



Yahoo Japan Corporation
FY2011-1Q Business Results
(April-June 2011)

July 22, 2011



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, 2011.”

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

FY2011-1Q Highlights – Financial Data

Although the earthquake disaster continued to have an impact, revenues and profits both rose year on year, helped particularly by stronger listing advertising revenue.

* The transfer of the research business to MACROMILL, INC., and the sale of shares of NewsWatch, Inc., resulted in an approximately ¥1.2 billion decrease in quarterly revenue compared with a year earlier. However, this decline in revenue had only a minor effect on profits.

(¥100M)

	2010-1Q	2011-1Q	YOY Change
Revenue	705	718	1.9%
Operating Income	376	388	3.3%
Ordinary Income	375	392	4.6%
Quarterly Net Income	216	233	7.6%

FY2011-1Q Highlights – Media Business

Listing advertising through advertising agencies

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

- Revenue from the financial sector declined under the impact of the earthquake disaster and other factors, but advertising from fashion and accessory and Internet information services companies increased. Although the revenue growth rate decreased, revenue rose compared with the same quarter last year.

Display advertising

- Revenues were almost flat compared with the first quarter last year. Advertising revenue from Internet-related companies and from the cosmetic and other sectors were firm. However, this growth was offset by declines in revenue from the automobile-related, entertainment software, and beverages and cigarettes sectors.

* The transfer of the research business to MACROMILL, INC. resulted in an approximately ¥1.1 billion decrease in quarterly revenue compared with a year earlier. However, this decline in revenue had only a minor effect on profits.

(¥100M)

Media Business	2010-1Q	2011-1Q	YOY Change
Revenue	256	251	-1.9%
Operating Income	130	137	5.2%

FY2011-1Q Highlights – Business-services Business

Listing advertising through online order

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

- Revenue increased year on year and from the previous quarter, supported by the Internet information-related revenue growth.

Data center-related revenues

- Cloud computing-related revenues of IDC Frontier Inc. increased.
- Because demand for data center services, including cloud computing, rose sharply following the major earthquake, we are planning to expand our facilities.

Information listing revenues

- We launched Yahoo! Local, one of Japan's largest location-based information service sites.
- Information listing-related revenues of Yahoo! Real Estate and Yahoo! Rikunabi grew on a year-on-year basis.

(¥100M)

Business-services Business	2010-1Q	2011-1Q	YOY Change
Revenue	184	198	7.6%
Operating Income	88	99	12.2%

FY2011-1Q Highlights – Consumer Business

E-Commerce related revenues (Yahoo! Auctions, Yahoo! Shopping, Pay digital content)

- Revenues from game-related services, such as Yahoo! Mobage and the Sengoku IXA online game, grew favorably, resulting in increases in pay digital content revenues both year on year and compared with the previous quarter.
- On Yahoo! Shopping, transaction values for food, ladies fashions, and other categories dropped following the major earthquake. On the other hand, the transaction value of the household electronics category increased because of the rush to buy TVs before the full conversion to digital terrestrial TV broadcasting in Japan and because of the demand for products that contribute to electric power savings.
As a result, overall transaction value increased year on year.
- The continued decline in Yahoo! Auctions transaction value halted, supported by firm automobile and household electronics category transactions.
- Smartphone transaction value rose substantially on both Yahoo! Auctions and Yahoo! Shopping.
- Because of the active sales promotion activities for Yahoo! Auctions and Yahoo! Shopping, operating income of the Consumer Business segment decreased slightly compared with a year earlier.

Membership services revenues

- As of June 30, 2011, Yahoo! Premium membership IDs totaled 7.72 million IDs.
- Yahoo! Partner and Yahoo! Matchmaking performed well.

(¥100M)

Consumer Business	2010-1Q	2011-1Q	YOY Change
Revenue	262	268	2.0%
Operating Income	176	175	-0.8%

Review of FY2011-1Q Business Outlook

Listing advertising and game-related revenues rose substantially year on year. However, because display advertising revenues were flat, partially because of the impact of the major earthquake, overall revenues were almost the mid-point of our sales forecast range.

On the other hand, profit exceeded the mid-point of our forecast range. Although we promoted the use of our search service on Yahoo! Toolbar and other services and conducted sales promotions that awarded Yahoo! Points, the final totals of business commission and sales promotion costs fell below forecasts.

(¥ 100M)

	Actual	Forecast (As of Apr. 22, 2011)
Revenue	718	704-739
Operating Income	388	373-396
Ordinary Income	392	377-400
Quarterly Net Income	233	222-236

YAHOO!
JAPAN

FY2011-2Q Business Outlook

We will aim to expand sales, particularly in our advertising, shopping-related, and pay digital content businesses.

* The fiscal 2010 transfer of the research business to MACROMILL, INC., and the sale of shares of NewsWatch, Inc., are expected to cause an approximately ¥0.5 billion decrease in revenue compared with the same quarter in the previous fiscal year.

We plan to continue to actively spend funds on sales promotions to expand e-commerce and pay digital content-related transaction value.

(¥ 100M)

	2010-2Q (Actual)	2011-1Q (Actual)	2011-2Q (Forecast)
Revenue	711	718	714-749
Operating Income	384	388	380-402
Ordinary Income	385	392	384-406
Quarterly Net Income	214	233	227-240

■ 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.

