

CyberAgent, Inc.

Results Briefing for the Second Quarter of the Year Ending September 2006 (January – March 2006)



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

Tokyo Stock Exchange Mothers: 4751

The opinions and forecasts contained within this document are based on the judgments of CyberAgent, Inc., at the time the document was prepared, so there is no guarantee as to the accuracy of this information. Opinions and forecasts may differ materially from actual performance and results due to changes in a variety of factors.

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Overview of Second Quarter Consolidated Financial Results

January – March 2006



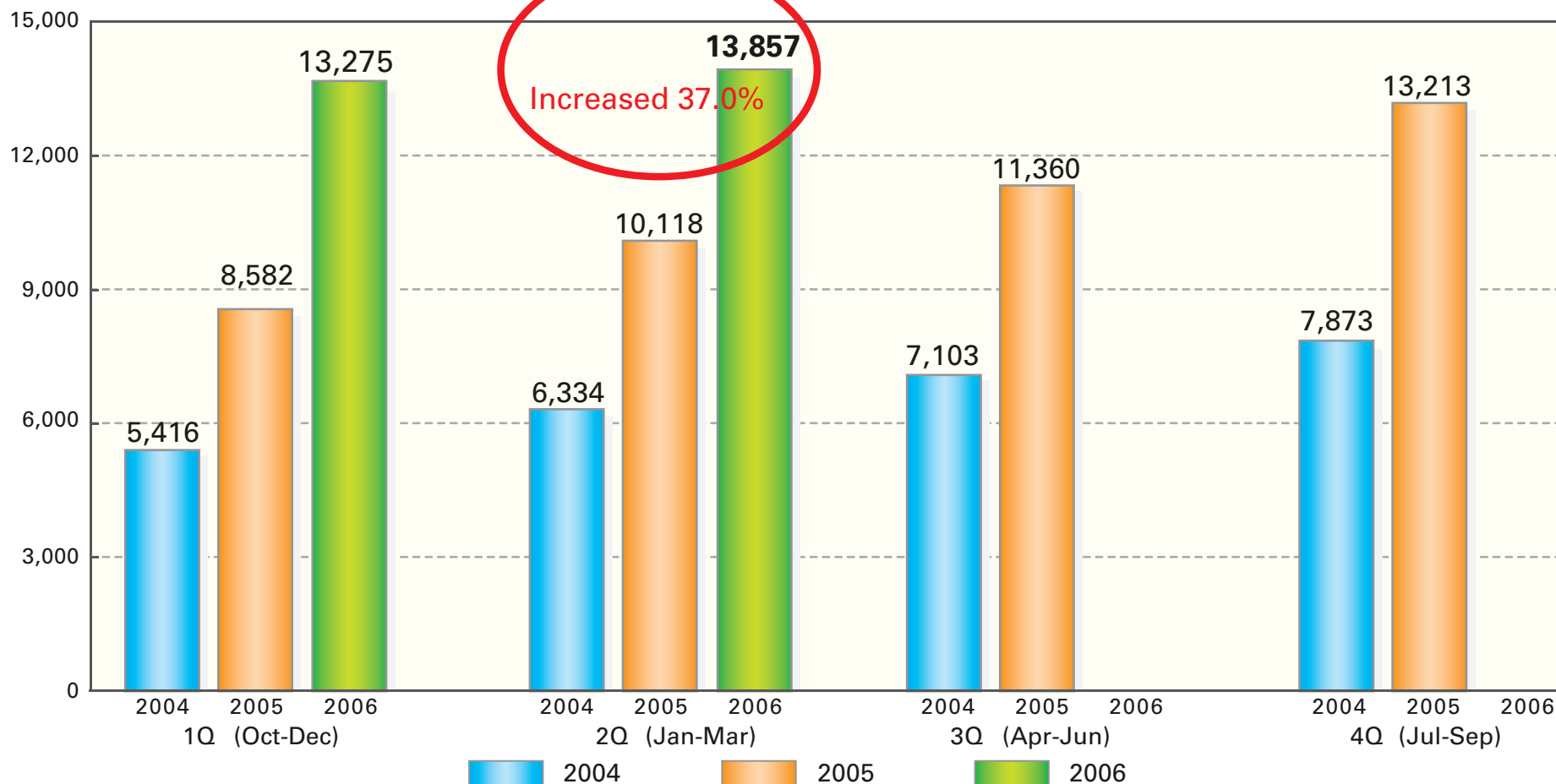


Consolidated Net Sales



No sale of operational investment securities in investment development business during the second quarter.

Unit: million yen

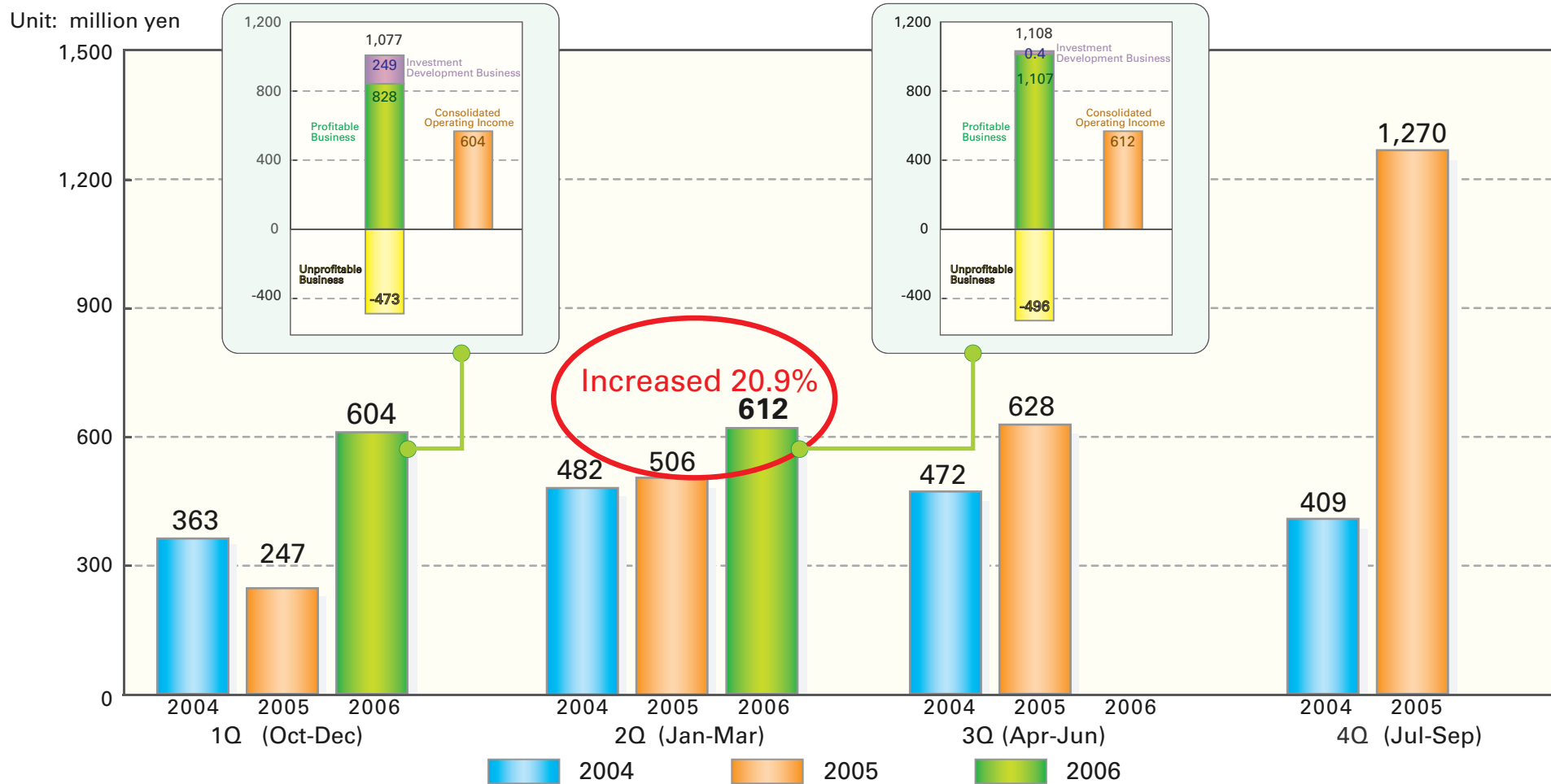




Operating Income



Profitable businesses such as media and advertising agency business steadily increased their profits.





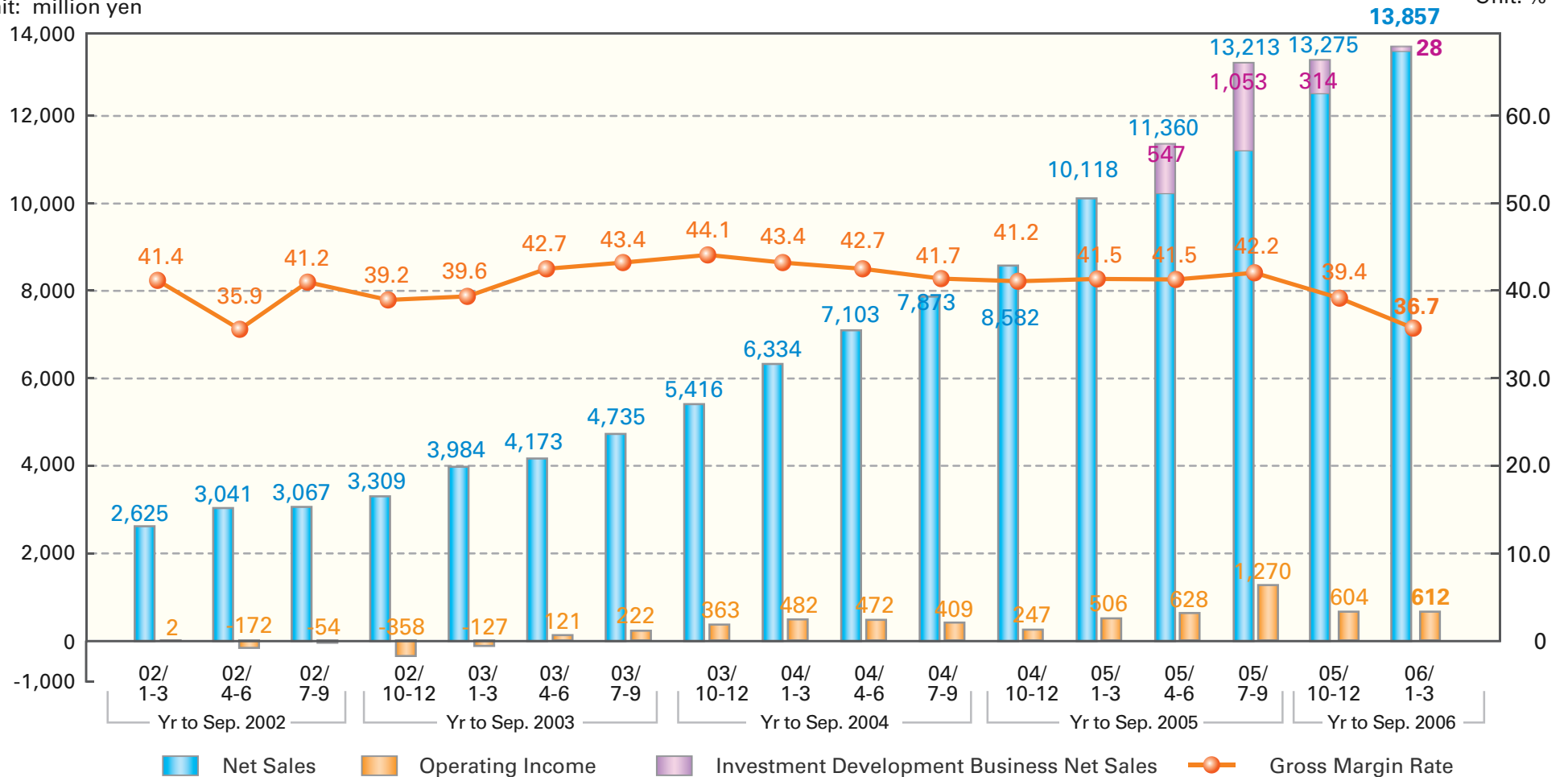
Consolidated Net Sales and Gross Margin Rate



Net sales developed steadily.
 Factors pertaining to the decrease of the gross margin Rate:
 No sale of operational investment securities in investment development business -1.9 points.
 Ameba Headquarters -0.4 points

Unit: million yen

Unit: %



Note: The Investment and Development Business net sales shown above are figures that conform to the segment information in financial statements.

