

CyberAgent

**Notice of Convocation of
the 22nd Annual General Meeting of Shareholders**



To our shareholders,

CyberAgent has established a vision of “To create the 21st century’s leading company,” and continues to steadily expand its business with a focus on the media, advertising, and games businesses.

Our internet TV station “AbemaTV”, launched in April 2016, has achieved a steady increase in users, with more than 45 million downloads in three and a half years. During 2019 we felt a strong response for “AbemaTV” as a media outlet, with many viewers drawn to our 24-hour news channel for emergency press conferences and disaster information, and our dating reality show that has become trendy among younger viewers. Looking ahead, we plan to continue investing resources in “AbemaTV” to establish it as a long-term business pillar, and lay a foundation that will allow for considerable growth as the service matures.

Even during an investment phase such as this, we recognize that returns to shareholders are a management priority, and since FY9/17 have used “Dividend on Equity (DOE) of 5% or higher” as a management indicator.

Going forward, CyberAgent will continue to strengthen its corporate governance, and work to enhance its enterprise value to maintain shareholder support over the longer term.

Susumu Fujita

- 1. Date** 1:00 p.m. on Friday, December 13, 2019
- 2. Venue** **The Ballroom, Cerulean Tower Tokyu Hotel**
26-1 Sakuragaoka-cho, Shibuya-ku, Tokyo
- 3. Agenda**

Items to be reported

1. Business report and consolidated financial statements for the 22nd fiscal term (October 1, 2018 to September 30, 2019), and audit report of consolidated financial statements by accounting auditors and Audit and Supervisory committee.
2. Non-consolidated financial statements for the 22nd fiscal term (October 1, 2018 to September 30, 2019)

Items to be proposed

- Proposal No.1** Appropriation of surplus
- Proposal No.2** Election of twelve (12) Directors (excluding Directors serving on the Audit and Supervisory committee)
- Proposal No.3** Election of three (3) Directors Serving on the Audit and Supervisory Committee

© Attendees of this Annual Meeting of Shareholders are requested to submit the voting form enclosed herewith to the reception desk.

© The documents as mentioned below have been posted on the [Company's website](#) based on laws and regulations and Article 17 of the Company's Articles of Incorporation and have not been included in this Notice of Convocation.

"major business contents," "major business establishments, etc.," "the situations of major financing institutions," "other important items regarding the current situation of the corporate group," "the situations of share acquisition rights, etc.," "the outlines of systems for securing the appropriateness of business and their operation status," the consolidated statement of changes in shareholders' equity in "consolidated financial statements," the statements of changes in shareholders' equity, the notes to consolidated financial statements, and individual notes to "financial statements."

© If there are any revision to the reference materials for the annual meeting of shareholders, business reports, consolidated financial statements, or non-consolidated financial statements, we will announce them through the [Company's website](#).

This is a partial English translation of the original Japanese version prepared only for the convenience of shareholders residing outside Japan. Should there be any inconsistency between the translation and the official Japanese text, the latter shall prevail.

(1) Exercise of voting rights by writing

Please indicate whether you approve or disapprove of each proposal on the proxy voting form enclosed herewith and return it to us by **7 p.m. on Thursday, December 12, 2019.**

(2) Exercise of voting rights via the Internet

If you prefer to exercise your voting rights via the Internet, please access to the online proxy voting website and enter your approval or disapproval of the proposals in accordance with the instructions on the screen by **7 p.m. on Thursday, December 12, 2019.**

Please check “References” after page 4 of this document prior to exercise your voting rights.

! Notes

- If you are to exercise your voting rights twice, both by writing and via the Internet, the voting via the Internet shall prevail.
- In case of multiple voting via the Internet etc., the last voting shall prevail.
- If you are to non-uniform exercise of voting rights, please notify the Company in writing of your intention of doing so and the reasons three days prior to the Annual Meeting of Shareholders to be held.

References

Proposal No. 1 **Appropriation of surplus**

We propose the appropriation of surplus as described below.

CyberAgent considers the return of earnings to shareholders to be a top management priority. Our basic policy is to increase the stock value over the medium to long-term by business growth and to improve capital efficiency while regularly pay out dividends. The Company is currently investing in internet TV station "AbemaTV" aiming at developing a new business pillar over the medium to long-term. The new management index "DOE* 5% or more" is set to reciprocate shareholders' support during the investment periods since FY2017.

Following the guidance, the company will pay the year-end dividend of 33 yen to achieve DOE 5% or more.

The Company presents the following proposal concerning the appropriation of the surplus of the 22nd term:

*DOE: Dividend on Equity Ratio (ROE*Dividend Payout Ratio)

1

Type of dividend

Cash

2

Allotment of assets to be distributed and the total amount

33 yen per share of common stock. Total amount will be 4,157,434,314 yen in this case.