FY2011-1Q Financial Results

•Major Consolidated subsidiaries at the end of FY2011-1Q

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

•Affiliated companies (equity method) at the end of FY2011-1Q

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

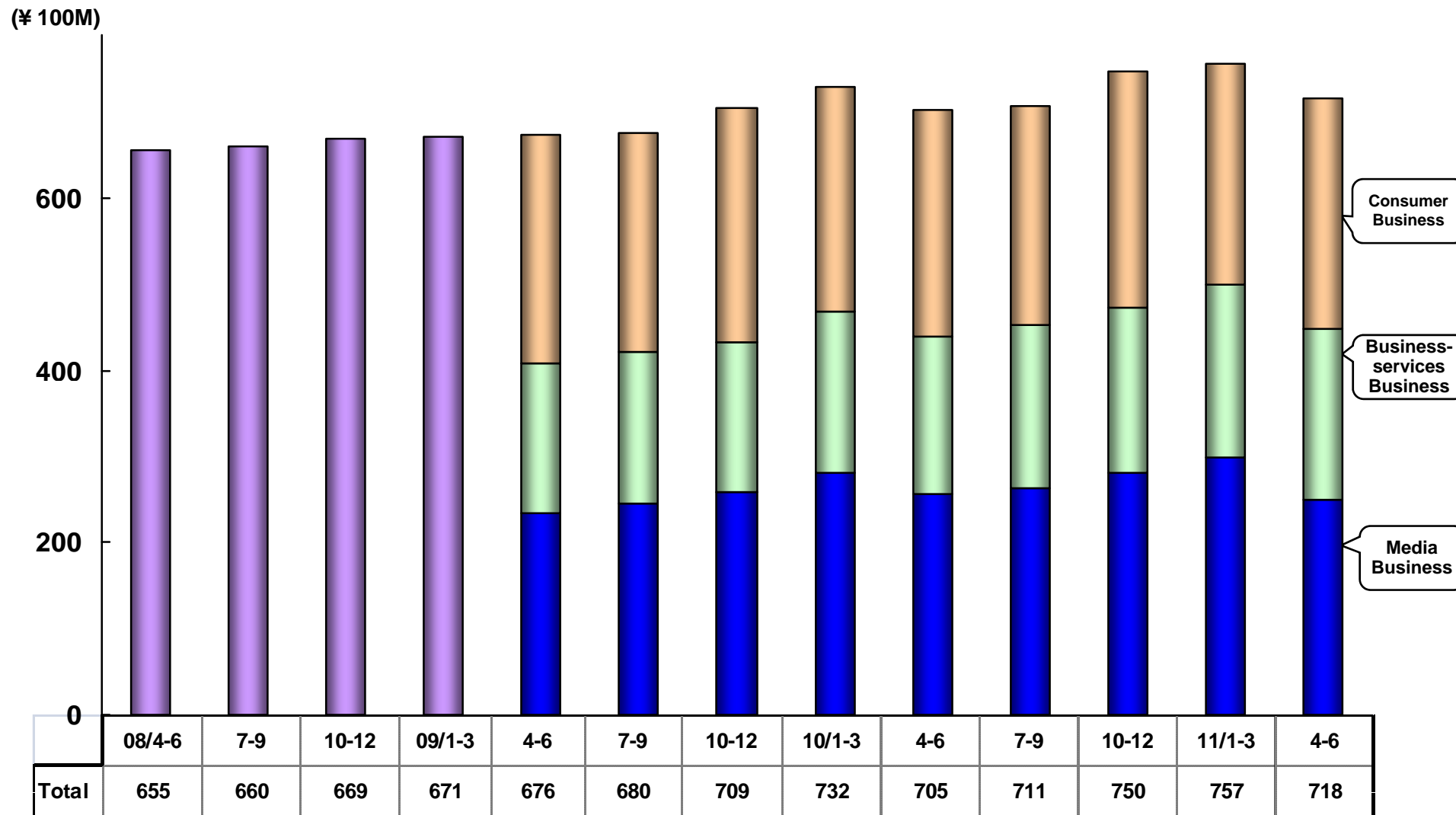
FY2011-1Q Statements of Income

	2010-1Q	2011-1Q	YOY Change
Revenue (¥100M)	705	718	1.9 %
Cost of Sales (¥100M)	76	67	-11.0 %
Gross Profit (¥100M)	628	650	3.5 %
SG&A (¥100M)	252	262	3.9 %
Operating Income (¥100M)	376	388	3.3 %
Ordinary Income (¥100M)	375	392	4.6 %
Quarterly Net Income (¥100M)	216	233	7.6 %
Fully Diluted EPS (¥)	372	401	7.7 %
Number of Shares Assuming Full Dilution (10 thousand) *	5,806	5,800	-0.1 %

Notes:

