



Press Release

Longreach launches Tender Offer to facilitate MBO for CYBIRD Holdings

[Tokyo / Hong Kong, 31 October 2007] The Longreach Group (“Longreach”) today announced that it will launch a tender offer to acquire all issued and outstanding common shares and share purchase warrants of CYBIRD Holdings Co., Ltd¹. (JASDAQ: 4823, “CYBIRD Holdings”). The move is part of a series of transactions to make CYBIRD Holdings a private company through a management buyout (“MBO”). The offer is being made with the endorsement of CYBIRD Holdings’ Board of Directors, which today passed a resolution of support.

The tender offer will be made by CJ Holdings Co., Ltd., a 100% owned by subsidiary of Longreach Capital Partners 1, L.P., LONGREACH HOLDINGS IRELAND 1, L.P., and Longreach GP Commitment, L.P. (“the Funds”). The tender offer price is 60,000 yen per common share. This represents a premium of 13.4% over the closing price on JASDAQ on October 30, 2007 and a premium of 40.8% over the average closing price for the prior three month period. Each share purchase warrant will be purchased at 1 yen.

CYBIRD Co., Ltd. was founded in September 1998 as a mobile content provider and has grown to form the current CYBIRD Holdings, which has expanded the original business platform to include commerce-related businesses, such as cosmetics marketing, and solutions businesses. With recent diversification in the mobile communications market presenting increased potential for growth, CYBIRD Holdings is seeking to accelerate execution of its business strategy to enhance mid-to-long-term corporate value. To achieve this goal, the Company must build a new business platform and further consolidate its position in the mobile content and commerce sectors. If the Company were to move quickly to meet such aspirations, it may subsequently be unable to meet shareholders’ expectations as earnings growth could slow and earnings volatility could increase. Therefore, the Company’s preferred strategy is to consolidate near term risks and strengthen corporate governance structures by going private.

Kazutomo Robert Hori, President and Group CEO of CYBIRD Holdings, selected Longreach, with which the Company has a long and established relationship, as a business partner in this transaction. Following in-depth discussions, both parties agreed that a tender offer to support an MBO transaction would be the optimal solution, as it would offer the company a long-term view and at the same time result in a quicker and more flexible execution of the business strategy.

The Funds have received an agreement to tender all common shares and share purchase warrants of CYBIRD Holdings held by Kazutomo Robert Hori (holdings ratio of 9.69% of all shares outstanding on a fully diluted basis). Other large shareholders including Yosuke Iwai (3.34%), Raumuzu Co. Ltd. (2.64%), Tomoo Tateishi (1.21%) and Emi Iwai (0.18%) have also agreed in principal to tender all common shares and share purchase warrants of CYBIRD Holdings. In addition, the Funds and Director and Executive Vice President Kenichiro Nakajima (0.72%) have agreed that in the case where he tenders all common shares and share purchase warrants of CYBIRD Holdings, he will subscribe for new shares to be issued by the Funds through a third party allotment after the completion of the tender offer.

¹ For additional information, see: www.cybird.co.jp/english/top.html



Through the tender offer, CJ Holdings aims to acquire all the outstanding shares on fully diluted basis, and has set a minimum threshold of two thirds of the outstanding shares on a fully diluted basis for the tender offer to proceed. If CJ Holdings is unable to acquire all shares (excluding treasury stocks), CJ Holdings will work with CYBIRD Holdings using established procedures under Japanese company law to purchase any remaining shares, in order to achieve the objective of making CYBIRD Holdings a 100% subsidiary of CJ Holdings.

The tender offer will commence on November 1, 2007 and will be open for 30 business days, closing December 13, 2007. Since an upper limit is not set, this may result in the application of JASDAQ's de-listing rule. Following a successful tender offer, additional steps are intended to acquire all remaining shares, which would result in the delisting of CYBIRD Holdings' shares from JASDAQ.

Following successful completion of the tender offer, Kazutomo Robert Hori will continue as President and Group CEO. In addition, two current Directors, Kenichiro Nakajima and Yohei Hosoda will remain as members of the Board of Directors, and Toshiaki Kawata, currently Executive Vice President, will join the Board. In addition, Longreach is planning to appoint five members to the Board of Directors.

Commenting on the investment, Mark Chiba, Longreach Group Chairman and Partner said, "After the completion of this tender offer, Longreach will become a financial and strategic sponsor to CYBIRD Holdings. In keeping with our founding philosophy, we will work closely in partnership with CYBIRD Holdings' employees and management to further develop and achieve the mid-to-long-term business plan, aiming at a strategic transformation of the Company. We hope that shareholders will understand management's vision and support CYBIRD Holdings' strategy through this tender offer."

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Background on The Longreach Group

The Longreach Group is an investment firm established in October 2003 to focus on investments in strategically driven private equity opportunities. The distinctive proposition behind Longreach is to create exceptional investment opportunities focusing on the Japan and Asian region, by matching relationship reach and local cultural effectiveness with globally benchmarked and competitive returns. In developing this approach, Longreach is focused on strategically driven private equity investments as its signature investment style. The long-term objective of Longreach is to become a pre-eminent investment firm in Asia, as measured by financial performance, execution capabilities and reputation.

The Longreach Group Companies include the investment company, Longreach Capital Partners 1 L.P. (partnership established based on Cayman Islands law), the investment management company, LONGREACH MANAGEMENT CORPORATION CAYMAN (corporation established based on Cayman Islands law), the investment company, Longreach GP Commitment, L.P. (partnership established based on Cayman Islands law), LONGREACH GROUP CAYMAN (corporation established based on Cayman Islands law), the investment company, LONGREACH HOLDINGS IRELAND (corporation established based on Cayman Islands law), The Longreach Group Limited, which is based in Hong Kong, and The Longreach Group, Inc. which is based in Tokyo, Japan. The Longreach Group, Inc. collects and analyses data and information concerning the Japanese and Asian markets and assists The Longreach Group Limited in identifying potential investment opportunities.

The Longreach Group has completed the successful final close of its two debut funds, Longreach Capital Partners 1, L.P. and Longreach Capital Partners Ireland 1, L.P. ("the Funds") in April 2006. The Funds closed with committed funds under management of JPY 82.5 billion (\$750 million (at a JPY/\$ exchange rate of 110)). The Funds, combined with co-investment appetite from our Limited Partners and other investment partners, will aim to execute larger strategically driven buy-out opportunities in Japan and the North Asian region. Longreach has made a number of investments to date which include the acquisition of Japan's OCC Corporation, a stake in the Asia Aluminum Group, NIWS Co. HQ Ltd., and the pending investment of a 51% stake in Taiwan's EnTie Commercial Bank, amongst others.