

March 24, 2006

To whom it may concern

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

**Agreement with Toshiba Corporation on Purchase of  
NewsWatch, Inc. Shares**

Yahoo Japan Corporation (Headquarters: Minato-ku, Tokyo, President and CEO, Masahiro Inoue) (the "Company") and Toshiba Corporation (Headquarters: Minato-ku, Tokyo, President and CEO, Atsutoshi Nishida) ("Toshiba") today announced they had reached an agreement on the company's acquisition of a 69.0% stake in Toshiba's subsidiary NewsWatch, Inc. (Headquarters: Chuo-ku, Tokyo, President and CEO, Naoyuki Kaneda) ("NewsWatch") and its conversion to a subsidiary of the Company. Details are as follows.

1. Summary and Purpose of Agreement

Through this purchase, the Company is acquiring NewsWatch's know how as well as its search technology in the news services business for the purpose of further expanding its businesses in the news and search fields.

Since its establishment in 1996, the Company has given high priority to its search services, which have been positioned at the core of its businesses. On the other hand, the Company has not limited itself to search services, but also focusing on information provision services. Especially, the Company puts much importance on news services, which it has been providing since 1996.

By making NewsWatch a subsidiary, the two companies will benefit from synergies arising from the Company's customer acquisition and advertising sales, as well as advertising distribution technology, and from NewsWatch's network with media companies and technological expertise. Increasing the amount of news carried by Yahoo! News and NewsWatch's news service,

fresh EYE News Watch, the Company will also seek to expand advertising sales by increasing the volume of users accessing fresh EYE News Watch through Yahoo! News.

Toshiba established NewsWatch in 1996 to provide a filtered news distribution service and internal Web site search services based on information filtering technology utilizing Toshiba natural language processing technology as its core technology. Toshiba will continue to provide technical support to promote NewsWatch's further growth.

## 2. Outline of subsidiary to be transferred (NewsWatch, Inc.)

(1) Company name	NewsWatch, Inc.
(2) Representative	Naoyuki Kaneda, President and CEO
(3) Location	5-2-1, Ginza, Chuo-ku, Tokyo
(4) Established	April 26, 1996
(5) Main business	Information processing and information provision services, others
(6) Fiscal year end	March 31
(7) Number of employees	34
(8) Main business area	Tokyo
(9) Paid-in capital	¥428 million
(10) Total outstanding shares	27,272 shares
(11) Major shareholders and stake	
	Toshiba Corporation 89.0%
	New Business Investment Co., Ltd. 3.2%
	Toppan Printing Co., Ltd. 2.9%
	Dentsu Inc. 2.9%
	Mitsui & Co., Ltd. 1.8%

(12) Performance trends in recent fiscal years

	FY ended March 31, 2004	FY ended March 31, 2005
Net sales	¥907 million	¥1,074 million
Gross profit	¥381 million	¥406 million
Operating income	¥36 million	¥28 million
Ordinary income	¥40 million	¥30 million
Net income	¥81 million	(¥108 million)
Total assets	¥1,050 million	¥861 million
Shareholders' equity	¥609 million	¥500 million
Cash dividends	--	--

3. Seller of shares

- (1) Company name Toshiba Corporation
- (2) Representative Atsutoshi Nishida, President and CEO
- (3) Location 1-1-1, Shibaura, Minato-ku, Tokyo
- (4) Main business Development, manufacture, sale, and servicing of digital products, electronic devices & components, infrastructure systems, consumer products, and others

(5) Relationship with Yahoo Japan Corporation

None in particular

4. Number of shares acquired, purchase price, and ownership stake before and after acquisition

- (1) Shares held before acquisition 0 shares (Ownership stake, 0%)  
(Number of voting rights, 0)
- (2) Number of shares acquired 18,811 shares  
(Purchase price, ¥1,316 million)  
(Number of voting rights, 18,811)
- (3) Shares held after acquisition 18,811 shares (Ownership stake, 69.0%)  
(Number of voting rights, 18,811)

## 5. Acquisition schedule

March 24, 2006

Signing of share sales agreement

March 31, 2006

Transfer of shares

## 6. Perspectives

The addition of this new subsidiary will have minor impact on the consolidated or nonconsolidated performance of the Company in the fiscal year ending March 31, 2006.