

February 20, 2008

To whom it may concern

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

**Notification of Merger with Consolidated Subsidiary Brainer.jp.
(shortened merger method)**

Yahoo Japan Corporation announced that in a Board of Directors Meeting held today, the Company decided to undertake an absorption merger with its consolidated subsidiary Brainer.jp. effective April 1, 2008. Details are as follows.

Since the merger is with a consolidated subsidiary, certain of the disclosure items and details are omitted.

1. Purpose of the Merger

Brainer.jp. operates a business that places content match advertising, principally on the Web sites of individuals. By absorbing Brainer.jp. through this merger, the Company plans to further strengthen its content match advertising services, aiming to develop these services within Yahoo! JAPAN, expand advertising listing partner sites outside Yahoo! JAPAN, and at the same time increase the number of advertisers. Furthermore, the Company is targeting improvement in the precision of content match advertising and its functionality.

Specifically, the Company plans to start developing this advertising as a service within Yahoo! JAPAN, following which it will expand the service on Yahoo! Web Owner Center, a portal site for supporting homepage or blog site operators.

2. Outline of the Merger

(1) Merger schedule

Board of Directors meeting to

approve merger agreement: Feb. 20, 2008

Signing of merger agreement: Feb. 20, 2008

General meeting of shareholders
to approve merger agreement

Yahoo Japan Corporation: Since the merger will be a simple merger in accordance with the provisions of Article 796, Paragraph 3 of the Corporation Law of Japan, the Company will not hold a general meeting of shareholders to approve the merger.

Brainer.jp.: March 14, 2008

Planned merger date (Effective date): April 1, 2008

Merger price settlement date: April 1, 2008 (Planned)

(2) Merger method

Since the absorption merger method used will be cash exchanged for shares paid by the surviving company Yahoo Japan Corporation, Brainer.jp. will be liquidated as of the effective merger date.

(3) Merger price

The merger price for minority shareholders shall be ¥230 per share of Brainer.jp. and the total cost of the merger will amount to ¥685 million.

(4) Basis of calculation of merger price

Because Brainer.jp. is an unlisted company, a third-party entity was commissioned to make the calculation of the merger price. As a result of careful deliberations by both merger parties based on the result of the price calculation done using the discounted cash flow (DCF) method, the two parties determined a merger price of ¥230 per share.

(5) Treatment of stock subscription rights or bonds with stock subscription rights of the non-surviving company

Brainer.jp. has issued stock subscription rights as stock options. As a result of calculating a fair price for the stock subscription rights based on the above mentioned merger price, the Company will pay ¥200 per stock subscription right

(Total amount of ¥17 million) and cancel said subscription rights.

3. Outline of Merging Companies (As of December 31, 2007)

(1) Name	Yahoo Japan Corporation (Surviving company)	Brainer.jp. (Non-surviving company)
(2) Main business	Internet advertising, broadband-related business, auction business, etc.	Internet advertising
(3) Establishment	January 31, 1996	September 16, 2005
(4) Head office	Roppongi 6-10-1, Minato-ku, Tokyo	Sofuke Azashintsutsumidai 841-4, Inzai-shi, Chiba Prefecture
(5) Representative	Masahiro Inoue, President and CEO	Yuzuru Honda, President and CEO
(6) Paid-in capital	¥7,317 million	¥85 million
(7) Share issuance	60,495,099.12 shares	5,116,821 shares
(8) Net assets	¥233,700 million (consolidated)	¥135 million (non-consolidated)
(9) Total assets	¥337,010 million (consolidated)	¥159 million (non-consolidated)
(10) Fiscal year end	March 31	February 29
(11) Major shareholders and ownership	SOFTBANK CORP. 41.1% Yahoo! Inc. 33.4%	Yahoo Japan Corp. 41.7% Yuzuru Honda 39.8% Taiga Matsuyama 10.3%

4. Status following the Merger

There will be no change in the basic items regarding the Company, such as name, head office location, representative, paid-in capital, etc., as a result of the merger.

5. Impact on Performance

Based on the absorption merger with Brainer.jp. the Company plans to further strengthen its content match advertising business. The affect of the merger on consolidated and non-consolidated performance will be minor.