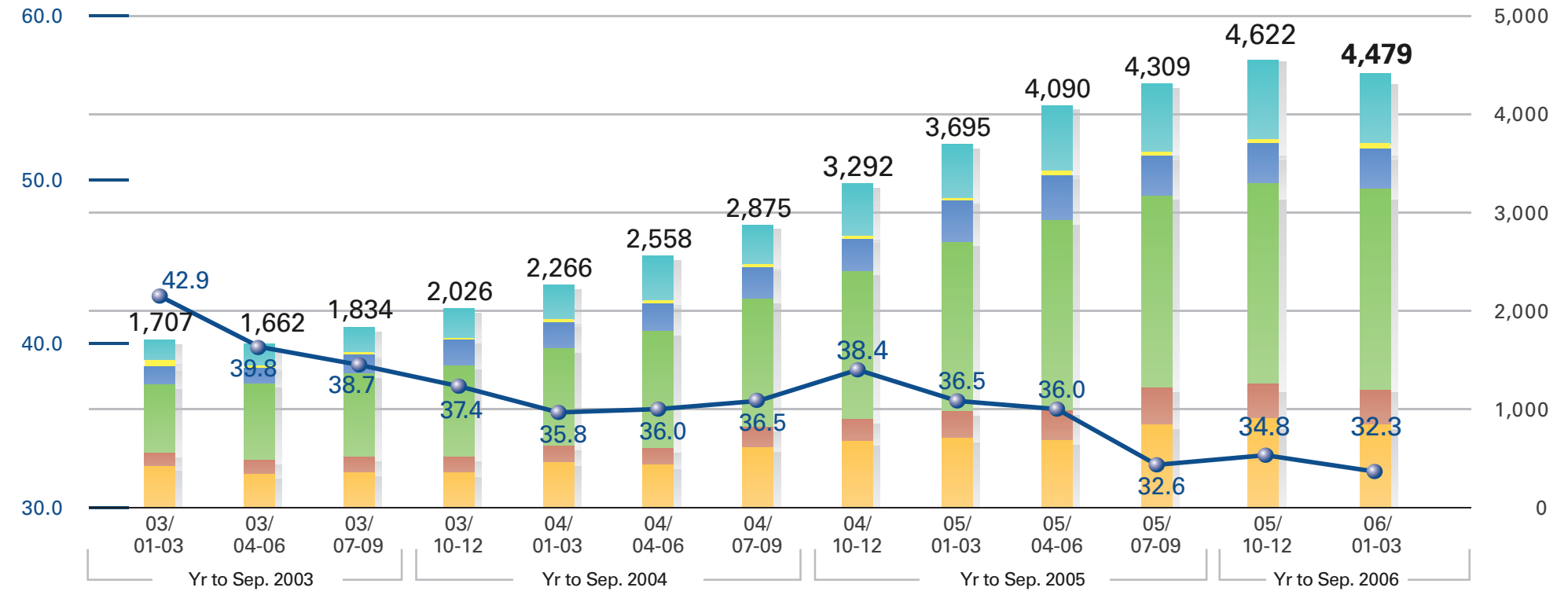


Consolidated SG&A



Unit: %

Unit: million yen



	Selling	205	218	259	304	354	454	404	528	550	666	691	770	732
	Consolidated adjustment	70	24	24	18	33	35	28	33	22	45	43	54	46
	Advertising	187	160	191	260	265	277	323	328	424	463	404	467	403
	Personnel	696	780	846	929	990	1,193	1,306	1,507	1,726	1,932	1,958	2,069	2,024
	Office	124	138	150	154	156	159	195	218	261	293	363	361	403
	Other	425	342	364	361	468	440	619	678	712	691	850	901	871

SG&A Ratio

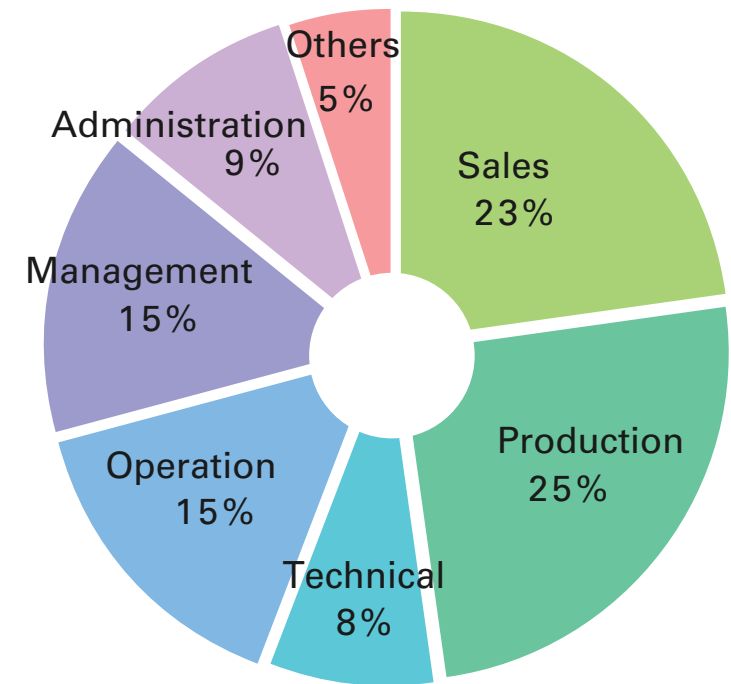
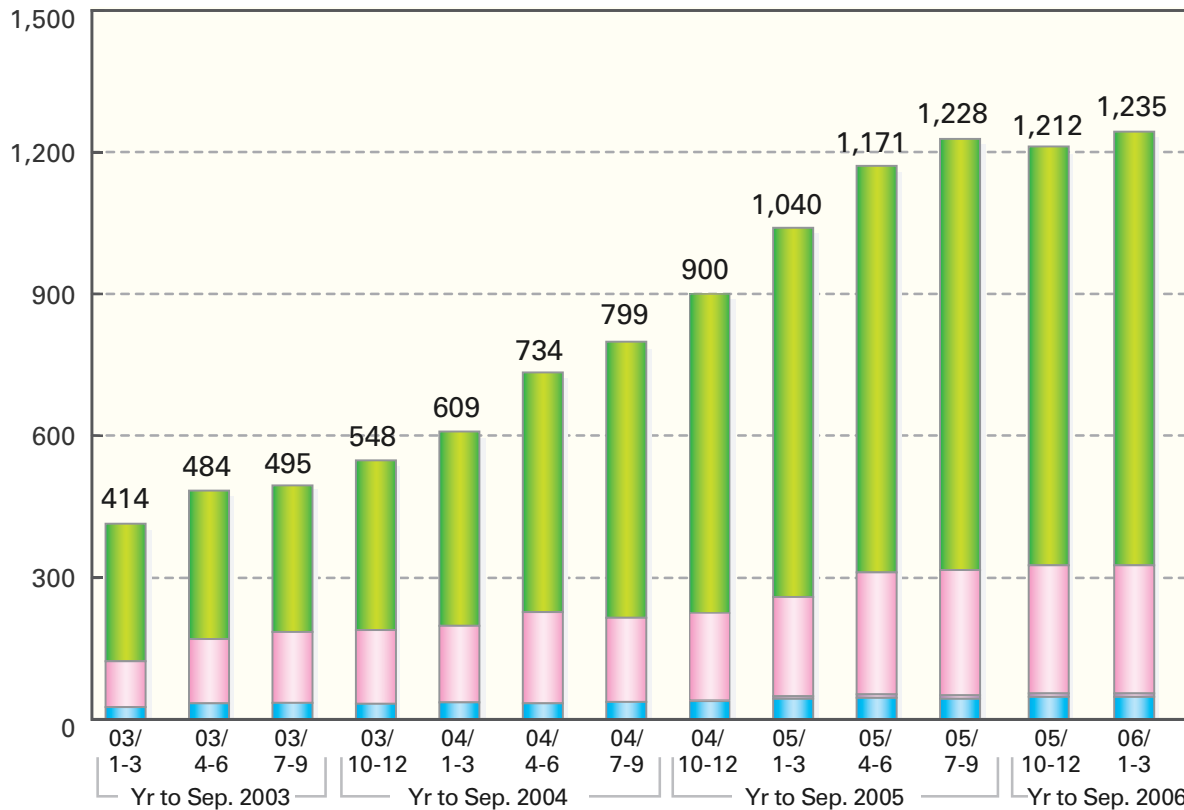


Number of Employees in Consolidated Companies



Quarter-to-quarter, the number of employees increased by 23;
15 increased in the Media Business, 11 increased in the Advertising Agency Business.

Unit: People



As with the diagram on the left, does not include temporary and part-time workers.

	03/1-3	03/4-6	03/7-9	03/10-12	04/1-3	04/4-6	04/7-9	04/10-12	05/1-3	05/4-6	05/7-9	05/10-12	06/1-3
Media	291	314	310	359	411	507	584	675	781	860	912	886	901
Advertising	97	136	150	156	162	193	178	184	210	258	265	271	282
Investment development	—	—	—	—	—	—	—	3	5	7	7	7	7
Corporate HQ	26	34	35	33	36	34	37	38	44	46	44	48	45

Note: Employees who are in the Investment and Development Business are specified separately from the Oct-Dec 2004 quarter.



Q2, Year to Sep. 2006: PL (Year-on-Year)



Unit : million yen	Jan-Mar 2006	Jan-Mar 2005	Change
Net sales	13,857	10,118	37.0%
Gross income from sales	5,092	4,201	21.2%
Gross margin	36.7%	41.5%	-4.8points
SG&A	4,479	3,695	21.2%
SG&A ratio	32.3%	36.5%	-4.2points
Operating income	612	506	20.9%
Operating profit margin	4.5%	5.0%	-0.5points
Ordinary income	626	537	16.6%
Net income	2,292	1,238	85.1%

Gains from change in equity of consolidated subsidiaries: 2,283 million yen.



Q2, Year to Sep. 2006: BS (over the previous quarter)



Unit : million yen	End of Mar 2006	End of Dec 2005	Change
Current Assets	34,327	26,337	30.3%
(cash + marketable securities, etc.)	18,208	13,336	36.5%
Fixed Assets	9,112	9,101	0.1%
Total Assets	43,439	35,438	22.6%
Current Liabilities	13,145	11,233	17.0%
Fixed Liabilities	315	130	142.3%
Shareholders' Equity	25,217	21,686	16.3%

netprice, Ltd.'s increase in capital: 2,340 million yen.

CA MOBILE, Ltd.'s increase in capital: 1,800 million yen.

Net income 2,292 million yen.

Deferred tax liabilities increased by 808 million yen due to unrealized capital gains of shares held with unrealized capital gains.



Q2, Year to Sep. 2006: CF (over the previous quarter)



Unit : million yen	Jan-Mar 2006	Oct-Dec 2005
CF from Operating Activities	571	-930
CF from Investing Activities	-647	3,223
CF from Financing Activities	4,963	-202
Change in Cash and Cash Equivalents	4,887	2,093
Term-End Balance of Cash and Cash Equivalents	18,167	13,280

Ordinary Income: 626 million yen

Investments in systems, etc.: -416 million yen

netprice, Ltd.'s increase in capital: 2,340 million yen
CA MOBILE, Ltd.'s increase in capital: 1,800 million yen



Consolidated Results Forecasts for the Year Ending September 2006 (October 2005 - September 2006)



Consolidated results forecasts (revised up on January 19, 2006)

Unit: million yen	Net Sales	Operating Income	Ordinary Income	Net Income
Revised up on January 19, 2006	60,000	4,000	4,000	4,500
Previous period (year ended September 2005) performance	43,273	2,651	2,700	2,487
Change	38.7%	50.9%	48.1%	80.9%

Dividend forecasts

	Interim Dividend (Unit: yen)	Term-end Dividend (Unit: yen)	Outstanding Shares (Unit: Share)
Forecasted on November 10, 2005	0	900.00	658,288

