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

CyberAgent

Financial Results for the Fiscal Year Ended September 30, 2014 [Japanese Standards] (Consolidated)

October 30, 2014

Listed company name: CyberAgent, Inc. Listed stock exchange: TSE 1st Section
Code No.: 4751 URL: https://www.cyberagent.co.jp/
Representative: (Title) President (Name) Susumu Fujita
Inquiries: (Title) Managing Director (Name) Go Nakayama Tel: +81-3-5459-0202
Scheduled date of the Annual General Meeting of Shareholders: December 12, 2014
Scheduled date of dividend payment start: December 15, 2014
Scheduled filing date of the Annual Securities Report: December 15, 2014
Preparation of supplementary references regarding financial results: Yes
Holding the briefing of financial results: Yes (For security analysts and institutional investors)

(Amounts less than ¥ million are rounded down.)

1. Consolidated Performance for the Fiscal Year Ended September 30, 2014 (October 1, 2013 – September 30, 2014)
(1) Consolidated Results of Operations

(The percentages indicate the change from the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2014	205,234	26.3	22,220	115.3	22,188	109.9	9,556	(9.0)
FY2013	162,493	15.2	10,318	(40.7)	10,570	(38.3)	10,504	23.3

(Note) Comprehensive Income: FY 2014: 11,696 million yen (-0.9%) FY 2013: 11,806 million yen (30.6%)

	Net income per share	Diluted net income per share	Return on equity	Return on assets	Operating income margin
	¥	¥	%	%	%
FY2014	153.07	152.50	19.1	24.4	10.8
FY2013	166.41	166.39	24.0	9.7	6.4

(Reference) Equity in earning of affiliates: FY 2014:-100 million yen FY 2013: 18 million yen
(Note) The Company conducted a 1:100 stock split of common stocks as of October 1, 2013. The “Net income per share” and “Diluted net income per share” are calculated assuming that the said stock split was conducted at the beginning of the previous consolidated FY.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	¥ million	¥ million	%	¥
FY2014	100,545	63,175	54.2	872.69
FY2013	81,425	50,587	56.0	731.86

(Reference) Equity capital: As of Sep. 30, 2014 ¥54,537 million, as of Sep. 30, 2013 ¥45,594 million
(Note) The Company conducted a 1:100 stock split of common stocks as of October 1, 2013. The “Net assets per share” is calculated assuming that the said stock split was conducted at the beginning of the previous consolidated FY.

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of the period
	¥ million	¥ million	¥ million	¥ million
FY2014	15,024	(11,457)	(765)	31,439
FY2013	4,980	10,837	(7,081)	28,448

2. Dividends

	Annual dividends per share					Amount of dividends (Total)	Dividend ratio (Consolidated)	Dividend on equity (Consolidated)
	1Q	2Q	3Q	Year-end	Annual			
	¥	¥	¥	¥	¥	¥ million	%	%
FY 2013	–	0.00	–	3,500.00	3,500.00	2,180	21.0	5.1
FY 2014	–	0.00	–	60.00	60.00	3,749	39.2	7.5
FY 2015 (forecast)	–	0.00	–	50.00	50.00		–	

(Note 1) The Company conducted a 1:100 stock split of common stocks as of October 1, 2013. Therefore, the year-end dividends for FY 2013 are calculated using the figures before the stock split.
(Note 2) Breakdown of dividend for FY2014 is ordinary dividend of 40.00 yen and commemorative dividend of 20.00 yen.

3. Consolidated Performance Forecast for the Fiscal Year Ending September 30, 2015
(October 1, 2014 – September 30, 2015)

(The percentages indicate the change from the previous period in the case of the entire year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
2Q of FY2013 (cumulative)	–	–	–	–	–	–	–	–	–
Full year	240,000	16.9	28,000	26.0	28,000	26.2	14,000	46.5	224.02

(Note) No forecasts have been made for first half of the consolidated fiscal year. For details, please see “Earnings Estimates for the Next Period (October 1, 2014 to September 30, 2015)” under “1. Qualitative Information Related to Consolidated Results of Operations and Consolidated Financial Standing” on page 3.

*Notes

(1) Changes in important subsidiaries during the period (change of specified subsidiaries that lead to a change in the scope of consolidation): None

(2) Changes to accounting policies, changes to accounting estimates, restatements:
1) Changes associated with revisions of accounting standards: None
2) Change other than those included in 1): Yes
3) Changes to Accounting Estimates: None
4) Restatements: None

(Note) For details, please see (5) Notes to Consolidated Financial Statements (Changes of Accounting Methods that are Difficult to Distinguish from the Changes of Accounting Estimate) on page 15.

(3) Number of shares issued (common stock)

(1) Number of shares issued and outstanding (including treasury stock)	
Sep. 2014 Period: 63,213,300	Sep. 2013 Period: 63,213,300
(2) Number of shares of treasury stock issued and outstanding	
Sep. 2014 Period: 720,300	Sep. 2013 Period: 914,500
(3) Average number of shares during the period (consolidated cumulative accounting period)	
Sep. 2014 Period: 62,429,671	Sep. 2013 Period: 63,122,430

(Note) The Company conducted a 1:100 stock split of common stocks as of October 1, 2013. The “Number of shares issued and outstanding (common stock) is calculated assuming that the said stock split was conducted at the beginning of the previous consolidated FY. For details, please refer to “Information on value per share” on page 21.

(Reference)
Non-consolidated Performance for the Fiscal Year Ended September 30, 2014
(October 1, 2013 – September 30, 2014)
(1) Non-consolidated Results of Operations

(The percentages indicate the change from the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2014	121,174	36.9	10,664	–	11,145	–	4,563	(72.1)
FY2013	88,519	9.8	(1,481)	–	(1,360)	–	16,358	187.4

	Net income per share	Diluted net income per share
	¥	¥
FY2014	73.10	72.83
FY2013	259.14	259.11

(Note) The Company conducted a 1:100 stock split of common stocks as of October 1, 2013. Therefore, the “Net income per share” and “Diluted net income per share” are calculated assuming that the said stock split was conducted at the beginning of the previous FY.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	¥ million	¥ million	%	¥
FY2014	62,447	39,119	62.3	622.79
FY2013	54,460	35,034	64.0	559.90

(Reference) Equity capital: As of Sep. 30, 2014 ¥38,920 million, as of Sep. 30, 2013 ¥34,881 million
(Note) The Company conducted a 1:100 stock split of common stocks as of October 1, 2013. The “Net assets per share” is calculated assuming that the said stock split was conducted at the beginning of the previous FY.

*Indication regarding the implementation status of the audit procedures
The audit procedures for reviewing financial statements pursuant to the Financial Instruments and Exchange Act are in progress at the time of disclosure of the financial results.

