

Profile and History

Yahoo Japan Corporation and its consolidated subsidiaries and affiliates (the Group) have been a key driving force behind the rapid growth of Japan's Internet market. Offering Internet users a wide range of services, including search, information listing, community, and e-commerce, our site is the overwhelming leader in Japan in the number of users and page views.

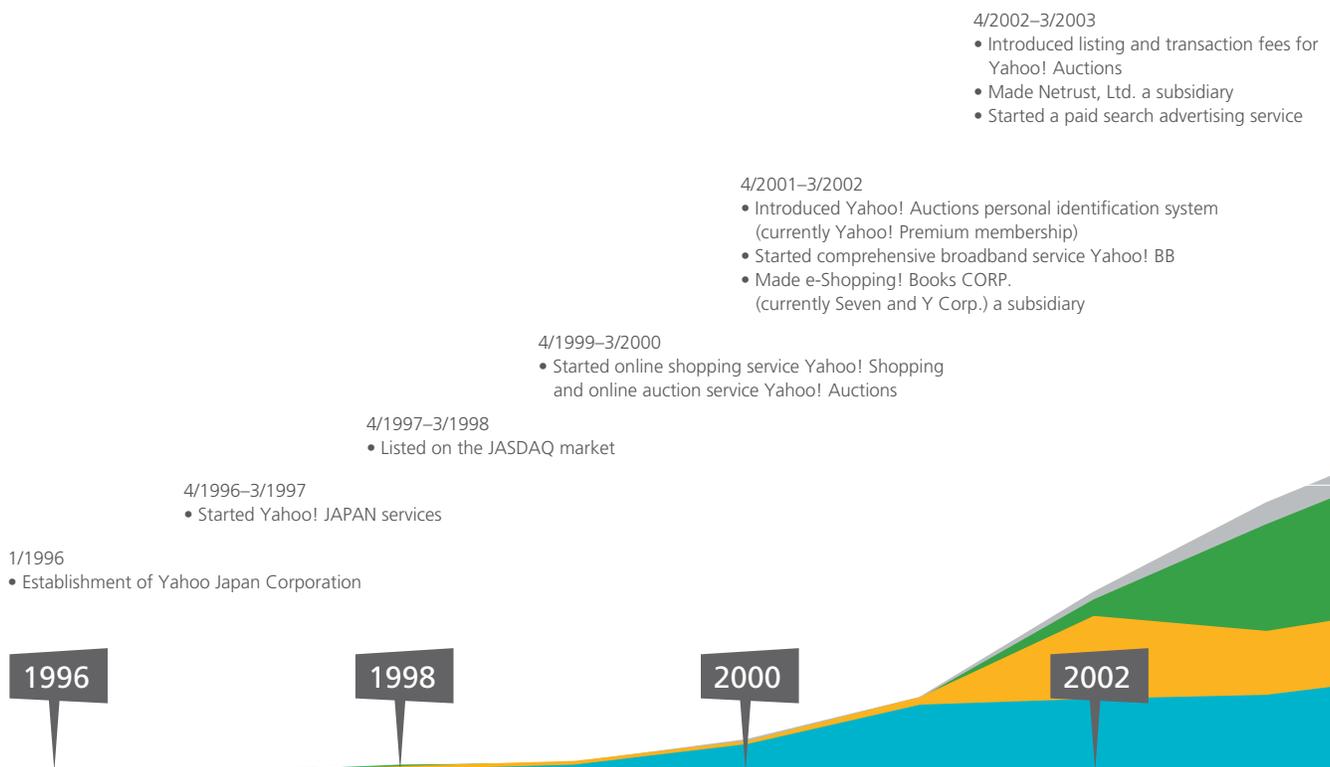
We are constantly improving our "life engine" services designed to enrich the content and enhance the convenience of daily life. While continuing to focus on Internet advertising, members services, and e-commerce businesses, the Group's core revenue sources, we are also diversifying our earnings by incorporating user-generated content and developing our streaming content and mobile Internet businesses.

Effective April 1, 2006, the Group's former seven business segments, namely, (1) listing, (2) auction, (3) Yahoo! BB, (4) media, (5) shopping, (6) business solutions (BS), and (7) corporate common, were reorganized into three business segments, namely, (1) advertising, (2) business services, and (3) personal services, summarized below. Because this new business segmentation more accurately reflects the Group's actual operations as it continuously enhances and tailors services to meet changing demands in the rapidly expanding Internet market, it will enable greater transparency and consistency in the presentation of business results. At the same time, the Group implemented a divisional restructuring in an effort to more efficiently provide services.

The Advertising segment comprises Internet-based advertising-related services. Main sources of revenue for this segment include sales of banner and text advertisements on the Yahoo! JAPAN Web site, and the paid search advertising service.

