

Results Briefing on the First Quarter of the Fiscal Year Ending Sept. 2004









February 9th, 2004

CYBER AGENT, LTD. (4751)

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

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Outline of the Fiscal 2004 First Quarter Consolidated Financial Results (The First Quarter of the Fiscal Year Ending Sept. 2004)



October – December 2003

Highlights of the First Quarter of the Fiscal Year Ending Sept. 2004

Operating income  **This Quarter**
363 million yen
Operating profit
margin 6.7%  **+63.5% over the previous**
quarter
2 point improvement over the
previous quarter

Sales  **+14.4% over the**
previous quarter  **Very well in EC and**
advertising businesses in
general

Cash flow  **Increased by +1.77 billion**
yen in cash flow from
investment activity  **Cash flow balance**
10.9 billion yen
(approx.)

Summary of Consolidated Financial Results

(The First Quarter of the Fiscal Year Ending Sept. 2004)

P/L  Special profit gain on sale of investments in securities

Unit (million yen)	The 1st of 2002 Oct. - Dec.	The 4th of 2003 Jul. - Sep.	The 1st of 2003 Oct. - Dec.
Sales	3,309	4,735	5,416
Gross profit	1,298	2,056	2,389
(Net profit margin)	(39.2%)	(43.4%)	(44.1%)
Sales and general administrative expenses	1,656	1,834	2,026
(Sales and general administrative expenses ratio)	(50.0%)	(38.7%)	(37.4%)
Operating profit	359	222	363
(Operating profit margin)	(10.8%)	(4.7%)	(6.7%)
Ordinary profit	349	244	368
Profit for the current term	570	40	1,158

Quarterly Changes in Operating Profit

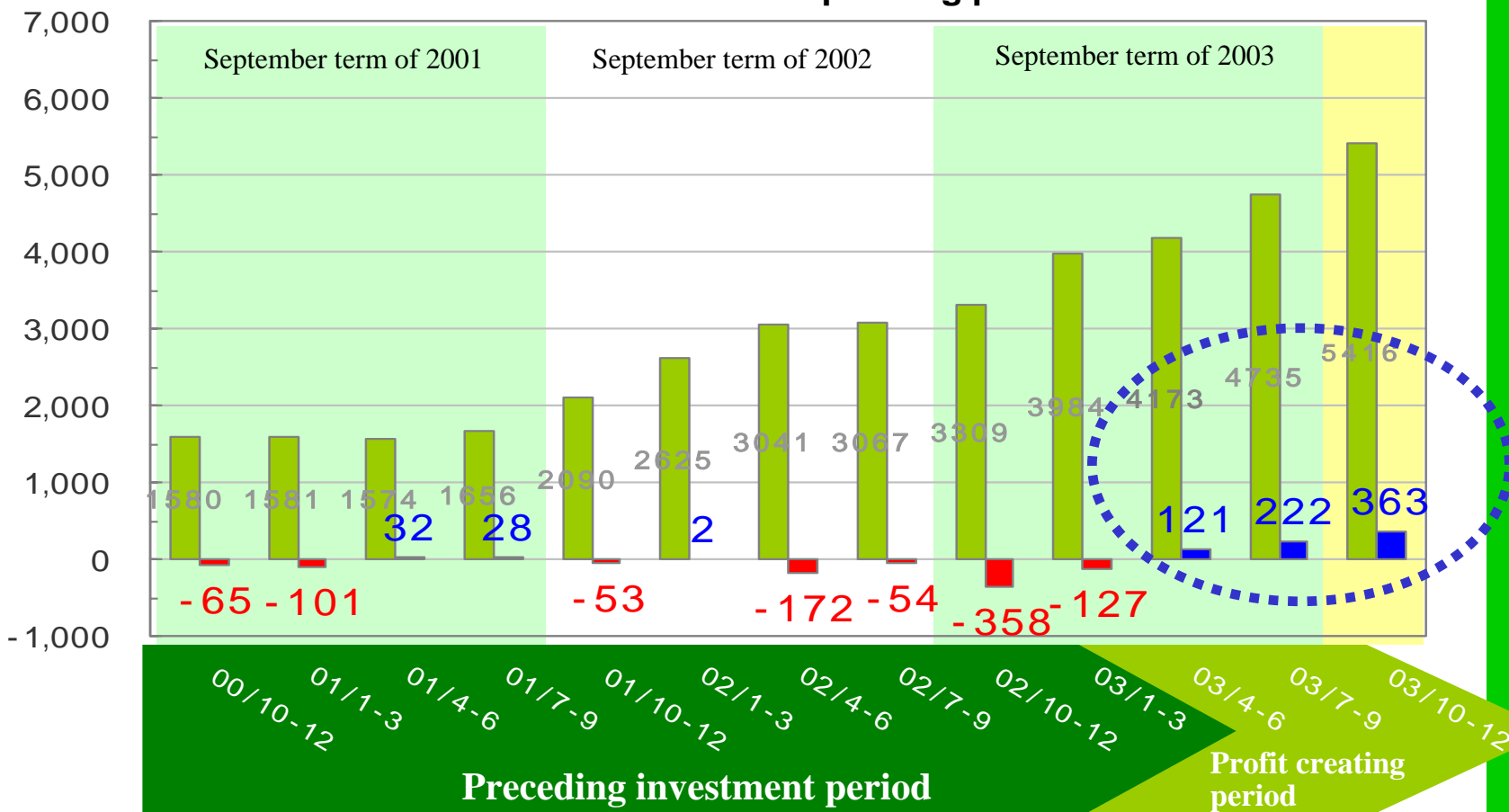
 Profit increase continues steadily after transition to the profit creating period

Unit: million yen

■ Sales

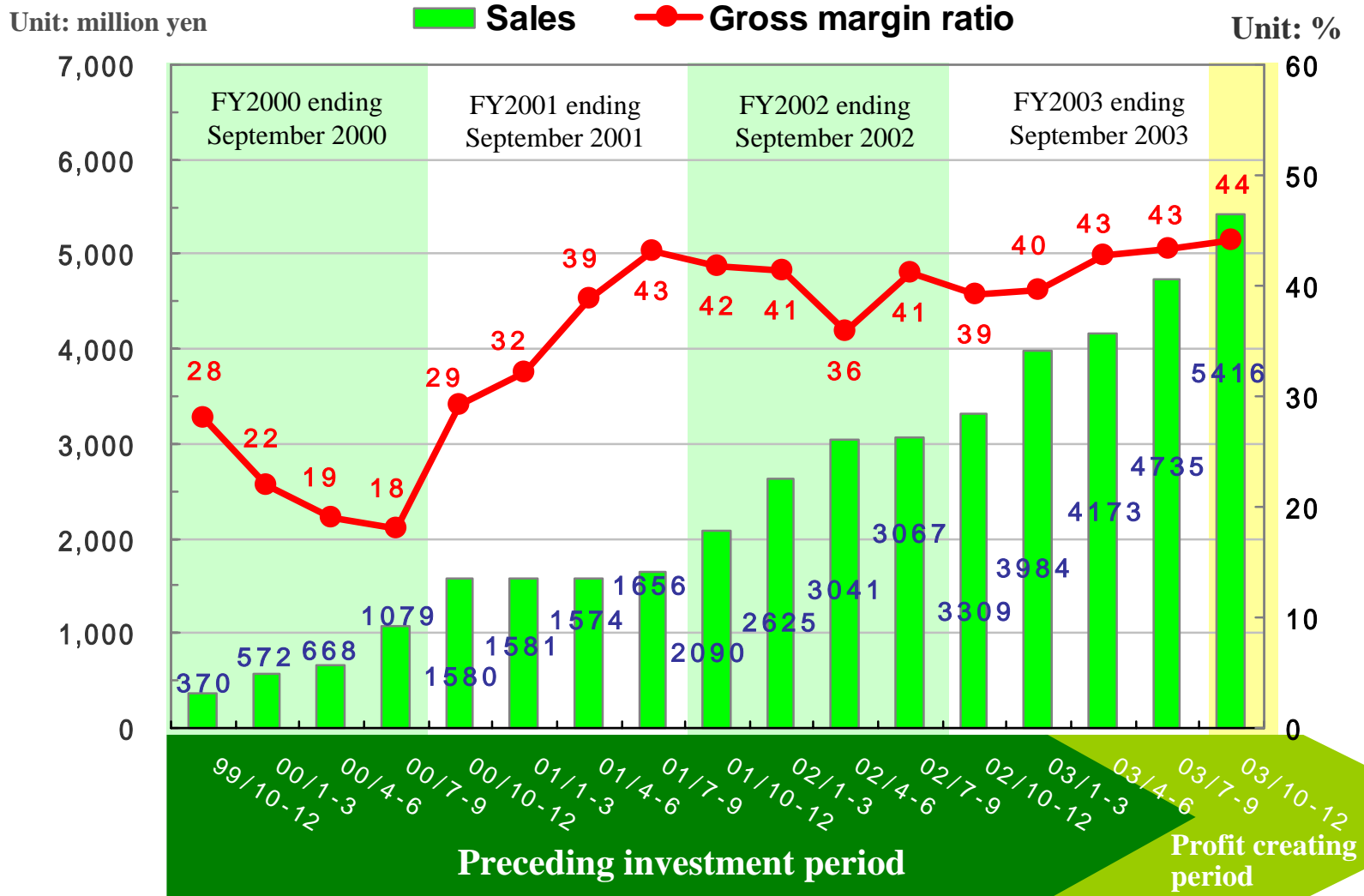
■ Operating profit

Unit: %



Changing in Sales and Gross Margin Ratio

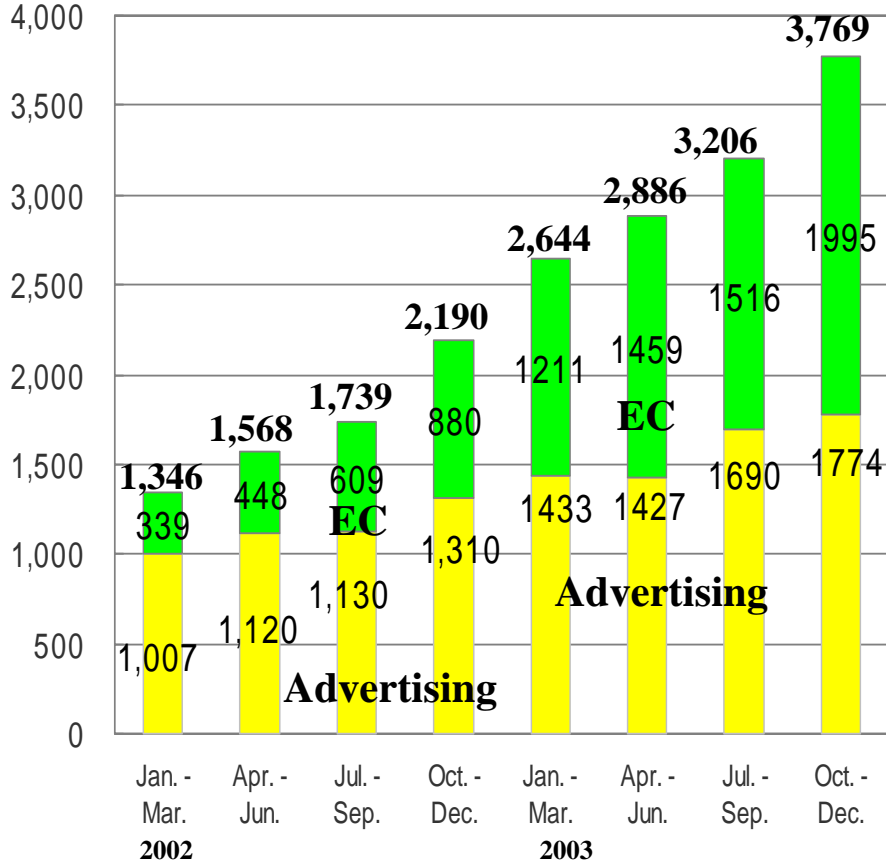
The highest records of sales and gross margin ratio



