



Yahoo Japan Corporation

FY2006-1Q Results

(For the quarter ended June 30, 2006)

July 21, 2006



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 the Three Months ended June 30, 2006.”

The Company reclassified its business segments from FY2006-1Q into the advertising business, business services business, personal services business, and elimination or corporate, in contrast to the classification of six business divisions and corporate common business - elimination or corporate used prior to FY2006-1Q. Yahoo Japan Corporation cautions readers that comparison to figures of the past is only for your reference.



FY2006-1Q Highlights (1)

(Apr. 2006 – Jun. 2006)

- **Net sales rose 4.7% from the previous quarter and 26.7% year on year, to ¥49.2 billion. Operating income was ¥23.9 billion, increasing 1.7% from the previous quarter and 30.3% from a year earlier. Ordinary income amounted to ¥22.9 billion, remaining the same level as in the previous quarter, but rising 28.8% year on year.**
- **Overall advertising business sales growth was lower than expected in the first quarter. The seasonal effects of the start of the new fiscal year and the Golden Week holidays affected our advertising sales. Also, the slow down in business sentiment and advertising restraint, including Internet advertising, being practiced by some companies had a negative impact on sales. Under these circumstances, in an effort to promote branding advertising, we strengthened the development of various types of advertising products reflecting advertisers' needs. The Group also actively proposed highly creative advertising campaigns using advertising linked to TV and magazine advertising. In addition, Vodafone K.K. (SOFTBANK MOBILE Corp.) ran advertising campaign along with the release of new models. As a results, advertising sales to National Clients posted firm growth. Sponsor Site sales were flat in the first quarter compared with the previous quarter because of the seasonal downturn in the market. As a result, the sales of advertising business were rising 3.4% from the previous quarter and 50.8% year on year, to ¥21.2 billion.**
- **In the Group's business services business, the sales of Yahoo! Rikunabi were relatively low compared with the previous quarter because of the end to annual corporate recruiting campaigns, but were still up substantially year on year. As a result, revenues from information listing fees were firm. Tenant fees and sales commissions for Yahoo! Auctions and Yahoo! Shopping rose in line with growth in registered merchant stores. The number of merchant stores registered on these sites totaled 19,676 at the end of the quarter, increasing 3,353 stores, or 20.5% from the end of previous quarter and 9,939 stores or 102.1% up from the end of the same quarter in the previous fiscal year. Consequently, the sales of business services business grew 2.7% from the previous quarter and 42.9% year on year, to ¥10.7 billion.**



FY2006-1Q Highlights (2)

(Apr. 2006 – Jun. 2006)

- In the Group's personal services business, despite an increase of the system-use fees for transactions to 5% from 3%, there was no large decline in use, and revenues from system-use fees increased favorably. With the goal of acquiring new users, we changed the qualifications for participation in Yahoo! Auctions, and ran various promotions in the first quarter. Although these efforts demonstrated some positive results, such as the daily number of items listed topping the 10 million mark for the first time, some of our planned measures were late in getting started, preventing us from reaching our targeted growth in transaction volume. The number of Yahoo! Premium member IDs rose to 6.35 million at the end of June, up 0.2 million IDs or 3.2% from the end of the previous quarter, supporting firm growth in Yahoo! Premium revenue. Yahoo! BB's ISP revenue also advanced during the quarter. Overall, personal services business sales increased 7.6% from the previous quarter and 20.1% from a year earlier, to ¥17.2 billion.
- As described previously, the sales of advertising business did not meet the expectations of the Group during the first quarter. Also, the measures to acquire new Yahoo! Auctions users, such as the change in the qualifications for participation and the promotional campaigns, did not pushed up the Yahoo! Auctions transaction volume at the anticipated speed. Therefore, net sales fell below the range of our business outlook. Thanks to efforts to slow the growth of the overall business expenses, however, profits were within the range.



FY2006-1Q Highlights (3)

(Apr. 2006 – Jun. 2006)

- Based on an agreement in the mobile communications business alliance reached with SOFTBANK CORP., the Company invested ¥120.0 billion in the business through the purchase of preferred shares and share acquisition rights of BB Mobile Corp. a subsidiary of SOFTBANK. The Company raised ¥80 billion through a syndicated loan arranged by Mizuho Corporate Bank, Ltd.
- In May 2006, the Company agreed to form a comprehensive business alliance with JR East (East Japan Railway Company) and began preparations to offer users more convenient services, such as settlement method for Yahoo! JAPAN services using JR East's mobile Suica. In June 2006, the Company also concluded a business and capital alliance agreement with the Sumitomo Mitsui Banking Corporation (SMBC) Group. As the first step in the agreement, the partners will introduce a new service that boosts the convenience of settlements between users of Yahoo! Auctions. The partners plan to introduce the new service in November 2006.
- The total page views of the official 2006 FIFA World Cup™ site operated by the Group up to July 10, 2006 (Japan time), the last day of the event, surpassed 1 billion page views. Moreover, the Japanese version official mobile 2006 FIFA World Cup™ site recorded the highest page views among other official mobile site operated in 9 languages of the world.

FY2006-1Q Financial Results

(Consolidated)

•Major consolidated subsidiaries at the end of FY2006-1Q

- ◆ ALPS MAPPING K.K.
- ◆ BT Laboratories Corporation **NEW!**
- ◆ Indival, Inc.
- ◆ NETGENE Co., Ltd.
- ◆ Netrust, Ltd.
- ◆ Tricle Inc.
- ◆ VACS Corporation
- ◆ Y's Insurance Inc.
- ◆ BridalNet, Inc.
- ◆ Firstserver, Inc.
- ◆ INFO PLANT CO., LTD.
- ◆ NETGENE SOLUTIONS CO., LTD.
- ◆ NewsWatch, Inc.
- ◆ UniCept, Inc.
- ◆ Y's Agencies Inc.
- ◆ Y's Sports Inc.

•Affiliated companies (equity method) at the end of FY2006-1Q

- ◆ All About, Inc.
- ◆ FashionWalker, Inc.
- ◆ JWord Inc.
- ◆ Tavigator, Inc.
- ◆ ValueCommerce Co., Ltd.
- ◆ CREO. CO., LTD.
- ◆ INTAGE Interactive Inc.
- ◆ Seven and Y Corp.
- ◆ TV Bank Corporation
- ◆ YUME NO MACHI SOUZOUINKAI CO., LTD.

- From FY2006-1Q, the Company removed from consolidation companies not necessary for rational evaluation of the Group's financial position and performance or currently inactive.

Examples: BridalConcierge Corp., broadcast.com japan k.k., CURIOCITY CORP., GeoCities Japan Corporation, Surfmonkey Asia Inc., etc.



FY2006-1Q Statement of Income

	FY2006-1Q (Apr. - Jun. 2006)	FY2005-1Q (Apr. - Jun. 2005)	Changes
Net Sales (¥100M)	492	388	27 %
Cost of Sales (¥100M)	20	34	-42 % (1)
Gross Profit (¥100M)	472	353	33 %
Operating Income (¥100M)	239	184	30 %
Ordinary Income (¥100M)	229	178	29 %
Quarterly Net Income (¥100M)	132	103	28 %
EPS (¥)	218	682	-68 %
Number of Shares Outstanding (Average of Period)	60,453,036	15,100,701	300 %
EPS After Retroactive Adjustments (¥)	218	170	28 % (2)
Fully Diluted EPS (¥)	217	680	-68 %
Number of Shares Assuming Full Dilution	60,582,756	15,141,636	300 %
Fully Diluted EPS After Retroactive Adjustments (¥)	217	170	28 % (2)

- Notes:
- * (1) Cost of sales decreased because former consolidated subsidiary Seven and Y Corp. became a company accounted for by the equity method in February 2006.
 - * (2) The retroactive adjusted figures of EPS are adjusted for 1:2 share splits in Nov. 2005 and April 2006.
 - * Number of Shares Outstanding and Number of Shares Assuming Full Dilution are excluding treasury stocks.



