



Yahoo Japan Corporation
FY2009-3Q Business Results
(Oct.-Dec. 2009)

January 27, 2010

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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, 2009.”

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FY2009-3Q Highlights – Financial Data

- Display advertising sales exceeded those of the previous quarter by more than expected.

As a result, year-on-year growth in quarterly revenues, operating income, and ordinary income expanded compared with the second quarter of fiscal 2009.

(¥100M)

	2009-3Q	2008-3Q	YOY Change
Revenue	709	669	5.9%
Operating Income	364	331	9.9%
Ordinary Income	364	328	10.9%
Quarterly Net Income	208	191	9.0%

FY2009-3Q Highlights – Advertising

■ Display advertising

- As advertising spending in some industries declined, display advertising sales decreased compared with the same quarter a year earlier but increased more than 10% from the previous quarter mainly due to the increased sales to the finance and transportation/leisure industries.
- Sales of high branding impact Brand Panel rose greatly year on year and quarter on quarter, and stood at a record high.
- Targeting advertising also contracted from a year earlier but increased sharply from the previous quarter. Behavior targeting advertising is recovering from its bottom in the first quarter of 2009 and becoming a leading force in targeting advertising growth.

■ Listing (Pay per performance) advertising

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

- Listing advertising sales increased year on year.
- Interest-linked advertising sales are doubled comparing with the same quarter last year.
- Mobile advertising increased substantially.

(¥100M)

Advertising	2009-3Q	2008-3Q	YOY Change
Revenue	353	349	1.2%
Operating Income	200	180	11.5%

FY2009-3Q Highlights – Business Services

■ E-commerce-related revenues

- Yahoo! Shopping emphasized seasonal sales promotion special features and introduced Star Club, a special-benefit program for users. Thanks to sales promotion efforts, the quarterly transaction value increased approx. 20% year on year and hit a record high. Fashion, bicycle/automobile/motorcycle goods and foods were in good condition.
- Yahoo! Auctions-related revenues also increased, helped by two months contribution of upward revision of store royalty fees conducted in December 2008.

■ Data center-related revenues

- Revenue of IDC Frontier Inc., which became a consolidated subsidiary in FY2008-4Q, contributed fully for three months. The company made efforts to expand the use of its cloud computing services by running a start-up phase no-charge campaign for the NOAH Platform Service, the cloud computing system development platform service that the company began offering in June 2009.

■ Information listing revenues

- In spite of the year-on-year decline, the revenues of Yahoo! Rikunabi increased slightly as compared with the previous quarter as in FY2009-2Q.

(¥100M)

Business Services	2009-3Q	2008-3Q	YOY Change
Revenue	165	137	20.2%
Operating Income	57	51	12.5%

FY2009-3Q Highlights – Personal Services

■ Yahoo! Premium membership revenues

- The number of Yahoo! Premium member IDs as of Dec. 31, 2009 hit a record high of 7.58 million. Furthermore, the revenues increased substantially year on year, supported by the upward revision of membership fees in December 2008.

■ Yahoo! Auctions system-use revenues

- Yahoo! Auctions CtoC transaction value declined year on year under the impact of a drop in the unit price of winning bids due to consumers' growing preference for lower prices, but increased more than 10% over the previous quarter thanks to favorable sales in categories such as fashion, autos, electronic home appliances, and so on.

■ Pay content services revenues

- Revenues from such pay content services as Yahoo! Partners and Yahoo! Games continued to grow substantially.

(¥100M)

Personal Services	2009-3Q	2008-3Q	YOY Change
Revenue	193	183	5.3%
Operating Income	136	134	1.7%

Approach for Improvement in Shareholder Value

■ Raising the dividend payout ratio to approx. 20%

Past: Approx. 10% of consolidated net income for the period
(Result of FY2008: Dividend per share ¥ 130)

→ Dividend per share in FY2009 (forecast) :
¥279 to ¥285

For the period under review, the Company expects to produce a greater retained earnings than normal. Moreover, the Company believes that even after achieving internal reserves equivalent to the investment funds necessary for future growth, it will be possible to increase the dividend payout ratio.

In consideration of these circumstances, the Company has set a target of approximately 20% of consolidated net income as its forecast for dividends for the fiscal year ending March 2010.

■ Achieved a monthly budget surplus

Advertising sales of GyaO! Top page, etc. increased steadily after renewal in September 2009. Thanks to measures to improve profitability, the GyaO business turned a single-month profit.

■ Increase in the number of users

The number of users as of September 2009 reached about 12 million (according to data from NetRatings Japan Inc.).

This figure is greater than the sum total of old GyaO-Yahoo! JAPAN streaming-related services prior to renewal.

■ Strengthening collaboration with TV stations

【Increase in use of GyaO! for promotion of TV programs】

NHK, Fuji Television Network, Inc., Mainichi Broadcasting System Inc., Television Osaka Inc., Tokyo Metropolitan Television Broadcasting Corp., etc.

【GyaO! “Online Preview” TV drama distributed before broadcasting】

-Fuji TV “Fumochitai” from Oct. 12 to Oct. 14, 2009

-TV Asahi “Shukumei 1969-2010 – Once Upon A Time In Tokyo-“ from Jan. 13 to Jan. 15, 2010



Review of FY2009-3Q Business Outlook

- Display advertising sales recovered more than expected from the previous quarter, particular in such industries as financial services, transportation/leisure, and beverages/cigarettes. Research-related sales also expanded, pushing third quarter sales above the maximum forecast sales.
- Sales increased and expenses were held to the minimum necessary, resulting in operating and ordinary income exceeding their forecast ranges for the quarter. On the other hand, impairment losses recorded on stock held kept quarterly income within the forecast range.

