

## Corporate Governance Report

CyberAgent, Inc.

Latest Revision: April 22, 2020  
Company: CyberAgent, Inc.  
Representative: Susumu Fujita,  
Representative Director and  
President  
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Securities Code: 4751  
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The following is an overview of corporate governance at CyberAgent, Inc.

### **I Basic Policy, Capital Structure, Corporate Attributes and Other Basic Information**

#### **1. Basic Policy**

The CyberAgent Group makes efforts to improve its corporate value under our vision of “To create the 21st century's leading company.”

While recognizing that thoroughgoing corporate governance is essential for expanding business, the Group takes measures so that its corporate activities comply with laws, regulations, social norms, ethics.

In order to respect the positions of stakeholders and fulfill corporate social responsibility, the Group produced the “CyberAgent Mission Statement” for the purposes of not only following laws and regulations, but also establishing corporate ethics, and strives to improve the morals of executives and employees.

#### **[Reasons for Not Implementing Principles of Corporate Governance Code]**

<Medium-term management plan>

Principle 4-1-2: CyberAgent (the Company) operate businesses in the Internet industry, which the business environment and technologies are changing rapidly. Therefore, instead of producing medium to long-term management plans, we explain our medium to long-term management strategies continuously through IR activities to promote the understanding of shareholders and investors.

#### **[Disclosure Based on the Principles of the Corporate Governance Code] Updated**

<Strategic-Shareholdings>

Principle 1-4: If business tie-ups are expected to be cemented, the Company may hold the Strategic-Shareholdings. As for the exercise of voting rights of such strategically held shares, we will examine the content of each bill and deal with it properly.

<Related Party Transactions>

Principle 1-7: With regard to all transactions, including the ones between related parties, our “regulations for the board of directors,” “rules for authority,” etc. set forth appropriate systems and procedures according to the scale and importance of each transaction. Each conflicting interest transaction of directors requires the approval of the board of directors pursuant to law, and the results of the transaction are reported at a meeting of the board of directors.

<Roles of Corporate Pension Funds as Asset Owners>

Principle 2-6: The Company does not adopt the corporate pension funds.

<Full Disclosure>

Principle 3-1:

1. Our vision, management strategies, etc. are disclosed in the financial reports and the Company's website.
2. Our basic policy for corporate governance is written on our website, corporate governance reports, and securities reports.
3. Regarding the amount of remuneration of each director (excluding a member of the Audit and Supervisory Committee), the Board of Directors consults the Remuneration Advisory Committee as needed. Based on the report, it will be determined by the Representative Director, who is entrusted from the Board of Directors within the limit of remuneration, which is approved at the general meeting of shareholders.

The amount of remuneration of each director who is a member of the Audit and Supervisory Committee are determined through consultation by directors who are members of the Audit and Supervisory Committee.

4. As per the company's Articles of Incorporation, the company's Board of Directors comprises no more than 15 members. CyberAgent's fundamental approach is for the Board of Directors to have the necessary and appropriate number of persons to ensure constructive discussion at Board of Director meetings, while also giving due consideration to a proper balance of knowledge, experience, and ability concerning each business.

When determining the candidates for Directors, the Board of Directors consults the Nomination Advisory Committee as needed. Based on the report, we appoint capable persons who possess broad perspectives and experience, demonstrate management strengths in their respective fields, have outstanding leadership and management skills, and bring a keen business sense and ambition to improve the corporate value of the Group.

As for the candidates for Directors who will also serve as Audit and Supervisory Committee members, under the consent of the Audit and Supervisory Committee, we select those who have sufficient expertise, experience, insight, and independence to carry out audits and supervisory duties appropriately.

With regard to outside directors, in addition to meeting external requirements under Japan's Companies Act, our selections are based on the candidate who also has the qualifications of an independent director as set by the Tokyo Stock Exchange, and meets criteria that deem them as posing no risk in terms of conflict of interest with ordinary shareholders. If a director violates the law or the articles of incorporation or has difficulty in accomplishing the job, the company's Board of Directors will make a comprehensive judgment with considering the outside directors' opinion about his/her removal.

5. The reasons for the appointment of the each director candidate are disclosed on the notice of convocation of the annual general meeting of shareholders.

The company appointed Kozo Takaoka, former Representative Director, President, and CEO of Nestlé Japan Ltd. to corporate advisor of the company on April 1, 2020, along with his nomination to the company's board of directors as a candidate for independent outside director. The election of the board is to be discussed at the 23rd annual general meeting of shareholders scheduled to be held in December 2020.

<Roles and duties of directors>

Principle 4-1-1: The board of directors decides the execution of each business specified as items to be decided by the board of directors in the "regulations for the board of directors," "rules for authority," etc. For the execution of other businesses, the management is entrusted with decision making for them in accordance with the "rules for authority."

<Independence Standards and Qualification for Independent Directors>

Principle 4-9: the Company selects independent external directors in accordance with the independence

## English Translation

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criteria specified by Tokyo Stock Exchange. The board of directors select those who understand the business administration and corporate value of our company, are independent of the management of our company, and are expected to contribute to constructive discussions in the board of directors, as candidate external directors.

