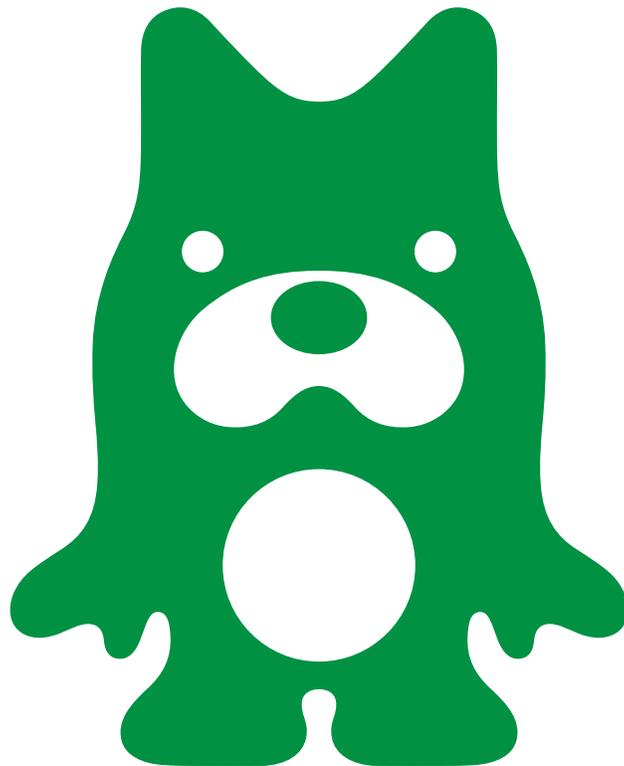


 **CyberAgent**®

TSE4751



CyberAgent Business Report 2015

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Aiming for the NEXT LEVEL

Behavior, customs and preferences have all changed with the advent of the Smartphone era. The smartphone has also triggered new trends in the Internet industry. One of those trends is the importance placed on creative power. CyberAgent aims to create world-class products, and we have therefore started to enhance our creative capabilities. We will continue to take up new challenges using our strength of flexible adaptation to change—as ever, not being constrained by past history.



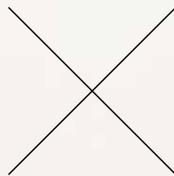


CyberAgent by NIGO®

Reshaping the logo signals our vision of change

**Susumu
Fujita**

President



NIGO®

Creative Director

A logo for elevated creativity

—— Why did you change the logo?

Fujita: For the first time in the history of the Internet, creativity has become the main focus of competition. Previously, the prevailing wisdom was that simple designs were best for search portals on PCs and feature phones, and there was no demand for creative elements. As smartphones become more popular, however, users are more focused on the quality of creative content, such as on *Instagram*, stamps for *LINE*, and illustrations in games. CyberAgent also needs to strengthen its creative capabilities in this context. The *Ameba* logo had remained unchanged for 10 years and was starting to look old. We launched our branding project as a way of showing our stance toward the future by completely changing our corporate logo.

—— Why did you choose NIGO®?

Fujita: We wanted a world-class creator, so I asked our creative team to draw up a list of candidates. I had been friends with NIGO® for a long time, and, when I saw his name on the list, I realized that we had found the right person and decided to seek his help. Because of my passion for hip-hop music, I knew that NIGO® was among the best in the world. CyberAgent will need to compete globally in the future, and I believe that NIGO® is the ideal person to help us with that.

—— How did you feel when you were asked to work on this project?

NIGO®: I'd just finished working on one brand and was ready to take on new work, and so I thought, sure! [Laughs] I have been using a Mac computer for more than 20 years. I think people became more aware of design after Apple came on the scene. The iPhone in particular has established a reputation as a cool product. But, design has only just begun to take off in Japan. If we live everyday surrounded by good designs, I think they naturally become part of us. So I feel that I've been given a really great opportunity now to send a message to the next generation, to the young.

Fujita: Apple is the world's most creative company. Apple's global presence is proof that a company can become strong if someone who has a profound understanding of creativity, such as Steve Jobs, leads it. I feel that I need to raise my own awareness in that area. I believe that CyberAgent's creative level is now much higher than it was, but we need to go even further. We have to do more things that are new and fresh.

Something to say to the next generation





———— How did you develop the new logo?

NIGO®: I wanted...I needed to show that my career had reached the next level. My own ambition was in tune with Mr. Fujita's ideas. The new logo is designed to go anywhere and is suitable for all the various services provided through *Ameba*. I'm excited about the prospect of suggesting new ideas from my perspective. In that sense, while the design is neutral, it leaves an impression.

Fujita: After I first saw it, I felt a gradual sense of realization. We originally chose the name *Ameba* as a symbol of something that would grow while adapting to change. The new logo expresses that perfectly.

