

## English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

To Our Shareholders

# Disclosed information on the Internet at the time of Notice of Convocation of the 21<sup>st</sup> Annual General Meeting of Shareholders

CyberAgent, Inc. (TSE 4751)

At the submission of Notice of Convocation of the 21st Annual General Meeting of Shareholders, the documents as remarked below are posted on our website (<https://www.cyberagent.co.jp/en/ir>) based on laws and regulations, and Article 17 of the Company's Articles of Incorporation.

“Main Business Activities,” “Main Business Locations,” “Major Creditors,” “Other Important Matters Concerning the Current State of the Corporate Group,” “Status of Subscription Rights to Shares, etc.,” “Consolidated Statements of Changes in Shareholders' Equity of Consolidated Financial Report,” “Notes to consolidated financial statements” and “Notes to non-consolidated financial statements.”

### 1. Main Business Activities (As of September 30, 2018)

Business Segment	Business Line
Media	AbemaTV, Ameba, Tapple etc.
Game	Mobile games for smartphones, etc.
Internet Advertisement	Advertising agency and video ad business, ad technology, etc.
Investment Development	Corporate venture capital, fund operation, etc.
Other	Operation of smartphone services, websites etc.

### 2. Main Business Locations (As of September 30, 2018)

CyberAgent, Inc.	Head Office: Shibuya-ku, Tokyo
AbemaTV, Inc.	Shibuya-ku, Tokyo
Cygames, Inc.	Shibuya-ku, Tokyo
CyberZ, Inc.	Shibuya-ku, Tokyo

### 3. Major Creditors (As of September 30, 2018)

There are no important items to be stated.

### 4. Other Important Matters Concerning the Current State of the Corporate Group

There are no important items to be stated.

### 5. Status of Subscription Rights to Shares, etc.

#### a) Status of subscription rights to shares held by Company directors issued as remuneration for the execution of duties (as of September 30, 2018)

		8th Subscription Rights to Shares	9th Subscription Rights to Shares
Issuance date		October 27, 2011	December 16, 2011
Type of shares to be issued upon exercise of subscription rights to shares		Common stock	Common stock
Amount paid for subscription rights to shares		Gratis	Gratis
Exercise price per share at time of exercise		1,252 yen	1,252 yen
Exercise period		From December 17, 2013 To December 16, 2021	From December 17, 2013 To December 16, 2021
Conditions for execution of subscription rights to shares		(Additional notes 1)	(Additional notes 1)
Director holdings	Category	Directors who are not the Audit and Supervisory committee members	Directors who are not the Audit and Supervisory committee members
	Number of subscription rights to shares	95*1	1,275
	Number of shares to be issued upon exercise of subscription rights to shares	19,000	255,000
	Number of holders	1	5

		10th Subscription Rights to Shares	11th Subscription Rights to Shares
Issuance Date		December 14, 2012	October 8, 2015
Type of shares to be issued upon exercise of subscription rights to shares		Common stock	Common stock
Amount paid for subscription rights to shares		Gratis	Gratis
Exercise price per share at time of exercise		885 yen	1 yen
Exercise period		From December 15, 2014 To December 14, 2022	From October 10, 2018 To October 9, 2025
Conditions for execution of subscription rights to shares		(See additional notes 1)	(See additional notes 2)
Director holdings	Category	Directors who are not the Audit and Supervisory committee members	Directors who are not the Audit and Supervisory committee members
	Number of subscription rights to shares	597	699
	Number of shares to be issued upon exercise of subscription rights to shares	119,400	139,800
	Number of holders	4	8

Notes: 1. 95 subscription rights to shares held by one Director were granted before being appointed as a director.

2. 60 subscription rights to shares held by two Directors were granted before being appointed as Directors.

