

November 6, 2014

For Immediate Release

CyberAgent, Inc (Stock Code: 4751)

Susumu Fujita, President

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Publication/IR Division

**Announcement of Basic Agreement on Capital and Business
Alliance with Avex Group Holdings, Inc.**

At the board of directors' meeting held today, the Company decided on a basic agreement for a capital and business alliance with Avex Group Holdings, Inc. (AGHD).

1. Reason for Capital and Business Alliance

In addition to the Company's existing Ameba business, Internet advertisement business, and game business, the new growth market of the entertainment business will be strengthened to create a 4th pillar. One measure to strengthen the business will be, as described in the Announcement of Establishment of New Company for Music Streaming Service released today, establishing a new company to create a new music service taking advantage of the operating resources possessed by both Company Groups, including the smartphone service development and operating capacity of the Company and the experience of the Avex Group in music services. The decision was made to establish a jointly funded company for this purpose.

In addition to the establishment of the joint company, a basic agreement was reached today with AGHD on a capital alliance to build further trust between the two companies and support the new service of the joint company.

2. Details of Capital and Business Alliance

(1) Details of Capital Alliance

In order to strengthen trust between the Company and AGHD, and promote business of the jointly funded company, the Company has agreed to acquire shares of AGHD. The acquisition method and number of shares has yet to be determined, but once decided these will be announced. There are no plans for AGHD to issue new shares for this acquisition.

(2) Details of Business Alliance

A joint company will be established with joint funding from the Company and AGHD's wholly-owned subsidiary Avex Digital, Inc. to develop and operate a new subscription-based (flat-rate) music streaming service (hereinafter referred to as "this service"). Specifically, the Company will cooperate in developing and operating applications for this service, while the Avex Group will cooperate in increasing the number of songs for streaming with this service.

3. Overview of Capital and Business Alliance Partner

(as of March 31, 2014)

①	Name	Avex Group Holdings, Inc.		
②	Head Office Location	1-6-1 Roppongi, Minato-ku, Tokyo		
③	Representative Title and Name	Representative Director, CEO Masato Matsuura		
④	Nature of Business	Music business, video business, management/concert business, other business		
⑤	Capital Funds	¥4,229 million		
⑥	Establishment Date	April 11, 1998		
⑦	Shares Issued	45,000,000		
⑧	End Date of Business Year	March 31		
⑨	Employees	1,423		
⑩	Main Clients	NTT DOCOMO, INC.		
⑪	Main Financing Banks	Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Resona Bank, Shinsei Bank		
⑫	Major Shareholders and Stock Ownership Ratio	T's Capital Co., Ltd.	4.57%	
		Max 2000, Inc.	4.55%	
		Japan Trustee Services Bank, Ltd. (Account in trust)	3.56%	
		Toshio Kobayashi	2.99%	
		The Master Trust Bank of Japan (Account in trust)	2.60%	
		Masato Matsuura	2.35%	
		Daiichikosho Co., Ltd.	2.26%	
		State Street Bank and Trust Company 505223	2.06%	
		Chase Manhattan Bank GTS Clients Account Escrow	1.99%	
	JP Morgan Chase Bank 380072	1.91%		
⑬	Involvement between Companies	Capital Involvement	There is nothing applicable	
		Personnel Involvement	There is nothing applicable	
		Transactions	Transactions have been made with the Company's Ameba business	
		Relevant Situations	There is nothing applicable	
⑭ Operating Results and Financial Condition for the Past 3 Years				
(Unit: million yen)		Fiscal year ended March 2012	Fiscal year ended March 2013	Fiscal year ended March 2014
Consolidated Net Assets		36,932	48,878	53,347
Consolidated Total Assets		99,258	108,756	114,390
Consolidated Net Assets per Share (¥)		821.97	1,059.45	1,150.22
Consolidated Sales		121,027	138,764	156,935
Consolidated Operating Income		12,263	14,029	10,427
Consolidated Ordinary Income		10,531	13,111	11,310
Consolidated Net Income		4,934	7,322	6,791
Consolidated Net Income per Share (¥)		115.06	172.69	161.51
Dividends per Share (¥)		40.00	55.00	60.00

4. Schedule

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| (1) | Board of Directors' Decision | November 6, 2014 |
| (2) | Basic Agreement on Capital and Business Alliance | November 6, 2014 |
| (3) | Signing of Capital and Business Alliance Contract | During November 2014 (tentative) |

5. Future Forecast

This agreement will only have a minimal effect on the Company's consolidated business result forecast for the fiscal year ending September 2015.

■ Company Overview

Company Name	CyberAgent, Inc. https://www.cyberagent.co.jp/
Location	1-12-1 Dogenzaka, Shibuya-ku, Tokyo
Established	March 18, 1998
Capital	¥7,203 million (As of September 30, 2014)
Representative	Susumu Fujita, President
Nature of Business	Ameba Business, Internet Advertisement Business, Game Business, Media and Other Businesses, Investment Development Business

Inquiries regarding the release

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