

1. Business Overview

1-1 Business Segments

Our Consolidated Group (“the Group”) comprises CYBIRD Holdings Co., Ltd. (“CYBIRD Holdings” or “the Company”) (Note 1) and 16 consolidated subsidiaries (CYBIRD Co., Ltd. (Note 1), JIMOS CO., LTD. (Note 2), CYBIRD Investment Partners Inc., CYB INVESTMENT INC. (Note 3), S-CREW Inc. (Note 4), and other 11 companies) and one affiliate. Our main business fields are (1) Mobile Content Business, (2) Commerce Business, (3) Solution Business, (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. In addition, through the use of a corporate split, effective October 2, 2006, the existing businesses of CYBIRD were transferred to a new company (CYBIRD Co., Ltd.), with CYBIRD Holdings becoming a holding company for the CYBIRD Group.

Note 2: Through a share exchange effected on October 1, 2006, JIMOS CO.,LTD., was upgraded from an affiliate accounted for by the equity method to a consolidated subsidiary.

Note 3: Through its North American local subsidiary, CYB INVESTMENT INC.,CYBIRD acquired local content provider Airborne Entertainment Inc., converting it to a subsidiary.

Note 4: Effective November 30, 2006, CYBIRD acquired a majority stake in S-CREW Inc., and converted it to a consolidated subsidiary that will serve as the Group’s strategic subsidiary responsible for the development of the mobile commerce business.

(1) Mobile Content Business

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

(2) Commerce Business

The commerce business is being expanded by developing direct marketing, with the Group promoting its own brand of cosmetics, health foods, liquors using advertising and promotions, mainly by advertising in local information magazines and through flyers. Merchandise orders are taken by CYBIRD’s call center and processed and delivered. Outlet Plaza Co., Ltd., is carrying out retail and wholesale sales of consumer electronics products. In the mobile phone-based mobile commerce business, the Group plans to further expand its business by principally targeting F0 and F1 customers.

Note: F0: Girls 19 years old or younger; F1: Women from 20 to 34 years old.

(3) Solution Business

We provide consulting services for mobile Internet businesses and solution services utilizing mobile phones for the planning, development, and operation of mobile Internet sites. In compensation for these services, we receive consulting fees and planning/ development/ operating fees. In addition, we provide support services for direct sales and software development and sales and related system building services for e-commerce business.

(4) Advertising Business

We develop and sell e-mail products targeting specific customer groups and mobile advertising products for Web sites. We also perform advertising agency services to support the direct sales activities of other companies.

(5) Investment Business

Under the management and control of consolidated subsidiary CYBIRD Investment Partners Inc., this business structures the CYBIRD Plus Mobile Fund and operates it based on ¥2.6 billion fund.

(6) International Business

We provide Mobile Content distribution business in North America through Airborne Entertainment Inc. whose 85% shares are owned by CYB INVESTMENT INC., our consolidated subsidiary.

1-2 CYBIRD's Consolidated Companies

Company	Principal Business	Capital	CYBIRD's Stake (%)
CYBIRD Co., Ltd.	Mobile Content Solution	¥350 mil.	100.0
JIMOS CO., LTD.	Commerce Solution	¥1,197 mil.	100.0
CYBIRD Investment Partners Inc.	Investment	¥175 mil.	100.0
CYB INVESTMENT INC. (Note 1)	Overseas Investment	US\$4,331	100.0
S-CREW Inc.	Mobile Content Commerce	¥35 mil.	53.6

- Notes: 1. CYB INVESTMENT's subsidiary Airborne Entertainment Inc., is a consolidated subsidiary in which CYBIRD indirectly holds a 85% stake.
2. The advertising business of the Group is primarily being developed by CYBIRD's subsidiary, PLUS COMMUNICATIONS Co., Ltd.
3. Based on the investments of the above companies, CYBIRD Holdings has acquired subsidiaries and affiliates in addition to the five companies shown above. CYBIRD Holdings has a total of 16 consolidated subsidiaries and one affiliate accounted for by the equity method.

1-3 CYBIRD Group Business Chart

Main subsidiaries and affiliate under each business field and its Business Chart

