



Risks & Opportunities

Risks & Opportunities

CyberAgent has implemented various initiatives to continue to create new opportunities in the ever-changing internet domain. We strive for sustainable growth by focusing on our ability to respond to change while adapting our initiatives to the situation.

	Sustainability Classification	Risk item	Content	Our Approach	Procedures and Systems that Provide Countermeasures	Opportunities (value creation)
Risks to Sustainable Growth of the Company	Superior Creation Adaptability to change	Social Change	<ul style="list-style-type: none"> Risks related to future uncertainties, including changes in social conditions, economic conditions /economic downturn, and major changes in accounting standards or taxation systems 	<p>We are implementing a series of initiatives to enhance our ability to respond to change as we develop our business based on the internet industry, where technological innovation and consumer preferences change rapidly.</p> <p>While continuously creating new businesses and aggressively investing in areas that need strengthening for business expansion, we can flexibly change our business portfolio and achieve sustainable growth by making timely business transformation and market exit decisions. We are currently using AI technology to develop products and improve operational efficiency in various areas, including the advertising business.</p>	<p>"Ashita Kaigi" 🔗 (a meeting to decide on new business initiatives and solutions to company-wide issues)</p> <p>Financial Strategy Meeting 🔗 (strategy presentations by business managers)</p> <p>CAKK Program 🔗 (a program to manage the growth of CyberAgent's (CA) businesses and subsidiaries with the goal of continuously increasing "enterprise" (K, Japanese=kigyou) "value" (K, Japanese=kachi).</p>	To generate new value through the creation of new businesses
	Superior Technology Adaptability to change	Technological Innovation	<ul style="list-style-type: none"> Existing technologies and services becoming obsolete due to the emergence of new technologies Loss of competitiveness due to the inability to predict or slow prediction of technological innovation 	<p>Our group's wide range of services—including ABEMA, over 50 titles of smartphone games, and advertising products using AI technologies—are created by over 2,500 engineers and creators. We have formed a research organization to promote industry-academia collaboration to incorporate the latest technologies across various business areas. Aiming to balance solving business challenges and contributing to academia, CyberAgent leads Japan* in the number of scientific papers adopted at international conferences in AI research.</p> <p>To promote technology management, we have also allocated highly skilled and experienced personnel as leaders who can make quick decisions with management strategy and development. Furthermore, to use cutting-edge technologies in our business, we certify individuals with outstanding knowledge and skills in specific areas as experts and support their activities internally and externally.</p> <p>* Source: "AI Research Ranking 2022," calculated based on the paper results of ICML2021 and NeurIPS2022</p>	<p>AI Lab 🔗 (R&D organization)</p> <p>Leader Certification Program (technology management)</p> <p>Developer Experts Program (enhance technical capabilities)</p> <p>CA BASE SUMMIT (“Ashita Kaigi” for technical staff)</p> <p>CA BASE CAMP (technology conference)</p>	To create new value, including new services that utilize the latest in technology

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<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Risks to Sustainable Growth of the Company</p> <p>Superior Technology</p> <p>Adaptability to change</p>	<p>Information Security</p>	<ul style="list-style-type: none"> System outages due to malware infection or unauthorized access, data corruption, and information theft Loss, leakage, removal or misuse of personal, technical or other important information Financial damage or loss of technological competitiveness due to a third party exploiting leaked critical information Reputation damage, incurring of damage compensation, loss of public trust, loss of opportunities, etc. arising from the above 	<p>As an internet service provider entrusted with significant amounts of personal data, we are working to reduce information security risks and protect personal information through measures based on four key elements: organization, people, technology and office.</p>	<p>Information Security ↗</p> <p>Protection of personal information ↗</p> <p>Japan CSIRT Association</p> <p>FIRST (Forum of Incident Response and Security Teams)</p> <p>Japan Network Security Association (JNSA)</p>	<p>To gain public trust by providing safe, secure and reliable services</p>
	<p>Securing Human Resources</p>	<ul style="list-style-type: none"> Intense hiring competition making it virtually impossible to recruit and retain enough talented people Lack of management succession 	<p>To secure highly capable personnel, we have implemented a number of HR measures that emphasize "hiring, training, active utilization, and putting the right person in the right place" and provide an environment and system in which each and every employee is able to work independently and produce results. To recruit outstanding talent from across Japan, we continue to aggressively recruit employees in line with the times, such as through internships and online recruitment conferences, and we also create a culture in which employees are actively involved in recruitment efforts.</p> <p>To develop the next generation of leaders, we also work to develop successors by providing the opportunity for approximately 20 selected members to participate in a President Training Program based on a customized curriculum.</p>	<p>DASH (onboarding policy for prospective employees)</p> <p>President Training Program (successor development)</p> <p>CyberAgent Awards ↗ (company-wide awards)</p> <p>CA BASE AWARD ↗ (technical awards)</p> <p>JB Career Program (technical career development)</p> <p>YMCA (youth activation)</p> <p>Reskilling Center (skill improvement)</p> <p>CA Seminar Program (skill improvement)</p>	<p>To boost competitiveness and achieve sustained corporate growth by bolstering human resources</p>

	Sustainability Classification	Risk item	Content	Our Approach	Procedures and Systems that Provide Countermeasures	Opportunities (value creation)
Risks to Sustainable Growth of the Company	Superior Talent Adaptability to change	Working Environment	<ul style="list-style-type: none"> Outflow of talent due to lack of a healthy, hygienic work environment for employees 	<p>We place a high value on employee job satisfaction and strive to maintain an environment and health management system that allow employees to do their best work without experiencing physical or mental stress. We promote a number of health initiatives, including monitoring of working hours to prevent overwork, measures to increase the rate of regular health check-ups, and in-house seasonal flu vaccinations (free of charge), as well as the opportunity to meet with an occupational health physician as needed and a licensed clinical psychologist once a month for those who wish to see a counselor.</p>	Healthy Workstyle	To boost hiring competitiveness and ensure growth opportunities by providing a pleasant working environment
	External Environment	Natural Disasters, etc.	<ul style="list-style-type: none"> Changes in the business environment due to climate change 	<p>To contribute to the realization of a sustainable society, CyberAgent strives for a balance in reducing the environmental impact of climate change while maintaining the efficiency of business activities. If an earthquake, typhoon, or other natural disaster should occur, CyberAgent has systems in place to quickly and appropriately implement crisis management and recovery measures.</p>	Environment	To create sustainable societies
	External Environment	Legal Regulations	<ul style="list-style-type: none"> Impact on business activities due to tightening of regulations and the establishment of new guidelines and self-regulatory rules in our business areas 	<p>Including the Japan Association of New Economy (JANE), we belong to industry groups connected to each of our business areas, and we strive to build relationships with relevant ministries and agencies while carrying out other activities such as information gathering and making policy recommendations.</p>	<p>Japan Association of New Economy (JANE) Council for Sports Ecosystem Promotion Lobbying activities</p>	To create business opportunities
	Governance	Compliance	<ul style="list-style-type: none"> Loss of trust or damage to corporate value as a result of staff violating laws or infringing on the intellectual property rights of a third party 	<p>Our Mission Statement, which is our code of conduct, clearly states our intention to be a "highly moral company that thoroughly complies with the law." Accordingly, we require all employees to act with a strong sense of ethics and responsibility for their actions, provide the necessary training to do so, and conduct regular audits.</p>	<p>Mission Statement Risk GEPP0 (pulse survey of all employees 4 times a year to identify potential risks in the company) Compliance Training</p>	To eliminate non-compliance and foster public trust

