






September 2003

**Financial Results
Information Meeting**

November 12, 2003

CYBER AGENT, LTD.

<http://www.cyberagent.co.jp/>

-  **Outline of Consolidated Settlements
(The Forth Quarter)**
-  **Outline of Consolidated Settlements
(September 2003)**
-  **Advertising Agency Business:
Internet Advertising Headquarters**
-  **Internet Media Business: CANetwork**
-  **Cyber Agent Group Medium/Long-Term
Strategy**

Opinions, predictions, etc. described in this data are based on our company's judgment when the data was prepared, and do not guarantee the accuracy of information. It should be noted that there is the possibility that they may greatly differ from actual business performance and results depending on various factor changes.

Outline of Consolidated Settlements

The Forth Quarter of September 2003

Highlights of the Forth Quarter of 2003



Operating income → **This Quarter**
222 million yen
Operating profit margin 4.7% → **Up 83.5% over the previous quarter**
1.8 point improvement over the previous quarter

Sales → **Up 13.5% over the previous quarter** → **General goods including advertising agency business**

Gross margin ratio → **This quarter 43.4%** → **0.7 point improvement over the previous quarter**

Ratio of sales and general administrative expenses to sales → **1.1 point decrease over the previous quarter** → **Effect of cost control implemented since April 2003**

Cash flow → **Operating activities cash flow**
Increase of 353 million yen → **Cash flow balance 8.8 billion yen (approx.)**

Summary of Consolidated Settlements (Forth Quarter)



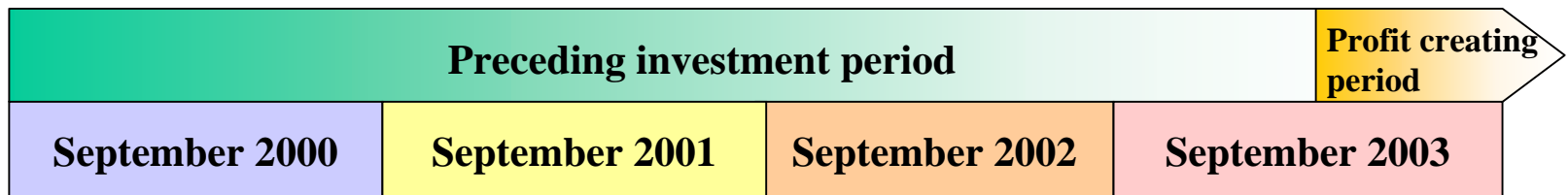
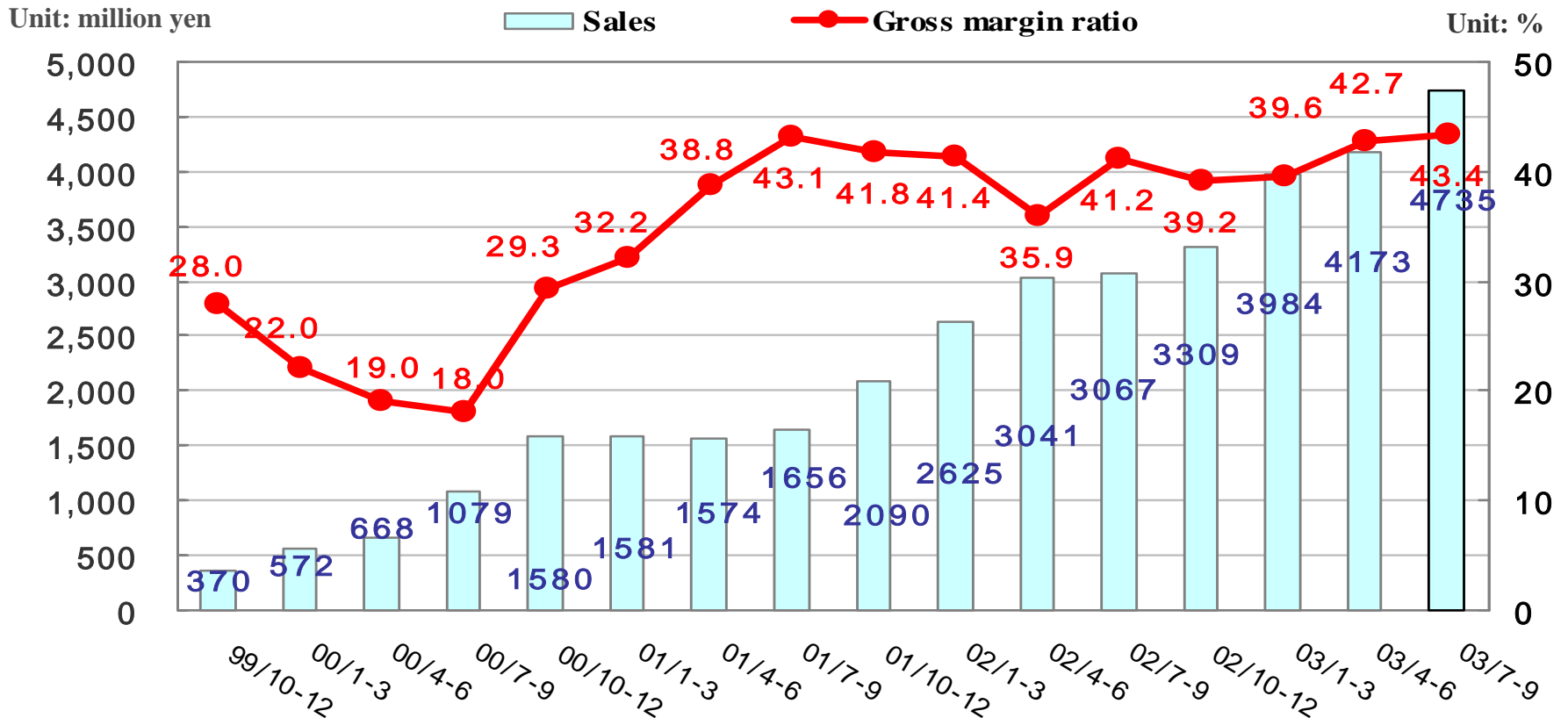
P/L  **Steady improvement of operating profit margin**

Unit (million yen)	The 4th of 2002 Jul. ~ Sep. 2002	The 3rd of 2003 Apr. ~ Jun. 2003	The 4th of 2003 Jul. ~ Sep. 2003
Sales	3,067	4,173	4,735
Gross profit	1,263	1,784	2,678
(Net profit margin)	(41.2%)	(42.7%)	(43.4%)
Sales and general administrative expenses	1,318	1,662	1,834
(Sales and general administrative expenses ratio)	(43.0%)	(39.8%)	(38.7%)
Operating profit	54	121	222
(Operating profit margin)	(1.8%)	(2.9%)	(4.7%)
Ordinary profit	39	122	244
Profit for the current term	35	75	40

Changing in Sales and Gross Margin Ratio



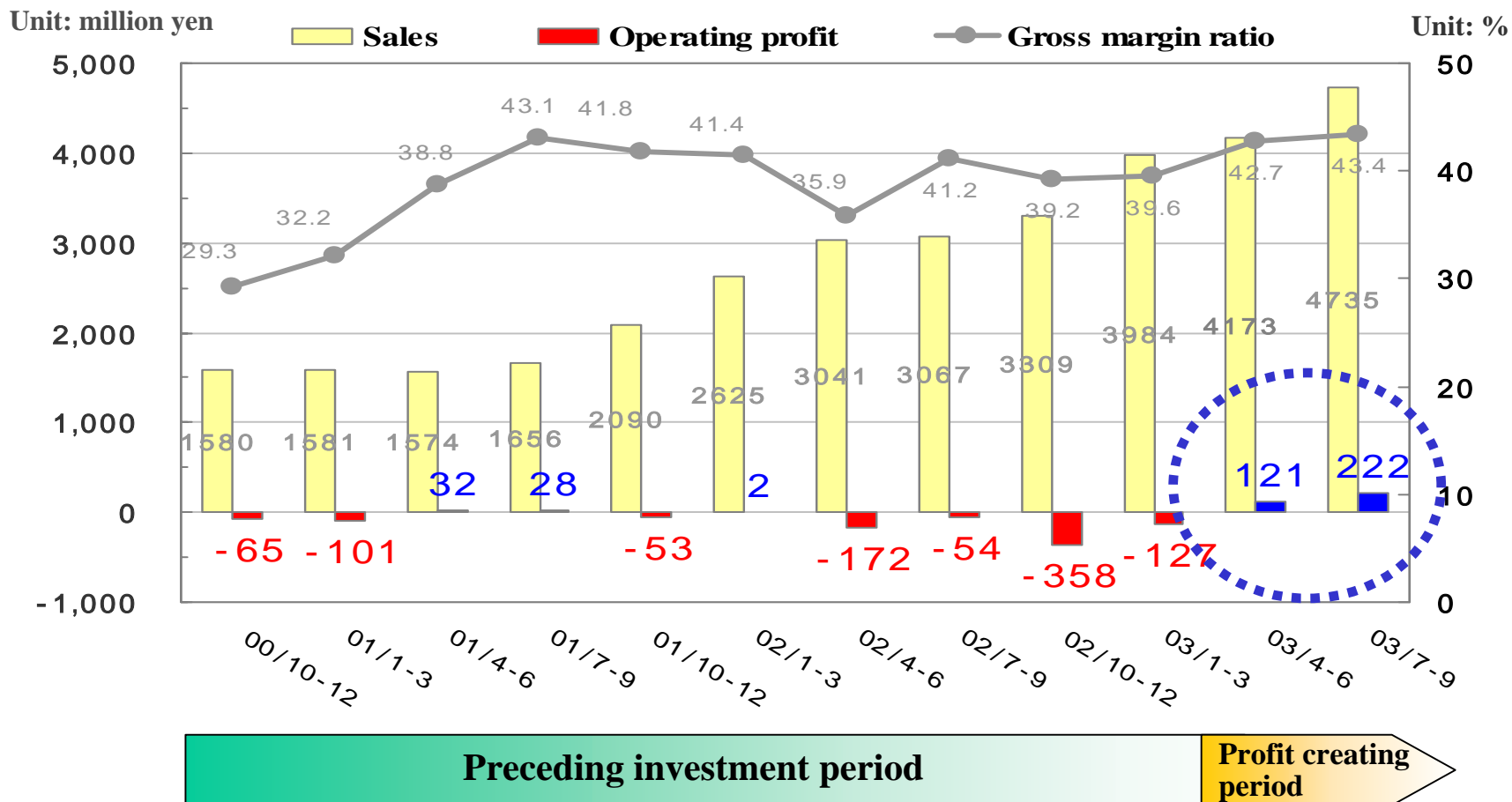
The highest records of sales and gross margin ratio



Quarterly Changes in Operating Profit



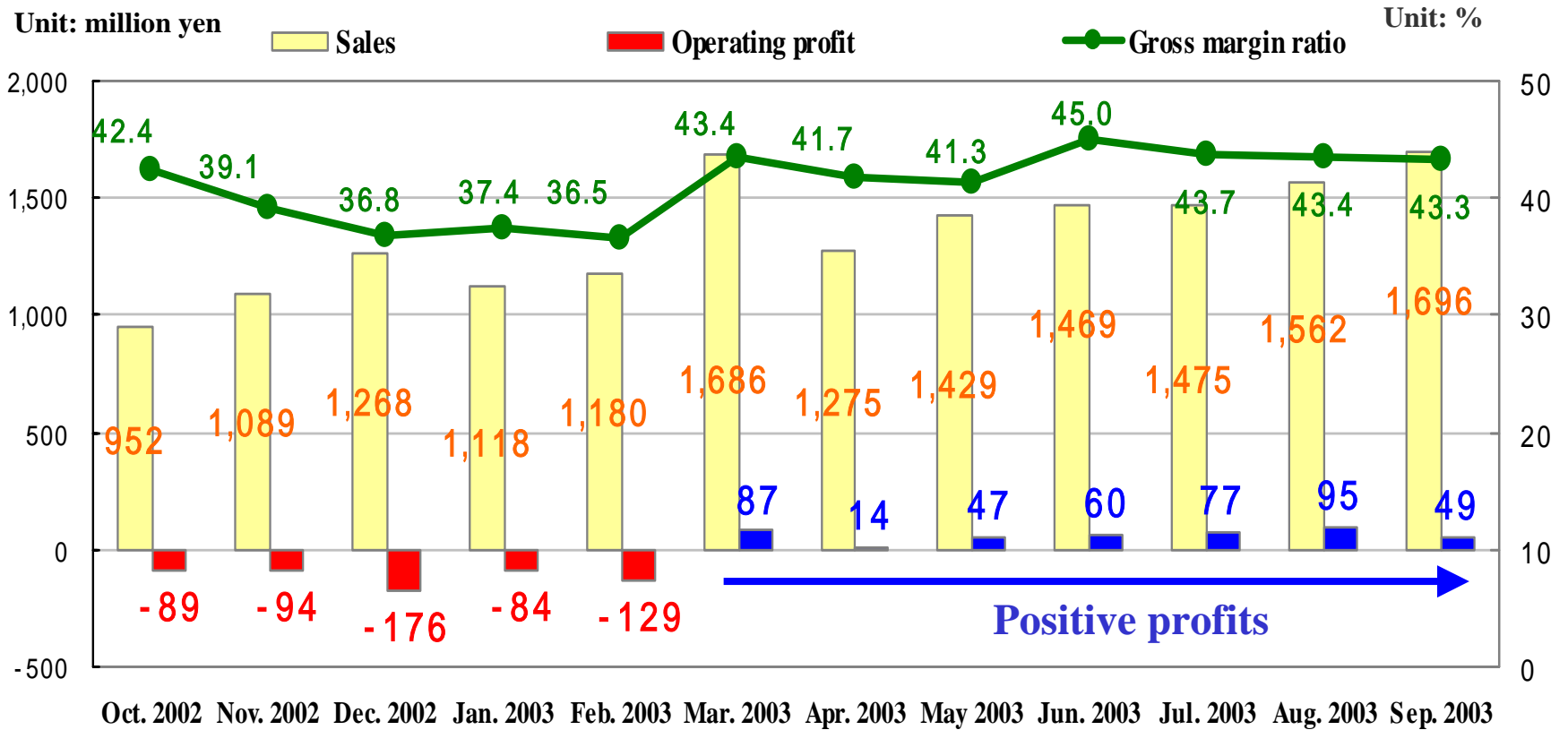
Operating profit of 343 million yen in the second half of September term of 2003



