

CyberAgent

Notice of Convocation of the
25th 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 9, 2022.

- 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 and sales have been growing for 25 consecutive fiscal years.

The number of downloads of ABEMA, launched in 2016, exceeded 83 million downloads. Weekly active users (WAU) which is our KPI, has topped a record high, driven by sports contents and other programs. WINTICKET has been growing strongly and the media segment has entered a loss reduction phase since FY2020. We have a positive feeling that we can monetize the service.

The internet advertising business outpaced the market growth and increased our market share. Investment in DX and new businesses is in focus for continual growth.

The game business maintained a high level of sales despite the slowdown of the game title released last year. Our operation focuses on making games long-term and producing successful titles continuously.

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.

- 1. Date** 1:00 p.m. (Friday), December 9, 2022
- 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 25th fiscal term (October 1, 2021, to September 30, 2022), and audit report of consolidated financial statements by accounting auditors and Audit and Supervisory Committee.
2. Non-consolidated financial statements for the 25th fiscal term (October 1, 2021, to September 30, 2022) .

Items to be proposed:

- | | |
|----------------------|---|
| Proposal No.1 | Appropriation of Surplus |
| Proposal No.2 | Partial Amendments to the Articles of Incorporation |
| Proposal No.3 | Election of Five (5) Directors (excluding Directors serving on the Audit and Supervisory Committee) |
| Proposal No.4 | Notice on 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.," "outline of the liability limitation agreement with directors," "situation of the accounting auditor," "the outlines of systems for securing the appropriateness of business and their operation status," the consolidated statement of changes in equity in "consolidated financial statements," and the notes, the statements of changes in equity in "financial statements" and the individual notes.
- ◎ 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 8, 2022.**

(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 8, 2022.**

Please check “References” after page 6 of this document prior to exercising your voting rights.

! Notes

- In case of multiple votes via the Internet etc., the last vote shall prevail.
- If you are to exercise your voting rights twice, both by writing and via the Internet, the voting via the Internet 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, 2022, to be 14 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 25th term:

1

Type of Dividend

Cash

2

Allotment of Assets to be Distributed and the Total Amount

14 yen per share of common stock. Total amount will be 7,082,921,944 yen in this case.

3

Effective Date

Monday, December 12, 2022

Proposal No. 2

Partial Amendments to Articles of Incorporation

1. Reasons for Amendments

In accordance with the amending provisions set out in the proviso of Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) enforced from September 1, 2022, the Company makes the following amendments to its Articles of Incorporation in preparation for the introduction of a system to provide the reference materials of General Meeting of Shareholders in electronic format. The proposed amendments are establishments and deletions in response to the stipulation requirement in the Articles of Incorporation.

(1) The proposed amendment Article 17, paragraph 1 is newly established to post the materials for General Meeting for Shareholders on the Company's website online for shareholders to view instead of the conventional method of mailing the printed materials. The provisions of "Disclosure of reference information of General Meeting of Shareholders through the Internet" (Article 17 of the current Articles of Incorporation) will become unnecessary and, therefore, will be deleted.

(2) The proposed amendment Article 17, paragraph 2 is a provision that stipulates responses to shareholders who request delivery of reference documents for General Meeting of Shareholders after the introduction of the electronic delivery system and limits the scope of matters to be included in the documents to be delivered.

(3) Supplementary provisions regarding the effective date and others will be established in conjunction with the establishments and deletions of the preceding paragraphs.

2. Description of Amendments

Details of the amendments are as follows:

<p>Supplementary provision</p> <p>Article 1 (The clauses are omitted.)</p> <p>(New)</p>	<p><u>2. Among the matters provided electronically, the Company may partially or fully omit matters designated by the Ordinance of the Ministry of Justice in the documents delivered to shareholders who have requested a printed copy of the reference materials prior to the record date for voting rights.</u></p> <p>Supplementary provision</p> <p>Article 1 (Unchanged)</p> <p><u>(Transitional measures concerning electronic provision measures)</u></p> <p><u>Notwithstanding the Article 17 of the Articles of Incorporation after amendment (Measures for providing information in electronic format, etc.), the original Article 17 (Internet disclosure of reference materials deemed to be submitted for a General Meeting of Shareholders) before amendment shall remain in effect for a General Meeting of Shareholders held before the end of February 2023.</u></p> <p><u>2. This supplementary provision shall be deleted on March 1, 2023, or three months have elapsed from the date of the General Meeting of Shareholders in the preceding paragraph, whichever comes later.</u></p>
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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	Gender	Positions and Responsibilities in the Company				Board Meeting Attendance
1	Susumu Fujita	Male	Representative Director, CEO, President All Business administration				13/13 (100%)
2	Yusuke Hidaka	Male	Director, Executive Vice President Management of Game Business				13/13 (100%)
3	Go Nakayama	Male	Director, Senior Managing Executive Officer Management of head office operations				13/13 (100%)
4	Koichi Nakamura	Male	Outside Director	Outside	Independent	Reappointed	13/13 (100%)
5	Kozo Takaoka	Male	Outside Director	Outside	Independent	Reappointed	13/13 (100%)



1

Susumu Fujita

(Date of birth: May 16, 1973)

Reappointed

No. of Company's shares owned: 89,121,600

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. 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: 3,002,000

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, making 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: 1,591,507

- 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. 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, we are discussing and planning the selection, development, and the creation of a system for executive personnel, including future director candidates who will be responsible for sustainable corporate value enhancement. 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 six (6) 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 Outside Directors' Meeting, we are discussing and planning the selection, development, and the creation of a system for executive personnel, including future director candidates who will be responsible for sustainable corporate value enhancement. He participates in the Nomination and Compensation Advisory Committee and provides advice for the current fiscal year. 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 two (2) years 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. (percentage of the Company's consolidated net sales in FY2022: 5.78%) that is the Company's main business partner. However, 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. However, there is no specific relationship between them.
- 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

Notice on 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. 3 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 its subsidiaries

(2) Class and number of shares to be issued upon exercise of stock acquisition rights

Common stock of the Company: 1,026,500 shares. (1,026,500 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
10,265 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 a 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) 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 Company has established a policy to determine the remuneration of individual directors as stated in "Process policy of determining remuneration of individual Board Directors". The Company does not plan to revise this policy even if the proposal for the issuance of stock acquisition rights as stock options is approved at the meeting as originally proposed. The reason that the Company delivers above-mentioned stock acquisition rights to its directors as the compensation is as stated in 1. above. The contents of the said proposal are deemed appropriate in light of the above policy.

Out of above-mentioned stock acquisition rights, the Company delivers a maximum of 1,352 units for directors of the Company (of which zero units for outside directors and Directors serving on the Audit and Supervisory Committee).

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, 2021, to September 30, 2022)

1. Current State of Corporate Group

(1) Business Progress and Results

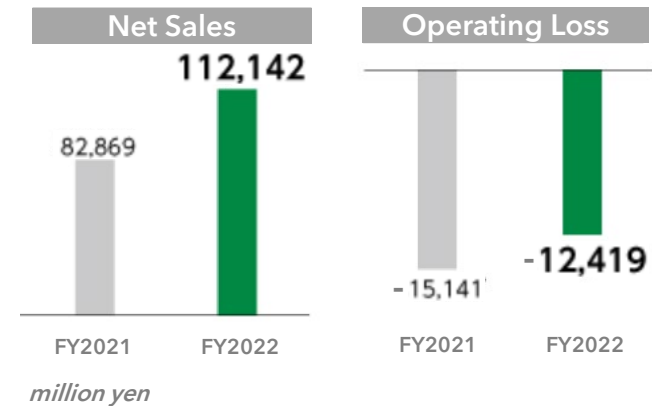
The Group has taken advantage of the growth of the smartphone market while strengthening up-front investment in ABEMA. During this consolidated fiscal year, net sales grew 6.6% year over year to ¥710,575 million, while operating income amounted to ¥69,114 million (a 33.8% decrease). Ordinary income amounted to ¥69,464 million (a 33.6% decrease), and net income attributable to owners of the parent came in at ¥24,219 million (a 41.7% decrease).