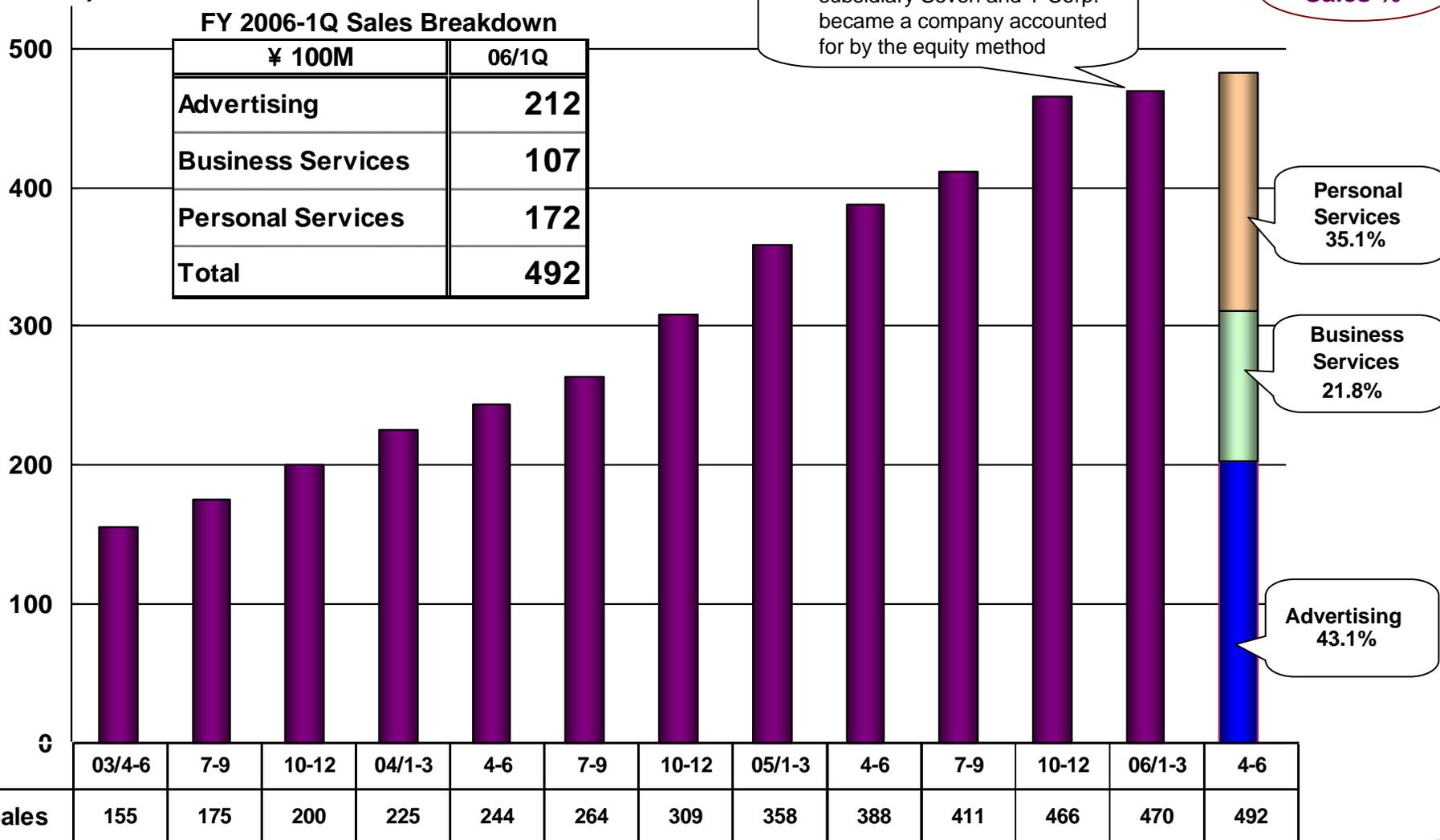
Quarterly Net Sales

(¥ 100M)

¥ 100M	06/1Q
Advertising	212
Business Services	107
Personal Services	172
Total	492

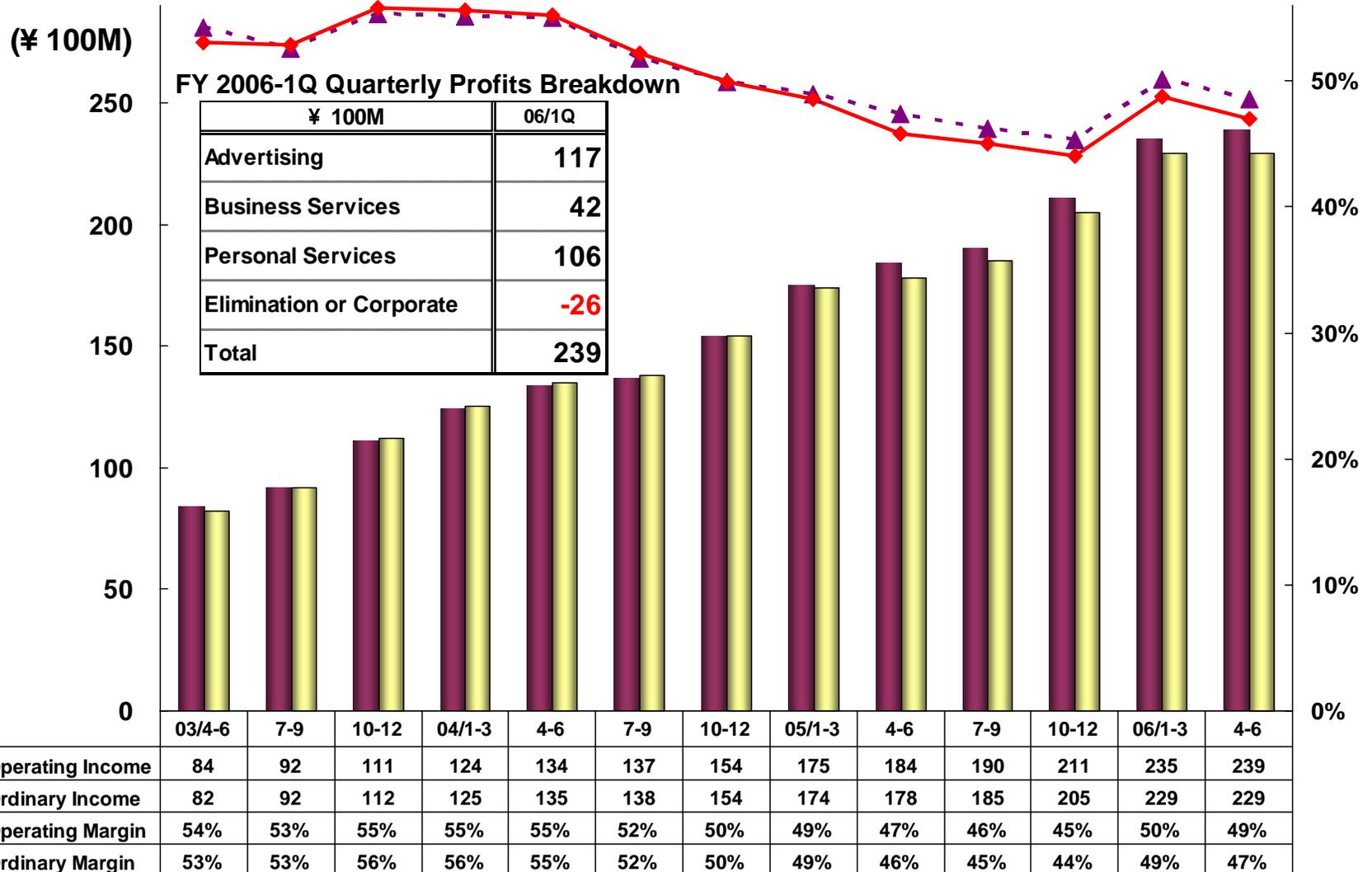
Former consolidated subsidiary Seven and Y Corp. became a company accounted for by the equity method

Sales %





Quarterly Profits





Sales Breakdown by Business

(¥ 100M)