3

Effective date of the dividends of surplus

Monday, December 16, 2019

Proposal No. 2

Election of twelve (12) Directors (excluding Directors serving on the Audit and Supervisory committee)

Twelve (12) Directors (excluding directors serving on the Audit and Supervisory Committee) will complete their terms at the end of this Ordinary General Meeting of Shareholders. Therefore, we would like to request the election of twelve (12) Directors. The candidates for Directors are as follows:

No.	Name	Positions and Responsibilities in the Company		Board Meeting Attendance
1	Susumu Fujita	President, All Business administration	Reappointment	13/13 (100%)
2	Yusuke Hidaka	Vice President, Management of Game Business	Reappointment	13/13 (100%)
3	Yasuo Okamoto	Executive Managing Director, Management of Internet Ad Business	Reappointment	12/13 (92.3%)
4	Go Nakayama	Managing Director, Management of head office operations	Reappointment	13/13 (100%)
5	Masahide Koike	Managing Director, Management of Media Business	Reappointment	12/13 (92.3%)
6	Takahiro Yamauchi	Managing Director, Management of Internet Ad Business	Reappointment	13/13 (100%)
7	Koki Ukita	Director, Management of Game Business	Reappointment	13/13 (100%)
8	Tetsuhito Soyama	Director, Management of HR	Reappointment	13/13 (100%)
9	Takahito Naito	Director, Management of AI, Creativity, and Ad Operations	Reappointment	11/11 (100%)*
10	Norishige Nagase	Director, Management of Technology Development	Reappointment	11/11 (100%)*
11	Riku Yamada	Director, Management of "AbemaTV" Advertisement	Reappointment	11/11 (100%)*
12	Koichi Nakamura	Outside Director	Outside Independent Reappointment	13/13 (100%)

*The attendance rate of Mr. Takahito Naito, Mr. Norishige Nagase, and Mr. Riku Yamada cover the Board of Directors held after they took office on December 14, 2018.



1

Susumu Fujita

(Born on May 16, 1973)

Reappointment

Apr. 1997 Joined Intelligence, Ltd. (Present: PERSOL CAREER CO., LTD.)

Mar. 1998 Established CyberAgent, Inc. and was appointed as a President. (current position)

Apr. 2015 President, AbemaTV, Inc. (current position)

Apr. 2015 President, AbemaNews, Inc. (current position)

Oct. 2018 Director, Zelvia Co.,Ltd. (current position)

[Responsibility] All business administration

The Company has nominated Susumu Fujita as a candidate for a Director because he has considerable experience in business administration as he served as Representative Director since the Company foundation in 1998. He can make appropriate decisions, oversees the business operation of the Company, which covers a broad range of fields. Also, as Representative Director of AbemaTV, inc, he has worked on planning strategies and utilizing group synergies to make "AbemaTV" a medium- to long-term pillar of the Company, and has achieved expansion of users. The Company considers that he is qualified for leading the further growth of the CyberAgent group.

No. of Company's shares owned: 25,909,600



2

Yusuke Hidaka

(Born on April 2, 1974)

Reappointment

Apr. 1997 Joined Intelligence, Ltd. (Present: PERSOL CAREER CO., LTD.)

Mar. 1998 Established CyberAgent, Inc. and was appointed as a Managing Director.

Oct. 2010 Vice President, CyberAgent, Inc. (current position)

May 2011 Director, Cygames, Inc. (current position)

May 2014 Director, Craft Egg Inc. (current position)

Jun. 2018 Director, CA Tech Kids, Inc. (current position)

[Responsibility] Game Business

The Company has nominated Yusuke Hidaka as a candidate for a Director because since he founded the Company with Susumu Fujita, he has been engaged in launching various Internet businesses such as commerce and media business. Since 2009, he leads the game business, and along with the expansion of the smartphone game market, the business grew rapidly and has become one of the Company's main businesses. The Company requests his election because of his extensive experience as Director, and his contribution to further expansion of the business.

No. of Company's shares owned: 850,600



3

Yasuo Okamoto

(Born on August 7, 1975)

Reappointment

- Apr. 2000** Joined CyberAgent, Inc.
- Apr. 2007** Chief Officer of Internet Advertisement Business Hq.
- Dec. 2008** Director, CyberAgent, Inc.
- Oct. 2010** Managing Director, CyberAgent, Inc.
- Jun. 2014** Director, Japan Interactive Advertising Association "JIAA" (current position)
- Dec. 2014** Executive Managing Director, CyberAgent, Inc. (current position)
- May 2018** Director, CyberACE, Inc. (current position)

[Responsibility] Internet Advertisement Business

The Company has nominated Yasuo Okamoto as a candidate for a Director because since 2007, he has been in charge of the Internet advertising business, leading the business to the number one position in the industry. In addition, as a Director of JIAA, he has taken the leading role in the sound development of the Internet advertising market, the formulation of guidelines to improve social trust, research, and dissemination.

No. of Company's shares owned: 90,600



4

Go Nakayama

(Born on November 2, 1975)

Reappointment

- Apr. 1998** Joined Sumitomo Corporation.
- Aug. 1999** Joined CyberAgent, Inc.
- Dec. 2003** Director, CyberAgent, Inc.
- Apr. 2006** Managing Director, CyberAgent, Inc. (current position)
- Jul. 2015** Director, Makuake, Inc. (current position)
- Oct. 2018** Director, Zelvica Co.,Ltd. (current position)

[Responsibility] Head office operations

The Company has nominated Go Nakayama as a candidate for a Director because he has broad experience in establishing a subsidiary, managing business, and head office operations. He is familiar with a wide range of business fields and makes efforts to improve corporate governance, compliance with law and regulations, and structural reforms.

No. of Company's shares owned: 363,676



5

Masahide Koike

(Born on July 6, 1975)

Reappointment

Apr. 1998 Joined Hagishima Shoji Corporation (present: AiiA Corporation)

Jul. 2001 Joined CyberAgent, Inc.

Apr. 2011 Representative Director, AMoAd, Inc.

Dec. 2012 Director, CyberAgent, Inc.

Dec. 2014 Managing Director, CyberAgent, Inc. (current position)

Jul. 2016 Director of AbemaTV, Inc. (current position)

[Responsibility] Media Business

The Company has nominated Masahide Koike as a candidate for a Director because he is the head of the media division, including "AbemaTV," which is one of the businesses we mainly focus. He has rich experience in various business fields, including advertisement and media development, and takes the leading role in making judgments and decisions on important matters.

