

# CyberAgent

# Way

# 2018

CyberAgent, Inc.

TSE4751

Integrated Report

---

December, 2018

## Vision

**To create the 21st century's leading company**

# Mission Statement

Focus on Internet growth markets.

Seize opportunities to enter adjacent markets.

Always keep things FRESH!

Build teams that emphasize character over talent.

Commit ourselves fully to recruitment.

Build an organization that encourages success at all levels; eliminate seniority.

Eliminate the disadvantages of scale.

Be honest when you need help; work together to make things better.

Create an environment that attracts talented, loyal employees.

Holds ourselves to consistently high standards in obeying the law.

Remember that hubris leads to failure.

Risk takers deserve second chances.

Compete creatively.

Always remember that we are Team CyberAgent.

Become a global company by developing Internet services for the world.

# President Message

## To all stakeholders

Thank you for your continued support of CyberAgent.

Since our founding in 1998, we at CyberAgent have followed our vision “to create the 21st century's leading company” by continuing to expand business in the rapidly evolving internet industry.

By succeeding in a variety of unique efforts to develop 'business' alongside 'talent', we have again achieved record high consolidated sales in FY 2018, our 21st year in business.

With the increasing importance of sustainability, we have also been simultaneously focusing efforts on a variety of CSR efforts through initiatives that include job creation, providing services with social value, promoting development of future technicians and engineers that will ensure our global competitiveness, and supporting sports activities. We are dedicated to continue expanding business, creating social value, and striving to achieve the kind of sustainable management that will lead us to a new stage of growth.



# Contents

<b>Special Feature</b>	<b>Our Framework for Realizing Sustainable Growth</b> .....	05
	For Business .....	06
	For Human Resources .....	10
<b>01</b>	<b>Growth Strategy and Competitive Advantages</b> .....	14
<b>02</b>	<b>CyberAgent by the Numbers</b> .....	31
<b>03</b>	<b>ESG</b> .....	40
	Corporate Governance .....	44
	CSR (Corporate Social Responsibility) .....	59
	Our commitment to environment .....	68
<b>04</b>	<b>Company Overview</b> .....	70

## Special Feature

---

CyberAgent is dedicated to continue expanding its business by emphasizing sustainable management, creating new business, developing human resources, and implementing strategies that contribute to technological development.

---

# Our Framework for Realizing Sustainable Growth



### Our Framework for Realizing Sustainable Growth

## For Business

CyberAgent has launched numerous new businesses attuned to changes in the market environment, and has remained continuously engaged in self-driven growth without relying on mergers and acquisitions. Our focus is not limited to simply growing new businesses, we have also established clear rules on when to withdraw them. In doing so, we aim to create an environment in which people are unafraid to take on meaningful challenges.



# A Framework for Generating New Business

## Ashita Kaigi (Meeting for Tomorrow)

"Ashita Kaigi" is a meeting (=kaigi) led by the management team, in which new business initiatives and solutions that could improve CyberAgent's future (=ashita) are proposed and decided upon.

Twice a year, groups are formed with business managers selected by each director, persons with certain specializations, etc., to compete through proposal presentations which are then ranked according to score.

Since 2016 to date, Ashita Kaigi has resulted in the establishment of 27 new subsidiaries.

Additionally, companies created by Ashita Kaigi have generated sales of 200 billion yen and an operating profit of 30 billion yen (as of September, 2018), demonstrating a contribution it makes to expanding the business.



▲ Ashita Kaigi (Meeting for Tomorrow)





# A Framework for Generating New Business

## Startup JJJ

Startup JJJ is a training program whose name is derived from the Japanese words for new business ("Jigyo"), personnel ("Jinzai"), and market value ("Jikasougaku"). Generally targeting start-up businesses that have not achieved profitability within two years of being launched, market value is based on the idea that we want them to become number one in their market, or to become a project with meaningful impact to CyberAgent.

In Startup JJJ, businesses are ranked by market value and efforts are directed towards achieving growth. Under clearly established criteria for withdrawal, a business is discontinued if it exhibits no growth for six consecutive quarters or is unable to demonstrate competitive advantage. In October 2018, we also established a Group Management Planning Office to support business expansion via business tie-ups and stimulate swift and consistent business growth.

## Start-up Challenge (New Business Plan Contest)

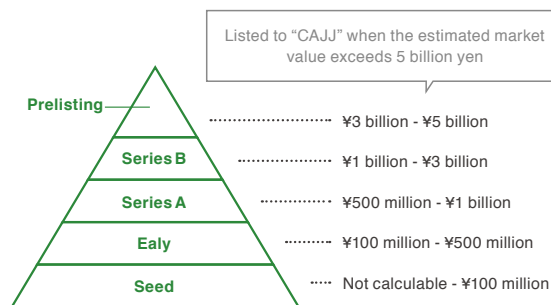
Start-up Challenge is a new business plan contest for employees and potential recruits. Presentations are made to the management team, and if decided upon, the business proposal is developed into an actual business. This is one of the initiatives we use to create new businesses that epitomize the uniqueness of CyberAgent.



Startup JJJ Awards Ceremony

### Evaluation criteria to increase the business value

Rank start-up businesses by the estimated market value



Note: A business may be discontinued if the seed period continues for six consecutive quarters (18 months), or if gross profit declines for three consecutive quarters.



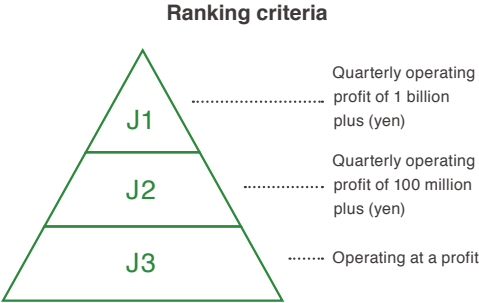
Support by Group Management Planning Office

# Business Management System and Withdrawal Criteria

## CAJJ program

This training program derives its name from CyberAgent plus Japanese words for business ("Jigyo") and personnel ("Jinzai").

Businesses are ranked by level of operating income and efforts are directed towards achieving growth. Under clearly established criteria for withdrawal, if the business posts a revenue and earnings decline for two consecutive quarters, the business is either discontinued or the general manager is replaced. Meetings are also held once a month with all subsidiaries and businesses associated with the CAJJ program to promote competition and collaboration, such as by boosting intra-group synergies and horizontally deploying risk management.



Withdrawal criteria: Withdraw if income and profit decrease for two consecutive quarters



CAJJ Program Conference

## Our Framework for Realizing Sustainable Growth

# For Human Resources

Since CyberAgent's founding, we have recognized our people as valuable assets, thereby placing the highest value on hiring, training, motivating, and assigning people where they can best maximize their abilities.

Doing business on the internet does not require major capital investment. Here, it is the talented people that provide a company's competitive edge, and we feel that when each staff member is motivated to take on challenges, this becomes a great source of both business growth and improved profitability.



Speech of the winners at the group conference held once every six months

# Human Resource Development for Management Positions

We have introduced a variety of initiatives for our younger members in order to promote management position training as early as possible. Through 'handpicked personnel' appointed to serve as the subsidiary's president as well as the YMCA (an organization for engaging younger staff in their 20s), which is useful in developing candidates for the next generation of managers, we have committed efforts to increase contact between capable personnel and management to forge the next generation of our management team.

## YMCA

YMCA is an organization that supports and encourages young persons in their 20s. By implementing young-staff versions of Ashita Kaigi and General Meetings, CyberAgent is dedicated to promoting 20-something staff members' communication beyond departmental boundaries and encouraging them to make proposals to management

\* "Ashita Kaigi": See page 7






## New-graduate Presidents

We put employees who are at an early stage in charge of subsidiaries as "New-graduate Presidents." A total of 50 new-graduate presidents were selected until now. Supporting highly motivated young employees and giving them opportunities to demonstrate their ability drives our sustainable growth.



▲ "Ashita Kaigi (Meeting for Tomorrow)" at YMCA

## New-graduate presidents who is succeeding to expand their businesses

President	 Takahiro Yamauchi	 Shigeaki Kuwada	 Takehiro Goda	 Tomohiro Ueno	 Ryotaro Nakayama
Years of service at the appointment	4	8	2	4	8
Company	CyberZ, Inc.	Sumzap, Inc.	MatchingAgent, Inc.	CA Tech Kids, Inc.	Makuake, Inc.
Main Business	Mobile (smartphone) marketing	Mobile game "Sengoku Enbu -KIZNA-"	An online dating app "Tapple" connecting people by their interests.	Programming school for elementary school students	Crowdfunding platform "Makuake"

# Technology Improvement

---

CyberAgent has established dedicated organizations for conducting research in areas such as data analysis, data mining, and AI utilization. By providing ideal research facilities, proactively the sharing technical knowledge we have built up in several business areas, and promoting cross-departmental and cross-occupational exchange between engineers, we are committed to further boosting technical capabilities and business growth.

## Battle Conference U30

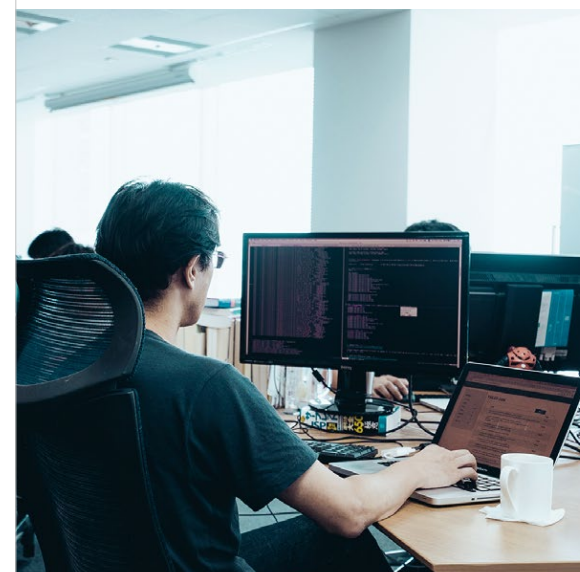
Battle Conference U30 is a tech conference for bright young engineers under 30 years old who work at various web companies. It features a Talk Battle and Programming Contest for them to share technical knowledge and improve their abilities. This annual conference also functions as a communication hub for the young engineers where they can meet and interact with others outside their department or company.



Battle Conference U30

## Akihabara Lab

Akihabara Lab is an R&D organization with engineers who specialize in large-scale data processing, data analysis, and machine learning. It was established for the purpose of contributing to media services and company development by practically applying the data obtained from CyberAgent's media services.



Akihabara Lab

## CA BASE CAMP

CA BASE CAMP is a conference designed to strengthen CyberAgent's technical capabilities as a team by promoting the sharing and exchange of know-how among engineers and creators across the company.



△ CA BASE CAMP

## AI Lab

AI Lab was established with the goal of conducting R&D on advertising delivery technology that utilizes artificial intelligence (AI). The lab includes researchers who specialize in machine learning, econometrics, computer-vision, natural language processing, HAI/HRI and more, and who are deeply engaged in defining and resolving the wide range of issues surrounding ads.



△ AI Lab office

## Academia-Industry Cooperation

We are working with several universities and research institutions to study the latest technologies including artificial intelligence (AI). By applying research results from these efforts to various services, such as ad technology and new advertising methods, we are striving to develop high value-added products.



△ Engineers engaged in R&D through Academia-Industry Cooperation

# 01

---

Introducing results from our three leading businesses, namely our Internet Advertisement, Game and Media businesses, as well as our mid-to-long term growth strategy. We also feature some new businesses that have excellent potential for high future growth such as esports and dating service.

---

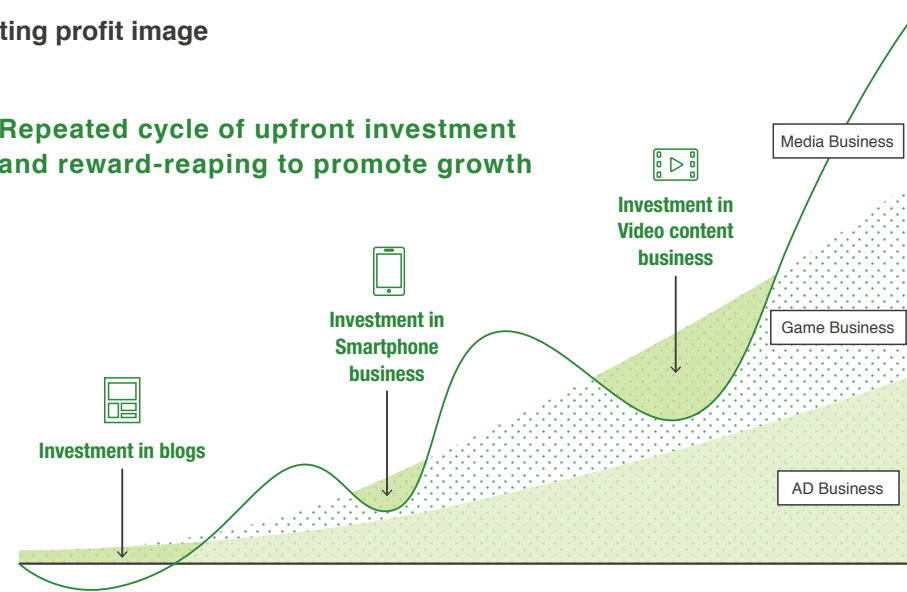
## **Growth Strategy and Competitive Advantages**

# Growth Strategy and Track Record

20 years after its founding, CyberAgent is still achieving sustainable business expansion as a result of identifying growth industries and making two major upfront investments in the past. Now that watching videos through smart devices has become a way of life for the younger generation, CyberAgent is making its third upfront investment in internet TV station "AbemaTV" as a pillar of its medium to long-term strategy.

## Operating profit image

Repeated cycle of upfront investment and reward-reaping to promote growth



## Two Major Upfront Investments in the Past



### Investment in Blog Business in 2004

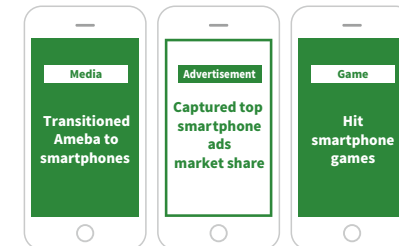
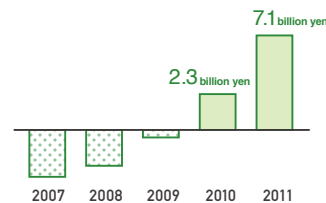
With CyberAgent's advertising business smoothly on track, we turned our focus towards setting up a blog to improve profitability. By 2009, it had become one of the largest blogging services in Japan, achieving profitability by 2010.



### The Shift to Smartphone Business in 2013

We shifted significant personnel and management resources to smartphone business. By pursuing Ameba, ads, and games for smartphones, by 2015, 80% of our consolidated sales had shifted to smartphone business.

## Ameba Business Operating Profit





## Business Activities and Market Advantages

We develop business based on a three-pillar business portfolio centered on internet industries.



**Internet AD  
Business**



**Game  
Business**

© Cygames, Inc.



**Media  
Business**

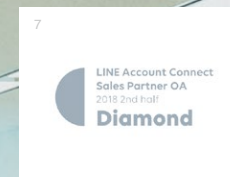
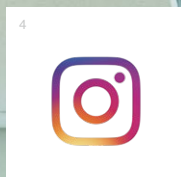
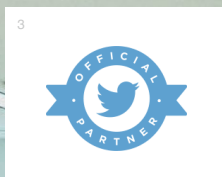
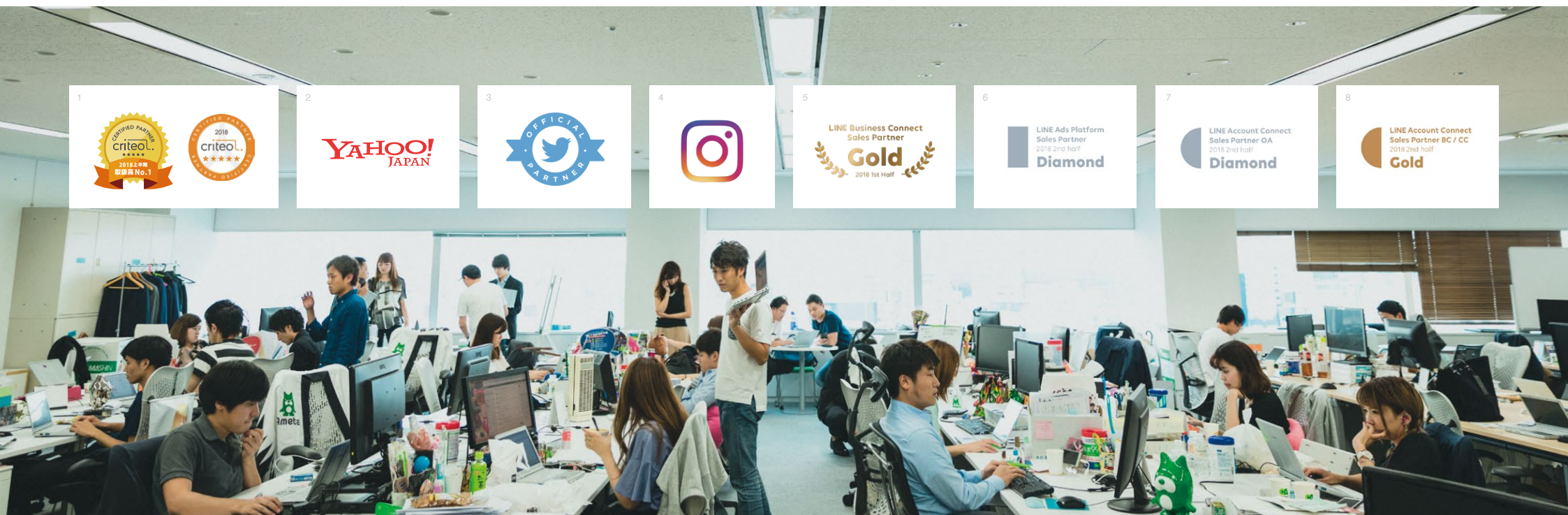
AbemaTV 12:30  
news/  
583.2k  
最新ニュース&話題、速報も随時配信  
64.9k  
ビデオをみる  
© AbemaTV

## Business Activities and Market Advantage

# Internet Advertisement Business

Since its launch in 1998, CyberAgent has been expanding its internet ad business, and already boasts the top market share in Japan.