3. No subscription rights to shares are held by Outside Directors.

4. On October 1, 2016, the Company conducted a two-for-one stock split. Accordingly, when exercising subscription rights to shares on or after that date, the number of shares subject to the subscription rights to shares and the value of the assets per share to be contributed upon exercise will be adjusted according to the division ratio, respectively. (However, the value of assets per share to be contributed upon exercise of the 11th subscription rights to shares will remain at 1 yen.)

Additional Notes 1: Conditions for execution of subscription rights to shares

1. Subject individuals must be a director or an employee of the Company or its subsidiaries when rights are exercised.

2. In the event a target individual dies, their inheritors are able to exercise these rights.

3. Pledging or other disposal of subscription rights to shares is not permitted.

4. Partial execution of subscription rights to shares is permitted.

5. In addition to each of the preceding items, the terms governing the exercise of rights shall be as stipulated in the contract for granting subscription rights to shares to be concluded separately between the Company and the subject individuals.

Additional Notes 2: Conditions for execution of subscription rights to shares

1. Subject individuals must be a director or an employee of the Company or its subsidiaries when rights are exercised. However, in consideration of various circumstances, this limitation does not apply when the Board of Directors approves special cases.

2. Inheritance of subscription rights to shares shall not be allowed. However, in consideration of various circumstances, this limitation does not apply when the Board of Directors approves special cases.

3. Pledging or other disposal of subscription rights to shares is not permitted.

4. Partial execution of subscription rights to shares is permitted.

5. In addition to each of the preceding items, the terms governing the exercise of rights shall be as stipulated in the contract for granting subscription rights to shares to be concluded separately between the Company and the subject individuals.

**b) Status of subscription rights to shares, etc., granted to employees, etc., in consideration of the performance of duties during the current fiscal year**

There are no important items to be stated.

**c) Important Matters Concerning the Convertible Bonds (As of September 30, 2018)**

	Euro-yen Denominated Convertible Bonds with Subscription Rights due 2023	Euro-yen Denominated Convertible Bonds with Subscription Rights due 2025
Issuance Date	February 1, 2018	February 1, 2018
Number of subscription rights	2,000	2,000
Type of shares to be issued upon exercise of subscription rights to shares	Common stock	Common stock
Exercise price per share at time of exercise	6,460 yen	6,270 yen
Exercise period	From March 5, 2018 To February 3, 2023	From March 5, 2018 To February 5, 2025
Balance of convertible bonds	20,263 million yen	20,273 million yen

**6. Outline of the liability limitation contract with corporate executives**

The Company has signed a contract with Directors (excluding Executive Directors) for limiting the compensation for damage mentioned in Article 423, Paragraph 1 of the Companies Act in accordance with Article 427, Paragraph 1 of the Companies Act. The upper limit of the compensation for damage specified in said contract is equal to the minimum limit of liability set forth in law.

**7. Situation of the Accounting Auditor**

**a) Name: Deloitte Touche Tohmatsu LLC**

**b) Amount of Remunerations, etc.**

	Amount of Remunerations, etc.
Amount of remunerations, etc. for the tasks mentioned in Paragraph 1, Article 2 of the Certified Public Accountants Act	135 million yen
Amount of remunerations, etc. for the tasks not mentioned in Paragraph 1, Article 2 of the Certified Public Accountants Act	21 million yen
The sum of the amounts to be paid by the Company and our subsidiaries to the comptroller and other property benefits	156 million yen

**Notes**

1. The audit contract concluded between the Company and the accounting auditor does not distinguish between the amount of audit remunerations, etc. for the audit based on the Companies Act and that for the audit based on the Financial Instruments and Exchange Act, and it is practically impossible to distinguish them. Accordingly, the sum of them was written as the amount of remunerations, etc. for the current fiscal year.

---

2. The Audit and Supervisory committee discussed the appropriateness and reasonableness of the results of the audit by the accounting auditor, the performance of the accounting auditor, and the ground for estimating its remunerations, and then agreed with the remunerations, etc. of the comptroller.