(¥ 100M)

	Actual	Forecast (As of Oct. 27, 2009)
Revenue	709	668~700
Operating Income	364	338~359
Ordinary Income	364	338~359
Quarterly Net Income	208	200~213

FY2009-4Q Business Outlook

- Advertising sales are expected to post year-on-year growth in listing advertising as well as in display advertising.

Although the benefits of the increases in Yahoo! Premium membership fees and Yahoo! Auctions store royalties are wearing off, we will implement aggressive sales activities to ensure that the recovery trend in advertising sales seen in the third quarter becomes a greater recovery. Our goal will be to expand the rate of year-on-year growth for quarterly sales compared with that of the previous quarter.

- We expect quarterly SG&A expenses to increase slightly year on year due to sales promotion costs and other expenses growing in line with our aggressive sales activities.

(¥ 100M)

	2008-4Q (Actual)	2009-3Q (Actual)	2009-4Q (Forecast)
Revenue	671	709	693~727
Operating Income	355	364	357~381
Ordinary Income	350	364	356~380
Quarterly Net Income	186	208	208~223

- 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.

The FY 2009 full year projection in P.11 is the cumulative actual results of FY2009-1Q to 3Q plus FY2009-4Q projection.

FY2009 Business Outlook

(¥ 100M)

	FY2008 (Actual)	FY2009 (Forecast)
Revenue	2,657	2,759 ~ 2,793
Operating Income	1,346	1,408 ~ 1,432
Ordinary Income	1,329	1,402 ~ 1,426
Net Income	747	809 ~ 824

- The above FY 2009 full year projection is the cumulative actual results of FY2009-1Q to 3Q plus the FY2009-4Q projection.

