

Search Business

Main services: •Yahoo! Search •Yahoo! Category •Yahoo! Blog Search •Yahoo! Product Search •Yahoo! Dictionary •Yahoo! Translation •Yahoo! Answers •Yahoo! Bookmark

Major activities in fiscal 2007: As part of our continuous efforts to improve the Group's search engine functionality, we began offering a search marketing system that ranks advertisements by quality and keyword bid price. In our mobile search services, we added an image search function and a direct display function that enables the display of search results for maps or images on the call-waiting screen of mobile handsets. As part of our Yahoo! Everywhere initiative to expand Internet access opportunities, we released keyboard software for Nintendo's Wii® console and search results screen software for the Sony PSP® console.

Overture K.K., which supplies the Group's paid search advertising service, became a consolidated subsidiary of the Company effective September 1, 2007. With the consolidation of Overture, the Group worked to maximize synergies in paid search advertising related sales, service, and technology.

Principal revenue source: Paid search advertising service

Auction Business

Main services: •Yahoo! Auctions •Yahoo! Delivery •Yahoo! Classified

Major activities in fiscal 2007: In line with our continuous efforts to enhance Yahoo! Auctions site security, in December 2007 we introduced an obligatory post-delivery settlement system for certain item categories, following upon our July 2007 introduction of anonymous settlement and delivery system options for all item categories. After the August 2007 end of campaigns waiving Yahoo! Premium membership as a requirement for auction participation, we continued to allow users with only a Yahoo! JAPAN ID to participate in auctions, but only with bids of less than ¥5,000.

In December 2007, the Company began discussions with U.S.-based Internet auction site operator eBay Inc. related to providing mutual support for respective entrances in the Japanese and U.S. markets and boosting customer acquisition capabilities.

During the fiscal year under review, the total value of government auctions hosted on the Yahoo! Auctions site amounted to ¥4.6 billion.

Principal revenue sources: CtoC auction system-use fees, merchant store system-use fees, display advertising

Members Services Business

Main services: •Yahoo! Premium •Yahoo! BB •Yahoo! Insurance •Yahoo! Trading •Yahoo! Forex •Yahoo! Tickets •Yahoo! LiveTalk •Yahoo! Fan Club •Yahoo! Partner •Yahoo! Marriages •Yahoo! Delivers •Yahoo! Keitai Shop •Yahoo! What's New

Major activities in fiscal 2007: We concentrated on increasing the value-added content of Yahoo! Premium and Yahoo! BB memberships by offering exclusive discounts on paid content and various special prize campaigns. Following a steady decline in Yahoo! Premium member IDs beginning in October 2006 resulting from Yahoo! Auctions campaigns waiving Yahoo! Premium membership as a requirement for auction participation, the number of Yahoo! Premium members turned up from June 2007 thanks to Yahoo! Premium new-member campaigns targeting the auction user base as well as to subsequent revisions to the user participation requirements for Yahoo! Auctions implemented in August 2007.

Principal revenue sources: Yahoo! Premium membership fees, Yahoo! BB subscriber ISP fees



Regional Services Business

Main services: •Yahoo! Rikunabi •Yahoo! Real Estate •Yahoo! Maps •Yahoo! Get Local •Yahoo! Transit •Yahoo! Traffic Information •Yahoo! Phone Book •Yahoo! Gourmet •Yahoo! Coupons •Yahoo! StepUp •Yahoo! Internet Certification •Yahoo! Healthcare

Major activities in fiscal 2007: After carrying out a full review of Yahoo! Get Local, which provides localized information by region, we enhanced the site's social media aspect by adding a word-of-mouth posting function for popular spots and topical events as well as a periphery search function for locating restaurants and shops within a specified area. In our Yahoo! Maps service, we expanded scrollable map and aerial map functions to the world map section. At the same time, we began providing Wai Wai Maps (beta version) data to Nissan Motor Co., Ltd.'s CARWINGS® vehicle navigation system. In other areas, Yahoo! Rikunabi expanded its offerings by newly listing information from TRAVAILLE, a women's career change and recruiting site, and by making Shotworks, an employment information listing service for short-term and part-time jobs, nationwide in scope. Yahoo! Gourmet, meanwhile, introduced a pay-per-call listing service whereby fees for information listings are calculated based on the number of inquiry calls made to a dedicated reservations-request telephone number. In our mobile services, we revamped the Yahoo! Traffic Information site and added destination guidance and S!Appli Map functions to Yahoo! Get Local.

