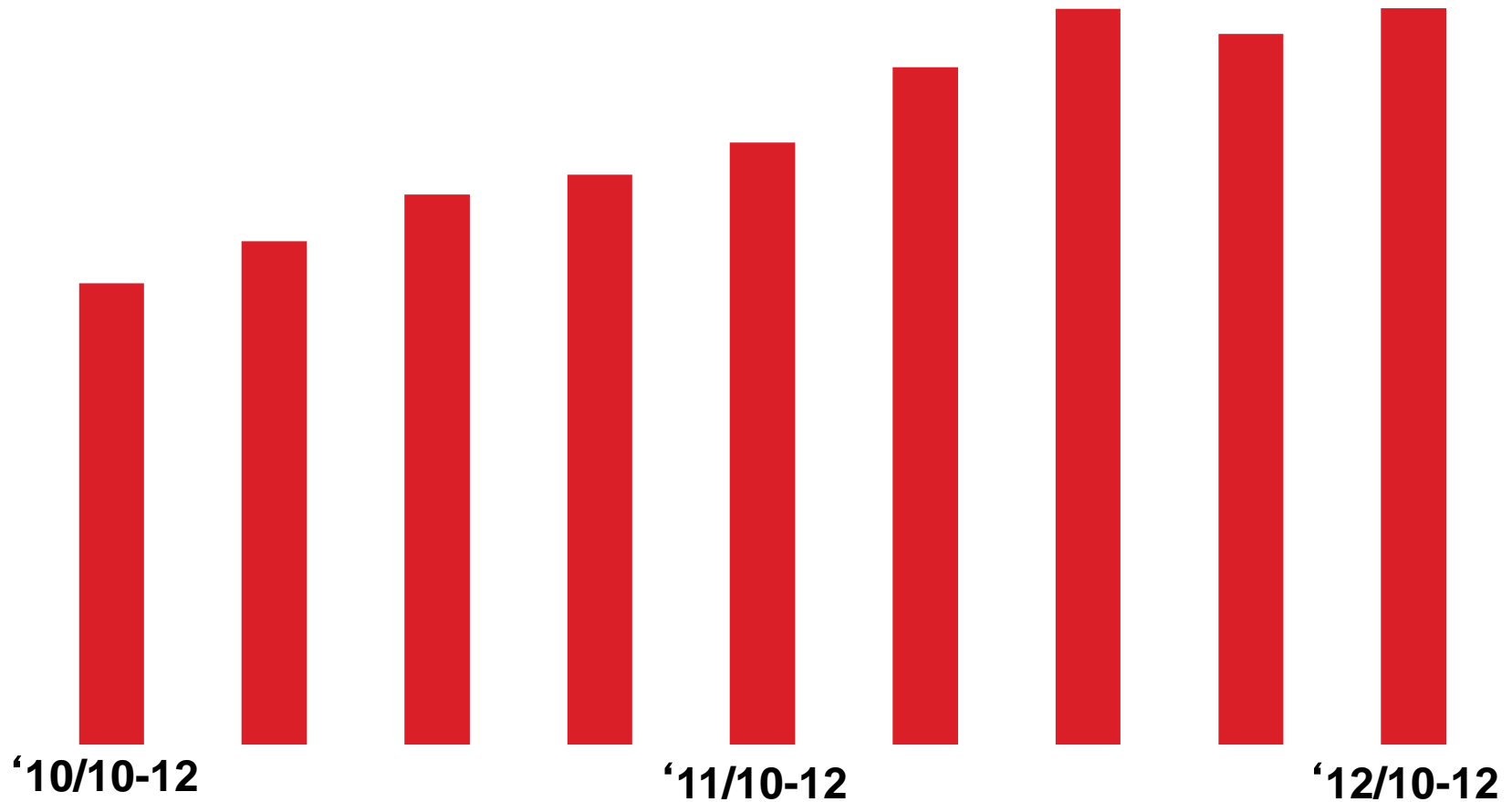
Seeking to strengthen services provision through collaborations with non-Internet businesses

✓ Unexplored Frontier

Planning to enter new business areas outside usual fields and operations

Only 1 Strategy

Top 20 Services DUB Trend



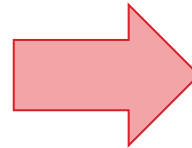
Measures Taken for Top 20 Services

Measures Taken for Advertising Business

Product category names changed

Listing Advertising
(Paid search advertising and interest-based advertising)

Display Advertising
(CPM-based banners, etc.)



Promotion Advertising

Premium Advertising

Promotion Advertising: New Product

Interest-based advertising

“Interest Match”



“Yahoo! JAPAN Display Ad Network (YDN)”

【Previously】 IM	【New】 YDN
CPC-based Only	CPC + CPM-based
Mainly on PC	On PC + Smartphone
Text Advertising	Text + Image and Video

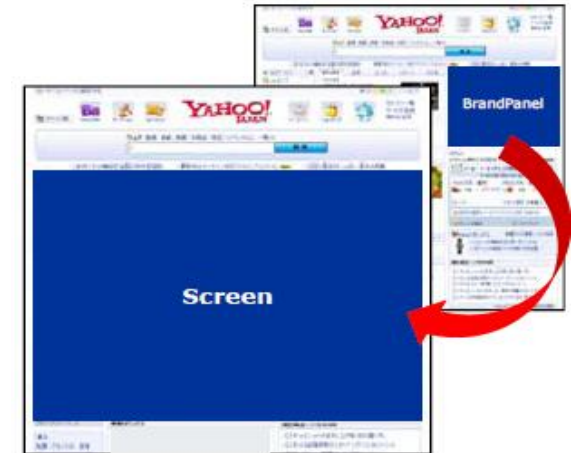
Premium Advertising: Survey Results on Effectiveness of “Rich Ad”

- **“Mouse Over Expand”**

Recognition Rate: approx. 1.3 times

Derivation Rate: approx. 1.6-2.1 times

Expanding Rate: approx. 12-13%



- **“Top Impact”**

Recognition Rate: approx. 2 times

Derivation Rate: approx. 7 times



Started Ad Placement in January 2013

“Explosive Bargain Day”

Promoted on Yahoo! JAPAN Top Page



We will carry out the same event periodically.

“Yahoo! Auctions”

- Monthly transaction value in Dec. 2012 grew favorably, up 4.7% YoY.
- Number of new users increased sharply because of the improvement in registration process and the “Anyone can make a bid” campaign.

“Yahoo! Shopping”

- Quarterly transaction value reached a record high.
- Number of new buyers increased along with “Yahoo! Point Campaign”.

The screenshot shows a Yahoo! Shopping banner for a 'タイムバーゲン' (Time Bargain) event. The banner features two product listings:

Product	Original Price	Sale Price
お台場の絶景を望むアーバンリゾート (Urban Resort in Odaiba)	通常宿泊料金 16,600円〜	セール価格 999円
1カラット オープンハートダイヤ (1 Carat Open Heart Diamond)	ストア販売価格 280,000円	セール価格 9円

Conversion of name for Fukuoka Yahoo! JAPAN Dome to
“**FUKUOKA YAFUOKU! DOME**” from Feb. 1st

Promote Yahoo! Auctions
collaborating with Fukuoka &
Kyushu regional community
and SOFTBANK Hawks fans,
encouraging people to use the
service

FUKUOKA
ヤフオク!ドーム



Let everybody share joy of re-use via
Yahoo! Auctions

New Recruiting Service “Qlear Career Change” Started

- Interactive & communicative career opportunity service
- Based on success-fee system, we offer low-cost & low-risk recruiting opportunities to companies.



