



CyberAgent

**Notice of Convocation of
the 23rd Annual General Meeting of Shareholders**

For all attendees

To help prevent the spread of COVID-19, we request that shareholders exercise their voting rights in advance by other means such as voting card, online, etc. For details on how to exercise voting rights in advance, please refer to the "Guide to Exercising Voting Rights" on page 5 of this convocation notice. If you are elderly, have a pre-existing medical condition or are pregnant, we kindly request that you refrain from attending the meeting in person if possible.

If you wish to attend the meeting, please be sure to check COVID-19 prevalence information and your own physical condition on the date of this meeting, and also take appropriate measures to prevent infection including bringing and wearing a mask. If attending, we ask your cooperation in using the alcohol disinfectant that will be available at the venue. Also note that body temperatures will be taken upon entry, and any person with a temperature of 37.5°C or more and appearing unwell may be refused entry. Our operating staff will wear a mask at the meeting.

The meeting will be streamed live on the internet. Although we will do our best to protect the privacy of shareholders at the meeting, be aware that the faces, etc. of attendees may be unavoidably captured on video during, for instance, the Q&A session.

Due to the circumstances, we will not be able to offer giveaways or beverages to shareholders attending this year's meeting, nor will we be holding a company information briefing as we have done in the past. We thank you for your understanding in these matters.

Any changes to the date, time or location of the meeting will be posted on our [website](#).

Please be sure to check for updates.

About the Live Stream

The day's events will be streamed live on the internet, and can be viewed from the URL below.

<https://www.cyberagent.co.jp/en/ir/stock/meeting/>

The stream is scheduled to begin at 1:00 p.m. on December 11, 2020 (Fri).

* We cannot answer inquiries regarding internet connection or viewing methods

* We will not be able to respond to any questions via the live stream



To our shareholders,

Since our founding in 1998, we have followed our vision "to create the 21st century's leading company" by continuing to expand business centered on media, advertising, and game business in the rapidly evolving internet industry.

Driven by COVID-19 related news and breaking news conferences, our TV and video entertainment medium, ABEMA, which launched in April 2016, has built up a viewership under its "Check ABEMA First" concept, achieving over 59 million downloads in just four and a half years of operation. We have also diversified our peripheral businesses, including the delivery of online live entertainment, and feel strongly that ABEMA has excellent media potential. We will continue to develop media businesses centered on ABEMA as a pillar of our mid-to-long term strategy.

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 guidance.

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.

Thank you for your continued support of CyberAgent.

Susumu Fujita
President

- 1. Date** 1:00 p.m. on Friday, December 11, 2020
- 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 23rd fiscal term (October 1, 2019 to September 30, 2020), and audit report of consolidated financial statements by accounting auditors and Audit and Supervisory Committee
2. Non-consolidated financial statements for the 23rd fiscal term (October 1, 2019 to September 30, 2020)

Items to be proposed

- | | |
|----------------------|---|
| Proposal No.1 | Appropriation of surplus |
| Proposal No.2 | Election of five (5) Directors (excluding Directors serving on the Audit and Supervisory Committee) |
| Proposal No.3 | Issuance of Stock Acquisition Rights as Stock Options |

© Attendees of this Annual General 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 10, 2020.**

(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 10, 2020.**

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**

CyberAgent considers the return of earnings to shareholders to be a top management priority. In addition to increasing the stock's value over the medium to long-term through business growth and improvements in capital efficiency, we intend to continue to pay dividends. We have made upfront investments in TV & Video Entertainment "ABEMA" to develop it into a future pillar of our business. Still, to ensure that our shareholders can continue to support us over the medium to long-term during the investment period, we have set DOE* of 5% or more as management guidance from the fiscal year ended September 2017. Therefore, we increase the year-end dividend for the fiscal year ended September 2020 from 33 yen to 34 yen to achieve the DOE of 5% or more. *DOE: Dividend on Equity Ratio (ROE x Dividend Payout Ratio)

CyberAgent presents the following proposal concerning the appropriation of the surplus of the 23rd term:

1**Type of dividend**

Cash

2**Allotment of assets to be distributed and the total amount**

34 yen per share of common stock. Total amount will be 4,288,381,172 yen in this case.