<View on the Appropriate Balance Between Knowledge, Experience and Skills of the Board as a Whole, and also on Diversity and Appropriate Board Size>

Principle 4-11-1: The number of members of the board of directors of our company shall be up to 15 (of which members of the Audit and Supervisory Committee are limited to three), as set forth in the Articles of Incorporation. We nominate candidates with full attention to the balance between knowledge and experience in our business and capability of each member, as well as diversity. The Company appointed 15 directors (in which 14 directors are male, 1 director is female).

<Concurrent Positions of Directors>

Principle 4-11-2: Concurrent positions of Directors (include Audit and Supervisory Committee members) are disclosed in the Notice of annual general shareholders' meetings, Securities Reports, and Corporate Governance Reports.

<Summary of Analysis and Evaluation concerning Effectiveness of the Board of Directors>

Principle 4-11-3: We conducted a questionnaire survey about the effectiveness of the board of directors targeted at directors include Audit and Supervisory members at the end of September 2019. The results of the survey showed that deliberations are made with sufficient time secured for the Board meeting. Each director are in close communication with the outside directors. They do not only stick to their own responsibilities but make appropriate decisions which will contribute to the company-wide business expansion, concentration and selection, enhancing enterprise value based upon discussions about budget, performance forecast and risk factors which can affect business and management.

Also, there is no problem in regard to the number of times the Board of Directors being held, the scope and quantity of the proposals being submitted, and the content of materials.

<Training policy for Directors>

Principle 4-14-2: We hold compliance training sessions for all appointed directors to help them acquire the necessary knowledge for fulfilling their roles and duties.

<Policy for dialogues with shareholders>

Principle 5-1: We recognize that in order to achieve sustainable growth and improve enterprise value in the medium to long term, it is essential to have active dialogues with investors, including shareholders, and reflect their opinions and requests in our business administration. We developed an IR system, in which the representative director and managing director in charge of corporate function take central roles and the IR&SR Division serves as a contact point, for responding to inquiries from shareholders and other investors.

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## 2. Capital Structure

Ratio of Shares Held by Foreigners	More than 30%
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### [Major Shareholders] **Updated**

Name or Designation	Number of Shares Held (Shares)	Shareholding Ratio (%)
Susumu Fujita	24,639,600	19.54
NORTHERN TRUST CO. (AVFC) SUB A/C NON TREATY	7,675,412	6.09
The Master Trust Bank of Japan, Ltd. (trust account)	6,514,700	5.17
Japan Trustee Services Bank, Ltd. (trust account)	5,155,600	4.09
JP MORGAN CHASE BANK 385632	3,950,169	3.13
THE BANK OF NEW YORK MELLON 140051	3,101,400	2.46
BNYMSANV RE BNYMSANVGC RE GCM CLIENT ACC GCS RD JP EQ	2,864,865	2.27
Japan Trustees Services Bank, Ltd. (Trust Account 5)	2,238,200	1.78
BNYM AS AGT/CLTS 10 PERCENT	1,875,022	1.49
STATE STREET BANK AND TRUST COMPANY 505225	1,865,890	1.48

Controlling Shareholders (excluding parent company)	—
Parent Company	—

## 3. Corporate Attributes

Stock Exchange Listings and Market Classification	First Section, Tokyo Stock Exchange
Fiscal Year-end	September
Industry	Service
Number of Employees as of Previous Fiscal Year-End (Consolidated)	1,000 or more
Total Trading Transactions in Previous Fiscal Year (Consolidated)	More than 100 billion yen and less than 1 trillion yen
Number of Consolidated Subsidiaries	More than 100 and less than 300

## 4. Policy for Measures to Protect Minority Shareholders When Conducting Transactions with Controlling Shareholder

N.A.

## 5. Other Exceptional Circumstances that May Have a Material Impact on Corporate Governance

N.A.

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## II Overview of Business Management Organization and Other Corporate Governance Systems Related to Managerial Decision-Making, Business Execution, and Management Supervision

### 1. Items Related to Organizational Structure and Operations, etc.

Form of Organization	Company with Audit and Supervisory Committee
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#### [Directors]

Number of Directors Stipulated in Articles of Incorporation	15
Term of Office for Directors Stipulated in Articles of Incorporation	1 year
Chairman of the Board of Directors	President
Number of Directors	15
Election of Outside Directors	Elected
Number of Outside Directors	3
Number of Outside Directors Designated as Independent Director	3

#### Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Koichi Nakamura	Worked at the other company					△						
Masao Horiuchi	Worked at the other company								△			
Isao Numata	Worked at the other company											

#### \* Relationship with the Company

○: shows the item is/was applicable to the outside director either currently or until recently

△: shows the item was applicable to the outside director in the past

●: shows the item is/was applicable to a close relative of the outside director either currently or until recently

▲: shows the item was applicable to a close relative of the outside director in the past

- A person performing an executive role at the Company or its subsidiary
- A person performing an executive role at or who is a non-executive director of the Company's parent
- A person performing an executive role at an affiliate who is another subsidiary of the Company's parent
- A person (or its person performing an executive role) whose major customers include the Company
- A person (or its person performing an executive role) who is a major customer of the Company
- A consultant, accountant or lawyer who receives a large amount of monetary compensation or other property (other than remuneration as the outside director) from the Company
- A major shareholder (or its person performing an executive role) of the Company
- A person performing an executive role at a customer of the Company (other than those to which item d, e or f applies) (this item applies only to the outside director himself/herself)
- A person performing an executive role at an entity who has an outside director or corporate auditor from the Company
- A person performing an executive role at an entity to which the Company makes donations (this item applies only to the outside director himself/ herself)
- Others