* Explanations related to appropriate use of the performance forecast; other special instructions
This forecast of performance is based on the judgment of the Group in accordance with information that was available at the time of its creation, and includes factors of risk and uncertain elements. Accordingly, actual results, performance, etc., may differ from the listed estimates. For information related to the forecast of performance indicated above, please see “Earnings Estimates for the Next Period (October 1, 2014 to September 30, 2015) under “1. Qualitative Information Related to Consolidated Results of Operations and Consolidated Financial Standing (1) Qualitative Information Related to Consolidated Results of Operations” on page 3.

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1. Qualitative Information Related to Consolidated Results of Operations and Consolidated Financial Standing

(1) Qualitative Information Related to Consolidated Results of Operations

As of the end of March 2014, the smartphone ownership rate surpassed 50 percent (53.5%). The social networking service (SNS) is becoming increasingly popular, with 63.3% of smartphone owners using SNS[*1]. With smartphone use continuing to grow, the FY 2013 smartphone game market grew to ¥546.8 billion[*2] (up 78.0% from the previous year) and the internet advertising market grew to ¥ 938.1 billion[*3] (up 8.1% from the previous year).

Under these circumstances, the Group focused our business resources on the smartphone related businesses, centered on our key business, “Ameba”. Smartphone-related sales for this consolidated fiscal year grew to 71.2% of total sales (excluding investment development business), indicating the shift from up-front investment period to the harvest season.

As a result, the Group’s operating results for this consolidated fiscal year were as follows. Net sales reached ¥205,234 million (up 26.3% from the same period of the previous year); operating income reached ¥22,220 million (up 115.3% from the same period of the previous year); ordinary income reached ¥22,188 million (up 109.9% from the same period of the previous year). Net income reached ¥9,556 million (down 9.0% from the same period of the previous year) mainly due to gain on sales of subsidiaries and affiliates' stocks of 16,661 million yen in the same period of the previous year.

Source: MIC 2014 White Paper Information and Communications in Japan [*1], CyberZ/Seed Planning “Smartphone Market Trends Survey”[*2], “Advertising Expenditures in Japan” compiled by Dentsu Inc.[*3]

Performance of each business segment was as follows.

As of this consolidated accounting period, the division of the reporting segments has been changed, so for comparisons to the same period the previous year the values from the previous year have been changed to follow the new segment divisions.

(a) Ameba business

The Ameba business includes Ameba and AMoAd, etc.

For the Ameba business, we increased the virtual content sales and advertisement, associated with expansion, operation and improvement of the smartphone “Ameba”. As a result, net sales totaled ¥38,602 million (up 40.1% from the same period of the previous year), and we recorded an operating income of ¥2,435 million (an operating loss of ¥8,250 million in the same period of the previous year).

(b) Game and other media businesses

Game and other media businesses include game business in our Group companies such as Cygames, Inc., Sumzap, Inc., and Applibot, Inc.

For these businesses, as a result of strengthening development of native games, etc., net sales totaled ¥65,395 million (up 8.9% from the same period of the previous year), and we recorded an operating income of ¥8,795 million (up 3.9% from the same period of the previous year).

(c) Internet advertisement business

Internet advertisement business includes advertising agency businesses centered on the Company’s Internet advertising business department and Ad technology business.

For this business, with healthy sales of smartphone advertising and enhancement of Ad technology business, etc., net sales totaled ¥112,747 million (up 37.1% from the same period of the previous year), and we recorded an operating income of ¥8,897 million (up 7.4% from the same period of the previous year).

(d) Investment development business

Investment development business includes the Company's corporate venture capital business, and fund operation in CyberAgent Ventures, Inc. It discovers, develops and generates value for promising venture companies both within Japan and in Asian countries.

For this business, due mainly to sales of shares, net sales totaled ¥4,346 million (up 141.3% from the same period of the previous year), and we recorded an operating income of ¥2,783 million (up 297.3% from the same period of the previous year).

Earnings Estimates for the Next Period (October 1, 2014 to September 30, 2015)

In order to take advantage of the rapid adoption of smartphones, the Group focused management resources on smartphone related businesses, and as of this year (fiscal year ending September 2014) the Group has begun to reap the benefits of this focus.

For business results forecasts for the next fiscal year (ending September 2015), taking in the smartphone market growth, consolidated sales are expected to be ¥240,000 million (up 16.9% from this fiscal year).

For consolidated operating income and consolidated ordinary income, despite upfront investment in starting the entertainment and community businesses, Ameba is expected to start seriously contributing to income in addition to the internet advertisement and game businesses performing well, as is the investment development business with the active IPO market. For these reasons, it is estimated that consolidated operating income is ¥28,000 million (up 26.0% from this year) and consolidated ordinary income is ¥28,000 million (up 26.2% from this year).

The consolidated net income is expected to be 14,000 million yen (up 46.5% from this fiscal year), due to tax expenses and minority interests in income.

We do not disclose the mid-term earnings estimates because the environment surrounding the Internet changes drastically, and the Group's operating results may fluctuate greatly in a short period of time.

The above estimates are based on the information that is available at this moment. It is possible that the actual operating results, etc. may differ due to various uncertain elements.

(2) Qualitative Information on Consolidated Financial Position

(a) Assets, liabilities and net assets

At the end of this consolidated fiscal year, total assets stood at ¥100,545 million (up ¥19,120 million from the end of the previous fiscal year). This is mainly due to an increase in notes and accounts receivable-trade associated with sales increase.

Liabilities totaled ¥37,369 million (up ¥6,532 million from the end of the previous fiscal year). This is mainly due to an increase in notes and accounts payable-trade and notes and accounts payable-other associated with sales increase and expansion of the business scale.

Net assets totaled ¥63,175 million (up ¥12,588 million from the end of the previous fiscal year). This is mainly due to an increase in retained earnings by recording net income.

(b) Status of cash flow

Cash and cash equivalents at the end of this consolidated fiscal year increased by ¥2,990 million from the end of the previous consolidated fiscal year, and totaled ¥31,439 million.

Cash flow situations and major causal factors for this consolidated fiscal year are as follows.

(Net cash provided by operating activities)

Net cash provided by operating activities totaled ¥15,024 million (net cash provided in the same period of the previous year totaled ¥4,980 million). This was mainly due to the fact that we recorded a profit and income taxes paid.

(Net cash used in investing activities)

Net cash used in investing activities totaled ¥11,457 million (net cash provided in the same period of the previous year totaled ¥10,837 million). This was mainly due to purchase of non-current assets.

(Net cash used in financing activities)

Net cash used in financing activities totaled ¥765 million (net cash used in the same period of the previous year totaled ¥7,081 million). This was mainly due to cash dividends paid.

