

December 24, 2009

To whom it may concern

Yahoo Japan Corporation  
Masahiro Inoue, President & CEO  
Stock code: 4689

**Notification of Merger with Consolidated Subsidiary Yura, Inc.  
(shortened merger method)**

Yahoo Japan Corporation announced that in a Board of Directors Meeting held today, the Company decided to undertake an absorption merger with its wholly owned subsidiary Yura, Inc., effective February 1, 2010. Details are as follows.

Since the merger is with a wholly owned subsidiary, certain of the disclosure items and details are omitted.

1. Purpose of the Merger

Yahoo Japan Corporation converted Yura, Inc. to a wholly owned subsidiary in May 2009. Since then, the Company has sought to improve the value of our services while closely collaborating with Yura, Inc. in the video distribution system field. In September 2009, the two companies integrated their technologies and began providing the video distribution system for the free video distribution site, GyaO! Presented by Yahoo! JAPAN.

By absorbing Yura, Inc. through this merger, the Company is planning to quickly strengthen and improve the efficiency of the systems of the various video services offered by Yahoo! JAPAN.

2. Outline of the Merger

(1) Merger schedule

Board of Directors meeting to

resolve merger agreement: December 24, 2009

Signing of merger agreement: December 24, 2009

Planned merger date (Effective date): February 1, 2010

Note: The merger will be a simple merger in accordance with the provisions of Article 796,

Paragraph 3 of the Corporation Law of Japan. For Yura, Inc., the merger will be a shortened merger under the provisions of Article 784, Paragraph 1 of the Corporation Law. Therefore, neither company will hold a general meeting of shareholders to approve the merger.

(2) Merger method

Since the surviving company in the absorption merger will be Yahoo Japan Corporation, Yura, Inc. will be liquidated.

(3) Details of share, capital, or cash allocations related to the merger

Since the Company owns 100% of the shares of Yura, Inc., there will be no new share issuance or capital increase related to the merger or any cash compensation.

(4) Treatment of new share subscription rights or bonds with new share subscription rights of the non-surviving company

Not applicable.

3. Outline of Merging Companies

(1) Name	Yahoo Japan Corporation (Surviving company)	Yura, Inc. (Non-surviving company)
(2) Main business	Advertising business Business services business Personal services business	Information processing services
(3) Establishment	January 31, 1996	May 1, 2009
(4) Head office	Akasaka 9-7-1, Minato-ku, Tokyo	Akasaka 9-7-1, Minato-ku, Tokyo
(5) Representative	Masahiro Inoue, President and CEO	Naohito Miyamoto, President and CEO
(6) Paid-in capital * <sup>1</sup>	¥7,460 million	¥325 million
(7) Share issuance * <sup>1</sup>	58,110,514 shares	13,001 shares
(8) Net assets * <sup>1</sup>	¥269,413 million (consolidated)	¥243 million (non-consolidated)
(9) Total assets * <sup>1</sup>	¥359,507 million (consolidated)	¥468 million (non-consolidated)
(10) Net assets per share * <sup>1</sup>	¥4,588.96 (consolidated)	¥18,720 (non-consolidated)
(11) Fiscal year end	March 31	March 31
(12) Net sales * <sup>2</sup>	¥265,754 million (consolidated)	*¥498 million (non-consolidated)

(13) Operating income <sup>*2</sup>	¥134,618 million (consolidated)	*¥6 million (non-consolidated)
(14) Ordinary income <sup>*2</sup>	¥132,912 million (consolidated)	*¥8 million (non-consolidated)
(15) Net income <sup>*2</sup>	¥74,715 million (consolidated)	—
(16) Net income per share <sup>*2</sup>	¥1,255.52 (consolidated)	—
(17) Major shareholders and ownership <sup>*1</sup>	SOFTBANK CORP. 40.9% Yahoo! Inc. 34.8%	Yahoo Japan Corporation 100%

<sup>\*1</sup> Figures as of September 30, 2009.

<sup>\*2</sup> Yahoo Japan Corporation's figures are for the fiscal year ended March 31, 2009. Since Yura, Inc. has not completed its first fiscal year, performance for the cumulative period from May to September 2009 has been provided as reference.

#### 4. Status following the Merger

There will be no change in the basic items regarding the Company, such as name, main business, head office location, representative, paid-in capital, and fiscal year end as a result of the merger.

#### 5. Impact on Performance

Since Yura, Inc. is a wholly owned subsidiary, the merger will have no impact on consolidated performance of Yahoo Japan Corporation.