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### Relationship with the Company (2)

Name	Audit and Supervisory Committee member	Independent Director	Supplementary Information Related to the Criteria	Reason for Appointment as Outside Director (For Independent Directors, Including Reason for Designation as an Independent Director)
Koichi Nakamura		✓	<p>Until June 2014, he was an executive officer of Recruit Holdings Co., Ltd.(The business amount in FY2019 account for 4.98% of our consolidated sales) which is the Company's specified related business operator (major customer). He had received compensation from July 2014 to June 2016 as an Advisor. However, he resigned the role in June 2016, and there is no specific relationship between them.</p>	<p>The Company has appointed Mr. Koichi Nakamura 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 offers many useful advice 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.</p> <p>CyberAgent has determined that Mr. Nakamura meets the qualifications of an independent director as set by the Tokyo Stock Exchange and poses no risk in terms of conflict of interest with ordinary shareholders, and has thereby appointed him as a Independent outside director.</p>
Masao Horiuchi	✓	✓	<p>Mr. Masao Horiuchi was a director of USEN-NEXT HOLDINGS Co., Ltd., our regular client in the Internet Advertising Business, from December 2010 to June 2017, and has been a full-time auditor of this company since July 2017. In light of the fact that he is not an executive officer of the company and that the scale of transactions between the company and us (the amount of transactions in FY2019 account for 0.65% to our consolidated net sales) is insignificant, and the nature of the transaction, we think</p>	<p>The Company has appointed Masao Horiuchi 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 broad 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.</p> <p>He has been responsible for corporate management departments and internal controls for many years. He has extensive experience and comprehensive 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.</p> <p>CyberAgent has determined that Mr. Horiuchi meets the qualifications of an independent director as set by the Tokyo Stock Exchange and poses no risk in terms of conflict of interest with ordinary</p>

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			there is no risk that the judgment of shareholders and investors will be affected.	shareholders, and has thereby appointed him as Independent outside director.
Isao Numata	✓	✓	--	<p>The Company has appointed Mr. Isao Numata 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.</p> <p>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.</p> <p>Mr. Numata also worked from April 1988 to June 2000 at Daiwa securities (currently Daiwa Securities Group headquarters), which is CyberAgent's lead underwriter. It should be noted, however, that he has never held a key position concerning the administration of Daiwa securities, and more than 19 years has passed since he left that company. He also had never had any special business relationship with the company after leaving it. Based on this history, we consider him to have more than adequate impartiality concerning CyberAgent.</p> <p>CyberAgent has determined that Mr. Numata meets the qualifications of an independent director as set by the Tokyo Stock Exchange and poses no risk in terms of conflict of interest with ordinary shareholders, and has thereby appointed him as Independent outside director.</p>

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### Advisory Committee(s) to the Board, Composition and Attribution of Chairperson **Updated**

Name of Committee	Total Number of Members	Full-time Member	Internal Directors	Outside Directors	Chairman
Audit and Supervisory Committee	3	1	1	2	Outside Director

Appointment of Directors and employees who assist the Audit and Supervisory Committee with its duties	Appointed
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### Matters relating to the Independence of Such Directors and Employees from Executive Directors

Employees who assist Director who is member of Audit and Supervisory Committee with its duties follow his or her leadership.

### Cooperation between Audit and Supervisory Committee, Accounting Auditors and the Internal Auditing Division

Director who is a full-time Audit and Supervisory Committee member hold regular meetings with the Internal Audit Office to receive reports on the state of the execution of internal audits and the results of auditing in addition to exchanging opinions regarding such matters as internal audit execution plans, specific internal auditing methods and measures for improving internal auditing operations. She also cooperates with the Internal Audit Office upon the internal audits of the Company's divisions as well as Group companies and has interviews with Directors and employees, check documents, conduct field audits. Additionally, Directors who are Audit and Supervisory Committee members hold periodic meetings with Accounting Auditors to share information about auditing plans and audit results. Exchanges of opinions are also made as needed to increase effectiveness and efficiency of audits and to further strengthen corporate governance.

### [Voluntary Establishment of Committees]

Voluntary Establishment of Committees equivalent to Nomination Committee or Compensation Committee	Yes
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### Status of Establishment of Voluntary Committee, Composition of Committee and Attributes of Committee Chair (Chairperson)

	Voluntary committee corresponding to a nominating committee	Voluntary committee corresponding to a remuneration committee
Name of committee	Nominating Advisory committee	Remuneration Advisory committee
Total number of members	5	5
Number of full-time members	2	2
Number of internal directors	2	2
Number of outside directors	3	3
Number of external experts	0	0
Number of other members	0	0
Committee chair (chairman)	outside director	outside director



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### Supplementary Explanation

The Company's Board of Directors' meeting held on October 30, 2019, resolved to establish the committee to strengthen the Board of Director's independence, objectivity, and accountability, and further enhancing corporate governance. Based on the Board of Director's consultation request, the committee deliberates on matters regarding the nomination and remuneration of directors and makes recommendations to the Board of Directors.

