

April 28, 2005

To whom it may concern

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

### **Internet Banking Business Contract Concluded with Aozora Bank, Ltd.**

On January 20, 2005, Yahoo Japan Corporation reached a basic agreement with Aozora Bank, Ltd., to jointly enter the Internet banking business using Aozora Trust Bank Co., Ltd., a 100% subsidiary of Aozora Bank, Ltd., as the core of their operations. As a result of ensuing discussions, the two partners are now announcing the conclusion of a formal contract. The details are as follows.

#### I. Summary of Terms of Contract and Purpose

Aozora Trust Bank, Ltd. will issue stock that will be acquired by Yahoo Japan Corporation, making Aozora Bank, Ltd. and Yahoo Japan Corporation joint shareholders of Aozora Trust Bank, Ltd.

Aozora Bank, Ltd. will provide support for new Aozora Trust Bank, Ltd. through its banking know-how and the supply of human resources while Yahoo Japan Corporation will provide support through its Internet business know-how and the supply of human resources. In past successful examples of joint ventures in Internet businesses, Yahoo Japan Corporation and Aozora Bank, Ltd. have built a strong relationship with each other. The combination of the strength of both companies is expected to increase customer convenience and make it possible to provide banking services that support the quality of life of individuals. The new Aozora Trust Bank, Ltd. will aim to become the No. 1 Internet banking in Japan.

#### II. Outline of Aozora Trust Bank, Ltd.

- |                   |   |
|-------------------|---|
| 1. Company name   | Aozora Trust Bank, Ltd.                         |
| 2. Representative | Masaru Kawamura, President                      |
| 3. Location       | 3-1, Kudan-minami 1-chome, Chiyoda-ku,<br>Tokyo |

|                        |   |
|------------------------|---|
| 4. Establishment       | February 28, 1994                         |
| 5. Main business       | Banking operations, trust services        |
| 6. Fiscal year end     | March 31                                  |
| 7. Number of employees | 20 (As of March 31, 2004)                 |
| 8. Paid-in capital     | ¥5,000 million (As of March 31, 2004)     |
| 9. Total assets        | ¥13,242 million (As of March 31, 2004)    |
| 10. Trust assets       | ¥1,453,795 million (As of March 31, 2004) |
| 11. Operating revenue  | ¥653 million (FY 2003)                    |
| 12. Ordinary income    | ¥247 million (FY 2003)                    |

### III. Details of New Shares Issued by Aozora Trust Bank, Ltd.

#### ( 1 ) Common shares

|   |  |
|---|--|
| Shares issued:                                  | 17,500 shares                            |
| Allotment method:                               | Third party allotment                    |
| Company acquiring shares and number:            | Yahoo Japan Corporation<br>17,500 shares |
| Issue price:                                    | ¥875 million<br>(¥50,000 per share)      |
| Of issue price, amount not included in capital: | ¥25,000 per share                        |
| Application date:                               | May 9, 2005                              |
| Payment date:                                   | May 12, 2005                             |

#### ( 2 ) Non-voting shares with convertible warrants

|   |  |
|---|--|
| Shares issued:                                  | 45,450 shares  |
| Allotment method:                               | Third party allotment  |
| Company acquiring shares and number:            | Aozora Bank, Ltd.<br>45,450 shares   |
| Issue price:                                    | ¥9,090 million<br>(¥200,000 per share)   |
| Of issue price, amount not included in capital: | ¥100,000 per share   |
| Application date:                               | Date to be agreed on by both parties on start of operations. Target date is spring 2006. |
| Payment date:                                   | Three business days after application date.  |
| Conversion ratio:                               | Four common shares for each warrant.   |

Note: On taking possession of the non-voting shares with convertible warrants, Aozora Bank, Ltd., will transfer all shares to Yahoo Japan Corp.  
Transfer price: ¥11,590 million

#### Change in the ownership ratio of voting rights of Aozora Trust Bank, Ltd.

|                   | Current | After (1) and (2) above | After conversion of<br>(2) |
|-------------------|---------|-------------------------|----------------------------|
| Aozora Bank, Ltd. | 100%    | 85.1%                   | 33.4%                      |
| Yahoo Japan Corp. | 0%      | 14.9%                   | 66.6%                      |

\* To exercise the conversion of (2) stock, Yahoo Japan Corporation will be subject to approval as stipulated by the Banking Law as it becomes a major shareholder of the trust bank.

#### IV. Outline of Aozora Bank, Ltd.

1. Company name           Aozora Bank, Ltd.
2. Representative         Hirokazu Mizukami, President
3. Location                3-1, Kudan-minami 1-chome, Chiyoda-ku, Tokyo
4. Establishment         April 1, 1957
5. Main business         Banking operations
6. Fiscal year end        March 31
7. Number of employees   1,345 (As of March 31, 2004)
8. Paid-in capital         ¥419,781 million (As of March 31, 2004)
9. Total assets            ¥5,188,071 million (As of March 31, 2004)

#### V. Schedule

- May 9, 2005   Application date for common shares as in III. (1) above.
- May 12, 2005   Payment date for common shares as in III. (1) above.
- Spring 2006   Issue of non-voting shares with convertible warrants and transfer to Yahoo Japan Corp. from Aozora Bank, Ltd, as in III. (2) above.
- Spring 2006   Start of Internet banking operations.

#### VII. Perspectives

Based on this contract, we expect both partners to be able to further expand their services and their earnings. However, because a concrete plan for the business

following its commencement is not in place yet, we cannot provide any figures. Cash flow in the first quarter of the fiscal year ending March 2006 resulting from the fulfillment of this contract will amount to ¥875 million for the purchase of the common shares of Aozora Trust Bank, Ltd. No change has been made in the performance forecasts for the first quarter announced on April 20, 2005 due to the conclusion of this contract.