



Results Briefing for the First Quarter of the Year Ending September 30, 2005

**February 15, 2005
CYBER AGENT, LTD.**

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

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Company Overview



**Overview of First Quarter Consolidated
Financial Results
October – December 2004**



CyberAgent

Highlights From First Quarter of Year Ending September 2005

Consolidated net sales increased 9.0% quarter-on-quarter to ¥8,582 million

↳ Quarter-on-quarter, EC increased 4.4%, Media rose 12.2% and Advertising grew 11.8%

Consolidated operating income declined 39.6% quarter-on-quarter to ¥247 million

↳ Investment in new businesses was prioritized.

In the CAJJ Program, four businesses promoted from J3 to J2 (as of Dec. 31)

↳ Move from exploration of business models to stage of continuing commercialization

Number of employees at 900, an increase of 101 compared to September 30, 2004

↳ Plan to have 1,100 personnel by Sept. 30, 2005 for in-house business development and business expansion

Consolidated Financial Results Summary for Q1, Year to Sept. 2005: Profit and Loss Statement

	Oct-Dec 2004	Jul-Sept 2004	Change	Oct-Dec 2003	Change
Net sales (¥million)	8,582	7,873	9.0%	5,416	58.5%
Gross income from sales (¥million)	3,540	3,284	7.8%	2,389	48.2%
Gross margin (%)	41.3	41.7	-0.4 points	44.1	-2.8 points
SG&A (¥million)	3,292	2,875	14.5%	2,026	62.5%
SG&A ratio (%)	38.4	36.5	1.9 points	37.4	1.0 point
Operating income (¥million)	247	409	-39.6%	363	-32%
Operating profit margin (%)	2.9	5.2	-2.3 points	6.7	-3.8 points
Ordinary income (¥million)	253	416	-39.2%	368	-31.3%
Net income (¥million)	576	698	-17.5%	1,158	-50.3%
EPS (yen)	1,776.13				

Note 1: EPS is calculated based on the average number of shares outstanding during the quarter (excluding treasury stock)

Results Forecasts for the Year Ending September 2005

Consolidated Results Forecasts

Consolidated net sales:

¥36.0 billion (year-on-year increase of 34.8%)

Operating income:

¥2.3 billion (operating profit margin of 6.4%)

Ordinary income: ¥2.3 billion

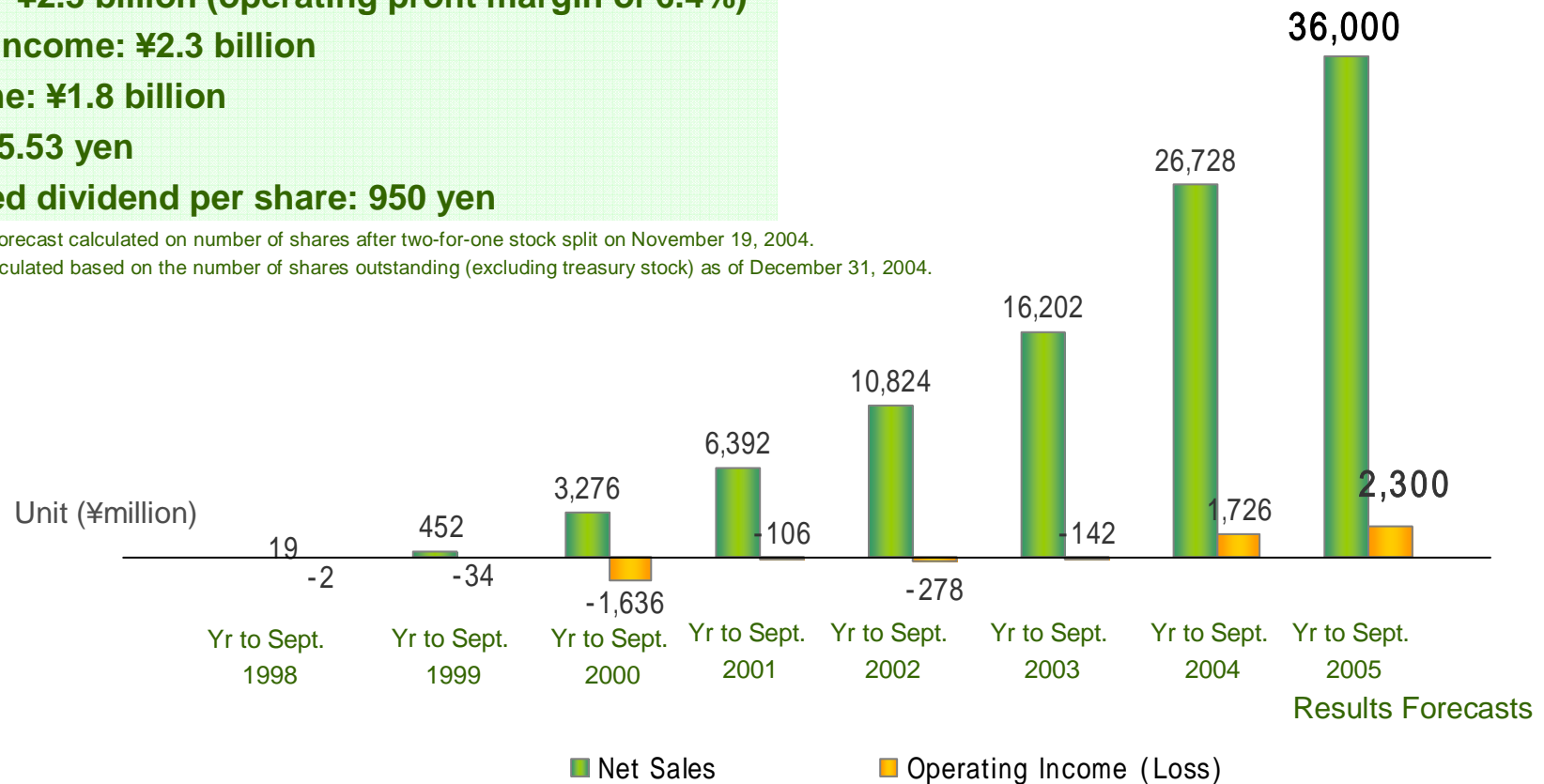
Net income: ¥1.8 billion

EPS: 5,535.53 yen

Anticipated dividend per share: 950 yen

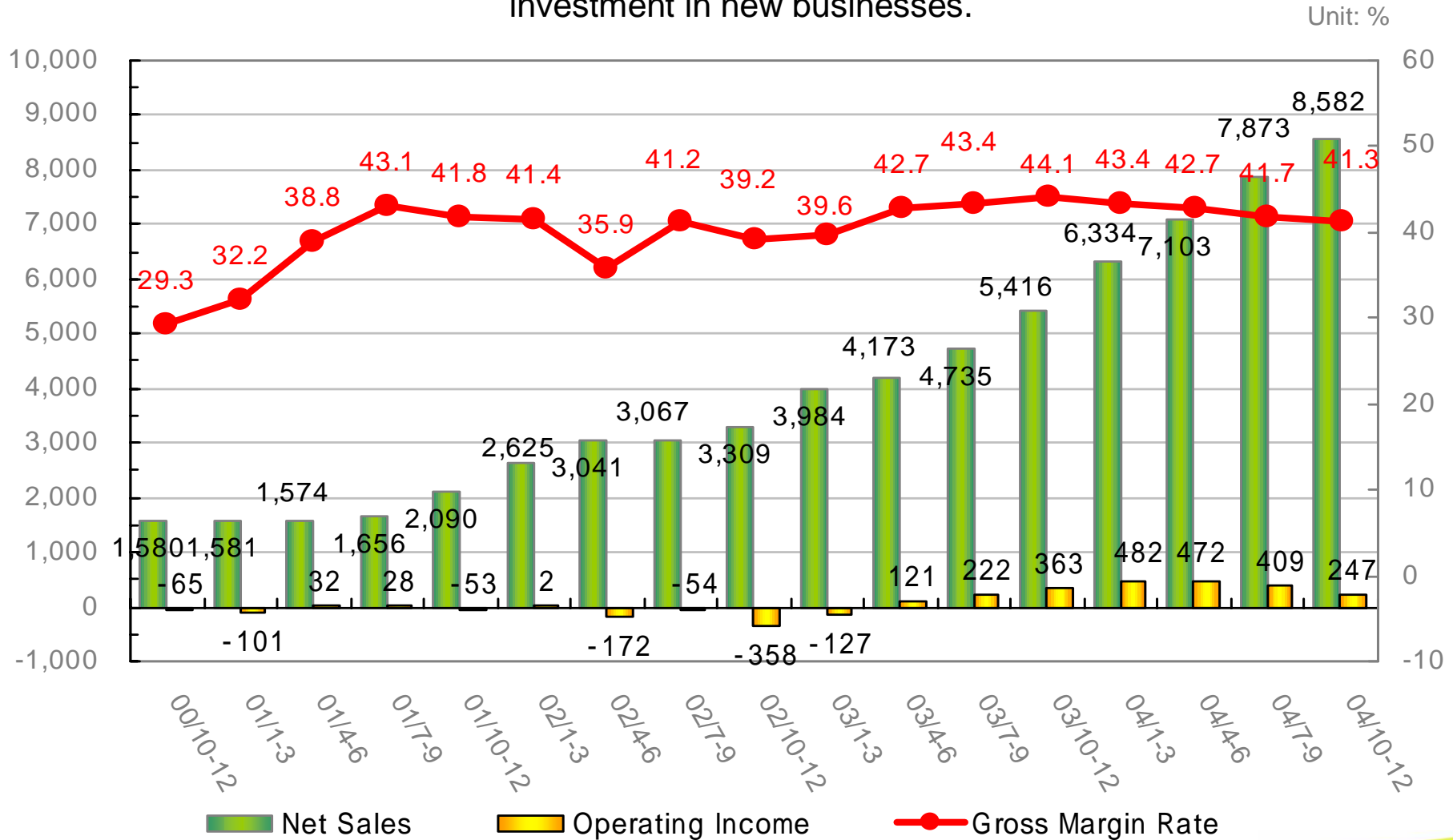
Note 1: Dividend forecast calculated on number of shares after two-for-one stock split on November 19, 2004.

