



Yahoo Japan Corporation
FY2008-4Q & Annual Results
(Jan.-Mar. 2009 / Apr.2008-Mar.2009)

April 28, 2009

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.

The Company 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 Fiscal Year and Three Months ended March 31, 2009.”

Commencing with fiscal 2008, we started indicating revenue on a net rather than gross basis, by eliminating certain items in cost of sales and SG&A. In some parts of this document, however, we indicate revenue during the period under review on a gross basis, just for the reference of readers. Readers are cautioned to be careful when comparing these figures with prior performances.

【The following items are eliminated from Revenue, Cost of Sales, and SG&A, when indicated on a net basis】

- Display advertising agency commissions**
- Traffic Acquisition Cost (TAC) of partners on display advertising network**
- TAC of partners for paid search advertising (Overture K.K.)**
- Payment commissions for settlement-related business (Netrust, Ltd.)**

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FY2008 Highlights – Financial Data

- FY2008 revenue amounted to ¥265.7 billion.* Operating income was ¥134.6 billion, increasing 7.9% from a year earlier. Ordinary income totaled ¥132.9 billion, rising 9.4% over the last fiscal year. Net income climbed to ¥74.7 billion, advancing 19.3% year on year.

(*) Commencing with the first quarter, the Company changed its method of accounting for the traffic acquisition cost (TAC) paid to other partner sites and recorded in the cost of sales, as well as the commissions paid to sales agencies, etc. and recorded in SG&A expenses, to a net of sales method (presentation and booking on net basis).

Hereinafter, calculations of revenue are on a net basis (presentation and booking on net basis) or the previous gross basis as indicated below.

(¥100M)

	Revenue (Net basis)	Revenue (Gross basis)	YOY Change (Gross basis)
Advertising Business	1,388	1,638	25.0%
Business Services Business	545	559	-3.6%
Personal Services Business	726	765	4.7%
Total	2,657	2,959	12.9%

FY2008-4Q Highlights – Financial Data

- Fourth quarter revenue amounted to ¥67.1 billion.* Operating income was ¥35.5 billion, increasing 5.3% from a year earlier. Ordinary income totaled ¥35.0 billion, rising 6.7% over the same period last year. Net income climbed to ¥18.6 billion, advancing 15.5% year on year.

Hereinafter, calculations of revenue are on a net basis (presentation and booking on net basis) or the previous gross basis as indicated below.

(¥100M)

	Revenue (Net basis)	Revenue (Gross basis)	YOY Change (Gross basis)
Advertising Business	351	417	3.7%
Business Services Business	133	137	-9.1%
Personal Services Business	188	198	5.2%
Total	671	751	1.2%

FY2008-4Q Highlights – Advertising

■ Display advertising (Banner advertising, etc.)

- As a result of making advertising proposals that met advertisers' needs by using the special features of Internet advertising, sales of the large size and high visual impact Brand Panel and behavioral, demographic, and area targeting products increased substantially. Advertising products targeting women performed especially well. On the other hand, overall display advertising sales declined year on year because of the cool off in the overall advertising market resulting from the sharp deterioration of the economy in the second half of the fiscal year.

■ Paid search advertising (Search Business and Overture K.K.)

- Although the impact of the deteriorating economy continued for certain industries that had previously actively used Internet advertising, paid search advertising sales expanded, centered on online types of advertisers.
- The Group continued to take steps to improve the quality of paid search advertising.

■ Interest-linked advertising (Overture K.K.)

- Offered mobile version, started taking online orders, and began distributing advertising to PC partner sites. Revenue doubled from the previous quarter.

(¥100M)

Advertising	Net basis	Gross basis	YOY Change (Gross basis)
Revenue	351	417	3.7%
Operating Income	192	192	5.6%

FY2008-4Q Highlights – Business Services

■ E-commerce-related revenues (Auction Business, Shopping Business, etc.)

- Yahoo! Shopping emphasized seasonal sales promotion special features and worked to improve user convenience by adding a My Page function where users can register their favorites lists and manage their shopping information. The transaction volume, including mobile transaction volume, greatly expanded.
- Yahoo! Auctions revenues also increased substantially, helped by the contribution of three months of upward revised store royalty fees.
- The number of merchant stores registered on Yahoo! Shopping and Yahoo! Auctions totaled 32,843 at the end of March 2009, increasing by 1,554 stores, or 5.0% year on year.

■ Information listing revenues (Regional Services Business, Lifestyle Business, etc.)

- Amid the continued economic slowdown, sales of Yahoo! Autos, Yahoo! Gourmet, Yahoo! Travel, and other operations increased. Conversely, revenues of Yahoo! Rikunabi continued their steep decline, reflecting the stagnant employment sentiment among corporations. This revenue decrease offset the gains made by other services in this segment.

(¥100M)

Business Services	Net basis	Gross basis	YOY Change (Gross basis)
Revenue	133	137	-9.1%
Operating Income	49	49	-16.4%

FY2008-4Q Highlights – Personal Services

■ Yahoo! Auctions system-use revenues (Auction Business)

- Yahoo! Auctions total transaction volume in the fourth quarter decreased approximately 3.6%, to ¥180.5 billion, and system use fees revenues fell from the fourth quarter last year.

■ Yahoo! Premium membership revenues (Member Services Business)

- Various measures were implemented to increase the value of membership, with further additions made of services offering special benefits exclusively for members. As a result, despite raising the monthly membership fees, the number of Yahoo! Premium member IDs hit a record high of 7.36 million.

Furthermore, revenues expanded substantially, supported by three months of upward revised membership fees.

■ Pay content services revenues

- Revenues from such pay content services as Yahoo! Partners, Yahoo! Comics, and Yahoo! Games continued their notable growth.

(¥100M)

Personal Services	Net basis	Gross basis	YOY Change (Gross basis)
Revenue	188	198	5.2%
Operating Income	139	139	10.0%

Based on group-wide efforts, the Group reduced costs by ¥1.8 billion, or 6.9%, from the previous quarter.

- **Business commissions** (down ¥550 million, or 14.7%, from third quarter)
Brought development and other operations in-house.
- **Lease and utility expenses** (down ¥220 million, or 12.2%, from third quarter)
Combined offices in Roppongi Hills and Shiodome into Tokyo Midtown.
Also shut off air conditioning during non-business hours.
- **Sales promotion costs** (excl. Yahoo! Points)
(down ¥180 million, or 16.4% from third quarter)
Decrease in agency incentives.
- **Allowance for doubtful accounts** (down ¥110 million, or 43.9%, from third quarter)
Debt collection rate for individuals improved.
- **Others**
Adjustment of working hours, expenditures cut on subsidiaries, etc.



SG&A Breakdown

(¥ 100M)

Major factors for YoY changes

	08/4Q (Net)	%	08/3Q (Net)	QoQ Change	07/4Q (Gross)	YoY Change
Personnel expenses	65	26.3%	68	-4.8%	62	5.0%
Business commissions	32	13.0%	37	-14.7%	41	-22.1%
Depreciation expenses	30	12.2%	29	4.4%	28	8.0%
Communication charges	24	10.0%	24	0.3%	21	13.4%
Royalties	19	7.9%	19	-0.2%	21	-8.9%
Content provider fees	16	6.8%	16	1.9%	13	25.4%
Lease and utility expenses	16	6.6%	18	-12.2%	18	-11.1%
Sales promotion costs	12	5.0%	12	1.5%	12	-2.0%
Sales commissions	10	4.3%	11	-4.4%	30	-64.9%
Administrative and maintenance expenses	4	2.0%	6	-19.1%	5	-3.9%
Payment commissions	2	1.0%	2	5.7%	14	-83.3%
Advertising costs	2	0.9%	3	-30.4%	3	-36.5%
Allowance for doubtful accounts	1	0.6%	2	-43.9%	3	-57.3%
Tax and public dues	1	0.5%	2	-56.0%	3	-59.6%
Amortization of goodwill	1	0.4%	1	-19.8%	3	-69.8%
Others	6	2.6%	10	-36.3%	9	-32.9%
SG&A Total	249	100.0%	267	-6.9%	293	-15.2%

Brought development and other operations in-house

Increase in content distribution cost

Increase in variety content

Combined separate offices into Tokyo Midtown

Business commissions for ad agencies are excluded due to change in the presentation method.

Payment commissions of Netrust, Ltd. are excluded due to change in the presentation method.

