
News Release Dated: April 27, 2012

To whom it may concern:

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(Code No.: 2678, Tokyo Stock Exchange First Section)
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Business and Capital Alliance with Yahoo Japan Corporation, Offering of Shares To Be Issued through Third-Party Allocation, and Changes of the Largest Shareholder/Major Shareholder and Other Affiliated Company

ASKUL Corporation (hereinafter referred to as the "Company") hereby announces that the board of directors, in its meeting held on April 27, 2012, has resolved that the Company enter into business and capital alliance with Yahoo Japan Corporation (hereinafter referred to as "YJC") and issue new shares to YJC through allocation to a third party (hereinafter referred to as "third-party allocation") as described below. The Company also announces the expected changes of the largest shareholder/major shareholder and of an "other affiliated company."

I. Business and capital alliance

1. Purposes of and reasons for the business and capital alliance

The Company started its catalogue mail-order sales of office supplies in 1993 at the former ASKUL Division of PLUS Corporation, the predecessor of the Company, which was in 1997 spun off from PLUS Corporation to clarify its position as a mail-order retailer. The Company in the same year started its internet retailing and in 1998 realized the same day delivery service for certain areas. In addition to these developments, the Company has implemented various measures to enhance its logistics infrastructure, improve the usability, searchability and efficiency of the web system for online sales, and expand its customer base and product range, including the establishment of a distribution system directly connecting suppliers and customers by restructuring the then existing multilayered system involving a multiple number of companies in the distribution process, which have been supported by customers and contributed to its growth in the office supply mail-order market.

Despite companies' recent moves to reduce costs in response to economic stagnation as a result of such issues as the maturing domestic economy, the declining population, the concern over the slowdown of the global economy due to the European sovereign debt crisis and other problems and the East Japan Great Earthquake as well as the increasing competition in the office supplies mail-order industry with other companies entering the market, the Company still continues to maintain superior competitiveness over other companies in the B-to-B (Note 1) office supplies mail-order business.

In addition to these business developments and its B-to-B office supplies mail-order business, the Company launched a new B-to-C (Note 2) mail-order business in 2010 at its subsidiary ASMARU as its new growth engine. However, for a full-scale growth of the business, a way to enhance its capability to attract more customers.

YJC was founded to provide an internet-based information retrieval service and today provides Japanese language-based information retrieval (Yahoo! JAPAN), online shopping (Yahoo! Shopping) and online auction (Yahoo! Auction) services. YJC has a high profile among the internet users currently with over 25 million Yahoo! JAPAN ID users (Note 3) and, as of the end of December 2011, approx. 7.82 million ID holders for its paid membership service "Yahoo! Premium" that enables them to participate in Yahoo! Auction.

In these circumstances, the Company received a proposal from YJC for a business and capital alliance (hereinafter referred to as "the business and capital alliance") that would aim, among others, to utilize YJC's profile among the internet users and capability to attract customers based on its 25 million users, YJC's settlement function (Note 4) developed through its B-to-C businesses, Yahoo! Shopping and Yahoo! Auction, and the Company's know-how for logistics and information system that it has developed through its B-to-B mail-order business as well as merchandizing (MD) (Note 5) and consumer services (CS) (Note 6) functions; and thereby to jointly develop a new e-commerce business, (Note 7) taking advantage of the two companies' strengths. In short, the proposed business and capital alliance would mutually complement the strengths of the two companies—the Company's logistics (delivery), MD and CS functions and YJC's capability to attract customers and settlement function—and thereby develop e-commerce business that has superior competitiveness over other online B-to-C retailers in pricing, quality, delivery and any other aspects.

The alliance would enable the Company to conduct its online mail-order business in close collaboration with YJC as a major retailer at Yahoo! Shopping to provide the over 25 million consumers with a broad range of various consumer goods including livingware. Also, the Company would be able to provide other retailers at Yahoo! Shopping and Yahoo! Auction with the Company's logistics infrastructure for delivering their goods and after-sales services, which would improve the overall services of Yahoo! Shopping and Yahoo! Auction and thereby increase consumers' recognition of Yahoo! Shopping and Yahoo! Auction, which in turn would further expand the Company's B-to-C business and increase the Company's net sales.

The business and capital alliance with the Company would enable YJC to expand and enhance its consumer products lineups for Yahoo! Shopping and Yahoo! Auction including livingware, which are part of the Company's strength. Also, with the improved goods delivery and after-sales services using the Company's logistics infrastructure, YJC expects users of these sites to increase which would contribute to the increase of sales in online mail-order business through these sites.

Thus the business and capital alliance aims to vigorously grow the Company's new B-to-C online mail-order business, which has been the objective of the Company, by utilizing YJC's capability to appeal to consumers and to attract customers, and thereby make the Company the B-to-C online retailer of choice by the largest number of consumers, which is in line with the Company's philosophy to be "ASKUL, evolving for our customers." The Company deems that it is possible, with the business and capital alliance, to grow B-to-C online mail-order retailing into another pillar of the Company's businesses along with B-to-B mail-order retailing its main business, and thereby enhance the Company's enterprise value.

At the same time, conducting B-to-C online mail-order business towards a large and indefinite number of general consumers requires a wide variety of product lineup and the development of a delivery service network allowing for short shipping time. For these purposes, a significant investment in new facilities to drastically expand logistics bases and enhance the Company's logistics infrastructure and information system is required.