Changes in Business Performance (Sales) Classified by Business Type

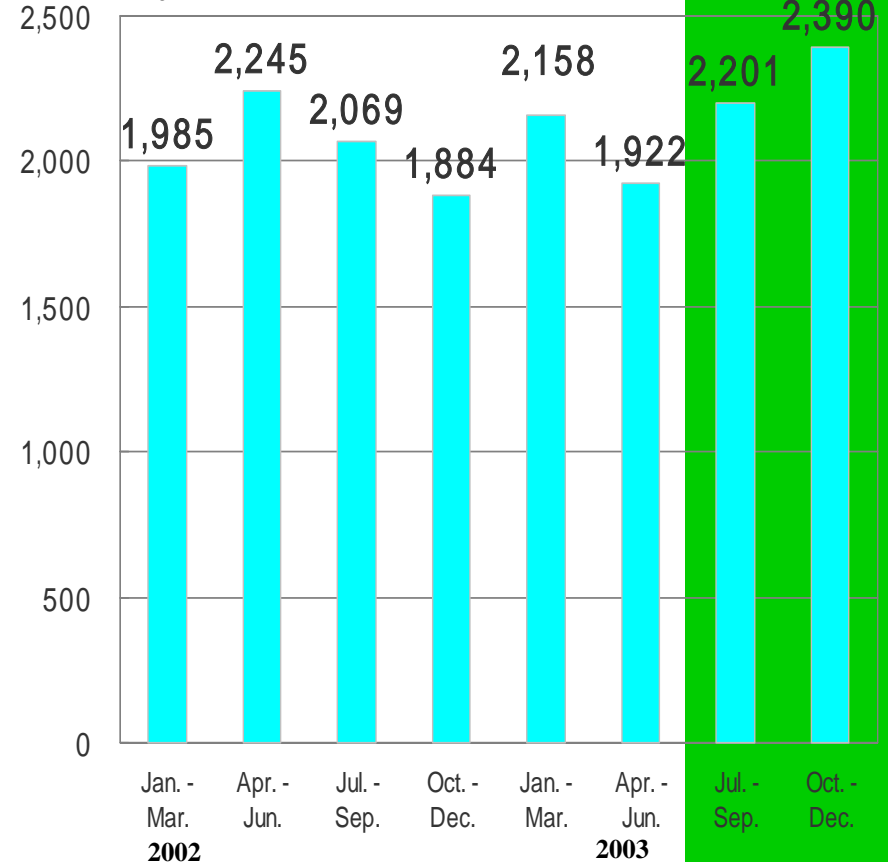
Internet Media Business CANetwork

Unit: million yen



Advertising Agency Business Internet Advertising Headquarters

Unit: million yen



Note: Sales are reference values before internal transaction deduction

“Internet Media Business Sales”, EC sales: includes paid accounting and commission

“Internet Media Business Sales”, Advertising sales: includes sales from affiliates and others

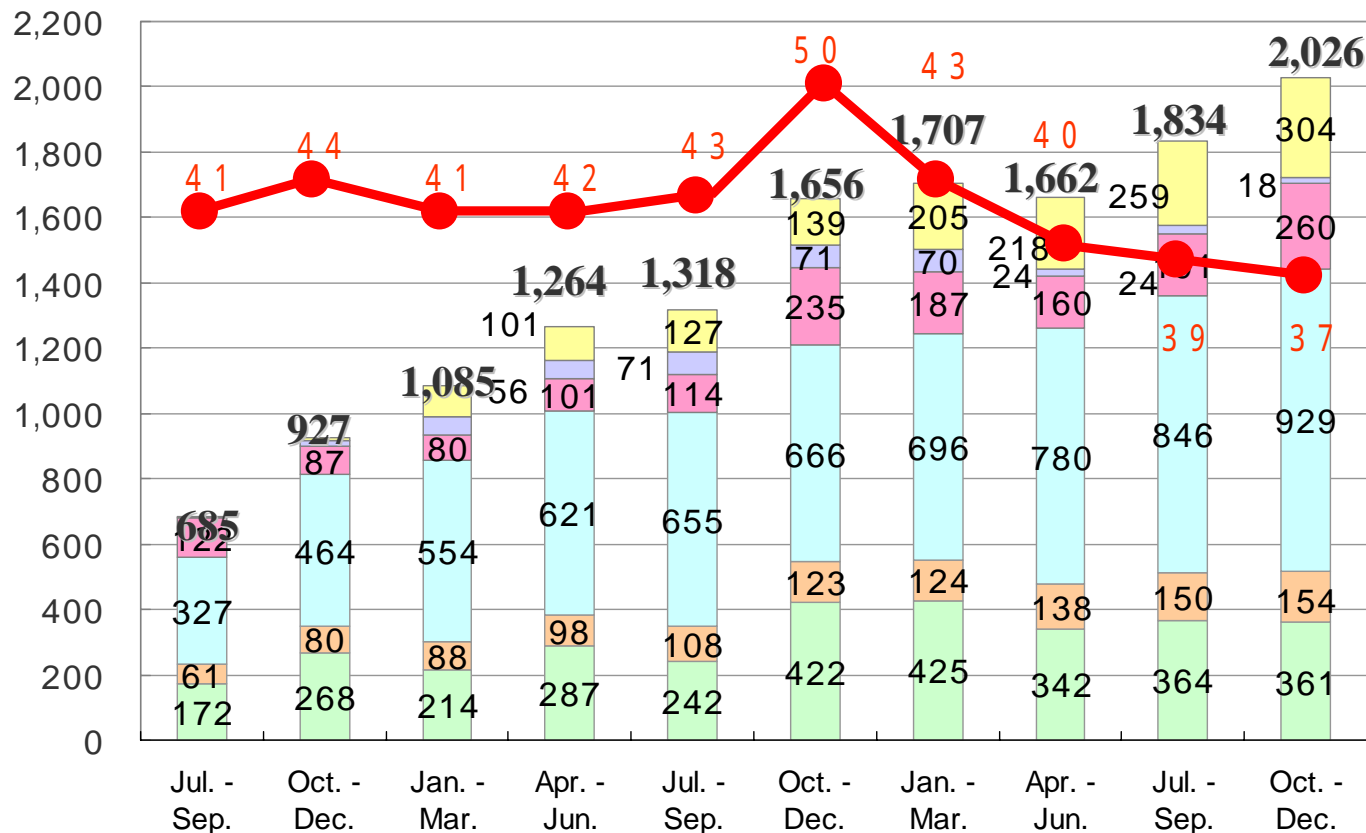
Consolidated Sales and General Administrative Expenses



Though sales and general administrative expense has increased, its expenses ratio has decreased by 2 points

Unit: million yen

Unit: %



In comparison with the previous quarter

Unit: million yen

Costs related to EC	+ 4 5
Consolidated adjustment account amortization cost	- 6
Advertising costs	+ 6 9
Personnel costs	+ 8 3
Office rents and expenses	+ 4
Others	- 3

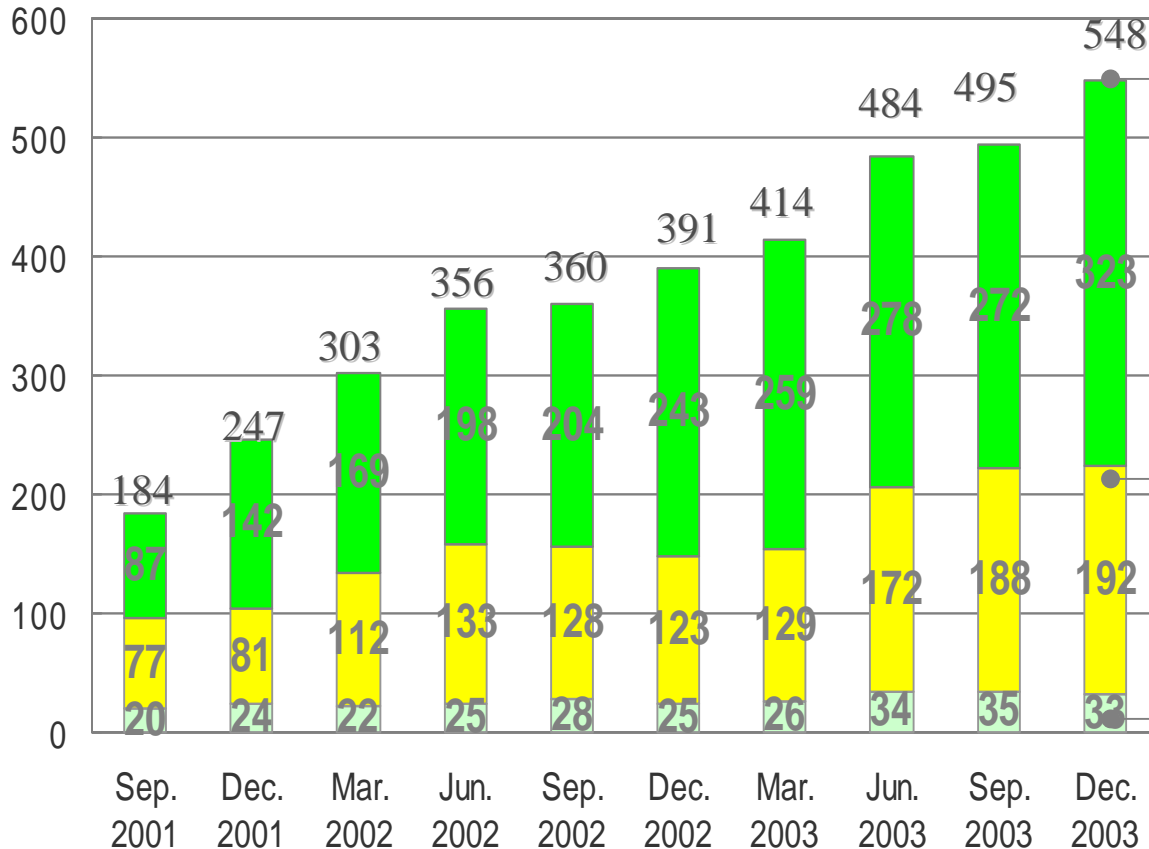
Sales and general administrative expenses ratio

Number of Directors/Staff Members of All Consolidated Companies



Staff-increase by +53 in comparison with the previous term end mainly resulted from the increased persons in individual Internet Media Business projects and affiliated companies

Unit: person



By business type

Internet Media Business:
CANetwork

+ 51

CA MOBILE 19 persons increased
CANetwork 12 persons increased
Axiv.com 9 persons increased
NETPRICE 5 persons increased
Other changes: 6 persons increased

Advertising Agency Business:
Internet Advertising Headquarters

+ 4

Internet Advertising Headquarters
3 persons increased
Other change: 1 person increased

Management Headquarters - 2

Management Headquarters
2 persons decreased

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

Changes in Consolidated Cash Flow

 **Cash equivalent has increased by approx. +2 billion yen due to the sale of investments in securities**

Unit (million yen)	The 1st Q of 2002 Oct. ~ Dec.	The 4th Q of 2003 July ~ Sept.	The 1st Q of 2003 Oct. ~ Dec.
CF from operating activities	3 1 9	3 5 3	1 7
CF from investing activities	1,6 8 0	2 5	1,7 7 0
CF from financing activities	5	2 1 7	2 2 6
Increase/decrease in cash equivalent	2,0 0 5	6 2 1	2,0 1 4
Cash equivalent at the end of term	6,0 7 8	8,8 1 7	1 0,8 3 2

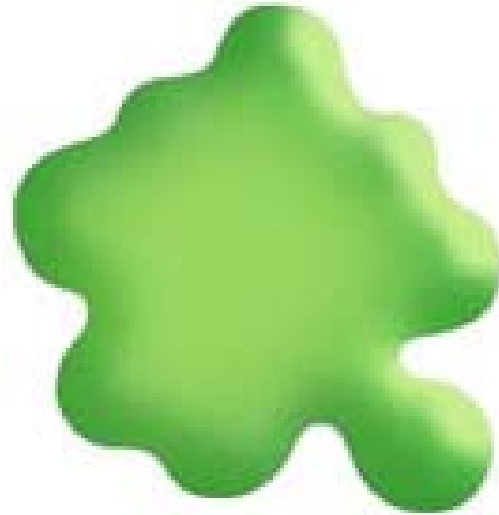
Summary of Consolidated Financial Results

For The First Quarter of fiscal year ending Sept. 2004

B/S  **Cash balance runs to approx. 10.9 billion yen**

Unit (million yen)	End of the 1st Q As of Dec. 31, 2002	End of the 4th Q As Sept. 30, 2003	End of the 1st Q As of Dec. 31, 2003
Current assets	1 0, 5 2 4	1 1, 7 4 1	1 4, 4 9 6
(Cash on hand and in banks + securities, etc.)	8, 1 0 3	8, 8 4 6	1 0, 9 0 4
Fixed assets	5, 9 4 5	5, 8 9 5	4, 2 0 7
Total assets	1 6, 4 6 9	1 7, 6 3 6	1 8, 7 0 4
Current liabilities	1, 8 3 2	2, 4 4 8	2, 7 7 0
Fixed liabilities	5 1	7 7 3	4 9 2
Equity capital	1 4, 1 7 0	1 3, 7 4 9	1 4, 5 1 8

