



**CyberAgent**

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**Notice of Convocation of the  
24<sup>th</sup> Annual General Meeting of Shareholders**

**For all attendees**

To prevent the spread of COVID-19, we request that shareholders exercise their voting rights in advance by sending voting card or voting online. Please refer to the “Guide to Exercising Voting Rights” on page 5 of this convocation notice to exercise your voting right in advance. If you are elderly, pregnant, or have an underlying medical condition, we kindly request that you refrain from attending the meeting in person.

If you wish to attend the meeting, please check COVID-19 prevalence information and your physical condition on the date of the meeting. Also, please take appropriate measures to prevent infection, including bringing and wearing a face mask. We ask your cooperation in using the alcohol disinfectant that will be available at the venue. Also, please note that we will check your body temperature upon entry. Any person with a temperature of 37.5°C or more and appearing unwell may be refused entry. Our operational 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, please be aware that the faces, etc. of attendees may be unavoidably captured on the video during the Q&A session or such events.

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](#).

**[About the Live Stream]**

The Annual General Meeting of Shareholders will be streamed live on the internet and can be viewed via the URL below.

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

The live stream is scheduled to start at 1:00 p.m. on Friday, December 10, 2021.

- The live stream may be interrupted or cancelled due to problems with the Internet environment, equipment, or other circumstances.
- Please note that you may not be able to view the video depending on your device or network environment.
- 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,

Under our vision "to create the 21st century's leading company", we have strived to expand our businesses.

Taking the opportunity that ABEMA celebrated its 5th anniversary in 2021, we redefined it as the new television of the future that brings the best of television to the internet. The number of downloads reached 73 million, and weekly active users (WAU), which we prioritize, has achieved a record high of 18 million.

Despite the impact of the COVID-19 pandemic on the industry, CyberAgent's internet advertising business performed well with a high rate of revenue increase, achieving higher growth rate than the last four years from the operational capabilities and successful implementation of technologies including AI. We also succeeded in boosting earnings in the game business with new titles becoming major hits.

With all these businesses performing well, we issued two upward revisions in the fiscal year ended September 30, 2021, with net sales increasing by 39% from the previous fiscal year to 666.4 billion yen and operating income tripling from the previous fiscal year to 104.3 billion yen. We have started applying our knowledge and technological capabilities in the digital domain, promoting DX to help solve social issues.

Following in the footsteps of our internet advertising and game businesses, we will continue to develop media businesses with ABEMA as its core. At the same time, we will create social value through supporting sports and training for next generation engineers.

We will pursue sustainable management with our purpose: "To break through stagnation with new power and the internet".

Thank you for your continued support of CyberAgent.

Susumu Fujita  
Representative Director & CEO

- 1. Date** 1:00 p.m. (Friday), December 10, 2021
- 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 24<sup>th</sup> fiscal term (October 1, 2020, to September 30, 2021), and audit report of consolidated financial statements by accounting auditors and Audit and Supervisory Committee.**
- 2. Non-consolidated financial statements for the 24<sup>th</sup> fiscal term (October 1, 2020, to September 30, 2021) .**

## Items to be proposed:

- |                      |  |
|----------------------|--|
| <b>Proposal No.1</b> | <b>Appropriation of Surplus</b>  |
| <b>Proposal No.2</b> | <b>Partial Amendments to the Articles of Incorporation</b>   |
| <b>Proposal No.3</b> | <b>Election of Five (5) Directors (excluding Directors serving on the Audit and Supervisory Committee)</b>                   |
| <b>Proposal No.4</b> | <b>Election of Three (3) Directors Serving on the Audit and Supervisory Committee</b>  |
| <b>Proposal No.5</b> | <b>Setting of Amounts of Remuneration for Directors (excluding Directors serving on the Audit and Supervisory Committee)</b> |

◎ 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 in Writing**

Please indicate whether you approve or disapprove of each proposal on the proxy voting form enclosed herewith and return it to us by **7:00 p.m. (Thursday), December 9, 2021.**

## **(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 **7:00 p.m. (Thursday), December 9, 2021.**

Please check "References" after page 4 of this document prior to exercising your voting rights.

**Due to maintenance work, the voting website will be inaccessible from 5:00 a.m. (Saturday), November 27, 2021, to 5:00 a.m. (Monday), November 29, 2021.**

## **! 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 votes via the Internet etc., the last vote shall prevail.
- If you wish to make diverse exercise of your 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 ABEMA for its development as a future pillar of our business. To ensure that our shareholders continue to support us over the medium to long-term during the investment period, we have set the DOE\* of 5% or more as a management guidance from the fiscal year ended September 30, 2017.

Therefore, we declare the year-end dividend for the fiscal year ended September 30, 2021, to be 11 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 24<sup>th</sup> term:

1

### Type of Dividend

Cash

2

### Allotment of Assets to be Distributed and the Total Amount

11 yen per share of common stock. Total amount will be 5,560,004,956 yen in this case.

