

04

ESG

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

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.

Our Commitment to 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 "GEPPO," 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. From April 2018 to March 2019, it contributed to saving 1,927.49 trees and around 55,531.06kg (8.6% down compared to the same period previous year) in carbon dioxide emissions annually

Social



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.

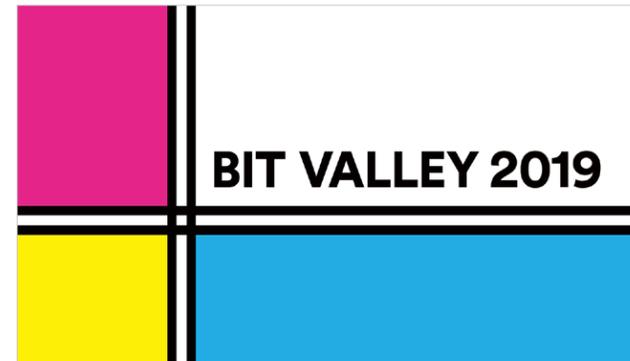
ESG News

Contributions to Local Communities

"Bit Valley" Project

To give the world wonderful services and products that move one's hearts and astound the world

The Bit Valley project began in 2018 as a joint effort with Internet companies who are also based in Shibuya to turn the district into a global IT hub. At the second event, Bit Valley 2019, the theme was: "Toward New Domains of Craftsmanship: Where Technology and Creativity Intersect." The event was for engineers, as well as anyone from the IT industry involved in craftsmanship. During the two day-event, 1,700 participants signed up for sessions on diverse topics on technology, along with design, product management, music, ideas and more. In addition to students aspiring to become engineers, there were many other students of the fine and performing arts. This young talent was exposed to the latest technology, creative works and diverse working lifestyles. The event helped the students imagine what careers they want to pursue.



A speaker session

ESG News

Contributions to Local Communities

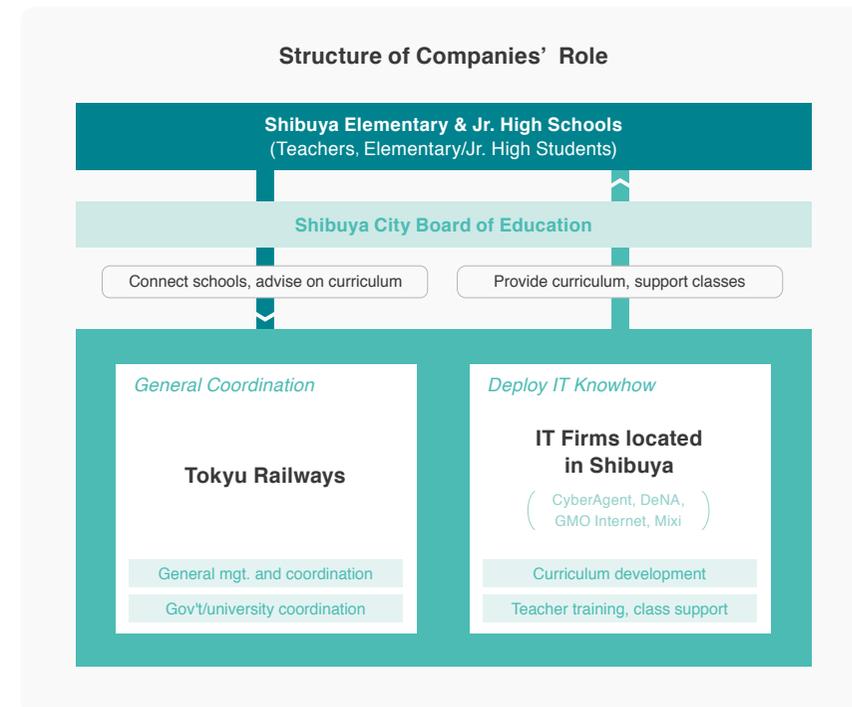
"Kids VALLEY" Future Learning Project

— Career Education Support to Develop IT Professionals —

This project is a joint effort between Tokyu Corporation and four Internet companies including CyberAgent, all located in Shibuya, and the Shibuya City Board of Education to enrich programming education in the city's public elementary and junior high schools. An integrated public-private project, Kids VALLEY provides support for the development of programming curriculum for elementary and junior high students, classroom support and career education support for the development of IT professionals through visits to companies in the industry and other activities.

In 2019, the companies held programming workshops for elementary students during summer break, provided support and training for the development of programming curriculum for the city's elementary and junior high school teachers.

The goal of Kids VALLEY is the cultivation of world-leading talent in the field of IT from Shibuya, where CA Tech Kids is also based. The project also aims to contribute to the development of IT professionals in Japan by systemizing and raising the visibility of these educational initiatives to drive programming education nationwide.



Commitment to Society

Fostering IT Talent

The development of talent able to use technology to lead society into 21st century brings not only the social significance of raising the IT industry's international competitiveness and creating future jobs, but is also an important effort for increasing the potential for growing our company's internet business while reducing operational risks such as the shortage of capable engineers.

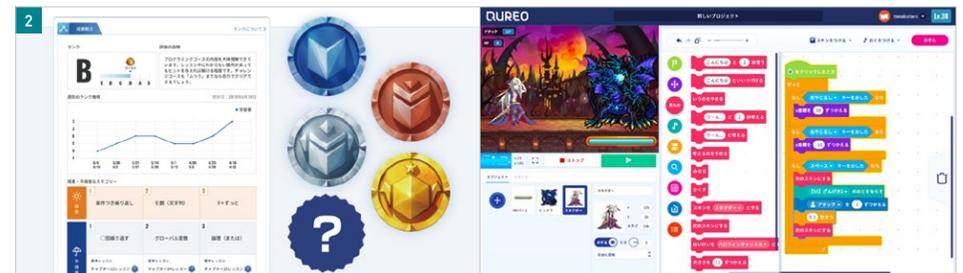
CyberAgent established "CA Tech Kids" in a joint venture with "Life is Tech, Inc." to offer programming education to elementary school students. In May 2013 and provided programming educational opportunities to over 30,000 elementary students.