Higher debt collection rate for individual customers

Application of pro forma standard taxation resulting from the absorption of SOFTBANK IDC Solutions

Decrease in goodwill due to an impairment





Review of FY2008-4Q Business Outlook

With conditions getting even worse in the advertising market, display advertising sales declined from the previous quarter. Although paid search advertising sales fell drastically from certain industries, increased sales from online types of industries supported overall growth in advertising sales. The stagnation in sales to employment recruiting-related businesses deepened, but sales growth was driven by three months of contributions from the increases implemented for Yahoo! Premium membership fees and Yahoo! Auctions store royalty fees. The Group conducted a thorough revision of costs, reducing them by ¥1.8 billion, or 6.9%, from the previous quarter.

Due to losses on sales or evaluations of securities, the net income for the quarter fell below expected figures.

(¥ 100M)

Consolidated	Net basis	
	Actual	Forecast (As of Jan 27, 2009)
Revenue	671	663 ~ 691
Operating Income	355	338 ~ 354
Ordinary Income	350	335 ~ 351
Quarterly Net Income	186	195 ~ 205



FY2009-1Q Business Outlook

(Consolidated)

The uncertainty in the business climate and advertising market continues. The display and paid search advertising may face tough condition also because of seasonality. The Group will endeavor to expand the revenues from e-commerce royalty fees and Yahoo! Premium membership fees. Also, try to make the merger impact of SOFTBANK IDC Solutions Corp outstand. Additionally, the Group will emphasize thorough reduction of selling, general and administrative expenses continuously.

(¥ 100M)

	08/1Q (Actual)	08/4Q (Actual)	09/1Q (Forecast)
Revenue	655	671	661 ~ 691
Operating Income	328	355	324 ~ 341
Ordinary Income	324	350	321 ~ 338
Quarterly Net Income	191	186	190 ~ 201

- 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.



Acquisition of Shares and Merger in SOFTBANK IDC Solutions Corp.

- Purchased 100% of the outstanding shares of
SOFTBANK IDC Solutions Corp.
Executed an absorption merger on March 30, 2009.
* Marketing company IDC Frontier Inc., remains as a subsidiary.
- Purchase Price: ¥45 billion
* Includes ¥22 billion of potential deferred tax assets.
* ¥4.1 billion of goodwill will be amortized over 10 years.
- Purpose of Acquisition
 - Enable flexible securement of the facility to respond to future demand increase and service enhancement.
 - Reduce procurement costs, accelerate service introductions, execute more strategic business procedure.
 - Comprehensive consideration of providing services in the cloud computing domain such as SaaS.



Acquisition of Shares in GyaO CORPORATION

- Decided to purchase 51% of the outstanding shares of GyaO CORPORATION from USEN CORPORATION and to make it a subsidiary.
Purchase price: approx. ¥530 million (Purchase date: April 30, 2009)
- Integrate two video streaming services “Yahoo! Streaming” and “GyaO”, creating the largest official video distribution site in Japan.
Aim to offer convenient services for users, content holders (TV stations, film distribution companies, film production companies) and advertisers, enlarging the market.
- Right after the merger, we will reduce the costs drastically, and aim to make a profit within FY2009.
Will streamline the businesses by integrating infrastructure, content, and services.



Return to Shareholders

1. Acquisition of own shares

In order to return profits to shareholders, we implemented the acquisition of shares for the second time.

We cancelled the purchased shares at the end of March.

- Acquisition Date: March 18, 2009
- Number of Shares Acquired: 1,185,000 shares
(2.0% of the total number of outstanding shares)
- Acquisition Price: ¥25,340 per share
(Amount of acquisition: approx. ¥30 billion)

Total amount of acquisition of own shares in FY2008 was approx. ¥81.6 billion. (4.0% of the total number of outstanding shares)

ROE increased by 4.5 percentage points compared with what the figure would have been if the shares had not been purchased and cancelled.

2. Dividends

Dividends for FY2008 were ¥130 per share (up 25% yoy)



Organizational Changes

- In order to achieve further growth as IT company, made organizational changes. Integrated the service planning and sales organizations into business groups.
 - Media Business Group
 - BS Business Group
 - Consumer Business Group
- We brought our engineering, editing and production management staff under one roof in a new R&D Group with the aim of increasing technology capabilities and speeding up development and other related responses.
- Service components of new business groups and organizational chart are as follows:



Service Components of Each Group

Media Business Group

Paid search (via agencies) / Display advertising

Research / Real estate (new apartments), etc.

BS Business Group

Paid search (via online)

**Real estate (excl. new apartments) / Web hosting / Recruiting
Business Express / Map / Auto / Travel
Gourmet, etc.**

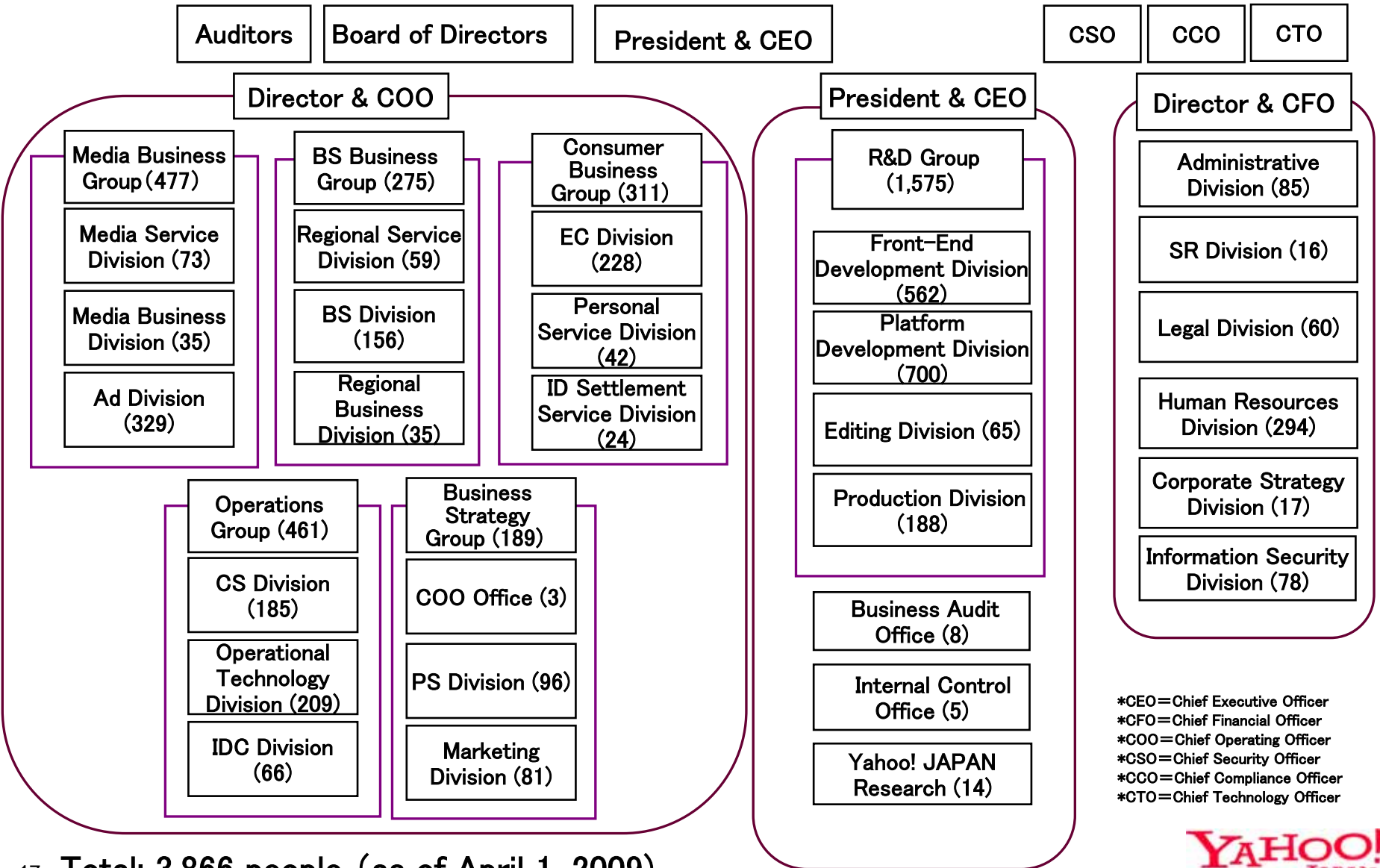
Consumer Business Group

Auction (B2C) / Shopping / Yahoo! BB (incentives)

**Auction (C2C) / Yahoo! Premium / Yahoo! BB (ISP fee)
Settlement / Pay content, etc.**



Organization



FY2008 Financial Results (Consolidated)

•Main consolidated subsidiaries at the end of FY2008

- ◆ Firstserver, Inc.
- ◆ Netrust, Ltd.
- ◆ Overture K.K.
- ◆ Yahoo Japan Customer Relations Corporation
- ◆ Yahoo Japan Value Insight Corporation
- ◆ Y's Insurance Inc.
- ◆ Indival, Inc.
- ◆ NewsWatch, Inc.
- ◆ SOFTBANK IDC Corp. *
- ◆ Y's Sports Inc.

