



Yahoo Japan Corporation

FY2012 1Q Business Results

(April 2012-June 2012)

July 25, 2012



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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 June 30, 2012.”

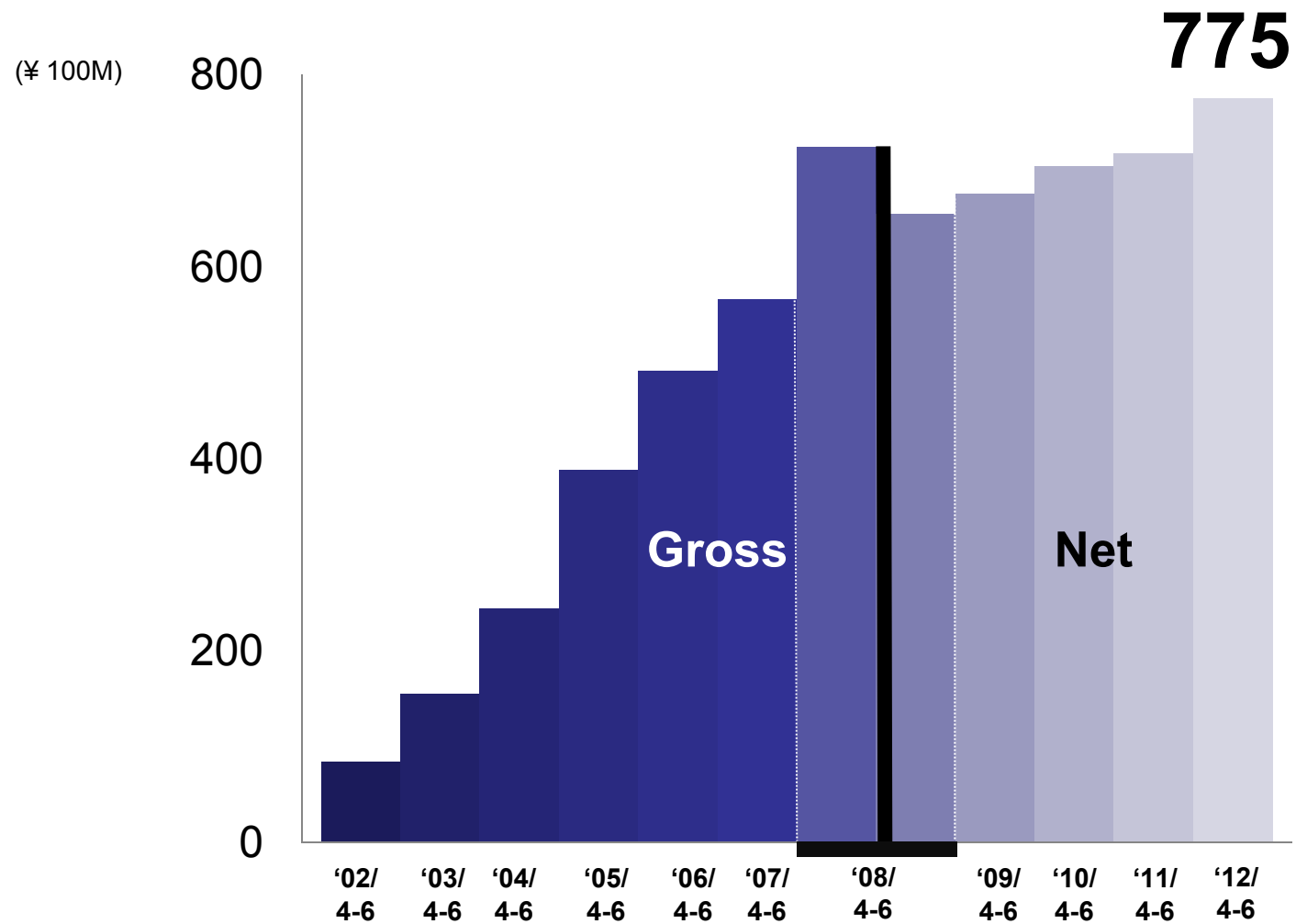
The unauthorized use of the information or the data in this document is not permitted.

FY2012-1Q Financial Highlights

(¥100M)

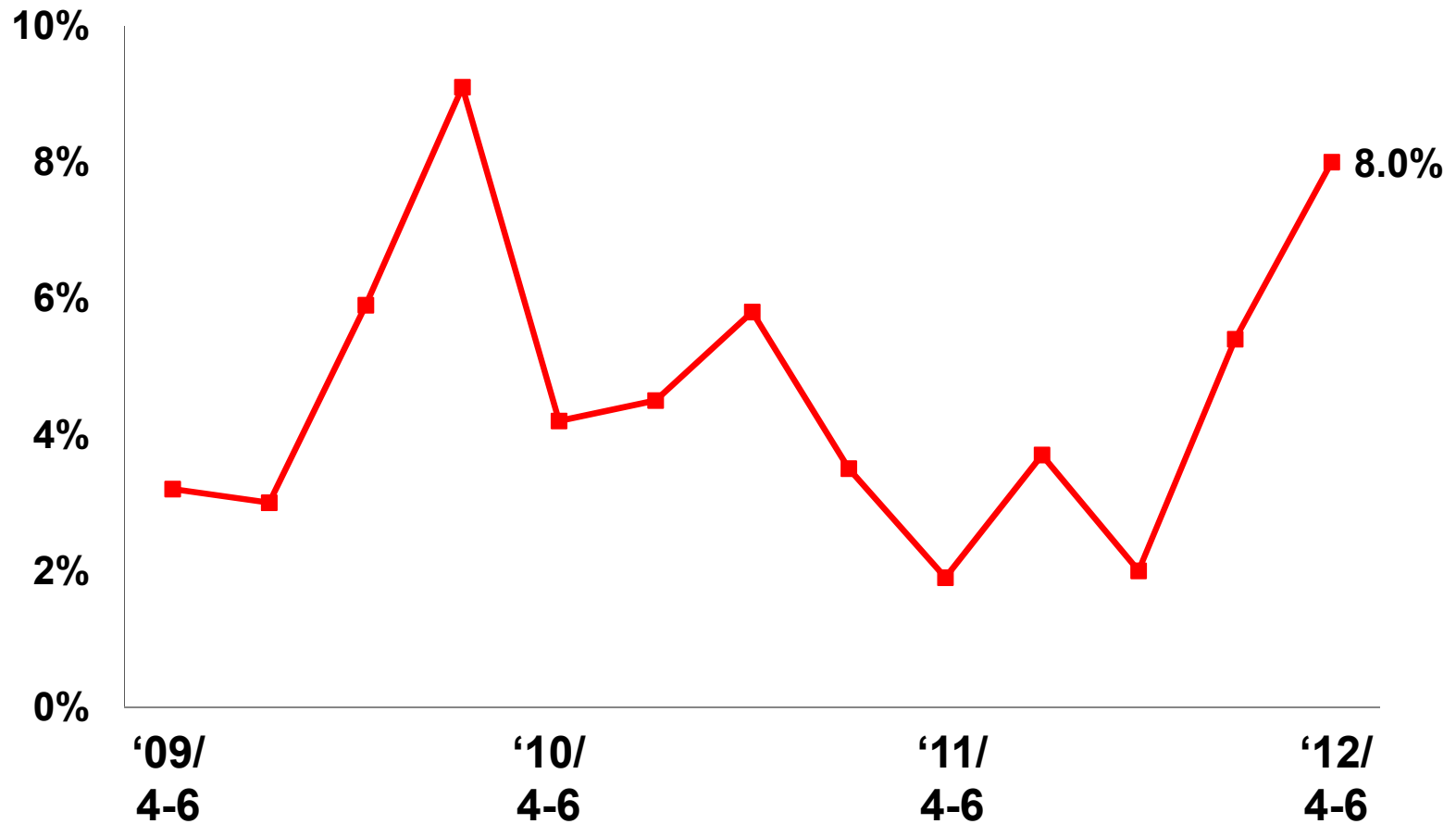
	2011-1Q	2012-1Q	YoY Change	Change Contributors
Revenue	718	775	8.0%	· Advertising revenue grew
Operating Income	388	421	8.6%	-
Ordinary Income	392	427	8.8%	-
Quarterly Net Income	233	250	7.6%	· Expenses incurred because of a data loss incident at a consolidated subsidiary Firstserver, Inc.