FY2009-3Q Financial Results

•Main consolidated subsidiaries at the end of FY2009-3Q

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

•Affiliated companies (equity method) at the end of FY2009-3Q

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

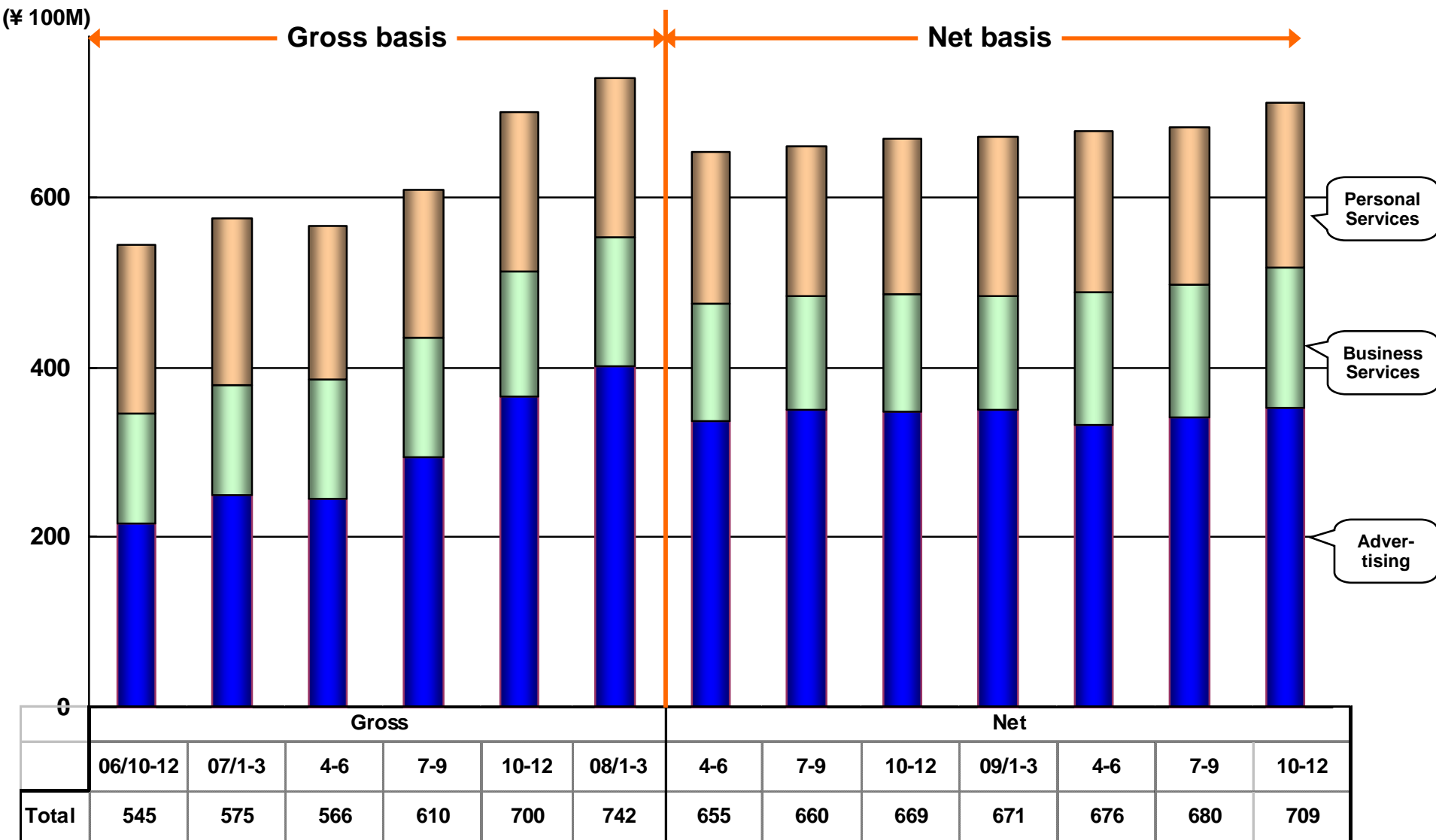


FY2009-3Q Statements of Income

	2009-3Q	2008-3Q	Changes
Revenue (¥100M)	709	669	5.9 %
Cost of Sales (¥100M)	85	70	20.2 %
Gross Profit (¥100M)	624	599	4.2 %
Operating Income (¥100M)	364	331	9.9 %
Ordinary Income (¥100M)	364	328	10.9 %
Quarterly Net Income (¥100M)	208	191	9.0 %
EPS (¥)	359	322	11.3 %
Number of Shares Outstanding (10 thousand) (Average of period) *	5,805	5,928	-2.1 %
Fully Diluted EPS (¥)	359	322	11.4 %
Number of Shares Assuming Full Dilution (10 thousand) *	5,810	5,934	-2.1 %

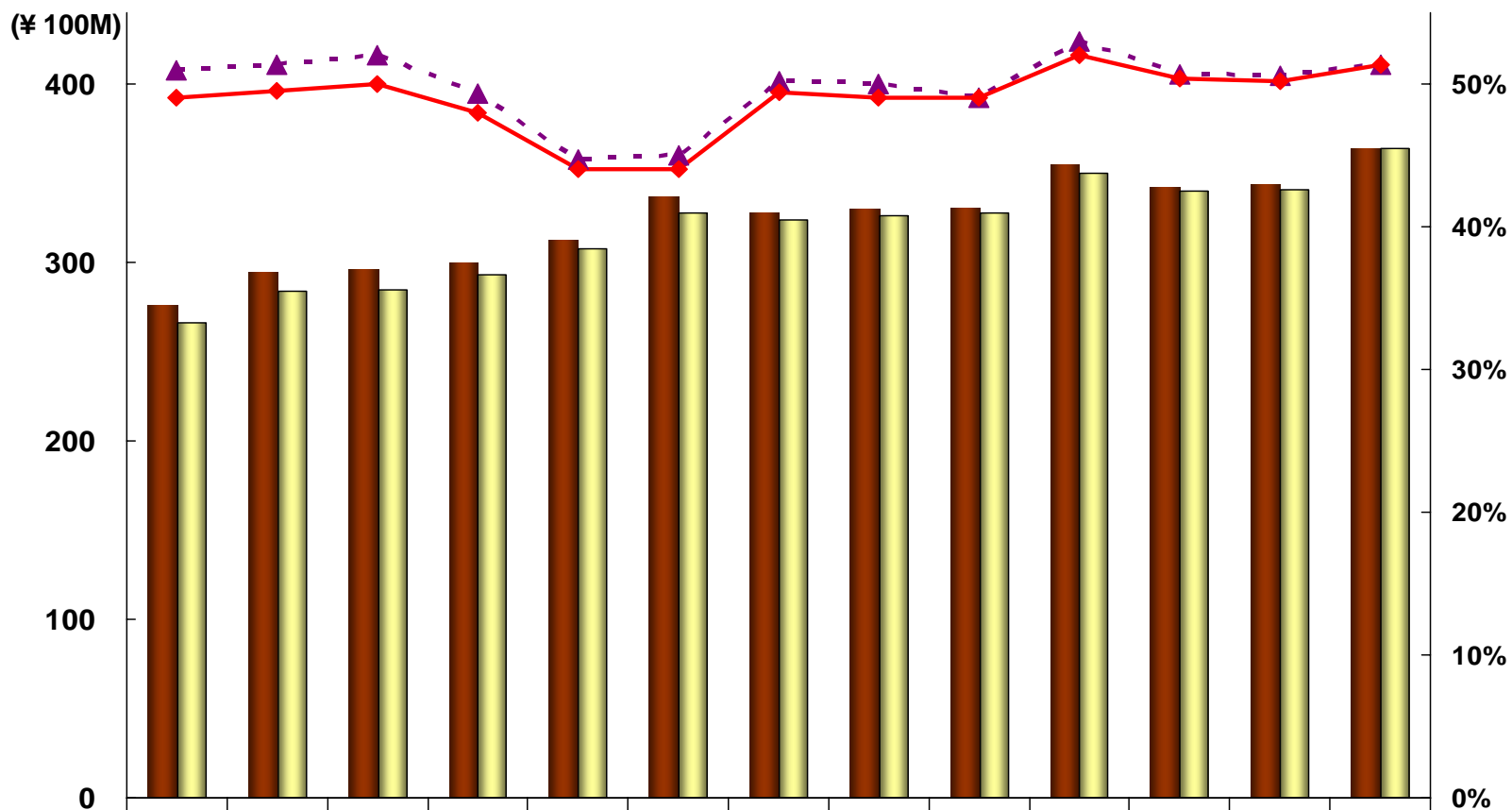
Notes: Number of Shares Outstanding and Number of Shares Assuming Full Dilution are excluding treasury stocks.

