

Auction Business

Main services

- Yahoo! Auctions
- Yahoo! Delivery
- Yahoo! Classified

Business aims

The Yahoo! Auctions site provides an online platform that enables private individuals and merchants (Auction Stores) to buy and sell goods via an auction process. To promote increased BtoC and CtoC transaction volumes, this business is implementing ongoing measures to strengthen site security and carrying out various promotions to attract more participants and increase usage frequency among registered users.

Fiscal 2006 overview

Ongoing measures focused on increasing site security. Promotional efforts to expand the Yahoo! Auctions user base included a series of television commercials and a campaign effectively waiving the requirement that Yahoo! Auctions bidders have a Yahoo! Premium member ID by granting the right to bid in auctions to all users possessing a Yahoo! JAPAN ID. System-use fees for CtoC transactions were raised from 3% to 5% of auction closing prices in May 2006 to expand auction-related

revenue. A beta version of the Yahoo! Classified service was released to enable users to exchange goods and information.

Principal revenue sources

CtoC auction system-use fees, Auction Store system-use fees, branding advertising

Search Business

Main services

- Yahoo! Search
- Yahoo! Category
- Yahoo! Blog Search
- Yahoo! Product Search
- Yahoo! Dictionary
- Yahoo! Translation
- Yahoo! Answers
- Yahoo! Bookmark

Business aims

This business supplies a range of convenient search services that provide straightforward solutions matched precisely to user needs. The Company's acquisition of Overture, scheduled for completion in fiscal 2007, and the introduction of a new paid-search advertising system incorporating a quality index and cost per click are

expected to boost demand for Sponsor Site, the Group's paid-search advertising service, which is expected in turn to increase consolidated sales revenue.

Fiscal 2006 overview

The Group began supplying a mobile version of Yahoo! Search to the Yahoo! Keitai mobile Internet service for SOFT-BANK mobile subscribers. The mobile versions of Yahoo! Search for i-mode and EZweb mobile users also were renewed to promote greater usage of Yahoo! JAPAN search services by subscribers to other mobile carriers. In addition, various functions were upgraded, including the start of PC site search services for each of the three major mobile carriers in Japan. The Group also introduced various search-related functional improvements, including a direct search function for maps, a new function in Yahoo! Blog Search to allow users to search by blog reputation, and a group search function for blogs to generate similar kinds of blog articles as a search result.

Principal revenue source

Sponsor Site paid-search advertising service



Members Services Business

Main services

- Yahoo! BB
- Yahoo! Premium
- Yahoo! Trading
- Yahoo! Insurance
- Yahoo! Tickets
- Yahoo! Live Talk
- Yahoo! Delivers
- Yahoo! Wallet
- Yahoo! Wedding
- Yahoo! Marriages
- Yahoo! Partner
- Yahoo! Keitai Shop

Business aims

Using various promotional tools and offering packages of exclusive services, this business focuses on attracting new Yahoo! Premium members and Yahoo! BB subscribers. By enhancing the value of exclusive member services for existing members and subscribers and by promoting greater service usage, we aim to raise customer satisfaction and to expand average revenue per user (ARPU).

Fiscal 2006 overview

Efforts focused on increasing the value of Yahoo! Premium and Yahoo! BB member-



ships by offering advance ticket sales for designated live concerts and other events, exclusive online previews, and other members-only services. Although new applications for Yahoo! Premium memberships decreased owing to the relaxation of participation requirements for Yahoo! Auctions, these efforts helped to forestall the anticipated increase in churn rate.

Principal revenue sources

Yahoo! Premium membership fees, Yahoo! BB subscriber ISP fees

Business aims

By linking Yahoo! JAPAN services with various types of regional information, this business aims to supply area-specific information to enrich the lives of residents in specific localities. Initiatives include supplying more comprehensive information, providing value-added services based on information contributed by users, and improving the mobile versions of services.