Earnings by business segment are stated as follows.

(a) Media Business

The media business includes ABEMA, WINTICKET and Ameba, etc.

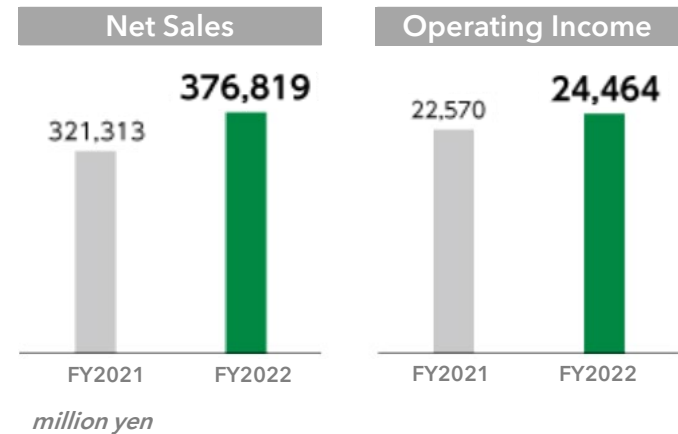
With record-high WAU for ABEMA and increased revenue from peripheral businesses, it reported net sales of ¥112,142 million for the period, a 35.3% year-on-year increase. The operating loss amounted to ¥12,419 million, compared to operating loss of ¥15,141 million for the same period in the prior fiscal year.



(b) Internet Advertisement Business

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

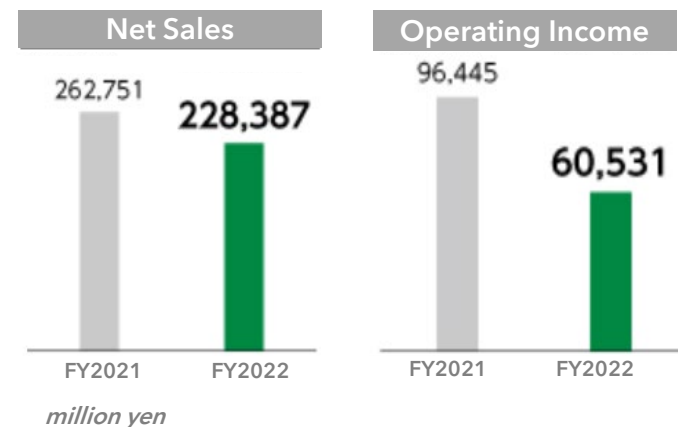
With continued high revenue growth and market share expansion, this segment recorded ¥376,819 million in net sales, increased by 17.3% year over year. Operating income up 8.4%, amounted to ¥24,464 million.



(c) Game Business

The game business includes Cygames, Inc., Colorful Palette, Inc., Sumzap, Inc., Applibot, Inc. and others.

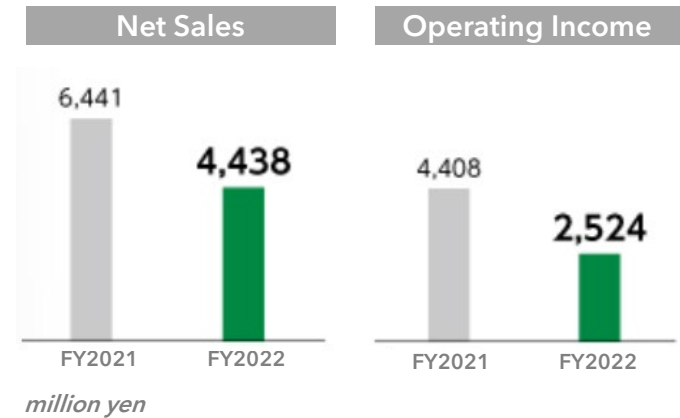
Despite the slowdown of game titles released last year, this segment maintained a high level of sales. Net sales amounting to ¥228,387 million, a 13.1% year-on-year decrease. Operating income decreased by 37.2% from the previous year, amounted to ¥60,531 million.