(Reference) Movement of Cash Flow Related Indices

	September 2012 Period	September 2013 Period	September 2014 Period
Equity Ratio (%)	30.6	56.0	54.2
Market Value Basis Equity Ratio (%)	79.9	207.5	239.3
Debt to Cash Flow Ratio (%)	13.7	9.6	0.2
Interest Coverage Ratio (times)	463.6	228.6	3,138.6

Equity Ratio: Owner's Equity / Total Assets
Market Value Basis Equity Ratio: Market Capitalization / Total Assets.
Debt to Cash Flow Ratio: Interest Bearing Liabilities / Cash Flow
Interest Coverage Ratio: Cash Flow / Interest Payments

Note: 1. All are calculated from financial values with a consolidated basis.
2. Market capitalization is calculated based on number of shares outstanding, excluding treasury shares.
3. Cash flow uses operating cash flow.
4. Interest bearing liabilities refers to all liabilities on the consolidated balance sheet for which interest is being paid.

(3) Fundamental Policy on Distribution of Profits and Dividends for This Period and Next Period

The Company considers returning profits to our shareholders an important issue for management, and plans to continue to provide dividends while working on increasing share value over the mid-to-long-term with business growth and improved capital efficiency. Decisions on retained earnings for the sake of future business expansion and fiscal soundness considering consolidated results and individual cash management will be made after comprehensive consideration.

For this fiscal year (ended September 2014), to commemorate the Company's designation on September 5, 2014 as a 1st Section company on the Tokyo Stock Exchange, there will be Tokyo Stock Exchange 1st Section listing commemoration dividends of ¥20 added to the ordinary dividends of ¥40 per share, for a total of ¥60.

For the next fiscal year (ending September 2015), dividends of ¥50 (up 25.0% from ordinary dividends for this year) are planned.

(4) Risk Factors

1) Industry Trends

The business performance and financial position of the CyberAgent Group could be affected if a situation arises that could hinder the growth of the Internet media and Game market, or if the Internet advertising market is affected by an economic downturn.

2) Fluctuations in Financial Performance

Forecasts of financial results are based on our estimates, and the accuracy of such information is not guaranteed. Actual financial performance and results may differ from forecasts for various reasons. CyberAgent's business performance and financial position could be affected in the future if there are major changes in accounting standards and taxation systems.

3) Laws and Regulations, etc.

In accordance with laws and regulations, we strive to ensure regulatory compliance by our users, and to inform users about moral standards as we encourage compliance. We are also taking steps to strengthen measures against unauthorized access and leakage of information. CyberAgent's business performance and financial position could be affected by the establishment of new laws or the tightening of existing regulations relating to Internet businesses, such as the July 1, 2013 amendment of the enforcement guidelines for the Law for Preventing Unjustifiable Extra or Unexpected Benefit and Misleading Representation. In addition, lawsuits could be brought against the CyberAgent Group as the service administrator by third parties who have suffered damages or losses as a result of illegal actions involving services administered by CyberAgent.

4) Internal Control Systems

CyberAgent regards the improvement of corporate governance as its most important management priority in relation to the maximization of corporate value, and we implement a variety of measures for this purpose. However, if the development of adequate internal control systems fails to keep pace with rapid business expansion or other changes, CyberAgent's business performance and financial position could be affected by the resulting inability to administer business operations appropriately.

5) Risks Associated with Reliance on Particular Managers or Personnel Recruitment

The business performance and future business development of the CyberAgent Group could be affected if the required talent cannot be recruited, or if company officers, such as directors, including representative directors, and executives with specialized knowledge, technology or experience resign or retire and replacements cannot be found.

6) Risks Relating to Information Security

The business performance and future business development of the CyberAgent Group could be affected by claims for damages by third parties, damage to the reputation of the CyberAgent Group or other situation resulting from various contingencies, such as losses caused by leaks of important data or tampering with computer programs as a result of computer system malfunctions, computer viruses, unauthorized external access to computers by unlawful means, negligence by company officers or partner businesses, natural disasters, sudden concentrated access to networks or other factors.

7) Risks Relating to the Management of Personal Information

CyberAgent holds personal information obtained through its Internet media business and other activities. Such information is controlled in accordance with the provisions of the Act on the Protection of Personal Information (enforced in April 2005). However, the business performance and future business development of the CyberAgent Group could be affected if there are claims for damages against CyberAgent or damage to CyberAgent's reputation if personal information is leaked due to information security risks or other factors, or if problems occur during the process of gathering such information.

8) Risks Relating to Intellectual Property Rights

We have strengthened internal control systems for intellectual property. However, the business performance and future business development of the CyberAgent Group could be affected if third parties bring lawsuits against the CyberAgent Group for infringements of intellectual property rights, or apply for injunctions to prevent the use of intellectual property rights, discrepancies in the interpretation of contract terms or other factors.

9) Risks Relating to Natural Disasters, etc.

Various contingencies, such as earthquakes, typhoons or other natural disasters, unknown computer viruses or terrorist attacks, could affect CyberAgent, and there is no guarantee that we will be able to mitigate the effects of such events. Furthermore, since CyberAgent's offices and computer network infrastructure are concentrated in particular locations, there is a possibility that natural disasters and other events in those locations would cause major losses, which could affect the business performance and future business development of the CyberAgent Group.

10) Risks Pertaining to the Future Development of Business Activities

The CyberAgent Group provides services for general consumers and is therefore exposed to the possibility of unforeseen reputational risks. In addition, the CyberAgent Group may be unable to deal with potential risks associated with overseas business expansion, including risks relating to laws, regulations, political and social situations, currency fluctuations and competitive environments in various countries.

11) Risks Pertaining to the Internet Media Business

CyberAgent Group is involved in the provision of services, including blogs, social media and games, via the Internet. Our policy is to attract and maintain a user base by maintaining stable operations. However, the business performance and future business development of the CyberAgent Group could be affected if we are unable to provide attractive services that will be supported by a wide range of users.

CyberAgent implements various initiatives in collaboration with platform providers and other related organizations with the aim of supporting the sound development of the game usage environment. We will continue to implement measures as required to maintain and improve the soundness of games. However, the business performance and future business development of the CyberAgent Group could be affected under certain circumstances, such as the adaptation of systems or the reinforcement of structures to reflect these measures, or by other unforeseen situations. Furthermore, the CyberAgent Group is involved in the provision of services under contracts with card companies, providers of smartphones, social media and other platforms, telecommunications carriers and other organizations. The business performance and future business development of the CyberAgent Group could be affected if unforeseen circumstances arise, such as changes to technical specifications or contract terms, or the cancellation of contracts.