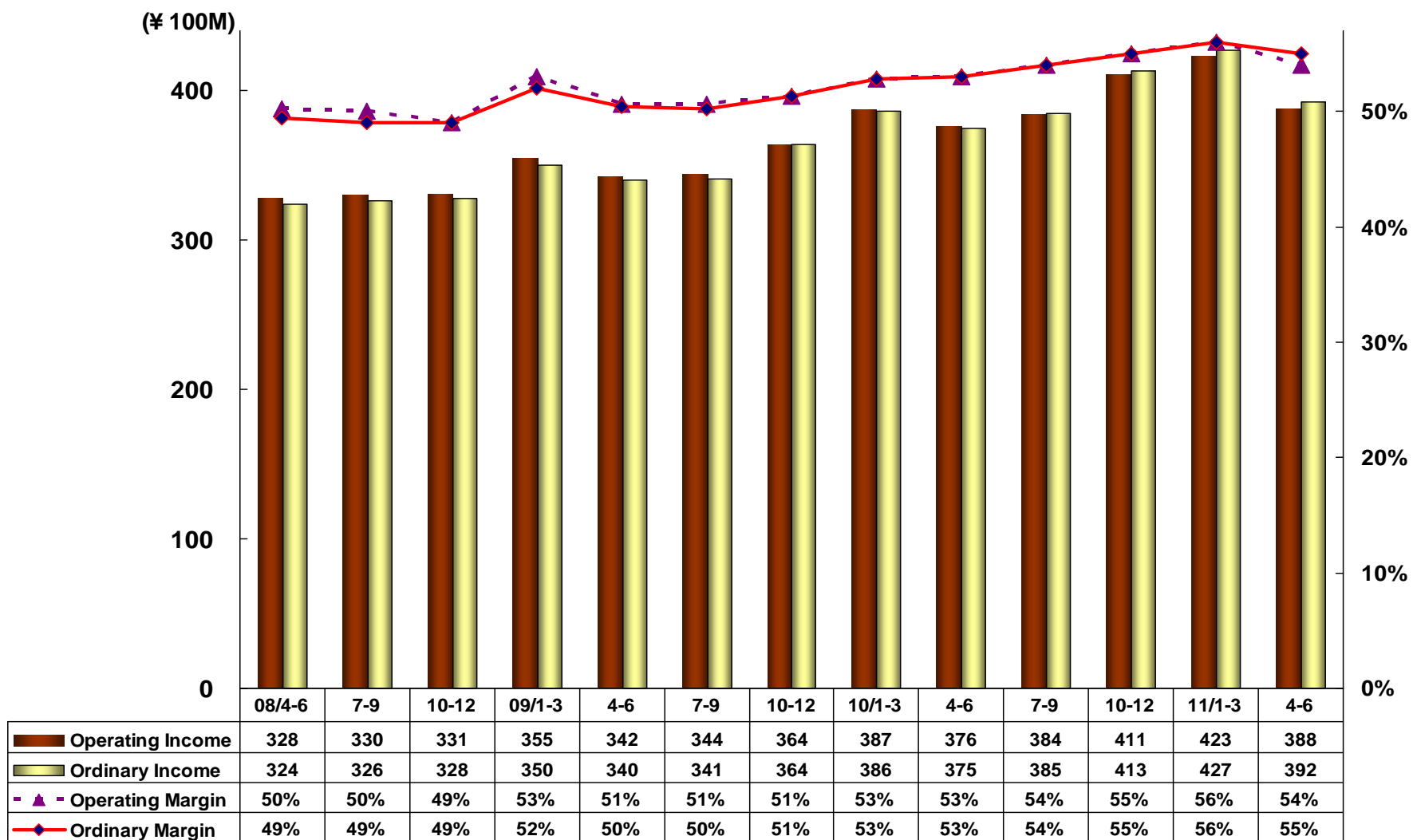
Number of Shares Assuming Full Dilution excludes treasury stocks.

Y! Quarterly Revenue



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

Y! Quarterly Profits



FY2011-1Q Performance Breakdown by Business

(¥ 100M)

	Revenue	Revenue Breakdown by Business Segment		Cost of Sales	SG&A	Operating Income	Ordinary Income	Operating Margin	Ordinary Margin
Media Business	251	Advertising Others	97% 3%	24	88	137	138	54.9%	55.1%
Business-services Business	198	Advertising Corporate Services Information Listing Services	65% 23% 12%	38	60	99	100	50.3%	50.7%
Consumer Business	268	e-Commerce Related Membership Services Advertising Others	57% 35% 3% 5%	4	88	175	174	65.3%	65.2%

*Please see P. 26 for the product items involved in the revenue of each segment.

Y! Quarterly SG&A Breakdown

(¥ 100M)

	10/1Q	10/4Q	11/1Q	%	QoQ Change	YoY Change
Personnel Expenses	79	75	84	32.2%	12.3%	5.8%
Business Commissions	32	35	35	13.7%	1.1%	11.0%
Sales Promotion Costs	15	23	25	9.8%	7.5%	65.7%
Royalties	20	21	20	7.9%	-5.2%	1.4%
Depreciation Expenses	19	23	20	7.7%	-12.3%	4.1%
Lease and Utility Expenses	15	15	16	6.3%	4.6%	5.2%
Content Provider Fees	16	14	14	5.5%	-2.6%	-11.7%
Communication Charges	22	18	14	5.4%	-25.0%	-37.8%
Sales Commissions	10	12	11	4.2%	-12.3%	5.1%
Administrative and Maintenance Expenses	5	5	5	2.1%	6.3%	6.4%
Advertising Costs	2	11	4	1.5%	-66.2%	62.9%
Taxes and Public Dues	3	3	2	1.1%	-24.0%	-16.6%
Fixtures and Fittings	0	0	1	0.6%	75.1%	148.5%
Compensation	1	0	1	0.5%	44.2%	13.4%
Others	6	-4	3	1.4%	n.a.	-41.8%
SG&A Total	252	260	262	100.0%	0.9%	3.9%