Note 2: EPS is calculated based on the number of shares outstanding (excluding treasury stock) as of December 31, 2004.



Net Sales, Operating Income and Gross Margin Rate

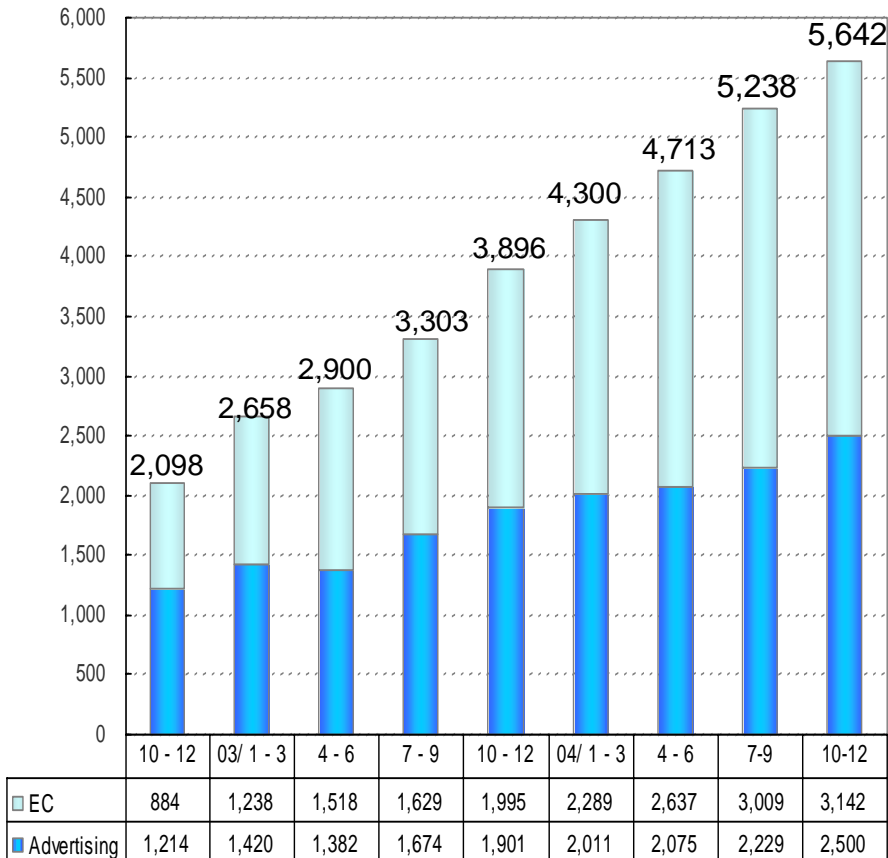
Unit: ¥million Net sales were strong; operating income down quarter-on-quarter due to investment in new businesses.



Results by Business (Net Sales)

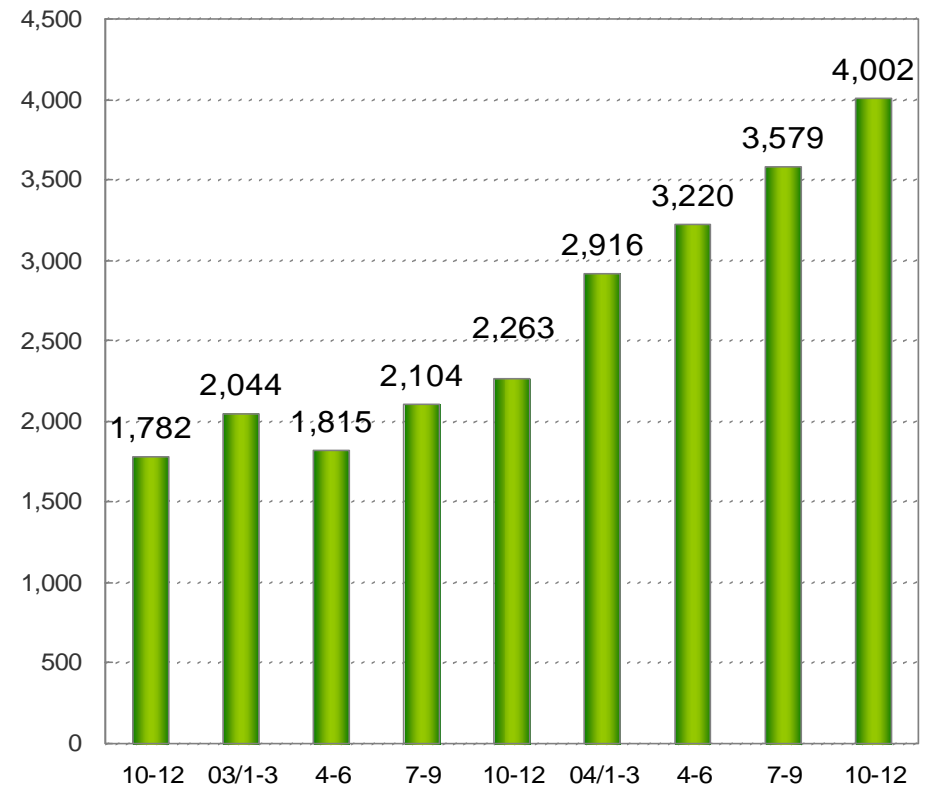
Media Business
CA Network

Unit: ¥million



Advertising Business
Internet Advertising Headquarters

Unit: ¥million



Note 1: Net sales is a reference values before excluding internal transactions

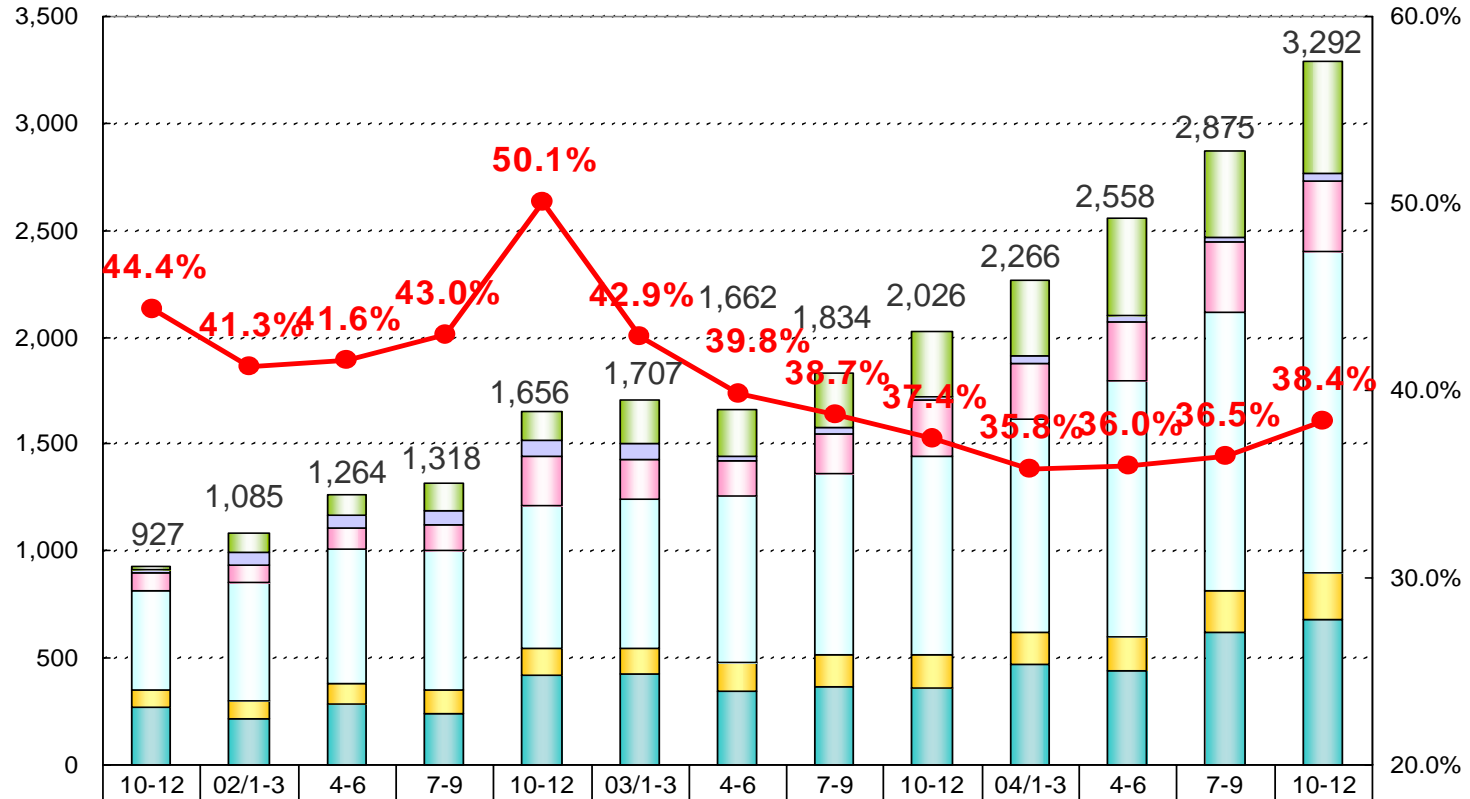
Note 2: EC net sales for the Media Business includes billings and commissions from October 2002.

Note 3: Advertising net sales for the Media Business includes affiliates, research and other sales from October 2002.