12) Risks Pertaining to the Internet Advertising Agency Business

Internet advertising may be affected by economic trends, and advertisers may reduce their advertising budgets. There is also the possibility that we will be unable to recover advertising charges and will be required to meet payment obligations to media companies and other organizations due to various factors, such as the deterioration of an advertiser's financial position, or errors in the distribution of advertising. Our business performance could also be affected if we are unable to maintain business relationships with media companies, preventing us from procuring advertising space or products.

13)Risks pertaining to the Advertising Technology Business

There is the possibility of substantial declines in competitiveness regarding the services that CyberAgent group provides, if there arise new technologies and methods of advertising technology.

There is a also the possibility that our future business results and strategies could be affected by changing regulations, guidelines and functions of providers of OS used by smart phones terminals. Because most of our advertising technology services are for advertising on smart phone terminals.

14) Risks Pertaining to the Investment Development Business

Where the companies in which we invest are publicly traded, there is a possibility that valuation gains will be reduced, that valuation losses will increase or that impairment losses will be incurred as a result of share price movements. In addition, the income of the CyberAgent Group could be affected by the business performance of the companies in which we invest.

Investment funds managed by a consolidated subsidiary of CyberAgent invest in multiple non-public companies. There are numerous uncertainties concerning the future outlook for these non-public companies, and it is possible that CyberAgent’s business performance, financial position and future business development could be affected by deterioration in the business performance of such companies due to both external factors, such as technological advances and market conditions, and internal factors, such as management and control structures.

15) Risks Pertaining to the EC Business

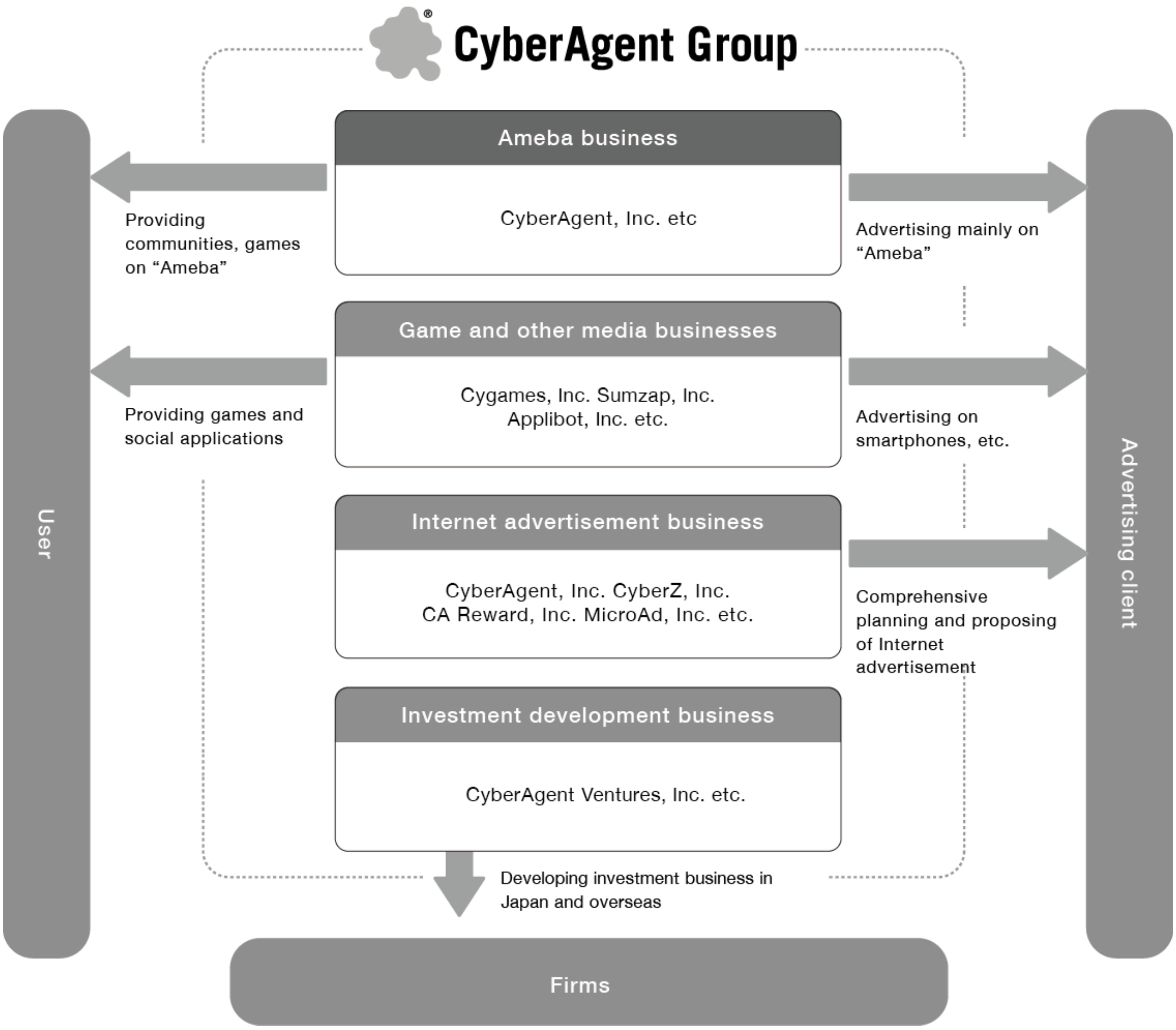
CyberAgent is involved in areas of the electronic commerce (EC) business. While we take all appropriate steps concerning merchandise management systems and contracts with suppliers, CyberAgent could be liable for claims for losses resulting from regulatory violations, defects, safety problems or other issues affecting items sold.

2. Corporate Group

The Group is currently, as of September 30, 2014, made up of the Company (CyberAgent, Inc.), 56 consolidated subsidiaries (including 3 associations), 1 company to which the equity method is not applied (including 1 association) and 3 affiliated companies (including 2 associations).

Our reporting segments are “Ameba business”, “Game and other media businesses”, “Internet advertisement business”, and “Investment development business”.

[Business Flow Chart]



3. Management Policies

(1) Company Fundamental Management Policy

The Group's vision is to "create the 21st century's leading company," and it has placed its focus on the rapidly expanding field of the Internet and works to create a new society through the Internet based on the fundamental management policy.

(2) Target Business Indicators

The business indicators the Group focuses on are (1) sales and (2) operating income. The Group will increase profitability by developing and expanding highly profitable businesses.

(3) Mid-to-Long-Term Company Management Strategy

The Group will improve mid-to-long-term corporate value by developing and expanding highly profitable businesses utilizing human resources, development capability, customer attraction abilities, operational capabilities, and sales strength to become an integrated Internet business enterprise centering on Ameba.

