

Yahoo Japan Corporation
The Japan Net Bank, Limited
Sumitomo Mitsui Banking Corporation

Strategic Alliance between SMBC Group and Yahoo Japan in Internet Financial Services Business

**(-Joint promotion of new Internet financial services business
combining portal site business and Internet banking-)**

TOKYO, March 30, 2006 --- Sumitomo Mitsui Banking Corporation (“SMBC,” President: Masayuki Oku) announced that SMBC, The Japan Net Bank, Limited (“Japan Net Bank,” President: Shuichi Fujimori), and Yahoo Japan Corporation (“Yahoo Japan,” President: Masahiro Inoue) today agreed to form business and capital alliance to create and develop new Internet financial services business by combining the Internet portal service of Yahoo Japan and the Internet banking service of Japan Net Bank.

1. Purpose of alliance

Recognizing each other as strategic partners, Yahoo Japan and Japan Net Bank will create a new Internet financial services business by combining their portal site business and Internet banking business, respectively, in order to precisely respond to the wide-ranging needs of Internet users.

2. Outline of business alliance

Yahoo Japan and Japan Net Bank will jointly develop and provide new products and services by leveraging their brands, customer bases, expertise and experience. The alliance enables Yahoo Japan to provide advanced and convenient settlement services closely tied up with its existing services and “Yahoo! JAPAN ID”, and Japan Net Bank to provide Internet settlement services that more closely match users’ consumption patterns thereby improving user convenience and increasing its customer base.

3. Outline of capital alliance

SMBC, Japan Net Bank and Yahoo Japan will enter into a capital alliance subject to regulatory approval.

(a) Establishment of a bank holding company

SMBC will establish a bank holding company operating Japan Net Bank.

The bank holding company will hold 57% shares of Japan Net Bank initially, and will consider holding up to 75 – 80% in the future.

(b) Capital participation by Yahoo Japan

Yahoo Japan will acquire 14.9% shares of the bank holding company transferred by SMBC initially, and will consider to hold approximately 50% shares at the maximum through the bank holding company’s capital increase and so on to co-manage the company with SMBC in the future.

(c) Capital increase by Japan Net Bank

To strengthen its capital base and prepare for future risk factors, Japan Net Bank will consider increasing capital for 30 - 40 billion yen.

4. Schedule

First half of fiscal 2006: Establish the bank-holding company
Yahoo Japan acquires capital (14.9%)

By the end of 2006: Launch new settlement service
Capital increase by the bank holding company
Capital increase by Japan Net Bank

Appendix

Profile of Yahoo Japan

Company name	Yahoo Japan Corporation
Business description	Internet Advertising business, Broadband business, Auction business, Other businesses
Date of establishment	January 31, 1996
Head office	10-1, Roppongi 6-chome, Minato-ku, Tokyo
Representative	President & CEO: Masahiro Inoue
Capital stock	6,803 millions of yen (as of Sep. 30, 2005)
Number of employees	1,742 (as of Sep. 30, 2005)
Principal shareholders (Name and percentage of shares outstanding)	SOFTBANK CORP.: 41.9% Yahoo! Inc. (Standing agent: Daiwa Securities SMBC Co. Ltd.): 33.4% The Master Trust Bank of Japan, Ltd.: 2.2% (as of Sep. 30, 2005)

Profile of Japan Net Bank

Company name	The Japan Net Bank, Limited
Business description	Commercial banking
Date of establishment	September 19, 2000
Head office	1-1, Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo
Representative	President: Shuichi Fujimori
Capital stock	20,000 millions of yen (as of Sep. 30, 2005)
Number of employees	80 (as of Sep. 30, 2005)
Principal shareholders (Name and percentage of shares outstanding)	Sumitomo Mitsui Banking Corporation: 57.0% Fujitsu Limited: 10.0% Nippon Life Insurance Company: 10.0% (as of Sep. 30, 2005)

Profile of SMBC

Company name	Sumitomo Mitsui Banking Corporation
Business description	Commercial banking
Date of establishment	June 6, 1996
Head office	1-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo
Representative	President: Masayuki Oku
Capital stock	664,986 millions of yen (as of Sep. 30, 2005)
Number of employees	16,806 (as of Sep. 30, 2005)
Principal shareholders (Name and percentage of shares outstanding)	Sumitomo Mitsui Financial Group, Inc.: 100.0% (as of Sep. 30, 2005)