Quarterly Revenue

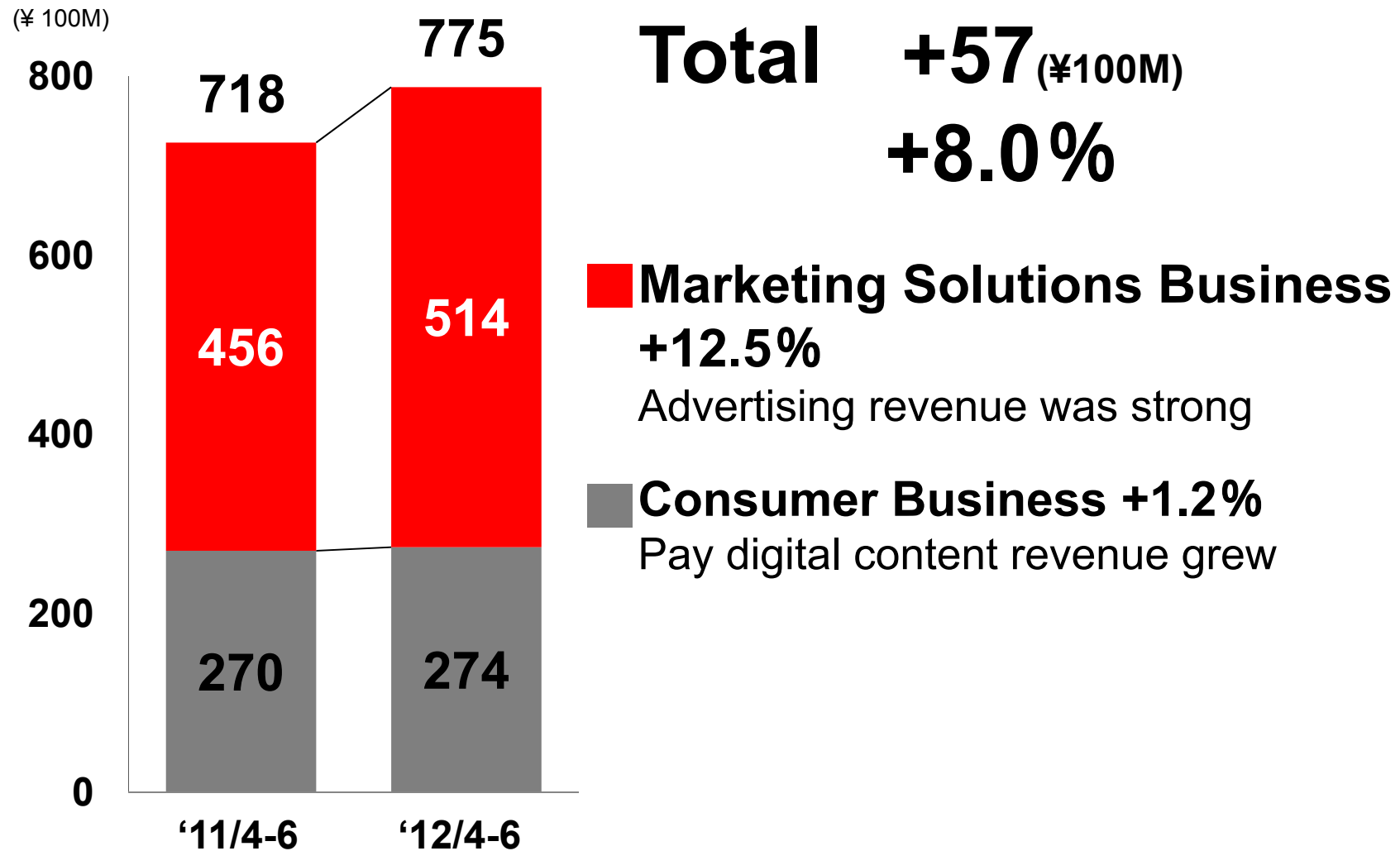


*Commencing with the FY2008, we started indicating revenue on a net rather than gross basis, by eliminating certain items in cost of sales and SG&A. The figure on a gross basis for '08/4-6 is included for your reference.