Financial Outlook for the Fiscal Year Ending Sept. 2004



September 2003 - October 2004

Financial Outlook for the Fiscal Year Ending Sept. 2004

Consolidated Financial Outlook

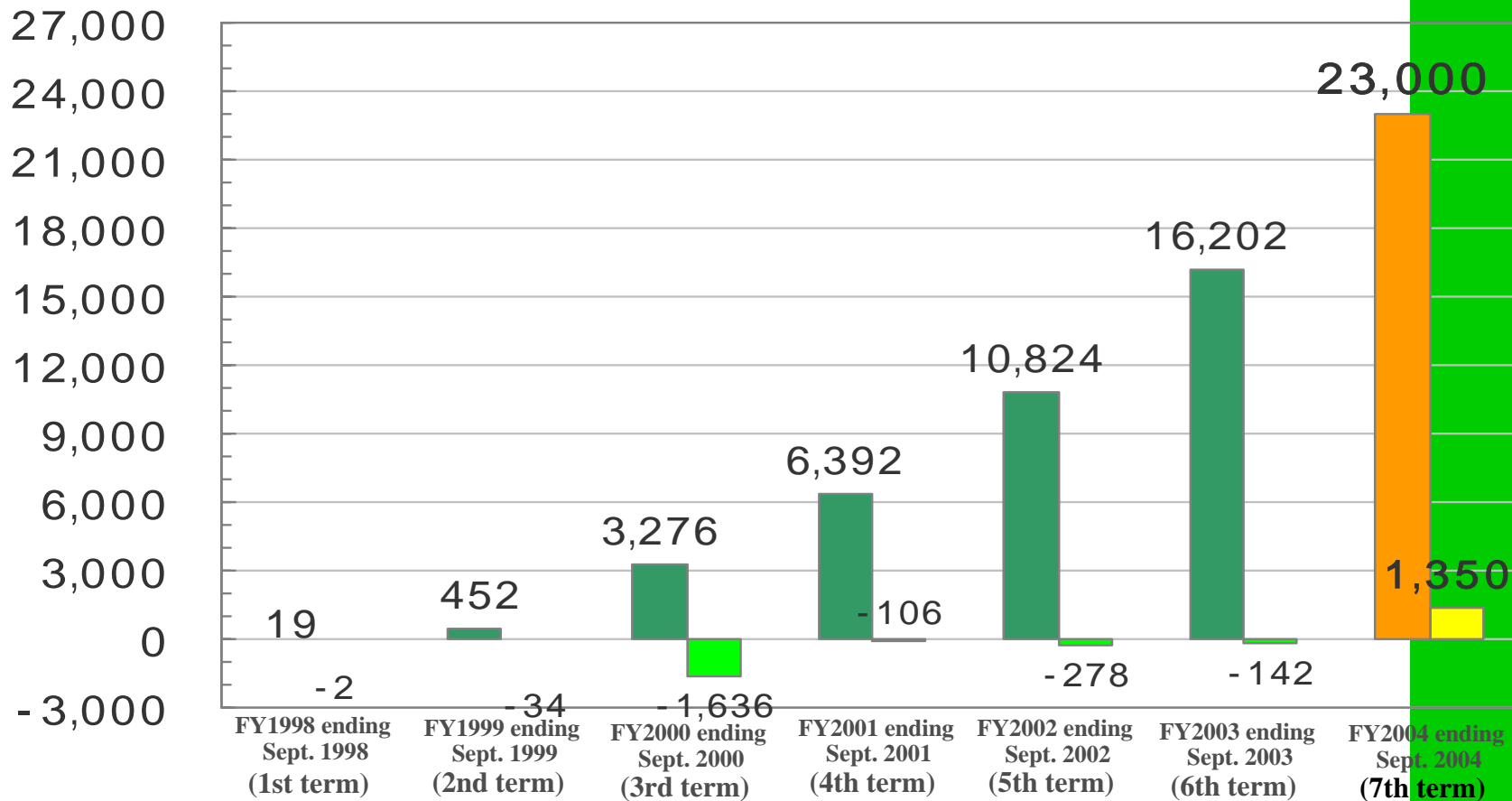
Unit: million yen	Current term (FY 2004)	Previous term (FY 2003)
Sales	2 3,0 0 0	1 6,2 0 2
Operating profit	1,3 5 0	1 4 2
Ordinary profit	1,4 0 0	6 6
Net Earnings	1,6 7 0	2,4 1 9

Changes in Consolidated Business Performance

Unit: million yen

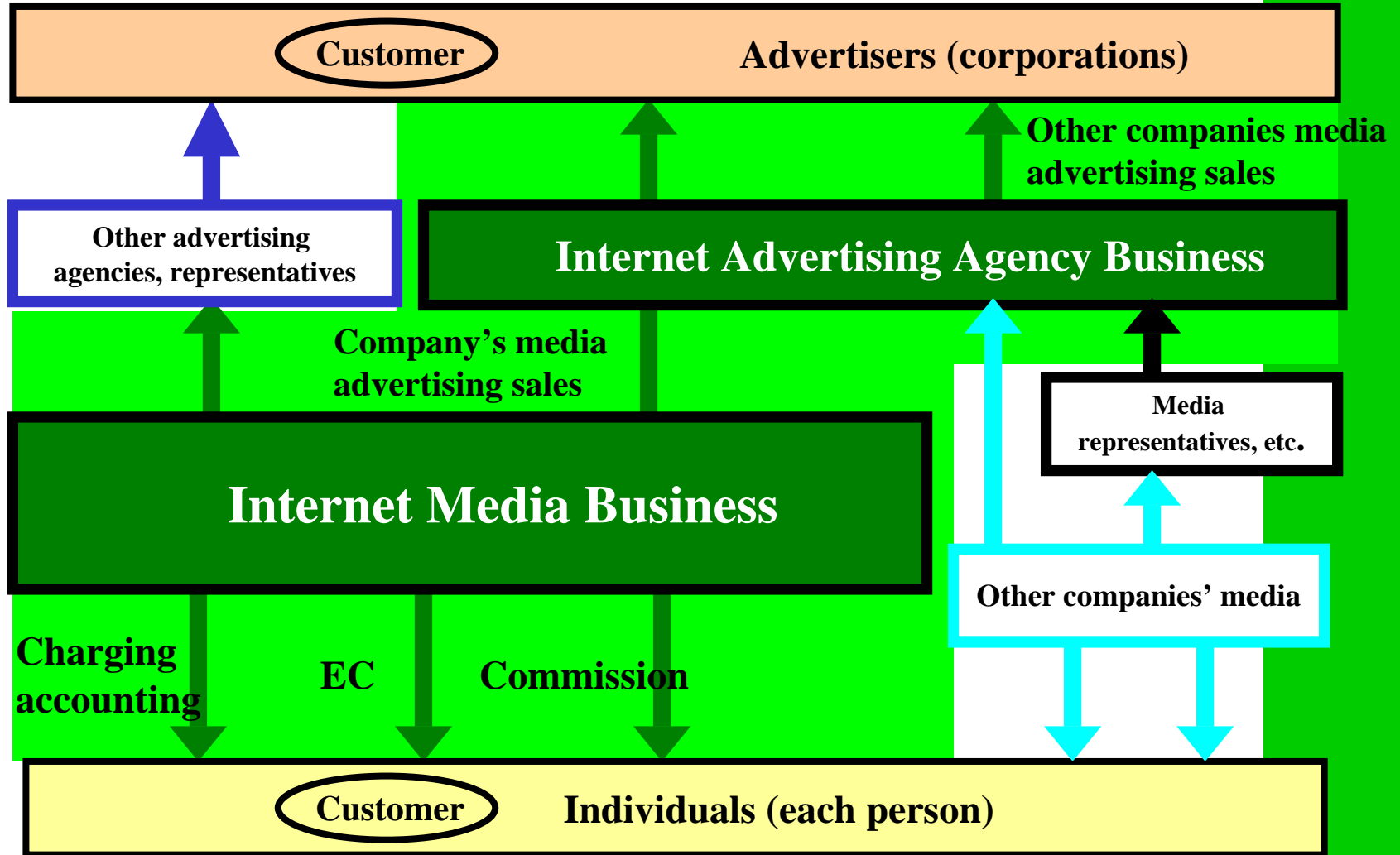
■ Sales

■ Operating profit and loss



*Unconsolidated values for first and second terms

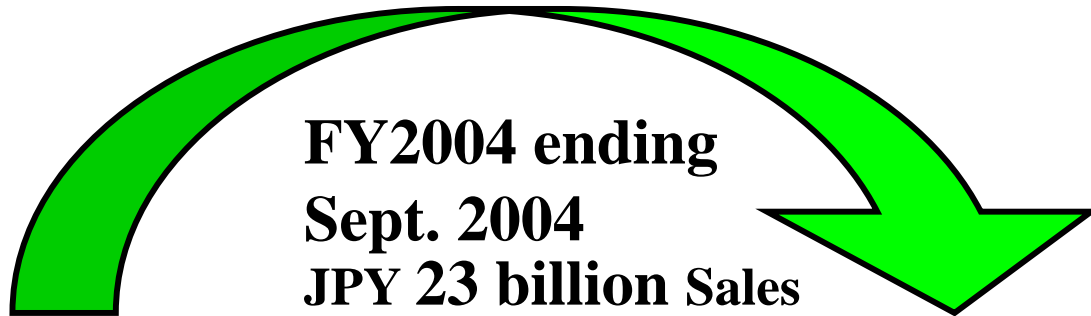
Business Model



Sales Outlook for the Fiscal Year Ending Sept. 2004

FY2003 ending
Sept. 2003
JPY 16.2 billion Sales

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

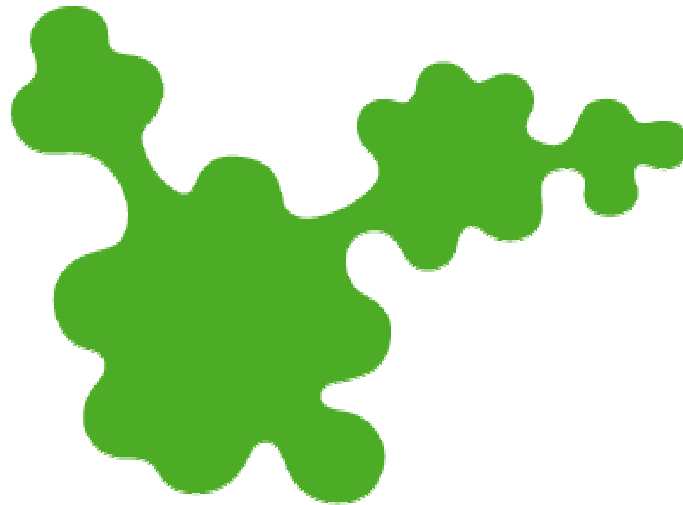


FY2004 ending
Sept. 2004
JPY 23 billion Sales

Retail EC 8 billion yen	Internet Advertising 14 billion yen	
	Company's Media 7.5 billion yen	Other Companies' Media 6.5 billion yen

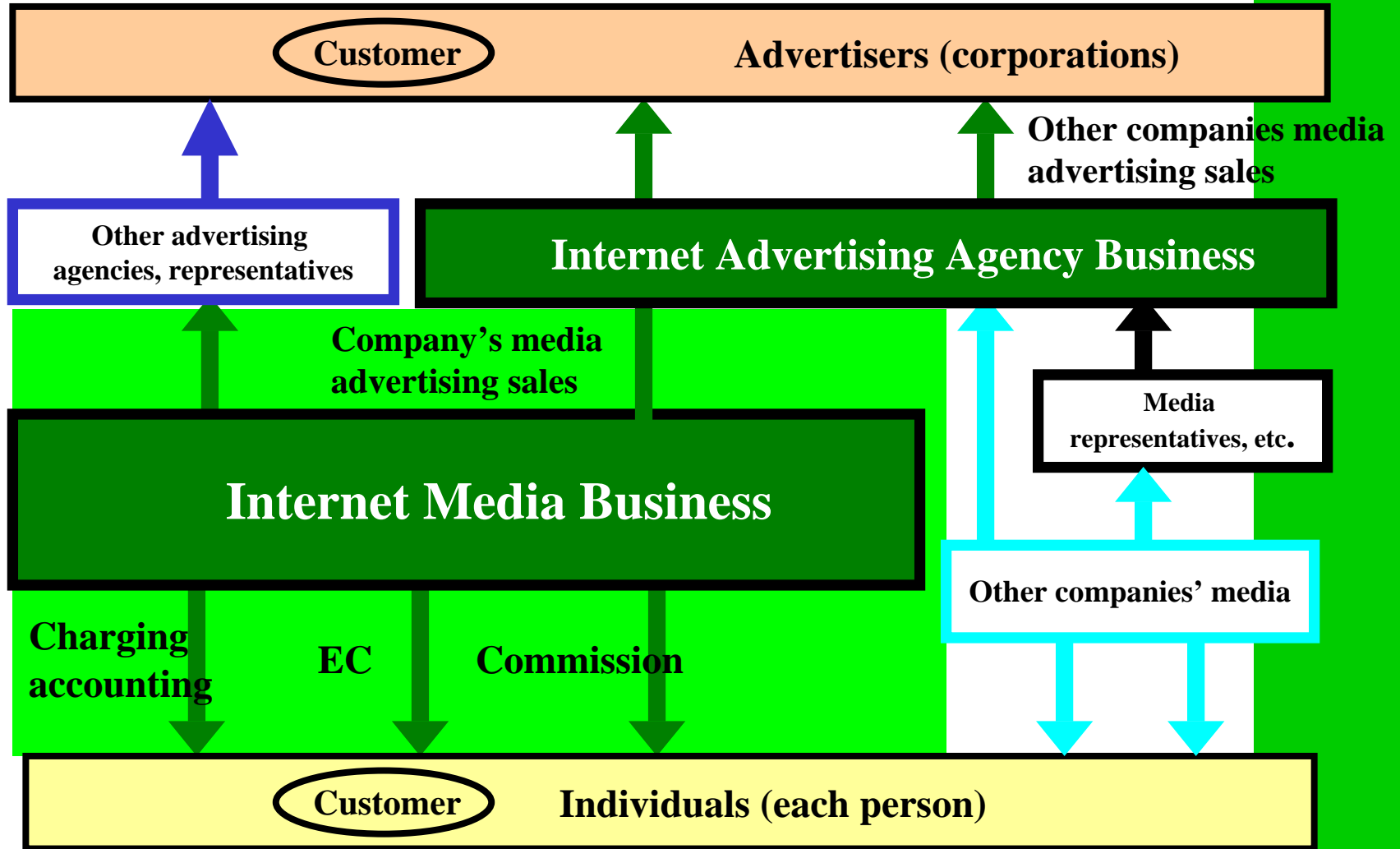
Accounting, commission,
and EC
1 billion yen

