

## 1. **Business Overview** (as of September 30, 2006)

### 1-1 Business Segments

Our Consolidated Group comprises CYBIRD Co., Ltd. (“CYBIRD” or “the Company”) (Note 1) and 9 consolidated subsidiaries (GiGAFLOPS Japan Inc., AXISSOFT Corporation, CYB INVESTMENT INC., Airborne Entertainment Inc., PLUS MOBILE COMMUNICATIONS Co., Ltd., CYBIRD Investment Partners Inc. (Note 2) and other three companies) and two affiliates (DMOVE Co., Ltd. and JIMOS CO., LTD. (Note 3)). Our main business fields are (1) Mobile Content Business, (2) Marketing Solution Business, (3) E-Commerce, (4) Advertising Business (5) Investment Business and (6) International Business.

Note 1: Effective October 1, 2006, CYBIRD Co., Ltd., changed its name to CYBIRD Holdings Co., Ltd.

Note 2: On December 21, 2005, the Company established CYBIRD Investment Partners Inc. for the purpose of developing its investment business.

Note 3: On October 1, 2006, the Company converted JIMOS CO., LTD., into a wholly owned subsidiary through a share exchange. Furthermore, effective October 2, 2006, the Company spun off its existing business to a newly established company (CYBIRD Co., Ltd.) through a corporate split. As a result, the Company has converted itself in to a holding company with JIMOS and the newly established CYBIRD as subsidiaries.

#### (1) Mobile Content Business

We develop and provide paid content services for Internet-enabled mobile phones via major Japanese wireless network operators.

#### (2) Marketing Solution Business

We provide consulting services for mobile Internet businesses, marketing solution services utilizing mobile phones for the planning, development, and operation of mobile Internet sites and customer support services. In compensation for these services, we receive consulting fees, planning/ development/ operating fees and customer support fees. We also operate a technology-related business constructing basic systems for clients utilizing the data base products of consolidated subsidiary AXISSOFT Corporation.

#### (3) E-Commerce Business

This business operates a e-commerce business based on mobile phones. Utilizing the benefits of the Company’s integration with JIMOS CO., LTD., which has strength in direct marketing, the Company plans to further expand these operations, developing its commerce operations into a core business.

#### (4) Advertising Business

PLUS MOBILE COMMUNICATIONS Co., Ltd., a subsidiary of advertising business, develops e-mail products targeting specific customer groups and mobile advertising products for Web site.

#### (5) Investment Business

Under the management and control of consolidated subsidiary CYBIRD Investment Partners Inc., this business structures and manages the CYBIRD Plus Mobile Fund.

#### (6) International Business

We are emphasizing North America and Europe in our strategies because of expected rapid growth in their mobile content markets. We plan to expand our business in these regions through capital alliances with leading local content providers. In June 2005, we established wholly owned CYB INVESTMENT INC. to promote development in the North American market, and through that subsidiary took a major stake in leading local content provider Airborne Entertainment Inc., converting it into a subsidiary.

### 1-2 Relations with Subsidiaries and Affiliates

DMOVE Co., Ltd., a joint venture established with IMAGICA Corp. in February 2002, builds deeper cooperation with us in digital content service development and sales, primarily for motion picture content streaming.

Utilizing the planning, product development, and customer communications abilities of JIMOS, with which we

formed a strategic business and capital alliance in March 2005, we are developing an e-commerce business based on our established customer base.

In October 2006, CYBIRD and JIMOS integrated their businesses base on a shift to a holding company organization. Based on a fusion of CYBIRD's strength in mobile communications and JIMOS's strength in human communications, the partners will aim to achieve business synergies and expand and diversity the business domain of the Group.

AXISSOFT Corporation, based on a business and capital alliance formed in March 2005, will give CYBIRD top priority in the supply of business resources including technicians. Based on this alliance, CYBIRD will commission its various system development tasks to AXISSOFT, establishing a stable software development base for the future.