	Sustainability Classification	Risk item	Content	Our Approach	Procedures and Systems that Provide Countermeasures	Opportunities (value creation)
Risks to Business Growth	Governance	Media Business	<ul style="list-style-type: none"> Damage to our brand image, loss of public trust or confidence, and claims for damages compensation from users, including minors, who suffer damage while using our media services. 	<p>CyberAgent is committed to sound management of all media services that we operate in order to protect underage users as well as provide a safe and secure environment for all people who use our services.</p>	<ul style="list-style-type: none"> Safe and Sound Media Service Operation ↗ Safe and Sound Dating App Service ↗ Japan Internet Safety Promotion Association (JISPA) Mobile Content Forum (MCF) Marriage Support Project 	<p>To foster social trust as a safe and secure service provider by developing procedures and systems that protect users</p>
	Governance	Internet Advertising Business	<ul style="list-style-type: none"> Improper billing of advertising expenses from ad fraud, loss of public trust or confidence in the Company's advertising business due to damage to advertisers' brand value, compensation claims due to damages, changes in transaction conditions or product specifications due to restrictions on personal information in and outside Japan, guidelines and regulations on AI ethics, infringement of third party rights by AI-based algorithms and deliverables, etc. 	<p>In our advertising business, CyberAgent has been focused on improving our advertising-related compliance structure. As a leading internet advertising company, our goals are to promote sound and transparent advertising transactions, and to be an advertising agency to which advertisers can place ads with full confidence. In addition, we promote the use of AI with caution, understanding the need to avoid bias and infringement of rights about the data used, the scope of use, decision criteria, the algorithms that lead to decisions, and deliverables.</p>	<ul style="list-style-type: none"> Advertising Compliance ↗ Research Ethics Guideline ↗ Japan Interactive Advertising Association (JIAA) Japan Advertising Review Organization (JARO) Japan Joint Industry Committee for Digital Advertising Quality & Quality (JICDAQ) 	<p>To foster public trust as a safe and secure service provider by understanding the importance of establishing procedures and systems that protect advertisers as well as AI ethics.</p>
	Governance	Game Business	<ul style="list-style-type: none"> Damage to our brand image, loss of public trust or confidence, and claims for damages compensation from users, including minors, who suffer damage while using our games 	<p>In all the games that 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. To ensure this, we deliver services in strict compliance with all relevant guidelines.</p>	<ul style="list-style-type: none"> Safe and Sound Gaming Operations ↗ Computer Entertainment Supplier's Association (CESA) 	<p>To foster social trust as a safe and secure service provider by developing procedures and systems that protect users</p>

	Sustainability Classification	Risk item	Content	Our Approach	Procedures and Systems that Provide Countermeasures	Opportunities (value creation)
Risks to Business Growth	Adaptability to change	Investment development business	<ul style="list-style-type: none"> Situations where the performance of a company that we have invested in publicly or privately deteriorates to a point that we are unable to recover our investment. 	With investment and support areas that are specialized for the internet, we implement highly-specialized incubation activities that provide CyberAgent's internet business expertise.	CyberAgent Capital, Inc. (investment development business) ↗ Fujita Fund (an initiative that supports entrepreneurs) Monthly Pitch (monthly event that brings together start-up companies, other VCS, etc. to pitch ideas) ↗	To contribute to the expansion of the internet industry by supporting venture companies with commitments from seed and early stages.
	Adaptability to change	M&A (corporate acquisitions, etc.)	<ul style="list-style-type: none"> Discovery of unrecognized liabilities after an M&A, occurrence of contingent liabilities, poor business development after the acquisition, etc. 	We investigate the target company in as much detail as possible in advance, and after fully considering any risks, we rapidly proceed with the M&A if we deem it necessary for future growth.	Rapid investment action Operational support by dispatching a management team Follow-up governance support by CyberAgent Group	To strengthen business by acquiring new management resources and increase the corporate value of the target company and CyberAgent Group



ESG



How to Develop “Self-directed” Employees

— A Corporate Culture of Taking on Challenges —

At CyberAgent, employees significantly contribute to our competitiveness and are the source of our corporate growth. It goes without saying that we have focused on human resource development, but our efforts do more than just that.

We believe cultivating a corporate culture and foundation of growth for our talent comes first.

We spoke with Senior Managing Executive Officer Yuko Ishida to learn more about our human resource development policy, our philosophy regarding “self-leadership” and “freedom and responsibility,” as well as why 87.5%* of employees believe working at CyberAgent is “meaningful and rewarding.”

* Stress test conducted in FY2023



Yuko Ishida

Senior Managing Executive Officer
General Manager, Recruitment Strategy Division

Corporate Culture: The Foundation of Employee Development

— What is CyberAgent's human resource development policy?

Our mission is to “nurture talent with decision-making experience.” We aim to develop talent with self-reliance and the ability to make their own decisions so that they may grow independently.

To achieve this goal, we identify the unique talents of each employee and utilize their knowledge and skills while also providing tasks and opportunities to develop their strengths. As they gain various experiences and knowledge in the process, even failure becomes a valuable ingredient for the next opportunity. We consider this entire cycle to be “human resource development.”

Of course, every employee must possess the knowledge necessary for each division/line of work and receive training in various areas, such as risk management and leadership. However, rather than a one-size-fits-all approach, we prefer to let

each business and line of work create its own development plan based on what best supports growth in their respective positions. This is because, as a company that deploys diverse businesses in line with changing times and technological innovation, the skills and knowledge required are constantly being updated. Training alone won't help our people to grow. These efforts would be pointless without providing a 'nurturing foundation' where they can make use of what they have learned and have opportunities to make decisions and implement them.

Since the dawn of the internet, we have worked to realize our vision “to create the 21st century's leading company” and have grown by cultivating new markets and developing numerous business ventures. The cumulative experience of success and failure over the past 25 years has created a culture of taking on challenges, even the most difficult ones.

The growth of individuals can be achieved by a combination of the number of decisions they've made and the difficulty of the missions they've been on. Missions completed will lead to the company's growth- so the individual's growth equals the company's growth. We believe that creating growth opportunities for individual employees is critical to the

development of our people.

Ideally, We Want to Cultivate a Cycle of “Self-Growth” for Employees

— Since CyberAgent's foundation, there have been a number of original growth measures and systems.

We value being self-directed to “think, decide, and do your work.” The same goes for training and development - we can think and try quickly as long as it is part of our principle to recruit, develop, nurture, and place people.

A notable example of this philosophy is Ashita Kaigi (Meeting for Tomorrow), which brings together management and employees from different areas and levels of experience to discuss issues and future prospects for the company. The main purpose of this meeting is to generate new business and regularly identify issues within the company. But it is also a valuable opportunity for employees to stimulate management thinking. It has helped to launch countless initiatives.



Ashita Kaigi is an annual company-wide event, but it is also held on a smaller scale in each subsidiary, division, department, profession, and age group, contributing to the growth of many employees.