In addition to being the driving force behind many elementary school students who have released original iPhone applications on the App Store, "Tech Kids School," where participants learn real-world programming, has achieved remarkable learning results by turning out students every year who win prizes in a variety of programming contests.

While programming education will be mandatory at all elementary schools from 2020, there are hurdles in disseminating programming education, including a lack of high-caliber teaching materials and lecturers to teach kids programming as well as disparities in educational opportunities between urban and rural areas. To overcome these hurdles, we developed the online programming learning service "QUREO" and launched its operation in February 2018.

"QUREO" not only incorporates the knowledge and expertise that CA Tech Kids has built up through its business, but also leverages insight on game knowledge such as video and character navigation through collaboration with Applibot, a game company within the group. This delivers enjoyable learning, even for kids with no previous knowledge or experience, in a framework that allows them to independently learn at their own pace. Participants effectively learn the basics of programming, covering 50 items including repetition and conditional branching, in a curriculum that is even used as teaching material in programming classes throughout Japan.

CyberAgent and CA Tech Kids' efforts go beyond just helping kids acquire IT programming knowledge and skills — they teach the skills to 'design,' 'realize,' and 'make forward progress' in an aim to support the development of "talent capable of using technology as a tool to realize their own ideas and actively engage in society."



1 Photo: Programming course offered by CA Tech Kids

2 the online programming learning service "QUREO" materials

— Programming Education Activities

CA Tech Kids carries out a variety of publicity activities, including programming contests and certification exams, to foster awareness of programming education.

Programming Contests for Elementary Students

The Tech Kids Grand Prix is a programming contest for elementary students. With its slogan of “you are the creators of the 21st century,” contest entries are judged from three perspectives: VISION (the dream or world the student wants to realize), PRODUCT (the creative idea that will realize that dream and the product embodying it), and PRESENTATION (the student’s approach to communicating their vision and product to the world).

1,422 entries were received during the first Grand Prix in 2019 with 10 finalists passing the judging round to give their final presentations. The sophistication of the student’s products and presentations drew widespread attention in the media and elsewhere.

The aim of the Tech Kids Grand Prix is to become a goal for not just Japanese children, but children around the world to work towards. With this in mind, outstanding elementary student programmers from the Asia-Pacific region are invited to the contest as guest speakers during the final presentations.

Programming Certification for Elementary Students

CyberAgent launched the CyberAgent Kids Programming Certification Exam (“Pro-ken”) to measure knowledge and technical ability of programming. The first exam was held in August 2019 aimed to give children the chance to get a feel for their development as a programmer.

The Pro-ken certifies examinees’ programming knowledge and technical proficiency in using Scratch and QUREO visual programming tools according to different ten levels.



1 Tech Kids Grand Prix 2019

2 CyberAgent Kids Programming Certification Exam 2019

— Popularizing & Promoting Programming Education

CA Tech Kids is actively carrying out a wide range of initiatives to introduce, popularize and promote programming education in public schools. These include programming classes at schools, teacher training in partnership with local government and public elementary schools, and government policy advocacy related to programming education.

Teaching Programming Classes at Schools

CA Tech Kids conducts programming classes at elementary schools across Japan. In these classes, students learn basic concepts related to controlling computers by developing simple games with Scratch, software made for learning programming. Comments from children who have taken the classes include: “Until now I only played video games, but I learned that I can make them too,” and “I understood that programming and other technologies make our world more convenient.”

CA Tech Kids also holds a variety of new practical classes at primarily pilot and private elementary schools and intends to give back the results in preparation for programming becoming compulsory in 2020.

Initiatives With Local Government

CA Tech Kids is working to create programming education opportunities across Japan through local government outsourcing and various partnerships.

The activities carried out as part of these partnerships include offering workshops for children organized by local governments, training and development programs for instructors, offering policy assistance to city government and councils, and company visits by politicians and educators. Since CA Tech Kids' establishment in 2013, it has worked with local governments large and small in places such as Tokunoshima-cho in Kagoshima Prefecture, Matsudo-shi, Hikone-shi, Osaka-shi, Tsukuba-shi, Rikuzentakata-shi, Seto-shi, Fujisawa-shi and Shimabara-shi.

School Faculty and Staff Training

One major challenge being faced with programming education becoming compulsory in 2020 is the lack of educators that can teach programming. CA Tech Kids is working to resolve this by offering training to school faculty and local government staff and explaining the meaning of compulsory programming education. In addition, the company conducts practical training using programming software for children to promote an understanding of the subject in faculty and staff and help them acquire the skills needed to teach it.



1 Programming classes at local elementary schools

2 Training ground for mentoring at Tokunoshima

Research Activities

CA Tech Kids is also conducting research activities in partnership with universities and other research organizations to deal with the various challenges related to compulsory programming education in elementary schools. It started researching related curriculum standards in collaboration with Masataka Isobe laboratory at the Aichi University of Education in 2014. Since 2017, the company has also been conducting research into ways to utilize programming in other subjects in partnership with Professor Naoki Kato laboratory at the Tokyo University of the Arts. Through academic conference presentations, publishing and conducting open research classes, the results of this research will be given back to society at large.

Policy Advocacy

Tomohiro Ueno, CA Tech Kids' President, is himself involved in policy advocacy to spread and develop programming education in Japan. Part of his advocacy work includes serving as a member of the Ministry of Education, Culture, Sports, Science and Technology' s "Advisory Council on Fostering Logical Thinking, Creativity and Problem Solving and Programming Education at the Elementary School Level" and its "Round Table Committee and Working Group on Fundamental Issues Related to Computerized Education in the 2020s."

In April 2016, he attended the "Fifth Meeting for Public-Private Dialogue Towards Investment for the Future" and presented his views regarding programming education to Prime Minister Shinzo Abe and other cabinet ministers and government officials. Following this, the prime minister officially announced that programming would become compulsory in Japanese elementary schools from 2020.