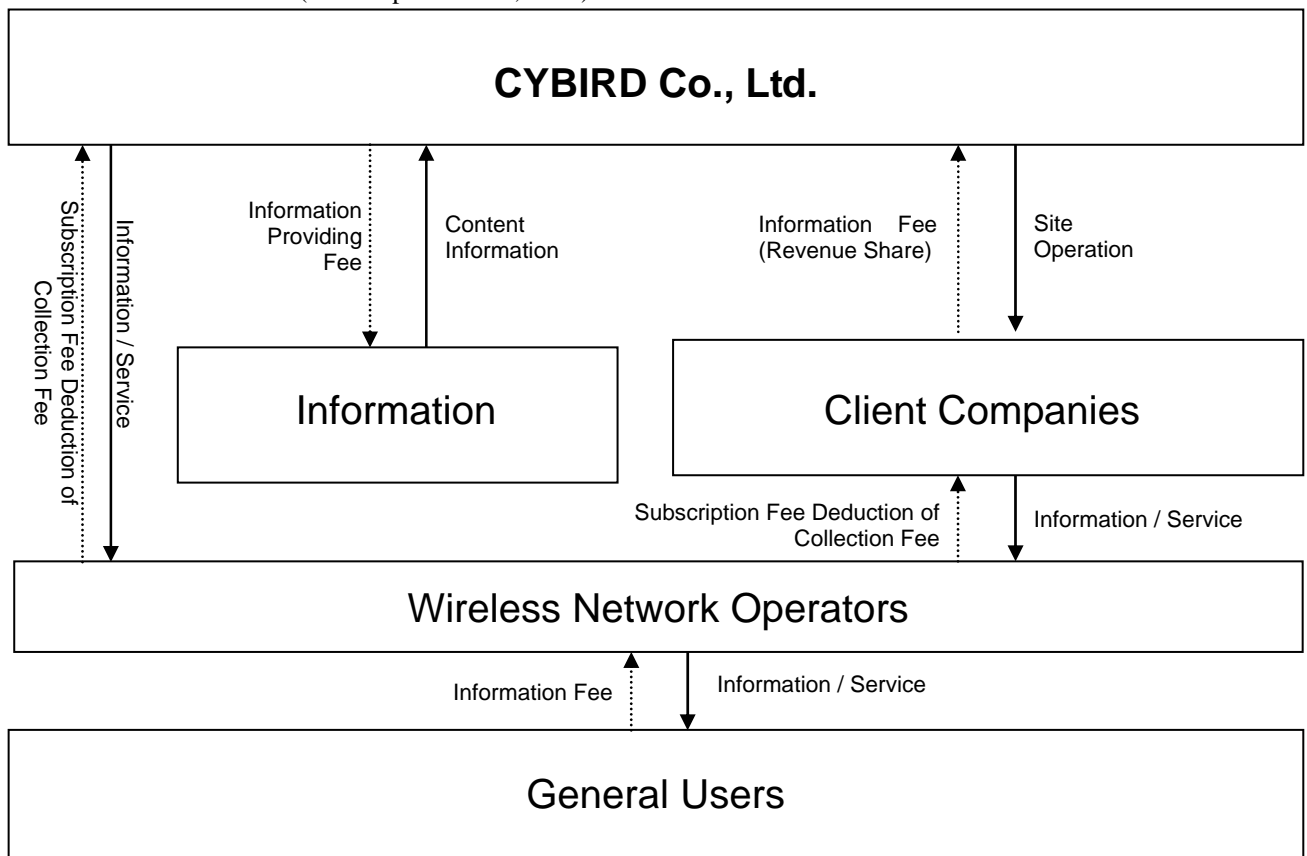
In June 2005, we established wholly owned CYB INVESTMENT INC. to promote development in the North American market, and through that subsidiary took a major stake in leading local content provider Airborne Entertainment Inc., converting it into a subsidiary. With this action, CYBIRD has begun full-scale business expansion in the North American region, which is expected to experience rapid growth in the mobile content market.

Established in August 2005 as a joint venture between our subsidiary cyber communications inc. and OPT Inc., PLUS MOBILE COMMUNICATIONS is utilizing the large-scale mobile customer data base organized by CYBIRD and the know-how of those two joint venture partners to develop e-mail products targeting specific customer groups and mobile advertising products for Web site.