**c) Policy for deciding to dismiss or not to reappoint an accounting auditor**

If this is considered necessary, for example, when the performance of an accounting auditor is defective, the Audit and Supervisory Committee will determine the content of a bill for dismissing or not reappointing said the accounting auditor, which is to be discussed at a general meeting of shareholders.

In addition, if a comptroller falls under any of the items in Paragraph 1, Article 340 of the Companies Act, we will dismiss the comptroller based on the consent of all auditors. In this case, an Audit and Supervisory Committee member selected by the Audit and Supervisory Committee will report the dismissal of the accounting auditor and the reason for it at the first general meeting of shareholders after the dismissal.

## **8. Outline of a system for securing the appropriateness of business operation and the status of operation of the system**

### **a) System for securing the appropriateness of business operation**

The following outline the determined contents regarding the system for ensuring that the business execution of directors complies with laws, regulations, and the articles of incorporation and the system for securing the appropriateness of the business of a joint-stock corporation and the business of a corporate group composed of the joint-stock corporation and its subsidiaries.

#### **1. Items regarding the storage and management of information on business execution by the Company's directors**

The board of directors selects a general manager in charge of the storage and management of information on business execution of directors from among directors, and stores the information on business execution in writing or with electromagnetic records in accordance with the regulations for handling documents and confidential information, protecting personal information, and managing insider information, etc.

#### **2. Regulations for managing the risk of loss of the Company, and other systems**

For the management of the risk of loss, the regulations for emergency response assume and classify concrete risks, and a system for swift appropriate communication and response to emergencies. The internal audit division grasps and monitors the risk status in a cross-sectoral manner in accordance with the regulations for internal audit, and regularly reports the items regarding risk control to the board of directors.

#### **3. System for securing the efficient business execution of the Company's directors**

For the efficiency of business execution of directors, the Company set a company-wide goal to be shared by directors and employees, and try to diffuse the goal. In order to achieve the company-wide goal, directors in charge specify concrete numerical goals for each section, regularly review the results with a management accounting method, and give feedback to secure the efficiency of business.

#### **4. System for ensuring that the business execution by the Company's directors and employees complies with laws, regulations, and the articles of incorporation.**

The management section monitors the business execution of directors and employees, and offers in-house education and training if necessary. In cooperation with the Audit and Supervisory committee, the internal audit division grasps the situation of business execution of directors and employees, regularly audits it, and reports it to the board of directors.

5. System for securing the appropriateness of business of the Company and a corporate group composed of its parent company and subsidiaries

The board of directors sets numerical goals for the entire corporate group (composed of the Company and subsidiaries) for directors in charge, and delegates the authority and responsibility for managing risks and developing a system for observing the laws and regulations to the directors in charge. The management section promotes and manages the goals in a cross-sectoral manner. In addition, we establish the regulations for managing affiliated companies to develop a system for regularly reporting the business performance of our subsidiaries so that each group company will improve its performance and contribute to the business results of the entire corporate group. Our subsidiaries are obliged to report specific important items and risk information to the board of directors of the Company in advance, and the important items are to be discussed at a meeting of the board of directors. The internal audit division regularly audits our subsidiaries, and reports the results to the board of directors of the Company.

6. Items regarding employees for assisting the auditors of the Company in their tasks

The Audit and Supervisory committee can ask the employees belonging to the internal audit division to give necessary assistance in audit tasks.

7. Items regarding the independence of employees described in the previous clause from the directors of the Company, and the securing of the effectiveness of auditors' instructions toward said employees

The employees who are supposed to assist auditors in their tasks will follow the instructions from the auditors when assisting them. When said employees are replaced, the opinions of the Audit and Supervisory committee will be respected.

8. System for the Company's reporting to the Audit and Supervisory committee members

Directors, the management section, and the internal audit division regularly report the following important items regarding our corporate group to a full-time member of the Audit and Supervisory committee, and the full-time member of the Audit and Supervisory committee submit reports to the Audit and Supervisory committee.