### [Independent Directors]

Number of Independent Directors	3
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### Matters relating to Independent Directors

N.A.

### [Incentive Programs]

Incentive Policies for Directors	The stock option system has been adopted
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### Supplementary Information

Stock options are granted with the objective of further boosting the motivation and morale of the Company's Directors and employees to contribute to the consolidated performance of the Company as well as enhancing corporate value and further reinforcing the management culture.

Grantees of Stock Options	Executive Directors, Outside Directors, employees, directors and employees of subsidiaries
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### Supplementary Information **Updated**

Stock options are granted with the objective of further boosting the motivation and morale of the Company's Directors and employees of the Company as well as Directors and employees of the Company's subsidiaries towards raising business performance, etc.

The total value of stock options as of the end of March, 2020 was a balance of 760,200 (0.60% of issued shares including treasury stocks) issued shares and an assumed total paid-up value of 423,464,400 yen.

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### [Directors' Compensation]

Disclosure of Individual Directors' Compensation	The compensation of individual Directors is not disclosed.
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### Supplementary Information

The compensation of the Company's Directors in the fiscal year ended September 30, 2019 was as stated below.

Category	Number of paid Directors	Value 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 value of compensation above include cost of stock option granted to the directors (79 million yen).

Policy on Determining Compensation Amounts and Calculation Methods	None.
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### Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

N.A.

### [Support System for Outside Directors]

The Board of Directors Secretariat prepares materials in advance of the holding of a meeting of the Board of Directors and provides detailed briefings as needed to Outside Directors. The Management Headquarters acts as the contact point for inquiries from Outside Directors and carries out timely and appropriate information provision towards Outside Directors.

**Matters regarding Decision-making Functions related to the Execution of Duties, Audit and Supervision, Appointments, Compensation, Etc. (Outline of the current corporate governance system)**

Regarding the matters related to the execution of duties, careful decision-making is carried out at the meeting of the Board of Directors, which is comprised of fifteen Directors (include three independent outside directors) in attendance on particularly important matters that are established through law, the Company's Articles of Incorporation and internal regulations as matters to be determined by the Board of Directors. Regularly scheduled meetings of the Board of Directors are held once a month, with extraordinary meetings held as needed. A total of 13 meetings of the Board of Directors were held in FY2019 and attendance of all Directors was 99.0%.

Regarding the matters that are not regarded as a matter to be resolved by the Board of Directors, flexible decision-making is practiced at a full-time board meeting consisting of eight full-time executive directors and one full-time Director who is an Audit and Supervisory member on a weekly basis.

Important investments are discussed by the Investment Committee carefully in advance, and the results of the discussion are reported to the Board of Directors and the Board of Full-Time Directors, so as to make more appropriate decisions for investments. The Company has selected the company with the Audit and Supervisory Committee as the institutional design under the Corporate Law, Directors who are members of the Audit and Supervisory Committee attend the meetings of the Board of Directors and other important meetings, to check the legality of business execution. If necessary, they receive reports and explanations from the executives and employees of the Company, and investigate major subsidiaries and offices, etc. The Audit and Supervisory Committee hold monthly and extraordinary meetings.

The Internal Audit Office, which is in charge of carrying out the internal audits of the Company's divisions and subsidiaries in cooperation with the Audit and Supervisory Committee member, report the audit results to the Board of Directors once every quarter.

**2. Reasons for adopting the current corporate governance system**

The Company recognizes it as one of the important issues of management, that the company improves governance structure and carries out prompt measures.

The Company adopted an organizational structure of the Company with Audit and Supervisory Committee. From the viewpoint of seeking to improve corporate value over the medium to long term, three Independent outside directors provide advice on management policies, supervision of the execution of duties by Directors, oversee of such conflicts of interests between the Company and the Directors based upon their experience and knowledge about management, finance, accounting and stock market.

**III Status of Implementation of Measures Related to Shareholders and Other Stakeholders****1. Measures to Revitalize the General Meeting of Shareholders and Facilitate of Exercise of Voting Rights**

	Supplementary Information
Prompt Delivery of Convocation Notice of General Meeting of Shareholders	The Company makes efforts to send out proxy materials at an early date in order to allow shareholders sufficient time to consider resolutions. Proxy materials are dispatched more than one week prior to the statutory date (more than three weeks before the convening of the General Meeting of Shareholders). Materials are also made available on the Company's website, the Tokyo Stock Exchange's website and the electric platform of the voting exercise.
Setting Date of General Meeting of Shareholders to Avoid Being Held on the Same Day as Many Other Companies	In order to more shareholders join Annual General Meeting, the date is decided to avoid concentrated days. The 22 <sup>st</sup> Annual General Meeting of Shareholders was held on Friday, December 13, 2019.
Exercise of Voting Rights by Electromagnetic Means	Since the 10th Annual General Meeting of Shareholders (held on December 20, 2007), the Company has accepted the execution of voting rights via the Internet from personal computers and mobile phones so that more shareholders can participate in the meeting.
Participation in Platform for Exercise of Voting Rights by Electromagnetic Means and Other Measures to Enhance Environment for Exercise of Voting Rights by Institutional Investors	The Company adopted electronic voting platforms from the 18th Annual General Meeting of Shareholders (held on December 11, 2015), in order to provide institutional investors with sufficient time to consider the content of the resolutions.
Providing Convocation Notice (Summary) in English	A notice of English convocation and disclosed information at the time of notice are published on the corporate website as same as the Japanese version.
Other	<p>Notice of Shareholders Meeting: Posted information necessary for investment judgment without excess or deficiency with photos and graphs.</p> <p>Briefing: In the first part, we report our business performance with video for a better understanding. In the second part, the President explains medium to long-term strategy, business models, and performance to foster better understanding of CyberAgent in shareholders. Also, to convey non-financial information, our video content "IR channel" which covers our competitive advantage and new business is shown on the screen at the venue.</p> <p>Venue; The Company takes consideration of convenient access and holds the Shareholders Meeting at a venue close to a train station.</p> <p>Webcast: Webcast of the shareholders meeting is available on the Company's investor website in Japanese and English.</p>