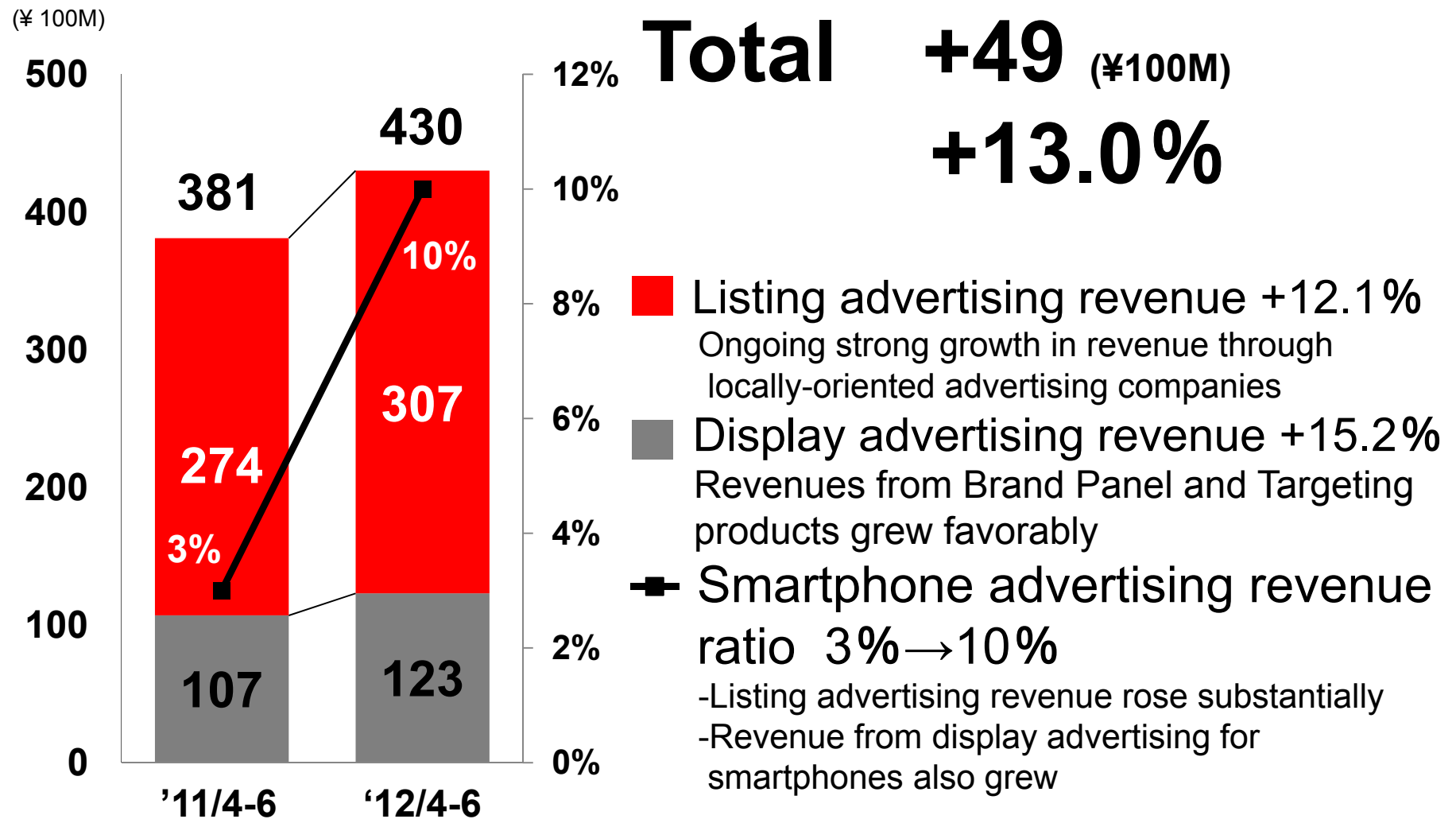
Quarterly Revenue YoY Growth Trend



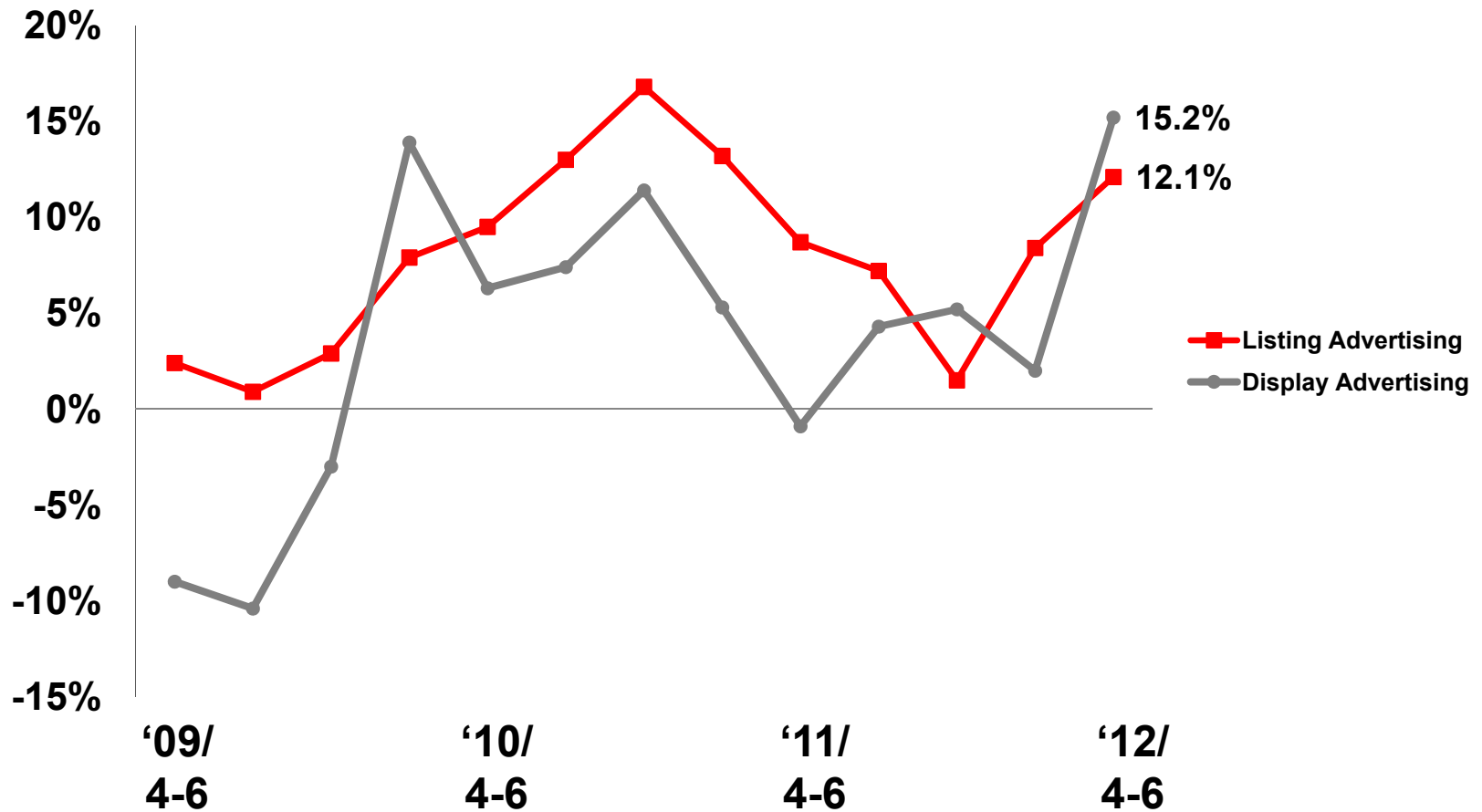
Quarterly Revenue Breakdown



Quarterly Advertising-related Revenue

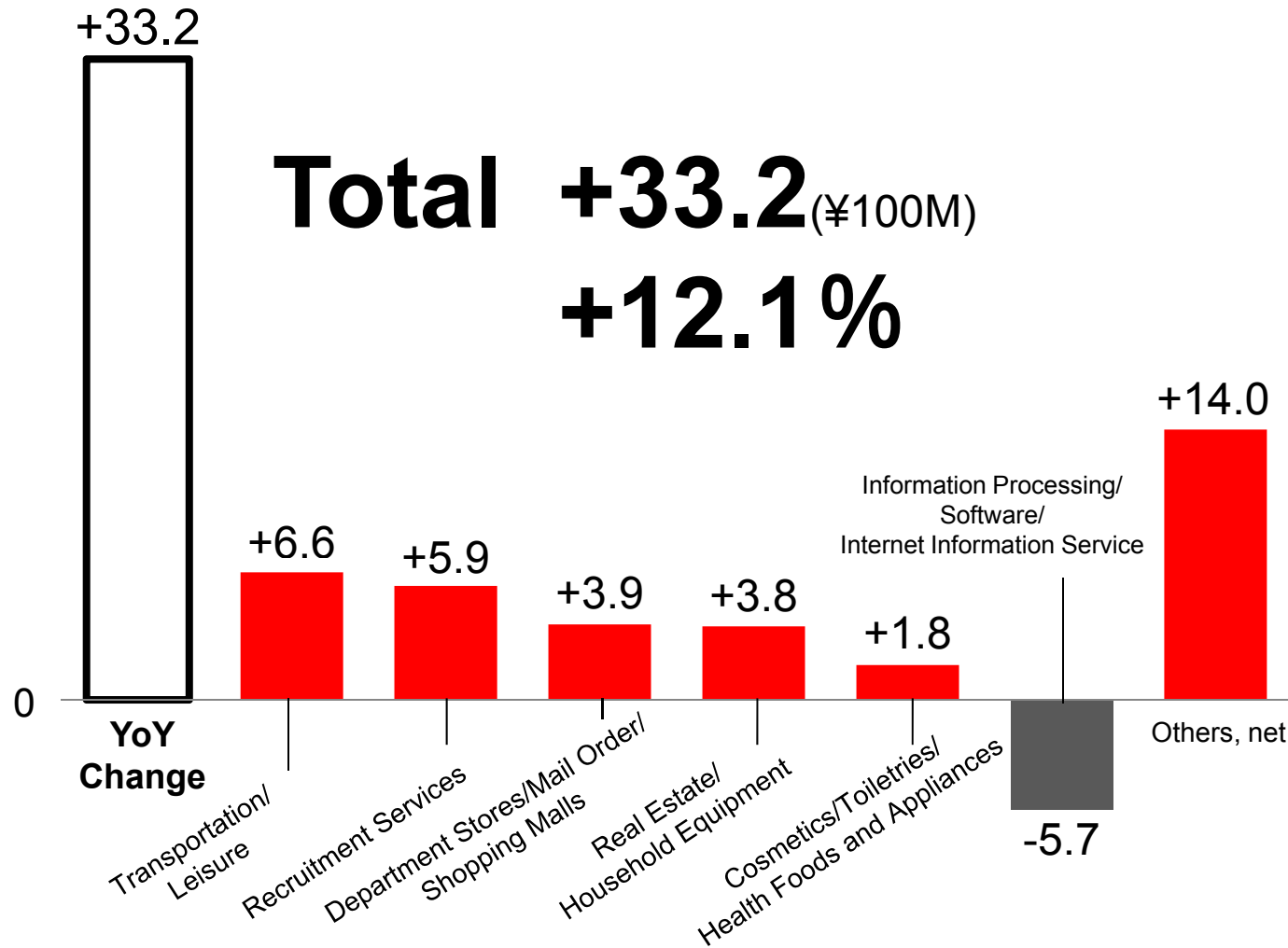


Quarterly Advertising-related Revenue YoY Growth Trend



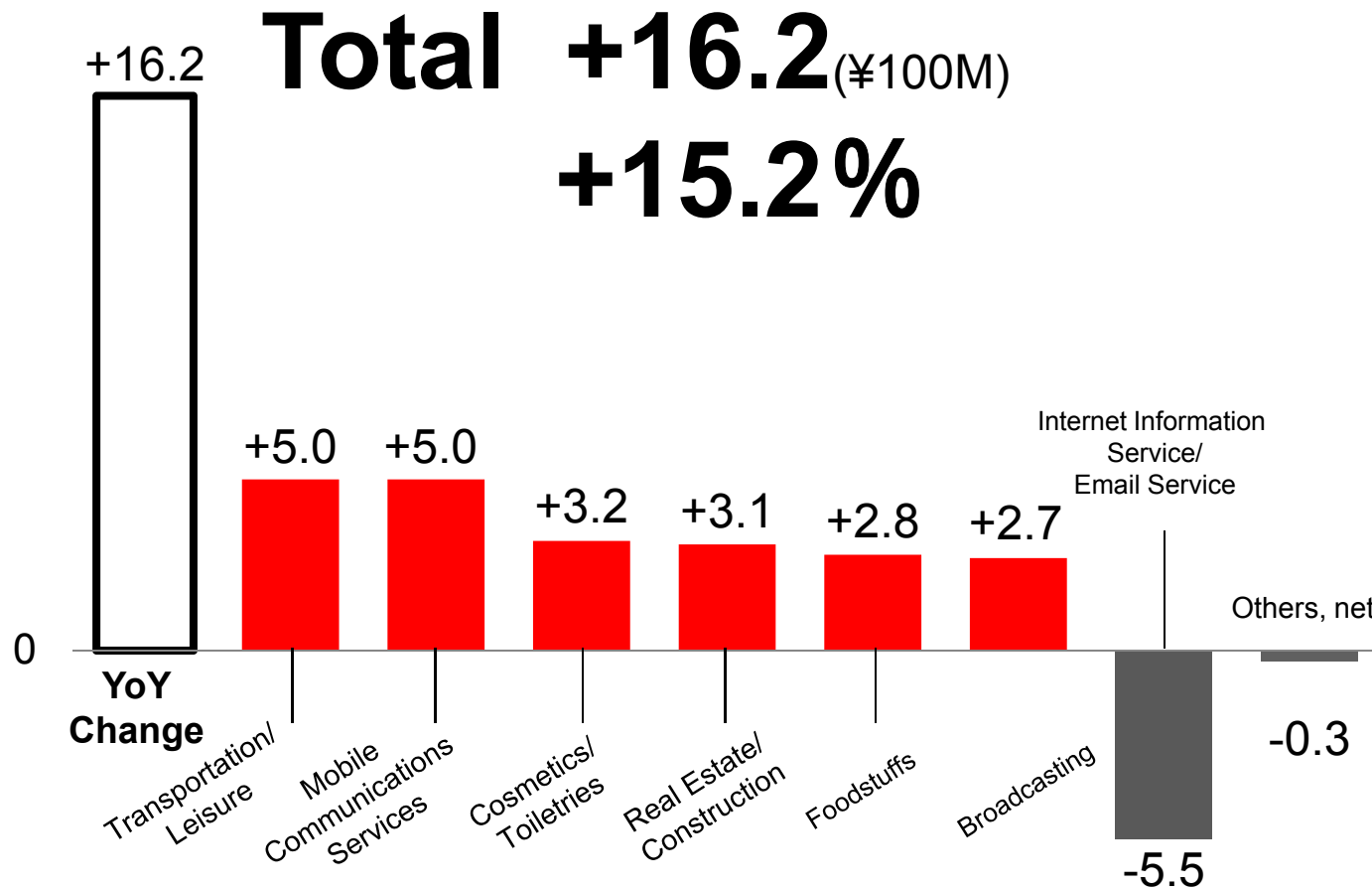
YoY Change Contributors by Industry - Listing Advertising Revenue

(¥ 100M)



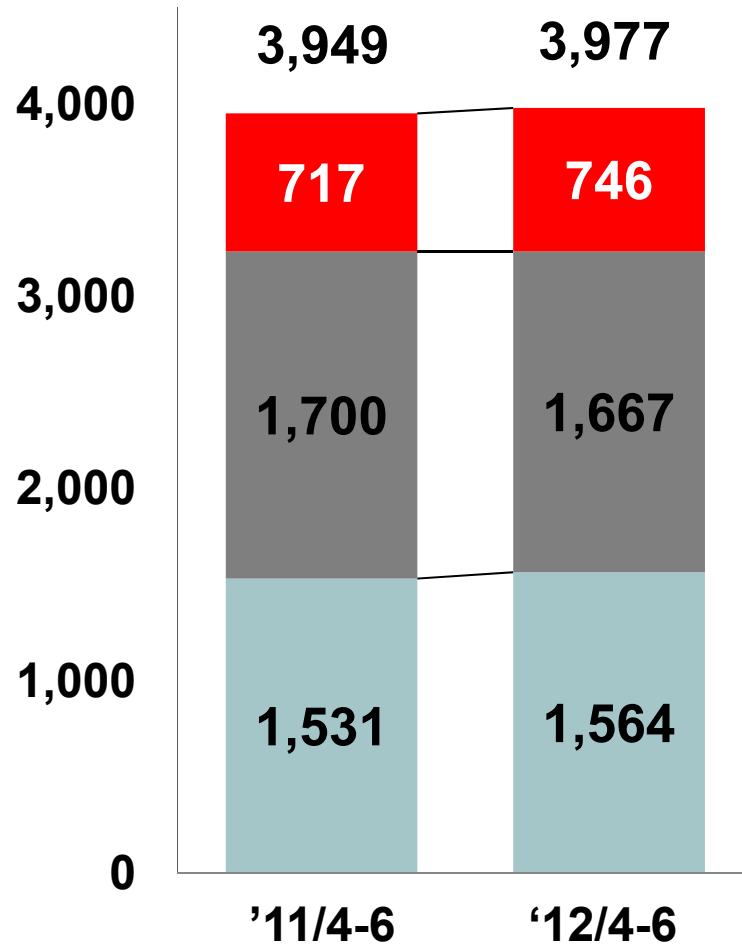
YoY Change Contributors by Industry - Display Advertising Revenue

(¥ 100M)



Quarterly e-commerce Transaction Value

(¥ 100M)



Total +28 (¥100M)
+0.7%

Shopping +4.0%

Increase in shopping and travel

Auctions -1.9%

Transaction value decreased

Others +2.1%

(Wallet, card, pay digital content, etc.)