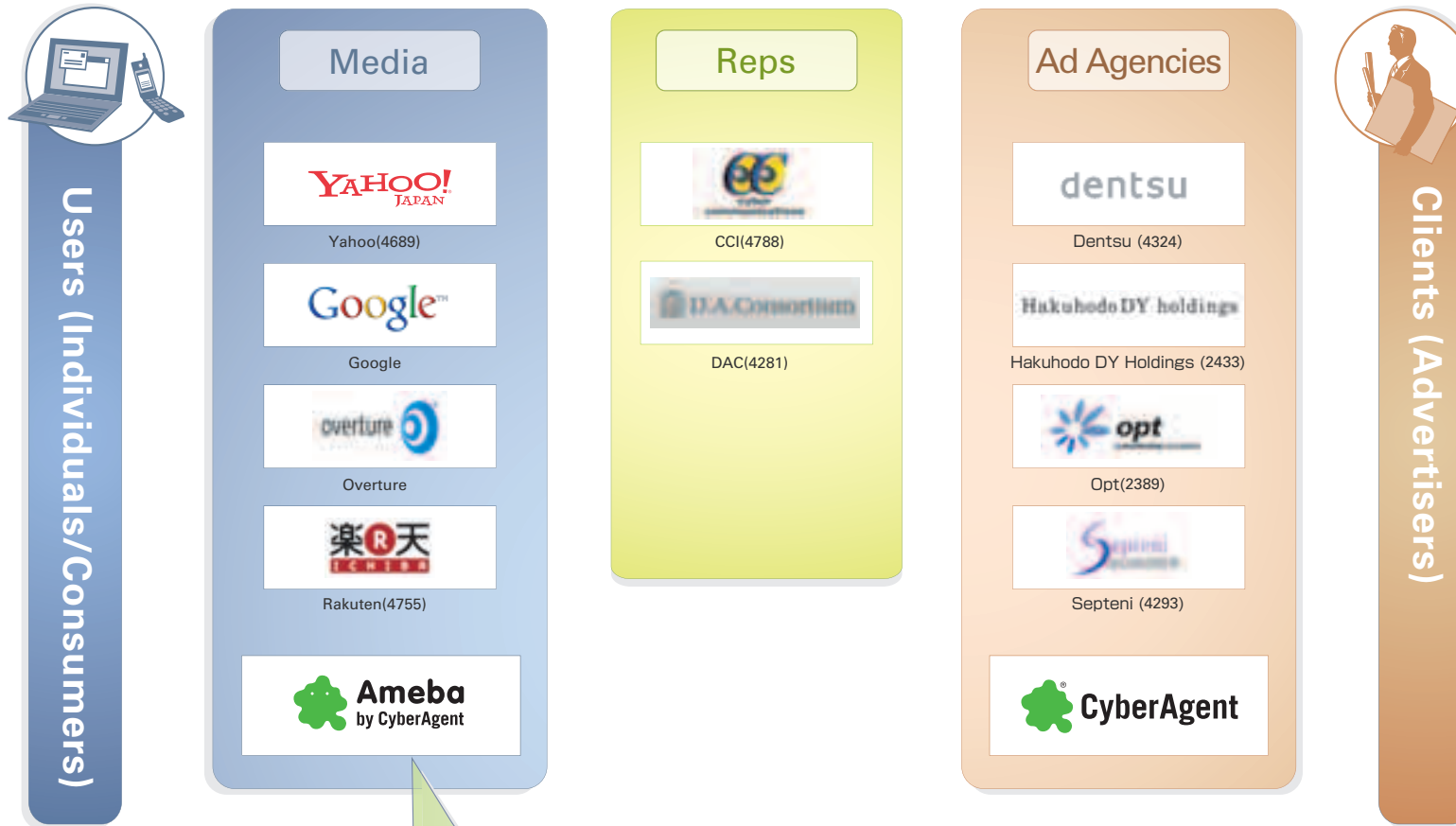
Note: The number of outstanding shares as of March 31, 2006 is listed with considerations to the share split on November 18, 2005.



Business Model



Internet Advertising Industry Map



CyberAgent Group Media

 オールナビ	 GACREST Entertainment	 BlogClick
 Ameba ブログ	 ECナビ	 Wedding Park
 Life Mile	 VENUS LX.	 CROWN JEWEL , etc.



Internet Media Business





Consolidated Subsidiaries and Divisions that Make Up the Media Business



Advertising Agency Business

Media Business

Investment Development Business

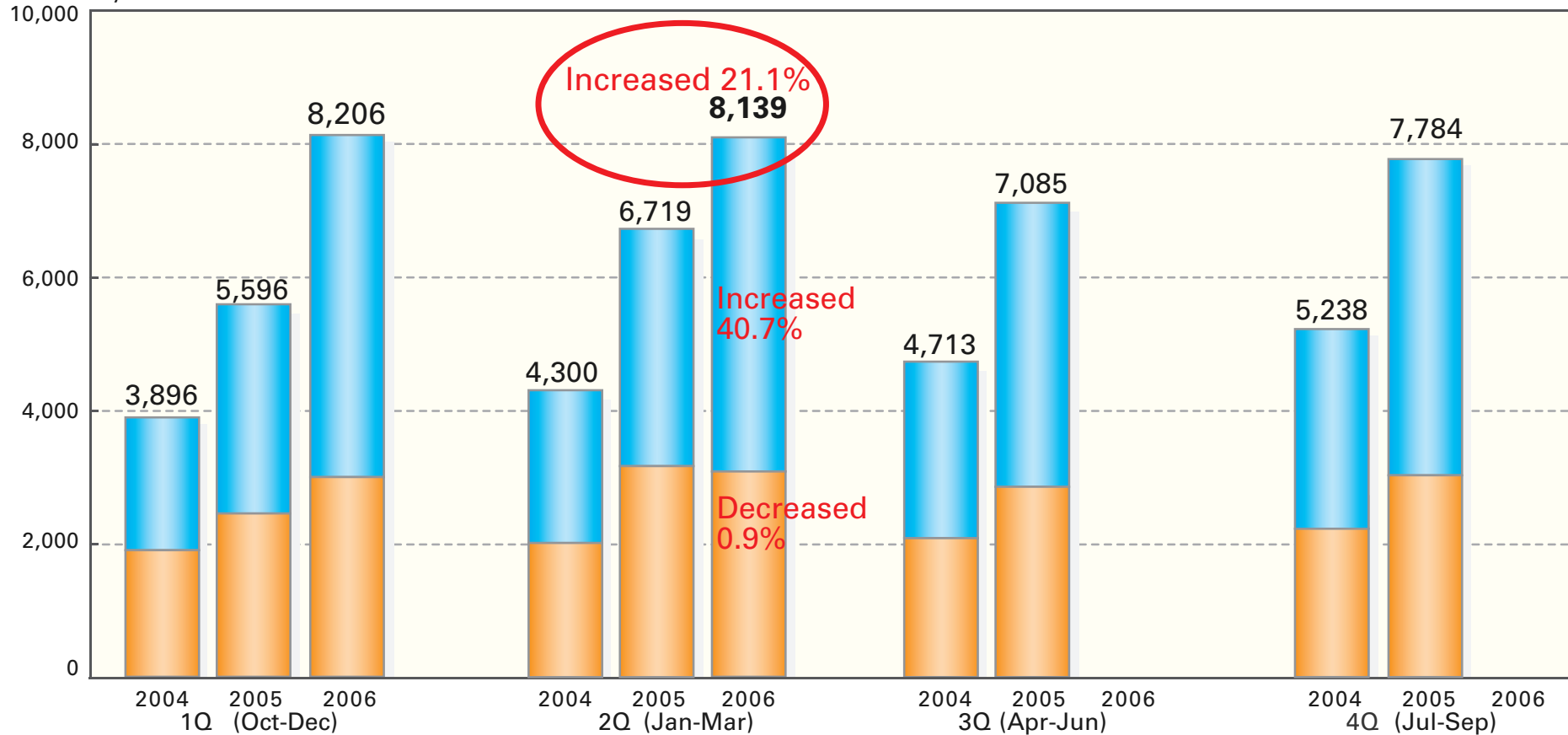
- netprice, Ltd.
- CA MOBILE, Ltd.
- EC Navi Company
- Media Headquarters
- GCREST, Inc.
- Ameba Headquarters
- International Sports & Marketing Co., Ltd.
- All Navi Company
- MicroAd Company
- CA Guide Company
- WeddingPark, Ltd.
- cybozu.net, Inc.
- Ameba Books, Ltd.
- LX. Inc.
- Crown Jewel, Inc.
- Blog Accessory Group (newly established on 3/1)
- CA Capital, Ltd.
- Financial Plus, Inc. (established on 4/3)

Media Business			
Advertising	EC Shopping (Online)	EC (Commission and billing)	Others

Internet Media Business (sales)



Unit: million yen



EC	1,995	3,142	5,173	2,289	3,556	5,004	2,637	4,242	3,009	4,752
Advertising	1,901	2,453	3,033	2,011	3,163	3,135	2,075	2,843	2,229	3,032

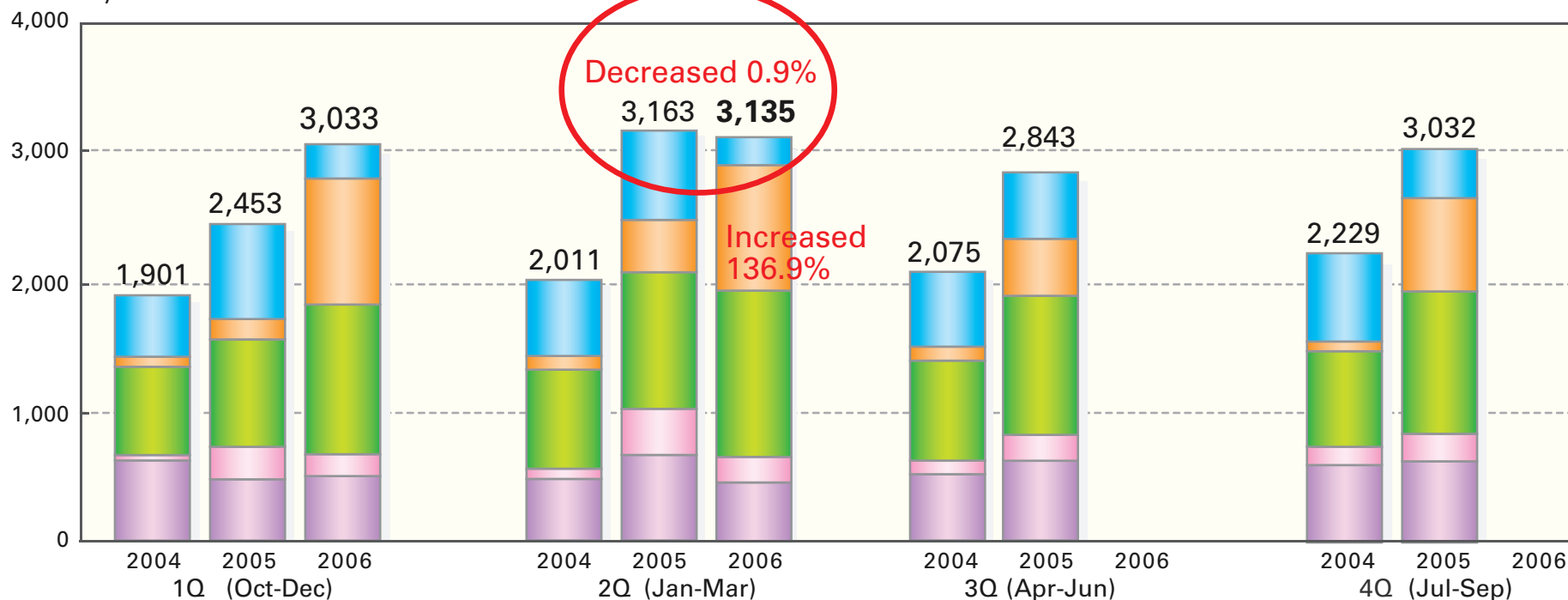
Note: Sales figures are reference values before excluding internal transactions.