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### 2. Investor Relations Activities **Updated**

	Explanation by Representative	Supplementary Information
Adoption of Disclosure Policy	-	The Company's disclosure policy include basic policy, disclosing method and quiet period is posted on our website. Please refer to the following URL: <a href="https://www.cyberagent.co.jp/en/way/info/detail/id=20537">https://www.cyberagent.co.jp/en/way/info/detail/id=20537</a>
Holding Regular Meetings for Individual Investors	Yes	A briefing for shareholders is held after the shareholders' meeting where Representatives Director gives the presentation in regard to the results and business strategies. We have updated our website content for individual investors, including FAQs about management goals and shareholder returns in August 2018. It incorporates various features such as short video content "IR Channel" features interviews with representatives, a generator function, which enables comparing financial statements.
Holding Regular Meetings for Analysts and Institutional Investors	Yes	On the day of the quarterly earnings announcement, the Company provides a webcast of financial results briefing. President explains the financial results and current business strategy. We strive to provide timely and equal information disclosure to individual investors and overseas investors through simultaneous live webcast in Japanese and English. Also, we hold small meetings with institutional investors, representatives, and our board members, including president more than ten times a year, as well as studio and office tours of our video business and small meetings focused on new businesses and services
Holding Regular Meetings for Foreign Investors	Yes	To ensure equal information disclosure, we provide simultaneous interpretation of financial results briefings in Japanese and English. Also, we regularly hold conference calls and video conferences with overseas investors every quarter. Several times a year, we participate in conferences for foreign institutional investors to create opportunities for dialogue.
Posting Investor Relations Materials on the Company Web Site	—	We focus on using the internet actively for IR activities. The company posts earnings information, timely disclosure documents, presentation materials, results briefings webcast, Q&A summaries, and video content, "IR Channel" on our website ( <a href="https://www.cyberagent.co.jp/ir/">https://www.cyberagent.co.jp/ir/</a> ) and English website ( <a href="https://www.cyberagent.co.jp/en/ir/">https://www.cyberagent.co.jp/en/ir/</a> ). "IR channel" offers short videos that feature non-financial information: an interview to the Outside Director, our core business and technology, etc. Also, we provide a particular material regarding our competitive advantages online for new, individual investors. The company releases its integrated report "CyberAgent Way" to provide information regarding our framework for sustainable growth, corporate governance, and CSR activities every year.

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Establishment of Investor Relations Department	—	Division in charge: IR&SR Division Officer in charge: Susumu Fujita, President Person in charge of information handling: Go Nakayama, Managing Director Person in charge of clerical communication: Sonoko Miyakawa, Head of IR&SR Division
Other		Our website has renewed in October 2017. We adopted new design and information organization and improved device compatibility. Also, a new content, “CyberAgent Way” which focuses on ESG items is released. <ul style="list-style-type: none"><li>• “CyberAgent Way” : Provide information of our unique activities from governance, compliance, programming education for elementary school kids to crowdfunding service for promoting local economy.</li><li>• "FEATUReS"(owned media) : Introduce our services and core competences.</li><li>• "IR channel" (Video content for investors): Provide interviews with Outside Directors and the introduction of our services by short videos.</li><li>• Utilizing social media Timely and real-time information sharing via Facebook, Twitter, Instagram, and LINE.</li><li>• IR BBS Interactive communication through BBS on our IR website with individual Investors.</li></ul>