Leveraging its strengths in maximizing advertising effectiveness, CyberAgent delivers comprehensive solutions that include advertising business as well as AdTech business. It has been receiving high recognition from media companies.



- 1 Criteo Under Criteo's Star Partner Certification Program, CyberAgent has received five-star ratings for six consecutive terms.
- 2 Yahoo! Japan Received Display Ad Award at 2018 Yahoo! JAPAN Agency Conference.
- 3 Twitter Japan Gold Award, Area Award (West Japan), Map Award at #TwitterAgencySummit.
- 4 Facebook Under Instagram Partner Program, CyberAgent has certified as partner company in Ad Technology.

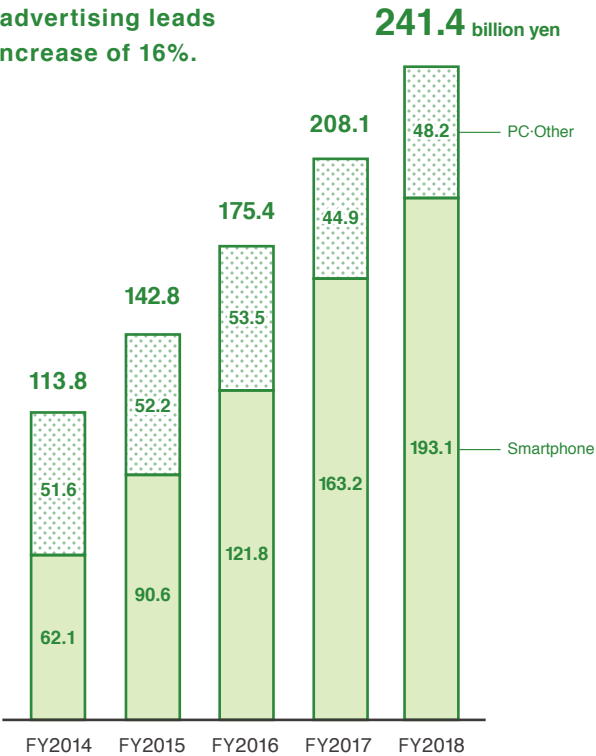
- 5 LINE Corporation Under LINE Biz-Solutions Partner Program, CyberAgent has certified as Gold ranked Sales Partner at LINE Biz Account.
- 6 LINE Corporation Under LINE Biz-Solutions Partner Program, CyberAgent has certified as Diamond ranked Sales Partner at LINE Ads Platform for two consecutive years.
- 7 LINE Corporation Under LINE Biz-Solutions Partner Program, CyberAgent has awarded as Diamond ranked Official Account at LINE Account Connect
- 8 LINE Corporation Under LINE Biz-Solutions Partner Program, CyberAgent has certified as Gold ranked Sales Partner at LINE Account Connect for two consecutive years.

# Business Activities and Market Advantage

## Internet Advertisement Business

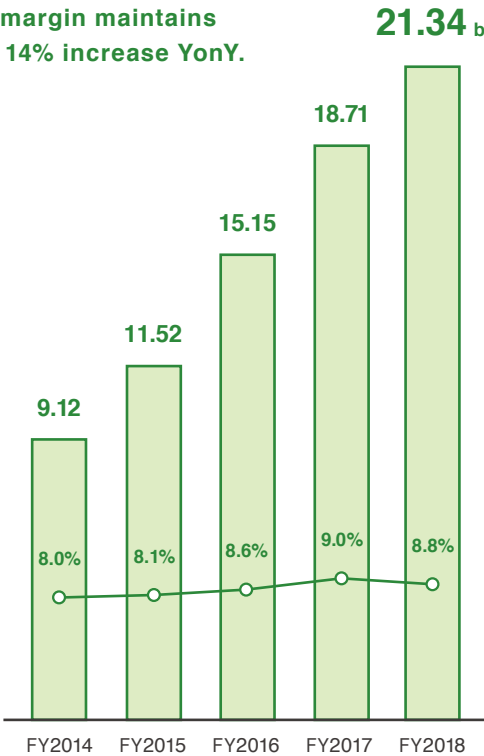
Full Year Sales

Smartphone advertising leads with a YoY increase of 16%.

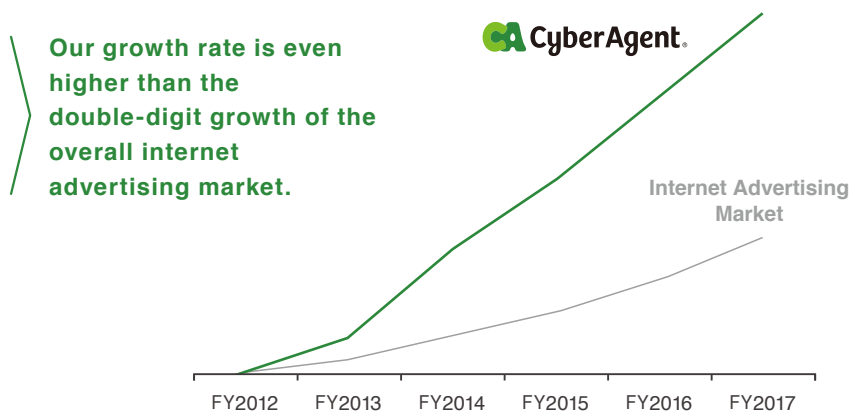


Full Year OP & OPM

Operating margin maintains high level, 14% increase YoY.



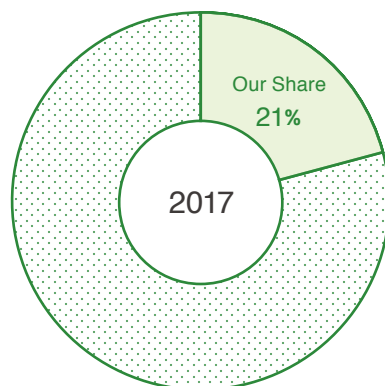
## Growth rate of Internet Advertisement Business



\*Source: "2017 Advertising Expenses in Japan" published by Dentsu; and estimations based on CyberAgent sales

## Mobile Advertising Market Share

**Smartphone advertising has become a competitive strength, accounting for about 80% of revenue in our internet advertisement business.**



\*Source: "Internet Advertising Market-Size Estimation Survey" published by Dentsu, CCI, and D2C; and estimations based on CyberAgent net sales totals

## Competitive Advantages

- 1 Maximize advertising benefits through programmatic advertising\*
- 2 Dominance in the growing field of smartphone advertising
- 3 Scale advantages & First-mover advantage

\*Programmatic Advertising Accounts for about 80% of all internet advertising market

## Future Strategy

- 1 Further improve capabilities through human know-how and ad technologies, including AI-based.
- 2 Boost creative power by expanding video advertising.
- 3 In addition to advertisers whose aim is sales promotion, also attract new advertisers whose aim is branding.

## Business Activities and Market Advantage

# Game Business

In our game business which we launched in 2009, we provide smartphone games centered mainly on eight major titles, and develop and operate games in a wide range of genres through 14 subsidiaries, the largest of which is Cygames.



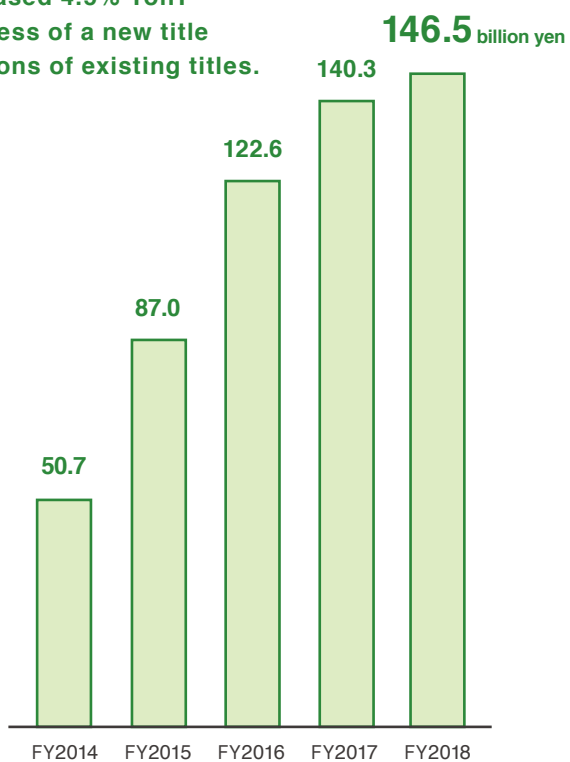
© Nintendo / Cygames Publisher: Nintendo © BanG Dream! Project © Craft Egg Inc. © bushiroad All Rights Reserved.

## Business Activities and Market Advantage

# Game Business

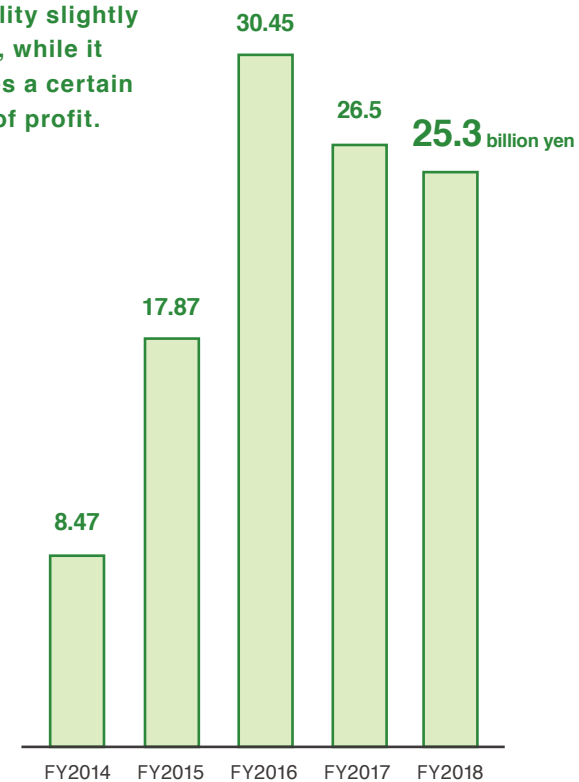
### Full Year Sales

Sales increased 4.5% YoY by the success of a new title and operations of existing titles.



### Full Year OP



Profitability slightly declines, while it generates a certain amount of profit.



## Market Environment

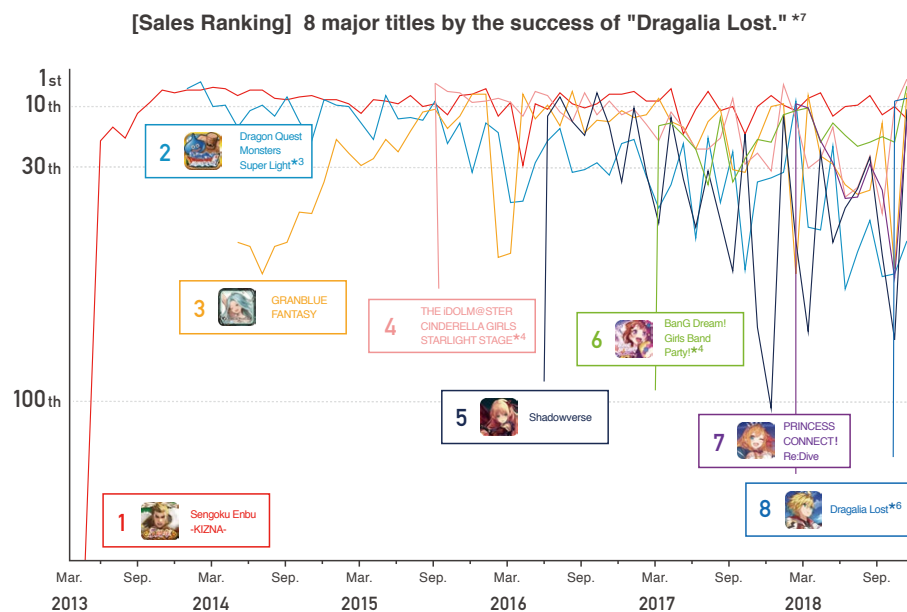
Japan has the world's third-largest game market following China and America. In 2017, the industry became 19.2 billion dollars scale (about 2.1 trillion yen)

Game market country rankings\*2

Rank	Country	Revenue
1	 China	37.9 billion USD
2	 United States	30.4 billion USD
3	 Japan	19.2 billion USD

\*1 Conversion of 1 dollar = 114 yen

\*2 Game market country rankings: "2018 Global Games Market Report", Newzoo



## Advantages

- 1 Multiple hit titles that provide business stability with little volatility.
- 2 Operational advantages such as events that promote the long-term popularity of games.
- 3 Group-wide deployment of operational know-how and development technology.

## Future Strategy

- 1 Continuously deliver hit smartphone game titles.
- 2 Enhance existing titles to extend the longevity of games.
- 3 Focus on deploying other IP TV offerings, continuing the pattern from original IP TV.

\*3 Dragon Quest Monsters Super Light : © 2014-2018 ARMOR PROJECT/BIRD STUDIO/SQUARE ENIX All Rights Reserved.  
© SUGIYAMA KOBO Developed by Cygames, Inc.

\*4 THE IDOLM@STER CINDERELLA GIRLS STARLIGHT STAGE : ©BANDAI NAMCO Entertainment Inc. It was jointly developed and is operated by ©BANDAI NAMCO Entertainment Inc. and Cygames, Inc.

\*5 BanG Dream! Girls Band Party! : ©BanG Dream! Project ©Craft Egg Inc. ©bushiroad All Rights Reserved.

\*6 Dragalia Lost : © Nintendo / Cygames Publisher: Nintendo

\*7 Sales ranking is calculated from the App Store data provided by AppDB. Average monthly ranking is used for the graph. (For October, use average until October 1st)



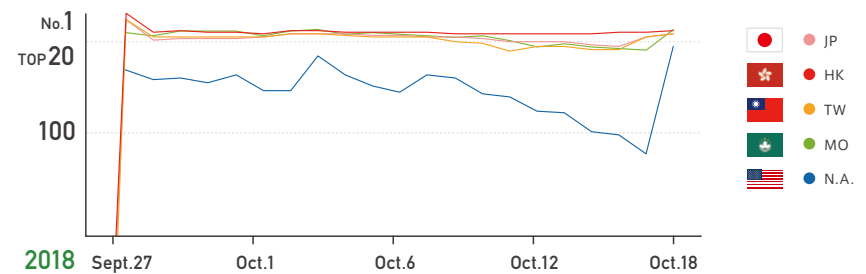
## New title “Dragalia Lost”<sup>\*1</sup>

“Dragalia Lost,”<sup>\*</sup> the collaborative application of Cygames, Inc. and Nintendo Co., Ltd. has released on September 27, 2018. (Available in Japan, Taiwan, Hong Kong, Macau, and North America)

<sup>\*1</sup> “Dragalia Lost” © Nintendo / Cygames Publisher: Nintendo

<sup>\*2</sup> Cygames, Inc. and Nintendo Co., Ltd. agreed to partner on a new gaming application for smart devices on April 27, 2018. For the purpose of facilitating the partnership, Nintendo obtained approximately 5 percent of Cygames’s issued stocks.