Principal revenue sources: Information listings, display advertising



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 •Yahoo! Logoole •Yahoo! Guess

Major activities in fiscal 2007: On the Yahoo! News site we newly established two regular columns, one featuring overseas photo news and the other offering partner-site special features. We also strengthened the site's personalization function with the introduction of a news display service that automatically selects news articles for display based on subscribers' Internet-usage histories. Also during the year, we upgraded the Yahoo! Streaming site with the addition of a new video streaming player. We also launched services incorporating social media functions, including Yahoo! Guess (beta version), a service that lets users enjoy predicting the outcome of sporting and other events, as well as Netarika (beta version), an interactive entertainment news service. Elsewhere, we further expanded mobile services by introducing a Yahoo! Keitai content streaming service and mobile versions of Yahoo! Streaming and Yahoo! Politics.

Principal revenue sources: Display advertising, information listings



Shopping Business

Main services: •Yahoo! Shopping •Yahoo! Prize Competition

Major activities in fiscal 2007: To stimulate usage of our Yahoo! Shopping service, we conducted seasonal sales and special promotions, including a Point 8 Times campaign commemorating the eighth anniversary of the launch of the Yahoo! Shopping site. In November 2007, we carried out a full-scale review of the site with an eye to improving convenience both for users and for stores. We expanded the settlement services offered by Yahoo! Shopping stores, which now include Mobile Suica Net Settlement, Convenience Stores Settlement, Yahoo! ezPay, and Y! Wallet. Y! Wallet is offered by stores as a settlement tool for shoppers using either PCs or mobile phones.

Principal revenue sources: Store tenant fees, store sales commissions, advertising sales from stores



Social Net Business

Main services: •Yahoo! Mail •Yahoo! Calendar •Yahoo! Briefcase •Yahoo! Photo •Yahoo! Groups •Yahoo! Messenger •Yahoo! Avatar •Yahoo! Profile •Yahoo! Blogs •Yahoo! Days •Yahoo! GeoCities •Yahoo! Message Boards •Yahoo! Polls •Yahoo! Podcast

Major activities in fiscal 2007: Among various measures undertaken during the year to improve and expand our Yahoo! Mail service, we launched a next-generation beta version of Yahoo! Mail, which incorporates many non-Web e-mail software features. Focusing on enhancing the functionality and user-friendliness of Yahoo! Mail, we added a function enabling users to refuse spoof mail delivered from fake addresses as well as introduced an anti-spam Safety Address service. Moreover, we inaugurated Yahoo! Mail Academic Edition, a free Yahoo! Mail service for educational institutions nationwide that assigns domain names as chosen by each school using the service. Also during the year, we introduced new social media services, including Yahoo! Profile, which enables users with Yahoo! JAPAN IDs to create personalized profile pages, complete with a setting to limit public viewer access. Elsewhere, we launched Yahoo! Videocast, a service enabling users to upload and share video clips. To all of our services, we steadily added social media functions enabling users to post comments and opinions.

Principal revenue sources: Display advertising, paid content and services



Lifestyle Business

Main services: •Yahoo! Autos •Yahoo! Music •Yahoo! Movies •Yahoo! Rental DVD •Yahoo! Fashion •Yahoo! Beauty •Yahoo! Wedding •Yahoo! Consumer Electronics Navigator •Yahoo! Flyer Information •Yahoo! Books •Yahoo! Comics •Yahoo! Games •Yahoo! Fortune Telling •Yahoo! Ringtone •Yahoo! Pet •Yahoo! Retirement

Major activities in fiscal 2007: We completely overhauled the Yahoo! Beauty site and launched LUAU, a monthly Web magazine featuring beauty-related content. In addition, we strengthened the social media aspect of our Diet Diary service by adding a function enabling the exchange of personal advice among users with registered diet diaries, including a setting for limiting public viewer access. Also during the year, we inaugurated several services geared toward specific user interests, including Yahoo! Pet, which enables pet owners to post photos of pets and to exchange pet-related information; Yahoo! Consumer Electronics Navigator, one of Japan's most comprehensive consumer electronics information sites; Yahoo! Fashion, which offers three free Web magazines produced in collaboration with Fashion Walker, Inc.; and Music Download on iTunes, a service provided through a tie-up with Japan's iTunes store. Elsewhere, in a business alliance with TOPPAN PRINTING CO., LTD., we launched Yahoo! Flyer Information, a service enabling users to search for and view advertising flyers.