3

### Effective Date

Monday, December 13, 2021

**Proposal No. 2****Partial Amendments to Articles of Incorporation****1. Reasons for Amendments**

- I. **CyberAgent will add the business objectives in preparation for future business diversification and expansion into new businesses. In addition, the number of articles and such are changed following the above changes.**
- II. **According to the Act on Partial Amendment of the Industrial Competitiveness Enhancement Act, which permits the convening of shareholder meetings without any set place (“virtual-only” shareholder meetings), CyberAgent will add the Article 12, paragraph 2 to its Articles of Incorporation.**

**2. Description of Amendments**

**Details of the amendments are as follows:**

(Underlined texts are to be amended)

Current Articles of Incorporation	Proposed amendments
Chapter 1 General Provisions	Chapter 1 General Provisions
Article 1 (The clause is omitted.)	Article 1 (No amendments)
1.-19. (The clauses are omitted.)	1.-19. (No amendments)
20. Operation and management of theaters, concert halls, recording studios, sport education facilities, medical facilities, restaurants, accommodation facilities, shops, etc.	20. Operation and management of theaters, concert halls, recording studios, sport education facilities, medical facilities, restaurants, accommodation facilities, shops, <u>performance facilities, indoor game facilities, entertainment</u>
	<u>facilities, entertainment stores, etc.</u>
21.-47. (The clauses are omitted.)	21.-47. (No amendments)
48. Buy and sell, rental, mediating, brokerage, <u>and</u> management of real estates (New)	48. Buy and sell, rental, mediating, brokerage management, <u>and consulting</u> of real estates
49.-56. (The clauses are omitted.)	<u>49. Architectural and design supervision services</u>
(New)	<u>50.-57. (No amendments)</u>
(New)	<u>58. Management and commissioned administration of medical facilities, medical institutions, pharmacies, and drugstores</u>
(New)	<u>59. Planning, operation, management, and provision of information on medical testing services and health surveys</u>
57. (The clause is omitted.)	<u>60. (No amendments)</u>

Article 3-11 (The clauses are omitted.)

Article 12 (The clause is omitted.)

(New)

Article 13-38 (The clauses are omitted.)

Supplementary provision

Article 1 (The clause is omitted.)

(New)

Article 3-11 (No amendments)

Article 12 (No amendments)

2. The Company may hold General Meetings of Shareholders without any set place

Article 13-38 (No amendments)

Supplementary provision

Article 1 (No amendments)

(Transitional measure regarding the venue of the general meeting of the shareholders)

Article 2. The above change on Article 12-2 shall be effective on the day that the Company receives confirmation from the Minister of Economy, Trade and Industry and the Minister of Justice that the Company's fully electronic shareholders' meeting is subject to the requirements of relevant laws and regulations. These supplementary articles shall be deleted after the effective date.

### Proposal No. 3

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

We would like to request the election of five (5) Directors (excluding Directors serving on the Audit and Supervisory Committee). The five (5) 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	Representative Director, CEO, President All Business administration	Reappointed	13/13 (100%)
2	Yusuke Hidaka	Director, Executive Vice President Management of Game Business	Reappointed	13/13 (100%)
3	Go Nakayama	Director, Senior Managing Executive Officer Management of head office operations	Reappointed	13/13 (100%)
4	Koichi Nakamura	Outside Director	Outside Independent Reappointed	13/13 (100%)
5	Kozo Takaoka	Outside Director	Outside Independent Reappointed	11/11 (100%)

Note: The number of meetings of the Board of Directors attended by Kozo Takaoka is the number of meetings since the Ordinary General Meeting of Shareholders held on December 11, 2020, when he assumed the position of Outside Director of the Company.



## 1 Susumu Fujita

(Date of birth: May 16, 1973)

Reappointed

No. of Company's shares owned: 88,961,600

**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, Zelvica Co.,Ltd. (current position)

**Dec. 2020** CEO, CyberAgent, Inc. (current position)

**[Responsibility]** All business management

Since the Company's establishment in 1998, Susumu Fujita has consistently driven the increase in corporate value as the representative director. He is responsible for the overall management of CyberAgent group (the Group), making appropriate decisions and supervising the Company's management. Under the vision, "to create the 21st century's leading company", He strives to enhance corporate value and to achieve sustainable growth over the medium to long term, while strengthening corporate governance and separating management supervision and execution. He also engages to make ABEMA as another pillar of our business. Based on his wealth of experience and achievements, the Company judged that he would be suitable for supervising the Group's management and further enhance corporate value, and therefore nominated him to continue as a candidate for Director.



## 2 Yusuke Hidaka

(Date of birth: April 2, 1974)

Reappointed

No. of Company's shares owned: 2,914,000

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

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

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

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

**Oct. 2020** Executive Officer, CyberAgent, Inc. (current position)

**[Responsibility]** Game Business

Yusuke Hidaka founded the Company with Representative Director Susumu Fujita and increased corporate value as Executive Vice President. After serving in the E-Commerce and media content business, he entered the game business in 2009 and grew it as one of the Group's key businesses. In addition, he has been making efforts to strengthen the operational capabilities for the long-term success of existing game titles and improved competitiveness to achieve hits with new titles. In the fiscal year ended September 30, 2021, a big hit of the new title made a significant contribution to the earnings. Based on his wealth of experience and achievements, the Company judged that he would be well-suited to supervise the Group's management and enhance corporate value through the expansion of the game business, and therefore nominated him to continue as a candidate for Director.



