



Yahoo Japan Corporation
FY2010-2Q Business Results
(Jul.-Sept. 2010)

October 22, 2010



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

The Company cautions you that a number of important factors could cause actual results to differ materially from those discussed in the forward-looking statements. Such factors include, but are not limited to, the items mentioned in the Risk Factors in “Results for the Three Months ended September 30, 2010.”

The Company reclassified its business segments as of FY2010-1Q. Figures for FY2009 have been retroactively adjusted for your reference only.

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FY2010-2Q Highlights – Financial Data

Despite a decrease in revenue due to transfer of the research business to MACROMILL, INC., quarterly revenue increased mainly led by listing advertising, display advertising, information listing and Yahoo! Shopping-related revenues.

Although operating and ordinary incomes increased more than 10%, booking of an extraordinary loss caused a lower growth rate for quarterly net income.

(¥100M)

	2010-2Q	2009-2Q	YOY Change
Revenue	711	680	4.5%
Operating Income	384	344	11.7%
Ordinary Income	385	341	12.8%
Quarterly Net Income	214	200	6.8%

FY2010-2Q Highlights – Media Business

■ Listing advertising through advertising agencies

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

- Increased advertising for travel/transportation/leisure as well as for cosmetics/toiletries by major advertisers contributed to year-on-year and quarter-on-quarter increases in listing advertising revenue.
- Advertising from Internet information site-related companies contributed to increase in mobile listing advertising revenue.

■ Display advertising

- Brand Panel revenue increased on a year-on-year and a quarter-on-quarter basis.
- Industrial sectors, such as autos (transportation equipment) and finance/insurance/securities contributed to increase in behavioral targeting advertising revenue.
- Revenue from display advertising for iPhone, marketing of which started in the previous quarter, increased mainly from major advertisers such as cosmetics/toiletries, foodstuffs and other companies.
- Internet information site-related companies contributed to growth in mobile display advertising revenue.

■ Research-related business

- Due to transfer of research business to MACROMILL, INC., research-related revenue decreased less than ¥700 million (revenue and profit booked only for one month).

(¥100M)

Media Business	2010-2Q	2009-2Q	YOY Change
Revenue	264	246	7.5%
Operating Income	139	114	22.2%



FY2010-2Q Highlights – BS Business

■ Listing advertising through online order

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

- Increase in the number of online agencies contributed to favorable growth in the number of PC and mobile phone accounts. Consequently, listing advertising revenue also increased on a year-on-year and a quarter-on-quarter basis.

■ Data center-related revenues

- Cloud computing-related revenues of IDC Frontier Inc. increased.

■ Information listing revenues

- Information listing-related revenues of Yahoo! Real Estate and Yahoo! Rikunabi increased year on year.

(¥100M)

BS Business	2010-2Q	2009-2Q	YOY Change
Revenue	190	175	8.6%
Operating Income	94	76	22.8%

FY2010-2Q Highlights – Consumer Business

■ E-Commerce related revenues (Yahoo! Auctions and Yahoo! Shopping)

- On Yahoo! Shopping, various sales promotions conducted in conjunction with 11th Anniversary of Start of Service and Softbank Hawks League Victory anniversary campaigns resulted in a year-on-year increase of more than 20% in quarterly transaction value.
- Transaction value of Yahoo! Auctions declined year on year.
- With the increase in transaction value of Yahoo! Shopping, revenues from settlement services increased.

■ Yahoo! Premium membership revenues

- The number of Yahoo! Premium member IDs as of September 30, 2010 hit a record high of 7.63 million.

(¥100M)

Consumer Business	2010-2Q	2009-2Q	YOY Change
Revenue	254	256	-1.1%
Operating Income	168	171	-2.2%

Y! Game Business Strategies

The Company started to offer new services in collaboration with a variety of external partners in order to strengthen its efforts in the rapidly-growing online game market.

■ Tie-up with SQUARE ENIX CO., LTD.

On August 9, 2010, Yahoo! JAPAN started to offer Sengoku IXA (official version), a browser game for PCs, with a goal of developing a broader customer base in addition to conventional console gamers.



SENGOKU IXA

■ Tie-up with DeNA Co., Ltd.

On October 7, 2010, the Company unveiled Yahoo! Mobage (official version), a social game platform for PCs, and started to offer 100 game titles from approximately 70 domestic and foreign partners.

The company's goal is to become the leader in the PC social game market in Japan by combining Yahoo! JAPAN's comprehensive capabilities including the ability to pull in more customers, DeNA Co., Ltd's game development and operation know how, and Mobage-town's user base.



Yahoo! Mobage
Kaito Royale

YAHOO!
JAPAN



Review of FY2010-2Q Business Outlook

Listing advertising and display advertising quarterly sales rose substantially year on year.

The Company achieved operating income and ordinary income at the upper end of the projection range, as sales promotion expenditures were lower than forecast even though we run TV commercials and other advertising drives, such sales promotions as a Yahoo! Points award campaign.

