

January 20, 2005

To whom it may concern

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

## **Basic Agreement Concluded with Aozora Bank, Ltd. for Internet Banking Business**

Yahoo Japan Corporation today announced the conclusion of a basic agreement with Aozora Bank, Ltd., to jointly enter the Internet banking business using Aozora Trust Bank, Ltd., a 100% subsidiary of Aozora Bank, Ltd., as the core of their operations. Details are as follows.

### I. Summary of Terms of Agreement and Purpose

Aozora Trust Bank, Ltd. will issue stock that will be acquired by Yahoo Japan Corporation, making Aozora Bank, Ltd. and Yahoo Japan Corporation joint shareholders of Aozora Trust Bank, Ltd.

Aozora Bank, Ltd. will provide support for new Aozora Trust Bank, Ltd. through its banking know-how and the supply of human resources while Yahoo Japan Corporation will provide support through its Internet business know-how and the supply of human resources. In past successful examples of joint ventures in Internet businesses, Yahoo Japan Corporation and Aozora Trust Bank, Ltd. have built a strong relationship with each other. The combination of the strength of both companies is expected to increase customer convenience and make it possible to provide banking services that support the quality of life of individuals. The new Aozora Trust Bank, Ltd. will aim to become the No. 1 Internet banking specialist in Japan.

Both Aozora Bank, Ltd. and Yahoo Japan Corporation will be actively committed to maintaining the soundness of the new Internet bank's operations and to reinforcing the security of its operations.

By adding Internet-based financial services, such as settlement and loans, for this new individual customer base to its existing high-quality professional asset

management advisory services that leverage its branch network, Aozora Bank, Ltd. plans to expand its retail services on a Group basis.

Yahoo Japan Corporation's combined transaction volumes for the Auction, Shopping, and other business divisions exceeded ¥640 billion in calendar 2004. By taking advantage of synergies between Internet banking and other businesses, the Company will aim to further increase the convenience of its existing services, raise the degree of customer satisfaction with its services by meeting their needs, and expand this new earnings base.

## II. Outline of Aozora Trust Bank, Ltd.

1. Company name	Aozora Trust Bank, Ltd.
2. Representative	Masaru Kawamura, President
3. Location	3-1, Kudan-minami 1-chome, Chiyoda-ku, Tokyo
4. Establishment	February 28, 1994
5. Main business	Banking operations, trust services
6. Fiscal year end	March 31
7. Number of employees	20 (As of March 31, 2004)
8. Paid-in capital	¥5,000 million (As of March 31, 2004)
9. Total assets	¥13,242 million (As of March 31, 2004)
10. Trust assets	¥1,453,795 million (As of March 31, 2004)
11. Operating revenue	¥653 million (FY 2004)
12. Ordinary income	¥247 million (FY 2004)

## III. Capitalization of Aozora Trust Bank, Ltd.

1. Aozora Trust Bank, Ltd. will issue the following two types of stock, which will be temporarily held by Aozora Bank, Ltd., and then acquired by Yahoo Japan Corporation at the price agreed to by both parties.

### (1) Common stock

Number of shares: 17,500

Issue amount: ¥875 million (¥50,000 per share)

### (2) Convertible non-voting shares

Number of shares: 90,900

Issue amount: ¥9,090 million (¥100,000 per share)

Conversion ratio: 2 common shares per non-voting share

## 2. Change in the ownership ratio of voting rights of Aozora Trust Bank, Ltd.

	Current	After (1) and (2) above	After conversion of (2)
Aozora Bank, Ltd.	100%	85.1%	33.4%
Yahoo Japan Corp.	0%	14.9%	66.6%

\* To exercise the conversion of (2) stock, Yahoo Japan Corporation will be subject to approval as stipulated by the Banking Law as it becomes a major shareholder of the trust bank.

## IV . Major business operations of Aozora Trust Bank, Ltd. in future

Based on the Internet, Aozora Trust Bank, Ltd. will offer settlement, consumer loans, and other services to individuals. It also will continue to offer its current trust services.

## V . Outline of Aozora Bank, Ltd.

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|------------------------|---|
| 1. Company name        | Aozora Bank, Ltd.                               |
| 2. Representative      | Hirokazu Mizukami, President                    |
| 3. Location            | 3-1, Kudan-minami 1-chome, Chiyoda-ku,<br>Tokyo |
| 4. Establishment       | April 1, 1957                                   |
| 5. Main business       | Banking operations                              |
| 6. Fiscal year end     | March 31  |
| 7. Number of employees | 1,345 (As of March 31, 2004)                    |
| 8. Paid-in capital     | ¥419,781 million (As of March 31, 2004)         |
| 9. Total assets        | ¥5,188,071 million (As of March 31, 2004)       |

## VI. Schedule

By the end of March 2005 Conclude final agreement, issue new stocks of Aozora Trust Bank, Ltd., and Yahoo Japan Corporation acquires them.

During the first half of 2006 Commence Internet banking operations

## VII. Perspectives

This basic agreement is expected to further expand and improve the services as well as increase in the earnings of both companies. However, since the partners have no concrete plans at this time, no estimated performance figures are available. This agreement is not expected to have an impact on Yahoo Japan Corporation's performance in the fiscal year ending March 2005.