“Dragalia Lost”<sup>\*1</sup> got the No.1 sales ranking in Taiwan, Hong Kong, and Macau.<sup>\*3</sup> (as of October 18, 2018)



<sup>\*3</sup> Sales ranking is calculated from the App Store data provided by AppAnnie. (September 27 – October 18, 2018)



## Business Activities and Market Advantage

# Media Business

Our internet TV channel, "AbemaTV" was launched in April 2016 in partnership with TV Asahi.

Including the world's largest blog service, "Ameba Blog," we deliver media services that can be enjoyed by countless people.



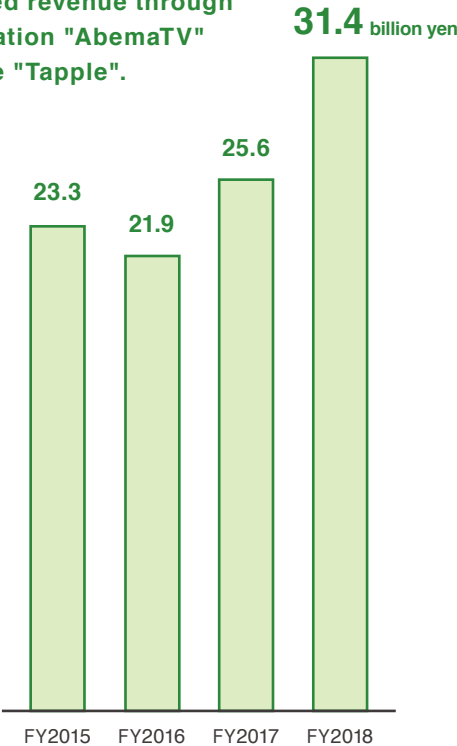
© AbemaTV

Business Activities and Market Advantage

# Media Business

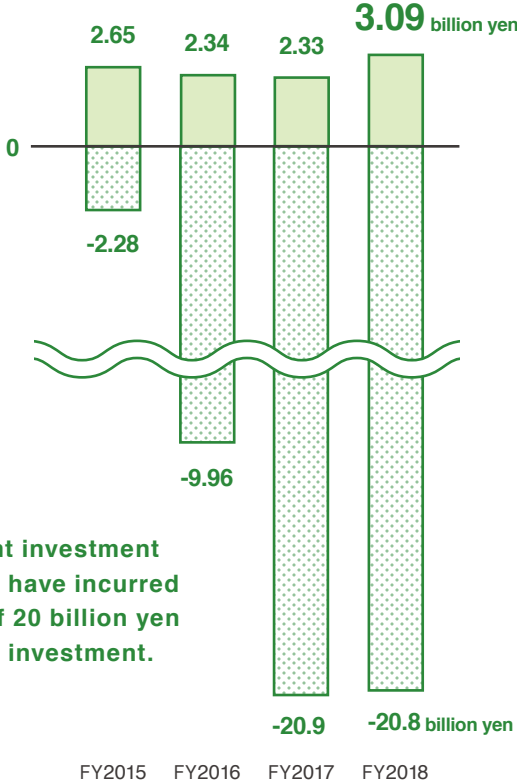
## Full Year Sales

Achieved increased revenue through our internet TV station "AbemaTV" and dating service "Tapple".



## Full Year OP

Existing Business (Blog services, "Tapple", etc)  
Up-front investment ("AbemaTV", etc)

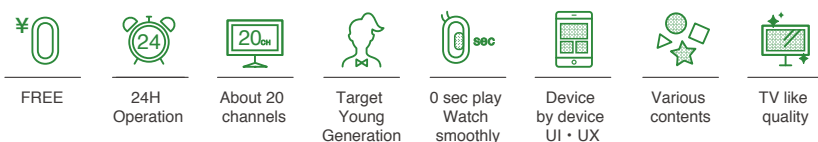


With continued upfront investment in "AbemaTV" etc., we have incurred an operating losses of 20 billion yen in FY2018 due to prior investment.

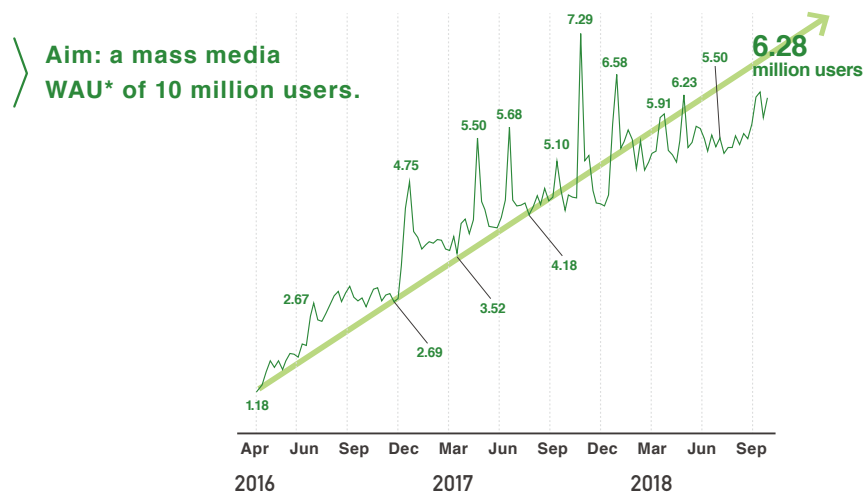
## What is "AbemaTV"?

"AbemaTV" delivers about 20 channels of free internet-broadcasting content in news, original programs, and other genres. It also offers a unique user experience and usability tailored to all smart devices.

### "AbemaTV" Strengths



## Changes in WAU



\*WAU : "Weekly Active Users ", the number of users who watch AbemaTV once a week

## Competitive Advantages of "AbemaTV"

- 1 Deploys a business model in an area with no competitors.
- 2 Achieves group synergies between our internet advertising and game businesses.
- 3 Has a strong financial structure based on existing business.

## Future Strategy for "AbemaTV"

- 1 As a first-mover, deploy our business model in a no-competitor area centered on linear broadcasting + on-demand viewing.
- 2 Prioritize content enhancement in order to promote regular viewing.
- 3 Invest according to changes in the environment, such as the proliferation of Smart TV and 5G.



▲ Dating Reality Show (Original) - "You can't fool me Mr. Wolf Summer 2018"



▲ Drama (Original) - "A Company is not a School"



▲ Variety Show (Original) - "Another New Window"

# AbemaTV®

CyberAgent is bolstering its lineup of original shows on its "AbemaTV" internet TV station.



▲ Japanese Chess - AbemaTV Tournament



▲ Daily Morning Show - Abema Morning



▲ Sports - Grand Sumo Tournament

## Expanding Features

- 1 An "AbemaTV" button appears on the new remote control for Sony 4K BRAVIA® and Panasonic 4K TV "VIERA" televisions. "AbemaTV" users will be able to enjoy the service more easily on a home television.



△ Sony Marketing Inc. "BRAVIA"

Compatible models: 14 models from four series of 4K BRAVIA® televisions include the A8F Series of 4K OLED TVs and the X9000F Series of 4K LCD TVs.

- 2 "AbemaTV" became compatible with a new billing plan of SoftBank Corp. "Ultra Giga Monster +" which allows subscribers to use the service without consuming data capacity,,"



## Advertising Sales and Increase Content

AbemaTV, Inc. Announces Capital and Business Alliance with Dentsu and Hakuhodo DY Media Partners on October 23, 2018. we will increase the sales of "AbemaTV" advertisement and work together for content procurement.



△ Panasonic Corporation "VIERA"

Compatible models: the 4K TV "VIERA" to be released in January 2019 or later



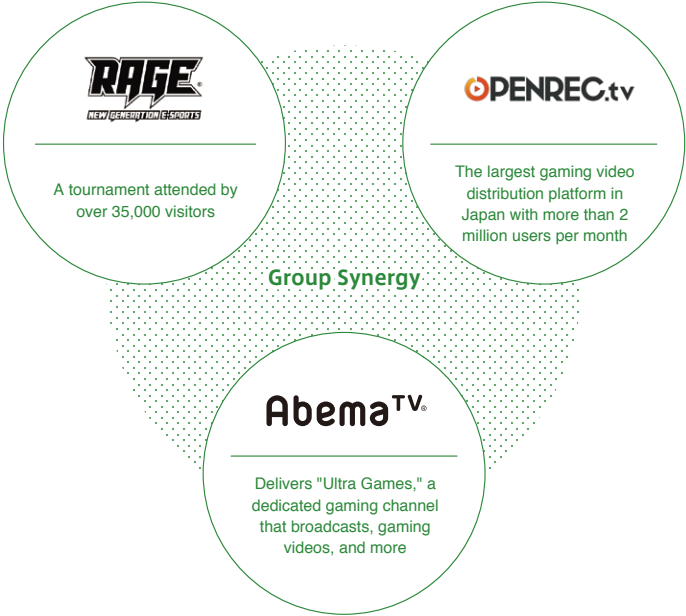
© AbemaTV

# Business Activities and Market Advantage

## New Business

### Esports

Esports was further established as a competitive sport with the "18th Asian Games XVIII Asiad esports," featuring a highly-energized atmosphere thanks to newly-launched programs from companies. We plan to continue contributing to expansion of the esports market, one of our group's specialty areas, with the development of three esports related businesses.



Esports tournament

## Dating Service

CyberAgent has created new businesses by being among the first to identify and enter growth markets. Dating services are now common in Japan and reportedly 1 in every 3 people use them to date and find marriage partners.\*<sup>1</sup>

Of the three services we provide, "Tapple," which was launched in 2014, has become one of the largest apps in Japan. We plan to continue working to expand market share in the dating market, which is expected to grow by over 30% per year.

Efforts to ensure a safe and trusted dating app

Through the app we operate, CyberAgent aims to provide a dating app that ensures safety and peace of mind for all users by implementing the following measures:

- 1 Monitoring of suspicious behavior 24 hours a day, 365 days a year
- 2 Before messages can be exchanged, we verify the user is at least 18 years of age via government-issued proof of ID

\*<sup>1</sup> Based on survey by 'Love Tech Lab' of 500 people in their 20s to 40s nationwide with experience using dating services

\*<sup>2</sup> As of October, 2018

\*<sup>3</sup> Please refer page 60 for "Safe and Secure Services in Media Content."



**4 million users\*<sup>2</sup> use our dating service to connect through common interests.**

**Half of users are the younger generation of 20 to 24 year olds.**



# 02

---

In our 21st year in business, CyberAgent's consolidated sales totaled 419.5 billion yen, achieving a new record high as the company continues to expand its business. We also compile quantitative information that includes the financial highlights, management indices, and shareholder returns that are necessary for making investment decisions.

---

## CyberAgent by the Numbers

FY2018



## CyberAgent by the Numbers



Consolidated Sales

**419.5** Billion yen



Sales Growth

**13%**



Consolidated OP

**30.1** Billion yen



Employees  
(consolidated)

**4,988**



DOE

**5%**



Dividend Payout Ratio

**83%**



Female-To-Male  
Management Ratio  
(Non-consolidated)

**21%**



Engineers and  
Creators Ratio  
(Non-consolidated)

**33%**



Subsidiaries

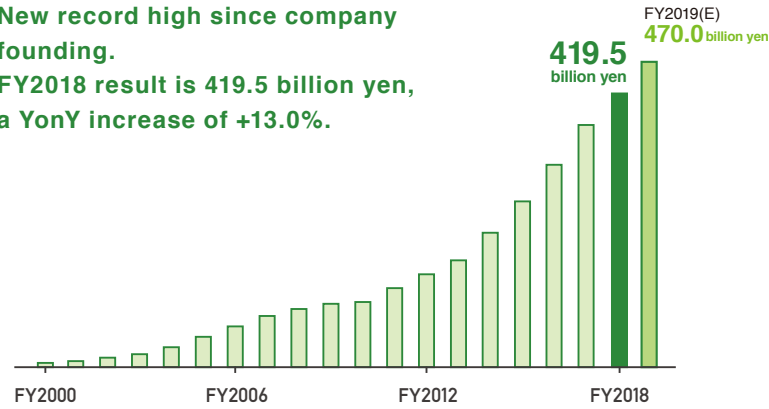
**106**

\*FY2018

# Financial Highlights

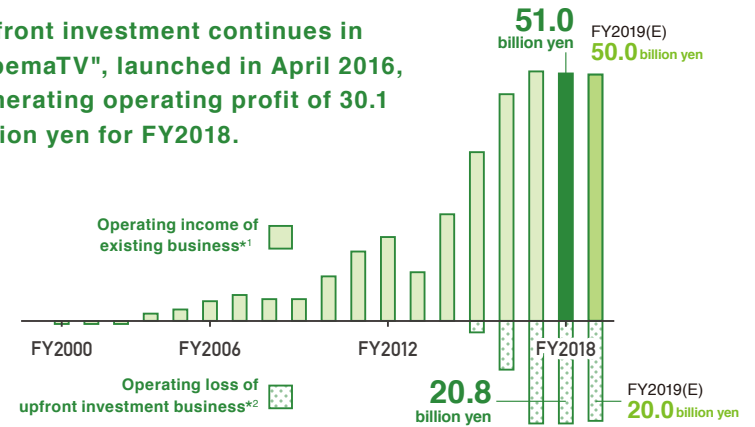
## Consolidated sales

New record high since company founding.  
FY2018 result is 419.5 billion yen, a YoY increase of +13.0%.



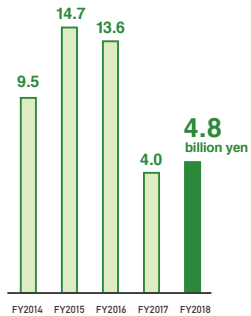
## Operating income

Upfront investment continues in "AbemaTV", launched in April 2016, generating operating profit of 30.1 billion yen for FY2018.

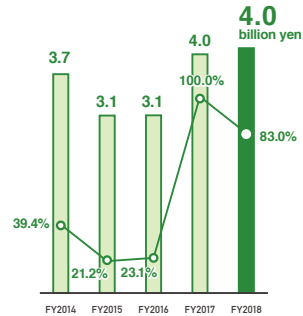


\*1 Existing business excluding investment development business: advertisement, game and media businesses of "Ameba", "Tapple", etc.  
\*2 Upfront investment businesses: "AbemaTV" etc.

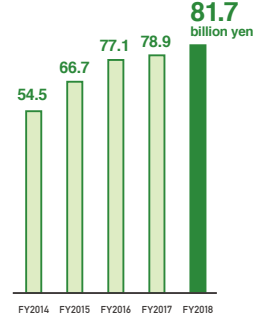
## Net income\*



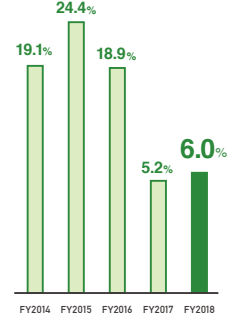
## Total dividend and payout ratio



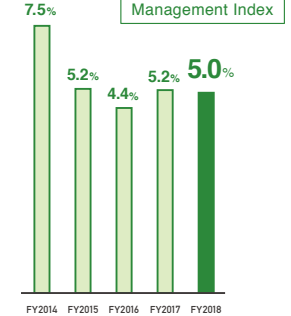
## Equity capital



## ROE (Return on Equity)



## DOE (Dividend on Equity)



\*Net income attributable to parent company shown AbemaTV Co., Ltd. is not subject to consolidated tax payments Cygames is influenced by non-controlling shareholders, etc.

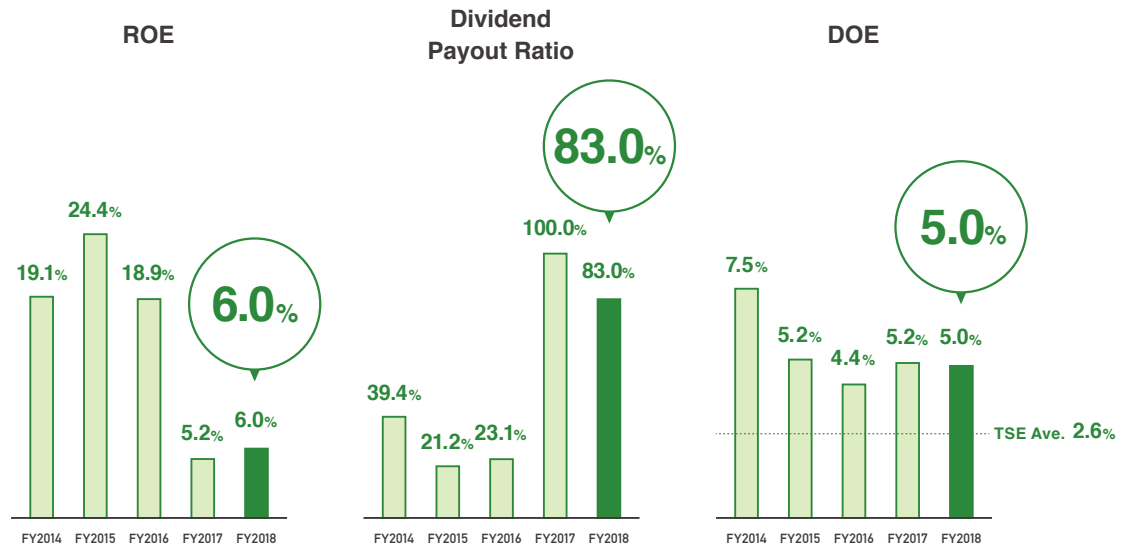
# Management Index

## Management Index

CyberAgent takes advantage of its adaptability to change, repeating a cycle of upfront investment and reward-reaping to promote continued business growth. In April 2016, we entered a new investment phase when we launched our internet TV station "AbemaTV." For this reason, since the year ended September 2017 we have introduced DOE as a management benchmark, which is calculated by multiplying ROE by the dividend payout ratio. At time of investment, we looking for a DOE of at least 5% in order to support our shareholders in the medium to long-term.