Y! Quarterly Revenue



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

Y! Quarterly Profits



	06/10-12	07/1-3	4-6	7-9	10-12	08/1-3	4-6	7-9	10-12	09/1-3	4-6	7-9	10-12
Operating Income	276	295	296	300	312	337	328	330	331	355	342	344	364
Ordinary Income	266	284	285	293	308	328	324	326	328	350	340	341	364
Operating Margin	51%	51%	52%	49%	45%	45%	50%	50%	49%	53%	51%	51%	51%
Ordinary Margin	49%	49%	50%	48%	44%	44%	49%	49%	49%	52%	50%	50%	51%

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



FY2009-3Q Performance Breakdown by Business

(¥ 100M)

	Revenue	Sales Breakdown by Business Group		Gross Profit	SG&A	Operating Income	Operating Margin
Advertising	353	Media Business Group BS Business Group Consumer Business Group	68% 30% 2%	303	102	200	56.9%
Business Services	165	Media Business Group BS Business Group Consumer Business Group Others	12% 43% 44% 1%	133	75	57	34.9%
Personal Services	193	Media Business Group BS Business Group Consumer Business Group	0% 0% 100%	190	53	136	70.6%

*Revenues from Yahoo! Real Estate (newly-built properties) have been transferred from Media Business Group to BS Business Group since FY2009-3Q.

Y! SG&A Breakdown

(¥ 100M)

	09/3Q	%	09/2Q	QoQ Change	08/3Q	YoY Change
Personnel Expenses	77	30.0%	74	4.6%	68	13.5%
Business Commissions	32	12.3%	31	2.0%	37	-15.7%
Communication Charges	23	8.9%	22	1.1%	24	-6.8%
Depreciation Expenses	22	8.6%	22	0.9%	29	-22.8%
Sales Promotion Costs	21	8.1%	16	27.3%	12	70.7%
Royalties	20	7.8%	19	5.0%	19	2.5%
Content Provider Fees	16	6.3%	17	-7.6%	16	-0.2%
Lease and Utility Expenses	15	5.9%	15	-3.7%	18	-18.6%
Sales Commissions	11	4.3%	9	14.7%	11	-0.8%
Administrative and Maintenance Expenses	5	2.2%	5	-2.3%	6	-5.2%
Taxes and Public Dues	3	1.3%	2	16.8%	2	16.2%
Advertising Costs	2	0.8%	2	0.1%	3	-36.7%
Amortization of Goodwill	1	0.8%	1	3.9%	1	45.3%
Allowance for Doubtful Accounts	1	0.7%	1	-3.6%	2	-27.3%
Payment Commissions	0	0.1%	2	-87.7%	2	-86.6%
Others	4	1.9%	5	-7.1%	10	-51.8%
SG&A Total	259	100.0%	252	2.9%	267	-2.8%

Major factors for YoY changes

Increase in personnel (4,919 in total : +13.2% from 2008/12)

Reduced outsourcing by streamlining maintenance, operations and development.
Increase due to the change from payment commissions

Decrease in purchasing assets due to improved efficiency in capital investment

Increase in affiliate expenses for auctions and others

Combined separate offices into Tokyo Midtown

Changed credit card commissions from payment commissions to business commissions due to the merger of Overture K.K.

Y! FY2009-3Q Balance Sheets

Major Items	2009/12/31	2008/12/31	Increase/ Decrease	Major Factors for Increase/Decrease	(¥ 100M)
< Assets >					
Current Assets	1,623	1,275	347	Increase due to operating activities	
Cash and Deposits	993	748	244		
Accounts Receivable -Trade	358	339	19		
Fixed Assets	2,138	2,028	110	Absorption merger with SOFTBANK IDC Solution Corp.	
Tangible Fixed Assets	270	153	116		
Intangible Fixed Assets	156	145	11		
Investment Securities	1,574	1,611	-37		
Total Assets	3,761	3,303	457		
< Liabilities >					
Current Liabilities	882	735	146	Repayment of short-term debts	
Short-term debts	100	200	-100		
Accounts Payable-Other	117	112	5	Repayment of long-term debts	
Accrued Income Taxes	308	136	171		
Long-term Liabilities	2	101	-98		
Total Liabilities	885	836	48		
< Net Assets >					
Shareholders' Equity	2,843	2,443	400	Decrease in acquisition and cancellation of own stocks in FY2008, and increase in net profit	
Common Stock	74	74	0		
Capital Surplus	25	25	0		
Retained Earnings	2,771	2,343	427		
Unrealized Gains on Available for Sales Securities	4	2	2		
Minority Interests in Consolidated Subsidiaries	24	19	4		
Total Net Assets	2,876	2,467	409		
Total Liabilities and Net Assets	3,761	3,303	457		