1 Research activities

2 Photograph: Public-Private Dialogue towards Investment for the Future http://japan.kantei.go.jp/97_abe/actions/201604/12article6.html

Information Security

As a provider that handles a lot of personal information, CyberAgent, Inc. and CyberAgent Group have various internal regulations, including a Privacy Policy, Information Security Policy, and Personal Information Protection Regulations, in place and make efforts to handle and protect such information properly. If, for example, changes are made to the policies, we will announce them promptly. CyberAgent will make sincere efforts to enhance and improve the information security measures to ensure that you can enjoy the services we provide safely and securely. The purpose of use of personal information in the media we operate and contact information for inquiries are described in the terms of use of each media.

Information Security Policy

Construction of an Information Security Management Framework

The Company strives to protect all information assets that it possesses and works to maintain and improve information security.

Appropriate Management of Information Assets

Information assets to be held are categorized and evaluated from the perspectives of confidentiality, completeness and availability, and are appropriately managed according to their risks.

Compliance with the Law

CyberAgent complies with laws regarding information security and other guidelines.

Improvement of Constant Information Security Management

In order to prevent information security accidents, CyberAgent conducts external system audits at least once a year for all systems that have high importance, are accessible from the outside network, hold personal information and accounting functions.

System audits are also carried out when we release a new service or update the service.

Security Training for Employees

The Company provides security training to employees.

CyberAgent has built a special site to transmit security information throughout the company's intranet. It is working to raise all employees' awareness by sending information and educating them regarding security, and releasing comics that explain the importance of security from different points in a simple manner.

Information Security Measures

CyberAgent acts to reduce various risks involving information security in four areas, Organization, People, Technology, and Office. To continue business growth, we protect our users by enhancing our information security measures and providing reliable, safe, and secure services.

Organizational Measures

To ensure that we can respond swiftly and comprehensively to every security risk, we have an organization called “Cybersecurity Office (CyberAgent CSIRT)” which consists of representatives from each business and department such as information system, law affairs, public relations, internal audit, and security promotion, including two executive officers, and we have a group-wide information security management system in place. We also have a special security organization called “Security Promotion Group” in place, which consists of experienced security professionals, in order to prevent information security incidents that are changing and becoming more complex every day and ensure that we can respond smoothly to them.

Cybersecurity Office (CyberAgent CSIRT) is a member of the Nippon CSIRT Association and the Forum of Incident Response and Security Teams (FIRST), and realizes appropriate incident responses working together with external organizations.

Human Measures

To raise the awareness of information security among all employees, we collect and provide information and enlighten them by, for example, launching a special information website publishing with content using manga to explain the importance of security in an easy to understand manner from various perspectives.

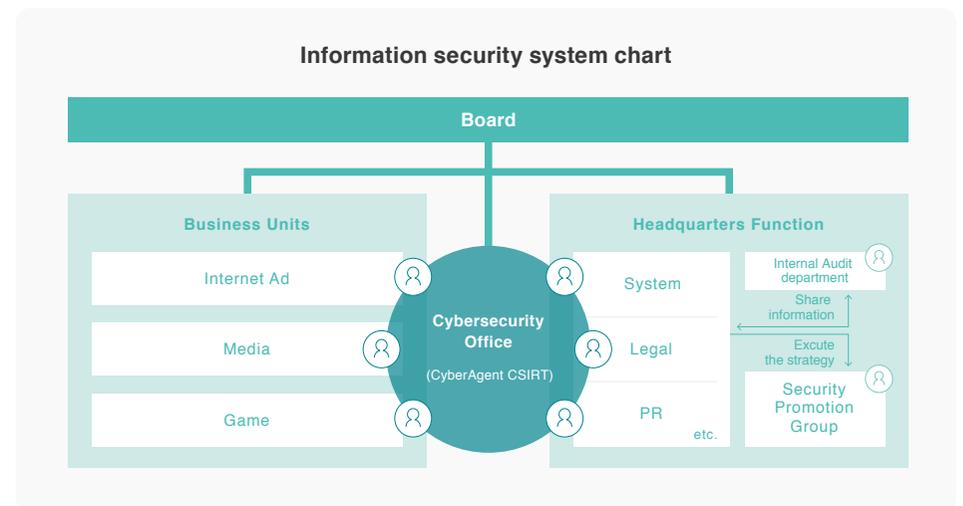
We also provide security education for employees using an e-learning system. We encourage employees to acquire the knowledge necessary for their professions by providing content tailored to the duties of each employee, such as content for service development engineers or service planning professionals, in addition to content that helps understand the information security basics and the Personal Information Protection Act.



Manga "Information Security"



Security officers from each department gather in the Cybersecurity Office (CyberAgent CSIRT)



Technical Measures

Internal Systems

We centrally manage the employee accounts with a user management system connected to the HR database, and limit the use of internal systems and access to the internal network by unauthorized users.

We have malware protection measures in place, ranging from general virus protection to advanced malware protection measures depending on the professions and the risk level of the business and operation. We always monitor the system to detect and respond to cyberattacks from external sources.

Service Development

Security Promotion Group, a special system security organization, has developed security guidelines on service development. We have a support system for secure service development in place, which is ready to respond to consultation from divisions in the service planning and design phases.

We also have a system to centrally manage the accounts for the development environment and manage users and rights for each project properly. We perform vulnerability diagnosis before releasing new services to solve problems that may lead to security incidents. We also perform vulnerability diagnosis for the main services in operation once a year.

Physical Measures

Office

Access to offices is controlled with a security card. We have enhanced information security measures in place to, for example, control access to rooms and install security cameras depending on the security level of information handled.