This enhancement of logistics infrastructure and information system would also help the Company's existing B-to-B mail-order business improve its services by shortening delivery time for customers through improving the efficiency of logistics etc. which as a result would contribute to the expansion of the Company's customer base and sales.

To finance the new investments to enhance logistics infrastructure and information system, while it is possible to procure the needed funds by a loan from financial institutions, it is not realistic to finance the entire amount with borrowing. Considering the risk associated with the business expansion through the business and capital alliance, the Company's assets that can be used as collateral and the need to maintain a healthy financial condition, a certain amount of equity-type financing is required. Especially for the first year following the launch of the business and capital alliance, equity-type financing without obligation for repayment is deemed an appropriate way of funding, since the investment will be made before the new business (the B-to-C online mail-order business) based on the business and capital alliance grows sufficiently to match the logistics infrastructure and information system expanded and enhanced with the capital investment.

YJC is a company listed on the 1st Section of the Tokyo Stock Exchange and the JASDAQ market of the Osaka Securities Exchange, and its consolidated financial statements in its Summary of Financial Results for the fiscal year ended March 2012 announced by YJC on April 24, 2012 reported consolidated total assets as of the end of March 2012 of 562.0 billion yen, consolidated net assets of 468.3 billion yen, consolidated cash and deposits of 257.2 billion yen and consolidated equity ratio of 82.8%, which demonstrate that YJC's financial condition is both healthy and stable enough to receive allocation of new shares. Entering into the business and capital alliance with YJC would enable the Company to secure equity financing from YJC.

Hence the Company resolved that it select YJC as the company to allocate the new shares through the third-party allocation, enter into the Business and Capital Alliance Agreement as of April 27, 2012 (hereinafter referred to as "the Business and Capital Alliance Agreement"), and issue new shares to YJC through third-party allocation as will be described below under the section, "II. Offering of shares to be issued through third-party allocation."

The Company expects the new business (the B-to-C online mail-order business), under the business and capital alliance, to be launched in or around October 2012.

Note 1: Business to business transactions
Note 2: Business to consumer transactions
Note 3: The number of Yahoo! JAPAN IDs (IDs to use Yahoo! JAPAN services) logged in within the month
Note 4: YJC provides the Yahoo! Wallet service that can be used for internet-based payment purposes
Note 5: Corporate activities including developing and commercializing products and determining appropriate prices, quantities, timing and other conditions for providing the products
Note 6: Corporate activities to improve customer satisfaction through responding to customers' inquiries and other interactions with customers
Note 7: Electronic commerce business over the internet and other computer networks

2. Contents of the business and capital alliance

(1) The business alliance

The Company and YJC have entered into the agreement to form a business alliance (hereinafter referred to as "the business alliance") with the aims to maximize the enterprise value of each company, to provide Japanese consumers with new values through a new internet-based B-to-C e-commerce business as well as business operators with opportunities to enhance their businesses through efficient systems, and thereby become the unparalleled number one in the new business area within two years following the launch of the business alliance by mutually providing each company's resources including its capability to attract customers, customers, suppliers, settlement system, systems and designing technology for internet-based services, logistics and delivery facilities and operation capabilities, and know-how and human resources regarding the above. They have also agreed to set up a steering committee, the body to discuss and examine substantive issues of the business alliance, which will be attended by Shoichiro Iwata, Chief Executive Officer of the Company, and Manabu Miyasaka, CEO of YJC.

Also, following the payment of the money to be paid-in for the third-party allocation and subject to approval by the Company's shareholders' general meeting, the Company will accept two new directors (one full-time and one part-time) who will be designated by YJC. The Company will propose, at its first annual general meeting of shareholders held after the payment date for the third-party allocation, the agendum to appoint the two individuals designated by YJC as new directors of the Company and will make efforts to obtain approval. When these directors retire at the expiration of their terms of office or for other reasons, the Company will take similar measures. The roles of and compensations and other terms for the directors to be designated by YJC will be determined separately between YJC and the Company.

Moreover, if either or both of the candidate directors designated by YJC is not appointed as directors of the Company by the end of October 2012, upon the request by YJC, the Company will buy back the entire number of shares of the Company allocated to YJC (hereinafter referred to as the "offered shares") at the price YJC has purchased. If the Company does not complete the buy-back of the shares within 12 months after the request by YJC, and if the closing price of a share on the last day of the period (hereinafter called the "twelve month closing price") is lower than the purchase price per share of the offered shares, the Company will immediately pay YJC the amount equal to the difference between the twelve month closing price and the purchase price per share of the offered shares for the number of shares held by YJC at the time. Furthermore, if YJC sells (Note) any remaining shares of the offered shares after 12 months from the request by YJC, and if the selling price per share is lower than the twelve month closing price, the Company will pay YJC the amount equal to the difference between the selling prices and the twelve month closing price for all the sold shares out of the offered shares.

Note: The shares may be sold either in the market or in a negotiated transaction but should not be through any means that would push the selling price to an unreasonably low level; and the selling process should be, based on discussions with the Company, completed as fast as practically possible.

Additionally, the Company is obligated to newly construct warehouses according to a plan formulated by the Company and YJC and to secure such warehouse space as will be separately agreed to by the two parties. In case the Company does not meet this obligation, it will pay the difference between the profits in the business plan agreed to by the two parties and the actual profits as compensation.