On the other hand, quarterly net income fell below original projections because of a settlement payment due to changes in the conditions of a media use contract and search technology and other services contract with business partners.

(¥ 100M)

	Actual	Forecast (As of July 27, 2010)
Revenue	711	690-720
Operating Income	384	366-386
Ordinary Income	385	368-388
Quarterly Net Income	214	218-230



FY2010-3Q Business Outlook

- Focusing mainly on advertising-related sales, we will work to achieve year-on-year growth in quarterly sales.

We will aim to expand e-commerce-related sales heading toward the end-of-sales campaign, and to increase revenues from paid digital content, based on aggressive sales promotion activities.

* We expect that the transfer of our research business to MACROMILL, INC. will reduce quarterly revenue by about ¥1.2 billion year on year.

- Cost of sales forecast to decline, primarily because of the transfer of the research business. We plan to make sales promotion, advertising, and other expenditures as necessary to expand e-commerce and paid digital content-related transaction values. As a result, SG&A expenses may increase by about ¥1.0 billion compared with last year's third quarter.

(¥ 100M)

	2009-3Q (Actual)	2010-2Q (Actual)	2010-3Q (Forecast)
Revenue	709	711	711-750
Operating Income	364	384	377-400
Ordinary Income	364	385	376-399
Quarterly Net Income	208	214	217-231

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

FY2010-2Q Financial Results

•Major Consolidated subsidiaries at the end of FY2010-2Q

- ◆ Cirius Technologies, Inc. NEW!
- ◆ GyaO CORPORATION
- ◆ Indival, Inc.
- ◆ NewsWatch, Inc.
- ◆ Yahoo Japan Customer Relations Corporation
- ◆ Y's Insurance Inc.
- ◆ Firstserver, Inc.
- ◆ IDC Frontier Inc.
- ◆ Netrust, Ltd.
- ◆ Y's Sports Inc.

•Affiliated companies (equity method) at the end of FY2010-2Q

- ◆ All About, Inc.
- ◆ CLASSIFIED Corporation.
- ◆ Estore Corporation
- ◆ MACROMILL, INC. NEW!
- ◆ Seven Net Shopping Co., Ltd.
- ◆ ValueCommerce Co., Ltd.
- ◆ BestReserve Co. Ltd.
- ◆ CREO CO., LTD.
- ◆ JWord Inc.
- ◆ Oricon DD, Inc.
- ◆ Tavigator, Inc.
- ◆ 4travel, Inc.

