

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

YAHOO JAPAN CORPORATION AND CONSOLIDATED SUBSIDIARIES

(Millions of yen)

| | Number of shares issued and outstanding | Common stock | Additional paid-in capital | Retained earnings | Net unrealized gains (losses) on other securities | Treasury stock | Total |
|--|---|---------------|----------------------------|-------------------|---|----------------|----------------|
| Balance at March 31, 2002 | 117,528.80 | ¥6,033 | ¥1,111 | ¥10,221 | ¥2,877 | ¥(15) | ¥20,227 |
| Net income | — | — | — | 12,096 | — | — | 12,096 |
| Bonuses to directors | — | — | — | (32) | — | — | (32) |
| Increase due to affiliates newly accounted for under the equity method | — | — | — | 28 | — | — | 28 |
| Decrease due to subsidiaries newly included in consolidation | — | — | — | (11) | — | — | (11) |
| Stock split | 353,061.32 | — | — | — | — | — | — |
| Exercise of stock options | 32.00 | 39 | 39 | — | — | — | 78 |
| Exercise of warrants | 433.92 | 1 | 4 | — | — | — | 5 |
| Decrease in net unrealized gains on other securities (Notes 3 (7) and 7) | — | — | — | — | (1,906) | — | (1,906) |
| Acquisition of treasury stock (Note 9) | (10.28) | — | — | — | — | (2) | (2) |
| Balance at March 31, 2003 | 471,045.76 | ¥6,073 | ¥1,154 | ¥22,302 | ¥971 | ¥(17) | ¥30,483 |
| Net income | — | — | — | 24,827 | — | — | 24,827 |
| Bonuses to directors | — | — | — | (62) | — | — | (62) |
| Stock split (Notes 3 (10) and 9) | 1,413,469.12 | — | — | — | — | — | — |
| Exercise of stock options | 1,545.00 | 327 | 327 | — | — | — | 654 |
| Increase in net unrealized gains on other securities (Notes 3 (7) and 7) | — | — | — | — | 3,909 | — | 3,909 |
| Acquisition of treasury stock (Note 9) | (43.64) | — | — | — | — | (4) | (4) |
| Balance at March 31, 2004 | 1,886,016.24 | ¥6,400 | ¥1,481 | ¥47,067 | ¥4,880 | ¥(21) | ¥59,807 |

(Thousands of U.S. dollars)

| | Number of shares issued and outstanding | Common stock | Additional paid-in capital | Retained earnings | Net unrealized gains (losses) on other securities | Treasury stock | Total |
|--|---|-----------------|----------------------------|-------------------|---|----------------|------------------|
| Balance at March 31, 2003 | 471,045.76 | \$57,461 | \$10,919 | \$211,013 | \$ 9,187 | \$(161) | \$288,419 |
| Net income | — | — | — | 234,904 | — | — | 234,904 |
| Bonuses to directors | — | — | — | (586) | — | — | (586) |
| Stock split (Notes 3 (10) and 9) | 1,413,469.12 | — | — | — | — | — | — |
| Exercise of stock options | 1,545.00 | 3,093 | 3,094 | — | — | — | 6,187 |
| Increase in net unrealized gains on other securities (Notes 3 (7) and 7) | — | — | — | — | 36,986 | — | 36,986 |
| Acquisition of treasury stock (Note 9) | (43.64) | — | — | — | — | (38) | (38) |
| Balance at March 31, 2004 | 1,886,016.24 | \$60,554 | \$14,013 | \$445,331 | \$46,173 | \$(199) | \$565,872 |

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