Monthly Changes in Operating Profit



Good monthly profit, increase in advertising expenses in September

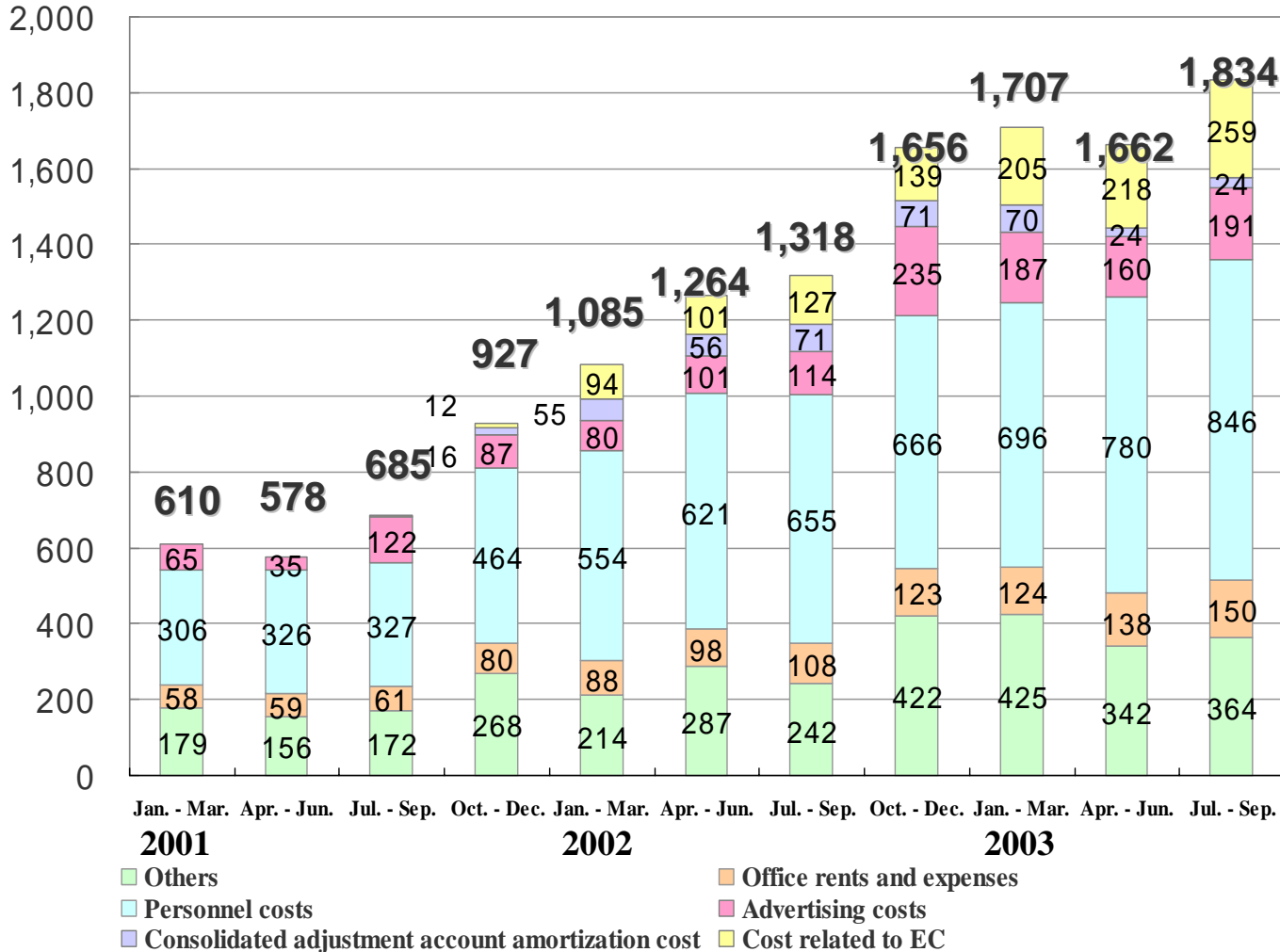


Consolidated Sales and General Administrative Expenses



Decrease in ratio of sales and general administrative expenses to sales

Unit: million yen



In comparison with the previous quarter

Unit: million yen

Costs related to EC	+ 4 1
Consolidated adjustment account amortization cost	± 0
Advertising costs	+ 3 1
Personnel costs	+ 6 6
Office rents and expenses	+ 1 2
Others	+ 2 2

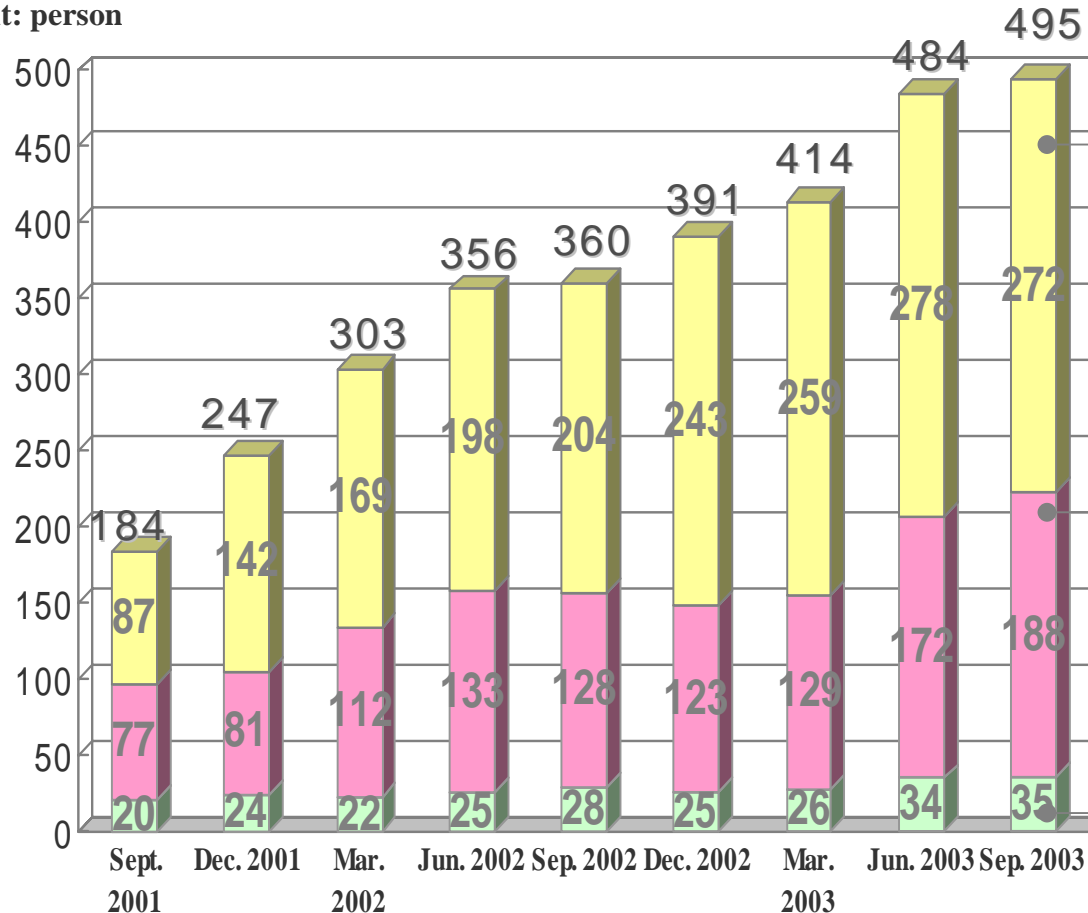
Increase in commissions paid

Consolidated Number of Directors/Staff Members



Increased salespersons of advertising agency business “Internet Advertising Headquarters”

Unit: person



By business type

Internet Media Business: CANetwork

ISM 6 persons decreased - 6

Advertising Agency Business: Internet Advertising Headquarters

Internet Advertising Headquarters (former Advertising Business Unit) 12 persons increased + 16
CA SEARCH 4 persons increased

Management Headquarters + 1

President Room 1 person increased

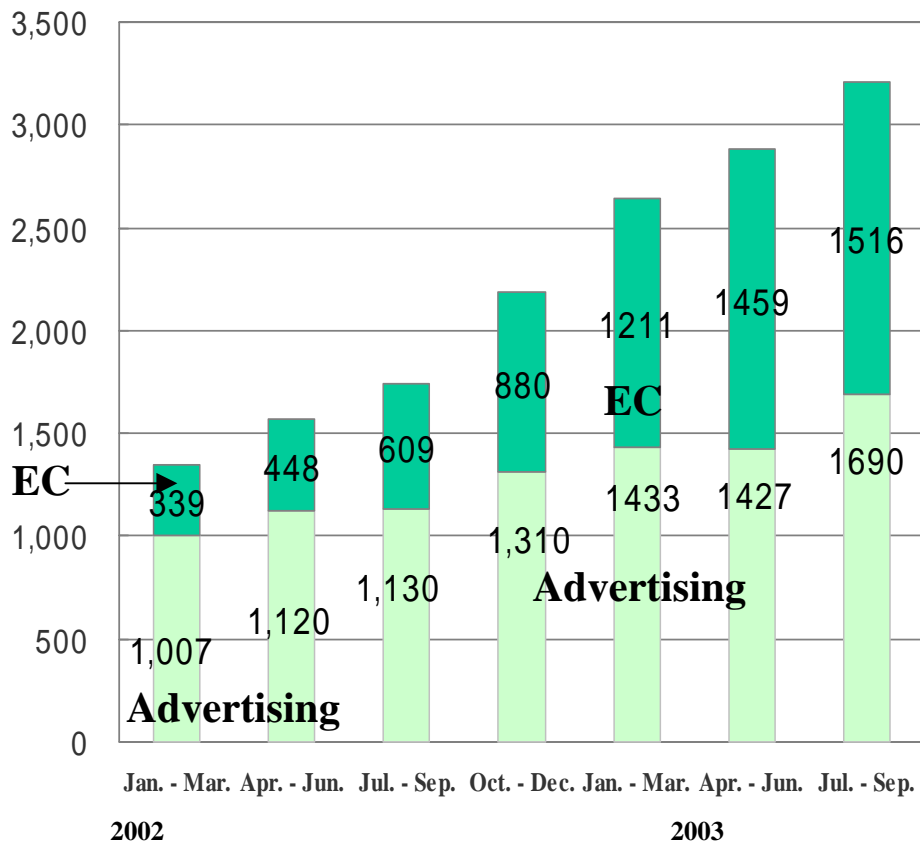
Note: Increase or decrease in number of persons is indicated only for main divisions

Changes in Business Performance (Sales) by Business Type



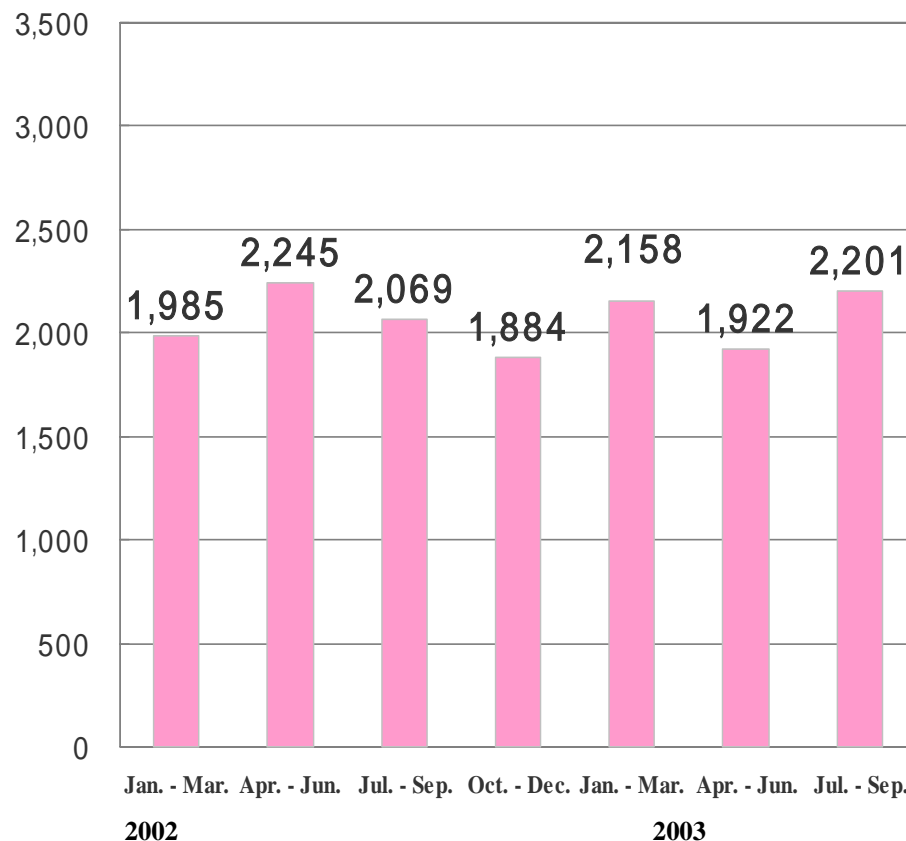
Internet Media Business CANetwork

Unit: million yen



Advertising Agency Business Internet Advertising Headquarters

Unit: million yen



Note: Sales are reference values before internal transaction deduction

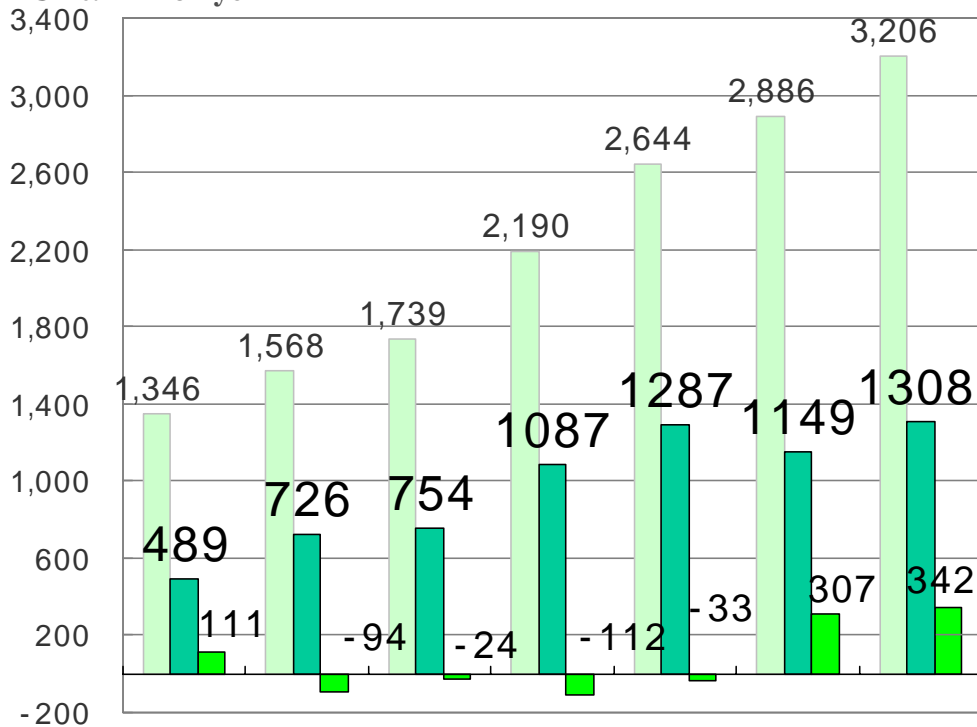
Changes in Sales and General Administrative Expenses and Operating Profit by Business Type