Advertising Sales



Shift to Web2.0 Media Advertising

Unit: million yen



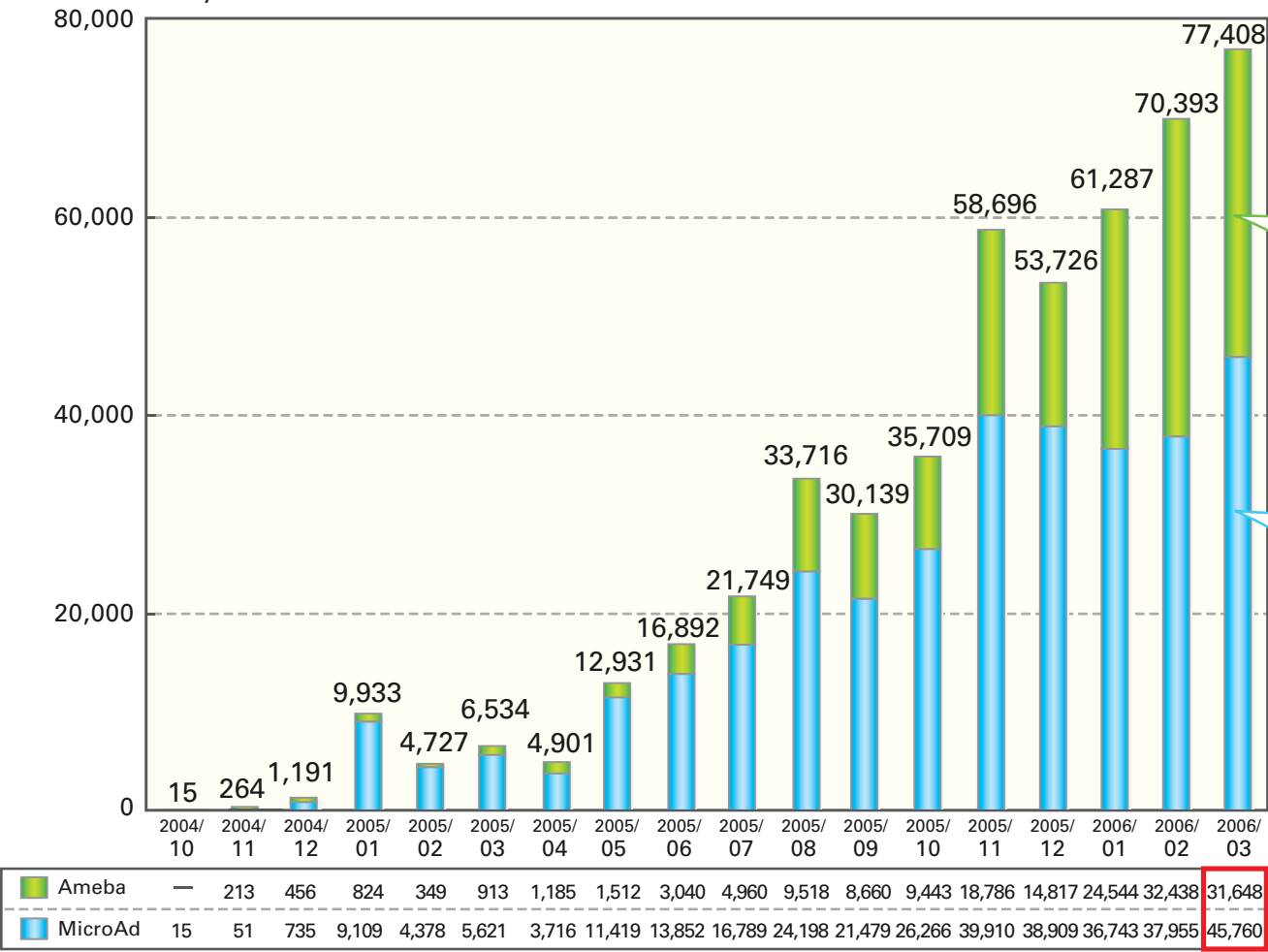
	2004	2005	2006	2004	2005	2006	2004	2005	2006	2004	2005
PC Advertising (E-mail)	476	736	220	587	689	202	578	513	-	680	378
PC Advertising (Web)	78	158	949	106	404	957	108	440	-	75	719
Mobile Advertising	684	832	1,097	764	1,054	1,207	772	1,074	-	736	1,097
Research Business	42	252	186	79	356	256	105	200	-	141	212
Other (including affiliates advertising)	621	475	581	475	660	513	512	616	-	597	626

Note: Sales figures are reference values before excluding internal transactions.

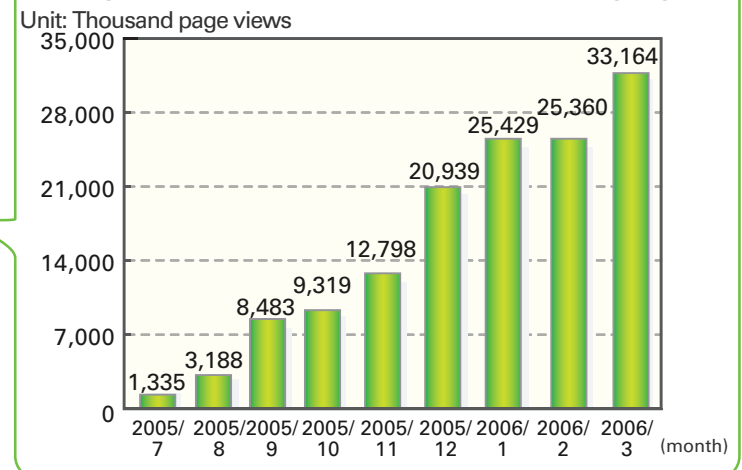
Web2.0 Media: The Leader of PC Advertising (web)



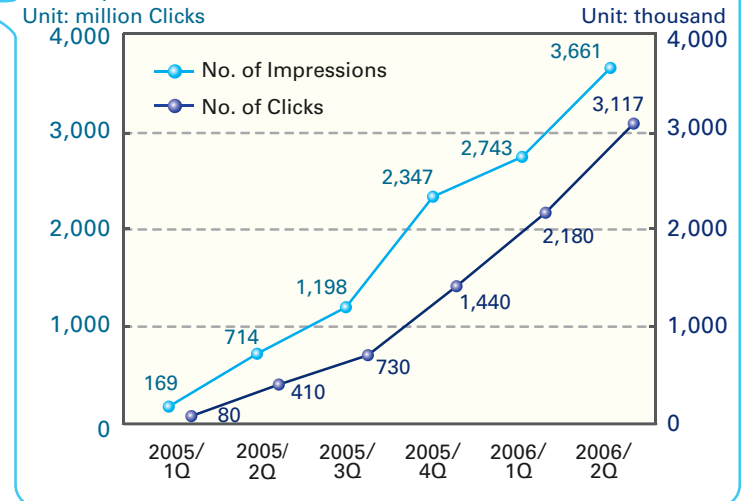
Unit: thousand yen Monthly Sales of the "Ameba" Blog



Page Views of the "Ameba" Advertisement Listing Pages



MicroAd Network Impressions



Tie-Up Blog Expecting Word-of-Mouth Effect

Otsuka Pharmaceutical Co., Ltd.

<http://ameblo.jp/soyjoy/>

Tie-Up Blog of Soy Snack, "SOYJOY" – SOY Kobo –

There are a total of 60 tie-up blogs, which is the highest figure nationwide.

Internet Advertising Development

Actively attract viewers by using floating ads., etc.



Play Game and Track Back

Taste Product and Track Back

Take Photo and Track Back

Number of bloggers with banners certifying that they participated in the game increased. Therefore, there are now more opportunities to appeal this product to other bloggers.

Individual blog

Individual blog

Individual blog

Individual blog

Individual blog

Individual blog

Individual blog

Individual blog

Individual blog



Celebrity Blogs: Leaders who Increase the Number of Blog Visitors CyberAgent

Matsumoto Oki no Tsubuyaki

Monex, Inc.: Oki Matsumoto, CEO



<http://ameblo.jp/monex-ok/>

Approx. 230,000 page views per month.

Money/Businessperson

Oshikiri Moe no BACKSTAGE

Moe Oshikiri



<http://ameblo.jp/moemode/>

Approx. 1,200,000 page views per month.

Model

Jitsuroku Oniyome Nikki

Kazuma



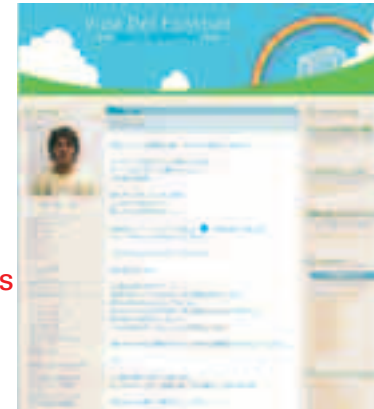
<http://ameblo.jp/yugure/>

Approx. 1,000,000 page views per month.

Popular TV Drama

Vida Del Football

Urawa Reds:
Takahito Soma (soccer player)



<http://ameblo.jp/somatakahito>

Approx. 300,000 page views per month.

Sports

Otobe-no-Oshigoto

Ayako Otobe



<http://ameblo.jp/otobe-ayako/>

Approx. 590,000 page views on the first day of launching the site.

PR

Communities sharing a sense of unity with the users are developed, leading to the increase of the number of visitors.

U.S.: Internet Market - Web2.0 Media's Development (1) -



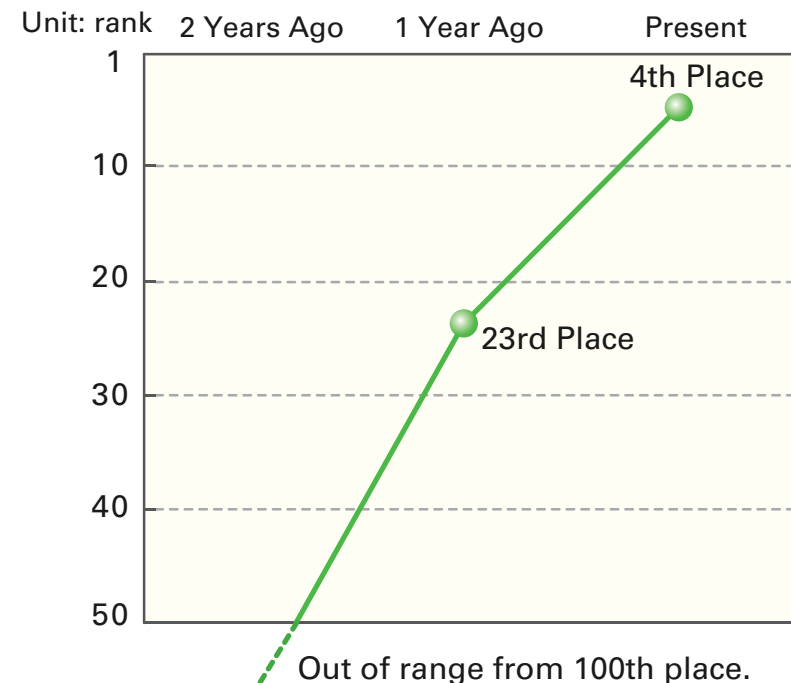
Web2.0 Media from the Viewpoint of PV

PV Ranking of U.S. Internet Services

1st Place	Yahoo!	Portal Website
2nd Place	Google	Search Website
3rd Place	MSN	Portal Website
4th Place	MySpace(FOX)	Web2.0 Media
5th Place	ebay	Auction
6th Place	Amazon	EC
7th Place	craigslist.org	Directory
8th Place	go.com	Portal
9th Place	CNN	News Website
10th Place	Passport.net	Microsoft help

as of the end of April 2006

MySpace (web2.0 media): Ranked out of range 2 years ago but rose to the 23rd place a year ago and currently in the 4th place as of the end of April 2006.



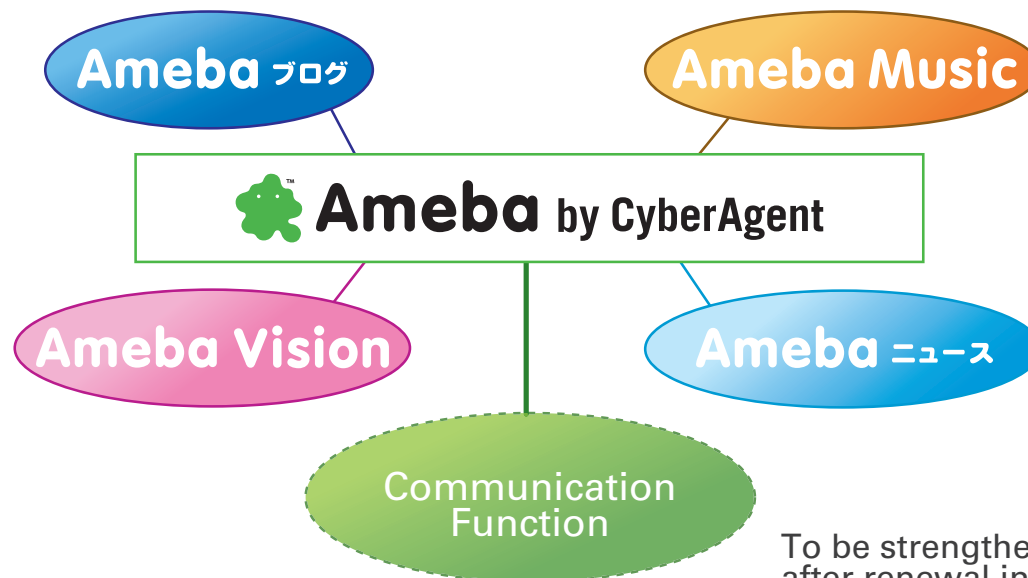
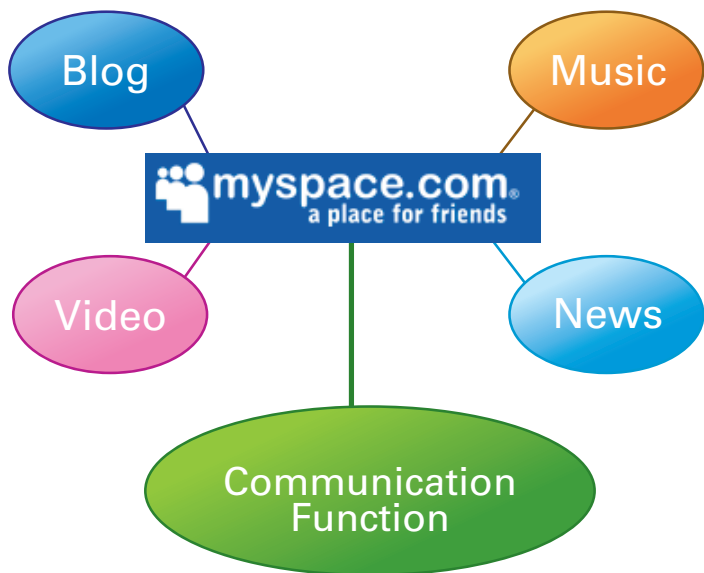
Source: Alexa



U.S.: Internet Market - Web2.0 Media's Development (2) -



Web2.0 Media from the Viewpoint of Upgrading Services - U.S. MySpace and Ameba -



To be strengthened after renewal in June.