Data Center

Our data center is equipped with full-fledged disaster resilience measures to ensure that personal information and system infrastructure are managed securely. The data center is divided into areas from levels 1 to 7 depending on the importance level and various measures are in place to prevent natural disasters and avoid human risks, including controlling access to the building and rooms with security staff and card authentication, checking devices brought in and taken out, and monitoring with multi-element authentication and security cameras.

Commitment to Protect Personal Information

About Collecting Personal Information

CyberAgent, Inc. may collect the following personal information through the services we operate only if the user provides consent. The information collected varies depending on the service, but is managed properly in accordance with the privacy policy and the terms of use of each service.

Personal information

Registration information that can identify a specific individual, such as the name, email address, date of birth, or gender of the user (including information that can identify a specific individual when collated with other information).

Authentication information

Registration information that we need to authenticate access from members, such as ID and password.

Cookies, etc.

Information necessary to identify and authenticate visitors, record the number of visits, or for other purposes, such as cookies, ad IDs, and access logs collected from users (including IP addresses).

Information about your mobile device

Your device, OS, user agent, mobile device's language settings, access country, etc.

Information about the communication environment

Carrier, communication environment, access area, etc.

Information about the usage

Version of the service, usage history of the service, etc.

Purposes for Collecting Personal Information

CyberAgent, Inc. collects personal information through the services we operate mainly for the following purposes.

Online user authentication

If user authentication is performed online to provide the service, we may collect information, such as email addresses, phone numbers, or access tokens to third-party services.

Verification of age

If there are age restrictions when providing the service, we may collect an image of the driver's license, national health insurance card, or a part or the whole of a document that certifies the age or date of birth in order to verify the age of the user.

Delivery of goods

If goods are delivered when providing the service, we may collect information, such as physical addresses, names, and phone numbers.

Payment of rewards and withdrawal of balance

If payment of a reward or withdrawal is made when providing the service, we may collect your financial institution's account information.

Access analysis and delivery of ads

We may issue cookies, etc. and collect information to analyze accesses and deliver ads.

Delivery of email newsletters

We may collect email addresses to deliver email newsletters.

Marketing analysis

We may collect the usage history of the service to analyze data for marketing purposes.

Prevention of fraud

We may collect the usage history of the service to prevent fraud.

Academic research

We may collect the usage history of the service as fundamental data for academic research.

Other

We may collect the following personal information through the service to implement functions necessary for providing the service

- Face photo
- Name
- Phone number
- Phonebook (contact list)
- Location information
- Biological information

Management of Personal Information

CyberAgent manages personal information collected through the services we operate in the following ways.

Access control

We have an integrated ID management system in place and limit access to personal information only to employees who must have access to carry out their operational duties. Executives and employees who do not have access permission cannot access and view personal information.

Encryption

We encrypt communications and databases that handle personal information.

Non-retention

We outsource the handling of credit card information to a PCI DSS compliant payment service provider to abide by the revised Installment Sales Act and enhance the security measures for credit card transactions.

Provision of Personal Information

CyberAgent, Inc. may provide personal information collected through the services we operate to third parties, such as our outsourced providers and research institutions to provide better services and improve our services within the scope of the stated purpose of use.

Outsourcing

We may provide personal information to our outsourcing providers to carry out the following services. We review the security measures of our prospective outsourcing providers in advance and continue to monitor them.

- Delivery of email newsletters and ads
- Delivery of goods
- Campaign service
- Development of new functions and research to prevent fraud (If personal information is provided to research institutions for study and research purposes, it is processed in such a way that individuals cannot be identified.)

Transfer of business

If the business is transferred to another organization, we provide personal information only on condition that such information is used to ensure successful transfer.

Other

We may provide personal information to administrative agencies in accordance with the procedures prescribed by the law.

Discontinuation of Use of Personal Information

Cancellation

If the user cancels any of the services CyberAgent operates, we delete the personal information collected promptly.

Opt-out

- Delivery of email newsletters

If the user performs the cancellation procedure from the link displayed in the email body, we stop using the email address promptly.

- Delivery of behavior targeting ads

If the user selects the opt-out option according to the procedure provided by the behavior targeting ad service provider, we stop using the personal information promptly.

Furthermore, we stop using the personal information for the behavior targeting ads we provide according to the procedures described below.

[> The Guidelines on Cookies, Ad IDs, Etc. in Ameba](#)

Japanese

[> About Disabling Display Ads Using AdTech Studio Cookies](#)

Japanese



Safe and Sound Services

Accessibility Initiatives

CyberAgent is working to improve accessibility to web services with the aim of "ensuring access to information and services to all users of CyberAgent services regardless of mental/physical capabilities or environment."

CyberAgent participates as a member of the Web Accessibility Infrastructure Committee (WAIC), an organization that promotes the understanding and widespread adoption of JIS X 8341-3, Japan's national standard for web accessibility.

Ameba

We have prepared the "Ameba Accessibility Guidelines," a collection of production guidelines aimed at ensuring that "all users of our services can enjoy content with confidence at any time."

WinTicket

We are working to improve accessibility to ensure that all users of the service can participate in and enjoy public competitions. As part of these enhancements, we are now pursuing partial compliance with "JIS X8341-3 (Guidelines for older persons and persons with disabilities - Information and communications equipment, software and services - Part 3: Web content) as well as "Single-A" of WCAG (Web Content Accessibility Guidelines) 2.0.

Safe and Secure Services

Media

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 under age 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

Safe and Secure Services

Advertisement

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.

