

October 16, 2012

To whom it may concern

Yahoo Japan Corporation  
Manabu Miyasaka, President & CEO  
Stock code: 4689

**Notification Regarding ValueCommerce Co., Ltd.  
Becoming a Consolidated Subsidiary**

As of October 19, 2012, ValueCommerce Co., Ltd. (Head office: Minato-ku, Tokyo; Representative Director, President and CEO: Yoichi Iizuka; Stock code: 2491, hereinafter ValueCommerce) will become a consolidated subsidiary of Yahoo Japan Corporation. Details are as follows.

1. Reasons for converting ValueCommerce to a consolidated subsidiary

ValueCommerce has been a subsidiary of Yahoo Japan Corporation accounted for by the equity method since April 2005. During that time, the Company has sought to expand operations by strengthening its business relationship with ValueCommerce and working to mutually increase profitability. To that end, the Company has sought to realize synergies in ValueCommerce's affiliate marketing and its StoreMatch services.

Effective today, Yahoo Japan Corporation has become the holder of a majority of the total voting right shares of the subsidiary after ValueCommerce conducted a repurchase of its own shares during a period starting August 27, 2012 to date. This change in ownership composition will result in ValueCommerce becoming a consolidated subsidiary as of October 19, 2012. Under consolidated management, Yahoo Japan Corporation plans to further strengthen the relationship between the two companies and endeavor to increase the corporate value of both companies.

2. Outline of Subsidiary Becoming Consolidated Subsidiary (ValueCommerce)

(1) Name	ValueCommerce Co., Ltd.
(2) Head office	8-1-19 Akasaka, Minato-ku, Tokyo
(3) Representative	Yoichi Iizuka, Representative Director, President and CEO
(4) Main business	Affiliate marketing service and StoreMatch online advertising distribution service.

(5) Capital	¥1,727 million (at June 30, 2012)	
(6) Establishment	March 12, 1996	
(7) Major shareholders and shareholding ratio	Yahoo Japan Corporation 43.44% SIX SIS LTD. / Williams Timothy Ronan: 10.86% (At June 30, 2012)	
(8) ValueCommerce's relationship with Yahoo Japan Corporation	Capital ties	The Company holds 43.44% of ValueCommerce's shares and accounts for ValueCommerce as a subsidiary by the equity method. (At June 30, 2012)
	Personnel ties	One of the Company's corporate auditors is also a corporate auditor of ValueCommerce. (At July 1, 2012)
	Business ties	ValueCommerce provides the Company with affiliate advertising and other services.

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

(millions of yen)

	Fiscal year ended Dec. 31, 2011	Fiscal year ended Dec. 31, 2010	Fiscal year ended Dec. 31, 2009
Consolidated net assets	4,641	4,262	3,669
Consolidated total assets	7,215	6,407	5,546
Consolidated net assets per share (yen)	24,028.80	22,084.30	19,307.40
Consolidated net sales	7,789	6,976	6,610
Consolidated operating income	759	553	246
Consolidated ordinary income	832	589	208
Consolidated net income	443	558	23
Consolidated net income per share (yen)	2,299.13	2,915.75	121.08
Dividends per share (yen)	750.00	293.00	—

3. Ownership Status

Before the conversion (At August 23, 2012)

Number of shares held: 83,942 shares

(Number of voting rights: 83,942 share equivalent to 44.66% of total voting rights)

After the conversion (At October 19, 2012)

Number of shares held: 83,942 shares

(Number of voting rights: 83,942 share equivalent to 50.00% of total voting rights)

Note: The proportion of voting rights held before the conversion is as of August 23, 2012, the day ValueCommerce decided to acquire its own shares.

#### 4. Outlook

The effect of converting ValueCommerce to a consolidated subsidiary on the Company's consolidated and non-consolidated performances is expected to be minor.