(2) Capital alliance

The Company plans to issue 23,028,600 shares (the ratio of voting rights after the third-party allocation of 42.60%; and the ratio to the total shares issued of 42.47%) of common stock of the Company to YJC as the allocated party. YJC will subscribe to all the new shares to be issued in the third-party allocation. (For the details of the third-party allocation, please refer to "II. Offering of shares to be issued through third-party allocation" below.) With the third-party allocation, YJC will become an "other affiliated company" of the Company. The Company and YJC will respect the fact that, as independent listed companies, both companies are managed maintaining independence in conducting their businesses, while, in order to establish the most appropriate business management structure, will sincerely examine their future capital structures etc., without excluding any possibilities, recognizing the achievement of the goals of this alliance as their highest priority.

Moreover, from the payment date of the third-party allocation onwards, if the Company intends to take any actions that would dilute YJC's voting shares, [Note] the Company shall notify in writing YJC its planned dilutive action and the terms of the action and take every necessary measure in a timely and appropriate manner to maintain the ratio of voting rights of YJC equal to that immediately prior to the dilutive action. Also, if as a result of exercises of warrants or any other forms of latent shares or conversions to shares (hereinafter referred to as "exercises of share options"), the ratio of voting rights of the Company shares held by YJC immediately after the dilutive action (1) dilutes in excess of one-hundredth from the ratio of voting rights of YJC and its subsidiaries as of immediately following the payment date of the third-party allocation, and (2) dilutes in excess of one-hundredth from the ratio of voting rights of YJC and its subsidiaries as of the time immediately prior to which the above-mentioned measures to maintain the ratio of voting rights of YJC have been taken, the Company will notify in writing YJC of such an event and take every necessary measure to recover or maintain the ratio of voting rights of YJC and its subsidiaries immediately following the payment date of the third-party allocation.

Note: Any actions that has the possibility to cause dilution of the voting rights of the shares of the Company including any actions that would immediately cause dilution of the voting rights such as issuance of shares for subscription, disposition of treasury stock, reorganizations accompanied by the issuance of shares as well as any other actions that could potentially cause dilution in the future such as issuance of subscription rights to shares, any kinds of shares that could be converted to shares with voting rights or any other latent shares—excluding, however, issuance of new shares or delivery of treasury stock of the Company as a result of exercises of subscription rights to shares already issued; and the sale of its treasury stock to holders of shares less than one unit in response to their request for the sale of shares less than one unit in accordance with Article 194(1) of the Companies Act and with Article 10 of the Company's Articles of Incorporation.

3. Profile of the alliance partner (as of March 31, 2012)

(1)	Name of company	Yahoo Japan Corporation
(2)	Location	9-7-1 Akasaka, Minato-ku, Tokyo
(3)	Representative	Masahiro Inoue, Representative Director and President
(4)	Businesses	Internet advertising, e-commerce, membership services and other businesses
(5)	Total paid-in capital	JPY 7,959,000,000
(6)	Founded	January 31, 1996
(7)	Major shareholders and their share ratios	Softbank Corp.: 35.45% Yahoo! Inc.: 34.74%
(8)	Relations between the two companies	
	Capital relations:	There are no capital relations between the Company and YJC that require any description. There are no capital relations between any individuals or companies related to the Company and any individuals or companies related to YJC that require any special description.
	Personal relations:	There are no personal relations between the Company and YJC that require any description. There are no personal relations between any individuals or companies related to the Company and any individuals or companies related to YJC that require any special description.
	Trading relations:	There are no trading relations between the Company and YJC that require any description. There are no trading relations between any individuals or companies related to the Company and any individuals or companies related to YJC that require any special description.
	Related parties:	YJC is not a related party to the Company. Any individuals or companies related to YJC are not related parties to the Company.
(9)	Business performance and financial conditions for the last three years (in millions of yen; except for items with special descriptions)	

Fiscal terms	Fiscal Year Ended March 2010	Fiscal Year Ended March 2011	Fiscal Year Ended March 2012
Consolidated net assets	312,273	385,105	468,300
Consolidated total assets	418,262	471,745	562,022
Consolidated net assets per share (in yen)	5,335.79	6,593.20	8,020.35
Consolidated revenue	279,856	292,423	302,088
Consolidated operating income	143,825	159,604	165,004
Consolidated ordinary income	143,360	160,218	167,300
Consolidated net income	83,523	92,174	100,559
Consolidated net income per share (in yen)	1,438.23	1,589.53	1,733.81
Dividend per share (in yen)	288.00	318.00	(Expected) 347.00

4. Time schedule

(1) Board of directors meeting	April 27, 2012
(2) Execution of the business and capital alliance agreement	April 27, 2012
(3) Issuance of new shares to the alliance partner (Note)	May 20, 2012

Note: For details, please refer to "II. Offering of shares to be issued through third-party allocation" below.

5. Outlook

Effects of the business and capital alliance on the performance of the Company are now being analyzed and will be announced once the analysis is completed. As described above in "1. Purposes of and reasons for the business and capital alliance," the business and capital alliance is expected to contribute to the increase of sales with the growth of the new B-to-C online mail-order business and with the improvement of services for the existing B-to-B mail-order business through capital investments for its logistics infrastructure and information systems.

