

Consolidated Financial Results of Interim for Fiscal Year ending March 31, 2008

C  B I R D[®] H O L D I N G S

CYBIRD Holdings Co., Ltd.

November 22, 2007

**Consolidated net sales reached a record high.
Ordinary income has also maintained an upward trend.**

1. Because of effective promotion and other activities, the growth and profitability of the mobile content business continues to transition steadily.
2. Thanks to the effects of strategic advertising, cosmetic mail orders (the commerce business) are also growing.
3. The development and enhancement of platforms continue to make growing businesses profitable.

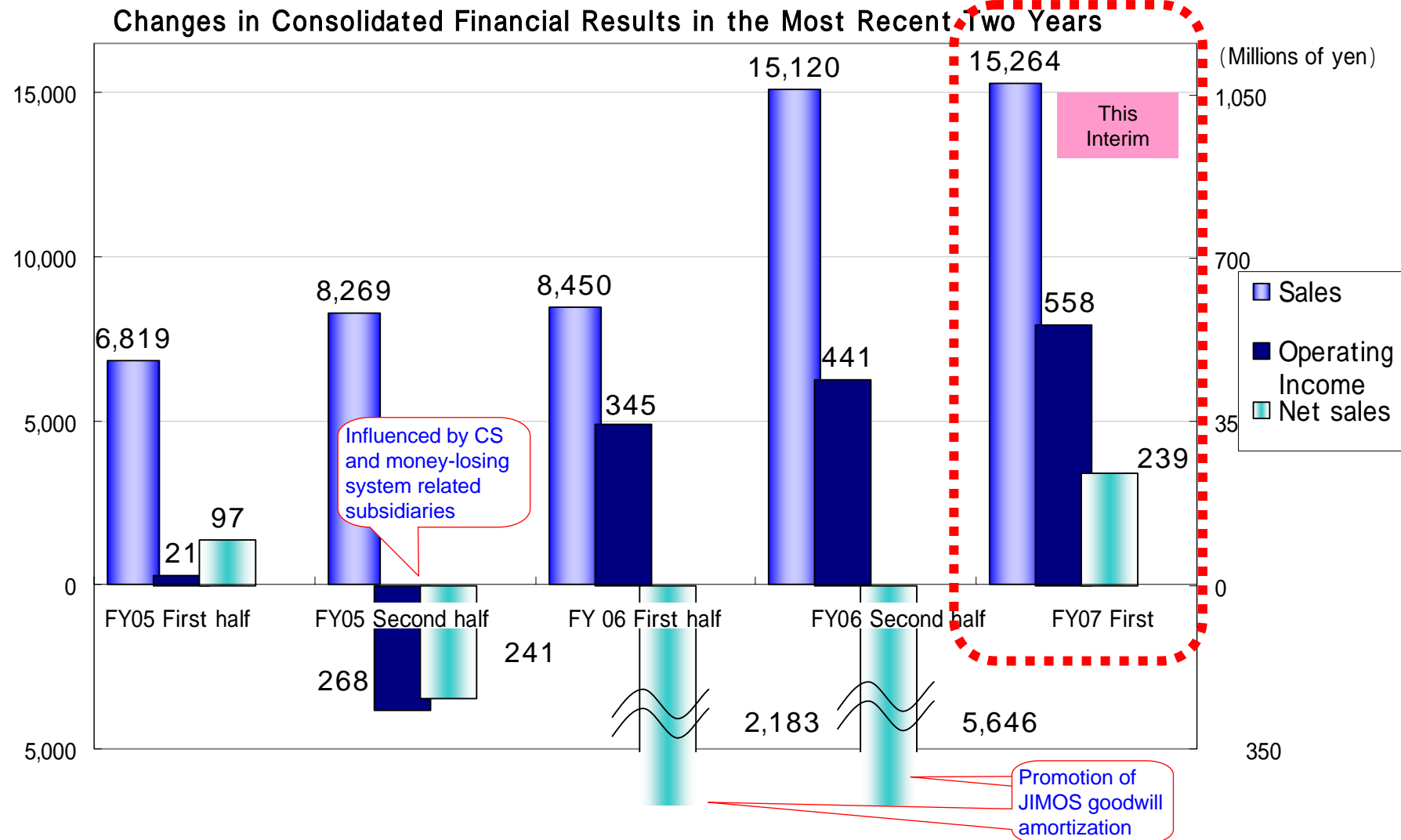
FY2008 Consolidated Interim Results (Summary)

Consolidated Interim net sales records high, profitability continue to transition steadily (Unit: Millions of yen, Rounded down)