Major factors for YoY changes

Expenses related to maintenance and operations increased

Sales promotion costs for distribution of Yahoo! Toolbar related to search services, costs related to Yahoo! Points, etc. increased

Possession of data centers resulted in streamlined operations

Y! FY2011-1Q Balance Sheets

Major Items	As of 2010/6/30	As of 2011/6/30	Increase/ Decrease	Major Factors for Increase/Decrease	(¥ 100M)
< Assets >					
Current Assets	1,879	2,375	496	Increase in cash from operating activities	
Cash and Deposits	1,032	1,752	720	Accounts Receivable-Others down due to payment by SOFTBANK CORP., related to last fiscal year's revised income tax assessment	
Other Current Assets	474	265	-208		
Fixed Assets	2,168	2,205	36	Downward revision of goodwill of IDC Frontier in accordance with the revised income tax assessment.	
Tangible Fixed Assets	278	300	21		
Intangible Fixed Assets	143	113	-30		
Investment Securities	1,607	424	-1,183	Sales of shares of B.B. Mobile Corp., to SOFTBANK CORP.	
Long-term Receivable - Other	-	1,226	1,226		
Total Assets	4,048	4,580	532		
< Liabilities >					
Current Liabilities	857	654	-203	Additional tax payment made for a revised tax assessment related to the merger with SOFTBANK IDC Solutions Corp. (IDC) in fiscal 2010.	
Accounts Payable-Other	121	139	17		
Accrued Income Taxes	376	133	-242		
Long-term Liabilities	24	26	2		
Total Liabilities	881	680	-200		
<Net Assets>					
Shareholders' Equity	3,125	3,861	736		
Common Stock	75	79	4		
Capital Surplus	26	30	4		
Retained Earnings	3,054	3,807	753		
Accumulated Other Comprehensive Income	12	8	-3		
Minority Interests in Consolidated Subsidiaries	23	22	-0		
Total Net Assets	3,166	3,899	733		
Total Liabilities and Net Assets	4,048	4,580	532		