FY2009-3Q Cash Flow Statements

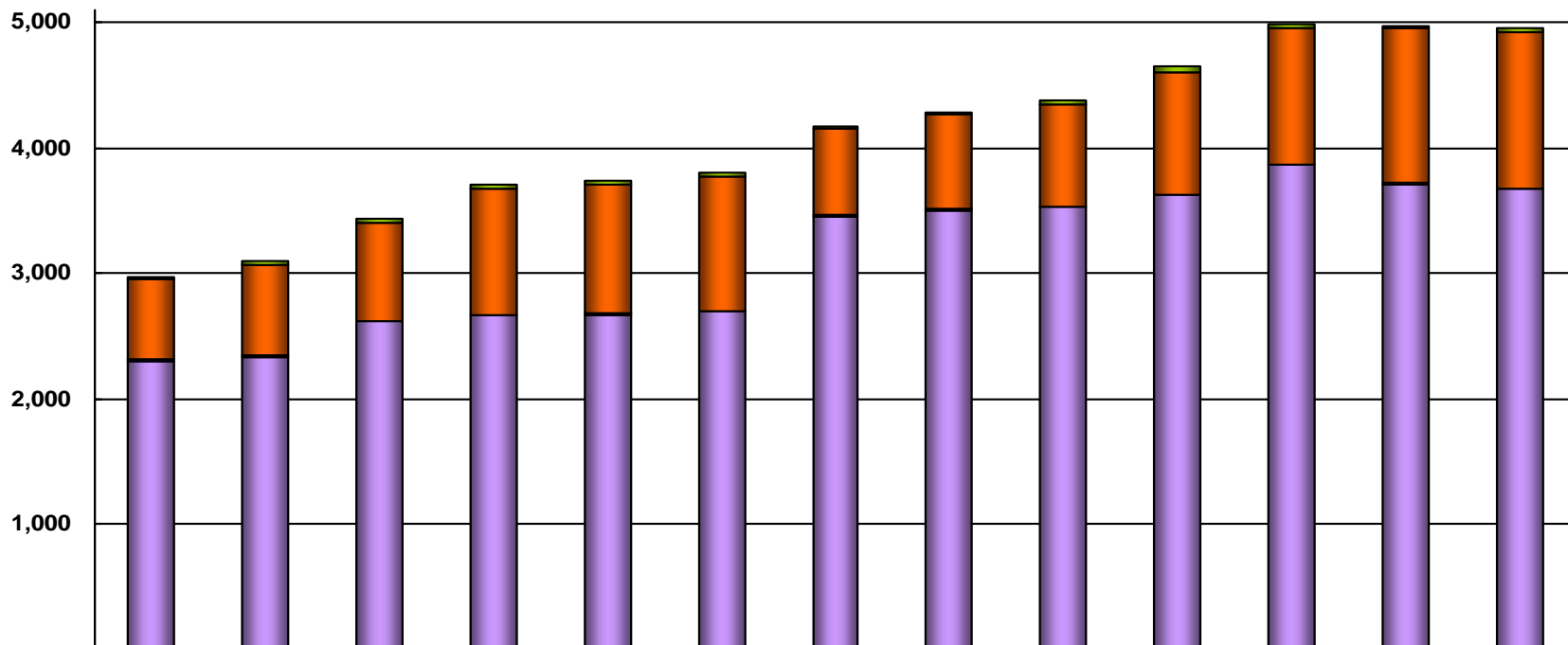
Major Items	FY2009-3Q (Oct.-Dec. 2009)	Major Factors for Changes	(¥ 100M)
<u>Operating Activities</u>	<u>235</u>		
Net Income before Income Taxes	355	Increase in quarterly net income before income taxes	
Depreciation Expenses	25		
Accounts Receivable/Payable-Trade	-12		
Other Current Assets/Liabilities	-20		
Accrued Consumption Tax and Others	10		
Payment of Income Taxes	-137		
<u>Investing Activities</u>	<u>-14</u>		
Acquisition of Tangible Fixed Assets	-7		
Acquisition of Intangible Fixed Assets	-4		
Acquisition/Sale of Investment Securities	-4		
<u>Financing Activities</u>	<u>-130</u>		
Repayment of Long-term Debt	-100		
Acquisition of Own Stocks	-28	Increase in own stocks resulted from meeting the requirement of purchasing stock related to the Overture K.K. merger	
<u>Net Change in Cash Flows</u>	<u>90</u>		



Number of Directors and Employees

(Number of People)

(at the End of Quarter)



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



Appendix

Change in Business Segments (Planned)

A change in business segments is scheduled for FY2010, in accordance with the reorganization of business units conducted in April 2009.

- **Media Business Group**
- **BS Business Group**
- **Consumer Business Group**

Both current and new business segments will be disclosed during the third and fourth quarters of FY 2009. Disclosure using the new business segments will be implemented officially in the first quarter of FY2010.

*** Performance breakdowns by new business segments are shown on the following page.**



FY2009-3Q Performance Breakdown by New Business Segments

(¥ 100M)

	Revenue	Sales Breakdown by Business Group		Gross Profit	SG&A	Operating Income	Operating Margin
Media Business Group	258	Advertising Others	92% 8%	219	95	124	48.0%
BS Business Group	176	Advertising Corporate Services Listing Services	60% 29% 11%	137	57	79	45.2%
Consumer Business Group	272	eCommerce Related Membership Services Others	58% 34% 8%	266	87	179	65.8%

