



**Yahoo Japan Corporation**  
**FY 2008-3Q Financial Results**  
**(Oct.-Dec. 2008)**

**January 27, 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 Three Months ended December 31, 2008.”**

**Commencing with the 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.)**

**The unauthorized use of the information or the data in this document is not permitted.**

# FY2008-3Q Highlights – Financial Data

- Third quarter revenue amounted to ¥66.9 billion.\* Operating income was ¥33.1 billion, increasing 6.0% from a year earlier. Ordinary income totaled ¥32.8 billion, rising 6.5% over the same period last year. Net income climbed to ¥19.1 billion, advancing 11.4% 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 and the commissions paid to sales agencies and others 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	349	414	13.0%
Business Services Business	137	141	-4.1%
Personal Services Business	183	193	4.1%
Total	669	749	7.0%

# FY2008-3Q Highlights – Advertising

## ■ Display advertising (Banner advertising, etc.)

- During the period under review, the further slowdown in the economy and the deterioration in the business climate had a effect on the overall advertising market. Under such circumstances, the Group focused on sales of advertising products with high branding power and targeting advertising. As a result, sales of Brand Panel and Prime Display increased firmly.
- Sales of behavioral targeting advertising, which targets users according to their past history of usage, rose sharply, mainly to the real estate/construction, autos (transport equipment), and transportation/leisure related industries. Sales of demographic targeting advertising expanded substantially, particularly to industries that target women, such as the cosmetics/toiletries related industries.
- Display advertising sales also grew firmly from partner sites due to the expansion in their number along with the progress in the development of the ad network.

## ■ Sales of paid search and interest-linked advertising (Search Business and Overture K.K.)

- Based on the increase in the number of partner sites, paid search advertising revenues achieved firm growth compared with the third quarter last year.
- The Group launched Interest Match™, an interest-linked advertising service, on a full scale.

(¥100M)

Advertising	(Net basis)	(Gross basis)	YOY Change (Gross basis)
Revenue	349	414	13.0%
Operating Income	180	180	12.5%

# FY2008-3Q Highlights – Business Services

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

- Yahoo! Shopping emphasized seasonal sales promotion special features, improved its customer interface by simplifying shopping procedures, and added a review function. As a result, transaction volume for December hit a record monthly high. Sales of fashion apparel, food products, and consumer electronics were among the best sellers.
- In addition to the increase in the number of its stores, the upward revision in the store royalty fees of Yahoo! Auctions contributed to the steady growth in auction-related revenues.
- The number of merchant stores registered on Yahoo! Shopping and Yahoo! Auctions totaled 32,673 at the end of December 2008, increasing by 2,450 stores, or 8.1% year on year. Accordingly, total commerce revenues also rose favorably, with notable growth in mobile-based transaction volume.

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

- Amid the continued sense of economic slowdown, Yahoo! Gourmet, Yahoo! Real Estate, Yahoo! Travel, and other operations posted substantial sales growth year on year. In contrast, revenues of Yahoo! Rikunabi continued their sharp decline, reflecting the stagnant employment sentiment among corporations. This revenue decrease offset the gains made by other operations.

(¥100M)

Business Services	(Net basis)	(Gross basis)	YOY Change (Gross basis)
Revenue	137	141	-4.1%
Operating Income	51	51	-15.4%

# FY2008-3Q Highlights – Personal Services

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

- Yahoo! Auctions total transaction volume in the third quarter declined about 3%, to ¥187.8 billion, with system use fees revenues falling slightly year on 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 7.26 million and revenues expanded favorably.

## ■ Pay content services revenues

- Revenues from pay content services, mainly Yahoo! Partners, Yahoo! Comics, and Yahoo! Marriage, increased markedly.

(¥100M)

Personal Services	(Net basis)	(Gross basis)	YOY Change (Gross basis)
Revenue	183	193	4.1%
Operating Income	134	134	8.2%



## FY2008-3Q Highlights – Cost Reduction Measures

- In preparation for further deterioration in the business climate, the Group began introducing group-wide cost reduction measures to strengthen its financial structure.

### <Review of Fixed Costs>

- Combine offices in Roppongi Hills and Shiodome into Tokyo Midtown, reducing lease and utility expenses.

### <Review of Variable Costs>

- Bring development and other operations in-house as necessary, reducing outsourcing expenses.
- Revise working hours and job content, establishing a more efficient business system, reducing overtime hours.
- All the employees aim to take measures to reduce expenses (revise travel expenses allowances, reduce paper use, curtail office stationary expenses, etc.)

# FY2008-3Q Financial Results (Consolidated)

## •Consolidated subsidiaries at the end of FY2008-3Q

- ◆ 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.
- ◆ Tricle Inc.
- ◆ Y's Sports Inc.

## •Affiliated companies (equity method) at the end of FY2008-3Q

- ◆ All About, Inc.
- ◆ CLASSIFIED Corporation.
- ◆ Fashion Walker, Inc.
- ◆ Oricon DD, Inc.
- ◆ Tavigator, Inc.
- ◆ TV Bank Corporation
- ◆ YUME NO MACHI SOUZOUINKAI CO., LTD.
- ◆ 4travel, Inc.
- ◆ BestReserve Co. Ltd.
- ◆ CREO CO., LTD.
- ◆ JWord Inc.
- ◆ Seven and Y Corp.
- ◆ TELEWAVE, INC.
- ◆ ValueCommerce Co., Ltd.