	FY06 Interim	FY06 3Q	FY06 4Q	FY07 Interim	FY07 1Q	FY07 2Q	YoY Change	Major factors
		⇒JIMOS included from 3Q						
Net Sales	8,450	7,608	7,512	15,264	7,655	7,608	6,813 (180.6%)	<ul style="list-style-type: none"> ➢ Mobile content sales 6.1 billion yen ➢ E-commerce sales 6 billion yen ➢ Advertising sales 0.6 billion yen
Gross Profit (% of sales)	3,566 (42.2%)	3,570 (46.9%)	3,566 (47.5%)	6,665 (43.7%)	3,382 (44.2%)	3,283 (43.2%)	3,099 (186.9%)	<ul style="list-style-type: none"> ➢ The gross profit margin of the mobile content business continues to improve. ➢ The gross profit margin of the e-commerce business declined slightly compared with the second half of the previous year, immediately after the integration due to seasonal factors (sales composition).
Operating Income (% of sales)	345 (4.1%)	306 (4.0%)	135 (1.8%)	558 (3.7%)	338 (4.4%)	220 (2.9%)	213 (161.8%)	<ul style="list-style-type: none"> ➢ Through allocation of effective advertising expenses, control is performed ➢ Goodwill amortization decreased on a year-over-year basis
Ordinary Income	-1,945	256	136	445	286	159	2,390	<ul style="list-style-type: none"> ➢ The equity method investment loss related to JIMOS had an influence in the previous interim period.
Net Income	-2,183	-47	-5,599	239	53	185	2,422	
EBITDA (Note)	786	656	463	1,037	566	470	250 (131.9%)	<ul style="list-style-type: none"> ➢ Depreciation expense 310 million yen ➢ Goodwill amortization 168 million yen

(Note) Operating income + Depreciation expense + Goodwill amortization

With solid existing operations and new businesses, a steady upward trend has been sustained for ordinary profit. The work already done to consolidate or sell weaker subsidiaries and amortize goodwill has also contributed to the recovery of profit in the current period.



FY2008 Consolidated Interim Results (Sales by Segment)

Sales by Segment

単位:百万円(単位未満切捨)

	FY06 Interim	FY06 3Q	FY06 4Q	FY07 Interim	FY07 1Q	FY07 2Q	YoY Changes (% of changes)	Major Factors
		⇒JIMOS included from 3Q						
Mobile Content	5,739	2,960	3,346	6,183	3,105	3,078	444 (107.7%)	➢Due to effective promotion strategies, firm transition is observed, centering on main contents.
Commerce	154	3,160	2,876	6,044	2,925	3,118	5,889 (3913.2%)	➢In addition to JIMOS cosmetic mail order business, sales of a subsidiary, OutletPlaza, is brisk.
Solution	1,229	892	628	1,415	752	663	185 (115.1%)	➢The mail order support business of JIMOS and revenues generated by Commerce 21, an e-commerce subsidiary, have made contributions.
Advertising	69	56	130	615	351	263	546 (883.5%)	➢In addition to mobile advertising sales, the mail order advertisement agent business for companies has made a contribution.
Investment	143	5	—	—	—	—	-143 (—)	➢New investment activities: Three companies (The accumulated number of investments is nine companies, including existing IPOs)
International	1,113	533	529	1,004	521	483	-108 (90.3%)	➢Growth in 3G content in the North American market is being addressed.
Total	8,450	7,608	7,512	15,264	7,655	7,608	6,813 (180.6%)	

FY2008 Consolidated Interim Results (Operating profit by segment) 

Unit: Millions yen, Round down

	Mobile Content	Commerce	Solution	Advertising	Investment	International	Head Office	Total
Net Sales	6,183	6,044	1,415	615		1,004		15,264
Operating Income (% of profit)	1,455 (23.5%)	248 (4.1%)	-116 (-8.3%)	-127 (-20.7%)	-51 (-)	-85 (-8.5%)	-764	558 (3.7%)