	Net Sales	Sales Breakdown by Business Division		Gross Profit	SG&A	Operating Income	Operating Margin
Advertising	212	Search Business Unit Media Business Unit Service Supervising Division Social Net Business Unit Auction Business Unit	44% 16% 11% 5% 4%	211	94	117	55.1%
Business Services	107	Regional Services Business Unit New Business Office Members Services Business Unit Auction Business Unit Shopping Business Unit	31% 24% 14% 13% 12%	92	50	42	39.5%
Personal Services	172	Members Services Business Unit Auction Business Unit New Business Office	45% 42% 7%	168	62	106	61.7%



SG&A Breakdown

(¥ 100M)

Main reasons for changes on quarterly base

	06/1Q	%	05/1Q	Annual changes	05/4Q	Quarterly changes
Personnel expenses	44	19.1%	33	32.8%	40	10.9%
Business commissions	33	14.6%	22	49.2%	30	12.8%
Sales commissions	25	10.8%	18	39.1%	24	3.4%
Communication charges	19	8.5%	13	43.3%	15	28.0%
Depreciation expenses	17	7.3%	13	25.6%	20	-15.4%
Sales promotion costs	16	7.1%	13	21.4%	18	-13.3%
Royalties	13	6.0%	10	34.1%	13	3.9%
Lease and utility expenses	12	5.5%	8	49.6%	12	4.7%
Content provider fees	10	4.5%	6	56.9%	10	3.0%
Payment commissions	8	3.5%	5	45.4%	7	12.8%
Allowance for doubtful accounts	6	2.6%	2	178.0%	3	65.3%
Advertising costs	4	1.9%	3	26.5%	4	1.7%
Amortization of goodwill	3	1.5%	1	83.9%	3	16.8%
Others	16	7.1%	15	2.8%	14	8.7%
SG&A Total	232	100.0%	169	36.9%	218	6.6%

Increase in personnel
(2,948 in total : 372 increase from 06/1Q)

Expenses for temporary and contract employees, the settlement operations of the personal services business, etc.

Expansion of data center

Clean up of book values at the beginning of the fiscal year

Decrease in Yahoo! Points expenses and in Yahoo! BB subscriber acquisition expenses

Expansion in claims against individuals



FY2006-1Q Balance Sheet

Major Items	6/30/2006	3/31/2006	Increase/ Decrease	Major Reasons for Changes	(¥ 100M)
< Assets >					
Current Assets	838	1,321	-483	Acquisition of preferred shares of BB Mobile Corp. and payment of taxes and public dues	
Cash and Cash Equivalents	489	980	-491		
Accounts Receivable-Trade	264	252	12	Increase in personal services and advertising business sales	
Fixed Assets	1,778	587	1,190		
Tangible Fixed Assets	142	140	2		
Intangible Fixed Assets	125	117	8	Acquisition of preferred shares of BB Mobile Corp.	
Investment Securities	1,460	287	1,173		
Total Assets	2,616	1,909	707		
< Liabilities >					
Current Liabilities	495	454	40	Loan made along with the acquisition of preferred shares of BB Mobile Corp.	
Short-term Loans	201	2	199		
Accounts Payable-Other	100	124	-23	Payment of income taxes and public dues	
Accrued Income Taxes	93	234	-141		
Long-term Liabilities	609	16	592	Loan made along with the acquisition of preferred shares of BB Mobile Corp.	
Total Liabilities	1,104	471	633		
< Net Assets >					
Shareholders' Equity	1,443	1,358	84	Increase in net income	
Common Stock	70	70	0		
Additional Paid-in Capital	21	21	0	Mark-to-market of investment securities	
Retained Earnings	1,351	1,267	83		
Evaluation and Exchange Adjustments	55	65	-10		
Minority Interests in Consolidated Subsidiaries	13	13	-0		
Total Net Assets	1,512	1,438	73		
Total Liabilities and Net Assets	2,616	1,909	707		



FY2006-1Q Cash Flow Statement

Major Items

FY2006-1Q
(Apr. - Jun. 2006)

Major Reasons for Changes

(¥ 100M)

Operating Activities

Income before Income Taxes for the Period
 Depreciation/Amortization
 Equity in Gains under the Equity Method
 Increase in Accounts Receivable-Trade
 Decrease in Accounts Payable-Trade
 Other Receivables/Payables
 Income Taxes, etc.

0
 233 Increase in income before income taxes for the period
 18
 10 Growth in personal services business and advertising
 business sales
 -11
 -1 Growth in prepaid expenses and accrued revenues
 -23
 -228

Investing Activities

Purchase of Tangible Fixed Assets
 Purchase of Intangible Fixed Assets
 Acquisition of Investment Securities
 Proceeds from Recovery of Lending

-1,240
 -31 Purchase of servers and other equipment
 -14
 -1,200 Acquisition of preferred shares of BB Mobile Corp.
 11 Partial recovery of loans made based on a finance scheme
 for Yahoo! BB's business

Financing Activities

Proceeds from Long-term Loan
 Payments of Dividends

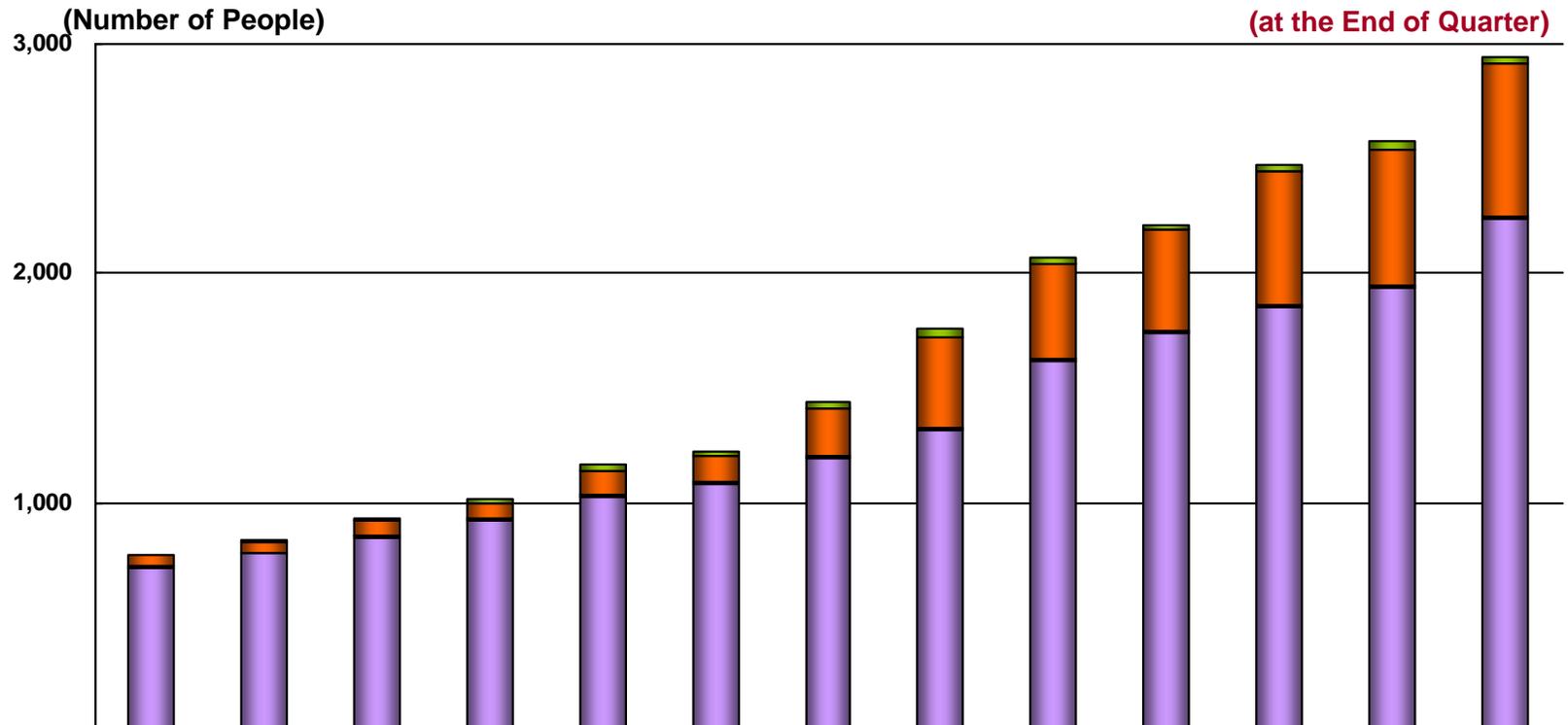
750
 800 Loan made along with the acquisition of preferred shares of
 BB Mobile Corp.
 -47