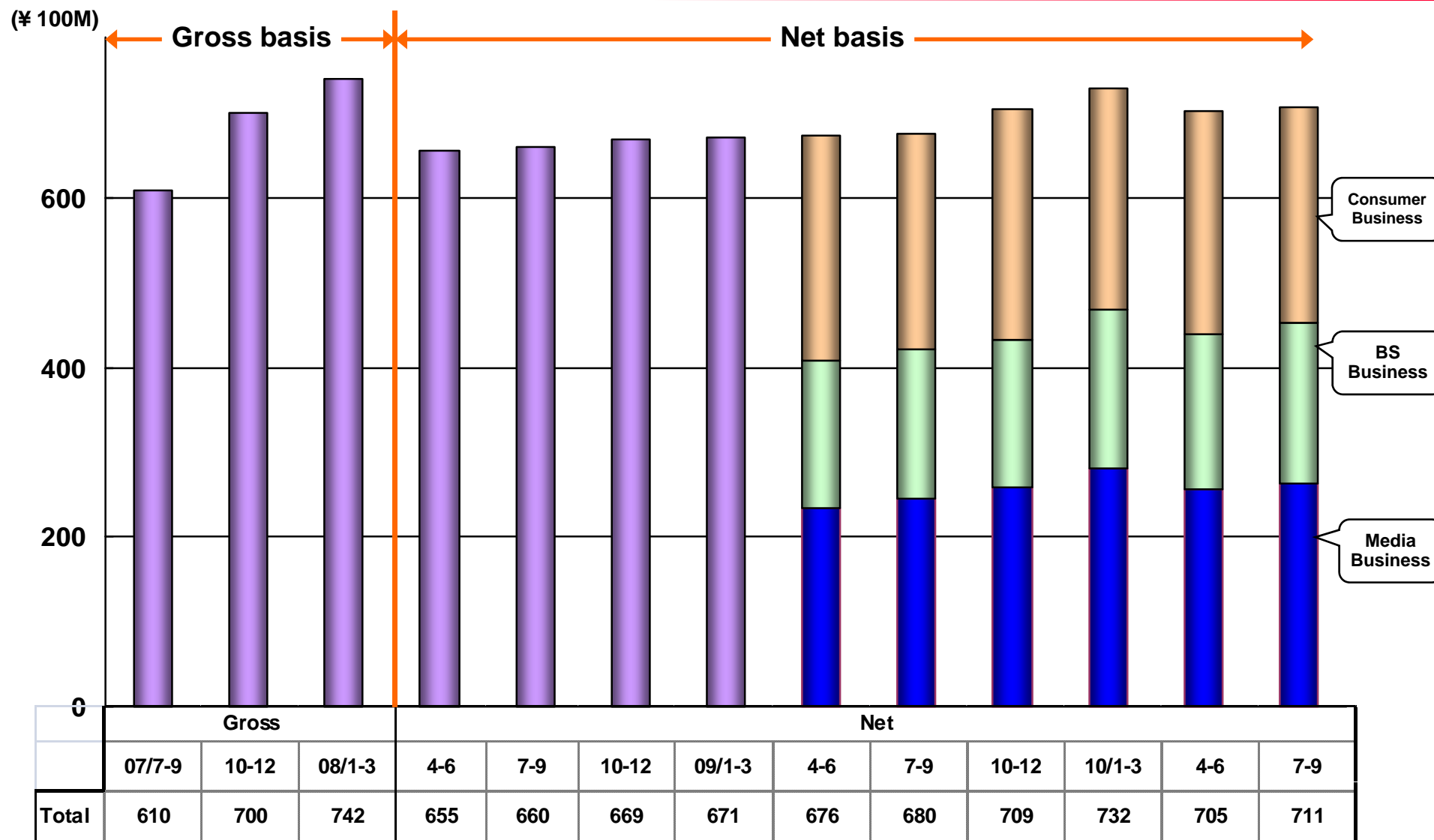


FY2010-2Q Statements of Income

	2010-2Q	2009-2Q	Changes
Revenue (¥100M)	711	680	4.5 %
Cost of Sales (¥100M)	73	83	-12.3 %
Gross Profit (¥100M)	637	596	6.9 %
SG&A (¥100M)	253	252	0.2 %
Operating Income (¥100M)	384	344	11.7 %
Ordinary Income (¥100M)	385	341	12.8 %
Quarterly Net Income (¥100M)	214	200	6.8 %
EPS (¥)	369	345	7.1 %
Number of Shares Outstanding (10 thousand) (Average of period) *	5,799	5,810	-0.2 %
Fully Diluted EPS (¥)	369	345	7.1 %
Number of Shares Assuming Full Dilution (10 thousand) *	5,804	5,816	-0.2 %