3**Effective date**

Monday, December 14, 2020

Proposal No. 2

Election of five (5) Directors (excluding Directors serving on the Audit and Supervisory Committee)

In order to further strengthen our corporate governance, we will make a clear distinction between supervision and execution, and enhance directors' supervisory function. At the same time, we move to a new executive management structure. Therefore, we would like to request the election of five (5) Directors (excluding Directors serving on the Audit and Supervisory Committee). Twelve (12) Directors will complete their terms at the end of this Annual General Meeting of Shareholders.

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	Go Nakayama	Managing Director, Management of head office operations	Reappointment	13/13 (100%)
4	Koichi Nakamura	Outside Director	Outside Independent Reappointment	13/13 (100%)
5	Kozo Takaoka		Outside Independent New	-

[Reference]

On the condition that “Proposal No. 2” is approved as originally proposed, the Board of Directors will consist of five directors who are not members of the Audit and Supervisory Committee (of which two are outside directors,) and three directors who are members of the Audit and Supervisory Committee (of which two are outside directors,) for a total of seven male directors and a female director.

Current structure		New structure	
Directors who are <i>not</i> members of the Audit and Supervisory Committee (of which outside director)	12 (1)	Directors who are <i>not</i> members of the Audit and Supervisory Committee (of which outside director)	5 (2)
Directors who are members of the Audit and Supervisory Committee (of which outside director)	3 (2)	Directors who are members of the Audit and Supervisory Committee (of which outside director)	3 (2)

[Directors serving on the Audit and Supervisory Committee]

All three directors are appointed at the 22nd Annual General Meeting of Shareholders held on December 13, 2019, for a term of two years.

Toko Shiotsuki , director, full-time member of the Audit and Supervisory Committee (Female)

Masao Horiuchi, outside director, member of the Audit and Supervisory Committee

Isao Numata, outside director, member of the Audit and Supervisory Committee



1

Susumu Fujita

(Date of birth: May 16, 1973)

Reappointment

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

Mar. 1998 Established CyberAgent, Inc. and was appointed as 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 management

He has represented the company since its founding in 1998 and has many years of experience to ensure proper decision-making and management oversight of the company's broad range of businesses. Therefore, we nominate him for a director as he is a suitable candidate for the Group's further growth in the future.

No. of Company's shares owned: 24,639,600



2

Yusuke Hidaka

(Date of birth: April 2, 1974)

Reappointment

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

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

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

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

[Responsibility] Game Business

Since he founded the Company with Susumu Fujita, he has been engaged in launching various Internet businesses. Since he entered the game business in 2009, it grew rapidly along with the expansion of the smartphone game market and has become one of the Company's key businesses. Therefore, we nominate him for a director because of his contribution to the expansion and supervision of the business based on his extensive management experience.

No. of Company's shares owned: 868,600



3 Go Nakayama

(Date of birth: November 2, 1975)

- 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)

[Responsibility] Head office operations

He has broad experience in setting up subsidiary companies, business management, as well as head office operations since he joined the Company. Therefore, we nominate him for Director as he is conversant with a wide range of business fields and commits to improve corporate governance, compliance, risk management, and group management.

No. of Company's shares owned: 373,076

Reappointment



4 Koichi Nakamura

(Date of birth: November 7, 1957)

- 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)

He had contributed to business development for many years at Japan Recruit Center Co., Ltd. (currently Recruit Holdings Co., Ltd.) and served as a director and vice president. He has a wealth of experience and broad insights into business promotion and corporate management. As an outside director of the Company, he provides practical and objective advice on all aspects of management and supervision of business execution. Based on his performance, we expect him to continue to provide advice from a third party's point of view when making decisions at the Board meetings, and he is therefore nominated as a candidate for outside director.