Ameba's Future Policy



Complete Site Renewal in June

Recruit more technicians until June.
Strengthen word-of-mouth marketing research business.

The best

service on the internet
as of this point.

Provide the world's first
and Japan's first services at

The fastest pace.



Become the nation's largest communication portal website.



Actively Launch New Services that Capture the Long Tail CyberAgent

CyberBuzz

Word-of-Mouth Marketing Business

Company Name: CyberBuzz, Inc.

Established: April 3, 2006

Service Feature: Provides word-of-mouth marketing techniques on its own that suit the needs of clients with regard to the intensified influential power of information sent from individuals.

MicroAd

Network Advertising Distribution for Web2.0-type Media Blog, SNS, RSS, etc.

Service Start Date: May 2006 (scheduled)

Advertisements to be delivered will change according to how they match the contents as well as to the users' regions, actions, etc.

Clients can freely set targeting segments and aims on the Web.

**Blog Accessory
Group**

Blog Accessory Portal Website: BLOPPA

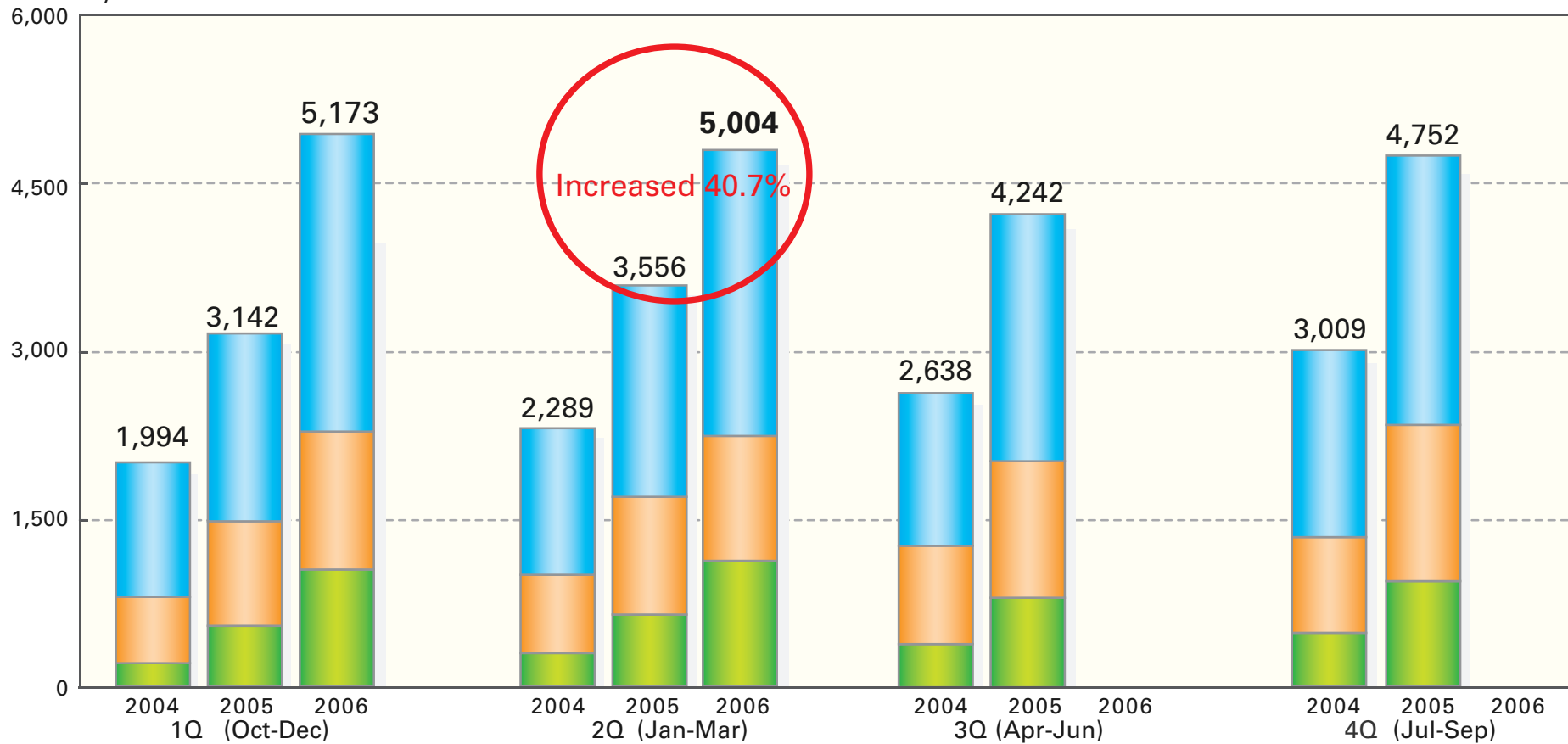
Service Start Date: June 2006 (scheduled)

Provides blog parts that simultaneously combine various functions.

EC (e-commerce) Sales

EC sales increased 40.7% year-on-year to 5,004 million yen, of which, sales of commissions and billing, etc. increased 67.9% year-on-year to 1,066 million yen.

Unit: million yen



	2004	2005	2006	2004	2005	2006	2004	2005	2006	2004	2005	2006
Mobile Commerce	1,199	1,673	2,652	1,301	1,876	2,591	1,370	2,215		1,677	2,414	
PC Commerce	590	932	1,463	694	1,045	1,347	881	1,225		858	1,401	
Commissions, Billing, Etc.	205	537	1,058	294	635	1,066	387	802		474	937	

Note: Sales figures are reference values before excluding internal transactions.



Internet Advertising Agency Business





Consolidated Subsidiaries and Divisions that Make Up the Advertising Business



Internet Advertising Agency Business

Media Business

Investment Development Business

Internet Advertising Headquarters

CA Search, Ltd.

Fraudia Communications, Inc.

CA/H, Inc. (established on 4/17)

CyberBuzz, Inc. (established on 4/3)

Advertising

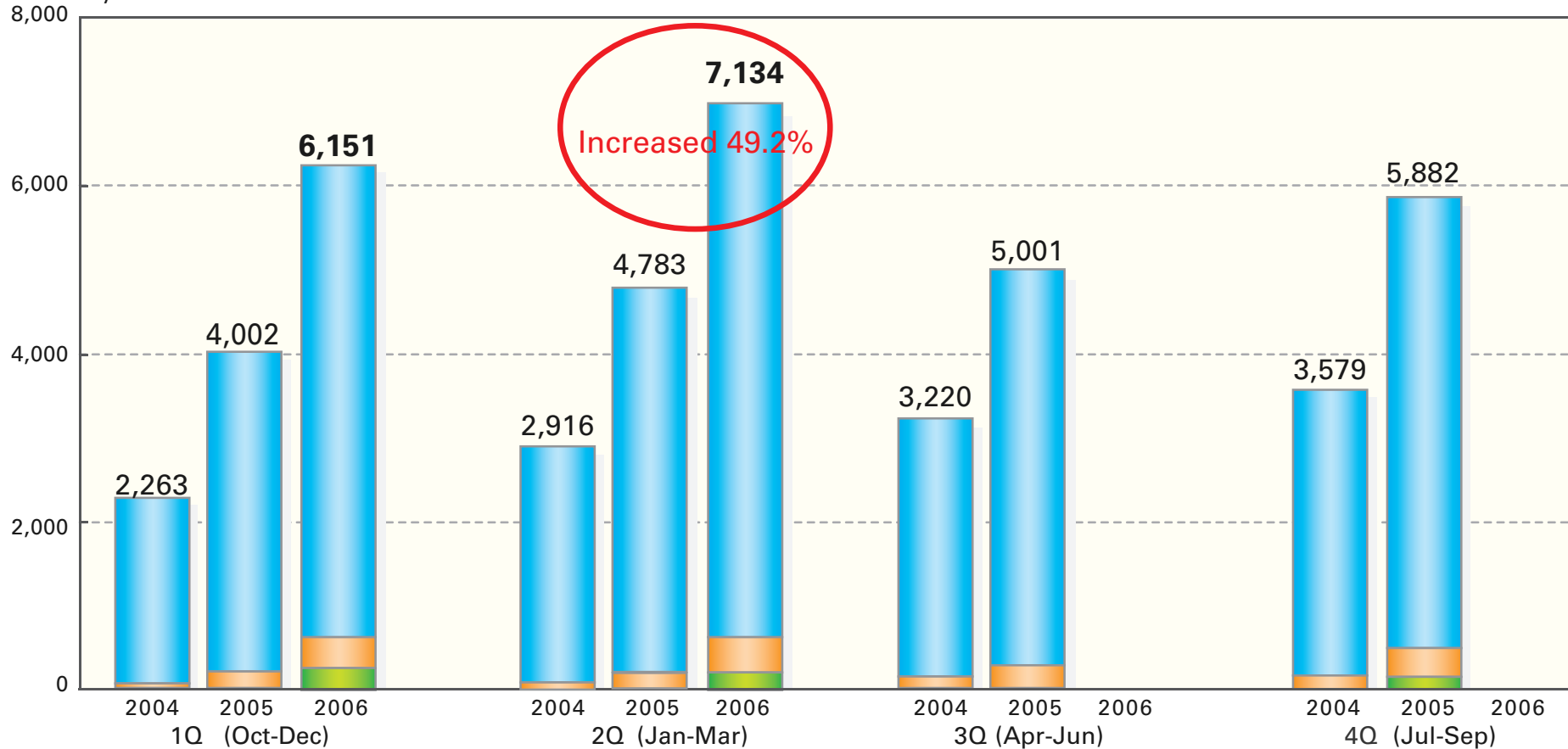




Internet Advertising Agency Business (sales)



Unit: million yen



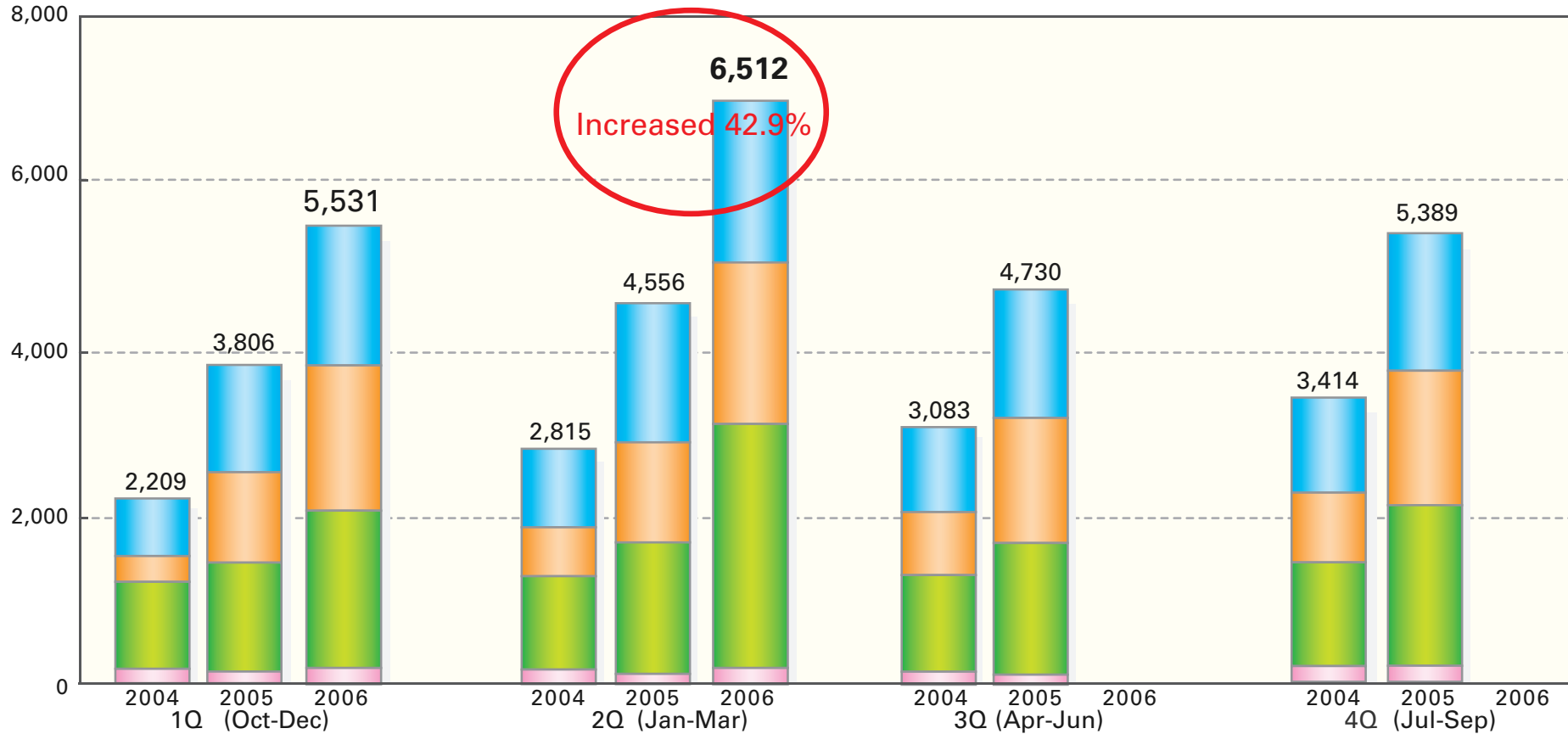
Advertising Headquarters	2,209	3,806	5,531	2,815	4,556	6,512	3,083	4,730	3,414	5,389
CA Search	54	196	362	101	227	387	137	271	165	344
Fraudia	—	—	258	—	—	235	—	—	—	149



