

CONSOLIDATED STATEMENTS OF CASH FLOWS

YAHOO JAPAN CORPORATION AND CONSOLIDATED SUBSIDIARIES

	Millions of yen		Thousands of U.S. dollars (Note 4)
	For the years ended March 31		For the year ended March 31, 2004
	2003	2004	2004
Cash flows from operating activities:			
Income before income taxes and minority interest	¥ 21,728	¥ 41,049	\$ 388,391
Adjustments to reconcile income before income taxes and minority interest to net cash provided by operating activities:			
Depreciation and amortization	1,804	3,040	28,763
Goodwill amortization	694	114	1,079
Increase in allowance of doubtful accounts	253	487	4,608
Loss on disposal of property and equipment	193	404	3,822
Impairment charges on investment securities and other investments	1,632	192	1,817
Loss (gain) on sale of investment securities, net	41	(140)	(1,325)
Interest and dividends received	(23)	(480)	(4,542)
Increase in accounts receivable—trade	(6,149)	(1,698)	(16,066)
Increase (decrease) in accounts payable—trade	2,587	(3,064)	(28,991)
Decrease (increase) in other receivables	1,220	(1,476)	(13,965)
Increase in other payables	1,476	1,329	12,575
Increase in consumption tax payable	470	305	2,886
Others, net	(85)	(66)	(624)
	25,841	39,996	378,428
Income taxes paid	(6,174)	(13,849)	(131,034)
Net cash provided by operating activities	19,667	26,147	247,394
Cash flows from investing activities:			
Purchase of property and equipment	(2,895)	(5,506)	(52,096)
Purchase of intangibles	(505)	(747)	(7,068)
Purchase of marketable and investment securities	(25)	(18)	(170)
Proceeds from sale of marketable and investment securities	1,017	201	1,902
Proceeds from redemption of investment in bonds issued by affiliates	—	400	3,785
Acquisition of shares of entities newly consolidated (Note 13 (3))	(6)	(241)	(2,280)
Increase in loan receivables	(0)	(5,700)	(53,932)
Increase in other investments	(1,400)	(306)	(2,895)
Others, net	35	1,004	9,499
Net cash used for investing activities	(3,779)	(10,913)	(103,255)
Cash flows from financing activities:			
Increase in short-term borrowings, net	—	400	3,784
Redemption of bonds	(118)	—	—
Proceeds from issuance of shares under exercise of warrants and stock options	79	654	6,188
Proceeds from issuance of shares to minority shareholders	—	147	1,391
Interest paid	(11)	(3)	(28)
Others, net	(1)	(4)	(38)
Net cash (used for) provided by financing activities	(51)	1,194	11,297
Effect of exchange rate fluctuations on cash and cash equivalents	0	(1)	(10)
Net increase in cash and cash equivalents	15,837	16,427	155,426
Cash and cash equivalents at the beginning of the year	7,341	23,216	219,662
Cash and cash equivalents at the beginning of the year due to subsidiaries newly consolidated	38	—	—
Cash and cash equivalents at the end of the year (Note 13 (2))	¥ 23,216	¥ 39,643	\$ 375,088

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