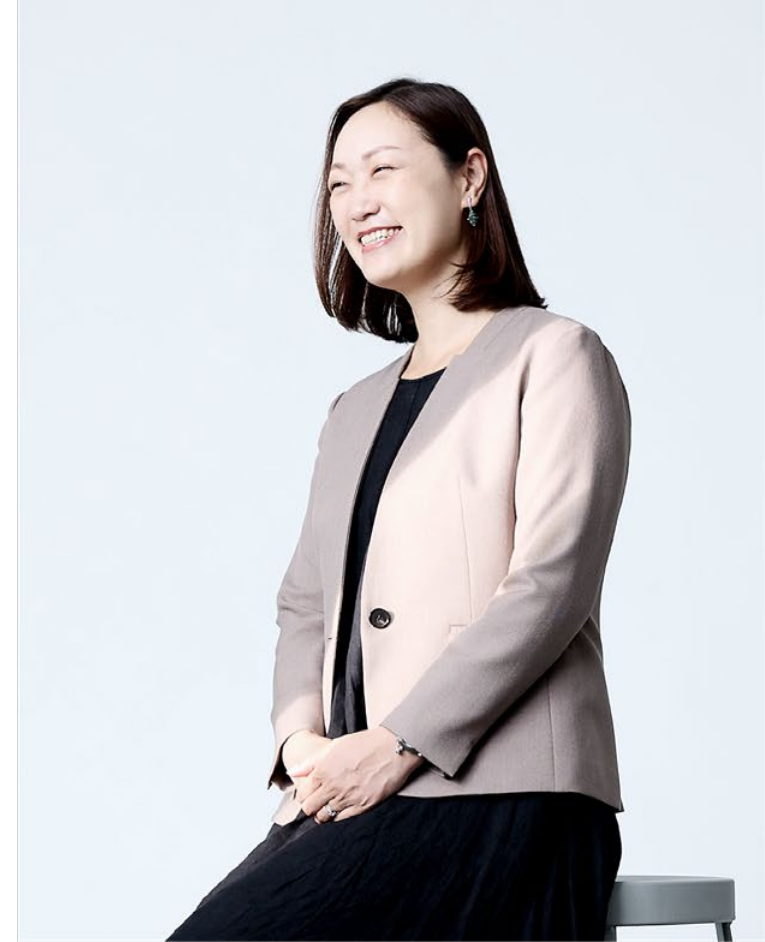
Examples of Ashita Kaigi initiatives include Career Agent, our internal headhunting team, and GEPPPO, a survey system to monitor employee conditions and career aspirations. By collecting and analyzing information on employees, we can identify their talents and help them to develop and achieve appropriate placement.

Career Agent is also responsible for the operation of Career Challenge, an internal transfer listing system for employees interested in changing divisions, which has successfully transferred roughly 70% of applicants.

Another example is YMCA (Young Man CyberAgent), a project that supports and encourages young employees in their 20s.

This project brings together willing younger members to discuss issues such as how to further develop high-performing 20-somethings, what factors are missing in younger employees like themselves, and what activities can benefit the company in the future. Younger members think for themselves, make their own decisions, and carry out activities, recruiting those around them as they see fit. These activities are then passed on to the next generation. The whole process is an opportunity for growth.

"Freedom and responsibility" is an important philosophy at CyberAgent. These activities to think freely and realize one's visions with one's own hands also help to bring out the motivation and commitment of the members. Simply put, our



Yuko Ishida

**Senior Managing Executive Officer
General Manager,
Recruitment Strategy Division**

Apr. 2004 Joined CyberAgent, Inc.
Feb. 2013 President of Pashaoku, Inc.
Sep. 2014 President of Woman&Crowd, Inc.
Oct. 2016 Executive Officer
Oct. 2020 Senior Managing Executive Officer
(current position)

ideal is for people to achieve a natural cycle of self-learning, overcoming challenges on their own and using any failures to move on to the next opportunity as they see fit. This ensures the growth of both our people and our business.

—How is top management involved in employee development?

At CyberAgent, executives and employees have a close relationship where they can freely consult with each other, and there is a high level of executive participation in various internal events, such as recruitment activities and social gatherings. We pride ourselves on our high level of internal communication, both in terms of frequency and quality. When executives are committed to employee development, it boosts the enthusiasm and intent of those on the receiving side, our employees. In addition, more than half of our weekly board meeting is devoted to human talent strategies, which involves extensive discussion of member-related agendas. This is where we share information about members' current circumstances and decide their placement based on their profile pictures. As a company with over 6,000 employees, I don't think many companies of a similar size go into this level of detail.

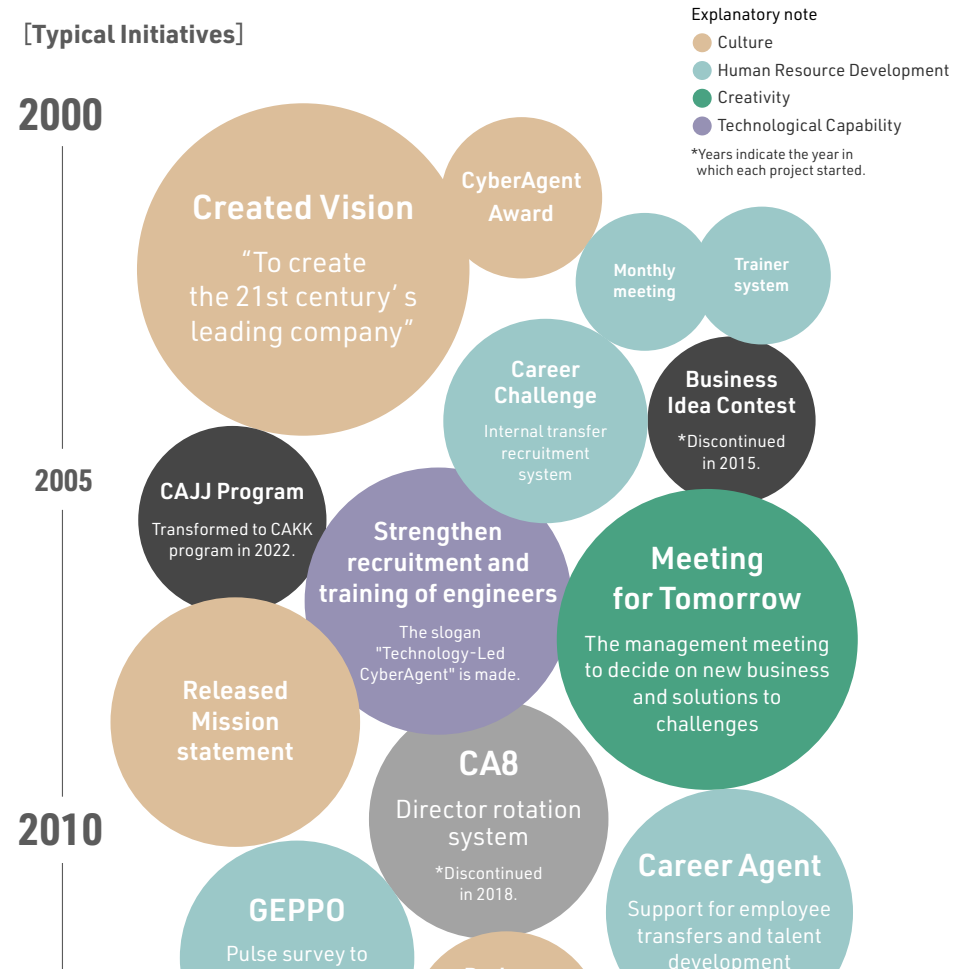
87.5%* of Employees Responded That Their Work is "Meaningful and Rewarding"

—What kind of personality will be needed to take the company forward?

Our vision for the future is reflected in our Vision and Purpose. We have chosen to use abstract language so that employees are free to interpret our statements and visualize the company's future in relation to themselves. It's okay for everyone to be different. We don't believe everyone's goal should be to become a manager or leader, and we don't intend to create a highly homogeneous organization. As Managing Executive Officer and CHO Tetsuhito Soyama always says, "We want to increase the number of employees who are surprised by their own abilities." We are trying to create an environment that helps

Our unique measures and projects to elicit motivation and commitment

[Typical Initiatives]



our people be motivated, be themselves, be self-directed, and perform to the best of their potential.

— Have you noticed any differences since the Purpose was first introduced?

The clarity of the vision that each of the employees has seems to have improved considerably. This shift is regardless of the length of service. Whether they are in their first year or their tenth, they can be clearer about their own intentions and what they want to achieve. I believe that the introduction of the Purpose has increased the number of employees motivated to work because they resonate with the future that the company is aiming for and overlap it with their own raison d'être.