3. Measures that Consider the Interests of Stakeholders **Updated**

Supplementary Information	
Provisions Made in Consideration of Stakeholders' Interests (Internal Regulations, etc.)	<p>In order to respect the positions of stakeholders and fulfill corporate social responsibility, the Group established "Ethical Business Guideline," to set a basic rule which is followed by all Directors and employees based on the "CyberAgent Mission Statement."</p>
Promotion of Environmental Protection, Corporate Social Responsibility (CSR), and Other Activities	<p>In the context of our history which we have been active in the growing Internet industry, we engage in a variety of activities utilizing the accumulated knowledge.</p> <p><b>"Education and Cultivation"</b></p> <ul style="list-style-type: none"> <li>- Programming for elementary students                      With the aim of developing the talent to lead the 21st century with IT, in May 2013 we established "CA Tech Kids" in a joint venture with "Life is Tech, Inc." to offer programming education to elementary school students. Our efforts go beyond just helping kids acquire IT programming knowledge and skills; we are also fostering the skills to design, realize an idea, and make forward progress in our aim to encourage the development of "talent capable of using technology as a tool to realize their own ideas and actively engage in society." CA Tech Kids, Inc. formed a joint venture company QUREO, Inc. with Sprix, Inc. on April 1, 2019. The company develops a tool to teach kids programming and provide it to educational institutions or tutoring schools.</li> <li>- Certification exam of programming skill                      In February 2020, we established a new company, Programming Research Institute, Ltd. together with Sprix, Inc. which operates more than 200 tutoring schools nationwide, including "Morijuku" and "Independent Learning RED," that has more than 30,000 students. The purpose of the Programming Research Institute is to develop, operate, and sell programming certification exams, with the aim of starting the operation of programming certification exams within 2020.</li> </ul> <p><b>"Enhancing the Information Infrastructure"</b>                      Launched in April 2016, the internet TV station "ABEMA" allows users to browse the latest news and information for free on their smartphone. AbemaTV delivers services to smartphones -- which people carry these days ubiquitously -- and provides notifications 24-hours-a-day in real time in the event of a disaster, such as early earthquake warnings. By doing this, we are pursuing business initiatives that recognize the importance of its role in society as new information infrastructure in the age of the internet.</p> <p><b>"Support for Creating Shared Value"</b>                      We operate the crowdfunding platform "Makuake" through our subsidiary, Makuake, Inc. Crowdfunding service is one of the growth strategies the Japanese government sets and is effective for nurturing venture companies. We aim to contribute to revitalization of the Japanese economy through "Makuake."</p> <p><b>"Contributing to Local Communities"</b>                      In 2018 we launched "SHIBUYA BIT VALLEY," a project aimed at making Shibuya an international hub of technology in the IT field. With the shortage of IT talent in Japan becoming a social problem, CyberAgent is dedicated to bolstering Shibuya's IT community and promoting interaction with this tech conference playing a central role.</p> <p><b>"Support for Sports and Culture"</b>                      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 FC Machida Zelvia supporters and winning new supporter demographics. Also, we will work towards the goals of growing FC Machida Zelvia into a top club born in Machida and recognized around the world.</p>

<p>Establishment of Policy Concerning Disclosure of Information to Stakeholders</p>	<p>The Company’s policy related to the provision of information to stakeholders clearly states in its Disclosure Policy. The Company executes information disclosure in accordance with the Tokyo Stock Exchange’s timely disclosure regulations. Regarding important information that may have an impact on investment decision-making as well as information that may be useful to understand the Company, the Company strives to enable equal access by all stakeholders to such information.</p>
<p>Other</p>	<p><b>[Policy and actions to be a woman-friendly company]</b>          Female management ratio currently comprises 21.5% of employees on a non-consolidated basis. The Company, while remaining a venture firm with a vision to “create the 21st century’s leading company,” and based on a policy of offering employees lifetime employment and providing “challenges and peace of mind as a set,” focuses on creating an environment in which “talented employees continue to actively participate over the long term.”          Measures for the active participation of women, along with the systems and environment that support it, 99.2% of employees come back to work after maternity and child-care leaves.</p> <p><b>*Active participation of women</b>          We support the women's social advancement promoted by the Japanese government, and we are promoting the employment of women. The Company encourages the participation of women, and at every career stage, including recruitment and promotion, conducts its evaluations based on ability and performance, without regard to gender. The Company supports an environment that makes it easy for women to continue working.</p> <p>The Company has provided childcare assistance to employees, including systems such as reduced working hours and maternity benefits.</p> <p><b>*“macalon” package to support women</b>          The package comprises 1) “Pre-pregnancy Leave” that can be taken for such purposes as going to the hospital for fertility treatments; 2) “Pre-pregnancy Concierge” to receive individual counseling by a professional; 3) “Kids at Home” to allow employees to work from home when caring for children, such as due to a sudden illness or when children are unable to attend nursery school; and 4) “Kids Day Leave” to allow employees time off for school events, such as entrance/graduation ceremonies or parent participation days, or other anniversaries.          Additionally, we introduced 3 systems that 1) the company bears part of expensive non-approved nursing fees to promote the return of female employees who can not return to work because they can not enter certified nursery school, 2) "Lunch with your local" which provides a place and opportunity for information exchange among mom employees living in the same city/town/village, 3) a public information magazine for mom employees. These systems are aimed at improving the workplace environment where women can continue working even after childbirth and childcare, and we agree with promoting women's advancement of society promoted by the government. Through these efforts, we are carrying forward to build a company that allows employees to work for long periods while enriching their work and life.</p>



## **IV Items Related to the Internal Control System**

### **1. A Basic Policy and Development and Operation Status Related to Internal Control System**

We are striving to maximize the potential of our internal control system as one of the core functions of our corporate governance. In order to ensure that board members carry out their professional duties according to law and articles of incorporation, and also to ensure that the corporate group composed of our company and its subsidiaries conducts businesses appropriately, we have established the internal control system as follows.

#### Notes

**1. A system in which information regarding professional duties performed by board members will be stored and maintained.**

The Board of Directors will appoint a delegate to be responsible for overseeing all functions of the company regarding the storage and management of information regarding professional duties performed by board members. This includes abiding by the regulations regarding the handling of documents, confidential information, protection of personal information and management of insider information. They will record any information concerning the board members' business actions in written documents or electronically and keep it in storage.