No. of Company's shares owned: 55,715



6

Takahiro Yamauchi

(Born on August 20, 1983)

Reappointment

Apr. 2006 Joined CyberAgent, Inc.

Apr. 2009 Representative Director, CyberZ, Inc. (current position)

Dec. 2012 Director, CyberAgent, Inc.

Jun. 2017 Head of Abema Tactical Division. (current position)

Sep. 2017 Director, DDT Pro-Wrestling, Inc. (current position)

Oct. 2018 Managing Director, CyberAgent, Inc. (current position)

[Responsibility] Internet Advertisement Business

The Company has nominated Takahiro Yamauchi as a candidate for a Director because, with his excellent leadership and foresight, he is expected to lead the esports field and video-related business. He established a consolidated subsidiary CyberZ, Inc. in 2009 and contributed to the expansion of smartphone advertising, a field that we have strengthened, and have achieved results.

No. of Company's shares owned: 25,857



7

Koki Ukita

(Born on August 8, 1986)

Reappointment

Apr. 2011 Joined CyberAgent, Inc.

Apr. 2014 Representative Director, Applibot, Inc. (current position)

Nov. 2016 Director, Nizista, Inc. (current position)

Dec. 2016 Director, CyberAgent, Inc. (current position)

Jun. 2018 Director, Colorful Palette, Inc. (current position)

[Responsibility] Game Business

The Company has nominated Koki Ukita as a candidate for a Director as a further business contribution is expected in the future. He currently organizes consolidated subsidiaries belonging to the game business and is committed to sustainable growth, such as sharing game development know-how, improvement of technical capabilities, and human resource development. He joined the Company in 2011 as an engineer. He has contributed to create and operate hit game titles, demonstrated excellent leadership and achieved results as Representative Director of game-related subsidiary Applibot, Inc.

No. of Company's shares owned: 6,407



8

Tetsuhito Soyama

(Born on October 1, 1974)

Reappointment

Apr. 1998 Joined Isetan Co., Ltd. (present: Isetan Mitsukoshi Holdings, Ltd.)

Apr. 1999 Joined CyberAgent, Inc.

Jul. 2005 Chief Officer, HR Division of CyberAgent, Inc.

Aug. 2007 Director, CyberAgentWill, Inc. (current position)

Dec. 2008 Director, CyberAgent, Inc.

Oct. 2014 Corporate Officer, CyberAgent, Inc.

Dec. 2016 Director, CyberAgent, Inc. (current position)

Mar. 2019 Director, Bizbot, Inc. (current position)

[Responsibility] Human Resources

The Company nominated Tetsuhito Soyama as a candidate for a Director as he has a track record in overall personnel strategies such as the introduction of HR technology to understand employee conditions and efforts to improve morals. He has been mainly engaged in human resources since 2005. Utilizing his vast experience and insight, he currently serves as head of human resources and contributes to human resource development, enhancement of organizational capabilities such as hiring, training, revitalization, and the right people in the right place.

No. of Company's shares owned: 112,373



9

Takahito Naito

(Born on July 29, 1977)

Reappointment

- Apr. 2001** Joined CyberAgent, Inc.
- Apr. 2008** General Manager of Internet Advertisement Business Hq.
- Dec. 2010** Director, CyberAgent, Inc.
- Oc. 2013** Director, CA Advance, Inc. (current position)
- Oct. 2014** Corporate Officer, CyberAgent, Inc.
- Oct. 2014** General Manager of AdTech Business Hq. (present: AI Business Unit) (current position)
- Oct. 2016** Senior Corporate Officer, CyberAgent, Inc.
- Dec. 2018** Director, CyberAgent, Inc. (current position)
- Aug. 2019** Director, AI Shift, Inc.

[Responsibility] AI, Creativity, Ad Operations

The Company has nominated Takahito Naito as a candidate for a director because he oversees AI-related business and creative field of advertising, where market growth is expected, and is well-versed in risks. With his extensive experience and knowledge, he leads the technology and creative areas of the Company's Internet advertising business. He is engaged in research and development of new businesses utilizing AI and is involved in the establishment of AI Business Unit and AI Lab.

No. of Company's shares owned: 75,585



10

Norishige Nagase

(Born on December 25, 1975)

Reappointment

- Apr. 2000** Joined NTT Software Corporation (present: NTT TechnoCross Corporation)
- Aug. 2005** Joined CyberAgent, Inc.
- Oct. 2015** Corporate Officer, CyberAgent, Inc.
- Oct. 2015** General Manager, Development Division of AbemaTV, Inc. (current position)
- Jan. 2018** General Manager, Technical Development Division (current position)
- Dec. 2018** Director, CyberAgent, Inc. (current position)

[Responsibility] Technology Development

The Company has nominated Norishige Nagase as a candidate for a Director because he actively commits to creating an effective organization that includes the recruitment of excellent engineers and an evaluation framework for improving technical skills. He is responsible for the development of "AbemaTV," the Group's most important business, and served as a general manager of the Technical Policy Office for organizational strategies such as the training and revitalization of over 1,200 engineers throughout the group.