Internet Media Business CANetwork

- Sales
- Sales and general administrative expenses
- Operating profit

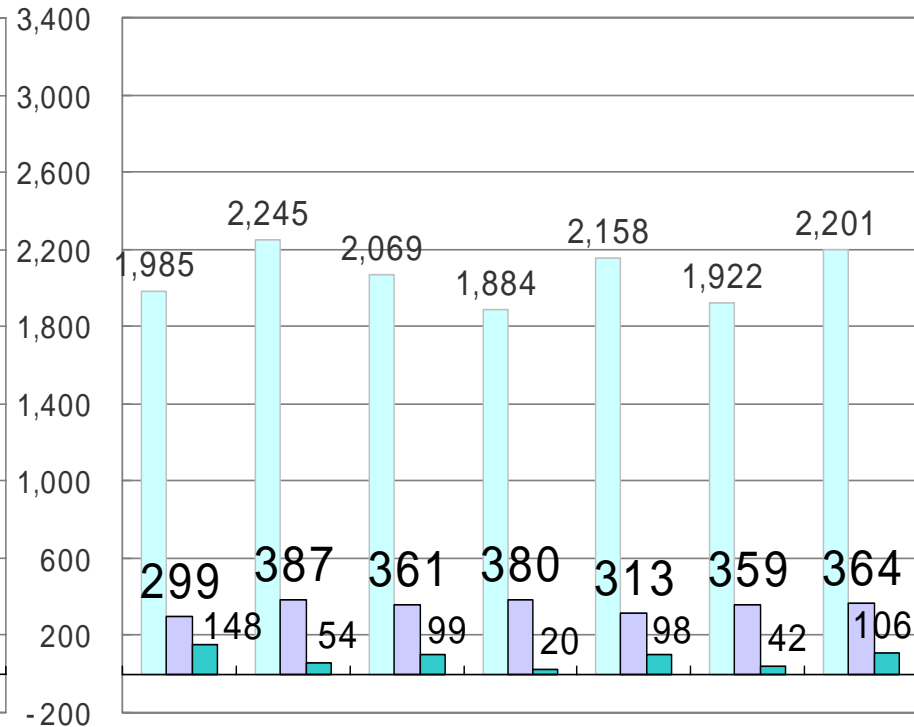
Unit: million yen



Advertising Agency Business Internet Advertising Headquarters

- Sales
- Total of Sales and general administrative expenses
- Operating profit

Unit: million yen



Note: Reference values before deduction of internal transaction, consolidated adjustment account amortization and all company expenses

Profit and Loss by Business Division

Note: Sales/operating profit are reference values before deduction of internal transaction/consolidated adjustment account amortization/all company expenses



Unit (million yen)	Projects and Group Companies	April ~ June 2003		July ~ September 2003	
		Sales	Operating Profit	Sales	Operating Profit
CANetwork	CA MOBILE, LTD.	818	239	900	224
	NETPRICE, LTD.	1,251	120	1309	80
	Axiv.com. Inc.	244	36	335	76
	melma!	140	56	113	30
	LifeMile	63	19	79	31
	Kensho-no-tubo (prize pot)	56	16	71	22
	Cyber Brains, LTD.	100	18	110	4
	International Sports Marketing, LTD.	73	15	83	8
	ChanceMaster	3	27	38	16
	MailVision	86	74	120	30
MLB	34	77	29	82	
Advertising Agency Business	Internet Advertising Headquarters	1,810	85	2,083	114
	CA SEARCH, LTD.	5	2	20	1
	YMIRLINK. Inc.	107	41	97	8

Outline of Service by Business Division



CANetwork	CA MOBILE, LTD.	Mobile advertising/mobile commerce
	NETPRICE, LTD.	Internet shopping service operation
	Axiv.com. Inc.	Online promotion site operation
	melma!	Mail magazine portal site, the largest class in Japan
	LifeMile	Online point program business
	Kensho-no-tubo (prize pot)	Online prize site operation
	Cyber Brains, LTD.	Targeting mail business and Internet research business
	International Sports Marketing, LTD.	Manufacturing and selling of sports contents
	ChanceMaster	Targeting mail business
	MailVision	Fabrication/operation of HTML mail media
	MLB	MLB. com Japan official licensee site operation
	CA Capital, Ltd.	Financial service business
	All Navi Project	Information comparison site operation
Advertising Agency Business	Internet Advertising Headquarters	Internet advertising agency business, WEB site construction
	CA SEARCH, LTD.	Search engine marketing business
	YMIRLINK. Inc.	System integration

Summary of Consolidated Settlements (Forth Quarter)



B/S  **Cash equivalent increased due to good operating cash flow**

Unit (million yen)	End of the 4th of 2002	End of the 3rd of 2003	End of the 4th of 2003
	Sept. 30, 2002	June 30, 2003	Sept. 30, 2003
Current assets	1 1,8 9 0	1 0,7 5 8	1 1,7 4 1
(Cash on hand and in banks + securities, etc.)	9,6 0 7	8,2 2 2	8,8 4 6
Fixed assets	5,5 8 5	4,8 4 8	5,8 9 5
Total assets	1 7,4 7 6	1 5,6 0 7	1 7,6 3 6
Current liabilities	2,2 4 9	1,9 9 9	2,4 4 8
Fixed liabilities	5 5	2 4 9	7 7 3
Equity capital	1 4,7 6 0	1 2,8 6 3	1 3,7 4 9

Changes in Consolidated Cash Flow (Forth Quarter)



 CF through operating activities, CF through investing activities, and CF through financing activities, all turned positive

Unit (million yen)	The 4th of 2002 July ~ Sept. 2002	The 3rd of 2003 Apr. ~ Jun. 2003	The 4th of 2003 July ~ Sept. 2003
CF from operating activities	1 5 7	3 2 6	3 5 3
CF from investing activities	3 8 2	9 6	2 5
CF from financing activities	4 0	4	2 1 7
Increase/decrease in cash equivalent	5 4 0	2 2 6	6 2 1
Balance at end of cash equivalent	8,0 8 3	8,1 9 6	8,8 1 7

**Outline of Consolidated
Settlements
through Entire
September Term of 2003**

Summary of Consolidated Settlements (Entire Term)



Consolidation range

[Addition]

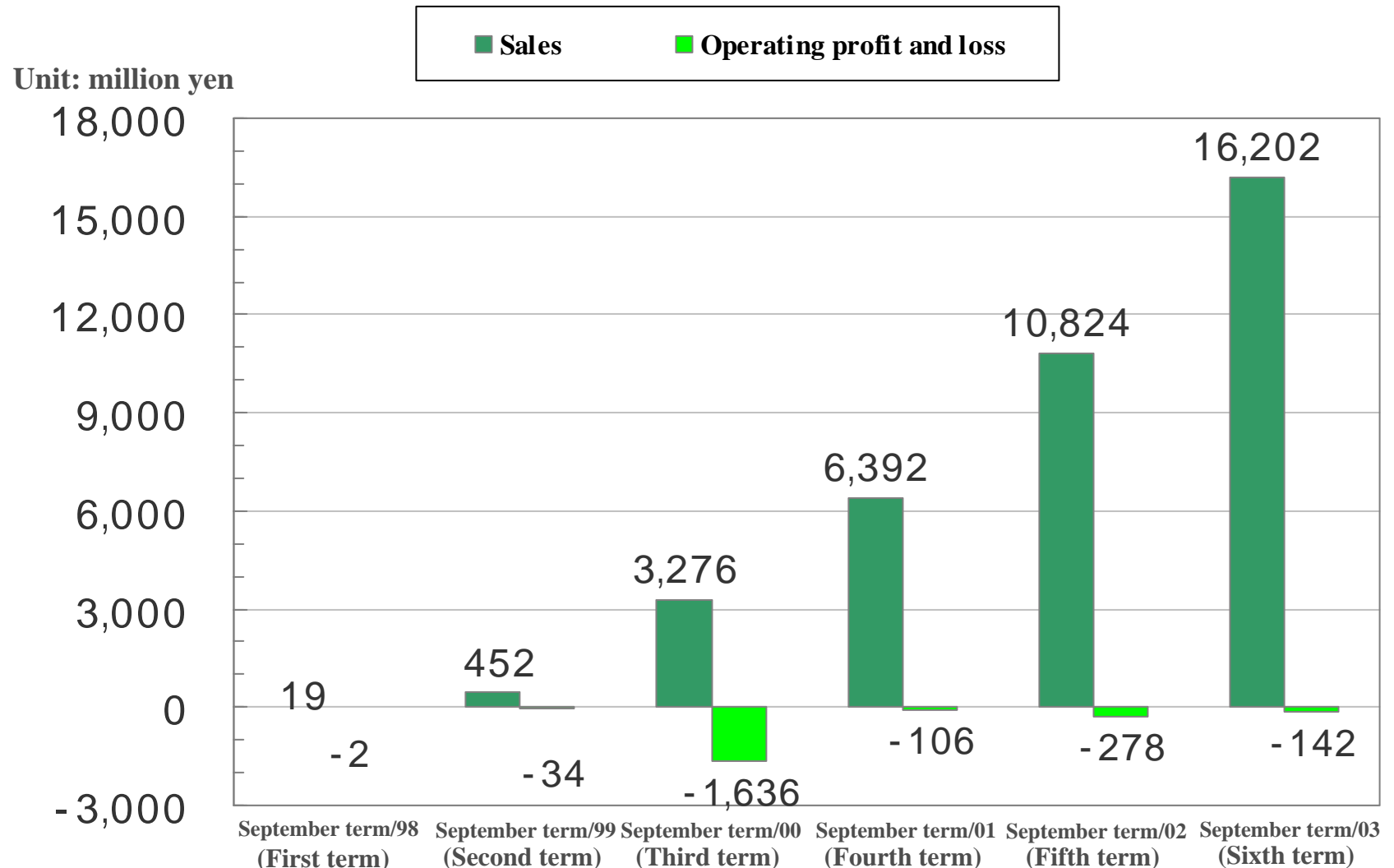
CA SEARCH, LTD. established in May 2003

CA Capital, Ltd. established in September 2003

P/L

Unit (million yen)	Previous-previous term Oct. 2000 ~ Sep. 2001	Previous term Oct. 2001 ~ Sep. 2002	This term Oct. 2002 ~ Sep. 2003
Sales	6,392	10,824	16,202
Gross profit	2,295	4,317	6,718
(Net profit margin)	(35.9%)	(39.9%)	(41.5%)
Sales and general administrative expenses	2,402	4,595	6,860
(Sales and general administrative expenses ratio)	(37.6%)	(42.5%)	(42.3%)
Operating profit	106	278	142
(Operating profit margin)	(1.6%)	(2.5%)	(0.9%)
Ordinary profit	197	254	66
Profit for the current term	2,074	297	2,419

Changes in Consolidated Business Performance



*Unconsolidated values for first and second terms

Summary of Consolidated Settlements (Entire Term)



B/S	Consolidation range		
	[Addition] CA SEARCH, LTD. established in May 2003 CA Capital, Ltd. established in September 2003		
Unit (million yen)	End of entire term of previous-previous year End of September term/01	End of entire term of previous year End of September term/02	End of entire term of this year End of September term/03
Current assets	1 5,0 4 4	1 1,8 9 0	1 1,7 4 1
(Cash on hand and in banks + securities, etc.)	1 3,6 7 0	9,6 0 7	8,8 4 6
Fixed assets	2,8 9 6	5,5 8 5	5,8 9 5
Total assets	1 7,9 4 1	1 7,4 7 6	1 7,6 3 6
Current liabilities	1,0 8 8	2,2 4 9	2,4 4 8
Fixed liabilities	4	5 5	7 7 3
Equity capital	1 6,7 6 6	1 4,7 6 0	1 3,7 4 9

Changes in Consolidated Cash Flow (Entire Term)



Cash Flow

Unit (million yen)	Entire term of previous-previous year Oct. 2000 ~ Sep. 2001	Entire term of previous year Oct. 2001 ~ Sep. 2002	This entire term Oct. 2002 ~ Sep. 2003
CF from operating activities	1,005	41	366
CF from investing activities	6,700	733	164
CF from financing activities	10	1,611	202
Increase/decrease in cash equivalent	7,700	2,312	733
Balance at end of cash equivalent	10,160	8,083	8,817

