

Financial Results for 3rd Quarter of FY Ending March 31, 2007

C  B I R D[®] H O L D I N G S
CYBIRD HOLDINGS Co., Ltd.

February 13, 2007

➤ Integration with JIMOS and introduction of holding company structure

Dramatic expansion in Commerce Business earnings with the consolidation of JIMOS

➤ CYBIRD's existing businesses continue to perform well

New quarterly record sales in Mobile Content Business

➤ Improvements in consolidated profit and loss and cash flow in core businesses

Increased profitability in Mobile Content and Commerce Businesses, with few non-performing subsidiaries in the Group

3Q Consolidated Results for FY2007/3

(Unit: Millions of yen, Round down)

	FY05 3Q	FY06 3Q	Change from previous year	% change	Key Factors
Net Sales	3,823	7,608	3,785	99.0%	<ul style="list-style-type: none"> ➤ Dramatic increase in commerce sales since the consolidation of JIMOS ➤ Sales in the Content Business continue to set new records on a quarterly basis
Gross Profit (% sales)	1,306 (34.2%)	3,570 (46.9%)	2,263 (+ 12.8pt)	173.3%	<ul style="list-style-type: none"> ➤ Gross profit margin: Year-on-year increase of 12.8 points The Mail-Order Business, which has a low cost percentage, added to consolidated results, and improvements in the cost percentage of the Content Business
Operating Income	(127)	306	433		<ul style="list-style-type: none"> ➤ Improved profitability in the core businesses, with improved profitability in the Content and Commerce Businesses, and fewer non-performing subsidiaries in the Group as well
Ordinary Income	120	256	135	112.0%	
Net Income	30	(47)	(77)		<ul style="list-style-type: none"> ➤ Ultimately a loss was posted after income taxes and deferred income taxes, as well as the costs associated with the business integration were included

Sales by Segment

Quarterly change in sales by segment

(Unit: Millions of yen, Round down)

	FY05			FY06				Year-on-Year Change (%)
	3Q	% of total	4Q	1Q	2Q	3Q	% of total	
Mobile Content Business	2,717	71.0%	2,948	2,873	2,866	2,960	38.9%	243 (+ 9.0%)
Commerce Business	64	1.7%	87	62	91	3,160	41.6%	3,096 (+ 4823.1%)
Marketing Solution Business	618	16.2%	883	542	686	892	11.7%	273 (+ 44.2%)
Advertising Business	14	0.4%	51	30	38	56	0.7%	41 (+ 290.4%)
Investment Business	-	-	-	-	143	5	0.1%	5 (-)
International Business	408	10.7%	473	522	591	533	7.0%	124 (+30.5%)
Total	3,823	100.0%	4,445	4,031	4,418	7,608	100.0%	3,785 (+ 99.0%)

Selling, General and Administrative Expenses

Breakdown and change in selling, general and administrative expenses
(consolidated, quarterly figures)

(Unit: Millions of yen, Round down)

	FY05		FY06			Change from Q2	Key Factors
	3Q	4Q	1Q	2Q	3Q		
Personnel Expenses	404	433	528	467 (10.6%)	1,002 (13.2%)	534 (+2.6pt)	Increased with JIMOS consolidation
Advertising Expenses	76	82	44	59 (1.4 %)	850 (11.2%)	790 (+9.8pt)	Rise mainly in advertising and promotional expenses associated with JIMOS' Mail-Order Business
R & D	110	634	230	234 (5.3%)	236 (3.1%)	1 (-2.2pt)	
Commission Paid	487	564	448	410 (9.3%)	361 (4.8%)	-49 (-4.5pt)	While commission fees on the proxy collection of charges have increased with the growth of the Content Business, other commissions have fallen
Goodwill Amortization	101	106	95	93 (2.1%)	180 (2.4%)	87 (+0.3pt)	Mainly because of the increase in fixed-line depreciated goodwill associated with JIMOS
Others	253	264	280	327 (7.4%)	632 (8.3%)	305 (+0.9pt)	Increases in packing and freight costs, and rents
Total	1,433	2,085	1,627	1,593 (36.1%)	3,263 (42.9%)	1,670 (+6.8pt)	

*Figures in () represent % of sales.