(4) Issues the Company Should Address

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

1) Ameba and Game and other media businesses

Improving profitability of “Ameba”

Strengthening of native game

To start up Entertainment and Community Businesses

2) Internet advertisement business

Strengthening of advertisement and Ad technology for smartphones

3) Strengthening of technical abilities

Hiring and training of superior engineers

In order to resolve the management issues and continue expanding and growing the businesses, the Group will actively work to strengthen employee hiring and development as well as brand permeation of the media company centered on Ameba while also enhancing corporate governance and internal management systems in response to business expansion.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: ¥ million)

	FY2013 (As of September 30, 2013)	FY2014 (As of September 30, 2014)
Assets		
Current assets		
Cash and deposits	28,455	31,446
Accounts and notes receivable-trade	22,881	28,807
Inventories	164	39
Sales investment securities	5,619	9,517
Deferred tax assets	1,581	1,431
Other	2,260	2,410
Allowance for doubtful accounts	(47)	(46)
Total current assets	60,916	73,605
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,150	2,406
Accumulated depreciation	(635)	(692)
Buildings and structures, net	1,514	1,714
Tools, furniture and fixtures	6,791	9,103
Accumulated depreciation	(4,229)	(4,856)
Tools, furniture and fixtures, net	2,561	4,247
Construction in progress	261	—
Other	8	28
Total property, plant and equipment	4,346	5,989
Intangible assets		
Goodwill	2,812	3,735
Software	4,812	7,042
Other	2,792	3,561
Total intangible assets	10,417	14,339
Investments and other assets		
Investment securities	2,613	2,708
Long-term loans receivable	8	8
Deferred tax assets	1,233	1,353
Other	1,908	2,598
Allowance for doubtful accounts	(19)	(58)
Total investments and other assets	5,744	6,609
Total non-current assets	20,509	26,939
Total assets	81,425	100,545

(Unit: ¥ million)

	FY2013 (As of September 30, 2013)	FY2014 (As of September 30, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	14,268	17,681
Notes and accounts payable-other	5,076	8,235
Short-term loans payable	—	30
Income tax payable	6,971	4,604
Other	3,545	5,778
Total current liabilities	29,861	36,329
Non-current liabilities		
Long-term loans payable	47	—
Accrued long service rewards for employees	267	344
Asset retirement obligation	658	695
Other	3	—
Total non-current liabilities	976	1,040
Total liabilities	30,837	37,369
Net assets		
Shareholders' equity		
Capital stock	7,203	7,203
Capital surplus	2,289	2,393
Retained earnings	37,439	44,745
Treasury stock	(1,933)	(1,522)
Total shareholders' equity	44,999	52,819
Other comprehensive income		
Valuation difference on available-for-sale securities	436	1,415
Foreign currency translation adjustments	157	301
Total other comprehensive income	594	1,717
Subscription rights to shares	152	199
Minority interests	4,840	8,439
Total net assets	50,587	63,175
Total liabilities and net assets	81,425	100,545

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

(Unit: ¥ million)

	FY2013 (Oct. 1, 2012 to Sep. 30, 2013)	FY2014 (Oct. 1, 2013 to Sep. 30, 2014)
Net sales	162,493	205,234
Cost of sales	104,907	133,891
Gross profit	57,585	71,342
Selling, general and administrative expenses	47,266	49,122
Operating income	10,318	22,220
Non-operating income		
Interest income	9	10
Equity in earnings of affiliates	18	—
Foreign exchange gains	205	68
Interest on refund	0	25
Other	136	44
Total non-operating income	371	149
Non-operating expenses		
Interest expenses	21	4
Loss on valuation of investment securities	8	31
Equity in losses of affiliates	—	100
Consumption tax adjustments	45	3
Other	43	41
Total non-operating expenses	119	181
Ordinary income	10,570	22,188
Extraordinary income		
Gain on sales of subsidiaries and affiliates' stocks	16,661	134
Gain on change in equity	2	168
Other	287	18
Total extraordinary gain	16,952	321
Extraordinary loss		
Impairment loss	3,835	1,932
Loss on change in equity	—	1,184
Loss on withdrawal from business	1,807	—
Other	906	914
Total extraordinary loss	6,549	4,032
Income before income taxes and minority interests	20,973	18,477
Income taxes-current	10,482	8,601
Income taxes-deferred	(873)	(527)
Total income tax	9,608	8,074
Income before minority interests	11,364	10,402
Minority interests in net income	860	846
Net income	10,504	9,556

Consolidated Statements of Comprehensive Income

(Unit: ¥ million)

	FY2013 (Oct. 1, 2012 to Sep. 30, 2013)	FY2014 (Oct. 1, 2013 to Sep. 30, 2014)
Income Before Minority Interests	11,364	10,402
Other Comprehensive Income		
Valuation difference on available-for-sale securities	58	1,069
Foreign currency translation adjustment	185	200
Share of other comprehensive income of associates accounted for using equity method	196	23
Total other comprehensive income	441	1,293
Comprehensive Income	11,806	11,696
(Comprehensive Income Attributable to)		
Owners of the parent	10,927	10,679
Minority interests	878	1,016

(3) Consolidated Statements of Changes in Shareholders' Equity
Previous consolidated fiscal year (Oct. 1, 2012 to Sep. 30, 2013)

(Unit: ¥ million)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	7,203	5,400	30,379	(1,388)	41,595
Changes of items during the period					
Dividends from surplus			(2,265)		(2,265)
Purchase of treasury stock				(4,999)	(4,999)
Cancellation of treasury stock		(4,305)		4,305	
Disposal of treasury stock		(9)		149	140
Transfer to capital surplus from retained earnings		1,203	(1,203)		
Change of scope of equity method			24		24
Net income			10,504		10,504
Net changes of items other than shareholders' equity					
Total changes of items during the period	－	(3,110)	7,060	(545)	3,404
Balance at the end of current period	7,203	2,289	37,439	(1,933)	44,999

	Accumulated other comprehensive income			Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sales securities	Foreign currency translation adjustments	Total other comprehensive income			
Balance at the beginning of current period	310	(138)	171	121	1,705	43,594
Changes of items during the period						
Dividends from surplus						(2,265)
Purchase of treasury stock						(4,999)
Cancellation of treasury stock						
Disposal of treasury stock						140
Transfer to capital surplus from retained earnings						
Change of scope of equity method						24
Net income						10,504
Net changes of items other than shareholders' equity	126	296	422	30	3,135	3,588
Total changes of items during the period	126	296	422	30	3,135	6,992
Balance at the end of current period	436	157	594	152	4,840	50,587

Current consolidated fiscal year (Oct. 1, 2013 to Sep. 30, 2014)

(Unit: ¥ million)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	7,203	2,289	37,439	(1,933)	44,999
Changes of items during the period					
Dividends from surplus			(2,180)		(2,180)
Disposal of treasury stock		103		410	513
Change of scope of equity method			(70)		(70)
Net income			9,556		9,556
Net changes of items other than shareholders' equity					
Total changes of items during the period	―	103	7,306	410	7,819
Balance at the end of current period	7,203	2,393	44,745	(1,522)	52,819