No. of Company's shares owned: 3,255



11

Riku Yamada

(Born on March 17, 1989)

Reappointment

- Apr. 2011** Joined CyberAgent, Inc.
- Apr. 2015** General Manager of Media Development Division, Media Business.
- Oct. 2015** Corporate Officer, CyberAgent, Inc.
- Nov. 2016** Representative Director, AJA, Inc.
- Oct. 2017** General Manager of Advertisement Hq. of AbemaTV, Inc. (current position)
- Dec. 2018** Director, CyberAgent, Inc. (current position)

[Responsibility] "AbemaTV" Advertisement

The Company has nominated Riku Yamada as a candidate for a director because of his strong leadership and driving force to deliver a significant result. Since joining the company, he has contributed to the expansion of the advertising for the Company's media and is currently working to increase profits in "AbemaTV." He is also responsible for energizing and developing young employees throughout the Group.

No. of Company's shares owned: 3,000



12

Koichi Nakamura

(Born on November 7, 1957)

Outside

Independent

Reappointment

- Apr. 1981** Joined Japan Recruit Center Co., Ltd. (present: Recruit Holdings Co., Ltd.)
- Jun. 1999** Director, Recruit Co., Ltd. (present: Recruit Holdings Co., Ltd.)
- Apr. 2008** Director and Vice President, Recruit Co., Ltd. (present: Recruit Holdings Co., Ltd.)
- Apr. 2012** Director and Advisor, Recruit Co., Ltd. (present: Recruit Holdings Co., Ltd.)
- Jun. 2014** Resigned: Director and Advisor, Recruit Holdings Co., Ltd.
- Dec. 2016** Outside Director, CyberAgent, Inc. (current position)

The Company has nominated Koichi Nakamura as a candidate for an outside director because he has provided practical and objective indications regarding overall management and supervision of business execution from a third party perspective when making decisions at the board of directors. He also provides a number of useful advices on the use of human assets, which we value, and contributes to our corporate value enhancement. He has contributed to business development for many years at Japan Recruit Center Co., Ltd. (currently Recruit Holdings Co., Ltd.). He served as a director and vice president of the company, and has vast experience and broad insight into business promotion and corporate management.

No. of Company's shares owned: 2,240

Notes regarding Koichi Nakamura's profile

*Until June 2014, he was an executive officer of Recruit Holdings Co., Ltd.(The business amount accounts for 4.98% of the consolidated sales of FY2019) which is the Company's business partner. He had received remuneration from July 2014 to June 2016 as an Advisor. However, he resigned the role in June 2016, and there is no specific relationship between them.

*He meets the qualifications of an independent director as set by the Tokyo Stock Exchange. He will be an Independent Director on the condition that this proposal is approved as originally proposed,

Notes

1. Any special interests are not shared by candidate Directors and the Company.
2. The candidate Director Koichi Nakamura is a candidate for an outside Director.
3. At the conclusion of this General Meeting of Shareholders, Koichi Nakamura may assume the office as Outside Director for three (3) years.
4. Koichi Nakamura and the Company signed a contract to limit liability for damages on Article 423, paragraph 1 of the Companies Act based on Article 427, paragraph 1 of the said law. The limit of damages based on such agreement is the minimum liability limit stipulated by laws and regulations.

Proposal No. 3

Election of three (3) Directors Serving on the Audit and Supervisory Committee

Three (3) Directors serving on the Audit and Supervisory Committee will complete their terms at the end of this Ordinary General Meeting of Shareholders. Therefore, we would like to request the election of three (3) Directors. The Audit & Supervisory Committee has already given their consent to this proposal.

The candidates for Directors serving on the Audit and Supervisory Committee are as follows:

No.	Name	Positions and Responsibilities in the Company		Board Meeting Attendance	Audit and Supervisory Committee Attendance
1	Toko Shiotsuki	Full time member of Audit and Supervisory Committee		13/13 (100%)	13/13 (100%)
2	Masao Horiuchi	Outside Director of Audit and Supervisory Committee	Outside Independent	Reappointment	13/13 (100%)
3	Isao Numata	Outside Director of Audit and Supervisory Committee	Outside Independent	Reappointment	13/13 (100%)



1

Toko Shiotsuki

(born on January 9, 1973)

Reappointment

Apr. 1996 Joined Japan Airlines Co., Ltd.

Oct. 1999 Passed the second part of the CPA examination.

Jul. 2000 Standing Corporate Auditor, CyberAgent, Inc.

Dec. 2017 Director serving on the Audit and Supervisory Committee , CyberAgent, Inc. (current position)

The Company has nominated Toko Shiotsuki, certified junior accountant, J.D. (University of Tokyo) as a candidate for a Director serving on the Audit and Supervisory Committee because she largely contributes to appropriate decision-making and management supervision of the Board of Directors. She also brings diversity to the Board of Directors and provides practical advice from various perspectives, playing a leading part in the improvement of auditing practices and strengthening corporate governance. She oversees the management of the company based on extensive insights and broad experience in accounting, auditing, and legal affairs for operating companies.

No. of Company's shares owned: 9,600



2

Masao Horiuchi

(Born on November 13, 1969)

Outside

Independent

Reappointment

Apr. 1992 Joined Nippon Investment & Finance Co., Ltd. (Present: Daiwa Corporate Investment Co., Ltd.)

Apr. 1995 Joined Intelligence, Ltd. (Present: PERSOL CAREER CO., LTD.)

Mar. 1998 Outside Auditor, CyberAgent, Inc.

Apr. 2009 Manager of Internal Control Systems, USEN CORPORATION

May 2010 Certified Public Tax Accountant

Dec. 2010 Director of Business Administration, U-NEXT Co., Ltd.