Consolidated SG&A

SG&A ratio increased 1.9 points over the previous quarter due to aggressive investment in new businesses

Unit:
¥million

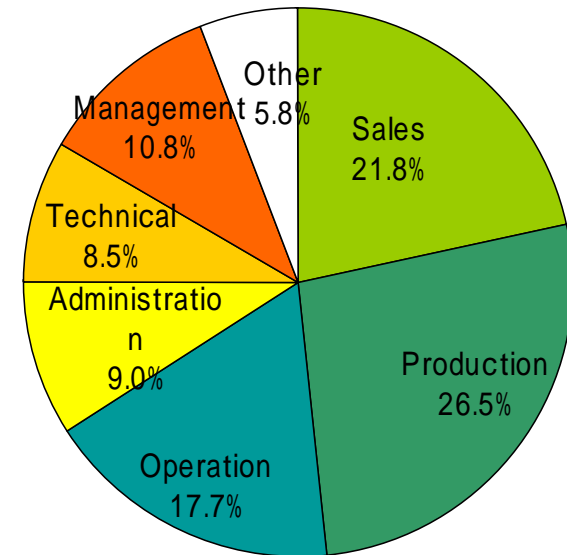
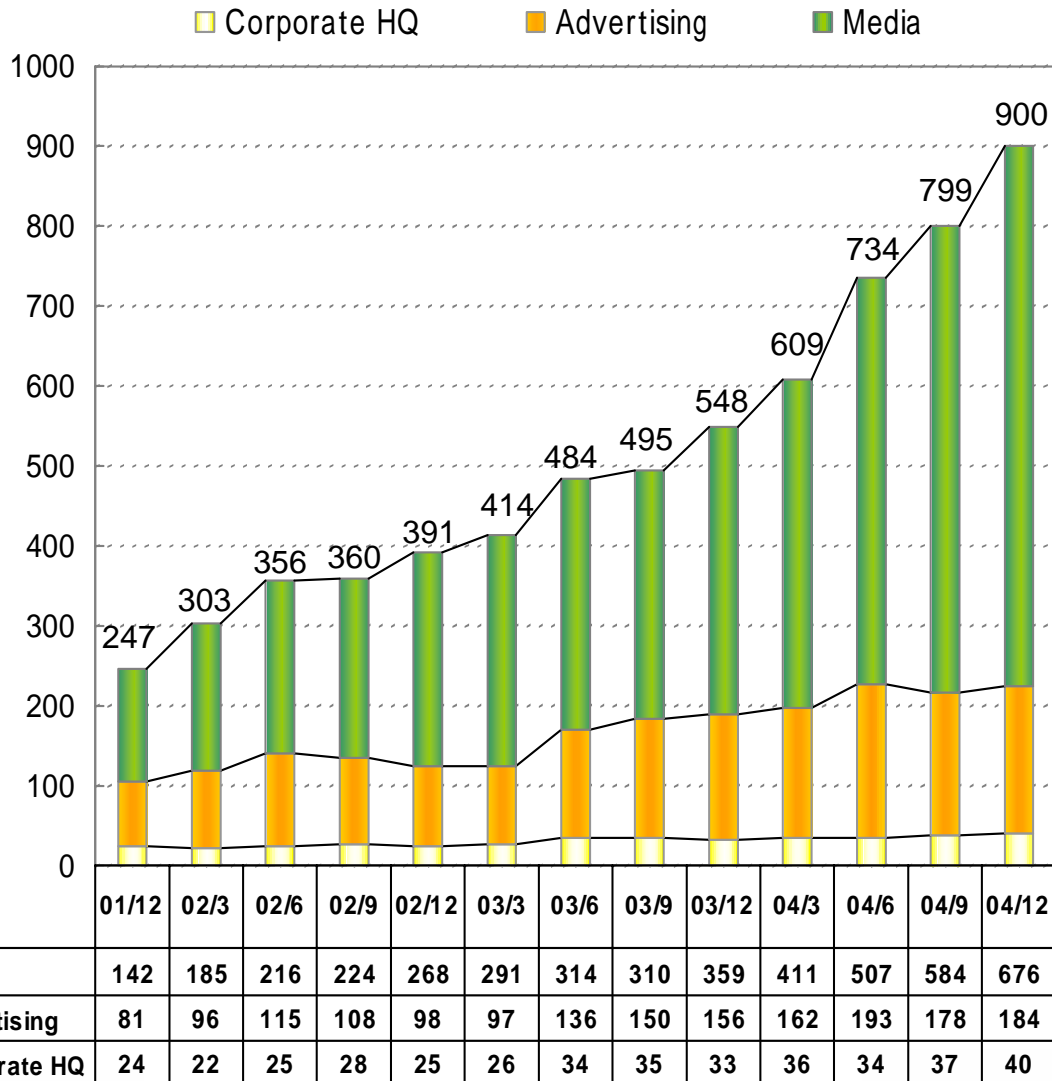


Selling	12	94	101	127	139	205	218	259	304	354	454	404	528
Consolidated adjustment	16	55	56	71	71	70	24	24	18	33	35	28	33
Advertising	87	80	101	114	235	187	160	191	260	265	277	323	328
Personnel	464	554	621	655	666	696	780	846	929	990	1,193	1,306	1507
Office	80	88	98	108	123	124	138	150	154	156	159	195	218
Other	268	214	287	242	422	425	342	364	361	468	440	619	678
SG&A ratio	44.4%	41.3%	41.6%	43.0%	50.1%	42.9%	39.8%	38.7%	37.4%	35.8%	36.0%	36.5%	38.4%

Number of Employees in Consolidated Companies

Quarter-on-quarter, employees increased by 101; 92 in the Media Business, 6 in the Advertising Business

Unit: People



As with the diagram at left, does not include temporary and casual workers.

Consolidated Financial Results Summary for Q1, Year to Sept. 2005: Balance Sheet

Unit: ¥million	Dec. 2004	Sept. 2004 Change		Dec. 2003 Change	
Current assets	18,704	18,199	2.8%	14,496	29%
(Cash+marketable securities, etc.)	12,795	12,872	-0.6%	10,904	17.3%
Fixed assets	8,362	8,573	-2.5%	4,207	98.8%
Total assets	27,066	26,772	11%	18,704	44.7%
Current liabilities	5,758	4,935	16.7%	2,770	107.9%
Fixed liabilities	1,039	1,403	-25.9%	492	111.2%
Shareholders' equity	18,573	18,770	-1%	14,518	27.9%

Consolidated Financial Results Summary for Q1, Year to Sept. 2005:

Cash Flows

Unit: ¥million	Oct-Dec 2004	Jul-Sept 2004	Oct-Dec 2003
CF from operating activities	-52	200	17
CF from investing activities	-53	-745	1,770
CF from financing activities	-96	1,199	226
Change in cash and cash equivalents	-209	657	2,014
Term-end balance of cash and cash equivalents	12,226	12,435	10,832

Note: Cash and cash equivalents excludes CA Capital, Ltd.'s customer deposits.

Principal Reasons for Changes

CF from operating activities	Decrease in profit margin and increase in accounts receivable, etc.
CF from investing activities	Increases in investments in securities, deposit guarantees from office expansion, and fixed assets
CF from financing activities	Payment of dividends

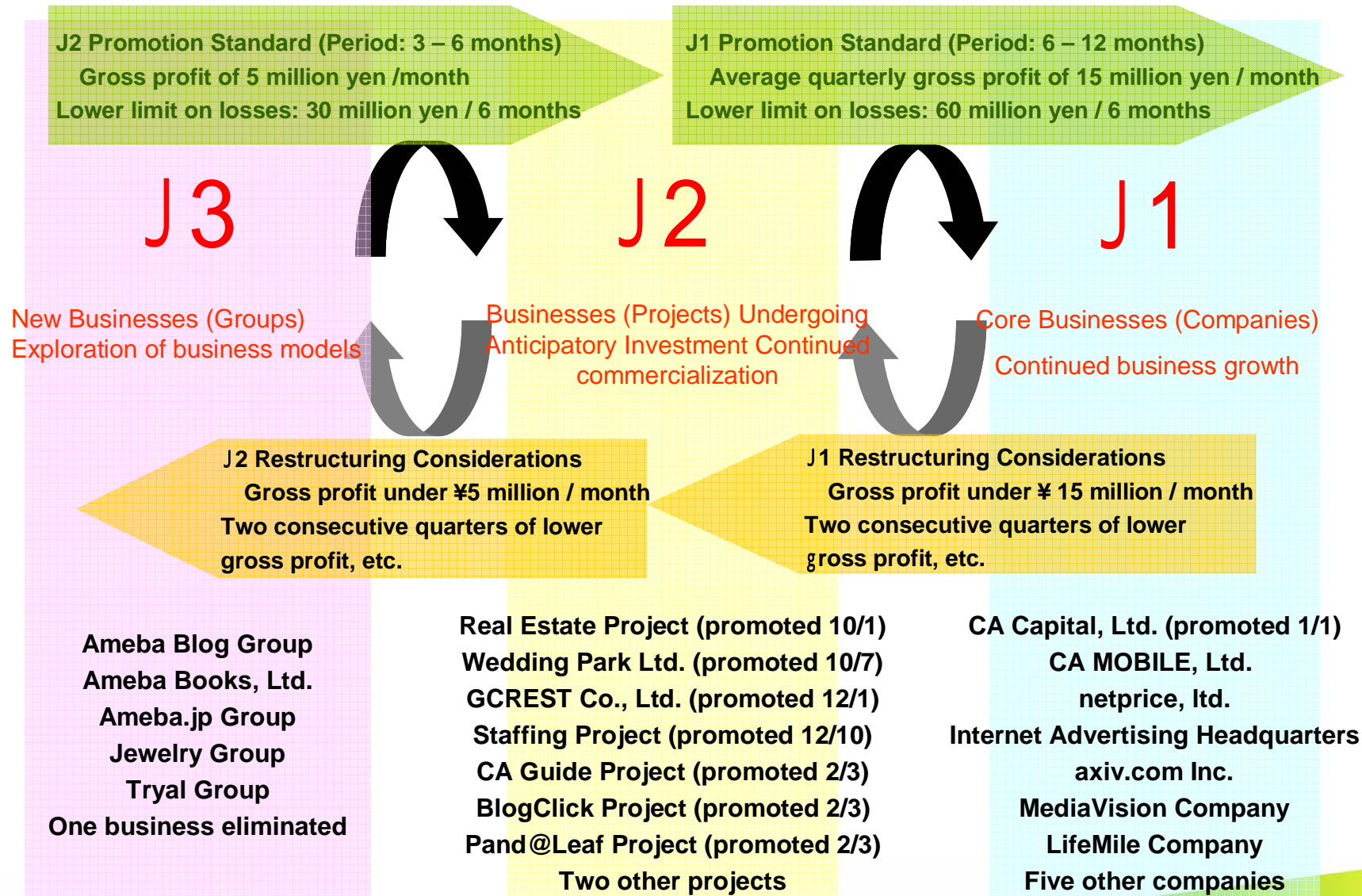
About the CAJJ Program



New Business Start-Up Program

CAJJ Program (Cyber Agent Business and Personnel Development Program)

As of February 10, 2005



Profit & Loss by Business

As of Dec. 31, 2004

Note 1: Net sales and operating income are reference values before exclusion of amortization of the consolidation adjustment account and internal transactions.