New Business Segments Breakdown by Major Revenue Sources

Media Business Group

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

BS Business Group

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

Consumer Business Group

- **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 and others

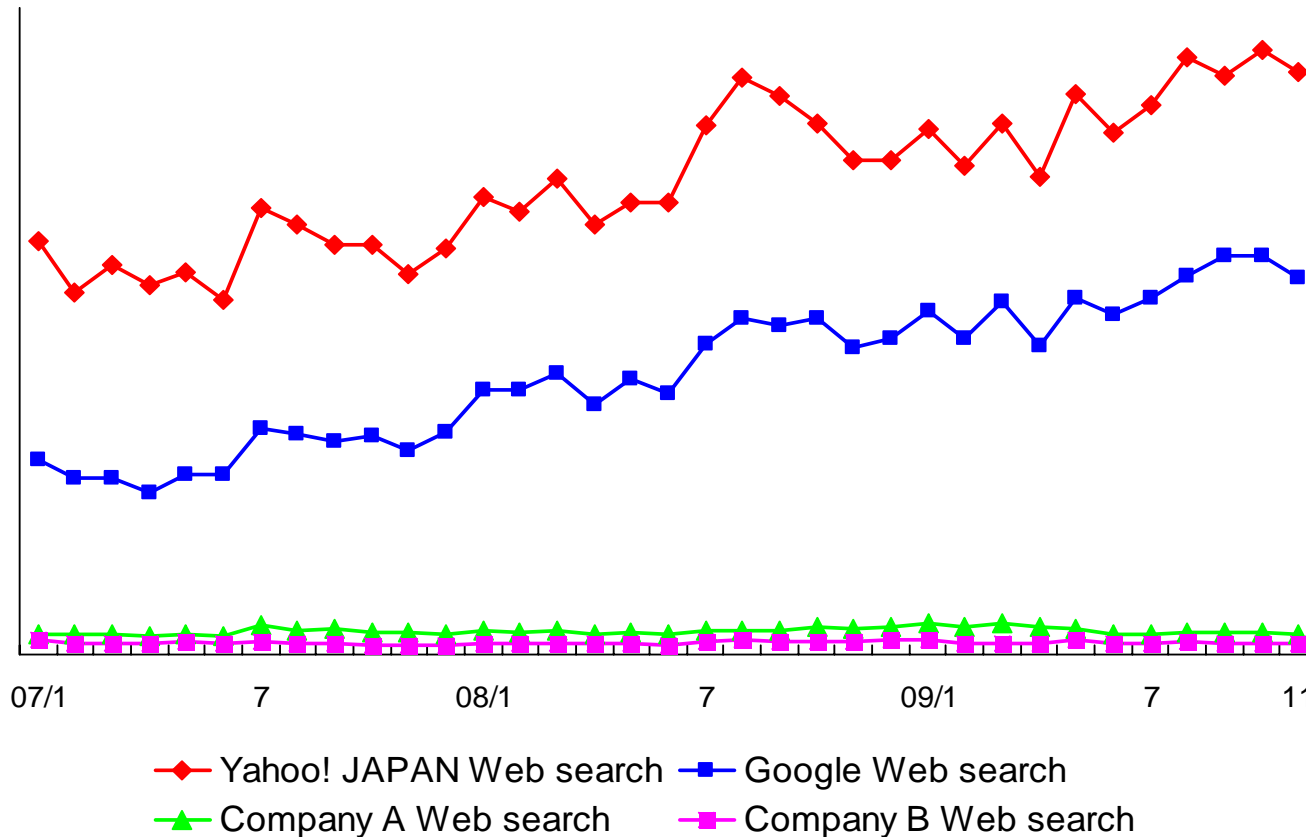
*Revenues from Yahoo! Real Estate (newly-built properties) have been transferred from Media Business Group to BS Business Group since FY2009-3Q.



Web Search Query Market in Japan

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Among the 4 major search sites, Yahoo! Search holds an approximately 60% share of the market.



Source: Video Research Interactive, access from home, Web Report

*Websites analyzed: Yahoo! JAPAN/Google/Company A/Company B

*Figures and market shares are calculated based on the estimated numbers of search sessions on Web search result pages of the above 4 sites.

Display Advertising Sales by Industry

Industries with large year on year increase

- Beverages/Cigarettes
- Transportation/Leisure
- Fashion/Accessories

Industries with large year on year decrease

- Recruitment Services
- Real Estate/Construction
- Finance/Insurance/Securities

	08/3Q	4Q	09/1Q	2Q	3Q
Finance/Insurance/Securities	16.7%	14.0%	13.2%	12.6%	14.9%
Autos (Transport Equipment)	11.4%	12.9%	10.1%	13.0%	12.3%
Cosmetics/Toiletries	10.4%	10.2%	12.2%	11.1%	9.2%
Transportation/Leisure	7.2%	6.3%	7.4%	6.2%	8.5%
Real Estate/Construction	10.7%	12.8%	8.9%	10.2%	8.4%
Fashion/Accessories	4.2%	3.1%	4.0%	4.3%	5.0%
Beverages/Cigarettes	3.3%	4.9%	7.2%	4.4%	4.7%
Mobile Communications Service	4.1%	3.9%	5.0%	3.9%	4.5%
Foodstuffs	3.6%	3.8%	4.1%	3.8%	3.7%
Computers/Office Equipment	3.4%	3.3%	1.9%	3.3%	3.0%
Entertainment Related Software	3.0%	1.9%	2.1%	2.5%	2.6%
Others	22.0%	22.9%	23.9%	24.7%	23.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

● The above are classified by contents of advertising.