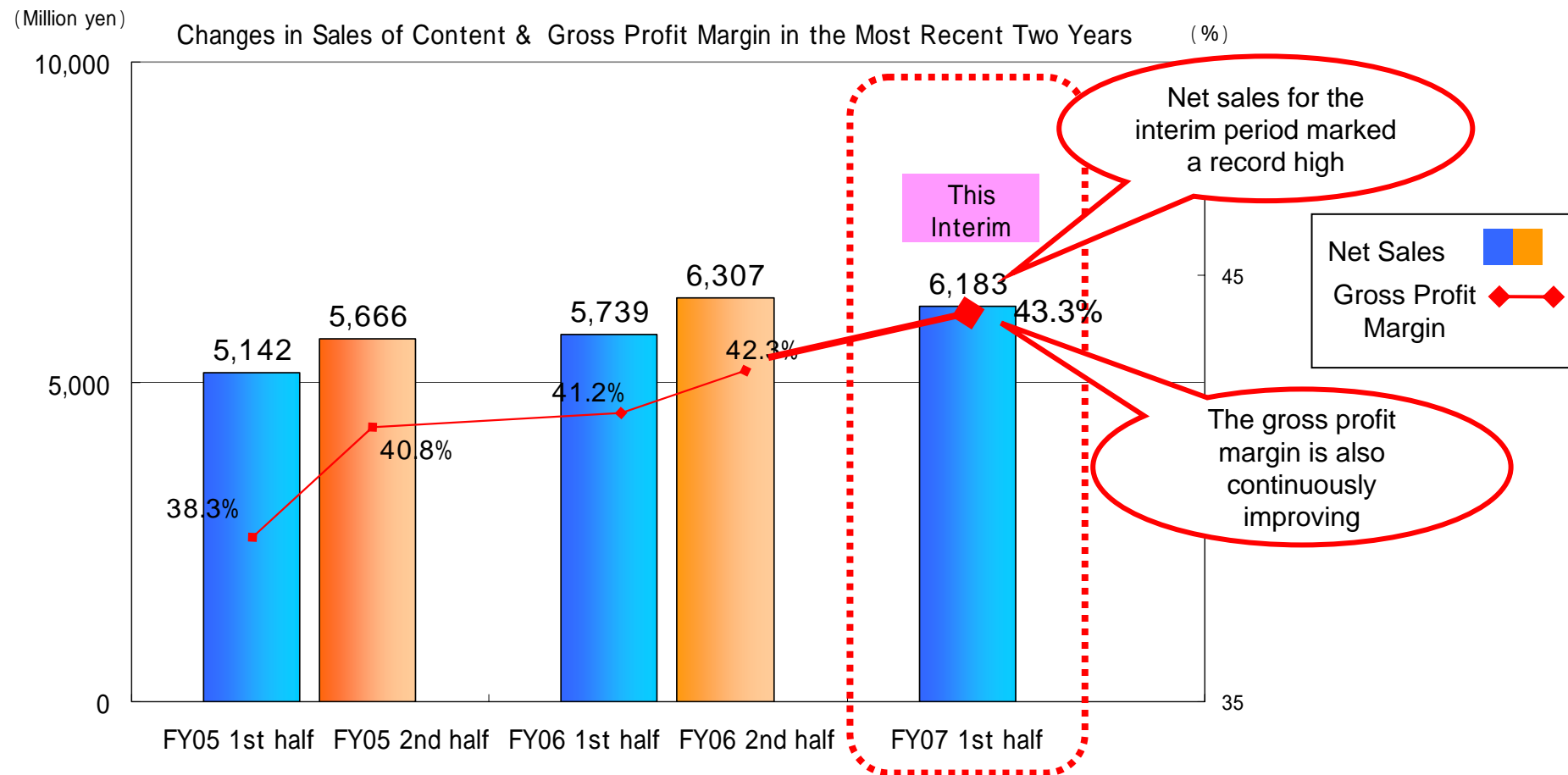
- Solution business: Because of the ratio of the number of employees, the influence of indirect cost allocation is relatively high. However, operating profit is ensured before the allocation.
- International business: Operating profit is ensured before recording overseas subsidiary goodwill amortization (107 million yen is recorded for the current interim period).
- Headquarters: Personnel expenses and expenses related to public stock offerings (such as administration and auditing costs related to securities) of group holding companies, etc.

Business Overview

Mobile content business – Overview-

The increase in revenues has been sustained and net sales reached a new record high on an interim period basis.

- Effective promotion
- Acquisition of revenue share following the development and release of new content and the contract operation of other companies' content.
- Also implementation of future ARPU improvement measures through the introduction of a new charging system to existing chargeable sites.



Continuously release new popular contents



- Hanshin Tigers official mobile phone site
April start

- Blog queen, Shoko Nakagawa, official mobile phone site 'Shokotan Mobile'
September start

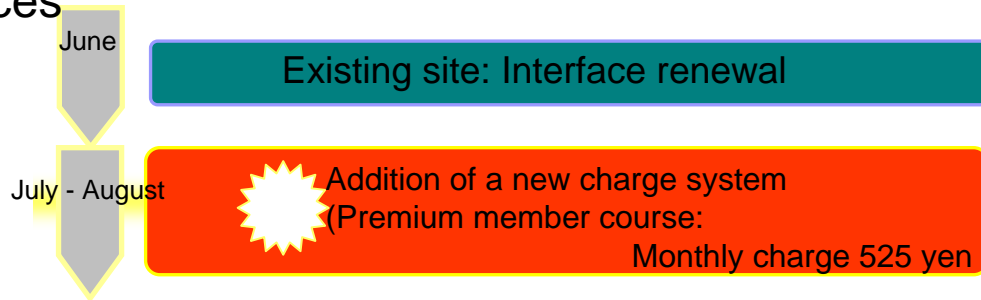


- Street dance culture
Total information mobile site 'DANCE BUSTA!!'
September start