Internet Media Business



CA.network

Business Model

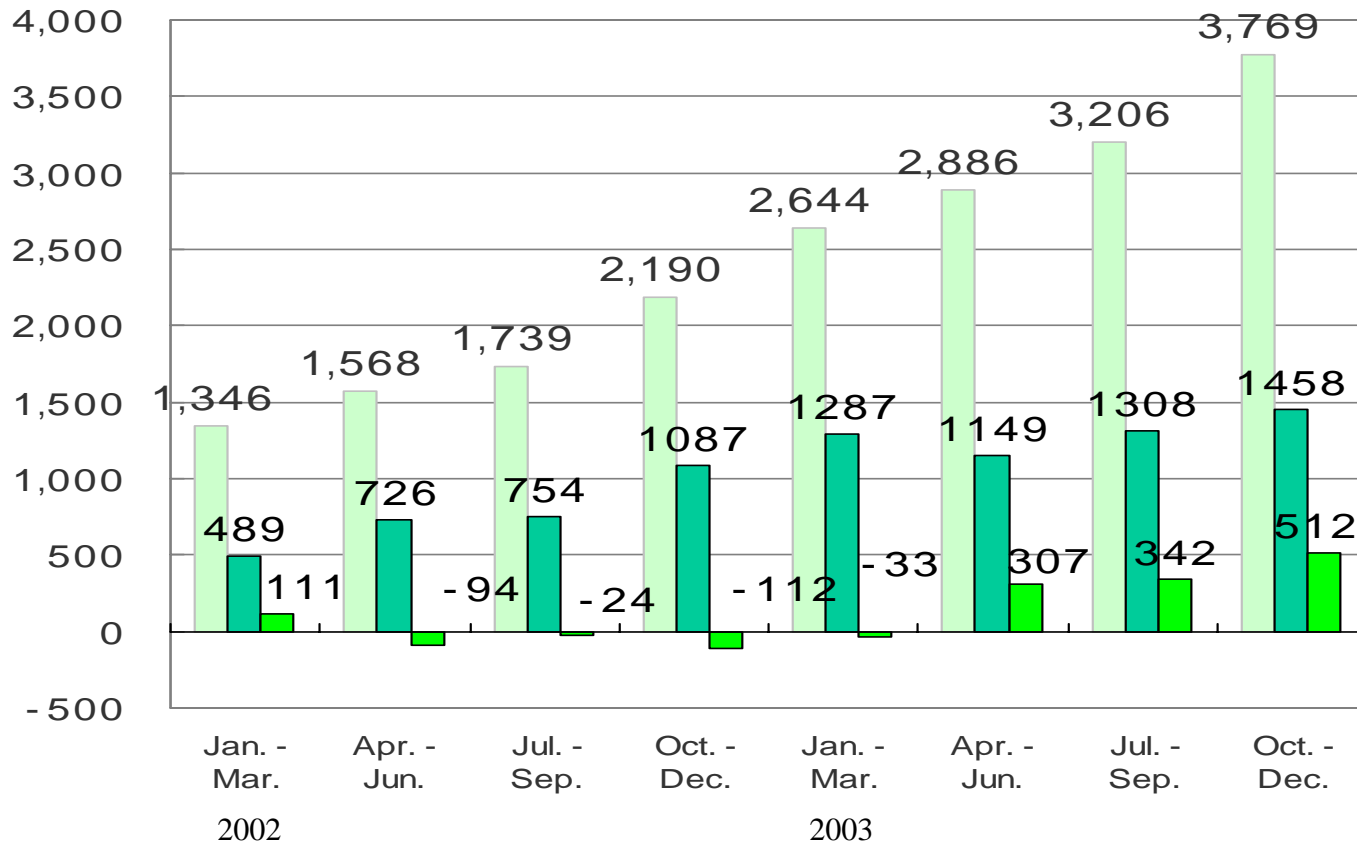


Internet Media Business: Profit and Loss

Internet Media Business CANetwork

- Sales
- 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	Apr. - Jun. 2003		Jul. - Sept. 2003		Oct. - Dec. 2003	
		Sales	Operating Profit	Sales	Operating Profit	Sales	Operating Profit
CANetwork	CA MOBILE, LTD.	818	239	900	224	1,038	252
	NETPRICE, LTD.	1,251	120	1,309	80	1,529	115
	Axiv.com. Inc.	244	36	335	76	375	65
	melma!	140	56	113	30	118	35
	LifeMile	63	19	79	31	82	26
	Kensho-no-tubo (prize pot)	56	16	71	22	47	1
	Cyber Brains, LTD.	100	18	110	4	126	21
	International Sports Marketing, LTD.	73	15	83	8	211	95
	ChanceMaster	3	27	38	16	76	4
	MailVision	86	74	120	30	134	6
	MLB	34	77	29	82	14	55
	NEW! All Navi Project					8	10
	NEW! CA CAPITAL, LTD.					4	38

MailVision has remained steady in sales, moving into the black.

The operational body of MLB will be transferred to another company in the near future.

Service Outline 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
	NEW! CA CAPITAL, LTD.	Financial service business
	NEW! All Navi Project	Information comparison site operation
	NEW! GREST, LTD	Online game operation

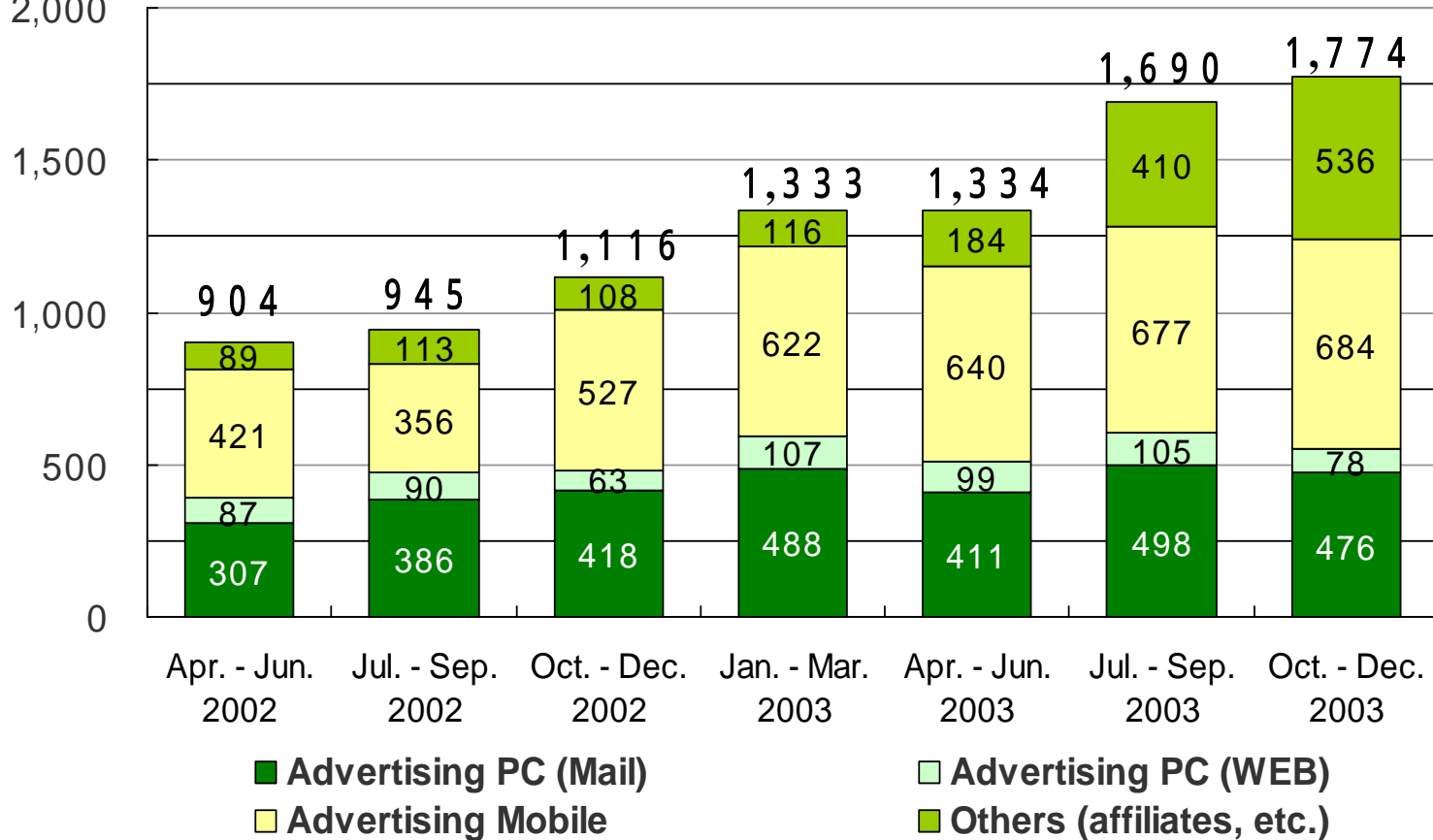
Internet Media Business

Changes in Sales Composition Related to Advertising



Company's media advertising sales, +5% over previous quarter

Unit:
million yen
2,000



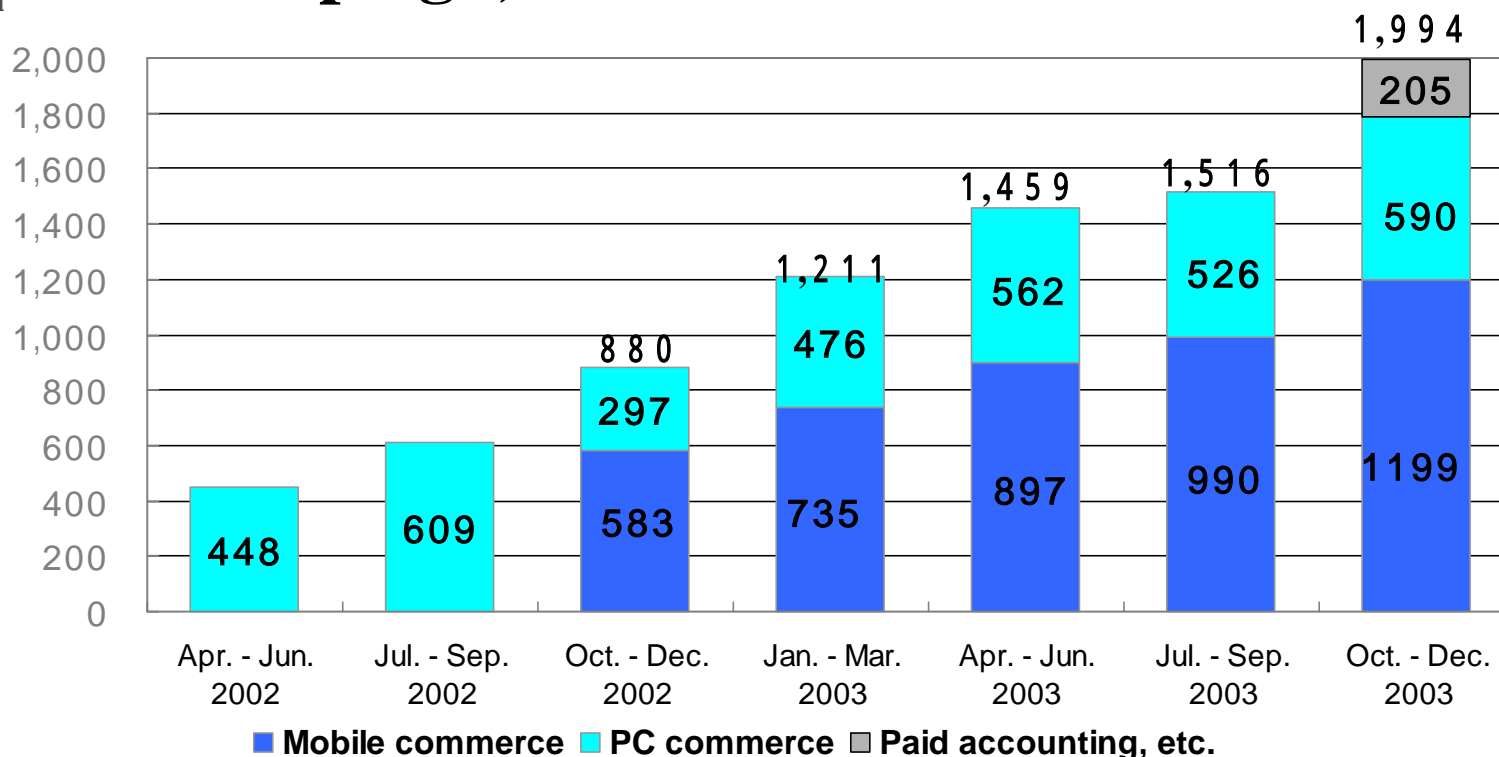
Note: The sales are reference values before internal transaction deduction

Internet Media Business: EC Sales



Business is steady due to the year-end campaign, etc.