Consolidated Financial Status

Substantial increase in total assets thanks to the business integration with JIMOS at the start of the quarter.

(Unit: Millions of yen, Round down)

	FY2005	FY2006/ Interim	FY2006/ 3Q	Quarterly change	Key Factors
Current Assets	6,778	6,764	11,628	4,864	Increase mainly in cash deposits and inventory assets through the JIMOS consolidation
Tangible and Intangible Fixed Assets	7,475	7,038	13,426	6,388	Increase in goodwill associated with JIMOS and other subsidiaries (total of 5.8 billion yen)
Investment and Other Assets	4,702	2,768	3,123	355	
Total	18,957	16,570	28,178	11,607	
Liabilities	5,809	5,551	7,888	2,337	
Shareholders' Equity	13,147	11,019	20,289	9,270	Increase in capital surplus through a share exchange accompanying the subsidiarization of JIMOS. (8.9 billion yen)
Retained Earnings	(1,450)	(-771)	(-653)	(117)	
Minority Interest	(723)	(770)	(787)	(17)	
Total	18,957	16,570	28,178	11,607	

Consolidated Cash Flow

Improved cash flow thanks to increased profitability in the core businesses.

(Unit: Millions of yen, Round down)

	FY04 3Q	FY05 3Q	FY06 3Q	Key Factors
Cash Flow from Operating Activities	97	(24)	508	160 million yen of income before taxes + 300 million yen change in amortization/allowances, etc.
Cash Flow from Investment Activities	307	(318)	1,706	Increase in cash through newly consolidated subsidiaries, mainly JIMOS, etc.
Cash Flow from Financing Activities	9	(10)	135	160 million yen in short-term loans, etc.
Change in cash	413	(322)	2,334	