Introducing a new charge system

□ The new Ryuji Kagami Love Astrology premium member course with added services



□ Launch of the bikini model movie mobile site, LOVEDOL, with high image quality, to be accessed based on a range of charge settings



Introduced a three-pattern system, which enables users to select one of the following three charge courses for the monthly information charge:

315 yen course, 525 yen course, and 2,100 yen course

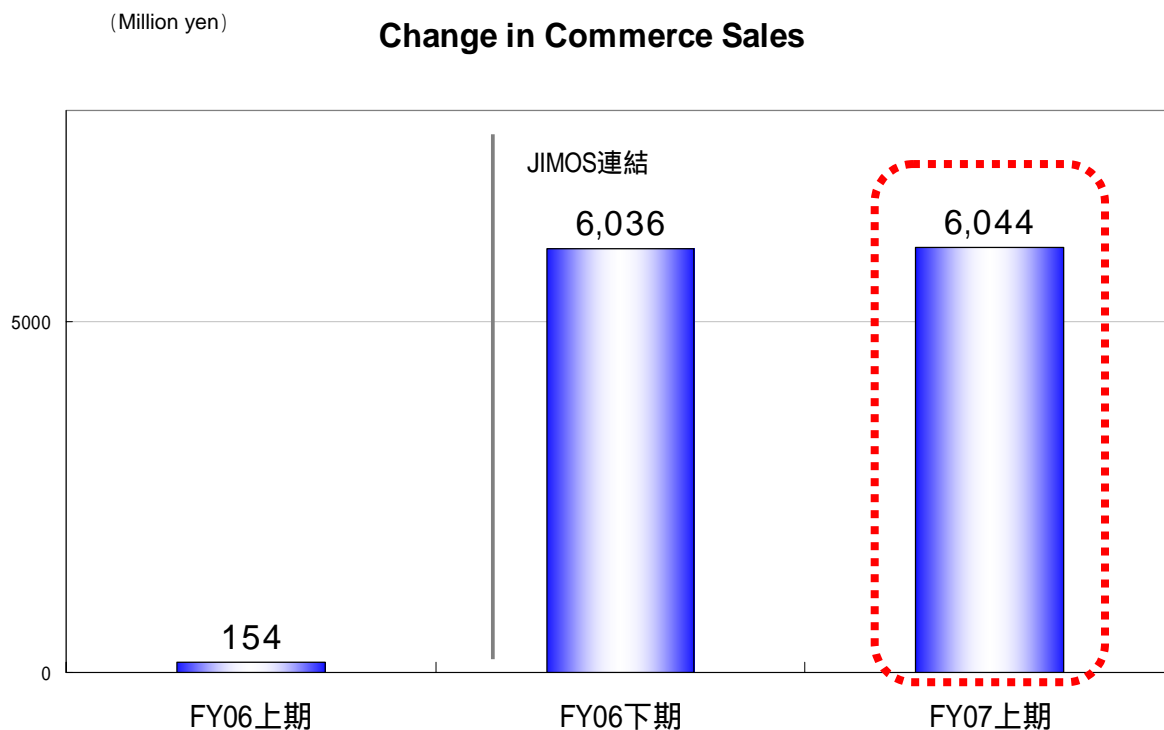
Points granted vary depending on the course. The number of downloadable items varies with granted points. It is possible to register with more than one course.

The addition of points is also allowed through a individual charge system

315 yen, 525 yen, and 1,050 yen

The business has firmly transitioned, centering on the cosmetic mail order business.

- Steady progress has been made in improving the repeat business ratio through active sales of basic cosmetics and increasing the number of active members by stimulating inactive customers.
- New release and renewal of products to be sold through the mail order service (cosmetics, health foods, and liquor)
- Improvement in profitability, emphasizing the effectiveness of advertising investments
- Growth in outlet product sales



Authentic wheat shochu "Rainbow Dew – Seijyuku -"

Commercialized premium shochu that had been lying dormant in breweries in Kyushu.



化粧品

Whitening serum "Medicated Active Power Bright"

Product development and release according to the demand season are also steady.



E-commerce business

– Outstanding performance award given to the JIMOS contact center -

- The sales promotion undertaken by the JIMOS contact center have greatly contributed to improving the repeat ratio.
- Through an original communication program, an increase in the order price of approximately 20% has been achieved.

“Best Customer Support of The Year 2007” An outstanding performance award was given



The first mail order business company to win the award!

