

January 6, 2005

To whom it may concern

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

Notification of Business Tie-Up with CREO Co., Ltd. and Acquisition of Shares from Third Party Allotment

Yahoo Japan Corporation today announced an agreement with CREO Co., Ltd., (JASDAQ 9698) to conclude business and capital tie-ups covering system development and other fields. Under this agreement, Yahoo Japan Corporation will acquire shares in CREO Co., Ltd. through a third party allotment (January 26, 2005 settlement date), making Yahoo Japan CREO Co., Ltd.'s largest shareholder. Details are as follows.

1 . Reason for business tie-up

CREO Co., Ltd. has plentiful high-quality system engineering resources and a strong performance record for developing systems for a wide variety of companies and industries. This technological partnership will enable Yahoo Japan Corporation to speed up development of its services and improve their quality and allow CREO Co., Ltd. to further expand its system development business. In addition, CREO Co., Ltd. has specialized technology, know-how, and a firm track record in development of personal information management (PIM) systems as a result of its "Fudemame" series, of Japanese language processing systems, and of its "CREO Business Manager Series (CBMS)" solution packages for employee salary payment and accounting. CREO Co., Ltd.'s abilities and experience could be applied broadly to the services provided by Yahoo Japan. The two companies intend to form a business agreement that will effectively utilize their business resources and expand and improve their business bases. The two companies will decide the details of the business agreement through further discussions.

2. Summary of Acquisition of Shares through Third Party Allotment

(1) Number of shares acquired	3,500,000 shares
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(2) Purchase price	¥1,634,500,000 (¥467 per share)
(3) Settlement date	January 26, 2005
(4) Ownership after share acquisition	36.9%

3. Outline of CREO Co., Ltd.

(1) Company name	CREO Co., Ltd. (JASDAQ Code: 9698)	
(2) Representative	Taneyasu Kawabata, President and CEO	
(3) Location	19-22, Takanawa 3-chome, Minato-ku, Tokyo	
(4) Establishment	March 22, 1974	
(5) Main business	System development; planning, development, and sale of software packages; and support services, such as help desks	
(6) Fiscal year end	March	
(7) Number of employees	661 (as of September 30, 2004, consolidated)	
(8) Main offices	Tokyo, Yokohama, Osaka	
(9) Net sales	¥11,709 million (consolidated, FY ended March 2004)	
(10) Ordinary income	¥249 million (consolidated, FY ended March 2004)	
(11) Paid-in capital	¥3,149 million	
(12) Number of outstanding shares		
after capital increase	9,497,319 shares	
(13) Major shareholders and stake		
after capital increase	Yahoo Japan Corporation	36.9%
	Taneyasu Kawabata	3.6%
	Mizuho Bank, Ltd.	2.9%
	CREO Co., Ltd.	2.9%
	Fujitsu Limited	2.0%

4. Perspectives

The acquisition of shares in CREO and the business tie-up to be decided by both companies through future discussions are expected to have minimal impact on Yahoo Japan Corporation's performance in the fiscal year ending March 2005.