-Pay digital content increased

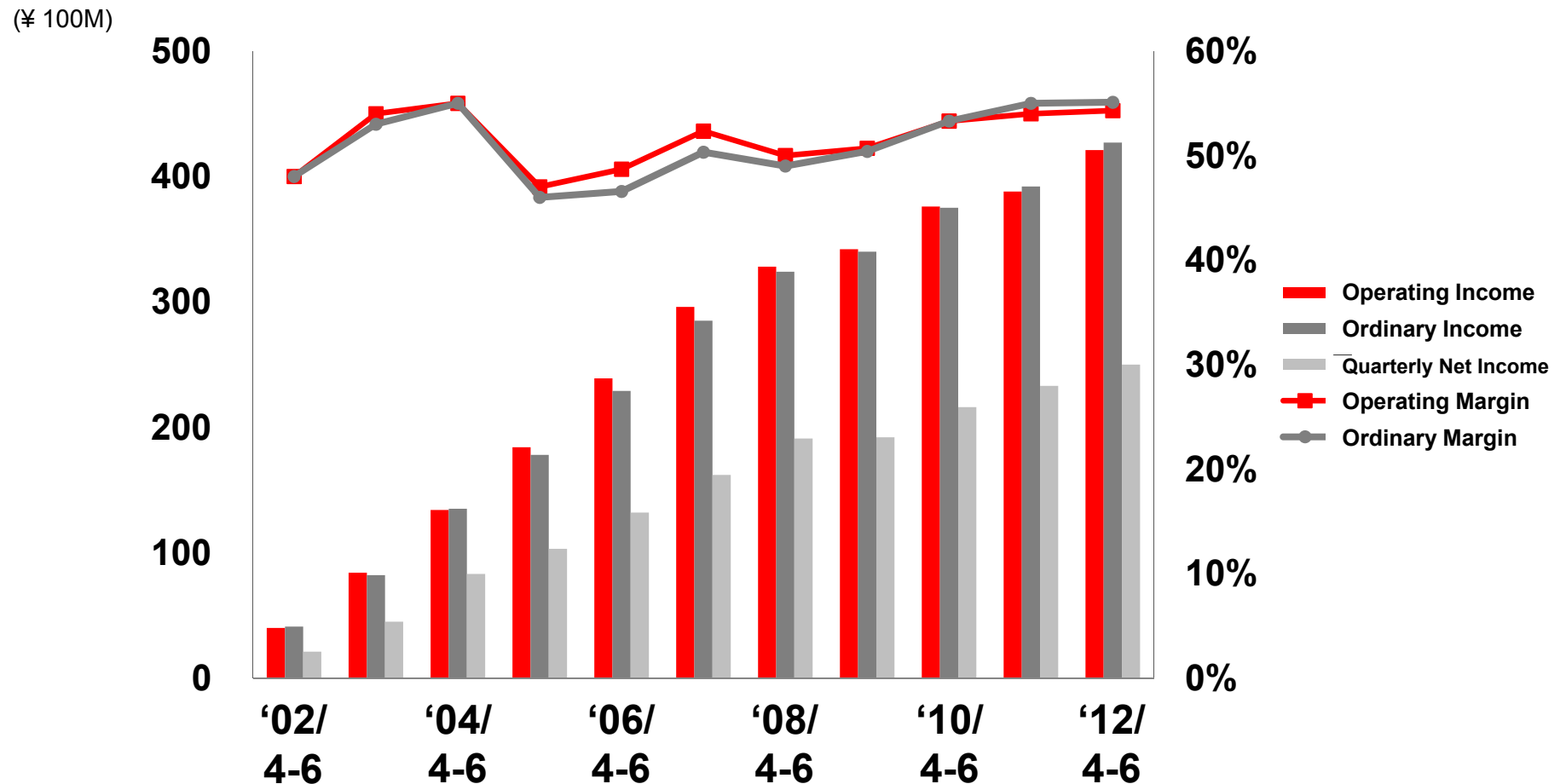
-Card and financial products grew

Shopping and Auctions transaction value through Smartphones

7.6%→17.6%

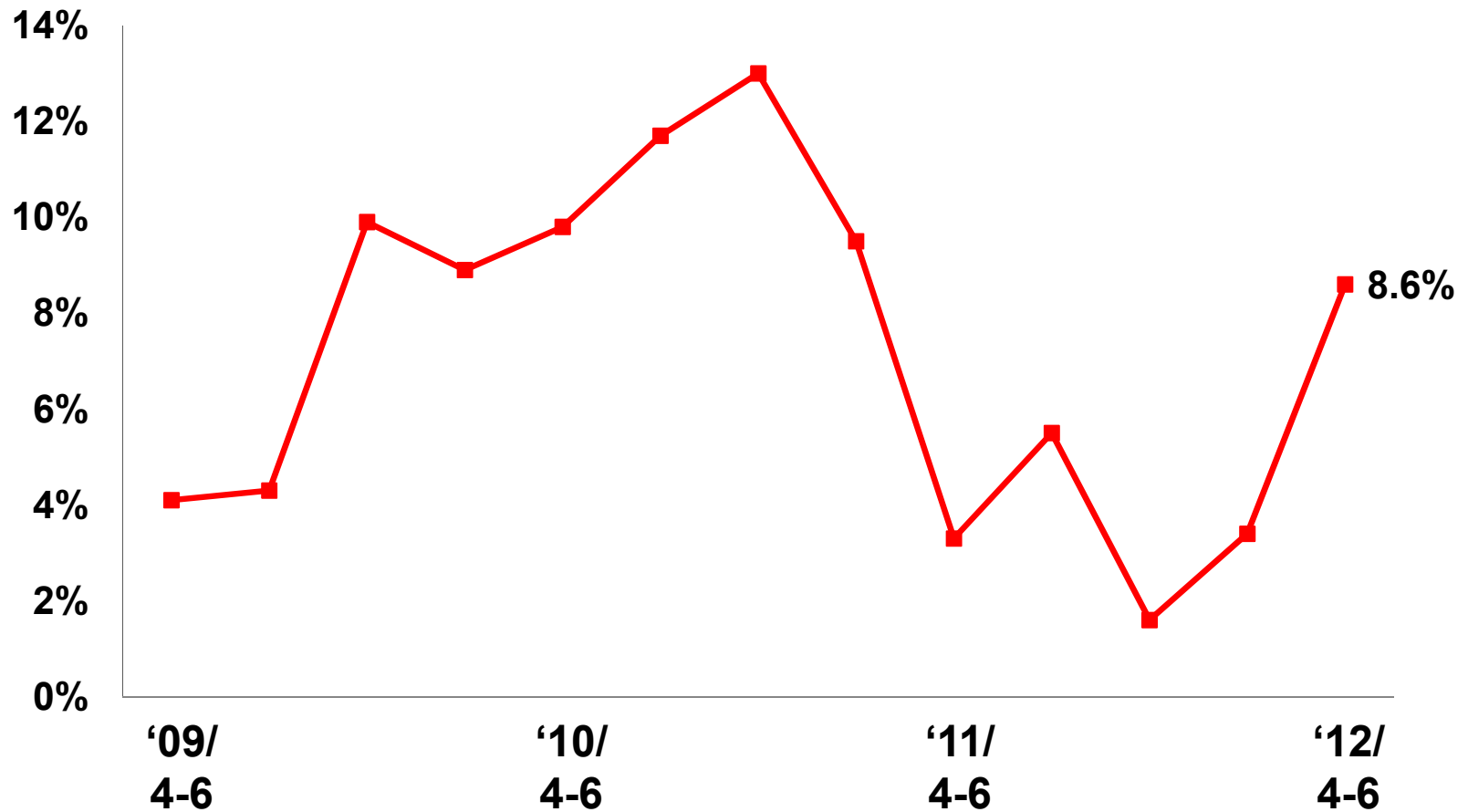


Quarterly Profits



*Margins for '09/1-3 onward are affected by the change in the presentation basis for revenue from gross to net.

Quarterly Operating Income YoY Growth Trend



Review of FY2012-1Q Business Outlook

Revenue and Operating/Ordinary Income exceeded the forecast ranges

(¥100M)

	Actual	Forecast (As of Apr. 24, 2012)	Reason for Gap
Revenue	775	730 - 769	Favorable growth in advertising revenue
Operating Income	421	389 - 412	-
Ordinary Income	427	394 - 417	-
Quarterly Net Income	250	244 - 258	· Expenses incurred because of a data loss incident at a consolidated subsidiary Firstserver, Inc.

FY2012-2Q Business Outlook

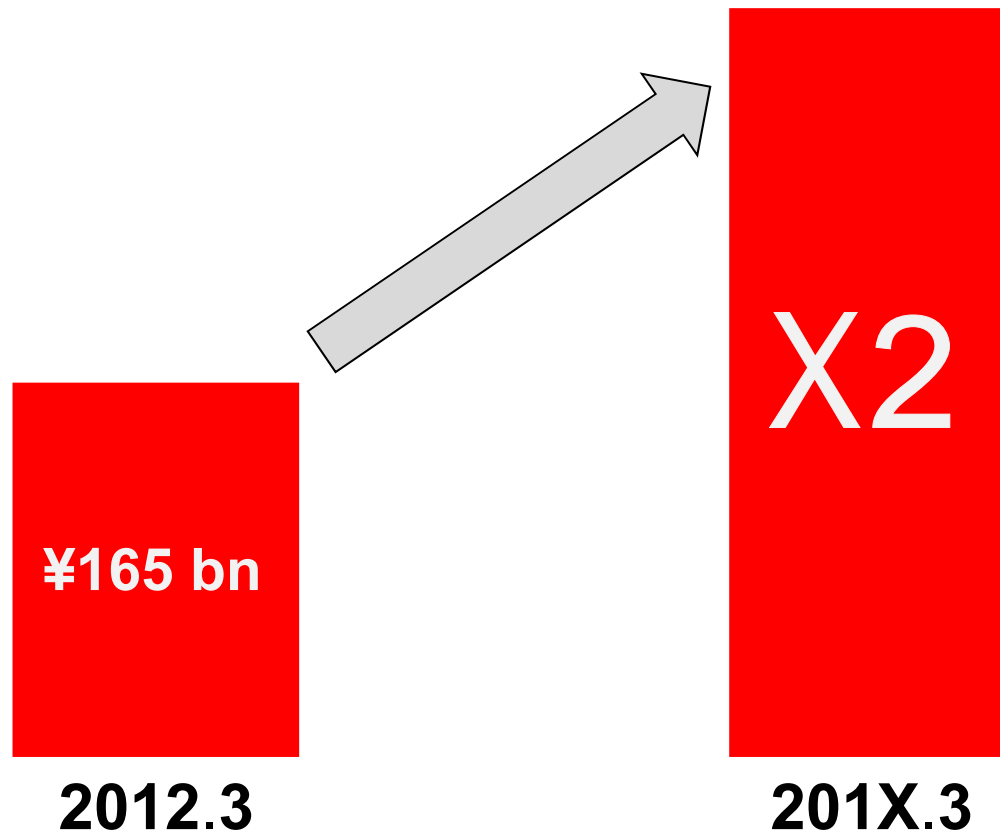
(¥100M)