— 87.5% of employees responded that their work is "meaningful and rewarding,"¹, which is quite high compared to the average in Japan.

I imagine that 'why do you think so' is different for everyone. However, I believe that creating an environment where people can feel a clear sense of growth is one aspect that contributes greatly.

At CyberAgent, we select and promote people for new opportunities on a regular basis. It's not about handing out titles. It's about valuing people and giving them certain types of work with high expectations - even for tasks that may seem small. The cycle of decision-making, success or failure, and reflection and learning will build confidence in our people.

When employees see how their own growth contributes to the organization as a whole, their perspective shifts more toward the bigger picture, leading to encouraging a team mindset around them. Ultimately, these things make for a meaningful and rewarding workplace.

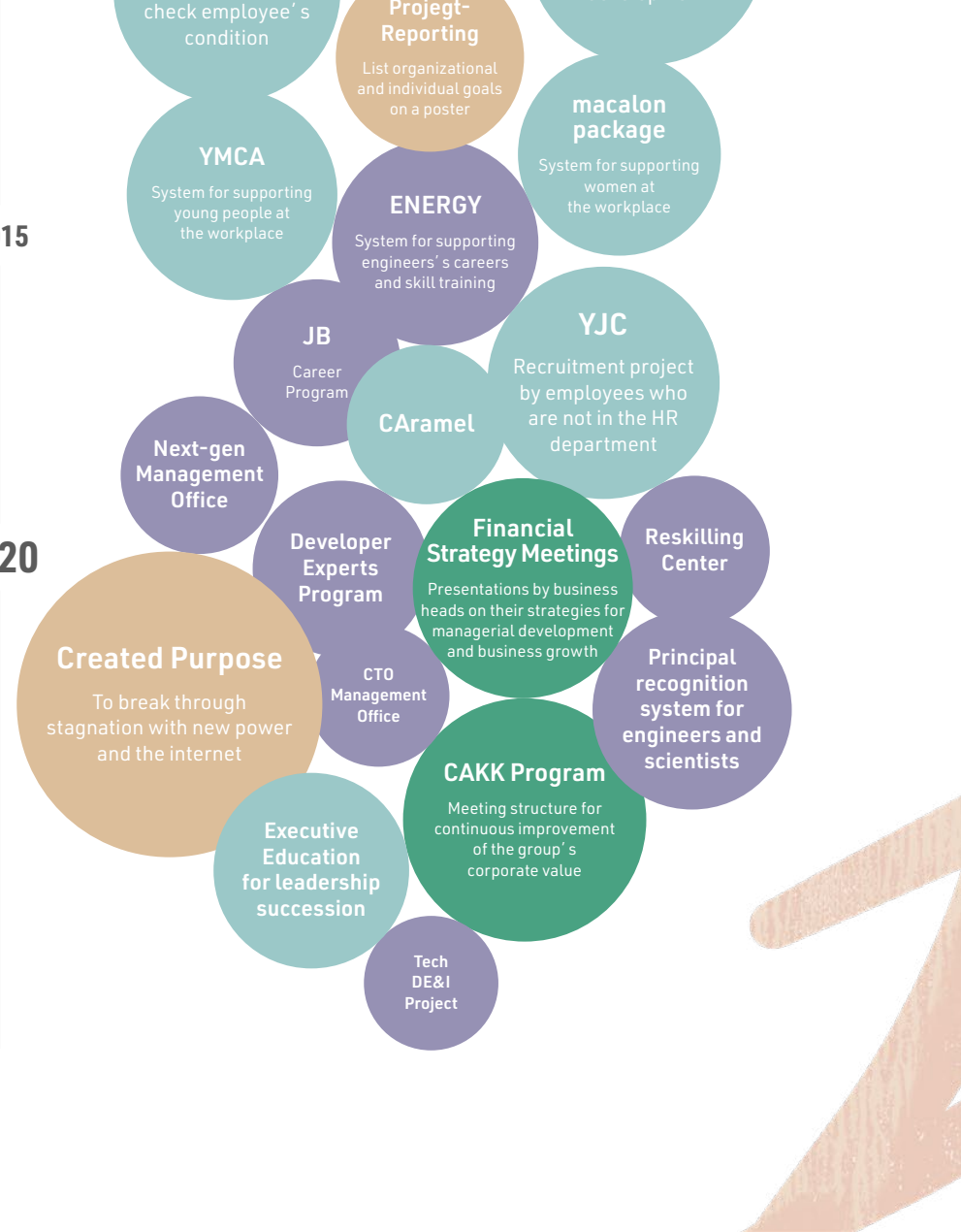
In recent years, human capital has become a more widely recognized concept, and at CyberAgent, we also believe that people are our best source of competitiveness and business growth.

We will continue to broaden the horizons of each and every one of our employees and aim for even greater growth. I believe that the new businesses and values created through such ventures will help create a vibrant society.

¹ Stress test conducted in FY2023

2015

2020





* New employee respondents:
Employees in the April 2023 CyberAgent Business Course

Yuta Iizuka

Senior Managing Executive Officer

Nov. 2011 President of SIROK, Inc. (current position)
Apr. 2012 Joined CyberAgent, Inc.
Oct. 2014 Became CyberAgent's youngest Executive Officer (at the time)
Oct. 2020 Senior Managing Executive Officer (current position)

Fostering a "Corporate Culture of Challenge"

Senior Managing Executive Office Yuta Iizuka, who provides opportunities for dialog with over 70 new and prospective employees, explains that "people are the most important thing for a company's growth, which is why I believe it is important for me to fulfill my role by meeting directly with the people I will be working with to help them understand the company and its operations, and to pique their interest in the company. Another reason I'm eager to meet with young employees is to identify their talents as soon as possible."

"Regardless of how long they have been with the company, employees at CyberAgent are given a great deal of autonomy. In fact, I myself launched Sirok, Inc. as a subsidiary when I was still a prospective employee. I want them to know that if they find the right approach and work hard, such as being the first to volunteer for projects and setting high goals, they can achieve unimaginable things. I also believe that a company's culture can flourish when new hires are given the opportunity to make decisions and contribute to an atmosphere conducive to achieving their best."

AI x Solving Society's Challenges

CyberAgent is utilizing AI technology to solve a variety of challenges faced by society.

AI analysis of traffic volume to realize smart cities

Assessing urban traffic volume is essential for improving the efficiency of traffic systems in terms of road traffic capacity and signal timing, as well as citizen safety and quality of life. By providing "Census AI," our AI-based traffic volume analysis service, we are contributing to the development of systems capable of real-time data analysis and the realization of smart cities.

Example Features

- Measurement of pedestrian and vehicular traffic
- Measurement of flooding and snowfall levels
- Prediction of road surface icing
- Forecasting the prevalence of next-generation vehicles, etc.

Promotion of evidence-based policymaking (EBPM)

EBPM, or Evidence Based Policy Making, is becoming increasingly important in improving the quality of policies. EBPM can be initiated quickly by eliminating the time and effort required for data collection and analysis by utilizing our EBPM database, which organizes summaries of existing evidence.

Example Features

- Browse the results of previous policy validations
- Submit new articles and revise existing ones
- Qualitative assessment of evidence by experts

Automated telephone support service

Enhancing telephone support, which is in high demand by local governments, takes a lot of time and money because it normally requires securing personnel and training them. By automating telephone support through the use of AI, we make it possible to set up highly convenient and satisfying public services while minimizing costs, such as the cost of operating a 24/7/365 call center.

