

April 27, 2012

To whom it may concern

Yahoo Japan Corporation
Masahiro Inoue, President
Stock code: 4689

**Notification Regarding Business and Capital Alliance
with ASKUL Corporation**

In a Board of Directors Meeting held today, Yahoo Japan Corporation (the Company) decided to go ahead with a business and capital alliance with ASKUL Corporation (Head office: Koto-ku, Tokyo; President and CEO: Shoichiro Iwata, hereinafter ASKUL) in the commerce related field. Details are as follows.

1. Reasons for Business and Capital Alliance

ASKUL commenced its office equipment and supply mail order catalog business as the ASKUL division of PLUS CORPORATION in 1993. In 1997, the business was spun off from PLUS CORPORATION to clearly position ASKUL as a mail order business and began taking orders over the Internet at the same time. The company has since taken various measures to improve and expand its office equipment and supply mail order business with the support of its customers. Since initiating same-day delivery services for some areas in 1994, the year following its spin off, it has reformed former multi-step distribution system involving various operators and has proceeded with building a distribution system that directly connects suppliers and customers. It has expanded its distribution infrastructure and improved the ease-of-use, search function, and efficiency of its Internet system and has implemented strategies to build its customer base and merchandise lineup.

Recently, conditions have been difficult in the market. The domestic economy is maturing and the population dwindling. There are concerns emerging about a slowdown in the global economy because of the public debt crisis in Europe and other factors. And Japanese corporations have been curtailing expenditures in light of the slow economy following the Great East Japan Earthquake. In addition, competition has heated up in Japan's mail order industry with the entrance of

other companies into the market. Nevertheless, ASKUL has continued to maintain a competitive edge over its competitors as it develops its business.

Besides this business development, ASKUL sought to create a new growth engine in addition to its BtoB (see note 1) office equipment and supply mail order business, by starting up a BtoC (see note 2) business online mail order business in 2010 through its subsidiary ASMARU Corporation. However, the new business faces the issue of finding a way to increase customer attraction power to achieve full-scale growth.

Taking these circumstances into consideration, the Company proposed a business and capital alliance with ASKUL to develop a joint e-commerce business (see note 3) that would utilize the strengths of both groups. The partnership would leverage the Company's name brand recognition and customer attraction power with Internet users as well as settlement capabilities (see note 4) developed through its BtoC businesses of Yahoo! Shopping, Yahoo! Auctions, and other services. The partnership would also utilize ASKUL's distribution know-how, information system, its merchandising (MD) (see note 5) and consumer service (CS) (see note 6) capabilities, which were accumulated through its BtoB mail order business.

In other words, the proposal suggested that a business and capital alliance would enable the two groups to mutually complement their operations, combining the Company's dominant customer attraction power and settlement capabilities with ASKUL's dominant logistics (delivery), MD, and CS capabilities. This collaboration would allow the partners to develop an e-commerce business with a competitive edge in all business aspects, including price, quality, and delivery.

Today, April 27, 2012, ASKUL signed a business and capital alliance agreement with the Company. ASKUL will be proceeding with the alliance and has designated the Company as the scheduled receiver of new shares to be issued in a third-party allotment.

- Notes:
1. Business to business transactions.
 2. Business to consumer transactions.
 3. E-commerce comprises electronic sales over the Internet.
 4. An Internet payment service offered by the Yahoo! Japan Group called Yahoo! Wallet.

5. A corporate planning activity that entails developing merchandise, determining an appropriate price, sales volume target, marketing timing, and other factors based on demand from general consumers.
6. Services aimed at increasing customer satisfaction by responding to customer inquiries, etc.

2. Details of Business and Capital Alliance

(1) Details of business alliance

In their business alliance, the Company and ASKUL have agreed that each will seek to maximize their corporate value and the business alliance will target becoming the overwhelming No. 1 operations in its new business within two years. They will offer new value to Japan's consumers through their new e-commerce business targeting online BtoC business. This new value will arise from the mutual sharing of their capabilities and related know-how and human and other resources of their BtoC and BtoB businesses. These resources encompass customer attraction power, customer bases, procurement sources, settlement systems, systems and design technology related to Internet services, and distribution and delivery facilities and operational capabilities. Furthermore, the business alliance will offer merchandise suppliers opportunities to strengthen their businesses through the use of its services. The partners will establish a steering committee to discuss and examine important materials related to the business alliance, in which the Company's CEO, Manabu Miyasaka, and ASKUL's representative director, Shoichiro Iwata, will participate.

