

April 28, 2009

To whom it may concern

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

## **Notification of Granting Stock Options (Subscription Rights) to Employees**

In a meeting of the Board of Directors on April 28, 2009, Yahoo Japan Corporation decided to grant subscription rights to employees of the Company according to Article 238 and 240 of the Corporation Law of Japan as outlined below.

### 1. Reason for granting subscription rights

Through the granting of stock options, the Company further motivates and boosts employee morale, improving business performance of the Company and realizing greater corporate value.

### 2. Details of granting subscription rights

(1) Number of persons granted subscription rights and number of subscription rights

Employees: 101 persons, 891 units

(2) Class and amount of stock for which subscription rights are to be granted

The class of stock for which subscription rights are to be granted shall be common par value shares of Yahoo Japan Corporation. Each subscription right may be exchanged for 1 share (Originally, the total number of shares represented by the amount of subscription rights granted shall be 891 shares.)

If the Company splits or consolidates its shares after the date of granting subscription rights, the authorized number of shares shall be adjusted in accordance with the following formula. However, the adjustment shall only be made for subscription rights that have not been exercised at that time.

Fractions below 1 share caused by such adjustment are to be rounded down.

Number of shares after adjustment = number of shares before adjustment  
x stock-split or consolidate ratio

Furthermore, if the Company issues new shares at a price below market value, or removes its treasury shares (excluding capital increases at market value, issuance of new shares due to the exercise of subscription rights, or rights attached to warrants,) or carries out a statutory merger or consolidation with other companies, or spins off part of its operations, or makes a share exchange or transfer, or makes gratis issuances of shares, or in any other appropriate cases, the Company may adjust the number of shares affected where appropriate in a reasonable manner.

(3) Total number of subscription rights to be granted

891 units

If the employees scheduled to be granted subscription rights as indicated in (1) above are no longer employees of the Company at the time of granting the subscription rights, or if the total amount of subscription rights on their application is less than the amount stated above, the total amount of subscription rights on the application shall be the total amount granted.

(4) Amount of money to be exchanged for subscription rights

No monetary transfer will occur. However, since subscription rights are granted as incentive rewards, the fact that no payment is made does not represent special treatment.

(5) Payment on exercise of subscription rights

Payment made on exercise of subscription rights shall be in the form of cash. The cost of exercising 1 subscription right shall be the amount given by multiplying the value of 1 share as determined by the method given below (hereinafter referred to as the "exercise price") by the number of common shares exchangeable for 1 subscription right.

The exercise price shall be the average value of the closing price of common stock with par value of the Company announced by the Tokyo Stock Exchange every day (excluding days when there is no trading) during the month immediately before the month in which the date of the granting of subscription rights falls, with fractions below ¥1 to be rounded up. However, if the said price is below the closing price of common stock with par value of the Company announced by the Tokyo Stock Exchange on the date when the subscription rights are provided (if there is no trading on that day, the first closing price available for a date immediately prior to the said date,) the latter transaction price shall be the exercise price.

If the Company splits or reverse-splits its stock or issues new shares at any price below the market value or removes its treasury shares after the granting date of subscription rights (excluding capital increases at market value, and issuance of new shares due to the exercise of subscription rights or rights attached to warrants,) the exercise price shall be adjusted by the following formula, with fractions below ¥1 caused by such adjustment to be rounded up.

In the formula below, the “Number of Issued Shares” shall be the number of issued shares of the Company minus the number of treasury shares being held. In the case of the removal of treasury shares, the items in the following calculation shall be changed as follows. “Number of New Shares” shall read “Number of Treasury Shares Removed.” “Number of Increased Shares by splitting stock or issuing new shares” shall read “Shares Removed.”

$$\text{Exercise Price after Adjustment} = \text{Exercise Price before Adjustment} \times \frac{\text{Number of Issued Shares} + \frac{\text{Number of New Shares} \times \text{Subscription Price per Share}}{\text{Share Price before splitting or reverse-splitting stock or issuing new shares}}}{\text{Number of Issued Shares} + \text{Number of Increased Shares by splitting stock or issuing new shares} \text{ (with reverse-splits the number of shares are decreased)}}$$

Furthermore, if subscription rights remain valid after a statutory merger or consolidation with other companies, a spin off of part of operations or a share exchange or transfer, a gratis issuance of shares, and in any other appropriate cases, the Company may adjust the exercise price accordingly.

(6) Date of granting subscription rights

May 12, 2009

(7) Issue of subscription right certificate

No certificate shall be issued.

(8) The amount of capital by which Common Stock and Additional Paid-In Capital are increased due to the exercise of subscription rights is as follows.

The amount of increase in Common Stock shall be 50% of the increase in capital as calculated according to the method given in the Company Accounting Regulations, Article 17, Paragraph 1, with fractional amount of less than ¥1 being rounded up. Paid-In Capital shall increase by the remaining amount of the increase.

(9) Period to exercise subscription rights

From April 29, 2011 to April 28, 2019

(10) Conditions for the exercise of subscription rights

- Persons who received subscription rights must also be directors, employees, or hold an equivalent position at the Company or its subsidiaries when they exercise their subscription rights. However, this does not apply to a person who received subscription rights and retired from his/her position due to the natural end of his/her employment period (not terminated) or if the Board of Directors deem the reason as appropriate.

-If a person who is eligible to exercise subscription rights deceases before

the exercise period of the subscription rights, the subscription right becomes void. If a person deceases after the start of such period, his/her inheritors may exercise such a person's subscription right.

-Subscription rights cannot be transferred, pledged or disposed of.

-Other conditions in connection with the exercise of subscription rights shall be subject to the agreement for the provision of subscription rights to be entered into between the Company and the person entitled to the subscription rights.

#### (11) Acquisition of subscription rights

-With the approval of a general shareholders' meeting (if the approval of the general shareholders' meeting is not required, then with approval of the Board of Directors) in the case of a merger agreement with another company in which the Company is absorbed, or agreement on an exchange or transfer of shares making the Company a wholly owned subsidiary of another company, the Company may withdraw existing subscription rights at a later specified date without compensating subscription right holders.

-If the holder of the subscription rights becomes unable to exercise them due to the conditions stated in (10), the Board of Directors may withdraw the subscription rights at a later specified date without compensating the holder.

However, in all the above cases, the Company may wait until the end of the exercise period to withdraw the subscription rights in a lump sum transaction.

#### (12) Limitation on the transfer of subscription rights

Any transfer of subscription rights must be approved by the Board of Directors.

#### (13) Treatment of subscription rights in the event of a corporate reorganization

In the event of a merger (limited to case where the Company is absorbed,) a statutory merger, a spin off, or a share exchange or transfer

(hereinafter referred to in general as a “corporate reorganization”,) when there are holders of subscription rights after the end of their validity period due to the corporate reorganization (hereinafter referred to as “remaining subscription rights”,) the Company shall exchange those remaining subscription rights with the subscription rights of the companies as stipulated by the Corporation Law of Japan, Article 236, Paragraph 1, items 8, No. 1 to 5 (hereinafter referred to as “reorganization companies”) on a case by case basis according to the agreement made for the reorganization or conditions given in the business plan. In such cases, the remaining subscription rights will then be cancelled and the reorganized companies will grant new subscription rights to the persons previously holding remaining subscription rights.