Fiscal 2006 overview

Yahoo! Maps began daily updating of information based on user postings and user map updates. The Group began supplying Wai Wai Map (beta version), a new community-type map service that enables users to create maps and to exchange and share map information with other users. New mobile versions of Yahoo! Real Estate and Yahoo! Traffic Information were made available. The Group also unveiled Yahoo! Partner, a service that brings together persons with compatible interests and provides opportunities for deepening communication.

Principal revenue sources

Information listings, branding advertising

Regional Services Business

Main services

- Yahoo! Area Search
- Yahoo! StepUp
- Yahoo! Maps
- Yahoo! Rikunabi
- Yahoo! Real Estate
- Yahoo! Transit
- Yahoo! Gourmet
- Yahoo! Get Local
- Yahoo! Healthcare
- Yahoo! Coupons
- Yahoo! Traffic Information
- Yahoo! Phone Book
- Yahoo! Internet Certification



Media Business

Main services

- Yahoo! News
- Yahoo! Finance
- Yahoo! Sports
- Yahoo! Weather
- Yahoo! TV
- Yahoo! Streaming
- Yahoo! Disaster Information
- Yahoo! Politics
- Yahoo! Everybody's Topics
- Yahoo! Trend Word

Business aims

This business unit provides a variety of user-tailored content and services to boost user traffic and increase the number of page-views, thereby raising the Yahoo! JAPAN site's value as an advertising media. The Group is also working to maximize advertising sales revenue by forging part-

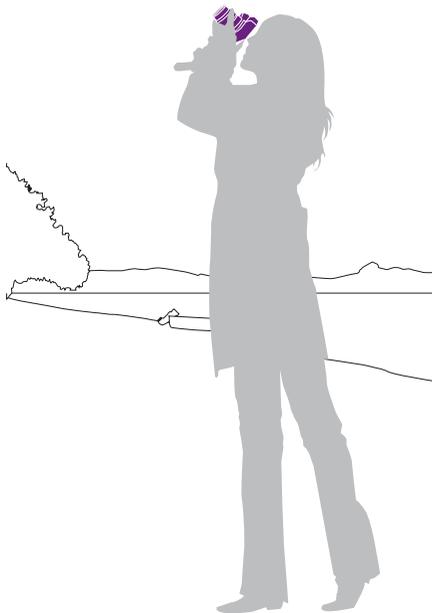
nerships with content providers to increase total network user traffic, which in turn boosts the advertising media value of partner sites and increases the Group's advertising revenues. Elsewhere, the Group is targeting higher revenues through the expanded provision of paid content and services.

Fiscal 2006 overview

Beta versions of three services were released: Yahoo! Everybody's Topics, a community-type news service; Yahoo! Trend Word, a service that ranks words frequently appearing in blogs and news services; and Stock Comment Book, a service that enables users to post comments about listed companies by ticker code. To promote increased user participation in Yahoo! News, new functions enabling users to post comments and to vote on issues were added. New links to content providers' sites were added to create a more open network.

Principal revenue sources

Branding advertising, information listings



Shopping Business

Main services

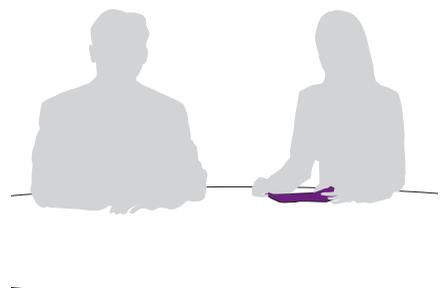
- Yahoo! Shopping
- Yahoo! GroupBuy
- Yahoo! Books
- Yahoo! Prize Competition

Business aims

The Shopping Business operates Yahoo! Shopping, a site featuring a broad selection of high-quality items supplied by companies ranging from established brand-name retailers to distinctive specialist boutiques. This business focuses on increasing transaction volume by developing advertising, carrying out various promotional campaigns, and providing support to stores registered on the Yahoo! Shopping site.