No. of Company's shares owned: 2,500

Outside

Independent

Reappointment



5

Kozo Takaoka

(Date of birth: March 30, 1960)

Outside

Independent

New

Apr. 1983 Joined Nestlé Japan Ltd.

Jan. 2005 President & CEO, Nestlé Confectionary K.K.

Jan. 2010 Representative Director & Executive Vice President, General Manager of Beverage Business Group, Nestlé Japan Ltd.

Nov. 2010 Representative Director, President & CEO, Nestlé Japan Ltd.

Apr. 2015 Representative Director, K & Co. K.K.(current position)

Aug. 2019 Representative Director, KT Digital K.K. (current position)

Mar. 2020 Resigned: Representative Director, President & CEO, Nestlé Japan Ltd.

Apr. 2020 Advisor, CyberAgent, Inc. (current position)

He has a wealth of experience and a wide range of insights as corporate executive and leading expert in the field of marketing in Japan, having driven management and contributed to the development of the business as President and CEO of Nestlé Japan Ltd. for many years. We nominate him for Director because we believe that his significant insights, support for management from a highly independent and broad perspective, as well as advice on the execution of marketing operations, will enhance the corporate value of CyberAgent group.

No. of Company's shares owned: 0

Additional information on outside director's profile

Koichi Nakamura

*Until June 2014, he was an executive officer of Recruit Holdings Co., Ltd. that is the Company's main business partner. (3.74% of the consolidated sales of FY2020) He had received remuneration from July 2014 to June 2016 as an advisor. However, since he resigned the company in June 2016, 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.

Kozo Takaoka

*Until March 2020, he was an executive officer of Nestlé Japan Ltd. that is the Company's business partner. However, the business amount accounts for less than 1% of the consolidated sales of FY2020.

*There is no special relationship between the Company and K & Co. and KT Digital where he holds his current position

*He meets the qualifications of an independent director as set by the Tokyo Stock Exchange. He will be notified to the exchange as 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 and Kozo Takaoka are candidates for an outside Director.
3. At the conclusion of this Annual General Meeting of Shareholders, Koichi Nakamura may assume the office as Outside Director for four (4) years.
4. Currently, The Company has concluded an agreement with Mr. Koichi Nakamura to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the same Act., and if his re-election is approved, said agreement shall remain in effect. The limit of compensation for damages based on the agreement is the minimum liability limit stipulated by law. Furthermore, if the election of Kozo Takaoka is approved, the Company plans to conclude said agreement with him.

Proposal No. 3

Issuance of Stock Acquisition Rights as Stock Options

Pursuant to Articles 236, 238, and 239 of the Companies Act, we would like to request your approval of the issuance of stock acquisition rights as stock options to directors (excluding directors who are outside directors or Audit & Supervisory Committee members) and employees of the Company and its subsidiaries, and the delegation of decision-making on the matters to be offered to the Board of Directors, per the following outline.

Under the provisions of Article 361 of the Companies Act, we also would like to request your approval to grant stock acquisition rights to the directors as a form of remuneration separate from the monetary compensation approved at the 20th Ordinary General Meeting of Shareholders.

On the condition that Proposal No. 2 is approved as originally proposed, the number of directors subject to this proposal will be three (3).

1. Reasons for issuing the stock acquisition rights on particularly favorable conditions

Since the value of the Stock Acquisition Rights linked up with the share price of the Company, the granting of the Stock Acquisition Rights will reflect the Company's medium to long-term performance to the remuneration of the Company's executives and employees. Thus it will align the interests of shareholders and the Group's executives and employees, and further motivate the Group's executives and employees to contribute to improve our business performance and enable the Company to secure excellent human resources.

Since the Stock Acquisition Rights exercise period will begin at least four years after the date of allotment of the Stock Acquisition Rights, this will serve as an incentive to improve the medium to long-term business performance and increase the stock price until the start of the exercise period.