3

## Go Nakayama

(Date of birth: November 2, 1975)

Reappointed

No. of Company's shares owned: 1,529,907

**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)

**Dec. 2020** Director, Senior Managing Executive Officer, CyberAgent, Inc. (current position)

**[Responsibility]** Headquarter office operations

After joining the Company in 1999, Go Nakayama experienced various roles in four years, including the leading the launch of the E-Commerce business and as deputy head of the media content business, before being appointed as General Manager of the headquarter office. He was appointed as a director in 2003, having promoted the systemization and digitalization for group business management, and early settlement of financial statements. He commits to leading company-wide functions, including group finance, investment management, risk management, separation of management supervision and execution, and review of personnel systems. Based on his wealth of experience and achievements, we judged that he is well-suited to enhance corporate value through group management supervision and company-wide functions. And therefore, we have continued to nominate him as a candidate for Director.



4

## Koichi Nakamura

(Date of birth: November 7, 1957)

Outside

Independent

Reappointed

No. of Company's shares owned: 10,000

**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)

Koichi Nakamura has extensive experience, achievements, and broad insight in corporate management, human resource strategy, and M&A, having led the administration of Japan Recruit Center Co., Ltd. (currently Recruit Holdings Co., Ltd.) for a long period as its Director and Executive Vice President. In addition, at the Board of Directors, which consists of eight (8) members (including four Outside Directors), he is committed to decision-making investment and other essential matters from his standpoint. Also, a voluntary meeting of directors ("Outside Directors' Meeting") is held every month to discuss a wide range of issues, including the enhancement of medium to long-term corporate value, sustainable growth, management supervision, executive compensation, and such. As a result of the discussions at the Outside Directors' Meeting, the Company established its "Purpose" and reviewed the policy for the remuneration system for executive directors, etc. He participates in the Nomination and Compensation Advisory Committee and provides advice for the current fiscal year. Based on this experience, accomplishments, and insight, the Company judged that he could supervise management, provide advice, and make proposals from a third-party perspective when making decisions at the Board of Directors, to continuously strengthen corporate governance and enhance the corporate value of the Group. Therefore, the Company has nominated him as a candidate for Outside Director. His term of office as an Outside Director of the Company will be five (5) years after this General Meeting of Shareholders.



5

## Kozo Takaoka

(Date of birth: March 30, 1960)

Outside

Independent

Reappointed

No. of Company's shares owned: 0

**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.  
**Dec. 2020** Outside Director, CyberAgent, Inc. (current position)

Kozo Takaoka has a wealth of experience and a wide range of insights as a 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. and a board member of Nestlé Global. In addition, at the Board of Directors, which consists of eight (8) members (including four (4) Outside Directors), he is committed to the decision-making of investment and other important matters from his standpoint as an independent and Outside Director. He participates in the Outside Directors' Meeting every month. As a result of the discussions at the meeting, the Company established its "Purpose" and reviewed the policy for the remuneration system for executive directors, etc. He has been engaging in the Nomination and Compensation Advisory Committee as an observer and is scheduled to be officially appointed as a member of the Committee from fiscal 2022. Based on his experience, accomplishments, and insight, the Company judged that he could supervise management, provide advice, and make proposals from a third-party perspective when making decisions at the Board of Directors meetings to continuously strengthen corporate governance and enhance the corporate value of the Group. Therefore, the Company has nominated him as a candidate for Outside Director. His term of office as an Outside Director of the Company will be one (1) year after this General Meeting of Shareholders.

### 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. However, there is no specific relationship between them. Recruit Holdings accounts for 3.69% of the Company's consolidated sales of fiscal year 2021.
- 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. However, there is no specific relationship between them. The business amount with Nestlé Japan accounts for less than 1% of the Company's consolidated sales of fiscal year 2021.
- 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 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. Koichi Nakamura and Kozo Takaoka are candidates for an outside Director.
3. Currently the Company has executed an agreement with Koichi Nakamura and Kozo Takaoka to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act based on 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 is the minimum liability limit stipulated by law.
4. The Company has a Directors and Officers liability insurance agreement in effect with an insurance company at the Company's premium, as stipulated in Article 430, Paragraph 3 of the Companies Act. The Company covers the liability for those insured of the legal dispute fees and compensation for damages, etc., arising from company lawsuits. If each candidate takes the office of Director, he will be insured under the relevant insurance policy and it will be renewed during his term.