•Main affiliated companies (equity method) at the end of FY2008

- ◆ All About, Inc.
- ◆ CLASSIFIED Corporation.
- ◆ Estore Corporation
- ◆ JWord Inc.
- ◆ Seven and Y Corp.
- ◆ ValueCommerce Co., Ltd.
- ◆ BestReserve Co. Ltd.
- ◆ CREO CO., LTD.
- ◆ Fashion Walker, Inc.
- ◆ Oricon DD, Inc.
- ◆ Tavigator, Inc.
- ◆ 4travel, Inc.

* Effective April 1, 2009, SOFTBANK IDC Corp. has become IDC Frontier Inc.



FY2008 Statements of Income

	FY 2008 (Net basis)	FY2008 (Gross basis)①	FY2007 (Gross basis)	Changes (Gross Comparison)
Revenue (¥100M)	2,657	2,959	2,620	12.9 %
Cost of Sales (¥100M)	278	448	282	58.7 %
Gross Profit (¥100M)	2,379	2,510	2,337	7.4 %
Operating Income (¥100M)	1,346	1,346	1,248	7.9 %
Ordinary Income (¥100M)	1,329	1,329	1,215	9.4 %
Net Income (¥100M)	747	747	626	19.3 %
EPS (¥)	1,255	1,255	1,035	21.3 %
Number of Shares Outstanding (10 thousand) (Average of period)②	5,950	5,950	6,048	-1.6 %
Fully Diluted EPS (¥)	1,254	1,254	1,033	21.3 %
Number of Shares Assuming Full Dilution (10 thousand) ②	5,957	5,957	6,057	-1.6 %

Notes:

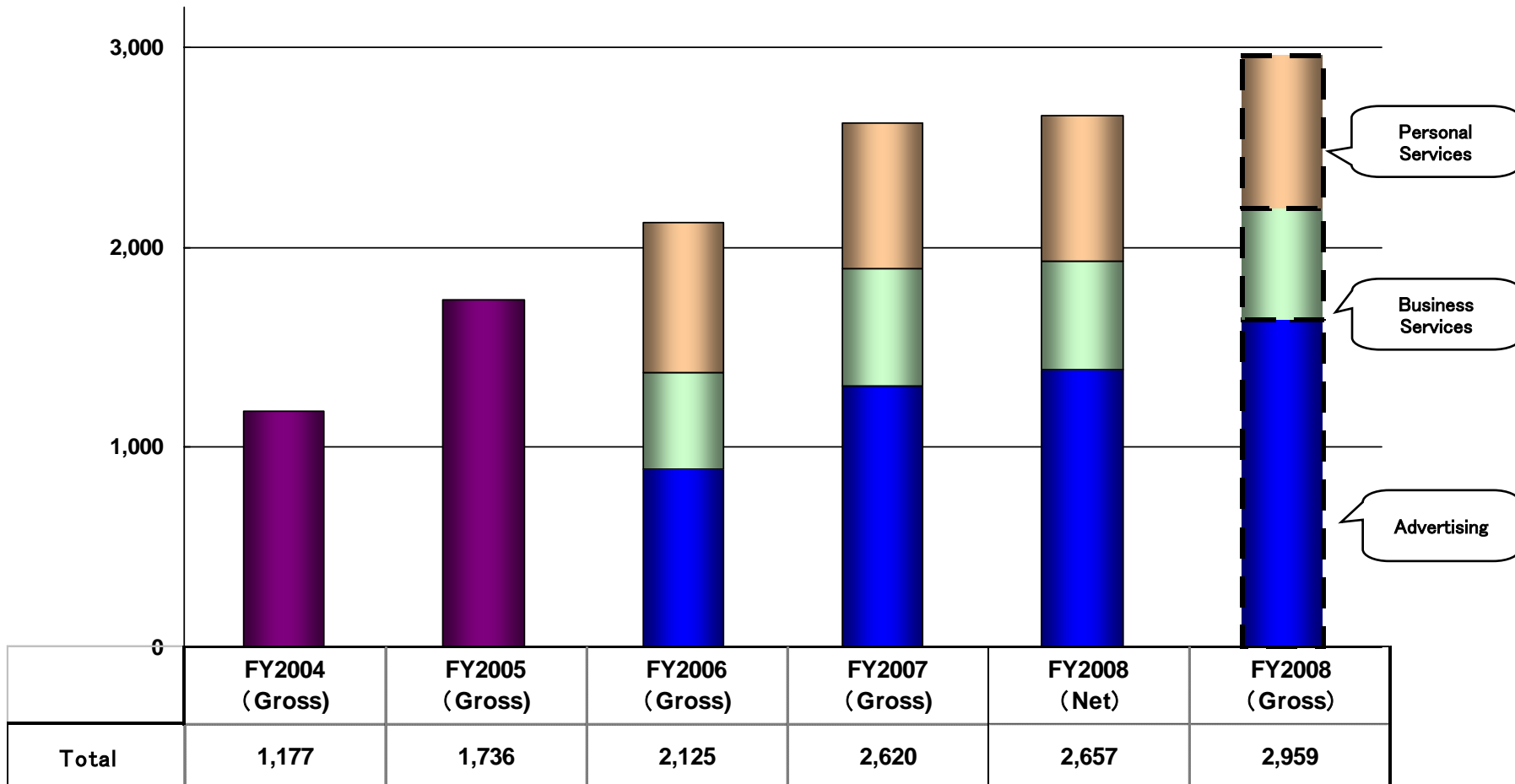
- ① Figures on gross basis for FY2008 are for your reference.
- ② Number of Shares Outstanding and Number of Shares Assuming Full Dilution are excluding treasury stocks.



Annual Net Sales

Net Sales up 12 consecutive years since the start of services

(¥ 100M)



