



Yahoo Japan Corporation FY2004-2Q Results & First Half Results

(July-Sep./April-Sep., 2004)

Oct. 20, 2004



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.

Yahoo Japan Corporation 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 Interim Period and the Three Months Ended September 30, 2004”.

The Company changed its accounting methods from FY2003. Figures before FY2002 in this document are retroactively adjusted using the new accounting methods introduced from FY2003.



FY2004 2Q Highlights (1)

- Although site access declined during July and August due to the summer holiday period, page views in August did not drop as much as usual thanks to the effect of the Athens Olympics. Expenses rose during the quarter due to the progress with projects that had been postponed in the last quarter because of the high priority placed on the information security measures. In particular, business commission expenses increased due to system development and the depreciation expenses increased due to purchases of servers and other equipment. Net sales increased by 8.1% from the previous quarter and 50.9% year on year, to ¥26,476 million, and operating income increased by 1.8% from the previous quarter and 48.7% from a year earlier, to ¥13,718 million.
- 2Q includes the so-called summer depression, but branding advertising sales were firm thanks to extraordinary demand from the beverage industry and others driven by the hot weather. Sponsor Site sales also were favorable, helped by the closer cooperation with the vendor achieved following the narrowing down of our search result business tie-ups to just Overture. As a result, advertising sales rose 11.6% from the previous quarter and 71.3% year on year, to ¥8,389 million, hitting a record high.
- On September 1, we introduced the Yahoo! Points system, which encourages people to use more of our services on a continuous basis by awarding points for the use of a variety of Yahoo! JAPAN services. The system aims to have customers enjoy point accumulation, to increase the level of customer satisfaction and to develop a long-term relationship with customers to establish a sustainable and stable profit base.



FY2004 2Q Highlights (2)

- The marketing efforts of RECRUIT Co., Ltd., through our tie-up site, Yahoo! Rikunabi, helped related sales record firm growth, contributing to expansion in business services revenues. During the quarter, we also launched Shotworks, a short-term temporary job site formed through a tie-up with RECRUIT, beginning to develop this new market. .
- The Listing Business Division achieved growth in advertising and business services sales, accounting for 24.6% of net sales for the quarter. The division's sales and operating income were the highest among the business divisions.
- In the Auction Business Division, transaction volume was low during July and August, partially because of the traditional summer depression. However, it recovered in September, and the transaction volume of the quarter increased by 2.6% from the previous quarter to ¥139.6 billion. Due to trend toward corporate sellers that used to pretend to be individual sellers officially becoming stores, the number of Auction Stores (corporate) totaled 3,022, up 403 stores, or 15.4%, compared with the end of June 2004. Greater B-to-C share in transaction supported an increase in business services revenues. Larger capacity to settle compensation payment and the addition of more servers and other equipment resulted in a decline in operating income compared with the previous quarter. During the quarter we successfully completed setting up an Internet public auction system in cooperation with the Tokyo Metropolitan Government Bureau of Taxation, the first such system in Japan.



FY2004 2Q Highlights (3)

- The Shopping Business Division continued its emphasis on soliciting more stores to list on its site. As a result, the number of participating stores at the end of September 2004 reached 2,416 stores, up 377 stores, or 18.5%, from the end of June 2004. Yahoo! Travel's sales during the favorable summer vacation reservation period contributed to growth in quarterly transaction of this business division, which rose to ¥18,108 million from ¥16,379 million in the first quarter. Operating income declined because of higher expenses related to the enlargement of sales and support organizations and outsourcing of some operations in preparation for the addition of more stores on the site and because of growth in sales promotion expenses related to the start up campaign for Yahoo! Points.
- During the second quarter, Yahoo Japan Corporation and nine subsidiaries were certified under the Information Securities Management Systems (ISMS) international standard, BS 7799-2:2002, which was developed by the British Standards Institution, and under the Japanese domestic standard ISMS Certification Standards Version 2.0. The Group will continue to strengthen its information securities management measures using third party monitoring under a global standard.
- As an official partner of the Japanese Olympic Committee and the Japan Paralympic Committee, the Company launched the special sites Athens Olympics Special Feature and Athens Paralympics Special Feature. By helping to share the thrill of these games with the public on the Internet the Company contributed to the development of sports culture in Japan.

FY2004 First Half Financial Results

(Consolidated)

Consolidated subsidiaries at the end of FY2004-First Half

**BridalConcierge Corp.
broadcast.com japan k.k.
e-Shopping! Books CORP .
Indival, Inc.
Netrust, Ltd
VACS Corporation
Y's Insurance Inc.**

**BridalNet, Inc.
egg-i.inc
GeoCities Japan Corp.
NETGENE Co., Ltd.
UniCept, Inc.
Y's Agencies Inc.
Y's Sports Inc.**

Affiliated companies (equity method) at the end of FY2004-First Half

**All About, Inc.
Tavigator, Inc.**

INTAGE Interactive Inc.



FY2004 First Half Statements of Income

	FY2004 First Half	FY2003 First Half	Changes
Net Sales (¥ M)	50,972	33,114	54%
Cost of Sales (¥ M)	3,442	2,459	40%
Gross Profit (¥ M)	47,529	30,654	55%
Operating Income (¥ M)	27,189	17,661	54%
Ordinary Income (¥ M)	27,343	17,542	56%
Interim Net Income (¥ M)	16,952	10,452	62%
EPS (¥)	4,397	10,740	-59%
Number of Shares Outstanding (Average of Period)	3,854,965	973,098	296%
EPS After Retroactive Adjustments (¥) *	4,397	2,773	59%
Fully Diluted EPS (¥)	4,382	10,713	-59%
Number of Shares Assuming Full Dilution	3,868,169	975,585	296%
Fully Diluted EPS After Retroactive Adjustments (¥) *	4,382	2,766	58%

* In Nov. 2003 and May 2004, there were 1:2 share splits.

* The retroactive adjusted figures of EPS are adjusted for share splits.

* Number of Shares Outstanding and Number of Shares Assuming Full Dilution excluding treasury stocks.



FY2004 First Half Balance Sheets

(¥M)	9/30/2004	3/31/2004	Increase/ Decrease	Major Reasons for Changes
< Assets >				
Current Assets	68,308	55,726	12,582	Income from operating activities
Cash and Cash Equivalents	50,730	39,643	11,087	
Accounts Receivable-Trade	15,718	12,847	2,870	Increase in sales of Sponsor Site, etc.
Allowance for Doubtful Accounts	-999	-733	-266	
Fixed Assets	31,978	26,683	5,294	Increase in sales receivables for individual and corporate customers
Tangible Fixed Assets	10,442	8,075	2,366	
Investment Securities	10,417	9,194	1,223	IPO of a company invested in and acquisition of an affiliate
Long-term Loans	5,862	5,915	-53	
Total Assets	100,287	82,410	17,877	
< Liabilities >				
Current Liabilities	21,142	19,563	1,579	Increase in operating cost and purchase of servers
Accounts Payable-Other	7,087	4,181	2,905	
Accrued Income Taxes	10,663	11,688	-1,025	
Long-term Liabilities	2,500	2,772	-271	
Total Liabilities	23,643	22,335	1,307	
< Minority Interests in Consolidated Subsidiaries >				
Minority Interests	315	267	47	
< Shareholders' Equity >				
Common Stock	6,503	6,399	103	Exercise of stock options
Additional Paid-in Capital	1,584	1,480	103	
Retained Earnings	63,892	47,066	16,825	Increase in profit
Total Shareholders' Equity	76,328	59,806	16,521	
Total Liabilities, Minority Interests and Shareholders' Equity	100,287	82,410	17,877	



FY2004 First Half Cash Flows

(¥M) Major Items

Apr.-Sep. 2004 Major Reasons of Changes

Operating Activities

17,206

Net Income before Income Taxes

27,889

Increase in net income before income taxes

Depreciation/amortization

1,862

Increase/decrease in Allowance for Doubtful Accounts

303

Gain/loss on sale of Investment Securities

-546

Proceeds from Interest and Dividends

-361

Increase in Accounts Receivable—Trade

-2,769

Increase in sales of Sponsor Site, etc.

Other Receivable/Payable

2,644

Increase in accrued liability

Income Taxes, etc.

-11,605

Investing Activities

-6,076

Purchase of Fixed Assets

-4,298

Purchase of servers, Expansion of office space etc.

Acquisition/sales of Investment Securities

-1,651

Investment in All About Inc.

Guarantee Deposit Assets

-470

Payment of guarantee deposit for new office space

Proceeds from Interest and Dividends

301

Interest based on finance program for Yahoo! BB business

Financing Activities

-42

Proceeds/Redemption of Short-term Loan

-220

Loan and refund by subsidiary

Issuance of New Shares

206

Exercise of stock options

Net Change in Cash Flows

11,087

FY2004-2Q Financial Results

(Consolidated)

Consolidated subsidiaries at the end of FY2004-2Q

BridalConcierge Corp.	BridalNet, Inc.
broadcast.com japan k.k.	egg-i.inc
e-Shopping! Books CORP .	GeoCities Japan Corp.
Indival, Inc.	NETGENE Co., Ltd.
Netrust, Ltd	UniCept, Inc.
VACS Corporation	Y's Agencies Inc.
Y's Insurance Inc.	Y's Sports Inc.