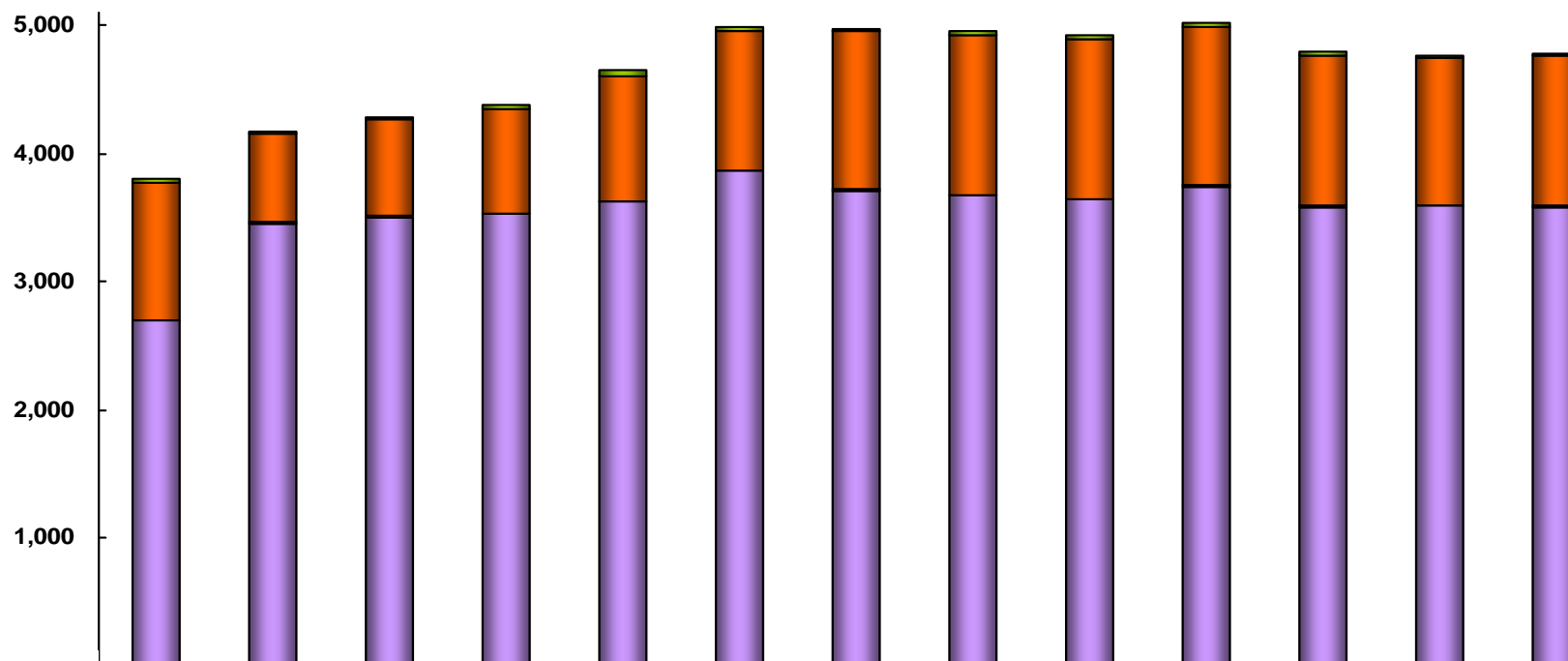
FY2011-1Q Cash Flow Statements

Major Items	FY2011-1Q (Apr.-Jun. 2011)	Major Factors for Changes (¥ 100M)
<u>Operating Activities</u>	<u>80</u>	
Quarterly Net Income before Income Taxes	392	Increase in quarterly net income before income taxes
Depreciation Expenses	23	
Accounts Receivable-Trade	34	
Other Current Assets/Liabilities	-33	
Payment of Income Taxes	-332	
<u>Investing Activities</u>	<u>-30</u>	
Acquisition of Tangible Fixed Assets	-25	Acquisition of servers
Acquisition of Intangible Fixed Assets	-5	
<u>Financing Activities</u>	<u>-184</u>	
Dividends Paid	-184	
<u>Net Change in Cash Flows</u>	<u>-134</u>	

Y! Number of Directors and Employees

(Number of People)

(at the End of Quarter)



	08/6	9	12	09/3	6	9	12	10/3	6	9	12	11/3	6
Directors and Auditors of Subsidiaries	26	25	24	39	31	32	30	30	24	24	17	17	18
Employees of Subsidiaries	685	747	814	977	1,082	1,228	1,249	1,238	1,238	1,177	1,142	1,164	1,176
Directors and Auditors of Yahoo! JAPAN	9	9	9	9	9	9	9	9	9	9	9	9	9
Employees of Yahoo! JAPAN	3,459	3,508	3,532	3,622	3,863	3,712	3,670	3,644	3,743	3,586	3,591	3,584	3,876
Total	4,179	4,289	4,379	4,647	4,985	4,981	4,958	4,921	5,014	4,796	4,759	4,774	5,079

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



Appendix

Listing Advertising Revenue by Industry

Industries with large year on year increase

- Fashion/Accessories
- Information Processing/Software/Internet Information Service
- Interior/Gardening/Reform/DIY

Industries with large year on year decrease

- Finance/Insurance/Securities

	10/1Q	2Q	3Q	4Q	11/1Q
Finance/Insurance/Securities	12.6%	11.4%	10.6%	10.7%	10.4%
Transportation/Leisure	8.0%	10.5%	8.2%	8.2%	7.9%
Department Stores/Mail Order/Shopping Malls	7.4%	6.1%	7.4%	6.8%	7.3%
Cosmetics/Toiletries/Health Foods and Appliances	6.9%	7.1%	7.1%	6.3%	7.1%
Medical, Welfare, Health and Beauty	7.0%	6.9%	6.2%	6.3%	6.9%
Real Estate/Household Equipment	6.1%	6.2%	6.0%	8.0%	6.1%
Information Processing/Software/Internet Information Service	5.1%	4.2%	6.1%	5.9%	5.6%
Education/University	6.1%	6.2%	5.1%	6.1%	5.5%
Fashion/Accessories	3.9%	4.6%	5.0%	4.7%	5.1%
Interior/Gardening/Reform/DIY	3.1%	3.0%	2.9%	2.9%	3.6%
Recruitment Services	3.0%	3.3%	3.1%	4.2%	3.6%
Autos (Transportation Equipment)	2.7%	2.8%	2.9%	3.3%	2.9%
Others	28.1%	27.7%	29.4%	26.6%	28.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Display Advertising Revenue by Industry

Industries with large year on year increase

- Internet Information Service/Email Service
- Cosmetics/Toiletries
- Foodstuffs

Industries with large year on year decrease

- Autos (Transport Equipment)
- Entertainment Related Software
- Beverages/Cigarettes

	10/1Q	2Q	3Q	4Q	11/1Q
Finance/Insurance/Securities	14.9%	16.8%	15.3%	16.1%	14.9%
Cosmetics/Toiletries	8.8%	9.3%	7.9%	6.7%	12.0%
Real Estate/Construction	9.6%	9.3%	8.0%	11.8%	10.3%
Autos (Transport Equipment)	14.0%	13.3%	12.6%	12.8%	9.1%
Transportation/Leisure	8.1%	7.2%	7.4%	7.6%	7.0%
Internet Information Service/Email Service	3.0%	3.7%	5.3%	5.0%	7.0%
Foodstuffs	5.2%	4.5%	5.2%	4.8%	6.9%
Fashion/Accessories	3.8%	3.6%	4.8%	2.8%	4.4%
Beverages/Cigarettes	5.3%	4.1%	3.7%	4.0%	4.2%
Mobile Communications Service	3.4%	3.1%	4.7%	5.7%	3.1%
Home Electronics/AV Equipment	1.6%	1.4%	3.4%	1.2%	2.5%
Computers/Office Equipment	1.6%	2.9%	2.7%	2.8%	2.0%
Others	20.7%	20.8%	19.0%	18.7%	16.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

*The above are classified by content of advertising.