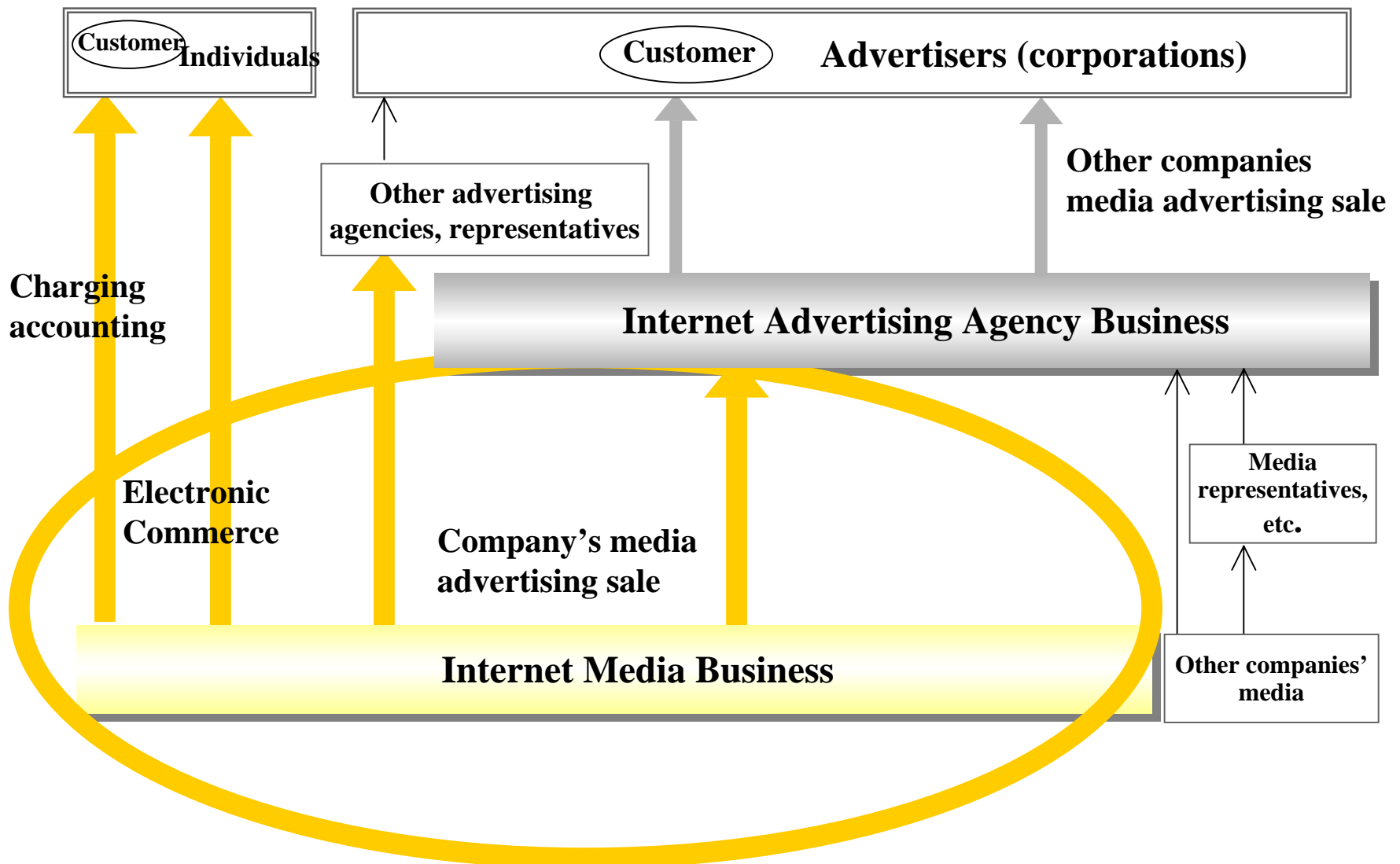
Composition of sales of about **16.2 billion yen**

EC: about 5 billion yen	Internet Advertising: about 11.2 billion yen	
	Other Agencies' Sale: about 3.4 billion yen	Company's Advertising Agency Business: about 7.8 billion yen
	Company's Media: 6.2 billion yen	Other Companies' Media: 5 billion yen

Internet Media Business

CANetwork

Position of Internet Media Business



Internet Media Business

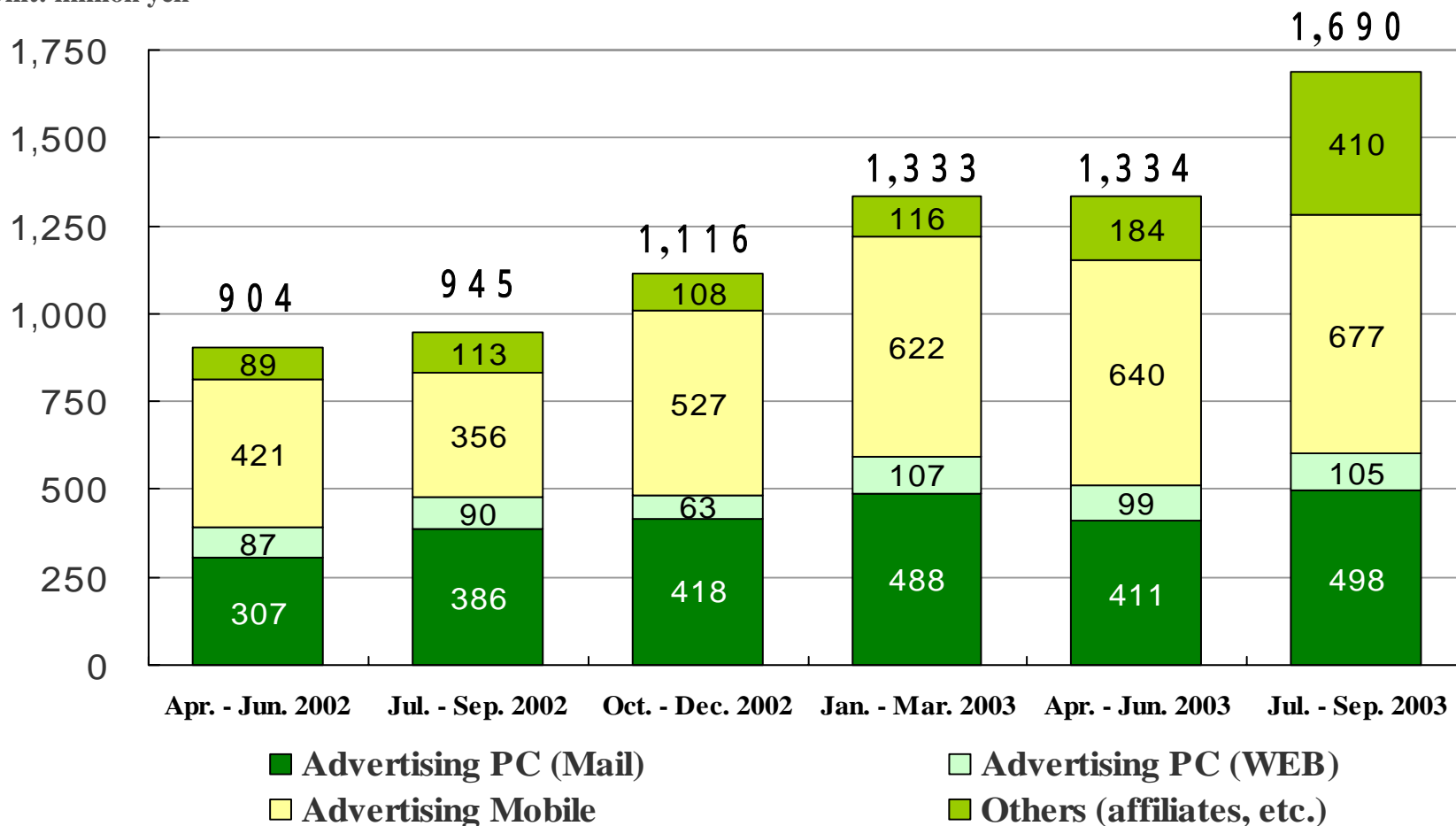
Advertising:
10 billion yen

Company's Advertising
Agency Business:
7.8 billion yen

Other Companies'
Media:
5 billion yen

 **Company's media advertising sales, up 27% over previous quarter**

Unit: million yen



Note: The sales are reference values before internal transaction deduction

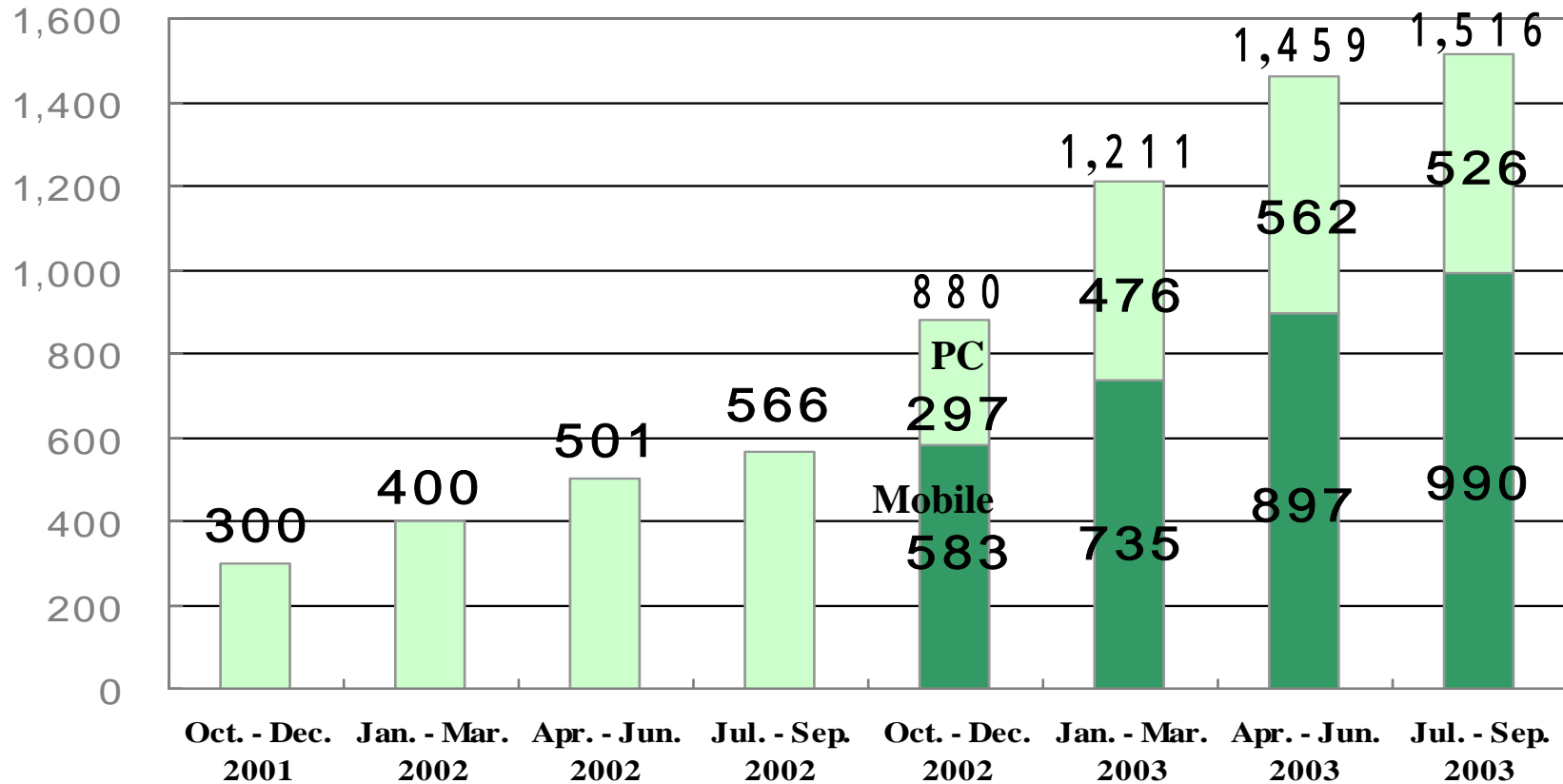
Commerce Sales of Internet Media Business



EC sales from PC have slightly decreased due to increased advertising sales

Mobile commerce: up 10% over previous quarter

Unit: million yen



Note 1: Some changes in values from the data of the information meeting of the third-quarter settlements because the calculating standard was changed.

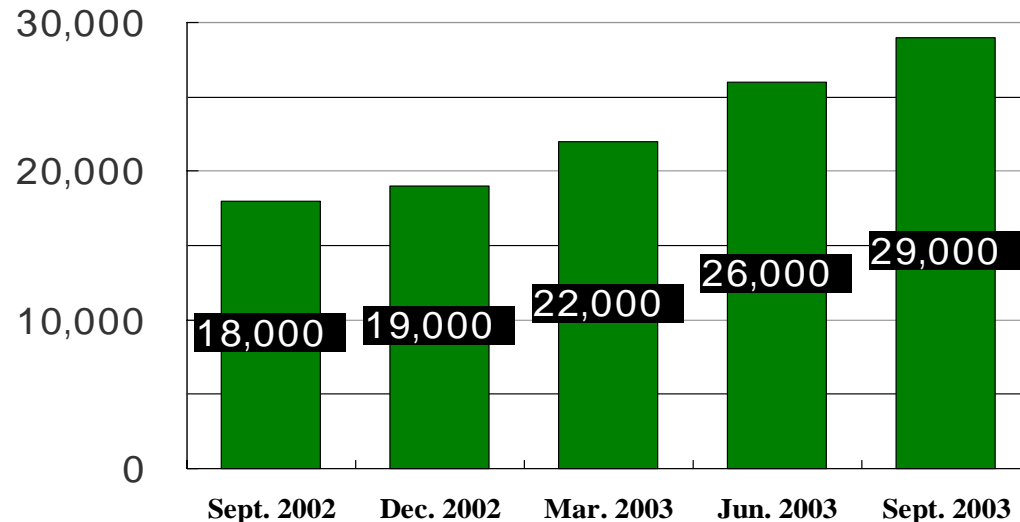
Note 2: The sales are reference values before internal transaction deduction.