2. Outline of the issuance of the stock acquisition rights

(1) Persons to whom stock acquisition rights will be allotted
Directors and employees of the Company and the Company's subsidiaries

(2) Class and number of shares to be issued upon exercise of stock acquisition rights
Common stock of the Company: 253,000 shares. (253,000 shall be the maximum number)

However, if the Company splits its common stock (including allotment of its common stock without compensation; the same applies hereinafter) or consolidates its common stock, the number of shares to be issued upon exercise of such stock acquisition rights shall be adjusted according to the following formula, that such adjustment shall be made only to those remain unexercised or uncanceled at the time of such adjustment, and further, that if any fraction less than one share arises as a result of such adjustment, such fraction shall be discarded.

Number of shares after adjustment = Number of shares before adjustment x Ratio of split or consolidation

In addition, if the Company carries out a merger, a company split, share exchange, share transfer, etc. that makes it necessary to adjust the number of shares, the number of shares shall be adjusted within a reasonable range, taking into account the conditions of the merger, company split, share exchange, share transfer, etc.

(3) Total number of stock acquisition rights to be issued

2,530 shall be the maximum number of stock acquisition rights. One hundred shares shall be issued for each stock acquisition rights. However, that in the event of any adjustment in the number of shares stipulated in (2) above, the number of shares to be issued for the stock acquisition rights shall be adjusted.

(4) Cash payment for stock acquisition rights

No cash payment is required for stock acquisition rights.

(5) Value of the assets to be contributed upon exercise of stock acquisition rights

It shall be an amount obtained by multiplying the price per share to be issued upon exercise of the stock acquisition rights, which shall be one yen, by the number of shares to be allotted.

(6) Exercise period of stock acquisition rights

It shall be six years from the date on which four years have passed since the issuance of the stock acquisition rights. If the final day of the exercise period falls on a holiday of the Company, the final day shall be the working day immediately preceding the final day.

(7) Conditions etc. for exercise of stock acquisition rights

- i. Those who received the allotment of the issue of stock acquisition rights (hereinafter “Holders of stock acquisition rights”) shall remain directors or employees of the Company, or its subsidiaries or affiliates at the time of exercising such rights. However, that exceptional treatment may be allowed in this regard by the Board of Directors in consideration of circumstances.
- ii. Stock acquisition rights shall not be inherited. However, that exceptional treatment may be allowed in this regard by the Board of Directors in consideration of circumstances.

(8) Matters concerning increase in capital stock and capital reserve by issuing of shares upon exercise of stock acquisition rights

- i. Amount of increase in capital stock by issuing shares upon exercise of stock acquisition rights shall be half of the upper limit of capital increase as calculated pursuant to the provisions of Article 17, Paragraph 1 of the Ordinance on Accounting of Companies, where any resultant fraction less than one yen shall be rounded up.
- ii. Amount of increase in capital reserve by issuing shares upon exercise of stock acquisition rights shall be the upper limit of capital stock increase as described in (i) above less the amount of increase in capital stock set out therein.

(9) Reasons and conditions for the acquisition of stock acquisition rights

- i. In case that the proposal of amending the Articles of Incorporation for the Company to acquire all the shares of the Company or any merger agreement under which the Company is dissolved, or any absorption-type company split agreement or incorporation-type company split plan in which the Company will be a splitting company, or any share exchange agreement or share transfer plan in which the Company will be a wholly owned subsidiary of another company is approved at the Annual General Shareholders' Meeting of the Company, the Company may acquire stock acquisition rights at the date specifically determined by the Board of Directors of the Company without any compensation therefor.
- ii. In case that Holders of stock acquisition rights ceases to accommodate the conditions of (7) (i) above before exercising stock acquisition rights, the Company may acquire such stock acquisition rights at the date specifically determined by the Board of Directors of the Company without any compensation therefor.

(10) Restriction on the acquisition of stock acquisition rights by transfer

Any acquisition of stock acquisition rights by transfer shall require an approval of the Board of Directors of the Company by its resolution.

