

Consolidated Financial Results for 1 Q of Fiscal Year Ending March 31, 2008

C  BIRD HOLDINGS

CYBIRD HOLDINGS Co., Ltd.

August 9, 2007

Consolidated Financial Topics

1. Set a new quarterly sales record. Revenues were strong.
2. Maintained growth and profitability in the Mobile Content business.
3. The effect of advertising on the direct marketing of cosmetics (Commerce business) from the previous term contributed to revenue
4. Continued to promote initiatives designed to bolster revenues in growth areas.

1Q of FY2007 Consolidated Results (Summary)

Set a new quarterly sales record. Revenues were strong.

(Unit: Million yen, Round down)

	FY06 1Q	FY06 3Q	FY06 4Q	FY07 1Q	YoY Change s		Major factors
						% of changes	
Net Sales	4,031	7,608	7,512	7,655	3,624	189.9%	<ul style="list-style-type: none"> ➢ A rise of ¥200 million (8%) year on year in Mobile Content, and an increase of ¥2.8 billion in Commerce with the consolidation of JIMOS ➢ Rises of ¥200 million and ¥300 million in Solution and Advertising, respectively
Gross Profit (% of sales)	1,665 (41.3%)	3,570 (46.9%)	3,566 (47.5%)	3,382 (44.2%)	1,717 (2.9pt)	203.1%	<ul style="list-style-type: none"> ➢ The profit margin fell slightly from the second half of the previous term as a result of a change in the sales breakdown reflecting seasonal influences in Commerce.
Operating Income (% of sales)	37 (0.9%)	306 (4.0%)	135 (1.8%)	338 (4.4%)	300 (3.5pt)	902.9%	<ul style="list-style-type: none"> ➢ The expense ratio declined with effective cost control in advertising etc. ➢ The amortization of goodwill fell from the previous term.
Ordinary Income	(307)	256	136	286	593	—	
Net Income	(270)	(47)	(5,599)	53	324	—	<ul style="list-style-type: none"> ➢ A total of ¥220 million was posted as corporate income tax and as an adjustment for corporate income tax
EBITDA (Note)	301	656	463	566	265	188.0%	<ul style="list-style-type: none"> ➢ Depreciation: ¥145 million Amortization of goodwill: ¥83 million

→ Including JIMOS from 3Q

(Note) Operating income + Depreciation + Straight-line amortization of goodwill

1Q of FY2007 Consolidated Results (Sales by Segment)

Quarterly Sales by Segment

(Unit: Million yen, Round down)

	FY06				FY07	YoY Changes	% of changes	Major factors
	1Q	2Q	3Q	4Q	1Q			
Mobile Content	2,873	2,866	2,960	3,346	3,105	232	108.1%	Sales of major content, in particular, were strong. (The decline from Q4 reflects seasonal effects.)
Commerce	62	91	3,160	2,876	2,925	2,862	4,683.6%	Advertising since the previous term for the direct marketing of JIMOS goods, especially cosmetics, contributed to sales. The performance of Outlet, a subsidiary, was good.
Solution	542	686	892	628	752	209	138.5%	Revenues in support of direct marketing of JIMOS and Commerce21, an EC subsidiary, contributed.
Advertising	30	38	56	130	351	321	1,146.0%	A direct marketing advertising agency business for companies in addition to the sale of mobile advertising contributed.
Investment	-	143	5	-	-	-	-	An investment was made in a new company in the first quarter. (Investments have been made in seven companies, including those that have already done their IPOs.)
International	522	591	533	529	521	(1)	99.8%	The Company is focusing on responding to growth in 3G content in North America.
Total	4,031	4,418	7,608	7,512	7,655	3,624	189.9%	

1Q of FY2007 Consolidated Results (SG&A Expenses)

SG&A Expenses Breakdown

(Unit: Million yen, Round down)

	FY06				FY07	Changes from 4Q	Major factors
	1Q	2Q	3Q	4Q	1Q		
Personnel expenses	528 (13.1%)	467 (10.6%)	935 (12.3%)	915 (12.2%)	923 (12.1%)	8	
Advertising expenses	44 (1.1%)	59 (1.4 %)	854 (11.2%)	808 (10.8%)	644 (8.4%)	(163)	Advertising expenses declined due to seasonal control in accordance with the advertising strategy in the direct marketing business.
R&D expenses	230 (5.7%)	234 (5.3%)	236 (3.1%)	241 (3.2%)	248 (3.2%)	6	
Commissions paid	448 (11.1%)	410 (9.3%)	501 (6.6%)	591 (7.9%)	574 (7.5%)	(17)	
Goodwill amortization	95 (2.4%)	93 (2.1%)	180 (2.4%)	176 (2.3%)	83 (1.1%)	(93)	Amortization fell significantly following a write-down of the goodwill of JIMOS in the previous term.
Others	280 (7.0%)	327 (7.4%)	555 (7.3%)	698 (9.3%)	571 (7.5%)	(127)	In Q4 of the previous term, there was a temporary cost increase with the consolidation of part of the Group businesses at head office.
Total	1,627 (40.4%)	1,593 (36.1%)	3,263 (42.9%)	3,431 (45.7%)	3,044 (39.8%)	(386)	

※% of sales are in parentheses.

1Q of FY2007 Consolidated Results (Operating by Segment)

(Unit: Million yen, Round down)

	Mobile Content	Commerce	Solution	Advertising	Investment	International	Head office	Total
Net Sales	3,105	2,925	752	351	-	521	-	7,655
Operating Income (% of profit)	732 (23.6%)	150 (5.1%)	-101 (-)	-46 (-)	-14 (-)	-10 (-)	-370 (-)	338 (4.4%)

Mobile Content: Recorded strong income as a main profit-making source.