Changes in Numbers of Unique Users of CANetwork



	2002		2003		
Unit: 1,000	End of September	End of December	End of March	End of June	End of September
Mail (Text)	12,489	13,445	14,617	17,183	18,470
Mail (Html)	3,157	3,727	5,131	5,516	5,778
Mobile (Mail)	2,502	2,778	3,025	3,539	4,696
Others	0	10	24	39	58
Total	18,149	19,961	22,798	26,279	29,003

Unit: 1,000



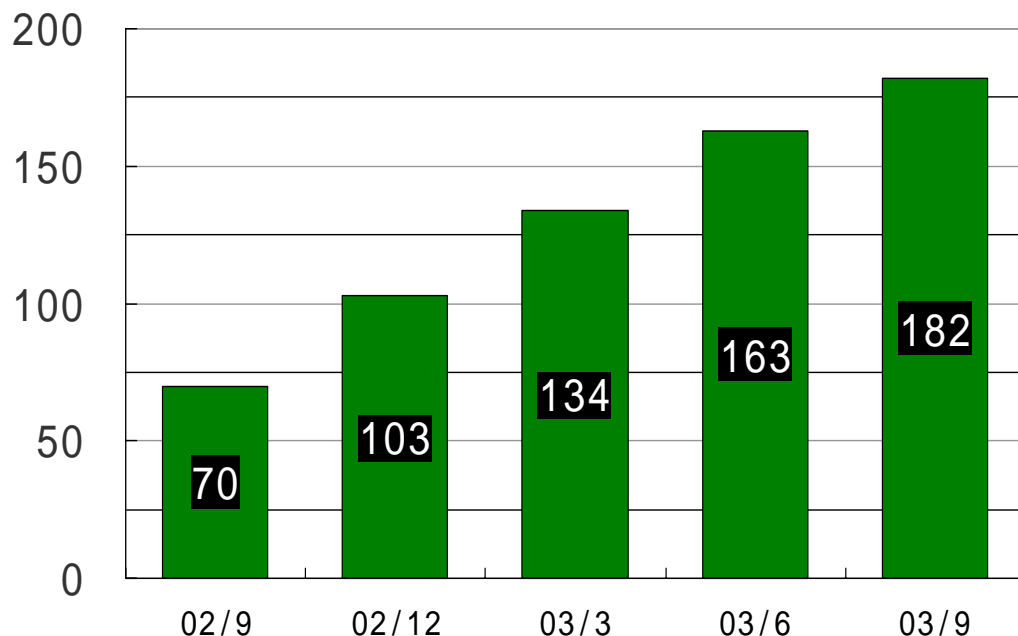
Note: The above numbers of unique users are obtained by totalizing by medium type the numbers of unique users of the projects of the company group and those possessed by affiliated companies.

Changes in Monthly PV of CANetwork



	2002		2003		
Unit: 1,000	End of September	End of December	End of March	End of June	End of September
PC site	48,953	54,944	69,302	78,881	96,276
Mobile site	21,683	48,537	65,371	84,338	86,080
Total	70,637	103,482	134,674	163,220	182,357

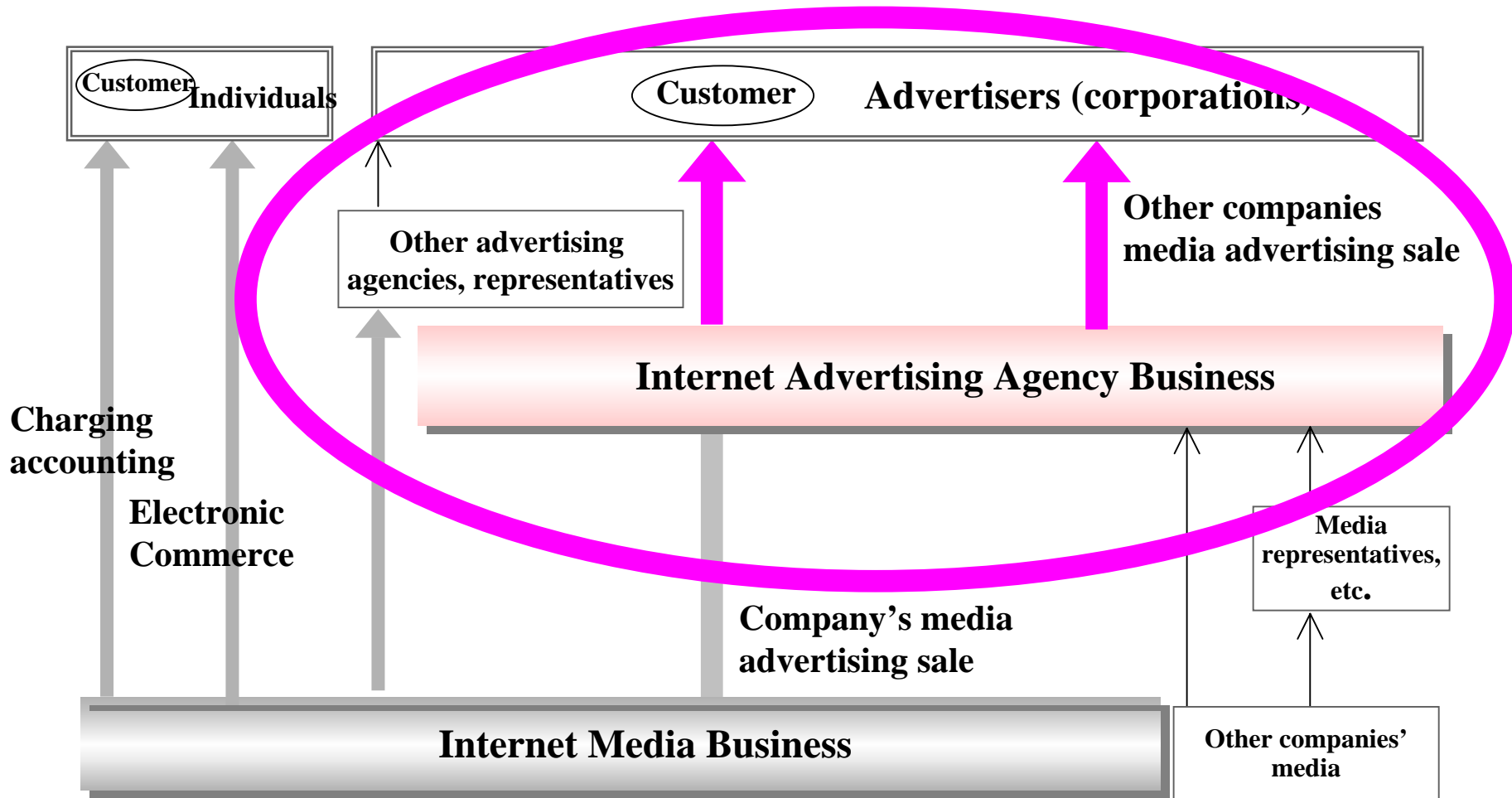
Unit: million

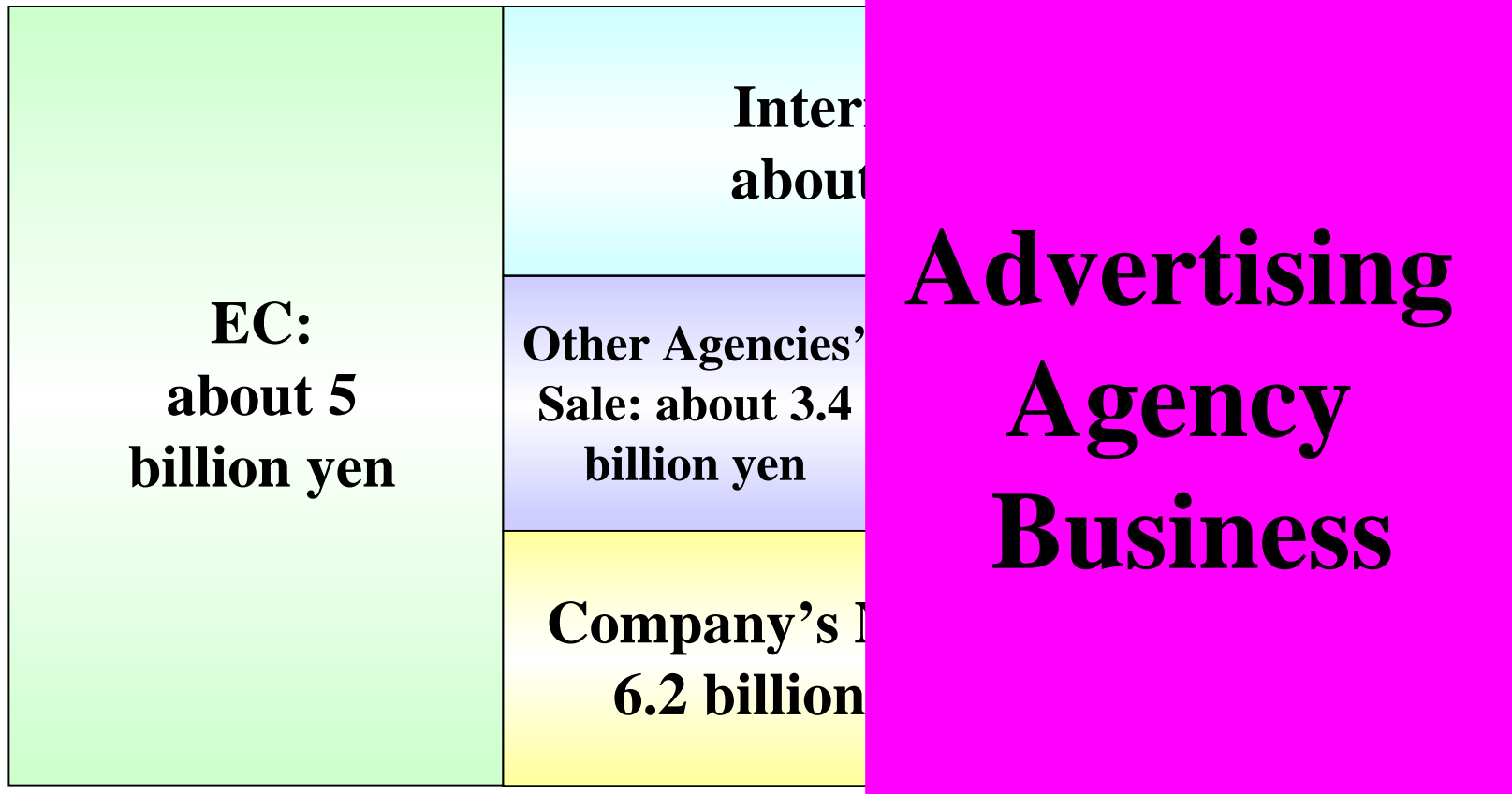


Note: The above numbers of monthly PV (Page View) are obtained by totalizing by medium type the monthly PV numbers of the projects of the company group and those of PC sites and mobile sites possessed by affiliated companies.