Fiscal 2006 overview

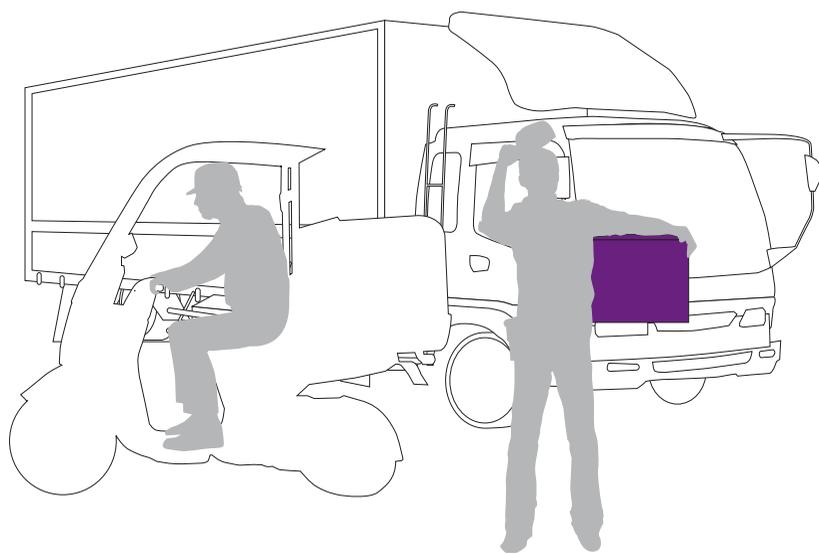
Efforts to expand transaction volume included various seasonal promotional campaigns on the Yahoo! Shopping site and a special discount-sale campaign linked to Yahoo! Auctions in celebration of both sites' seventh anniversary. Other initiatives focused on boosting user convenience, including a move enabling users to confirm with a single click their credit card information uploaded automatically from Yahoo! Wallet rather than manually inputting the information each time a purchase is made, thereby facilitating pay-



ments made to Yahoo! Shopping stores. In addition, Group subsidiary Netrust, Ltd., began offering the Mobile Suica Net Settlement service to site-registered stores as an option on settlement menus. Finally, the Commerce Conference 2007 Advance was held in order to provide consulting services designed to enhance the online presence of established stores on the site.

Principal revenue sources

Store tenant fees, advertising sales from stores, store sales commissions



Social Net Business

Main services

- Yahoo! Days
- Yahoo! Avatar
- Yahoo! Blogs
- Yahoo! Message Boards
- Yahoo! Messenger
- Yahoo! Greetings
- Yahoo! Mail
- Yahoo! Calendar
- Yahoo! Notepad
- Yahoo! Address Book
- Yahoo! GeoCities
- Yahoo! Groups
- Yahoo! Photo
- Yahoo! Briefcase
- Yahoo! Polls
- Yahoo! Alert
- Yahoo! Podcast
- Yahoo! Member Directory

Business aims

With the goal of transforming the Group into Japan's leading social media provider, the Social Net Business offers services that help people to maximize the benefits of interpersonal networks. This business unit works in cooperation with other business units to incorporate user-specific functionality into each of the Group's services.

Fiscal 2006 overview

The Social Net Business focused on creating platforms for incorporating users' accumulated Internet-usage histories and social networking data into the service

provision mechanism of each Yahoo! JAPAN service. To this end, we developed a proprietary affinity engine capable of automatically generating user-specific recommendations regarding the provision of services and related product promotions. During the year, we began to introduce our affinity engine into selected Yahoo! JAPAN services.

The Group's social networking service, Yahoo! Days, became fully operational in July 2006. From November 2006, all SOFT-BANK mobile subscribers were granted an exemption from the invitation-only requirement for participation in this service and allowed to freely access the mobile version of Yahoo! Days via the Yahoo! Keitai site. Elsewhere, security functions for Yahoo! Mail and other services were reinforced to combat fraud and other mail-related abuses.

Principal revenue sources

Branding advertising, paid content and services



Lifestyle Business

Main services

- Yahoo! Music
- Yahoo! Ringtone
- Yahoo! Autos
- Yahoo! Computers
- Yahoo! Fortune Telling
- Yahoo! Movies
- Yahoo! Beauty
- Yahoo! Comics
- Yahoo! Games
- Yahoo! Retirement

Business aims

Providing services with a significant social media component in lifestyle-related areas, this business features highly specialized and interest-specific content.