Affiliated companies (equity method) at the end of FY2004-2Q

All About, Inc.	INTAGE Interactive Inc.
Tavigator, Inc.	



FY2004-2Q Statement of Income

	July-Sep. 2004	July-Sep. 2003	Changes
Net Sales (¥ M)	26,476	17,549	51 %
Cost of Sales (¥ M)	1,885	1,257	50 %
Gross Profit (¥ M)	24,591	16,291	51 %
Operating Income (¥ M)	13,718	9,227	49 %
Ordinary Income (¥ M)	13,826	9,285	49 %
Quarterly Net Income (¥ M)	8,641	5,912	46 %
EPS (¥)	2,195	5,890	-63 %
Number of Shares Outstanding (Average of Period)	3,936,860	1,003,768	292 %
EPS After Retroactive Adjustments (¥) *	2,195	1,568	40 %
Fully Diluted EPS (¥)	2,188	5,882	-63 %
Number of Shares Assuming Full Dilution	3,949,452	1,005,018	293 %
Fully Diluted EPS After Retroactive Adjustments(¥)*	2,188	1,566	40 %

* In Nov. 2003 and May 2004, there were 1:2 share splits.

* The retroactive adjusted figures of EPS are adjusted for share splits.

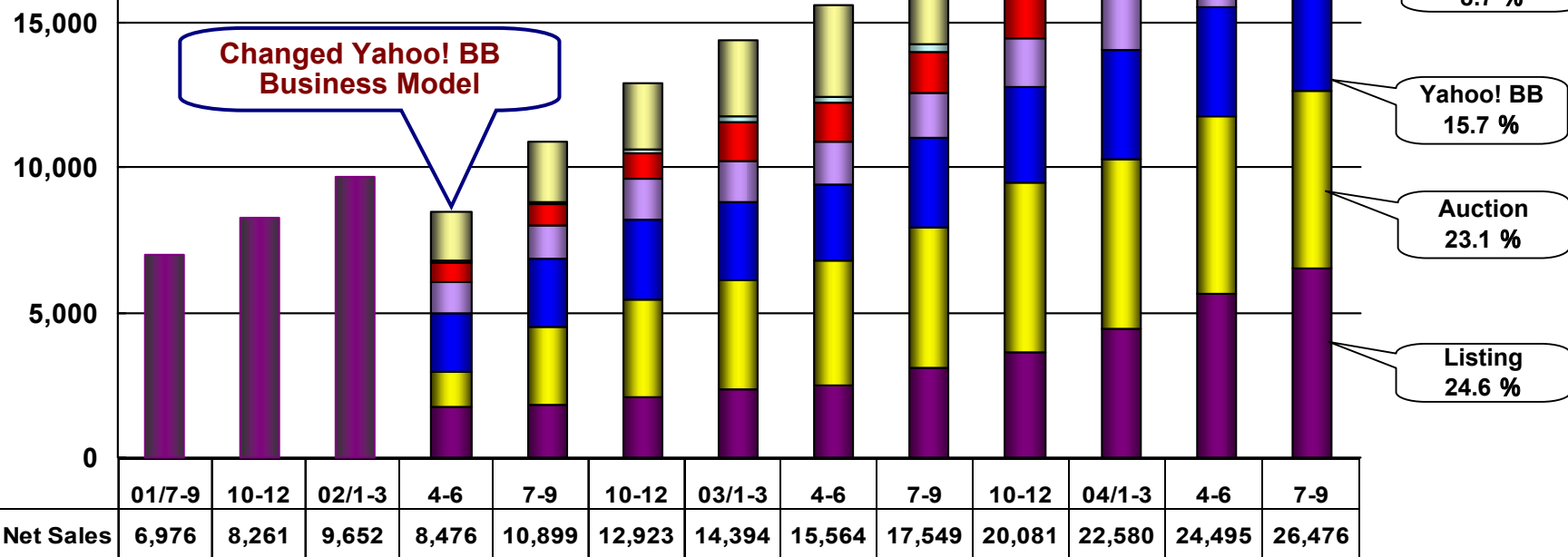
* Number of Shares Outstanding and Number of Shares Assuming Full Dilution excluding treasury stocks.



Quarterly Net Sales

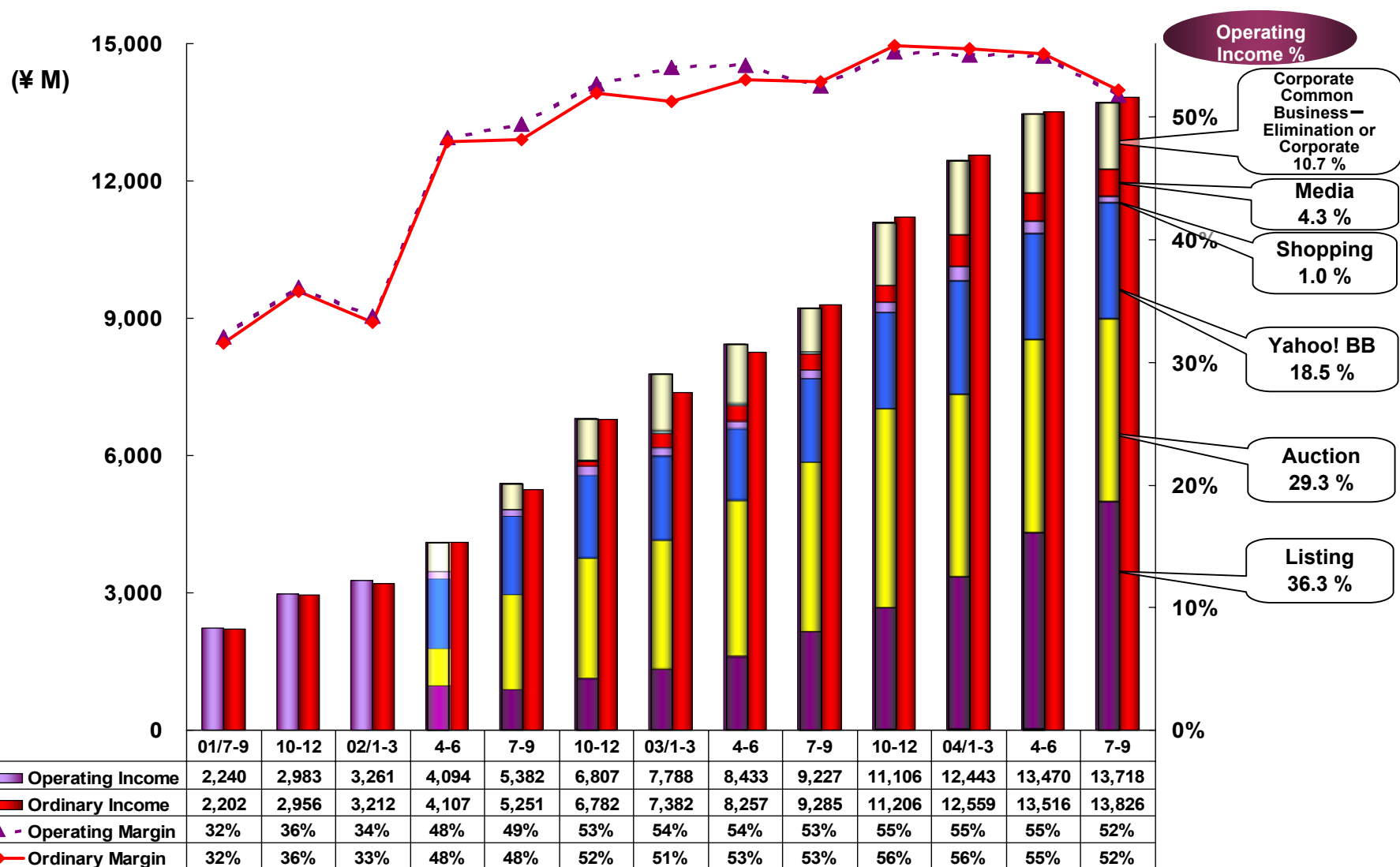
(¥ M) FY 2004-2Q Sales Breakdown

	1Q Sales	2Q Sales	Change
Listing Business Div.	5,637	6,514	15.5%
Auction Business Div.	6,085	6,114	0.5%
Yahoo! BB Business Div.	3,809	4,158	9.1%
Shopping Business Div.	1,994	2,298	15.3%
Media Business Div.	2,053	2,223	8.3%
BS Business Div.	351	398	13.4%
Corporate Common Business - Elimination or Corporate	4,564	4,769	4.5%
Total	24,495	26,476	8.1%