Unit: million yen

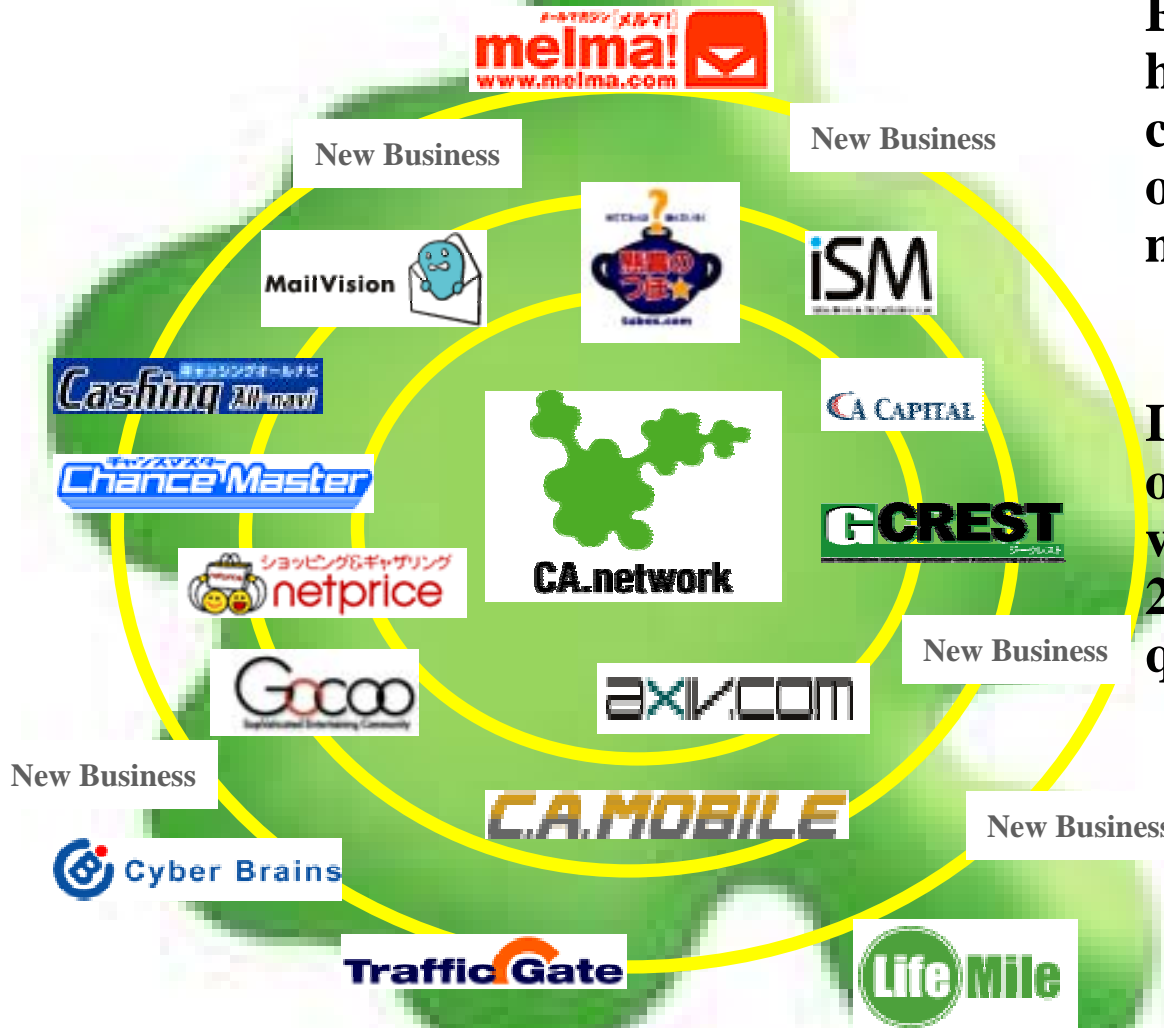


Note 1: EC sales include the paid accounting sales since Oct. 2003.

The sales of the paid accounting generated by CA MOBILE LTD. were reckoned as the advertising sales until Sept. 2003.

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

CANetwork



Each independent service has obtained subscribers, contributing to the ability of CANetwork to attract more visitors.

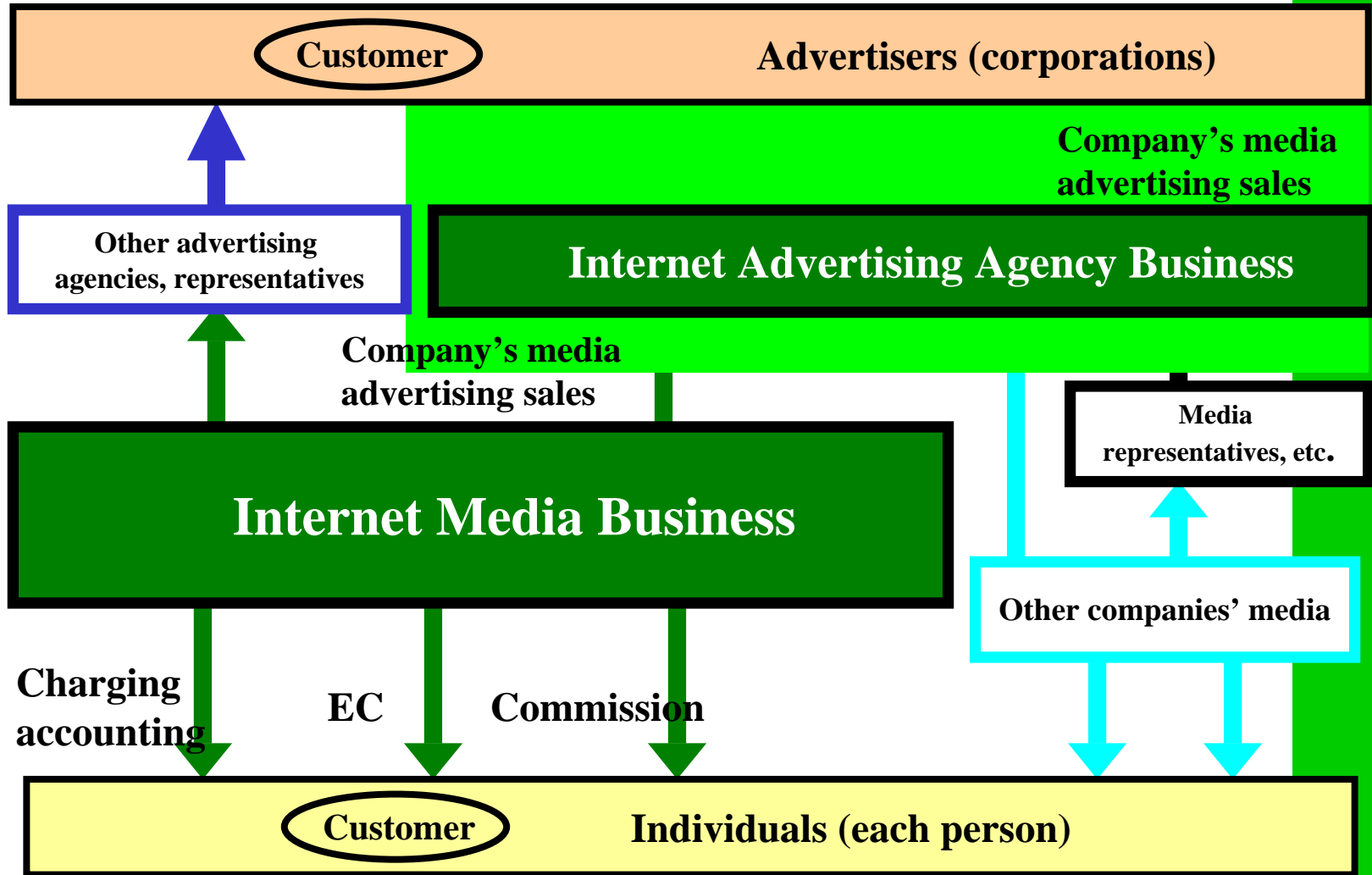
In order to take advantage of the ability to attract visitors, we aim to start up 2-3 new businesses per quarter.

Advertising Agency Business



CyberAgent

Business Model

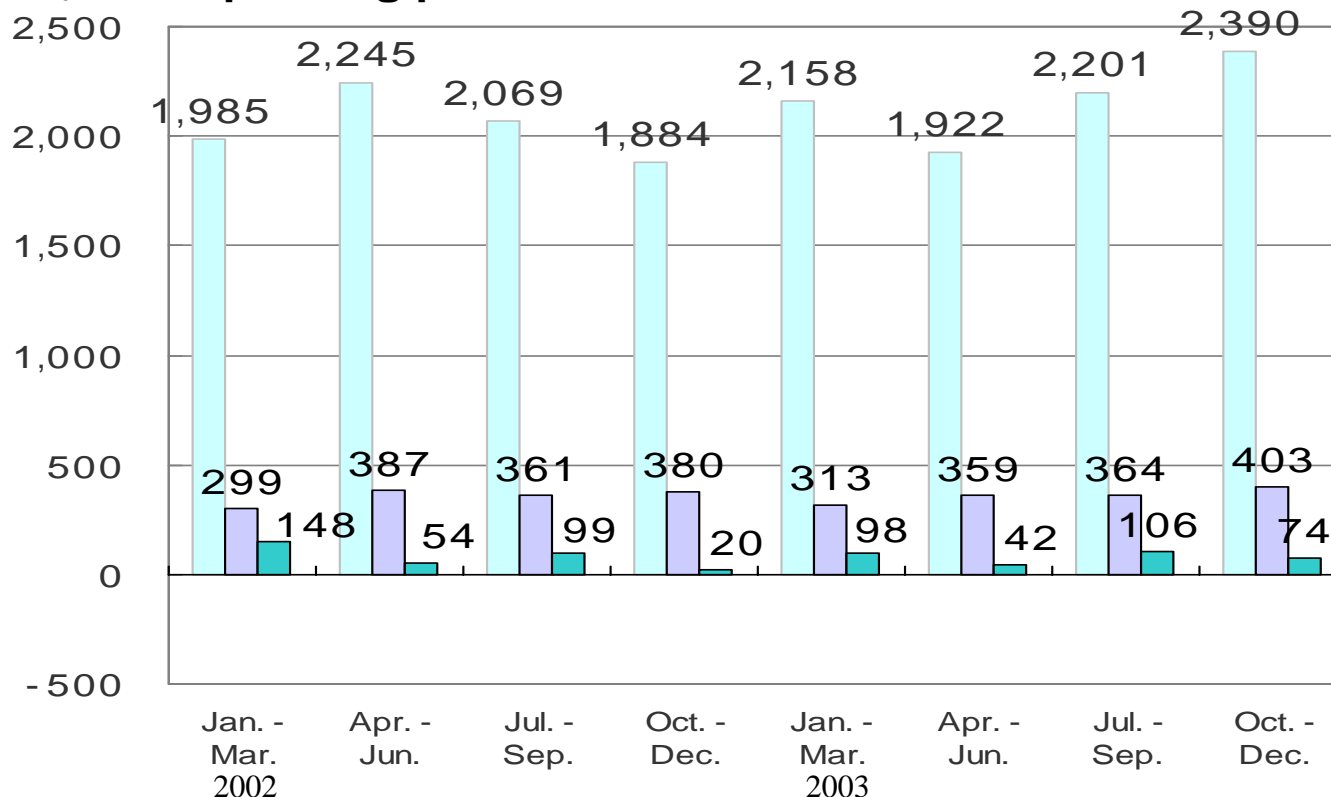


Advertising Agency Business

Advertising Agency Business : Internet Advertising Headquarters

Unit: million yen

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



Note1: Reference values before deduction of internal transaction, consolidated adjustment account amortization and all company expenses