Listing Advertising Sales by Industry

Industries with large quarter on quarter increase

- Retail Sales Services
- Information/Communication
- Finance/Insurance

Industries with large quarter on quarter decrease

- Transportation/Leisure
- Educations/University
- Autos(Transport Equipment)

	08/4Q	09/1Q	2Q	3Q
Retail Sales Services	23.8%	25.8%	24.7%	25.8%
Information/Communication	11.3%	12.1%	12.8%	13.7%
Finance/Insurance	11.2%	10.1%	10.6%	11.3%
Transportation/Leisure	9.2%	10.1%	12.0%	9.6%
Real Estate	10.6%	8.4%	8.6%	8.5%
Recruiting Services (Incl. Marriage and Ceremonial Occasion Industries, etc.)	7.3%	6.9%	6.2%	6.2%
Medical, Welfare, Health and Beauty	6.9%	7.0%	6.3%	5.9%
Educations/University	6.2%	5.9%	5.6%	5.0%
Autos(Transport Equipment)	3.4%	2.8%	3.1%	2.6%
Cosmetics/Toiletries	2.0%	2.4%	2.0%	2.1%
Hobbies/Sports	1.5%	1.6%	1.4%	1.5%
Others	6.6%	6.9%	6.7%	7.8%
Total	100.0%	100.0%	100.0%	100.0%

FY2009-3Q Major Advertisers - Display Advertising

Finance/Insurance/Securities

American Express International, Inc.
E.design Insurance Co.,Ltd.
Sumitomo Mitsui Banking Corporation

Autos (Transport Equipment)

Honda Motor Co., Ltd.
Nissan Motor Co., Ltd.
TOYOTA MOTOR CORPORATION

Cosmetics/Toiletries

ORBIS Inc.
Shiseido Co., Ltd.
Yamada Bee Farm Corporation

Transportation/Leisure

All Nippon Airways Co., Ltd.
SANYO Group

Real Estate/Construction

DAIKYO INCORPORATED
Nomura Real Estate Development Co., Ltd.

Fashion/Accessories

FAST RETAILING CO., LTD.
Tiffany & Co. Japan Inc.

Beverages/Cigarettes

Coca-Cola (Japan) Company, Limited
Nestle Group
Suntory Limited

Mobile Communications Services

KDDI CORPORATION
SOFTBANK MOBILE Corp.

Foodstuffs

Kellogg Company, INC.
WAKASA SEIKATSU Corporation

Computers/Office Equipment

EPSON SALES JAPAN CORPORATION
Sony Marketing (Japan) Inc.

- The above are classified by contents of advertising.