Quarterly Business Data (1)

Indicator (Quarterly average)	FY2010-1Q	FY2011-1Q
Number of Yahoo! JAPAN total monthly page views (millions)	48,043	52,160
Number of monthly mobile phone page views (millions)	7,804	10,115
Number of Yahoo! JAPAN monthly unique browsers (millions)(*1)	217.56	243.90
Number of Yahoo! JAPAN monthly active users IDs (millions)(*2)	24.11	25.72
Number of Yahoo! Premium member IDs (quarter-end)(millions)	7.60	7.72

(*1) Number of browsers that accessed Yahoo! JAPAN services each month

(*2) Number of Yahoo! JAPAN IDs that logged in each month



Quarterly Business Data (2)

Indicator (Quarterly average)	FY2010-1Q	FY2011-1Q
<u>Yahoo! Auctions</u>		
Number of monthly unique browsers (millions)	36.37	39.57
Number of stores (quarter-end)	17,233	17,341
Transaction value (quarterly total)(100 millions of yen)	1,655	1,700
Unit price of winning bid (yen)	4,697	4,879
Winning bid ratio (%)	15	13
<u>Shopping Related</u>		
Number of monthly unique browsers (millions)	35.19	39.26
Number of stores (quarter-end)	17,537	20,355
Transaction value (quarterly total)(100 millions of yen)(*1)	659	717
<u>Yahoo! Auctions + Shopping</u>		
Transaction value (quarterly total)(100 millions of yen)	2,315	2,417
Mobile transaction value (quarterly total)(100 millions of yen)(*2)	409	561

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

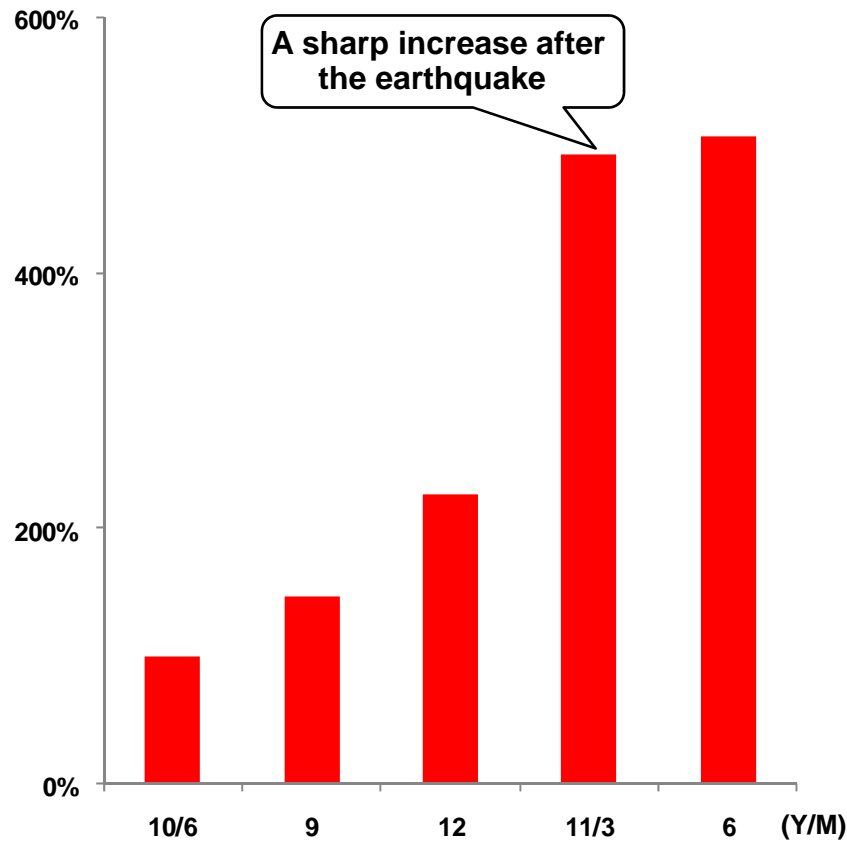
(*2) Previously, transactions were only counted in Yahoo! Auctions mobile transaction value if a final bid was made through a mobile device. However, as of January 1, 2011, the definition was changed to include all bids through mobile devices.