# FY2008-3Q Statements of Income

	08/10-12 (Net basis)	08/10-12 (Gross basis)①	07/10-12 (Gross basis)	Changes (Gross Comparison)
Revenue (¥100M)	669	749	700	7.0 %
Cost of Sales (¥100M)	70	116	99	16.5 %
Gross Profit (¥100M)	599	633	600	5.4 %
Operating Income (¥100M)	331	331	312	6.0 %
Ordinary Income (¥100M)	328	328	308	6.5 %
Quarterly Net Income (¥100M)	191	191	171	11.4 %
EPS (¥)	322	322	283	13.6 %
Number of Shares Outstanding (Million) (Average of period)②	59.28	59.28	60.48	-2.0 %
Fully Diluted EPS (¥)	322	322	283	13.7 %
Number of Shares Assuming Full Dilution (Million) ②	59.34	59.34	60.58	-2.0 %

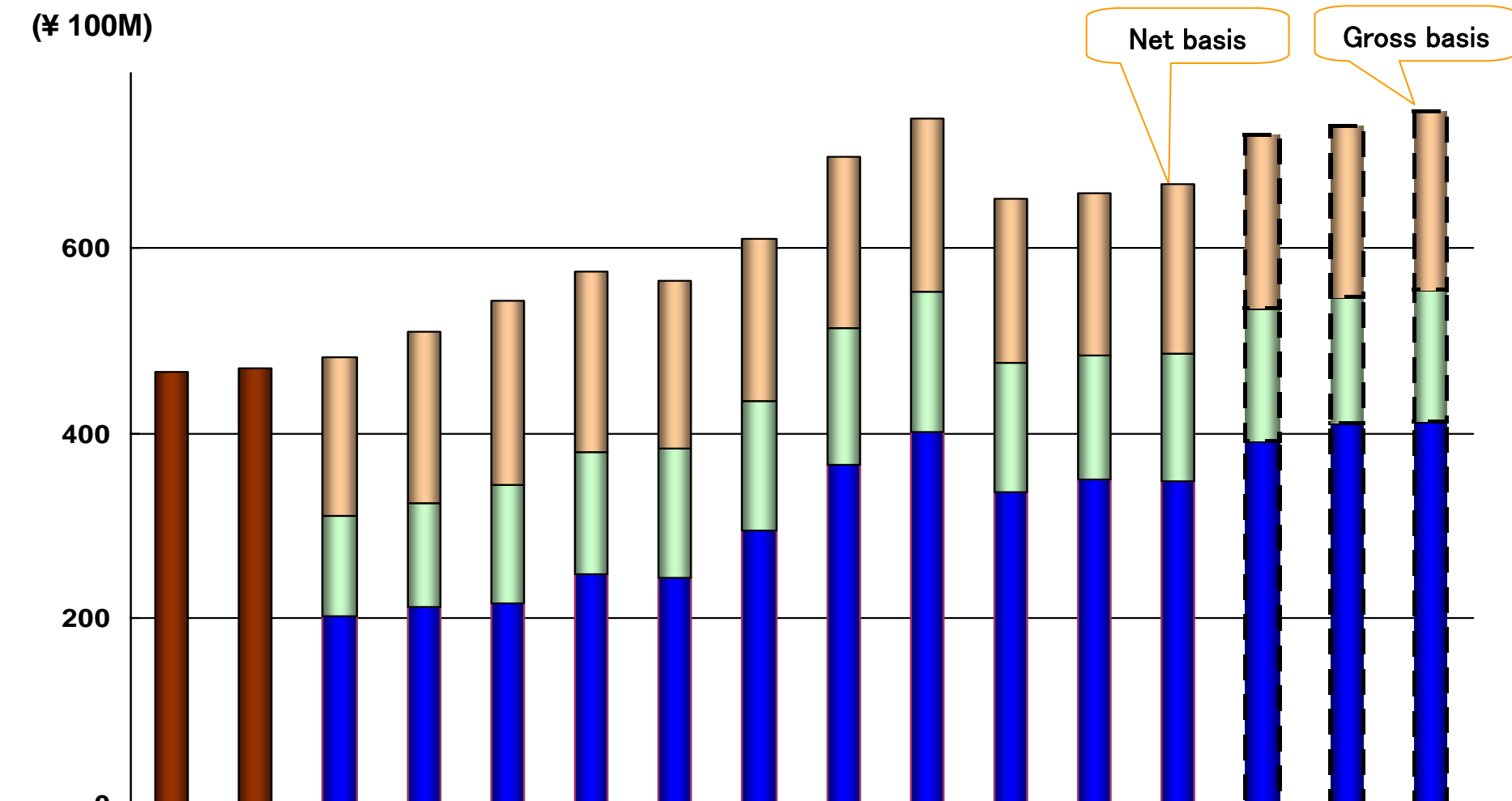
**Notes:**

- ① Figures on gross basis for 08/10-12 are for your reference.
- ② Number of Shares Outstanding and Number of Shares Assuming Full Dilution are excluding treasury stocks.