- i. Important resolutions
- ii. Important matters of business administration
- iii. Items that could cause significant damage to the Company
- iv. State of internal audit and important items regarding risk control
- v. Serious violation of laws, regulations, and the articles of incorporation
- vi. Other important matters

Anyone who has submitted a report to the Audit and Supervisory committee members shall not receive unfair treatment for said report.

9. System for securing the effective audit of the Company's audit

The Audit and Supervisory committee can interview executive directors and important employees, and exchange opinions with the representative director and president, the auditing firm, and legal counsels. If an Audit and Supervisory committee member requests the Company to pay the expenses in advance or the like in accordance with Article 399-2, Paragraph 4 of the Companies Act, the section in charge will examine said charging and pay said expenses, etc. swiftly unless it is judged that said expenses, etc. are unnecessary for conducting said Audit and Supervisory committee member's tasks.

**b) State of operation of a system for securing the appropriateness of business**

The outline of the state of operation of a system for securing the appropriateness of business of the Company in the current fiscal year is as follows.

1. Regarding the execution of duties by Directors

The company holds a regular meeting of the board of directors once a month and an irregular meeting of the board of directors when necessary. The board of directors is attended by directors and also independent Audit and Supervisory committee members, who oversee the decision making about important business execution.

2. Regarding a risk control system

Directors, the management section, and the risk control staff of our group companies join hands to strengthen and promote our risk control system, and the regulations for responding to emergencies assume and classify concrete risks, and develop a system for swift, appropriate communication and response to emergencies. In accordance with the regulations for internal audit, the internal audit division grasps and monitors the situation of risks in a cross-sectoral manner, and regularly reports items related to risk control to the board of directors.

3. Regarding internal audit

The internal audit division checks whether each section and each group company conduct business activities properly in accordance with laws, regulations, the articles of incorporation, social norms, in-house rules, and guidelines specified by industry associations, and whether appropriate check systems are functioning in their business flow, by reviewing documents and conducting on-site investigation in cooperation with the Audit and Supervisory committee. In addition, the internal audit division audits multiple sections and each group company every quarter, produces internal audit reports, and submits them to the board of directors. Each director in charge of an audited section who has received an order for improvement takes necessary measures without delay, and the internal audit division checks the state of improvement at the site within one year after the internal audit, to prevent the occurrence of problems.



4. Regarding the business execution by the Audit and Supervisory committee members

Three Audit and Supervisory committee members (including two Outside Directors) attend important meetings, such as a meeting of the board of directors, and audit the business execution of directors, based on the audit policy and plans designed by the Audit and Supervisory committee.

Full-time Audit and Supervisory committee member has a meeting with the internal audit division regularly, to receive reports on the situation and results of internal audit, exchange opinions about internal audit plans, concrete methods for audit, measures for improving business operations, etc., and interview directors and employees about situations, review documents, and conduct on-site investigation, etc. for auditing each section and each group company in cooperation with the internal audit division.

## Consolidated Financial Report

### Consolidated Statements of Changes in Shareholders' Equity

FY2018 (October 1, 2017 to September 30, 2018)

(Unit: ¥ million)	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	7,203	4,827	63,316	(674)	74,672
Changes of items during the period					
Dividends from surplus			(4,025)		(4,025)
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		16		52	69
Change in treasury shares of parent arising from transactions with non-controlling shareholders		914			914
Change of scope of consolidation			(351)		(351)
Profit attributable to shareholders of parent			4,849		4,849
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	931	473	52	1,456
Balance at the end of current period	7,203	5,758	63,789	(622)	76,129

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized gain on securities	Foreign currency translation adjustments	Total other comprehensive income			
Balance at the beginning of current period	4,085	149	4,235	769	19,108	98,785
Changes of items during the period						
Dividends from surplus						(4,025)
Purchase of treasury stock						(0)
Disposal of treasury stock						69
Change in treasury shares of parent arising from transactions with non-controlling shareholders						914
Change of scope of consolidation						(351)
Profit attributable to shareholders of parent						4,849
Net changes of items other than shareholders' equity	1,106	85	1,192	218	7,597	9,008
Total changes of items during the period	1,106	85	1,192	218	7,597	10,464
Balance at the end of current period	5,191	235	5,427	988	26,705	109,250

Note: The amount stated is rounded down to 1 million yen or less.