(11) Treatment of stock acquisition rights in case of organizational restructuring of the Company

In the event the Company merges (limited to cases where the Company becomes a dissolving company), performs an absorption-type company split or an incorporation-type company split, or conducts a share exchange or a share transfer (hereinafter collectively "Organizational Restructuring"), stock acquisition rights of a corporation described in Article 236, Paragraph 1, Items 8.1 through 8.5 of the Companies Act (hereinafter "Restructured Company") shall be delivered under the following conditions to Holders of stock acquisition rights remaining unexercised (hereinafter "Remaining stock acquisition rights") at the time when Organizational Restructuring takes effect. In this case, the Remaining stock acquisition rights will lapse and the Restructured Company will issue new stock acquisition rights. However, the foregoing shall apply only to cases in which the delivery of stock acquisition rights of the Restructured Company according to the following conditions is stipulated in the merger agreement, the absorption-type company split agreement, the incorporation-type company split plan, the share exchange agreement or the share transfer plan.

- i. Number of stock acquisition rights of the Restructured Company to be delivered
The Restructured Company shall deliver stock acquisition rights, the number of which shall equal the number of stock acquisition rights held by the holder of the Remaining stock acquisition rights.
- ii. Class of shares of the Restructured Company to be issued upon the exercise of stock acquisition rights
Shares of common stock of the Restructured Company
- iii. Number of shares of the Restructured Company to be issued upon the exercise of stock acquisition rights
To be decided according to (2) and (3) above after taking into consideration the conditions, etc. of the Organizational Restructuring.
- iv. Value of the assets to be contributed upon the exercise of stock acquisition rights
The value of the assets to be contributed upon the exercise of each stock acquisition rights shall be decided according to (5) above after taking into consideration the conditions, etc. of the Organizational Restructuring.
- v. Exercise period of stock acquisition rights
Starting from the later of either the first date of the exercise period of stock acquisition rights as stipulated in (6) above, or the date on which the Organizational Restructuring becomes effective and ending on the expiration date for the exercise of Stock acquisition rights as stipulated in (6) above.
- vi. Matters concerning increase in capital stock and capital reserve to be increased by issuing of shares by the Restructured Company upon the exercise of stock acquisition rights
To be determined in accordance with (8) above.
- vii. Restriction on acquisition of stock acquisition rights by transfer
Acquisition of stock acquisition rights by transfer shall be subject to the approval of the Board of Directors of the Restructured Company (or by the majority decision of directors if such company is not a company with Board of Directors).
- viii. Reasons and conditions for the acquisition of stock acquisition rights
To be determined in accordance with (9) above.

(12) Rules pertaining to fractions of less than one share arising from the exercise of stock acquisition rights

Fractions of less than one share in the number of shares to be delivered to Holders of stock acquisition rights who exercised stock acquisition rights shall be discarded.

(13) Other details of stock acquisition rights

Other details of stock acquisition rights shall be determined by the meeting of the Board of Directors to determine conditions of the offer of stock acquisition rights.

3. Matters concerning remuneration for directors

The reason that the Company delivers above-mentioned stock acquisition rights to its directors as the compensation is as stated in 1. above.

Out of above-mentioned stock acquisition rights, the Company delivers a maximum of 338 units for directors of the Company (of which zero units for outside directors and members of the Audit and Supervisory Committee.)

One hundred shares shall be issued for each stock acquisition rights. However, that in the event of any adjustment in the number of shares stipulated in 2 (2) above, the number of shares to be issued for the stock acquisition rights shall be adjusted.

The amount of stock acquisition rights to be delivered as part of the remuneration for directors of the Company, shall be calculated by multiplying the fair value of each stock acquisition rights calculated on the day when such rights are allotted, by the number of stock acquisition rights allotted to directors of the Company. The fair value of each stock acquisition rights shall be based on the fair unit price valuation calculated applying variables, including share price on the day when the stock acquisition rights are allotted and the conditions of stock acquisition rights, etc. using equity option pricing models such as Black-Scholes model.