Set the DOE 5% or higher from FY 2017 as a guideline

$$\text{ROE} \times \text{Dividend Payout Ratio} = \text{DOE}$$



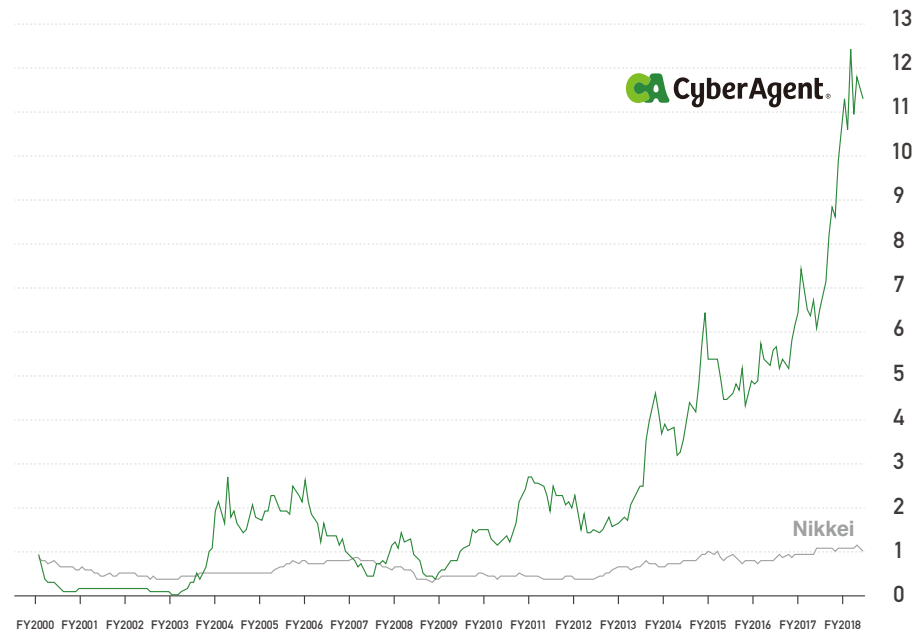
\*To celebrate the market shift to the 1st section of Tokyo Stock Exchange, commemorative dividend was conducted in FY2014.

# Shareholder Returns

## Shareholder Return Policy

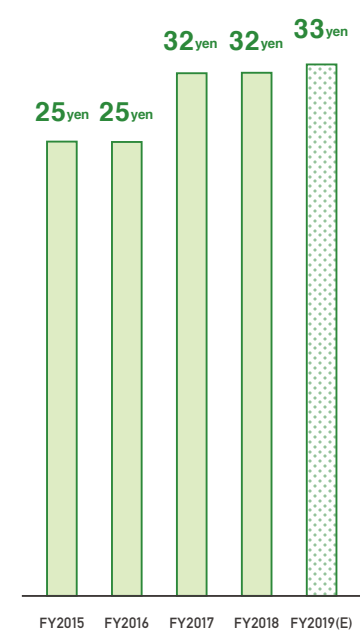
We recognize the return of profits to shareholders as an important issue in management, and plan to boost the medium to long-term shareholder value by growing the business and improving capital efficiency, while also continuing to pay out dividends.

Stock Price of CyberAgent vs Nikkei Stock Average\*



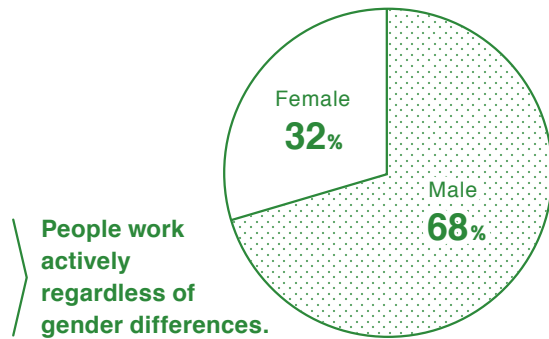
\*Stock Price of CyberAgent vs Nikkei Stock Average  
Stock chart of CyberAgent vs Nikkei Stock Average with setting the CyberAgent stock price as of March 2000 as 1.

Dividend History



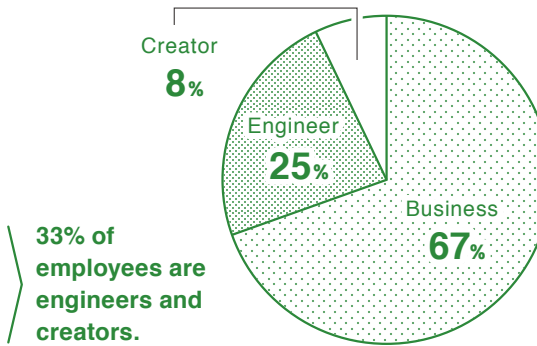
# Our People by the Numbers

## Female-To-Male Ratio



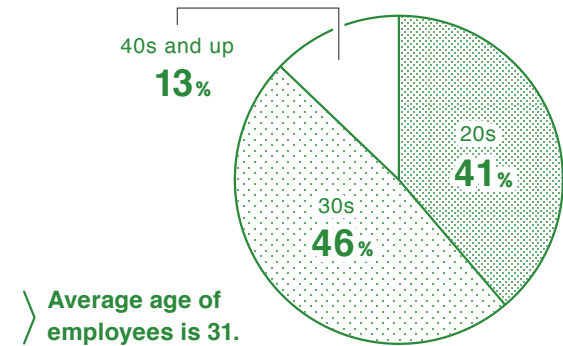
People work actively regardless of gender differences.

## Job Type



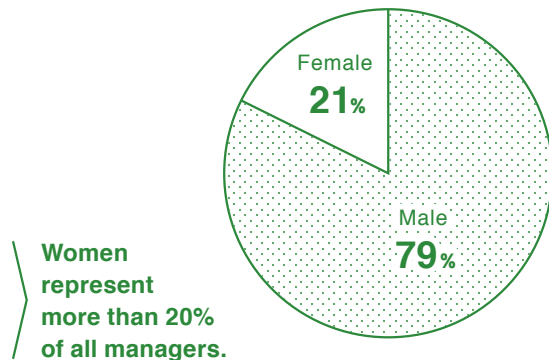
33% of employees are engineers and creators.

## Age Distribution



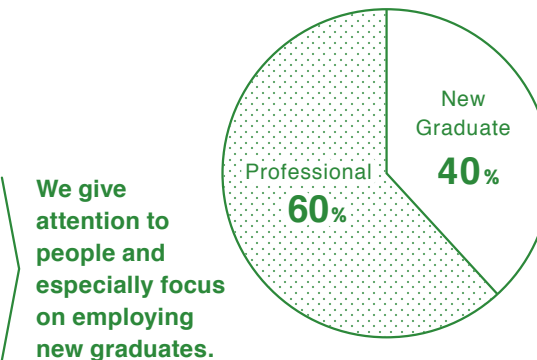
Average age of employees is 31.

## Female-To-Male Management Ratio



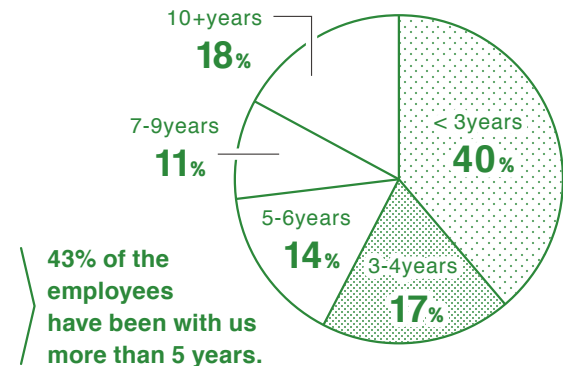
Women represent more than 20% of all managers.

## Join CybeAgent as New Grad or Professional



We give attention to people and especially focus on employing new graduates.

## Years of Service

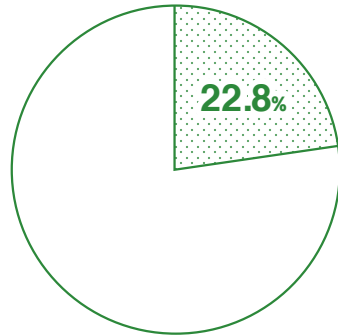


43% of the employees have been with us more than 5 years.

\*Management: who are being managers or producers or directors with certain job grades.  
 \*The number of executives and employees (non-consolidated): 1,551 as of the end of September 2018.

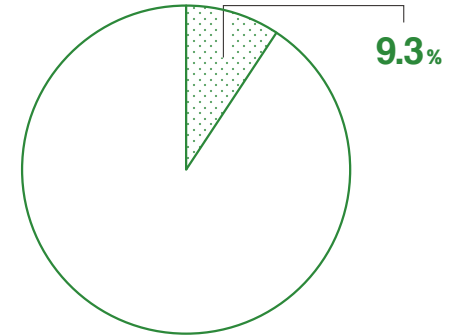
### Become a Manager within 3 Years

We eliminates the seniority and has a culture of exceptional promotion such as giving a chance to young employees to establish a new company.



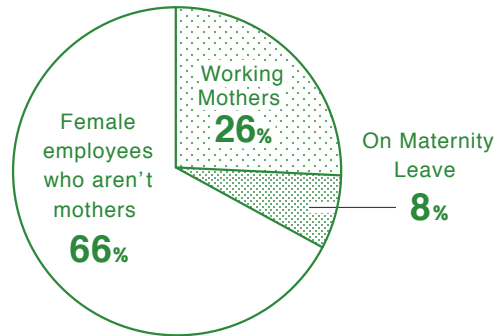
### Turnover Rate

Secure the best people is a critical matter in the internet industry. Retention of the employees is our competitiveness.



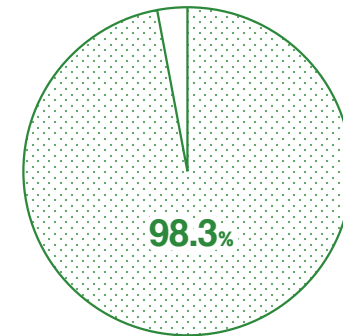
### Working Mothers

About 30% of female employees are moms.



### Returning to Work after Maternity Leave

Fulfilling family benefits plan such as "macalon" support 98% of female employees return to work after leave.



\*The number of executives and employees (non-consolidated): 1,551 as of the end of September 2018.

## Empowering Women

In terms of female-to-male ratios, women compose 32% of CyberAgent staff, of which 21% are in managerial positions including producers and directors. In 2014, a female employee became our first female corporate officer just 7 years after joining as a new graduate (at the time). In 2017, another woman was appointed to the Board of Directors. Meanwhile, at our subsidiaries, 2 women serve as presidents, 6 as representative directors, and 5 as corporate auditors.

We provide a diverse range of workplace opportunities for a female staff, and there are an increasing number of female professionals who choose to actively participate not only in managerial positions, but also as designers and much more. We are dedicated to creating an environment in which capable staff have opportunities to play an active role in long-term careers, regardless of gender.



△ Photos: 'CAramel' event for female staff

## "Macalon" : our system for promoting women in the workplace

In May 2014, CyberAgent introduced "macalon packages" in an initiative to create a workplace environment where women can continue working long after the childbirth and childcare stages of life. The system's name, "macalon," combines the "ma" of 'mama', "ca" of 'CyberAgent', and "lo" of 'long'. It comprises 8 packages that include 'Fertility Leave' for women to undergo fertility treatment at a hospital or clinic; 'Work-at-Home Childcare', enabling women

to work from home while looking after a child that is suddenly sick, or when nursery school is closed; and 'Partial Subsidy of Non-Approved Nursery School Fees', wherein CyberAgent pays some of the costs for non-government-approved nursery schools, which are often costly. As a result of these efforts, the return-to-work rate of female staff after maternity or child care leave now sits at 98%.

## "CAramel": a cross-sectional female organization

"CAramel," a cross-sectional female organization was launched in September 2017 as the result of a proposal presented by female staff at Ashita Kaigi (Meeting for Tomorrow). Women are susceptible to major impacts on their career due to the changes of various life stages. Therefore, these events are held as a forum for female employees to interact together to grasp their

own career from a mid-to-long term perspective, and build up their own careers. 'CAramel' is a play-on-words of the Japanese word 'karameru', meaning to interact or mix together. As the name implies, through this we hope to "create a forum where many women can 'interact' together," which is already evidenced by the 315 women participating.

\* Ashita Kaigi (Meeting for Tomorrow): Held twice a year, "Ashita Kaigi" is a meeting (=kaigi) led by the management team, in which new business initiatives and solutions that could improve CyberAgent's future (=ashita) are proposed

**In June 2018, a woman raising a young child became the director of CyberBull, Inc. an advertising agency that specializes in video-based advertising.**

### **A "mama" director providing key support for a fast-growing company**

---

When I was approached to become a director, I already had a strong interest in management, so the choice of director felt very natural for me. It's such a waste of people's talent to have to give up on their goals because they "are a mother now" or "it's too difficult to balance family and career," and it's certainly not an excuse to stifle someone personal growth. Luckily though, CyberAgent has the kind of systems and culture that support women in achieving growth.

In my case, I got pregnant and had a child soon after joining CyberAgent as a new graduate, so when I took temporary leave at that time, I felt there were a lot of things unfinished in terms of what I wanted to achieve in my career.

That's why, more than anyone else, I was determined to contribute to the company by

achieving something meaningful. From the time I first returned to work after childcare leave in 2012, I delved right into the job with a strong desire to 'expand my own job size'. Although I started-out in human resources at CyberBull, today I've grown to be in charge of the entire back office. I'm determined to be the best possible 'organization-building pro' by continuing to improve my HR skills and drawing on the diverse experience I've built up to date. I think that 'having the will to build a career' also means having access to a career that is adaptable to your life stage, and it results and contributing to the company's success as well.



Director of CyberBull Inc. **Maiko Kimura**

**Job History:** Joined CyberAgent as a fresh graduate of in 2007. Joined the Advertising Sales Division after participating the launch of a subsidiary branch in Osaka. Moved to Tokyo in 2010 due to husband's job relocation. Gave birth in December 2010 and later returned back to work in April 2012. Became a manager in December 2014 after working as a planner for Ameba. Provided back office support for a startup subsidiary from November 2015. Joined CyberBull in October 2016. Settled in her current position from June 2018 after overseeing the entire back office.



# 03

---

CyberAgent has been expanding business in the internet domain since its inception, and by drawing on the knowledge and business resources built up over the years, we are committed to helping to realize a society capable of sustainable growth.

---

**ESG**

# Ethical Business Guideline

## Objective

This guideline based on the “Mission Statement (the Code of Conduct of CyberAgent)” provides the basic conduct to be observed by the directors, employees (including part-time and temporary employees) and all those who are involved in our company’ s business, such as outsourcees engaging in business activities, so that the standing of stakeholders are respected and our company is able to fulfill its social obligations as a corporation.

## Social Obligations

We shall take the following matters into consideration in developing/offering services and products.

- 1) We will develop and offer services and products that are useful for society while recognizing the diversifying needs of consumers and customers.
- 2) We will ensure that our services and products meet the safety and quality level.
- 3) We will offer appropriate information regarding our services and products to consumers and customers.
- 4) We will respond in good faith to questions, etc. from consumers and customers.
- 5) We will protect the personal/customer information appropriately, in accordance with our provisions for protecting personal information.

## Fair Trading

We are committed to fair, transparent and free competition as well as appropriate trading. In addition, we will maintain a healthy and normal relationship with politics and governmental authorities. Simultaneously, we will build an in-house structure that promotes and secures the compliance with the law, while raising the awareness of our directors and employees in regard to the Antimonopoly Law.