**2. Regulation and system concerning management of risk of loss.**

According to the emergency response regulation, we should expect certain risks and categorize them. In times of emergency, we should be prepared to send information and carry out the emergency protocols promptly and accurately. In addition, the internal auditing department must abide by the internal auditing regulations, understand the cross-departmental risks, carry out inspections and give a report on managing risks at the board meeting on a regular basis.

**3. A system to ensure that board members' professional duties are carried out efficiently.**

We are established company-wide goals for efficient businesses to be shared by both board members and employees. In order to complete these goals, board members should ensure that they are thoroughly understood and set concrete targets for individual departments to aim towards. Managerial accounting methods should be used on a regular basis to review goal achievements, and through feedback from our results, we will be able to guarantee the efficiency of our work.

**4. A system to ensure that the professional duties of board members and employees are carried out according to law and articles of incorporation.**

The management office will monitor the professional duties of board members and employees, and will carry out company training as deemed necessary. In addition, the internal auditing department will cooperate with the Audit and Supervisory Committee, understand the professional duties of board members and employees, carry out regular inspections, and make reports to the Board of Directors.

**5. A system to ensure that the business carried out in a corporate group composed of a parent company, subsidiaries and our own are suitable.**

The Board of Directors will give the management director a set of goals that the company group (our company and subsidiaries) must achieve. They will also be given responsibilities in which they will be expected to build a system of laws and compliance to assist with risk management. The management office will promote and manage this in a cross-sectional way. In addition, we will set up a regulation concerning the management of affiliated companies in order for them to work towards improving their results and contribute to the overall success of the group. In this regulation, subsidiary companies will be expected to create a system where they will regularly report their results. They are also obligated to report to the Board of Directors in advance on a fixed set of important matters and risks. Among which, some of these will be on the agenda. Furthermore, the internal auditing department will regularly carry out inspections on the subsidiary companies, and report to the Board of Directors.

**6. Matters concerning requests by Director who is the Audit and Supervisory Committee member for assistance from employees.**

The Audit and Supervisory Committee may request assistance from employees in the internal auditing department when deemed necessary.

**7. Matters concerning the independence of employees from board members and the effectiveness of instructions given to employees in the auditing department.**

Employees that are expected to assist in the affairs of Directors who is an Audit and Supervisory Committee member must follow the orders of their superiors without question. In addition, employees who have been moved due to personnel changes must respect the opinion of the Audit and Supervisory Committee.

**8. System regarding reports made to the auditing department.**

Board members, the management office and internal auditing department must report the following matters to Director who is a full-time member of the Audit and Supervisory Committee on a regular basis. A director who is a full-time member of the Audit and Supervisory Committee will then submit the report to the Audit and Supervisory Committee.

- 1) Matters relating to important decision making.
- 2) Important matters regarding the financial state of the business.
- 3) Matters concerning instances that may cause considerable harm to the company.
- 4) Important matters relating to the state of the internal auditing department and risk management.
- 5) Violations of the articles of incorporation or law.
- 6) Other important matters.

People who make reports to the Directors who are members of the Audit and Supervisory Committee must not use the report as a reason for disadvantageous dealings.

**9. A system to ensure that the auditing of Directors who are members of the Audit and Supervisory Committee is carried out efficiently.**

The Audit and Supervisory Committee may request a hearing regarding the business matters of board members or important employees, and have other privileges including their right to exchange opinions with the CEO, Accounting Auditors and legal advisors. In addition, when Directors who are members of the Audit and Supervisory Committee request prepayments of expenses, the person in charge of the department must make deliberations and promptly deal with the request in question, unless deemed that the request is unnecessary.

**2. Basic Policy and Efforts to Eliminate Antisocial Forces**

The Group is constantly aware of the need for an awareness of risk management towards antisocial forces, which pose threats against social order and safety. The Group will, as an organization, thoroughly respond with a firm attitude to such antisocial forces. Furthermore, with the objective of eliminating antisocial forces, the Group cooperated for some time with Outside specialized bodies, such as law enforcement organizations and attorneys at law, and promoting the reinforcement of information gathering, management and in-house systems related to antisocial forces.

## V Others

### 1. Adoption of Takeover Defense Measures

Adoption of Takeover Defense Measures	—
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Supplementary Information
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N.A.

### 2. Other Items Related to Corporate Governance System, etc.

The Company makes proactive and prompt disclosure in order to provide shareholders and investors with timely information in an impartial manner, and to ensure transparent management.

In terms of specific measures, the Board of Directors meets regularly once a month, with extraordinary sessions held as necessary. Three Independent outside directors attend these meetings, and proactively offer opinions to supervise the management, ensuring fair decision-making regarding execution of significant business matters. In addition, the Company has adopted the Audit and Supervisory Committee system. The Audit and Supervisory Committee in principle holds regular meetings once a month, strengthening the functions for assessing relevant facts, and monitoring the status of business execution by the Board of Directors, as well as disclosure. Further, the Internal Audit Office conducts internal audits in cooperation with the Audit and Supervisory Committee. Specifically, the office reviews documents and conducts on-site investigations to confirm that internal projects and Group companies execute proper corporate activities in accordance with guidelines prescribed by the laws and regulations, the Articles of Incorporation, social norms, and internal company rules, providing a system of appropriate checks on operational flow.