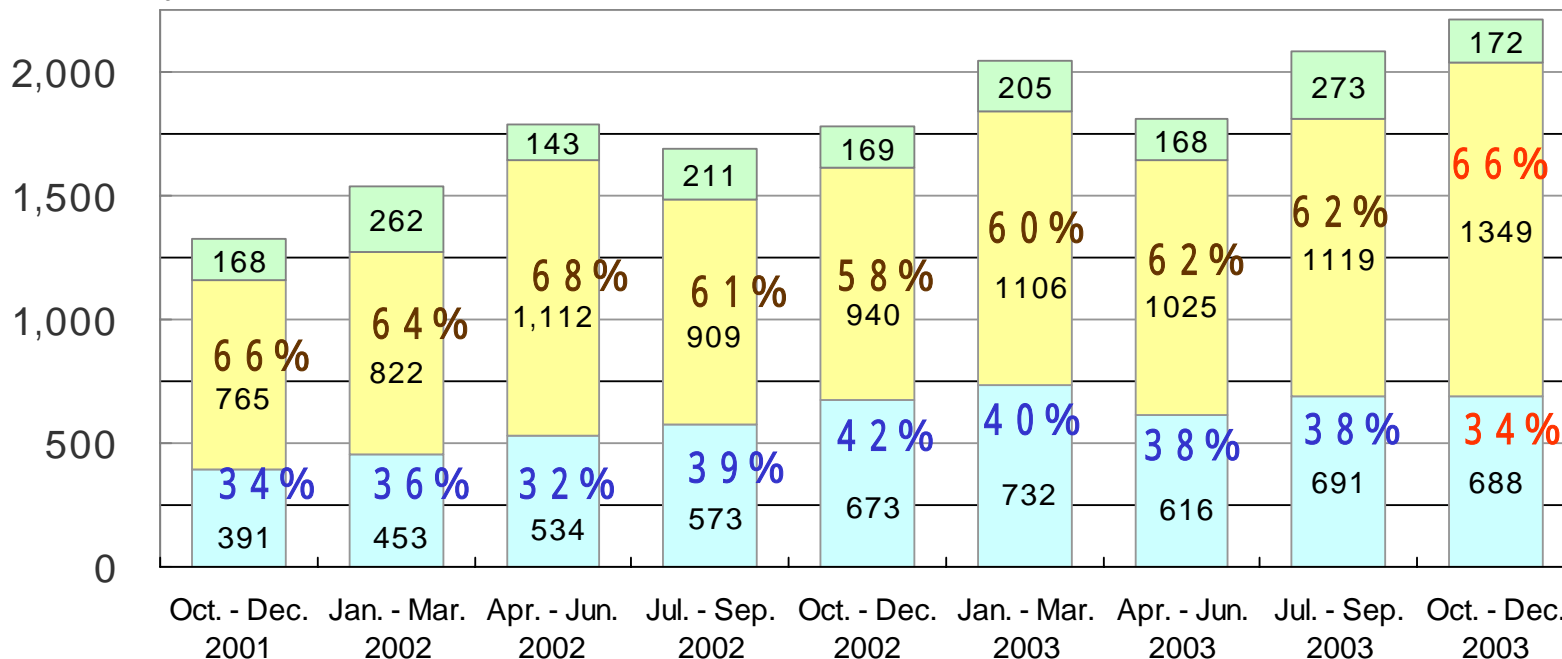
Note 2: Applicable business: Internet Advertising Headquarters, CASERCH LTD. and YMIRLINK. Inc.

Advertising Agency Business Changes in Sales Composition



The ratio of sales via other companies has increased due to the booming paid listing advertising sales

Unit: million yen



■ Company's medium
 ■ Other companies' medium
 ■ Creating costs, etc.

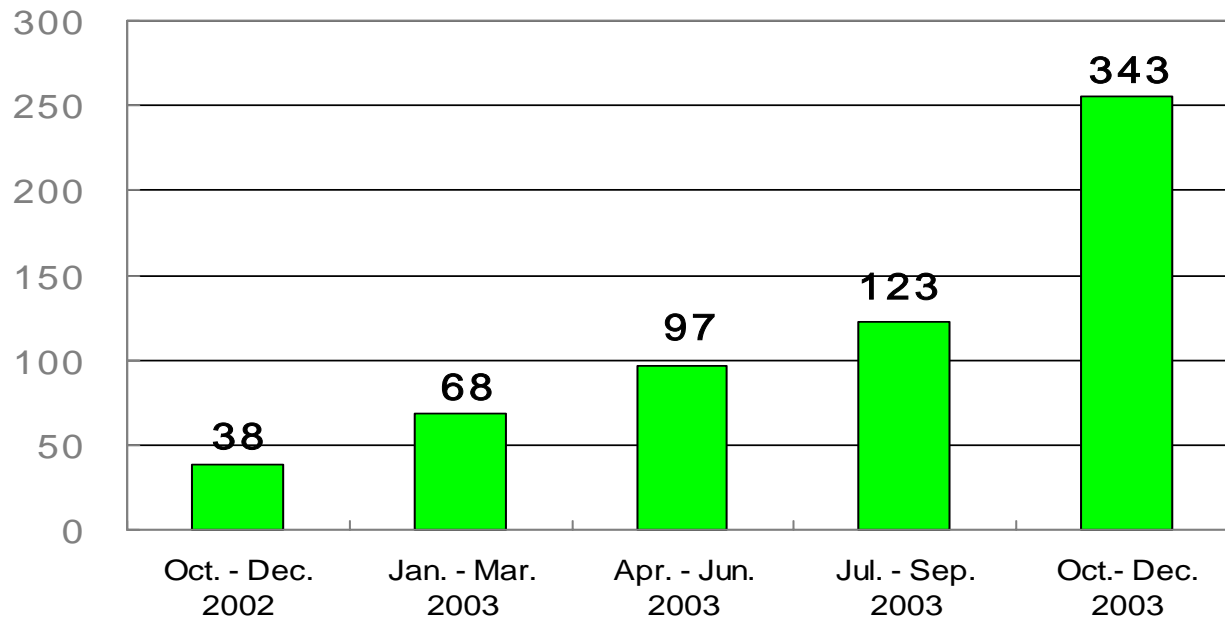
Note 1: The sales of Interactive Company for the September period of 2002, and sales of Advertising Agency Business "Internet Advertising Headquarters (former Account Station)" for the FY2003 ending September 2003 or later (before deduction of internal transaction)

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

Paid Listing (Search result advertisement)

 **+179% increase compared with the previous quarter, emerging as No. 1 in handling volume**

Unit: million yen



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

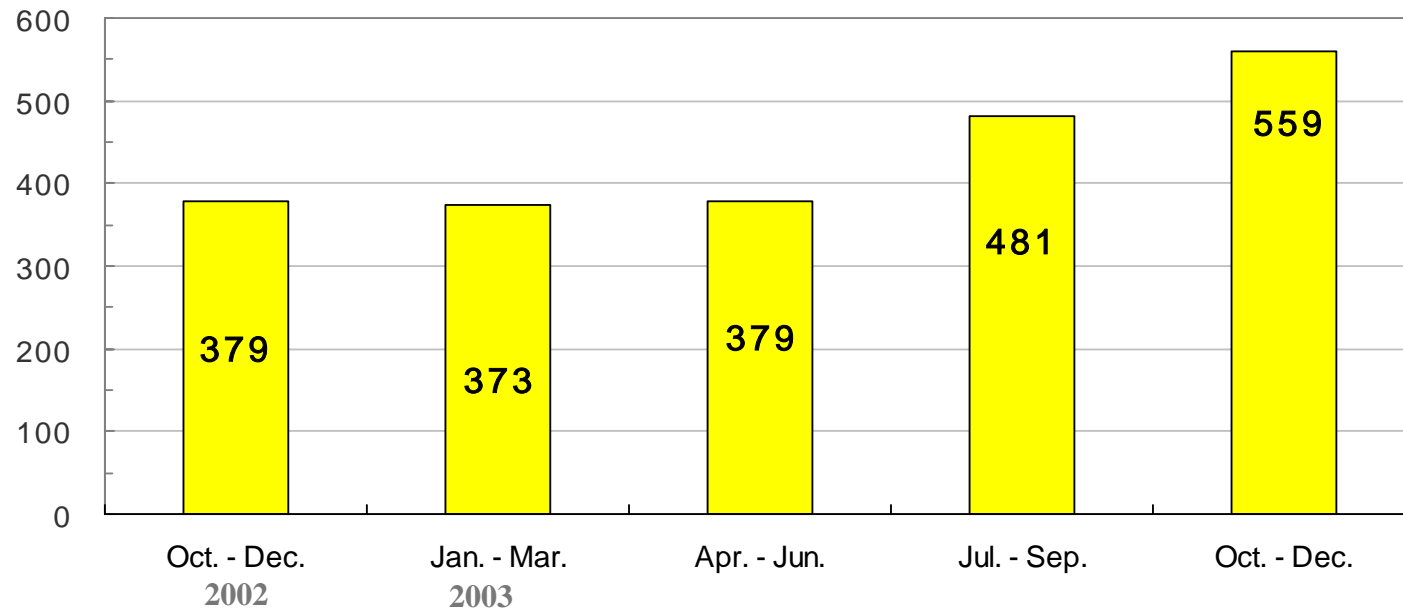
Transition in the number of the companies we deal with



The number of companies we deal with has increased along with the growth of paid listing advertisement

Unit: million yen

■ The number of the companies we deal with during the quarter



Unit: million yen	1 st Q of 2003 (Oct. - Dec.)	2 nd Q of 2003 (Jan. - Mar.)	3 rd Q of 2003 (Apr. - Jun.)	4 th Q of 2003 (Jul. - Sept.)	1 st Q of 2004 (Oct. - Dec.)
Sales	1,783	2,044	1,810	2,083	2,209
Number of companies we deal with	379	373	379	481	559

Advertising Agency Business Share of Sales by Industry

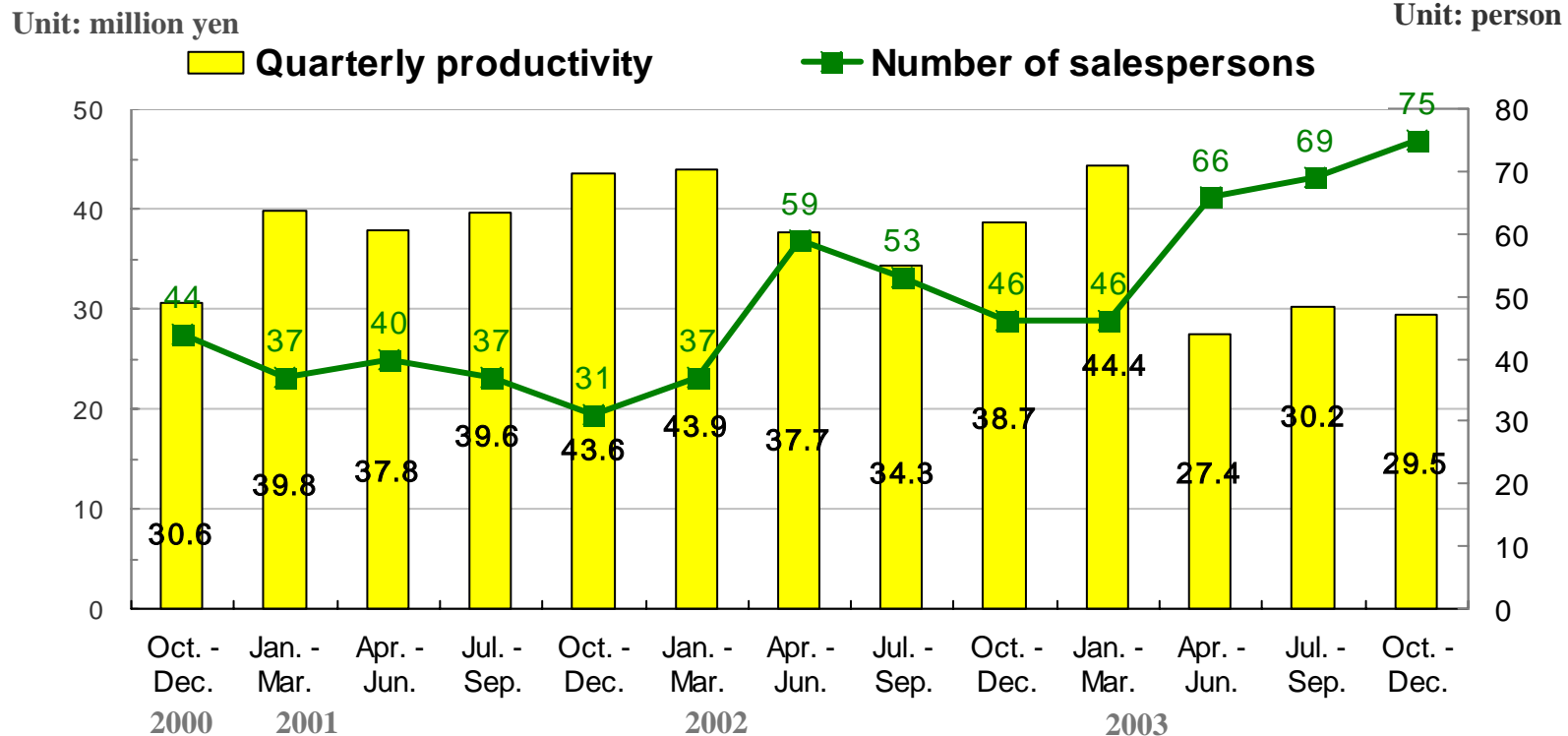


Dependency on Finance, Insurance and Securities sectors has been reduced and dispersed to wider sectors