Quarterly Profits





SG&A Breakdown

(¥M)

Main Reason for change on quarterly base

	04/2Q	Share	03/2Q	Annual change	04/1Q	Quarterly change	
Total SG&A	10,872	100.0%	7,064	53.9%	9,468	14.8%	Increase in personnel (+61 people/Q)
Personnel expenses	2,136	19.7%	1,628	31.2%	2,070	3.2%	Temporary employees, settlement operations of personal service sales
Business commissions	1,491	13.7%	838	77.9%	1,269	17.5%	Expansion of data center in order to increase & strengthen computer systems
Communication charges	1,033	9.5%	680	52.0%	840	23.0%	Increase in equipment related to expanded office floor space
Depreciation expenses	1,020	9.4%	684	49.0%	820	24.4%	
Sales commissions	1,012	9.3%	664	52.4%	953	6.2%	
Royalties	682	6.3%	455	49.6%	638	6.9%	Increase in directory search services
Content provider fees	605	5.6%	451	34.1%	526	15.0%	
Lease and utility expenses	533	4.9%	315	69.2%	480	11.0%	Expansion of office space
Sales promotion costs	370	3.4%	364	1.7%	436	-15.0%	Revision of Yahoo! BB subscriber acquisition campaign
Payment commissions	270	2.5%	122	119.9%	245	9.9%	
Compensation payment	230	2.1%	72	219.1%	123	86.3%	Increase of personnel dealing with compensation payment to speed up payment and the expansion of capacity to complete the task
Allowance for doubtful debt accounts	218	2.0%	81	168.6%	104	108.0%	
Advertising costs	208	1.9%	73	184.9%	162	28.4%	Co-sponsorship of events related Olympic games
Others	1,064	9.7%	637	67.5%	802	33.0%	



FY2004-2Q Balance Sheet

(¥M)	9/30/2004	6/30/2004	Increase/ Decrease	Major Reasons for Changes
< Assets >				
Current Assets	68,308	56,796	11,511	
Cash and Cash Equivalents	50,730	40,251	10,479	Income from operating activities
Accounts Receivable-Trade	15,718	14,127	1,590	Increase in sales of Sponsor Site, etc.
Allowance for Doubtful Accounts	-999	-811	-188	Increase in account receivable for individual and corporate customers
Fixed Assets	31,978	29,537	2,441	
Tangible Fixed Assets	10,442	8,903	1,539	Increase in servers, etc.
Investment Securities	10,417	10,689	-271	Decrease due to mark-to-market evaluation of marketable securities
Long-term Loans	5,862	5,889	-26	
Total Assets	100,287	86,333	13,953	
< Liabilities >				
Current Liabilities	21,142	13,523	7,619	
Accounts Payable-Other	7,087	5,236	1,850	Increase in operating cost and purchase of servers
Accrued Income Taxes	10,663	4,948	5,714	
Long-term Liabilities	2,500	3,486	-985	
Total Liabilities	23,643	17,009	6,633	
< Minority Interests in Consolidated Subsidiaries >				
Minority Interests	315	310	5	
< Shareholders' Equity >				
Common Stock	6,503	6,438	65	Exercise of stock options
Additional Paid-in Capital	1,584	1,519	65	
Retained Earnings	63,892	55,250	8,641	Increase in profit
Total Shareholders' Equity	76,328	69,013	7,314	
Total Liabilities, Minority Interests and Shareholders' Equity	100,287	86,333	13,953	



FY2004-2Q Cash Flow Statement

(¥M) Major Items

July-Sep. 2004 Major Reasons for Changes

Operating Activities

14,818

Net Income before Income Taxes

14,103

Increase in net income before income taxes

Depreciation/amortization

1,028

Increase in Allowance for Doubtful Accounts

195

Gain/loss on sales of Investment Securities

-276

Proceeds from Interest and Dividends

-179

Increase in Accounts Receivable—Trade

-1,561

Increase in sales of Sponsor Site, etc.

Other Receivable/Payable

1,331

Increase in accrued liabilities

Payment of Bonuses to Directors

-127

Investing Activities

-4,831

Purchase of Fixed Assets

-2,513

Purchase of servers, Expansion of office space etc.

Acquisition/sales of Investment Securities

-2,002

Investment in All About Inc.

Guarantee Deposit Assets

-485

Payment of guarantee deposit of new office space

Proceeds from Interest and Dividends

152

Interest based on finance program for Yahoo! BB business

Financing Activities

-108

Proceeds/Redemption of Short-term Loan

-220

Loan and refund of subsidiary

Issuance of New Shares

130

Exercise of stock options

Net Change in Cash Flows

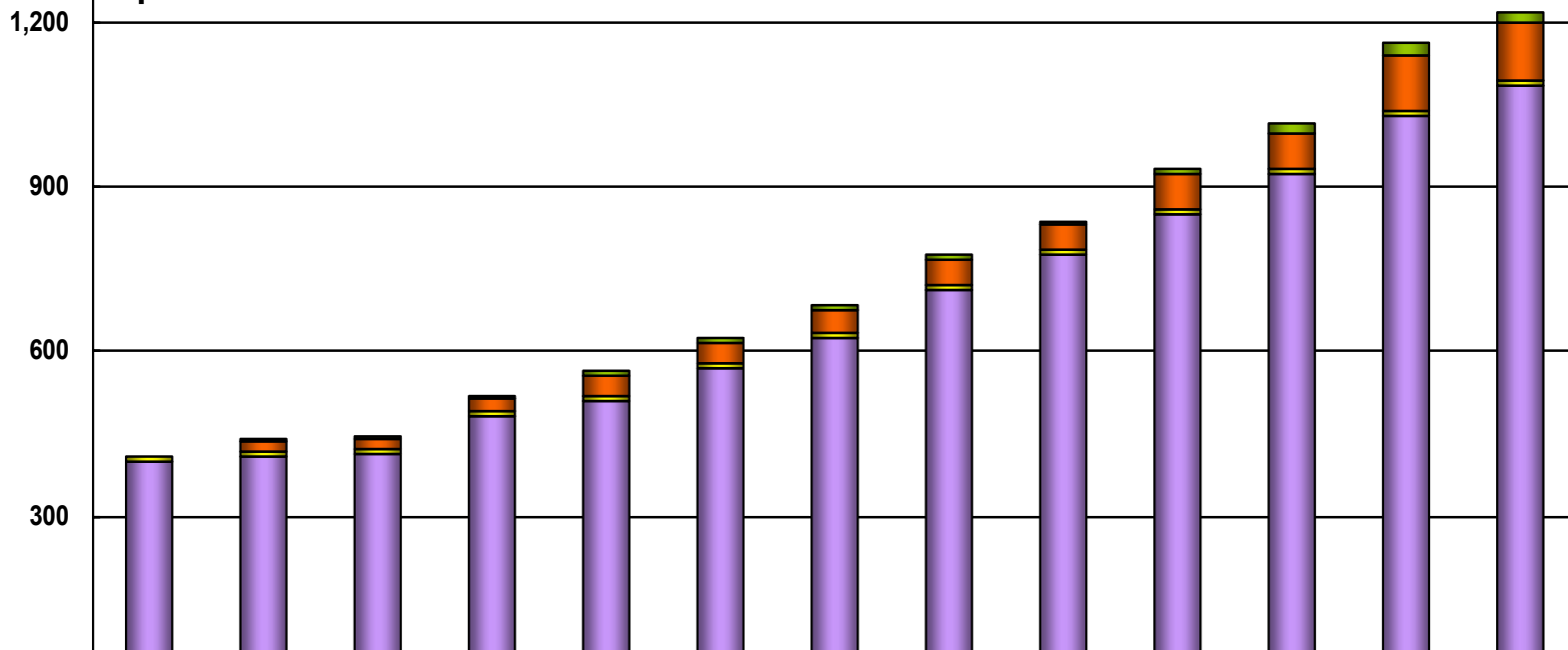
9,879



Number of Directors and Employees

Number of People

(at the End of Quarter)



	Sep-01	Dec	Mar-02	Jun	Sep	Dec	Mar-03	Jun	Sep	Dec	Mar-04	Jun	Sep
Directors of Subsidiaries	-	4	4	6	10	10	9	8	8	12	18	24	19
Employees of Subsidiaries	2	22	17	21	38	37	44	44	45	65	67	101	108
Directors of Y!J	9	9	9	8	8	8	8	9	9	8	8	9	9
Employees of Y!J	399	407	414	484	510	572	625	714	776	850	923	1,029	1,083
Total	410	442	444	519	566	627	686	775	838	935	1,016	1,163	1,219

The above figures are net figures, excluding the duplication of employees and directors with Yahoo Japan Corporation.