	2011-2Q (Actual)	2012-1Q (Actual)	2012-2Q (Forecast)	Change Contributor
Revenue	737	775	778 - 820	· Advertising revenue expected to grow
Operating Income	405	421	428 - 452	-
Ordinary Income	410	427	433 - 456	-
Quarterly Net Income	242	250	269 - 284	-

Re-acceleration of Profit Growth



Aim to Achieve 2 Digit YoY Growth in OP -->Double OP by FY 201X



Measures to Re-accelerate Profit Growth

- ✓ **Only 1 Strategy**
- ✓ **The Most Powerful Tag Team**
- ✓ **Unexplored Frontier**

Only 1 Strategy

No.1 Services (Top 20)

YAHOO! JAPAN Auctions

YAHOO! JAPAN News

Partnering

YAHOO! JAPAN mobage
毎日の料理を楽しみに
COOKPAD
<http://cookpad.com>

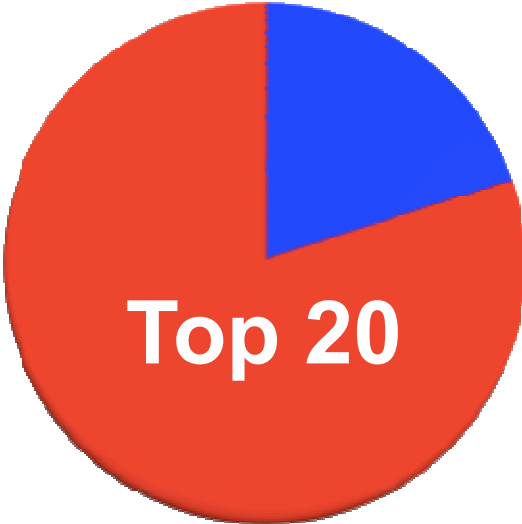
Content rows



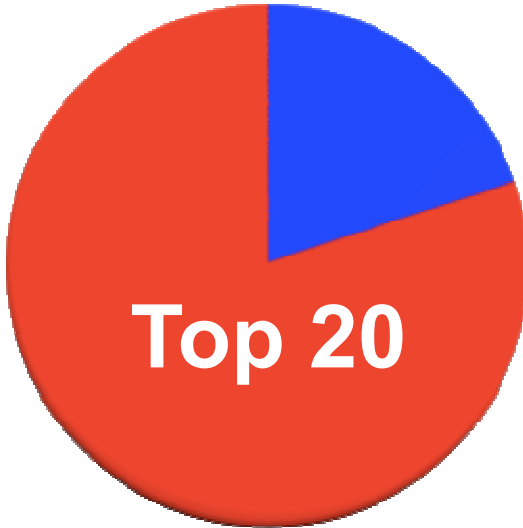
**Aiming to become
a portal site for “Only 1”
services**

Major portions of traffic and revenue are generated through the top 20 services

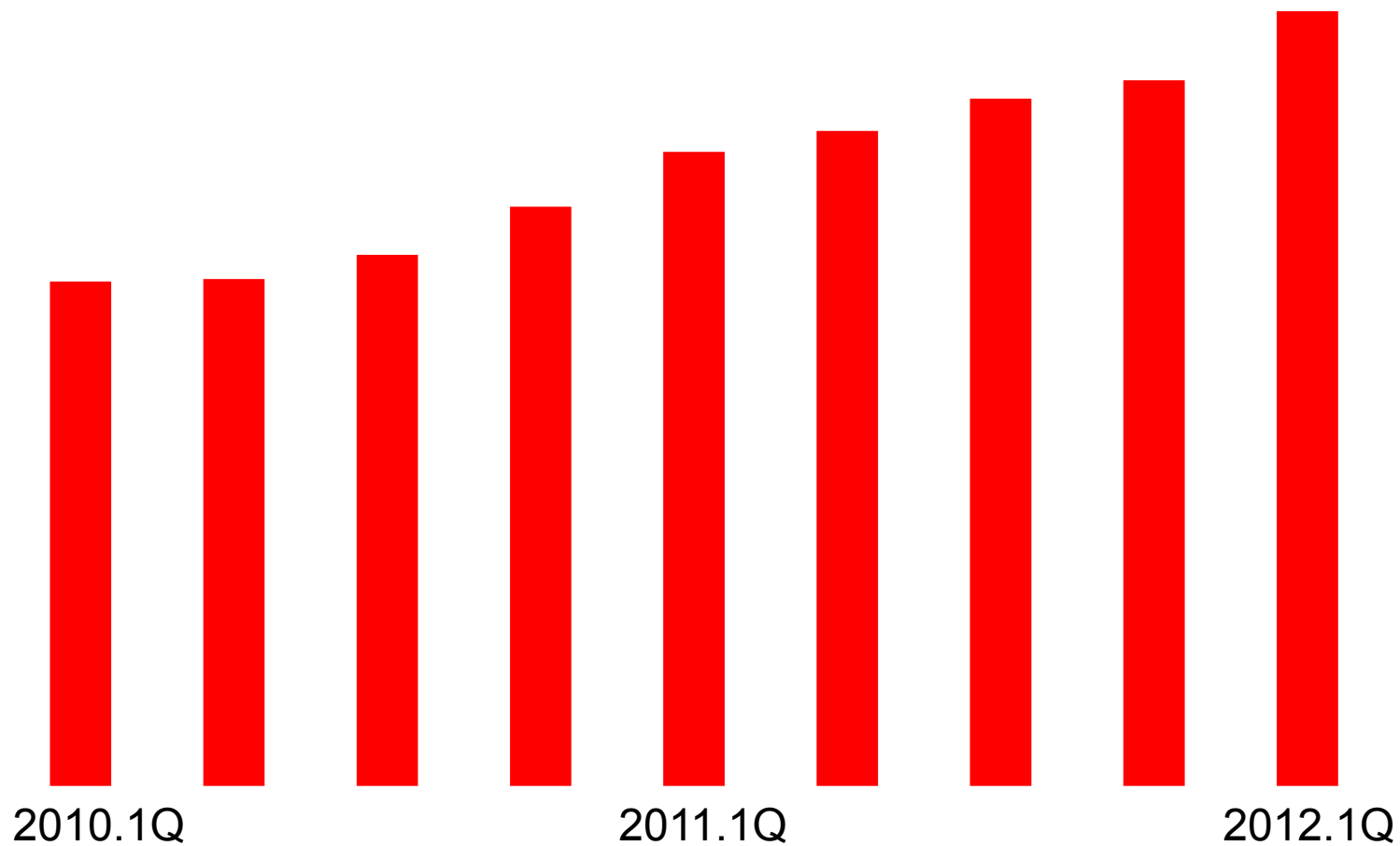
Traffic



Revenue



Top 20 Services DUB* Trend

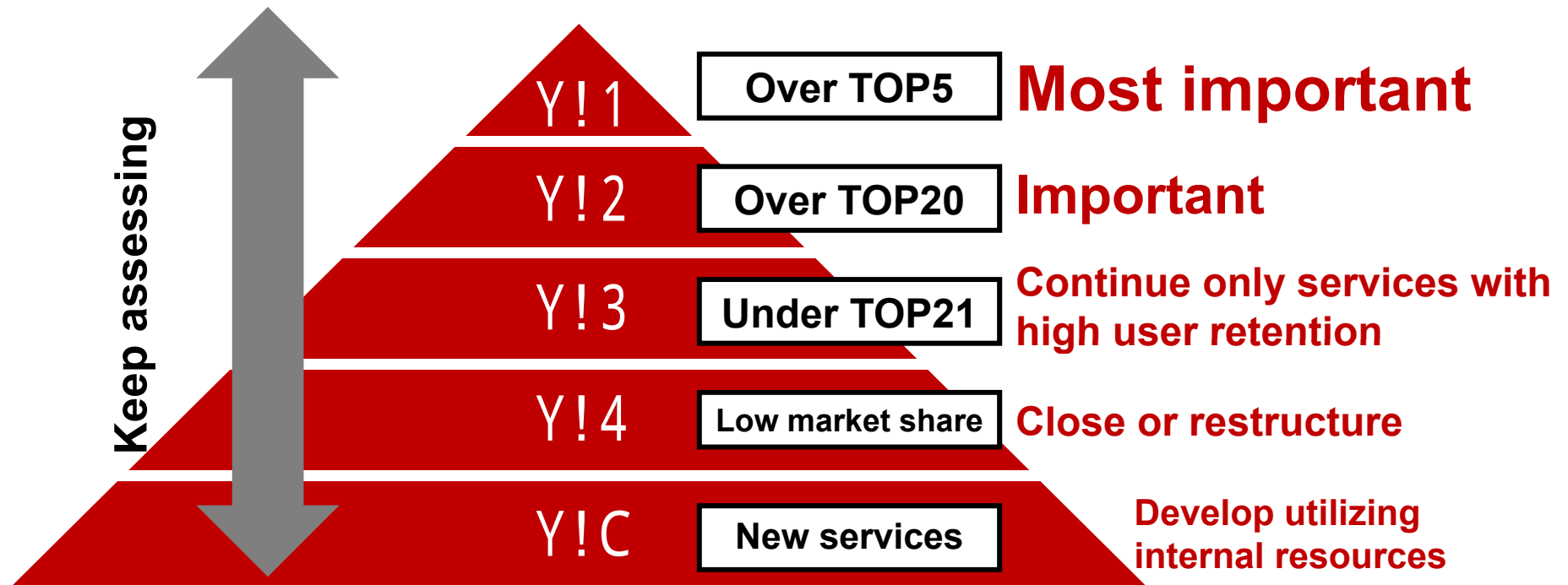


Source : Yahoo Japan Corporation

*DUB=Daily Unique Browsers

Reallocation of Internal Resources

- Reallocation
- Restructuring of services



Measures Taken for Top 20 Services

Yahoo! News BUSINESS

- Distribute articles of more than 20 economics/business media, journalists and bloggers for free
- Available on PCs and smartphones (through browsers and Android application)



MLB.jp (GyaO!)