Jul. 2017 Corporate Auditor, U-NEXT Co., Ltd. (Present: USEN-NEXT HOLDINGS, Co., Ltd.)(current position)

Dec. 2017 Outside Director serving on the Audit and Supervisory Committee, CyberAgent, Inc. (current position)

The Company has nominated Masao Horiuchi as a candidate for a Director serving on the Audit and Supervisory Committee. Because since he took office as an Outside Director of the Company in December 2017, he has raised frank discussions with management regarding possible risks based on his wide experience and insight and offered advice on strengthening internal control and corporate governance. Going forward, we continue to expect him to supervise the Board of Directors from an independent standpoint when making decisions.

He has been responsible for corporate management departments and internal controls for many years, and has extensive experience and wide insights regarding internal control and corporate governance as a director of U-NEXT Co., Ltd. (currently USEN-NEXT HOLDINGS Co., Ltd.). He is a certified tax accountant and has specialized knowledge in finance, accounting and tax.

No. of Company's shares owned: 45,200



3

Isao Numata

(Born on June 13, 1964)

Outside

Independent

Reappointment

- Apr. 1988** Joined Daiwa Securities Co., Ltd. (present: Daiwa Securities Group Inc.)
- Apr. 1988** Resigned Daiwa Securities Co., Ltd. (present: Daiwa Securities Group Inc.)
- Jul. 2000** Representative Director, Five Eyes Networks Co., Ltd. (current position)
- Dec. 2000** Outside Auditor, CyberAgent, Inc.
- Dec. 2009** Representative Director, SBL Co., Ltd. (current position)
- Dec. 2017** Outside Director serving on the Audit and Supervisory Committee, CyberAgent, Inc. (current position)

The Company has nominated Isao Numata as a candidate for a Director serving on the Audit and Supervisory Committee because since taking office as an outside director of the Company, he has exchanged extensive discussions from various perspectives, and provided advice based on an abundant information network. Based on these contributions, we continue to expect him to give appropriate supervision from an independent standpoint when making decisions at the Board of Directors.

He has run a consulting company for many years to support public offering and overseas operations. He has broad experience and deep insights regarding corporate management, stock markets, and foreign markets.

No. of Company's shares owned: 64,708

Notes regarding Masao Horiuchi's profile

* The business amount of USEN-NEXT HOLDINGS Co., Ltd where he serves as Standing Auditor accounts for 0.65% of the consolidated sales of FY2019 which is the Company's business partner.

- He meets the qualifications of an independent director set forth by the Tokyo Stock Exchange. He will serve as an Independent Director on the condition that this proposal is approved as originally proposed.

Notes regarding Isao Numata's profile

- He worked at Daiwa securities (currently Daiwa Securities Group headquarters), that is CyberAgent's lead underwriter from April 1988 to June 2000. However, he has never held a management position of the company and 19 years has passed since he left the company.
- He had never had any special business relationship with the company after his resignation.
- There is no special business relationship between Five Eyes Networks Co., Ltd. or , SBL Co., Ltd. and the Company.
- He meets the qualifications of an independent director set forth by the Tokyo Stock Exchange. He will serve as an Independent Director on the condition that this proposal is approved as originally proposed.

(Note)

1. There is no special interest between each candidate for a director serving as an audit and supervisory committee member and our company.
2. Masao Horiuchi and Isao Numata are candidates for outside directors.
3. At the conclusion of this General Meeting of Shareholders, Masao Horiuchi and Isao Numata may assume the office as Outside Director for two (2) years.
4. In accordance with the provisions of Paragraph 1, Article 427 of the Companies Act, our company has concluded the contract for limitation of liability for damages specified in Paragraph 1, Article 423 of the Companies Act with Toko Shiotsuki, Masao Horiuchi and Isao Numata. The amount of liability for damages in accordance with the contract is limited to the minimum liability amount specified by laws and regulations. When this proposal is approved, our company will renew the above-mentioned liability limitation contract with them.

[Reference]

Establishment of Nomination and Remuneration Advisory Committee

The Company established a Nomination and Remuneration Advisory Committee as the Board of Directors' optional advisory committee. The committee mostly consists of Independent Outside Directors to strengthen independence and objectivity of the nomination and remuneration function of the Board of Directors, and further enhancing corporate governance.

Business Report

(From October 1, 2018 to September 30, 2019)

1. Current state of Corporate Group

(1) Business progress and results

The video ad market centered on smartphone is expected to grow steadily. Its scale is estimated to be 231.2 billion yen in 2019, up 25.4% from the previous year, and will reach 495.7 billion yen by 2024 (Note).

Seizing on this trend, the CyberAgent Group has taken advantage of the growth of the smartphone market while strengthening up-front investment in *AbemaTV* to grow it as the medium to long-term pillar. As a result, during this consolidated fiscal year, net sales grew 8.1% year on year to ¥453,611 million, while operating income amounted to ¥30,825 million (2.2% increase). Ordinary income amounted to ¥30,493 million (6.8% increase), and profit attributable to shareholders of parent came in at ¥1,694 million (65.1% decrease).

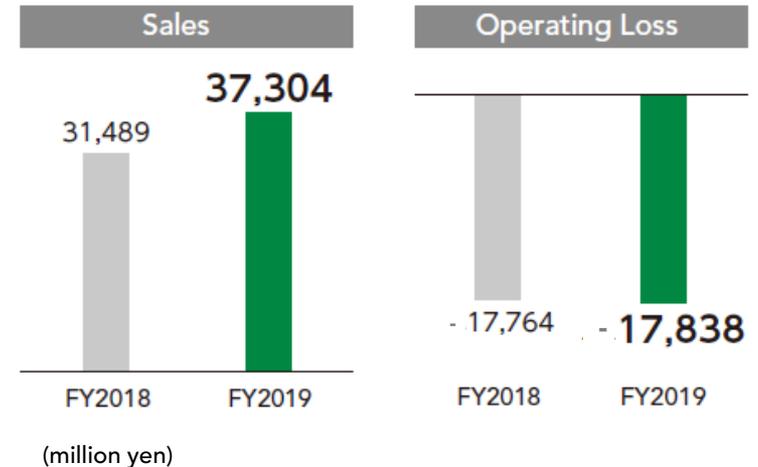
(Note)

Source: CyberAgent/Seed Planning, *Survey on the market trend of video ads in Japan*

Earnings by business segment are discussed as follows.