Alliances at Ultimate Speed





- **Acquired 100% of CyberAgent FX and started operating financial services.**

Taking advantage of their high-quality smartphone tools, we will seek to make the FX business a new revenue source.

- **Synergies with existing businesses**

Promote FX services to Yahoo! JAPAN users, especially Yahoo! Premium members.

Open Partnership in Smartphone Gaming Area



Gaming Service
Providers
(Plural Companies)

Offer game entertainment services
to smartphone users

Alliance with GREE, Inc.



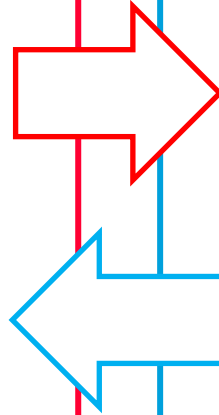
1st partner in
smartphone
gaming area

Launched tie-up in
gaming services on
Nov. 8th, 2012.

Initiatives in Alliance with GREE, Inc.

YAHOO!
JAPAN

- Unparalleled media power
- Yahoo! JAPAN ID
- Yahoo! Wallet
- Yahoo! Points, etc.



GREE

- A wide variety of entertainment content
- Established know-how in planning/
development/operations

Aim at creating new entertainment values
to offer users through Internet

Discussing co-development of social games and
investment in digital movie content

Strengthened the Alliance with DeNA Co., Ltd.

DeNA

YAHOO!
JAPAN®



**Our existing partnership in
PC areas to be extended
into smartphone areas**

Initiatives in Alliance with DeNA Co., Ltd.



User Account Number exceeded **10 million**

Discussing co-development of social games for PC to strengthen PC gaming service





- **Improve the advertising appeal power of premium advertising by introducing mediamind's technology.**

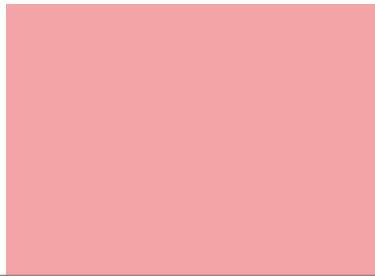
Test result shows that users are engaged with rich advertising for a longer time compared with normal advertisings.

* Time during which users interact with the advertising, such as placing the mouse cursor on advertising banner for more than one second, clicking it, etc.

- **Authorized mediamind as our official third party advertising distribution server, opening up Yahoo! JAPAN to global advertisers.**

Test Result of Rich Advertising: Time users are engaged.

1



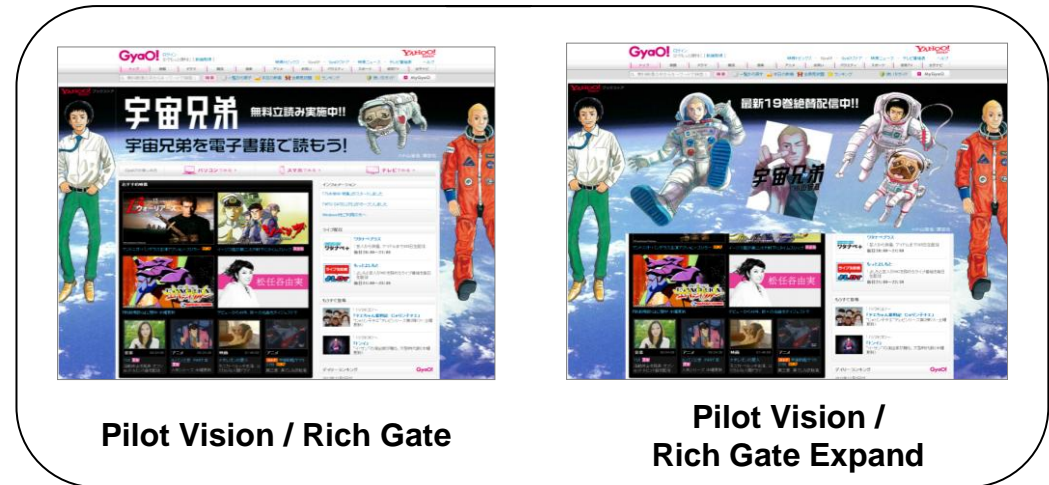
Normal banner of
Pilot Vision



2.2times



Rich Advertising



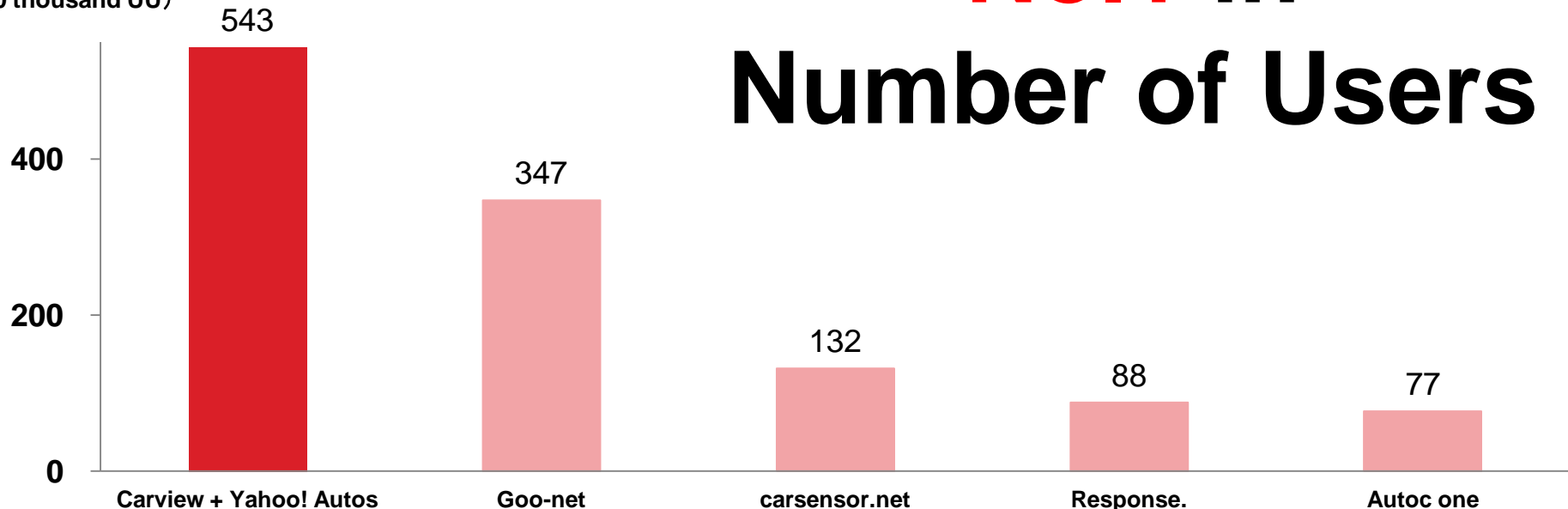


- Made Carview a subsidiary.
Aim to offer “Smart Car Life” services.