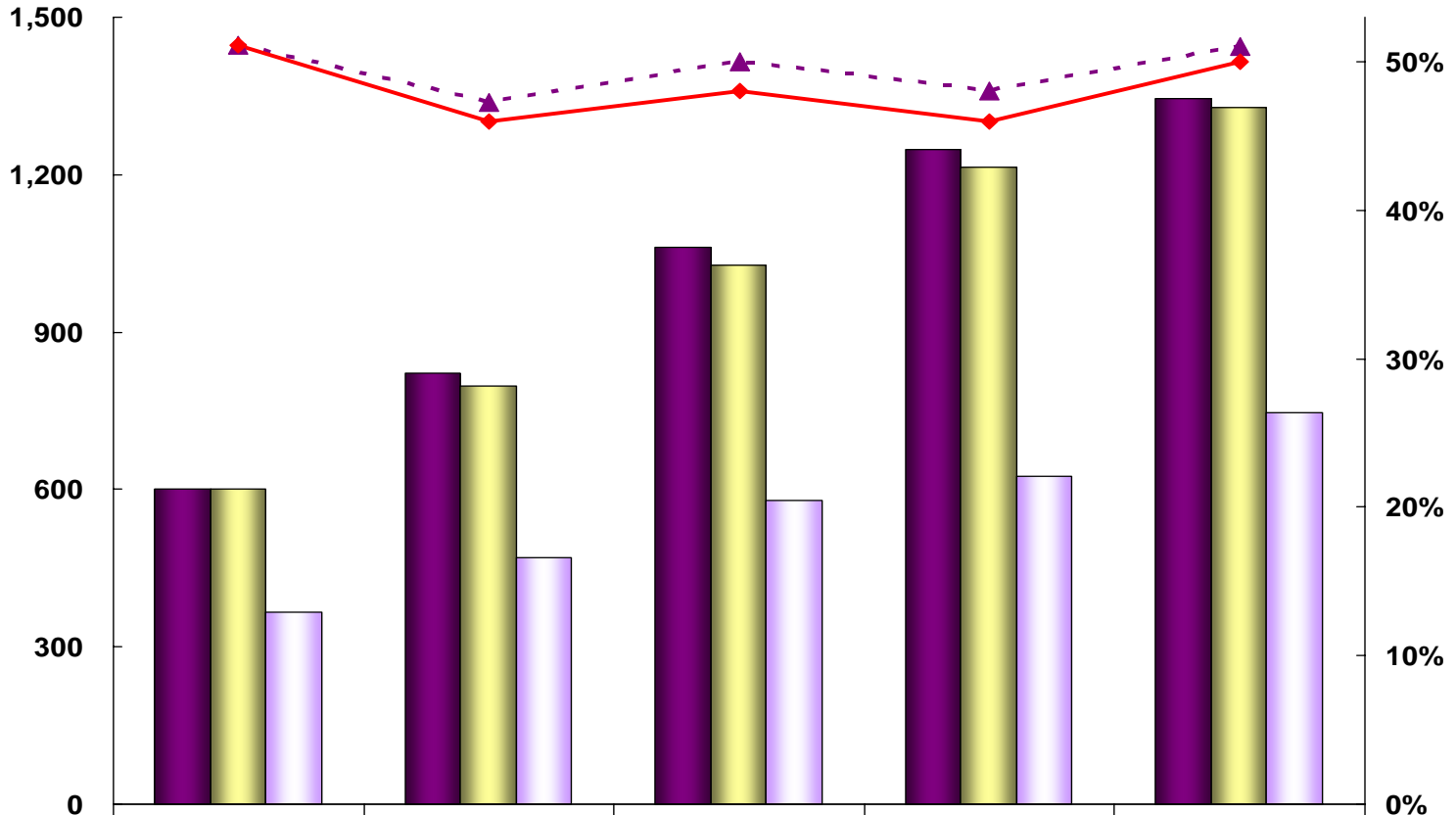
Notes:
Figures on gross basis for FY2008 are for your reference.



Annual Profit

Operating, Ordinary, and Net Income up 12 consecutive years since the start of services

(¥ 100M)



Operating Income	601	821	1,062	1,248	1,346
Ordinary Income	602	798	1,028	1,215	1,329
Net Income	365	470	579	626	747
Operating Margin	51%	47%	50%	48%	51%
Ordinary Margin	51%	46%	48%	46%	50%

*Margins for FY2008 are affected by the change in the presentation basis for revenue from gross basis to net basis.





FY2008 Revenue Breakdown by Business (Net basis)

(¥ 100M)

	Revenue	Sales Breakdown by Business Unit		Gross Profit	SG&A	Operating Income	Operating Margin
Advertising	1,388	Search Business & Overture K.K.	64%	1,191	456	734	52.9%
		Media Business	10%				
		Service Supervising Division	9%				
		Auction Business	3%				
		Social Net Business	3%				
Business Services	545	New Businesses Office	22%	473	265	207	38.1%
		Auction Business	20%				
		Regional Services Business	17%				
		Shopping Business	15%				
		Lifestyle Business	13%				
Personal Services	726	Member Services Business	46%	717	190	527	72.6%
		Auction Business	44%				
		New Businesses Office	4%				



SG&A Breakdown (Annual)

(¥ 100M)

	FY2008	FY2007	Increase/ Decrease	Changes
Personnel expenses	260	226	34	15.2%
Business commissions	155	160	-4	-2.8%
Depreciation expenses	109	96	13	13.6%
Communication charges	94	83	10	13.0%
Royalties	78	75	3	4.7%
Lease and utility expenses	70	64	6	10.3%
Content provider fees	62	52	9	17.8%
Sales promotion costs	51	45	6	14.3%
Sales commissions	43	114	-71	-62.3%
Administrative and maintenance expenses	22	20	1	7.8%
Advertising costs	11	12	-1	-10.7%
Tax and public charges	10	11	-1	-12.1%
Payment commissions	9	51	-42	-82.2%
Allowance for doubtful accounts	7	17	-9	-55.6%
Amortization of goodwill	6	16	-9	-58.0%
Others	38	41	-2	-5.8%
SG&A Total	1,033	1,089	-56	-5.2%

Major factors for yoy changes

Brought development and Other operations in-house

Increase in content distribution cost

Increase in variety content

Business commissions for ad agencies are excluded due to change in the presentation method.

Payment commissions of Netrust, Ltd. are excluded due to change in the presentation method.

Higher debt collection rate for individual customers

Decrease in goodwill due to an impairment



FY2008 Balance Sheets

Major Items (¥100M)	End of FY2008 (2009/3/31)	End of FY2007 (2008/3/31)	Increase/ Decrease	Major Factors for Increase/Decrease
< Assets >				
Current Assets	913	1,643	-729	Decreased from acquisition of own stocks and subsidiary stocks, although increased by operating activities
Cash and Deposits	369	1,130	-760	
Accounts Receivable-Trade	348	368	-20	
Fixed Assets	2,201	2,053	148	Inclusion of fixed asset related to merger
Tangible Fixed Assets	291	166	125	
Intangible Fixed Assets	186	138	48	Increase in goodwill due to purchase of subsidiary stocks
Investment Securities	1,578	1,639	-60	
Total Assets	3,115	3,696	-581	
< Liabilities >				
Current Liabilities	647	889	-242	Decrease in tax payable due to merger
Short-term Borrowings	200	200	-	
Account Payable-Other	137	137	-0	
Accrued Income Taxes	32	291	-258	
Long-term Liabilities	103	300	-196	Repayment of borrowings
Total Liabilities	750	1,189	-439	
< Net Assets >				
Shareholders' Equity	2,339	2,463	-124	Acquisition and cancellation of own stocks
Common Stock	74	73	0	
Capital Surplus	25	24	0	
Retained Earnings	2,239	2,366	-126	
Unrealized Gains on Available for Sales Securities	2	17	-14	
Minority Interests in Consolidated Subsidiaries	20	24	-3	
Total Net Assets	2,364	2,506	-142	
Total Liabilities and Net Assets	3,115	3,696	-581	



FY2008 Cash Flow Statements

Major Items	FY2008 (Apr.2008 - Mar. 2009)	Major Factors for Changes (¥ 100M)
<u>Operating Activities</u>	<u>878</u>	
Net Income before Income Taxes	1,263	Increase in net income before income taxes
Depreciation Expenses	115	
Amortization of Goodwill	11	
Losses in Investment Securities	42	
Profit/Loss in sales of Investment Securities	-11	
Losses under the Equity Method	10	
Decrease in Accounts Receivable/Payable-Trade	40	
Other Current Assets/Liabilities	-53	
Payment of Income Taxes and Other Taxes	-553	
<u>Investing Activities</u>	<u>-539</u>	
Acquisition of Tangible Fixed Assets	-67	Acquisition of servers
Acquisition of Intangible Fixed Assets	-43	
Acquisition/Sales of Stock of Subsidiaries	-431	Acquisition of shares in SOFTBANK IDC Solutions Corp.
	-1,099	
<u>Financing Activities</u>	<u>-1,099</u>	
Redemption of Long-Term Borrowings	-200	
Acquisition of Own Stocks	-820	
Payment of Dividends	-62	
<u>Net Change in Cash Flows</u>	<u>-760</u>	

FY2008-4Q Financial Results (Consolidated)

•Main consolidated subsidiaries at the end of FY2008-4Q

- ◆ Firstserver, Inc.
- ◆ Netrust, Ltd.
- ◆ Overture K.K.
- ◆ Yahoo Japan Customer Relations Corporation
- ◆ Yahoo Japan Value Insight Corporation
- ◆ Y's Insurance Inc.
- ◆ Indival, Inc.
- ◆ NewsWatch, Inc.
- ◆ SOFTBANK IDC Corp. *
- ◆ Y's Sports Inc.