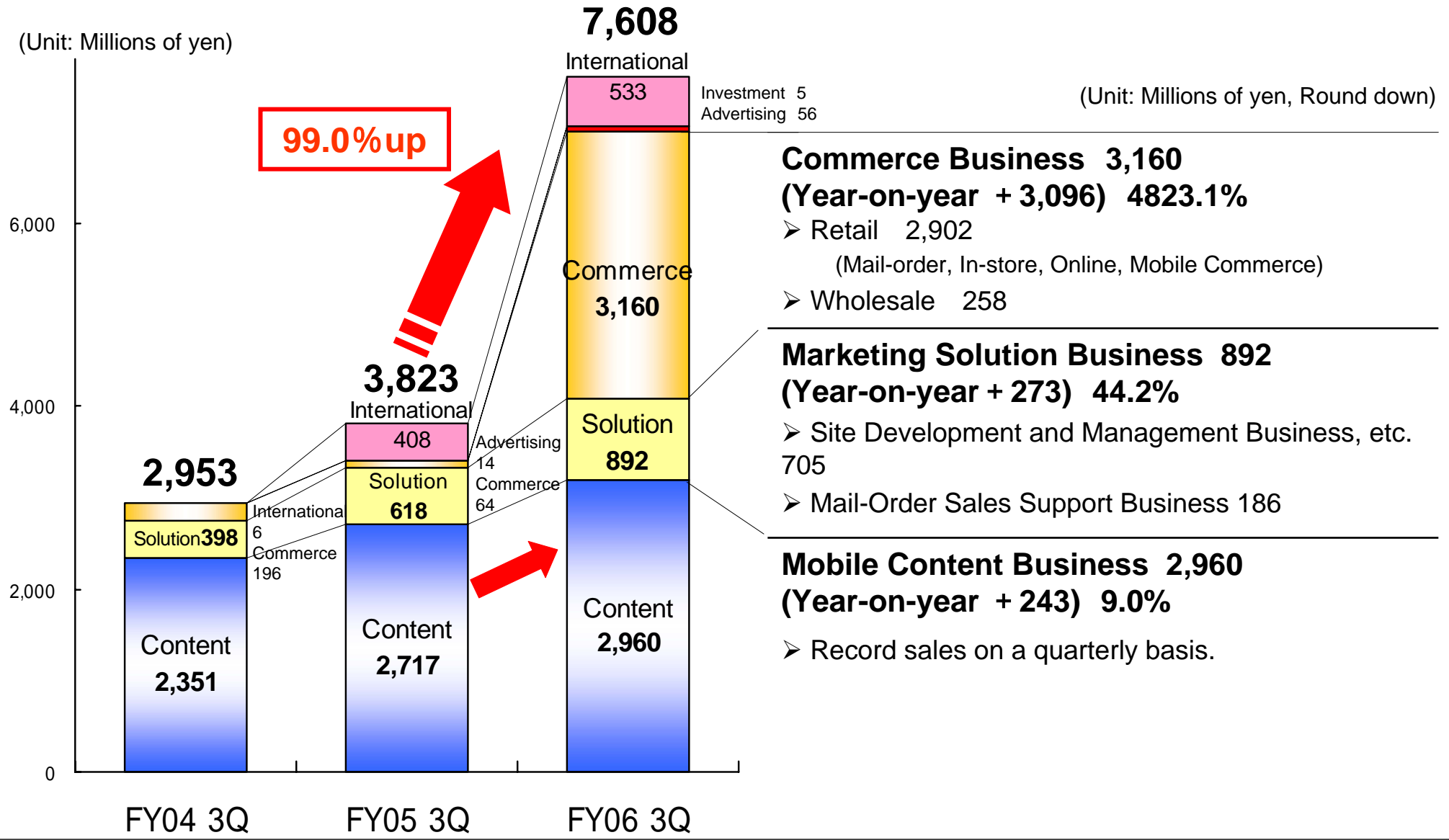
Exchange difference
on cash, etc.

29 (14)

(NB) Change in cash = Operating CF + Investment CF + Financing CF + Exchange difference on cash, etc.

Change in Sales by Segment

Increase in Commerce Business sales, thanks in particular to the consolidation of JIMOS



In Q3, profitability of the Mail-Order Business improved

(Successful release of new products and stronger acquisition of new customers, with a recovery in sales and profits to the previous year's levels)