## **Notes to consolidated financial statements**

### **I. Important Items Forming Basis for Creation of Consolidated Financial Statement**

#### 1 Items related to the scope of consolidation

##### (1) Number of consolidated subsidiaries: 109

##### Major consolidated subsidiaries

AbemaTV, Inc.  
MatchingAgent, Inc.  
Cygames, Inc.  
Sumzap, Inc.  
Craft Egg, Inc.  
CA Mobile, LTD.  
CyberZ, Inc.  
CyberAgent Ventures, Inc

##### (2) Name of major non consolidated subsidiaries

CAmotion, Inc.

##### Reasons;

All the non consolidated subsidiaries are excluded from the scope of consolidation because of their small scale and its total net assets, net sales, net income or loss amount corresponding to the equity interest), and retained earnings (amount corresponding to the equity interest), etc. do not have a significant impact on the consolidated financial statements.

#### 2 Items related to the application of the equity method

##### (1) Number of equity method affiliates which are affiliated companies or non-consolidated subsidiary and names of major companies

- i. Number of equity method affiliates: 13
- ii. Name of major companies:  
AWA Co. Ltd  
AbemaNews, Inc.

##### (2) Non-consolidated subsidiaries and affiliates excluded from scope of equity method:

CAmotion, Inc.

##### i. Reasons;

All the non consolidated subsidiaries and affiliates which are excluded from scope of equity method as its impact on the consolidated financial statements is minor and there is little significance in totality, taking into account various factors, such as net income or loss (amount corresponding to the equity interest) and retained earnings (amount corresponding to the equity interest).

##### (3) Name of non affiliated companies that we own 20% or more, or 50% or less of the voting rights in our calculation.

Kaditt, Inc. etc.

##### i. Reasons:

They are not categorized as affiliate companies because the purpose of our deals with those companies is not to control the companies via operating, personnel, or financial channels, but augment investment chances, our business objective.

### 3 Matters concerning the change in scope of consolidation and the scope of application of the equity method

#### 1. The change in scope of consolidation

From this consolidated fiscal year, our consolidated corporate group will include CyberACE, Inc., and other 15 companies as these firms have been established, Playmotion, Inc. and other 7 companies as their importance has been increasing.

Our consolidated corporate group will exclude pixelfish, Inc. and other 7 companies due to their dissolution, MicroAd Korea Inc. and other 3 company as selling shares, MicroAd SEA Philippines Inc. and other 2 companies from the perspective of importance.

#### 2. The change in scope of application of equity method

From this consolidated fiscal year, our scope of application of equity method will include VIDPOOL Co., Ltd., and other 3 companies as these firms have been established. Our scope of application of equity method will exclude TAGGY, Inc. due to selling shares.

#### (4) Matters of fiscal years of consolidated subsidiaries

In our consolidated subsidiaries, the account closing date of CyberAgent Ventures Beijing and other 7 companies are December 31, it is March 31 for MicroAd India Private Limited. To prepare consolidated financial report, on the consolidated account closing date, the settlement necessary for preparing the financial statements that form the basis of preparation of consolidated financial statements is conducted

#### (5) Matters concerning Accounting Policy

##### 1. Evaluation standards and methods for important assets

###### i. Valuation difference on available-for-sale securities (include operational investment securities)

###### a. securities with market value

We adopt the market value method based on market price etc. of the settlement date. (Valuation differences are treated according to the direct net assets method, and the cost of securities sold is determined mainly by the moving-average method )

###### b. securities without market value

We adopt cost method by the moving average method.