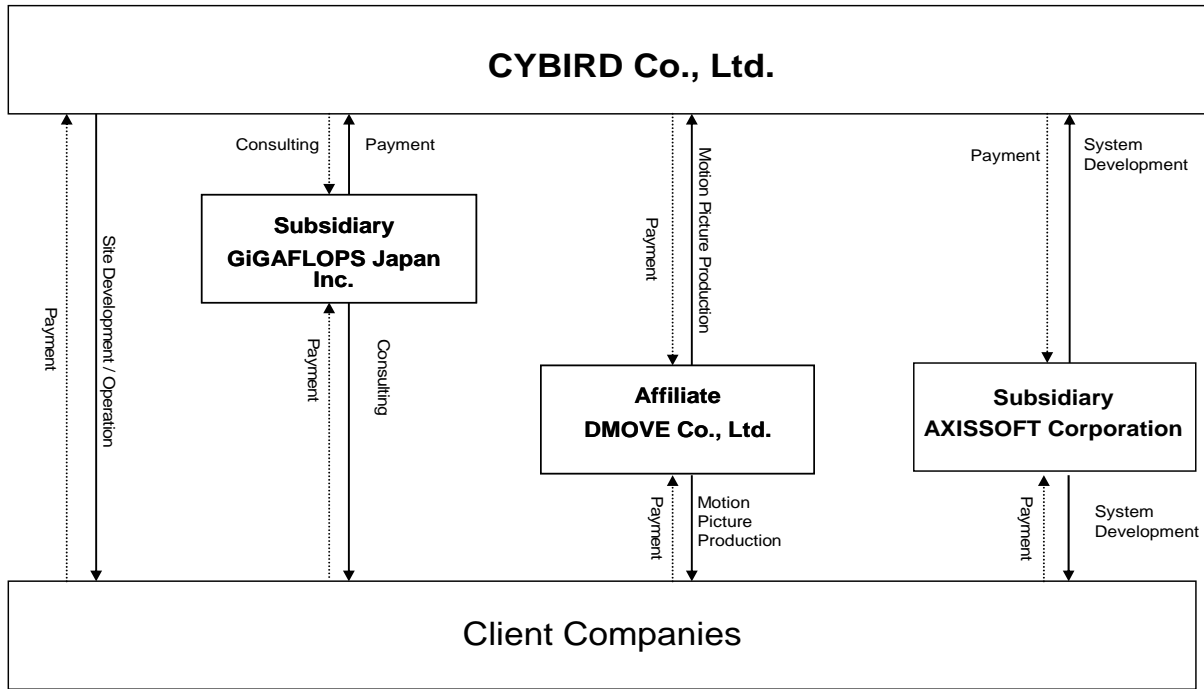
Established in December 2005 as the Company's wholly owned subsidiary, CYBIRD Investment Partners structures and manages the CYBIRD Plus Mobile Fund, Japan's first mobile business fund. The fund invests in unlisted and listed companies with the potential for growth in corporate value based on the infusion of management resources or mobile capabilities of the CYBIRD Group, seeking to create new earning opportunities for the Group based on financial returns.