Review of FY2004-2Q Business Outlook

Millions of yen

(Consolidated)	FY2004-2Q (Actual)	FY2004-2Q (Projection)
Net Sales	26,476	25,000 ~ 27,000
Ordinary Income	13,826	13,200 ~ 14,700
Net Income	8,641	7,950 ~ 8,850

Ordinary Income was lower than the middle of the projection range due to the increase in allowance for doubtful accounts for individual and corporate customers, compensation for auction, office space expansion, special benefit plan for increasing shareholders, etc., meanwhile the quarterly net income was higher than the middle, due to sales of eBank shares, IT investment related tax reductions, etc.



Strategy on Capex and SG&A

Continuous investment will take place in 3Q, aimed at business development

1. Personnel related investment

Continue to increase personnel (employees, outsourcing, etc). Personnel expenses, business commissions, and lease and utility expenses will increase accordingly.

2. Access expansion readiness

Time spent on Internet and number of PVs will increase along with the greater penetration of broadband in homes. Aggressive investment in order to prepare for the expansion in access.

3. Securities related investment

Continuous focus on security of individual information. Aggressive investment in security issues, such as establishment of data center only for the protection of individual information, and others.

4. e-Commerce related investment

Because the e-Commerce business (including eS! Books and Tavigator) in particular has high growth potential, we have put priority in the expansion of customer base rather than current profitability. Intend to continue investment as long as the loss doesn't balloon rapidly.



FY2004-3Q Business Outlook

Based on the policies written on Slide 19, additional 1.5-2.0 billion yen of SG&A will take place. The following is the business outlook for 3Q:

Millions of yen

As of Oct. 20, 2004 (Consolidated)	FY2004-2Q (Actual)	FY2004-3Q (Projection)
Net Sales	26,476	27,500 ~ 30,000
Ordinary Income	13,826	12,850 ~ 15,050
Net Income	8,641	8,000 ~ 9,300

* 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.



Yahoo! Points

Started Yahoo! Points from Sep. 1, 2004. Encourages customers to use more of our services on a continuous basis by awarding points for the use of a variety of Yahoo! JAPAN services. The system aims to have customers enjoy point accumulation, to increase the level of customer satisfaction and develop a long-term relationship with them.

Award method: 1% of the purchase in Yahoo! Shopping, 1% of the system use fee of Yahoo! Auction, and other point campaigns

Point use: Points can be used in Yahoo! Shopping at the rate of 1 point= ¥1

Validity: 1 year from the final point acquisition date

Cost: Each business division offering points incurs those costs. For the points offered by Yahoo! Shopping, Yahoo! JAPAN will incur 1% of the purchase amount

Accounting: Fully booked in SG&A when points are awarded. Points will expire when no additional points acquired for a year, and the cost will be deleted from SG&A



Review of Operations



Business Divisions of Yahoo! JAPAN

Listing Business Div.

Information listing services, regional information services, and directory search services, including sponsor site services

Auction Business Div.

Provides platform for sales of goods between individuals and for auctions by enterprises, provision of on-line payment system

Yahoo! BB Business Div.

Acquires customers of Yahoo! BB, provides ISP Service, and offers Yahoo! Mail, etc.

Shopping Business Div.

Provides on-line shopping mall with quality stores and variety of products

Media Business Div.

Provides useful information, both free of charge and for fees

**Business Solutions (BS)
Business Div.**

Provides services to enterprises based on the technology and experience of Yahoo! JAPAN

**Corporate Common Business
Elimination or Corporate**

P&L from Ad Sales of Y!J top pages and Premium Member fees are added to the P&L of Headquarters



Listing Business Div.

Both advertising sales and business service sales are favorable

Directory Searches : Offer better search services, revitalize Sponsor Site, improve function as the hub of Yahoo! JAPAN's services.

- * Sponsor Site sales were favorable, helped by the closer cooperation with the vendor achieved following the narrowing down of our search result business tie-ups to just Overture from June 1st, 2004.
- * Started "Direct Search", which links the key word search result directly to Yahoo! JAPAN content

Information Listing Services : Aiming to expand information listing sales, try to introduce the best charging model for each service.

- * The revenue from Yahoo! Rikunabi was favorable, thanks to the marketing efforts of RECRUIT
- * Launched Shotworks, a short-term temporary job site formed through a tie-up with RECRUIT

Regional Information : Diversifying local sales channel, development of targeted ad product.

- * Added "Yahoo! Traffic information" "Yahoo! Coupons" and reinforced the local information

<Measures and Policies>

- Try to improve the Information Listing Services following the collaboration with Recruit on Yahoo! Rikunabi.
- Narrow down our search result business tie-ups to Overture and aim to expand Sponsor Site revenue
- Reinforce local information by adding event information, personalizing the interface, etc.



Auction Business Div.

- Partially because of the traditional summer sale depression, transaction volume was low during July and August, but recovered in September. Business service revenue increased and Personal services revenue declined due to the trend toward B-to-C business generating a larger portion of turnover. The increase in compensation payment for victims of frauds and installation of more servers led to a decrease in operating income compared to the previous quarter.
- Started the full application of postal service verification system of the new sellers. Continued the control of items by patrols.
- Changed the name of “Yahoo! Payment” to “Yahoo! ezPay” and revised the fee system, which resulted in increased usage.
- Held Japan’s first “Internet Open Sales” together with Tokyo Taxation Bureau. The sales were successful with the total amount of winning bids exceeding that of existing off-line open sales.

<Measures and Policies>

- Carry out measures to ensure safety of Yahoo! Auction services from point of view of achieving medium to long-term growth.
- Target increasing transactions with various year-end promotions. Solicit new stores and increase items of existing stores.
- Try to attract existing users’ interest in purchasing at auction site through various campaigns and off-line promotions. Also, carry out off-line promotions to attract beginner users.
- Aim at providing auction facilities to other local governments in addition to Tokyo Taxation Bureau.

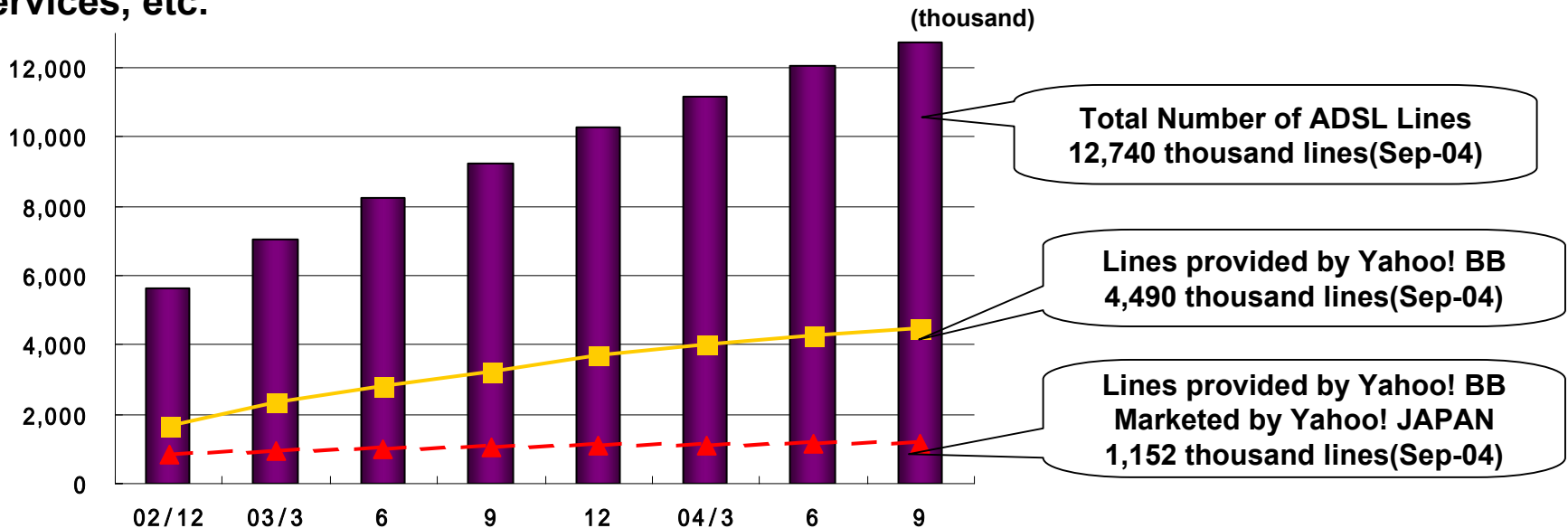


Yahoo! BB Business Div.

- Changed the subscriber acquisition incentive contract with Softbank BB (see slide 27)
- Prepared for an increase the capacity of Yahoo! Mail accounts and expansion of services for existing subscribers. Also, renewed Yahoo! BB portal site and reinforced the service for members.

<Measures and Policies>

- Aim to acquire more subscribers with new products such as Yahoo! BB FTTH, Yahoo! BB 8M *Otoku-line*, etc.
- Expand services for existing members and improve the value of Yahoo! BB members by increasing the capacity of Yahoo! Mail and GeoCities, or adopting new versions of services, etc.