NIGO®: The old logo was quite strong, so I was a little hesitant to change it too much. I believe I created something totally new while keeping some old aspects, such as the color. Today, anyone can be a critic through social networks and other media. That creates a sense of tension. I was really determined to create a design that people would see as an improvement.

Fujita: To tell the truth, I was expecting to see something safe. What we've built up is quite substantial, and we can't completely change it. The first logo I was shown was, frankly, unremarkable. I thought perhaps that was as good as it would get, and I tentatively approved it. However, NIGO® said he wanted to think about it a little more and took it away again. He wasn't prepared to settle for something simply because the president of the company had approved the design. I saw that as evidence of his true professionalism. I realized that his priority was not to get my approval, but to create an image that would take this brand to the world. I also saw that he had the courage and spirit to discard something that he had worked to create. When an employer displays that kind of attitude, the employees will also develop commitment. I want everyone in the company to be aware of my unyielding determination not to let them cling to the past. The new logo that NIGO® created for us completely surpassed my expectations, and I'm very satisfied. If we'd used another designer, I think the result would have been just another commonplace corporate logo.

Letting go of the past and raising our sights

The new Ameba will bring more color to the world

—— Everyone was surprised by your new logo. What other changes are you planning?

Fujita: We are developing new services with the accent on creativity, including the music streaming service *AWA*, and the *AbemaTV*, free TV programs viewed via smartphones. We are also getting ready to introduce many other new services in the video and music categories. Videos and music are also areas in which NIGO® has some expertise.

NIGO®: The Internet is global, so we can transmit our culture to the world through video and music services.

Fujita: My aim in making NIGO® our creative director was to elevate our perspectives. I want us to base our decisions on criteria that are more demanding. For example, we might decide that content is “too ordinary” or that the level is too low for users. These efforts to raise our sights are already producing benefits, including a determination to remain faithful to our commitment to quality. I have stated my determination to focus on the creative aspects and to break with the past. We have to take on many new challenges, or people will say that we’ve only changed our logo. We want everyone to expect great things from the new *Ameba*.



