

Yahoo Japan Corporation: FY2007-2Q (July-September 2007) P/L Trend (Consolidated Basis)

Unit: Million yen

Grand Total	2006-2Q	3Q	4Q	2007-1Q	2Q	% of Sales	Main Items	Quarter-to-quarter		Year-to-year	
								Increase/Decrease	Change	Increase/Decrease	Change
Net Sales	51,202	54,522	57,560	56,687	61,047	100.0%	Advertising Business, Personal Services Business, Business Services Business	4,360	7.7%	9,844	19.2%
Cost of Sales	2,146	2,098	2,205	2,406	4,795	7.9%	Advertising Business, Business Services Business, etc.	2,388	99.3%	2,648	123.4%
Gross Profit	49,056	52,423	55,355	54,281	56,252	92.1%		1,971	3.6%	7,196	14.7%
SG&A Expenses	24,046	24,724	25,821	24,610	26,167	42.9%	Personnel expenses, Business commissions, Sales commissions, Depreciation expenses, Communication Charges, etc.	1,556	6.3%	2,121	8.8%
Operating Income	25,009	27,699	29,533	29,670	30,085	49.3%		414	1.4%	5,075	20.3%
Ordinary Income	24,765	26,630	28,486	28,527	29,304	48.0%		777	2.7%	4,539	18.3%
Quarterly Net Income	13,603	15,172	15,984	16,204	13,060	21.4%		-3,143	-19.4%	-542	-4.0%
Operating Margin	48.8%	50.8%	51.3%	52.3%	49.3%	n.a.		-3.1%	n.a.	0.4%	n.a.
Ordinary Margin	48.4%	48.8%	49.5%	50.3%	48.0%	n.a.		-2.3%	n.a.	-0.4%	n.a.
Quarterly Net Income to Net Sales Ratio	26.6%	27.8%	27.8%	28.6%	21.4%	n.a.		-7.2%	n.a.	-5.2%	n.a.

Advertising Business	2006-2Q	3Q	4Q	2007-1Q	2Q	% of Sales	Main Items	Quarter-to-quarter		Year-to-year	
								Increase/Decrease	Change	Increase/Decrease	Change
Net Sales	21,299	21,720	24,944	24,519	29,518	100.0%	Paid search services, Display advertising (banners), etc.	4,998	20.4%	8,218	38.6%
Cost of Sales	116	132	154	183	2,706	9.2%	Overture K.K., etc.	2,523	15 times	2,589	23 times
Gross Profit	21,183	21,588	24,790	24,336	26,811	90.8%		2,475	10.2%	5,628	26.6%
SG&A Expenses	9,435	9,503	10,022	9,609	11,077	37.5%	Sales commissions, Personnel expenses, Content provider fees, Communication Charges, Business commissions, etc.	1,468	15.3%	1,641	17.4%
Operating Income	11,747	12,084	14,767	14,727	15,734	53.3%		1,007	6.8%	3,987	33.9%
Operating Margin	55.2%	55.6%	59.2%	60.1%	53.3%	n.a.		-6.8%	n.a.	-1.8%	n.a.

Business Services Business	2006-2Q	3Q	4Q	2007-1Q	2Q	% of Sales	Main Items	Quarter-to-quarter		Year-to-year	
								Increase/Decrease	Change	Increase/Decrease	Change
Net Sales	11,436	12,897	13,123	14,066	14,129	100.0%	Information listing fees, Tenant fees and sales commissions from Yahoo! Auctions and Yahoo! Shopping stores, etc.	62	0.4%	2,693	23.5%
Cost of Sales	1,665	1,639	1,677	1,905	1,879	13.3%	Yahoo Japan Value Insight Corporation, Firstserver, Inc., ALPS MAPPING K.K., etc.	-25	-1.4%	214	12.9%
Gross Profit	9,771	11,258	11,446	12,161	12,249	86.7%		88	0.7%	2,478	25.4%
SG&A Expenses	5,463	5,911	6,041	6,314	6,558	46.4%	Personnel expenses, Business commissions, Lease and utility expenses, Sales promotion costs, Depreciation expenses, etc.	243	3.9%	1,094	20.0%
Operating Income	4,307	5,346	5,404	5,846	5,691	40.3%		-155	-2.7%	1,384	32.1%
Operating Margin	37.7%	41.5%	41.2%	41.6%	40.3%	n.a.		-1.3%	n.a.	2.6%	n.a.

Personal Services Business	2006-2Q	3Q	4Q	2007-1Q	2Q	% of Sales	Main Items	Quarter-to-quarter		Year-to-year	
								Increase/Decrease	Change	Increase/Decrease	Change
Net Sales	18,516	19,953	19,515	18,122	17,422	100.0%	System-use fees for Yahoo! Auctions, Yahoo! Premium membership revenues, Yahoo! BB ISP fees, etc.	-699	-3.9%	-1,093	-5.9%
Cost of Sales	391	352	376	321	212	1.2%	Paid content, ALPS MAPPING K.K., etc.	-108	-33.9%	-179	-45.8%
Gross Profit	18,124	19,601	19,139	17,801	17,210	98.8%		-590	-3.3%	-914	-5.0%
SG&A Expenses	6,416	6,690	6,463	5,774	5,640	32.4%	Business commissions, Payment commissions, Depreciation expenses, Personnel expenses, Royalties, etc.	-134	-2.3%	-776	-12.1%
Operating Income	11,708	12,910	12,675	12,026	11,570	66.4%		-456	-3.8%	-137	-1.2%
Operating Margin	63.2%	64.7%	65.0%	66.4%	66.4%	n.a.		0.0%	n.a.	3.2%	n.a.

Elimination or Corporate	2006-2Q	3Q	4Q	2007-1Q	2Q	% of Sales	Main Items	Quarter-to-quarter		Year-to-year	
								Increase/Decrease	Change	Increase/Decrease	Change
Net Sales	-49	-48	-23	-21	-22	n.a.		-1	n.a.	27	n.a.
Cost of Sales	-26	-24	-2	-3	-3	n.a.		0	n.a.	23	n.a.
Gross Profit	-23	-23	-20	-17	-19	n.a.		-1	n.a.	3	n.a.
SG&A Expenses	2,729	2,619	3,294	2,912	2,891	n.a.		-20	-0.7%	161	5.9%
Operating Income	-2,752	-2,642	-3,314	-2,930	-2,910	n.a.		19	n.a.	-158	n.a.
Operating Margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		n.a.	n.a.	n.a.	n.a.