Source: Ministry of Public Management, Home Affairs, Posts and Telecommunications/ Yahoo! JAPAN



Yahoo! BB – Change of Incentive Contract

Changed the Yahoo! BB subscriber acquisition contract between Yahoo! JAPAN and Softbank BB, in order to have a same level of incentive with other marketing partners of SBB.

Contract term : Apr. 2004 – Mar. 2005 (Automatic renewal on a yearly base)

Acquisition incentives: Yahoo! BB basic service : over JPY11,000

Continuation incentives: Yahoo! BB basic service : over JPY150/month



Acquisition incentives: Yahoo! BB basic service: Approx. JPY15,000

Yahoo! BB basic service +wireless LAN Approx. JPY 20,000

Continuation incentives: Yahoo! BB basic service: Approx. JPY 200/month

Yahoo! BB basic service +wireless LAN: Approx. JPY250/month

*** Terminated the bonus incentives for each 100 thousand lines.**

Revision of 1Q incentive revenue was revised with the change of this contract. In order to adjust it, approx. 100 million yen of sales was booked in 2Q P/L.



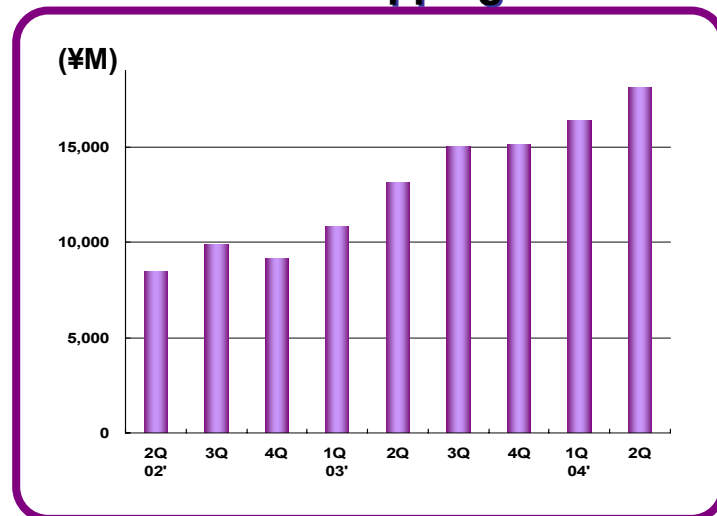
Shopping Business Div.

- **Yahoo! Shopping** : Improved the convenience and advantages for the purchasers by introducing Yahoo! Points and revising interface, etc. Number of stores and quarterly transaction volume increased. In order to obtain more stores, some tasks were outsourced. Strengthened sales force and store support teams and held Yahoo! Points campaign, which led to an increase in SG&A. Operating income decreased.
- **Book sales** : Renewed the site design and improved content to increase convenience for users.
- **Travel** : Held Yahoo! Points campaigns, domestic travel feature, etc. to meet demand for summer vacation.
- **Ticket** : Collaborated with PIA and started Yahoo! Tickets. Aim to expand on-line ticket sales.

<Measures and Policies>

- * Collaborate with agencies to obtain more stores. Also, aim to expand transaction with Yahoo! Points.
- * For book sales, continuously renew the site design and add more value. Also, strengthen the linkage with other properties.
- * **Yahoo! Travel**: improve Yahoo! Business Travel and increase the frequency of use by clients, in order to raise awareness and usage of Yahoo! Travel.
- * **Yahoo! Tickets**: Increase the variety of tickets.

Turnover from Shopping Business



Turnover from Shopping Business includes turnover from Yahoo! Travel and eS! Books





Media Business Div.

- Launched the special sites “Athens Olympics Special Feature” and “Athens Paralympics Special Feature”, which drew a lot of attention and were given high marks.
- Although ad sales increased despite summer depression, thanks to some extraordinary demand caused by the heat wave, expenses to expand services increased and operating income decreased.
- Paid content sales for Yahoo! Finance VIP Club and Yahoo! Fortune Telling were favorable.

<Measures and Policies>

- Provide useful services and content, and increase page views and unique users, to boost media power.
- Develop appealing ad products with Ad Div. and increase ad revenue.
- Increase paid content and establish a model of paid content, to increase personal service sales.
- Started service of Y’s Insurance on Oct. 6th. Develop services to get Yahoo! JAPAN users accustomed to purchasing on-line insurance. Aim to enlarge the market for on-line insurance.



Business Solutions (BS) Business Div.

Additional investment made to develop Yahoo! Research. Strengthen marketing activities and aim to expand sales scale

Yahoo! Research

- * Strengthened the marketing activities by Business Sales Dept.**
- * Enlarged Research Monitor base. Added monitors in age range of 10s and 50s, which previously were insufficient.**

Yahoo! Portal Solutions

- * Strengthened sales activities aiming at acquisition of large customers. Received order from a large company in 2Q, whose portal site will be made public in 3Q**

Yahoo! Domain / WebHosting

- * Collaborated with Yahoo! BB Business Div. and started My Name address acquisition service. Gained more applications by promotions to add more functions.**

<Measures and Policies>

- Yahoo! Research: meet customer needs by introducing new systems and developing new products**
- Yahoo! Portal Solutions: expand sales channel with the collaboration of Hitachi, Ltd.**
- Yahoo! Domain/Yahoo! WebHosting: collaborate with Small Business Service Dept. of Yahoo! Inc. to develop new services**



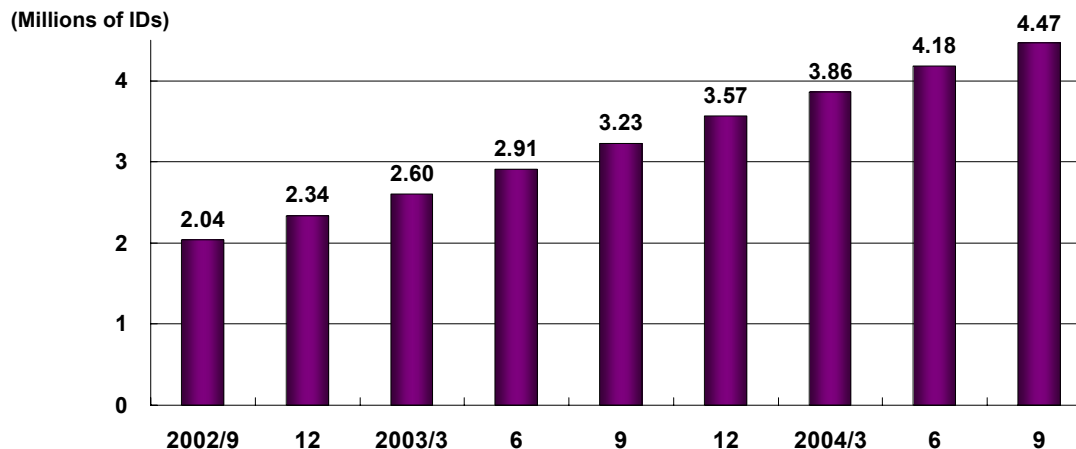
Corporate Common Business – Premium Member Trend

Premium members increased stably to 4.47 million IDs
(end of Sept. 2004, 0.29 million increase per quarter)

Aim to increase Premium members by cross selling with Yahoo! BB subscribers
(Campaign to waive Premium membership fee for 4 months at maximum)
Start CRM activities

Acquire Premium members and promote the continuous use by offering member-only services (Special offer of Yahoo! Points, Olympic campaign, special mortgage rate, member-only bargain, member only comic package, etc.)

Number of Premium Members (As of the end of each month)



* Paying Users for Personal Identification are now included in Premium Members.