# Quarterly Revenue

(¥ 100M)



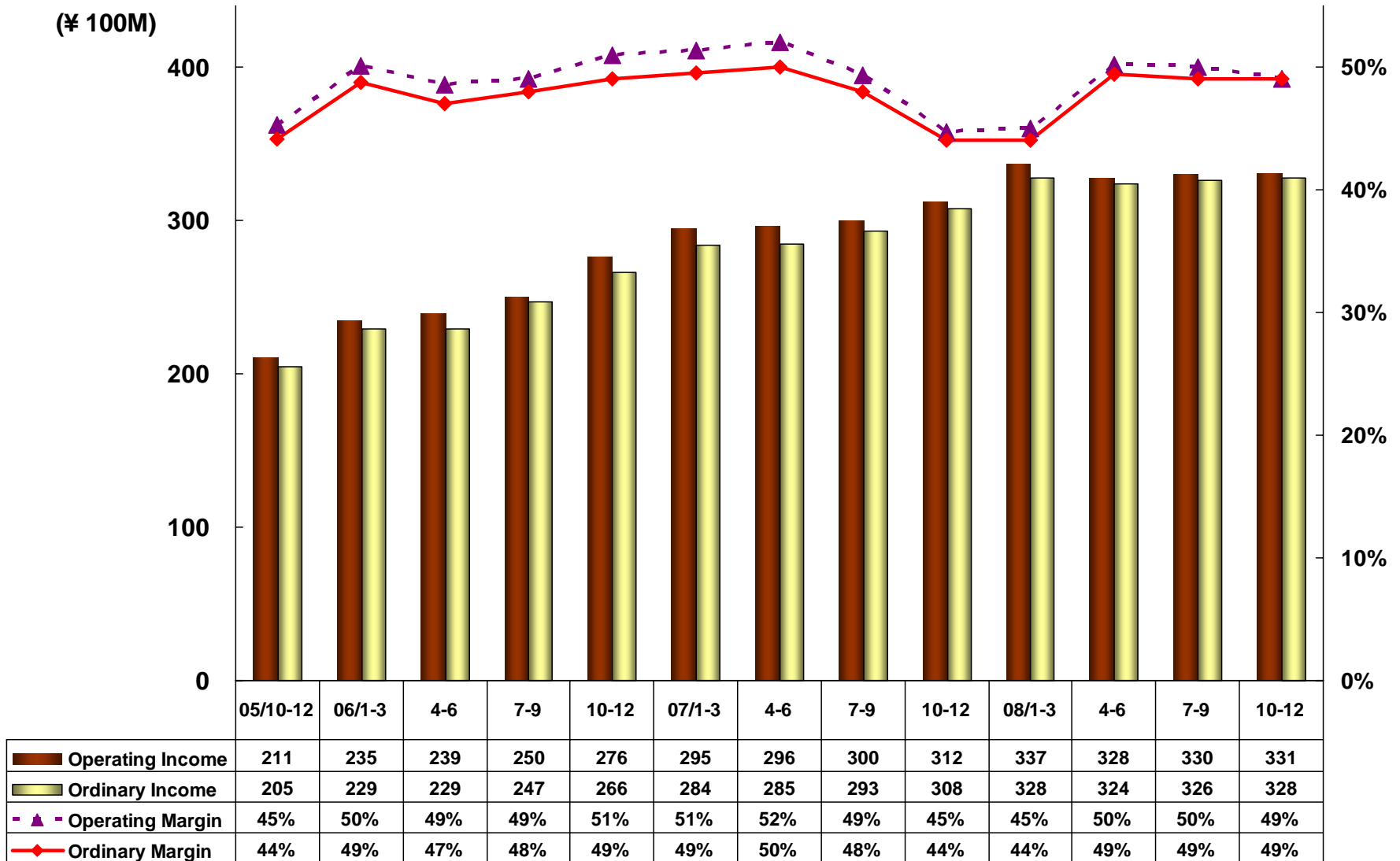
	05/10-12	06/1-3	4-6	7-9	10-12	07/1-3	4-6	7-9	10-12	08/1-3	Net			Gross		
											4-6	7-9	10-12	4-6	7-9	10-12
Revenue	466	470	492	512	545	575	566	610	700	742	655	660	669	725	733	749

• 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.





# FY2008-3Q Revenue Breakdown by Business (Net basis)

(¥ 100M)

	Revenue	Sales Breakdown by Business Unit		Gross Profit	SG&A	Operating Income	Operating Margin
Advertising	<b>349</b>	Search Business & Overture K.K.	63%	<b>298</b>	<b>117</b>	<b>180</b>	<b>51.6%</b>
		Media Business	10%				
		Service Supervising Division	10%				
		Auction Business	3%				
		Social Net Business	3%				
Business Services	<b>137</b>	New Businesses Office	21%	<b>119</b>	<b>68</b>	<b>51</b>	<b>37.3%</b>
		Auction Business	21%				
		Regional Services Business	18%				
		Shopping Business	16%				
		Lifestyle Business	12%				
Personal Services	<b>183</b>	Member Services Business	46%	<b>181</b>	<b>47</b>	<b>134</b>	<b>73.1%</b>
		Auction Business	44%				
		New Businesses Office	5%				



# SG&A Breakdown

(¥ 100M)

Major factors for YoY changes

	08/3Q (Net)	%	08/2Q (Net)	QoQ Change	07/3Q (Gross)	YoY Change
Personnel expenses	68	25.7%	65	5.4%	60	13.1%
Business commissions	37	14.2%	42	-10.1%	40	-6.3%
Depreciation expenses	29	10.9%	26	10.7%	24	16.7%
Communication charges	24	9.3%	23	7.5%	21	17.3%
Royalties	19	7.4%	19	1.6%	19	-0.1%
Lease and utility expenses	18	7.0%	18	2.8%	19	-6.1%
Content provider fees	16	6.2%	15	8.1%	13	19.2%
Sales promotion costs	12	4.6%	12	-0.5%	11	7.0%
Sales commissions	11	4.2%	10	5.7%	28	-60.5%
Administrative and maintenance expenses	6	2.3%	5	1.6%	4	22.1%
Advertising costs	3	1.2%	3	4.4%	3	-20.8%
Tax and public dues	2	1.1%	3	-4.0%	3	-3.4%
Allowance for doubtful accounts	2	1.0%	1	33.2%	4	-37.9%
Payment commissions	2	0.8%	2	0.2%	14	-84.4%
Others	11	4.1%	10	6.8%	16	-30.5%
<b>SG&amp;A Total</b>	<b>267</b>	<b>100.0%</b>	<b>259</b>	<b>3.0%</b>	<b>288</b>	<b>-7.1%</b>