History of Logos



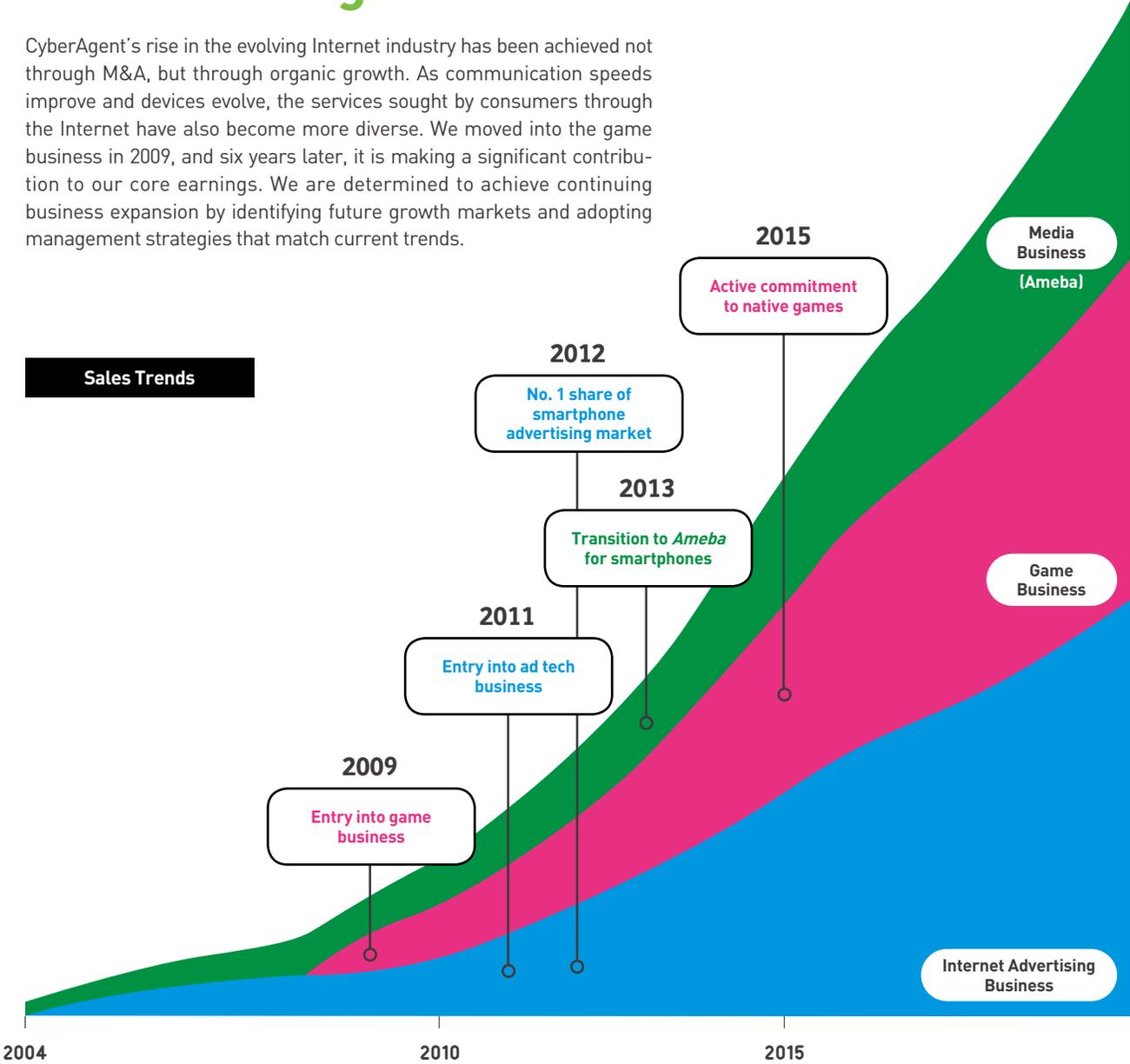
Building CyberAgent

through Challenges

Sustained Organic Growth

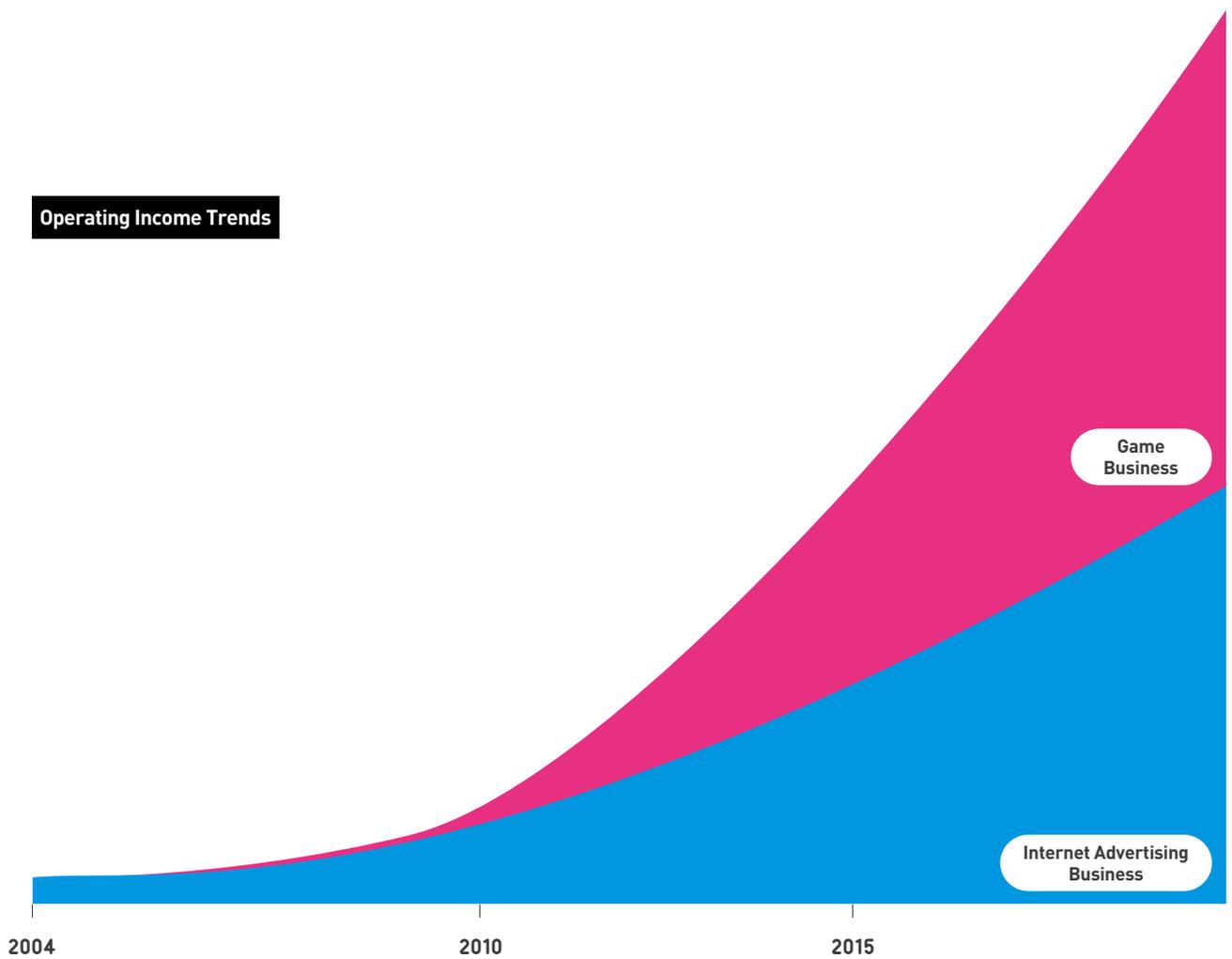
CyberAgent's rise in the evolving Internet industry has been achieved not through M&A, but through organic growth. As communication speeds improve and devices evolve, the services sought by consumers through the Internet have also become more diverse. We moved into the game business in 2009, and six years later, it is making a significant contribution to our core earnings. We are determined to achieve continuing business expansion by identifying future growth markets and adopting management strategies that match current trends.

