Yahoo Japan Corporation

Masahiro Inoue, President & CEO

# Basic Agreement Reached with Interscope Inc. on Share Purchase (Conversion to Subsidiary)

Yahoo Japan Corporation and Interscope Inc. today announced they had reached a basic agreement on the purchase of shares of Interscope Inc. by Yahoo Japan Corporation and its conversion to a subsidiary of the Company. Details are as follows.

### 1 . Purpose of Purchase

In converting INFO PLANT CO., LTD., to a subsidiary in October 2005, Yahoo Japan Corporation aimed to increase its customer base, product lineup, and number of research monitors. With the goal of providing Internet research services to solve marketing issues faced by corporations, the Company proceeded to expand its business in this field.

In comparison, Interscope has a strong record in providing consulting services for corporate marketing activities and researching and developing new methods of analysis and implementation for Internet research. The company's successful record is built upon a high degree of expertise in Internet research as well as knowledge of data mining methods.

In making Interscope a subsidiary, Yahoo Japan Corporation intends to expand its marketing solution services for corporations, primarily in the area of Internet research, by incorporating Interscope's expertise. The purpose of this action is to establish a structure that can respond to the diversifying needs of customers and to further grow its business.

- 2. Outline of subsidiary to be transferred (Interscope Inc.) at December 31, 2006
- (1) Company name

Interscope Inc.

(2) Representative Shin Tanabe, President

(3) Location 1-6-2, Ohashi, Meguro-ku, Tokyo

(4) Established March 9, 2000

(5) Main business Planning, design, implementation, tabulation,

and analysis of Internet research

(6) Fiscal year end June 30

(7) Number of employees 67

(8) Head office 1-6-2, Ohashi, Meguro-ku, Tokyo

(9) Paid-in capital ¥495 million
 (10) Total outstanding shares 5,465 shares

(11) Major shareholders and stake (As of December 31, 2006)

DG Incubation, Inc. 31.41% Apax Globis Japan Fund, L.P. 24.40%

Plus 46 other corporate and individual shareholders

#### (12) Performance trends in recent fiscal years

	FY ended June 30, 2005	FY ended June 30, 2006
Net sales	¥882 million	¥1,009 million
Gross profit	¥508 million	¥555 million
Operating income	¥27 million	¥66 million
Ordinary income	¥27 million	¥69 million
Net income	(¥5 million)	(¥151 million)
Total assets	¥976 million	¥836 million
Shareholders' equity	¥760 million	¥613 million
Cash dividends		

#### 3. Sellers of shares, number of shares acquired, and purchase price

The two companies have agreed that Yahoo Japan Corporation will purchase two thirds or more of the issued shares of current shareholders of Interscope Inc. through purchases proportional to their shareholdings, and convert the company into a subsidiary. Details of the sellers of shares, number of shares acquired, and purchase price will be announced when determined.

## 4. Acquisition schedule

Late February 2007 Signing of share sales agreement (Planned)

Late February 2007 Transfer of shares (Planned)

## 5. Perspectives

The addition of this new subsidiary is expected to have only a minor impact on the consolidated or nonconsolidated performance of Yahoo Japan Corporation.