## Proposal No. 4

# 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 Annual 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	Reappointed	13/13 (100%)	13/13 (100%)
2	Masao Horiuchi	Outside Director of Audit and Supervisory Committee	Outside Independent Reappointed	13/13 (100%)	13/13 (100%)
3	Tomomi Nakamura	Outside Director of Audit and Supervisory Committee	Outside Independent New	—	—



1

## Toko Shiotsuki

(born on January 9, 1973)

Reappointed

No. of Company's shares owned: 38,400

**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 contributes greatly with 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 her extensive insight and broad experience in accounting, auditing, and legal affairs for operating companies.



2

## Masao Horiuchi

(Born on November 13, 1969)

Outside

Independent

Reappointed

No. of Company's shares owned: 161,200

**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)

Masao Horiuchi is a certified tax accountant and has specialized knowledge in finance, accounting and tax. He has extensive experience and wide insight regarding internal control and corporate governance as a director of U-NEXT Co., Ltd. (currently USEN-NEXT HOLDINGS Co., Ltd.)  
 The Company has nominated him as a candidate for a Director serving on the Audit and Supervisory Committee, because since as 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 offers advice on strengthening internal control and corporate governance. Based on his experience, achievements, and insight, the Company believes that he will continue to provide appropriate advice from an independent standpoint in the decision-making process of the Board of Directors. His term of office as an Outside Director of the Company will be four (4) year after this General Meeting of Shareholders.



3

## Tomomi Nakamura

(Born on October 19, 1973)

Outside

Independent

New

No. of Company's shares owned: 0

Nov. 1996 Passed the bar exam

Apr. 1999 Registered as a lawyer (Tokyo Bar Association), joined Nagaishi Law Office (Current Position)

Apr. 2017 Civil defense instructor, the Legal Training and Research Institute of Japan.

Jun. 2019 Auditor, MM Corporation. (current position)

Tomomi Nakamura has twenty-two (22) years of practice as an attorney in the field of corporate legal affairs, as well as three (3) years of teaching experience as a civil defense instructor at the Legal Training and Research Institute. He also has extensive expertise and deep insight into laws and regulations, including the Companies Act, Civil Code, and Intellectual Property Law. Based on the above, we believe that we can expect him to supervise the management and make appropriate remarks from his high level of expertise and experience and an external and independent standpoint when the Board of Directors makes decisions. Therefore, we nominated him as a candidate for an independent Outside Director who is a member of the Audit and Supervisory Committee to strengthen the Company's auditing system and corporate governance.

### Additional information on Outside Director's profile

#### Masao Horiuchi

- The business amount of USEN-NEXT HOLDINGS Co., Ltd where he serves as Standing Auditor accounts for 0.86% of the consolidated sales of fiscal year 2021. There is no special relationship between the Company and of USEN-NEXT HOLDINGS Co., Ltd.
- 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.

#### Tomomi Nakamura

- There is no business relationship between the Company and Nagaishi Law Office to which Tomomi Nakamura belongs for the past five (5) years from October 1, 2016, to the present in 2021. (The average annual amount of consignment transactions for legal-related services between the Company and Nagaishi Law Office for the period from October 1, 2011, to September 30, 2016, was less than 100,000 yen.)
- 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 who serve as the Audit and Supervisory Committee member and the Company.
2. Masao Horiuchi and Tomomi Nakamura are candidates for an outside Director.
3. Currently, the Company has executed an agreement with Toko Shiotsuki and Masao Horiuchi to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act based on the provisions of Article 427, Paragraph 1 of the same Act., and if their re-elections are approved, said agreement shall remain in effect. The limit of compensation for damages is the minimum liability limit stipulated by law. Furthermore, if the election of Tomomi Nakamura is approved, the Company plans to execute said agreement with him.
4. The Company has a Directors and Officers liability insurance agreement in effect with an insurance company at the Company's premium, as stipulated in Article 430, Paragraph 3 of the Companies Act. The Company covers the liability for those insured of the legal dispute fees and compensation for damages, etc., arising from company lawsuits. If each candidate takes the office of Director, he will be insured under the relevant insurance policy and it will be renewed during his term..
5. At the conclusion of this General Meeting of Shareholders, Director who is the member of the Audit and Supervisory Committee, Isao Numata will retire from his position due to expiration of his term of office.

**[Reference]**

**Structure of the Board of Directors (Blue letters indicate independent Outside Directors.)**

Five (5) Directors	Three (3) Directors who are members of the Audit and Supervisory Committee
Susumu Fujita	Toko Shiotsuki
Yusuke Hidaka	Masao Horiuchi
Go Nakayama	Tomomi Nakamura
Koichi Nakamura	
Kozo Takaoka	

Independent Outside Directors account for **50%** of the Board of Directors.

**Four (4) Independent Outside Directors / Eight (8) Directors in total**

**Proposal No. 5****Determination of Amounts of Remuneration for Directors  
(excluding Directors Serving on the Audit and Supervisory  
Committee)**

The amount of remuneration for Directors of the Company (excluding Directors who are Audit & Supervisory Board Members) was approved at the 20th Annual General Meeting of Shareholders held on December 15, 2017, to be set at 800 million yen or less per year (of that up to 30 million yen or less per year for Outside Directors.)