The JIMOS contact center received the “Best Customer Support of The Year 2007,” an award for outstanding performance in the FY2007 Excellent Customer Support Award System held by the Japanese Institute of Information Technology.

Strengths of the contact center

- The development of a range of communication tools and customer analysis methods and the accumulation of knowledge are supported by a policy of “imagining customers” for greater insight into their needs.
- A mechanism has been introduced by which customers reach a communicator best suited to the customer by matching customer information to communicators skills.

This helped improve communicators’ skills, operating efficiency, and satisfaction level.

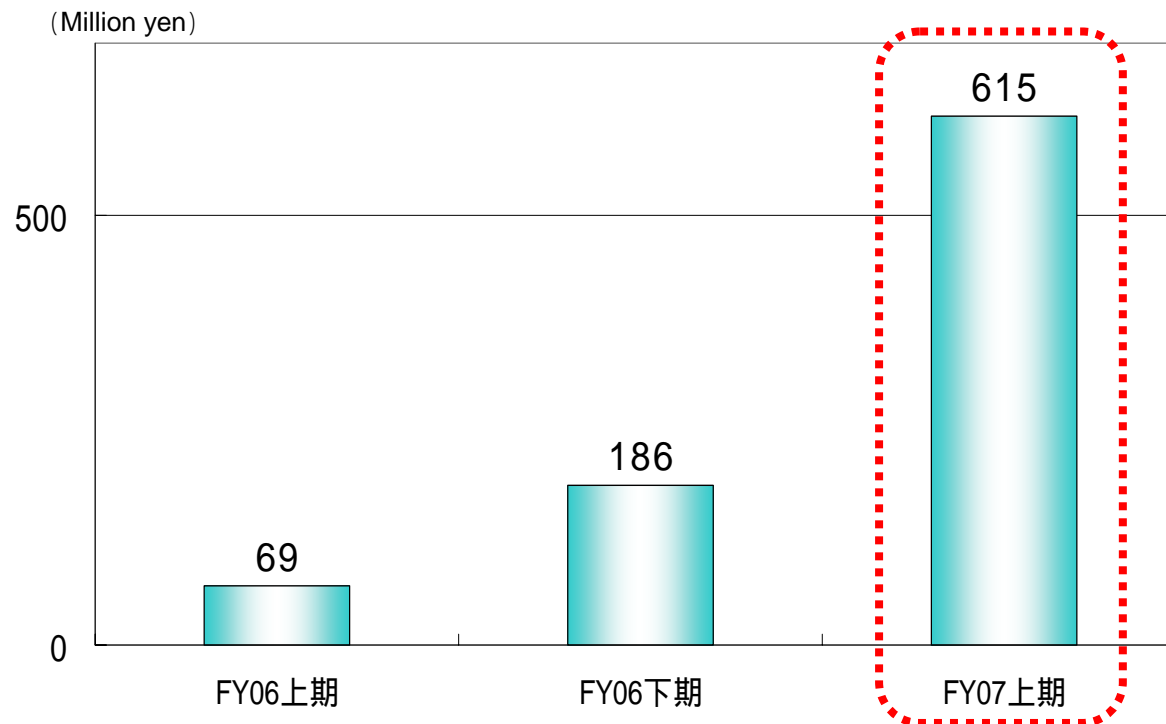
- As a result, an increase in the order price of approximately 20% was generated through the communication program.



Net sales have expanded as a result of improvements in media value through better click through rates (CTR) and conversion rates (CVR) and a strong sales force in media.

- Improvement in the active ratio with continuous gains in media quality.
- Strengthening of the sales force, taking advantage of knowledge and skills to optimize “Media x Products x Creative.”
- Orders were placed from national clients following the development of innovative advertising products.

