

Corporate Social Responsibility and Corporate Governance

In recognition of our prominent position in the Japanese Internet market, Yahoo Japan Corporation is dedicated to developing a sound, secure Internet environment in harmony with the expectations and needs of society. By fulfilling our corporate social responsibility (CSR) and incorporating appropriate corporate governance throughout our business operations, we aim to achieve sustained corporate growth and increased corporate value for the benefit not only of our stakeholders but also of society at large.

Corporate Social Responsibility

Promoting sound Internet market development and a secure Internet user environment

- We recommend measures for removing illegal and harmful content from the Internet in our role as a private-sector member of both the National Police Agency's Comprehensive Security Countermeasures Council and the Ministry of Internal Affairs and Communications' Working Group for Measures Against Illegal and Harmful Information on the Internet. We also participate in working groups organized by public-interest corporations.
- We have implemented various measures to protect information security and to prevent phishing and other types of Internet fraud. In addition, we maintain help pages and e-mail support as well as carry out 24-hour patrolling of our Web site.
- Our Yahoo! Security Center provides users with effective methods of protection against various Internet-based threats, including computer viruses, Internet stalkers, and the leakage or abuse of personal information.
- In addition to our Yahoo! Kids site, a safe Internet environment for children, we offer Yahoo! Safe Net, a filtering service that prevents children from viewing Web sites targeting mature users.

Strengthening security on Yahoo! Auctions

- Our auction system incorporates a fraud-detection model based on the behavioral patterns of known abusers of online auction services.
- We concluded an agreement with the National Institute of Advanced Industrial Science and Technology (AIST) to jointly develop Internet security technology.
- Through our Yahoo! Auctions Intellectual Property Protection Program, we remove offending auction listings immediately upon notification by the rightful owner of the intellectual property in question. During the fiscal year under review, we created and implemented Internet Auction Services Guidelines in collaboration with other Internet auction providers. In addition, together with major intellectual property owners and groups we jointly established the Council to Prevent the Distribution of Items in Violation of Intellectual Property Rights through the Internet.
- For people listing items on our auction site for the first time, we plan to introduce stricter identification procedures than those used in our current personal identification system.
- We regularly provide auction users with helpful information on avoiding fraud victimization and other auction abuses, and we have established a compensation system for victims of fraud.

Corporate Social Responsibility and Corporate Governance

Protecting personal information

- We request of users only the minimum amount of personal information necessary to provide them with services. Moreover, users' personal information is separated physically from other types of information and constantly monitored, with only a minimum number of people authorized to access the personal information database.
- With the aim of strengthening information security in the medium to long term, we established the Information Security Office in fiscal 2005. To promote greater public understanding of the security measures that we are implementing, we participated in the Ministry of Economy, Trade and Industry's Information Security Governance Symposium, held in December 2005, with the President of the Company presenting a lecture entitled "Targeting the Creation of a Safe and Secure Business."

Improving customer support and incorporating user feedback

- We constantly work to improve the quality of our customer support services offered through Yahoo! JAPAN Help Center and help pages.
- We periodically upgrade our overall services by incorporating users' opinions and comments garnered via our customer support services and regular surveys.
- The Customer Support Office's Customer Center Commerce Team was named "Best Contact Center of the Year" in the Superior IT User Support Awards, sponsored by the Japan Institute of Information Technology.

Fulfilling our lifeline mission

- To ensure the fulfillment of our mission as a lifeline that people can count on in times of emergency, we maintain independently operating data centers in various locations designed to withstand disasters and blackouts.
- We provide a news flash service that prominently displays disaster information in the spaces normally used for advertising banners on the pages of all of our services, including Yahoo! Mobile. In September 2005, we introduced our Yahoo! Disaster Information site as a regular service.

Leveraging our influence as a media source for the betterment of society

- Through our Yahoo! Volunteer site, we have raised money to aid victims of major natural disasters, including the Niigata Chuetsu earthquake in Japan in October 2004, the earthquake in Pakistan in October 2005, and Typhoon No. 14 in Japan in September 2005.
- We have held charity auctions on our Yahoo! Auctions site since September 1999. In fiscal 2005, these auctions raised a total of ¥158.55 million for various charities.
- Since September 2003, we have supported the Pink Ribbon campaign promoting early detection and treatment of breast cancer.
- We have participated in the Japanese government's Global Warming Prevention Headquarters' national project, Team Minus 6%, since May 2005. In addition to setting air-conditioning temperatures in our offices a little higher during the summer, we maintain a Team Minus 6% site providing information about the global warming prevention drive.