No.1 in

Number of Users

(10 thousand UU)



Source: Nielsen (NetView JP), access from home and office using PCs (excluding Internet application), December 2012. Data on Yahoo! Autos is based on channel level, while other data are based on brand level.

The Most Powerful Tag Teams

Strong Tag Team with SOFTBANK Group

 SoftBank

**No.1 Smartphone
Distributor**

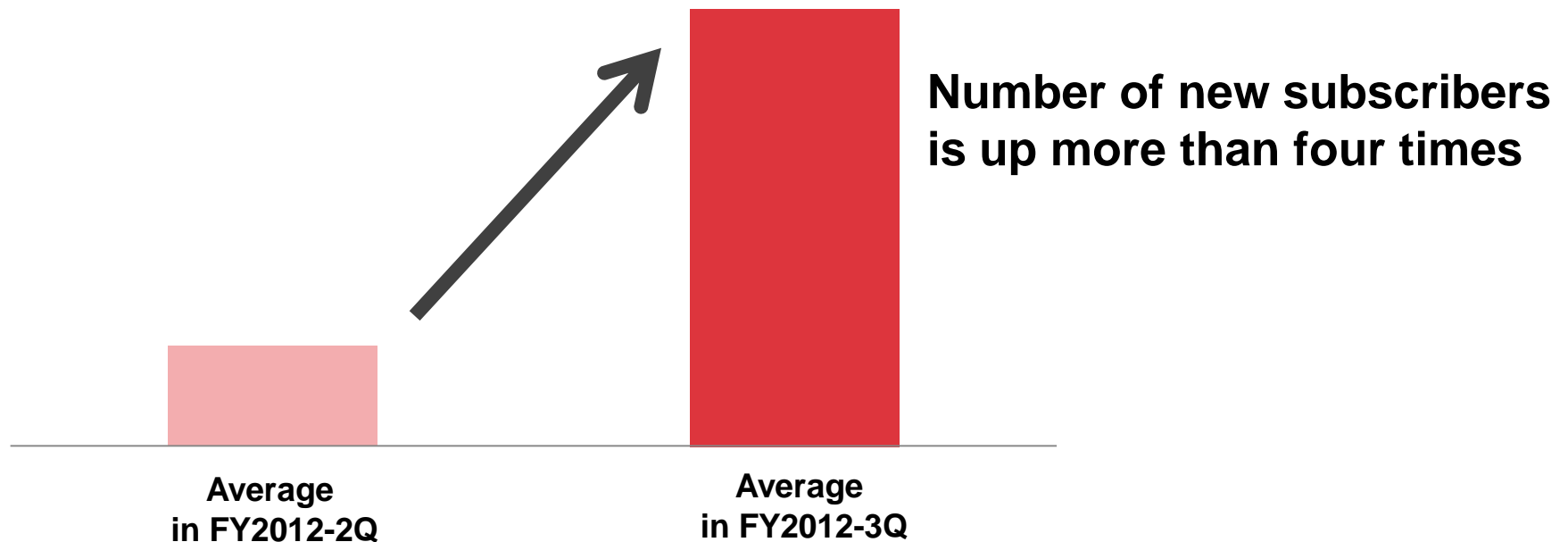
 YAHOO!
JAPAN

**No.1 Internet
Services Company**

Yahoo! Premium Membership Acquisition at SoftBank Cell-phone Stores

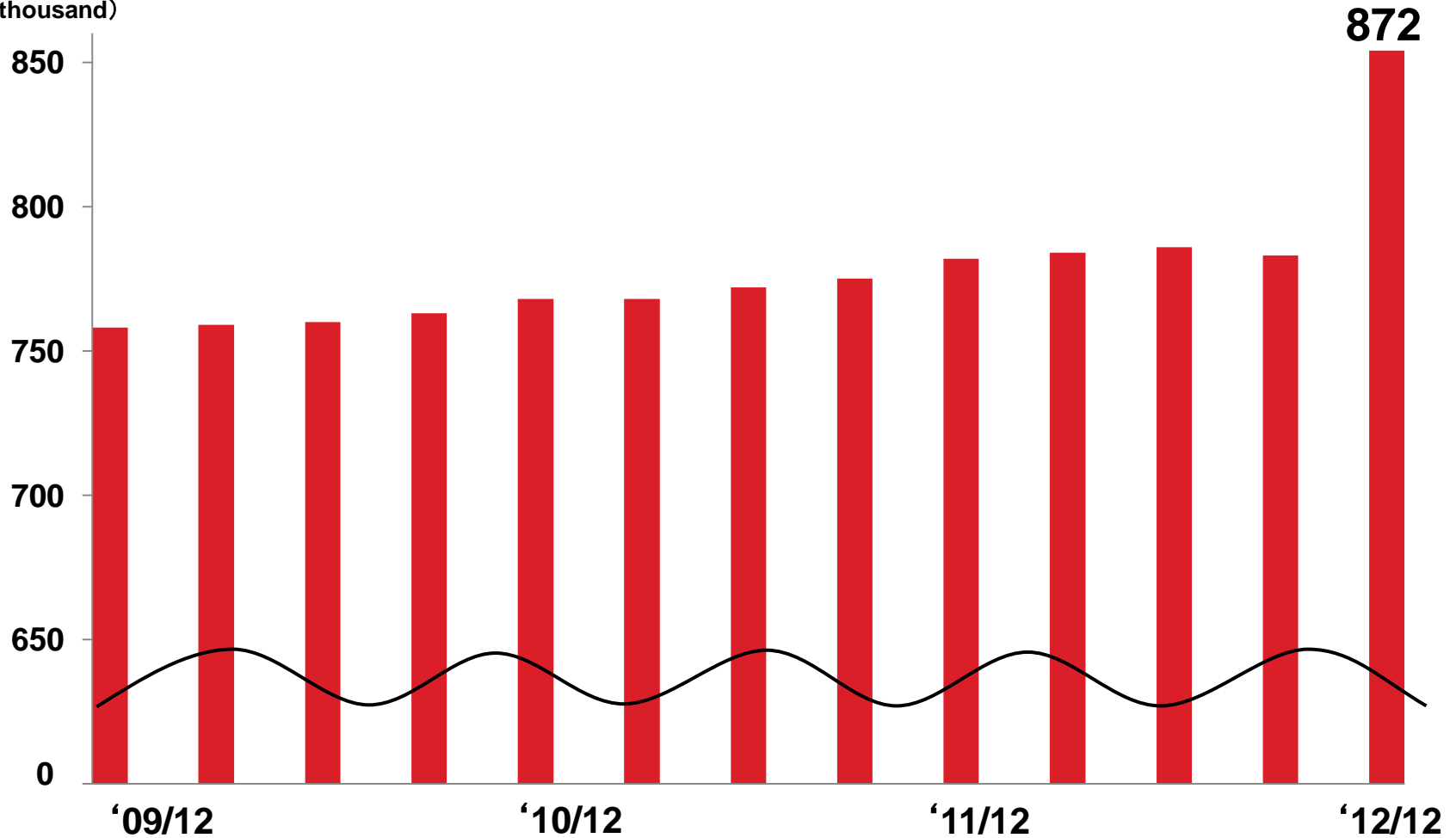
Subscribers increased drastically in 3 months due to collaboration with Softbank Mobile

Subscriber numbers jumped along with the commencement of sales of iPhone5 (Sept. 21).