Business Report

(From October 1, 2019 to September 30, 2020)

1. Current state of Corporate Group

(1) Business progress and results

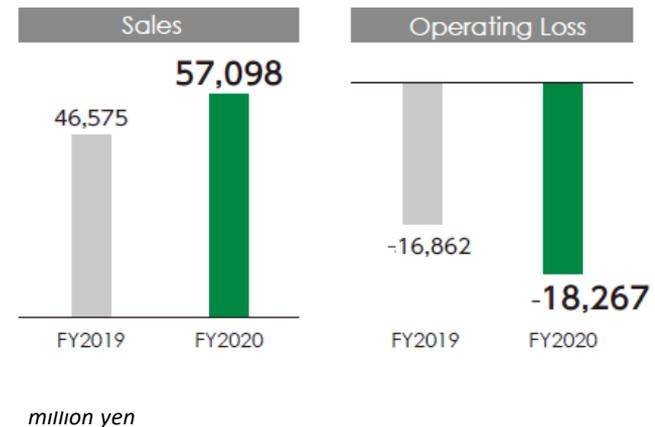
The internet advertising market is expected to grow 0.5% year over year due to the impact of COVID-19. Under the circumstances, the Group has taken advantage of the growth of the smartphone market while strengthening up-front investment in ABEMA and marketing for existing businesses. As a result, during this consolidated fiscal year, net sales grew 5.5% year over year to ¥478,566 million, while operating income amounted to ¥33,880 million (a 9.9% increase). Ordinary income amounted to ¥33,863 million (an 11.1% increase), and profit attributable to shareholders of the parent came in at ¥6,608 million (a 289.9% increase). Earnings by business segment are stated as follows.

(Note)

Source: NIKKEI Advertising Research Institute / Forecast for Advertising Expenditure in FY2020 (Revised in July 2020)

(a) Media Business

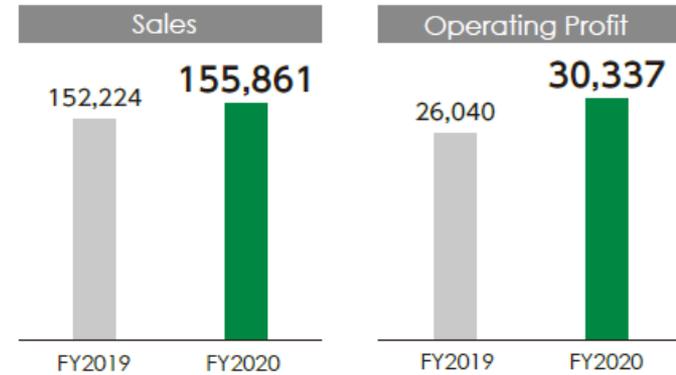
The media business includes "ABEMA", "Ameba" and "Tapple," etc. With investment in "ABEMA," it reported net sales of ¥57,098 million for the period, a 22.6% year-on-year increase. The operating loss amounted to ¥18,267 million, compared to operating loss of ¥16,862 million for the same period in the prior fiscal year.



(b) Game Business

The game business includes Cygames, Inc., Craft Egg, Inc., Sumzap, Inc., and others.

Major game titles have kept steady performance and new successful titles came out, resulting in net sales amounting to ¥155,861 million, a 2.4% year-on-year increase. Operating income increased by 16.5% from the previous year, amounted to ¥30,337 million.

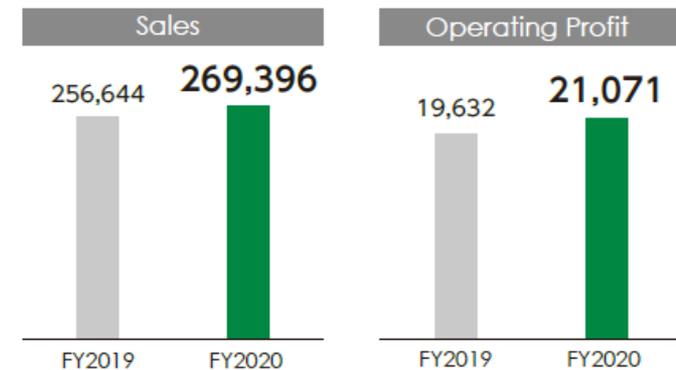


million yen

(c) Internet Advertisement Business

The internet advertisement business includes Internet Advertisement Headquarter, CyberZ, Inc. and others.