Following payments related to the third-party allocation, premised on the approval of ASKUL's shareholders' meeting, the Company will designate two people (one full-time director, one non-standing director) to be made ASKUL directors. Following payments related to the third-party allocation, ASKUL will place the two people designated by the Company on the agenda of the next general meeting of shareholders as candidates for directorships and make efforts to have them approved. Should these directors designated by the Company complete their terms or retire, the process will be repeated. Details regarding the roles, remuneration, and other conditions of these directors designated by the Company will be determined later by the two partners.

(2) Details of capital alliance

ASKUL is scheduled to issue the Company 23,028,600 shares through a third-party allotment, giving the Company a post-allotment stake of 42.60% of ASKUL's voting shares and 42.47% of its issued and outstanding shares. As a basis for proceeding with the business and capital alliance, the Company will acquire all of the new shares in the third-party allotment. Following this transaction, the Company's relationship with ASKUL will be as an "Other associated company." While respecting each other's right to manage their businesses independently as separate listed companies, the two partners recognize that achieving the above stated goals will have top priority. To establish an optimum operational organization for that purpose, they will not reject any possibility regarding the state of their capital alliance in the future out of hand, but carefully explore its potential.

Number of share acquired, purchase price, and ownership stake before and after for the Company

- (1) Shares held before purchase: 0 shares (Ownership stake, 0%)
(Number of vote: 0)
- (2) Number of shares purchased: 23,028,600 shares (Price: ¥32,999 million)
(Number of votes: 230,286)
- (3) Shares held after purchase: 23,028,600 (Ownership stake, 42.60%)
(Number of votes: 230,286)

3. Outline of Business and Capital Alliance Counterparty

(1) Name	ASKUL Corporation
(2) Head office	3-2-3 Toyosu, Koto-ku, Tokyo
(3) Representative	Shoichiro Iwata, President and CEO
(4) Main business	Mail order sales of the following items and services: Stationary, office supplies, office furniture, fixtures, office interior goods, computer peripherals, software, books, food products, daily necessities, soft drinks, apparel, household electronic goods, hygiene goods, medical goods, medical equipment, nursing care goods, printing and embossing

	service (for business cards, envelopes, and business documents), and office layout service.	
(5) Paid-in capital	¥3,535 million (at February 20, 2012)	
(6) Establishment	November 2, 1963	
(7) Major shareholders and shareholding ratio	PLUS CORPORATION 26.80% (at November 20, 2011)	
(8) ASKUL's relationship with the Company	Capital ties	There are no capital ties that should be noted between the Company and ASKUL. In addition, there are no capital ties that should be noted between the Company and its related companies and ASKUL and its related companies.
	Personnel ties	There are no personnel ties that should be noted between the Company and ASKUL. In addition, there are no personnel ties that should be noted between the Company and its related companies and ASKUL and its related companies.
	Business ties	There are no business ties that should be noted between the Company and ASKUL. In addition, there are no business ties that should be noted between the Company and its related companies and ASKUL and its related companies.
	Relationship of two parties	There are no corporate relationships between the Company and ASKUL. In addition, there are no corporate relationships between the Company and its related companies and ASKUL and its related companies.

(9) ASKUL's Consolidated Performance and Financial Position in the Past Three Years

(millions of yen)

	Fiscal year ended May 31, 2011	Fiscal year ended May 31, 2010	Fiscal year ended May 31, 2009
Consolidated net assets	17,271	19,326	16,633
Consolidated total assets	72,010	72,241	73,979
Consolidated net assets per share (yen)	534.01	611.85	528.97
Consolidated net sales	197,070	188,991	190,469
Consolidated operating income	5,357	7,014	8,240
Consolidated ordinary income	5,275	6,913	8,246
Consolidated net income	(1,015)	3,485	4,528
Consolidated net income per share (yen)	(32.73)	112.35	114.69
Dividends per share (yen)	30.00	30.00	30.00

4. Schedule

Signing of business and capital alliance agreement: April 27, 2012

Settlement date: May 20, 2012

5. Outlook

This agreement is expected to further expand and improve services and increase revenues.

However, since no detailed plan exists at present, no estimates can be calculated.