	Oct. - Dec. 2002	Jan. - Mar. 2003	Apr. - Jun. 2003	Jul. - Sept. 2003	Oct. - Dec. 2004	Increase / decrease
Finance/insurance/ securities	46.2%	43.9%	49.0%	37.2%	36.4%	0.8%
Education/human resources	7.3%	9.8%	7.0%	9.0%	10.1%	1.1%
Internet related	13.1%	9.5%	8.2%	11.5%	13.0%	1.5%
Esthetic/beauty	5.9%	5.3%	5.8%	6.8%	4.1%	2.7%
Other manufacturers	3.5%	5.1%	4.4%	7.8%	7.8%	+ - 0%
Advertising/services	4.7%	5.0%	4.1%	6.1%	6.9%	0.8%
Cosmetics	4.0%	4.6%	7.0%	4.3%	5.5%	1.2%
Transportation/ communications	3.0%	3.7%	4.2%	7.0%	5.7%	1.3%
Real estate	2.7%	2.2%	2.1%	2.4%	3.1%	0.6%
Others	9.6%	10.9	8.2%	7.5%	10.1%	2.6%

Quarterly Productivity per Salesperson

1.1 million yen in the current term/planned by month



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

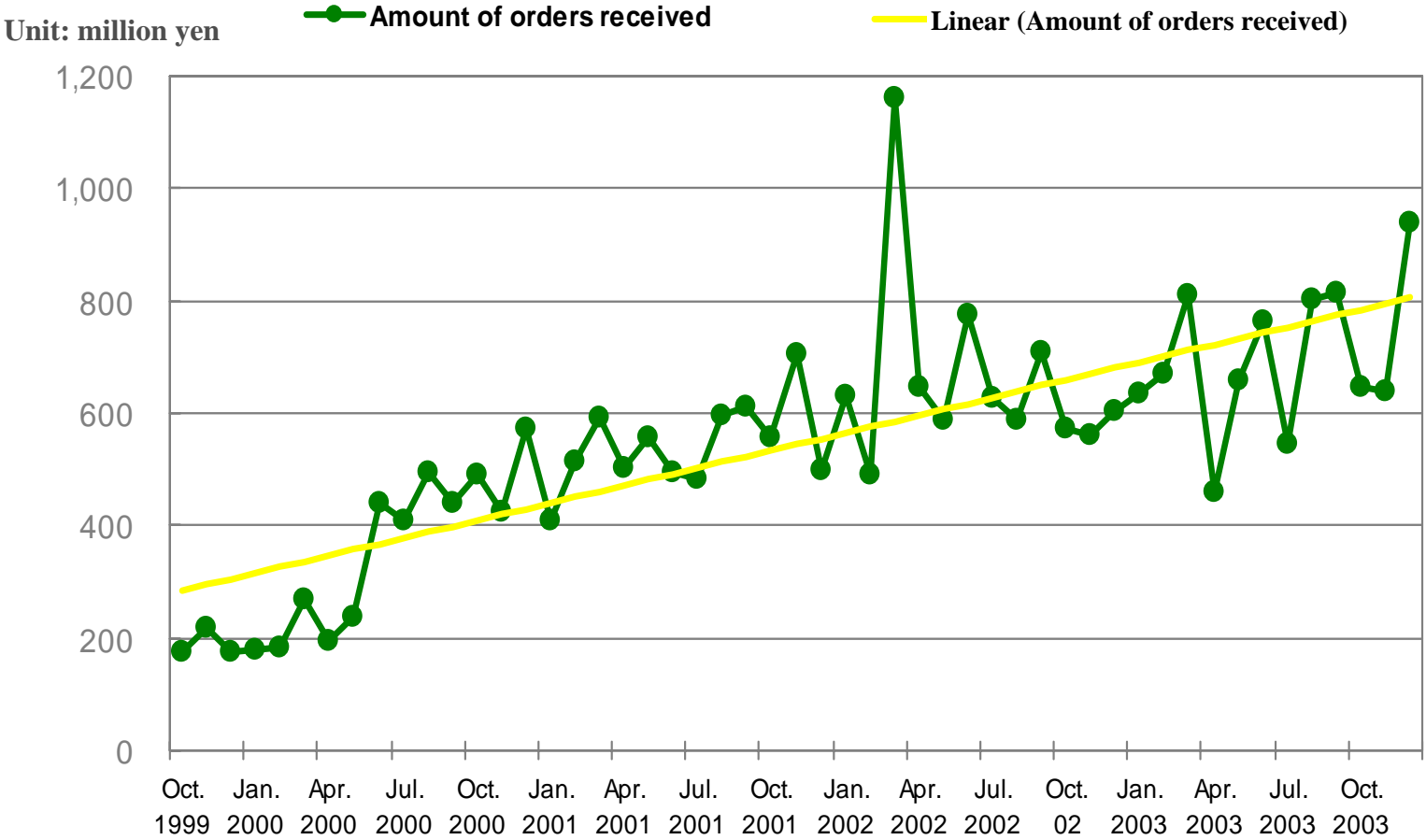
Note 2: Totaled by adding Osaka Company to Interactive Company from the second quarter of No. 5 period (FY2002)

Note 3: Sales per salesperson belonging to Advertising Business Unit from the first quarter of No. 6 period (FY2003)

Advertising Agency Business Monthly Order Receiving



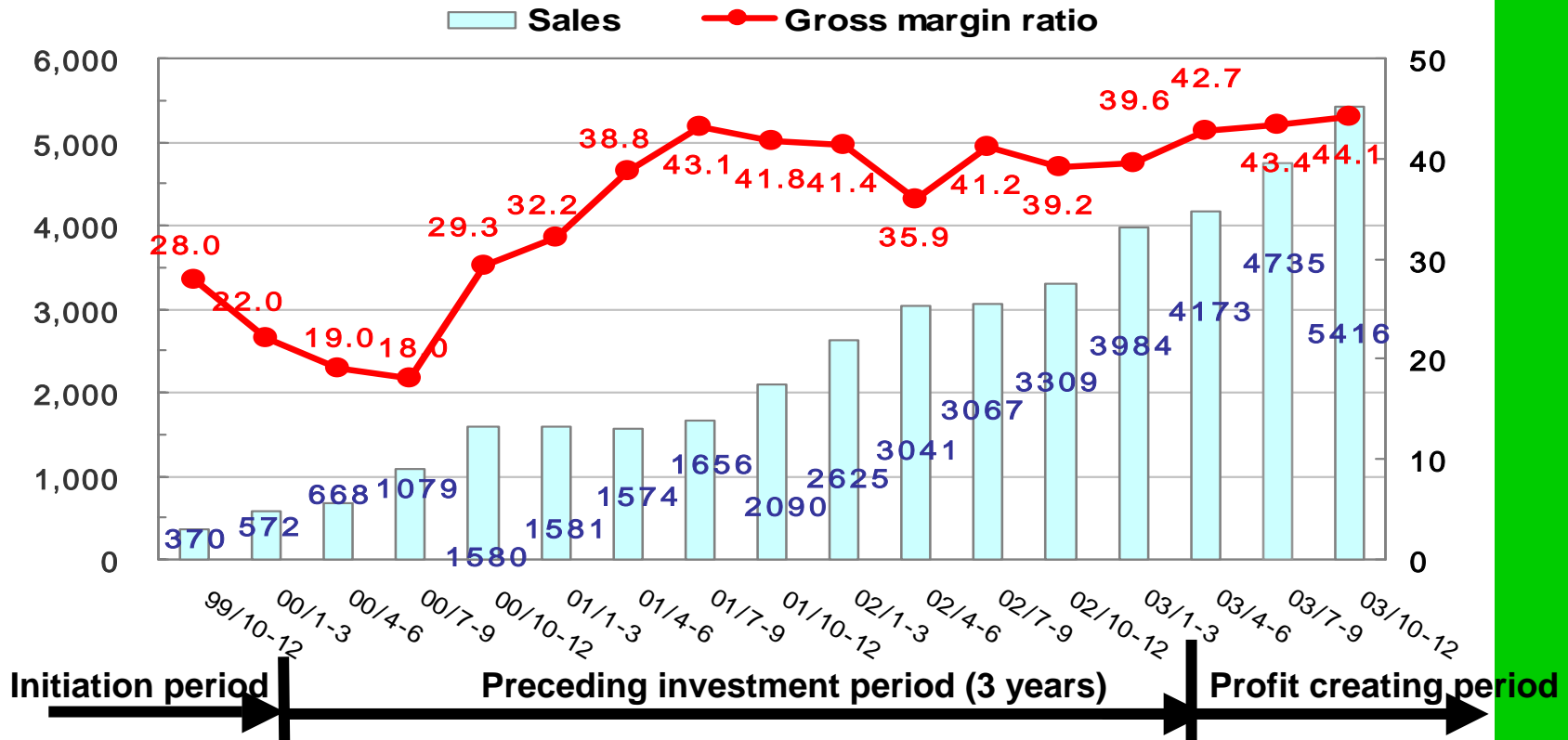
Steady increases in orders received



Developing Toward Long Term Growth



Transition to profit creating period



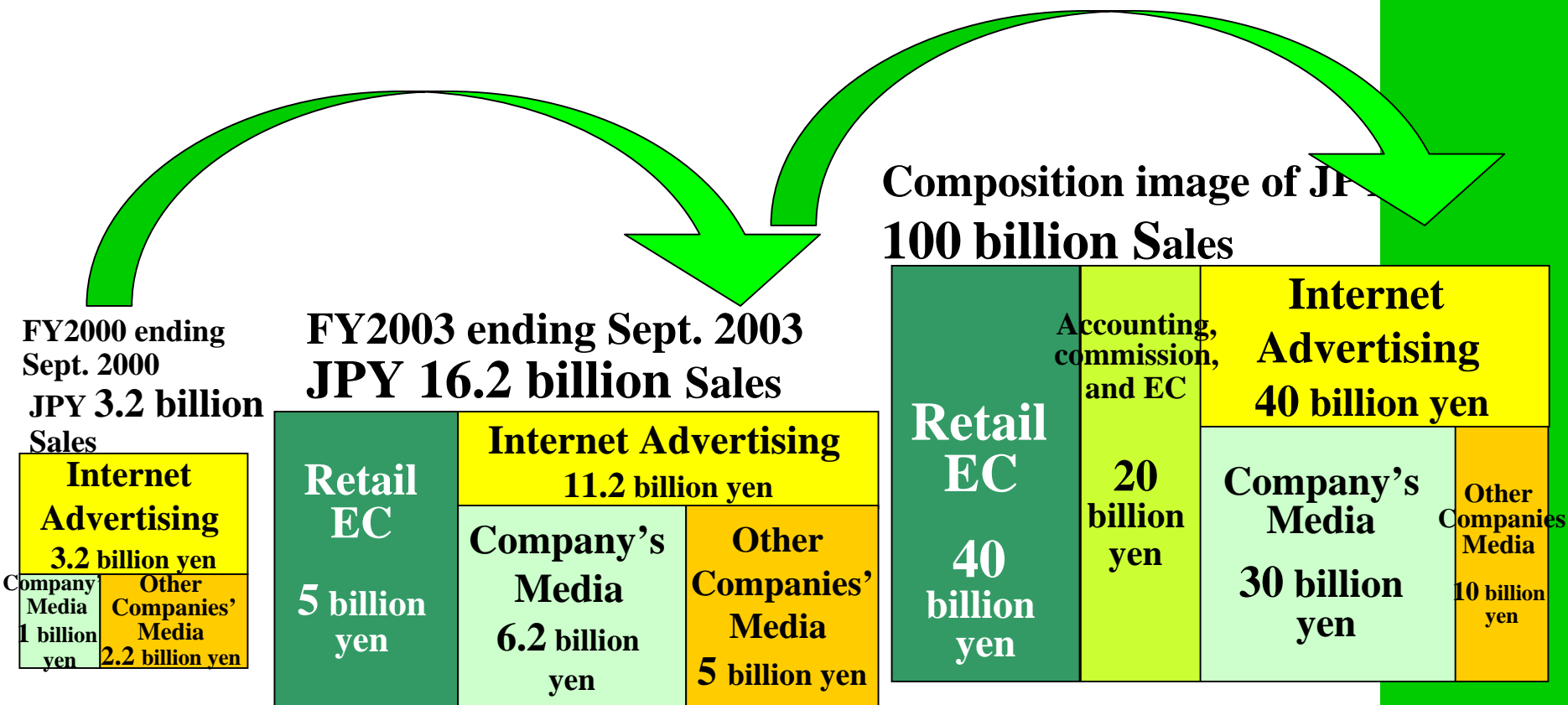
From companies of click guarantee type advertising

