

November 8, 2004

To whom it may concern

Yahoo Japan Corporation

Masahiro Inoue, President & CEO

Stock code: 4689

**Notification of Acquisition of Shares of Firstserver, Inc. (Conversion to Subsidiary)**

Yahoo Japan Corporation today announced the acquisition of 5,000 shares (57.7% stake) of Firstserver, Inc., resulting in the company becoming a subsidiary. Details are as follows.

**1 . Reason for share acquisition**

Firstserver, Inc. is a company with superior business experience and technological capabilities in providing corporate clients with services in Internet-related fields as well as boasting a strong customer base. By making this company a subsidiary, the Yahoo Japan Group plans to strengthen its position in the hosting (server rental business) and domain businesses, which provide the platform for services enabling customers to use the Internet, and make these areas the core of its corporate business. Through this acquisition, the Group is also aiming to achieve further business expansion and a more stable earnings base.

Firstserver, Inc. has a customer base of approximately 20,000 customers, principally corporations and public entities. Making the company a subsidiary will expand the Group's total number of customers to about 24,000. Based on its advanced technological capabilities and abundant development resources, Firstserver, Inc. has developed service platforms and built specialty data centers independently to expand and strengthen its customer support structure. In the domain business, the company is a certified registrar for ICANN (Internet Corporation for Assigned Names and Numbers) and also has a record in domain registration services in Japan.

**2 . Outline of Subsidiary ( Firstserver, Inc.)**

(1) Company name

Firstserver, Inc.

- (2) Representative Ryosuke Okada, President and CEO
- (3) Location 1-8-15, Azuchi-machi, Chuo-ku, Osaka
- (4) Establishment October 11, 1996
- (5) Main business Information processing services  
(server rental, domain registration, and other Internet-related businesses)
- (6) Fiscal year end March
- (7) Number of employees 95 (as of September 30, 2004)
- (8) Main offices Osaka, Tokyo
- (9) Paid-in capital ¥363 million
- (10) Total outstanding shares 8,666 shares
- (11) Major shareholder and stake Kubota Corporation, 57.7%
- (12) Performance trends in recent fiscal years

	FY 2003/3	FY2004/3
Net sales	¥1,242 million	¥1,556 million
Gross profit	¥773 million	¥915 million
Operating income	¥76 million	¥48 million
Ordinary income	¥77 million	¥47 million
Net income	¥37 million	¥21 million
Total assets	¥854 million	¥1,275 million
Shareholders' equity	¥112 million	¥325 million
Earnings per share	-	-

### 3 . Seller of Shares

- (1) Company name Kubota Corporation
- (2) Representative Daisuke Hatakake, President and CEO
- (3) Head office 1-2-47 Shikitsu-higashi, Naniwa-ku,  
Osaka, Japan
- (4) Main businesses Internal combustion-related, industrial business  
infrastructure, environmental engineering,  
housing-related, and other business
- (5) Relationship with Yahoo Japan None in particular

**4 . Number of shares acquired, purchase price, and ownership stake after acquisition**

(1) Shares held before share acquisition	0 shares (Ownership stake, 0%) (Number of voting rights, 0)
(2) Number of shares acquired	5,000 shares (Purchase price, ¥1,730 million) (Number of voting rights, 5,000)
(3) Shares held after share acquisition	5,000 shares (Ownership stake, 57.7%) (Number of voting rights, 5,000)

**5 . Acquisition Schedule**

November 8, 2004 Conclusion of share sale agreement

November 30, 2004 Transfer of shares (scheduled)

**6 . Perspectives**

The addition of this new subsidiary is not expected to have any significant impact on the forecast performance of Yahoo Japan Corporation in the third quarter of the fiscal year ending March 2005.