**Advertising Agency
Business
Internet
Advertising Headquarters**

Position of Advertising Agency Business

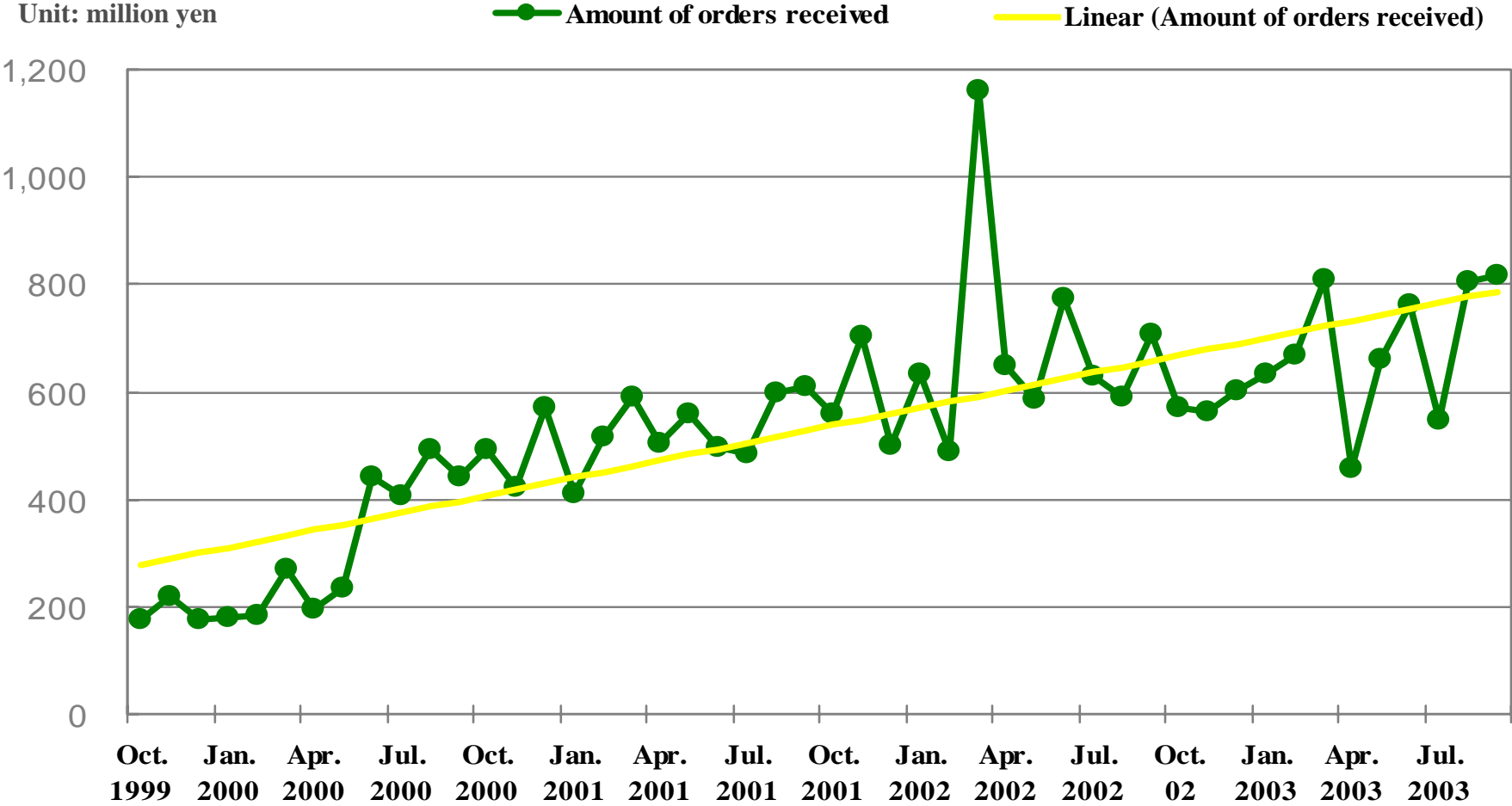




Advertising Agency Business Monthly Order Receiving



Steady increases in orders received



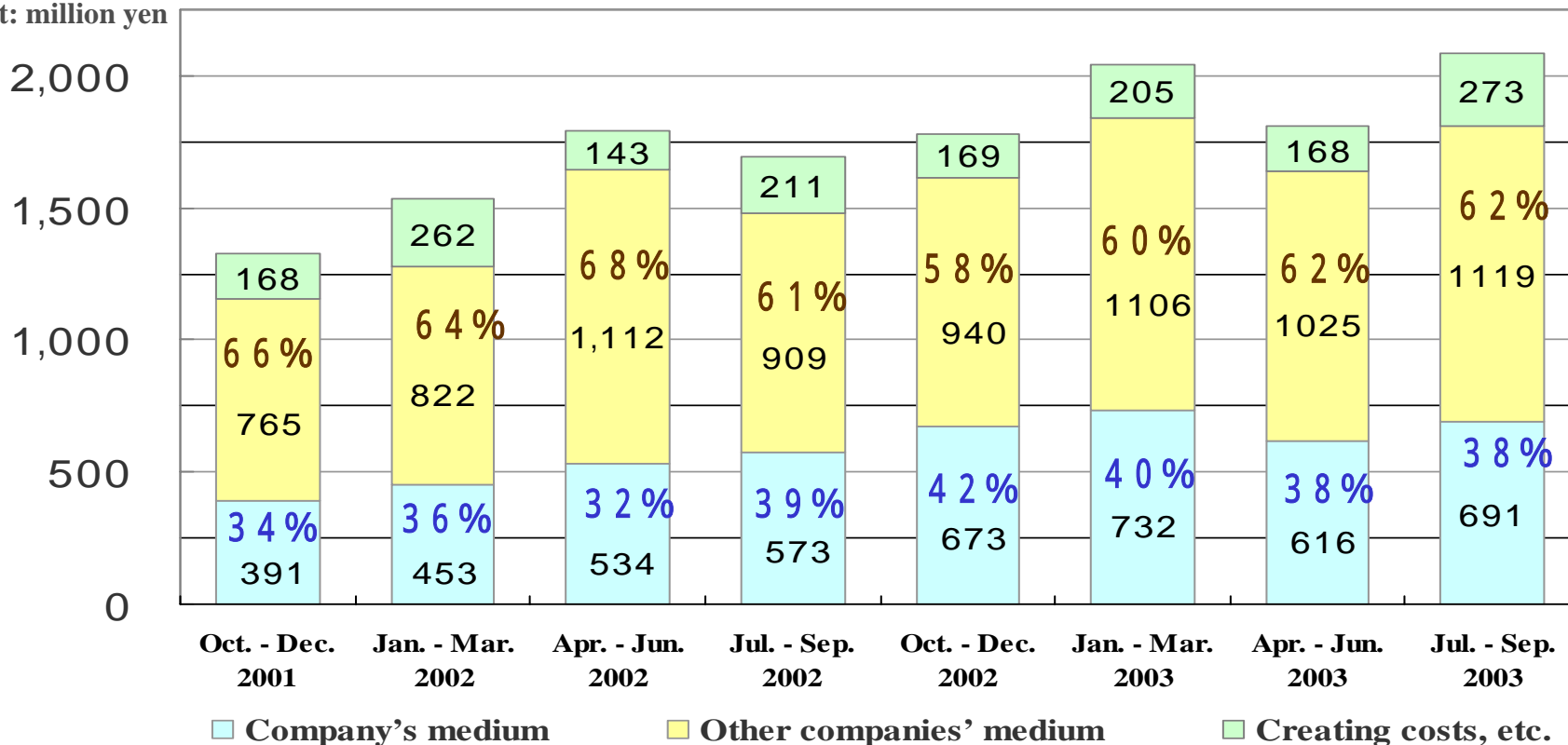
Advertising Agency Business

Changes in Sales Composition



The sales of Internet Advertising Headquarters are up 15% over the previous quarter
 Almost no changes in the ratio of other companies' media and our company's media

Unit: million yen

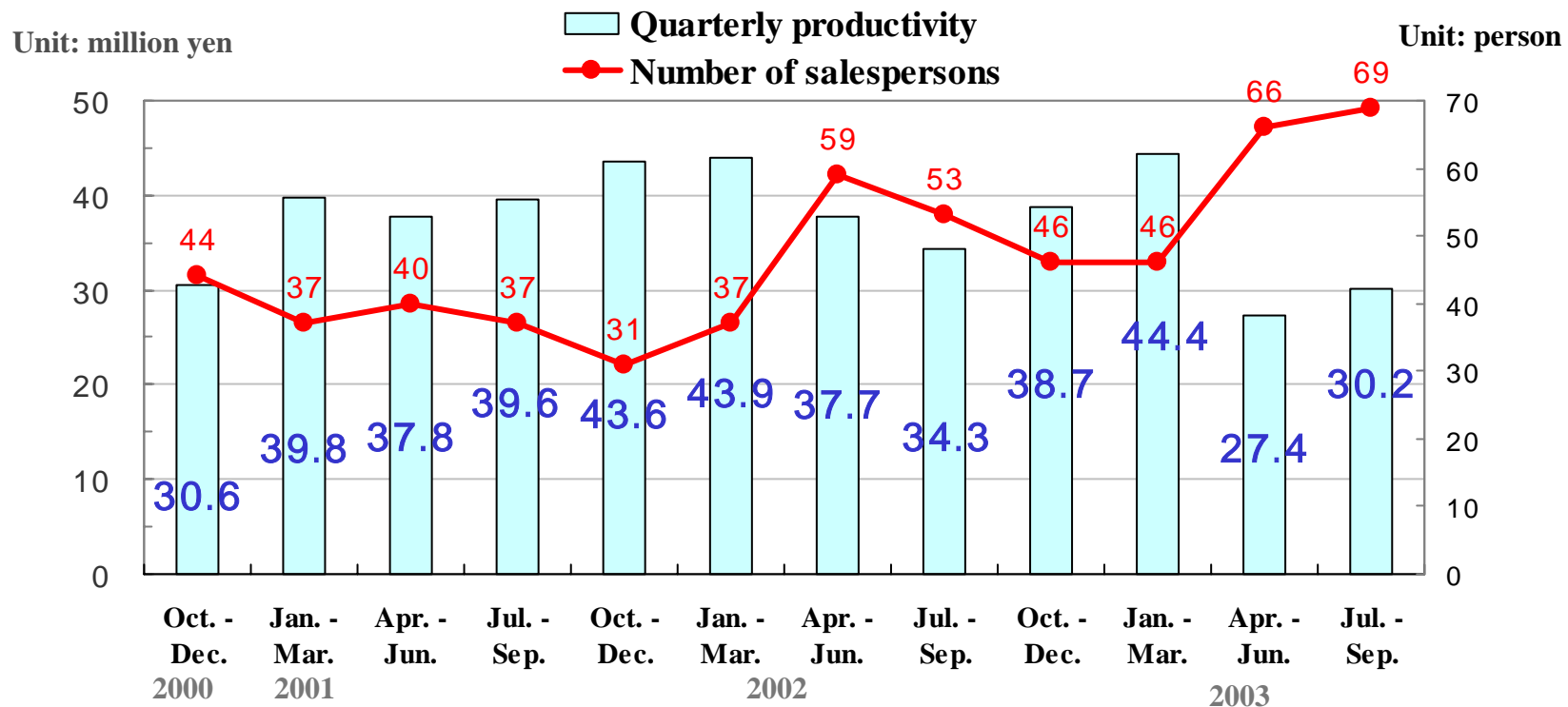


Note 1: The sales of Interactive Company for the September period of 2002, and sales of advertising agency business "Internet Advertising Headquarters (former Account Station)" for the September period of 2003 or later (before deduction of internal transaction)

Note 2: The percentage is the rate with the sales excluding creating costs as 100%.

Quarterly Productivity per Salesperson

- 3 salespersons increased from the previous quarter, monthly sales per person being about 10 million yen



Note 1: Sales per salesperson (belonging to Interactive Company, Osaka Company)

Note 2: Totaled by adding Osaka Company to Interactive Company from the second quarter of No. 5 period

Note 3: Sales per salesperson belonging to Advertising Business Unit from the first quarter of No. 6 period

Advertising Agency Business: Share of Sales by Industry

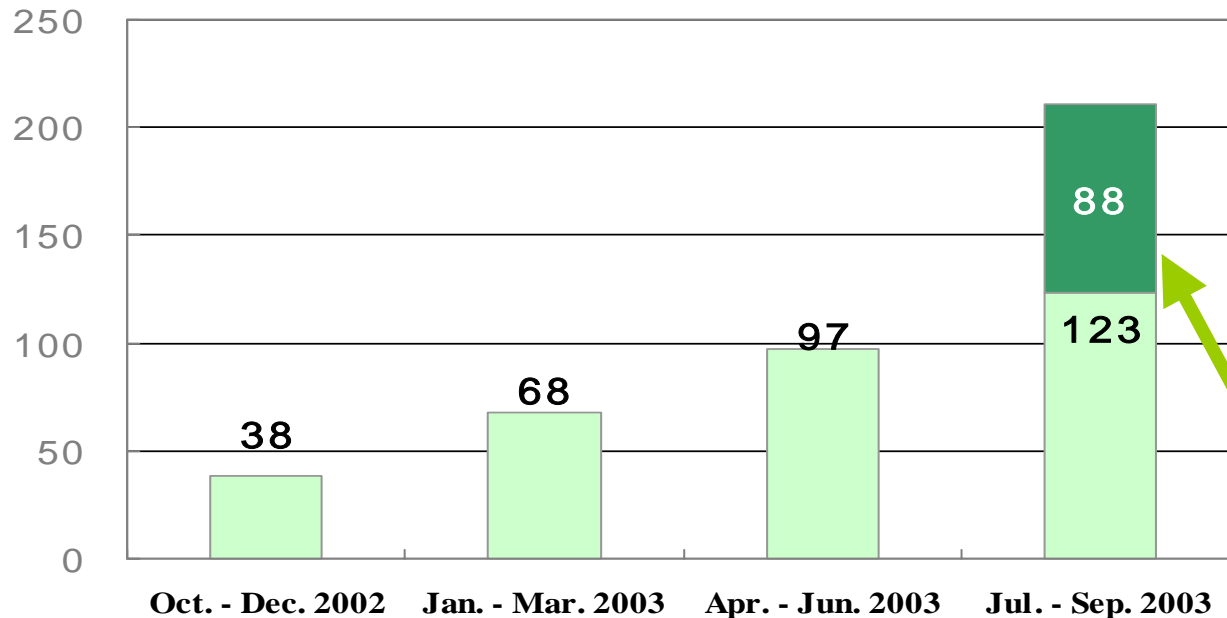


✿ The sales with the previous tendency of depending on financing, insurance, and securities businesses have been distributed to Internet related services, education, human resources, transportation, and communications

	Oct. ~ Dec. 2002	Jan. ~ Mar. 2003	Apr. ~ Jun. 2003	Jul. ~ Sept. 2003	Increase / decrease
Financing/insurance/securities	46.2%	43.9%	49.0%	37.2%	-11.8%
Education/human resources	7.3%	9.8%	7.0%	9.0%	2.0%
Internet related	13.1%	9.5%	8.2%	11.5%	3.3%
Esthetic/beauty	5.9%	5.3%	5.8%	6.8%	1.0%
Other manufacturers	3.5%	5.1%	4.4%	7.8%	3.4%
Advertising/services	4.7%	5.0%	4.1%	6.1%	2.0%
Cosmetics	4.0%	4.6%	7.0%	4.3%	-2.7%
Transportation/communications	3.0%	3.7%	4.2%	7.0%	2.8%
Real estate	2.7%	2.2%	2.1%	2.4%	0.3%
Others	9.6%	10.9	8.2%	7.5%	-0.7%

Changes in advertising sales of Paid Search of Internet Advertising Headquarters

Unit: million yen



Since the purchase amount for Paid Search is checked in the following month, the sales for September will be shown in the following month from September 2003. If about 88 million yen of the sales for September is included, the sales are approximately 211 million yen, up 71% over the previous quarter.