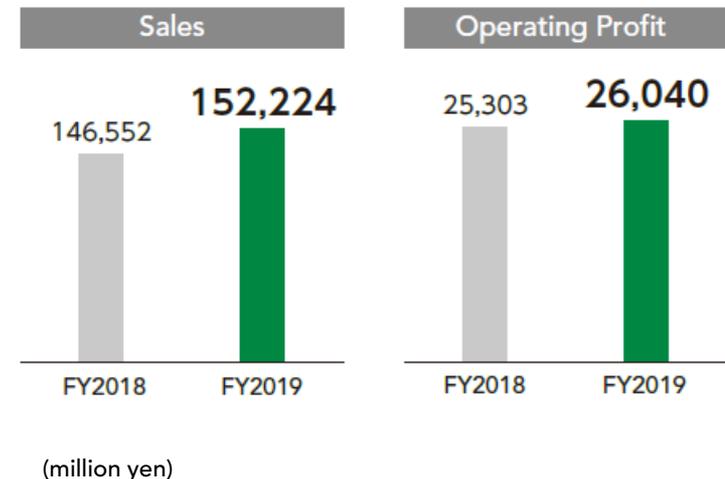
(a) Media Business

The Media Business includes "AbemaTV", "Ameba" and "Tapple," etc. It reported net sales of ¥37,304 million for the period, a 18.5% year-on-year increase. The operating loss amounted to ¥17,838 million, compared to operating loss of ¥17,764 million for the same period in the prior fiscal year.



(b) Game Business

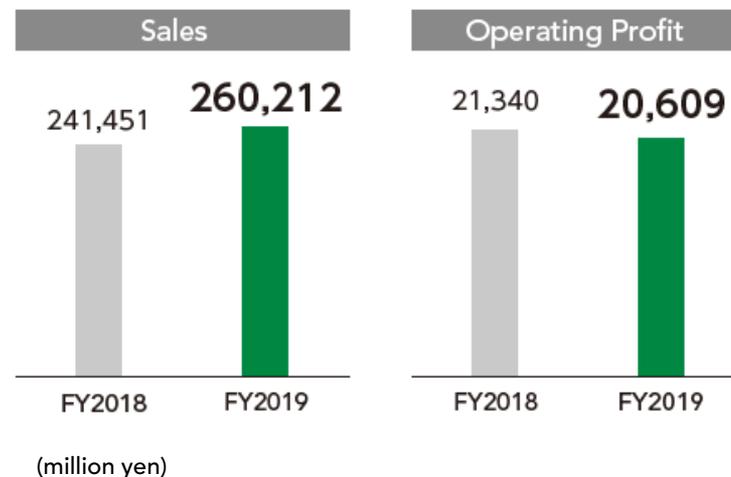
The Game Business includes Cygames, Inc., Sumzap, Inc., Craft Egg, Inc. and others. Major game titles have kept steady performance, with net sales amounting to ¥152,224 million, a 3.9% year-on-year increase. Operating income up 2.9% from the previous year, amounted to ¥26,040 million.



(c) Internet Advertisement Business

The Group's Internet Advertisement Business includes Internet Advertisement Headquarter, CyberZ, Inc. and others.

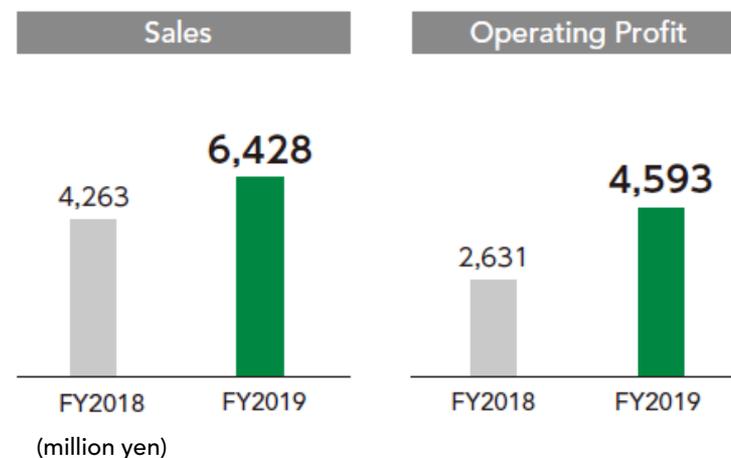
This segment recorded ¥260,212 million in net sales resulted from new customer acquisition, up 7.8% year on year. Operating income dropped 3.4%, amounted to ¥20,609 million.