Note 2: Kensho no tsubo was absorbed by Media Box in April 2004.

Unit (¥million)	Affiliated Company or internal pr	03 / 10 - 12		04 / 1 - 3		04 / 4 - 6		04 / 7 - 9		04 / 10 - 12	
		Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Media Business	CA MOBILE, Ltd.	1,038	250	1,210	259	1,341	258	1,446	308	1,589	305
	netprice, ltd.	1,528	118	1,711	147	1,892	159	2,117	138	2,146	95
	axiv.com Inc.	375	65	400	35	422	57	447	76	495	99
	melma!	118	12	128	20	127	17	117	7	148	20
	LifeMile	82	15	104	20	101	10	126	17	157	5
	Cyber Brains, Ltd.	126	21	169	33	195	29	245	19	223	4
	International Sports & Marketing Co., Ltd.	211	95	75	7	99	6	113	6	107	11
	Media Box	76	-7	113	10	147	-9	167	10	149	-2
	MediaVision	134	-17	130	-6	124	-6	130	-7	144	-4
	YMIRLINK Inc.	127	6	134	4	123	-2	161	6	156	6
Advertising Business	Internet Advertising Headquarters	2,209	-63	2,816	69	3,084	71	3,414	130	3,806	101
	CA Search, Ltd.	54	12	100	33	136	34	165	47	196	52
J1 Businesses Total		6,078	507	7,090	631	7,791	624	8,648	757	9,316	692
J2 & J3 Businesses		12	-48	57	-61	96	-107	139	-161	328	-285
Internal Transactions, Etc.		674	96	813	88	784	45	914	187	1,062	160
Consolidated Net Sales/Operating Income		5,416	363	6,334	482	7,103	472	7,873	409	8,582	247

CAJJ Program As of December 31, 2004

CAJJ	Name of Business or Affiliated Company	Major Line of Business
J1	CA MOBILE, Ltd.	Mobile related activities
	netprice, ltd.	Online shopping service
	Internet Advertising Headquarters	Internet advertising agency
	axiv.com Inc.	Manages "EC Navi", a price comparison website
	CA Search, Ltd.	Search engine marketing
	LifeMile Company	Online point program service
	Cyber Brains, Ltd.	Email marketing and research
	Media Box Company	Targeting mail services
	melma! Company	Mail magazine portal site
	International Sports & Marketing Co., Ltd.	Sports content services
	YMIRLINK Inc.	System integration services
	MediaVision Company	HTML mail magazine distribution
J2	All Navi Project	Promoted Information comparison site
	Real Estate Project	Promoted Real estate information site
	Wedding Park Ltd.	Promoted Wedding information site
	Diva Inc.	Online shopping service for women
	Staffing Project	Promoted Forum-based site on career changes
	GCREST Co., Ltd.	Promoted Online game related activities
	CA Capital, Ltd.	Financial services
J3	Tryal Market Group	Specialized site for product samples
	BlogClick Group	Blog network advertising distribution services
	Ameba Blog Group	Blog site
	Ameba Books, Ltd.	Publishing business
	Ameba.jp Group	Push-type portal site
	Jewelry Group	Online shopping service specialized in jewelry
	CA Guide Group	Guide-recommended, carefully selected sites
	Pand@Leaf Group	Online shopping service specialized in Chinese tea

Topics in the First Quarter and Since

Oct 2004

- Ameba Blog Group opens Shohyo Tsunagari, a book review site, within Ameba Blog
- CA Mobile provides ring melody services for Spanish imode in conjunction with ACCESS and the content distribution business.

Nov 2004

- Partner with Real Networks on advertisement product planning and development, and ad spot sales
- GCREST updates Telepa
- Ameba Books publishes its first book, Easy Going, and Tobenai anata ni hane wo tsukeru hoho
- All Navi Project launches an Internet securities company comparison site, Wise Selection of Net Securities

Dec 2004

- **GCREST promoted to J2**
- **Business tie-up with Tokyo Verdy and signing of sponsorship agreement**
- BlogClick Group announces start of keyword match-type ad sales on SeeSaa Blog
- **Staffing Group promoted to J2; becomes Staffing Project**
- Tryal Net launched, a site for trying to find items perfect for each individual
- Media Box Company newly partners with Interscope Inc. in the area of research activities

Jan 2005

- **CA Capital promoted to J1**
- CA Capital holds trade contest for foreign currency transactions
- Publicity cooperation developed for soliciting relief funds for the victims of the tsunami caused by the Sumatra earthquake
- Fukuoka Office opened
- Launched sales of CA-Prism, a new verification system for advertising effectiveness

Feb 2005

- Ameba Books starts sales of Jitsuroku oniyome nikki on January 31
- **BlogClick Group promoted to J2, becomes BlogClick Project**
- **CA Guide Group promoted to J2, becomes CA Guide Project**
- **Pand@Leaf Group promoted to J2, becomes Pand@Leaf Project**



Jitsuroku oniyome nikki comes out on January 31, 2005

Businesses of Special Focus in the Year Ending September 2005

Ameba Blog Group

Site Opening: September 16, 2004

A new blog services site with a unique ranking system which returns money to high-quality users. Its major features are a straightforward user interface through which even beginners can easily create and update a blog and the ability of blogs ranked high in the monthly rankings to receive cash prizes.

Positioned as a core service for increasing web traffic, strategic investment will transform it into a blog service capable of supporting heavy traffic.

Targeting 500,000 blogs established by September 30, 2005.

New (J3) businesses, led by Ameba Blog, are currently increasing web media page views.

Sales growth is anticipated starting in the second quarter.



<http://ameblo.jp/>

Increasing Page Views Through Blogs





Business Model

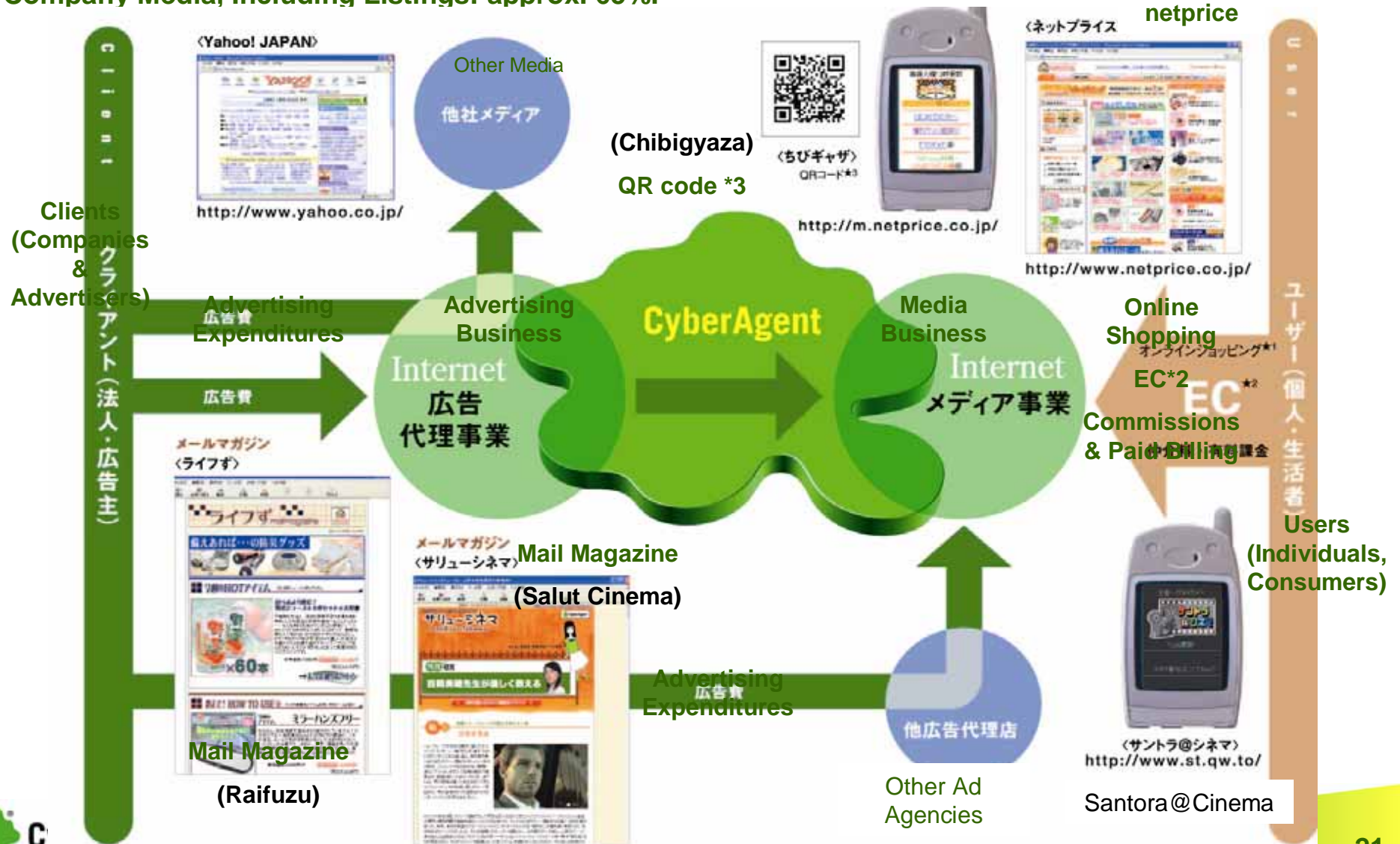


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Business Model

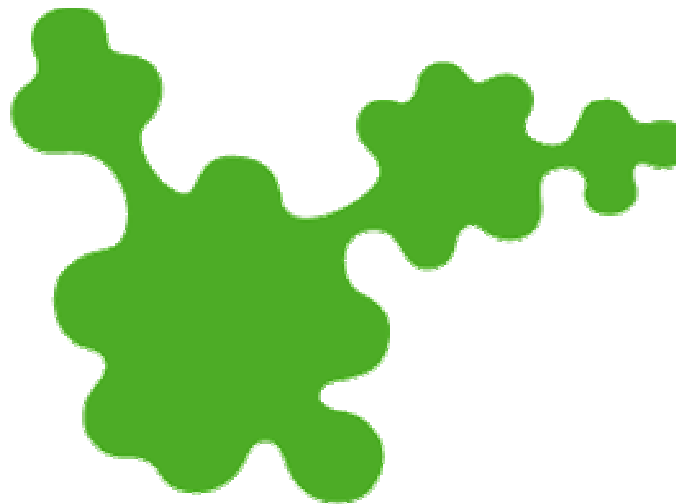
Advertising Sales Breakdown in the Media Business: Cyber Agent Advertising Business: approx. 40%;
Handled Through Other Ad Agencies: approx. 60%

Sales Breakdown in the Advertising Business: Cyber Agent / Partner Media: approx. 35%; Other
Company Media, Including Listings: approx. 65%.