II. Offering of shares to be issued through third-party allocation

1. Outline of the offering

(1)	Payment date:	May 20, 2012
(2)	The number of new shares to be issued:	23,028,600 shares of common stock
(3)	Issue price:	1,433 yen per share
(4)	Amount to be raised:	32,999,983,800 yen
(5)	Amount to be included in capital:	716.5 yen per share
(6)	Total amount to be included in capital:	16,499,991,900 yen
(7)	Method of offering:	Third-party allocation
	(Expected subscriber)	Yahoo Japan Corporation
(8)	Other:	The above items are subject to the registration statement coming into effect in accordance with the Financial Instruments and Exchange Act. In the meantime, the expected subscriber has filed with the Japan Fair Trade Commission its notification to acquire the shares on April 19, 2012, which has been accepted on the same day. Thus the payment date is set for May 20, 2012 which is thirty days past the day when the filing was accepted.

2. Purposes of and reasons for the offering

The purposes of the third-party allocation are as described in "1. Purposes of and reasons for the business and capital alliance" under "I. Business and capital alliance."

While the third-party allocation will dilute the voting rights of the existing shareholders, the Company considers it possible to improve its enterprise value through the business and capital alliance accompanied by the third-party allocation that would, as mentioned above, develop the new B-to-C online mail-order business into another pillar along with the B-to-B mail-order business which is currently its main business. Thus, considering that the third-party allocation would contribute to increasing future benefits of the existing shareholders, the Company deems the number of new shares to be issued and the extent of dilution reasonable.

With regards to the method of capital increase, while there are methods other than third-party allocation, such as public offering or rights offering, the method of third-party allocation which assumes a relationship with a particular party, is deemed more appropriate to this case, as the Company, through this third-party allocation, aims to develop the B-to-C online mail-order business into another pillar along with the B-to-B mail-order business which is currently its main business,, by utilizing the strengths of both the Company and YJC, and thereby to become the B-to-C online retailer of choice for the general consumers and to secure from its alliance partner YJC the funds that are needed. On the other hand, methods such as public offering or rights offering that not necessarily assume an alliance relationship with any particular party are not suited for this case. Thus the Company has chosen third-party allocation as the method of the capital increase.

3. Amount of capital to be raised, use of the proceeds and timing of expenditure

(1) Amount of capital to be raised (estimated net amount)

Total amount to be raised:	32,999,983,800 yen
Estimated costs of the issuance:	200,000,000 yen
Estimated net amount:	32,799,983,800 yen

(Notes) 1. Estimated costs of the issuance do not include consumption tax.
2. Estimated costs of the issuance include legal fees, financial advisors' fees registration costs and costs for the preparation of the securities registration statement.

(2) Specific use of the proceeds

Specific use of proceeds	Amount (in billions of yen)	Expected timing of expenditure
(1) Funds for facilities investments to develop new logistics bases (to secure buildings and their structures, machinery, transportation equipment, and other facilities)	26.6	Between June 2012 and May 2013
(2) Funds for improving and expanding the information system	6.2	Between June 2012 and May 2013

As mentioned above in "1. Purposes of and reasons for the business and capital alliance" under "I. Business and capital alliance," the Company needs to make significant facilities investments in its logistics infrastructure and information systems to launch the new B-to-C online mail-order business through the business and capital alliance.

The Company needs to invest (1) 48.3 billion yen between June 2012 and May 2017 in facilities (buildings and their structures, machinery, transportation equipment, and other facilities) to enhance the existing regional logistics bases in the five areas of the Tokyo Metropolitan District, Tohoku, Chubu, Kinki and Kyushu and Okinawa and to develop new regional logistics bases in another five logistics areas of Hokkaido, Hokuriku, Kita-Kanto, Chugoku and Shikoku; and, in addition, (2) 8.6 billion yen between June 2012 and May 2017 for improving and expanding its information systems. The improvement and expansion of its information systems with the capital investment includes, specifically, (i) development of information systems associated with the development of the new regional logistics bases mentioned above in (1); (ii) renewal of its information systems to further improve the usability, searchability and efficiency of the web system for its online mail-order business; and (iii) development of information systems to enable the efficient supply of maintenance, repair and operations (MRO) materials and other non-stocked, directly-shipped products and long tail products. The amounts of investments for (1) and (2) totaling to 56.9 billion yen, the significant investments would realize the establishment of a logistics infrastructure that covers all the 10 regions throughout Japan including the 5 existing as well as 5 new regions.

The Company plans to use the above-mentioned estimated net amount of 32.8 billion yen for a part of the needed total investment of 56.9 billion yen, according to the above schedule of the use of proceeds.

While the series of facilities investments for logistics infrastructure and information systems will be made in the five years (from June 2012 to May 2017), the majority of them will be completed within the first year. This reflects the importance of speed in launching new businesses in the internet business world, including online mail-order business, where new services and business models are quickly developed one after another. Hence for the 32.8 billion yen capital investment in the first year following the launch of the business and capital alliance, which is needed before the new business grows sufficiently to match the logistics infrastructure and information system expanded and enhanced with the investment, the net proceeds raised by the equity financing mentioned above is allocated.

For the remaining 24.1 billion yen, debt financing such as borrowings or cash at hand are considered possible sources of funding, which, however, is not definite yet at the time of the release of this announcement. The most appropriate method of financing as of the time of expenditure will be chosen based on the progress of the planned facilities investments, the Company group's performance and financial conditions in future.

The estimated net amount of funds raised with the third-party allocation will be held in the bank account of the Company until they are used for the above-mentioned purposes.