## Protecting the Intellectual Properties

We will manage the secret information of our company and respect and protect the intellectual properties of third parties and ours.

## Disclosure of Corporate Information

In consideration of the following matters, we shall communicate with society broadly, and disclose corporate information actively and fairly.

- 1) We will offer accurate information to shareholders, investors, and others and promote communication with them through shareholders’ meetings and investor relations (IR) activities.
- 2) We will comply with the laws and regulations regarding the prevention of insider trading in accordance with our provisions for insider information management.
- 3) We will disclose timely and appropriate information to stakeholders through public relations etc.

## **Respect for Human Rights**

In consideration of the following matters, we are committed to respect the diversity, personality and individuality of our employees, and to secure a safe and comfortable working environment.

- 1) We will promote good work-life balance and produce a personnel and treatment system that enables diverse human resources to work with us.
- 2) We will eliminate discrimination in employment and treatment, and work towards equal employment opportunities.
- 3) We will prevent accidents at workplaces and support the employees' health promotion.
- 4) To respect the individuality of our employees and provide support so that they can develop their career and potential abilities.
- 5) We will engage ourselves in dialogues and discussions, in good faith, with our employees directly or with the representatives of the employees.
- 6) We will strictly forbid child labor and forced labor.

## **Address Anti Social Forces**

We will resolutely oppose to antisocial forces and organizations that pose a threat to the order and safety of civil society in order to prevent damages.

## **International Business Operation**

We will adhere to international rules and local laws as well as respect local culture and customs in international business activities.

## **Management Leadership**

In consideration of the following matters, our directors will recognize that it is their duty to embody the spirit of this guideline, and diffuse it among the group companies. They will also maintain the effective company structure, and disseminate our corporate ethics fully.

- 1) Our directors will do our utmost to demonstrate leadership to clarify our "Vision" .
- 2) Our directors will manifest our basic stance on our "Vision" and "Mission Statement" to the outside, and disclose the information regarding the practical efforts towards them.
- 3) Our directors will build a company-wide system to work towards corporate ethics.

## **Contribution to Sustainable Society**

We, centered on our core businesses, will collaborate with various stakeholders of our company to contribute to the realization of a sustainable society by responding to social issues.

# Compliance

CyberAgent has established the item, “a highly moral company that thoroughly complies with the law,” in relation to complying with its Mission Statement, and strives to act with strong ethics and responsibility. Moreover, CyberAgent continues to provide a necessary training and environment to comply with laws.

## Compliance Framework

---

CyberAgent rebuilt the Legal Office which was used until 2016 into the Legal and Compliance Office to carry out compliance duties. The office has been providing compliance education and ensured it has been diffused in all divisions of the company. They have been setting up a framework that enables business operations imbued with strong ethics by implementing required measures in establishing a compliance framework for the entire company group and regularly holding specialized compliance workshops necessary to the duties in each division.

## Initiatives to Educate and Diffuse Compliance

---

### Implementation of a Compliance Workshop

A compliance workshop is implemented at the moment new graduates or mid-career employees join the company. In addition, we regularly provide workshops to improve knowledge and awareness regarding compliance. For example, we offer additional education about the Law for Preventing Unjustifiable Extra or Unexpected Benefit and Misleading Representation, Infrastructure Security, etc. according to the characteristics of each division and trends.

### e-Learning

CyberAgent has built an intranet e-learning system to deepen understanding and diffusion of the training from compliance workshops. The system enables employees to test themselves in 10 or more categories such as Personal Data Protection or Insider Training at any time.

### Hotline

CyberAgent has put in place a system in which company directors or employees can notify a support desk (internal notification system) or ask for guidance anonymously should they discover a compliance violation.

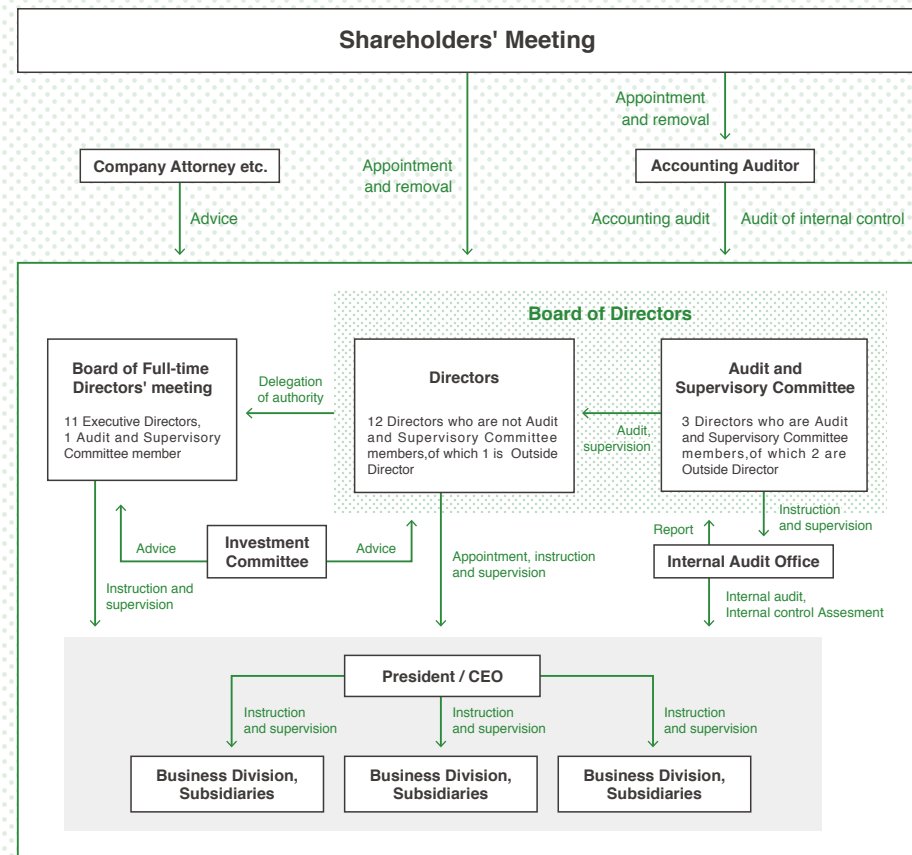
# Corporate Governance

Under our vision “To create the 21st century's leading company,” CyberAgent regards corporate governance as a key issue in achieving sustainable expansion of the business.

While conducting corporate activities based on rules that include legislation, social norms, ethics etc., in October 2017, we transferred our corporate governance to a company with an audit committee in an aim to improve the effectiveness of the Board of Directors.

We have been making efforts to further enhance the supervisory functions, transparency and fairness of the Board of Directors, including by the appointment of three external directors and one female director.

## Structure



# Outline of the Corporate Governance Structure

as of December 17, 2018

<b>Corporate governance structure</b>	Company with Audit and Supervisory Committee
<b>Number of directors on the board (Outside directors)</b>	15(3)
<b>Directors who are Audit and Supervisory committee member (Outside directors)</b>	3(2)
<b>Executive Officer System</b>	None
<b>Standards for appointment and independence of outside directors</b>	Conforms to Tokyo Stock Exchange's "Practical Considerations when Appointing Independent Directors/Auditors"
<b>Introduction of measures to prevent takeover bids</b>	None
<b>Strategic Shareholdings</b>	The Company may own "Strategic Shareholdings" if, for instance, it is expecting to strengthen business collaboration. The execution of voting rights of strategic shareholdings shall be handled appropriately based on careful review of proposal content.
<b>Corporate Governance Report</b>	<a href="https://www.cyberagent.co.jp/files/user/pdf/way/governance/cg/cgr_en.pdf">https://www.cyberagent.co.jp/files/user/pdf/way/governance/cg/cgr_en.pdf</a>
<b>Accounting Auditor</b>	Deloitte Touche Tohmatsu LLC

## Corporate Governance


# List of Directors

Since 2008, CyberAgent had implemented "CA8" as a unique director rotation system (in which, the number of directors was set principally to 8 people to ensure a sound board of director operating structure, and 2 members were replaced every 2 years). However, it was decided to eliminate this system since certain goals had already been attained, such as management team development, and also to focus efforts on establishing a system to further expand business.

In order to further strengthen and perfect a management structure that is able to respond to an ever-diversifying business portfolio, we plan to increase the number of directors for a certain period we call a "bulk up period," and continue to pursue further management team development and the building-up of an even more robust management system.



^ Boardroom



**President and CEO, Overall Management** 25,909,600 shares  
**Susumu Fujita**

Apr. 1997 Joined Intelligence, Ltd. (Present: PERSOL CAREER CO., LTD.)  
 Mar. 1998 Founded CyberAgent, Inc. President. (current position)  
 Jun. 2012 Vice Representative Director, The Japan Association of New Economy (JANE)  
 Apr. 2015 President, AbemaTV, Inc. (current position) 13/13



**Vice President, Game Business** 837,200 shares  
**Yusuke Hidaka**

Apr. 1997 Joined Intelligence, Ltd. (Present: PERSOL CAREER CO., LTD.)  
 Mar. 1998 Founded CyberAgent, Inc. Managing Director.  
 Oct. 2010 Vice President, CyberAgent, Inc. (current position)  
 May 2011 Director, Cygames, Inc. (current position) 13/13




**Executive Managing Director, Internet Advertisement Business** 71,400 shares  
**Yasuo Okamoto**

Apr. 2000 Joined CyberAgent, Inc.  
 Dec. 2008 Director, CyberAgent, Inc.  
 Oct. 2010 Managing Director, CyberAgent, Inc.  
 Dec. 2014 Executive Managing Director, CyberAgent, Inc. (current position) 12/13



**Managing Director, Company-wide Function** 354,275 shares  
**Go Nakayama**

Apr. 1998 Joined Sumitomo Corporation.  
 Aug. 1999 Joined CyberAgent, Inc.  
 Dec. 2003 Director, CyberAgent, Inc.  
 Apr. 2006 Managing Director, CyberAgent, Inc. (current position) 13/13



**Managing Director, Media Business** 48,315 shares  
**Masahide Koike**

Jul. 2001 Joined CyberAgent, Inc.  
 Dec. 2012 Director, CyberAgent, Inc.  
 Dec. 2014 Managing Director, CyberAgent, Inc. (current position)  
 Jul. 2016 Director of AbemaTV, Inc. (current position) 12/13



**Managing Director, Internet Advertisement Business** 27,479 shares  
**Takahiro Yamauchi**

Apr. 2006 Joined CyberAgent, Inc.  
 Apr. 2009 Representative Director, CyberZ, Inc. (current position)  
 Dec. 2012 Director, CyberAgent, Inc.  
 Oct. 2018 Managing Director, CyberAgent, Inc. (current position) 13/13



**Director, Game Business** 3,398 shares  
**Koki Ukita**

Apr. 2011 Joined CyberAgent, Inc.  
 Apr. 2014 Representative Director, Applibot, Inc. (current position)  
 Dec. 2016 Director, CyberAgent, Inc. (current position) 13/13



**Director, Human Resources** 112,249 shares  
**Tetsuhito Soyama**

Apr. 1998 Joined Isetan Co., Ltd. (present: Isetan Mitsukoshi Holdings, Ltd.)  
 Apr. 1999 Joined CyberAgent, Inc.  
 Dec. 2008 Director, CyberAgent, Inc.  
 Dec. 2016 Director, CyberAgent, Inc. (current position) 13/13




**Director, Advertising Technology and Creative Development** 66,000 shares  
**Takahito Naito**

Apr. 2001 Joined CyberAgent, Inc.  
 Oct. 2010 Director, CyberAgent, Inc.  
 Oct. 2014 General Manager of AdTech Business Hq. (current position)  
 Dec. 2018 Director, CyberAgent, Inc. (New) N/A




**Director, Technical Development Division** 3,214 shares  
**Norishige Nagase**

Apr. 2000 Joined NTT Software Corporation (present: NTT TechnoCross Corporation)  
 Aug. 2005 Joined CyberAgent, Inc.  
 Jan. 2018 General Manager, Technical Development Division (current position)  
 Dec. 2018 Director, CyberAgent, Inc. (New) N/A



**Director, AbemaTV Advertising** 3,000 shares  
**Riku Yamada**

Apr. 2011 Joined CyberAgent, Inc.  
 Oct. 2015 Corporate Officer, CyberAgent, Inc. (current position)  
 Oct. 2017 General Manager of Advertisement Hq. of AbemaTV, Inc. (current position)  
 Dec. 2018 Director, CyberAgent, Inc. (New) N/A



**Independent Outside Director** 1,496 shares  
**Koichi Nakamura**

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) 13/13

\*1 Name, Title, Managing Division (as of December 14, 2018) \*2 Number of shares hold (as of the end of November) \*3 Board meeting attendance (N/A for new Directors)  
 \*Independent directors: Independent directors pursuant to the provisions of the Tokyo Stock Exchange.






## Corporate Governance

# Audit and Supervisory Committee

- Directors who are members of the Audit Committee attend Board of Director meetings and other important meetings to audit and supervise the legality and appropriateness of the directors' business execution.
- As necessary, the Audit and Supervisory Committee receives reports or explanations from company executives and employees, and implements surveys etc. of major subsidiaries or workplaces.
- The committee meets regularly once a month and holds unscheduled meetings whenever necessary.
- 11 meetings were held in 2018

## Structure of the Audit and Supervisory Committee

																				
<p>Director 9,600 shares <b>Toko Shioticski</b></p>	<p>Outside Director 45,800 shares <b>Masao Horiuchi</b></p>	<p>Isao Numata 64,683 shares <b>Isao Numata</b></p>																		
<p>Full-time Audit and Supervisory Committee member Chairman of Audit and Supervisory Committee</p>	<p>Audit and Supervisory Committee member <span style="border: 1px solid green; padding: 2px;">Independent</span></p>	<p>Audit and Supervisory Committee member <span style="border: 1px solid green; padding: 2px;">Independent</span></p>																		
<p><b>Attendance Rate</b></p> <table border="1"> <tr><td>Board meetings</td><td>13/13</td></tr> <tr><td>Corporate Auditors meetings</td><td>2/2</td></tr> <tr><td>Audit Committee meetings</td><td>11/11</td></tr> </table>	Board meetings	13/13	Corporate Auditors meetings	2/2	Audit Committee meetings	11/11	<p><b>Attendance Rate</b></p> <table border="1"> <tr><td>Board meetings</td><td>12/13</td></tr> <tr><td>Corporate Auditors meetings</td><td>2/2</td></tr> <tr><td>Audit Committee meetings</td><td>11/11</td></tr> </table>	Board meetings	12/13	Corporate Auditors meetings	2/2	Audit Committee meetings	11/11	<p><b>Attendance Rate</b></p> <table border="1"> <tr><td>Board meetings</td><td>13/13</td></tr> <tr><td>Corporate Auditors meetings</td><td>2/2</td></tr> <tr><td>Audit Committee meetings</td><td>11/11</td></tr> </table>	Board meetings	13/13	Corporate Auditors meetings	2/2	Audit Committee meetings	11/11
Board meetings	13/13																			
Corporate Auditors meetings	2/2																			
Audit Committee meetings	11/11																			
Board meetings	12/13																			
Corporate Auditors meetings	2/2																			
Audit Committee meetings	11/11																			
Board meetings	13/13																			
Corporate Auditors meetings	2/2																			
Audit Committee meetings	11/11																			

\*1 Name, Title (as of December 14, 2018) \*2 Number of shares hold (as of the end of November)

\*Independent directors: Independent directors pursuant to the provisions of the Tokyo Stock Exchange.



△ Toko Shioticski, Director (Full-time Audit and Supervisory Committee member)

### Toko Shioticski, Director (Full-time Audit and Supervisory Committee member)

## Overseeing Management and the Unique Perspective of a Female Director

I believe that the role of full-time directors, who are in a position independent from management, is to have an accurate grasp of the company' s situation at all times and oversee management while sharing identified issues with the outside directors.

As the only female director, I am dedicated to promoting well-balanced discussions that draw on my knowledge and experience, while enhancing the diversity of the Board of Directors.

## Corporate Governance

# List of Corporate Officers



Senior Corporate Officer  
**Hiroyuki Ishii**

Internet Advertising Headquarters



Corporate Officer  
**Yuko Ishida**

Human Resources Division



Corporate Officer  
**Eiji Koike**

Internet Advertising Headquarters



Corporate Officer  
**Takunori Fujii**

AbemaTV, Inc.



Corporate Officer  
**Masato Sato**

Systems Department



Corporate Officer  
**Yosuke Sato**

Creative Development Division



Corporate Officer  
**Takehiro Takeda**

Human Resources Division



Corporate Officer  
**Tatsuhiko Taniguchi**

AbemaTV, Inc.