(d) Investment Development Business

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

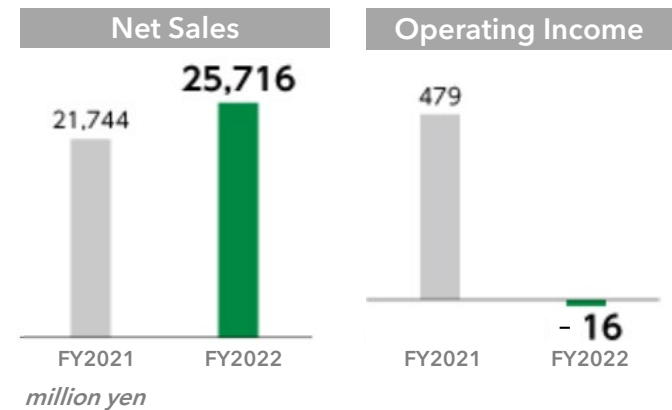
This segment recorded net sales of ¥4,438 million (a 31.1% year-on-year decrease) and operating income of ¥2,524 million, a decrease of 42.7% compared to the previous fiscal year.



(e) Other Business

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

This segment reported net sales of ¥25,716 million, a 18.3% year-on-year increase. Operating loss amounted to ¥16 million, compared to operating profit of ¥479 million for the same period in the prior fiscal year.



(2) State of Equipment Investment

The total amount of equipment investment of this consolidated fiscal year was ¥6,253 million which was mainly for the purchase of office equipment.

(3) State of Funding

Not applicable.

(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.

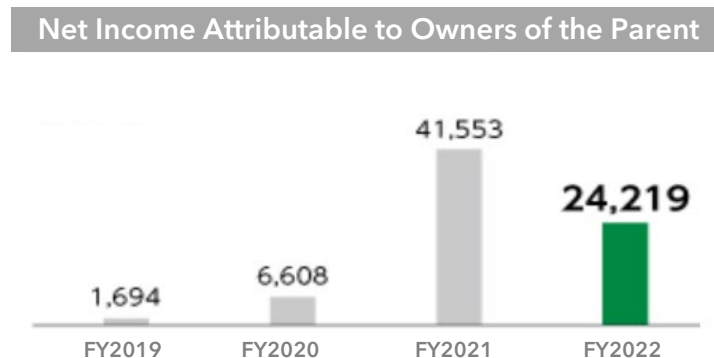
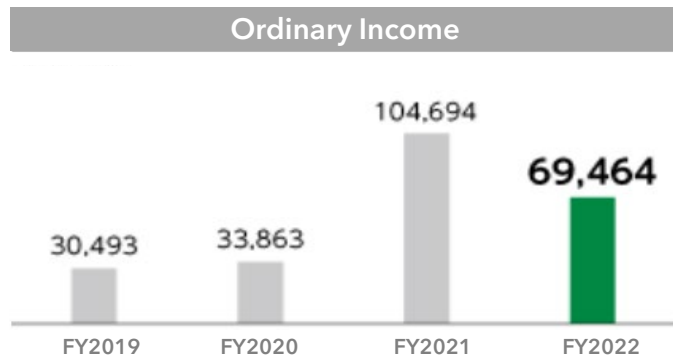
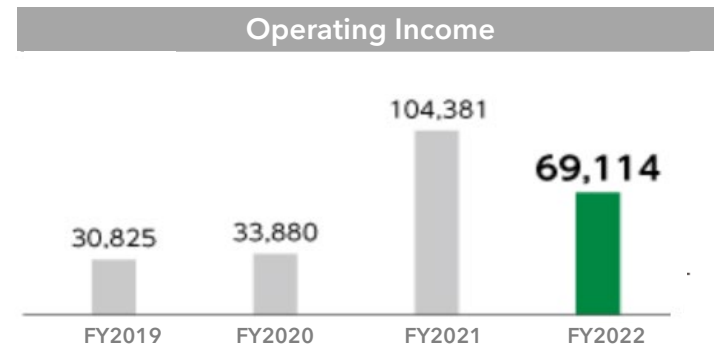
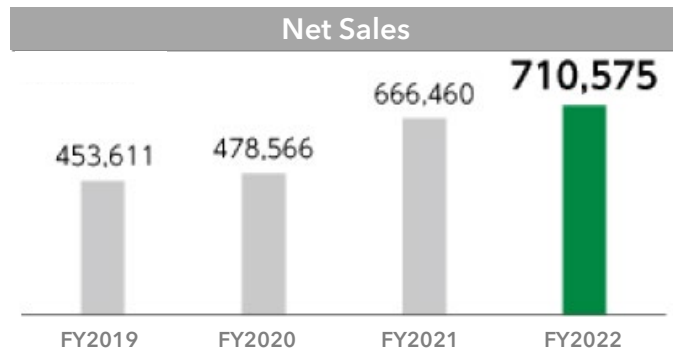
To resolve the management issues above and continue to expand the businesses, the Group is committed to hiring, training, and energizing employees and improving corporate governance and internal management systems.