This segment recorded ¥269,396 million in net sales impacted by COVID-19, increased by 5.0% year over year. Operating income up 7.3%, amounted to ¥21,071 million.

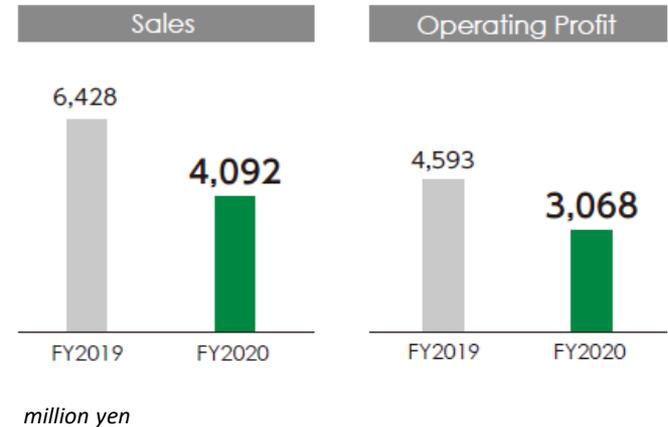


million yen

(d) Investment Development Business

The investment development business consists of the CyberAgent corporate venture capital business and the fund operations of CyberAgent Capital, Inc.

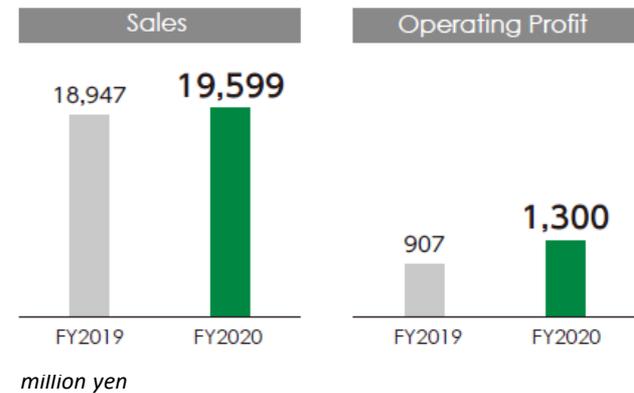
This segment recorded net sales of ¥4,092 million (a 36.3% year-on-year decrease) and operating income of ¥3,068 million, a decrease of 33.2% compared to the previous fiscal year.



(e) Other Business

The Other Business segment includes CAM, Inc., Makuake, Inc., Zelvia Co., Ltd., and others.

This segment reported net sales of ¥19,599 million, a 3.4% year-on-year increase. Operating income amounted to ¥1,300 million (a year-on-year increase of 43.3%).



(2) State of equipment investment

Total amount of the equipment investment of this consolidated fiscal year was 4,095 million yen, it is mainly due to purchases of office and studio equipment.

(3) State of funding

On December 11, 2019, MAKUAKE, INC. has listed on the TSE Mothers, and raised 3.9 billion yen through a combination of public offering and secondary offering.

(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

No applicable items.

(8) Issues the Company should address

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

1) Media Business

Grow "ABEMA" larger and increase monetization.

2) Internet Advertisement Business

Increase our market share through maximizing advertising effectiveness.