For financial auditing, the Company strives for accurate information disclosure, including having audits and quarterly reviews conducted by an audit corporation, and receiving suitable advice regarding important accounting treatment.

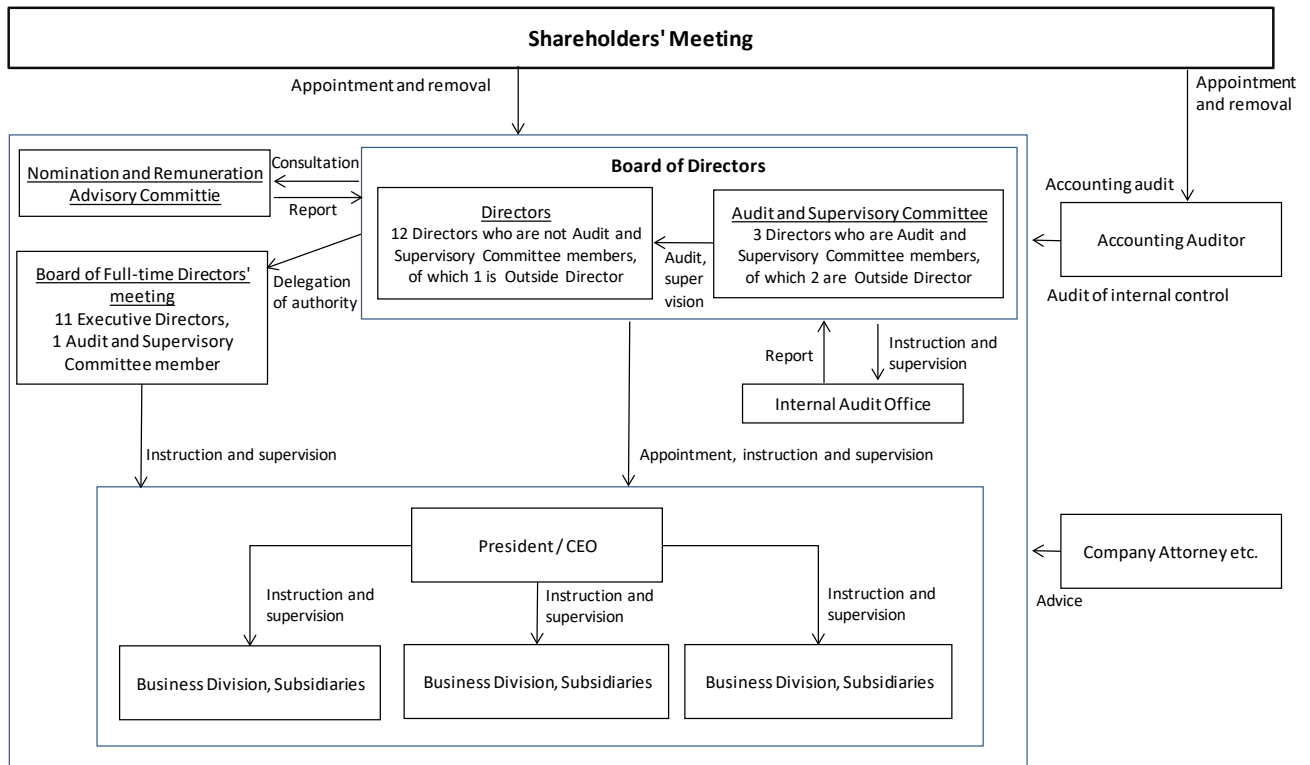
In accordance with these measures, the Company's internal structures relating to timely disclosure of corporate information are as follows.

1. Person in charge of handling information and responsible department  
The person in charge of handling information for timely disclosure is the managing director. In the disclosure work process, the management headquarters and IR&SR Division create disclosure documents and execute disclosure under the direction of the person in charge of handling information. The management headquarters and IR&SR Division, in order to disclose corporate information to investors and other parties in a timely and appropriate manner, works to compile information in cooperation with the Company's Board of Directors and departments, as well as with managers of Group companies, and related departments and divisions.
2. Decisions  
Major decisions are made at regular or extraordinary meetings of the Board of Directors. Decisions are reported promptly to the management headquarters and IR&SR Division by the person in charge of handling information, with timely disclosure made as necessary.
3. Structure for assessing material facts  
When the material facts arise, they are compiled by the various divisions and interdepartmental committees, summarized by the person in charge of handling information, and immediately discussed by the Board of Directors. Material facts that arise are reported promptly to the management headquarters and IR&SR Division by the person in charge of handling information, with timely disclosure made as necessary.
4. Timely disclosure  
For major decisions, facts that have arisen, and results information, the Company, under the direction of the person in charge of handling information, determines the necessity of timely disclosure, the timing of disclosure, and the content of the disclosure, in accordance with rules for timely disclosure, while holding proper prior consultation with external financial auditors, legal counsel, the Tokyo Stock Exchange, the Kanto Finance Bureau, and other experts. Where disclosure is deemed necessary, timely disclosure is made immediately.
5. Management of disclosure information  
Disclosure information is centrally managed by the person in charge of handling information.

## English Translation

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

[Chart 1] Corporate Governance Structure



[Chart 2] Timely Disclosure system