	Accumulated other comprehensive income			Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sales securities	Foreign currency translation adjustments	Total other comprehensive income			
Balance at the beginning of current period	436	157	594	152	4,840	50,587
Changes of items during the period						
Dividends from surplus						(2,180)
Disposal of treasury stock						513
Change of scope of equity method						(70)
Net income						9,556
Net changes of items other than shareholders' equity	979	144	1,123	46	3,598	4,768
Total changes of items during the period	979	144	1,123	46	3,598	12,588
Balance at the end of current period	1,415	301	1,717	199	8,439	63,175

(4) Consolidated Statements of Cash Flows

(Unit: ¥ million)

	FY2013 (Oct. 1, 2012 to Sep. 30, 2013)	FY2014 (Oct. 1, 2013 to Sep. 30, 2014)
Cash flow from operating activities		
Income before income taxes and minority interests	20,973	18,477
Depreciation	4,276	4,447
Amortization of goodwill	418	398
Impairment loss	3,835	1,932
Loss (gain) on sales of stocks of subsidiaries and affiliates	(16,606)	53
Loss (gain) on change in equity	(2)	1,015
Loss on withdrawal from business	1,807	—
Decrease (increase) in notes and accounts receivable-trade	(1,710)	(6,116)
Decrease (increase) in investment securities for sale	(1,735)	(2,212)
Decrease (increase) in margin requirement for foreign exchange transactions	1,549	—
Net decrease (increase) in outstanding amount of foreign exchange transactions	208	—
Increase (decrease) in notes and accounts payable-trade	2,133	3,023
Increase (decrease) in accounts payable-other	(1,410)	1,375
Increase (decrease) in accrued consumption taxes	(76)	1,946
Other, net	(965)	1,563
Sub-total	12,695	25,904
Interest and dividends income received	9	2
Interest expenses paid	(21)	(3)
Income taxes paid	(7,703)	(10,880)
Net cash provided by (used in) operating activities	4,980	15,024
Cash flow from investing activities		
Payments into time deposits	(600)	—
Proceeds from withdrawal of time deposits	75	—
Purchase of property, plant and equipment	(2,273)	(2,944)
Purchase of intangible assets	(6,693)	(7,919)
Proceeds from sales of stocks of subsidiaries and affiliates	7,065	161
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	13,647	—
Other, net	(383)	(755)
Net cash used in investing activities	10,837	(11,457)
Cash flow from financing activities		
Net increase (decrease) in short-term loans payable	(220)	30
Repayment of long-term loans payable	(1,003)	(364)
Redemption of bonds	(200)	(100)
Proceeds from stock issuance to minority interests	1,518	1,456
Purchase of treasury stock	(5,004)	—
Proceeds from disposal of treasury stock	95	475
Cash dividends paid	(2,263)	(2,180)
Other, net	(4)	(83)
Net cash provided by (used in) financing activities	(7,081)	(765)
Effect of exchange rate change on cash and cash equivalents	464	190
Net increase (decrease) in cash and cash equivalents	9,200	2,990
Cash and cash equivalents at beginning of period	19,248	28,448
Cash and cash equivalents at end of period	28,448	31,439

(5) Notes to Consolidated Financial Statements

(Notes Regarding the Premise of a Going Concern)

No applicable items.

(Important Items Forming Basis for Creation of Consolidated Financial Statement)

1 Items related to the scope of consolidation

(1) Number of consolidated subsidiaries: 56

Major consolidated subsidiaries

Cygames, Inc.
Sumzap, Inc.
Applibot, Inc.
CA MOBILE, LTD.
CyberZ, Inc.
CA Reward, Inc.
MicroAd, Inc.
CyberAgent Ventures, Inc.

For App2go, Inc., Matching Agent, Inc., Playmotion, Inc., Complesso, Inc., Craft Egg, Inc., WAVEST, Inc., BlazeGames, Inc., Shibuya Clip Create, Inc., STRIDE, Inc., koebu, Inc., the CA Startups Internet Fund 2, L.P. and 3 other companies, they were included in the scope of consolidation due to being newly established during this consolidated fiscal year, while RightSegment, Inc. and Tiphereth inc.. were included due to shares being acquired.

For Pitapat, Inc., AMoAd International, Inc., CA Drive, Inc., CA Beat, Inc., Cyber Agent CA-I Investment Limited Partnership and 4 other companies were not included in the scope of consolidation due to being dissolved or similar during this consolidated fiscal year.

(2) Name of major nonconsolidated subsidiaries

MicroAd Asia Holdings Ltd.

All the nonconsolidated subsidiaries are excluded from the scope of consolidation because of their small scale and because of little impact of their total net assets, sales, current term net profit and loss (worth of shareholding ratios), and accumulated earnings (worth of shareholding ratios) on the consolidated financial statement.

2 Items related to the application of equity method

(1) Number of affiliated companies to which an equity method is applied: 4

Name of major companies:

Netprice.com Ltd.*

For Ceres inc., since its importance decreased it was removed from the scope of the application of equity method for this consolidated fiscal year.

(Note) As of October 1, 2014, Netprice.com Ltd.’s name changed to BEENOS, Inc.

(2) Nonconsolidated subsidiaries and affiliates to which equity method is not applied/ Name of major companies:

MicroAd Asia Holdings Ltd.

All the nonconsolidated subsidiaries and affiliates, to which the equity method is not applied, are excluded from the scope of the application of the equity method because of little impact of their current term net profit and loss (worth of shareholding ratios) and accumulated earnings (worth of shareholding rations) on the consolidated financial statement—even if they are excluded—and because of their relatively small significance for the whole picture.

(3) Name of companies that are not categorized as our affiliates despite our ownership of voting rights of more than 20/100 but less than 50/100 (our calculation):

Mind Palette Co. Ltd. , etc.

Reasons:

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

(Changes of Accounting Methods that are Difficult to Distinguish from the Changes of Accounting Estimate)

(Changes to Depreciation Methods for Property, Plant, and Equipment)

With the creation of a private cloud progressing in earnest, the Group has determined that due to stable use for the service life of server network devices and office equipment being expected, application of the straight-line method would be a more logical method to reflect business realities, and so changed from the declining balance method.

With this change, in comparison to the previously used method, the operating income, ordinary income and income before income taxes for this consolidated fiscal year all increase by 865 million yen.

(Change to Indication Methods)

(Consolidated Statements of Income)

The “Interest on refund” which was included in “Other” under the “Non-operating income” in the previous consolidated FY is separately stated in the current consolidated FY, because it exceeded 10% of the total amount of Non-operating income.

