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To whom it may concern

Yahoo Japan Corporation
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Stock code: 4689

**Notification of the Start of Discussions between Yahoo Japan Corporation
and eBay Inc. toward a Business Alliance**

Yahoo Japan Corporation and eBay Inc. today reached an agreement to collaborate in the creation of a new cross-border Internet auction market. Details are as follows.

1. Purpose of the Business Alliance

The Company and eBay, the largest Internet auction company in the United States, will be aiming to improve the services they offer customers and to create and develop a new Internet auction market. To achieve this goal, the partners will work together to support entrances into each other's markets, boosting of customer acquisition abilities, and other mutual expansion of capabilities.

2. Details of the Partnership

The major areas of collaboration being considered in the discussions toward the realization of a business alliance are as follows.

- Mutual support for market entrances in Japan and the United States

The partners will set up proxy sites in both countries through the reciprocal sharing of application program interfaces (APIs) for listed item information and other databases.

As Phase I, Yahoo Japan Corporation and eBay Inc. today launched Sekaimon, a shopping site that provides proxy buyer services on eBay for Japanese consumers. The partners have commissioned Shop Airlines, a subsidiary of netprice.com Ltd., to operate the site. Yahoo! JAPAN users will be able to access this service using their Yahoo! JAPAN ID.

In Phase II, the partners are aiming to launch a similar proxy buyer service on the Yahoo! Auctions site by the end of March 2008. The new service will enable Yahoo Auctions users to browse, bid on, and buy items on eBay in a variety of categories in addition to the over 15 million items already available on Yahoo! Auctions. Yahoo Japan Corporation plans to use this service to further stimulate the auction market and boost customer satisfaction.

In Phase III, the partners plan to open a proxy buyer service for Yahoo! Auctions items on eBay sometime during 2008. eBay users in the United States will be able to browse, bid on, and buy highly popular Japanese goods from the abundant selection available on Yahoo! Auctions, including manga, CDs, and character goods.

At the end of this process, the Company and eBay will have achieved mutual exchange of goods between Japan and the United States, realizing cross-border trading in the auction market.

According to the Japanese Ministry of Economy, Trade and Industry's Survey of the e-Commerce Market in Fiscal 2006, the e-commerce market in Japan was ¥4.391 trillion in fiscal 2006, up 27.1% year on year. Comparatively, the U.S. e-commerce market totaled ¥19.270 trillion, gaining 21.0% over the previous year. Clearly, both markets are expanding at a rapid rate and represent attractive markets for both partners.

3. Outline of eBay Inc.

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|---------------------------------------|-----------------------------------|
| (1) Name: | eBay Inc. |
| (2) Main business: | A full range of Internet services |
| (3) Establishment: | September 1995 |
| (4) Head office | San Jose, California, U.S.A. |
| (5) Representative: | Meg Whitman, President and CEO |
| (6) Relationship
with the Company: | None in particular |

4. Schedule

Discussions are ongoing regarding a concrete schedule for the partnership agreement.

5. Perspective

Based on the current agreement, the Company expects to further strengthen and expand its services as well as increase earnings. However, because there are no confirmed specific measures to be implemented or realizable advantages at this stage, it is not possible to provide estimates. This agreement has had no effect on the Company's business outlook for the third quarter of the fiscal year ending March 2008 announced on October 24, 2007.