Internet Advertising Headquarters Sales



Unit: million yen



	2004	2005	2006	2004	2005	2006	2004	2005	2006	2004	2005
Own/Partner Media	688	1,283	1,679	939	1,664	1,874	1,017	1,537	-	1,142	1,652
Paid Search	309	1,081	1,756	585	1,197	1,826	754	1,497	-	838	1,616
Other Company Media	1,040	1,303	1,895	1,116	1,572	2,559	1,156	1,576	-	1,246	1,929
Other Production Fees	172	139	201	175	123	253	156	120	-	188	192

Note 1: Sales of Internet Advertising Headquarters (before exclusion of internal transactions)

Note 2: Excluding sales from CA Search, Ltd., and Fraudia Communications, Inc.

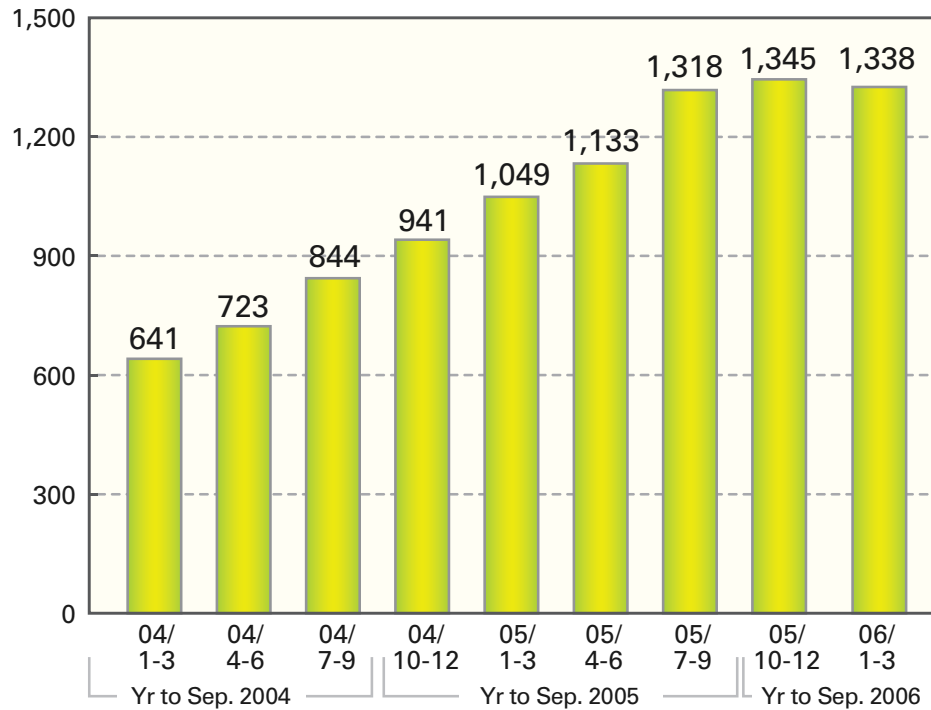


Number of Clients and Top 5 Business Categories



Unit: No. of clients

Number of Clients



Top 5 Client Business Categories by Sales Comparison

1	Finace/Insurance/Securites (Including Consumer Finance)	33.9%
2	Service	18.1%
3	Internet Service	10.3%
4	Staffing	6.2%
5	Manufacturing/Production	4.2%

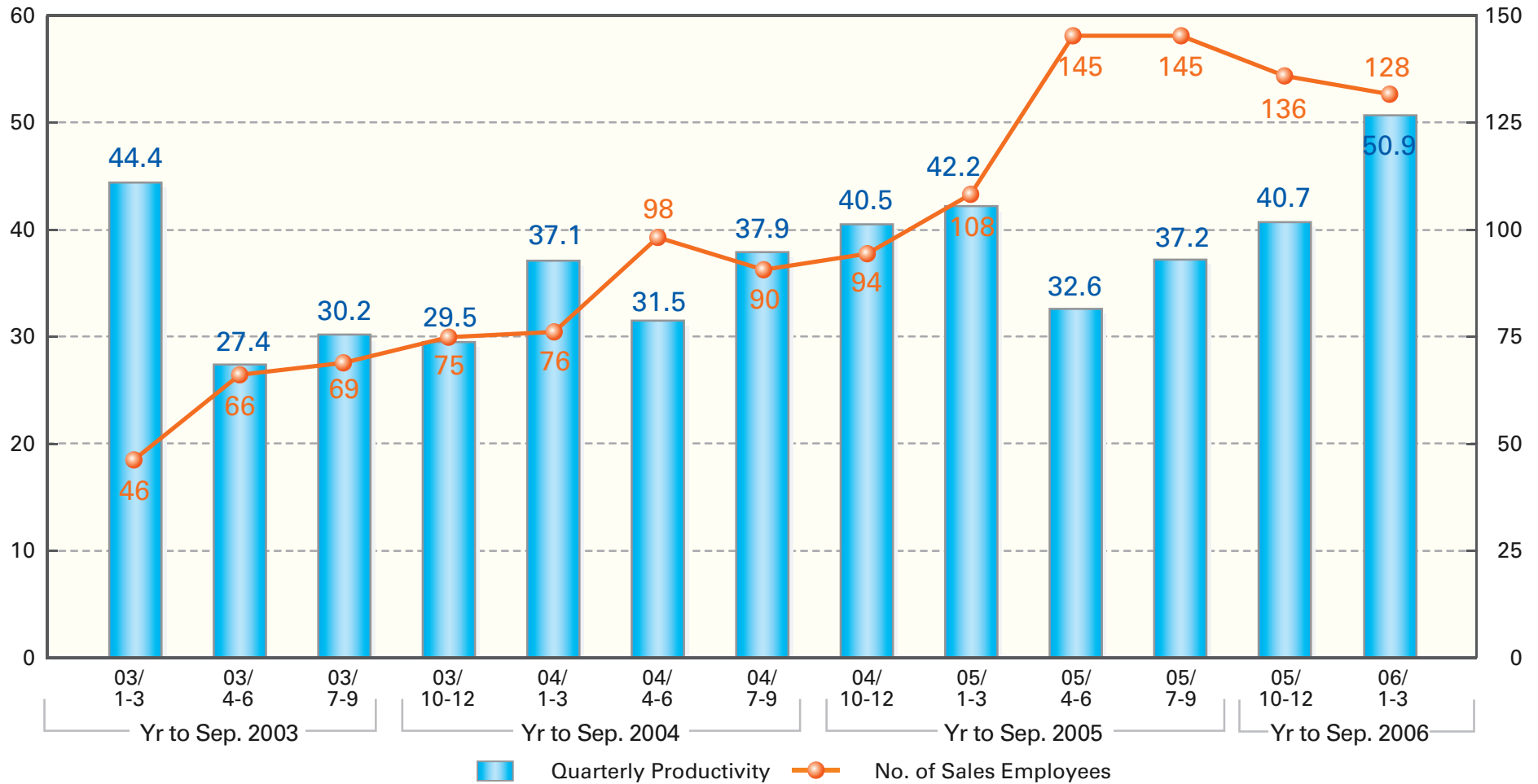


Quarterly Productivity per Sales Employee



Unit: million yen

Unit: People



Note: Number of sales employees in the Internet Advertising Headquarters.



Investment Development Business





Consolidated Subsidiaries and Divisions that Make Up the Investment Development Business



Advertising Agency Business

Media Business

Investment Development Business

Finance Headquarters

Financial Service Business

CA Capital, Ltd.

Financial Plus, Inc.
(established on 4/3)

Media Business

EC (charged services)	Others

Investment and Development Business

VC Business

CyberAgent Investments, Inc.
(established on 4/3)

Investment Development



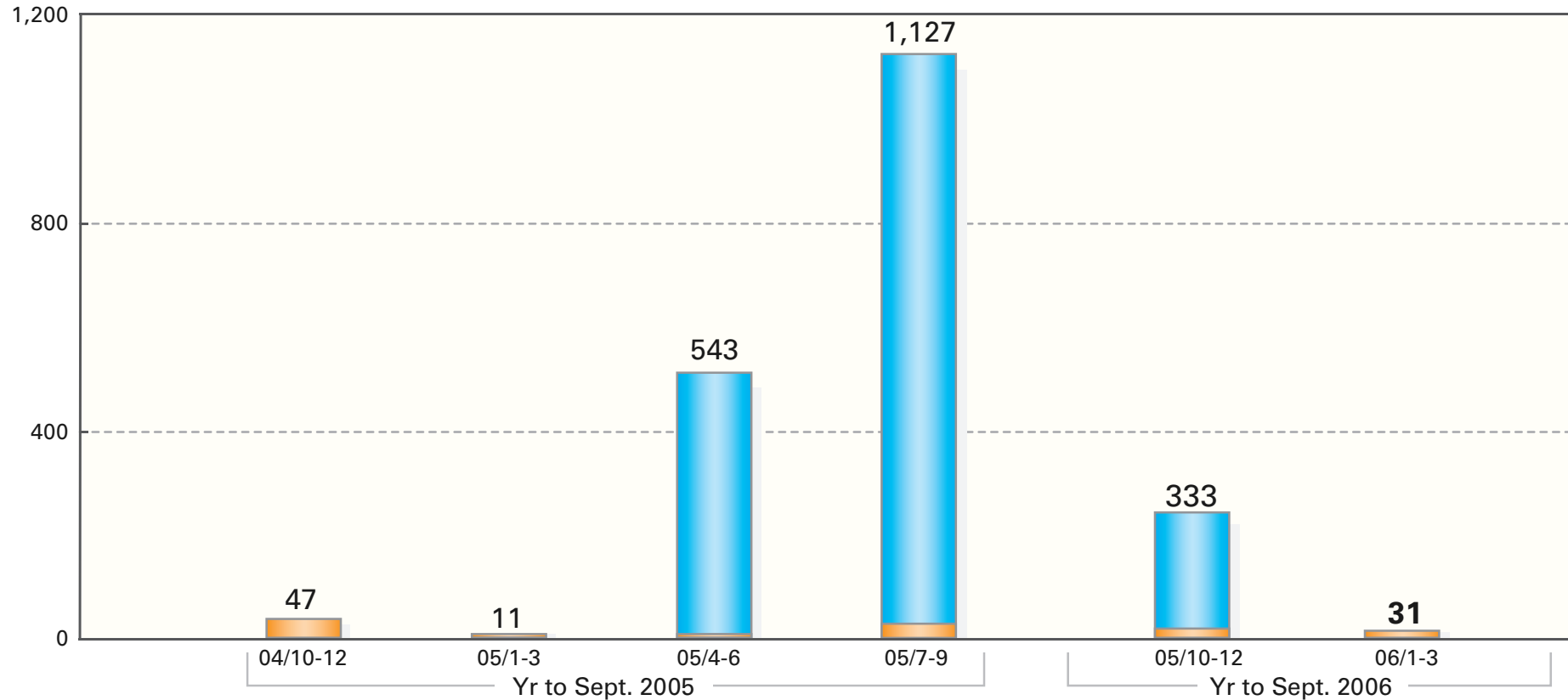


Investment Development Business (sales)



Included only the earnings from fund management and execution compensations.