22 Past data has not been retroactively adjusted.



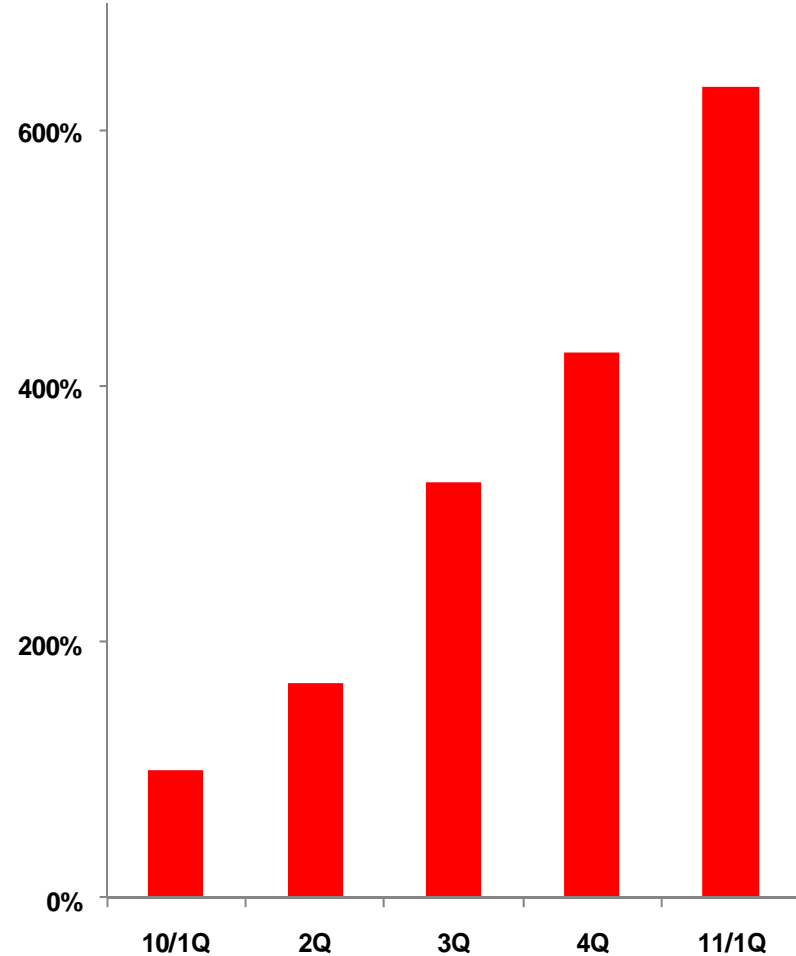
Expanding Usage of Smartphone Services of Yahoo! JAPAN

Page views of smartphone version of Yahoo! JAPAN start page



* June 2010 figure is baseline of 100%
* Some access through Apps not counted

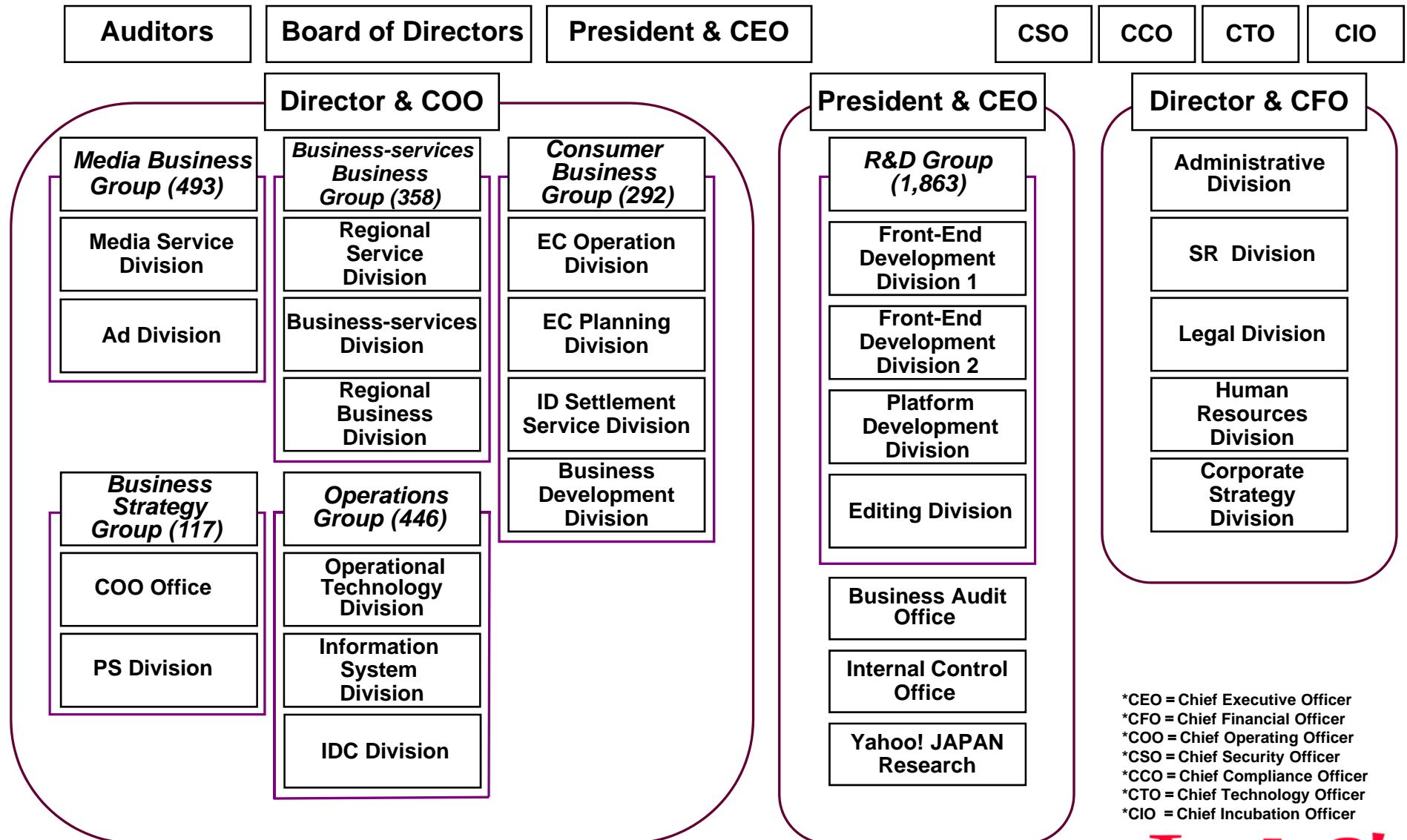
eCommerce transaction value on Yahoo! JAPAN through smartphones