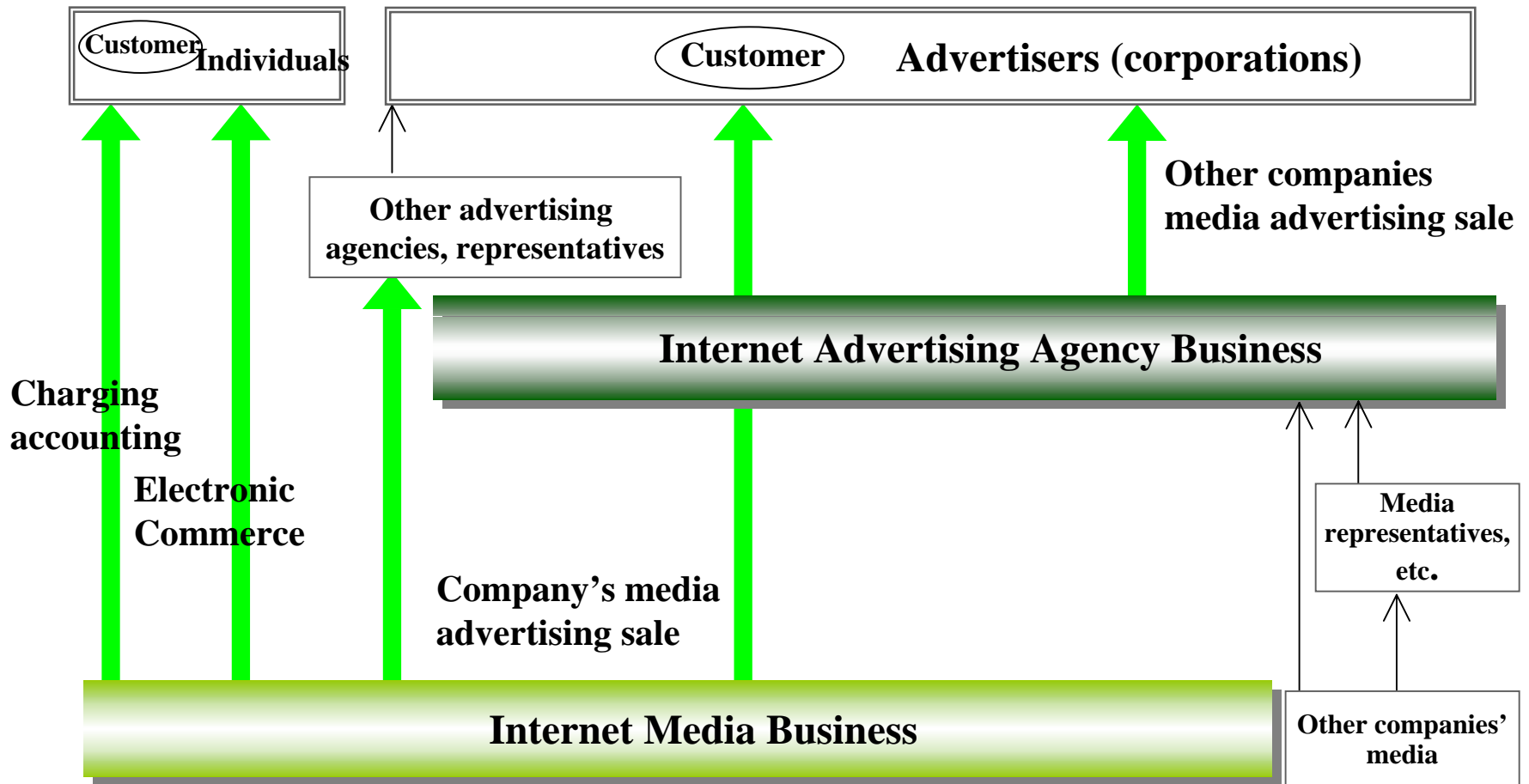


CASERCH, LTD.: Search engine marketing company was established on May 1, 2003.

Cyber Agent Group

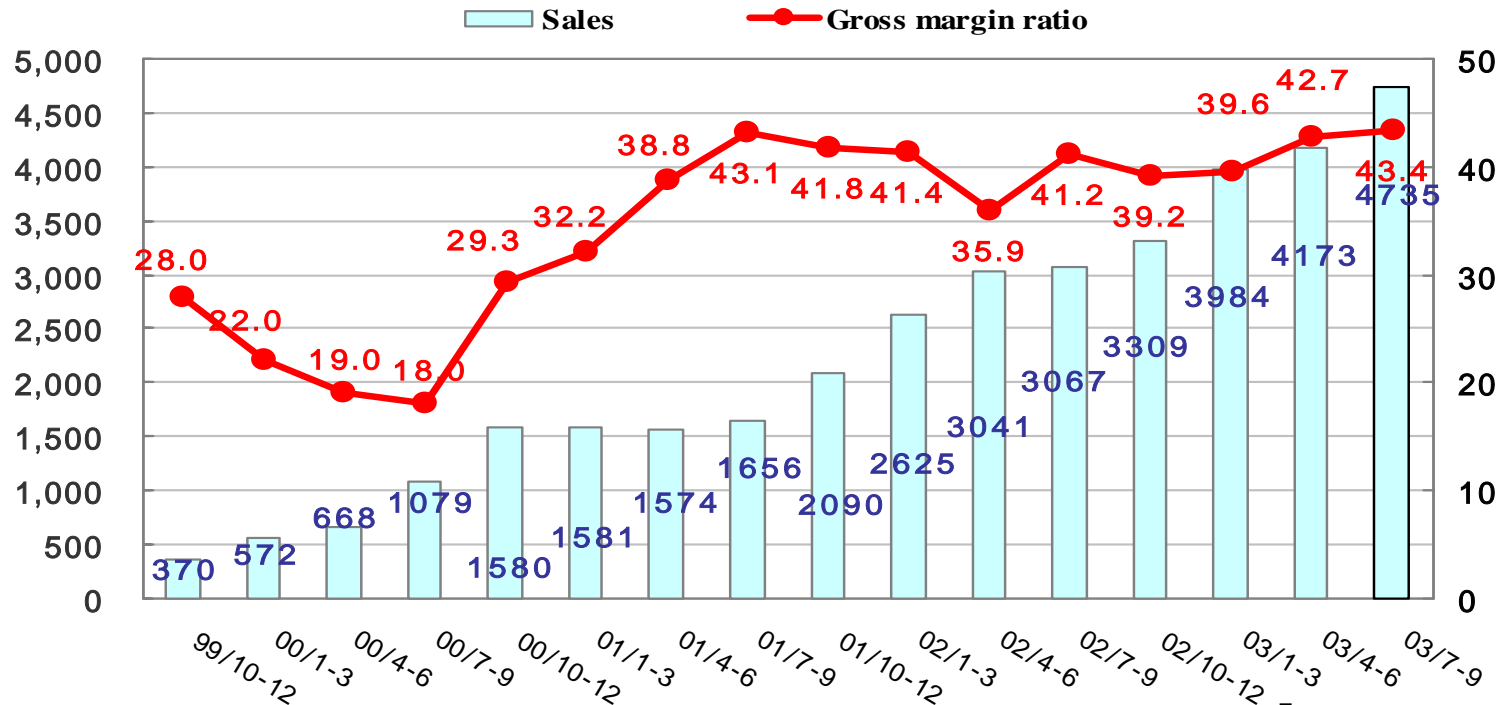
Medium/Long-Term Strategy

Business Model of Our Company



Composition image of sales of about **16.2 billion yen**

EC: about 5 billion yen	Internet Advertising: about 11.2 billion yen	
	Other Agencies' Sale: about 3.4 billion yen	Company's Advertising Agency Business: about 7.8 billion yen
	Company's Media: 6.2 billion yen	Other Companies' Media: 5 billion yen



Initiation period

Preceding investment period (3 years)

Profit creating period

From companies of click guarantee type advertising

Annual sales: 450 million yen (September period of 1999)
 Gross margin ratio (when listed): about 20%
 Main businesses: Cyber Click
 Click Income (present melma!)



Highly profitable Internet advertising/EC companies

Annual sales: 16.2 billion yen (expected in September period of 2003)
 Gross margin rate: 41-odd %
 Main businesses: Advertising Business Unit (monthly sales: about 700 million yen)
 melma! (monthly sales: about 40 million yen)
 Kensho-no-tubo (monthly sales: about 20 million yen)
 LifeMile (monthly sales: about 20 million yen)
 MailVision (monthly sales: about 40 million yen)
 CA MOBILE (monthly sales: about 300 million yen)
 NETPRICE (monthly sales: about 400 million yen)
 Axiv.com. Inc. (monthly sales: about 100 million yen)
 Cyber Brains (monthly sales: about 40 million yen), etc.

Management Resources of Our Company

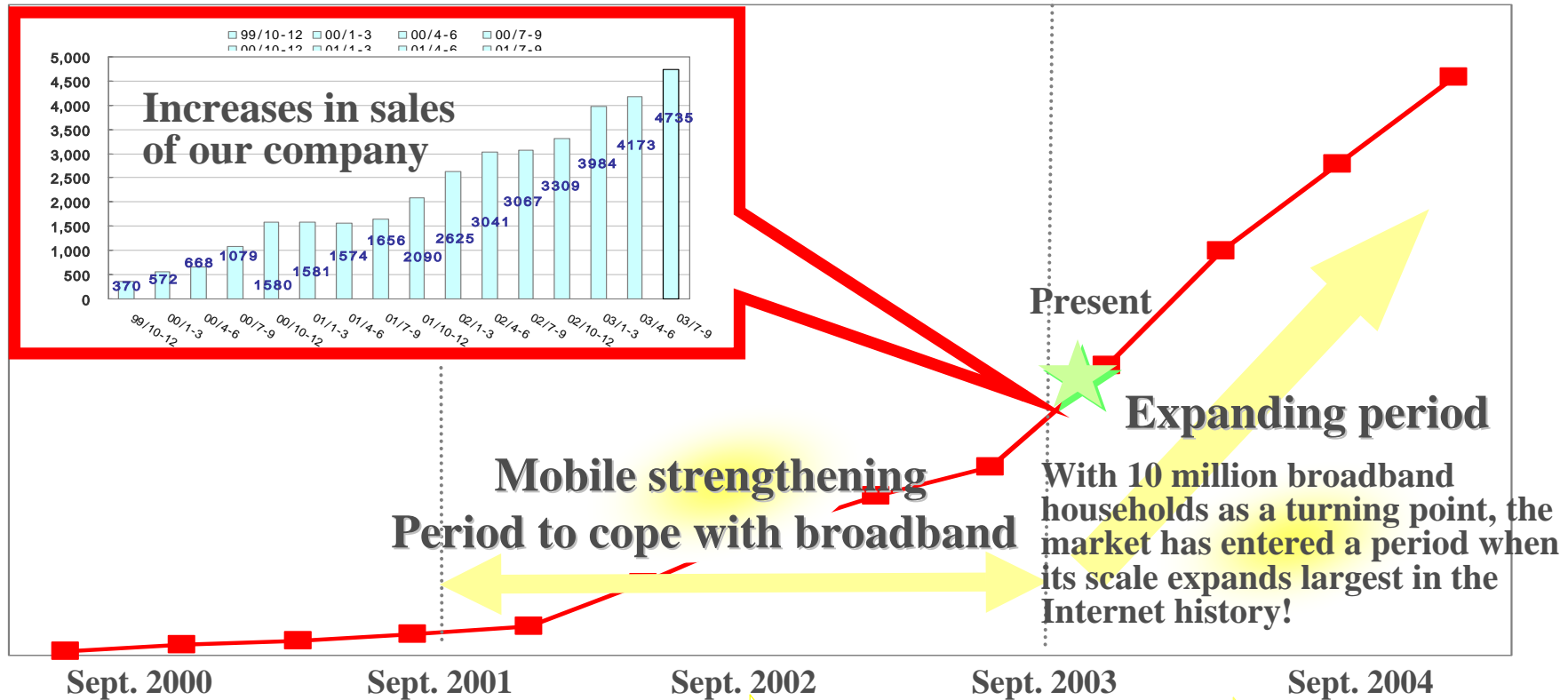


- ❁ Internet marketing power, No. 1 class in Japan
- ❁ Customer winning power of media having an overwhelming number of members
- ❁ Internet business developing and expanding power
- ❁ Human resources well experienced in Internet business
- ❁ Sufficient fund power/strong financial system