Trend in the Number of Premium Members

(10 thousand)



Effective Customer-Leads Platform

- A mass online-to-offline marketing (O2O) drive
Special promotion offered on Yahoo! JAPAN site will lead users to advertisers' shops and stores on the street.
- SOFTBANK TELECOM started marketing in October.



Effective Customer-Leads Platform - Execution Example

Free
sample

SUNTORY



Suntory Coffee Boss
Trial Campaign in
Kyushu Area



Coca-Cola

“Give Taiyo-no-Mate-cha”
Spicy and pure taste
Drink Mate-cha
after eating Sukiyaki!

Discount
Coupon

UNI
QLO



“Only for people who saw this
banner”
Gift coupon for JPY 500,
usable at any UNIQLO shop

KAO



“Kao Flair Fragrance Mist 3 types”
Taking away creases and smells,
you can enjoy fresh aroma.
You can win a coupon now!

Strong Tag Team with ASKUL

The logo for ASKUL, consisting of the word "ASKUL" in a bold, blue, sans-serif font.

**No.1 Office Supply^{*}
Delivery Service**

The logo for YAHOO! JAPAN, featuring the word "YAHOO!" in a large, red, serif font with an exclamation mark, and the word "JAPAN" in a smaller, red, serif font below it.

**No.1 Internet
Services Company**

*Transaction value of Office Supply by Mail Order, July 2011, Yano Research Institute Ltd.

“LOHACO” PC Site Started on Nov. 15th

The screenshot shows the Yahoo! JAPAN homepage with various navigation elements and a prominent LOHACO advertisement. The advertisement is highlighted with a red border and features the text "LOHACO 最大 50%OFF Yahoo! ポイントもたまる" and "今すぐチェック >>". Below the advertisement, there is a link to "LOHACOで日用品を簡単まとめ買い" with the text "最短当日お届け" and "Yahoo! x ASKUL".

Office Edition | Yahoo! BB |オークション| My Yahoo! | YAHOO! JAPAN | ツールバー | ショッピング | きっぷ | カテゴリー一覧 | サイトの登録 | 無料ID活用

ウェブ | 画像 | 動画 | 辞書 | 知恵袋 | 地図 | リアルタイム | 一覧

検索

毎日更新 都道府県別「うまい」ラーメン1位 | 個数限定 復興石巻鍋ほかグルメセット | 今年のクリスマスギフトはもう決めた? NEW!

主なサービス

- ショッピング
- オークション
- 日用品宅配
- 旅行、出張
- ニュース
- 天気
- スポーツ
- ファイナンス
- テレビ
- GyaO!
- Y!モバゲー
- 地域
- 地図
- 路線
- 食ブログ
- 求人、アルバイト
- 不動産

トピックス

19時30分更新

- ・国文省 同構造トンネル点検へ
- ・橋下氏ブレインの飯田氏辞意 NEW!
- ・TPP第15回交渉 11か国が参加
- ・マカフィー創業者 身柄拘束か
- ・今年最も売れた本「聞く力」
- ・中田翔、4000万円増でサイン
- ・流行語大賞はワイルドだろお
- ・宮迫胃がん? 藤森は病状触れず

今日の話題(40件) 一覧

話題なう つば九郎 FA宣言 | Jリーグアウォーズ 速報

ログイン
IDでもっと便利に[新規取得] | ログイン履歴 | 登録情報

メール-メールアドレスを取得 | ログイン履歴 | 登録情報

2012年12月3日(月)

今夜の天気(東京) | 明日の天気(東京)

30% | 10°C/3°C | 50% | 14°C/8°C

Placed links on Yahoo! JAPAN top page

Strong Tag Team with LAWSON

LAWSON

YAHOO!
JAPAN



Established a joint venture,
Smart Kitchen, Inc.

Smart Kitchen

Delivery of Food (Refrigerated & Frozen) and Commodities

- 23 thousand items including original products (One of the largest selection of items in Japanese delivery industry)
- Effortless & convenient shopping via smartphones and tablets