Change in Sales of Advertising



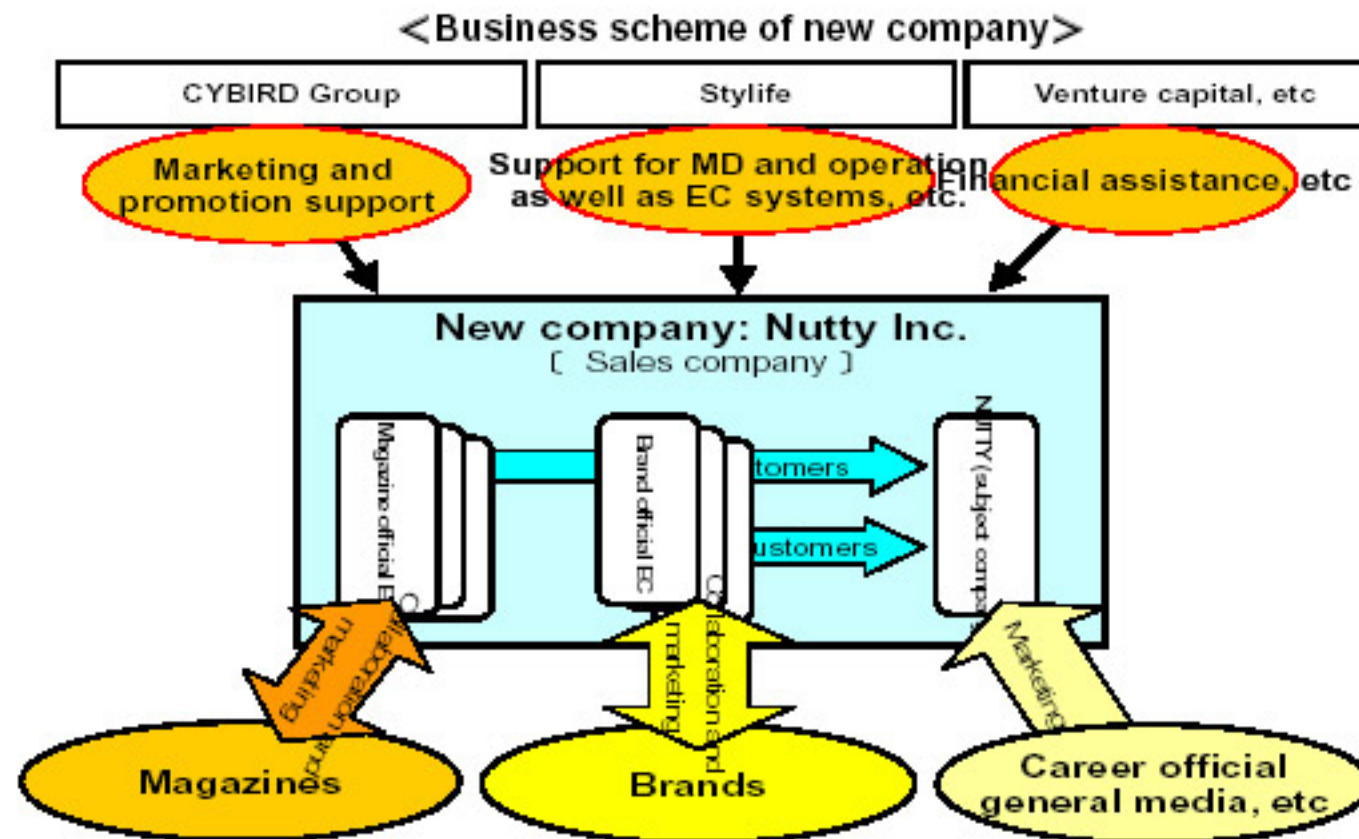
Strengthening the platform – Enhancing channels -

In a collaboration with Stylife Corporation, a new fashion e-commerce company, Nutty Inc. has been established.