Media Business



CA.network

Media Business Highlights

Advertising sales increased 12.2% quarter-on-quarter

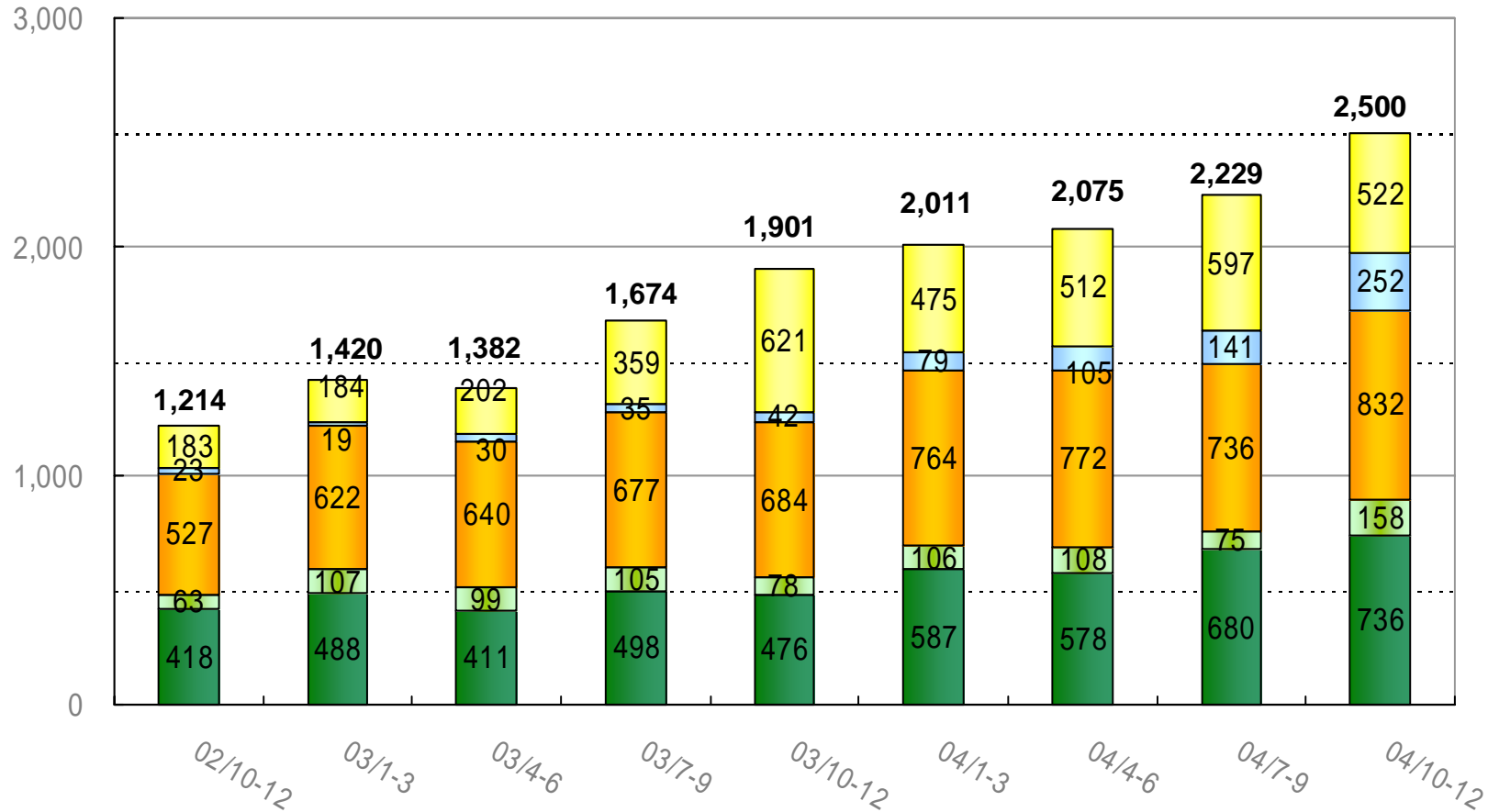
↳ Balance handled through other ad agencies increased 15.9% quarter-on-quarter

E-commerce (EC) sales increased 4.4% quarter-on-quarter

↳ Increased revenue for Diva Inc. through incorporating Pand@Leaf and from year-end sales activities

Media Business: Advertising Sales

Unit: ¥million



- PC Advertising (Email)
- PC Advertising (Web)
- Mobile Advertising
- Research Business
- Other (affiliates (results-based) advertising), etc.

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

Sales Performance Directed at Other Ad Agencies

(Media sales affiliated with non-consolidated Cyber Agent)