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: 23 billion yen (expected for the 2004 Sept. term)
 Gross margin rate: approx. 44%
 Main businesses: Advertising Business Unit (monthly sales: about 750 million yen)
 melma! (monthly sales: about 40 million yen)
 Kensho-no-tubo (monthly sales: about 20 million yen)
 LifeMile (monthly sales: about 25 million yen)
 MailVision (monthly sales: about 45 million yen)
 CA MOBILE (monthly sales: about 370 million yen)
 NETPRICE (monthly sales: about 560 million yen)
 Axiv.com. Inc. (monthly sales: about 100 million yen)
 Cyber Brains (monthly sales: about 40 million yen), etc.

Composition image of future sales



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

Competitive edge of Cyber Agent

Ability to attract visitors through Internet



The number of total unique users across CANetwork is approx. 31 million

Ability to gain profits through Internet



In the advertising, EC, and paid accounting businesses

Ability to develop business through Internet



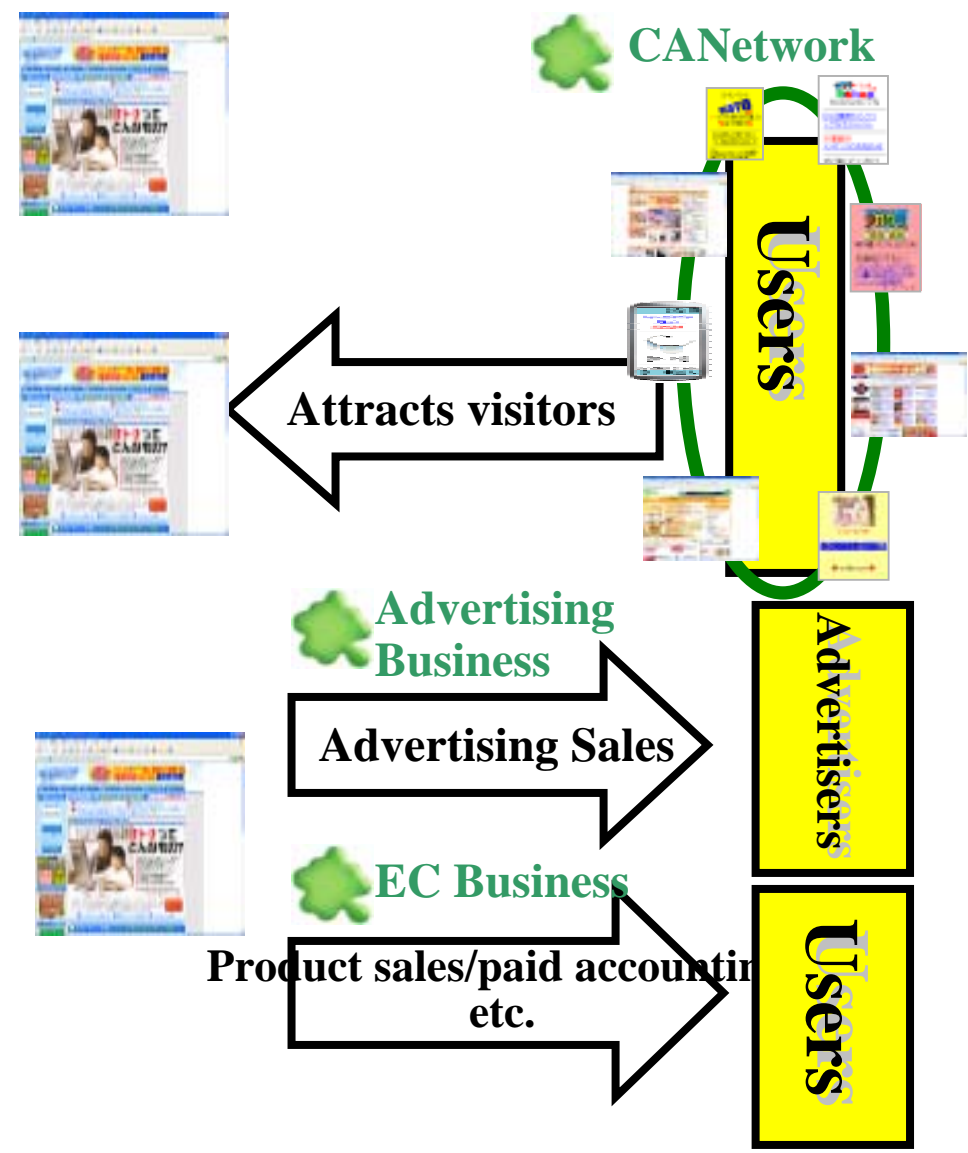
Most of the current business has been developed on our own instead of acquisition

New business startup process

New business **development**
(in media and service)

Attracts users
through CANetwork or
by advertisement via
other companies media

Generating
revenue from
advertising sales or EC
by pulling in a certain
number of users



New Business

Takeover of e-vent Inc. to operate as our affiliated company (expected to be 100% owned)

Computerized matchmaking business through the Internet

Major media: WeddingPark



Enhances the ability to attract site-visitors within the Cyber Agent group, improves the management system, and aims at business expansion

Date of establishment: Sept. 1999

Capital amount: 110 million yen

Performance: 5.4 million yen in the March 2003 term

Future Investment Policy

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 end of FY 2005 ending September 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.**

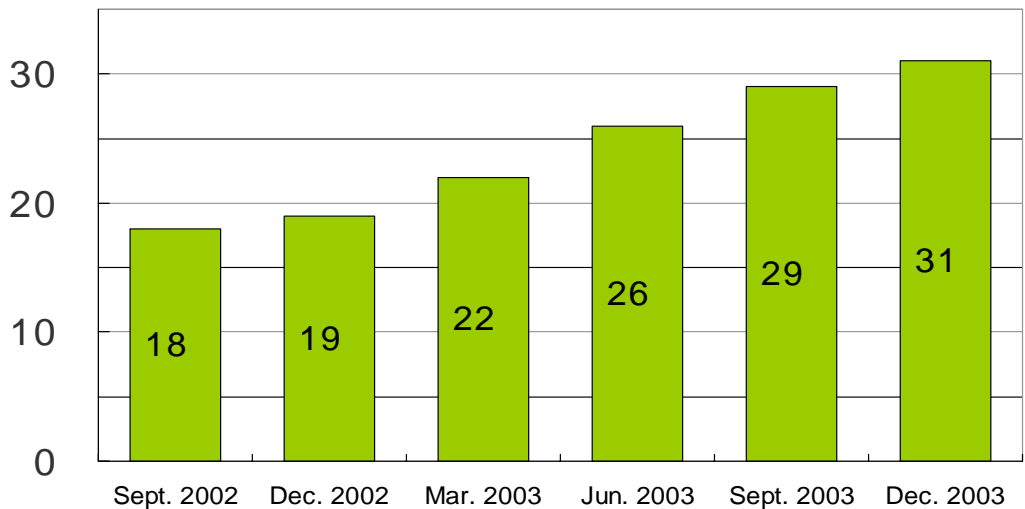
Appendix



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	End of December
Mail (Text)	12,489	13,445	14,617	17,183	18,470	20,242
Mail (Html)	3,157	3,727	5,131	5,516	5,778	5,682
Mobile (Mail)	2,502	2,778	3,025	3,539	4,696	5,217
Others	0	10	24	39	58	284
Total	18,149	19,961	22,798	26,279	29,003	31,429

Unit: million yen

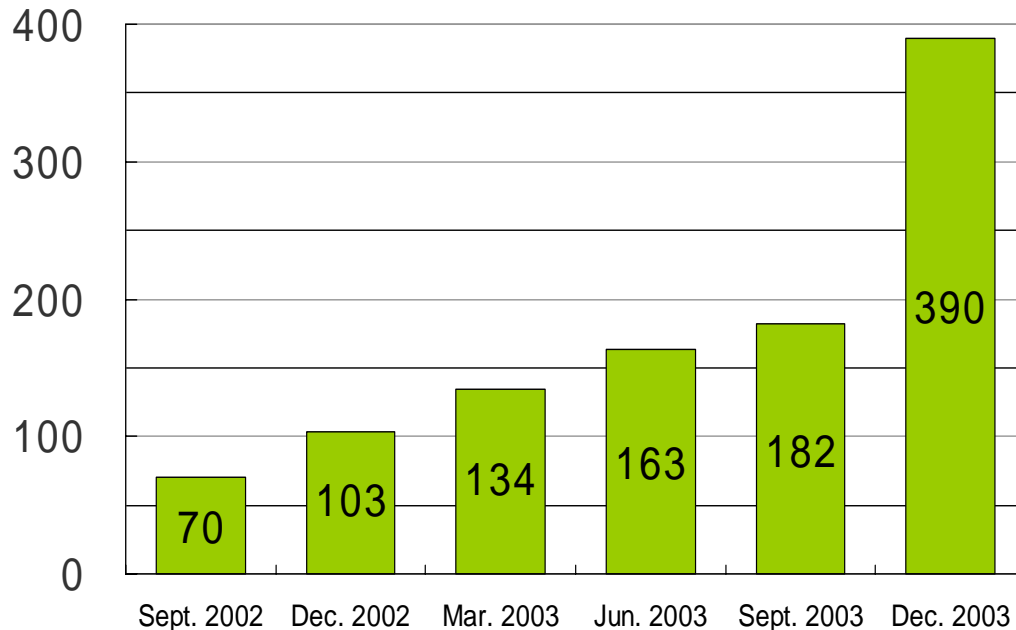


Note: The above numbers of unique users are obtained by totalizing by medium type the numbers of unique users of the projects of the company group and those possessed by affiliated companies.

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	End of December
PC site	48,953	54,944	69,302	78,881	96,276	119,570
Mobile site	21,683	48,537	65,371	84,338	86,080	271,283
Total	70,637	103,482	134,674	163,220	182,357	390,854

Unit: million yen



Note 1: 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.

Note 2: The numbers of mobile site PVs includes the number of clicks on CAM cellular phone since the end of Dec. 2003.



Internet Media Business

e-mail magazines

Designed, produced and operated by our own



2009年10月号 第10号
Cher magazine content text

セレブに学ぶ秋の3大ヘアスタイル

1. *Ruise Witherspoon*



ヘアスタイルに関する記事本文



Cher magazine footer information



朝食の楽しみは朝食の時間から...
朝食の楽しみは朝食の時間から...
朝食の楽しみは朝食の時間から...



朝の光景...
朝の光景...
朝の光景...

日本の休日を楽しむ
クラブメットのスパ
カテゴリー: 旅行・観光
カテゴリー: 旅行・観光
カテゴリー: 旅行・観光

MailVision



EUROPA World Soccer
ムトゥ2弾! チェルシー、ワトフォードに快勝
TOP NEWS
EUROPA World Soccer content

ITALY COPPA ITALIA
イタリアのサッカー選手たち
ITALY COPPA ITALIA content

MailVision footer information



3700ccディーゼルSUVの進化系
Newハリアー
CAR magazine content



プラスホームシアターセットPlusCas
PLUS HOME content

PLUS HOME footer information



Internet Media Business EC



Designed, produced and operated by our own





Internet Media Business Mobile



Designed, produced and operated by our own



MyID モバイル



gendai.net



terai yuki logo with text 'キャラクター'"/>



@woman