•Main affiliated companies (equity method) at the end of FY2008-4Q

- ◆ All About, Inc.
- ◆ CLASSIFIED Corporation.
- ◆ Estore Corporation
- ◆ JWord Inc.
- ◆ Seven and Y Corp.
- ◆ ValueCommerce Co., Ltd.
- ◆ BestReserve Co. Ltd.
- ◆ CREO CO., LTD.
- ◆ Fashion Walker, Inc.
- ◆ Oricon DD, Inc.
- ◆ Tavigator, Inc.
- ◆ 4travel, Inc.

* Effective April 1, 2009, SOFTBANK IDC Corp. has become IDC Frontier Inc.



FY2008-4Q Statements of Income

	09/1-3 (Net basis)	09/1-3 (Gross basis)①	08/1-3 (Gross basis)	Changes (Gross Comparison)
Revenue (¥100M)	671	751	742	1.2 %
Cost of Sales (¥100M)	66	113	110	2.7 %
Gross Profit (¥100M)	604	637	631	1.0 %
Operating Income (¥100M)	355	355	337	5.3 %
Ordinary Income (¥100M)	350	350	328	6.7 %
Quarterly Net Income (¥100M)	186	186	161	15.5 %
EPS (¥)	316	316	267	18.3 %
Number of Shares Outstanding (10 thousand) (Average of period)②	5,910	5,910	6,049	-2.3 %
Fully Diluted EPS (¥)	315	315	267	18.3 %
Number of Shares Assuming Full Dilution (10 thousand) ②	5,915	5,915	6,057	-2.3 %

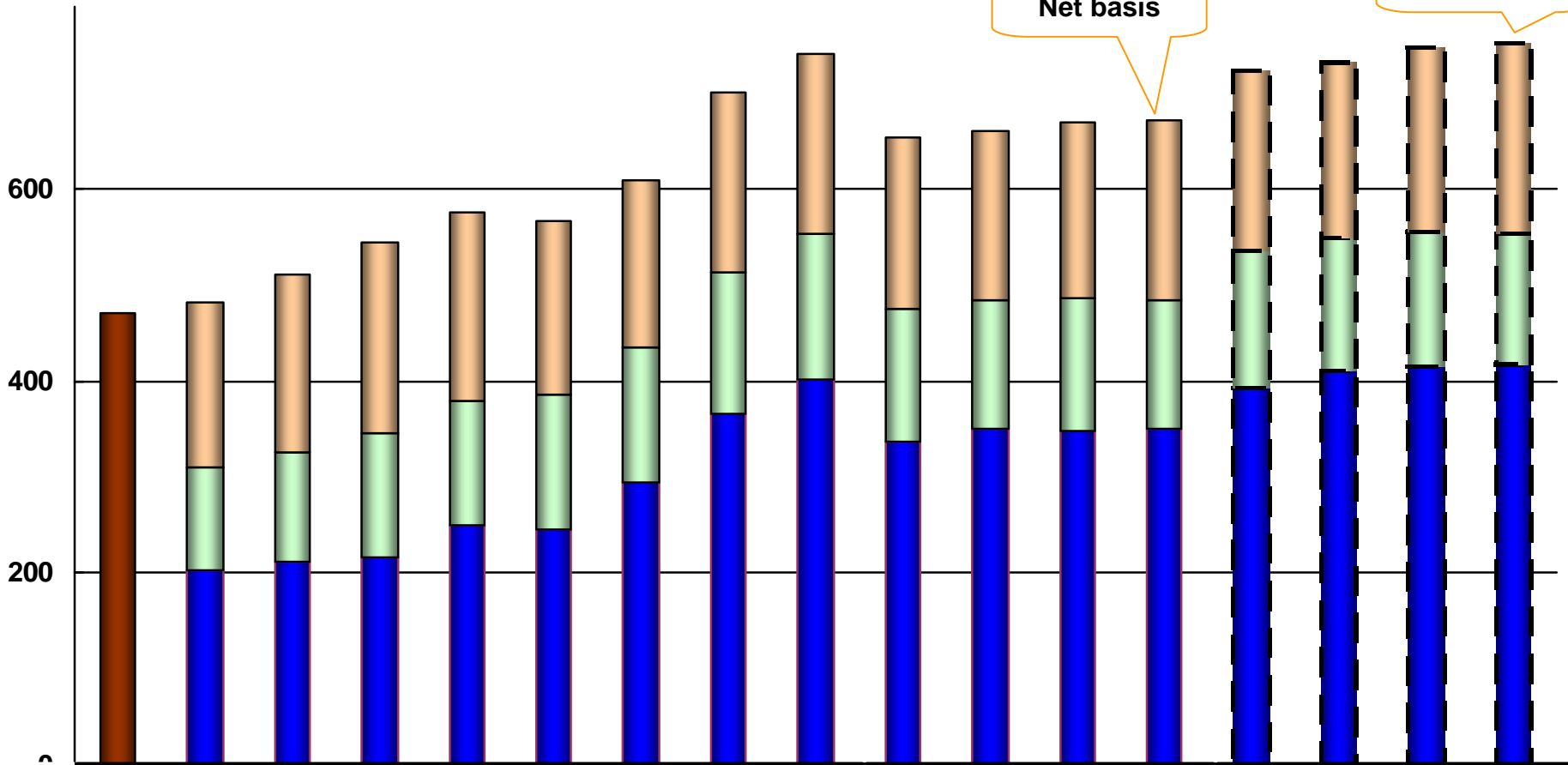
Notes:

- ① Figures on gross basis for 09/1-3 are for your reference.
- ② Number of Shares Outstanding and Number of Shares Assuming Full Dilution are excluding treasury stocks.



Quarterly Revenue

(¥ 100M)



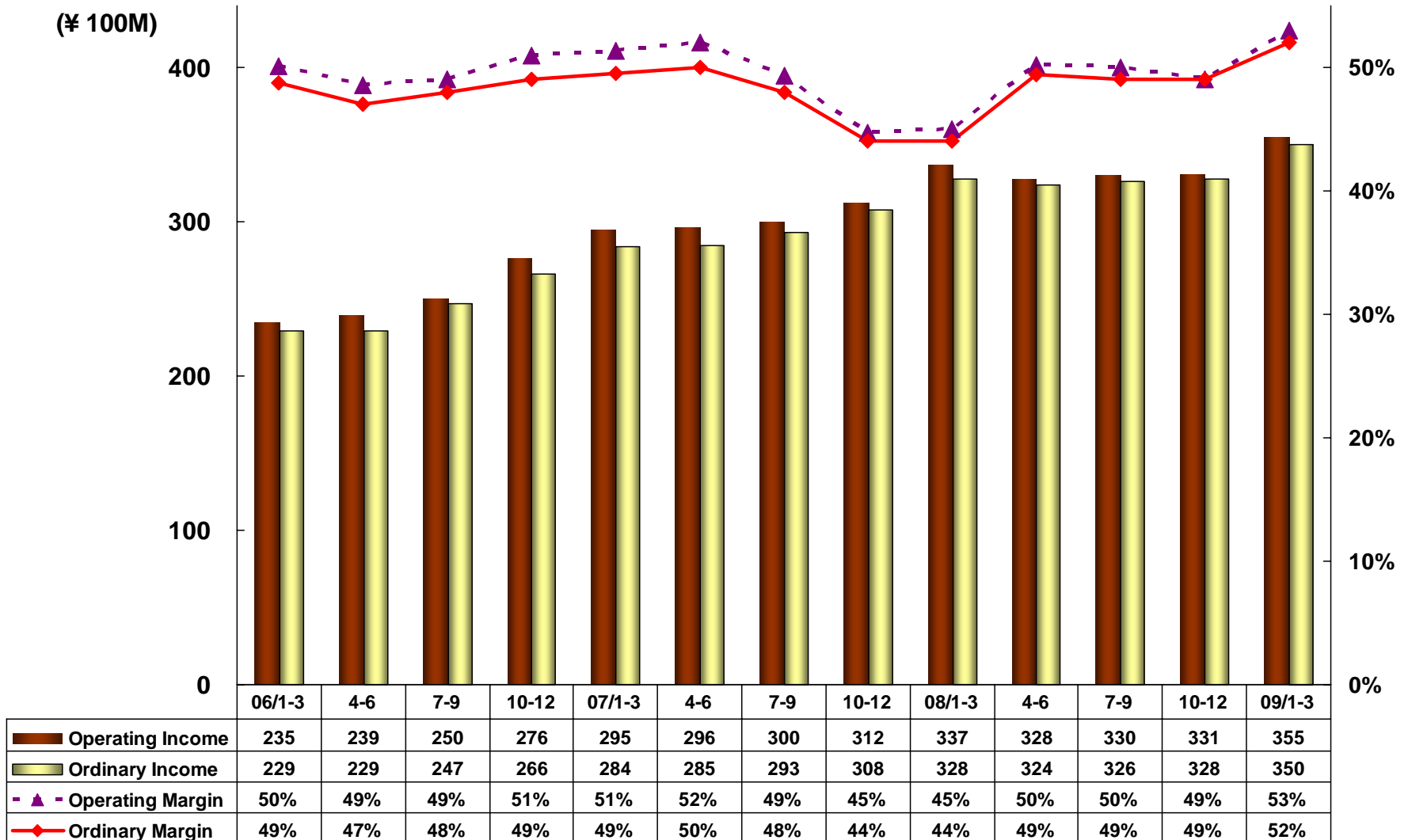
	06/1-3	4-6	7-9	10-12	07/1-3	4-6	7-9	10-12	08/1-3	Net				Gross			
										4-6	7-9	10-12	09/1-3	4-6	7-9	10-12	09/1-3
Total	470	492	512	545	575	566	610	700	742	655	660	669	671	725	733	749	751

