

Report of Independent Auditors

To the Board of Directors of
Yahoo Japan Corporation

We have audited the accompanying consolidated balance sheets of Yahoo Japan Corporation and its subsidiaries as of March 31, 2003 and 2004, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for the years then ended, all expressed in Japanese yen, included on pages 28 to 50. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Yahoo Japan Corporation and its subsidiaries as of March 31, 2003 and 2004, and the consolidated results of their operations and cash flows for each of the years then ended in conformity with accounting principles generally accepted in Japan.

As described in Note 3 (13), the Company had booked the gross amount of its monthly Internet Service Provider (the "ISP") fee as sales and the ISP cost as cost of sales in the financial statements for fiscal years prior to April 1, 2003. However, in order to reflect the business of the Yahoo! BB business division more accurately, the Company has changed its ISP revenue and cost recognition method to record the net amount of ISP fee and ISP cost as sales in the financial statements effective with the fiscal year beginning April 1, 2003.

The amounts expressed in U.S. dollars, which are provided solely for the convenience of the reader, have been translated on the basis set forth in Note 4 to the accompanying consolidated financial statements.

ChuoAoyama PricewaterhouseCoopers

ChuoAoyama PricewaterhouseCoopers
Tokyo, Japan
June 17, 2004

Note: Name of the firm was changed from ChuoAoyama Audit Corporation to ChuoAoyama PricewaterhouseCoopers on April 15, 2004.