Corporate Governance

Yahoo Japan Corporation considers appropriate corporate governance, including legal compliance, to be essential to achieving increased corporate value over the medium to long term. By clarifying the roles and responsibilities of directors, corporate auditors, and employees under the corporate governance system and heightening awareness of relevant laws and regulations, social norms, and ethics, in addition to ensuring effective internal monitoring, the Company aims to conduct appropriate and effective business operations.

In January 2002, the Company introduced a business division system designed to promote swifter, more strategic business management with the goal of improving competitiveness. At the same time, the Company clarified the separate roles of day-to-day business execution by business managers and decision-making and operational oversight by the Board of Directors. Currently, the Board of Directors comprises five members, including one outside director.

Internal auditing activities are overseen by the Board of Auditors. Based on an audit plan drawn up by the Board of Auditors, the corporate auditors conduct audits of the Company's entire business operations, including assessments of the appropriateness of policy, planning, and procedures as well as the effectiveness and legal and regulatory compliance of business activities. In addition, the corporate auditors attend meetings of the Board of Directors and of the Management Committee, view important documentation, and conduct surveys of subsidiaries, reporting their findings to the Board of Auditors. The Board of Auditors also receives information from the accounting auditors on the methods used in and results of accounting audits. Similarly, the Board of Auditors receives information from the business auditors on the methods used in and results of internal audits. Based on these reports, the Board of Auditors makes regular reports to full-time directors, the members of the Board of Directors.

Since April 2002, the business auditors, who are under the direct supervision of the President, have faithfully carried out internal inspections of all business operations, with particular

responsibility for internal audits of the risk-prevention system. Based on these inspections, the business auditors make specific recommendations for improving business operations.

In the event either that a serious issue arises regarding our business operations or that we start a new service requiring investigation, the Company convenes as necessary an Advisory Board comprising lawyers, university professors, and other prominent persons from the legal, academic, and financial communities, thereby ensuring that the views and opinions of a broad cross-section of society play a guiding role in the Company's business operations.

In May 2006, the Company clearly defined its code of conduct in a publicly released Business Practices Charter. To implement the Charter, it is essential that the Company have in place a system designed to ensure adherence to appropriate corporate governance, effective and efficient business activities, accurate financial reporting, and legal compliance. To this end, the Internal Control Office was established in April 2006 to set up and implement an internal control system throughout the operations of the Company and its subsidiaries. In addition to its job of assessing the appropriateness and effectiveness of business execution, the Internal Control Office is in charge of documenting internal business procedures stipulated in the internal control system.

Organizational changes

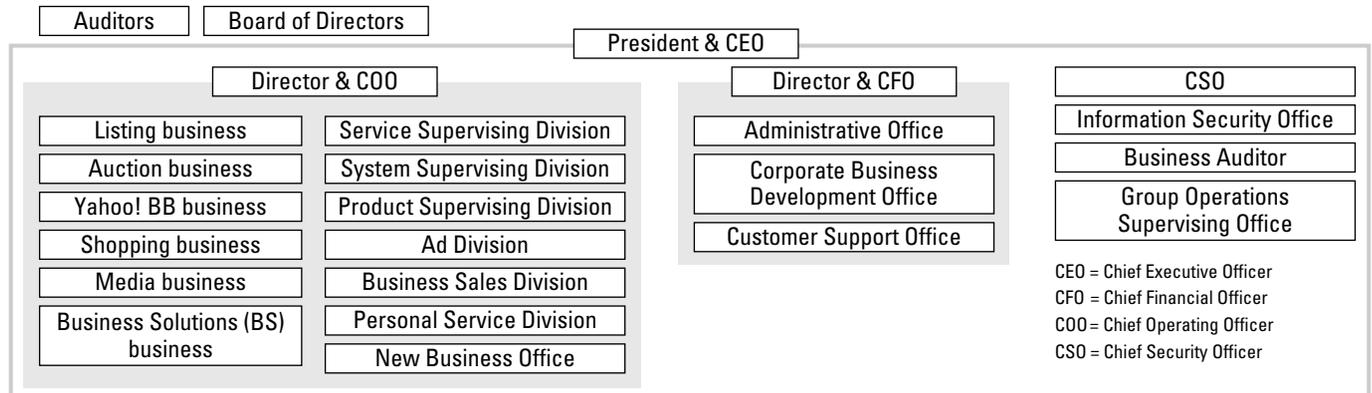
In April 2006, the Group implemented organizational changes in line with the following goals:

- Segment our organization to facilitate faster decision-making
- Establish independent business operations in strategically important fields and reallocate resources accordingly to maximize the effectiveness of our overall business activities