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4. Rationality of the use of the funds to be raised

As mentioned above in "3-(2) Specific use of the proceeds," the Company will use the funds to be raised with the third-party allocation for enhancing the existing regional logistics bases in the five areas of the Tokyo Metropolitan District, Tohoku, Chubu, Kinki and Kyushu and Okinawa, for developing new logistics bases in another five logistics areas of Hokkaido, Hokuriku, Kita-Kanto, Chugoku and Shikoku, and for developing and expanding information systems. If, as a result, the B-to-C online mail-order business grows into another pillar along with the B-to-B mail-order business which is its main business, the Company's sales will significantly increase. Also, as a result of the investments which will realize the improvement and expansion of the Company's logistics infrastructure and information systems, its existing B-to-B mail-order business will also improve its services and thereby increase its sales.

Thus the use of the proceeds raised with the third-party allocation—which will increase the Company's profitability and improve its enterprise value and thereby is expected to expand the benefit of the existing shareholders in future—is deemed rational.

5. Rationality of terms of issue

(1) Basis of calculation of the amount to be paid-in and its specific details

The amount to be paid-in is calculated based on the average of the closing prices of the Company's common stock on the 1st Section of the Tokyo Stock Exchange in the two months prior to and including the business day (April 26, 2012) before the day of the resolution of the third-party allocation by the board of directors, which is 1,413 yen. Adding a premium of 20 yen (1.41%) per share, the amount to be paid-in is 1,433 yen. The premium ratio of the amount to be paid-in over the average closing price in the last six months, 1,232 yen, is 16.33%; the premium ratio over the average closing price in the last three months, 1,354 yen, is 5.87%; the discount rate from the average closing price in the last one month, 1,497 yen, is 4.29%; and the discount rate from the closing price of the previous business day, 1,582 yen, is 9.42%.

The reasons for using the two-month average price prior to and including the business day before the day of the resolution are first of all, that the use of an average price over a certain period is deemed appropriate to avoid the effect of general market fluctuations and, in addition, that the expected subscriber had proposed the price based on the two-month average price. Taking the recent trend of its stock price into consideration, the Company negotiated with the subscriber for a premium over the two-month average price and, in the end, agreed to 1,433 yen as the amount to be paid-in, which includes a premium of 20 yen (1.41%) over the two-month average price, 1,413 yen, as mentioned above.

The above amount to be paid-in is calculated in accordance with the Guideline Concerning Handling of Allocation of New Shares to a Third Party set by the Japan Securities Dealers Association and is not deemed an amount that is favorably priced.

Furthermore, all of the corporate auditors of the Company who attended the board of directors meeting for the resolution of the third-party allocation, expressed their opinion at the board of directors meeting resolving the execution of the third-part allocation that the judgment of the Company's directors deeming that the third-party allocation did not amount to a favorably priced issue was proper and reasonable, given that the amount to be paid-in, 1,433 yen, has either a discount rate of less than 10% from, or a premium over the closing price of the business day before the day of resolution by the board of directors, the one-month average closing price prior to and including the business day before the date of the resolution, the three-month average closing price and the six-month average closing price, and therefore is deemed not to constitute a favorably priced issue in accordance with the above-mentioned Guideline Concerning Handling of Allocation of New Shares to a Third Party set by the Japan Securities Dealers Association.

(2) Basis of the judgment that the number of shares to be issued and the extent of dilution are rational
With the third-party allocation, YJC will be allocated 23,028,600 shares of common stock, which will amount to 73.83% of the total common stock of the Company issued, which is 31,189,400 shares, and 74.20% of the total voting rights, which is 310,344, as of April 27, 2012. This will not only significantly dilute the existing shares but after the issuance, the expected subscriber, YJC, will hold 42.47% of the total shares issued and 42.60% of the total voting rights and become an "other affiliated company" of the Company.

Nevertheless the Company deems it possible to increase the Company's enterprise value with the business and capital alliance accompanied by the third-party allocation by developing the new B-to-C online mail-order business into another pillar along with the B-to-B mail-order business which is its main business.

Hence the Company deems that the number of shares to be issued and the extent of dilution are rational, considering that the third-party allocation will increase the benefit of the existing shareholders in future.

6. Reasons for the selection of the expected subscriber

(1) Outline of the expected subscriber (as of March 31, 2012)

(1)	Name of company	Yahoo Japan Corporation
(2)	Location	9-7-1 Akasaka, Minato-ku, Tokyo
(3)	Representative	Masahiro Inoue, Representative Director and President
(4)	Businesses	Internet advertising, e-commerce, membership services and other businesses
(5)	Total paid-in capital	JPY 7,959,000,000
(6)	Founded	January 31, 1996
(7)	Number of shares issued (as of March 31, 2012)	58,184,240 shares
(8)	Fiscal year-end	March (March 31)
(9)	Number of employees	5,124 (consolidated)
(10)	Main customers	General consumers and corporations
(11)	Major banks	–
(12)	Major shareholders and their share ratios	Softbank Corp.: 35.45% Yahoo! Inc.: 34.74%
(13)	Relations between the two companies	
	Capital relations:	There are no capital relations between the Company and YJC that require any description. There are no capital relations between any individuals or companies related to the Company and any individuals or companies related to YJC that require any special description.
	Personal relations:	There are no personal relations between the Company and YJC that requires any description. There are no personal relations between any individuals or companies related to the Company and any individuals or companies related to YJC that require any special description.
	Trading relations:	There are no trading relations between the Company and YJC that requires any description. There are no trading relations between any individuals or companies related to the Company and any individuals or companies related to YJC that require any special description.
	Related parties:	YJC is not a related party to the Company. Any individuals or companies related to YJC are not related parties to the Company.
(14)	Business performance and financial conditions for last three years (in millions of yen; except for items with special descriptions)	