Start periodic delivery from Feb. 1st

スマートキッチン

おためし専用カート

ログイン

LAWSON × Yahoo! JAPAN = スマートキッチン
忙しいママを応援する食品の定期宅配サービスです。

まずは、自信のオリジナル商品をお試しください。

数量限定 おためしキャンペーン実施中!!
おためしセット
1食分 通常348円 → 164円

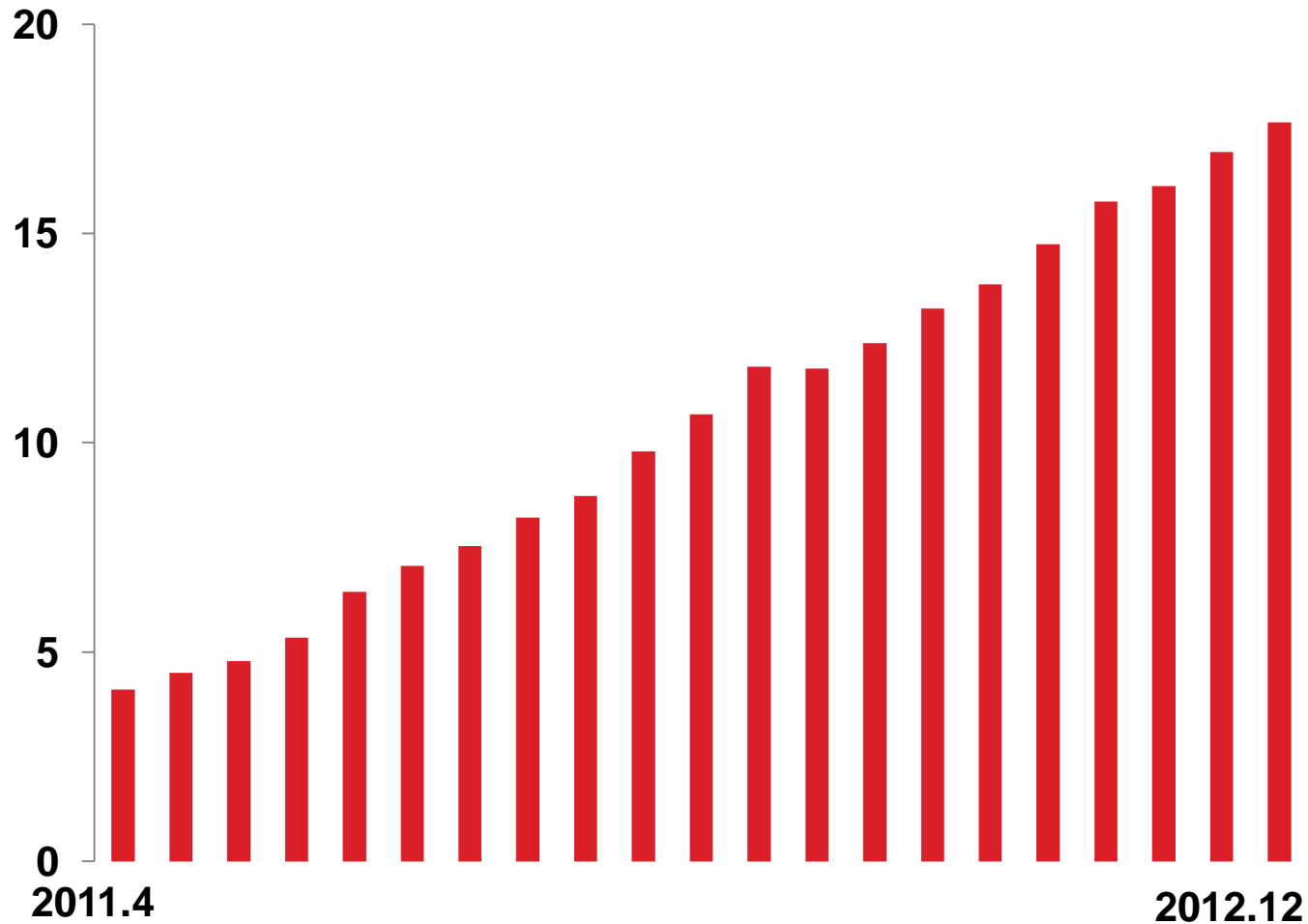
料理研究家大絶賛

スマートキッチンの定期宅配サービス
2013.2.1 Fri START!!

Progress with Smartphone Growth Initiatives

Smartphones DUB Trend

(Million UBs)



Source: Yahoo Japan Corporation

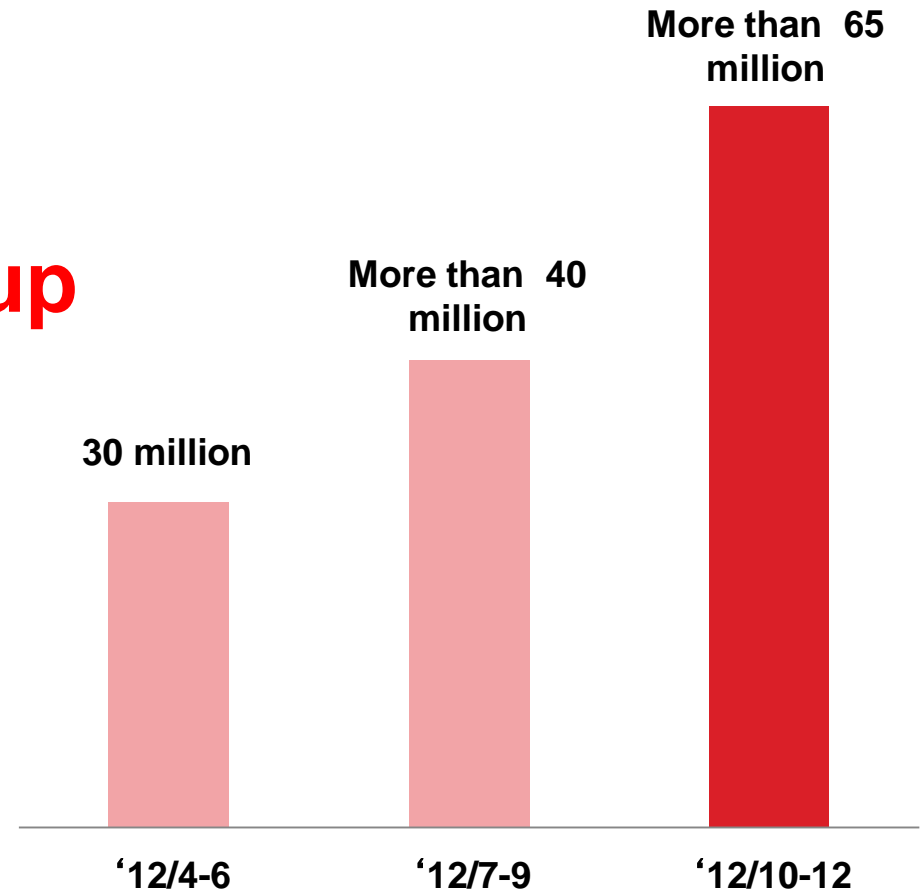
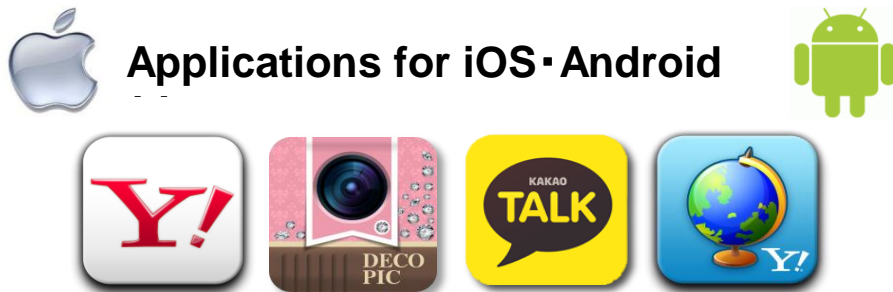
*DUB=Daily Unique Browsers

Cumulative Number of Yahoo! JAPAN Applications Downloaded

iOS+Android

Cumulative downloads:

Approx. 65 million and up



“DECOPIC” Achieved a Total of **12 million** Downloads



A photo application for ladies presented by
Community Factory Inc.

Alliance with KAKAO JAPAN

5人同時通話も無料で

カカオトークー!



みんなでいっしょに話せちゃう
無料通話アプリ。

キモチ、動く。
カカオトーク

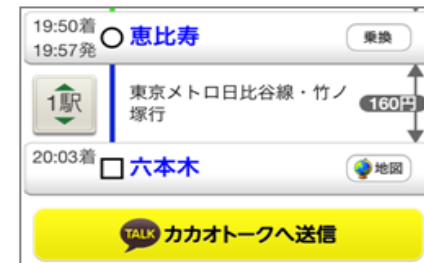


supported by Yahoo! JAPAN

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Initiatives in Alliance with KAKAO TALK

- Nov. 15 Introduced function that enables simultaneous conversation between a maximum of 5 people
- Nov. 20 Launched Kakao Game
- Dec. 13 Started broadcasting TVCM
- Dec. 24 Began KAKAO Lottery Campaign (to Jan. 6)
- Dec. 27 Released Talk Plus



Growth Strategies and Progress

- Summary

	Only 1 Strategy	The Most Powerful Tag Teams	Unexplored Frontier	Smartphone Growth Initiatives
Advertising	    Rich Ad	 (O2O promotion services)	YJ Capital Project DEJIMA Bharti Group (India)	   CyberAgent FX   DeNA
e-commerce/ Membership services	  	  		
Others	   	 Culture Convenience Club Co., Ltd.		

