

#### d. Advertising Business

In the first quarter, consolidated net sales of the Advertising Business amounted to ¥351 million, rising ¥321 million thanks to mobile advertising revenues and earnings contributions from the direct sales advertising agency business targeting corporate clients. Although the scope of the business remains small, we are continuing to focus on building a client base of advertisers and establishing an advertising media that prioritizes customer acquisition and purchase rates. We also are developing new mobile advertising centered on search-linked advertising (listing advertising), aiming to further expand earnings by increasing sales to advertising agencies and by strengthening our direct advertising sales organization.

#### e. Investment Business

There were no revenues in the Investment Business during the first quarter. However, through the CYBIRD Plus Mobile Fund Investment Business Limited Partnership, which is managed and supervised by wholly owned subsidiary CYBIRD Investment Partners Inc., the Company invested in one new company during the quarter. With this investment, the Investment Business has invested in six companies, and is endeavoring to discovery other candidates for investment.

#### f. International Business

Based on the revenues of North America content provider Airborne Entertainment Inc., International Business sales totaled ¥521 million in the quarter under review. Along with the introduction of advanced mobile devices, sales of 3G moving picture content and game content are expanding rapidly. As a result, Airborne Entertainment is concentrating on meeting market demand through such strategies as developing 3G moving picture content and providing high-value-added services in its mobile-based B-to-B business.

## 2. Qualitative Data on Consolidated Financial Statements

### (1) Condition of Assets, Liabilities and Net Assets

Total assets at the end of this quarter amounted to ¥22,730 million. While the total liabilities amounted to ¥7,933 million and total net assets including subscription right and minority interests amounted to ¥14,796 million.

Total assets increased substantially compared with the end of the same period of the previous year due to the business integration of CYBIRD and JIMOS based on a share exchange at the beginning of the second half of the previous consolidated fiscal year, by which JIMOS became a consolidated subsidiary.

	June 30, 2006	June 30, 2007
Equity ratio (%)	66.5	61.0
Equity ratio on a market value basis (%)	166.5	64.6
Debt Redemption (years )	-	-
Interest Coverage Ratio (times)	-	-

Equity ratio: shareholders' equity / total assets

Equity ratio on a market value basis: aggregate market value / total assets

Debt redemption (years): interest-bearing debt / operating cash flow

Interest coverage ratio: operating cash flow / interest payment

Note 1) Aggregate market value was calculated by using total issued and outstanding shares at the end of the period multiplied by the closing price for CYBIRD Holdings' stock on the last day of business in this quarter.

2) Operating cash flow is used in the calculation of Debt Redemption and Interest Coverage Ratio. "Interest-bearing debt" includes all balance sheet debt with interest payment.

3) Debt Redemption and Interest Coverage Ratio as of June 30, 2006 and 2007 are not mentioned due to a negative cash flow from operating activities..

(2) Primary Lender (As of June 30, 2007)

a. CYBIRD Holdings Co., Ltd. (Unit: Thousands of yen, Round down)

Lender	Amount
The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Foreign currency) (Note)	1,840,271
Sumitomo Mitsui Banking Corporation (Foreign currency) (Note)	616,300
Total	2,456,571

(Note) Figures are calculated at the middle rate ¥123.26 on June 30, 2007.

b. Airborne Entertainment Inc. (Unit: Thousands of yen, Round down)

Lender	Amount
Welling Financial (Note)	202,639
Total	202,639

(Note) Figures are calculated at the middle rate ¥117.93 on March 31, 2007.

(Unit: Thousands of yen, Round down)

Name of bonds	Amount
FY2006 Corporate Bond (Note)	339,538
FY2007 Corporate Bond (Note)	477,181
Total	816,719

(Note) Figures are calculated at the middle rate ¥117.93 on March 31, 2007.

c. S-CREW INC. (Unit: Thousands of yen, Round down)

Lender	Amount
The Tokyo Tomin Bank Limited	31,631
Sumitomo Mitsui Banking Corporation	94,436
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	58,345
SEIBU SHINKIN BANK	1,104
Total	185,516

(3) Consolidated Cash Flow Statement

At the end of June 2007, cash and cash equivalents totaled ¥5,013 million, increasing by ¥3,425 million, 215.8%, from the same period in the previous year, and decreasing by ¥150 million, 2.9%, from the last fiscal year. Conditions/contributing factors in each cash flow segment for the period under review are as follows.

(Cash flow from operating activities)

Cash flows from operating activities for the first quarter declined ¥322 million compared with a decrease of ¥216 million in the same period in the previous fiscal year. Among the positive factors contributing to this result in addition to operating income of ¥338 million were depreciation and straight line amortization of goodwill totaling ¥228 million. Among cash outflows were an increase in working capital, principally due to a decrease in accounts payables, and higher income taxes.

(Cash flow from investing activities)

Cash flow from investing activities fell by ¥192 million compared with a decrease of ¥158 million in the same period in the prior fiscal year. The cash outflow resulted from expenditures for the purchase of software.

(Cash flow from financing activities)

Cash flow from financing activities expanded ¥354 million compared with an increase of ¥265 million in the prior fiscal year. The increase was primarily due to proceeds from a bond issue by an overseas.

### 3. Others

- (1) Changes in significant subsidiaries during the year (Changes in certain subsidiaries resulting in changes in the scope of consolidation):  
N/A
- (2) Adoption of Simplified Accounting Method:  
Allocation criteria of corporate tax etc. were calculated at the tax rate of annual forecast based on legal effective tax rate.
- (3) Change in the Scope of Consolidation:  
N/A