Fiscal terms	Fiscal Year Ended March 2010	Fiscal Year Ended March 2011	Fiscal Year Ended March 2012
Consolidated net assets	312,273	385,105	468,300
Consolidated total assets	418,262	471,745	562,022
Consolidated net assets per share (in yen)	5,335.79	6,593.20	8,020.35
Consolidated revenue	279,856	292,423	302,088
Consolidated operating income	143,825	159,604	165,004
Consolidated ordinary income	143,360	160,218	167,300
Consolidated net income	83,523	92,174	100,559
Consolidated net income per share (in yen)	1,438.23	1,589.53	1,733.81
Dividend per share (in yen)	288.00	318.00	(Expected) 347.00

The expected subscriber, YJC, is listed on the 1st Section of the Tokyo Stock Exchange and on the JASDAQ market of the Osaka Securities Exchange. The Company confirmed the description in the "IV Internal Control System; 2. Basic concept and measures taken to exclude antisocial forces" section of the "Corporate Governance Report," which YJC submitted to the two stock exchanges, which stated that it was YJC's policy to sever all ties with antisocial forces and organizations that posed a threat to the order and safety of the society and to firmly respond to any undue claims. It is deemed that the expected subscriber or its directors or major shareholders are not in any way related to any antisocial forces.

(2) Reasons for the selection of the expected subscriber

The reasons why the Company has selected YJC as the expected subscriber are as described above in "1. Purposes of and reasons for the business and capital alliance" under "I. Business and capital alliance."

For the major contents of the Business and Capital Alliance Agreement with YJC, please refer to "2. Contents of the business and capital alliance" under "I. Business and capital alliance."

(3) The expected subscriber's policy on holding shares

YJC has agreed to be a strategic partner of the Company and to aim for stable management and increase of the enterprise value of the Company. Also, it has been confirmed that it is the policy of YJC, which will become the largest shareholder of the Company with the execution of the third-party allocation, to be a stable, long-term shareholder of the Company.

The Company plans to receive a letter of definite promise from YJC on its agreement that, if YJC transfers part or all of the new shares allocated to YJC within two years from the payment date, YJC will immediately notify the Company in writing the name and address of the party or parties acquiring the transferred shares, the number of shares transferred, the date of transfer, the prices of shares transferred, the reason for the transfer, methods of transfer and other information, and that YJC agrees that the Company reports the contents of the notification to the Tokyo Stock Exchange, and that the contents of the notification will be made public.

(4) Confirmation of the expected subscriber's owning of assets to cover the payment

The Company confirmed that YJC owns sufficient assets to cover the payment for the third-party allocation based on the financial statements included in its Annual Securities Report for the 16th Term that YJC submitted to the Kanto Regional Finance Bureau on June 22, 2011, which reported revenue of 280.7 billion yen, total assets of 472.5 billion yen, net assets of 383.4 billion yen and cash and deposits of 173.8 billion yen as well as the consolidated quarterly financial statements included in its Report for the Third Quarter of the 17th Term that YJC submitted to the Kanto Regional Finance Bureau on February 8, 2012, which reported total assets of 515.6 billion yen, net assets of 439.9

billion yen and cash and deposits of 216.2 billion yen. The Company also confirmed with YJC that YJC plans to finance the payment for the third-party allocation with its own funds.

(Note) As mentioned above, YJC's consolidated financial statements in its Summary of Financial Results for the fiscal year ended March 2012 announced by YJC on April 24, 2012 reported consolidated total assets as of the end of March 2012 of 562.0 billion yen, consolidated net assets of 468.3 billion yen, consolidated cash and deposits of 257.2 billion yen and consolidated equity ratio of 82.8%.

(5) Other substantive agreements

The Company has entered into the Business and Capital Alliance Agreement with YJC. The contents of the agreement are as described in "2. Contents of the business and capital alliance" under "I. Business and capital alliance."

There are no other substantive agreements.

7. Major shareholders and their shareholding ratios after the offering

Before the offering (as of November 20, 2011)		After the offering	
PLUS Corporation	26.80%	Yahoo Japan Corporation	42.47%
Japan Trustee Services Bank, Ltd.	10.70%	PLUS Corporation	15.42%
The Master Trust Bank of Japan, Ltd.	5.01%	Japan Trustee Services Bank, Ltd.	6.15%
Trust & Custody Services Bank, Ltd.	4.48%	The Master Trust Bank of Japan, Ltd.	2.88%
The Nomura Trust and Banking Co., Ltd.	4.29%	Trust & Custody Services Bank, Ltd.	2.58%
PLUS GIKEN Corporation	3.45%	The Nomura Trust and Banking Co., Ltd.	2.47%
Sohei Imaizumi	2.97%	PLUS GIKEN Corporation	1.99%
Shoichiro Iwata	2.88%	Sohei Imaizumi	1.71%
The Chase Manhattan Bank, N.A. London	2.59%	Shoichiro Iwata	1.66%
Hidehisa Imaizumi	2.55%	The Chase Manhattan Bank, N.A. London	1.49%

(Note 1) The table is based on the list of shareholders as of November 20, 2011. The ratios after the offering reflect the changes as a result of the issuance of new shares through the third-party allocation.