- Offering “MLB.jp”, an official Japanese MLB site
- Archives and live broadcasting of games available for free



Yahoo! Matchmaking

- Became one of the largest matchmaking services in Japan
Over 60,000 members' profiles are registered
- Smartphone service is to be launched in August



The Most Powerful Tag Team

With SOFTBANK Group

 SoftBank

**No.1 Smartphone
Distributor**

×

 YAHOO!
JAPAN

**No.1 Internet
Services Company**

Plan to Offer an Effective Customer-Leads Platform

- A mass O2O marketing Special promotion offered on Yahoo! JAPAN site will lead users to advertisers' shops and stores on the street
- SoftBank will install terminals in distribution channel



O2O Promotion Example

“Pre-mono”

Users can apply to win free samples on Yahoo! JAPAN

- 53.1% of sample monitors visit the store
- Can expect additional purchases

Approx. 60% visitors spent over ¥1,000
(Average ¥1,795)

The screenshot shows a detailed promotional page for Suntory Premium Malt. The main banner includes the text: 'うまさに本物の輝きがある。' (The real shine is in the deliciousness.) and '素材へのこだわり' (Commitment to ingredients). It lists three key ingredients: '軟選り麦芽 100%使用' (Soft-selected malt 100% used), '欧州産アロマホップ 100%使用' (European aromatic hops 100% used), and '天然水 100%仕込' (Natural water 100% used). A red box at the bottom of the banner states: '新たに「ダイヤモンド麦芽」を一部使用。 「ダイヤモンド麦芽」ならではのたんばく質由来のうまみ成分が、上質なコク・うまみを実現しました。' (We have newly added 'Diamond Malt' to our ingredients. The unique umami component derived from the protein in 'Diamond Malt' has been realized with high-quality richness and deliciousness.)

With ASKUL



ASKUL

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

×



**YAHOO!
JAPAN[®]**

**No.1 Internet
Services Company**

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

ASKUL

×

YAHOO!
JAPAN[®]

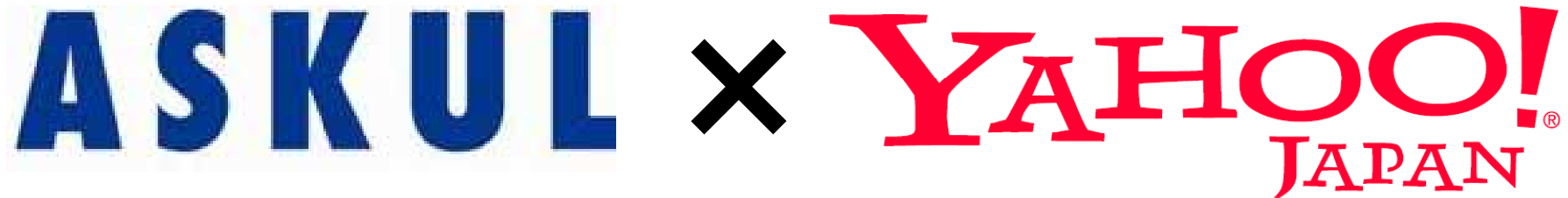
% of population we aim to deliver within:

The same day as order

The day after order

70%

100%



- A steering committee set up by 2 companies with both CEOs included
- Plan to launch a new service within this year
- Expect to achieve transaction value of ¥18.0 billion* in the first year

*Askul's targeted transaction value for the year ending May 2013

With Culture Convenience Club

The logo for Culture Convenience Club (CCC) consists of three large, bold, black 'C' characters arranged horizontally.

Culture Convenience Club Co., Ltd.

No.1 Off-line Point Platform

×

The logo for Yahoo! Japan features the word 'YAHOO!' in a large, red, serif font with an exclamation point, and the word 'JAPAN' in a smaller, red, serif font below it.

No.1 Internet
Services Company



New services will be started
next spring

The logo for Yahoo! Japan, featuring the word 'YAHOO!' in red serif font with an exclamation point, and 'JAPAN' in a smaller red serif font below it.

Unexplored Frontier

Project DEJIMA

- A tie-up with SoftBank Capital
- Resident staff located in NY

We aim at creating new business opportunities by contacting overseas venture companies as possible future business partners

- Alliances with Yahoo Japan Corporation
- Establishing JVs in Japan

Through collaborations with overseas companies, we'd like to create a second Yahoo! JAPAN

Continuous Reconstruction Support after the Great East Japan Earthquake

Fukko Department, the online shopping platform dedicated to selling local products from the damaged area

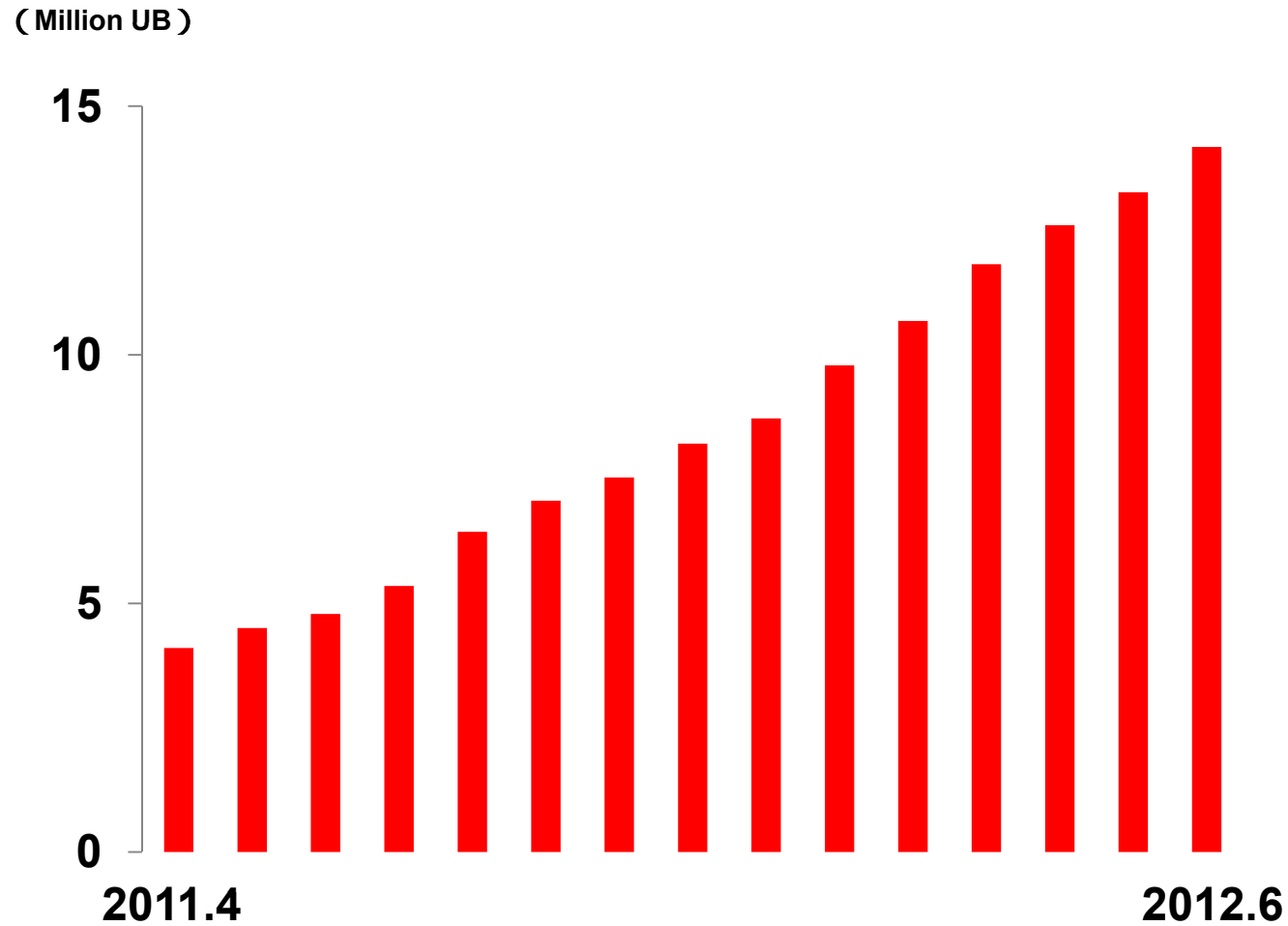
Launch of a new office in Ishinomaki



A boxed lunch containing local food products from the damaged area

Progress with Smartphone Growth Initiatives

Smartphones DUB Trend



Source : Yahoo Japan Corporation

Smartphone version of Yahoo! JAPAN

- Number of DUB at the end of June grew 140% YoY
- Amount of traffic sent to each service through Yahoo! JAPAN start page increased 190% YoY



Yahoo! Weather/Disaster Information Application

- Ranked No.1 in the category both for iOS and Android
- Ranked No.2 for overall free-of-charge applications



Cumulative Number of Yahoo! JAPAN Applications Downloaded

- Yahoo! JAPAN offers over 100 applications
- iOS+Android Cumulative downloads: **Approx. 30 million**



Provide all employees with iPhones and iPads



Strengthening Engineering Ability

- Hire excellent engineers
- “Black Belt” (A prize-giving plan)

黒帯 (Black Belt) ★

Supplemental Information

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FY2012-1Q Statements of Income

	2011-1Q	2012-1Q	Change
Revenue (¥100M)	718	775	8.0 %
Cost of Sales (¥100M)	67	72	7.3 %
Gross Profit (¥100M)	650	703	8.0 %
SG&A (¥100M)	262	281	7.2 %
Operating Income (¥100M)	388	421	8.6 %
Ordinary Income (¥100M)	392	427	8.8 %
Quarterly Net Income (¥100M)	233	250	7.6 %
Fully Diluted EPS (¥)	401	432	7.6 %
Number of Shares Assuming Full Dilution (10 thousand) *	5,800	5,801	0.0 %

Notes: Number of Shares Assuming Full Dilution excludes treasury stocks.