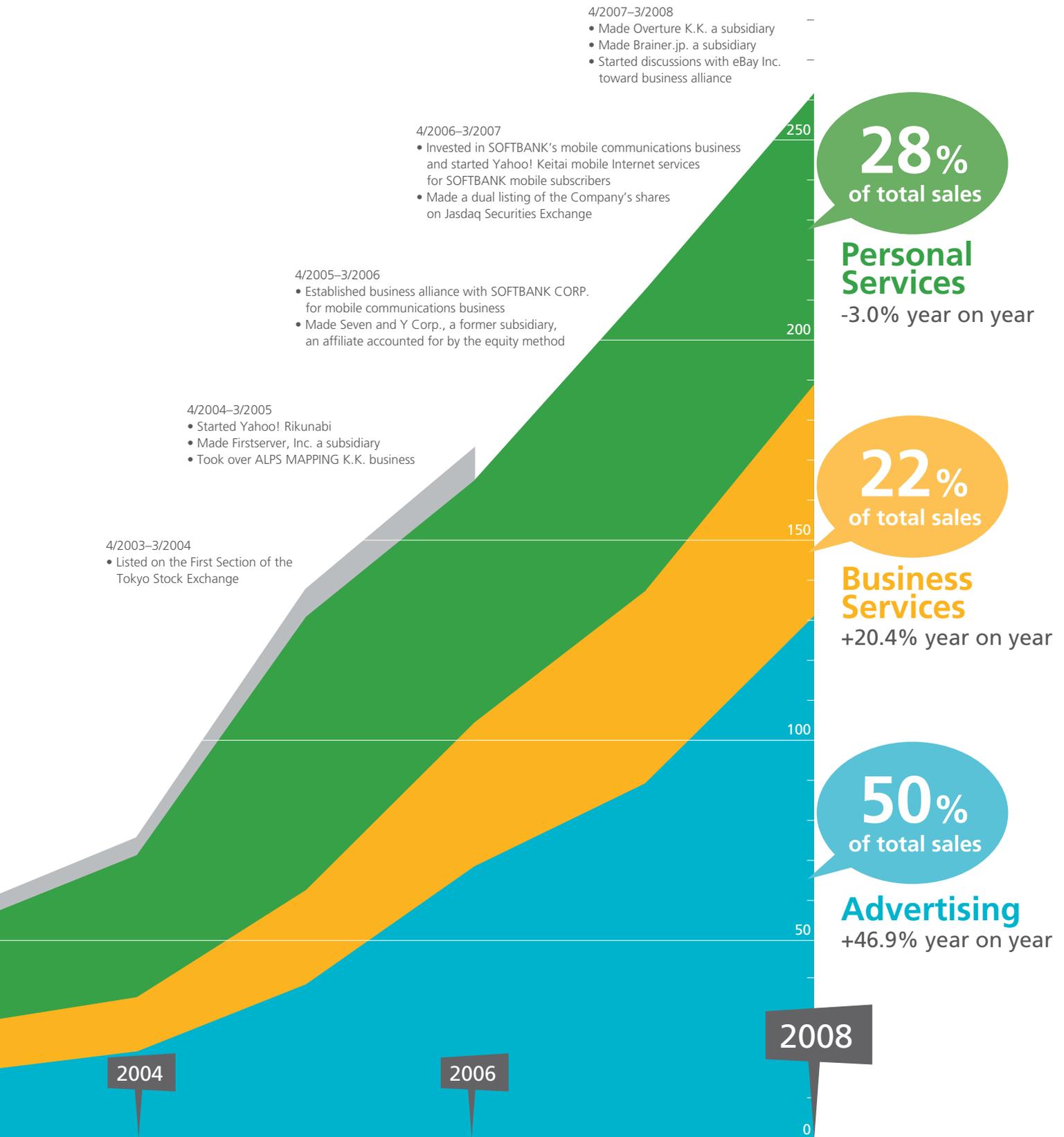
The Business Services segment includes non-advertising-related services for corporations. This segment derives revenue from fees and commissions for various information listing services, tenant fees and sales commissions from stores listed on the Yahoo! Auctions and Yahoo! Shopping sites, revenue from on-line research business, and fees for other information services.

The Personal Services segment consists of services to individual Internet users. Main revenue sources for this segment include Yahoo! Auctions system-use fees, Yahoo! Premium membership fees, Internet service provider (ISP) fees from Yahoo! BB subscribers, and sales of various kinds of content.



(Billions of yen)
300

Net Sales Breakdown, by Business Segment



Note:

The Other segment (gray portion of graph) consists chiefly of the revenues of former consolidated subsidiary Seven and Y Corp., which became an affiliate accounted for by the equity method in February 2006.

(For the years ended March 31)