(d) Investment Development Business

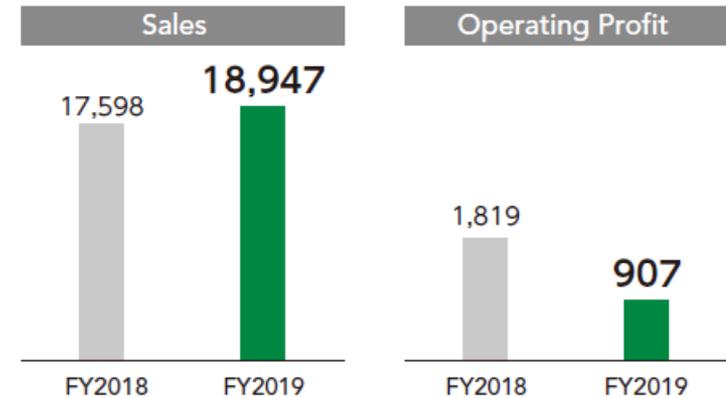
The Investment Development Business consists of the CyberAgent corporate venture capital business and the fund operations of CyberAgent Capital, Inc.

This segment recorded net sales of ¥6,428 million (50.8% year-on-year increase) and operating income of ¥4,593 million, an increase of 74.6% compared to the previous fiscal year.



(e) Other Business

The Other Business segment includes CAM, Inc., Wedding Park, Ltd., Makuake, Inc. and others. This segment reported net sales of ¥18,947 million, a 7.7% year-on-year increase. Operating income amounted to ¥907 million (a year-on-year decrease of 50.1%).



(million yen)

(2) State of equipment investment

Total amount of the equipment investment of this consolidated fiscal year is 6,157 million yen, it is mainly due to purchases of office equipment due to relocation.

(3) State of funding

No applicable items.

(4) State of business transfer, absorption-type split and incorporation-type split

No applicable items.

(5) State of handed business from the other company

No applicable items.

(6) State of succession of rights and obligations related to the business of other companies by absorption-type merger or absorption-type split

No applicable items.

(7) State of the acquisition or disposal of shares and other equity or stock acquisition rights of other companies

On October 17, 2018, the Company acquired 22,960 shares of Zelvia Co., Ltd. for 1,148 million yen, making it a consolidated subsidiary.

(8) Issues the Company should address

The following three points are recognized as the major management issues within the Group.

1) Media Business

Improve profitability through the establishment of "AbemaTV".

2) Internet Advertisement Business

Increase advertising billings of newly acquired clients.

3) Strengthening of technical abilities and creativities

Hiring, training and evaluation of capable engineers and creators.

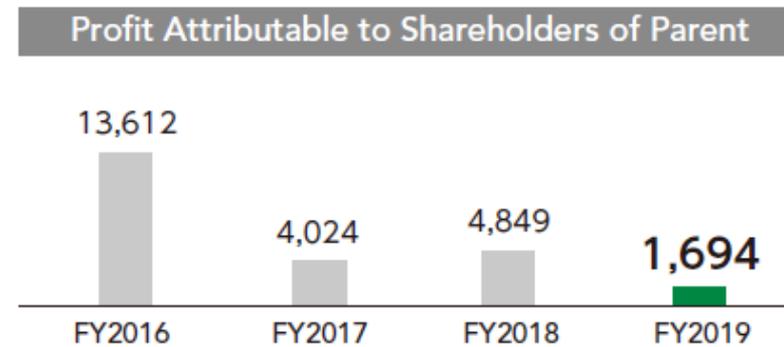
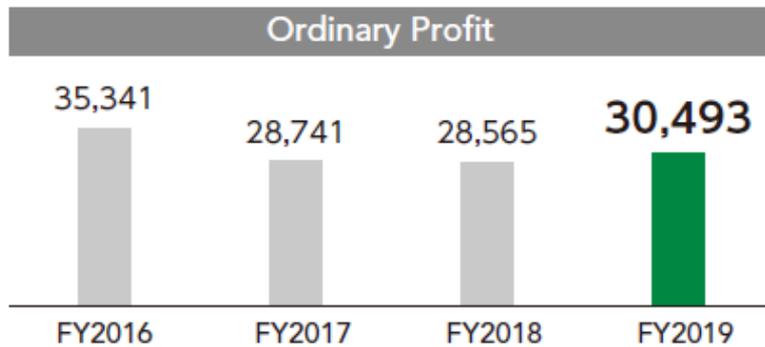
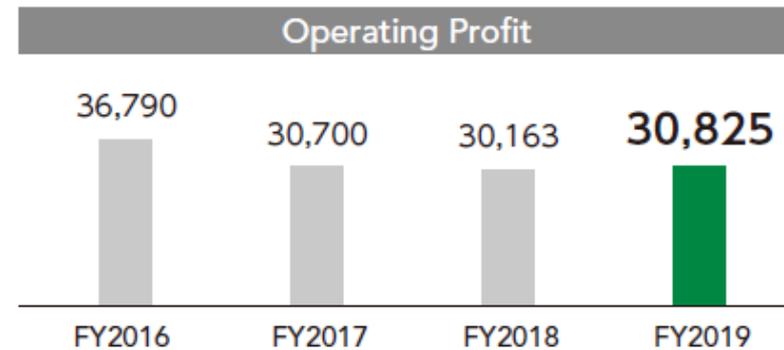
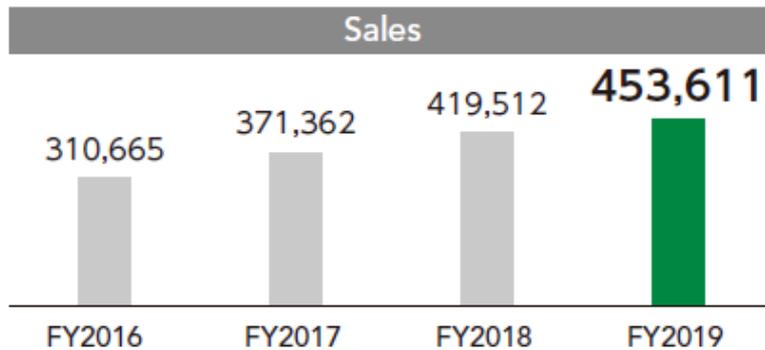
To resolve the management issues above and continue to expand the businesses, the Group will actively strengthen hiring and training of employees, promote brand recognition as the media company centered on "AbemaTV," and enhance corporate governance and internal management systems.

