

f. International Business

Based on the revenues of North America content provider Airborne Entertainment Inc. (see note), International Business sales totaled ¥446 million in the interim period. 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.

Note: Airborne Entertainment Inc., changed its corporate name to Airborne Mobile Inc., effective December 7, 2007.

2. Qualitative Data on Consolidated Financial Statements

(1) Consolidated Cash Flow Statement

At the end of the third quarter, cash and cash equivalents totaled ¥5,283 million, up ¥1,137 million, or 27.4%, from the previous third quarter and up ¥215 million, or 4.2%, from the interim period.

(Cash flow from operating activities)

Cash flows from operating activities for the third quarter totaled ¥434 million, increasing ¥465 million from the same period in the previous fiscal year. Among the positive factors contributing to this result in addition to income become income taxes of ¥234 million were non-cash expenditures of ¥161 million, including depreciation expenses, goodwill amortization expenses, and others. Included among negative factors were payment of payables and income tax.

(Cash flow from investing activities)

Cash flow from investing activities decreased by ¥150 million compared with a decrease of ¥247 million in the same period in the prior fiscal year. This result could chiefly be attributed to expenditures for the purchase of software by the Group.

(Cash flow from financing activities)

Cash flow from financing activities contracted ¥13 million compared with an increase of ¥177 million in the previous third quarter. This result was primarily due to the repayment of borrowings.

	December 31, 2006	December 31, 2007
Equity ratio (%)	69.2	63.0
Equity ratio on a market value basis (%)	52.9	75.7
Debt Redemption (years)	2.0	2.0
Interest Coverage Ratio (times)	12.0	6.1

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

(The operating cash flow for the third quarter has been annualized by multiplying by 4)

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.

(2) Primary Lender (As of December 31, 2007)

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

Lender	Amount
The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Foreign currency) (Note)	1,677,385
Sumitomo Mitsui Banking Corporation (Foreign currency) (Note)	561,750
Total	2,239,135

(Note) Figures are calculated at the middle rate ¥112.35 on December 31, 2007.

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

Lender	Amount
Wellington Financial (Note)	230,673
Total	230,673

(Note) Figures are calculated at the middle rate ¥114.91 on September 30, 2007.

(Unit: Thousands of yen, Round down)

Name of bonds	Amount
FY2006 Corporate Bond (Note)	391,203
FY2007 Corporate Bond (Note)	551,568
Total	942,771

(Note) Figures are calculated at the middle rate ¥114.91 on September 30, 2007.

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

Lender	Amount
The Tokyo Tomin Bank Limited	12,495
Sumitomo Mitsui Banking Corporation	69,428
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	41,683
SEIBU SHINKIN BANK	270
Total	123,876

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