Corporate Officer  
**Gaku Miyata**

Internet Advertising Headquarters

\*1 Title, Name, Managing Division

\*2 As of October 3, 2018

## Corporate Governance

# Directors and Board of Directors

### Board of Directors

- The Board consists of 15 directors including 3 outside directors
- The Board meets regularly once a month and also holds unscheduled meetings whenever necessary
- Meetings in 2018: 13

### Analysis and Evaluation of Board of Director Effectiveness

A questionnaire on effectiveness of the Board of Directors was conducted on September 27, 2018, which evaluated directors (including those currently serving as Audit and Supervisory Committee Members).

With regard to the number of times the Board of Directors convened as well as scope, quantity and content of recommendations presented, the questionnaire found that there were no indications of problems and sufficient time was set aside for deliberation. The questionnaire also found that directors have an appropriate decision making process which is rooted in discussions that consider budget, earnings outlook, risk of impact on business or management, etc., and that the board strives to improve corporate value, selection and concentration, and business expansion not only the directors' specific realm of responsibility, but also across the entire company.

### Reason for the appointment of outside directors

#### Koichi Nakamura

Mr. Koichi Nakamura accumulated years of experience in general management at Recruit Holdings Co., Ltd. Since being appointed as an outside director in December 2016, he has provided valuable advice as an outside director on matters such as strengthening human resources and organizational skills. Based on abundant experience and knowledge built up over the years, his advice is grounded in a firm understanding of CyberAgent's management, corporate value, and corporate culture that considers human resources our assets.

To date, based on abundant experience and from an independent, objective standpoint, he has on many

occasions provided practical comments and advice on improving and strengthening corporate governance and internal control. In view of the fact that the Board of Directors can expect to continue receiving appropriate advice from him, we have determined he is capable of appropriately performing the duties expected of an independent director.

CyberAgent has determined that Mr. Nakamura meets the qualifications of an independent director as set by the Tokyo Stock Exchange and poses no risk in terms of conflict of interest with ordinary shareholders, and has thereby appointed him as a Independent Outside Director.

#### Masao Horiuchi

Mr. Masao Horiuchi was appointed as an Outside Auditor of CyberAgent in 1998. After working for many years in charge of internal control and the administrative department of USEN-NEXT HOLDINGS, he now draws on this abundant experience to provide valuable advice on internal control at CyberAgent. Based on extensive experience and knowledge in finance, accounting, and taxation as a tax accountant, Mr. Horiuchi contributes to further strengthening CyberAgent's corporate governance by objectively monitoring the company's management and providing useful advice.

Based on a deep understanding of our corporate group's

vision and business activities, he also anticipates potential risks before they occur, exchanges unreserved opinions with the management team, and when necessary, openly gives hard-hitting opinions. Because of these traits, we consider him qualified to serve as an independent outside director, which requires a high level of impartiality.

CyberAgent has determined that Mr. Numata meets the qualifications of an independent director as set by the Tokyo Stock Exchange and poses no risk in terms of conflict of interest with ordinary shareholders, and has thereby appointed him as a Independent Outside Director.

#### Isao Numata

Mr. Isao Numata was appointed as an outside auditor in 2000. After working at Daiwa Securities for 12 years, he utilized the knowledge he built up there to establish a consulting firm mainly engaged in IPO Consulting. Based on extensive experience and knowledge of management and stock markets which he built up as a business operator, Mr. Numata contributes to further strengthening CyberAgent's corporate governance by objectively monitoring the company's management, providing useful advice, enhancing auditing capabilities in overall business implementation, and ensuring transparency in business management.

Mr. Numata also worked from April 1988 to June 2000 at Daiwa securities (currently Daiwa Securities Group

headquarters), which is CyberAgent's lead underwriter. It should be noted, however, that he has never held a key position concerning the administration of CyberAgent, and more than 18 years has passed since he left that company. He also had never had any special business relationship with the company after leaving it. Based on this history, we consider him to have more than adequate impartiality concerning CyberAgent.

CyberAgent has determined that Mr. Numata meets the qualifications of an independent director as set by the Tokyo Stock Exchange and poses no risk in terms of conflict of interest with ordinary shareholders, and has thereby appointed him as a Independent Outside Director.

## Corporate Governance

# Interview with an Outside Director

Outside Director Koichi Nakamura

### "Valuing the shareholders' perspective while leading CyberAgent to growth"

---

Intense debates take place at Board of Director meetings. CyberAgent is not a one-man-show with the company's founder, Mr. Fujita calling all the shots. Instead it gives the impression of the entire management team clearly voicing their unreserved opinions.

Agenda items that come up don't simply end in idle talk, but rather, a decision or basic course of action is determined on-the-spot through a process of highly constructive discussion.

The role of an outside director is to engage the board of directors while also supervising management and ensuring that corporate governance is being fully applied.

Our job is to make decisions based on our own experience and knowledge while valuing not only the company's internal viewpoint, but also the viewpoints of people outside the company and shareholders. Through these efforts, we are dedicated to leading CyberAgent to even more impressive growth.



△ Mr. Nakamura

## Corporate Governance

# Management Transparency

### Basic policy for information disclosure

---

CyberAgent strives to provide prompt information to shareholders and investors based on transparency and fairness. We are also dedicated to timely and proactive disclosure of information in accordance with the Financial Instruments and Exchange Act and Tokyo Stock Exchange timely disclosure rules, as well as information we deem valid for better understanding the company.

For more information, please refer to our Disclosure Policy on page 77.

### Initiatives to General Meeting of Shareholders

---

We are accelerating the delivery of convocation notices to ensure that our shareholders have sufficient time to review the agenda. Convocation notices are sent out at least one week prior to the statutory date (at least three weeks before the General Meeting of Shareholders). In addition, before notices are sent out, their Japanese and English versions are posted on CyberAgent's corporate website, on the Tokyo stock exchange website, and also on the electronic voting platform for rights holders. Exercise of voting rights through the internet has been available since 2007. CyberAgent sets shareholders' meetings in

December by avoiding dates crowded with other company shareholder meetings so that as many shareholders as possible can attend. The 21st annual General Meeting of Shareholders was held on December 14, 2018. A business report video on the first part General Meeting of Shareholders as well as scenes from the second part Company Information Session are available to view on the corporate website.


### Communication through social media

 CyberAgent  
Official Facebook




 CyberAgent  
Official Twitter



 President, Susumu Fujita  
Official Twitter



 Director, Tetsuhito Soyama  
Official Twitter



## Corporate Governance

# Director Compensation

### Policy for directors' compensation decisions

The amount of compensation for CyberAgent executives, etc., is determined by comprehensively taking into consideration the role, contribution, and performance of each director appointed by the Board of Directors (excluding directors who are members of the Audit and Supervisory Committee, etc.), within the compensation limit approved at the general meeting of shareholders.

The amount of compensation for directors who are members of the Audit and Supervisory Committee, etc. is determined through consultation with the directors who are members of the Audit Committee etc. is determined based on mutual discussion with that person.

#### Introduction of stock option system

Stock options are granted based on CyberAgent's consolidated sales with the objective of further boosting the motivation and morale, raising corporate value, and further strengthening corporate management.

#### Outline of Stock Options

<b>Eligible employees</b>	In-house directors, employees, directors of subsidiaries, employees of subsidiaries
<b>Issued outstanding balance</b>	792,400 shares (0.63% of issued shares including treasury shares)
<b>Estimated total amount paid</b>	542,941,000 yen

\* as of the end of September, 2018

### Director Compensation

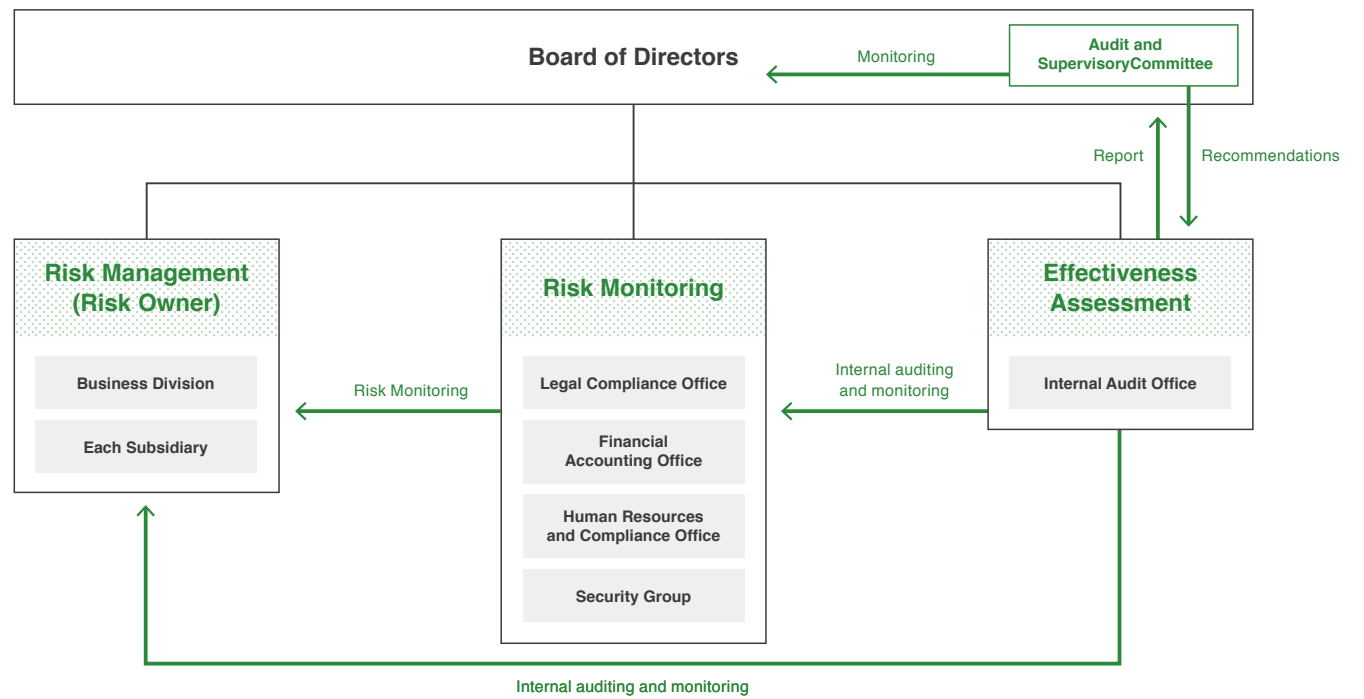
Classification	Compensated persons	Compensation amount
Director (Exclude members of the Audit and Supervisory committee)	9	407 million yen
(Of which, outside director)	(1)	(12 million yen)
Directors who are members of the Audit and Supervisory committee	3	14 million yen
(Of which, outside auditor)	(2)	(6 million yen)
Corporate Auditors	3	3 million yen
(Of which, outside auditor)	(2)	(1 million yen)
<b>Total</b>	<b>15</b>	<b>426 million yen</b>
(Of which, outside executive)	(5)	(19 million yen)

\*Compensation to each director includes the amount of expenses incurred during the business year for subscription rights to shares granted as stock options (Director, 128 million yen).

# Internal Control

CyberAgent is making system enhancements to the IT internal control system and building an operations monitoring system in order to realize sustainable growth for the group as a whole. By responding flexibly to fast-paced changes in the business environment, we are committing the effort necessary to maintain and improve the quality of our business operations.

## Internal Control System



# Risk Factors

The following passages will describe major possible risk factors related to the business operation of our Group. In addition, the items that are not related to the risk factors, but considered important for investment judgment will be mentioned below, from the viewpoint of proactively disclosing information to investors. CyberAgent will recognize these risks, and implement some measures for avoiding or coping with these risks.

## Regarding business trend

---

If there emerges a hindrance to the growth of the Internet, game markets or if business confidence worsens, and affecting the Internet ad market, our business performance and financial standing may be affected.

## Regarding fluctuations in business performance

---

Earnings forecast is based on management' s assumptions and it should be noted that the accuracy of information is not guaranteed. Changes in unforeseen factors could cause actual results to differ materially. Also, if accounting standards or taxation systems are changed considerably, it may affect our business performance and financial condition of CyberAgent.

## Regarding internal control systems

---

CyberAgent takes various measures for maximizing the value of each group company, while considering that our important managerial mission is to enrich our corporate governance. However, if the development of sufficient internal control systems cannot keep up with the rapid expansion of our businesses, etc., it may become difficult to operate our businesses appropriately, affect the business performance and financial standing of CyberAgent.

## Regarding the risks accompanying the dependence on specific management and recruitment

---

If it becomes difficult to secure personal or if as represented by board members, including the president or executive who has technical knowledge, skills, or experiences resigns or retires for some reason and there are no successors, the business performance and financial standing of CyberAgent may be affected.

## Regarding legal regulations

---

CyberAgent' s field of business is regulated by various laws and regulations, such as the Act on the Limitation of Liability for Damages of Specified Telecommunications Service Providers and the Right to Demand Disclosure of Identification Information of the Senders, the Act on Prohibition of Unauthorized Computer Access, the Consumer Contract Act, the Act Against Unjustifiable Premiums and Misleading Representations, the Act on Specified Commercial Transactions, the Act on the Protection of Personal Information, the Act on Establishment of Enhanced Environment for Youth' s Safe and Secure Internet Use, the Payment Services Act, and the Food Sanitation Act, and procedures and guidelines from supervisory government agencies. There may be changes to royalties paid to copyright organizations or holders of neighboring rights or the terms and conditions of licenses on music copyright, or new licensing other than the music copyright may be necessary. CyberAgent' s business may be subject to new restrictions, and business performance and future business expansion may be impacted as a result of the enactment or revision of rules and regulations, or the formulation or revision of new guidelines or voluntary-regulatory rules. In addition, third parties who have suffered damage or loss from illegal acts within our services may file lawsuits against us as the service operator to claim damages.

## Regarding information security risks

---

There are risks of the leakage of important data, the unauthorized falsification of computer programs and system failure due to such occurrences as remarked below. Defect in computer systems, deterioration in existing security measure, malware or computer viruses, an unauthorized access to computer networks, an error of executive, employee, or business partner, natural disaster and temporary overload by the increase of access. It may result in a third party' s claim for damages, fallen credibility of CyberAgent, and affecting the business performance and financial condition of CyberAgent.



## Regarding risks from managing personal information

---

CyberAgent holds personal information obtained through businesses such as our internet media business, and manages that information in keeping with the Privacy Policy prepared in accordance with the Act on the Protection of Personal Information. If personal information is leaked or an issue arises in the process of collecting personal information due to events such as a computer system defect, compromised existing security measures, malware or a computer virus, unauthorized access of a computer from an outside source, an error by an executive, employee, or business partner, natural disaster, or sudden mass network access, CyberAgent may incur damage due to a claim against us or a deterioration of trust in CyberAgent, or our business performance and financial standing may be impacted.

## Regarding risks related to intellectual property rights

---

CyberAgent makes efforts to protect our intellectual property rights that accompany technological innovations in the internet industry and the expansion of our intellectual property rights business, and reinforces awareness of our intellectual property rights and our internal management structure so that our officers and employees do not violate third party intellectual property rights. However, if a third party files a lawsuit against CyberAgent Group regarding intellectual property right infringement or CyberAgent Group receives a claim to stop using the intellectual properties based on the content of the intellectual property rights held by the third party, extensive funds and time may be required until that situation is resolved, and CyberAgent Group's performance and future business expansion may be impacted.

## Regarding risks related to natural disasters

---

If there is an event such as a natural disaster (including an earthquake or a typhoon), or a terrorist attack, CyberAgent's business may be greatly impacted or fall into a state of confusion. If there is a natural disaster or similar event, CyberAgent will make efforts to appropriately and promptly carry out emergency measures or restoration measures. However, we do not guarantee that the impact of any interruption to or termination of the computer system due to a natural disaster or similar event can be completely prevented, and business activities may be impacted, our brand image may be harmed, or there may be physical or damage injury as a result of that event. Further, our base and the computer network infrastructure are concentrated in a certain area according to the services. Therefore, if a natural disaster or similar event occurs at that location, there may be significant damage and our performance and future business expansion may be impacted.

## Regarding the risks in future business operation

---

The business model of CyberAgent has contact points with both internet users and advertisers. In order to expand our business in rapidly growing internet industry, we need to bear additional investment in recruiting new personnel, improving equipment, developing businesses, etc. and it would take some time to earn stable profits from these businesses. In addition, our profitability may decline due to price-cutting competitions and the cost for increasing users will augment for gaining an advantage over competitors.

Moreover, when operating overseas businesses, we may not be able to cope with potential risks regarding the laws, regulations, politics, social situations, exchange rate fluctuations, and competitive environments in respective countries. Since CyberAgent offers Internet media services targeted at general consumers, CyberAgent may suffer an unexpected reputational damage. This would degrade our brand image, and affect our business performance.