Net Change in Cash Flows

-489



Number of Directors and Employees



	03/6	9	12	04/3	6	9	12	05/3	6	9	12	06/3	6
Directors of Subsidiaries	8	8	12	18	24	19	26	34	27	27	33	33	31
Employees of Subsidiaries	44	45	65	67	101	108	209	397	417	438	583	594	669
Directors of Yahoo! JAPAN	9	9	8	8	9	9	9	8	9	9	9	9	9
Employees of Yahoo! JAPAN	714	776	850	923	1,029	1,083	1,196	1,316	1,616	1,740	1,849	1,940	2,239
Total	775	838	935	1,016	1,163	1,219	1,440	1,755	2,069	2,214	2,474	2,576	2,948

■ The above figures do not include those who hold posts at both Yahoo! JAPAN and subsidiary or have been dispatched from Yahoo! JAPAN





Review of FY2006-1Q Business Outlook

Growth of advertising business sales was lower than our expectation. Personal services business sales were also below our expectation due to lower than anticipated growth in Yahoo! Auctions transaction volume despite various measures implemented.

As a result, net sales slightly fell short of the range of our projection, while quarterly profits were in the range due to our effort to slow the growth of cost.

(¥ 100M)

(Consolidated)	Actual	Projection (at Apr. 20, 2006)
Net Sales	492	500~534
Ordinary Income	229	226~252
Quarterly Net Income	132	129~145



FY2006-2Q Business Outlook

(Consolidated)

In FY2006-2Q, SG&A expenses are expected to increase by ¥1.7 billion to ¥2.1 billion compared with FY2006-1Q. The main components of increase will be depreciation expenses through equipment investment, advertising costs and sales promotion costs, etc.

(¥ 100M)

As of July 21, 2006 (Consolidated)	FY2006-1Q (Apr. - Jun. 2006) (Actual)	FY2006-2Q (July - Sep. 2006) (Projection)
Net Sales	492	510 ~ 549
Ordinary Income	229	226 ~ 259
Quartely Net Income	132	131 ~ 149

- 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.



Review of Operations



Businesses of Yahoo! JAPAN

Advertising Business

Internet advertising

- Branding advertising such as banners
- Sponsor Site, our paid search service, offered in alliance with Overture K. K. , etc.

Business Services Business

Business services other than advertising

- Information listing fees for Yahoo! Rikunabi, Yahoo! Real Estate, Yahoo! Autos, and others
- Tenant fees and sales commissions from merchant stores of Yahoo! Auctions and Yahoo! Shopping
- Yahoo! BB customer acquisition incentive fees and continuing incentive fees
- Firstserver, Inc., INFO PLANT CO., LTD. etc.

Personal Services Business

Personal services

- System-use fees for Yahoo! Auctions
- Yahoo! Premium membership revenues
- Yahoo! BB ISP fees
- Netrust, Ltd.
- Content fees and others, etc.



Advertising Business

Branding advertising

- Overall advertising sales were lower than expected due to seasonal factors such as the start of the new fiscal year, long holiday season and seasonal effects in the real estate and other sectors, as well as the slow down in business sentiment. In addition, restraint in advertising, including Internet advertising, being shown by some companies because of incidents or problems in their industries affected sales results.

However, branding advertising sales were favorable compared with the previous quarter. Advertising products reflecting advertisers' needs and targeting advertising products that use the special features of the Internet continued to grow in popularity. The number of highly creative advertising campaigns being run using links with TV and magazine advertising increased. Vodafone K.K.* advertising also contributed to sales.

* From October 1, 2006, Vodafone K.K. will change its name to SOFTBANK MOBILE Corp.

Sponsor Site (Search Business Unit, etc.)

- Sponsor Site sales were approximately the same as in the previous quarter affected by seasonal factors, etc.

SG&A expenses

- Sales commissions, personnel expenses, content provider fees, etc.



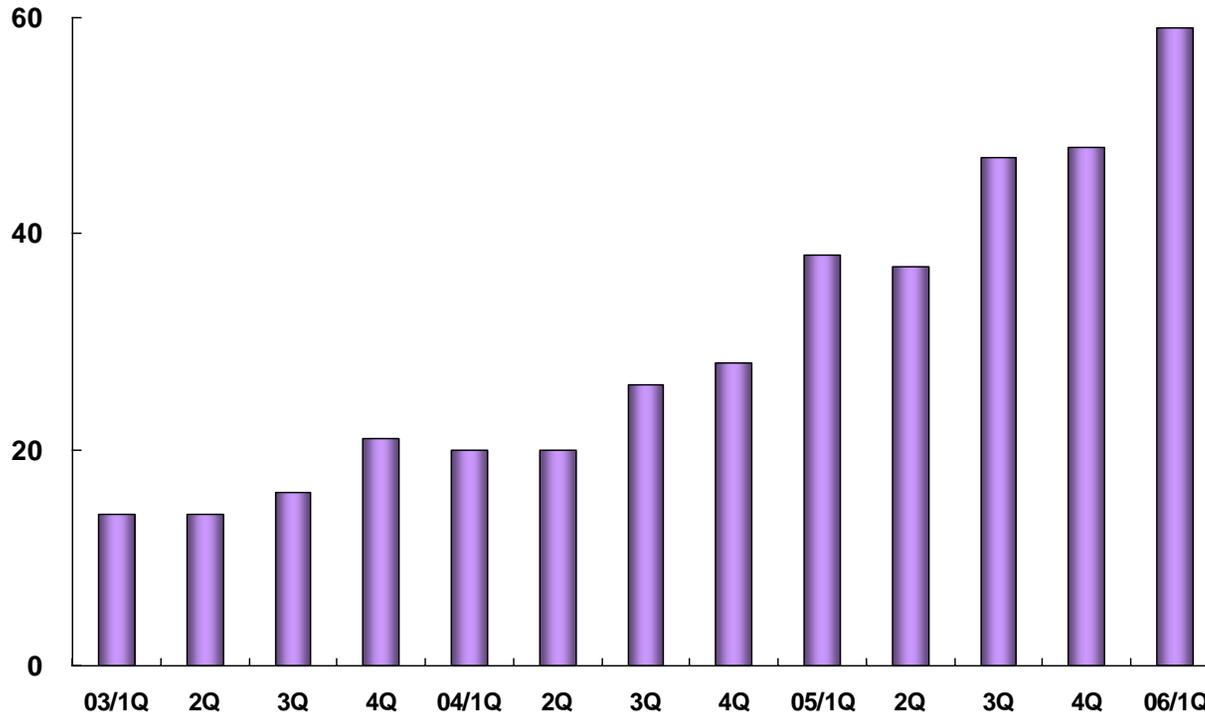
National Client Trends

Sales to National Clients: ¥4.8 Billion (05/4Q) → ¥5.9 Billion (06/1Q)

Sales to Vodafone K.K.* contributed significantly in FY2006-1Q

* From October 1, 2006, Vodafone K.K. will change its name to SOFTBANK MOBILE Corp.