Acquisition of software and servers

Increase in content distribution cost

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

Higher debt collection rate for individual customers

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



# FY2008-3Q Balance Sheets

Major Items	2008/12/31	2007/12/31	Increase/ Decrease	Major Factors for Increase/Decrease	(¥ 100M)
<b>&lt; Assets &gt;</b>					
Current Assets	1,275	1,299	-24	Increase from operating activities and decrease from acquisition of own stocks	
Cash and Cash Equivalents	748	819	-70		
Accounts Receivable -Trade	339	345	-6		
Fixed Assets	2,028	2,070	-41	Increase from purchase of investment securities and decrease from booking of impairment loss and mark-to-market evaluation	
Tangible Fixed Assets	153	162	-9		
Intangible Fixed Assets	145	161	-15		
Investment Securities	1,611	1,638	-26		
<b>Total Assets</b>	<b>3,303</b>	<b>3,370</b>	<b>-66</b>		
<b>&lt; Liabilities &gt;</b>					
Current Liabilities	735	732	2	Decrease due to payment for the purchase of fixed asset	
Short-term debts	200	201	-1		
Accounts Payable-Other	112	128	-16		
Accrued Income Taxes	136	140	-3	Repayment of borrowings	
Long-term Liabilities	101	300	-198		
<b>Total Liabilities</b>	<b>836</b>	<b>1,033</b>	<b>-196</b>		
<b>&lt; Net Assets &gt;</b>					
Shareholders' Equity	2,443	2,302	141	Increase in net income	
Common Stock	74	73	1		
Capital Surplus	25	23	1		
Retained Earnings	2,343	2,205	138		
Unrealized Gains on Available for Sales Securities	2	11	-9		
Minority Interests in Consolidated Subsidiaries	19	22	-3		
<b>Total Net Assets</b>	<b>2,467</b>	<b>2,337</b>	<b>130</b>		
<b>Total Liabilities and Net Assets</b>	<b>3,303</b>	<b>3,370</b>	<b>-66</b>		



# FY2008-3Q Cash Flow Statements

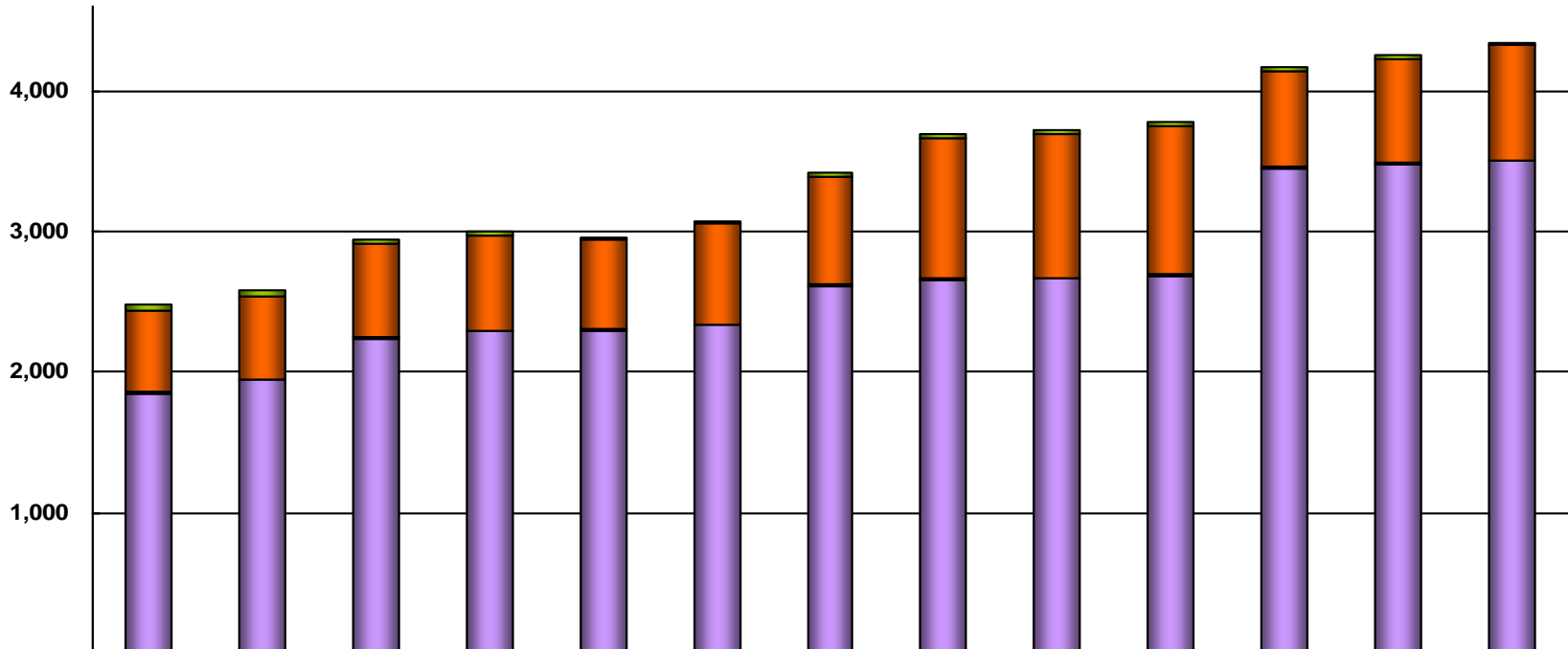
Major Items	FY2008-3Q (Oct.-Dec. 2008)	Major Factors for Changes	(¥ 100M)
<b><u>Operating Activities</u></b>	<b><u>119</u></b>		
Net Income before Income Taxes	327	Increase in quarterly net income before income taxes	
Depreciation Expenses	30		
Accounts Receivable/Payable-Trade	4		
Other Current Assets/Liabilities	5		
Payment of Consumption Taxes and Others	9		
Payment of Income taxes	-263		
<b><u>Investing Activities</u></b>	<b><u>-23</u></b>		
Acquisition of Tangible Fixed Assets	-10	Purchase of servers	
Acquisition of Intangible Fixed Assets	-11	Purchase of software	
<b><u>Financing Activities</u></b>	<b><u>-113</u></b>		
Repayment of Long-term Debt	-100		
<b><u>Net Change in Cash Flows</u></b>	<b><u>-18</u></b>		