## Regarding the risks in the Internet media and game business

---

We operate a wide array of contents and services on the internet, including "AbemaTV," blogs, social media, games, videos, music, and informative websites. We plan to increase and retain users, by developing new contents, enriching the functions of existing services, stabilizing our business operation, and so on. However, if we cannot offer attractive contents and services liked by a broad range of users, the business performance and future business operation of CyberAgent may be affected.

Our company takes various measures when necessary, for the purpose of promoting the sound development of markets related to the usage of games incorporate with industry groups. However, if system adjustment and improvement or an unexpected event occurs, the business performance and future business operation of CyberAgent may be affected.

Our Internet media business offers services in accordance with the contracts with the card companies, platform operators, telecommunications carriers, etc. If there are changes in technical specifications, revisions to contracts, cancellation of contracts, or other unexpected events, the business performance and future business operation of CyberAgent may be affected.

## Regarding the risks in the Internet advertising and Ad Tech Businesses

---

The Internet Advertisement Business may be affected by business trends, including the reduction of Ad costs by advertisers. In addition, we may have to fulfill the obligation to pay additional Ad fees to the media because of the worsening the financial standings of advertisers, the wrong distribution of Ads etc.

If we become unable to procure ad spaces or products due to the discontinuance of transactions with media firms or if the conditions for transactions are changed, or if our profitability decline due to an intensifying price-cutting competitions, the business performance of CyberAgent may be affected.

In the Ad Technology, if new technologies or methods for advertisement are invented, the competitiveness of services we offer may decline considerably. The As for the advertising utilizing ad technology for smart devices, there are possibilities that the changes to the regulations, guidelines for the providers of OS for smart devices and its functions will affect the business performance and future business operation of CyberAgent.

## Regarding risks related to investment development business

---

Public companies that we invest in may see a decrease in the gain on valuation or an increase in the loss on valuation due to share price trends. In addition, investments may not be collectible due to future performance by the companies that we have invested in, and CyberAgent Group's profit and loss may be impacted.

Unlisted companies may experience a deterioration in performance due to uncertain factors in the future, and CyberAgent's performance, financial standing, and future business expansion may be impacted.

## Regarding the risks related to the EC business

---

As CyberAgent operates E-commerce businesses, we manage product control systems, and sign contracts with suppliers thoroughly, but if the product we sold goes against the law or has defects, producing problems of safety, etc., we may become liable for damages.

## Regarding risks related to sporting business

---

CyberAgent carries out sporting business, including the operation of sporting exhibits and events, and in the case of sporting exhibits, there may be an accident due to attendance by a large number of spectators. The necessary prevention measures are taken, but CyberAgent Group's performance may be impacted due to incidents of liability for damages or a loss of confidence.

## Regarding risks related to M&As

---

CyberAgent attaches great importance to diversification of earnings through entry into and strengthening of business peripheral to "AbemaTV," and entry into and strengthening of new business fields, such as business that utilizes resources and know-how of existing business. One method to achieve that is to strengthen investments and lending, including M&As. The target business is investigated in detail beforehand as much as possible, and once the risk is sufficiently considered, the M&A is proceeded with. However, if there are issues in the prior investigation, such as being unable to ascertain unrecognized debt or contingent liability post-acquisition, or post-acquisition business expansions do not proceed as planned, CyberAgent's performance, financial standing, and future business expansion may be impacted. In addition, if new areas of business are added to our group through M&A or similar means, risk factors specific to those businesses will be taken on by CyberAgent.

## Regarding risks related to food and beverage business

---

CyberAgent operates restaurants and has thorough quality control and hygiene management. However, if a food related incident arises due to certain circumstances, CyberAgent Group's performance may be impacted due to incidents of liability for damages or a loss of confidence.

# Information Security

CyberAgent has formulated an Information Security Policy and Initiatives to Protect Personal Data (Privacy Policy) in order to handle the extensive user and client information generated from service operations, and protects and appropriately manages information assets.

As a company that provides several internet services, CyberAgent recognizes the importance of information security and has accordingly established an information security system run by our company-wide IT Security Office. We have also registered as a member with the Nippon CSIRT Association and continue to strengthen security measures through close collaboration with other companies.

- **Establish a monitoring system against external attacks**
- **Compile a summary of efforts on information security**
- **Implement and operation risk management and response measures**
- **Collect information on incidents and provide follow-up**
- **Implement security training for staff**



▲ Security officers from each department gather in the IT Security Office

## Background of the members that make up the IT Security Office

Media Business, Game Business, Internet Advertising Business, Company-wide System, Legal Affairs, Public Relations, Offices, Internal Audit, Subsidiaries, Security

ESG

## Corporate Social Responsibility

With taking advantage of our services and accumulated know-how, we fulfill our social responsibility and make the efforts to enable the creation of social value in a variety of fields.



CyberAgent is committed to sound management of all media services we operate in order to protect underage users and to provide a safe and secure environment for all people who use our services.

## 24/7/365 monitoring system

---

We operate a stringent 24/7/365 services monitoring system to detect and eliminate any users who use the service for malicious purposes.

We have also introduced a user reporting system, and promptly investigate anytime we receive reports of suspicious users. If we find that the a user is in violation of our terms of service we take immediate action that includes issuing a warning or canceling the user's account.

Target services:  
Ameba, Ameba Pigg, Tapple, etc.

## Age verification with government issued ID

---

For our dating app, we accept only government-issued ID to verify the age of users before they are permitted to use services such as message exchange, contacting features, etc.

Examples of acceptable ID includes a Driver 's License, National Health Insurance Card, Employees' Health Insurance Card, Mutual Aid Association Card, Pension Handbook, Passport, Alien Registration Certificate etc.

Target services:  
Tapple, etc.

## Feature restrictions for underage users

---

Based on date-of-birth information entered at the time of registration, we have measures in place to protect underage users, such as restricting communication functions or setting purchase limits.

Target services:  
Ameba, Ameba Pigg, etc.

## A monitoring system that ensures reliable delivery

---

A new monitoring system was introduced in September 2016, and we implement 24/7 services monitoring in order to further boost the reliability of our services delivery.

Also, in the event of a disaster or emergency, we strive to continuously deliver reliable content to fulfill our role as a modern information infrastructure in the era of the internet.

Target services:  
AbemaTV

## CSR

# Safe and Secure Services

Advertisement

### Compliance Bureau

In order to improve the sales management quality of business divisions and subsidiaries responsible for expanding our advertising business, we constantly review the administrative flow, including checking consistency, as well as make efforts to strengthen coordination among the group in terms of know-how and knowledge.

We also conduct advertising reviews to ensure that the content of the ads proposed to us are in full compliance with laws, regulations, and JIAA (Japan Interactive Advertising Association) guidelines, and also in line with public order and morals.

### Advertising Compliance Committee

With the goal of improving the integrity and safety of advertisements, this committee is committed to solving problems with a cross-section of members from the Advertising Business Department and Legal and Compliance Office.

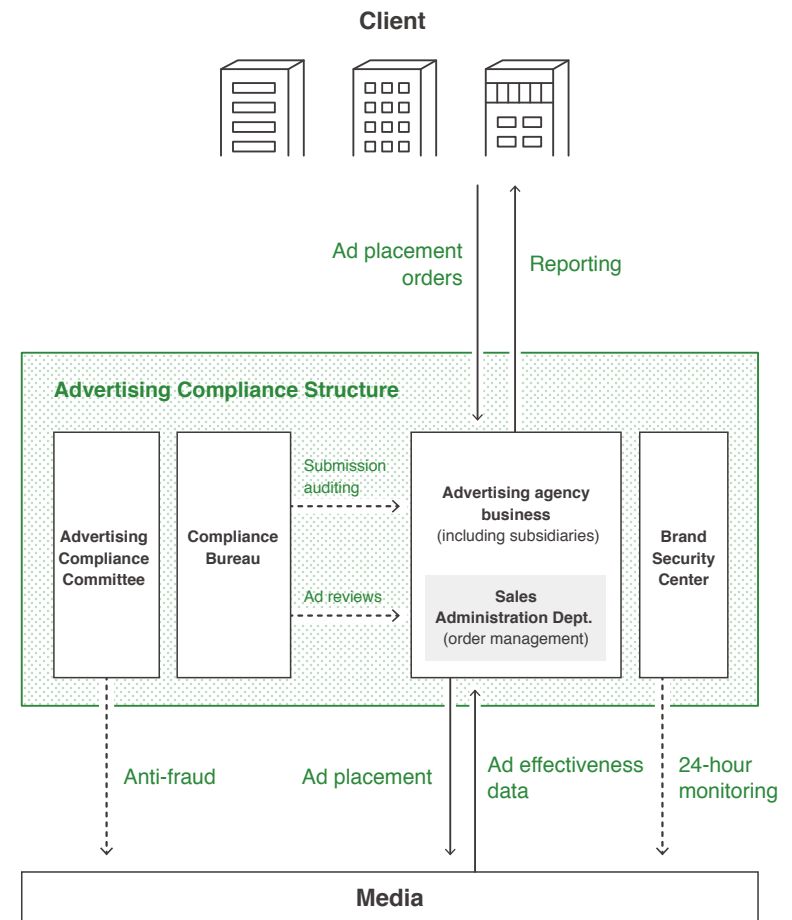
The committee takes advantage of the group's collective knowledge in a variety of issues related to advertising quality, including with measures to protect against piracy and illegal sites, ensure brand safety, and prevent ad fraud.

### Brand Security Center

To ensure that our customers can feel confident in advertising with us, in June 2017 we established the "Brand Security Center," a group dedicated to monitoring brand safety 24 hours a day 365 days a year.

CyberAgent Brand Security minimizes advertisement opportunity losses while simultaneously preventing damage to our advertisers brand value. By doing this, CyberAgent maintains outstanding advertising quality while pursuing maximum advertising effectiveness.

In our advertising business, CyberAgent has been focused on improving our advertising-related compliance structure since 2017. As a leading internet advertising company, our goals are to promote sound and transparent advertising transactions, and to be an advertising agency whose customers can feel confident in placing ads with.



## CSR

# Safe and Secure Services

Game

### Money spending alerts

---

Money spending alerts are issued to users when the amount of money spent on in-game purchases has reached the amount set for each month, thereby preventing excess purchases and usage.

\*Alert amount set differs by game.

### Display of distribution rates (also known as "drop rates") of each obtainable random in-game item

---

In accordance with the "Operating Guidelines for Random Item Distribution in Network Games" established by the Computer Entertainment Supplier's Association ("CESA"), CyberAgent displays the distribution rates (also known as "drop rates") of each obtainable random in-game item to increase transparency. In addition, we disclose information more simply and clearly by displaying modified distribution rates if they are modified for a special event.

### In-game patrols

---

CyberAgent prohibits the advertising, announcing, or soliciting of RMT (Real Money Trading) with other users, as well as RMT involving the buying or selling of game IDs or game items in exchange for money or anything of monetary value. If such acts are discovered, we will take action in accordance with each game's usage policy, including the suspended use of all or part of a game, or cancellation of the user's account.

Voluntary patrols help ensure a safe and secure gaming environment for all users by monitoring whether games are being operated properly, watching for unacceptable activities such as RMT, and checking whether posted comments violate rules.

In all games we operate, CyberAgent is committed to protecting young users, and providing fun games in a safe and secure environment for all people who use our services.

### Spending limits for minors

---

We limit the monthly spending amount of minors. By limiting the maximum spending amount users for age 15 or under to 5,000 yen and ages 16–19 to 10,000 yen, we protect users by ensuring that minors are unable to spend excessive amounts.

### Prohibition Real Money Trade (RMT)

---

In all games we provide, CyberAgent prohibits the advertising, announcing, or soliciting of RMT (Real Money Trading) with other users, as well as RMT involving the buying or selling of game IDs or game items in exchange for money or anything of monetary value. If such acts are discovered, we will take action in accordance with each game's usage policy, including the suspended use of all or part of a game, or cancellation of the user's account.

### Thorough compliance with game related laws and regulations

---

In order to ensure that users can enjoy games in full confidence of their safety, we have established acceptable use policies for each game and also take steps to promote awareness on our official website and in-game.

### Games operated in accordance with CESA's "Operating Guidelines for Random Item Distribution in Network Games"

---

Games are operated in accordance with the "Operating Guidelines for Random Item Distribution in Network Games" which have been established by the CESA

Applies to:

CyberAgent, Inc., Cygames, Inc., Applibot, Inc., GCREST, Inc., Sumzap, Inc., Grence, Inc., Griphone, Inc., Goodroid, Inc., Craft Egg, Inc., QualiArts, Inc.

We will continue to take appropriate action as necessary for games provided by the above companies.

## CSR

# Social Initiatives: Contributing to Local Communities

### Contribution to local communities

---

In 2018 we launched "SHIBUYA BIT VALLEY," a project aimed at making Shibuya an international hub of technology in the IT field.

"BIT VALLEY 2018" was also held in September as a first-year effort. This tech conference brought together some 1,000 young engineers in the IT industry as well as students aspiring to be engineers. CyberAgent has provided support to help as many engineer-aspiring students as possible participate in the conference by providing transportation expenses to 102 students living outside the metropolitan area.

With the shortage of IT talent in Japan becoming a social problem, CyberAgent is dedicated to bolstering Shibuya's IT community and promoting interaction with this tech conference playing a central role.



▲ Tech Conference "BIT VALLEY 2018"



## CSR

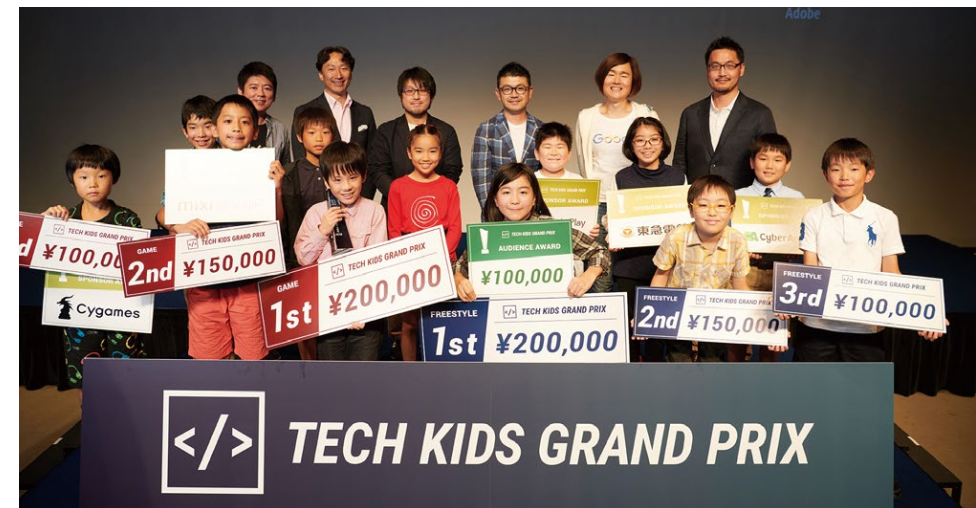
# Social Initiatives: Fostering IT Talent

### Fostering IT Talent

---

With the aim of developing the talent to lead the 21st century with IT, in May 2013 we established "CA Tech Kids" in a joint venture with Life is Tech, Inc. to offer programming education to elementary school students. Through the implementation and operation of the programming school "Tech Kids School" and introductory programming workshop "Tech Kids CAMP," we have provided programming educational opportunities to over 30,000 elementary students in just five years. Our efforts go beyond just helping kids acquire IT programming knowledge and skills; we are also fostering the skills to design, realize an idea, and make forward progress in our aim to encourage the development of "talent capable of using technology as a tool to realize their own ideas and actively engage in society."

CA Tech Kids also carries out activities that promote the introduction and popularization of learning programming skills in public education. These activities include outreach programming classes at primary schools, policy recommendations on programming education, collaborative efforts with government, and more. From a desire to provide programming education opportunities to all children regardless of economic or geographic situation, we have been visiting schools and municipalities across Japan to implement outreach programming classes. In November 2015, we also held outreach programming classes in Rikuzentakata city (Iwate prefecture) and Iwaki city (Fukushima prefecture), areas affected by the Great East Japan Earthquake.



▲ "Tech Kids Grand Prix" programming contest held in 2018

## CSR

# Social Initiatives: Creating Job Opportunities

### Aggressive Investment in Talent

---

CyberAgent is promoting employment in rural areas through the establishment of local subsidiaries. Offices in Okinawa and Sendai employ 843 people who are engaged in monitoring the comments on our smartphone service, Ameba, and operating internet advertisements as part of our internet advertising business. (As of the end of September 2018)

Since 2016, we have also been stepping up the hiring of students from regional universities. CyberAgent has held outreach seminars, consultations, and local employment screening at regional universities and has launched hiring activities in all 47 prefectures across Japan. Since 2017, we have also posted online videos of company information sessions.