• Figures on gross basis for 08/4-6 and after are for your reference.





Quarterly Profits



*Margins for 08/4-6 and after are affected by the change in the presentation basis for revenue from gross basis to net basis.





FY2008-4Q Revenue Breakdown by Business (Net basis)

(¥ 100M)

	Revenue	Sales Breakdown by Business Unit		Gross Profit	SG&A	Operating Income	Operating Margin
Advertising	351	Search Business & Overture K.K.	65%	306	113	192	54.9%
		Service Supervising Division	10%				
		Media Business	9%				
		Auction Business	4%				
		Social Net Business	3%				
Business Services	133	Auction Business	25%	114	64	49	37.3%
		New Businesses Office	21%				
		Regional Services Business	18%				
		Shopping Business	16%				
		Lifestyle Business	8%				
Personal Services	188	Member Services Business	49%	186	46	139	73.9%
		Auction Business	41%				
		New Businesses Office	4%				



FY2008-4Q Balance Sheets

Major Items	2009/3/31	2009/12/31	Increase/ Decrease	Major Factors for Increase/Decrease	(¥ 100M)
< Assets >					
Current Assets	913	1,275	-361	Decreased from acquisition of own stocks and subsidiary stocks, although increased by operating activities	
Cash and Deposits	369	748	-378		
Accounts Receivable -Trade	348	339	9		
Fixed Assets	2,201	2,028	173	Inclusion of fixed asset related to merger	
Tangible Fixed Assets	291	153	138		
Intangible Fixed Assets	186	145	41	Increase in goodwill due to purchase of subsidiary stocks	
Investment Securities	1,578	1,611	-32		
Total Assets	3,115	3,303	-188		
< Liabilities >					
Current Liabilities	647	735	-88	Decrease in tax payable due to merger	
Short-term debts	200	200	-0		
Accounts Payable-Other	137	112	24		
Accrued Income Taxes	32	136	-103		
Long-term Liabilities	103	101	2		
Total Liabilities	750	836	-85		
< Net Assets >					
Shareholders' Equity	2,339	2,443	-103	Acquisition and cancellation of own stocks	
Common Stock	74	74	0		
Capital Surplus	25	25	0		
Retained Earnings	2,239	2,343	-104		
Unrealized Gains on Available for Sales Securities	2	2	-0		
Minority Interests in Consolidated Subsidiaries	20	19	1		
Total Net Assets	2,364	2,467	-102		
Total Liabilities and Net Assets	3,115	3,303	-188		



FY2008-4Q Cash Flow Statements

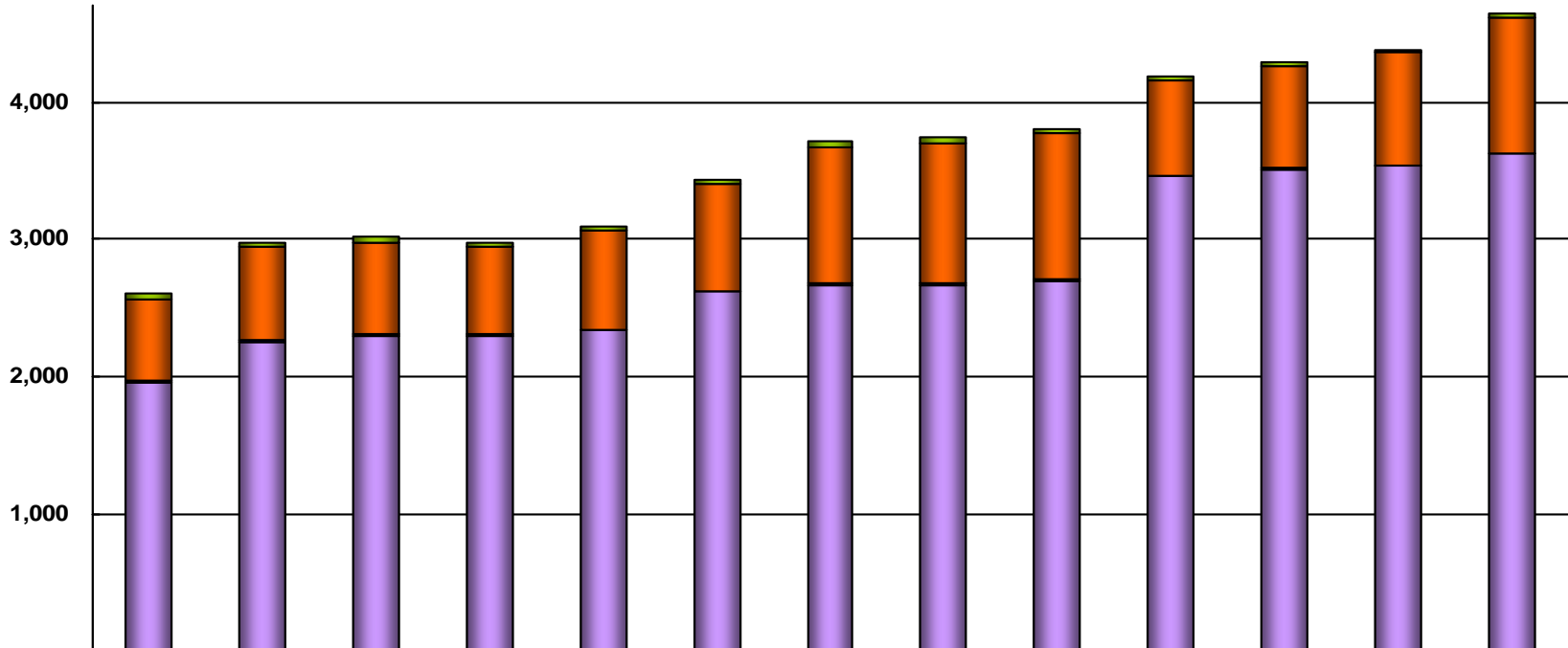
Major Items	FY2008-4Q (Jan.-Mar. 2009)	Major Factors for Changes	(¥ 100M)
<u>Operating Activities</u>	<u>367</u>		
Net Income before Income Taxes	290	Increase in quarterly net income before income taxes	
Depreciation Expenses	31		
Evaluation loss on Investment Securities	37		
Accounts Receivable/Payable-Trade	17		
Other Current Assets/Liabilities	-22		
<u>Investing Activities</u>	<u>-445</u>		
Acquisition of Tangible Fixed Assets	-11		
Acquisition of Intangible Fixed Assets	-8		
Acquisition/Sales of Investment Securities	4		
Acquisition/Sales of Stock of Subsidiaries	-431	Acquisition of shares in SOFTBANK IDC Solutions Corp.	
<u>Financing Activities</u>	<u>-300</u>		
Acquisition of Own Stocks	-300		
<u>Net Change in Cash Flows</u>	<u>-378</u>		







Number of Directors and Employees

(Number of People)

(at the End of Quarter)



	06/3	6	9	12	07/3	6	9	12	08/3	6	9	12	09/3
Directors and Auditors of Subsidiaries 	33	31	31	25	27	27	33	31	32	26	25	24	39
Employees of Subsidiaries 	602	676	677	641	719	781	1,000	1,025	1,062	685	747	814	977
Directors and Auditors of Yahoo! JAPAN 	9	9	9	9	9	9	9	9	9	9	9	9	9
Employees of Yahoo! JAPAN 	1,959	2,255	2,297	2,302	2,340	2,618	2,666	2,670	2,697	3,459	3,508	3,532	3,622
Total	2,603	2,971	3,014	2,977	3,095	3,435	3,708	3,735	3,800	4,179	4,289	4,379	4,647

■ The above figure includes staff who have been dispatched.