Unit: million yen



Net sales from sales of operational investment securities	—	—	532	1,088	308	0
Fund Establishment/Management/Execution Compensations	47	11	11	39	25	31
Operating Income	47	11	431	1,071	289	31

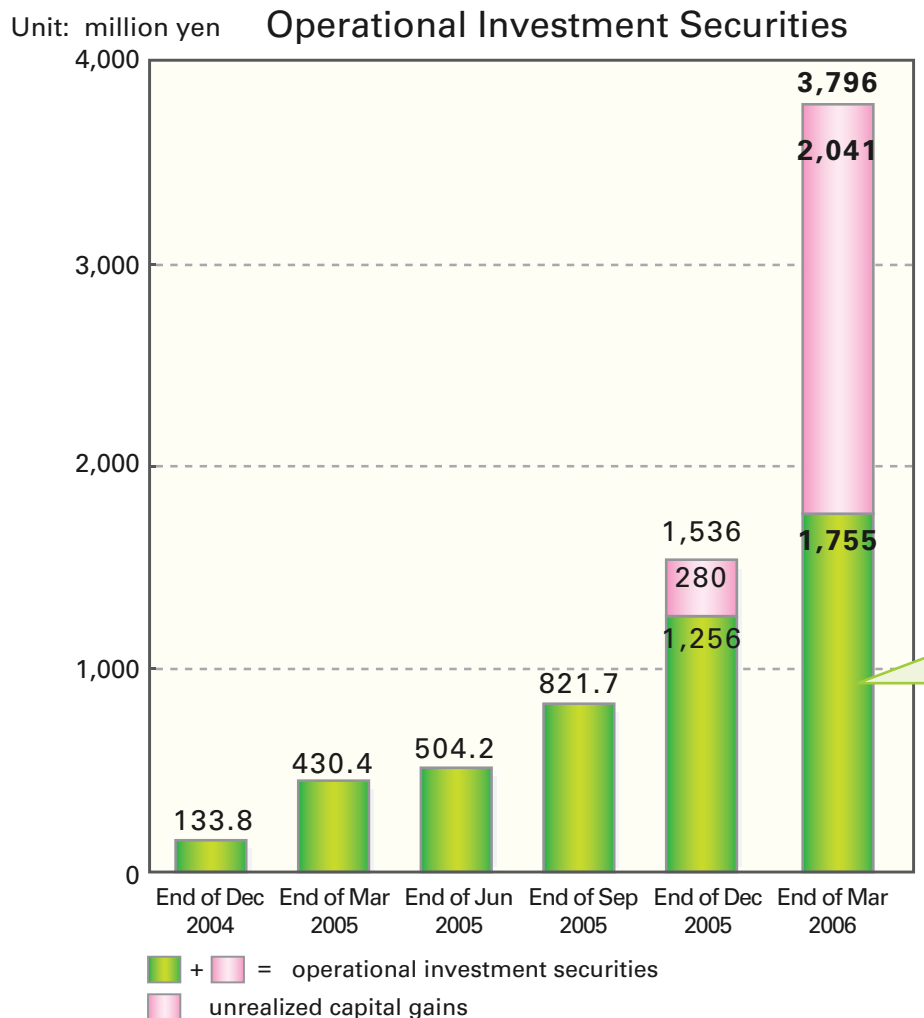
Operated by the consolidated subsidiary, CA Capital, Ltd.

Note 1: The Investment Development Business sales figures above are reference values before excluding internal transactions.

Note 2: Operating income is before the consolidation offset.



CyberAgent Group's Amount of Investment



Note: including amount invested for sales

Investment will be made up to no more than 20% of consolidated assets.

34 companies invested as of the end of March 2006.

S-Grant. Co., Ltd. (Nagoya : 8943)

President and CEO	Hiroyuki Sugimoto	CyberAgent's share : 2.5%
Foundation	December 2001	
Capital	971.1 million yen	
Line of Business	Real estate transaction, rental, management and brokerage, city development plan, research and design, indemnity insurance agency business, real estate securitization	

Drecom Co., Ltd. (Mothers : 3793)

President	Yuki Naito	CyberAgent's share : 2.7%
Foundation	November 13, 2001	
Capital	56.37 million yen	
Line of Business	Provision of the BtoB blog solution Provision of BtoC blog services Provision of the BtoB search solution Provision of BtoC search services	

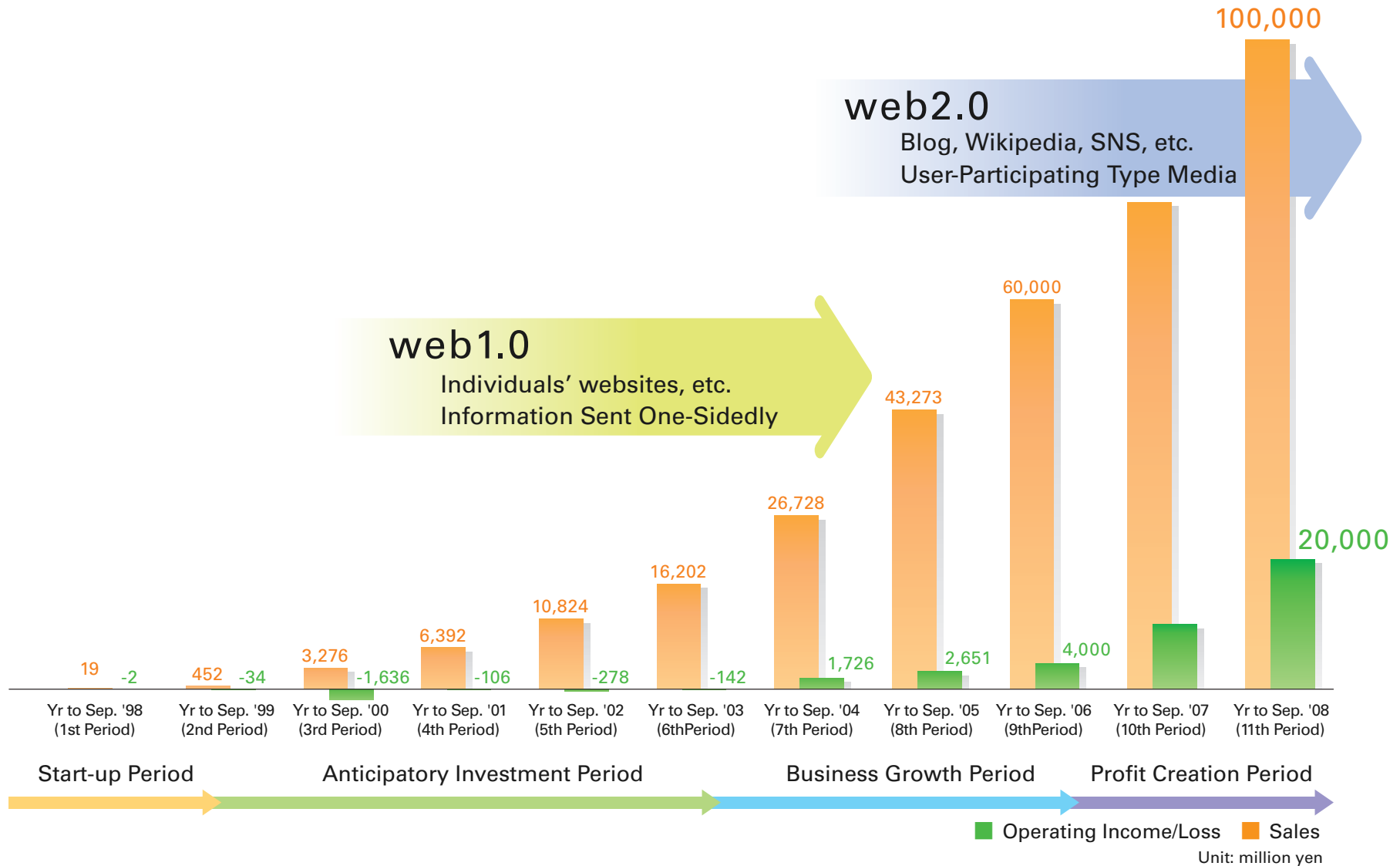


Medium- to Long-Term Outlook





Targeting Consolidated Net Sales of 100.0 Billion yen





Continued Focus on the Blog Media, Ameba



Become the nation's largest communication portal website.



Active Development of Alliances with Other Companies

CA/H, Inc

Established:

April 17, 2006

A joint venture with Hakuhodo, Inc. and Hakuhodo DY Media Partners, Inc.

C.A. MOBILE

Announced on: December 15, 2005

Business/capital alliance with the Dentsu group in the mobile marketing field.

Objectives: Expansion of mobile advertising, diversification of mobile commerce sales channels, strengthening of overseas development, etc.

Announced on: March 27, 2006

Business/capital alliance with NTT DoCoMo, Inc. in the mobile advertising field.

Objectives: Development of new mobile advertising media, etc.



Announced on: January 19, 2006

Business/capital alliance with Dentsu, Inc.; capital alliance with cyber communications, Inc.

Objectives: Active EC expansion that works closely with the mass media.



VISION



Growing into a Company Representative of the 21st Century



CyberAgent



Reference Material(1)

Overview of Consolidated Financial Results
PL (over the previous quarter)

Interim Financial Results

PL (midterm)

BS (midterm)





Q2, Year to Sept. 2006: PL (over the previous quarter)



Unit : million yen	Jan-Mar 2006	Oct-Dec 2005	Change
Net sales	13,857	13,275	4.4%
Gross income from sales	5,092	5,227	-2.6%
Gross margin	36.7%	39.4%	-2.7points
SG&A	4,479	4,622	-3.1%
SG&A ratio	32.3%	34.8%	-2.5points
Operating income	612	604	1.3%
Operating profit margin	4.5%	4.5%	0.0points
Ordinary income	626	657	-4.7%
Net income	2,292	2,490	-8.0%

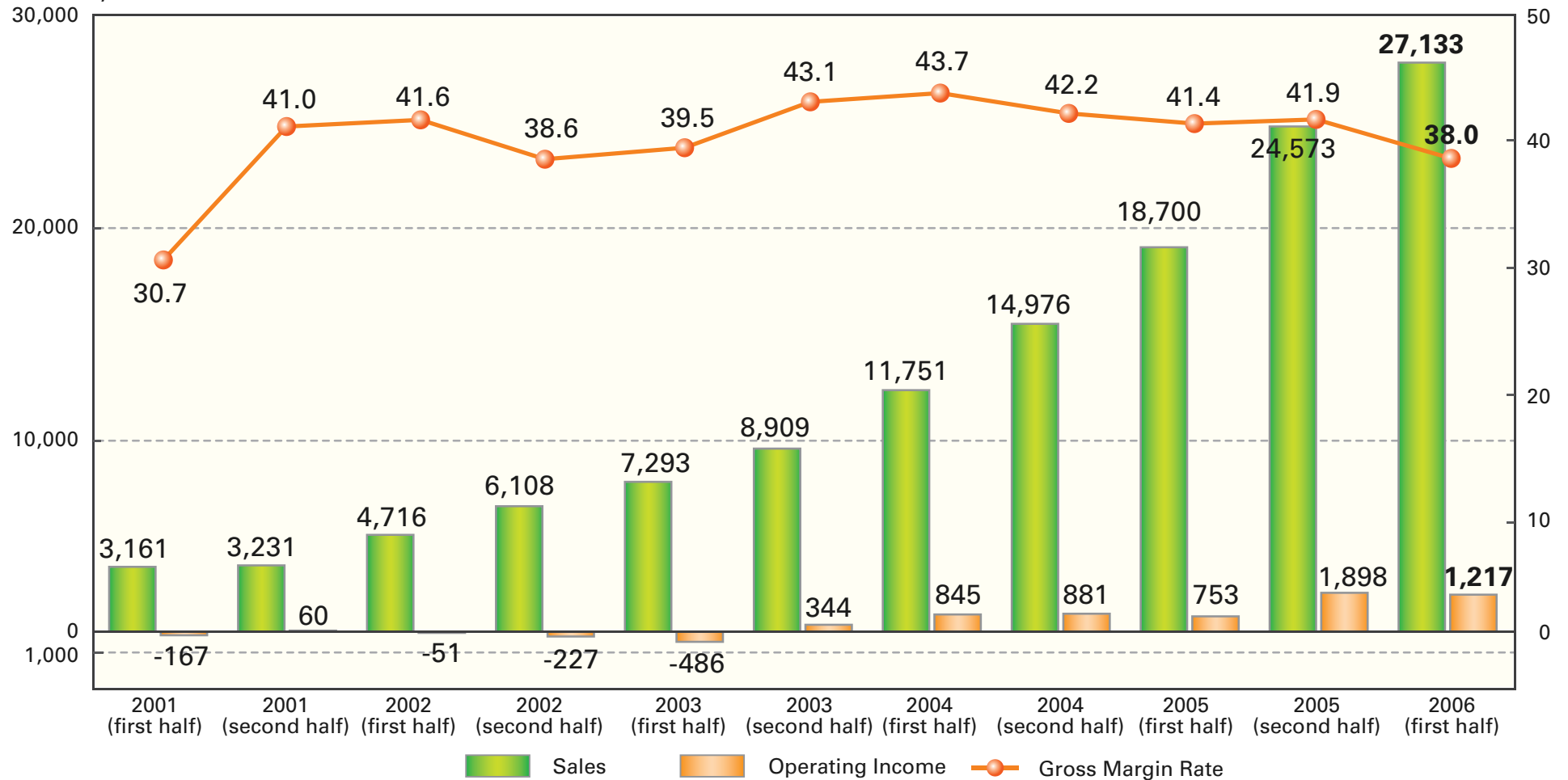


Sales per Half-Year Term, Operating Income



Unit: million yen

Unit: %



**Overview of Consolidated Interim Financial Results, Year to Sept. 2006 (PL)**

Unit : million yen	Oct '05 - Mar '06	Oct '04 - Mar '05	Change
Net Sales	27,133	18,700	45.1%
Gross Income from Sales	10,319	7,741	33.3%
Gross Margin	38.0%	41.4%	-3.4points
Operating Income	1,217	753	61.6%
Operating Profit Margin	4.5%	4.0%	0.5points
Ordinary Income	1,284	791	62.3%
Interim Net Income (current term)	4,783	1,814	163.7%