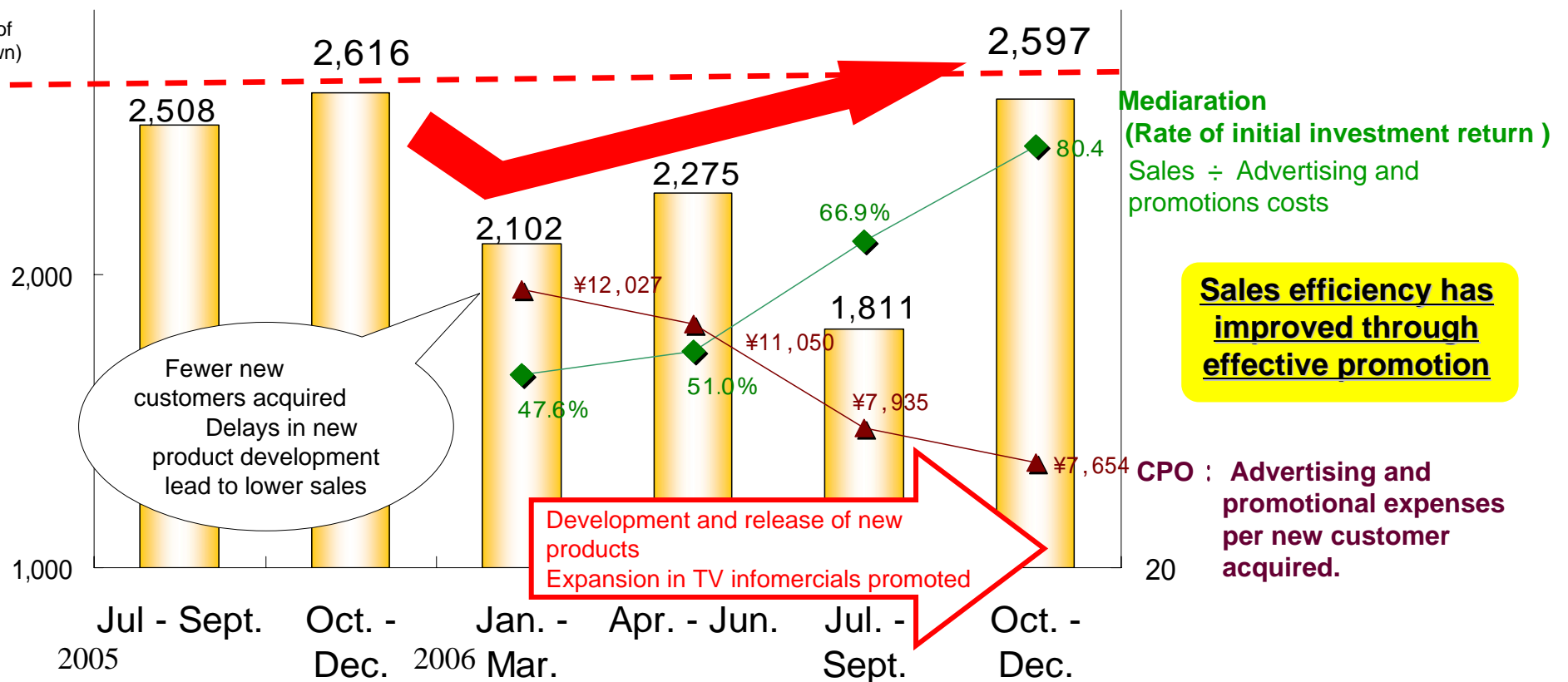
1st Half 2006: 1. Delays in development and discovery of new products 2. Fewer new customers acquired

2nd Half 2006: 1. Release of new core cosmetics products 2. More new customers acquired

Change in Mail-Order Sales in the Commerce Business

Consolidated results from Q3

(Unit: Millions of yen, Round down)