3) Strengthening of technical abilities and creativities

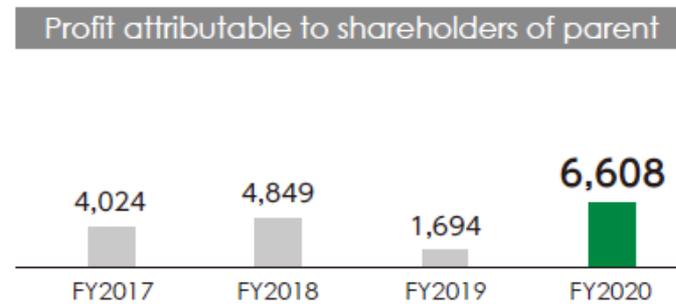
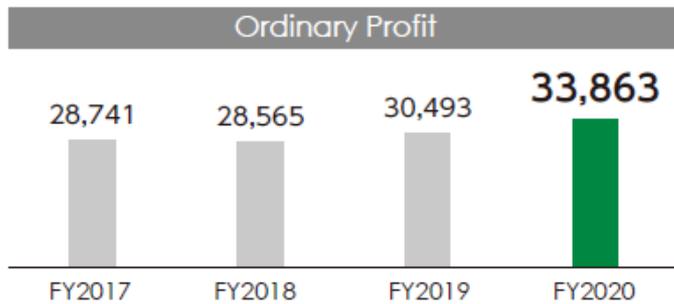
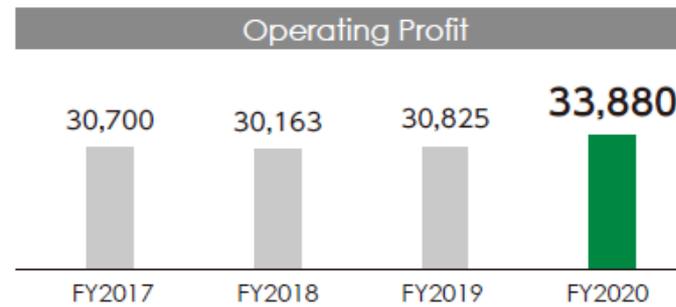
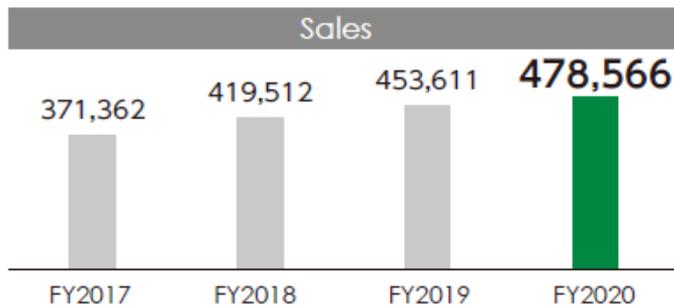
Hiring, training and evaluation of capable engineers and creators.

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

(9) Financial position and the profit and loss

		20th (FY2017)	21st (FY2018)	22nd (FY2019)	23rd (FY2020)
Net sales	<i>million yen</i>	371,362	419,512	453,611	478,566
Operating income	<i>million yen</i>	30,700	30,163	30,825	33,880
Ordinary income	<i>million yen</i>	28,741	28,565	30,493	33,863
Profit attributable to shareholders of parent	<i>million yen</i>	4,024	4,849	1,694	6,608
Basic earnings per share	<i>yen</i>	32.00	38.54	13.45	52.41
Total Assets	<i>million yen</i>	164,009	225,484	224,876	260,766
Net Assets	<i>million yen</i>	98,785	109,250	110,352	127,678
Net Assets per share	<i>yen</i>	627.30	648.10	628.36	709.81

- Transition of the profit and loss statement in 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
5,344 (3,104)	up 205 (down 180)

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 years of service
1,587 (324)	down 2 (down 150)	33.2	6.0 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, 2020)

Company Name	Capital	% of voting rights	Main business domain
Cygames, Inc.	124 million yen	61.7%	Game Business
AbemaTV, Inc.	100 million yen	55.2%	Operating the internet TV station "ABEMA"
CyberZ, Inc.	40 million yen	100.0%	Ad agency specialized in advertising for smartphone
Makuake, Inc.	1,136 million yen	55.6%	Operation of crowd-funding platform "Makuake"

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 remuneration
Director who is NOT the Audit and Supervisory Committee members (Outside)	12 (1)	564 million yen (16 million yen)
Director who IS the Audit and Supervisory Committee members (Outside)	3 (2)	19 million yen (8 million yen)
Total (Outside)	15 (3)	583 million yen (24 million yen)

Note:

1. The amount of remuneration for Directors include the amount of expenses (94 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.

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 FY2020. 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 FY2020. 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 FY2020. 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