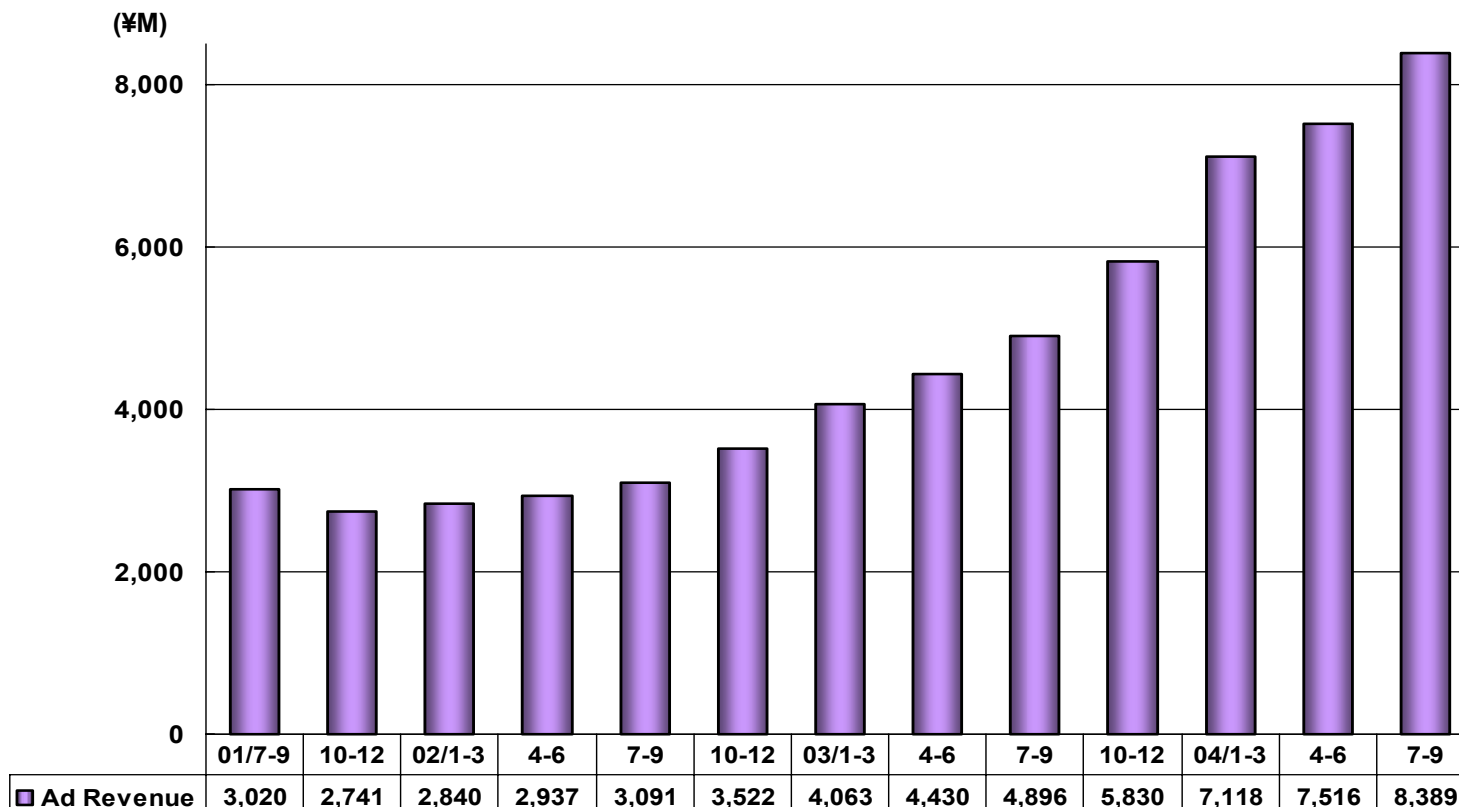
Advertising Revenue

TM



Advertising Revenue

Sponsor Site sales were favorable, helped by the closer cooperation with the vendor achieved following the narrowing down of our search result business tie-ups to just Overture. Sales of advertising experienced the so-called summer depression, but branding advertising sales were firm thanks to extraordinary demand from the beverage industry and others driven by the hot weather.



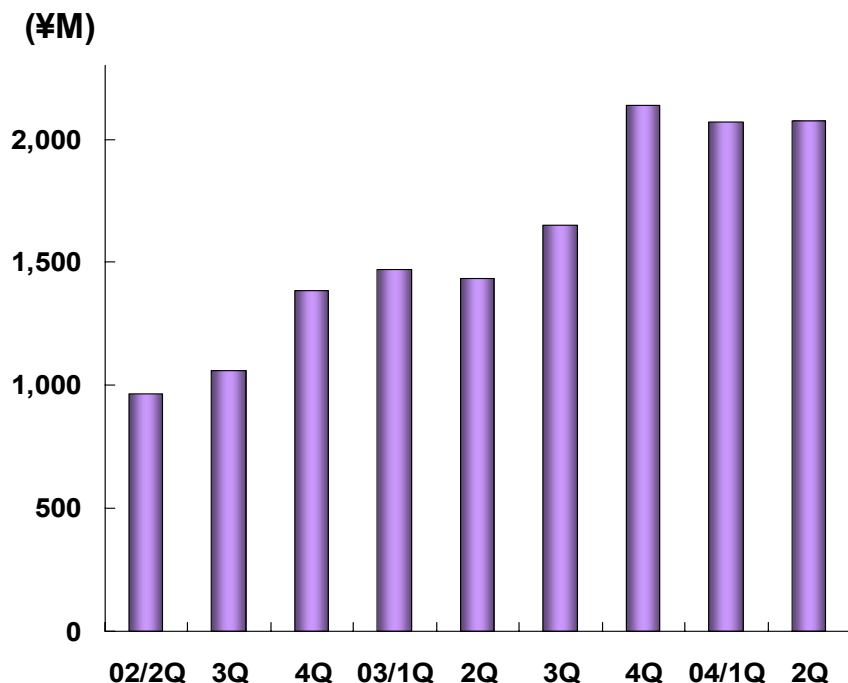
- Figures after Oct.-Dec. 2001 are on a consolidated basis.
- The above figures include revenue from Sponsor Site.



National Client Trends

Although branding ad sales increased, several national clients decreased their Internet ad exposure for specific reasons, and the total revenue from national clients was flat

Sales for National Clients: ¥ 2,071 M (04-1Q) ¥2,074 M (04-2Q)



National Clients

- Nikkei Advertising Research Institute: Top 100 companies in advertising expenditure (2002)
- Video Research TV Ad Statistics: Top 100 (East) and Top 50(West) companies in advertising (2003)
- MRS: Top 100 companies in advertising expenditure in newspapers and magazines (2003)

Yahoo! JAPAN defined the above companies and political parties and public offices as national clients. The figures of national clients for each period also include major target companies of the period.

•The above figures don't include revenue from Sponsor Site.



Advertising Sales by Industry

Industries with large increases in ad spending

Autos (Transport Equipment)
Software for entertainment
Real Estate/Construction

Industries with large increase in rate of ad spending (*)

Software for entertainment
Autos (Transport Equipment)
Transportation/Leisure

	2003-2Q	3Q	4Q	2004-1Q	2Q
Finance/Insurance/Securities	22.3%	21.9%	21.2%	23.0%	19.9%
Recruitment Services	12.9%	13.0%	11.5%	10.8%	9.9%
Autos (Transport Equipment)	5.4%	5.2%	4.7%	6.2%	9.1%
Real Estate/Construction	5.3%	4.8%	6.5%	6.3%	7.2%
Correspondence sales	6.9%	5.9%	5.6%	5.3%	5.3%
Transportation/Leisure	5.6%	3.9%	4.5%	3.9%	4.8%
Computers/Office Equipment	9.4%	9.2%	7.1%	7.8%	4.7%
Internet Information Site/Mail Service	5.3%	5.3%	4.2%	4.2%	4.5%
Drinks/Amenities	0.3%	1.9%	3.2%	3.6%	4.1%
Cosmetics/Toiletry	1.6%	2.3%	2.7%	3.5%	4.1%
Educational Service/Universities, etc.	5.4%	4.3%	4.5%	3.3%	3.7%
Software for entertainment	0.7%	1.1%	1.9%	1.4%	2.6%
Matrimonial and Bridal agencies	2.6%	2.8%	3.3%	2.8%	2.3%
Esthetic/Beauty	2.5%	2.5%	1.9%	2.4%	1.9%
Others	13.8%	15.9%	17.2%	15.5%	15.9%

- The above figures don't include revenue from Sponsor Site.
- (*) In the order of increasing rate excluding the industries in "Others".