(Note 2) The Company owns 150,291 shares of common stock as its treasury stock, which are deducted in the above calculation.

8. Outlook

Effects of the business and capital alliance on the performance of the Company are now being analyzed and will be announced once the analysis is completed. As described above in "1. Purposes of and reasons for the business and capital alliance" under "I. Business and capital alliance," the business and capital alliance is expected to contribute to the increase of sales with the growth of the new B-to-C online mail-order business and with the improvement of services for the existing B-to-B mail-order business through capital investments for its logistics infrastructure and information systems.

(Procedures based on the code of corporate conduct)

Procedures based on the code of corporate conduct

As the third-party allocation will dilute the shares issued by over 25%, Rule 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc. requires the Company either to obtain an opinion from independent third parties or to confirm the agreement of shareholders.

To meet this requirement, the Company consulted on the third-party allocation with the Special Committee that consisted of the Company's outside directors, Kazuo Toda and Tadakatsu Saito, and outside corporate auditors, Takaharu Yasumoto and Yukio Machida, who were outside executives and independent executives as defined by the Tokyo Stock Exchange, Inc. who had no potential conflict of interest with the existing shareholders; and attorney Naoto Nakamura, who was an outside expert and had no interest either with the Company or YJC. The Company explained to the Special Committee the outline of the Company group, the Company's current financial conditions and performance, transactions with financial institutions, the purposes of and reasons for the issuance of shares for subscription through third-party allocation (including the reasons for the selection of the expected subscriber), comparisons with other financing methods, basis of calculation of the amount to be paid-in, use of the proceeds, the number of shares to be issued and the extent of dilution of the shares, major shareholders after the subscription and their shareholding ratios, future business plan and other items considered necessary; and responded to the questions from the Special Committee with detailed explanations. The Special Committee carefully examined and discussed the issue based on these explanations.

As a result, the Special Committee submitted its written opinion dated April 27, 2012 to the board of directors of the Company stating that: (1) the Special Committee recognized the necessity of the third-party allocation, for the business and capital alliance would contribute to the medium- and long-term increase of the Company's enterprise value and YJC, the expected subscriber, was the best alliance partner, and the proceeds to be raised with the third-party allocation would be used for investments needed to expand the Company's business; and (2) the Special Committee recognized the appropriateness of the third-party allocation, as the selection of the method of financing and of the expected subscriber were proper, the extent of dilution was rational and the amount to be paid-in was appropriate.

Following these procedures and fully respecting the report submitted by the Special Committee, the board of directors of the Company carefully examined the issue from such perspectives as the increase of the Company's enterprise value, the securing of the interest of its shareholders and fairness of the terms of issue of the third-party allocation; and resolved to proceed with the third-party allocation.

9. Business performance and equity financing in the last three years

(1) Consolidated performance in the last three years (Millions of yen, except for items with special descriptions)

	Fiscal Year Ended May 2009	Fiscal Year Ended May 2010	Fiscal Year Ended May 2011
Consolidated net sales	190,469	188,991	197,070
Consolidated operating income	8,240	7,014	5,357
Consolidated ordinary income	8,246	6,913	5,275
Consolidated net income	4,528	3,485	(1,015)
Consolidated net income per share (in yen)	114.69	112.35	(32.73)
Dividend per share (in yen)	30.00	30.00	30.00
Consolidated net assets per share (in yen)	528.97	611.85	534.01

(2) The number of shares issued and the number of latent shares (as of April 27, 2012)

	Number of shares	Ratio to the shares issued
Shares issued	31,189,400 shares	100%
Latent shares at current conversion (exercise) price	– shares	–%
Latent shares at lower limit conversion (exercise) price	– shares	–%
Latent shares at upper limit conversion (exercise) price	– shares	–%

(3) Recent share prices (Yen)

1) Share prices in the last three years

	Fiscal Year Ended May 2010	Fiscal Year Ended May 2011	Fiscal Year Ending May 2012
Opening price	1,415	1,775	1,118
Highest price	1,997	1,795	1,695
Lowest price	1,380	960	1,002
Closing price	1,809	1,124	1,582

(Note) The prices in the fiscal year ending May 2012 are those up to April 26, 2012.

2) Share prices in the last six months (Yen)

	November 2011	December	January 2012	February	March	April (Note)
Opening price	1,121	1,066	1,114	1,208	1,253	1,458
Highest price	1,123	1,144	1,281	1,300	1,518	1,695
Lowest price	1,002	1,016	1,070	1,167	1,227	1,400
Closing price	1,046	1,092	1,207	1,253	1,455	1,582

(Note) The prices in April 2012 are those up to the 26th of the month.

3) The share prices on the business day before the date of the resolution for the issuance of the new shares (Yen)

	April 26, 2012
Opening price	1,560
Highest price	1,599
Lowest price	1,560
Closing price	1,582

(4) Equity finance conducted in the last three years

There has been no equity finances conducted.

10. Terms of issue of the new shares

(1) The number of the new shares to be issued: 23,028,600 shares of common stock
(2) Issue price: 1,433 yen per share
(3) Total amount of issue prices: 33,000,000,000 yen
(4) Amount to be included in capital: 32,999,983,800 yen per share
(5) Subscription date: May 18, 2012
(6) Payment date: May 20, 2012
(7) Subscriber and the number of shares to be allocated: Yahoo Japan Corporation; 23,028,600 shares

The above items are subject to the registration statement coming into effect in accordance with Financial Instruments and Exchange Act. In the meantime, the expected subscriber has filed with the Japan Fair Trade Commission its notification to acquire the shares on April 19, 2012, which has been accepted on the same day. Thus the payment date is set for May 20, 2012 which is thirty days past the day when the filing was accepted.