(¥ 100M)



※ National Clients

- Nikkei Advertising Research Institute: Top 100 companies in advertising expenditure (2004)
- Video Research TV Ad Statistics: Top 100 (East) and Top 50 (West) companies in advertising (2005)
- MRS: Top 100 companies in advertising expenditure in newspapers and magazines (2005)

Yahoo! JAPAN defined the above companies, 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 do not include revenue from Sponsor Site



Advertising Sales by Industry

Industries with large increases in ad spending

- Mobile Communications Service
- Beverages/Cigarettes
- Cosmetics/Toiletries

Industries with high growth rate of ad spending (*)

- Mobile Communications Service
- Beverages/Cigarettes
- Cosmetics/Toiletries

	05/1Q	2Q	3Q	4Q	06/1Q
Finance/ Insurance/ Securities	24.2%	21.5%	20.4%	20.5%	21.5%
<i>Mobile Communications Service</i>	1.7%	1.6%	2.5%	3.1%	9.5%
Real Estate/ Construction	7.2%	9.1%	8.2%	12.6%	7.4%
Autos (Transport Equipment)	8.6%	11.6%	10.6%	11.3%	7.2%
<i>Cosmetics/Toiletries</i>	6.3%	6.7%	6.2%	5.2%	7.2%
Recruitment Services	7.1%	7.1%	7.9%	8.4%	6.9%
<i>Beverages/Cigarettes</i>	7.5%	4.9%	3.5%	3.8%	6.3%
Transportation/Leisure	4.5%	4.6%	4.4%	6.7%	5.7%
Computers/ Office Equipment	5.2%	4.1%	7.2%	5.3%	4.6%
Foodstuffs	2.0%	2.5%	2.9%	2.9%	3.2%
Others	25.7%	26.3%	26.2%	20.2%	20.5%

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



Business Services Business (1)

Information listing fees (Regional Services Business Unit, etc.)

- The sales of Yahoo! Rikunabi were relatively low compared with the previous quarter because of the slow recruiting activities of corporations, but were still up substantially year on year

Tenant fees and sales commissions of Yahoo! Auctions and Yahoo! Shopping (Auction Business Unit, Shopping Business Unit)

- The number of Yahoo! Shopping stores increased due to free monthly system-use fees campaign and other measures.
The number of Yahoo! Auctions stores also expanded because system-use fees of B2C auctions were unchanged while those of C2C auctions increased from May 21, 2006.
As a result, total number of merchant stores rose to 19,676 stores at the end of June 2006, up 3,353 or 20.5% from the end of March 2006



Business Services Business (2)

Yahoo! BB related incentive fees (Members Services Business Unit)

- Both customer acquisition incentive fees and continuing incentive fees recorded firm growth

Firstserver, Inc. and INFO PLANT CO., LTD. (New Business Office)

- Firstserver, Inc., a consolidated subsidiary of rental server business, recorded strong sales. INFO PLANT CO., LTD., a consolidated subsidiary of on-line research business, remained at the same level of previous quarter due to seasonal factors.

Business Express (New Business Office)

- Business Express contracts in FY2006-1Q increased 1,059, or 12.2% quarter-to-quarter, to 9,745.

SG&A expenses

- Personnel expenses, business commissions, sales promotion costs, etc.



Personal Services Business (1)

System-use fees for Yahoo! Auctions (Auction Business Unit)

- In May 21, the Group increased the system-use fees for transaction of C2C auctions from 3% to 5%. Unlike the 20-30% decline in monthly transaction volume after the adoption of personal identification fees in FY2001 and system-use fees in FY2002, there was only a 5% decline in transaction volume this time, thanks to various measures implemented. As a result, revenue of C2C auctions system-use fee for transactions during one month from May 21 to June 20 increased approximately 60% from the previous month.
- The Group ran various promotions aimed at acquiring new users. Because some of the planned measures were late in getting started, transaction volume did not grow as expected, but the number of unique users is steadily increasing.

Promotions:

- *All Yahoo! JAPAN ID holders allowed to participate in B2C auctions (4/19-)
- *All Yahoo! BB members and Yahoo! JAPAN ID holders of more than three years allowed to bid in C2C auctions, all Yahoo! BB members allowed to list items (6/21-)
- *Paid search and other advertising activities



Personal Services Business (2)

Yahoo! Premium revenues (Members Services Business Unit)

- The number of Yahoo! Premium member IDs rose to 6.35 million at the end of June 2006, up 3.2% or 0.2 million quarter to quarter, although growth of the number was slow after June 21, when some users other than Yahoo! Premium members were allowed to participate in Yahoo! Auctions

Yahoo! BB ISP fees (Members Services Business Unit)

- The number of Yahoo! BB members totaled 5,089 thousand at the end of June 2006, up 40 thousand or 0.8% from March 31, 2006.

SG&A expenses

- Business commissions, sales promotion costs, personnel expenses, etc.



Review of Operations by Business Division



Members Services Business Unit

- **Implemented various promotions to acquire Yahoo! Premium and Yahoo! BB members**
(An exclusive campaign for Yahoo! Premium members offering six-months free services for new subscribers to Yahoo! BB, paid search advertising, affiliate marketing, mail marketing, a friend referral campaign, etc.)
- **Implemented measures to increase value for Yahoo! Premium and Yahoo! BB members**
(Easy-to-make recipes by home cooking expert Toshiko Okuzono, on-line previews, SoftBank HAWKS related promotions exclusively for Yahoo! BB members, etc.)

Regional Services Business Unit

- **Relaunched Yahoo! Gourmet by increasing the number of restaurants listed and adding function to allow users to spread information by word of mouth. Mobile version was also improved by offering the restaurant search services using area information and GPS function.**
- **Launched the mobile version of Yahoo! Traffic Information**



Auction Business Unit

- Implemented various promotions to acquire new users (please see page 24)
- Implemented measures to increase the usage of Yahoo! Auctions by existing users (Free listing and other campaigns, larger exposure on Yahoo! JAPAN top page, Yahoo! Auctions top page renewal, search function improvements, etc.)
- Changed system-use fees for transaction of C2C auctions from 3% to 5% (please see page 24)
- Enhanced store support
- Continued safety measures to prevent phishing fraud and other abusive activities

Shopping Business Unit

- Implemented promotions for seasonal events aimed at transaction volume expansion
- Advertising sales increased due to greater number of advertising products and larger units for sale, as well as encouragement of stores to spend more for advertising, etc.



Social Net Business Unit

- Added a community function and a profile search function to social network service Yahoo! 360° (temporary name)
- Provided one GB storage for mail boxes of all Yahoo! Mail users
- Released version 7.0 of Yahoo! Messenger, adding a file delivery function, voice mail function, etc.

Search Business Unit

- Added a spell check function and a canonicalization function for Japanese search as default setting
- Launched a mobile version of Yahoo! Knowledge Search, enabling search and browse of listed questions and answers on PC version



Media Business Unit

- Distributed 2006 FIFA World Cup™ related content
- Fully relaunched Yahoo! Streaming
- Upgraded functions of mobile version of Yahoo! Finance, Yahoo! Weather and Yahoo! News
- Started streaming content distribution at MLB official site

Lifestyle Business Unit

- Launched Yahoo! Podcast (beta version), an Internet radio program
- Launched Yahoo! Second Life, a lifestyle proposal and community service for postwar baby-boom generation

Mobile Business Unit

- Developed Vodafone member services with an eye to Mobile Number Portability starting from November 2006
- Improved overall mobile services targeting all mobile users
 - ☆ Launched the mobile version of Yahoo! Traffic Information
 - ☆ Relaunched Disney COLLECTION of Yahoo! Mobile, adding flash wallpaper animation, audio menu, etc.