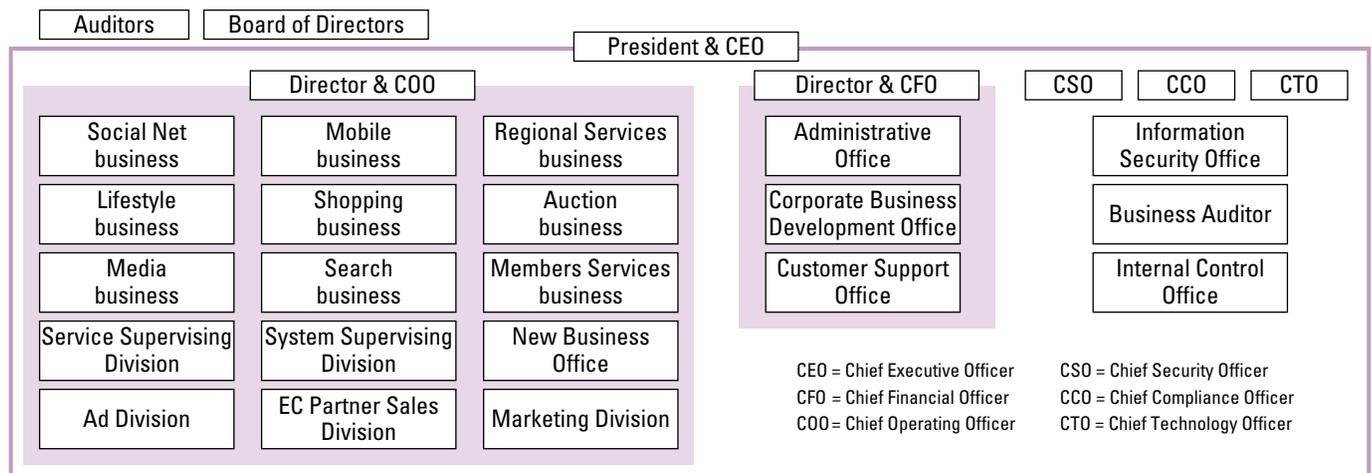
In addition to establishing the Internal Control Office, as discussed above, we added Social Net, Mobile, and Regional Services business units to our organization in recognition of the strategic importance of these fields looking forward.

Corporate Social Responsibility and Corporate Governance

Old Organization



New Organization (As of April 2006)



Major Services of the New Organization

Aiming to be the No. 1 social media company in Japan by responding to Web 2.0 and reinforcing tail content

- ▶ **Social Net business**
Provide tools for information transmission by users and communications among users
>Yahoo! 360°, Yahoo! Blogs, Yahoo! Mail, Yahoo! GeoCities, Yahoo! Message Boards
- ▶ **Mobile business**
Provide services for mobile phones
>Yahoo! Mobile, Yahoo! Content Store
- ▶ **Regional Services business**
Provide useful information closely related to regional lives
>Yahoo! Get Local, Yahoo! Maps, Yahoo! Real Estate, Yahoo! Rikunabi, Yahoo! Gourmet
- ▶ **Lifestyle business**
Provide specialized information suited to individual tastes and lifestyles
>Yahoo! Movies, Yahoo! Music, Yahoo! Games, Yahoo! Fortune Telling, Yahoo! Autos, Yahoo! Beauty
- ▶ **Shopping business**
Provide an online shopping site
>Yahoo! Shopping, Yahoo! GroupBuy, Yahoo! Prize Competition
- ▶ **Auction business**
Provide a selling and buying site for consumer to consumer (CtoC) and a sales site for business to consumer (BtoC)
>Yahoo! Auctions
- ▶ **Media business**
Provide not only paid and free head content but also aggregate tail content
>Yahoo! Streaming, Yahoo! News, Yahoo! Finance, Yahoo! Sports, Yahoo! Weather
- ▶ **Search business**
Offer search and information services
>Yahoo! Search, Yahoo! Knowledge, Yahoo! Dictionary, Yahoo! Translation
- ▶ **Members Services business**
Offer specialized services to members
>Yahoo! Premium, Yahoo! BB, Yahoo! Delivers
- ▶ **New Business Office**
Develop and promote new businesses
>Yahoo! ezPay, Yahoo! Research, Yahoo! WebHosting, Yahoo! Travel