Net sales gained 15.9% quarter-on-quarter

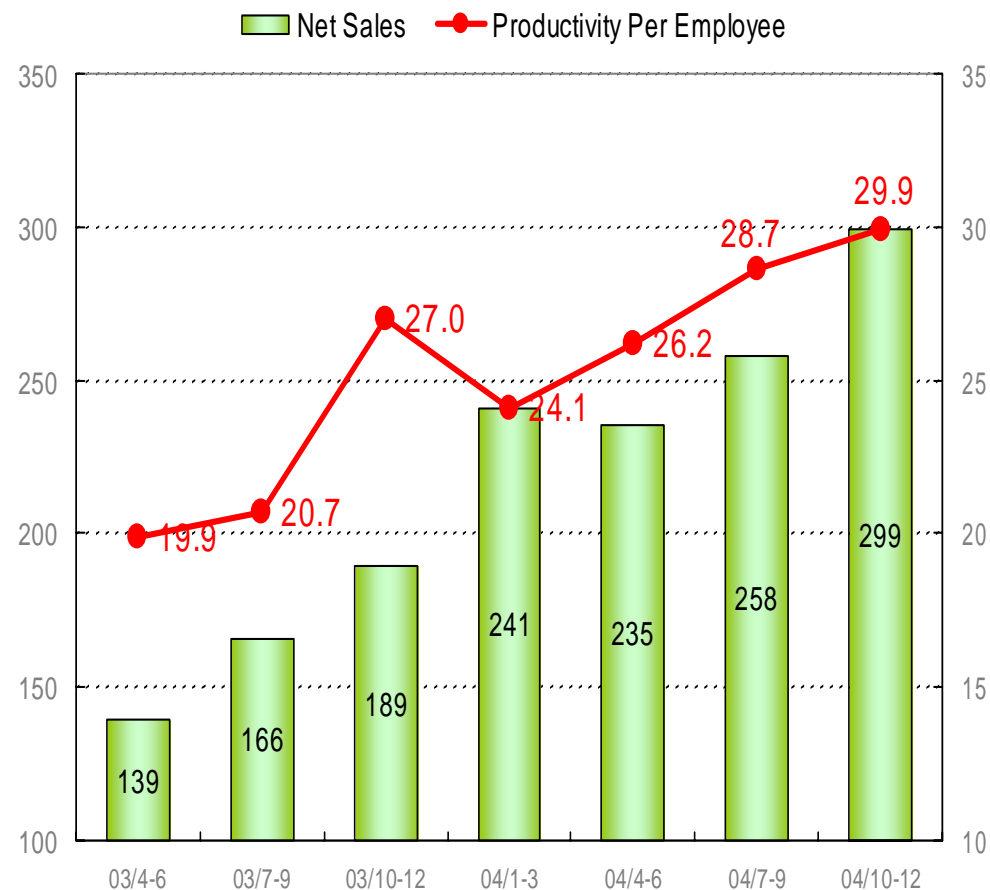
↳ Increased media value

TOPICS

- Held thank-you party for other ad agencies
- Launched Osaka Office

Quarterly Productivity per Sales Employee

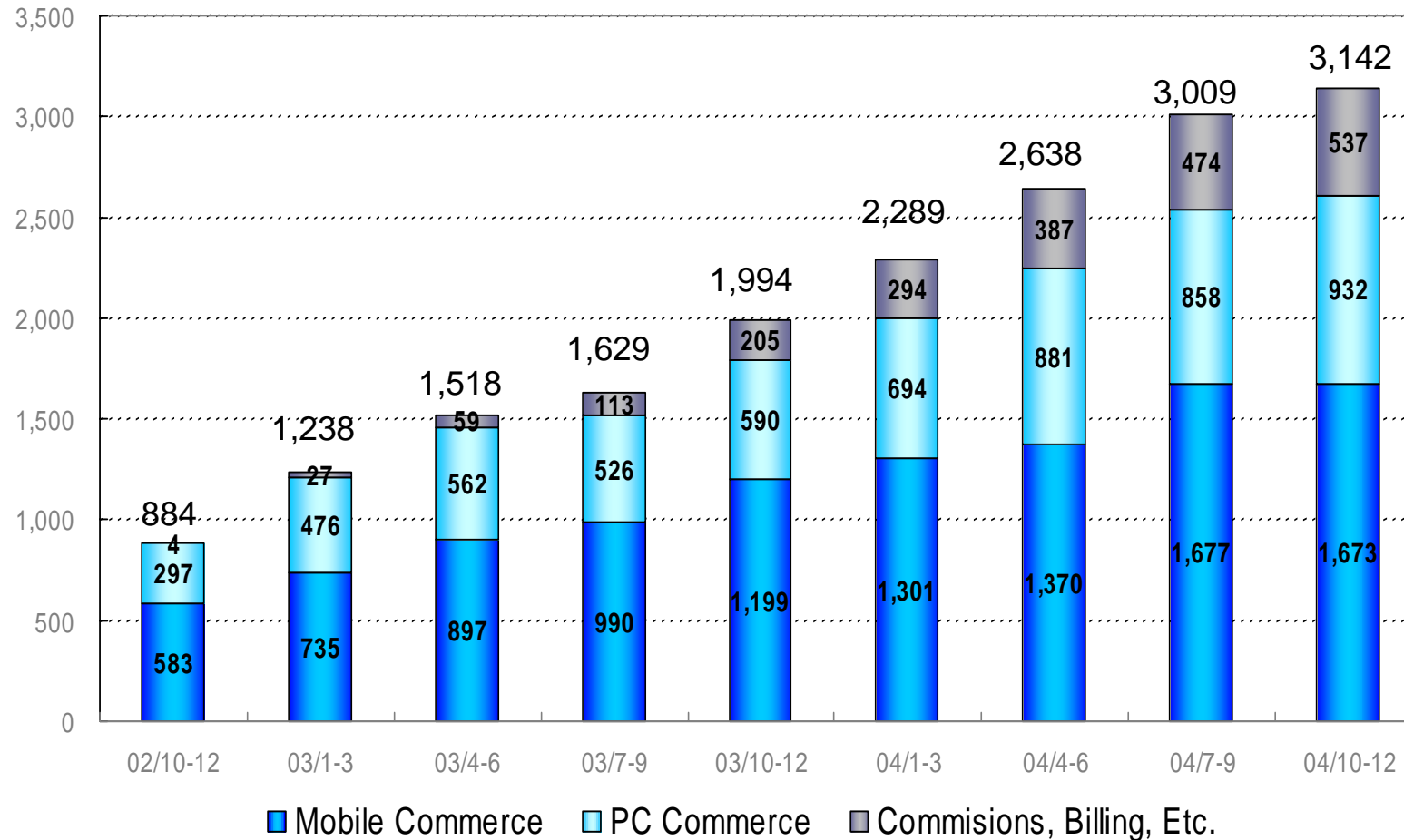
Unit: ¥million



Media Business: E-Commerce Sales

EC sales improved 4.4% over the previous quarter

Unit: ¥million



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



Advertising Business



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Advertising Business Highlights

Net sales increased 11.8% quarter-on-quarter

Ratio of site listing advertisements increased three points

Number of clients climbed 11.5% quarter-on-quarter to 941 companies

Penetration of Ameba Job Program:

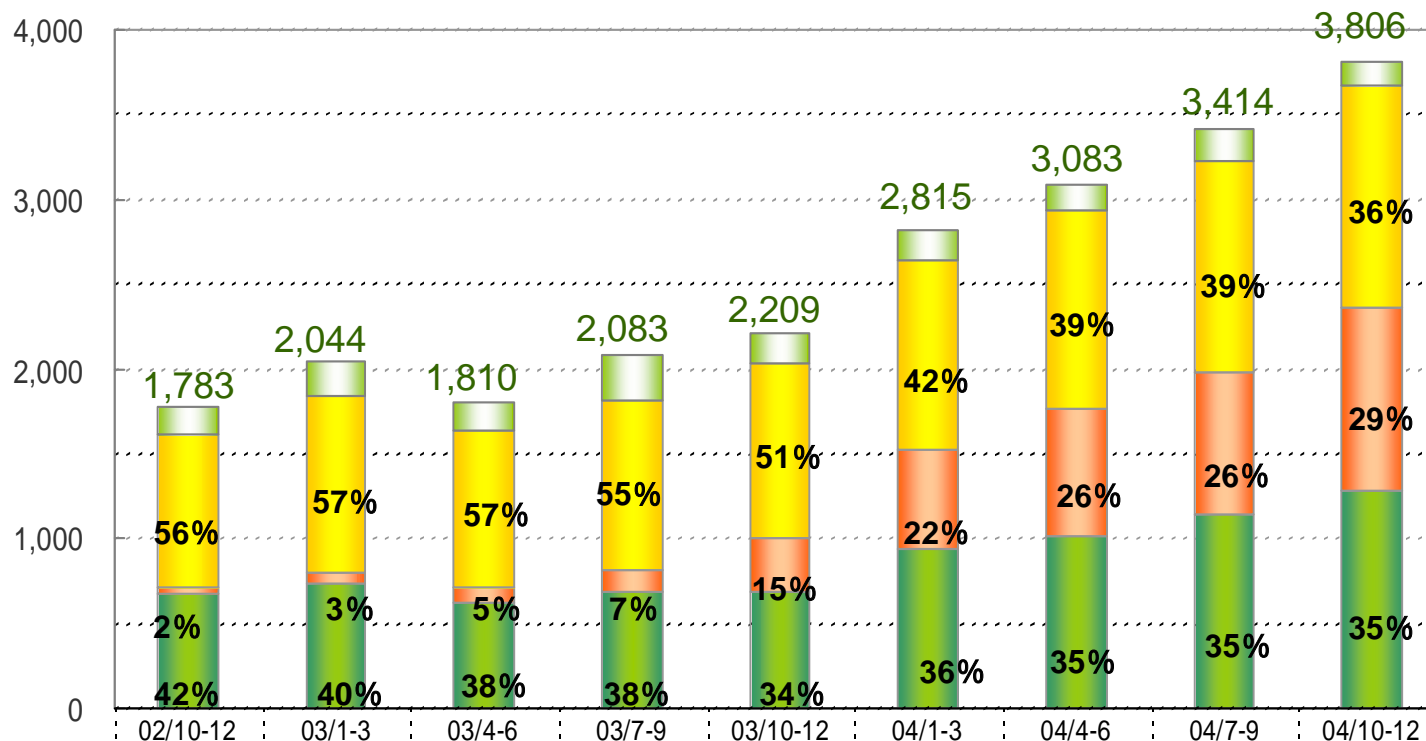
Shortening of period to develop sales power and improvement of per-person productivity



Employment, training and company vitalization leads to strengthened competitiveness

Advertising Business: Internet Advertising Headquarters Sales

Unit: ¥million



	02/10-12	03/1-3	03/4-6	03/7-9	03/10-12	04/1-3	04/4-6	04/7-9	04/10-12
Other Production Fees	169	205	168	273	172	175	156	188	139
Other Company Media	905	1,040	928	995	1,040	1,116	1,156	1,246	1,303
Site Listing Advertisement	35	66	97	124	309	585	754	838	1,081
Own/Partner Media	673	732	616	691	688	939	1,017	1,142	1,283

Note 1: Excluding sales from Internet Advertising Headquarters (before exclusion of internal transactions) and from CA Search.

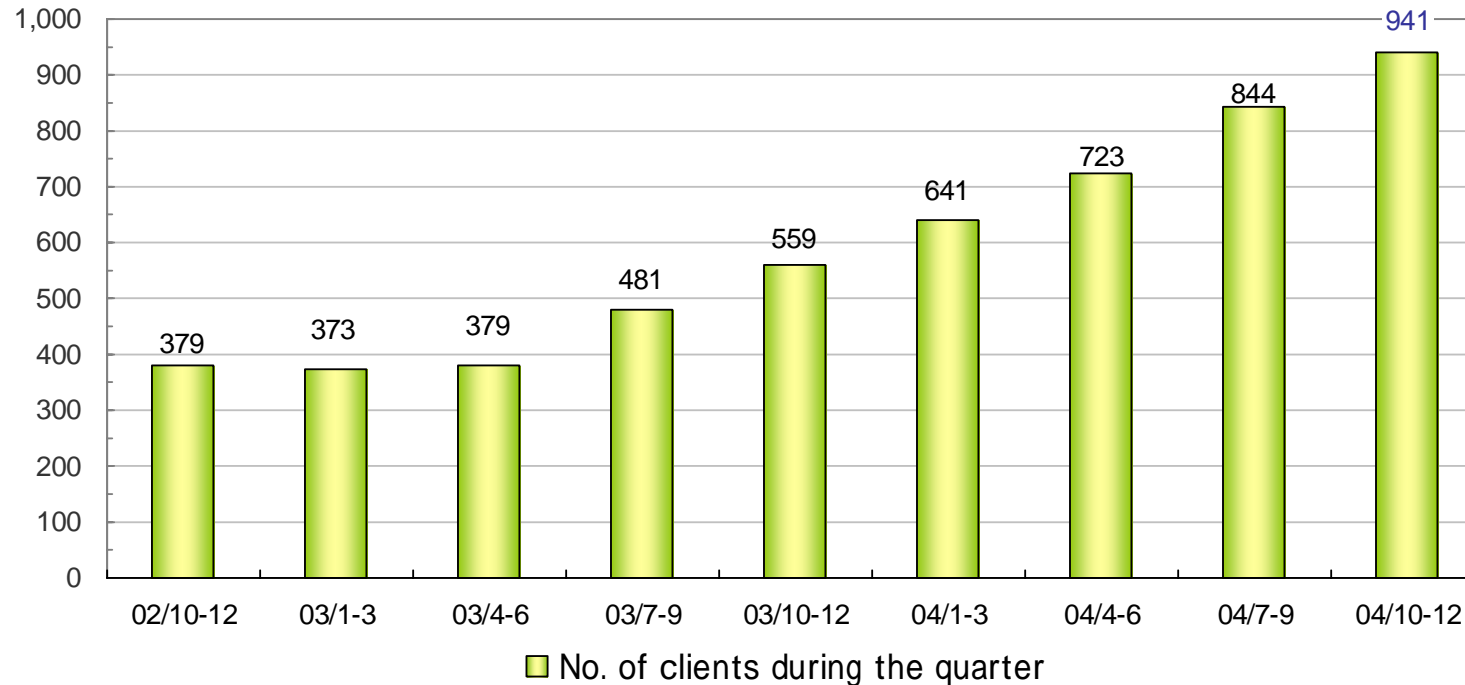
Note 2: Graph breakdowns are calculated excluding other production fees.

Note 3: Own media has included partner media since the Jan.-Mar 2004 quarter.

Number of Clients

Unit: No. of companies

Number of clients roughly 1.75 times higher than the same quarter of the previous year due to growth in listing advertisements.