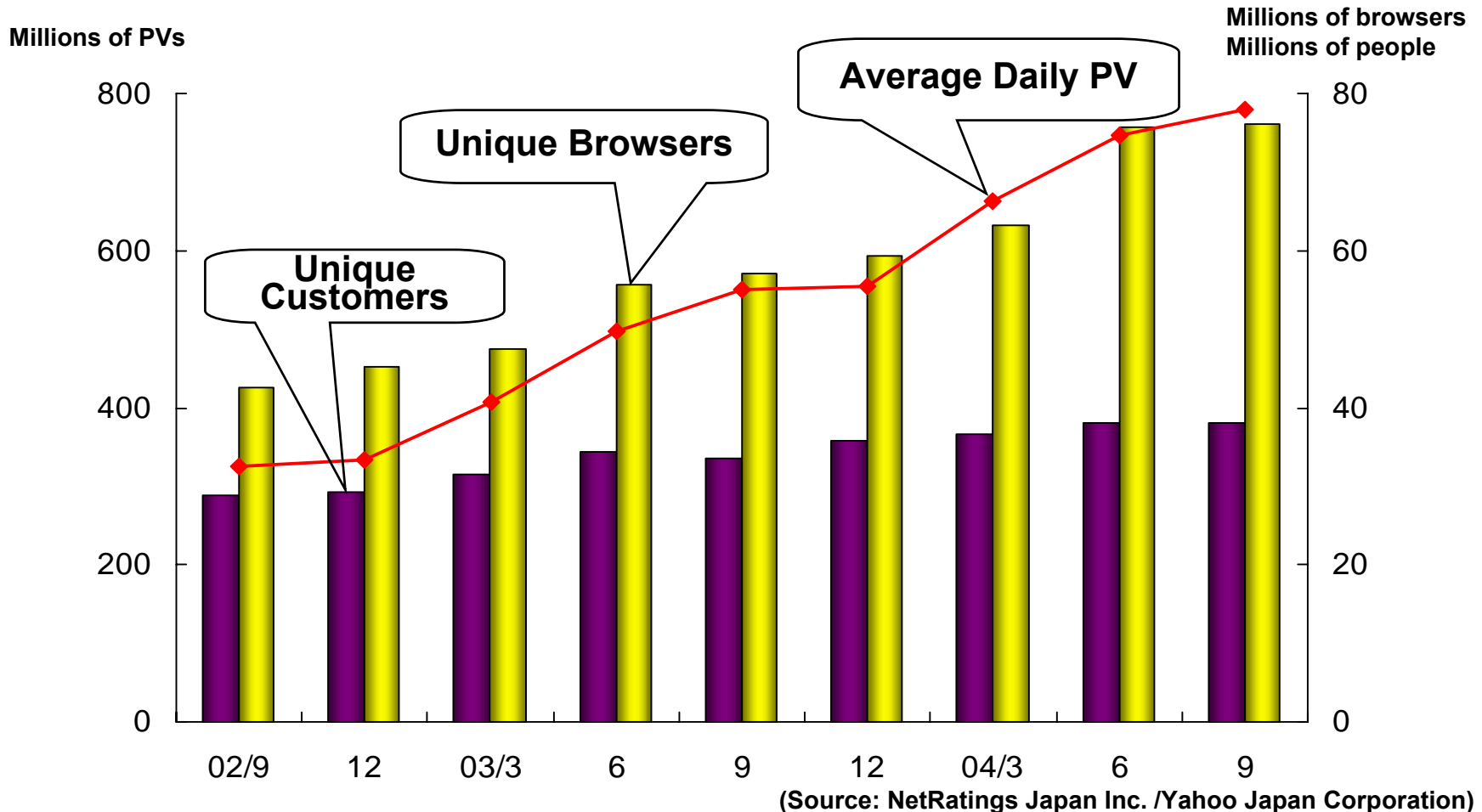


Appendix





Number of Page View and Unique Users

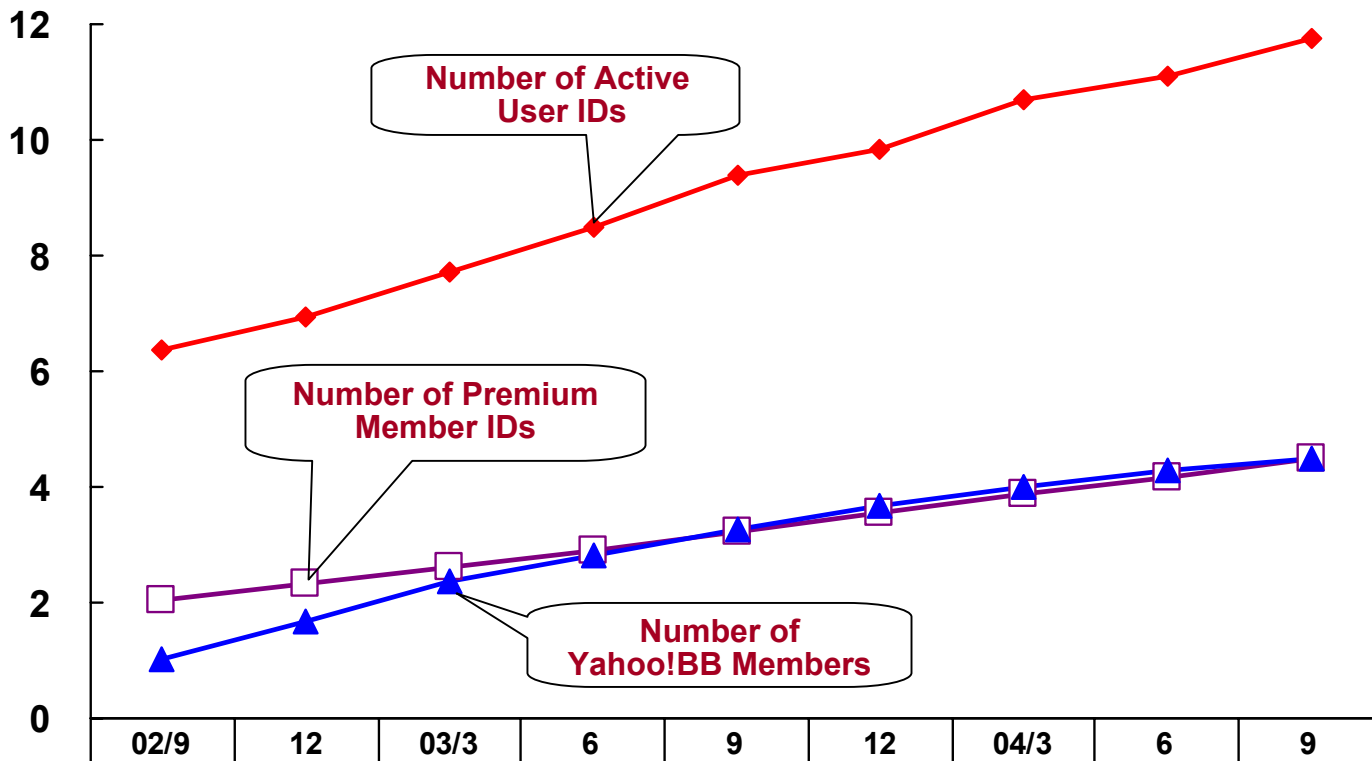


- The Number of Unique Browsers is the total number of unique browsers accessing our services.
- The Number of unique customers (unit: person) is compiled using the duplication rate of access by people from home and work from the Internet Survey of NetRatings Japan, Inc. based on the data of Nielsen/NetRatings (NetView AMS JP) regarding access by individuals from home and work.



Number of Yahoo! JAPAN Users

(Millions of IDs and lines)

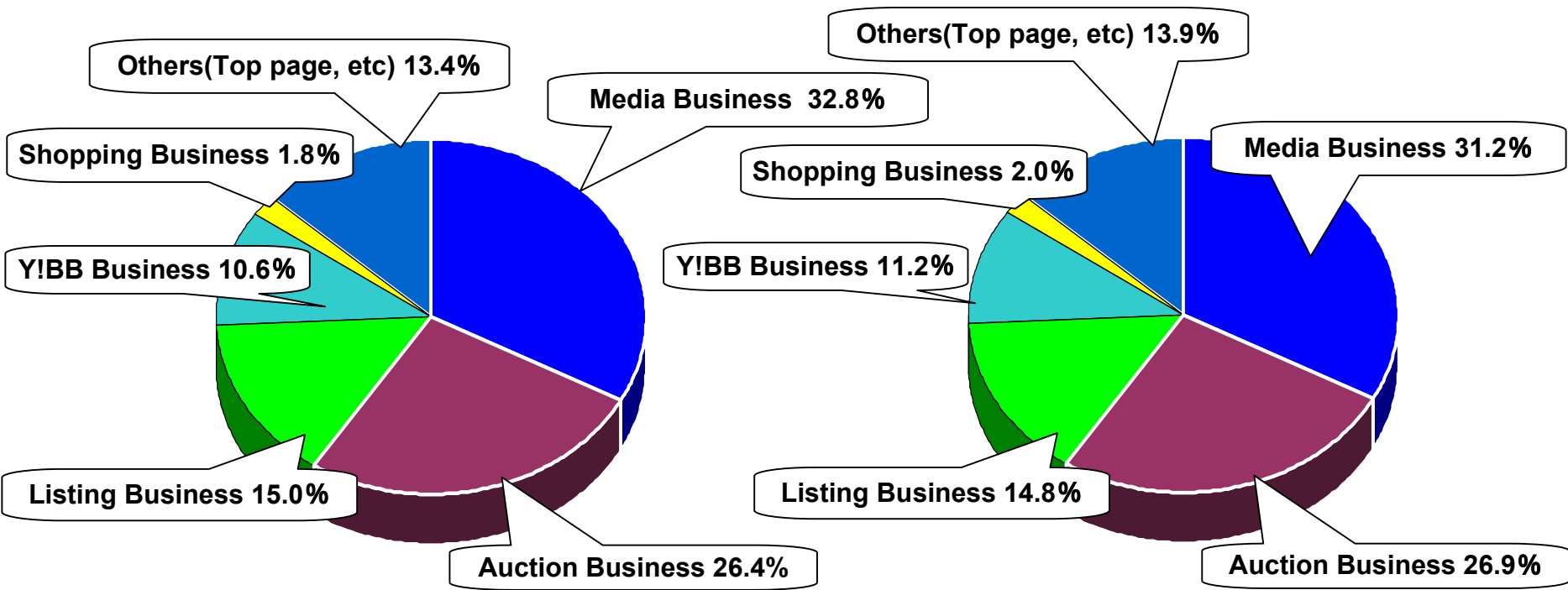


	02/9	12	03/3	6	9	12	04/3	6	9
◆ Active User IDs	6.35	6.92	7.70	8.50	9.38	9.85	10.69	11.12	11.76
□ Premium Member IDs	2.04	2.34	2.60	2.91	3.23	3.57	3.86	4.18	4.47
▲ Yahoo! BB Members	1.01	1.69	2.36	2.82	3.25	3.69	4.00	4.28	4.49

* Number of Active User IDs= Number of Yahoo! JAPAN IDs, which logged in each month.