Overview of Consolidated Interim Financial Results, Year to Sept. 2006 (BS)

Unit : million yen	End of Mar 2006	End of Mar 2005	Change
Current assets	34,327	20,805	65.0%
(cash + marketable securities, etc.)	18,208	13,725	32.7%
Fixed Assets	9,112	7,553	20.6%
Total Assets	43,439	28,358	53.2%
Current Liabilities	13,145	7,059	86.2%
Fixed Liabilities	315	551	-42.8%
Shareholders' Equity	25,217	19,199	31.3%



Reference Material(2)

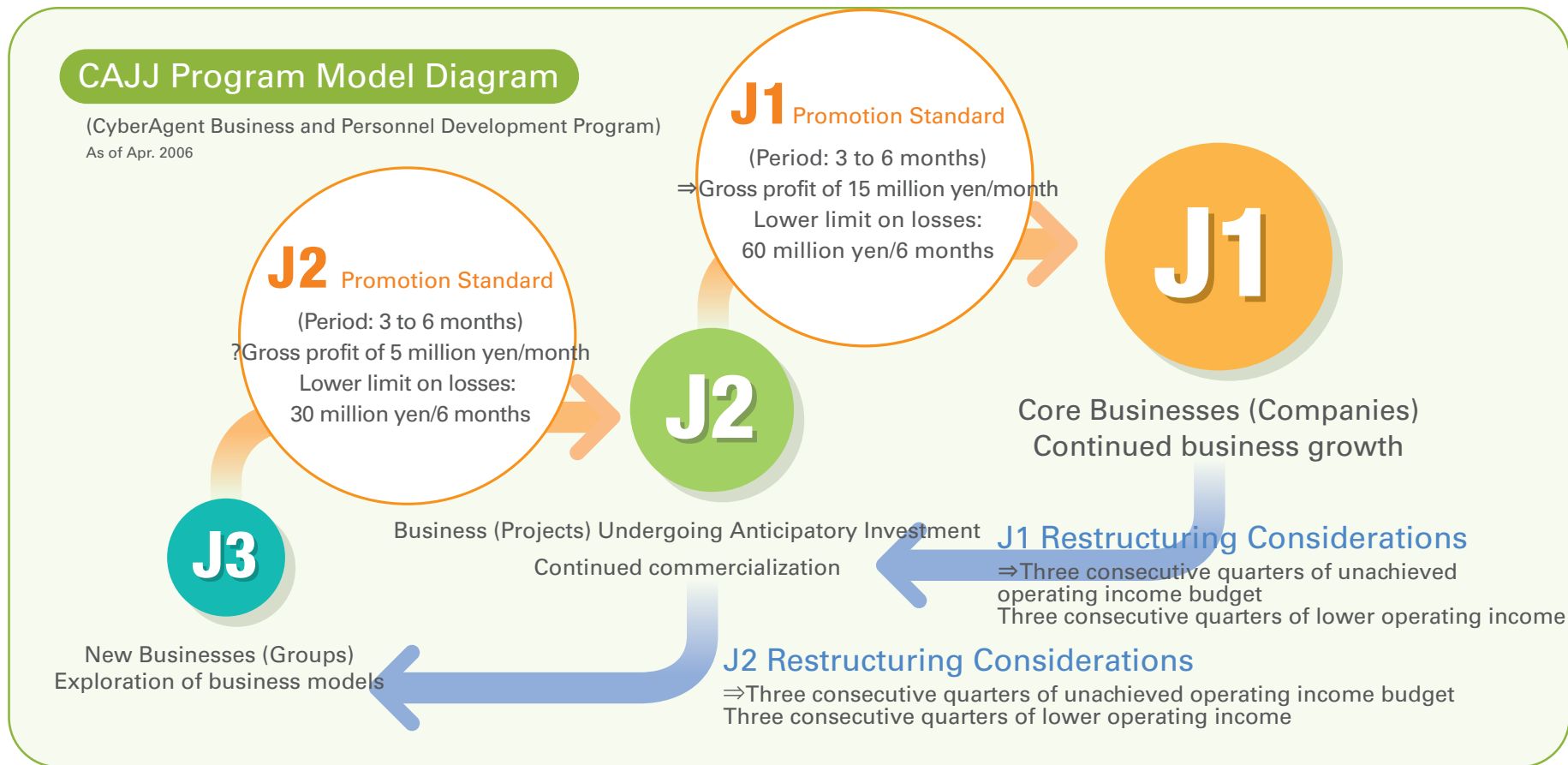
CAJJ Program
Company Overview
Business Model



CAJJ Program Model Diagram



CyberAgent Business and Personnel Development Program



CAJJ Businesses



Name of Business or Affiliated Company		Service Contents
J1	1 CA MOBILE, Ltd.	Mobile marketing
	2 EC Navi Company	Price/information comparison website
	3 Internet Advertising Headquarters	Internet advertising agency
	4 netprice, Ltd.	Online shopping service website
	5 CA Search, Ltd.	Planning, execution and operation of search engine marketing strategies
	6 CA Capital, Ltd.	Financial services
	7 Media Headquarters	Net media for total information provision and point services
	8 International Sports & Marketing Co., Ltd.	Sports contents
	9 All Navi Company	Information comparison website
	10 GCREST, Inc.	Online games
	11 CA Guide Company	Guide-recommended, carefully selected websites
	12 MicroAd Company	Blog network advertising distribution services
	13 WeddingPark, Ltd.	Wedding information website
J2	1 Fraudia Communications, Inc.	Suggestion-type media agency specialized for women
	2 cybozu.net, Inc.	Business portal website
J3	1 Crown Jewel, Inc.	Carefully selected apparel brand auction website
	2 LX. Inc.	Personal stylist website for women
	3 Ameba Books, Ltd.	Publishing services
	4 CA/H, Inc.	Advertising business focused on internet marketing
	5 CyberBuzz, Inc.	Advertising business specialize for CGM
	6 Blog Accessory Group	Blog accessory portal website
Focused Business	Ameba Headquarters	New total information media using a blog as a platform, where users play the leading part
	Finance Headquarters	Finance business

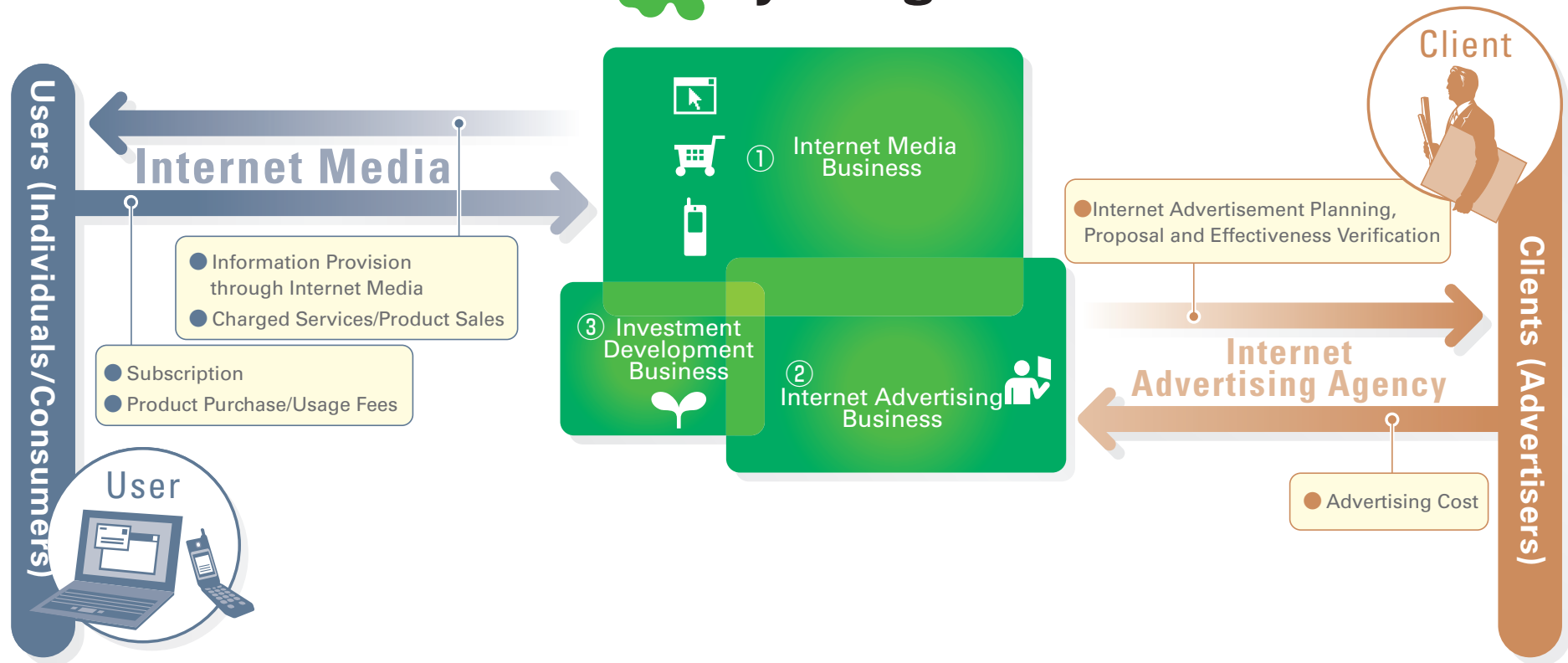
As of Apr 2006

Company Overview



Company Name	CyberAgent, Inc. (securities code: 4751)
Head Office	Shibuya Mark City West 21F, 1-12-1 Dogenzaka, Shibuya-ku, Tokyo
West Japan Division, Osaka Office	Meiji Yasuda Life Osaka Umeda Bldg. 14F, 3-3-20 Umeda-, Kita-ku, Osaka
West Japan Division, Nagoya Office	Nishiki Park Bldg. 12F, 2-4-3 Nishiki, Nishi-ku, Nagoya, Aichi
West Japan Division, Fukuoka Office	Fukuoka Kogin Bldg. 9F, 1-13-2 Tenjin, Chuo-ku, Fukuoka
Established	March 18, 1998
Capital	6,686,609,584yen (as of the end of March 2006)
Number of Employees	1,235/CyberAgent Group Overall (as of the end of March 2006)
Average Age	28.5/CyberAgent alone (as of the end of March 2006)
Annual Sales	Approx. 43.2 billion yen (Year ended Sept. 2005)
Memberships	Member of Japan Advertising Review Organization, Inc. Member of Japan Internet Advertising Association Member of Advertising Cooperative Association Member of Japan Advertising Agencies Association

Business Model



(1) Internet Media Business

Advertising: Obtain profits through distributing advertisements to CyberAgent's websites and delivered E-mails that meet advertisers' needs.

E-commerce (EC): Internet online shopping. Online game billing, etc.

(2) Internet Advertising Business

Sales of Internet media ad spots made directly to advertisers

(3) Investment Development Business

Utilize our wide business experience to discover, invest in and foster promising businesses and to obtain profits through their sales, IPO, etc.