

June 13, 2007

To whom it may concern

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

**Business and Capital Alliance between Yahoo Japan Corporation
and TELEWAVE, INC**

In a meeting held today, the Board of Directors of Yahoo Japan Corporation decided to form a business and capital alliance with TELEWAVE, INC Details are as follows.

1. Reason for business alliance

Yahoo Japan Corporation and TELEWAVE, INC had already formed a business alliance agreement on August 6, 2004. Based on the agreement, the two companies are working together through the TELEWAVE Group on marketing efforts to induce companies to open Internet stores, mainly on Yahoo! Shopping. Up to this point, the detailed marketing and support capabilities of the two partners, especially the IT-based support services of the TELEWAVE Group for small and medium-sized enterprises (In particular retailers and wholesalers), and the business services and customer acquisition power of the Yahoo Japan Group have contributed substantially to mutually expanding their numbers of customers and increasing customer satisfaction.

At this juncture, the two partners have agreed to further utilize their respective strengths and enter into a capital alliance to reinforce their business relationship. At the same time, they will form a comprehensive business alliance to develop businesses other than retail and wholesale and to jointly develop and sell business services to a variety of small and medium-sized enterprises. Through this agreement, the two partners are targeting mutual growth in their businesses and customer bases of the Yahoo Japan Corporation and TELEWAVE groups.

2. Summary of Capital Alliance

Yahoo Japan Corporation will strengthen its relationship with TELEWAVE, INC by purchasing a portion (103,135 shares) the holdings of TELEWAVE chairman and founder Takuzo Murayama, becoming the largest shareholder of the company.

Number of shares purchased, purchase price, and stake after purchase

(1) Shares held before purchase (Voting rights: 0 rights)	0 shares (Ownership: 0%)
(2) Shares purchased (Voting rights: 103,135 rights)	103,135 shares (Price: ¥3,713 million)
(3) Shares held after purchase	103,135 shares (Ownership: 20%)

(Voting rights: 103,135 rights)

3. Summary of Business Alliance

TELEWAVE IT package services will be included in the business services handled by Yahoo Japan Corporation. In addition to providing Yahoo! Shopping with marketing services to induce companies to list on its site, TELEWAVE will provide these services to Yahoo! Gourmet and Yahoo! Healthcare. Through this expansion of cooperation, the two companies are aiming to use their individual strengths to further develop their businesses.

4. Outline of TELEWAVE, INC (As of March 31, 2007)

- (1) Company name TELEWAVE, INC
(2) Representative Maori Saito, President
(3) Location 2-4-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo
(4) Established June 11, 1997
(5) Main business Providing small and medium-sized enterprises with an IT package (Internet Web site functions customized for specific businesses), management support services (marketing, business agency, startup support, financial support, etc.)
(6) Paid-in capital ¥7,717 million
(7) Number of employees 1,733 (consolidated)
(8) Major shareholders and stake
Takuzo Murayama 36.5%
Morgan Stanley & Co., Inc 2.2%
Hikari Tsushin, Inc. 2.0%
Maori Saito 1.6%
Orix Corporation 1.5%
(9) Relationship with Yahoo Japan Corp. Capital ties: None
Personnel ties: None
Business ties: Commissioned sales based on business alliance

5. Major Shareholders after Capital Alliance

		Number of shares	Ownership stake (%)
1	Yahoo Japan Corporation	103,135	20.0
2	Takuzo Murayama	85,037	16.5
3	Morgan Stanley & Co., Inc.	11,109	2.2
4	Hikari Tsushin Inc.	10,313	2.0
5	Maori Saito	8,000	1.6
6	Orix Corporation	7,800	1.5
7	Taiji Iwazaki	6,499	1.3
8	Bank of New York GCM Client Accounts EISG	5,808	1.1

9	Goldman Sachs International	4,547	0.9
10	Japan Securities Finance Co, Ltd.	4,438	0.9

Note: Number of shares is calculated based on TELEWAVE's Shareholder Register at March 31, 2007.

6. Schedule

June 13, 2007: Meeting of board of directors

June 13, 2007: Conclusion of capital and business alliance agreements

June 20, 2007: Planned date of share transfer

7. Outlook

The forming of these capital and business alliances is expected to have only a minor impact on the consolidated and non-consolidated performances of Yahoo Japan Corporation. There is no change in the performance forecast for the first quarter of the fiscal year ending March 31, 2008 announced on April 24, 2007.