Review of Operations by Business Unit



FY2008-4Q Review of Operations by Business Unit (1)

Search Business

- Yahoo! Search: Added an input assistance function for the search window on the top page of Yahoo! JAPAN. Also added a function that displays questions and answers from Yahoo! Answers at the bottom of the search results page that have a strong relationship to the search keyword. Moreover, implemented a renewal of the image search results page.
- Yahoo! Mobile: Commenced offering a mobile version of Yahoo! Search Ranking.
- Yahoo! Answers: Renewed the category top page.
- Yahoo! Bookmark: Began offering a newly added alert function that enables users that have registered their friends to share their bookmark information with them.

Auction Business

- Provided a discount negotiation function that allows bidders to display the amount they want to pay on items for which the starting price and “buy it now” price are set as the same.
- Added a search history function that displays the most recently viewed auction page and keywords searched using the same browser and PC.
- In collaboration with the MOTTAINAI campaign being run principally by ITOCHU Corporation, held the “Yahoo! Auctions MOTTAINAI Month” charity auction.
- Total funds raised by our charity auctions during FY2008 amounted to ¥111.83 million.



FY2008-4Q Review of Operations by Business Unit (2)

Member Services Business

- Ran various campaigns to acquire new subscribers, including a Yahoo! BB Hikari with Flets, starting to accept subscriptions on the Yahoo! JAPAN website, a Full 10 Months of Free ADSL campaign, and extending the Maximum of 15,000 Points or Five Months Free Campaign under the Yahoo! BB Introduction Program.
- Worked with other business divisions and external companies in taking measures to enhance the value of Yahoo! Premium memberships, such as offering an on-demand playback function on Yahoo! Music Sound Station, strengthening collaboration with outside partners, and implementing other measures.
- Yahoo! Keitai Shop: Conducted various promotions to strengthen sales, such as a pre-order campaign for the spring models of Softbank mobile phones and an “iPhone for everybody” campaign.
- Yahoo! Partner and Yahoo! Marriages: With the aim of increasing the number of registered people, strengthened efforts to attract registrants using various promotions, offering diagnostic content about romance, and other activities.

Media Business

- Yahoo! Streaming: Aiming to achieve a top class domestic official content video streaming platform, announced the conversion of GyaO CORPORATION to a subsidiary. Offered video highlights of the World Baseball Classic (WBC) games using Microsoft Silverlight. Playbacks of the WBC championship game hit a record high.
- Yahoo! Finance: Renewed the details page for stock information and the charts page.
- Yahoo! News: Renewed the comment function for news articles.
- Yahoo! Sports: Added an MLB page and renewed the NBA site. The number of daily PVs during the WBC games reached a record high.
- Mobile version of Yahoo! Politics: Renewed top page.



FY2008-4Q Review of Operations by Business Unit (3)

Regional Services Business

- Yahoo! Maps: Starting offering Underground City Map, a service providing the underground layouts of 49 major stations in Japan. In addition to its basic function of showing the layout and position of shops, the service has a nearby search function that enable users to view the latest updated information on a search item.
- Yahoo! Real Estate: Began a Rental Accommodations Search by School Name service (beta version) that lets users search for rental condominiums and apartments by universities, junior colleges, and vocational colleges.
- Yahoo! StepUp: In addition to enabling searches by region, name, and purpose, started a cram and preparatory school guide service where users can post and view word-of-mouth information. The service has information on approximately 4,000 cram and preparatory schools nationwide. In collaboration with Obunsha Co., Ltd., the service conducted a unified practice examination for university entrance examinations held simultaneously nationwide (2008, 3rd time).
- Yahoo! Gourmet: Added a function allowing users to search for restaurants by region. Also improved ease of use of the mobile site.
- Yahoo! Get Local: Added a coupon listing function to the information-listed products.
- Yahoo! Phone Book: Renewed the Yahoo! Coupons web site.

Shopping Business

- Added a My Shopping page where logged-on users can register their favorites lists and manage their shopping information.
- Strengthened mutual solicitation efforts with Yahoo! Auctions.
- Emphasized running Valentine's Day, new fiscal year—new life, and other seasonal special features.



FY2008-4Q Review of Operations by Business Unit (4)

Lifestyle Business

- Based on a business alliance with YOSHIMOTO KOGYO CO., LTD., started Yahoo! Variety, a service that distributes live comedy shows and talk programs featuring entertainers.
- Increased the index for Yahoo! Talent Directory to 300 thousand people from 20 thousand people and carried out a renewal of the site as Yahoo! Personality Directory.
- Yahoo! BEAUTY: Added a club function as a community function for Diet Diaries.
- Yahoo! Music: To enhance the value of Yahoo! Premium memberships, start offering an on-demand playback function on Yahoo! Music Sound Station.
- Yahoo! Rikunabi: In collaboration with RECRUIT CO., LTD., launched the regionally oriented career change information site Hataraiiku.

Social Net Business

- Yahoo! Messenger: Launched the official 9.0 version.
- Yahoo! Mail: Began offering the Fukuoka SoftBank Hawks Fan Mail service. Continued introducing the Yahoo! Mail Academic Edition to schools throughout Japan.
- Yahoo! Message Boards: Underwent a full-scale renewal of the PC version. Started listing the News Boards and Popular Keywords services on the top page.
- Yahoo! Avatar: Instituted an avatar item gift service.

Mobile Business

- Mobile version of Yahoo! JAPAN: Renewed the top pages of the i-mode and EZweb sites. Strengthened the personalization function that automatically lists services in accordance with the interests of users or the local weather in the area where they live.
- Commenced offering Yahoo! News on the call standby display of SOFTBANK mobile phones using a ticker.
- With the aim of acquiring new mobile Suica users and promoting the use of Suica, began offering Y! Suica (Yahoo Suica), a mobile site dedicated to Suica. The site lists campaign information as well as such information supplied by the East Japan Railway Company as “Recommended Information,” which provides information on benefits, and search-related, traffic, and entertainment information.



FY2008-4Q Review of Operations by Business Unit (5)

New Businesses Office

- **Settlement Services:** In collaboration with ValueCommerce Co., Ltd., started Yahoo! PointUp Mall, a service awarding Yahoo! Points to Yahoo! Card and Yahoo! Premium members for use of non-Group affiliated sites. In addition, made it possible to use Yahoo! Points on Yahoo! Travel and Yahoo! Business Travel. For Yahoo! Card, implemented special sales exclusively for cardholders through a tie-up with Yahoo! Shopping.
- **Travel Services:** Enabled the acquisition and use of Yahoo! Points when making accommodation reservations on Yahoo! Travel and Yahoo! Business Travel. Also, launched special features, such as Yokohama Visit Guide, Hawaii Guide, and Golden Week Special Feature.
- **Research Services:** As of the end of March 2009, the number of registered PC monitors amounted to 1.90 million.
- **Digital Home Services:** Commenced a TV version of our Yahoo! JAPAN service for Internet-enabled TVs. Also started offering a Yahoo! Calendar service compatible with Sony Corp.'s Bravia TVs (Applicast). For our Yahoo! JAPAN for AQUOS service, added a special feature on nighttime viewing of cherry blossoms and our Yahoo! Fortune Telling service.
- **New Business Dept.:** The number of registered businesses on Yahoo! On Business, a portal site for business owners, was approximately 24,000 during the quarter.

Service Supervising Division

- **Sports Support Project 2008:** Announced 4 winning school classes from a total of 459 applicants for the One-Day Homeroom Athlete Teacher program where athletes visit elementary and junior high schools and act as teachers for one day.
- **Began offering Internet Explorer 8 for Yahoo! JAPAN,** a version of Microsoft Corp.'s Internet Explorer 8 customized for Yahoo! JAPAN, free of charge.