**CYBIRD Group Business Chart** (as of September 30, 2006)

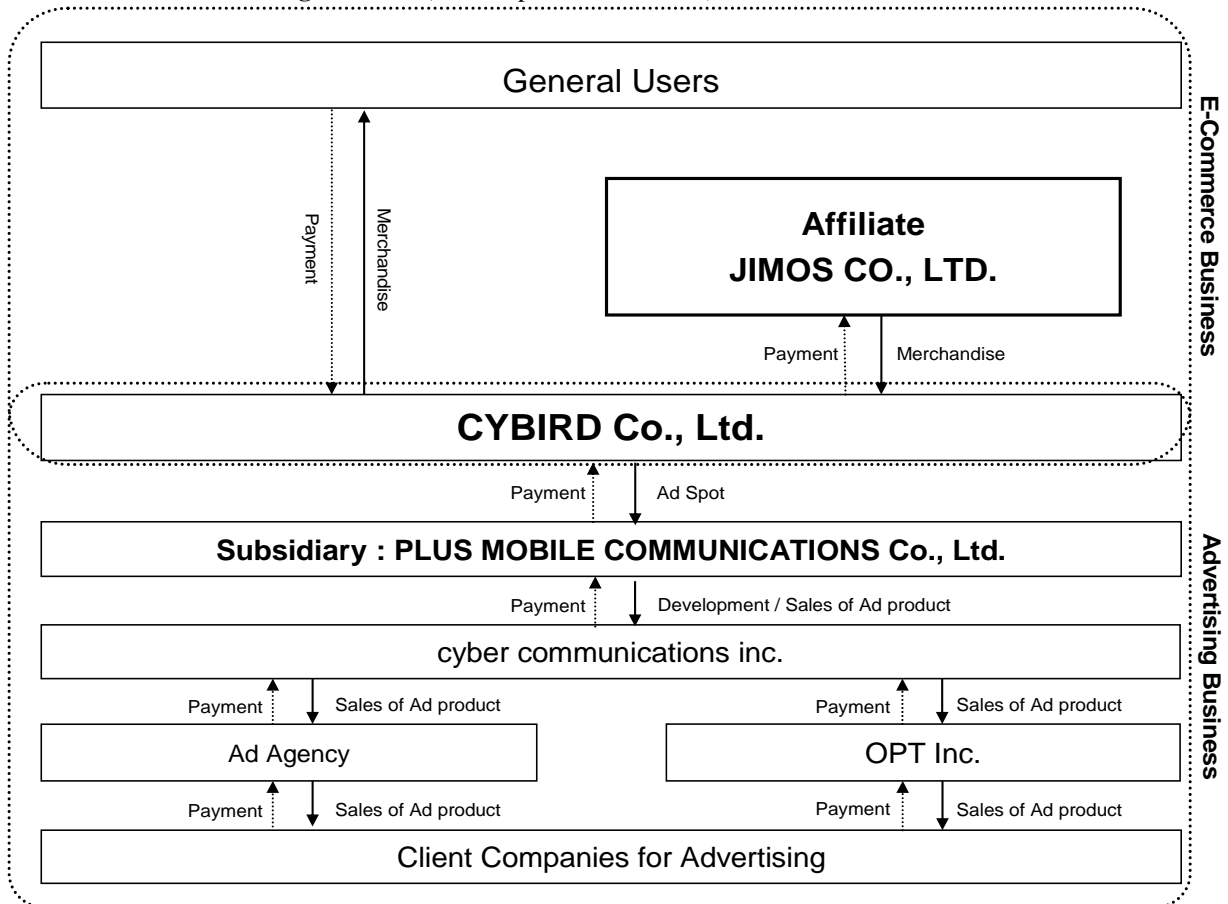
**Mobile Content Business** (as of September 30, 2006)