CYBIRD Group's purpose

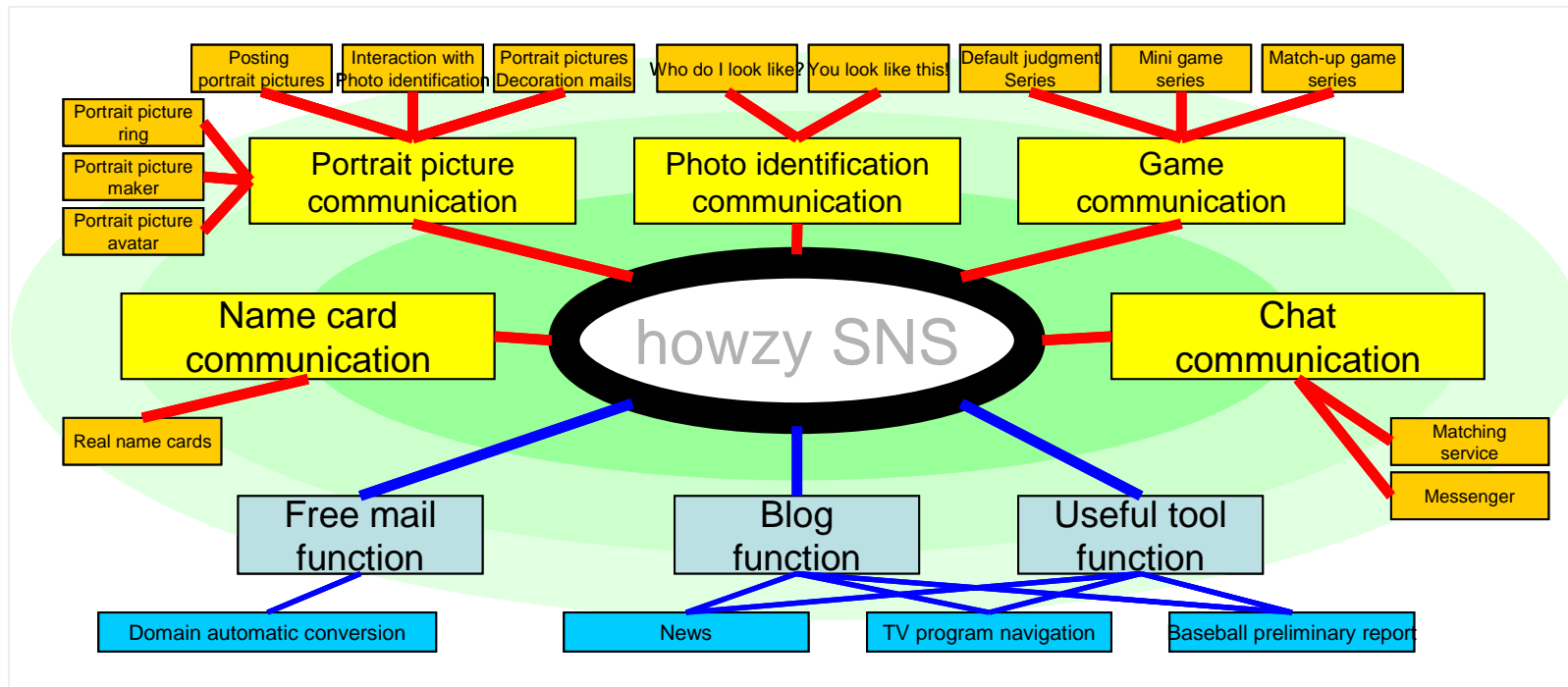
- To acquire a certain percentage of sales in the business by providing customer attraction and promotional support for Nutty Inc.
- To encourage customers of Nutty Inc., which has the ability to attract customers through magazines and brands, to use the CYBIRD platform.

To expand cross-selling in the mobile content and advertising businesses while aiming at maximizing excellent customer assets.



Strengthening the platform – Enhancing services -

- A social networking service (SNS) platform with a projected membership of several million people is scheduled to be officially launched in the winter of 2007. Users will be encouraged to visit the official site.
- By gradually launching mobile services, an improvement in the customer retention ratio will be achieved.



Supporting Material

FY2008 Consolidated Interim Results (SG&A Expenses)

Following business integration with JIMOS, personnel expenses and advertising expenses have largely increased on an interim period comparison basis.

Unit: millions of yen, Round down

	FY06 Interim	FY06 3Q	FY06 4Q	FY07 Interim	1Q	2Q	YoY changes	Major Factors
		⇒JIMOS included from 3Q						
Personnel expenses	995 (11.8%)	935 (12.3%)	915 (12.2%)	1,788 (11.7%)	923 (12.1%)	865 (11.4%)	792	
Advertising expenses	104 (1.2%)	854 (11.2%)	808 (10.8%)	1,368 (9.0%)	644 (8.4%)	724 (9.5%)	1,263	Increased mainly because of strategic promotion in the cosmetic mail order and mobile content business.
R&D expenses	465 (5.5%)	236 (3.1%)	241 (3.2%)	500 (3.3%)	248 (3.2%)	252 (3.3%)	34	
Commission paid	859 (10.2%)	501 (6.6%)	591 (7.9%)	1,136 (7.4%)	574 (7.5%)	562 (7.4%)	277	
Goodwill amortization	188 (2.2%)	180 (2.4%)	176 (2.3%)	168 (1.1%)	83 (1.1%)	85 (1.1%)	(19)	Because of the JIMOS goodwill amortization in the previous period, the amortization amount decreased compared to the second half of the previous period.
Others	607 (7.2%)	555 (7.3%)	698 (9.3%)	1,144 (7.5%)	571 (7.5%)	573 (7.5%)	537	
Total	3,221 (38.1%)	3,263 (42.9%)	3,431 (45.7%)	6,107 (40.0%)	3,044 (39.8%)	3,063 (40.3%)	2,886	

※% of sales are in parentheses.

FY2008 Consolidated Interim Cash Flow

Operating cash flows in the current interim period were significantly influenced by tax expenditure in the first quarter. On the other hand, EBITDA and ordinary income before tax are steady.