However, we would like to revise the remuneration for Outside Directors from 30 million yen per year to 60 million yen per year, considering the future increase in the number of Directors, the more roles required for Outside Directors, the economic situation, and other various circumstances. The specific amount and timing of payment to each director will be determined by a resolution of the Board of Directors in accordance with the policy for determining the amount of remuneration for directors after receiving a report from the Nomination and Compensation Advisory Committee.

If Proposal No. 3 is approved as originally proposed, there will be five (5) Directors including two (2) Outside Director.

# **Business Report**

**(From October 1, 2020, to September 30, 2021)**

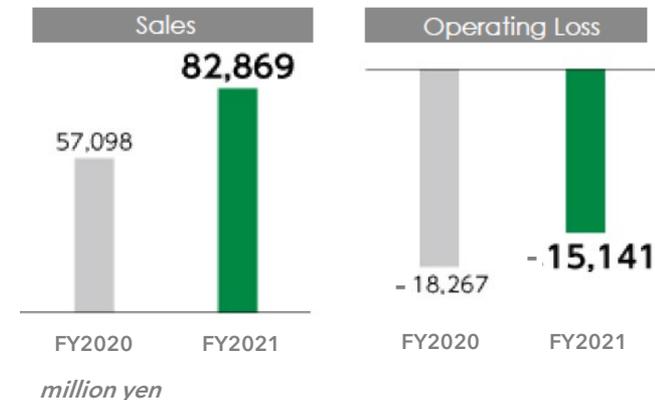
## (1) Business Progress and Results

The Group has taken advantage of the growth of the smartphone market while strengthening up-front investment in ABEMA. During this consolidated fiscal year, net sales grew 39.3% year over year to ¥666,460 million, while operating income amounted to ¥104,381 million (a 208.1% increase). Ordinary income amounted to ¥104,694 million (a 209.2% increase), and profit attributable to shareholders of the parent came in at ¥41,553 million (a 528.8% increase).

Earnings by business segment are stated as follows.

### (a) Media Business

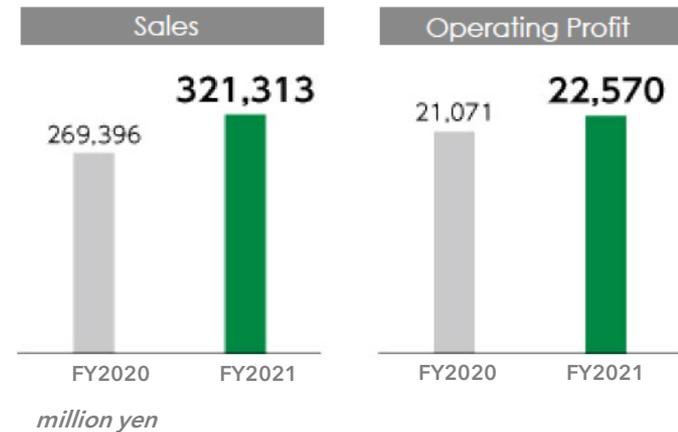
The media business includes ABEMA, WINTICKET and Ameba, etc. With investment in ABEMA, it reported net sales of ¥82,869 million for the period, a 45.1% year-on-year increase. The operating loss amounted to ¥15,141 million, compared to operating loss of ¥18,267 million for the same period in the prior fiscal year.



### (b) Internet Advertisement Business

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

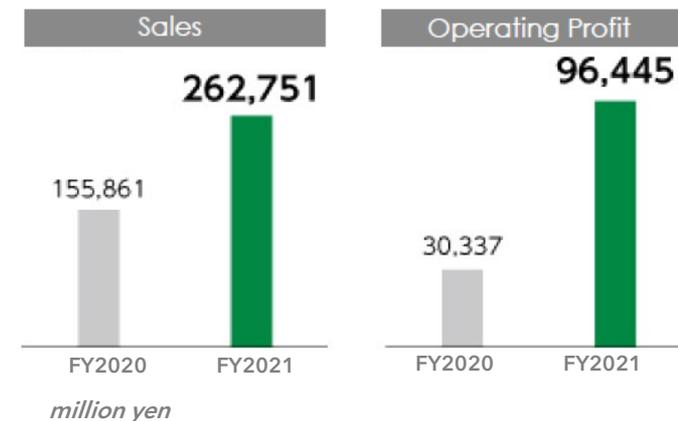
With the strength of maximizing the advertising effectiveness, this segment recorded ¥321,313 million in net sales, increased by 19.3% year over year. Operating income up 7.1%, amounted to ¥22,570 million.