Example of Services

- Appointments and inquiries regarding COVID-19 vaccinations
- Appointments for consultations on tax reporting and residents' tax returns
- Information on the issuance of My Number Cards (national identification number)
- Inquiries during a large-scale disaster
- Information on garbage procedures, etc.

Research on the admissions process of daycare centers

As the percentage of women in the workforce increases, the number of children awaiting admission to daycare and the efficiency of the selection process have become major issues. By researching the admissions process for daycare centers, we aim to reduce the number of children awaiting admission through a combination of improvements in its rules, demonstration experiments to provide easy-to-understand information, and the development of a selection system for daycare center admissions.

Examples of Initiatives

- Improvement of rules for admission to daycare centers
- Demonstration experiments on providing daycare information
- Demonstration experiments on the daycare admission system

AI

Contributing to Society Through Our Businesses

CyberAgent believes that continuing to innovate and grow will help break through Japan's sense of stagnation and revitalize society.

By creating long-term social and economic value through the businesses it operates, CyberAgent also aims to contribute to the development of a more sustainable and vibrant society.

Strengthening Information Infrastructures

Launched in April 2016, ABEMA allows users to browse the latest news and information for free on their smartphone. Taking advantage of the smart devices that people carry with them at all times, we have also added an emergency channel that provides real-time information to affected people 24 hours a day in the event of a disaster or other emergency, such as an earthquake early warning. We will continue to pursue business activities that recognize the importance of ABEMA's role in society as a new information infrastructure in the age of the internet.

Support for Creating Social Value

One of our consolidated subsidiaries, Makuake Inc., is developing "Makuake," a crowdfunding platform that venture capital firms and small businesses can use for marketing purposes. Through Makuake, we hope to contribute to the further vitalization of the Japanese economy.

Tech Talent Development

To develop the talent to lead the 21st century through IT, in May 2013, we established "CA Tech Kids" in a joint venture with Life is Tech, Inc. to offer programming education projects for elementary school students. We also host Japan's largest programming competition and provide career development opportunities for IT professionals. Our efforts go beyond just helping kids acquire IT programming knowledge and skills, as we also strive to foster the development of "talent capable of using technology as a tool to realize their own ideas and actively engage in society."

Driving Forward Digital Transformation (DX)

As AI and other IT technologies continue to evolve, there is an urgent need for DX to help companies in all industries, including retail, government, healthcare, and entertainment, maintain their competitive edge and achieve growth. We are working to develop and deliver solutions to our clients' problems by applying our unique knowledge and technological capabilities in the digital domain.

Sports Support

The CyberAgent Group supports the revitalization of society through sports by sponsoring a variety of teams, including the J-League club "FC Machida ZELVIA"; DDT Pro-Wrestling; Pro Wrestling Noah; Shibuya ABEMAS, which competes in the professional mahjong league "M League"; and CyberAgent Legit, which competes in the professional dance league "D. LEAGUE."



Respect for Human Rights

Human Rights Policy

CyberAgent respects the human rights of all people involved in its business activities, including directors, employees (including part-time and temporary employees), and subcontractors, and strives to create an environment where people can be their true selves and be treated as equals without discrimination or harassment based on race, religion, gender, age, sexual orientation, gender identity, gender expression, disability, or nationality. In addition, based on the policy that emphasizes dialogue with employees and respect for each individual, we are implementing various measures led by dedicated departments to promote healthy work styles, such as monitoring working hours and visualizing workload to prevent long working hours, assigning the right person to the right job, and providing mental health care. We provide a safe and secure environment to maintain mental and physical

health, and support each employee to reach their full potential. Furthermore, we comply with laws and labor standards related to wages, including minimum wages applicable in the countries and regions in which we operate, and provide appropriate wage levels. We have been maintaining good labor-management relations by accounting for labor rights and conferring with an appointed employee representative selected through proper methods.

CyberAgent has established a system whereby directors and employees can consult and report to members of the Risk Committee when they become aware of any conduct that may violate compliance or that is perceived as harassment. We also conduct ethics training on a regular basis covering moral principles to ensure compliance in our entire business activities.

Guidelines

- [Ethical Business Guideline](#)
- [Research Ethics Guideline](#)

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.

- [Privacy Policy](#)
- [Information Security Policy](#)
- [Information Security Measures](#)
- [Commitments to Protect Personal Information](#)

What we do at CyberAgent

[Tech DE&I Project]

We actively promote DE&I in our development organisation to bridge the gender gap in the IT industry. Our aim is to foster an environment of mutual understanding and acceptance of differences among the people we work with, and to create an organisation that can deliver innovation one after another.

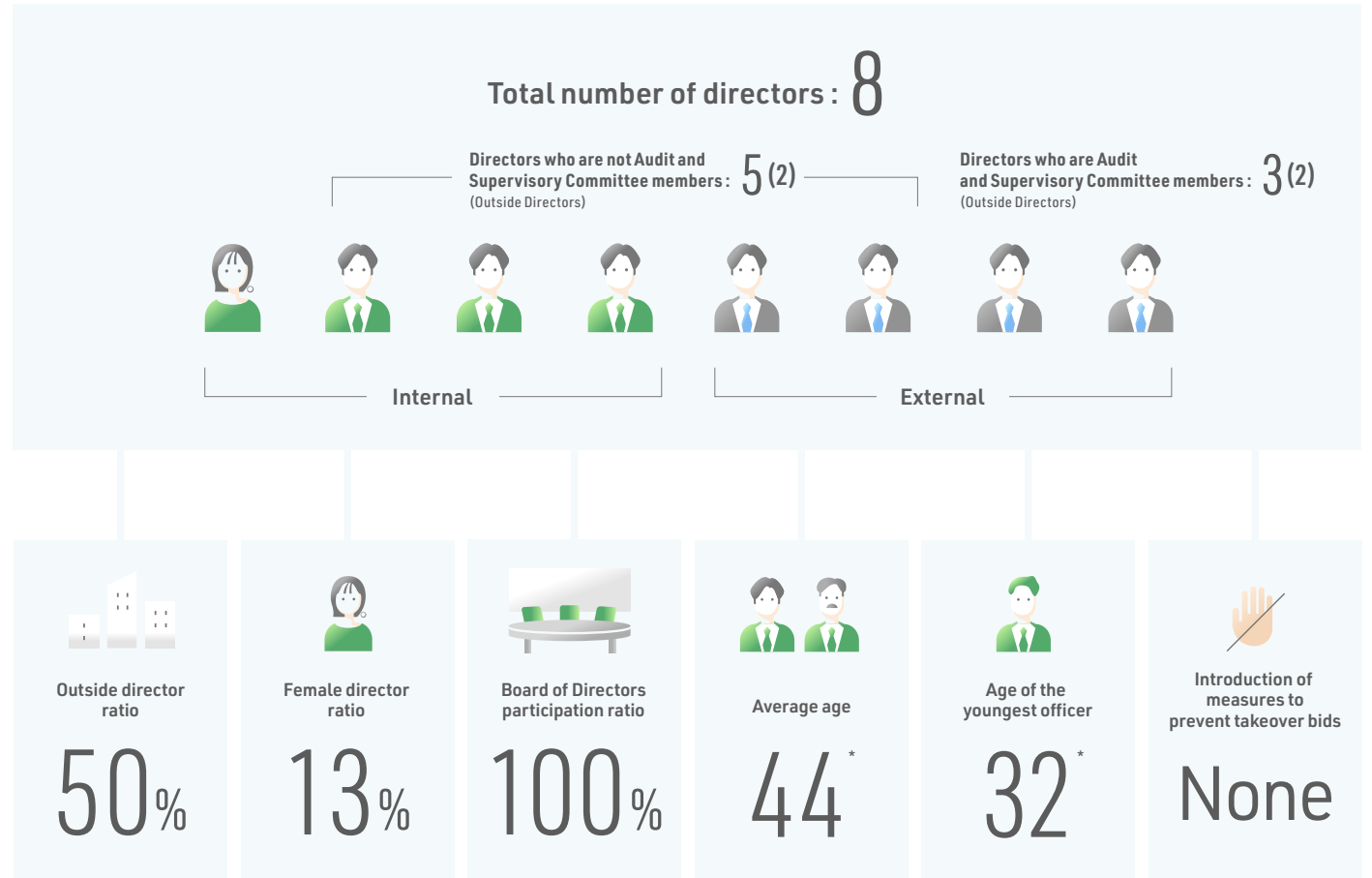
Youth Protection and Assuring Safety and Security for All Users

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

- [Safe and Secure Media Service Operation](#)
- [Safe and Secure Gaming Operations](#)
- [Safe and Secure Dating App Service](#)

Governance Overview

CyberAgent is committed to conducting corporate activities in accordance with laws, regulations, social norms, ethics, and other rules as working to enhance the supervisory functions, transparency, and fairness of the Board of Directors.