Supplemental Information

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- P. 63** **Quarterly Business Results**
- P. 74** **Quarterly Business Data**
- P. 76** **Organization, Personnel and
Affiliated Companies**

FY2012-3Q Statements of Income

	2011-3Q	2012-3Q	Change
Revenue (¥100M)	765	886	15.8 %
Cost of Sales (¥100M)	71	91	28.4 %
Gross Profit (¥100M)	693	794	14.5 %
SG&A (¥100M)	275	294	6.9 %
Operating Income (¥100M)	418	499	19.5 %
Ordinary Income (¥100M)	423	500	18.1 %
Quarterly Net Income (¥100M)	253	309	21.9 %
Fully Diluted EPS (¥)	437	533	21.9 %
Number of Shares Assuming Full Dilution (10 thousand) *	5,800	5,801	0.0 %

* Number of Shares Assuming Full Dilution excludes treasury stocks.

FY2012-3Q 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	598	Advertising-related	468	100	165	332	334	55.5%	55.9%
		Corporate services, etc.	86						
		Information listing	37						
		e-commerce-related	4						
Consumer Business	283	e-commerce-related	148	4	70	208	208	73.5%	73.4%
		Membership services	105						
		Advertising-related	13						
		Others	16						
Others	53	Settlement and Finance	22	3	38	11	11	22.3%	22.1%
		Others	30						
Adjustments	-48			-16	20	-52	-53	-	-
Total	886			91	294	499	500	56.4%	56.5%

* Please see P.65 for the product items involved in the revenue of each segment.

Business Segment Breakdown

Marketing Solutions Business

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

Consumer Business

- e-commerce-related: Tenant and system-use fees of Yahoo! Auctions and Yahoo! Shopping,
Pay digital content 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, Yahoo! Travel and others

Others

- Settlement and Finance: Credit Card-related services, Settlement-related services and others
- Others: Pay digital content and others

Quarterly SG&A Breakdown

(¥ 100M)

Major Factors for YoY Changes

	11/3Q	12/2Q	12/3Q	Composition Ratio	QoQ Change	YoY Change
Personnel Expenses	82	89	95	32.4%	6.9%	16.3%
Business Commissions	37	33	35	12.1%	6.2%	-4.2%
Depreciation Expenses	24	23	25	8.8%	9.2%	7.3%
Royalties	22	22	25	8.7%	13.2%	16.4%
Sales Promotion Costs	29	25	25	8.6%	-1.2%	-14.3%
Lease and Utility Expenses	17	18	18	6.2%	-0.1%	4.3%
Content Provider Fees	16	16	17	6.0%	5.8%	8.4%
Communication Charges	15	15	16	5.5%	4.9%	6.4%
Sales Commissions	12	11	12	4.1%	6.1%	-0.3%
Administrative and Maintenance Expenses	5	5	6	2.1%	5.2%	12.7%
Taxes and Public Dues	3	4	4	1.5%	-0.6%	35.9%
Amortization of goodwill	1	0	3	1.3%	335.7%	252.5%
Advertising Costs	3	2	2	0.8%	-12.5%	-28.0%
License Fees	1	1	1	0.6%	29.4%	29.6%
Others	5	3	4	1.5%	13.8%	-22.3%
SG&A Total	275	275	294	100.0%	7.0%	6.9%

Number of employees reached 5,744, up 695 persons (13.8%)

Decrease because of more efficient maintenance and operations and contact center operations

Increase due to revenue increase

Sales promotion costs related to Yahoo! Points decreased

Increase due to acquisition of shares of Carview Corporation, Community Factory Inc., Crocos, Inc. and ValueCommerce Co., Ltd.

FY2012-3Q Balance Sheets

Major Items	2011/12/31	2012/12/31	Increase/ Decrease	Major Factors for Increase/Decrease	(¥ 100M)
< Assets >					
Current Assets	2,914	4,720	1,805		Increase in cash from operating activities
Cash and Cash Equivalents	2,162	2,682	519		
Notes and Accounts Receivable - Trade	414	522	107		Increase due to receivables on sale of shares of BB Mobile Corp. transferred to Notes and Accounts Receivable - Other from Long-term Receivables - Other
Notes and Accounts Receivable - Other	16	1,229	1,213		
Fixed Assets	2,241	1,508	-732		
Tangible Fixed Assets	335	415	79		
Intangible Fixed Assets	116	158	41		Acquisition of shares of ASKUL Corporation
Investment Securities	411	782	371		
Long-term Receivables - Other	1,235	22	-1,213		Decrease due to receivables on sale of shares of BB Mobile Corp. transferred to Notes and Accounts Receivable - Other from Long-term Receivables - Other
Total Assets	5,156	6,229	1,072		
< Liabilities >					
Current Liabilities	729	827	98		
Accounts Payable - Other	159	166	7		
Income Taxes Payable	160	199	38		
Long-term Liabilities	26	28	1		
Total Liabilities	756	856	99		
< Net Assets >					
Shareholders' Equity	4,361	5,269	907		
Common Stock	79	80	0		
Capital Surplus	30	31	0		
Retained Earnings	4,308	5,214	906		Increase in net income
Accumulated Other Comprehensive Income	5	23	17		
Minority Interests	24	71	46		
Total Net Assets	4,399	5,372	972		
Total Liabilities and Net Assets	5,156	6,229	1,072		

FY2012-3Q Cash Flow Statements

Major Items	FY2012-3Q (Oct.-Dec. 2012)	Major Factors for Changes (¥ 100M)
<u>Operating Activities</u>	<u>141</u>	
Quarterly Net Income before Income Taxes	507	Increase in quarterly net income before income taxes
Depreciation Expenses	30	
Accounts Receivable and Payable -Trade	-76	
Other Current Assets/Liabilities	11	
Payment of income taxes and other taxes	-330	
<u>Investing Activities</u>	<u>-58</u>	
Acquisition of Tangible Fixed Assets	-52	
Acquisition of Intangible Fixed Assets	-7	
Acquisition and Sales of Investment Securities	-23	
Acquisition of Shares of Subsidiaries	23	Acquisition of shares of Carview Corporation
<u>Financing Activities</u>	<u>0</u>	
<u>Net Change in Cash Flows</u>	<u>83</u>	

FY2012-3Q Highlights

– Marketing Solutions Business (1)

■ Promotion advertising

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

- Both paid search and interest-based advertising posted record highs revenue due to enhanced marketing activities based on expanded collaboration with advertising agencies. As a result, quarterly revenue of the promotion advertising was up 24.0% from the previous third quarter.
- Interest-based advertising grew especially strong year on year, helped by enhanced advertising effectiveness because of measures taken to strengthen functions in the second quarter.
- There was a notable rise in promotion advertising revenue via smartphones compared with the previous year.