(9) Financial Position and the Profit and Loss

		22 nd (FY2019)	23 rd (FY2020)	24 th (FY2021)	25 th (FY2022)
Net sales	<i>million yen</i>	453,611	478,566	666,460	710,575
Operating income	<i>million yen</i>	30,825	33,880	104,381	69,114
Ordinary income	<i>million yen</i>	30,493	33,863	104,694	69,464
Net income attributable to owners of the parent	<i>million yen</i>	1,694	6,608	41,553	24,219
Basic earnings per share	<i>yen</i>	3.36	13.10	82.30	47.89
Total assets	<i>million yen</i>	224,876	260,766	382,578	383,698
Equity	<i>million yen</i>	110,352	127,678	194,145	222,915
Equity per share	<i>yen</i>	157.09	177.45	254.98	285.15

Note: The Company conducted a four-for-one stock split of common stocks as of April 1, 2021. The "Basic earnings per share" and "Equity per share" are calculated assuming that the said stock split was conducted at the beginning of the FY2019.

- Transition of the Profit and Loss Statement in Million Yen



(10) State of Employees (as of September 30, 2022)

1. State of Employees of the Group

Number of employees	Up or down compare to the previous consolidated fiscal year
6,377 (3,864)	Up 393 (Up 481)

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
1,977 (486)	Up 275 (Up 103)	34.2	6.1 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, 2022)

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 TV for the future "ABEMA"
CyberZ, Inc.	40 million yen	100.0%	Ad agency specialized in advertising for smartphone
Makuake, Inc.	3,120 million yen	51.6%	Operation of crowd-funding platform "Makuake"
Colorful Palette, Inc.	124 million yen	90.0%	Game Business

2. Items of Current State of the Company

(1) State of Shares (as of September 30, 2022)

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 Kozo Takaoka, Director Masao Horiuchi (the Audit and Supervisory Committee member) and Director Tomomi Nakamura (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 Tomomi Nakamura (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 December 10, 2021, it resolved the following policy for determining the content of individual remuneration, etc. of Directors (excluding Directors who are members of the Audit and Supervisory Committee). The Company consulted the Remuneration Advisory Committee, which is composed mainly of independent Outside Directors, regarding the details of the resolution, and obtained its report for approval.

The Board of Directors has also confirmed that the decision on the details of remuneration and other compensation for individual Directors for the fiscal year under review are consistent with the determination policy approved by the Board of Directors and that the report from the Remuneration Advisory Committee has been respected, and the Board of Directors has determined that such decisions are in line with the determination policy.

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

Details concerning the determination of the amount of remuneration, etc. of Directors or the method of calculation thereof and the method of determination are as follows.

- (1) Basic Policy

Remuneration, etc. for the Company's Directors (excluding Directors serving on the Audit and Supervisory Committee) shall consist of base remuneration as fixed remuneration and performance-linked remuneration (both of which shall be monetary remuneration) and shall be determined within the maximum amount of remuneration approved at the Annual General Meeting of Shareholders. Remuneration for Outside Directors shall be limited to base remuneration only.