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

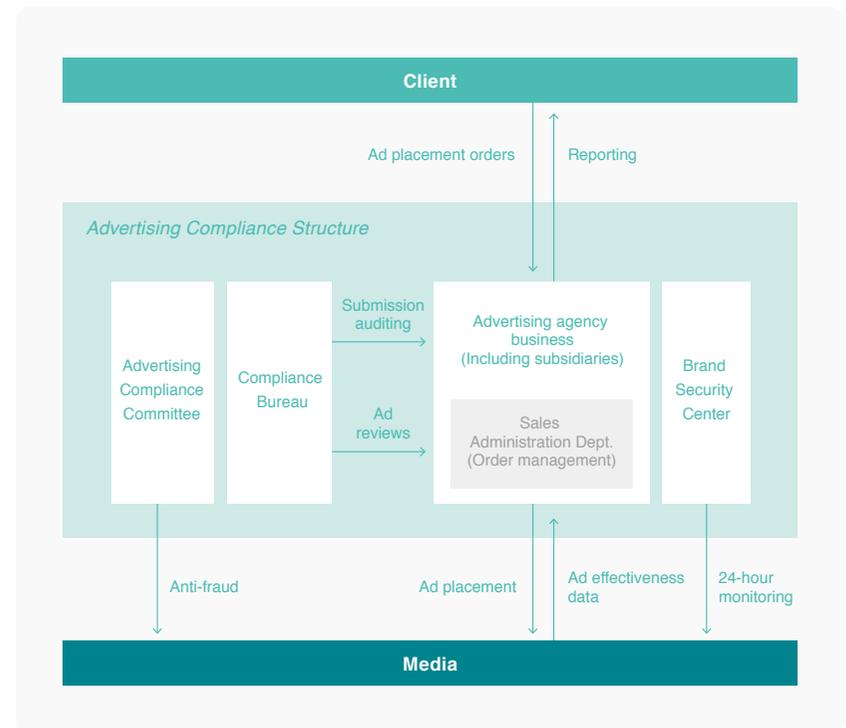
With the goal of improving the integrity and safety of advertisements, this committee is committed to solving problems with a cross-section of members from the Advertising Business Department and Legal and Compliance Office.

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.



Safe and Secure Services

Game

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.

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.

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 of 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 provide

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 818 people* who are engaged in monitoring the comments on our smartphone service, Ameba, and operating internet advertisements as part of our internet advertising business.

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 90 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, 2019



Okinawa office

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. By taking advantage of the group synergies, we aim at enhancing the information and services provided to supporters and winning new supporter demographics.

Going forward, we will continue to contribute to the promotion of sports culture and the development of the local economy in Tokyo and Machida, working towards the goals to grow 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.



FC Machida ZELVIA

FOOTBALL

Mahjong

CyberAgent formed a company team, the Shibuya Abemas, to join in the M.League* season that opened in October 2018. In its first year, the team finished second in the regular season and finished the season in third place after the finals. We will remain active in the M.League to raise the social standing of mahjong, spread recognition and win new fans.

*The M.League is an organization whose purpose is to promote competitive mahjong in Japan, make the game more wholesome, and to popularize and develop the sport. Although people across the country are familiar with mahjong and there are reportedly thousands of pro mahjong players who belong to professional organizations, the strong association with gambling and the complex rules are part of the reason why mahjong's social standing has not improved. However, mahjong was recognized by the International Mind Sports Association in April 2017. This led to the appearance of numerous online mahjong games whose popularity has spread among senior citizens as a way to ward off dementia. It's an example of how mahjong is gaining recognition as a mind sport for people of all ages to enjoy.



SHIBUYA ABEMAS

MAHJONG

DDT Pro-Wrestling

DDT Pro-Wrestling marked its 20th year in 2017. The professional wrestling organization has grown its fanbase with compelling wrestlers and by performing Rojo (Street) Pro-Wrestling instead of using traditional rings. DDT is a fine example of what independent wrestling can achieve. On September 1, 2017, CyberAgent acquired all the issued shares of DDT Pro-Wrestling stock.

The year-round calendar of DDT events, including DDT group events by Pro-Wrestling Basara, Tokyo Joshi Pro-Wrestling and Ganbare Pro-Wrestling, are aired on AbemaTV. Original programs are also shown on AbemaTV to take advantage of the uniqueness of Rojo (Street) Pro-Wrestling. These broadcasts offer enjoyable content for a wide-ranging audience, from long-time pro wrestling fans to newcomers to the sport.

DDT PRO-WRESTLING

Ultimate Party 2019
DDTグループ大集合!

ケニー・オメガ参戦!

AWW WRESTLING

2019 **11.3** [日] OPEN 13:30 START 15:00 両国国技館

■ドラマティックドリームシート 2C 完売	■2次大会通しマス席A(1722人席) 19.5 完売
■アリーナ席 12.5C 完売	■2次大会通しマス席B(1722人席) 13,500円(当日14,500円)
■マス席A(1722人席) 10.5C 完売	■2次大会通しマス席C(1722人席) 9,500円(当日10,500円)
■マス席B(1722人席) 7,500円(当日8,500円)	■2Fイス席A 5,500円(当日6,500円)
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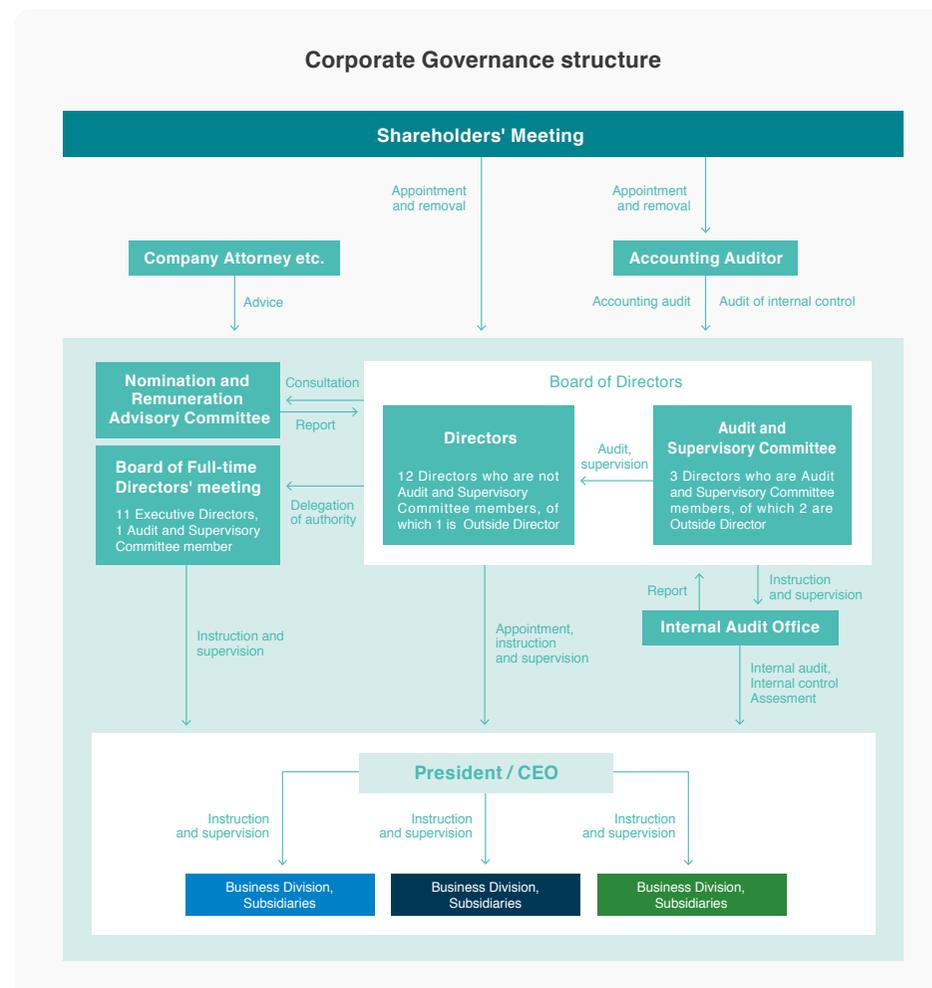
Governance