Furthermore, the “Gain on valuation of investment securities” which was stated under the “Non-operating income” in the previous consolidated FY is incorporated into “Other” in the current consolidated FY, because it became smaller than 10% of the total amount of Non-operating income. In order to reflect these changes, we rearranged the Consolidated Financial Statements of the previous consolidated FY.

As a result, 98 million yen in “Other” under the “Non-operating income” is separated as 0 million yen in “Interest on refund” and 97 million yen in “Other”, and 39 million yen under the “Gain on valuation of investment securities” is included in “Other” in the current consolidated FY.

The “Loss on valuation of investment securities” which was included in “Other” under the “Non-operating expenses” in the previous consolidated FY is separately stated in the current consolidated FY, because it exceeded 10% of the total amount of non-operating expenses. In order to reflect this change, we rearranged the Consolidated Financial Statements of the previous consolidated FY.

As a result, 51 million yen in “Other” under the “Non-operating expenses” is separated as 8 million yen in the “Loss on valuation of investment securities” and 43 million yen in “Other”.

The “Gain on change in equity” which was included in “Other” under the “Extraordinary income” in the previous consolidated FY is separately stated in the current consolidated FY, because it exceeded 10% of the total amount of Extraordinary income. In order to reflect this change, we rearranged the Consolidated Financial Statements of the previous consolidated FY.

As a result, 290 million yen in “Other” under the “Extraordinary income” is separated as 2 million yen in the “Gain on change in equity” and 287 million yen in “Other”.

(Consolidated Statements of Cash Flows)

The “Loss (gain) on change in equity” which was included in “Other” under the “Cash flow from operating activities” in the previous consolidated FY is stated separately in the current consolidated FY because its importance has increased. In order to reflect this change, we rearranged the Consolidated Financial Statements of the previous consolidated FY.

As a result, -968 million yen in “Other” under the “Cash flow from operating activities” is separated as -2 million yen in the “Loss (gain) on change in equity” and -965 million yen in “Other”.

(Segment Information)

a. Segment Information

1. Overview of Reporting Segments

The Company's reporting segments are possible to separately acquire financial information among the Company's structural units, and are subject to reviews that are carried out periodically to make a decision on allocations of management resources and to evaluate performance by the board of directors.

The Company has business headquarters and subsidiaries for each product and service, and each business headquarters and subsidiary develops business activities both within Japan and overseas, with the aim of improving services and increasing sales and profit.

Therefore, the Company is comprised of service-specific segments that are based on business headquarters and subsidiaries. We have four reporting segments: "Ameba business," "Game and Other Media Businesses," "Internet advertisement business," and "Investment development business."

From the first quarter of this consolidated fiscal year, in association with business restructuring within the Group as well as the changes of business category of our affiliates, we changed the categorization of reporting segment as follows to fit the actual situation of our business.

(1) We transferred a part of the businesses from "Ameba business" to "SAP and Other media businesses" and "Internet advertisement business".

(2) We transferred a part of the businesses from "SAP and Other media businesses" to "Internet advertisement business" and "Investment development business".

From the second quarter of this consolidated fiscal year, "SAP and Other Media Businesses" was renamed to "Game and Other Media Businesses" for intelligibility reasons.

As for the segment information for the previous consolidated fiscal year, the figures are based on the new segment category.

Services provided by each segment are summarized below:

Reporting Segment	Details of Services Belonging to the Segment
Ameba business	Ameba, AmoAd, etc.
Game and Other Media Businesses	Game business, operation of smartphone and PC media, etc.
Internet advertisement business	Advertising business, Ad technology business, etc.
Investment development business	Corporate venture capital business, fund operation, etc.

2. Method for calculating sales, profit/loss, assets, and liabilities, etc. for each segment

The profit for each segment is based on operating income. Internal rate of return and transfer to other accounts among segments are based on prevailing market rates.

As of first quarter of this consolidated fiscal year, in order to more accurately reflect the reporting by segment of business results, the allocation method for management costs has been changed to a logical allocation standard based on the business of each segment.

Also, the "Information concerning monetary amounts for net sales, income/loss, assets and liabilities for each reporting segment" for the previous consolidated fiscal year is made using the measurement method for income or loss after the change.

3. Information concerning monetary amounts for net sales, income/loss, assets and liabilities for each reporting segment

Previous consolidated fiscal year (Oct. 1, 2012 to Sep. 30, 2013)

(Unit: ¥ million)

	Reporting Segment						Adjustment Amount*1, *2	Consolidated balance sheet amount*3
	Ameba business	Game and Other Media Businesses	Internet advertisement business	Investment development business	FX	Subtotal		
Sales								
(1) Sales to external customers	21,296	58,845	77,634	1,801	2,916	162,493	―	162,493
(2) Inter-segment sales	6,263	1,224	4,631	―	―	12,119	(12,119)	―
Total	27,560	60,069	82,265	1,801	2,916	174,612	(12,119)	162,493
Segment income (loss)	(8,250)	8,465	8,285	700	1,686	10,887	(568)	10,318
Segment assets	10,422	30,751	16,244	7,405	―	64,823	16,601	81,425
Other items								
Depreciation	2,216	1,141	571	2	111	4,042	233	4,276
Increase/decrease in Current /Non-current assets	4,235	3,933	1,146	9	80	9,407	55	9,463

(Note)1. The adjustment amount of -568 million yen under segment income is the cost for the entire Company. It is mainly the general and administrative expense that does not belong to the reporting segment.
2. The adjustment amount of 16,601 million yen under segment assets is the assets for the entire Company. It is mainly cash and deposits, investment securities, and assets of administration department.
3. The segment income is adjusted with the operating income in the consolidated quarterly statement of income.

Current consolidated fiscal year (Oct. 1, 2013 to Sep. 30, 2014)

(Unit: ¥ million)

	Reporting Segment					Adjustment Amount*1, *2	Consolidated balance sheet amount*3
	Ameba business	Game and Other Media Businesses	Internet advertisement business	Investment development business	Subtotal		
Sales							
(1) Sales to external customers	30,139	63,746	107,028	4,320	205,234	―	205,234
(2) Inter-segment sales	8,462	1,649	5,719	26	15,857	(15,857)	―
Total	38,602	65,395	112,747	4,346	221,091	(15,857)	205,234
Segment income (loss)	2,435	8,795	8,897	2,783	22,912	(692)	22,220
Segment assets	12,634	40,339	22,713	11,740	87,428	13,117	100,545
Other items							
Depreciation	1,862	1,526	749	4	4,143	304	4,447
Increase/decrease in Current /Non-current assets	3,594	4,983	1,771	29	10,378	485	10,863

(Note)1. The adjustment amount of -692 million yen under segment income is the cost for the entire Company. It is mainly the general and administrative expense that does not belong to the reporting segment.
2. The adjustment amount of 13,117 million yen under segment assets is the assets for the entire Company. It is mainly cash and deposits, investment securities, and assets of administration department.
3. The segment income is adjusted with the operating income in the consolidated quarterly statement of income.