# Number of Directors and Employees

(Number of People)

(at the End of Quarter)



	05/12	06/3	6	9	12	07/3	6	9	12	08/3	6	9	12
Directors and Auditors of Subsidiaries	33	33	31	31	25	27	27	33	31	32	26	25	24
Employees of Subsidiaries	583	594	669	670	634	711	773	990	1,015	1,053	680	742	810
Directors and Auditors of Yahoo! JAPAN	9	9	9	9	9	9	9	9	9	9	9	9	9
Employees of Yahoo! JAPAN	1,849	1,940	2,239	2,289	2,293	2,331	2,610	2,658	2,662	2,686	3,449	3,476	3,501
<b>Total</b>	<b>2,474</b>	<b>2,576</b>	<b>2,948</b>	<b>2,999</b>	<b>2,961</b>	<b>3,078</b>	<b>3,419</b>	<b>3,690</b>	<b>3,717</b>	<b>3,780</b>	<b>4,164</b>	<b>4,252</b>	<b>4,344</b>

■ The above figure does not include those who hold posts both at Yahoo! JAPAN and subsidiaries or have been dispatched from Yahoo! JAPAN.







# Review of FY2008 3Q Business Outlook

Amid the growing severity of the advertising market, display advertising made a stronger than expected showing, mainly in Brand Panel and targeting advertising. In contrast, paid search advertising was relatively slow, particularly among major advertisers in certain industries. Revenue from recruiting related business continued to drop.

The Group raised Yahoo! Premium membership fees and the royalty fees of Yahoo! Auctions stores in December 2008. The increases caused no major turmoil in the market and contributed to revenue growth.

The Group also strove to curb selling, general and administrative expense increases to retain this level of operating income.

(¥ 100M)

Consolidated	Net basis	
	Actual	Forecast (As of Oct. 24, 2008)
Revenue	669	663 ~ 692
Operating Income	331	324 ~ 346
Ordinary Income	328	322 ~ 344
Quarterly Net Income	191	188 ~ 201



# FY2008-4Q Business Outlook

(Consolidated)

Under the assumption of continued uncertainty in the business climate, the Group will emphasize thorough reduction of selling, general and administrative expenses. While recruiting related businesses are expected to continue to face difficulties, the Group will endeavor to promote its display advertising and strengthen its paid search advertising. During the next quarter, the increases in Yahoo! Premium membership fees and Yahoo! Auctions store royalty fees will contribute additional revenues for a full three months. Combining all these factors, the Group will work together in targeting revenue and profit growth.

(¥ 100M)

	07/4Q (Actual) Gross	08/4Q (Forecast) Gross	08/3Q (Actual) Net	08/4Q (Forecast) Net
Revenue	742	741 ~ 771	669	663 ~ 691
Operating Income	337	338 ~ 354	331	338 ~ 354
Ordinary Income	328	335 ~ 351	328	335 ~ 351
Quarterly Net Income	161	195 ~ 205	191	195 ~ 205

- 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.
- Figures on gross basis for 08/4Q are for your reference.



# FY2008 Business Outlook (Consolidated)

(¥ 100M)

	FY2007 (Actual) Gross	FY2008 (Forecast) Gross	FY2008 (Forecast) Net
Revenue	2,620	2,949 ~ 2,979	2,649 ~ 2,677
Operating Income	1,248	1,328 ~ 1,344	1,328 ~ 1,344
Ordinary Income	1,215	1,314 ~ 1,330	1,314 ~ 1,330
Net Income	626	755 ~ 765	755 ~ 765

- The above FY 2008 full year projection is the accumulation of the results of FY 2008-1Q to 3Q and FY2008-4Q projection.
- Figures on gross basis for FY2008 are for your reference.