### (c) Game Business

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

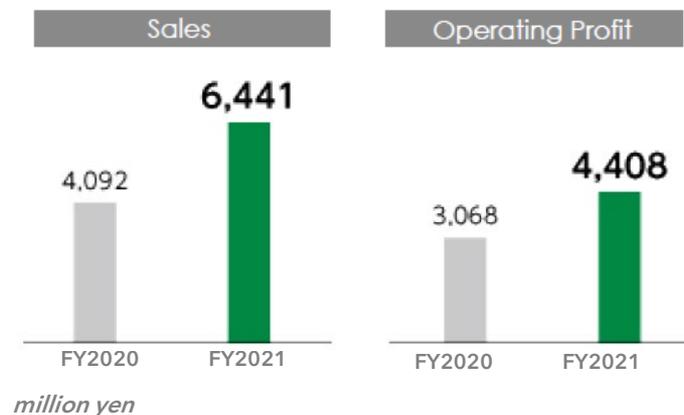
A new game title significantly contributed to the performance, resulting in net sales amounting to ¥262,751 million, a 68.6% year-on-year increase. Operating income increased by 217.9% from the previous year, amounted to ¥96,445 million.



### (d) Investment Development Business

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

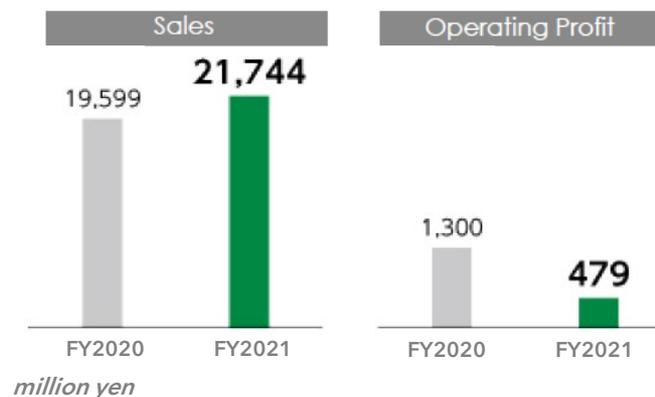
This segment recorded net sales of ¥6,441 million (a 57.4% year-on-year increase) and operating income of ¥4,408 million, an increase of 43.7% compared to the previous fiscal year.



### (e) Other Business

The other business includes Makuake, Inc., CAM, Inc., Zelvia Co., Ltd., and others.

This segment reported net sales of ¥21,744 million, a 10.9% year-on-year increase. Operating income amounted to ¥479 million (a year-on-year decrease of 63.1%).



## **(2) State of Equipment Investment**

The total amount of equipment investment of this consolidated fiscal year was 3,834 million yen, it was mainly due to purchases of office and studio equipment.

## **(3) State of Funding**

On February 24, 2021, MAKUAKE, INC. raised 3.8 billion yen through an issuance of new shares by overseas offering.

## **(4) State of Business Transfer, Absorption-type Split and Incorporation-type Split**

Not applicable.

## **(5) State of Handed Business from the Other Company**

Not applicable.

## **(6) State of Succession of Rights and Obligations Related to the Business of Other Companies by Absorption-type Merger or Absorption-type Split**

Not applicable.

## **(7) State of the Acquisition or Disposal of Shares and Other Equity or Stock Acquisition Rights of Other Companies**

Not applicable.

## **(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**

**Use its operational and technical capability as its strength to increase our market share through maximizing advertising effectiveness.**

**3. Game Business**

**Enable long-term operation of existing game titles and create new hits.**

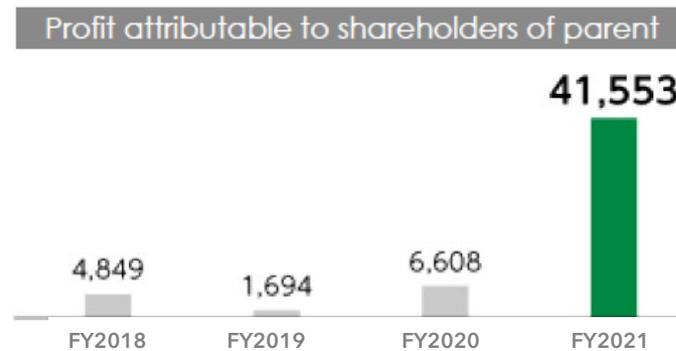
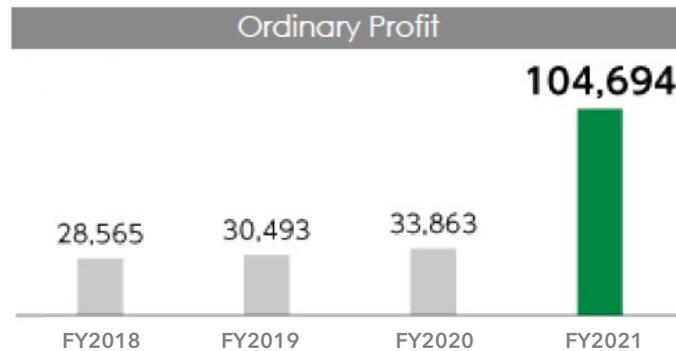
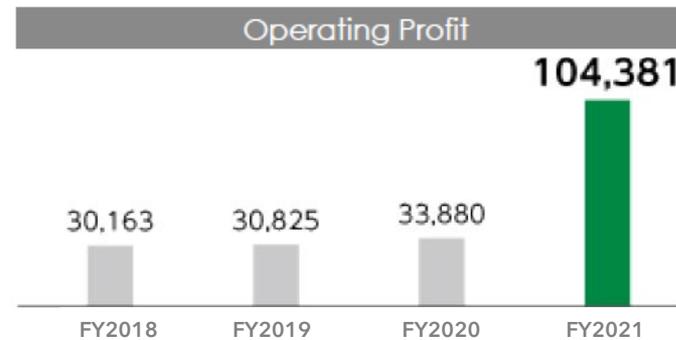
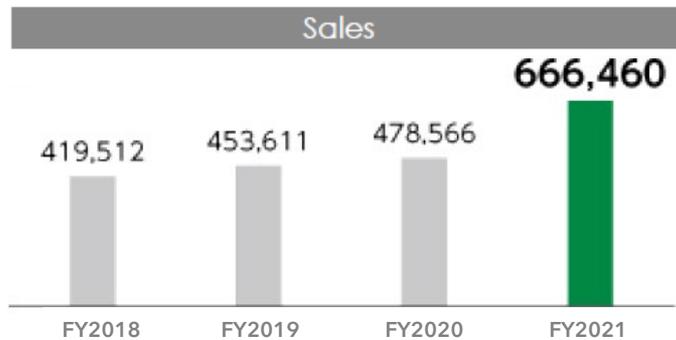
**To resolve the management issues above and continue to expand the businesses, the Group is committed to hiring, training, and energizing employees and improving corporate governance and internal management systems.**