4. The FX business was sold in the previous consolidated fiscal year, and we do not have the business anymore.

5. As described in “Notes to Consolidated Financial Statements (Changes of Accounting Methods that are Difficult to Distinguish from the Changes of Accounting Estimate)”, we changed our depreciation method from declining-balance method to straight-line method from the first quarter of this consolidated fiscal year.
The impact of this change on income and loss of each reporting segment during this consolidated fiscal year is as follows.

Ameba business	509 million yen
Game and Other Media Businesses	107 million yen
Internet advertisement business	180 million yen
Investment development business	3 million yen
Adjustment	64 million yen
Total	865 million yen

b. Related information

Previous consolidated fiscal year (Oct. 1, 2012 to Sep. 30, 2013)

1. Information on each product and each service

The description is omitted, because the same information is included in the segment information.

2. Information on each region

(1) Sales

The description is omitted, because the sales toward the customers outside Japan exceeded 90% of the sales in the consolidated profit-and-loss statement.

(2) Property, plant and equipment

The description is omitted, because the amount of property, plant, and equipment located inside Japan exceeded 90% of the amount of property, plant, and equipment in the consolidated balance sheet.

3. Information on each major client

The description is omitted, because there are no clients that account for over 10% of sales in the consolidated profit-and-loss statement for the sales toward foreign customers.

Current consolidated fiscal year (Oct. 1, 2013 to Sep. 30, 2014)

1. Information on each product and each service

The description is omitted, because the same information is included in the segment information.

2. Information on each region

(1) Sales

The description is omitted, because the sales toward the customers outside Japan exceeded 90% of the sales in the consolidated profit-and-loss statement.

(2) Property, plant and equipment

The description is omitted, because the amount of property, plant, and equipment located inside Japan exceeded 90% of the amount of property, plant, and equipment in the consolidated balance sheet.

3. Information on each major client

The description is omitted, because there are no clients that account for over 10% of sales in the consolidated profit-and-loss statement for the sales.

c. Significant impairment loss for non-current assets

Previous consolidated fiscal year (Oct. 1, 2012 to Sep. 30, 2013) (Unit: ¥ million)

	Reporting Segment						Company-wide/ Deletion	Total
	Ameba business	Game and Other Media Businesses	Internet advertisement business	Investment development business	FX	Subtotal		
Impairment loss	1,239	2,582	14	—	—	3,835	—	3,835

Current consolidated fiscal year (Oct. 1, 2013 to Sep. 30, 2014) (Unit: ¥ million)

	Reporting Segment					Company-wide/ Deletion	Total
	Ameba business	Game and Other Media Businesses	Internet advertisement business	Investment development business	Subtotal		
Impairment loss	748	993	190	—	1,932	—	1,932

d. Significant changes in amount of goodwill and the information on unamortized balance

Previous consolidated fiscal year (Oct. 1, 2012 to Sep. 30, 2013) (Unit: ¥ million)

	Reporting Segment						Company-wide/ Deletion	Total
	Ameba business	Game and Other Media Businesses	Internet advertisement business	Investment development business	FX	Subtotal		
Amortization amount for the current term	—	403	14	—	—	418	—	418
Balance at the end of the current term	—	2,780	32	—	—	2,812	—	2,812

Current consolidated fiscal year (Oct. 1, 2013 to Sep. 30, 2014) (Unit: ¥ million)

	Reporting Segment					Company-wide/ Deletion	Total
	Ameba business	Game and Other Media Businesses	Internet advertisement business	Investment development business	Subtotal		
Amortization amount for the current term	—	378	19	—	398	—	398
Balance at the end of the current term	—	3,294	441	—	3,735	—	3,735

e. Significant gains on negative goodwill

Previous consolidated fiscal year (Oct. 1, 2012 to Sep. 30, 2013)

There are no applicable items.

Current consolidated fiscal year (Oct. 1, 2013 to Sep. 30, 2014)

There are no applicable items.

(Information on value per share)

	FY2013 (Oct. 1, 2012 to Sep. 30, 2013)	FY2014 (Oct. 1, 2013 to Sep. 30, 2014)
Net asset per share	731.86 yen	872.69 yen
Net profit per share for the current term	166.41 yen	153.07 yen
Current term net profit per share fully diluted	166.39 yen	152.50 yen

(Note 1) The Company conducted a 1:100 stock split of common stocks as of October 1, 2013. The ”Net Asset per share”, “Net income per share” and “Diluted net income per share” are calculated assuming that the said stock split was conducted at the beginning of the previous consolidated FY.

(Note 2) The base for calculating current term net profit per share and its fully diluted value is as follows.

	FY2013 (Oct. 1, 2012 to Sep. 30, 2013)	FY2014 (Oct. 1, 2013 to Sep. 30, 2014)
Net profit per share for the current term		
Net profit for the current term (¥ million)	10,504	9,556
Amount which is not attributable to common shareholders (¥ million)	—	—
Current term net profit for common shares (¥ million)	10,504	9,556
Average number of common shares during period (shares)	63,122,430	62,429,671
Current term net profit per share fully diluted		
Current term net profit adjustment (¥ million)	—	—
Increase in common shares (share warrant) (shares)	8,138 (8,138)	233,177 (233,177)
Brief description of residual shares excluded from current term net profit per share fully diluted, because it does not have the dilutive effect	Share warrant for common shares 870,700 shares	

(Important Subsequent Events)

No applicable items.

5. Other

Executive Turnover

(1) President Turnover

No applicable items.

(2) Other Executive Turnover

・New director candidates

Director So Miyazaki (Current Title : Community Business Div. Manager)

Director Hiroki Urabe (Current Title : Entertainment Business Div. Manager)

・Exiting directors (October 3, 2014)

Director Tetsuhito Soyama

Director Takahito Naito

(3) Planned Date for Appointment of New Directors

December 12, 2014

(Reference)

New Management Organization

Position	President	Vice President	Executive Managing Director	Managing Director	Managing Director	Director	Director	Director
Name	Susumu Fujita	Yusuke Hidaka	Yasuo Okamoto	Go Nakayama	Masahide Koike	Takahiro Yamauchi	So Miyazaki	Hiroki Urabe

Old Management Organization

Position	President	Vice President	Managing Director	Managing Director	Director	Director	Director	Director
Name	Susumu Fujita	Yusuke Hidaka	Go Nakayama	Yasuo Okamoto	Tetsuhito Soyama	Takahito Naito	Masahide Koike	Takahiro Yamauchi