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.

Outline of the Corporate Governance Structure

Corporate governance structure	Company with Audit and Supervisory Committee
Number of directors on the board (Outside directors)	15 (3)
Directors who are Audit and Supervisory committee member (Outside directors)	3 (2)
Executive Officer System	None
Standards for appointment and independence of outside directors	Conforms to Tokyo Stock Exchange's "Practical Considerations when Appointing Independent Directors/Auditors"
Introduction of measures to prevent takeover bids	None
Strategic Shareholdings	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.
Corporate Governance Report	https://www.cyberagent.co.jp/files/user/pdf/way/governance/cg/cgr_en.pdf
Accounting Auditor	Deloitte Touche Tohmatsu LLC



Directors



Susumu Fujita **25,909,600**
 President and CEO, Overall Management 13/13 (100%)

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



Go Nakayama **363,676**
 Managing Director, Company-wide Function 13/13 (100%)

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



Yusuke Hidaka **850,600**
 Vice President, Game Business 13/13 (100%)

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



Masahide Koike **55,715**
 Managing Director, Media Business 12/13 (92.3%)

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



Yasuo Okamoto **90,600**
 Executive Managing Director, Internet Advertisement Business 12/13 (92.3%)

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



Takahiro Yamauchi **25,857**
 Managing Director, Internet Advertisement Business 13/13 (100%)

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

* Name, Title, Managing Division (as of December 13, 2019) * Number of shares hold (as of the end of September 2019) * Board meeting attendance



Koki Ukita

Director, Game Business

6,407

13/13 (100%)

- Apr. 2011 Joined CyberAgent, Inc.
- Apr. 2014 Representative Director, Applibot, Inc. current position
- Dec. 2016 Director, CyberAgent, Inc. current position



Norishige Nagase

Director, Technical Development Division

3,255

11/11 (100%)*

- 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. current position



Tetsuhito Soyama

Director, Human Resources

112,373

13/13 (100%)

- 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



Riku Yamada

Director, AbemaTV Advertising

3,000

11/11 (100%)*

- Apr. 2011 Joined CyberAgent, Inc.
- Oct. 2015 Corporate Officer, CyberAgent, Inc.
- Oct. 2017 General Manager of Advertisement Hq. of AbemaTV, Inc. current position
- Dec. 2018 Director, CyberAgent, Inc. current position



Takahito Naito

Director, AI, Creativity, Ad Operations

75,585

11/11 (100%)*

- Apr. 2001 Joined CyberAgent, Inc.
- Oct. 2010 Director, CyberAgent, Inc.
- Oct. 2014 General Manager of AdTech Business Hq. (present: AI Business Unit) current position
- Dec. 2018 Director, CyberAgent, Inc. current position



Toko Shitsuki

Director, Full-time Audit and Supervisory Committee member

9,600

13/13 (100%)

- Apr. 1996 Joined Japan Airlines Co., Ltd.
- Oct. 1999 Passed the second part of the CPA examination.
- Jul. 2000 Standing Corporate Auditor, CyberAgent, Inc.
- Dec. 2017 Director serving on the Audit and Supervisory Committee, CyberAgent, Inc. current position

Outside Directors



Koichi Nakamura

Independent

2,240

13/13 (100%)

Outside Director

- 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

Reason for the appointment of outside directors

The Company has nominated Koichi Nakamura as a candidate for an outside director because he has provided practical and objective indications regarding overall management and supervision of business execution from a third party perspective when making decisions at the board of directors. He also provides a number of useful advices on the use of human assets, which we value, and contributes to our corporate value enhancement. He has contributed to business development for many years at Japan Recruit Center Co., Ltd. (currently Recruit Holdings Co., Ltd.). He served as a director and vice president of the company, and has vast experience and broad insight into business promotion and corporate management.