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

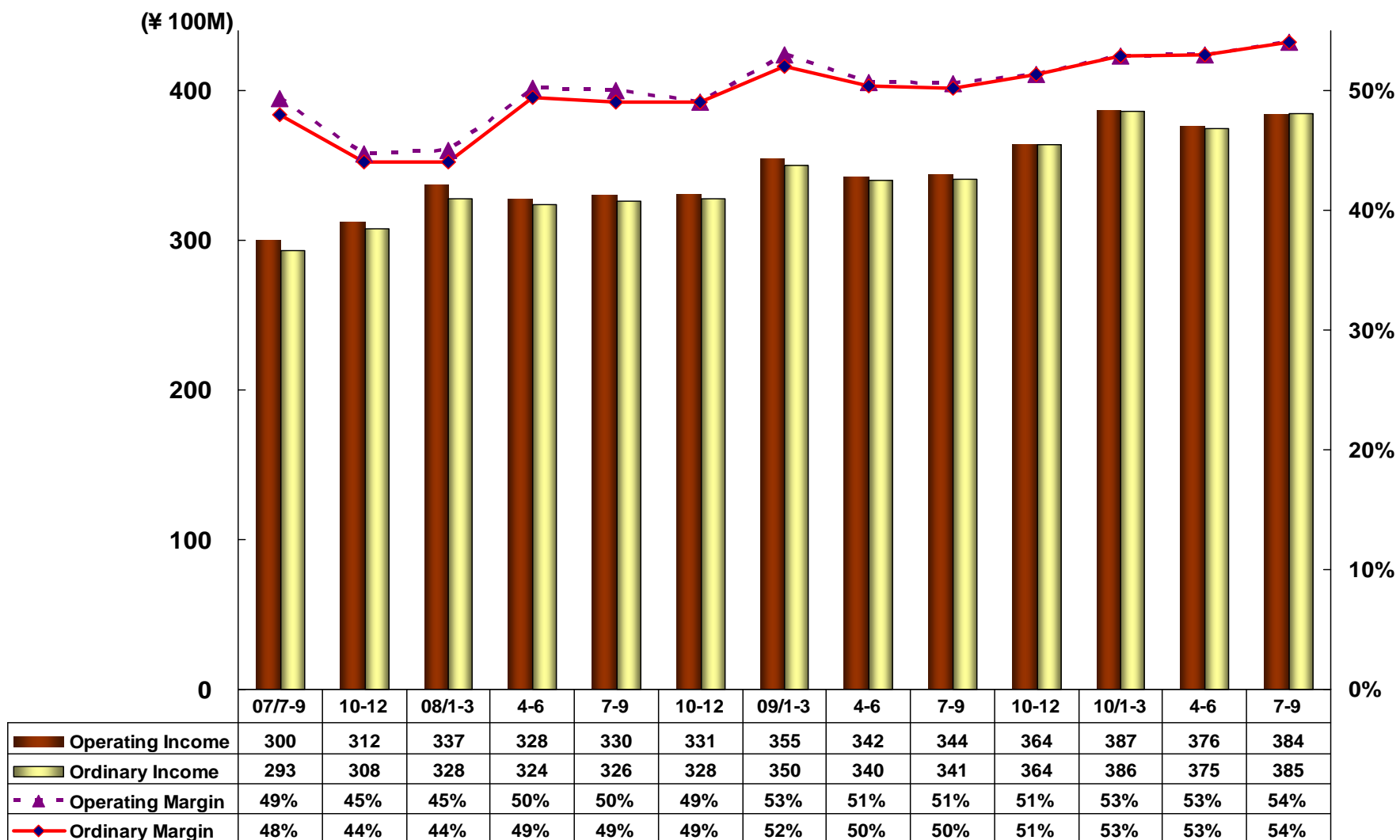
Y! Quarterly Revenue



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

*The Company reclassified its business segments from FY2010-1Q. Figures of the FY2009 are only for your reference based on a brief retroactive adjustment.

Y! Quarterly Profits



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

FY2010-2Q Performance Breakdown by Business

(¥ 100M)

	Revenue	Sales Breakdown by Business Group		Gross Profit	SG&A	Operating Income	Ordinary Income	Operating Margin	Ordinary Margin
Media Business	264	Advertising Others	96% 4%	235	96	139	140	52.7%	53.0%
BS Business	190	Advertising Corporate Services Information Listing Services	63% 26% 11%	152	57	94	94	49.4%	49.8%
Consumer Business	254	eCommerce Related Membership Services Others	55% 36% 9%	249	81	168	167	66.2%	65.8%

*Please see P. 25 for the product items involved in the revenue of each segment.

Y! Quarterly SG&A Breakdown

(¥ 100M)

	10/2Q	%	10/1Q	QoQ Change	09/2Q	YoY Change
Personnel Expenses	80	31.6%	79	0.3%	74	7.5%
Business Commissions	32	13.0%	32	1.5%	31	4.5%
Communication Charges	21	8.3%	22	-7.7%	22	-7.4%
Depreciation Expenses	20	8.2%	19	6.9%	22	-6.2%
Royalties	20	8.1%	20	-0.3%	19	5.7%
Content Provider Fees	16	6.5%	16	0.7%	17	-7.2%
Lease and Utility Expenses	15	6.2%	15	0.3%	15	-1.0%
Sales Promotion Costs	15	6.0%	15	-2.4%	16	-8.8%
Sales Commissions	11	4.4%	10	4.4%	9	13.0%
Administrative and Maintenance Expenses	5	2.0%	5	-3.7%	5	-13.2%
Advertising Costs	4	1.6%	2	64.0%	2	104.3%
Taxes and Public Dues	3	1.2%	3	-11.3%	2	5.8%
Amortization of Goodwill	2	0.8%	2	0.0%	1	10.9%
Others	5	2.0%	6	-18.7%	9	-47.4%
SG&A Total	253	100.0%	252	0.2%	252	0.2%

Major factors for YoY changes

Increase in payment of bonus.
Number of personnel 4,763 in total
(Declined 3.6% year on year mainly
due to transfer of the research
business to MACROMILL, INC.)

TV CM broadcast

Y! FY2010-2Q Balance Sheets

Major Items	2010/9/30	2009/9/30	Increase/ Decrease	Major Factors for Increase/Decrease	(¥ 100M)
< Assets >					
Current Assets	1,951	1,439	511		
Cash and Deposits	1,362	902	460	Increase in cash flow from operating activities	
Accounts Receivable -Trade	333	335	-2		
Others	216	159	57	Increase in credit related to settlement services for Yahoo! Shopping	
Fixed Assets	2,184	2,155	28		
Tangible Fixed Assets	276	275	1		
Intangible Fixed Assets	144	164	-20	Decrease due to amortization	
Investment Securities	1,625	1,576	48		
Total Assets	4,135	3,595	540		
< Liabilities >					
Current Liabilities	758	897	-138		
Short-term debts	-	200	-200	Completed repayment of borrowings for acquisition of preferred shares of BB Mobile Corp.	
Accounts Payable-Other	132	104	28	Settlement payments on change of contract incurred	
Accrued Income Taxes	295	301	-6		
Others	229	194	35		
Long-term Liabilities	24	3	20	Application of the Accounting Standard for Asset Retirement Obligations	
Total Liabilities	782	900	-117		
< Net Assets >					
Shareholders' Equity	3,314	2,662	651		
Common Stock	75	74	0		
Capital Surplus	26	25	0		
Retained Earnings	3,268	2,562	706	Increase due to net income increase	
Minority Interests in Consolidated Subsidiaries	24	23	0		
Total Net Assets	3,352	2,694	658		
Total Liabilities and Net Assets	4,135	3,595	540		

