

September 26, 2001

To whom it may concern

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

Yahoo! JAPAN Acquires eGroups KK Shares, Makes it a Subsidiary

In a Board of Directors Meeting held on September 26, 2001, Yahoo Japan Corporation decided to purchase a majority block of shares of eGroups KK, and make it a subsidiary of the Company.

1. Purpose of Purchase of Shares

eGroups KK was established on January 26, 1999. The company offers community services on the Internet based on groupware mainly for e-mail related services, and boasts 3.3 million registered users and monthly e-mail volume of 45 million items.

By acquiring shares and making eGroups KK a subsidiary of Yahoo! JAPAN, the Company plans to organically link the services of both companies and achieve synergies. Yahoo! JAPAN believes that these benefits will have a positive impact on sales of e-mail advertising and other areas and will lead to further stability in its operating base.

2. Outline of New Subsidiary, eGroups KK

- (1) Name: eGroups KK
- (2) Representative officer: President Francisco Varela
- (3) Registered address: 6-3-303, Nishikasai, Edogawa-ku, Tokyo
- (4) Establishment: January 26, 1999
- (5) Major business: Supply of free groupware service, eGroups, using the Internet
- (6) Fiscal year-end: December
- (7) Number of director and employee: 2
- (8) Paid-in capital: ¥104,509,450

(9) Issued and outstanding shares: 221

(10) Major shareholders

| Name | Location | Shareholding | Percentage of Outstanding Shares |
|--------------|--------------------|--------------|----------------------------------|
| eGroups Inc. | California, U.S.A. | 200 | 90.5% |

(11) Recent business performance

| | Year ended December 1999 | Year ended December 2000 |
|----------------------|--------------------------|--------------------------|
| Net sales | ¥0 | ¥149,032,000 |
| Operating income | -¥36,083,000 | -¥66,663,000 |
| Ordinary income | -¥36,202,000 | -¥63,566,000 |
| Net income | -¥36,266,000 | -¥63,856,000 |
| Total assets | ¥23,248,000 | ¥257,002,000 |
| Shareholders' equity | -¥26,266,000 | ¥98,895,000 |
| Dividend per share | ¥0 | ¥0 |

3. Summary of Share Purchase

(1) Details: 200 shares were purchased from eGroups Inc., a wholly owned subsidiary of Yahoo! Inc., of the United States, equivalent to a 90.5% stake in eGroups KK.

(2) Purchase amount: ¥900,000,000

(3) Purchase date: September 28, 2001 (scheduled)

4. Comparison of Yahoo! JAPAN's shareholdings before and after share purchase

| | Before | After |
|--|------------|------------|
| (1) Number of share held by Yahoo! JAPAN | 0 shares | 200 shares |
| (2) Number of shares with voting rights | 221 shares | 221 shares |
| (3) Percentage of voting-right shares held | 0.0% | 90.5% |

5. Outlook

Based on the alliance formed by making eGroups KK a subsidiary, the Company expects to increase its revenues by expanding its customer base, broadening its advertising product lineup, and strengthening its competitiveness. Because of the difficulty of making estimates due to the newness of the industry and market and the many volatile factors, however, the Company is refraining from making performance

forecasts.

The major impact on consolidated performance from this share purchase will be the amortization of a consolidation account estimated to total approximately ¥769 million. The method of amortization (period, times) is still being decided.