Monthly Page Views by Business Division (consolidated)

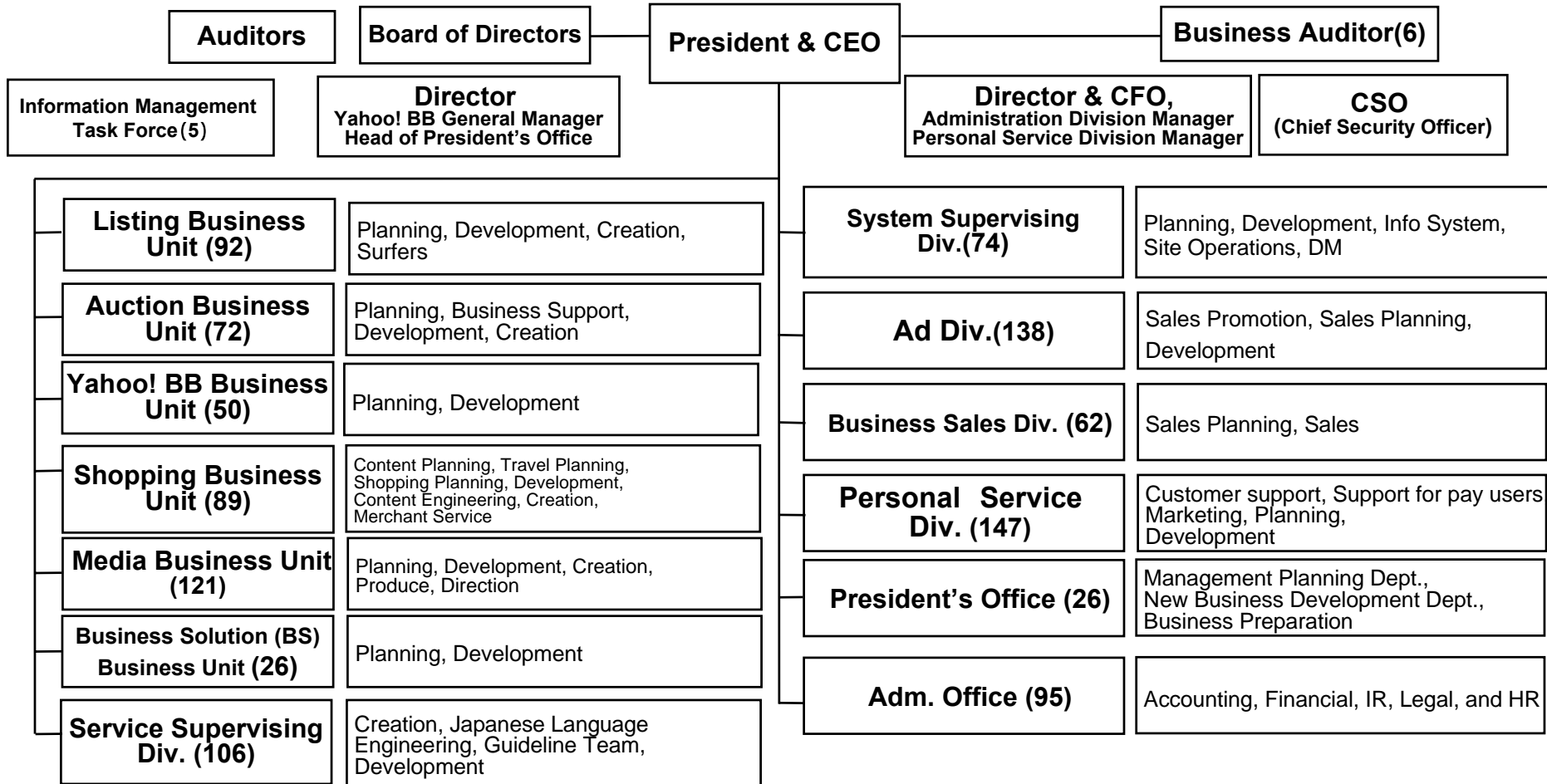


Total 22.41B PV
Jun. 2004

Total 23.42B PV
Sep. 2004



Organization Chart



Total : 1,110 people (Oct. 1, 2004)

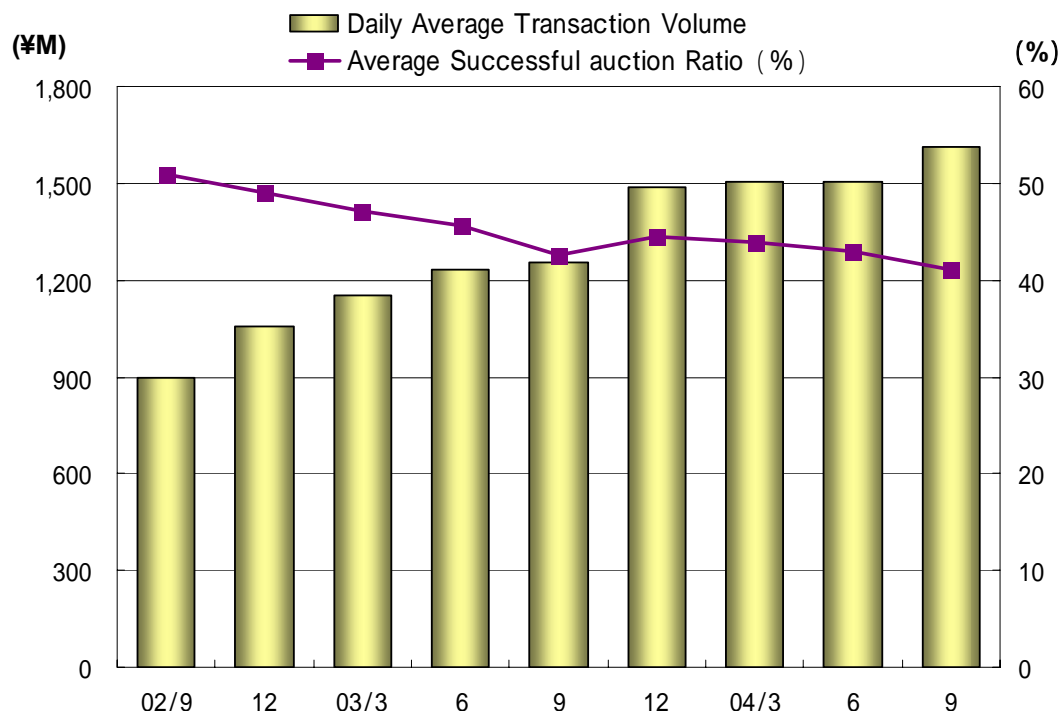


Auction Business Data

Sep. 2004 Auction Data

Total Listed Items (average)	6.65 million items	Daily Average New Listings	541 thousand items
Daily Average Transaction Volume(*)	¥ 1.61 billion	Average Closing Price	¥6,028
Average Successful Auction Ratio	41%	Number of Unique Browsers	18.69 million browsers
Number of Stores (month end)	3,022 stores		

(*) Daily average transaction volume does not include cancellations or adjustments.



* During a free listing campaign, the average ratio of successful auctions per day is calculated excluding the average ratio on the final day of the campaign.



FY2004-2Q Major Clients

Finance/Insurance/Securities

ORIX Credit
Tokyo-Mitsubishi Cash One

Recruitment Services

en-japan
STAFF SERVICE GROUP

Autos

Honda Motor
Nissan Motor
Toyota Motors

Real Estate/Construction

Recruit
Recruit Cosmos

Correspondence sales

Amazon.co.jp

Transportation/Leisure

All Nippon Airways
Japan Airlines International
WOWOW

Computers/Office Equipment

Dell
Hewlett-Packard Japan
NEC Corp.

Internet Information Site/Mail Service

carview
WebCrew

Drinks/Amenities

Asahi Breweries
Coca-cola(Japan)
Kirin Brewery

Cosmetics/Toiletry

Kao
Orbis
Shiseido
The Procter & Gamble (P&G)

Educational Service/Universities, etc.

NIS(NOVA)
TAC

•The above are the major clients of Yahoo! JAPAN's advertising sales excluding Sponsor Site.



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