## (9) Financial Position and the Profit and Loss

		21 <sup>st</sup> (FY2018)	22 <sup>nd</sup> (FY2019)	23 <sup>rd</sup> (FY2020)	24 <sup>th</sup> (FY2021)
<b>Net sales</b>	<i>million yen</i>	419,512	453,611	478,566	666,460
<b>Operating income</b>	<i>million yen</i>	30,163	30,825	33,880	104,381
<b>Ordinary income</b>	<i>million yen</i>	28,565	30,493	33,863	104,694
<b>Profit attributable to shareholders of parent</b>	<i>million yen</i>	4,849	1,694	6,608	41,553
<b>Basic earnings per share</b>	<i>yen</i>	38.54	13.45	52.41	82.30
<b>Total assets</b>	<i>million yen</i>	225,484	224,876	260,766	382,578
<b>Net assets</b>	<i>million yen</i>	109,250	110,352	127,678	194,145
<b>Net assets per share</b>	<i>yen</i>	648.10	628.36	709.81	254.98

Note: The Company conducted a four-for-one stock split of common stocks as of April 1, 2021. The "Basic earnings per share " and "Net assets per share" are calculated assuming that the said stock split was conducted at the beginning of the previous consolidated fiscal year.

- Transition of the Profit and Loss Statement in million yen



## (10) State of Employees (as of September 30, 2021)

### 1. State of Employees of the Group

Number of employees	Up or down compare to the previous consolidated fiscal year
5,944 (3,383)	600 increase (279 increase)

Note: The number of employees is defined as the number of personnel 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
1,702 (383)	Up 115 (Up 59)	34.1	6.3 years

Note: The number of employees is defined as the number of personnel at work. Temporary employees are written in ( ) as an approximate number of annual average strength.

## (11) State of Important Subsidiaries (as of September 30, 2021)

Company Name	Capital	% of voting rights	Main business domain
<b>Cygames, Inc.</b>	<b>124 million yen</b>	<b>61.7%</b>	<b>Game Business</b>
<b>AbemaTV, Inc.</b>	<b>100 million yen</b>	<b>55.2%</b>	<b>Operating the TV for the future "ABEMA"</b>
<b>CyberZ, Inc.</b>	<b>40 million yen</b>	<b>100.0%</b>	<b>Ad agency specialized in advertising for smartphone</b>
<b>Makuake, Inc.</b>	<b>3,103 million yen</b>	<b>52.4%</b>	<b>Operation of crowd-funding platform "Makuake"</b>

## 2. Items of Current State of the Company

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### (1) State of Shares (As of September 30, 2021)

Please refer to the Company's website for information.

[Stock Information](#)

[Ownership Summary](#)

Note: To improve the liquidity of the shares and expand the investor base, the Company conducted a four-for-one stock split of common stocks as of April 1, 2021.

### (2) State of Directors and Auditors

Please refer to the Company's website for information.

[Leadership](#)

#### Notes:

1. Director Koichi Nakamura, Director Kozo Takaoka, 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 Kozo Takaoka, 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.

- **Remuneration of Directors**

- i. **Process policy of determining remuneration of individual Board Directors**

At the Board of Directors meeting held on April 28, 2021, it resolved that the Board of Directors shall consult with the Remuneration Advisory Committee, which is composed mainly of Outside Directors, on the remuneration of each Director within the limit of the amount approved at the Annual General Meeting of Shareholders. Based on the recommendation, the Representative Director, who has been entrusted by the Board of Directors, decides the remuneration for each Director by comprehensively taking into consideration the role, degree of contribution, business performance, and other factors.

