

Yahoo Japan Corporation: FY2006-3Q (October-December 2006) P/L Trend (Consolidated Basis)

Unit: Million yen

Grand Total	2005-3Q	4Q	2006-1Q	2Q	3Q	% of Sales	Main Items	Quarter-to-quarter		Year-to-year	
								Increase/Decrease	Change	Increase/Decrease	Change
Net Sales	46,621	47,056	49,266	51,202	54,522	100.0%	Advertising Business, Personal Services Business, Business Services Business	3,319	6.5%	7,900	16.9%
Cost of Sales	4,251	1,662	2,036	2,146	2,098	3.8%	Business Services Business, Personal Services Business, etc.	-48	-2.2%	-2,153	-50.6%
Gross Profit	42,370	45,394	47,230	49,056	52,423	96.2%		3,367	6.9%	10,053	23.7%
SG&A Expenses	21,246	21,806	23,240	24,046	24,724	45.3%	Personnel expenses, Business commissions, Sales commissions, Depreciation expenses, etc.	678	2.8%	3,478	16.4%
Operating Income	21,123	23,587	23,990	25,009	27,699	50.8%		2,689	10.8%	6,575	31.1%
Ordinary Income	20,562	22,940	22,942	24,765	26,630	48.8%		1,864	7.5%	6,067	29.5%
Quarterly Net Income	12,646	12,991	13,202	13,603	15,172	27.8%		1,568	11.5%	2,526	20.0%
Operating Margin	45.3%	50.1%	48.7%	48.8%	50.8%	n.a.		2.0%	n.a.	5.5%	n.a.
Ordinary Margin	44.1%	48.8%	46.6%	48.4%	48.8%	n.a.		0.4%	n.a.	4.7%	n.a.
Quarterly Net Income to Net Sales Ratio	27.1%	27.6%	26.8%	26.6%	27.8%	n.a.		1.2%	n.a.	0.7%	n.a.

Advertising Business	2005-3Q	4Q	2006-1Q	2Q	3Q	% of Sales	Main Items				
Net Sales	18,075	20,536	21,238	21,299	21,720	100.0%	Branding advertising (banners), Paid search services (Sponsor Site), etc.	420	2.0%	3,644	20.2%
Cost of Sales	92	99	130	116	132	0.6%		15	13.6%	39	42.8%
Gross Profit	17,983	20,437	21,107	21,183	21,588	99.4%		404	1.9%	3,604	20.0%
SG&A Expenses	8,398	9,183	9,402	9,435	9,503	43.8%	Sales commissions, Personnel expenses, Content provider fees, Depreciation expenses, etc.	67	0.7%	1,104	13.2%
Operating Income	9,585	11,253	11,705	11,747	12,084	55.6%		337	2.9%	2,499	26.1%
Operating Margin	53.0%	54.8%	55.1%	55.2%	55.6%	n.a.		0.4%	n.a.	2.6%	n.a.

Business Services Business	2005-3Q	4Q	2006-1Q	2Q	3Q	% of Sales	Main Items				
Net Sales	9,351	10,471	10,757	11,436	12,897	100.0%	Information listing fees, Tenant fees and sales commissions from Yahoo! Auctions and Yahoo! Shopping stores, etc.	1,461	12.8%	3,546	37.9%
Cost of Sales	1,221	1,358	1,500	1,665	1,639	12.7%	INFO PLANT CO., LTD., Business commissions, ALPS MAPPING K.K., etc.	-25	-1.6%	417	34.2%
Gross Profit	8,129	9,112	9,256	9,771	11,258	87.3%		1,487	15.2%	3,128	38.5%
SG&A Expenses	4,489	4,879	5,012	5,463	5,911	45.8%	Personnel expenses, Business commissions, Sales promotion costs, Lease and utility expenses, etc.	447	8.2%	1,422	31.7%
Operating Income	3,639	4,233	4,243	4,307	5,346	41.5%		1,039	24.1%	1,706	46.9%
Operating Margin	38.9%	40.4%	39.5%	37.7%	41.5%	n.a.		3.8%	n.a.	2.6%	n.a.

Personal Services Business	2005-3Q	4Q	2006-1Q	2Q	3Q	% of Sales	Main Items				
Net Sales	15,876	16,079	17,297	18,516	19,953	100.0%	System-use fees for Yahoo! Auctions, Yahoo! Premium membership revenues, Yahoo! BB ISP fees, etc.	1,436	7.8%	4,077	25.7%
Cost of Sales	220	210	408	391	352	1.8%	Paid content, ALPS MAPPING K.K., etc.	-39	-10.2%	131	59.6%
Gross Profit	15,655	15,869	16,889	18,124	19,601	98.2%		1,476	8.1%	3,945	25.2%
SG&A Expenses	5,732	5,778	6,208	6,416	6,690	33.5%	Business commissions, Sales promotion costs, Payment commissions, Personnel expenses, etc.	274	4.3%	958	16.7%
Operating Income	9,922	10,090	10,680	11,708	12,910	64.7%		1,202	10.3%	2,987	30.1%
Operating Margin	62.5%	62.8%	61.7%	63.2%	64.7%	n.a.		1.5%	n.a.	2.2%	n.a.

Others	2005-3Q	4Q	2006-1Q	2Q	3Q	% of Sales	Main Items				
Net Sales	3,319	-30	-25	-49	-48	n.a.	*Net sales in 2005-3Q include Seven and Y Corp.	1	n.a.	-3,367	n.a.
Cost of Sales	2,717	-6	-3	-26	-24	n.a.	*Cost of sales in 2005-3Q includes Seven and Y Corp.	1	n.a.	-2,741	n.a.
Gross Profit	601	-24	-22	-23	-23	n.a.		-0	n.a.	-625	n.a.
SG&A Expenses	2,625	1,965	2,616	2,729	2,619	n.a.		-110	-4.1%	-6	-0.2%
Operating Income	-2,023	-1,990	-2,639	-2,752	-2,642	n.a.		110	n.a.	-618	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.