(¥ 100M)

Marketing Solutions Business	2011-3Q	2012-3Q	YoY Change
Revenue	494	598	21.0%
Operating Income	273	332	21.6%

FY2012-3Q Highlights

– Marketing Solutions Business (2)

■ Premium advertising

- Prime Display advertising revenue increased compared with the same quarter last year. Smartphone advertising revenue also grew significantly year on year.

■ Corporate services-related revenue

- IDC Frontier Inc.'s cloud computing service revenue expanded year on year.
- Revenue and profits increased due to consolidation of ValueCommerce Co., Ltd.

■ Information listing revenue

- There was a large year-on-year increase in revenues of information listing services, primarily for recruiting and real estate.

FY2012-3Q Highlights – Consumer Business

■ e-commerce-related revenue (Yahoo! Auctions, Yahoo! Shopping, pay digital content and others)

- The smartphone transaction value for Yahoo! Auctions surged compared with the third quarter last year. However, the overall transaction value of Yahoo! Auctions declined slightly compared with the third quarter a year earlier.
- Yahoo! Shopping hit a record quarterly high transaction value and effective allocation of sales promotion costs also supported growth in operating income.

■ Membership services revenues

- Yahoo! Premium revenue increased year on year because of the expansion in the services for smartphones and the upward revision in membership fees. In addition, the number of Yahoo! Premium membership IDs on December 31, 2012 increased to 8.72 million IDs, partially because of the start of Yahoo! Premium registration services becoming available at Softbank shops.

(¥ 100M)

Consumer Business	2011-3Q	2012-3Q	YoY Change
Revenue	260	283	9.1%
Operating Income	184	208	13.2%

Promotion Advertising Revenue by Industry

Industries with large year-on-year increase

- Transportation/Leisure
- Finance/Insurance/Securities
- Real Estate/Housing/Household Equipment

	11/3Q	4Q	12/1Q	2Q	3Q
Finance/Insurance/Securities	10.2%	9.9%	9.9%	9.9%	10.7%
Transportation/Leisure	7.4%	8.7%	9.3%	11.0%	8.9%
Department Stores/Mail Order/Shopping Malls	9.2%	7.1%	7.8%	7.2%	8.5%
Cosmetics/Toiletries/Health Foods and Appliances	6.7%	6.3%	7.0%	6.9%	6.8%
Real Estate/Housing/Household Equipment	6.5%	8.0%	6.8%	7.1%	6.7%
Medical, Welfare, Health and Beauty	6.8%	6.2%	6.7%	6.4%	5.7%
Recruitment and Human Resources Services	4.7%	5.0%	5.2%	5.3%	5.2%
Fashion/Accessories	5.7%	5.0%	5.1%	5.1%	5.0%
Education/University	5.1%	6.1%	5.1%	5.0%	4.7%
Information Processing/Software/Internet Information Service	3.3%	3.5%	3.2%	3.3%	3.9%
Interior/Gardening/Renovation/DIY	3.5%	3.1%	3.3%	3.3%	3.3%
Autos and Accessories (Transport Equipment)	2.8%	3.6%	3.1%	3.0%	3.0%
Others	28.1%	27.5%	27.5%	26.5%	27.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Premium Advertising Revenue by Industry

Industries with large year-on-year increase

- Government/Organizations
- Foodstuffs
- Transportation/Leisure

Industries with large year-on-year decrease

- Cosmetics/Toiletries
- Finance/Insurance/Securities
- Beverages/Cigarettes

	11/3Q	4Q	12/1Q	2Q	3Q
Finance/Insurance/Securities	12.9%	12.6%	10.8%	9.9%	10.7%
Autos and Accessories (Transport Equipment)	9.0%	11.9%	8.8%	10.3%	10.5%
Transportation/Leisure	8.6%	10.0%	10.2%	10.8%	10.4%
Real Estate/Construction	10.0%	12.9%	11.5%	11.5%	9.7%
Foodstuffs	6.2%	5.8%	8.3%	8.5%	8.4%
Cosmetics/Toiletries	10.7%	7.7%	13.1%	11.7%	8.2%
Fashion/Accessories	5.4%	4.0%	4.3%	3.7%	6.9%
Mobile Communications Service	4.5%	3.9%	6.7%	5.5%	5.0%
Home Electronics/AV Equipment	2.9%	3.0%	1.4%	1.8%	3.5%
Government/Organizations	1.0%	2.3%	0.8%	1.0%	3.4%
Beverages/Cigarettes	4.8%	3.4%	4.3%	3.8%	3.1%
Broadcasting	2.4%	2.0%	2.9%	2.4%	2.4%
Others	21.6%	20.5%	16.9%	19.1%	17.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Quarterly Business Data (1)

Indicator (Quarterly average)	2011/3Q	2012/3Q
Number of total monthly page views (millions)(1)*	49,663	51,007
Number of total monthly smartphone page views (millions) (1)(2)*	4,256	9,935
Number of Daily UBs (Unique Browsers)(millions)(3)	50.29	54.16
Number of smartphone Daily UBs (millions)(2)(3)*	8.15	16.90
Number of monthly active users IDs (millions)(4)	26.01	27.22
Number of Yahoo! Premium member IDs (quarter-end)(millions)	7.82	8.72

(1) Total monthly page views and total monthly smartphone page views in the 2012-3Q do not include page views of the web sites of subsidiaries.

(2) “Smartphone” page views and 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 neither include a part of access via smartphone applications.

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

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

*Commencing with the April 2012 data, the method of calculating Number of total monthly page views, Number of total monthly smartphone page views and Number of smartphone Daily UBs were changed to obtain a more accurate calculation.

