

Yahoo Japan Corporation: FY2006-2Q (July-September 2006) P/L Trend (Consolidated Basis)

Unit: Million yen

Grand Total	2005-2Q	3Q	4Q	2006-1Q	2Q	% of Sales	Main Items	Quarter-to-quarter		Year-to-year	
								Increase/Decrease	Change	Increase/Decrease	Change
Net Sales	41,140	46,621	47,056	49,266	51,202	100.0%	Advertising Business, Personal Services Business, Business Services Business	1,936	3.9%	10,062	24.5%
Cost of Sales	3,440	4,251	1,662	2,036	2,146	4.2%	Business Services Business, Personal Services Business, etc.	110	5.4%	-1,294	-37.6%
Gross Profit	37,699	42,370	45,394	47,230	49,056	95.8%		1,825	3.9%	11,356	30.1%
SG&A Expenses	18,685	21,246	21,806	23,240	24,046	47.0%	Personnel expenses, Business commissions, Sales commissions, Communication charges, etc.	805	3.5%	5,360	28.7%
Operating Income	19,014	21,123	23,587	23,990	25,009	48.8%		1,019	4.3%	5,995	31.5%
Ordinary Income	18,545	20,562	22,940	22,942	24,765	48.4%		1,822	7.9%	6,219	33.5%
Quarterly Net Income	11,143	12,646	12,991	13,202	13,603	26.6%		400	3.0%	2,460	22.1%
Operating Margin	46.2%	45.3%	50.1%	48.7%	48.8%	n.a.		0.2%	n.a.	2.6%	n.a.
Ordinary Margin	45.1%	44.1%	48.8%	46.6%	48.4%	n.a.		1.8%	n.a.	3.3%	n.a.
Quarterly Net Income to Net Sales Ratio	27.1%	27.1%	27.6%	26.8%	26.6%	n.a.		-0.2%	n.a.	-0.5%	n.a.
Advertising Business	2005-2Q	3Q	4Q	2006-1Q	2Q	% of Sales	Main Items				
Net Sales	15,672	18,075	20,536	21,238	21,299	100.0%	Branding advertising, Paid search services (Sponsor Site), etc.	61	0.3%	5,627	35.9%
Cost of Sales	58	92	99	130	116	0.5%		-13	-10.7%	57	97.5%
Gross Profit	15,613	17,983	20,437	21,107	21,183	99.5%		75	0.4%	5,569	35.7%
SG&A Expenses	6,948	8,398	9,183	9,402	9,435	44.3%	Sales commissions, Personnel expenses, Content provider fees, Communication charges, etc.	33	0.4%	2,487	35.8%
Operating Income	8,665	9,585	11,253	11,705	11,747	55.2%		42	0.4%	3,082	35.6%
Operating Margin	55.3%	53.0%	54.8%	55.1%	55.2%	n.a.		0.0%	n.a.	-0.1%	n.a.
Business Services Business	2005-2Q	3Q	4Q	2006-1Q	2Q	% of Sales	Main Items				
Net Sales	8,053	9,351	10,471	10,757	11,436	100.0%	Information listing fees, Tenant fees and sales commissions from Yahoo! Auctions and Yahoo! Shopping stores, etc.	679	6.3%	3,383	42.0%
Cost of Sales	924	1,221	1,358	1,500	1,665	14.6%	INFO PLANT CO., LTD., Firstserver, Inc., etc.	164	11.0%	740	80.2%
Gross Profit	7,128	8,129	9,112	9,256	9,771	85.4%		514	5.6%	2,642	37.1%
SG&A Expenses	3,579	4,489	4,879	5,012	5,463	47.8%	Personnel expenses, Business commissions, Sales promotion costs, Lease and utility expenses, etc.	451	9.0%	1,883	52.6%
Operating Income	3,548	3,639	4,233	4,243	4,307	37.7%		63	1.5%	758	21.4%
Operating Margin	44.1%	38.9%	40.4%	39.5%	37.7%	n.a.		-1.8%	n.a.	-6.4%	n.a.
Personal Services Business	2005-2Q	3Q	4Q	2006-1Q	2Q	% of Sales	Main Items				
Net Sales	14,684	15,876	16,079	17,297	18,516	100.0%	System-use fees for Yahoo! Auctions, Yahoo! Premium membership revenues, Yahoo! BB ISP fees, etc.	1,219	7.0%	3,831	26.1%
Cost of Sales	243	220	210	408	391	2.1%	Paid content, ALPS MAPPING K.K., etc.	-16	-4.0%	148	60.8%
Gross Profit	14,441	15,655	15,869	16,889	18,124	97.9%		1,235	7.3%	3,683	25.5%
SG&A Expenses	5,707	5,732	5,778	6,208	6,416	34.7%	Business commissions, Sales promotion costs, Payment commissions, Personnel expenses, etc.	207	3.3%	709	12.4%
Operating Income	8,734	9,922	10,090	10,680	11,708	63.2%		1,027	9.6%	2,973	34.0%
Operating Margin	59.5%	62.5%	62.8%	61.7%	63.2%	n.a.		1.5%	n.a.	3.8%	n.a.
Others	2005-2Q	3Q	4Q	2006-1Q	2Q	% of Sales	Main Items				
Net Sales	2,729	3,319	-30	-25	-49	n.a.	*Net sales in 2005-3Q or before include Seven and Y Corp.	-24	n.a.	-2,779	n.a.
Cost of Sales	2,214	2,717	-6	-3	-26	n.a.	*Cost of sales in 2005-3Q or before includes Seven and Y Corp.	-23	n.a.	-2,240	n.a.
Gross Profit	515	601	-24	-22	-23	n.a.		-0	n.a.	-538	n.a.
SG&A Expenses	2,449	2,625	1,965	2,616	2,729	n.a.		113	4.3%	280	11.4%
Operating Income	-1,933	-2,023	-1,990	-2,639	-2,752	n.a.		-113	n.a.	-818	n.a.
Operating Margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		n.a.	n.a.	n.a.	n.a.

*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 figures of the past and comparison to figures of the past are only for your reference based on a brief retroactive adjustment.

*Others comprises the revenue of former consolidated subsidiary Seven and Y Corp. which became a company accounted for by the equity method in February 2006, and the elimination between businesses.