*10/1Q figure is baseline of 100%

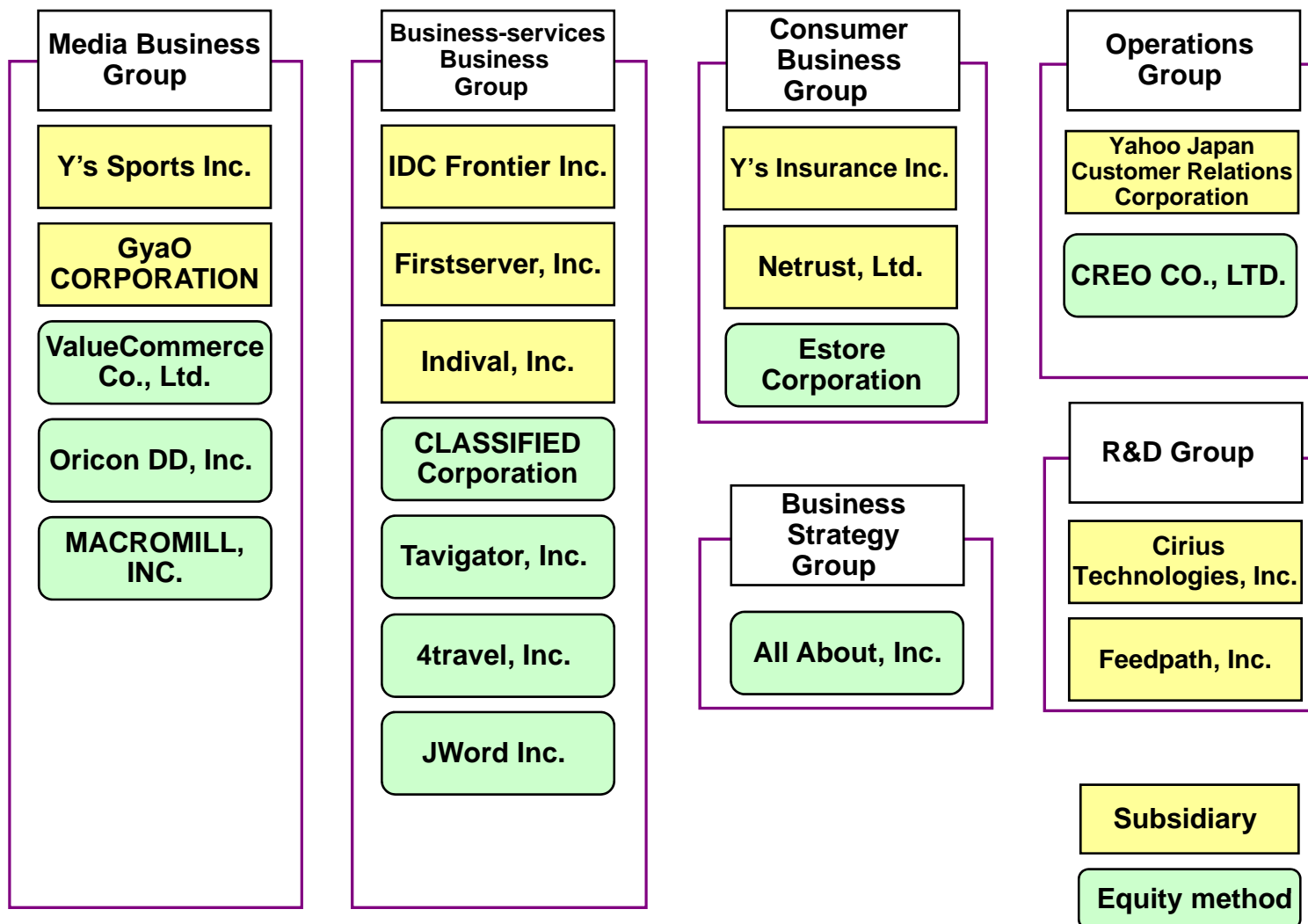


Y! Organization Chart of Yahoo! JAPAN



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

Y! Yahoo! JAPAN Group – Major Companies



Number of Employees (unconsolidated): 3,876
 Number of Employees (consolidated): 5,052
 As of June 30, 2011

Business Segments Breakdown

Main Components

Media Business

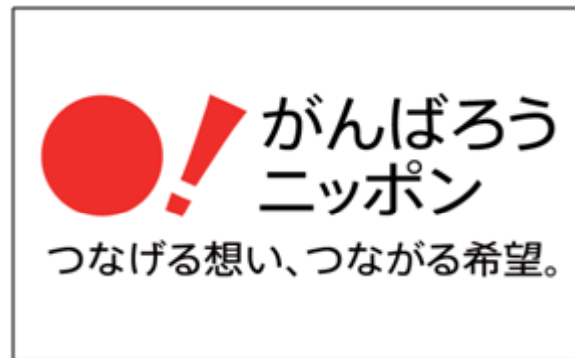
- Advertising: Listing advertising through advertising agencies
Display advertising (banner, text, email, and video advertising)

Business-services Business

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

Consumer Business

- e-Commerce: 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 so on



Yahoo Japan Corporation IR information is available at :

<http://ir.yahoo.co.jp/en/>