Commerce: Revenues from the direct marketing of cosmetics were stable due to the effect of advertising since the previous fiscal year. A fall in goodwill amortization also contributed to operating income.

Solution: Principal operations include the commissioned development of mobile sites, support for direct marketing, and the development of e-commerce websites. Since the number of personnel in this segment accounts for a significant percentage of the total, the segment has an adverse effect on the pro-rata allocation of indirect costs. However, the main operations remained profitable prior to the allocation. Less profitable businesses were being reviewed and scaled down.

International: Operating income was ¥42 million before the goodwill of overseas subsidiaries

1Q of FY2007 Consolidated Financial Position

(Unit: Millions yen, Round down)

	FY06	FY07 1Q	YoY changes	Major Factors
Current assets	11,945	12,157	212	
Tangible and intangible fixed assets	7,623	7,623	-0	
Investments and other assets	3,009	2,949	-59	Sale of shares of affiliates
Total assets	22,578	22,730	152	
Liabilities	7,762	7,933	171	A fall of ¥250 million in current liabilities (including accounts payable) A rise of ¥420 million in long-term liabilities (bonds issued by an overseas subsidiary)
Net assets	14,815	14,796	-18	
Capital surplus	(14,469)	(9,067)	(-5,401)	Appropriated for compensating for a non-consolidated loss for the previous term
Retained earnings	(-6,195)	(-789)	(5,406)	Ditto
Total liabilities and net assets	22,578	22,730	152	

1Q of FY2007 Consolidated Cash Flows

While total operating cash flows were negative, EBITDA was firm, and cash flows were positive before payments of interest and income taxes

(Unit: Million yen, Round down)

	FY05 1Q	FY06 1Q	FY07 1Q	Major factors
Operating cash flow	(876)	(216)	(322)	EBITDA was firm; cash flows before interest payments and income taxes were positive.
EBITDA	159	301	566	Operating income 338 + depreciation and goodwill amortization 228
Changes of floating capital etc.	(180)	(220)	(484)	The main factor was a fall in accounts payable
balance of financial and tax expenses	(856)	(297)	(404)	Tax payments were -344
Investing cash flow	(5,398)	(158)	(192)	Purchases of software, etc.
Financing cash flow	4,342	265	354	Issuing bonds of a subsidiary in North America, etc.
Change	(1,933)	(110)	(150)	

Translation difference of cash, etc.	0	0	9
Ending balance of cash	1,320	1,587	5,013

(Note) Cash increase/decrease = Operating CF + Investing CF + Financing CF + Cash etc. translation difference

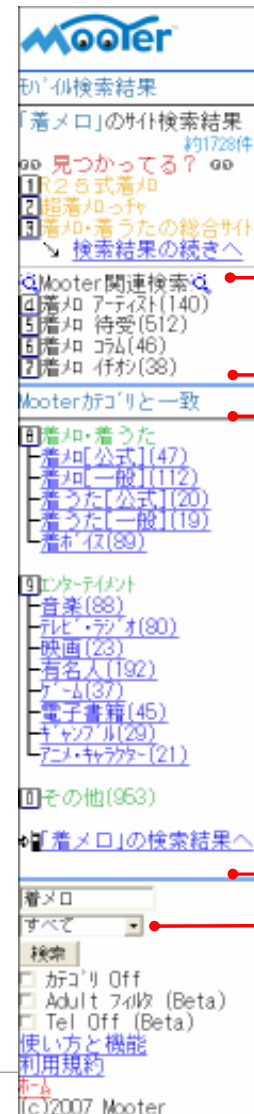
The Mobile Search Engine Mooter Will Be Launched Soon!

The Company is concentrating on developing and examining services that will improve convenience for its customers, encouraging continuous use and sustained profits. The first outcome of this focus is Mooter, a mobile search engine to be launched soon.



Search by Key-word
'Chaku-Mero'

Search by Key-word
'Bike'

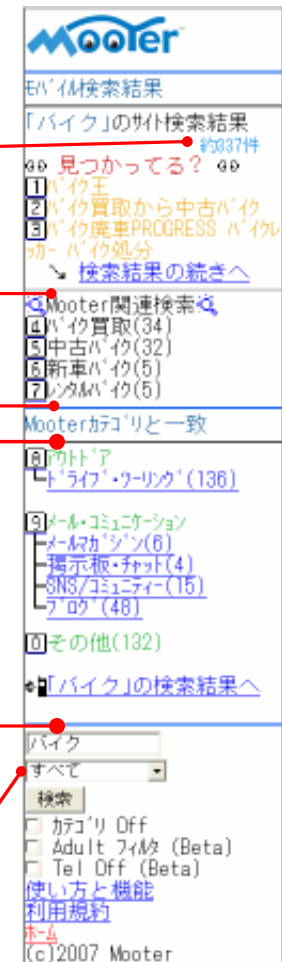


Total number of websites hit

Mooter search (cluster)

Display of categories

Choice of categories



Mooter will be gradually introduced to all mobile services provided by CYBIRD (official and unofficial websites-note).



(Note) The assumed total number of users that will enable exposure of Mooter is 15 million.

Expected effects

- (1) Will increase retention rate by improving user benefits
- (2) Will promote the use of services, avoid the natural reduction or disappearance of user contact points, and obtain continuous opportunities to introduce the Company's services by providing practical services in addition to entertainment services
- (3) Will expand revenue by beginning to sell pay-for-performance advertising

— Search-result page —