* Figures include directors and executive officers. (As of the end of September, 2023)

Changes in Our Management Structure

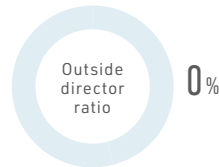
CyberAgent has been reinventing its management structure by utilizing a unique system that is tailored to the company's growth phases and business strategy. To further strengthen corporate governance, in December 2020 CyberAgent transitioned to a new executive officer structure with a clear separation between supervision and execution, and to further enhance supervisory functions, the structure ensures that half of the board members are from outside the company.

2008

Using a competitive environment to promote the execution of directors' duties and develop the management team

CA8

We introduced a system in which two of the eight directors are replaced every two years. While the system continued for 10 years, it ended in 2018 when the system reached its limits due to difficulty in replacing key positions.

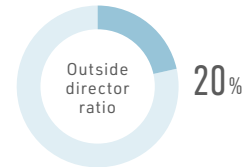


2018

Strengthening the management system in response to our diversifying business portfolio

Bulking up

In order to realize a more robust management structure in the medium to long term, the number of directors was temporarily increased to improve risk management amid diversifying business operations.

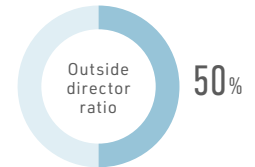


2021

Further strengthening and enhancing our management structure by making a clear separation between supervision and execution

New executive officer structure

A clear separation between supervision and execution was established to further strengthen corporate governance. In addition to transitioning to a new executive officer structure, the company also realized the structure in which half of the board members are from outside the company to further enhance the supervisory function of directors.



Directors

The Company chooses candidates for the Board of Directors by considering a proper balance of knowledge, experience, and ability concerning the Company and its various businesses, while also ensuring that the number of candidates is sufficient and appropriate to ensure constructive discussion at Board of Directors meetings. As of December 2023, the Company had a total of eight directors, including three who are members of the Audit and Supervisory Committee. There are four outside directors who meet the requirements for outside directors under the Japan Companies Act and the independence standards set by the Tokyo Stock Exchange.



Susumu Fujita
Representative Director, CEO

Number of shares held: 89,121,600
Number of board meetings attended:
13/13(100%)



Yusuke Hidaka
Director

Number of shares held: 3,002,000
Number of board meetings attended:
13/13(100%)



Go Nakayama
Director

Number of shares held: 1,618,707
Number of board meetings attended:
13/13(100%)



Toko Shiotsuki
Director (Full-time Audit and Supervisory Committee member)

Female
Number of shares held: 38,400
Number of board meetings attended:
13/13(100%)



Koichi Nakamura
Outside Director

Independent
Number of shares held: 28,000
Number of board meetings attended:
13/13(100%)



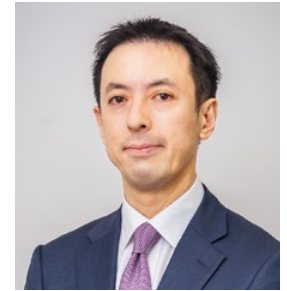
Kozo Takaoka
Outside Director

Independent
Number of shares held: 0
Number of board meetings attended:
13/13(100%)



Masao Horiuchi
Outside Director (Audit and Supervisory Committee member)

Independent
Number of shares held: 160,000
Number of board meetings attended:
13/13(100%)































Tomomi Nakamura
Outside Director (Audit and Supervisory Committee member)

Independent
Number of shares held: 0
Number of board meetings attended:
11/11(100%)

* For specific reasons for director selections, see the Corporate Governance Report.

Executive Officers

Increased by 5 members from FY2023. Female executive officers comprise 18%, or 5 members.

Media Business	Susumu Fujita CEO, President 	Norishige Nagase Senior Managing Executive Officer, CTO Technology 	Riku Yamada Managing Executive Officer 	Tatsuhiko Taniguchi Executive officer 	Tomohisa Nomura Executive officer 	Yuka Yokoyama Executive officer Female 	
	Takunori Fujii Executive officer 	Yosuke Sato Executive officer Creative work 	Chihiro Sano Executive officer 	Rina Takai Executive officer Female 	Advertising business	Yasuo Okamoto Executive Vice President 	Takahiro Yamauchi Senior Managing Executive Officer 
Takahito Naito Managing Executive Officer 	Hiroyuki Ishii Executive Officer 	Eiji Koike Managing Executive Officer 	Daiki Nakata Executive officer 	Gaku Miyata Executive officer 		Noriko Kawai Executive officer Female 	
Hino Takeuchi Executive officer Female 	Game Business	Yusuke Hidaka Executive Vice President 	Koki Ukita Managing Executive Officer 	New Business	Yuta Iizuka Senior Managing Executive Officer 	Investment Development Business	Hirofumi Kondo Executive officer 
Go Nakayama Senior Managing Executive Officer 		Yuko Ishida Senior Managing Executive Officer Female 	Tetsuhito Soyama Managing Executive Officer, CHO 		Masato Sato Executive officer Technology 		Takehiro Takeda Managing Executive Officer 
Company-wide functions							

Board of Directors and Audit and Supervisory Committee

Board of Directors

- There are a total of 8 directors (7 male and 1 female). Of these, 5 are directors who are not Audit and Supervisory Committee members (2 of the 5 are outside directors), and 3 are directors who are Audit and Supervisory Committee members (2 of the 3 are outside directors).
- The Board meets regularly once a month and also holds unscheduled meetings whenever necessary
- Meetings in 2023: 13

Questionnaire on the Effectiveness of the Board of Director Meetings

At the end of September 2022, the Board of Directors (including Audit and Supervisory Committee members) was given a questionnaire on the effectiveness of Board of Directors meetings.

The resulting questionnaire scores were high overall, demonstrating that the company's Board is functioning properly and maintaining its effectiveness. The questionnaire found no indications of problems with the number of Board of Directors meetings, the scope and quantity of proposals, or the time set aside for deliberation. The questionnaire also found that directors have an appropriate decision-making process that is rooted in adequate coordination with outside directors as well as 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 in the directors' specific realm of responsibility, but also across the entire company.

In response to the survey results, steps have also been taken to improve the content of report materials in order to further facilitate discussion.