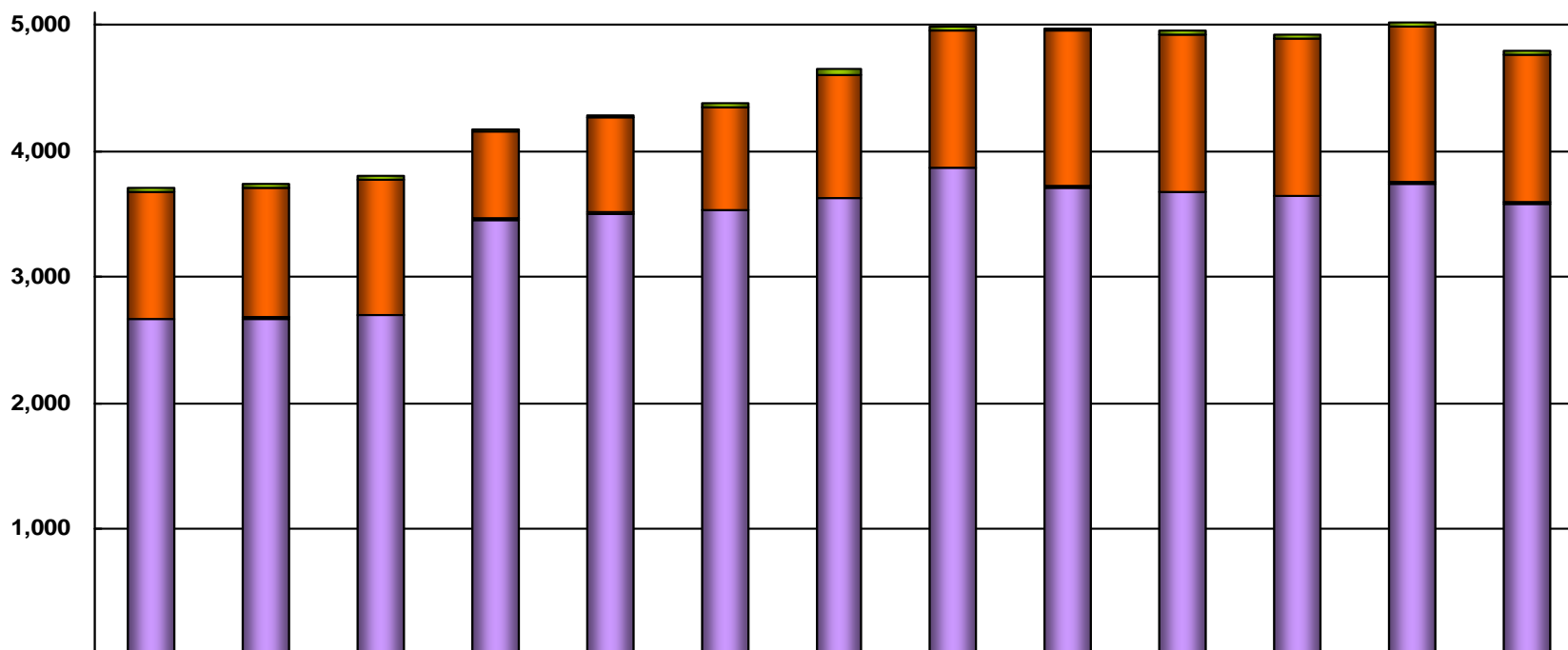
FY2010-2Q Cash Flow Statements

Major Items	FY2010-2Q (Jul.-Sept 2010)	Major Factors for Changes (¥ 100M)
<u>Operating Activities</u>	<u>158</u>	
Quarterly Net Income before Income Taxes	369	Increase in quarterly net income before income taxes
Depreciation Expenses	24	
Accounts Receivable/Payable-Trade	-0	
Other Current Assets/Liabilities	24	
Payment of Income Taxes	-246	Payment of additional tax related to the tax treatment used in the merger with SOFTBANK IDC Solutions Corp.
<u>Investing Activities</u>	<u>217</u>	
Acquisition of Tangible Fixed Assets	-19	
Acquisition of Intangible Fixed Assets	-4	
Acquisition of Subsidiary's Stock Accompanied with the Change of Consolidation Range	-7	
Adjustment of Stock Acquisition Price	247	The amount of additional tax related to the tax treatment used in the merger with SOFTBANK IDC Solutions Corp. (IDC) was received from SOFTBANK Corp. as an adjusted stock acquisition price
<u>Financing Activities</u>	<u>-27</u>	
Acquisition of Treasury Stocks	-25	
<u>Net Change in Cash Flows</u>	<u>348</u>	

Y! Number of Directors and Employees

(Number of People)

(at the End of Quarter)