Directors and Statutory Auditors

Name (Date of Birth)	Title and Function	Brief Summary of Professional History	
Masahiro Inoue (2.12.1957)	President and CEO	Jun. 1992	Joined SOFTBANK CORP.
		Jan. 1996	Establishment of the Company. Assumption of office as Director of the Company
		Jul. 1996	Assumption of office as President and CEO of the Company (current office)
		Jun. 1998	Assumption of office as Director of SOFTBANK CORP.
		Jun. 1999	Resignation as Director of SOFTBANK CORP.
		Jun. 2001	Resumption of office as Director of SOFTBANK CORP. (current office)
Masayoshi Son (8.11.1957)	Chairman of the Board of Directors	Feb. 1986	Assumption of office as President and Representative Director of SOFTBANK CORP. (current office)
		Jan. 1996	Establishment of the Company. Assumption of office as President and Representative Director of the Company
		Jul. 1996	Assumption of office as Chairman of the Board of Directors of the Company (current office)
		Jun. 2001	Assumption of office as Representative Director of BB TECHNOLOGY Corp. (current office)
Jerry Yang (11.6.1968)	Director	Mar. 1995	Assumption of office as Director of Yahoo! Corporation (Currently Yahoo! Inc.) (current office)
		Jan. 1996	Assumption of office as Director of the Company (current office)
Akira Kajikawa (5.17.1959)	Director	Apr. 1983	Joined Nomura Securities Co., Ltd.
		Nov. 1996	Joined SOFTBANK CORP. Assumption of office as Deputy General Manager, Financial Dept.
		Jan. 1997	Assumption of office as Director and Chief Financial Officer of the Company
		Jul. 1999	Assumption of office as Director of SBI Holdings, Inc.
		Jun. 2000	Resignation as Director of the Company
		Jun. 2000	Assumption of office as Advisor of the Company
		Jun. 2002	Assumption of office as Director, Chief Financial Officer, and Administrative Office General Manager of the Company (current office)
		Jan. 2004	Appointment as Head of Personal Service Division
		Apr. 2005	Appointment as Head of Management Planning Office and Customer Support Office (current office)
		Hiroaki Kitano (11.27.1962)	Director
May 1988	Temporarily transferred to Kairinsha Int'l (NY), Inc.		
Apr. 1993	Appointment as Vice President of Kairinsha Int'l (NY), Inc.		
Feb. 1997	Joined the Company. Appointment as General Manager of Operation Office		
Oct. 1998	Appointment as General Manager of Business Planning Division of President's Office of the Company		
Jan. 2003	Assumption of office as Director and Head of President's Office		
Jan. 2004	Appointment as General Manager of Yahoo! BB business		
Apr. 2005	Assumption of office as Director, Chief Operating Officer (current office), and Head of Corporate Business Development Office		
Apr. 2006	Appointment as General Manager of Shopping business (current office)		
Sumio Sue (11.6.1943)	Full-time Statutory Auditor		
		Nov. 1999	Appointment as Deputy General Manager, Business Alliance Dept., BT Japan KK
		Jun. 2000	Assumption of office as Director in Charge of TU-KA Cellular Tokyo Inc., TU-KA Cellular Tokai Inc., and TU-KA Phone Kansai Inc.
		Jun. 2001	Assumption of office as Statutory Auditor of the Company (current office)
Toshihiro Kiribuchi (2.19.1931)	Statutory Auditor	Apr. 1956	Joined Ministry of Finance (MOF)
		Jun. 1983	Councilor of the Minister's Secretariat (MOF)
		May 1986	Deputy Commissioner of the Director-General's Secretariat, National Tax Bureau
		Oct. 1988	Joined Tateishi Electric Manufacturing Co. (Currently Omron Corporation)
		Dec. 1988	Assumption of office as Director of People Co., Ltd.
		Jun. 1989	Assumption of office as Managing Director of Omron Corporation
		Jul. 1995	Assumption of office as Special Advisor of Omron Corporation
Jun. 1997	Assumption of office as Statutory Auditor of the Company (current office)		
Mitsuo Sano (12.25.1956)	Statutory Auditor	Mar. 1986	Registered as Certified Public Accountant
		Dec. 1995	Appointment as Accounting Manager of Finance and Accounting Division of SOFTBANK CORP.
		Dec. 1996	Assumption of office as Statutory Auditor of the Company (current office)
		Jun. 1999	Assumption of Director of E*TRADE Securities
		Jun. 2000	Assumption of office as full-time Statutory Auditor of SOFTBANK CORP. (current office)
Shiho Konno (6.28.1963)	Statutory Auditor	Apr. 1991	Admitted to the bar
		Dec. 1996	Established Yaesu Law Firm in partnership (to present)
		Apr. 1997	Assumption of office as assistant instructor at the Supreme Legal Research and Training Institute (until March 2000)
		Apr. 2004	Assumption of office as visiting associate professor at the School of Law at Meiji University (to present)
		Jun. 2005	Assumption of office as visiting researcher in intellectual property at the School of Law at Hokkaido University (to present)
Jun. 2005	Assumption of office as Statutory Auditor of the Company (current office)		

Notes:

- The four statutory auditors are Outside Auditors, as set out in Article 2-16 of the "Company Law."
- Jerry Yang, a Director of the Company, is an Outside Director, as set out in Article 2-15 of the "Company Law."