###### ii. Evaluation standards and methods for inventories

###### - Products and work-in-progress

We adopt the cost method by individual method (With respect to the balance sheet value, the book value devaluation method based on the decline in profitability).

##### 2. Method of depreciation of important depreciable assets

###### i. Non-current assets

We adopt the straight-line method. The useful life of buildings and structures are 5 to 15 years, 5 to 8 years for tools, instruments and fixtures.

###### ii. Intangible assets

We adopt the straight-line method. For in-house use software, it is based on the anticipated available period (5 years) within the company.

##### 3. Criteria for recording important provisions

###### i. Allowance for doubtful accounts

To prepare for losses due to bad debts, allowance for doubtful receivables is calculated based on loan loss ratio, for specific claims such as doubtful accounts receivables, we consider collection possibility individually.

ii. Accrued long service rewards for employees

To prepare the rewards for long service of employees, we estimated payment based on internal regulations.

4. Other important items to create the consolidated financial report.

i. Items concerning amortization of goodwill

We judge for each individual case and amortized in a reasonable number of years within 20 years.

ii. Accounting treatment of consumption tax etc.

Consumption tax and local consumption tax are accounted for by tax exclusion method.

iii. Application of consolidated tax payment system

We adapt consolidated tax payment system.

## II. Changes to Accounting Methods

The Company adopted the “Practical solution for transaction to grant a paid subscription rights with vesting conditions to employees” (Practical Issues Task Force No.36, issued on January 12, 2018. Hereinafter ‘PITF No. 36.’) effective on April 1, 2018. The transaction to grant a paid subscription rights with vesting conditions to employees will be treated based on the “Accounting Standard for Stock Options” (Corporate Accounting Standard No.8, issued on December 27, 2005). However, the adoption of PITF No.36 complies with a practical solution under Article 10(3), PITF No.36. The transaction to grant a paid subscription rights with vesting conditions to employees before the effective date of PITF No.36 are treated with conventional accounting method.

## III. Changes to Indication Methods

(Consolidated Income Statements)

For the previous consolidated fiscal year, “Gain on valuation of investment securities” (¥31 million) was included in “Other” under non-operating income, but it is more than 1/10 of total non-operating income for the current consolidated fiscal year. Accordingly, it is separately stated.

## IV. Notes on Consolidated Statement of Changes in Shareholders’ Equity

(1) Total number of outstanding shares as of the end of the consolidated fiscal year

Common stock 126,426,600

(2) Items concerning surplus allocations

(a) Amount of dividend payments

Items related to dividends determined by resolution at the 20th Annual Meeting of Shareholders held on December 15, 2017.

Resolution	Type of Stock	Total Dividend Amount (Millions of yen)	Dividend Amount per Share (yen)	Record Date	Effective Date
December 15, 2017 shareholders’ meeting	Common stock	4,025	32	September 30, 2017	December 18, 2017

(b) Of dividends whose record date falls within the current consolidated fiscal year, those in which the effective date of the dividend is the following fiscal year

At the 21st annual meeting of shareholders to be held on December 14, 2018, the following proposal will be made.

Resolution	Type of Stock	Total Dividend Amount (Millions of yen)	Dividend Amount per Share (yen)	Dividend Amount per Share (yen)	Record Date	Effective Date
December 14, 2018 Shareholders' meeting	Common stock	4,026	Retained earnings	32	September 30, 2018	December 17, 2018

(3) Items concerning subscription rights to shares as of the end of this consolidated fiscal year

	8th Subscription Rights to Shares	9th Subscription Rights to Shares	10th Subscription Rights to Shares
Issuance date	October 27, 2011	December 16, 2011	December 14, 2012
Type of shares to be issued	Common stock	Common stock	Common stock
Number of shares to be issued	28,800	320,000	119,400