Appendix

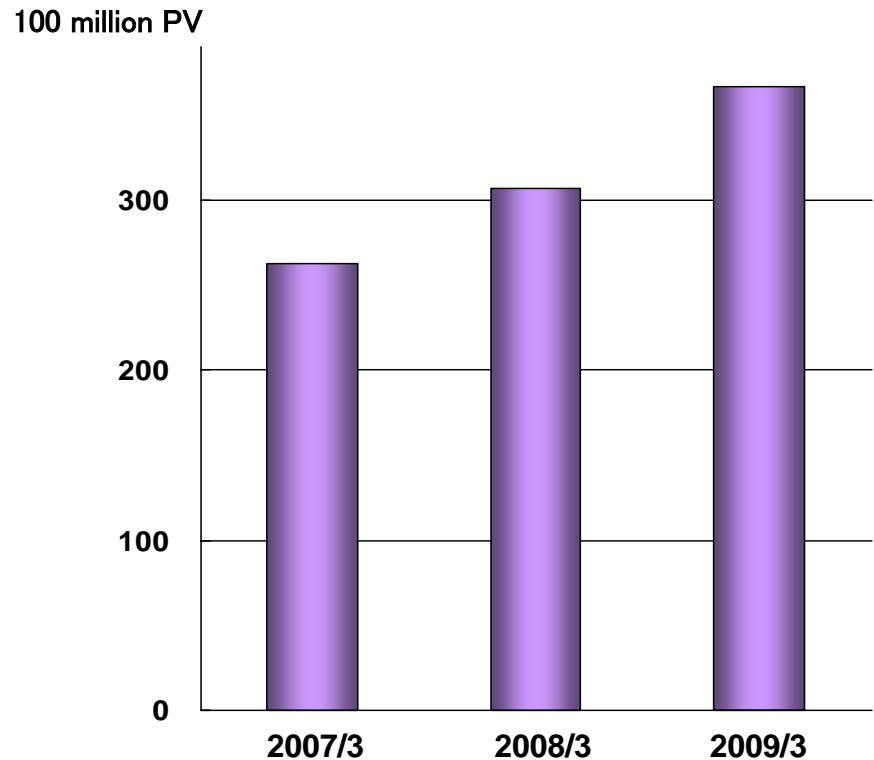
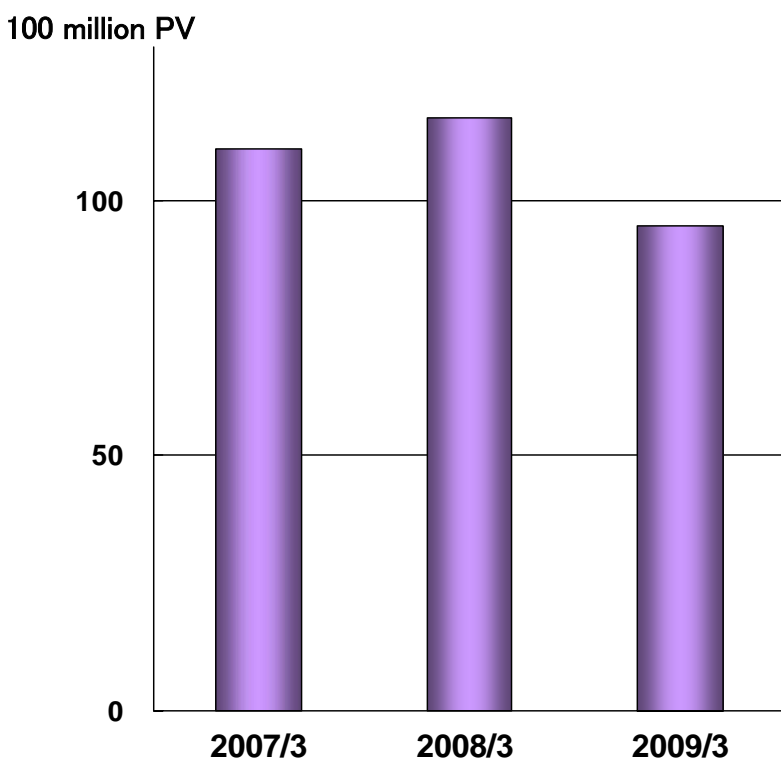


Analysis of PVs of Yahoo! JAPAN

PVs of properties with high advertising media value are increasing favorably continuously.

PVs of Auction, GeoCities, and Message boards decreased by approx. 20% yoy.

PVs excluding the services on the left **increased** by approx. **20%** yoy
(Search, Mobile, Top page, News, etc.)





Display Advertising Sales by Industry

Industries with large year on year increase

- Cosmetics/Toiletries
- Beverages/Cigarettes
- Foodstuffs

Industries with high year on year growth rate

- Beverages/Cigarettes
- Cosmetics/Toiletries
- Foodstuffs

	07/4Q	08/1Q	2Q	3Q	4Q
Finance/Insurance/Securities	18.9%	18.1%	18.9%	16.7%	14.0%
Autos (Transport Equipment)	11.8%	12.3%	10.7%	11.4%	12.9%
Real Estate/Construction	11.4%	12.1%	11.5%	10.7%	12.8%
Cosmetics/Toiletries	6.3%	9.2%	10.2%	10.4%	10.2%
Transportation/Leisure	9.1%	7.9%	7.9%	7.2%	6.3%
Beverages/Cigarettes	2.4%	5.0%	3.9%	3.3%	4.9%
Mobile Communications Service	3.9%	3.3%	3.3%	4.1%	3.9%
Foodstuffs	2.7%	3.5%	3.4%	3.6%	3.8%
Computers/Office Equipment	6.8%	3.2%	3.3%	3.4%	3.3%
Fashion/Accessories	2.4%	3.7%	3.4%	4.2%	3.1%
Recruitment Services	4.6%	3.6%	3.2%	3.4%	2.8%
Others	19.7%	18.1%	20.3%	21.6%	22.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

* The above figures do not include revenues from pay per performance advertising.



FY2008-4Q Major Advertisers

Finance/Insurance/Securities

Mitsui Direct General Insurance Company, Limited
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Tokio Marine & Nichido Fire Insurance Co., Ltd.

Autos (Transport Equipment)

Honda Motor Co., Ltd.
Nissan Motor Co., Ltd.
TOYOTA MOTOR CORPORATION

Real Estate/Construction

DAIKYO INCORPORATED
Mitsui Fudosan Residential Co., Ltd.
Nomura Real Estate Development Co., Ltd.

Cosmetics/Toiletries

DHC Corporation
Shiseido Co., Ltd.
Yamada Bee Farm

Transportation/Leisure

All Nippon Airways Co., Ltd.
Japan Airline Corporation

Beverages/Cigarettes

Coca-Cola (Japan) Company, Limited
SAPPORO BREWERIES LTD.
Suntory Limited

Mobile Communications Services

KDDI CORPORATION
SOFTBANK MOBILE Corp.

Foodstuffs

LOTTE Co., Ltd.
Yazuya, Co., Ltd.

Computers/Office Equipment

Dell
EPSON SALES JAPAN CORPORATION

Fashion/Accessories

NIKE
Tiffany & Co. Japan Inc.

Recruitment Service

en-japan inc.

- The above are the major clients of Yahoo! JAPAN's advertising sales excluding pay per performance advertising.
- The above are classified by contents of advertising.



Additional Business Data: 2008-4Q

Average Daily Transaction Volume	Jan.-Mar. 2008	Jan.-Mar. 2009
Commerce (¥100M)	26.1	26.0
☆ Auction (¥100M)	20.5	20.0
☆ Shopping* (¥100M)	5.5	5.9
Yahoo! Mobile e-commerce (¥100M)	3.6	4.3
Subscriber Lines for Yahoo! BB Services	End of Mar. 2008	End of Mar. 2009
Total (thousand lines)	4,809	4,299
Number of lines marketed by Yahoo! JAPAN (thousand lines)	981	842
Other Data of Auction Business	Jan.-Mar. 2008	Jan.-Mar. 2009
Average Closing Price (¥)	5,277	4,995
Average Successful Auction Ratio (%)	22	19
Number of Business Express Contracts (Number of contracts/Monthly average)	Jan.-Mar. 2008	Jan.-Mar. 2009
	3,117	2,637

* The transaction volume of Yahoo! Shopping, Yahoo! Tickets and Yahoo! Travel, excluding fraudulent orders for both periods.



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