

CONSOLIDATED STATEMENTS OF CASH FLOWS

YAHOO JAPAN CORPORATION AND CONSOLIDATED SUBSIDIARIES

	Millions of yen		Thousands of U.S. dollars (Note 4)
	Years ended March 31		Year ended March 31, 2003
	2002	2003	
Cash flows from operating activities:			
Income before income taxes and minority interest	¥10,294	¥21,728	\$180,763
Adjustments to reconcile income before income taxes and minority interest to net cash provided by operating activities:			
Depreciation and amortization	1,418	2,498	20,781
Increase in allowance of doubtful accounts	40	253	2,105
Loss on disposal of property and equipment	54	193	1,603
Impairment charges on investment securities	611	1,383	11,503
(Gain) loss on sale of investment securities	(587)	41	339
Impairment charges on other investments	72	249	2,072
Increase in accounts receivable — trade	(2,435)	(6,149)	(51,158)
Increase in accounts payable — trade	968	2,587	21,521
(Increase) decrease in other receivables	(1,236)	1,220	10,150
Increase (decrease) in other payables	(54)	1,476	12,278
Increase in consumption tax payable	185	470	3,912
Other	(21)	(108)	(887)
	9,309	25,841	214,982
Income taxes paid	(3,170)	(6,174)	(51,364)
Net cash provided by operating activities	6,139	19,667	163,618
Cash flows from investing activities:			
Payments for purchases of property and equipment	(2,372)	(2,895)	(24,086)
Payments for purchases of intangibles	(170)	(505)	(4,197)
Payments for purchases of marketable and investment securities	(1,216)	(25)	(204)
Proceeds from sale of marketable and investment securities	190	1,017	8,458
Payments for acquisitions of shares of entities newly consolidated (Note 9(3))	(1,051)	(6)	(51)
Increase in other investments	(54)	(1,400)	(11,650)
Other	(2)	35	291
Net cash used for investing activities	(4,675)	(3,779)	(31,439)
Cash flows from financing activities:			
Redemption of bonds	(20)	(118)	(980)
Proceeds from issuance of shares under exercise of warrants and stock options	50	79	658
Interest paid	(8)	(11)	(93)
Other	(11)	(1)	(15)
Net cash provided by (used for) financing activities	11	(51)	(430)
Effect of exchange rate fluctuations on cash and cash equivalents	—	0	3
Net increase in cash and cash equivalents	1,475	15,837	131,752
Cash and cash equivalents at the beginning of the year	5,866	7,341	61,073
Cash and cash equivalents at the beginning of the year due to subsidiaries newly consolidated	—	38	317
Cash and cash equivalents at the end of the year (Note 9(2))	¥ 7,341	¥23,216	\$193,142

The accompanying notes are an integral part of these financial statements.