	Subscription Rights on Euro-yen denominated convertible bonds due 2023	Subscription Rights on Euro-yen denominated convertible bonds due 2025
Issuance date	February 1, 2018	February 1, 2018
Type of shares to be issued	Common stock	Common stock
Number of shares to be issued	3,095,975	3,189,792

## V. Notes regarding financial instruments

(1) Items regarding the situations of financial instruments

### ① Policy for financial instruments

Our corporate group offers comprehensive Internet services to Internet users and advertisers through the business of media, games, and Internet advertisement. For bearing costs of these services, we signed contracts for overdraft facility and commitment lines with multiple financial institutions to prepare for future demand for funds in addition to the maintenance of liquidity and the issuance of convertible bonds in hand.

### ② Contents and risks of financial instruments

Notes and accounts receivable, which are operating receivables, are exposed to the credit risk of customers. Operational investment securities and investment securities are mainly composed of shares, bonds, and investments in associations, which are held for the purposes of net investment and business promotion. These are exposed to the credit risk of each issuer, the fluctuation risks of interest rates and market prices. The payment deadlines for all of accounts payable, which are operating payables, are within one year.

③ Risk control systems for financial instruments

i. Management of credit risks (risks regarding business partners' failure to fulfill their duties in a contract)

Our corporate group examines new business partners, etc. and manages credit in accordance with the guidelines for them. In accordance with the accounting regulations, we manage the deadlines and remaining amounts of operating receivables for each transaction, and monitor the situations of major business partners to early grasp and reduce uncollectible accounts caused by the worsening of their financial standing, in cooperation with the management and accounting divisions of each business department.

ii. Management of market risks (fluctuation risks of exchange rates, interest rates, etc.)

As for operating investment securities and investment securities, we regularly grasp current prices and the financial positions of issuers (business partners), and the current prices of listed shares for each quarter.

④ Supplementary explanation of items regarding the current prices, etc. of financial instruments

The current prices of financial instruments include those based on market prices and those calculated rationally when there are no market prices. Since fluctuation factors are taken into account when calculating said prices, said prices may change through the adoption of different assumptions.

(2) Items regarding the current prices, etc. of financial instruments

The following table shows the amount posted in the consolidated balance sheet, current price, and their difference as of Sep. 30, 2018. The amounts whose current prices are extremely difficult to grasp are not included (see Note 2).

[unit: million yen]

	Amount posted in the consolidated balance sheet*	Current price*	Difference
① Cash and deposits	92,381	92,381	—
② Notes and accounts receivable	49,994	49,994	—
③ Operating investment securities	8,189	8,189	—
④ Investment securities	4,561	4,561	—
Total assets	155,126	155,126	—
① Accounts payable-trade	(38,340)	(38,340)	—
② Accounts payable-other	(12,286)	(12,286)	—
③ Income taxes payable	(7,069)	(7,069)	—
④ Convertible bonds	(40,637)	(48,276)	-7,638
Total liabilities	(98,334)	(105,973)	-7,638

\*: The parenthesis “( )” represents the amount posted in the section of liabilities.

(Note 1) Items regarding the methods for calculating the current prices of financial instruments and securities



## Assets

### ① Cash and deposits, ② Notes and accounts receivable

These are all settled in a short period of time and current prices are nearly equal to book values, and so we refer to said book values.

### ③ Operating investment securities, ④ Investment securities

For these current values, we refer to the prices at stock exchanges.

## Liabilities

### ① Accounts payable-trade, ② Accounts payable-other, ③ Income taxes payable

These are all settled in a short period of time and current prices are nearly equal to book values, and so we refer to said book values.

(Note 2) Financial instruments whose current prices are extremely difficult to grasp

[unit: million yen]

Category	Amount posted in the consolidated balance sheet
Operating investment securities	
Unlisted shares	5,071
Unlisted bonds	132
Contributions to investment partnerships, etc.*	1,422
Total	6,627
Investment securities	
Unlisted shares	2,011
Contributions to investment partnerships, etc.*	175
Total	2,187

\* Among the contributions to investment partnerships, etc., we do not disclose the current prices of those composed of amounts whose current prices are extremely difficult to grasp, such as the unlisted shares that constitute the assets of investment partnerships, etc.