Market Environment



Main battlefield shifting to broadband



Narrow-band infrastructure

Narrow-band advertising

Narrow-band EC

Broad-band infrastructure

Broad-band advertising

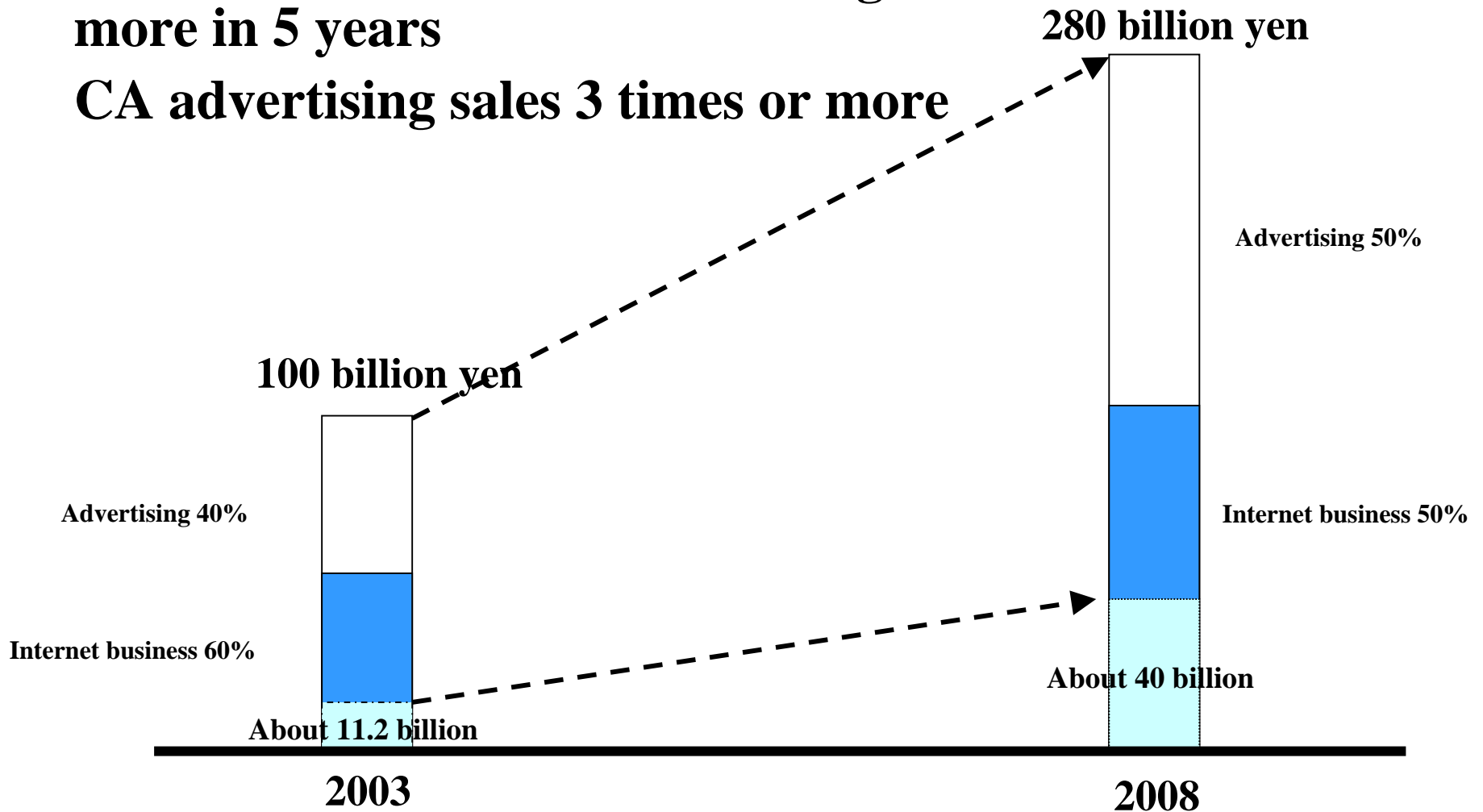
Broad-band EC

Internet Advertising Market



Market will become 2.8 times larger or more in 5 years

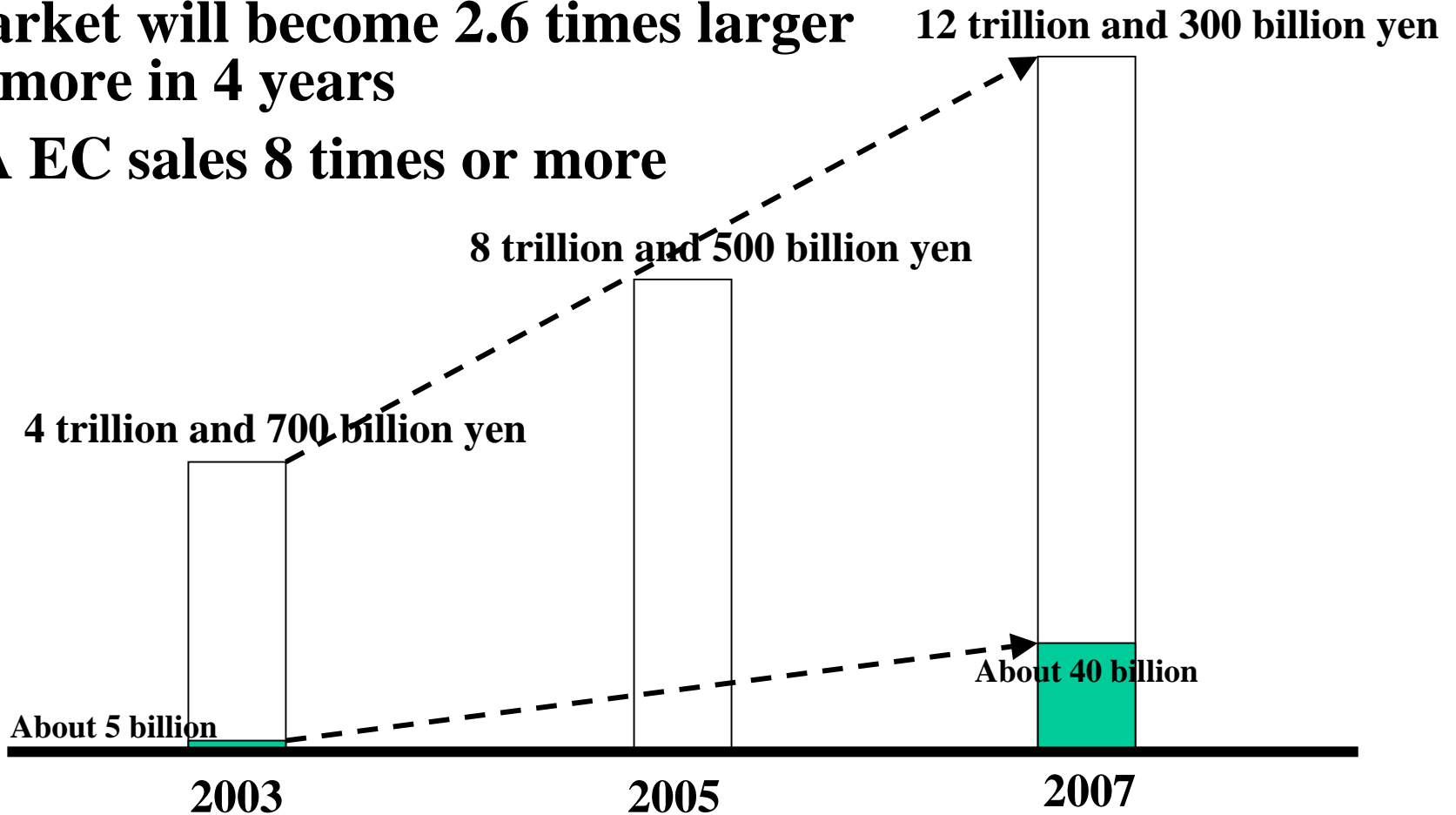
CA advertising sales 3 times or more



EC Market (BtoC)

Market will become 2.6 times larger or more in 4 years

CA EC sales 8 times or more



BtoB EC market scale is predicted to be 59 trillion yen in 2003 and 125 trillion yen in 2007

“Winner Takes All”

The future Internet business will be all-out war among a few successful leading enterprises

(Access leads to more access to further strengthen the leaders)

Competitive power in Internet business (EC, advertising, etc.) is:

- (1) Customer winning power**
- (2) Internet marketing power**

Our efforts will be concentrated in expanding our services and launching new businesses with the existing company's media as the nucleus

Portal type (Yahoo!, Rakuten)



Auction

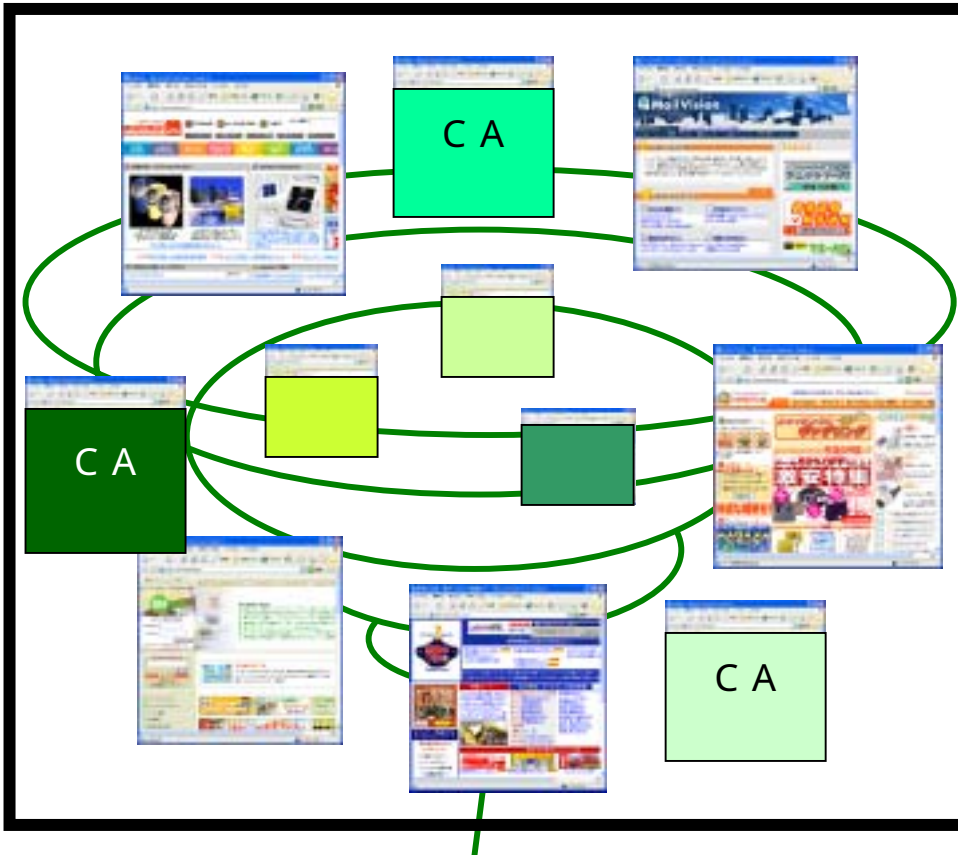
Real estate
introduction
business

Accident
insurance
business

Matrimonial
business

Home-
delivery
business

Network type (CA)



September term
of 2003

Sales 16.2 billion

Retail EC 5 billion yen	Internet Advertising 11.2 billion yen	
	Company's Media 6.2 billion yen	Other Companies' Media 5 billion yen

Other EC 0 yen

Composition image
of sales 100 billion

Retail EC 40 billion yen	Other EC 20 billion yen	Internet Advertising 40 billion yen	
		Company's Media 30 billion yen	Other Companies Media 10 billion yen

September term
of 2000
Sales 3.2 billion

Internet Advertising 3.2 billion yen	
Company Media 1 billion yen	Other Companies' Media 2.2 billion yen

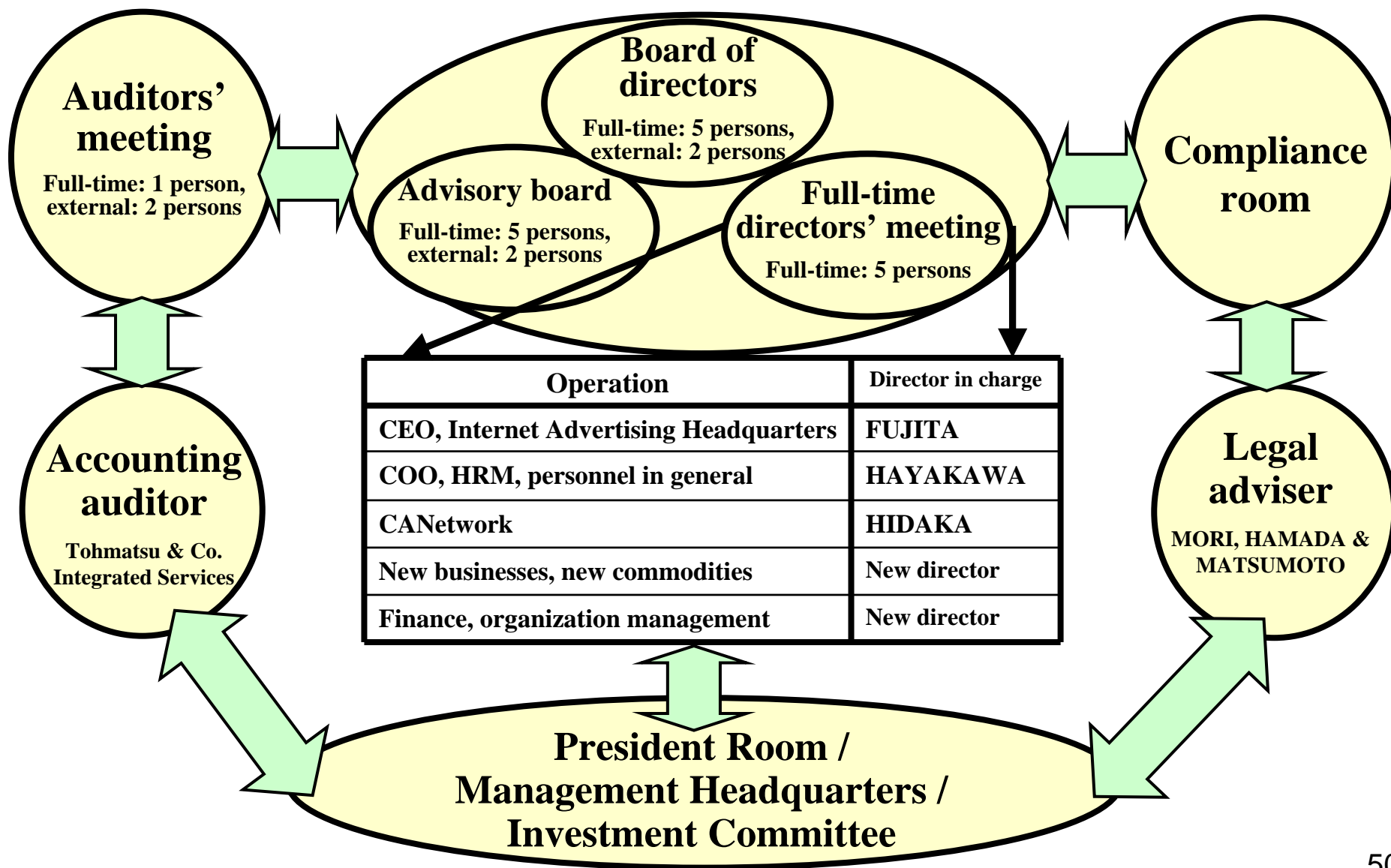
In the EC field, expansion was made not only in online shopping but also in brokerage service to connect consumers and enterprises → indicated as other EC






In the coming 2 years (to September 2005), we plan to develop many new projects promising high profits with the investment policy

“a baby born small is grown big.”

- We will not make large purchases until the September term of 2005.
- We will positively make such investments and purchases that will not deteriorate profitability so much.
- The investment will be made in fields related to Internet business (advertising, EC).
- Strengthening corporate governance

Management Organization



-  **Both sales and profit were good in this quarter**
-  **Thanks to the spread of broadband, both advertising and EC grew**
-  **Transition was made to a profit creating period and the financial structure became stronger**
-  **We will plant many seeds of business in the coming two years**
-  **We aim at growing as a general Internet business enterprise**