FY2012-1Q 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	514	Advertising-related	421	71	176	265	266	51.7%	51.9%
		Corporate services, etc.	59						
		Information listing	30						
		e-commerce-related	2						
Consumer Business	274	e-commerce-related	154	4	85	184	185	67.2%	67.6%
		Membership services	93						
		Advertising-related	9						
		Others	16						
Adjustments	-12			-3	19	-28	-24	-	-
Total	775			72	281	421	427	54.3%	55.1%

*Please see P. 50 for the product items involved in the revenue of each segment.

Business Segment Breakdown

Former Segments

Media Business

- Advertising: Listing advertising through advertising companies
Display advertising (banner, text, e-mail, and video)

Business-services Business

- Advertising: Listing advertising through online
- Corporate services: Data center-related / Yahoo! WebHosting / Yahoo! Travel
- Information listing services: Yahoo! Real Estate and Yahoo! Rikunabi

Consumer Business

- e-commerce-related: Tenant and system-use fees of Yahoo! Auctions and Yahoo! Shopping / Settlement / Pay digital content (*)
- Membership services: Yahoo! Premium, Yahoo! BB ISP fees, Yahoo! Partner and other membership services
- Advertising: Display advertising
- Others: Yahoo! BB incentive fees and others

New Segments

Marketing Solutions (*)

Consumer

(*) Some of the revenue items other than the above also have been moved such as a part of e-commerce-related revenue, which has been moved to Marketing Solutions Business.

Quarterly SG&A Breakdown

(¥ 100M)

Major Factors for YoY Changes

	11/1Q	11/4Q	12/1Q	Composition Ratio	QoQ Change	YoY Change
Personnel Expenses	84	84	91	32.6%	9.3%	8.8%
Business Commissions	35	35	38	13.6%	7.5%	6.4%
Sales Promotion Costs	25	36	27	9.6%	-25.3%	5.6%
Royalties	20	23	22	7.9%	-3.2%	7.6%
Depreciation Expenses	20	26	22	7.9%	-15.5%	9.6%
Lease and Utility Expenses	16	17	17	6.2%	2.1%	6.5%
Content Provider Fees	14	16	16	5.9%	0.9%	13.5%
Communication Charges	14	15	15	5.5%	0.1%	8.0%
Sales Commissions	11	12	13	4.6%	7.1%	17.0%
Administrative and Maintenance Expenses	5	5	5	2.1%	1.7%	3.1%
Taxes and Public Dues	2	4	3	1.4%	-16.0%	31.0%
Advertising Costs	4	3	2	0.8%	-35.4%	-47.7%
Licence Fees	0	1	1	0.5%	-33.2%	34.1%
Education and Training Costs	0	0	1	0.4%	approx. 14 times	55.4%
Others	4	7	3	1.1%	-58.5%	-35.5%
SG&A Total	262	289	281	100.0%	-2.7%	7.2%

Number of employees reached 5,524, up 472 persons (9.3%)

Promotion expenses for GyaO! decreased

FY2012-1Q Balance Sheets

Major Items	2011/6/30	2012/6/30	Increase/ Decrease	Major Factors for Increase/Decrease	(¥ 100M)
< Assets >					
Current Assets	2,375	4,085	1,710	Increase in cash from operating activities	
Cash and Cash Equivalents	1,752	2,151	398		
Notes and Accounts Receivable - Trade	337	423	85	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	20	1,216	1,195		
Fixed Assets	2,205	1,411	-793	Acquisition of shares of ASKUL Corporation	
Tangible Fixed Assets	300	369	68		
Intangible Fixed Assets	113	120	7	Decrease due to receivables on sale of shares of BB Mobile Corp. transferred to Notes and Accounts Receivable - Other from Long-term Receivables - Other	
Investment Securities	424	761	337		
Long-term Receivables - Other	1,226	29	-1,197		
Total Assets	4,580	5,497	917		
< Liabilities >					
Current Liabilities	654	728	74		
Accounts Payable - Other	139	165	26		
Income Taxes Payable	133	152	18		
Long-term Liabilities	26	34	7		
Total Liabilities	680	762	81		
<Net Assets>					
Shareholders' Equity	3,861	4,689	827	Increase in net income	
Common Stock	79	80	0		
Capital Surplus	30	31	0		
Retained Earnings	3,807	4,633	826		
Accumulated Other Comprehensive Income	8	15	6		
Minority Interests	22	23	0		
Total Net Assets	3,899	4,735	835		
Total Liabilities and Net Assets	4,580	5,497	917		

FY2012-1Q Cash Flow Statements

Major Items	FY2012-1Q (Apr.-Jun. 2012)	Major Factors for Changes (¥ 100M)
<u>Operating Activities</u>	<u>165</u>	
Quarterly Net Income before Income Taxes	414	Increase in quarterly net income before income taxes
Depreciation Expenses	26	
Accounts Receivable and Payable -Trade	42	
Other Current Assets/Liabilities	23	
Payment of Income Taxes	-341	
<u>Investing Activities</u>	<u>-386</u>	
Acquisition of Tangible Fixed Assets	-36	
Acquisition of Intangible Fixed Assets	-11	
Acquisition and Sales of Investment Securities	-335	Acquisition of shares of ASKUL Corporation
<u>Financing Activities</u>	<u>-200</u>	
Payment of Dividend	-201	
<u>Net Change in Cash Flows</u>	<u>-421</u>	

FY2012-1Q Highlights

– Marketing Solutions Business (1)

Listing advertising

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

- Despite a continuous decline in Internet information services, listing advertising revenue increased by 12% year on year due to increase in transportation-related, recruitment, and mail order-related services.
- There was a notable rise in listing advertising revenue via smartphones, resulting in 4 times more revenue compared with the previous year.

(¥100M)

Marketing Solutions Business	2011-1Q	2012-1Q	YoY Change
Revenue	456	514	12.5%
Operating Income	234	265	13.3%

FY2012-1Q Highlights

– Marketing Solutions Business (2)

Display advertising

- Overall revenue expanded by 15% compared with the first quarter last year.

Advertising from transportation/leisure, mobile communications, and cosmetics/toiletries companies grew, covering the decline in advertising from Internet information services and finance/insurance/securities companies.

Data center-related revenue

- IDC Frontier Inc.'s cloud computing service revenue expanded year on year and quarter on quarter.

Information listing revenue

- Yahoo! Rikunabi and Yahoo! Real Estate's revenues advanced year on year and quarter on quarter.

FY2012-1Q Highlights – Consumer Business

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

- Driven by strong game-related services revenues from Yahoo! Mobage, the Sengoku IXA and MONSTER x DRAGON online games, pay digital content revenue increased year on year.
- Yahoo! Shopping transaction value climbed year on year.
- Smartphone transaction value on both Yahoo! Auctions and Yahoo! Shopping increased substantially year on year and quarter on quarter.

Membership services revenues

- As of June 30, 2012, Yahoo! Premium membership IDs totaled 7.86 million.
- Yahoo! Matchmaking became one of the largest matchmaking services in Japan with over 60,000 members profiles registered.

(¥100M)

Consumer Business	2011-1Q	2012-1Q	YoY Change
Revenue	270	274	1.2%
Operating Income	177	184	3.6%

Listing Advertising Revenue by Industry

Industries with large year-on-year increase

- Transportation/Leisure
- Recruitment and Human Resources Services
- Department Stores/Mail Order/Shopping Malls

Industries with large year-on-year decrease

- Information Processing/Software
/Internet Information Service

	11/1Q	2Q	3Q	4Q	12/1Q
Finance/Insurance/Securities	10.4%	10.3%	10.2%	9.9%	9.9%
Transportation/Leisure	7.9%	10.0%	7.4%	8.7%	9.3%
Department Stores/Mail Order/Shopping Malls	7.3%	6.8%	9.2%	7.1%	7.8%
Cosmetics/Toiletries/Health Foods and Appliances	7.1%	7.2%	6.7%	6.3%	7.0%
Real Estate/Housing/Household Equipment	6.1%	6.5%	6.5%	8.0%	6.8%
Medical, Welfare, Health and Beauty	6.9%	7.0%	6.8%	6.2%	6.7%
Recruitment and Human Resources Services	3.6%	4.0%	4.7%	5.0%	5.2%
Education/University	5.5%	5.6%	5.1%	6.1%	5.1%
Fashion/Accessories	5.1%	5.7%	5.7%	5.0%	5.1%
Interior/Gardening/Renovation/DIY	3.6%	3.3%	3.5%	3.1%	3.3%
Information Processing/Software/Internet Information Service	5.6%	3.4%	3.3%	3.5%	3.2%
Autos and Accessories (Transport Equipment)	2.9%	2.9%	2.8%	3.6%	3.1%
Others	28.0%	27.3%	28.1%	27.5%	27.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Display Advertising Revenue by Industry

Industries with large year-on-year increase

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

Industries with large year-on-year decrease

- Internet Information Service/E-mail Service
- Finance/Insurance/Securities

	11/1Q	2Q	3Q	4Q	12/1Q
Cosmetics/Toiletries	12.0%	9.6%	10.7%	7.7%	13.1%
Real Estate/Construction	10.3%	10.9%	10.0%	12.9%	11.5%
Finance/Insurance/Securities	14.9%	14.2%	12.9%	12.6%	10.8%
Transportation/Leisure	7.0%	7.7%	8.6%	10.0%	10.2%
Autos and Accessories (Transport Equipment)	9.1%	10.4%	9.0%	11.9%	8.8%
Foodstuffs	6.9%	6.3%	6.2%	5.8%	8.3%
Mobile Communications Service	3.1%	3.0%	4.5%	3.9%	6.7%
Fashion/Accessories	4.4%	3.8%	5.4%	4.0%	4.3%
Beverages/Cigarettes	4.2%	4.4%	4.8%	3.4%	4.3%
Broadcasting	0.8%	1.6%	2.4%	2.0%	2.9%
Internet Information Service/E-mail Service	7.0%	2.5%	1.2%	0.9%	1.6%
Computers and Accessories/Office Equipment	2.0%	3.3%	3.4%	2.9%	1.5%
Others	18.3%	22.3%	20.9%	22.0%	16.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Quarterly Business Data (1)

Indicator (Quarterly average)	2011/1Q	2012/1Q
Number of total monthly page views (millions)	50,939	51,869
Number of total monthly smartphone page views (millions)(1)	2,461	7,525
Number of Daily UBs (Unique Browsers)(millions)(2)	48.39	51.63
Number of smartphone Daily UBs (millions)(1)(2)	4.46	13.35
Number of monthly active users IDs (millions)(3)	25.71	26.68
Number of Yahoo! Premium member IDs (quarter-end)(millions)	7.72	7.86

(1) “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.