### Proactive Employment of Persons with Disabilities

---

In 2007, we launched subsidiary CyberAgent Will, Inc. based on the 'Act on Employment Promotion of Persons with Disabilities' to proactively employ persons with disabilities. Through participation in joint explanatory meetings and interviews at various locales, we have enhanced recruitment abilities and systematically expanded employment opportunities. As a result of proactively employing disabled persons who possess high-level computer operating and technical skills, we successfully achieved the mandatory employment rate of 2% by June 2018.

We currently employ 83 persons with disabilities who function in a variety of roles such as data entry and other operational work, in-house physical therapists, etc. (As of the end of September 2018)



▲ Okinawa office

## CSR

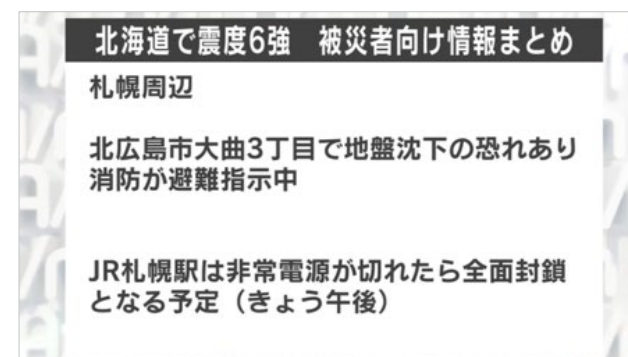
# Social Initiatives: Enhancing the Information Infrastructure



Instant posting of disaster information

## Enhancing "AbemaTV" Content

Launched in April 2016, the internet TV station "AbemaTV" allows users to browse the latest news and information for free on their smartphone. Continuing to grow in popularity, "AbemaTV" delivers services to smartphones — which people carry ubiquitously these days — and also provides notifications 24-hours-a-day in real time in the event of a disaster, such as early earthquake warnings. By doing this, we are pursuing business initiatives that recognize the importance of its role in society as new information infrastructure in the age of internet.



Disaster emergency information summary was broadcast in text for disaster-affected persons during an Intensity 6 earthquake in Hokkaido.

© AbemaTV

## CSR

# Social Initiatives: Supporting Sports

Through its support of sports, CyberAgent aims to expand sports culture, develop human resources, and contribute to local communities.

### Football

In October 2018, the Japan Professional Football League Club "FC Machida Zelvia" became part of CyberAgent Group. FC Machida Zelvia began in 1977 when a local boys' football team for elementary school students was formed in Machida City, Tokyo under the motto of "Born in Machida, Raised in Machida, from Machida to the World." After participating in the national championships, a junior youth team (U15) and a youth team (U18) were formed, which was followed by the formation of a top team then established in 1989.

Similarly to the club, CyberAgent has also long focused efforts on recruiting, developing, and activating human resources. From the standpoint of

"developing human resources," there is a strong affinity between the ideologies of CyberAgent and FC Machida Zelvia that led to the club being brought into the group. Both companies share the common goals of obtaining a J1 license as quickly as possible, and by embarking on building the necessary infrastructure for that, growing FC Machida Zelvia into a top club born in Machida, Tokyo and recognized around the world.

Since July 2017, Cygames, Inc., a subsidiary company of CyberAgent, has also been sponsoring Juventus F. C. (Juventus Football Club S. P. A.), an Italian pro soccer league that plays in Serie A.

### Golf

Since 2018 AbemaTV, Inc. has been sponsoring the AbemaTV Tour, which is a domestic mens golf lower-level tour. With the goal of fostering young golfers, discovering raw talent, and attracting a viewing audience of wide demographics, we have been holding tournaments that incorporate the unique strategies of "AbemaTV".



## Our commitment to environment

CyberAgent is making efforts to reduce environmental burdens and maintain optimization in its operations to contribute to preserving the global environment and achieving a sustainable society.



**SAVE ELECTRICITY**



**RECYCLE**



**PAPER LESS**

# Environment

## Promotion of Digitalization

---

CyberAgent is working on digitalizing internal documents, including cost calculations, invoices, and received faxes to reduce the amount of paper used in the office. By developing and providing "GEPPPO," a tool to assess employee conditions and promoting digitalization of various kind of documents related to business transactions, we create an environment where each employee can focus on their primary duties by preparing an internal system.

## Conversion of Studio Lights into LED

---

CyberAgent reduces the environmental burden by saving energy. An example is to adopt LED lights for the studio that "AbemaTV" uses for shooting. LED emits less harmful rays, such as heat rays and UV, and will also lead to cutting down stress found in shooting, like heat factors.

## Security Protection and Recycle

---

Documents in the office are destroyed using an exclusive recycling trash bin (Mamoru-kun) (Japan Purple Inc.) which maintains confidentiality and recycling. In FY2017, it contributed to saving 1,775.29 trees and around 51,146.3kg (12% down compared to the same period previous year) in carbon dioxide emissions annually.

# 04

---

CyberAgent, Inc. was founded in 1998. Including subsidiaries, we currently have 85 offices in Japan and 8 offices outside Japan.

---

## Company Overview

# Company History

---

<b>Mar. 1998</b>	CyberAgent, Inc. is founded in Minato-ku, Tokyo
<b>Apr. 1999</b>	Relocated headquarters to 3-5-30 Kita-Aoyama, Minato-ku, Tokyo
<b>Mar. 2000</b>	CyberAgent is listed on Mothers section of the Tokyo Stock Exchange
<b>May 2000</b>	Relocated headquarters to 1-12-1 Dogenzaka, Shibuya-Ku, Tokyo (Shibuya Mark City) Established CA MOBILE, Ltd. to engage in mobile-related business
<b>Sep. 2004</b>	Launched "Ameba Blog"
<b>Apr. 2009</b>	Established "CyberZ, Inc." to enhance smartphone advertising business
<b>May 2009</b>	Established "Sumzap, Inc." to enter the gaming business
<b>May 2011</b>	Established "Cygames, Inc." to enhance the gaming business
<b>Jun. 2012</b>	Launched "Ameba" (formerly 'Ameba Blog')
<b>Jan. 2013</b>	Sold "CyberAgent FX, Inc." (now YJFX, Inc.) and withdrew from the FX business
<b>May 2013</b>	Established "CyberAgent Crowd Funding, Inc." (now Makuake, Inc.) to engage in crowdfunding services Established "CA Tech Kids" to provide programming opportunities for elementary school students
<b>Sep. 2014</b>	CyberAgent is promoted to the First Section of the Tokyo Stock Exchange
<b>Nov. 2014</b>	Established "AWA Co. Ltd.," an equity-method affiliate, through joint investment with Avex Digital Inc. to provide music distribution services
<b>Apr. 2015</b>	Renewed the corporate and Ameba brand logos Established "AbemaTV, Inc." through joint investment with TV Asahi Corporation to engage in video distribution business
<b>Apr. 2016</b>	AbemaTV, Inc. launches internet TV station "AbemaTV"
<b>Oct. 2018</b>	AbemaTV exceeds 34 million downloads just 2.5 years after its launch

---



# General Information

<b>Company Name</b>	<b>CyberAgent, Inc.</b>
<b>Address</b>	1-12-1 Dogenzaka Shibuya-Ku, Tokyo 150-0043
<b>President</b>	Susumu Fujita
<b>Foundation</b>	March 18, 1998
<b>Capital</b>	7,203 million yen (As of the end of September, 2018)
<b>Employment Headcount</b>	4,988 (Consolidated, as of the end of September, 2018)
<b>Business Portfolio</b>	Media Business Internet Advertisement Business Game Business Investment Development Business

## Office Locations

<b>Japan</b>	Tokyo, Osaka, Nagoya, Fukuoka, Sapporo, Sendai, Kanazawa, Kyoto, Saga, Okayama, Okinawa
<b>Global</b>	United States (New York, San Francisco, Guam) China (Beijing) Taiwan (Taipei) Korea (Seoul) Vietnam (Ho Chi Minh City) Singapore (Singapore)

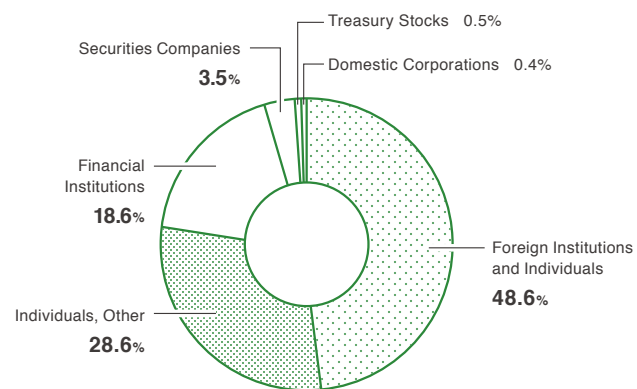


\*Main offices around the world including consolidated subsidiaries.

# Stock Information

<b>Listed Market</b>	First Section of the Tokyo Stock Exchange
<b>Code</b>	4751
<b>Number of Shares Outstanding</b>	126,426,600 shares
<b>Number of Shareholders</b>	12,668

## Distribution of Shares by Type of Shareholders



\*As of the end of September 2018

## Top Holders

	Name	Number of Shares	% O/S
1	Susumu Fujita	25,909,600	20.5%
2	Japan Trustees Services Bank, Ltd. (Trust Account)	5,790,800	4.6%
3	The Master Trust Bank of Japan, Ltd. (Trust Account)	4,580,400	3.6%
4	NORTHERN TRUST CO.(AVFC)SUB A/C NON TREATY	3,663,440	2.9%
5	THE BANK OF NEW YORK 133 524	3,393,000	2.7%
6	GOLDMAN SACHS INTERNATIONAL	2,786,500	2.2%
7	JP MORGAN CHASE BANK 385632	2,701,690	2.1%
8	JP MORGAN BANK LUXEMBOURG S.A. 385576	2,496,384	2.0%
9	MSIP CLIENT SECURITIES	2,381,700	1.9%
10	Japan Trustee Services Bank, Ltd. (Trust Account 5)	2,294,900	1.8%

\*As of the end of September 2018

## Large Shareholding Report

Institution	% O/S	Submitting Date
Baillie Gifford & Co	11.11%	April 21, 2015
JP Morgan Asset Management (Japan) Ltd.	6.80%	October 19, 2018
Tybourne Capital Management (HK) Limited	5.14%	October 29, 2018

# Investor Relations Activities

CyberAgent promotes understanding of its management policies and business strategies on its investor relations website through information disclosure, conference participation, and interviews with institutional investors. In September 2018, it was adopted as a constituent stock of the Nikkei Stock Average, and has now been included in a total of six indexes including ESG indexes. Recognizing the importance of disclosing information, CyberAgent is dedicated to continuing to improve its IR activities.

## FY2018 Summary of Activities

	1Q			2Q			3Q			4Q		
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.
Results Announcement	● Full Year Results Announcement			● 1Q Results Announcement			● 2Q Results Announcement			● 3Q Results Announcement		
Dividend				● Pay out of year-end dividend						Record Date ●		
Shareholder's Meeting				● General Shareholder's Meeting								
Annual Securities Report				● Submission of Annual Securities Report								

The number of institutional investors we met at the individual meetings:	841 people
Earnings presentations:	4 times
Overseas roadshows:	1 time

## Inclusion in Indexes












We are newly added to the Nikkei Stock Average (Nikkei 225), being part of six indexes including two ESG indexes in total.

- 2014 JPX-Nikkei Index 400
- 2015 FTSE All-World Index
- 2017 MSCI Japan ESG Select Leaders Index\*
- MSCI Japan Empowering Women Index\*
- 2018 MSCI Japan Index
- Included in the 225 stocks that make up the Nikkei Stock Average

\*ESG index



## IR Awards

	<b>The All-Japan Executive Team 2018</b>	CyberAgent was ranked in 1st place among "Most Honored Companies" in Institutional Investor magazine's 2018 All- Japan Executive Team Rankings in the internet sector, and also boasts awards in 10 other categories.
	<b>Most Honored Companies</b>	<b>1st place</b>
	<b>Best CEO</b>	<b>2nd place</b> Susumu Fujita - selected from buy-side and sell-side (second consecutive year in 2nd place)
	<b>Best IR Professional</b>	<b>1st place</b> Sonoko Miyakawa - selected from buy-side and sell-side (sixth consecutive year in top-3)
	<b>Best IR Programs</b>	<b>1st place</b> selected from buy-side and sell-side (second consecutive year in top-3)
	<b>Best ESG/SRI Metrics</b>	<b>1st place</b> selected from buy-side and sell-side (new category started this year)
	<b>Best Corporate Governance</b>	<b>1st place</b> selected from buy-side and sell-side (new category started this year)
	<b>Best Analyst Days</b>	<b>3rd place</b> selected from buy-side and sell-side (second consecutive year in top-3)
	<b>Daiwa Investor Relations 2017 Internet IR Awards</b>	Our new corporate site, which was renewed in October 2017, was recognized with an Excellence Award from the Daiwa Investor Relations 2017 Internet IR Awards (Daiwa Investor Relations)
	<b>Forbes Asia Fab 50</b>	Chosen for 'Forbes Asia Fab 50' by Forbes as one of the Asia's Fab 50 Companies in September 2018 (third consecutive year)
	<b>Japan Investor Relations Association's Awards</b>	Chosen for 'Companies with Greatest Improvement in IR,' and ' Companies with Best Continual Efforts in IR' by Japan Investor Relations Association as we have been evaluated highly by the committee and recognized for our efforts to improve IR activities for twelve years from 2007 to 2018.

# Strengthening Communication with our Investor Website

The corporate site rolled out a new design in October 2017 to improve the company's ability to communicate information with owned media and to ensure compatibility with all types of devices. In addition to earnings and financial information, we also proactively communicate qualitative information on not only payment and financial information, but also subjects like technological capabilities, competitive advantage, governance, empowering women, and more.

## IR Channel

Go to "IR channel" →

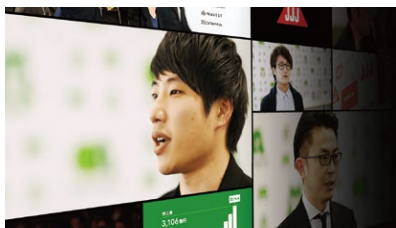
Since 2016 we have released a total of 20 videos for our shareholders and investors.



3rd episode: "Exploring the Strength of Internet Advertising Business"



4th episode: "CyberAgent from an Outside Director's Perspective"



7th episode: "Startup JJJ, a Framework for Cultivating New Business"



16th episode: "Operational Advantage: Our Ability to Create Long-lasting Hit Titles"

## Owned media: "FEATURES"

Go to "FEATURES" →

FEATURES delivers articles on topics such as our distinctive systems, culture, and social contribution.



Three outside directors on initiatives for strengthening governance"



The new culture that female employees create themselves"



Asset portfolio planning by a new graduate infrastructure engineer"



Building the Future of Internet Advertising with Technology and Creative"

# Disclosure Policy

## Basic policy for disclosure

---

CyberAgent, Inc. (hereinafter called “the company” ) will swiftly provide shareholders and investors with information while emphasizing transparency, fairness. The company will disclose information under the timely disclosure regulations specified by the Financial Instruments and Exchange Act and the Tokyo Stock Exchange. At the same time, the company provides prompt and proactive disclosure of material information which is not subject to the timely disclosure regulations, that could influence the investment decisions of investors.

## Method for disclosing information

---

Information which is subject to the timely disclosure regulations will be disclosed on the website of the Tokyo Stock Exchange through the timely disclosure network (TDnet), according to the regulations. The released information will be uploaded to the IR website of the company. The information that is not subject to the timely disclosure regulations will also be released through the IR website of the company, to reach investors accurately and equally.

## Forward-looking statements

---

This website and other items the company publishes may contain forward-looking statements such as business forecasts that made based upon the information currently available which involves risks and uncertainties. There can be no assurance that forward-looking statements will prove to be accurate or achieved, as actual results may differ materially from those anticipated in such statements.

## Quiet Period

---

The company specifies the two weeks until the release of financial results as a quiet period to prevent earnings information leakage and secure fairness. In this period, the company refrains from answering questions regarding our results and giving relevant comments, except the case where there emerge future-related information and material fact that would influence investment decisions considerably.

# Forward-looking statement, Contact

## Forward-looking statement

---

The future information, such as earnings forecast, written in this document is based on our expectations and assumptions as of the date the forecast was made.

Our actual results could differ materially from those described in this forecast because of various risks and uncertainties.

### Contact

IR&SR Division  
CyberAgent, Inc.

✓ Investor Inquiries

[CONTACT US](#)

Download Fact Sheet

[Excel](#)