Masao Horiuchi

Independent

45,200

13/13 (100%)

Outside Director, Audit and Supervisory Committee member

- Apr. 1995 Joined Intelligence, Ltd. (Present: PERSOL CAREER CO., LTD.)
- Mar. 1998 Outside Auditor, CyberAgent, Inc.
- May 2010 Certified Public Tax Accountant
- Jul. 2017 Corporate Auditor, U-NEXT Co., Ltd. (Present: USEN-NEXT HOLDINGS, Co., Ltd.)
current position
- Dec. 2017 Outside Director serving on the Audit and Supervisory Committee, CyberAgent, Inc.
current position

Reason for the appointment of outside directors

The Company has nominated Masao Horiuchi as a candidate for a Director serving on the Audit and Supervisory Committee. Because since he took office as an Outside Director of the Company in December 2017, he has raised frank discussions with management regarding possible risks based on his wide experience and insight and offered advice on strengthening internal control and corporate governance. Going forward, we continue to expect him to supervise the Board of Directors from an independent standpoint when making decisions. He has been responsible for corporate management departments and internal controls for many years, and has extensive experience and wide insights regarding internal control and corporate governance as a director of U-NEXT Co., Ltd. (currently USEN-NEXT HOLDINGS Co., Ltd.). He is a certified tax accountant and has specialized knowledge in finance, accounting and tax.



Isao Numata

Independent

64,708

13/13 (100%)

Outside Director, Audit and Supervisory Committee member

- Apr. 1988 Joined Daiwa Securities Co., Ltd. (present: Daiwa Securities Group Inc.)
- Jul. 2000 Representative Director, Five Eyes Networks Co., Ltd. current position
- Dec. 2000 Outside Auditor, CyberAgent, Inc.
- Dec. 2009 Representative Director, SBL Co., Ltd. current position
- Dec. 2017 Outside Director serving on the Audit and Supervisory Committee, CyberAgent, Inc.
current position

Reason for the appointment of outside directors

The Company has nominated Isao Numata as a candidate for a Director serving on the Audit and Supervisory Committee because since taking office as an outside director of the Company, he has exchanged extensive discussions from various perspectives, and provided advice based on an abundant information network. Based on these contributions, we continue to expect him to give appropriate supervision from an independent standpoint when making decisions at the Board of Directors. He has run a consulting company for many years to support public offering and overseas operations. He has broad experience and deep insights regarding corporate management, stock markets, and foreign markets.

* Name, Title (as of December 13, 2019) * Number of shares hold (as of the end of September 2019) * Board meeting attendance * Independent directors: Independent directors pursuant to the provisions of the Tokyo Stock Exchange. * Independent directors: Independent directors pursuant to the provisions of the Tokyo Stock Exchange. * Directors, directors who are member of the Audit and Supervisory Committee, and the Company do not share any special interests.

Board of Directors and Audit and Supervisory Committee

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 2019: 13

Analysis and Evaluation of Board of Director Effectiveness

A questionnaire on effectiveness of the Board of Directors was conducted on end of september, 2019, 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.

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.
- 13 meetings were held in 2019

Structure of the Audit and Supervisory Committee

		Audit and Supervisory Committee Attendance
Toko Shiotsuki	Full time member of Audit and Supervisory Committee	13/13 (100%)
Masao Horiuchi	Outside Director of Audit and Supervisory Committee Outside Independent	13/13 (100%)
Isao Numata	Outside Director of Audit and Supervisory Committee Outside Independent	13/13 (100%)

Director Compensation

Policy for directors' compensation decisions

Within the remuneration limit approved at the general meeting of shareholders, the Board of Directors consults the Nomination and Remuneration Advisory Committee on the amount of remuneration for each director (excluding directors who are Audit and Supervisory Committee members), and determined based on the content of the report.

Establishment of Nomination and Remuneration Advisory Committee

The Company established a Nomination and Remuneration Advisory Committee as the Board of Directors' optional advisory committee. The committee mostly consists of Independent Outside Directors to strengthen independence and objectivity of the nomination and remuneration function of the Board of Directors, and further enhancing corporate governance.

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.

Amount of remuneration for directors and auditors

Classification	Number of issued members	Amount of compensation
Director who is NOT the Audit and Supervisory committee members	12	457 million yen
(Outside)	(1)	15 million yen
Director who IS the Audit and Supervisory committee members	3	18 million yen
(Outside)	(2)	7 million yen
Total	15	476 million yen
(Outside)	(3)	23 million yen

*The amount of remuneration for Directors include the amount of expenses (79 million yen) during this fiscal year related to the stock acquisition rights granted as stock options.

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.

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 22nd annual General Meeting of Shareholders was held on December 13, 2019. 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.

 CyberAgent
Official Facebook



 CyberAgent
Official Twitter



 President, Susumu Fujita
Official Twitter



 Director, Tetsuhito Soyama
Official Twitter



List of Corporate Officers



Hiroyuki Ishii

Senior Corporate Officer
Internet Advertising Headquarters



Yuko Ishida

Corporate Officer
Human Resources Division



Eiji Koike

Corporate Officer
Internet Advertising Headquarters



Takunori Fujii

Corporate Officer
AbemaTV, Inc.



Masato Sato

Corporate Officer
Systems Department



Yosuke Sato

Corporate Officer
Creative Development Division



Takehiro Takeda

Corporate Officer
Human Resources Division



Tatsuhiko Taniguchi

Corporate Officer
AbemaTV, Inc.