**Marketing Solution Business (as of September 30, 2006)**

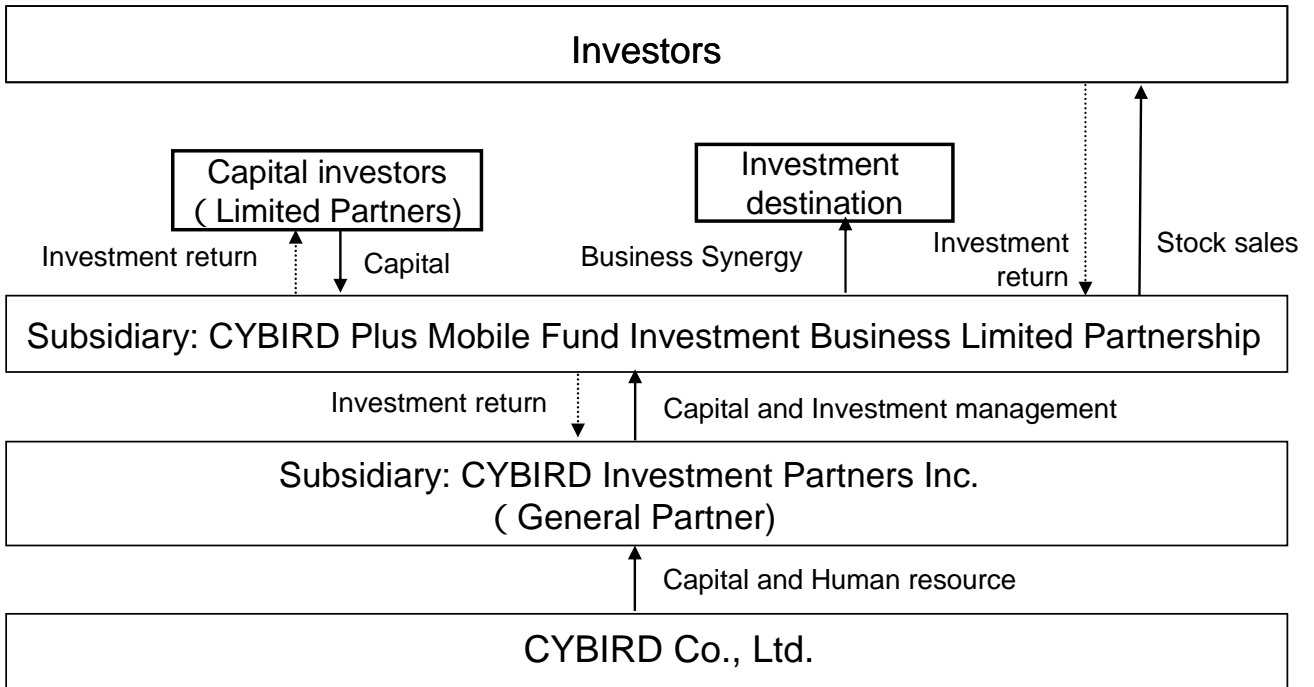


**E-Commerce / Advertising Business (as of September 30, 2006)**

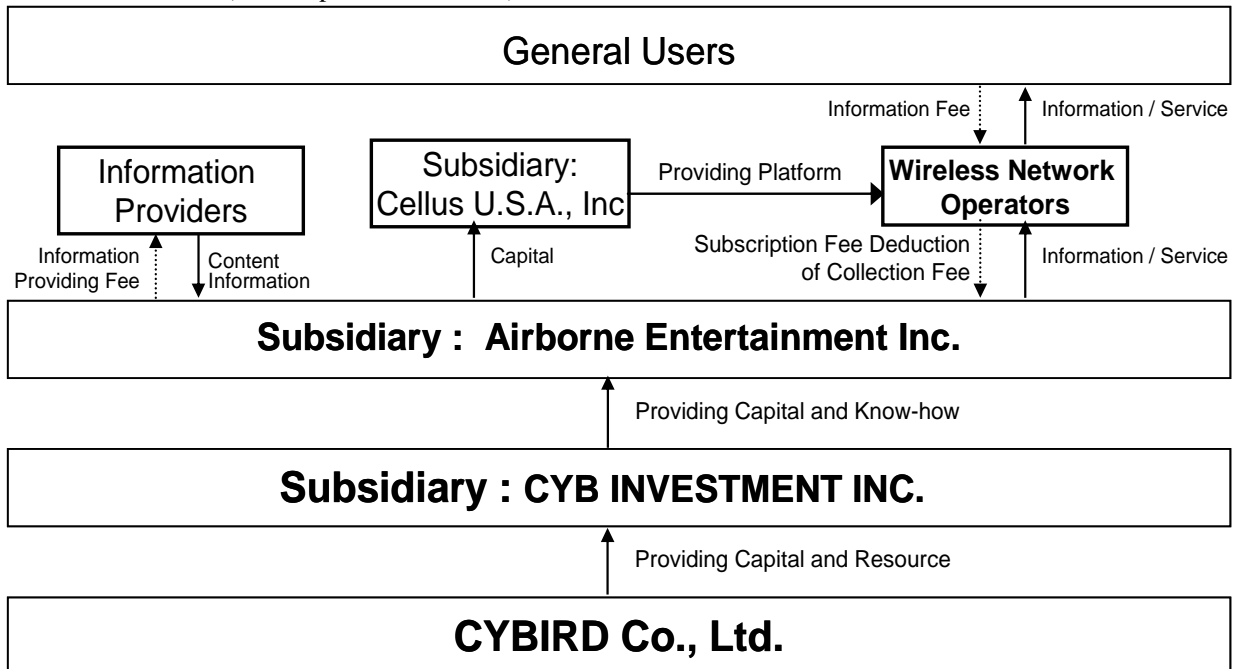


Note: In October 2006, CYBIRD and JIMOS integrated their businesses based on the conversion of the former CYBIRD to a holding company, resulting in JIMOS becoming a wholly owned subsidiary.