Mobile Content Business

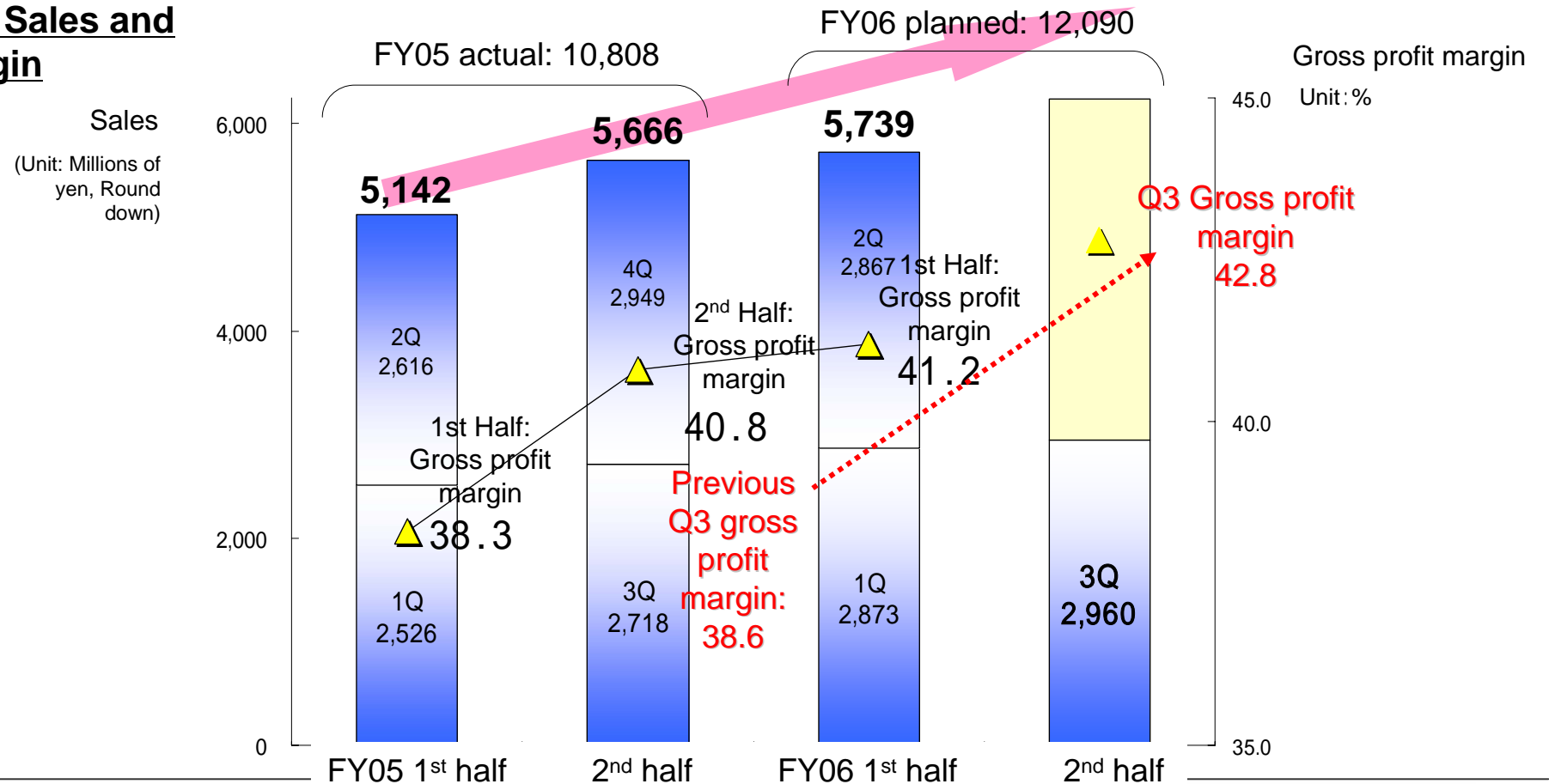
Record sales levels on a quarterly basis (Q3 sales: 2,960 million yen with year-on-year increase of 9.0%)

- Sustained increase in member numbers for core content through effective promotion strategies.
- Effect of the start of MNP (number portability) negligible.

Continual improvement in profit margins (Q3 gross profit margin: 42.8% with a year-on-year rise of 4.2p. Has continued to improve over the last two quarters.)

- The cost percentage in the Content Business is falling thanks to ongoing cost structure reviews.

Change in Sales and Profit Margin



Member Assets Based on the CYBIRD Group's
Medium-Term Management Plan

	End of May 2006	End of Nov. 2006	End of Jan. 2007
No. of members using mobile services (A)	1.91 million	2.87 million	3.3 million
No. of members reached by advertising (B)	760,000	1.85 million	2.23 million
B/A	39.8%	64.5%	67.6%

Advertising Business

Established a reputation for high customer conversion rate (CVR), rather than for total page views

Average click-through rate (CTR) of 15%

Major Advertising Accounts Confirmed with National Clients!

Mobile Content Business

Thanks to end-of-year (Dec. 15 – Jan. 15) placement measures, **the no. of existing content subscribers**

increased by 650,000!

Multimedia link strategy
Complete placement know-how

Commerce Business

“Nutty Collection”

Thanks to massive customer inflow in the first three months, now

No. 1 on i-menu and EZmenu!

No. 2 girls shopping *i-menu
No. 3 Mobile Collection

JIMOS cosmetics sales trials

0.24% purchase rate!

New Year’s lucky dip bag sales

One million messages distributed to CYBIRD members

Sales of 23 million yen/day!