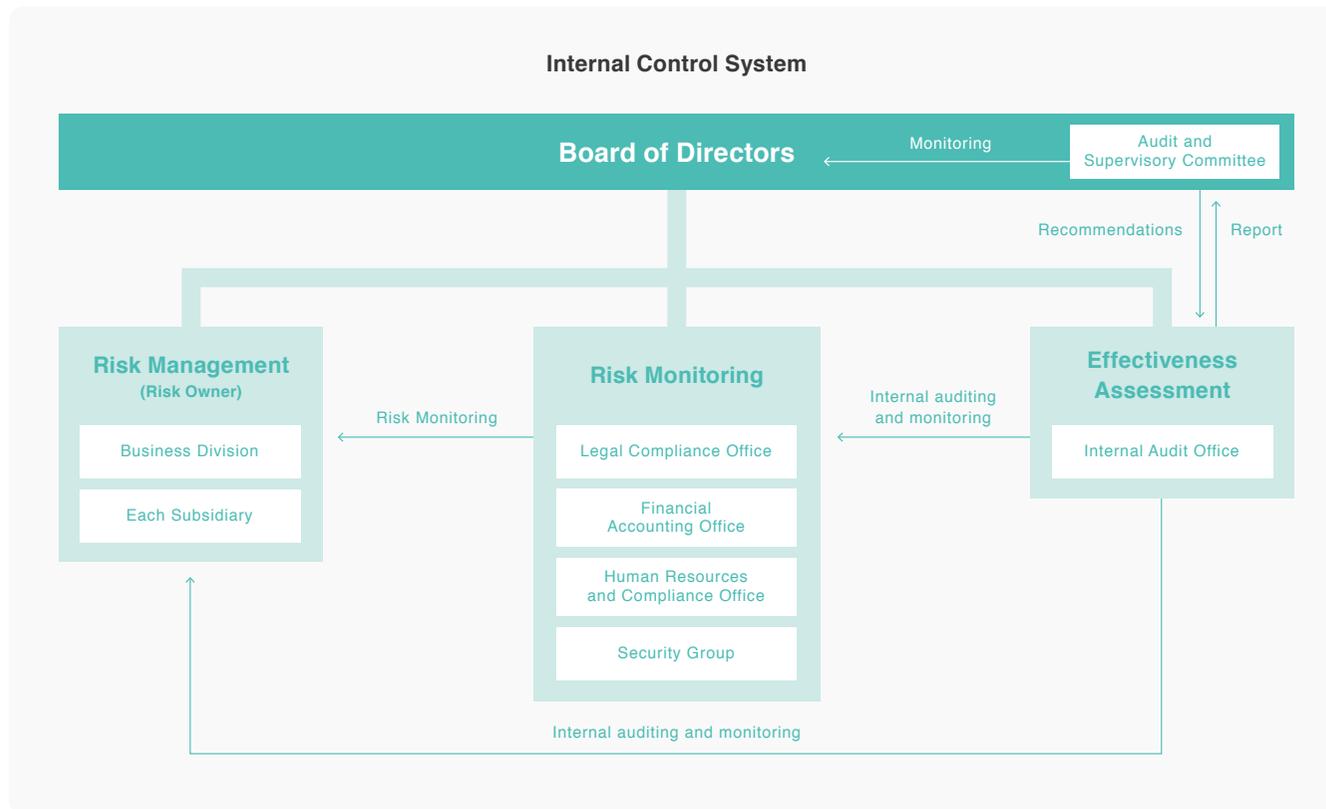
Gaku Miyata

Corporate Officer
Internet Advertising Headquarters

* As end of september, 2019

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.



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.

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.

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.

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.

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.

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.

Information security, communication network, and system

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.

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.

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.

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.

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.

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.

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. 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.

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.

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.

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.

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.

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.

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.

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 May 2019, it was adopted the S&P Japan 500 ESG and has now been included in a total of seven indexes including ESG indexes. Recognizing the importance of disclosing information, CyberAgent is dedicated to continuing to improve its IR activities.

FY2019 Summary of Activities

The number of institutional investors we met at the individual meetings	866 people
Earnings presentations	4 times
Overseas roadshows	1 time

Inclusion in Indexes

We are newly added to the S&P Japan 500 ESG, being part of seven indexes including two ESG indexes in total.

2014	JPX-Nikkei Index 400
2015	FTSE All-World Index
2017	MSCI Japan Empowering Women Index*
2018	MSCI Japan Index Included in the 225 stocks that make up the Nikkei Stock Average
2019	S&P Japan 500 ESG* Japan New Economy Index

* ESG index

IR Awards

IR Awards

The All-Japan Executive Team 2019	We are recognized in the five categories, including the “Most Honored Company” in the Gaming & Internet sector.
Most Honored Companies	Gaming & Internet sector - earned the first place for the second consecutive years
Best CEO	Second place - Susumu Fujita – named top-two for the third consecutive years
Best IR Professional	Second place - Sonoko Miyakawa – Sell Side and Buy side ranking (among top-three for the seventh consecutive years)
Best IR Professional	First place - Sonoko Miyakawa – Sell Side ranking
Best IR Company	Second place - Sell Side ranking
The 40th Japan BtoB Advertising Awards hosted by Japan BtoB Advertising Association.	Our integrated report “CyberAgent Way 2018” had awarded Silver in Corporate Activity Report category.



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Strengthening Communication with Our Investor Website

We strengthened communication with the corporate site by utilizing owned media and ensuring that visuals are compatible for display on all types of devices. We also proactively use social media to regularly provide earnings and financial information, as well as information on other subjects such as technological capabilities, competitive advantage, governance, empowering women and more, in a qualitative manner.

「IR Channel」

[Go to IR Channel](#)

Since 2016, we have released over 20 videos providing content for shareholders and investors.



▲ Episode 21
"5 Ways to Use AbemaTV"



▲ Episode 19
"The ABCs of CyberAgent"



▲ Episode 17
"The Rise of Esports in Japan"

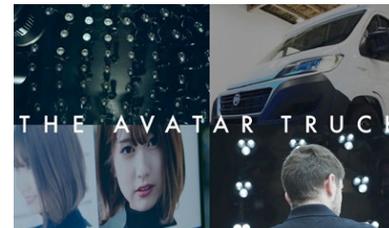


▲ Episode 12
"High Market Share Proves Our Ad Operations Capability"

Owned Media 「FEATURES」

[Go to FEATURES](#)

FEATURES delivers articles on our distinctive systems, culture, social contribution and more.



▲ A mobile 3D CG scanning car seen on video. It produces ad creatives and manages ads with a large, assorted array of AI and CG.



▲ Three ways newcomers to mahjong can enjoy the M.League for professional mahjong



▲ The "Think Outside the Box" breaking news on the AbemaNews Channel has solidified Abema's position in the market.



▲ Developing the IT professionals of the future

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.