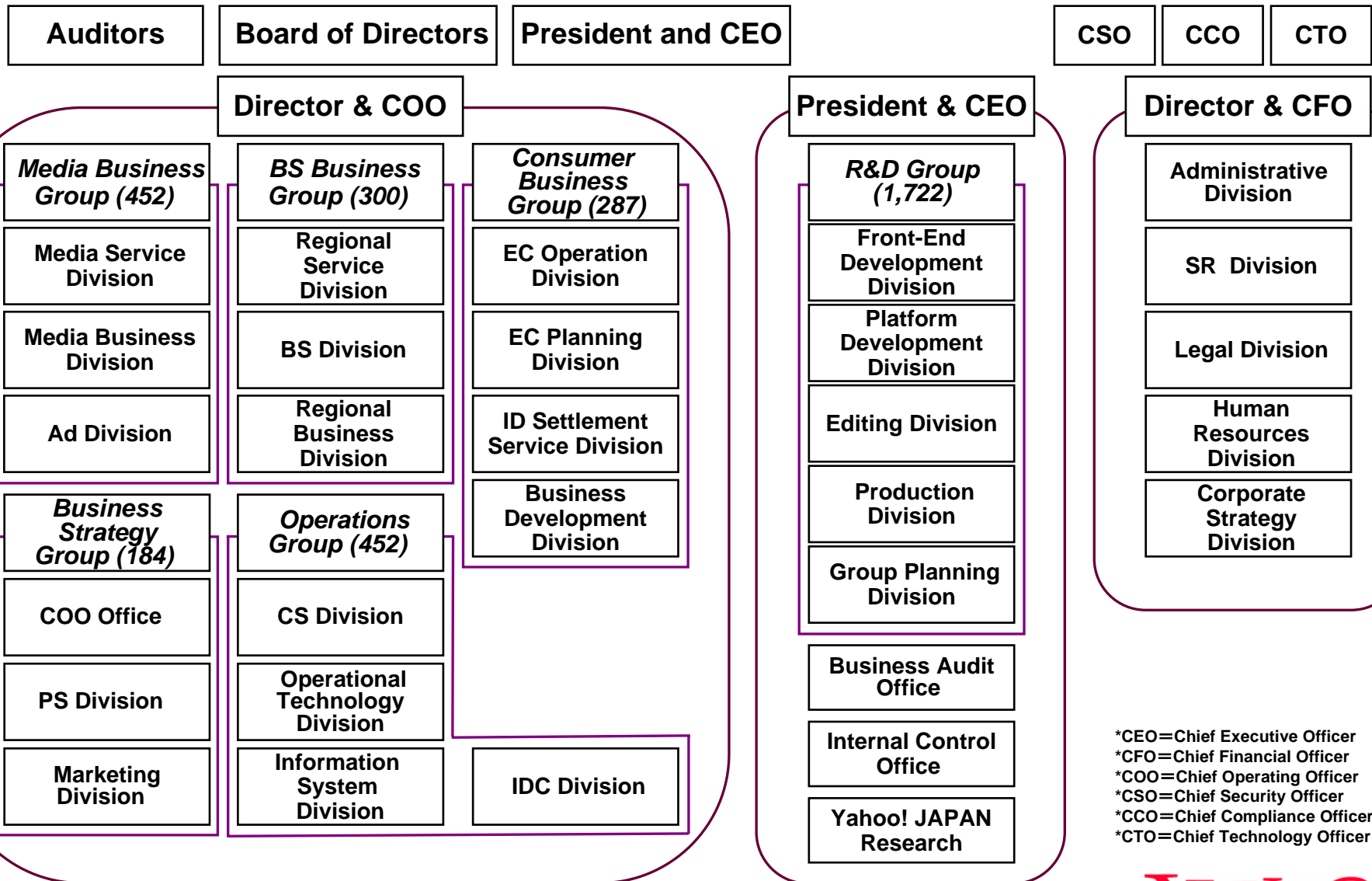
Additional Business Data: 2009-3Q

Average Daily Transaction Value	Oct.-Dec. 2008	Oct.-Dec. 2009
Commerce (¥100M)	26.7	27.1
☆ Auction (¥100M)	20.4	19.9
☆ Shopping (¥100M)*	6.3	7.1
Yahoo! Mobile e-commerce (¥100M)	4.4	4.5
Subscriber Lines for Yahoo! BB Services	End of Dec. 2008	End of Dec. 2009
Total (10 thousand lines)	442.7	390.8
Number of lines marketed by Yahoo! JAPAN (10 thousand lines)	87.9	74.4
Other Data of Auction Business	Oct.-Dec. 2008	Oct.-Dec. 2009
Average Closing Price (¥)	5,220	4,900
Average Successful Auction Ratio (%)	19	16
Number of Business Express Contracts (Number of contracts/Monthly average)	Oct.-Dec. 2008	Oct.-Dec. 2009
	2,800	2,447

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



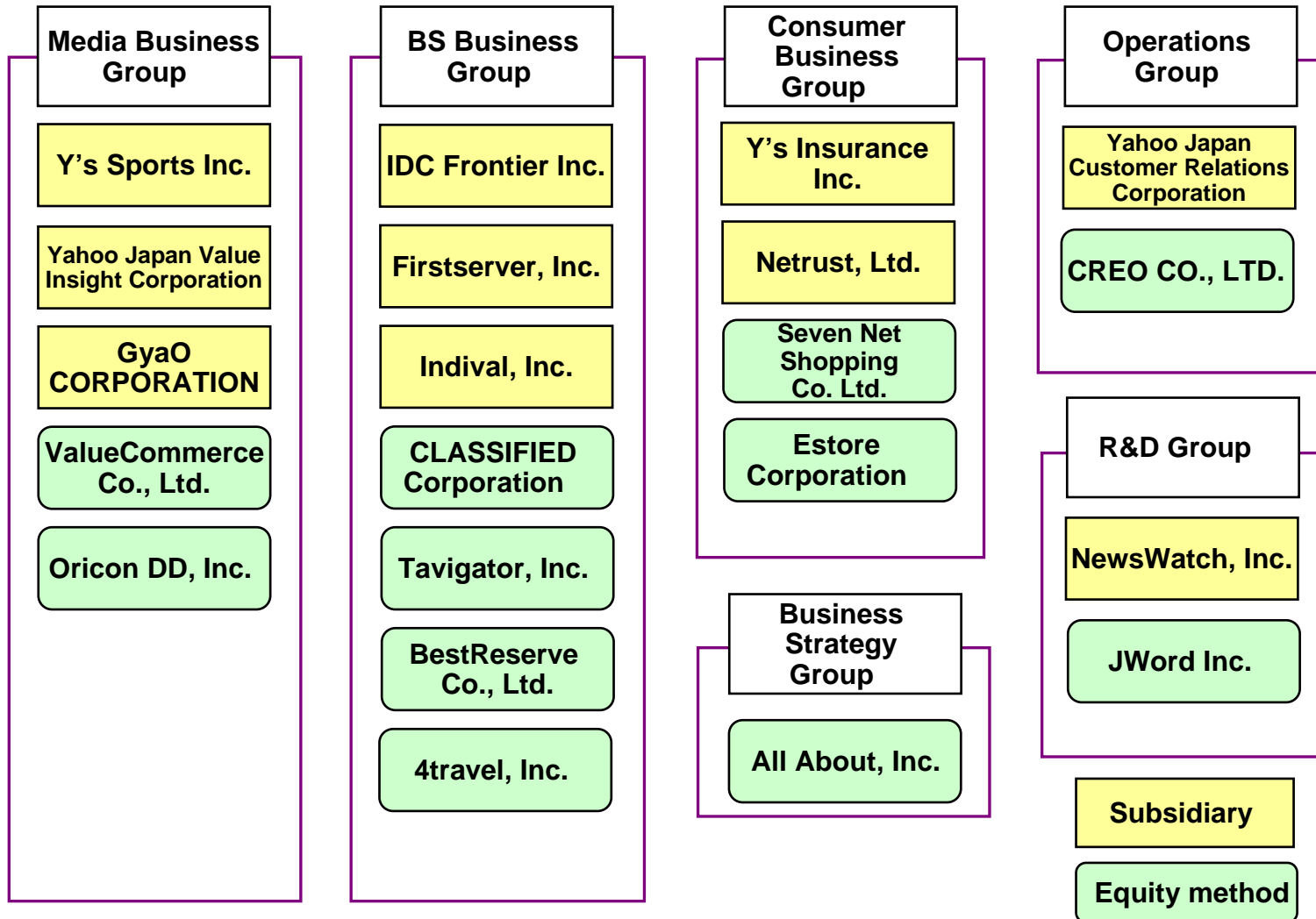
Organization Chart of Yahoo! JAPAN



*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 Main Group Companies



Number of Employees (unconsolidated): 3,670
 Number of Employees (consolidated): 4,919
 As of Dec. 31, 2009



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