(Note 3) Monetary claims and securities with maturity that are to be amortized after the consolidated closing date

[unit: million yen]

	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
Cash and deposits	92,381	—	—	—
Notes and accounts receivable	49,994	—	—	—

## **VI. Notes regarding per-share information**

- |                          |            |
|--------------------------|------------|
| (1) Net assets per share | 648.10 yen |
| (2) Net profit per share | 38.54 yen  |

## **VII. Notes regarding important subsequent events**

No applicable items

## VIII. Notes to non-consolidated financial statements

### 1. Notes Concerning Transactions with Related Parties

(1) CyberAgent, Inc., parent company and major shareholders (companies only), etc.

There are no important items to be stated.

(2) CyberAgent, Inc., subsidiaries and affiliate companies, etc.

Type	Company name	Ratio of voting rights held (ownership) (%)	Relationship with related party	Transaction details	Transaction amount (Millions of yen)	Classification	Year-end balance (Millions of yen)
Subsidiary	AbemaTV, Inc.	(Owned) Direct: 60.0	Concurrent director postings, etc.	Lending of funds (Note 1)	22,490	Affiliate company Long-term loan	50,500
				Receipt of interest (Note 1)	107	—	—
	7gogo, Inc.	(Owned) Direct: 51.0	Concurrent director postings, etc.	Lending of funds (Note 1)	89	Affiliate company Long-term loan (Note 2)	3,248
				Recovery of funds	16	—	—
				Receipt of interest (Note 1)	8	—	—
	CA Wise, Inc.	(Owned) Direct: 100	Concurrent director postings, etc.	Advertising purchases, etc. (Note 3)	8,638	Accounts Payable	1,642
Affiliated Company	AWA, Inc.	(Owned) Direct: 48.5	Concurrent director postings, etc.	Lending of funds (Note 1)	750	Affiliate company Long-term loan (Note 4)	2,550
				Receipt of interest (Note 1)	13	—	—
	AbemaNews, Inc.	(Owned) Direct: 50.0	Concurrent director postings, etc.	Lending of funds (Note 1)	800	Affiliate company Long-term loan	2,500
				Receipt of interest (Note 1)	8	—	—

Note 1: Lending of funds is determined rationally considering market interest rates.

Note 2: A provision of allowance for doubtful accounts of ¥3,248 million was recorded in this fiscal year.

Note 3: Terms and conditions of transaction and determining a policy of terms and conditions of transaction are decided by considering market price as same as non-related companies.

Note 4: A provision of allowance for doubtful accounts of ¥2,550 million was recorded in this fiscal year.

(3) Company directors and major shareholders (individuals only), etc.

Type	Name	Ratio of voting rights held (Ownership) (%)	Relationship with related party	Transaction details	Transaction amount (Million yen)	Classification	Year-end balance (Million yen)
Directors and close relatives	Yusuke Hidaka	(Owned) Direct: 0.67 Indirect: —	Vice President	Exercised stock options	11	—	—
	Go Nakayama	(Owned) Direct: 0.28 Indirect: —	Managing Director	Exercised stock options	11	—	—
	Masahide Koike	(Owned) Direct: 0.04 Indirect: —	Managing Director	Exercised stock options	11	—	—

Transaction conditions and policy for determining transaction conditions

Note: The stated exercise of stock options granted in the current fiscal year was resolved at Annual Meetings of Shareholders held on December 16, 2011, and December 14, 2012.

The “Transaction amount” column shows the amount obtained from the number of shares granted by the exercise of stock options in the current fiscal year multiplied by the amount paid.

**IX. Notes Regarding Per Share Information**

(1) Net assets per share	¥594.18
(2) Net income per share	¥123.32

**X. Significant Subsequent Events**

No applicable items.