# **Review of Operations by Business Unit**



## FY2008-3Q Review of Operations by Business Unit (1)

### Search Business

- Launched Yahoo! Encyclopedia, a service offering searching and use of Shogakukan Inc.'s Complete Encyclopedia of Japan (Approximately 130,000 entries, about 500 thousand key words) absolutely free.
- Yahoo! Search: Expanded the display capabilities of direct searches. Listing information from Yahoo! Shopping, Yahoo! Auctions, Yahoo! Maps, Yahoo! Music, Yahoo! Encyclopedia, and others can now be directly displayed with the search results.
- Yahoo! Answers: Through a collaboration with All About Inc., began offering the Yahoo! Answers x All About Profile Experts Answer service, which provides answers on certain topics by experts. The service enables submission of images as well as posting of text by mobile phone email. Also launched Answers Collection, a service that allows the registering of up to 1,000 of a user's favorite questions.
- Yahoo! Product Search: Added a filter function that groups store searches by listing sites. Also made it possible to select the inclusion of listing information from Yahoo! Auctions in the search results.

### Auction Business

- We expanded the coverage of the Yahoo! Auctions compensation system, including winning bids of less than ¥5,000 of users that had paid for their Yahoo! Premium membership for three consecutive months or more at the time of winning said auction.
- As part of our business tie-up with eBay Inc., we started listing Sekaimon items from certain categories for a limited period.
- We began offering the beta version of Yahoo! JAPAN AUCTIONS English Version, an English language item information and bidding system for our auctions.
- Total funds raised by our charity auctions during the quarter amounted to ¥35.52 million.



## FY2008-3Q Review of Operations by Business Unit (2)

### **Member Services Business**

- Ran various campaigns to acquire new subscribers, including a Yahoo! BB White Plan, a Full 10 Months of Free ADSL Campaign, a Maximum of 15,000 Points or Five Months Free Campaign under the Yahoo! BB Introduction Program, and a Ladies Free Campaign on Yahoo! Marriage.
- Started revising the price of Yahoo! Premium membership and making related various special prize offerings. Collaborated with other business divisions and external companies in implementing measures to enhance the value of Yahoo! Premium memberships, such as offering stand-up comedy video from YOSHIMOTO KOGYO CO.,LTD., discounts for pay content services, and other special deals.
- Yahoo! Keitai Shop: Conducted various promotions to strengthen sales, such as a Get a microSDHC Card 4GB and Other Gifts without Fail Campaign.
- Yahoo! Marriage: Enabled onsite requests for materials from marriage broker service companies. Also launched Ladies Free Campaign.

### **Media Business**

- Yahoo Finance: Began offering a service that shows documents which were filed on disclosure system by companies listed on each stock exchange. Furthermore, launched a mobile version of our currency rates information service.
- Yahoo! TV: Conducted full renewal of mobile version.
- Yahoo! Streaming: Commenced collaboration with NHK On-demand.
- Yahoo! Weather: Renewed weekly weather forecast service.



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

### **Lifestyle Business**

- Yahoo! BEAUTY: Launched Salon Search, a service that enables users to find beauty, esthetic, nail, and related salons; use discount coupons; and post word-of-mouth information.
- Yahoo! Wedding: Implemented renewal of website. Launched a Couples webpage where users can manage their wedding schedule and costs right up to the wedding date and set up a word-of-mouth information posting function for wedding reception venues. At the same time, commenced listing content included in various wedding magazines.
- Yahoo! Books: Undertook a major website renewal. Made it possible for users to browse over 1,000 books and magazines for free and added a book and magazine review function.
- Yahoo! Music: Based on a business tie-up with Taito Corporation, commenced offering Everybody's Karaoke, a membership service that makes available 1,300 karaoke videos to users every month.

### **Regional Services Business**

- Launched the beta version of By-Invitation SNS site, CU, as a business social networking service.
- Yahoo! Transit: Began offering a Yahoo! Transit Appli service for the iPhone 3G and iPod touch.
- Yahoo! Maps: Conducted a renewal of the Wai Wai Map webpage. Also, added image posting function for the Spot Comment service and a posting ranking and other functions. Made it possible to attach route maps to blogs or websites. In addition, began offering world maps and a Yahoo! Maps for Everyone service for the Yahoo! Maps appli for Softbank and NTT Docomo mobile phone services.
- Mobile version of Yahoo! Everybody's Certification: Added a certificate production function. Made it possible to create and make public a certification using a mobile phone.



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

### **Shopping Business**

- Focused on running seasonal sales promotions for Christmas, year-end gift giving (*Oseibo*), and other seasonal events.
- Added a shopping item review function.
- Renewed the shopping cart function to simplify the purchasing process.

### **Social Net Business**

- Yahoo! Mail: Launched the full-scale beta version of Yahoo! Mail, a next-generation browser email service that achieves the same operational functions as email software.
- Yahoo! Blogs: Made it possible to bind submitted postings. Also enabled the use of pictographs in comments made with the mobile version of Yahoo! Blogs.
- Yahoo! Profile: Included a newly-added-item recognition function that allows users to check all-at-once newly submitted information concerning content which was submitted by them or their linked users.

### **Mobile Business**

- Mobile phone version of Yahoo! Search: Began offering a direct display function for i-mode and EZweb mobile phone users. The function shows map, image, and other types of search results directly on the mobile phone display.
- Yahoo! Decoration: Started decoration email services which enables users to download images, graphic items, etc., for i-mode and EZweb mobile phone users.
- Launched a mobile widget store for Yahoo! Keitai.