Unit: millions of yen, Round down

	FY06 Interim	FY06 3Q	FY06 4Q	FY07 Interim	FY07		Major Factors
					1Q	2Q	
Operating cash flow	274	465	488	165	(322)	487	Tax expenditure in the first quarter significantly influenced operating cash flows.
EBITDA	786	656	463	1,037	566	470	Operating profit 558+Depreciation expenses 310+Goodwill amortization 168
Changes of floating capital	174	433	(565)	(61)	(342)	281	
Others	(315)	(552)	627	(500)	(141)	(358)	The main factor is a decrease in accrued liabilities resulting from a focus on the early repayment of expenses.
Balance of financial and tax expenses	(370)	(72)	(37)	(310)	(404)	94	There was "a refund" of tax collected at source related to subsidiary dividends in the second quarter.
Investing cash flow	(2,589)	(247)	258	(666)	(192)	(474)	Purchase of software and short-term management of overseas subsidiaries, etc
Financing cash flow	2,431	177	266	381	354	27	Issuing of corporate bonds of overseas companies
Changes	113	380	1,017	(95)	(150)	54	
Translation difference of cash, etc.	(3)	(14)	4	23	9	14	
Ending balance of cash	1,811	4,146	5,164	5,068	5,013	5,068	

Including 1,953 cash of JIMOS

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

FY2008 Consolidated Interim Financial Position

Comparative balance sheet (increase/decrease from the end of the previous period)

Unit: Millions of yen, Round down

	F Y06	F Y07 Interim	YoY changes	Major Factors
Current assets	11,945	12,127	182	
Tangible and intangible fixed assets	7,623	7,770	146	
Investment and other assets	3,009	2,656	-352	Decrease in investment securities of 190 million yen, etc
Total assets	22,578	22,555	-23	
Liabilities	7,762	7,222	-539	Decrease in accounts payable and accrued liabilities, etc
Net assets	14,815	15,332	516	Increase in shareholders' equity of 190 million yen as a result of recording an interim net profit and increase in the foreign currency translation adjustment account of 270 million yen, etc
Capital surplus	(14,469)	(9,019)	(-5,449)	Appropriated to cover a non-consolidated loss generated in the previous period
Retained earnings	(-6,195)	(-555)	(5,640)	The same as above
Total liabilities and net assets	22,578	22,555	-23	

Performance Target for the Fiscal Year

Record sales are expected, with contributions from both CYBIRD and the new JIMOS business.

(Unit: Million yen, Rounded down)

	<u>FY2007</u>	<u>FY2006</u>	<u>YoY Change</u>	<u>Change (%)</u>
Net Sales	32,000	23,571	8,429	135.8%
Operating Income	1,200	786	413	152.5%
Ordinary Income	1,000	(1,552)	2,552	-
Net Income	550	(7,830)	8,380	-

The steady momentum towards performance targets observed in the first half will continue and more active business development will be implemented.

➤ Further expand the billing business

- Acquire new members using the CYBIRD platform
- Accelerate the inflow of members into existing content through effective promotion (from effective mobile channels with low costs)
- Actively release new official content.
- Develop new businesses using content information.
- Win orders for projects such as renewing the IP content of other companies
- Improve ARPU by introducing new billing engines to existing billing sites

➤ Accelerate the improvement of the cost structure, including a concentration on key existing content

- Continue the packaging of operation methods
- Recombine content portfolios by replacing unprofitable content and reviewing the services themselves.

Further growth in the cosmetic business and expansion of the revenue foundation leveraging mail order business knowledge and skills.

- Achieve further growth in existing businesses centered on the cosmetics business and ensure a stable profit.
 - Continue to provide popular products, such as the serum foundation, Clear Esthe Veil and lock in revenues.
 - Lead customers to more profitable basic cosmetics, using Clear Esthe Veil as the enticement.
 - Bolster the revenue foundation through activities focused on increasing the number of excellent customers.
 - Improve profitability with an emphasis on investment efficiency.
 - Acquire new members and approach inactive customers by revamping existing products and developing new ones.
 - Expand revenues using customer assets within the Group.
- Expand the revenue foundations using the mail order business knowledge and skilled possessed by JIMOS.
 - Ensure new revenue opportunities through alliances with other companies.
 - Enhance the revenue foundation with the development of new CRM methods.

New advertising methods will continue to be developed and the sales system will be made more effective.

➤ Continue to improve media value

- ✦ Build our activity rate through continuous improvement in media quality
- ✦ Accumulate know-how to optimize synergy among media, products and creativity

➤ Bolster the sales system

- ✦ Create an advertising direct sales team and a sales system for distributors to reinforce development of target clients
- ✦ Develop systems geared to individual sales channels and leverage knowledge and skills to achieve the optimization of “Media x Products x Creative” and accumulation of knowledge and skills.

In addition, at the board meeting held on October 31, 2007, CYBIRD Holdings decided to announce the agreement regarding the tender offer launched by CJ Holdings Co. Ltd. to acquire CYBIRD Holdings' stocks (from November 1, 2007 to December 13, 2007).

However, please note that this document has not assumed that the tender offer will be accepted.