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 2023

Structure of the Audit and Supervisory Committee

Toko Shitsuki Audit and Supervisory Committee
Meeting attendance: 13/13 (100%)
Director,
full-time Audit and Supervisory Committee member

Masao Horiuchi Audit and Supervisory Committee
Meeting attendance: 13/13 (100%)
Outside Director, Audit and Supervisory Committee member
Outside Independent

Tomomi Nakamura Audit and Supervisory Committee
Meeting attendance: 13/13 (100%)
Outside Director, Audit and Supervisory Committee member
Outside Independent

Director Remuneration

Process policy of determining remuneration, etc. of individual Board Directors

At the Board of Directors meeting held on December 9, 2022, it resolved the following policy for determining the content of individual remuneration, etc. of Directors (excluding Directors who are members of the Audit Committee). The Company consulted the Remuneration Advisory Committee, which is composed mainly of independent Outside Directors, regarding the details of the resolution, and obtained its report for approval. The Board of Directors has also confirmed that the decision on the details of remuneration and other compensation for individual Directors for the fiscal year under review are consistent with the determination policy approved by the Board of Directors and that the report from the Remuneration Advisory Committee has been respected, and the Board of Directors has determined that such decisions are in line with the determination policy. The amount of remuneration for each individual Director who is a member of the Audit and Supervisory Committee is determined through discussions among the Audit and Supervisory Committee members.

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

The annual aggregate remuneration of Board Directors of the Company was approved at ¥800 million (of which, up to 30 million yen per year allocated to Outside Directors) by the resolution at the 20th Annual General Meeting of Shareholders held on December 15, 2017. However, at the 24th Annual General Meeting of Shareholders held on December 10, 2021, the amount of remuneration for Outside Directors (excluding Directors who are members of the Audit and Supervisory Committee) was revised from 30 million yen per year to 60 million yen per year, taking into consideration the future increase in the number of Outside Directors, the increased role required of Outside Directors, and various circumstances such as the economic situation. The number of Directors as of the close of this Annual General Meeting of Shareholders is eight (8), consisting of five (5) Directors excluding Directors serving on the Audit and Supervisory Committee, (including two (2) Outside Director) and three (3) Directors serving on the Audit Committee (including two (2) Outside Directors). At the 25th Annual General Meeting of Shareholders held on December 9, 2022, a resolution was approved to issue up to 1,352 stock acquisition rights as stock options to Directors (excluding Outside Directors and Directors who are members of the Audit and Supervisory Committee). The number of Directors as of the close of this Annual General Meeting of Shareholders is three (3) directors (excluding Outside Directors and Directors who are members of the Audit and Supervisory Committee).

Total amount of remuneration of Directors

Classification	Number of recipients	Amount of remuneration	Subtotals for each type of remuneration (¥ million)	
			Monetary remuneration	Stock options
Director who is NOT the Audit and Supervisory Committee members (Outside)	5 (2)	293 million yen (36 million yen)	200 million yen (35 million yen)	93 million yen (1 million yen)
Director who IS the Audit and Supervisory Committee members (Outside)	3 (2)	19 million yen (8 million yen)	19 million yen (8 million yen)	- -
Total (Outside)	8 (4)	312 million yen (44 million yen)	219 million yen (43 million yen)	93 million yen (1 million yen)

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

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 Annual 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 (released on November 16, 2023.), 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.

To maximize shareholder attendance by minimizing conflicts with other company shareholder meetings, CyberAgent has scheduled the 26th Annual Shareholders Meeting for December 8, 2023, with a company information session to be held on the same day. To maximize shareholder attendance by minimizing conflicts with other company shareholder meetings, CyberAgent has scheduled the 26th Annual Shareholders Meeting for December 8, 2023, with a company information session to be held on the same day.

Environment

Recognizing climate change as one of the most critical business challenges, CyberAgent strives to monitor the amount of greenhouse gas emissions, improve the efficiency of business activities, build and operate necessary systems, and disclose information appropriately. From FY2022, an independent assurance report has been provided by KPMG AZUSA Sustainability Ltd. for CO2 emissions to clarify the calculation process and improve the reliability of the disclosed information.

CO2 emissions by scope (t-CO2)

Data item	FY2021	FY2022	FY2023
Scope 1	321	371	790★ ^{*1}
Scope 2 (location-based) ^{*2}	10,782	12,002	12,210★
Total Scope 1 + Scope 2 emissions (location-based)	11,103	12,373	13,000★
Scope 3	14,158	21,634	30,916

Scope 3: CO2 emissions by category (t-CO2)

Category	Data item	FY2021	FY2022	FY2023
1	Purchased goods and services	4,895	10,798	14,708★
	Public cloud services	4,684	3,572	2,755 ^{*3}
3	Not included in Scope 1 or 2 Fuel and energy related activities	1,589	1,763	1,963★
6	Business trips	2,298	4,172	9,456★ ^{*4}
7	Commuting	692	1,180	1,548★
13	Downstream leased assets	-	149	486★

Emissions Intensity per Net Sales (Emissions of Scope 1 + 2/ Consolidated Net Sales)

Data item	FY2021	FY2022	FY2023
CO2 emissions intensity per unit of sales (t-CO2/million yen) - location-based	0.0167	0.0174	0.0181
Consolidated sales (in millions of yen)	666,460	710,575	720,207

*1: The emissions have increased due to expanding the coverage of vehicles used for business activities and the inclusion of minor gas usage in the calculation since FY2023.

*2: The market-based scope 2 emissions of FY2023 were 12,384 (t-CO2) ★.

*3: The emissions have decreased due to service providers' efforts towards decarbonization.

*4: The emissions have increased due to the acceleration of domestic and international business travel resulted from the economic recovery after the COVID-19 pandemic.

Figures denoted by the "★" have been externally assured by KPMG AZSA Sustainability Co., Ltd.

Information on disclosure based on TCFD recommendations, the data boundary for CO2 emissions, the calculation method and third party verification reports are available on the Environment section of the corporate website.

 Environment



Creating Opportunities to Solve Environmental Issues

Cyberagent Begins Using IoT Technology to Provide Energy-Saving Solutions for Office Buildings

Due to the increased focus on energy conservation due to the recent rise in electricity costs and the tight supply and high demand for electricity, in many office buildings, air conditioning and lighting were often centrally managed for the entire building or all floors. This caused problems in that the brightness of the lighting and the temperature of the air conditioner could not be adjusted flexibly, and the comfort of the users was not taken into account.

With this in mind, our AI business unit's Retail GX Center has begun offering a unique energy-saving solution for all companies with office buildings, regardless of industry, that enables flexible management of the office environment while taking into account the environment of employees. By leveraging our knowledge from actively researching and developing AI and robotics technology for many years, we can provide a system capable of realizing energy savings while reducing installation costs by flexibly and efficiently controlling lighting and air conditioning based on area occupancy trends.

In a demonstration experiment conducted in April 2023 at our office building in preparation for the provision of this service, we were able to reduce monthly electricity bills and CO₂ emissions by 40% compared to previous practices by combining the system already in place as an intelligent building with the IoT method of this service. We estimate that this will yield a cost savings of around 100 million yen or more per year. Going forward, we will continue to utilize the knowledge we have accumulated in the development and operation of IoT and sensor technologies, as well as the development of user-centric services, to promote GX* in all industries, including retail, with the aim of achieving both improved management efficiency and decarbonization.

* GX (Green Transformation): Initiatives aimed at achieving a decarbonizing society.