Principal revenue sources: Display advertising, paid content and services, information listings



Mobile Business

Main services: •Yahoo! JAPAN Mobile Version •Yahoo! Content Store •Yahoo! Posting Appli •Yahoo! MachiMoba

Major activities in fiscal 2007: We concentrated on promoting mobile Internet usage by increasing the number of Yahoo! JAPAN services offered to mobile phone users. During the year, we launched such services as Yahoo! MachiMoba, a mobile service for locating restaurants and shops within a selected area, and Yahoo! Streaming, a video content service for Yahoo! Keitai. In addition, we took steps to improve the convenience of existing mobile services, such as adding new search functions to Yahoo! Search and upgrading Yahoo! Mail with expanded functions and strengthened anti-spam measures. Moreover, we began offering paid search advertising on Yahoo! Keitai.

Principal revenue sources: Display advertising, paid search advertising, paid content and services



New Business Office

Main services: •Yahoo! ezPay •Yahoo! NetBanking •Yahoo! Points •Yahoo! Card •Yahoo! Public Utility Payment •Yahoo! Travel •Yahoo! Business Travel •Yahoo! Research •Business Express •Yahoo! On Business •Yahoo! WebHosting,

Major activities in fiscal 2007: **Settlement** We implemented various measures designed to increase the convenience, reliability, and safety of making Yahoo! Auctions settlements. In addition to introducing an obligatory post-delivery settlement system for certain item categories, we inaugurated anonymous settlement and delivery system options for all item categories. Furthermore, auction users can now send and receive items at 7-Eleven convenience store chain outlets throughout Japan. We also launched an escrow service enabling buyers to make payment after item delivery. As part of our comprehensive business alliance with East Japan Railway Company, we began accepting applications for the Yahoo! JAPAN Suica Card. Also during the year, we introduced Yahoo! Public Utility Payment, a service for conveniently paying utility bills and municipal and national taxes as well as for making charitable donations. In addition, we established a system for using accumulated Yahoo! Points on partner sites. **Travel** We improved and expanded our travel-related services through a range of business tie-ups with established travel specialists, including Ikkyu.com, an accommodation reservation site specializing in luxury hotels and traditional Japanese inns; 4travel, Inc., the operator of one of Japan's most popular word-of-mouth travel sites; and BestReserve Co., Ltd., the operator of a general accommodation reservation site. We also launched Travel Memo, a social network service that enables users to record and share their travel memoirs. **Research** The merger of our consolidated research subsidiaries INFO PLANT CO., LTD., and Interscope Inc. resulted in the formation of Yahoo Japan Value Insight Corporation. Working together with the new company, we focused on expanding business scope and increasing efficiency. As of March 31, 2008, the total number of our registered research monitors was approximately 1.70 million, the largest network of its kind in Japan. **Digital home electronics business** As part of our initiative to increase usage times of our services by expanding Internet access opportunities, we began offering selected services via Internet-enabled television sets. Specifically, we launched Yahoo! Auctions, Yahoo! Topics, and Yahoo! Image Search services via Sony Corporation's BRAVIA large-screen LCD television model. In addition, we announced the joint development with Sharp Corporation of a Yahoo! JAPAN portal page accessible exclusively via the AQUOS large-screen LCD television model, with actual service provision beginning in May 2008. **Others** Our Business Express service posted steady gains thanks to the introduction during the year of review and approval services for mobile sites applying for registration on Yahoo! JAPAN's category list. Meanwhile, our newly launched Yahoo! On Business, a portal site providing total business solutions support to small-business owners, attracted registrations from more than 11,000 businesses by the fiscal year-end.

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! Toolbar •My Yahoo! •Yahoo! Widgets •Yahoo! Volunteer •Yahoo! Kids •Yahoo! Safety Net •Yahoo! Developer Network •Yahoo! Newsletter •Yahoo! eMail Magazine •Yahoo! JAPAN Help Center •Yahoo! Download Center

Major activities in fiscal 2007: A fully revamped Yahoo! JAPAN Top Page debuted on January 1, 2008. With the goal of enhancing overall site convenience, we made our most frequently used services the default settings while still allowing users to fully customize the menus. Moreover, we established new display areas for designated regional information and social network service links such as Yahoo! Blogs and Yahoo! Answers, thereby enabling users to access the information they want directly from the Top Page. Also, in line with our open network initiative we created new special feature areas and links to partner sites.

Elsewhere, we inaugurated a mobile version of Yahoo! Kids via Japan's three major mobile phone carriers, in addition to launching Yahoo! Kids Pokemon, a service for kids based thematically on the popular animation character Pokemon. Also during the year we posted various special features, such as the Sports Support Project designed to promote a more vibrant sports culture in Japan. In our capacity as an official site partner for the 2008 Beijing Olympics, we also posted "Special Olympics Special Feature 2007: Give a Cheer for the Shanghai Championships," and "Let's Give a Cheer for Japan's Beijing Olympics Team."

Principal revenue source: Advertising on Yahoo! JAPAN Top Page