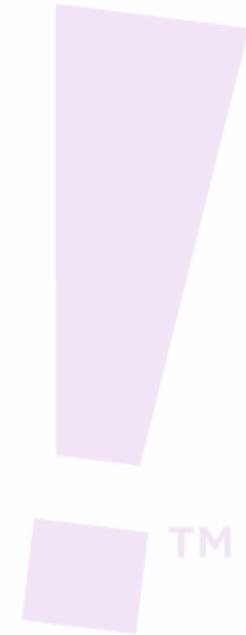


New Business Office

- **Concluded a basic agreement on business alliance and a capital alliance agreement with SMBC Group and started to prepare for the launch of Internet-based settlement services in November 2006**
- **Agreed with East Japan Railway Company on tie-up in card businesses, providing payment and settlement services for Suica card, and implementing point exchange services**
- **Expanded monitor base of Yahoo! Research (PC monitors: 1,090 thousand, Mobile monitors: 90 thousand, Total: 1,180 thousand)**

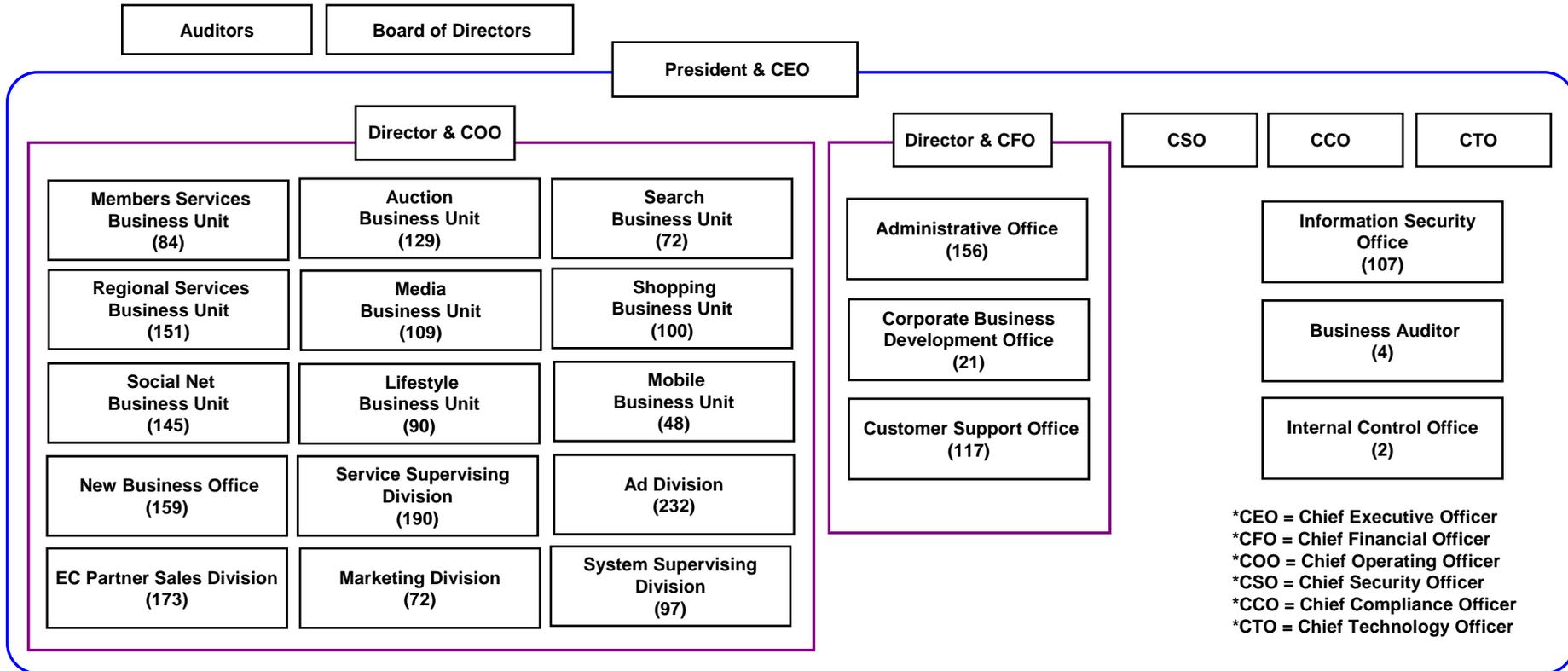
Service Supervising Division

- **Began offering Yahoo! Safety Net, a filtering service that restricts children from viewing Web sites including inappropriate content, to Yahoo! Premium and Yahoo! BB members for free**
- **Held “Internet Creative Award 2006” to enhance creativity of Internet advertising**
- **Established Yahoo! Charity Contributions for the purpose of developing a sound and safe Internet society and supporting needy victims in times of disasters, to commemorate the 10th anniversary of the start of Yahoo! JAPAN services**





Organization



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

Total : 2,259 people (as of July 1, 2006)



Additional Business Data: 2006-1Q

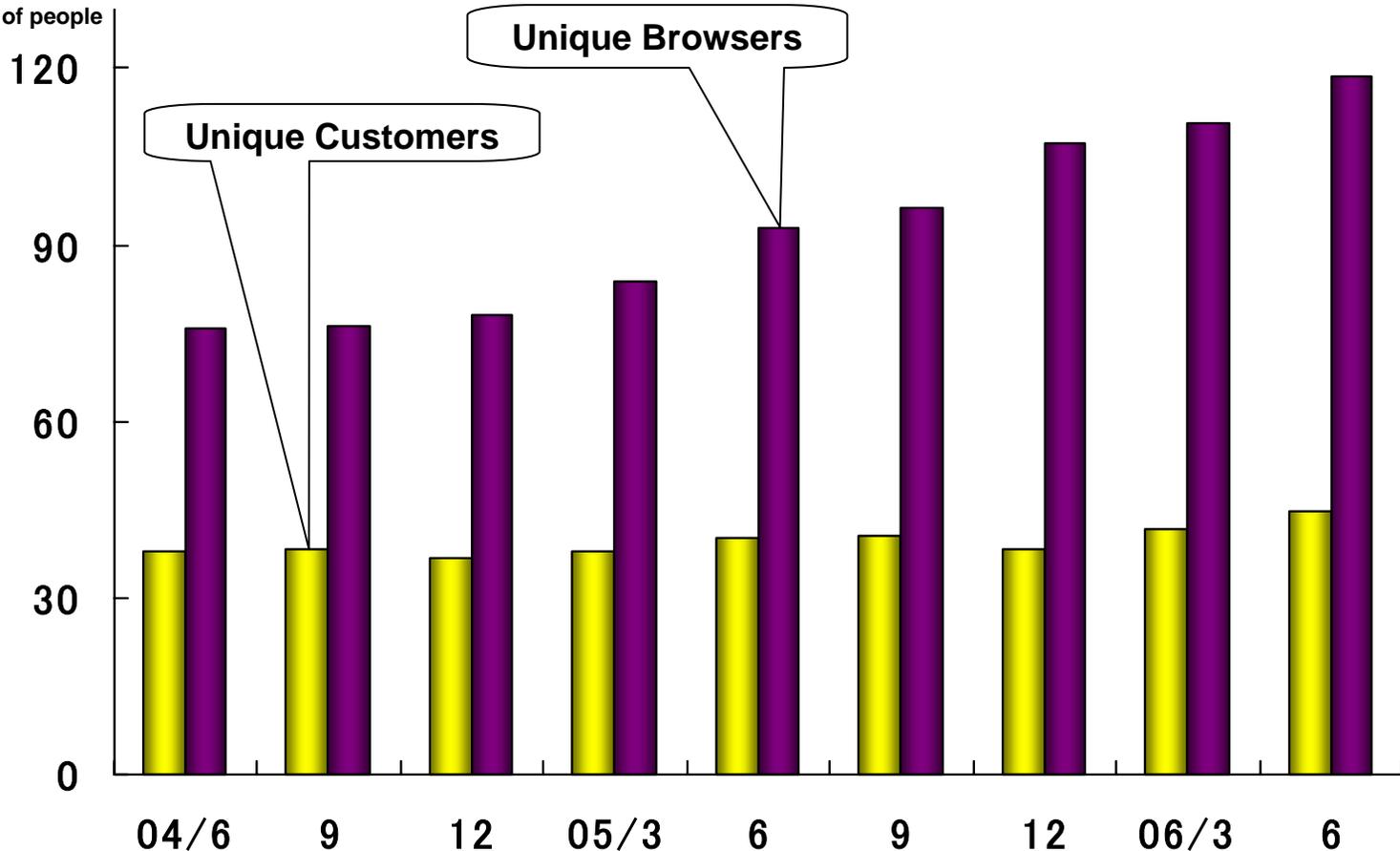
• Average Daily Transaction Volume	<u>Jan. - Mar. 2006</u>	<u>Apr. - Jun. 2006</u>
Commerce (¥ 100M)	23.0	23.1
☆ Auction (¥ 100M)	19.1	18.9
☆ Shopping* (¥ 100M)	3.9	4.2
*Include Yahoo! Shopping, Yahoo! Tickets and Yahoo! Travel , excluding wrong orders for both periods		
Yahoo! Mobile e-commerce (¥ 100M)	2.2	2.2
• Subscriber Lines for Yahoo! BB Services	<u>End of Mar. 2006</u>	<u>End of Jun. 2006</u>
Total (thousand lines)	5,049	5,089
Number of lines marketed by Yahoo! JAPAN (thousand lines)	1,157	1,155
• Other Data of Auction Business	<u>Jan. - Mar. 2006</u>	<u>Apr. - Jun. 2006</u>
Average Closing Price (¥)	5,809	5,571
Average Successful Auction Ratio (%)	34	32
• Number of Business Express Contracts (contract)	<u>Mar. 2006</u>	<u>Jun. 2006</u>
	3,281	3,461