(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)

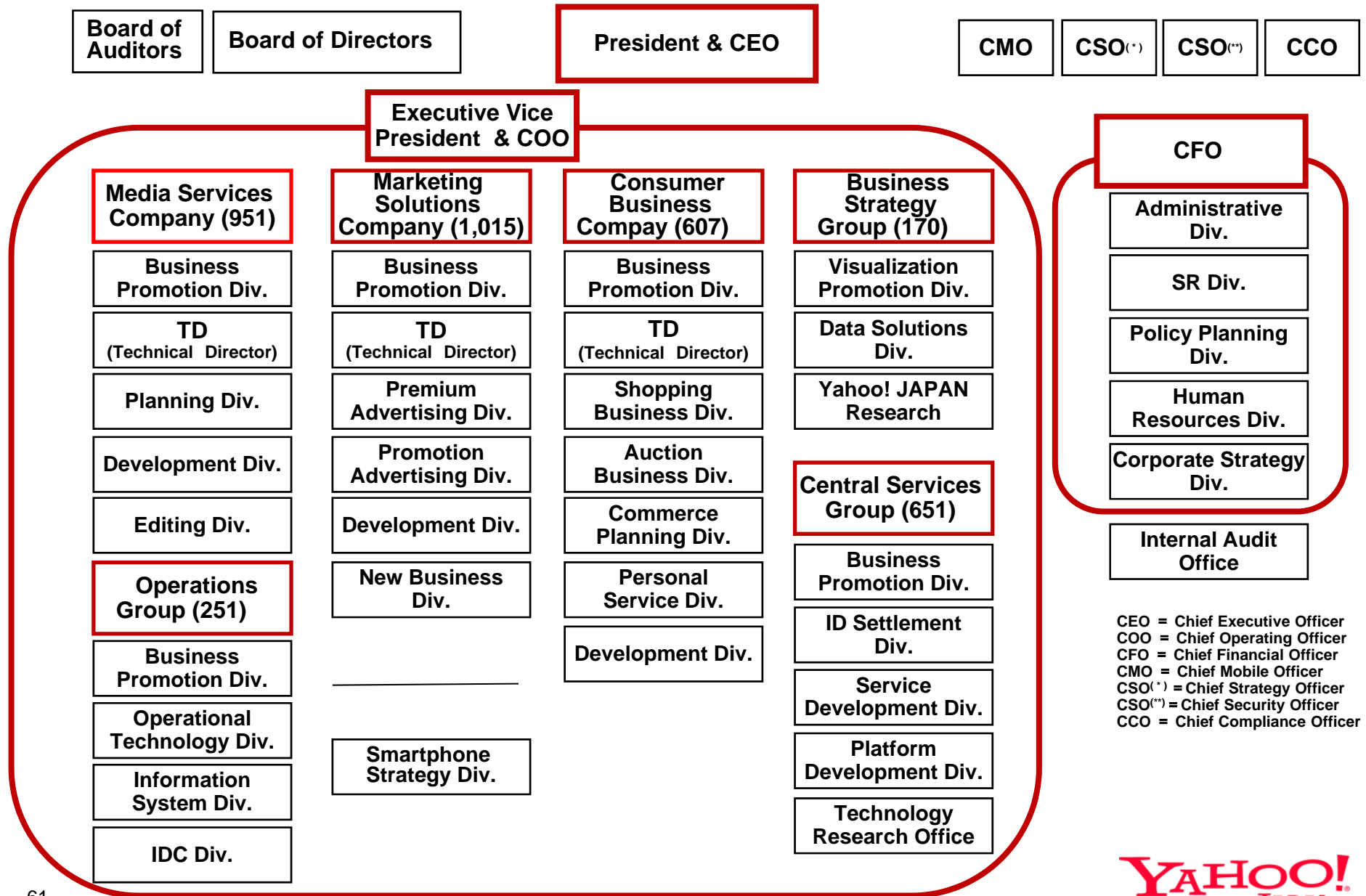
Indicator (Quarterly total)	2011/1Q	2012/1Q
Transaction value of Yahoo! Auctions (100 millions of yen)	1,700	1,667
Transaction value of shopping-related (100 millions of yen)(1)	717	746
Transaction value of Yahoo! Auctions and shopping-related (100 millions of yen)(1)	2,417	2,413
Transaction value of Yahoo! Auctions and shopping-related via smartphones (100 millions of yen)(1)	184	425
Transaction value of e-commerce (100 millions of yen)(2)	3,949	3,977

(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

As of July 1, 2012



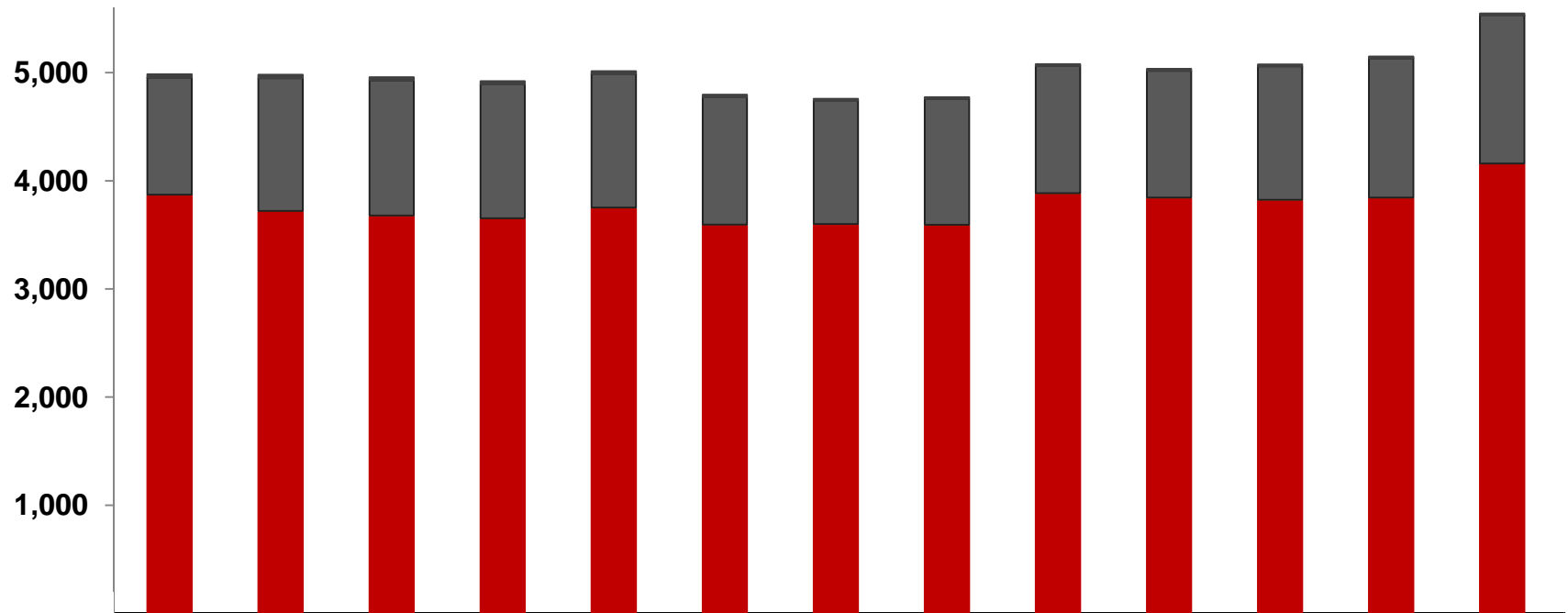
CEO = Chief Executive Officer
 COO = Chief Operating Officer
 CFO = Chief Financial Officer
 CMO = Chief Mobile Officer
 CSO(*) = Chief Strategy Officer
 CSO(**) = Chief Security Officer
 CCO = Chief Compliance Officer



Number of Directors and Employees

(Number of People)

(at the End of Quarter)



	09/6	9	12	10/3	6	9	12	11/3	6	9	12	12/3	6
Directors and Auditors of Subsidiaries	31	32	30	30	24	24	17	17	18	18	18	18	14
Employees of Subsidiaries	1,082	1,228	1,249	1,238	1,238	1,177	1,142	1,164	1,176	1,173	1,234	1,288	1,373
Directors and Auditors of Yahoo! JAPAN	9	9	9	9	9	9	9	9	9	9	9	8	9
Employees of Yahoo! JAPAN	3,863	3,712	3,670	3,644	3,743	3,586	3,591	3,584	3,876	3,835	3,815	3,836	4,151
Total	4,985	4,981	4,958	4,921	5,014	4,796	4,759	4,774	5,079	5,035	5,076	5,150	5,547

* 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, 2012)

•Major consolidated subsidiaries at the end of FY2012-1Q

- ◆ Firstserver, Inc.
- ◆ GyaO CORPORATION
- ◆ Indival, Inc.
- ◆ Yahoo Japan Customer Relations Corporation
- ◆ Y's Insurance Inc.
- ◆ Feedpath, Inc.
- ◆ IDC Frontier Inc.
- ◆ Netrust, Ltd.
- ◆ Y's Sports Inc.

•Major companies accounted for by the equity method at the end of FY2012-1Q

- ◆ ASKUL Corporation
- ◆ CREO CO., LTD.
- ◆ JWord Inc.
- ◆ Tavigator, Inc.
- ◆ 4travel, Inc.
- ◆ Classified, Inc.
- ◆ Estore Corporation
- ◆ MACROMILL, INC.
- ◆ ValueCommerce Co., Ltd.



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