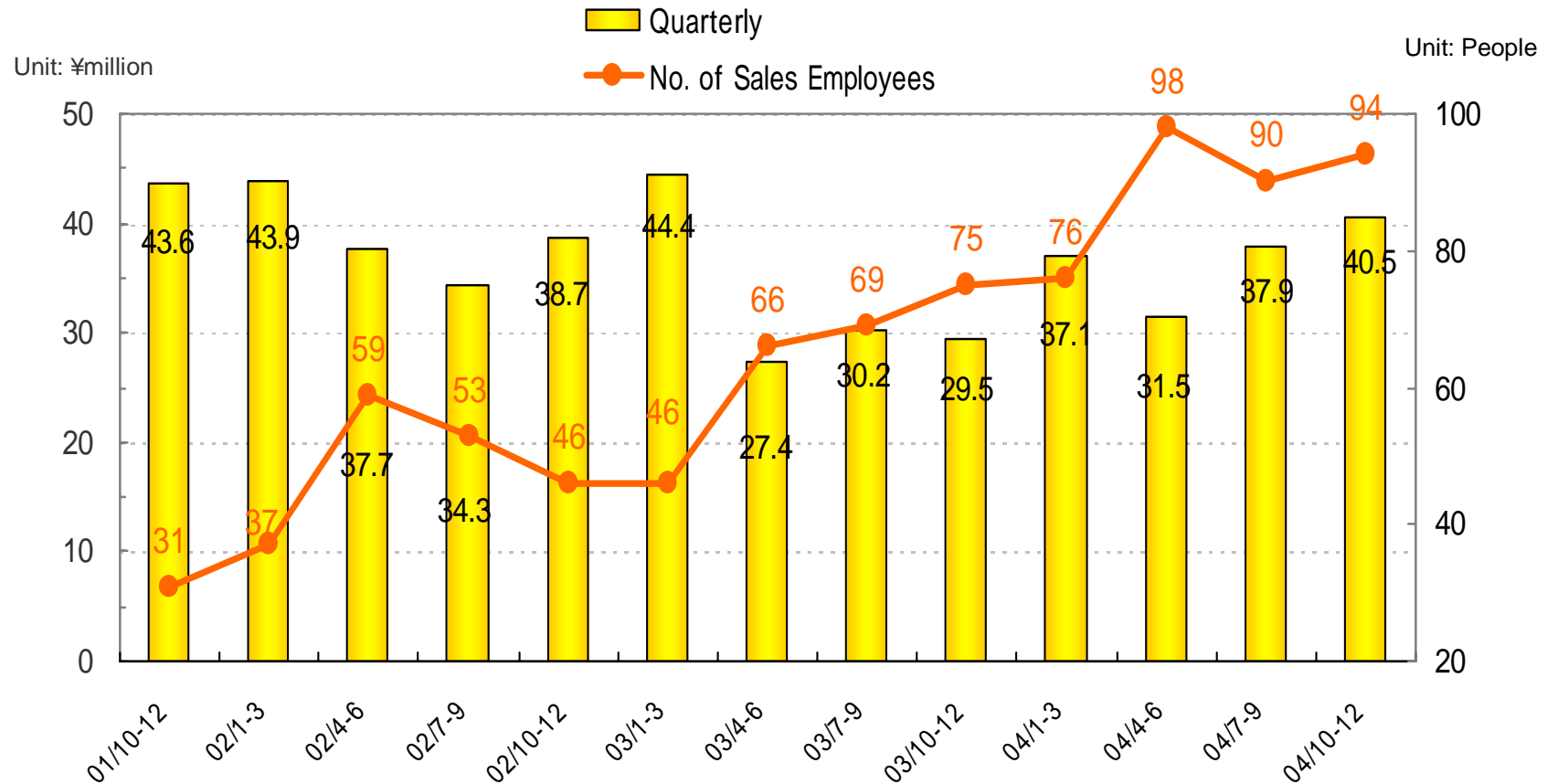


Unit: ¥million	Q1 2003 (Oct-Dec)	Q2 2003 (Jan-Mar)	Q3 2003 (Apr-Jun)	Q4 2003 (Jul-Sept)	Q1 2004 (Oct-Dec)	Q2 2004 (Jan-Mar)	Q3 2004 (Apr-Jun)	Q4 2004 (Jul-Sept)	Q1 2005 (Oct-Dec)
Sales	1,783	2,044	1,810	2,083	2,209	2,815	3,084	3,414	3,806
No. of clients	379	373	379	481	559	641	723	844	941

Note: Excluding sales from Internet Advertising Headquarters (before exclusion of internal transactions) and from CA Search.

Quarterly Productivity per Sales Employee

Plan to continue to increase the number of sales employees, but per-employee productivity rose 6.8% quarter-on-quarter.