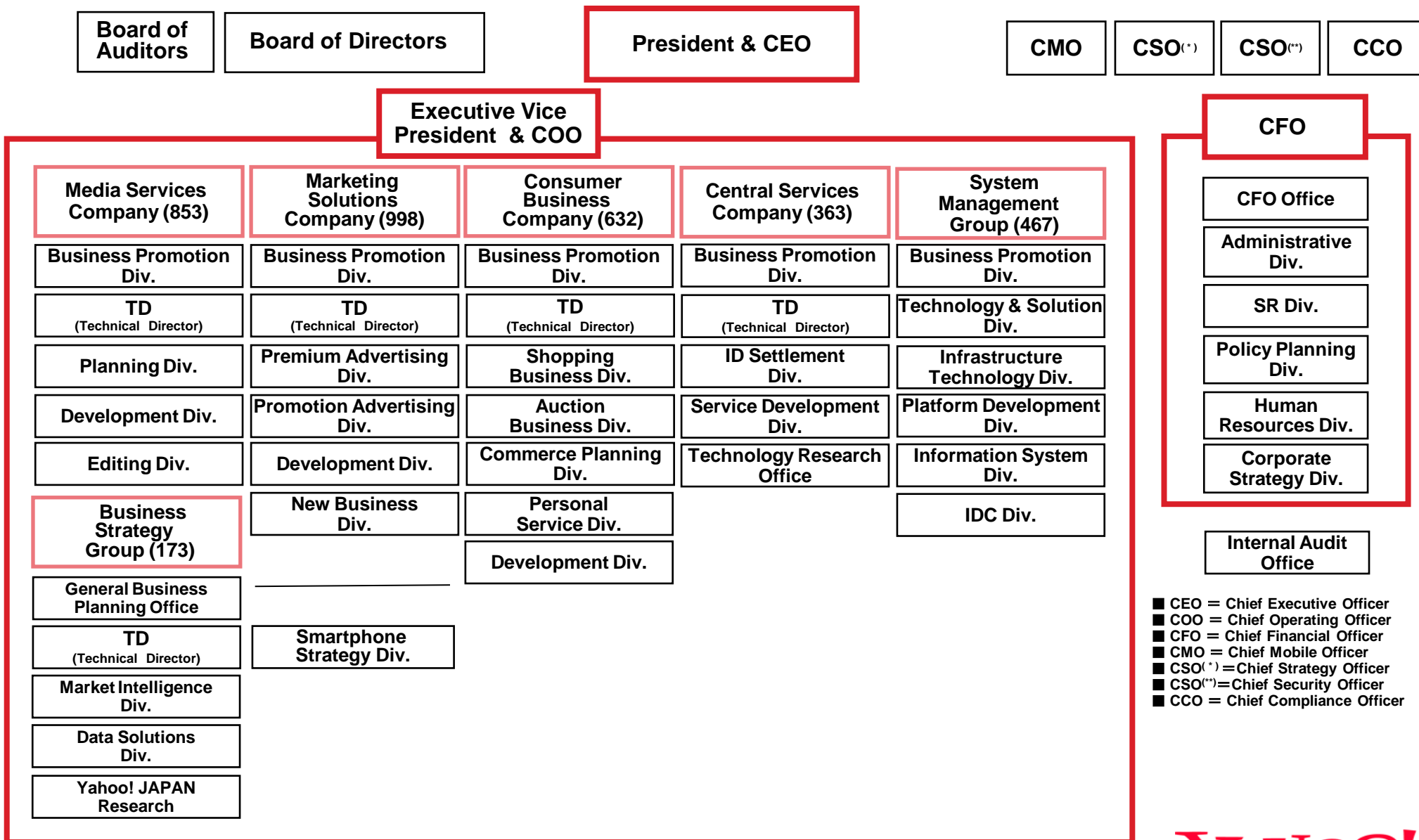
Quarterly Business Data (2)

Indicator (Quarterly total)	2011/3Q	2012/3Q
Transaction value of Yahoo! Auctions (100 millions of yen)	1,826	1,823
Transaction value of shopping-related (100 millions of yen)(1)	830	838
Transaction value of Yahoo! Auctions and shopping-related (100 millions of yen)(1)	2,656	2,661
Transaction value of Yahoo! Auctions and shopping-related via smartphones (100 millions of yen)(1)	346	572
Transaction value of e-commerce (100 millions of yen)(2)	4,237	4,305

(1) Including Yahoo! Shopping, Yahoo! Ticket and Yahoo! Travel.

(2) Including Yahoo! Auctions, shopping-related, Yahoo! Wallet, Yahoo! Cards, pay digital content, etc.

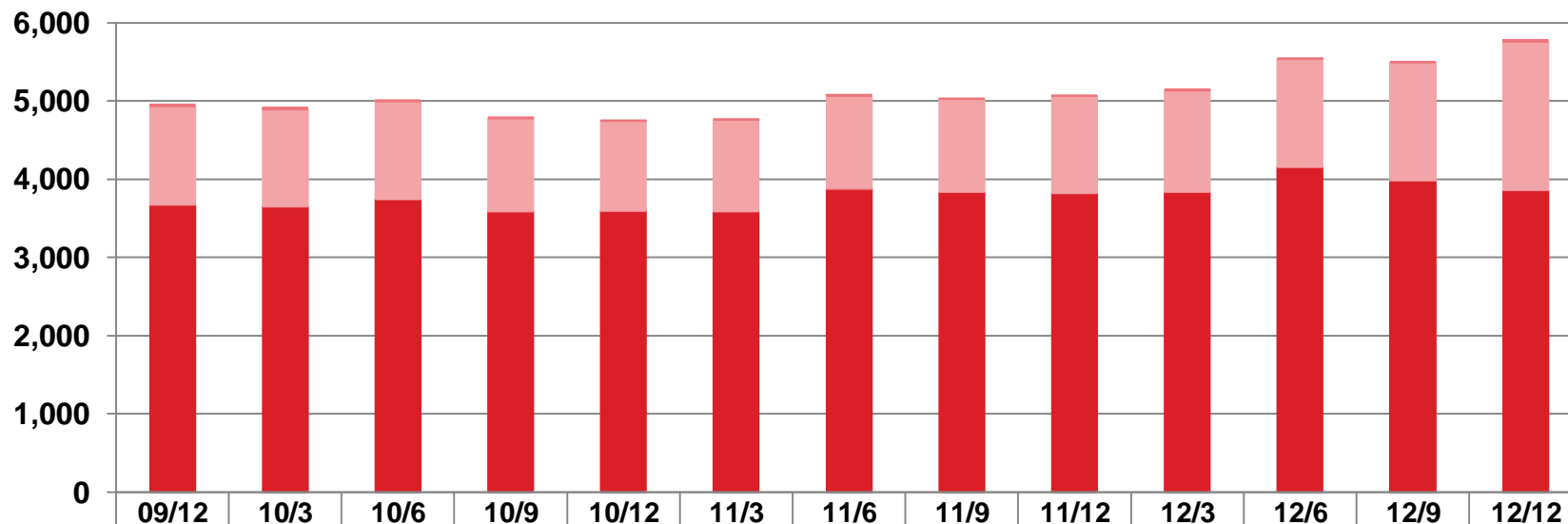
Organization Chart of Yahoo Japan Corporation



Number of Directors and Employees

(Number of People)

(at the End of Quarter)



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

Consolidated Subsidiaries and Companies Accounted for by the Equity Method

(as of December 31, 2012)

•Major consolidated subsidiaries at the end of FY2012-3Q

- ◆ Carview Corporation^{NEW!}
- ◆ Crocos, Inc.
- ◆ Feedpath, Inc.
- ◆ GyaO CORPORATION
- ◆ Indival, Inc.
- ◆ ValueCommerce Co., Ltd.^{NEW!}
- ◆ YJ Capital Inc.
- ◆ Y's Sports Inc.
- ◆ Community Factory Inc.
- ◆ Daini Corp.
- ◆ Firstserver, Inc.
- ◆ IDC Frontier Inc.
- ◆ Netrust, Ltd
- ◆ Yahoo Japan Customer Relations Corporation
- ◆ Y's Insurance Inc.

•Major companies accounted for by the equity method at the end of FY2012-3Q

- ◆ ASKUL Corporation
- ◆ CREO CO., LTD.
- ◆ Estore Corporation
- ◆ KAKAO JAPAN Corporation^{NEW!}
- ◆ Smart Kitchen, Inc.^{NEW!}
- ◆ 4travel, Inc.
- ◆ Classified, Inc.
- ◆ CRITEO K.K.
- ◆ JWord Inc.
- ◆ MACROMILL, INC.
- ◆ Tavigator, Inc.



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