	07/9	12	08/3	6	9	12	09/3	6	9	12	10/3	6	9
Directors and Auditors of Subsidiaries	33	31	32	26	25	24	39	31	32	30	30	24	24
Employees of Subsidiaries	1,000	1,025	1,062	685	747	814	977	1,082	1,228	1,249	1,238	1,238	1,177
Directors and Auditors of Yahoo! JAPAN	9	9	9	9	9	9	9	9	9	9	9	9	9
Employees of Yahoo! JAPAN	2,666	2,670	2,697	3,459	3,508	3,532	3,622	3,863	3,712	3,670	3,644	3,743	3,586
Total	3,708	3,735	3,800	4,179	4,289	4,379	4,647	4,985	4,981	4,958	4,921	5,014	4,796

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



Appendix

Listing Advertising Sales by Industry

Industries with large year on year increase

- Travel/Transportation/Leisure
- Cosmetics/Toiletries/Health Foods and Appliances
- Fashion/Accessories

Industries with large quarter on quarter increase

- Travel/Transportation/Leisure
- Fashion/Accessories
- Cosmetics/Toiletries/Health Foods and Appliances

	09/2Q	3Q	4Q	10/1Q	2Q
Finance/Insurance/Securities	12.0%	12.9%	12.9%	12.6%	11.4%
Travel/Transportation/Leisure	9.2%	6.8%	7.3%	8.0%	10.5%
Cosmetics/Toiletries/Health Foods and Appliances	5.9%	6.2%	6.1%	6.9%	7.1%
Medical, Welfare, Health and Beauty	7.2%	6.9%	6.7%	7.0%	6.9%
Real Estate/Household Equipment	6.4%	6.3%	8.0%	6.1%	6.2%
Educations/University	6.6%	5.8%	6.8%	6.1%	6.2%
Department Stores/Mail Order/Shopping Malls	6.4%	7.1%	6.4%	7.4%	6.1%
Fashion/Accessories	3.8%	4.6%	3.9%	3.9%	4.6%
Information Processing/Software/Internet Information Site	4.8%	5.6%	5.7%	5.1%	4.2%
Recruitment Services	3.3%	3.0%	2.9%	3.0%	3.3%
Interior/Gardening/Reform/DIY	3.0%	3.2%	3.0%	3.1%	3.0%
Autos (Transportation Equipment)	3.6%	3.1%	2.8%	2.7%	2.8%
Others	27.8%	28.5%	27.5%	28.1%	27.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

•Industrial classification has been changed since FY2010-1Q.

The share percentage of revenues by industrial category in FY2009 was adjusted retroactively.

Display Advertising Sales by Industry

Industries with large year on year increase

- Finance/Insurance/Securities
- Internet Information Site/Email service
- Autos (Transport Equipment)

Industries with large quarter on quarter increase

- Finance/Insurance/Securities
- Medicament/Pharmaceuticals
- Cosmetics/Toiletries

	09/2Q	3Q	4Q	10/1Q	2Q
Finance/Insurance/Securities	12.6%	14.9%	15.6%	14.9%	16.8%
Autos (Transport Equipment)	13.0%	12.3%	14.6%	14.0%	13.3%
Cosmetics/Toiletries	11.1%	9.2%	5.5%	8.8%	9.3%
Real Estate/Construction	10.2%	8.4%	10.6%	9.6%	9.3%
Transportation/Leisure	6.2%	8.5%	7.6%	8.1%	7.2%
Foodstuffs	3.8%	3.7%	3.6%	5.2%	4.5%
Beverages/Cigarettes	4.4%	4.7%	4.7%	5.3%	4.1%
Internet Information Site/Email service	1.7%	2.2%	3.0%	3.0%	3.7%
Fashion/Accessories	4.3%	5.0%	3.3%	3.8%	3.6%
Medicament/Pharmaceuticals	2.3%	2.4%	1.3%	2.4%	3.3%
Mobile Communications Service	3.9%	4.5%	5.7%	3.4%	3.1%
Entertainment Related Software	2.5%	2.6%	1.8%	2.9%	2.9%
Others	24.0%	21.6%	22.7%	18.6%	18.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

*The above are classified by contents of advertising.