Fiscal 2006 overview

Efforts focused on expanding usage by adding recommendation, search, and reputation functions to each service to facilitate the exchange of information among users with similar interests and hobbies. We launched Yahoo! Retirement, a service site aimed at assisting seniors establish fulfilling and enjoyable later-year lives.

Principal revenue sources

Branding advertising, information listings, paid content and services



Mobile Business

Main services

- Yahoo! Mobile
- Yahoo! Content Store

Business aims

This business effectively boosts the convenience of Yahoo! JAPAN services by improving related services and content for usage by mobile phone subscribers in

Japan, either through the Yahoo! Keitai site (SOFTBANK) or via the i-mode (NTT DoCoMo) and EZweb (KDDI) platforms.

Fiscal 2006 overview

In October 2006, the Group launched the SOFTBANK mobile portal site and began supplying Yahoo! Keitai mobile Internet services to SOFTBANK mobile subscribers. Elsewhere, preparations were made for the April 2007 renewal of the top pages of the mobile version of Yahoo! JAPAN services supplied to the i-mode and EZweb platforms. In collaboration with the Search Business, PC site search services were initiated for each of the three major mobile carriers in Japan, along with the provision of Yahoo! Answers services and various other functional upgrades.

Principal revenue sources

Branding advertising, Sponsor Site advertising, paid content and services



New Business Office

Main services

- Yahoo! Research
- Yahoo! ezPay
- Yahoo! NetBanking
- Yahoo! Points
- Yahoo! Card
- Yahoo! Travel
- Yahoo! Business Travel
- Yahoo! WebHosting
- Yahoo! Benefits
- Business Express

Business aims

The New Business Office aims to create new business models and to foster the development of new business units. Settlement-related services such as Yahoo! ezPay and Yahoo! NetBanking target the provision of reliable, secure, and convenient methods for settling online transac-

tions. The Yahoo! Research business is working to expand its customer base and to upgrade its product lineup while improving online survey capabilities, mainly through Group subsidiaries INFO PLANT and Interscope as well as affiliate INTAGE Interactive. Group subsidiary Firstserver, a specialist domain and Web-hosting service provider, is working to expand operations in this area under the Yahoo! WebHosting brand.

Fiscal 2006 overview

In collaboration with the Japan Net Bank, the Group began offering the Yahoo! NetBanking service, which offers users with a Yahoo! JAPAN ID access to the convenient, safe, and reliable settlement services of the Japan Net Bank. Aiming to expand the Internet research-related services business further, the Group made Interscope a consolidated subsidiary in February 2007. INFO PLANT and Interscope merged in July 2007 to form Yahoo Japan Value Insight Corporation.

Principal revenue sources

Settlement-related services, research-related services, Web-hosting services, Business Express, travel-related services

Service Supervising Division

Main services

- Yahoo! JAPAN Top Page
- Yahoo! Safety Net
- Yahoo! Kids
- My Yahoo!
- Yahoo! Toolbar
- Yahoo! Newsletter
- Yahoo! eMail Magazine
- Yahoo! JAPAN Help Center
- Yahoo! Widgets
- Yahoo! Developer Network
- Yahoo! Volunteer

Business aims

The Service Supervising Division focuses on expanding the number of active users of Yahoo! JAPAN services and provides support to other business units in undertaking promotional campaigns.

Fiscal 2006 overview

The Group began providing Yahoo! Safety Net, a filtering service that prevents children from viewing Web sites targeting mature users. As part of the Group's social contribution activities, the division established the Yahoo! Charity Fund with the dual goal of promoting the sound development of Internet society and providing aid to victims of natural disasters. In addition, we added a new security function and toolbar designed to combat phishing fraud on Yahoo! JAPAN sites.

Principal revenue source

Advertising on Yahoo! JAPAN Top Page