Number of Yahoo! JAPAN Users

Millions of browsers

Millions of people



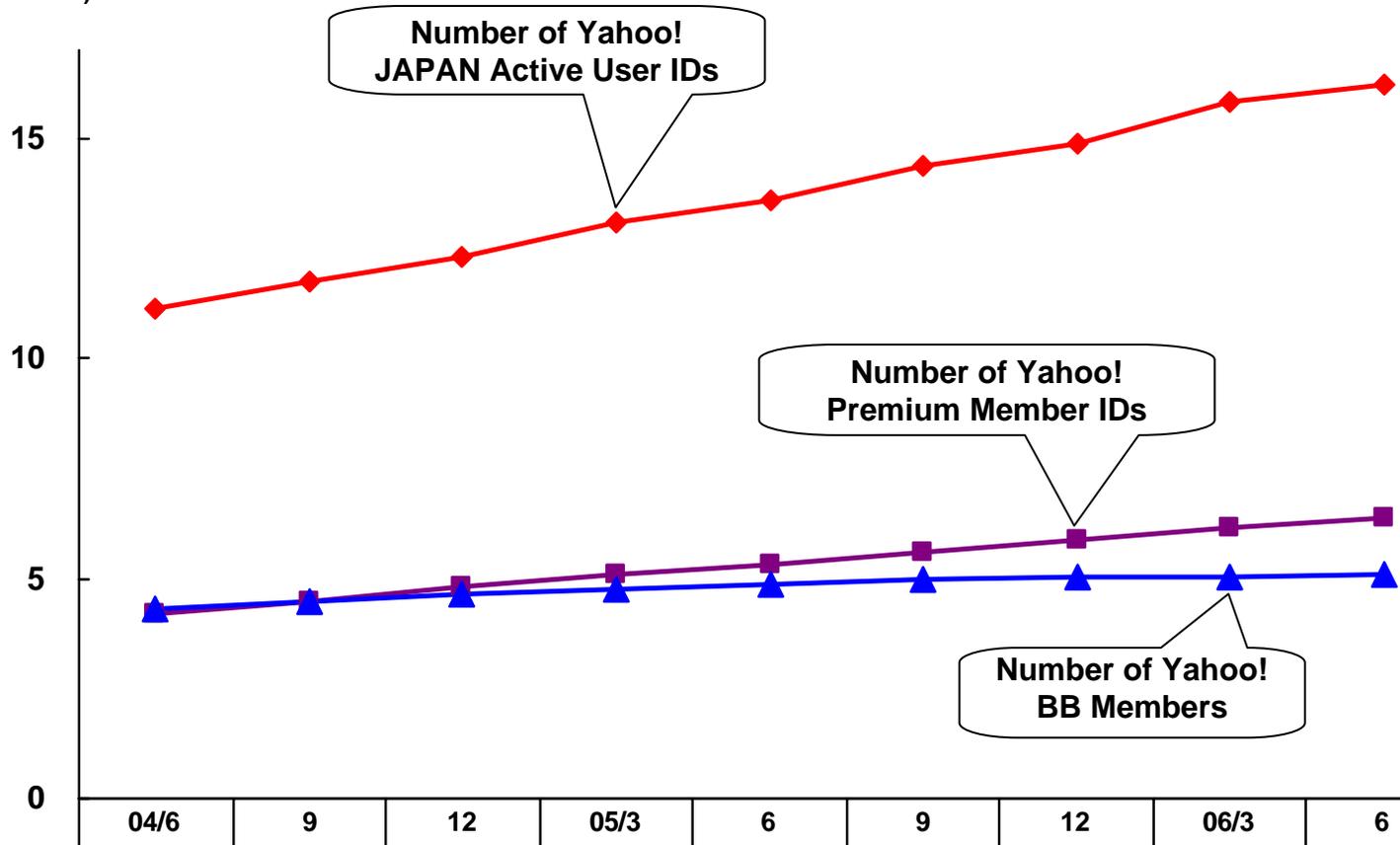
(Source: NetRatings Japan Inc. /The Group)

- The Number of Unique Browsers is the total number of unique browsers accessing our services.
- The Number of Unique Customers 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 IDs and Members

(Millions of IDs and lines)