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

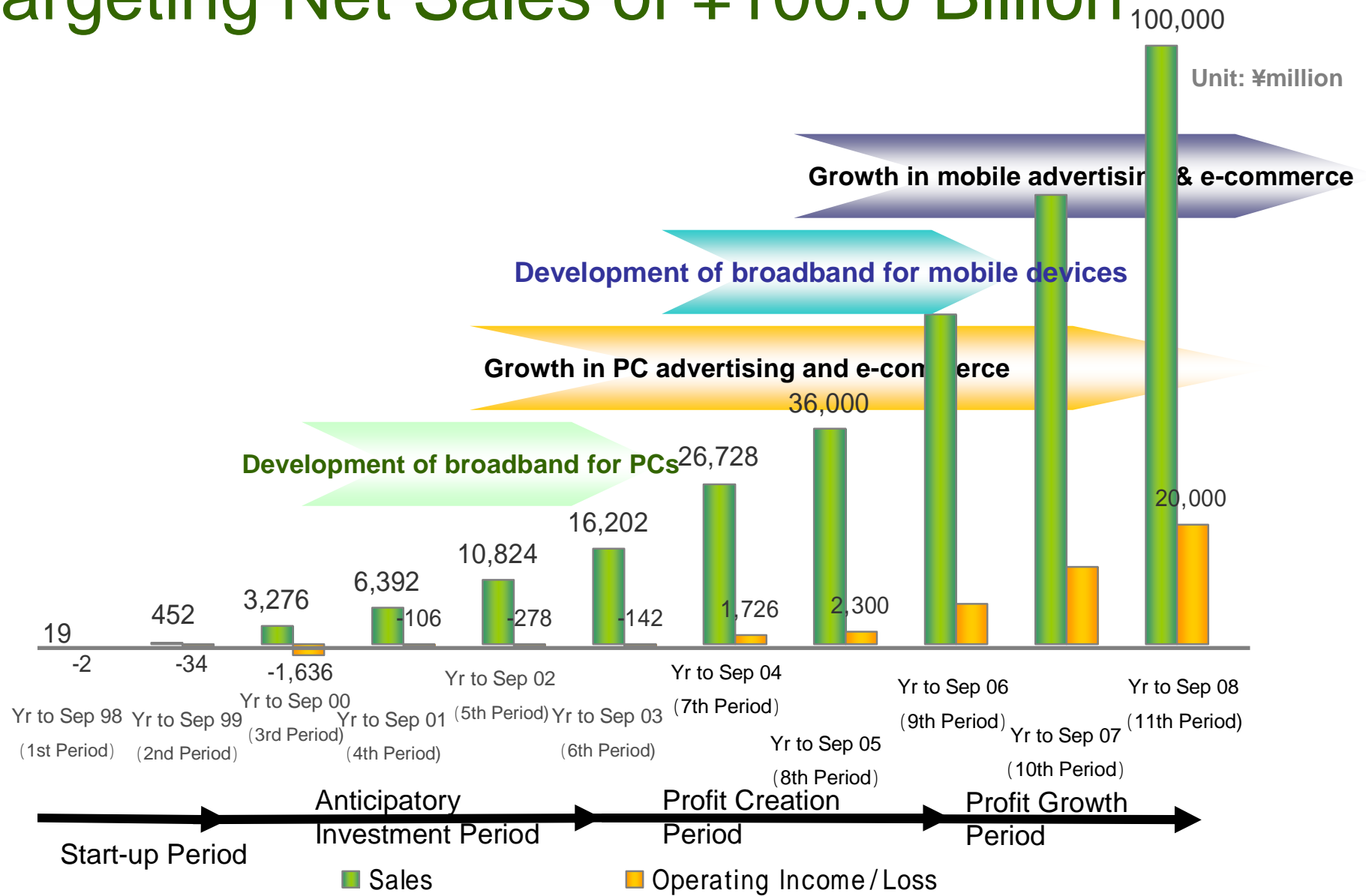


Medium- to Long-Term Outlook

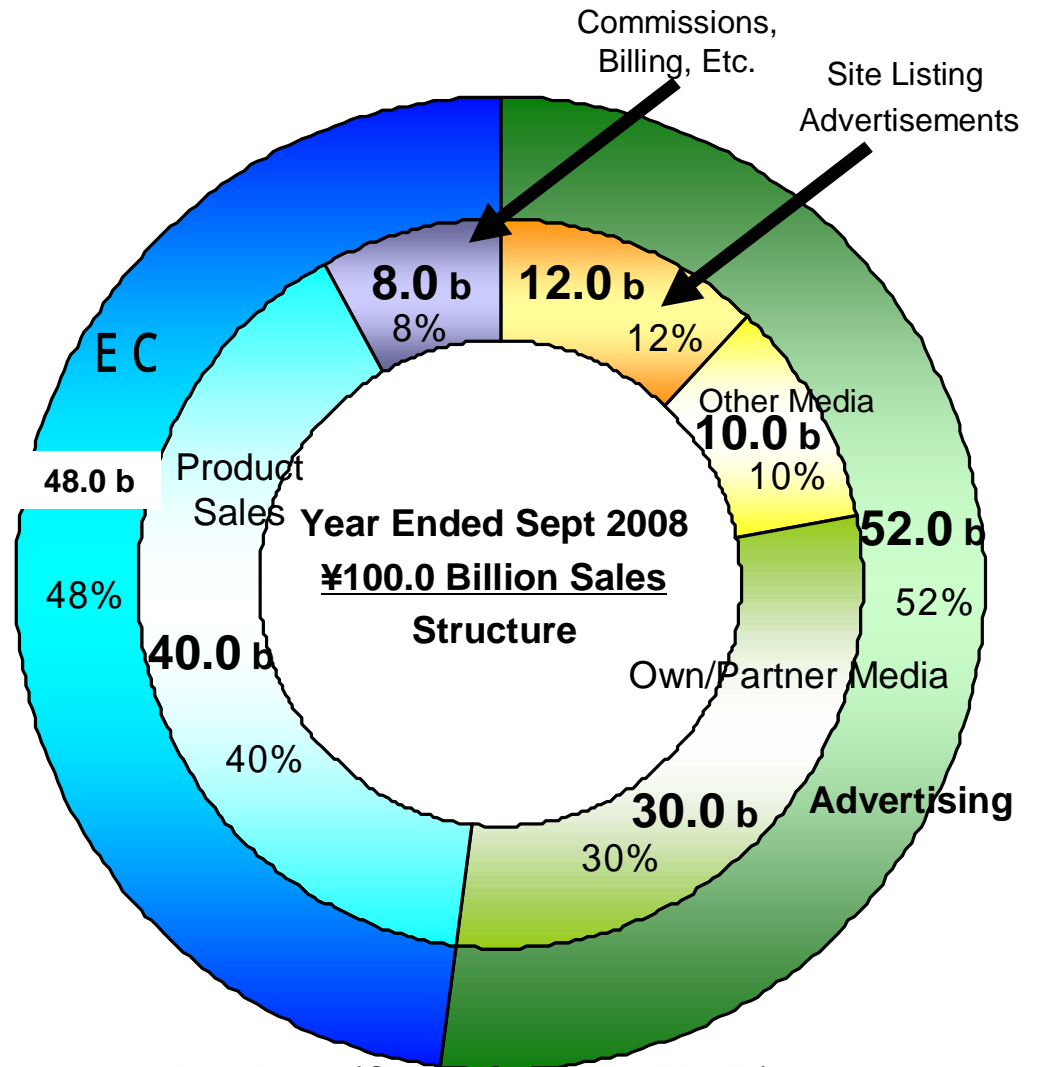
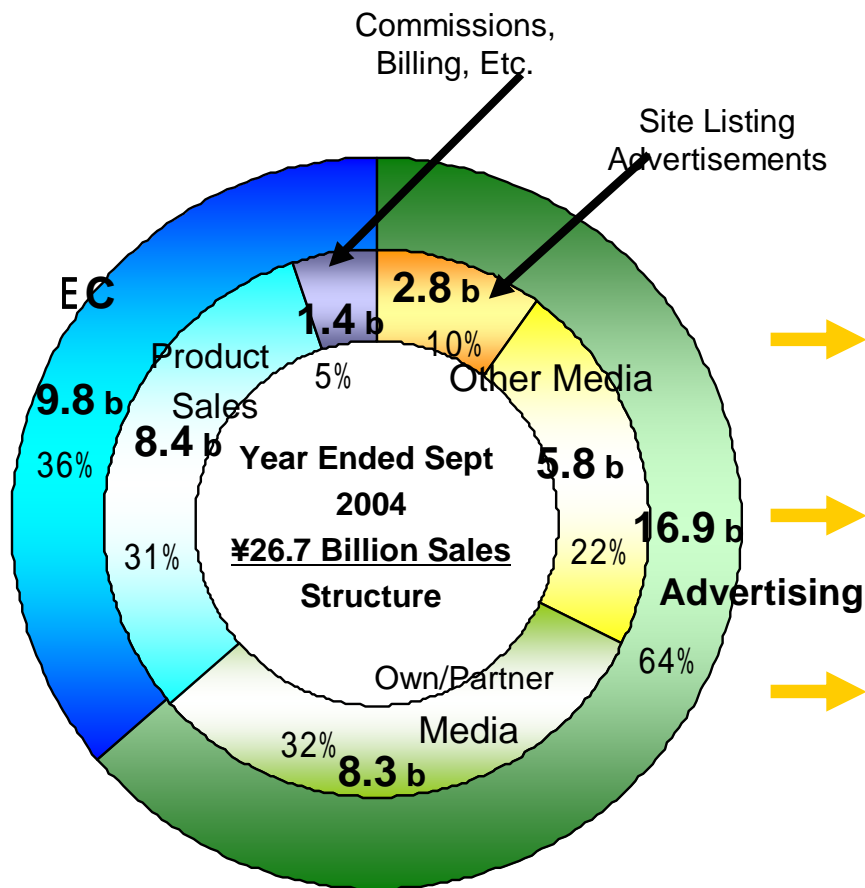


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Targeting Net Sales of ¥100.0 Billion



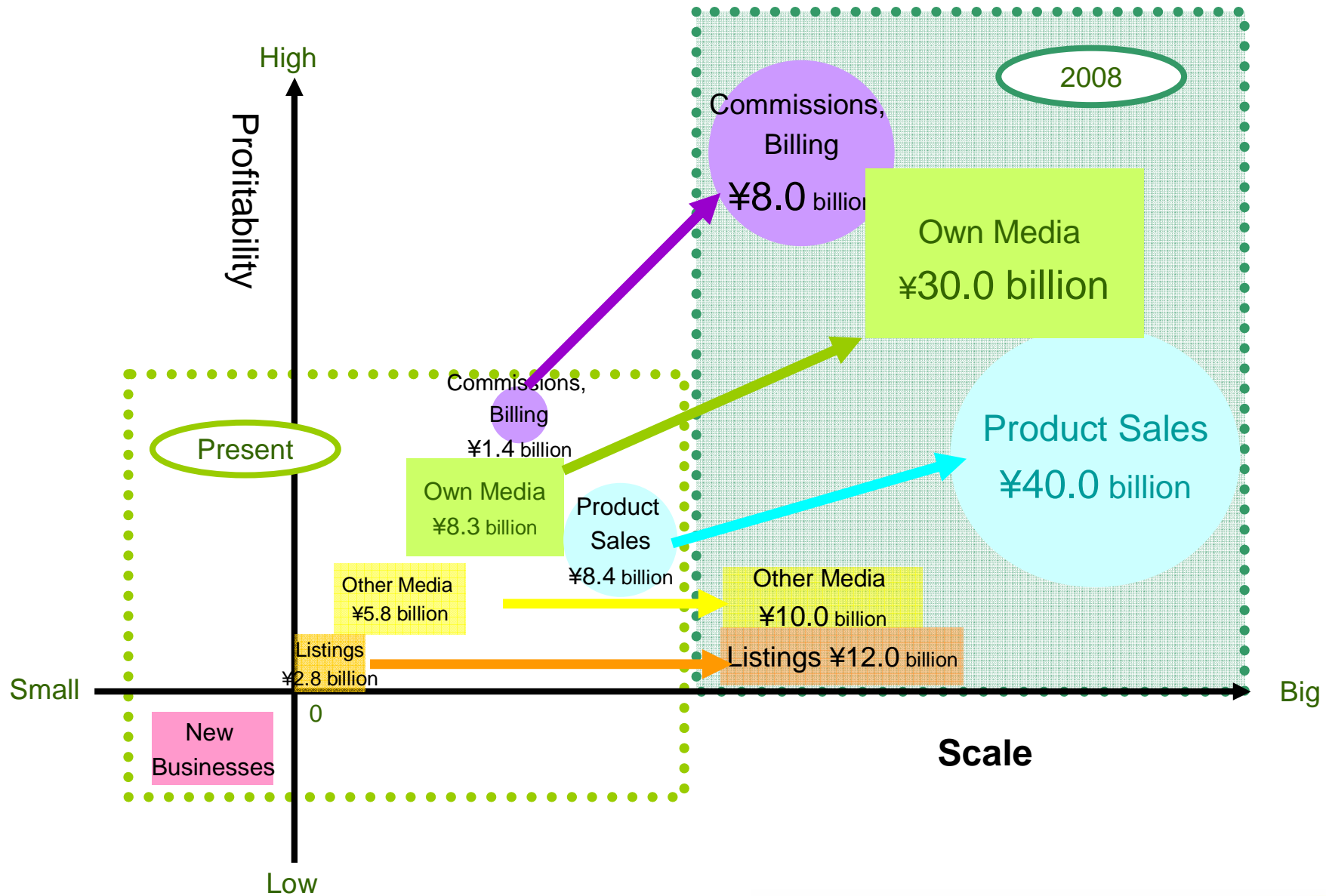
Structure of ¥100.0 Billion in Sales in the Year Ending September 2008



- Advertising (Site Listings)
- Advertising (Own/Partner Media, Etc.)
- E-Commerce (Commissions, Billing, Etc.)

- Advertising (Other Company Media)
- E-Commerce (Product Sales)

Construction of High Revenue Business Model



Toward ¥100.0 Billion in Sales for the Year Ending September 2008

Business Growth as an Internet Media Company

Further Bolstering of Organization-Building

VISION

Growing Into a Company
Representative of the 21st Century



CyberAgent



Reference Material



CyberAgent

Company Overview

Company Name: CYBER AGENT., LTD. (securities code: 4751)

Head Office: Shibuya Mark City West 21F, 1-12-1 Dogenzaka, Shibuya-ku, Tokyo

CA Network: Shibuya Humax Bldg. 9F, 1-14-6 Dogenzaka, Shibuya-ku, Tokyo
Shibuya Nomura Bldg. 2F, 1-10-8 Dogenzaka, Shibuya-ku, Tokyo
Ninomiya Bldg. 4F, 18-4 Sakuragaoka-cho, Shibuya-ku, Tokyo

Osaka Office: Meiji Yasuda Life Osaka Umeda Bldg. 14F, 3-3-20 Umeda, Kita-ku, Osaka

Nagoya Office: Tokai IS Bldg. 3F, 2-2-24 Nishiki, Naka-ku, Nagoya

Fukuoka Office: Fukuoka Kogin Bldg. 9F, 1-13-2 Tenjin, Chuo-ku, Fukuoka

Established: March 18, 1998

Capital: ¥6,562,065,000

Employees: 900 – Cyber Agent Group Overall
(As of December 31, 2004)

Average Age: 28.1 – Cyber Agent (non-consolidated)
(As of December 31, 2004)

Annual Sales: Approx. ¥26.7 billion (Year ended Sept. 2004)

Memberships: Member of Japan Advertising Review Organization, Inc.
Member of Japan Internet Advertising Association