Company Overview

Company Name	CyberAgent, Inc.
Head Office	Abema Towers 40-1 Udagawacho Shibuya-ku, Tokyo 150-0042
Representative	Susumu Fujita
Foundation	March 18, 1998
Capital	7,369 million yen (As of the end of September, 2023)
Employment Headcount	7,374 (As of the end of September, 2023)
AGM	December
Business Portfolio	Media Business Internet Advertising Business Game Business Investment Development Business

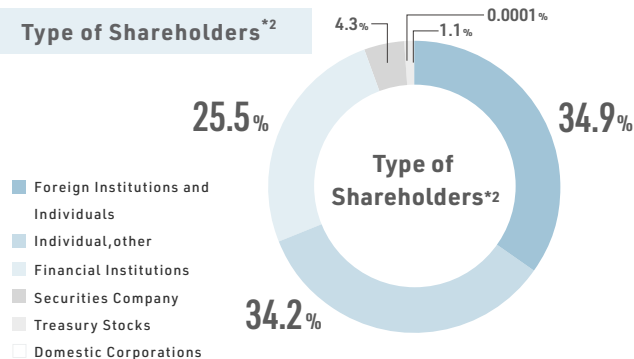
Office Locations	Tokyo, Osaka, Nagoya, Fukuoka, Sapporo, Sendai, Kanazawa, Kyoto, Saga, Okayama, Okinawa United States (Guam), China (Beijing), Taiwan (Taipei), Korea (Seoul), Vietnam (Ho Chi Minh City), Singapore
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*Main operating locations including consolidated subsidiaries

Stock Information *1

Listed Market	TSE Prime market
Code	4751
Number of Shares	506,191,200 shares
Outstanding	
Number of Shareholder	108,871

Type of Shareholders *2



Shareholders' meeting

	FY2020	FY2021	FY2022
Number of Shareholder	12,946	39,873	52,041
Shareholders attendance at AGM	60	122	139
Viewers of live streaming of AGM	116	84	139

Top Holders *3

	Name	Number of Shares	% O/S
1	Susumu Fujita	89,121,600	17.6%
2	The Master Trust Bank of Japan, Ltd. (trust account)	81,338,900	16.1%
3	Custody Bank of Japan, Ltd. (Trust account)	38,630,800	7.6%
4	THE BANK OF NEW YORK MELLON 140051	14,776,500	2.9%
5	SSBTC CLIENT OMNIBUS ACCOUNT	10,586,058	2.1%
6	STATE STREET BANK WEST CLIENT - TREATY 505234	7,384,116	1.5%
7	JPMorgan Securities Japan Co., Ltd.	6,472,805	1.3%
8	JP MORGAN CHASE BANK 380072	5,742,200	1.1%
9	JP MORGAN CHASE BANK 385632	5,527,293	1.1%
10	DAIWA CM SINGAPORE LTD - NOMINEE ROBERT LUKE COLCLICK	4,430,000	0.9%

Major Shareholders *4

Institution	% O/S	Submitting Date
Baillie Gifford & Co	12.11%	August 15, 2022
Nomura Asset Management Co., Ltd.	6.38%	November 6, 2023
Sumitomo Mitsui Trust Asset Management Co., Ltd.	6.21%	January 20, 2022
BlackRock Japan Co., Ltd.	6.06%	March 20, 2023

*1,2,3 As of September 30, 2023 *4 In the case of joint ownership, the submitter of the large shareholding report or the major shareholder is listed.

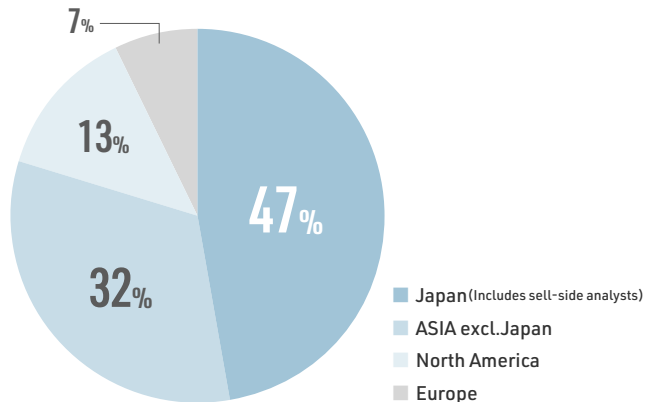
Investor Relations Activities

CyberAgent promotes understanding of its management policies and business strategies mainly through information disclosure on its investor relations website, meetings with institutional investors, and participation in conferences. CyberAgent is dedicated to delivering prompt and fair information disclosure and continuing to improve our IR activities.

FY2023 IR Activities Summary

Number of institutional investors we had meetings	1251
Number of our participation at conferences organized by securities companies	8
Number of ESG/Department theme-specific meetings we held	8
Number of posts on the official LINE account	60

Percentage of Institutional Investors by Region



ESG Ratings

We are working to improve our ESG rating by disclosing ESG information, which has become increasingly important in recent years, on our corporate website.

MSCI
ESG RATINGS



CCC	B	BB	BBB	A	AA	AAA
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THE USE BY CyberAgent, Inc. OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF CyberAgent, Inc. BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

Sustainalytics

16.9 Low Risk



Negligible	Low	Medium	High	Severe
0-10	10-20	20-30	30-40	40+

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Inclusions

JPX Prime 150 Index

Nikkei Stock
Average

JPX-Nikkei Index 400

Nikkei Stock Index 300

Nikkei 500 Stock
Average

ESG

Nikkei 225
Climate Change
1.5°C Target Index

Japan New
Economy Index

FTSE All-World Index

FTSE JAPAN

ESG

S&P/JPX Carbon
Efficient Index

* As of September 30, 2023

Investor Relations Website

IR Channel

[Go to IR Channel](#) 

The IR Channel was created to provide video content for shareholders and investors and includes 28* videos that explain the competitive edges of our businesses, including core competencies, in an easy-to-understand manner.



Find Us on Social Media



LINE
[@cyberagent_ir](#)



CEO Susumu Fujita on X
[twitter.com/susumu_fujita](#)



Facebook
[www.facebook.com/CyberAgent.Inc](#)



X
[twitter.com/CyberAgent_PR](#)



Youtube
[youtube.com/c/cyberagentofficial](#)

Disclosure Policy

Basic Policy for Disclosure

CyberAgent, Inc. (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. Simultaneously, the Company provides prompt and proactive disclosure of material information that is not subject to the timely disclosure regulations, which could influence investors' investment decisions.

Method for Disclosing Information

According to the rules, the Company discloses the information subject to the timely disclosure regulations on the Tokyo Stock Exchange website through the timely disclosure network (TDnet). The released information, as well as the information that is not subject to the timely disclosure regulations will be uploaded to the Company's investor relations website to inform investors accurately and equally.

Forward-looking Statement

We may provide earnings forecasts in addition to the earnings forecasts we file with the Tokyo Stock Exchange, where we are listed. Also, news releases, earnings presentations, question-and-answer sessions at analyst meetings, etc., may contain information about our plans, prospects, strategies, etc. The information the Company publishes is based upon the currently available information, which involves risks and uncertainties. There can be no assurance that forward-looking statements will prove accurate or achieved, as actual results may differ materially from those anticipated in such statements.

Quiet Period

In order to prevent the leakage of important corporate information and ensure fairness, we have a quiet period "from two weeks before the end of the fiscal quarter to the earnings release day" as a general rule. In this period, the Company refrains from answering questions regarding our results and giving relevant comments. However, this does not apply to the occurrence of material events that we believe will have a significant impact on the investment decisions of investors, even during this period.

Forward-looking Statement

The future information, such as the earnings forecast, written in this document is based upon the currently available information, which involves risks and uncertainties. There can be no assurance that forward-looking statements will prove accurate or achieved, as actual results may differ materially from those anticipated in such statements.

Contact

IR&SR Division, CyberAgent, Inc

> Investor Inquiries



> Download Fact Book

PDF



> Download Financial Statements

Excel



To break through stagnation with new power and the internet

Contribute to the digital shift of all industries.

Make ABEMA the television of the future, an easily accessible social infrastructure.

Challenge the world with a fusion of technology and creativity.

Eliminate the seniority system and embody the Japanese economy of the 21st century.

Adapt to the changing times and aim to become a global company.

Vitalize Japan with the internet.