- (2) Policy on Determination of Details and Amount of Base Remuneration, etc.

Base remuneration shall be within the amount determined in consideration of position, grade, role, etc.

(3) Policy on Determination of Performance-Linked Remuneration, etc.

Performance-linked remuneration shall be determined based on a certain percentage of operating income for each fiscal year and shall be paid to Directors in charge of business execution, taking into consideration their performance and level of contribution during the relevant fiscal year.

(4) Policy on Other Remuneration

If other non-monetary remuneration, etc., is to be paid, the Board of Directors shall determine the details, calculation method, etc., in accordance with applicable laws and regulations.

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

The annual aggregate remuneration of Board Directors (excluding Directors serving on the Audit and Supervisory Committee) of the Company was approved at 800 million yen (of which, up to 30 million yen per year allocated to Outside Directors), and the annual aggregate remuneration of Directors serving on the Audit and Supervisory Committee was approved at 30 million yen by the resolution at the 20th Annual General Meeting of Shareholders held on December 15, 2017. However, at the 24th Annual General Meeting of Shareholders held on December 10, 2021, the amount of remuneration for Outside Directors (excluding Directors who are members of the Audit and Supervisory Committee) was revised from 30 million yen per year to 60 million yen per year, taking into consideration the future increase in the number of Outside Directors, the increased role required of Outside Directors, and various circumstances such as the economic situation. The number of Directors as of the close of this Annual General Meeting of Shareholders is eight (8), consisting of five (5) Directors excluding Directors serving on the Audit and Supervisory Committee, (including two (2) Outside Director) and three (3) Directors serving on the Audit and Supervisory Committee (including two (2) Outside Directors).

iii. Total amount of remuneration of Directors

Classification	Number of recipients	Amount of remuneration	Subtotals for each type of remuneration	
			Monetary remuneration	Stock options
Director who is NOT the Audit and Supervisory Committee members (Outside)	5 (2)	267 million yen (38 million yen)	172 million yen (34 million yen)	95 million yen (4 million yen)
Director who IS the Audit and Supervisory Committee members (Outside)	4 (3)	19 million yen (8 million yen)	19 million yen (8 million yen)	- -
Total (Outside)	9 (5)	287 million yen (47 million yen)	191 million yen (42 million yen)	95 million yen (4 million yen)

Note: Of the monetary compensation, performance-linked remuneration is 0 yen.

- ## Matters Related to Outside Directors

Relationship between the Company and important concurrent positions.

	Important Concurrent Positions	Relationship with the Company
Kozo Takaoka (Director)	CEO of K & Co. K.K. and KT Digital K.K.	No special stake
Masao Horiuchi (Director, Audit and Supervisory Committee member)	Full-time Auditor of USEN-NEXT HOLDINGS Co., Ltd.	No special stake
Tomomi Nakamura (Director, Audit and Supervisory Committee member)	Lawyer at Nagaishi Law Office	No special stake

- ## 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 430-3, Paragraph 1 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
Koichi Nakamura (Director)	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&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.
Kozo Takaoka (Director)	Kozo Takaoka attended 13 of 13 meetings of the Board of Directors held during the fiscal year. 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. As a member of the voluntary Nomination and Compensation Advisory Committee, he provides objective opinions from an independent standpoint and plays an important role in advising the Board of Directors.
Masao Horiuchi (Director, Audit and Supervisory Committee member)	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.
Tomomi Nakamura (Director, Audit and Supervisory Committee member)	After his appointment as an Outside Director at the Annual General Meeting of Shareholders held on December 10, 2021, Tomomi Nakamura attended 11 of 11 board meetings, as well as 11 of 11 Audit and Supervisory Committee meetings. He mainly advises and gives recommendations based on his broad expertise and knowledge regarding various laws and regulations. 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.

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

[5-Year Results](#)

Income Statements, Balance Sheets, Cash Flows