(9) Financial position and the profit and loss

		19th (FY2016)	20th (FY2017)	21th (FY2018)	22nd (FY2019)
Net sales	(million yen)	310,665	371,362	419,512	453,611
Operating income	(million yen)	36,790	30,700	30,163	30,825
Ordinary income	(million yen)	35,341	28,741	28,565	30,493
Profit attributable to shareholders of parent	(million yen)	13,612	4,024	4,849	1,694
Basic earnings per share	(yen)	108.36	32.00	38.54	13.45
Total Assets	(million yen)	156,597	164,009	225,484	224,876
Net Assets	(million yen)	92,614	98,785	109,250	110,352
Net Assets per share	(yen)	613.66	627.30	648.10	628.36

(Note) "Partial Amendments to Accounting Standard for Tax Effect Accounting"(Accounting Standards Board of Japan (ASBJ) Statement No.28, February 16, 2018) has been applied from the beginning of this fiscal year. These figures include the effect of retrospective application for the previous fiscal year.

- Transition of the profit and loss statement (million yen)



(10) State of employees (as of September 30, 2019)

1. State of employees of the group

Number of employees	Up or down compare to the previous consolidated fiscal year
5,139 (3,284)	up 286 (up 399)

Note: Number of employees indicate who are at work. Temporary employees are written in () as an approximate number of annual average strength.

2. State of employees of the company (non-consolidated)

Number of employees	Up or down compare to the previous fiscal year	Average age	Average length of service
1,589 (474)	up 49 (up 2)	32.6	5.4 years

Note: Number of employees indicate who are at work. Temporary employees are written in () as an approximate number of annual average strength.

(11) State of important subsidiaries (as of September 30, 2019)

Company Name	Capital	% of voting rights	Main business domain
AbemaTV, Inc.	313 million yen	55.2%	Operating the internet TV station "AbemaTV."
Cygames, Inc.	124 million yen	61.7%	Game
CyberZ, Inc.	40 million yen	100.0%	Ad agency specialized in advertising for smartphone
Zelvia Co., Ltd.	741 million yen	80.0%	Operation of professional soccer team

2. Items of current state of the company

(1) State of shares (As of September 30, 2019)

Please refer to the Company's website for information.

[Stock Information](#)

[Ownership Summary](#)

(2) State of Directors and Auditors

Please refer to the Company's website for information.

[Leadership](#)

Notes:

1. Director Koichi Nakamura, Director Masao Horiuchi (the Audit and Supervisory committee member) and Director Isao Numata (the Audit and Supervisory committee member) are outside directors.
2. The Company appoints a full-time member of the Audit and Supervisory committee to increase effectiveness and supervisory function.
3. Director Koichi Nakamura, Director Masao Horiuchi (the Audit and Supervisory committee member) and Director Isao Numata (the Audit and Supervisory committee member) are independent directors based on the rules set forth by Tokyo Stock Exchange.
4. Toko Shiotsuki, the full-time member of the Audit and Supervisory committee has significant knowledge on accounting, auditing and law.

A. Amount of remuneration for directors and auditors

Classification	Number of issued members	Amount of compensation
Director who is NOT the Audit and Supervisory committee members (Outside)	12 (1)	457 million yen (15 million yen)
Director who IS the Audit and Supervisory committee members (Outside)	3 (2)	18 million yen (7 million yen)
Total (Outside)	15 (3)	476 million yen (23 million yen)

Note:

- The amount of remuneration for Directors include the amount of expenses (79 million yen) during this fiscal year related to the stock acquisition rights granted as stock options.

B. Items about outside directors.

Concurrent position with other corporations, and relations with other corporations and the company.

Isao Numata, Director who is the Audit and Supervisory committee member is CEO of 5is Network Co., Ltd. and SBL Co., Ltd. There is no special stake between 5is Network Co., Ltd., SBL Co., Ltd. and the company.

Masao Horiuchi, Director who is the Audit and Supervisory committee member is a full-time Auditor of USEN-NEXT HOLDINGS, Co, Ltd. The business relationship of USEN-NEXT HOLDINGS, Co, Ltd. and the Company in FY2019 accounts for 0.65% of the consolidated sales.

Main activities in this fiscal year

Name	Status of Attending and statement
Koichi Nakamura (Director)	He has attended 13 board meetings which held 13 times in FY2019. He gives practical and objective advice and suggestion about corporate management based on his considerable experience and knowledge.
Masao Horiuchi (Director, Audit and Supervisory committee member)	He has attended 13 board meetings which held 13 times, also 13 Audit and Supervisory Committee meetings which held 13 times in FY2019. He mainly advices and suggests about finance, accounting, tax and internal control based on his considerable experience and knowledge.
Isao Numata (Director, Audit and Supervisory committee member)	He has attended 13 board meetings which held 13 times, also 13 Audit and Supervisory Committee meetings which held 13 times in FY2019. He mainly advices and suggests about corporate management and stock market based on his considerable experience and knowledge.

Please refer to the Company's website for information.

[5-Year Results](#)

Income Statements, Balance Sheets, Cash Flows