## FY2008-3Q Review of Operations by Business Unit (5)

### **New Businesses Office**

- Settlement Services: Began initial sales of the sports promotion lottery BIG through Yahoo! toto, targeting Yahoo! NetBanking and Yahoo! Card users. In addition, enabled the conversion of the Chobirich points of Chobirich Co., Ltd., into Yahoo! Points.
- Travel Services: Started sales of through H.I.S. Co., Ltd.'s airline discount tickets for overseas travel. Also, launched special features, such as Kyoto Visit Guide, Let's Hit the Ski Slopes, and Spring Vacation.
- Research Services: Commenced offering Search Insight, a research service that incorporates search behavior data on the Yahoo! JAPAN site. At the end of December 2008, the number of registered PC monitors amounted to 1.85 million.
- Digital Home Services: Implemented a large-scale overhaul of our Yahoo! JAPAN for AQUOS service. Made it possible to view Yahoo! Photo Album on AQUOS television sets using a Yahoo! JAPAN ID. Also, enabled setting of the display region for news and weather information using the postal code. In addition, began offering driving-related information provided by Honda Motor Co., Ltd.'s car navigation service InterNavi through a tie-up with that company.
- New Business: Through a business alliance with YOSHIMOTO KOGYO CO.,LTD., started offering the beta version of myzo, a video streaming service composed mainly of original video clips produced by the Yoshimoto Kogyo Group. In other areas, the number of registered businesses on Yahoo! On Business, the portal site for business owners, reached 20,000.

### **Service Supervising Division**

- Sports Support Project 2008: Based on the theme of "Let's Work Together toward a Dream," started soliciting messages about sports dreams or experiences. The project awarded the winners with a "Life Engine Prize, which includes a one-day seminar from a famous professional sports player and sports goods worth ¥1 million. Moreover, we began taking applications for a One-Day Homeroom Athlete Teacher program where athletes will visit elementary and middle schools and act as teachers for one day.

# Appendix



# Display Advertising Sales by Industry

## Industries with large year on year increase

- Cosmetics/Toiletries
- Foodstuffs
- Real Estate/Construction

## Industries with high year on year growth rate

- Foodstuffs
- Cosmetics/Toiletries
- Fashion/Accessories

	07/3Q	4Q	08/1Q	2Q	3Q
Finance/Insurance/Securities	15.8%	18.9%	18.1%	18.9%	16.7%
Autos (Transport Equipment)	10.8%	11.8%	12.3%	10.7%	11.4%
Real Estate/Construction	9.2%	11.4%	12.1%	11.5%	10.7%
Cosmetics/Toiletries	7.7%	6.3%	9.2%	10.2%	10.4%
Transportation/Leisure	7.3%	9.1%	7.9%	7.9%	7.2%
Fashion/Accessories	3.2%	2.4%	3.7%	3.4%	4.2%
Mobile Communications Service	8.5%	3.9%	3.3%	3.3%	4.1%
Foodstuffs	2.6%	2.7%	3.5%	3.4%	3.6%
Computers/Office Equipment	3.8%	6.8%	3.2%	3.3%	3.4%
Recruitment Services	4.0%	4.6%	3.6%	3.2%	3.4%
Beverages/Cigarettes	2.9%	2.4%	5.0%	3.9%	3.3%
Entertainment Related Software	3.5%	2.7%	3.4%	3.1%	3.0%
Others	20.7%	17.0%	14.7%	17.2%	18.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

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



# FY2008-3Q Major Advertisers

## Finance/Insurance/Securities

Sompo Japan Himawari Life Insurance Co.,Ltd.  
Sumitomo Mitsui Banking Corporation  
The Bank of Tokyo-Mitsubishi UFJ, Ltd.

## Autos (Transport Equipment)

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

## Real Estate/Construction

Asahi Kasei Homes  
COSMOS INITIA Co.,Ltd.  
Sumitomo Realty & Development Co., Ltd.

## Cosmetics/Toiletries

DHC Corporation  
Kao Corporation  
Shiseido Co., Ltd.

## Transportation/Leisure

All Nippon Airways Co., Ltd.  
Japan Airline Corporation

## Fashion/Accessories

Richemont Japan  
Tiffany & Co. Japan Inc.

## Mobile Communications Services

CASIO COMPUTER CO.,LTD.  
SOFTBANK MOBILE Corp.

## Foodstuffs

Ajinomoto Co., Inc.  
McDonald's Company (Japan), Ltd.  
Yazuya, Co., Ltd.

## Computers/Office Equipment

Canon Marketing Japan Inc.  
Dell

## Recruitment Service

en-japan inc.

## Beverages/Cigarettes

Suntory Limited

## Home Delivery/Moving Services

Japan Post Holdings Co., Ltd.

- 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: 2008-3Q

Average Daily Transaction Volume	Oct.-Dec. 2007	Oct.-Dec. 2008
Commerce (¥100M)	26.9	26.7
☆ Auction (¥100M)	21.1	20.4
☆ Shopping* (¥100M)	5.8	6.3
Yahoo! Mobile e-commerce (¥100M)	3.3	4.4
Subscriber Lines for Yahoo! BB Services	End of Dec. 2007	End of Dec. 2008
Total (thousand lines)	4,943	4,427
Number of lines marketed by Yahoo! JAPAN (thousand lines)	1,018	879
Other Data of Auction Business	Oct.-Dec. 2007	Oct.-Dec. 2008
Average Closing Price (¥)	5,378	5,220
Average Successful Auction Ratio (%)	23	19
Number of Business Express Contracts (Number of contracts/Monthly average)	Oct.-Dec.2007	Oct.-Dec. 2008
	3,713	2,800

