

In accordance with the goal of becoming a “life engine” that provides users access to the Internet and its myriad goods and services for the enhancement of daily life, the Group describes its commitments both to society and to its own corporate sustainability in terms of the following three themes:

The Group and Society



▶ Contributing to Society through Our Services and Corporate Philanthropy

- Providing a hub for volunteer-related information through Yahoo! Volunteer
- Raising money for charities through Yahoo! Auctions' charity auctions
- Donating the proceeds from Internet sales of PC wallpaper to charities assisting victims of natural disasters
- Providing a disaster information service via page banners
- Sponsoring Japanese teams participating in the Olympics, Paralympics, and Special Olympics

▶ Rising to the Role: Representing a New Industry and a New Media

- Sending a corporate message of human compassion through our Pink Ribbon and Red Ribbon consciousness-raising campaigns for those battling breast cancer and AIDS

▶ Preserving the Environment

- Participating in Team Minus 6%, a nationwide campaign to combat global warming
- Assisting start-up Internet-based businesses in attaining high efficiency in product distribution and other logistical activities through the support services of Yahoo! Business Center
- Promoting the re-use of goods through Yahoo! Auctions



The Group and the Internet Community

By designing and implementing secure systems and cooperating with government authorities, we aim to prevent inappropriate use of our services. In addition, we regularly meet both with authorities and with representatives of other companies in our industry to discuss policies and procedures geared to enhancing Internet security for all users. Examples of our activities in this area are as follows:

- Eliminating inappropriate content and giving due consideration to children's use of the Internet on our Yahoo! Kids site
- Designing a fraud-resistant system for Yahoo! Auctions, informing users about how to avoid fraud victimization, and establishing a compensation system for victims of fraud

- Implementing measures on Yahoo! Message Boards to prevent defamation and invasion of privacy, and exchanging information with government authorities in relation thereto
- Preventing the spread of stock rumors, perpetration of which is illegal under the Securities and Exchange Law, by continuously monitoring our Stock Bulletin Boards for suspect information and removing it immediately upon detection; Cooperating with the Securities and Exchange Surveillance Commission to design and implement a system that enables individual users to directly report suspect information to the commission
- Prohibiting the listing on Yahoo! Auctions of items that are in violation of intellectual property rights laws
- Providing users with tools for blocking fraudulent and spam e-mails, and exchanging information industrywide on methods and procedures to combat these problems



The Group and Corporate Governance/Corporate Compliance

- Clear separation between the roles and responsibilities of directors (5 directors, including 1 outside director) and those of business managers (separating business supervision from business execution)
- Strict audit conducted by Board of Corporate Auditors (4 members as of June 17, 2005, all of whom have no binding affiliation with the Group)
- Protection of personal and other sensitive business information proactively monitored by in-house Information Management Task Force; Information Security Management Systems (ISMS) certifications*
- Strong internal inspection system spearheaded by in-house Operation Audit Team (6 members as of June 17, 2005); Compliance inspections and employee-education program overseen by Legal Department
- Accounting audit conducted by independent auditing firm (ChuoAoyama Pricewaterhouse Coopers)
- Fair, merit-based personnel evaluation system
- Proactive information disclosure

* In August 2004, the Group acquired international-standard ISMS certification under BS 7799-2:2002 from BSI British Standards, as well as Japanese domestic-standard ISMS Certification Standards Version 2.0. As of March 31, 2005, 12 Group companies, including the parent company and 11 subsidiaries, had received certification under both of these standards.