III. Change of the largest shareholder/major shareholder

1. Background of the change

With the third-party allocation described in "II. Offering of shares to be issued through third-party allocation," YJC will be the new largest shareholder/major shareholder of the Company.

At the same time, PLUS Corporation, which has been the largest shareholder/major shareholder of the Company, will no longer be the largest shareholder of the Company.

2. Outline of the changing shareholders

(1) The new largest shareholder/major shareholder

(1)	Name of company	Yahoo Japan Corporation
(2)	Location	9-7-1 Akasaka, Minato-ku, Tokyo
(3)	Representative	Masahiro Inoue, Representative Director and President
(4)	Businesses	Internet advertising, e-commerce, membership services and other businesses
(5)	Total paid-in capital	JPY 7,959,000,000 (as of March 31, 2012)

(2) The company that will no longer be the largest shareholder

(1)	Name of company	PLUS Corporation
(2)	Location	4-1-28 Toranomon, Minato-ku, Tokyo
(3)	Representative	Koji Imaizumi, President
(4)	Businesses	Manufacturing and sales of stationary, office supplies, office furniture etc.
(5)	Total paid-in capital	100 million yen

3. The number of shares (the number of voting rights) held by these shareholders and their ratios to the total voting rights

(1) Yahoo Japan Corporation

	The number of voting rights (The number of shares held)	The ratio to the total voting rights*	Ranking of the major shareholder
Before the change (as of April 27, 2012)	– rights (– shares)	–%	–
After the change	230,286 rights (23,028,600 shares)	42.60%	1st

(2) PLUS Corporation

	The number of voting rights (The number of shares held)	The ratio to the total voting rights*	Ranking of the major shareholder
Before the change (as of April 27, 2012)	83,593 rights (8,359,300 shares)	26.94%	1st
After the change	83,593 rights (8,359,300 shares)	15.46%	2nd

(Note 1) The ratios of the voting rights to the total voting rights of all the shareholders before and after the change are rounded off to two decimal places.

(Note 2) The ratio of the voting rights to the total voting rights of all the shareholders after the change is calculated with the total of the total voting rights of all the shareholders as of November 20, 2011, described in the Company's 2nd quarterly report submitted on December 28, 2011 (310,344 rights excluding shares less than one unit and treasury stock) plus the number of voting rights to be added with the third-party allocation (230,286 rights) as the denominator (540,630 rights).

(Note 3) One unit of shares of the Company is 100 shares.

4. Expected date of the change

May 20, 2012

5. Outlook

Effects of the business and capital alliance on the performance of the Company are now being analyzed and will be announced once the analysis is completed. As described above in "1. Purposes of and reasons for the business and capital alliance" under "I. Business and capital alliance," the business and capital alliance is expected to contribute to the increase of sales with the growth of the new B-to-C online mail-order business and with the improvement of services for the existing B-to-B mail-order business through capital investments for its logistics infrastructure and information systems.

IV. Change of "other affiliated company"

1. Background of the change

With the third-party allocation described in "II. Offering of shares to be issued through third-party allocation," YJC is expected to newly become an "other affiliated company" of the Company.

2. Outline of the company involved in the change

(1)	Name of company	Yahoo Japan Corporation
(2)	Location	9-7-1 Akasaka, Minato-ku, Tokyo
(3)	Representative	Masahiro Inoue, Representative Director and President
(4)	Businesses	Internet advertising, e-commerce, membership services and other businesses
(5)	Total paid-in capital	JPY 7,959,000,000 (as of March 31, 2012)

For details, please refer to "II. Offering of shares to be issued through third-party allocation; 6. Reasons for the selection of the expected subscriber; (1) Outline of the expected subscriber."

3. The numbers and ratios of the voting rights before and after the change

	Attribute	The number (the ratio) of voting rights		
		Directly owned	Rights to be included	Total
Before the change (as of April 27, 2012)	–	– rights (–%)	– rights (–%)	– rights (–%)
After the change	Other affiliated company	230,286 rights (42.60%)	– rights (–%)	230,286 rights (42.60%)

(Note 1) The ratios of the voting rights to the total voting rights of all the shareholders before and after the change are rounded off to two decimal places.

(Note 2) The ratio of the voting rights to the total voting rights of all the shareholders after the change is calculated with the total of the total voting rights of all the shareholders as of November 20, 2011, described in the Company's 2nd quarterly report submitted on December 28, 2011 (310,344 rights excluding shares less than one unit and treasury stock) plus the number of voting rights to be added with the third-party allocation (230,286 rights) as the denominator (540,630 rights).

(Note 3) One unit of shares of the Company is 100 shares.

4. Expected date of the change

May 20, 2012

5. Outlook

Effects of the business and capital alliance on the performance of the Company are now being analyzed and will be announced once the analysis is completed. As described above in "1. Purposes of and reasons for the business and capital alliance" under "I. Business and capital alliance," the business and capital alliance is expected to contribute to the increase of sales with the growth of the new B-to-C online mail-order business and with the improvement of services for the existing B-to-B mail-order business through capital investments for its logistics infrastructure and information systems.

6. Changes of non-listed parent companies etc. that need to be disclosed

There is no applicable entry.