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

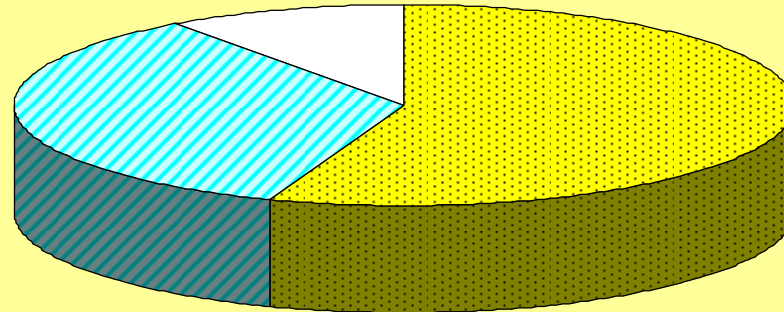


# Yahoo! JAPAN's share in Web Search Queries

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is not permitted

## Web search query market shares in Japan

Yahoo! JAPAN still has the largest share



■ Yahoo! JAPAN

■ Google

□ Others

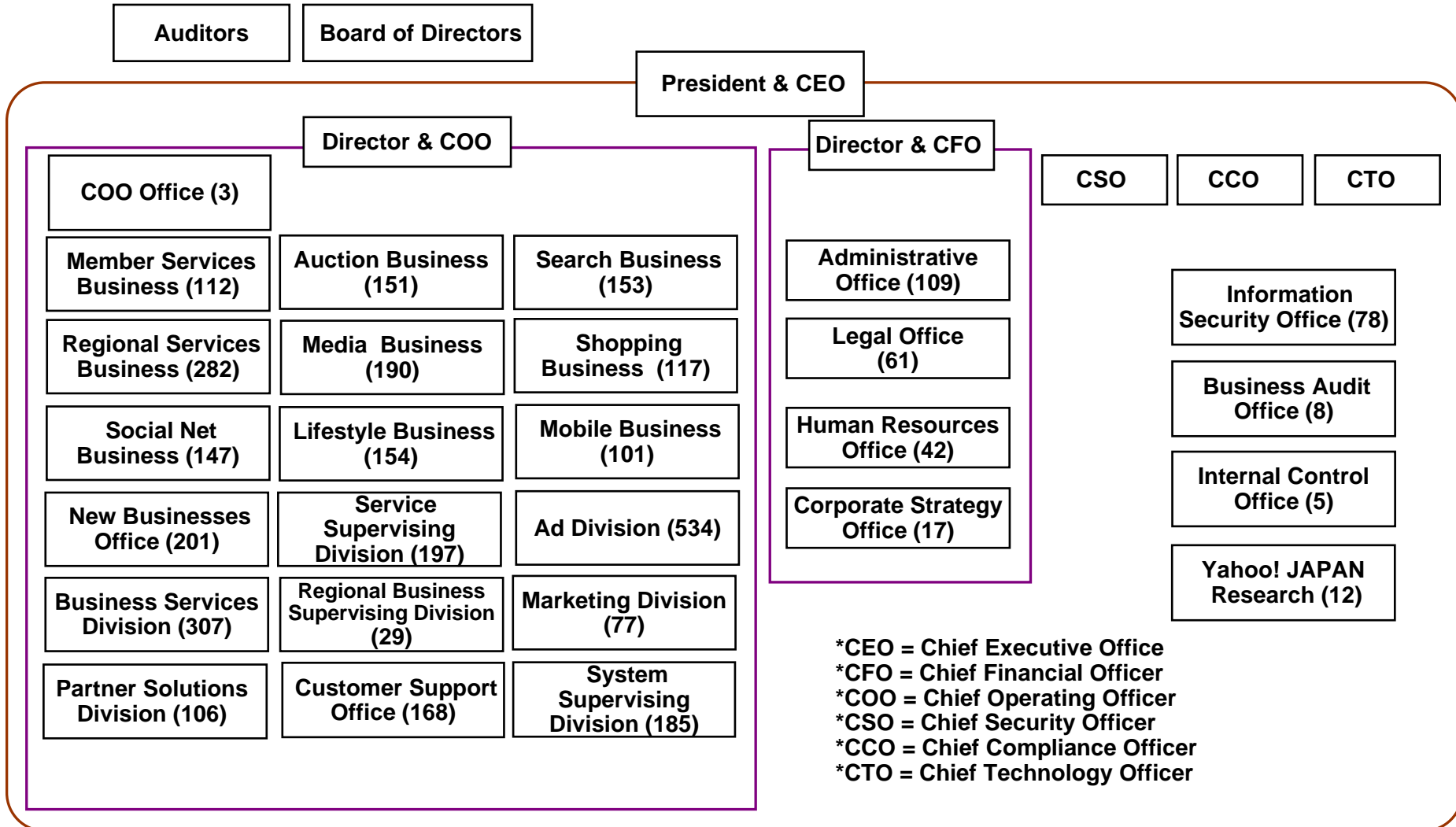
Source: Video Research Interactive, access from home, Web Report. November 2008

※Websites analyzed : Yahoo! JAPAN/Google/MSN Windows Live/goo/infoseek/excite/fresheye/  
BIGLOBE/nifty/OCN/Baidu : 11 sites in total.

※The shares were calculated based on the data of search result pages of the above 11 sites.  
The comparison is between the query numbers excluding their top pages.



# Organization



**Total : 3,547 people (as of January 1, 2009)**





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