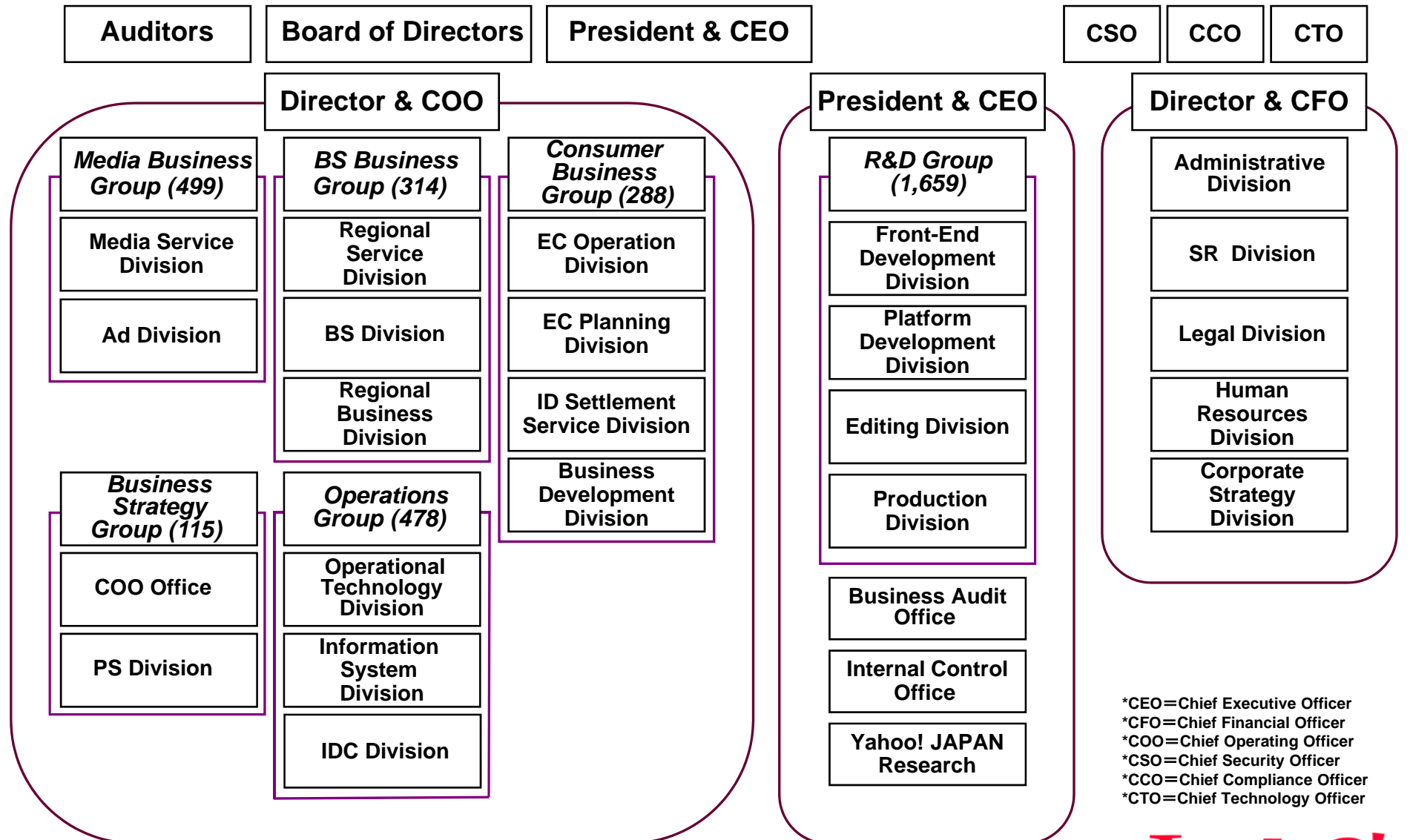
Additional Business Data: 2010-2Q

Average Daily Transaction Value	Jul.-Sept. 2009	Jul.-Sept. 2010
Commerce (¥100M)	24.3	24.5
☆ Auction (¥100M)	17.6	17.0
☆ Shopping (¥100M)*	6.6	7.5
Through Mobile (¥100M)	4.0	4.0
Subscriber Lines for Yahoo! BB Services	End of Sept. 2009	End of Sept. 2010
Total (10 thousand lines)	404.0	345.7
Number of lines marketed by Yahoo! JAPAN (10 thousand lines)	77.5	64.6
Other Data of Auction Business	Jul.-Sept. 2009	Jul.-Sept. 2010
Average Winning Bid (¥)	4,858	4,723
Average Successful Auction Ratio (%)	16	13
Number of Business Express Contracts (Number of contracts/Monthly average)	Jul.-Sept. 2009	Jul.-Sept. 2010
	2,395	1,819