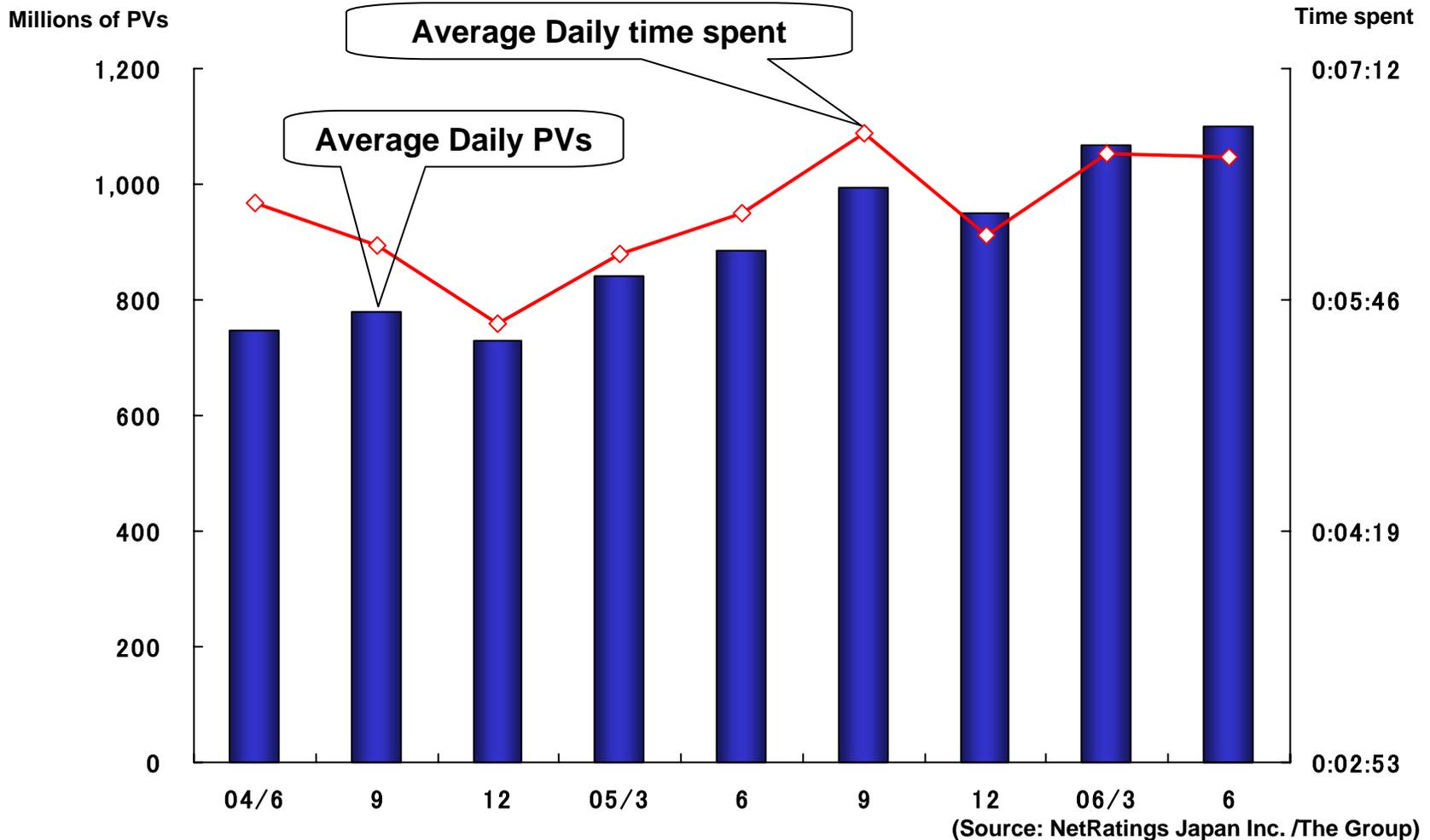


◆ Active User IDs	11.12	11.76	12.31	13.10	13.60	14.36	14.85	15.80	16.24
■ Premium Member IDs	4.18	4.47	4.82	5.08	5.33	5.58	5.88	6.15	6.35
▲ Yahoo! BB Members	4.28	4.49	4.66	4.78	4.89	4.97	5.01	5.05	5.09

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



Number of Yahoo! JAPAN Page Views and Time Spent



- Average Daily PVs are based on the Company's data
- Average Daily Time Spent is based on the data of Nielsen/NetRatings (NetView AMS JP) from June 2004 to June 2006, regarding access by individuals from home



FY2006-1Q Major Advertisers

■ Finance/ Insurance/ Securities

MONEX, Inc.
ORIX Credit
Sumitomo Mitsui Banking Corporation

■ Mobile Communication Service

KDDI
Vodafone

■ Real Estate/ Construction

DAIWA HOUSE
Mitsui Fudosan
Sumitomo Realty & Development

■ Autos (Transport Equipment)

Gulliver International
Honda Motor
Toyota Motor

■ Cosmetics/Toiletries

DHC
ORBIS
Shiseido

■ Recruitment Services

en-japan
Mainichi Communications

■ Beverages/Cigarettes

Asahi Breweries
Coca-Cola (Japan)
Suntory

■ Transportation/Leisure

Japan Airlines
Japan Racing Association

■ Computers/ Office Equipment

Dell
Fujitsu
SONY

■ Foodstuffs

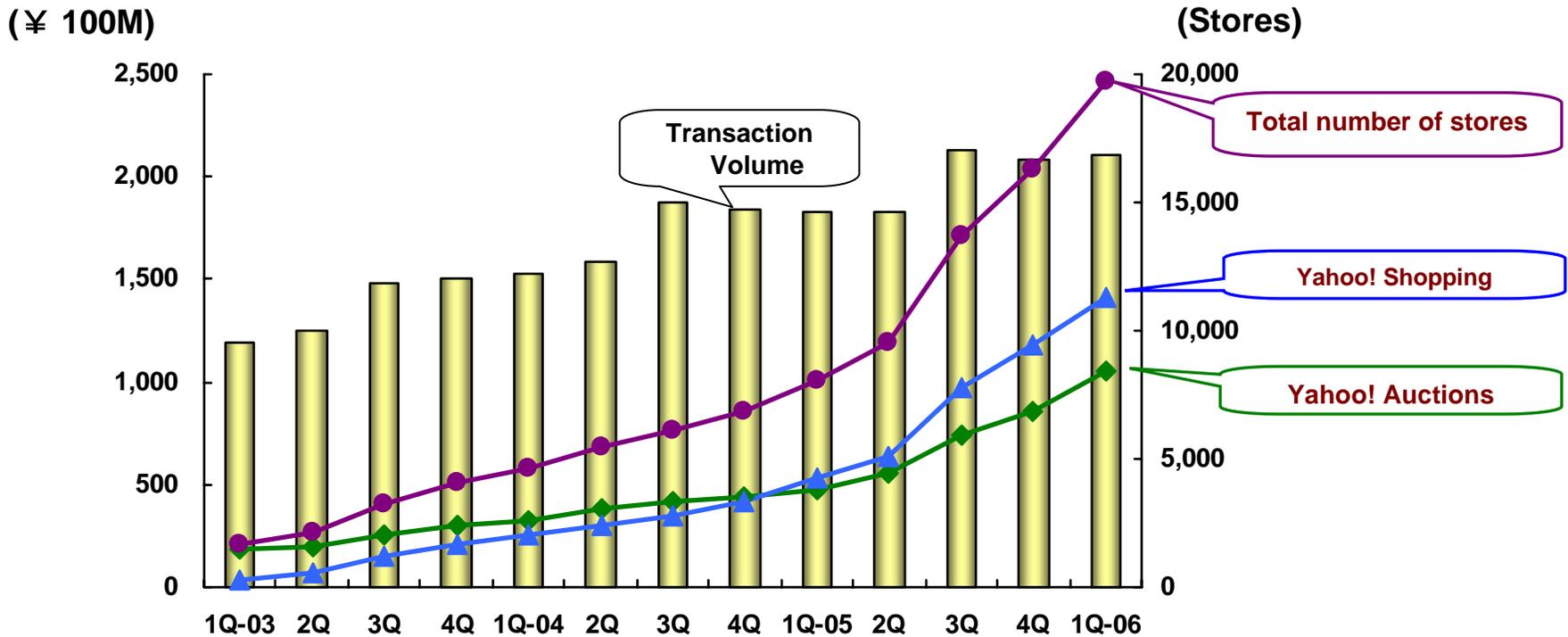
KenkouCorporation
NISSIN FOOD PRODUCTS

- The above are the major clients of Yahoo! JAPAN's advertising sales excluding Sponsor Site.
- The above are classified by contents of advertisement.
- Clients are listed in alphabetical order in each category.

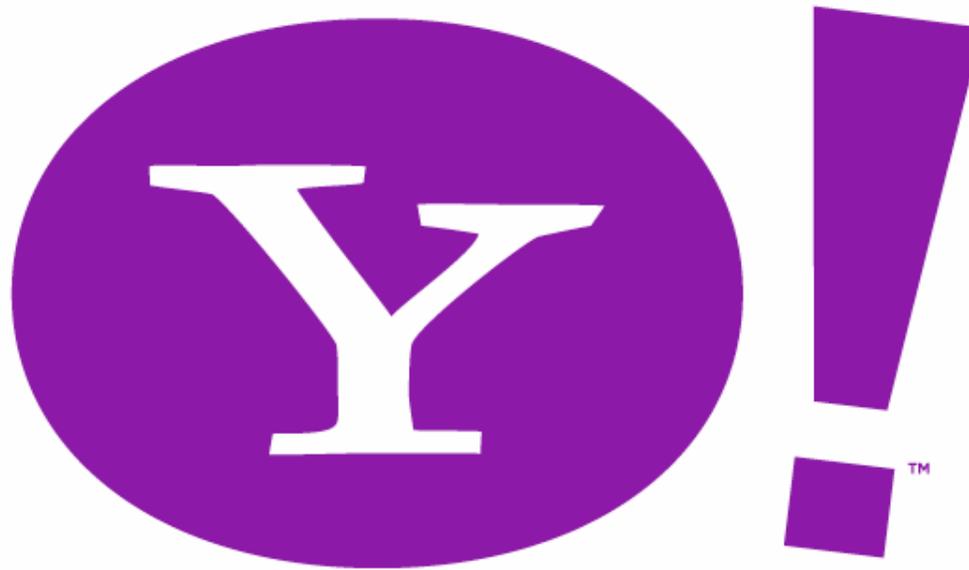


e-Commerce Transaction Volume and Number of Stores

Future transaction volume expansion is expected by the steady growth of the number of store



- Because former consolidated subsidiary Seven and Y Corp. became a company accounted for by the equity method in February 2006, turnover from the company's own site is eliminated from the month.
- Before 2005-2Q, stores are counted at the point of their opening.



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