**Investment Business** (as of September 30, 2006)



**International Business** (as of September 30, 2006)



### 1-3 CYBIRD's Consolidated Companies

( As of September 30, 2006 )

Company	Location	Foundation	Principal Business	Paid-in Capital	Shares Issued	CYBIRD's Stake (%)
GiGAFLOPS Japan Inc.	Minato-ku, Tokyo	February, 2000	Information Technology	¥70 mil.	1,150	100.0
CYB INVESTMENT INC.	Delaware, USA	June, 2005	Overseas Investment	US\$4,331	43,310,000	100.0
CYBIRD Investment Partners Inc.	Minato-ku, Tokyo	December, 2005	Investment	¥175 mil.	7,000	100.0
Airborne Entertainment Inc.	Quebec, Canada	October, 2000	Information Technology	US\$28 mil.	14,172,834	85.0 (85.0)
PLUS MOBILE COMMUNICATIONS Co., Ltd.	Minato-ku, Tokyo	August, 2005	Advertising Planning	¥50 mil.	2,000	60.0
AXISSOFT Corporation	Toshima-ku, Tokyo	November, 1987	Information Technology	¥639 mil.	4,028	40.8
DMOVE Co., Ltd.	Shinagawa-ku, Tokyo	February, 2002	Information Technology	¥79 mil.	1,590	48.7
JIMOS CO., LTD.	Fukuoka-shi, Fukuoka	September, 1998	Commerce	¥1,194 mil.	62,060	20.0

Notes: 1. The figure in parentheses under CYBIRD's Stake indicates the amount of indirect stake.

2. The figures for JIMOS CO., LTD., under Paid-In Capital and Shares Issued are as of June 30, 2006. Its CYBIRD's Stake is mentioned the proportion of the number of Shares Issued (12,381) of JIMOS as of June 30, 2006 to the number of Shares Issued (62,060) as of September 30, 2006.

3. The figures for Airborne Entertainment Inc., under Paid-In Capital, Shares Issued, and CYBIRD's Stake are as of June 30, 2006.

4. On October 1, 2006, the Company converted JIMOS CO., LTD., into a wholly owned subsidiary through a share exchange.

## 2. Business Policies (As of September 30, 2006)

### 2-1 Business Principles/Missions

Considering the maximization of shareholders' benefit, we consider that it is our basic business principle to create new values through the mobile Internet as "Best Partner for the Mobile Internet". In other words, we work to make people's lives fuller and more convenient by providing new method of society/life. Our business is driven by the four policies shown below.

- (1) Selection and Focus on Strategic Business Fields
- (2) Adaptation to Change in the Business Environment
- (3) Emphasis on Profitability, Sustainability and Expandability
- (4) Maximization of Synergies

### 2-2 Dividend Policy

We recognize returning profits to our shareholders as a top priority issue. Our basic dividend policy is to determine dividends after consideration of our business performance, financial position and the need to expand internal reserves for future business development. For the fiscal year under review, as part of the process of returning profits to shareholders, we plan to issue an annual cash dividend of ¥167 per share.

### 2-3 Stock Unit Adjustment Policy

From the aspect of increasing liquidity in the equity market and promoting the participation among broader range of investors, we regard it as a basic policy to review from time to time the stock unit adjustment.

### 2-4 Mid to Long-term Business Policy

The fundamental strategy of the CYBIRD Group is to provide convenience and enjoyment to users by combining various situations in life with "+mobile". Through this interface with users, the Company implements the basic strategy to expand our platform businesses.

The framework of the plan is as follows.