When the Board of Directors resolve the above matters, they consult the Remuneration Advisory Committee regarding the details of resolution in advance and obtain its approval. In addition, the details of individual remuneration for Directors are determined by the Representative Director after consulting the Remuneration Advisory Committee when necessary. Therefore, we consider that the process is in line with the determination policy.

The amount of remuneration for a Director who is a member of the Audit and Supervisory Committee is determined through discussions among the Audit and Supervisory Committee members.

- ii. **Matters concerning the resolution of the Annual General Meeting of Shareholders regarding remuneration of Directors**

The annual aggregate remuneration of Board Directors of the Company was approved at ¥800 million (of which, up to 30 million yen per year allocated to Outside Directors) by the resolution at the 20th Annual General Meeting of Shareholders held on December 15, 2017. The number of Directors as of the close of this Annual General Meeting of Shareholders is twelve (12), consisting of nine (9) Directors excluding Directors serving on the Audit and Supervisory Committee, (including one (1) Outside Director) and three (3) Directors serving on the Audit Committee (including two (2) Outside Directors).

### iii. Matters regarding the entrustment of the decision on the remuneration of individual Board Directors

The Company believes that the Representative Director, who has an overall and comprehensive view of the Company's operations, is the most appropriate person to evaluate each Director. Therefore, we have delegated the determination of the remuneration amount for each Director (excluding directors who are members of the Audit Committee) to Susumu Fujita, Representative Director, President, and CEO.

### iiii. Total amount of remuneration of Directors

Classification	Number of recipients	Amount of remuneration	Subtotals for each type of remuneration (¥ million)	
			Monetary remuneration	Stock options
Director who is NOT the Audit and Supervisory Committee members (Outside)	13 (2)	325 million yen (31 million yen)	232 million yen (27 million yen)	92 million yen (4 million yen)
Director who IS the Audit and Supervisory Committee members (Outside)	3 (2)	19 million yen (8 million yen)	19 million yen (8 million yen)	- -
Total (Outside)	16 (4)	344 million yen (40 million yen)	252 million yen (35 million yen)	92 million yen (4 million yen)

- **Matters Related to Outside Directors**

- i. **Concurrent position with other corporations, and relations with other corporations and the Company.**

**Kozo Takaoka, Director, is CEO of K & Co. K.K. and KT Digital K.K. There is no special stake between K & Co. K.K., KT Digital K.K. 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.**

- ii. **Concurrent position with other corporations, and relations with other corporations and the company.**  
**Not applicable.**
  - iii. **Major activities in this fiscal year**  
**Please refer to the next page.**

- **Outline of Directors and Officers Liability Insurance Agreement**

**The Company has a liability insurance agreement in effect with an insurance company for Directors (including members of the Audit and Supervisory Committee), executive officers, employees of the Company as well as Directors, auditors, executive officers and employees of subsidiaries as insureds at the Company's premium, as stipulated in Article 430, Paragraph 3 of the Companies Act. The Company covers the liability for those insured of the legal dispute fees and compensation for damages, etc., arising from company lawsuits.**

## Major Activities in This Fiscal Year

Name	Status of Attending and Statement
<b>Koichi Nakamura</b> (Director)	<p>Koichi Nakamura attended 13 of 13 board meetings which were held in this fiscal year. He gives practical and objective advice and suggestion about corporate management, human resource strategy, and M&amp;A based on his considerable experience and knowledge. In addition, as a member of the voluntary Nomination and Compensation Advisory Committee, he provides opinions from an independent and objective standpoint and plays an important role with consulting the Board of Directors.</p>
<b>Kozo Takaoka</b> (Director)	<p>Kozo Takaoka attended 11 of 11 meetings of the Board of Directors after being appointed as an Outside Director at the Annual General Meeting of Shareholders held on December 11, 2020. He provides broad and accurate supervision and advice to the Board of Directors based on his extensive experience, achievements and high level of insight in corporate management, marketing and global strategy in Japan and overseas by his independent standpoint.</p>
<b>Masao Horiuchi</b> (Director, Audit and Supervisory Committee member)	<p>Masao Horiuchi attended 13 of 13 board meetings, as well as 13 of 13 Audit and Supervisory Committee meetings that were held in this fiscal year. He mainly advises and suggests about finance, accounting, tax and internal control based on his considerable experience and knowledge. In addition, as the chairman of the voluntary Nomination and Compensation Advisory Committee, he leads the committee to ensure objective discussions from an independent standpoint and plays an important role with advising the Board of Directors.</p>
<b>Isao Numata</b> (Director, Audit and Supervisory Committee member)	<p>Isao Numata attended 13 of 13 board meetings, as well as 13 of 13 Audit and Supervisory Committee meetings that were held in this fiscal year. He mainly advises and suggests about corporate management and stock market based on his considerable experience and knowledge. In addition, as a member of the voluntary Nomination and Compensation Advisory Committee, he provides opinions from an independent and objective standpoint and plays an important role with consulting the Board of Directors.</p>

Please refer to the Company's website for the relevant information.

[5-Year Results](#)

Income Statements, Balance Sheets, Cash Flows