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

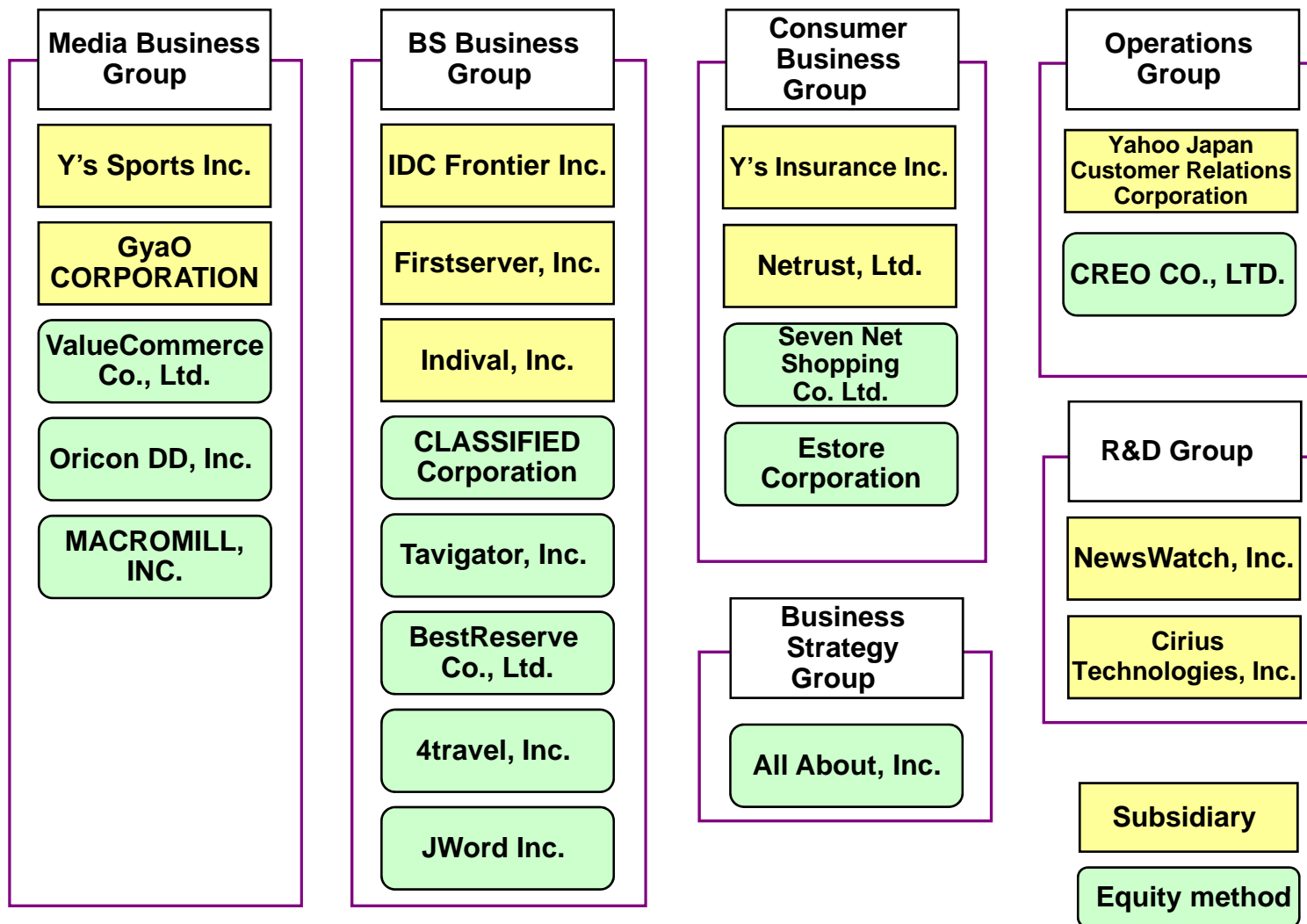


Y! Organization Chart of Yahoo! JAPAN



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

Y! Yahoo! JAPAN Group – Major Companies



Number of Employees (unconsolidated): 3,586
 Number of Employees (consolidated): 4,763
 As of September 30, 2010

Old & New Business Segments Breakdown Comparison Table

--Former Main Components--

Advertising

- Media Business :
Display advertising (banner, text, email, and video advertising)
Listing advertising (through advertising agencies)
- BS Business: Listing advertising (online order)
- Consumer Business: Display advertising

Business Services

- Media Business :
Yahoo! Research*
- BS Business :
Data center related revenues / Yahoo! WebHosting /
Yahoo! Business Express
Yahoo! Real Estate and Yahoo! Rikunabi
- Consumer Business :
Tenant and system-use fees of Yahoo! Auctions (BtoC)
and Yahoo! Shopping
Yahoo! BB incentive fees

Personal Services

- Consumer Business:
System-use fees of Yahoo! Auctions (CtoC)
Yahoo! Premium, Yahoo! BB ISP fees,
Yahoo! Partners and other pay digital content

--New Main Components--

Media Business

- Advertising :
Display advertising (banner, text, email, and video advertising)
Listing advertising (through advertising agencies)
- Others :
Yahoo! Research*

BS Business

- Advertising :
Listing advertising (online order)
- Corporate services :
Data center related revenues / Yahoo! WebHosting /
Yahoo! Business Express
- Listing services:
Yahoo! Real Estate and Yahoo! Rikunabi

Consumer Business

- eCommerce:
Tenant and system-use fees of Yahoo! Auctions and
Yahoo! Shopping / Settlement / Pay digital content
- Membership services :
Yahoo! Premium, Yahoo! BB ISP fees,
Yahoo! Partners and other membership services
- Others :
Display advertising / Yahoo! BB incentive fees

*In August, 2010, the research business was transferred to MACROMILL INC., an equity method affiliate.



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