Sales Trends



Building up profits with the Internet Advertising Business and Game Business,

Operating Income Trends



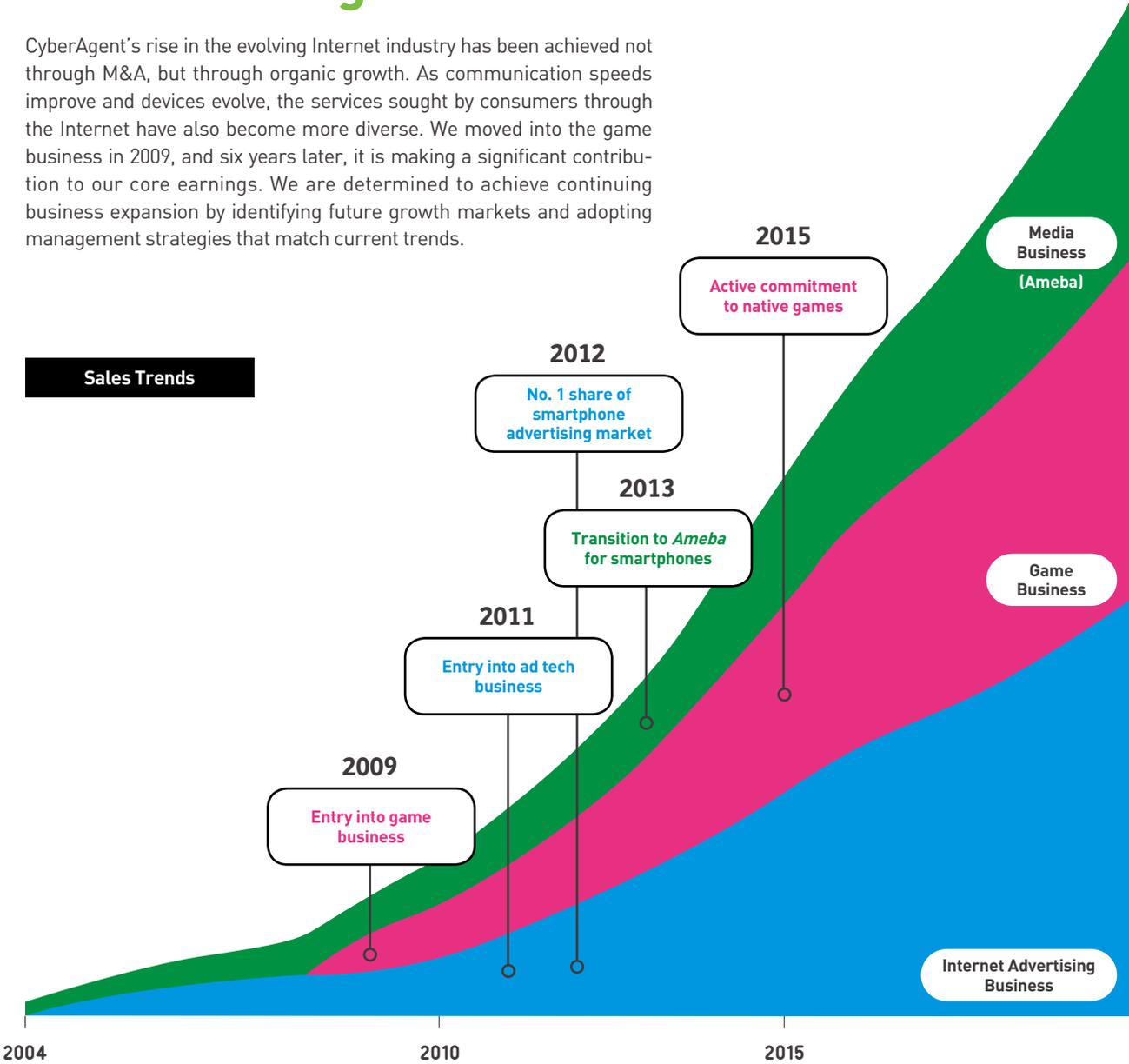
Building CyberAgent

through Challenges

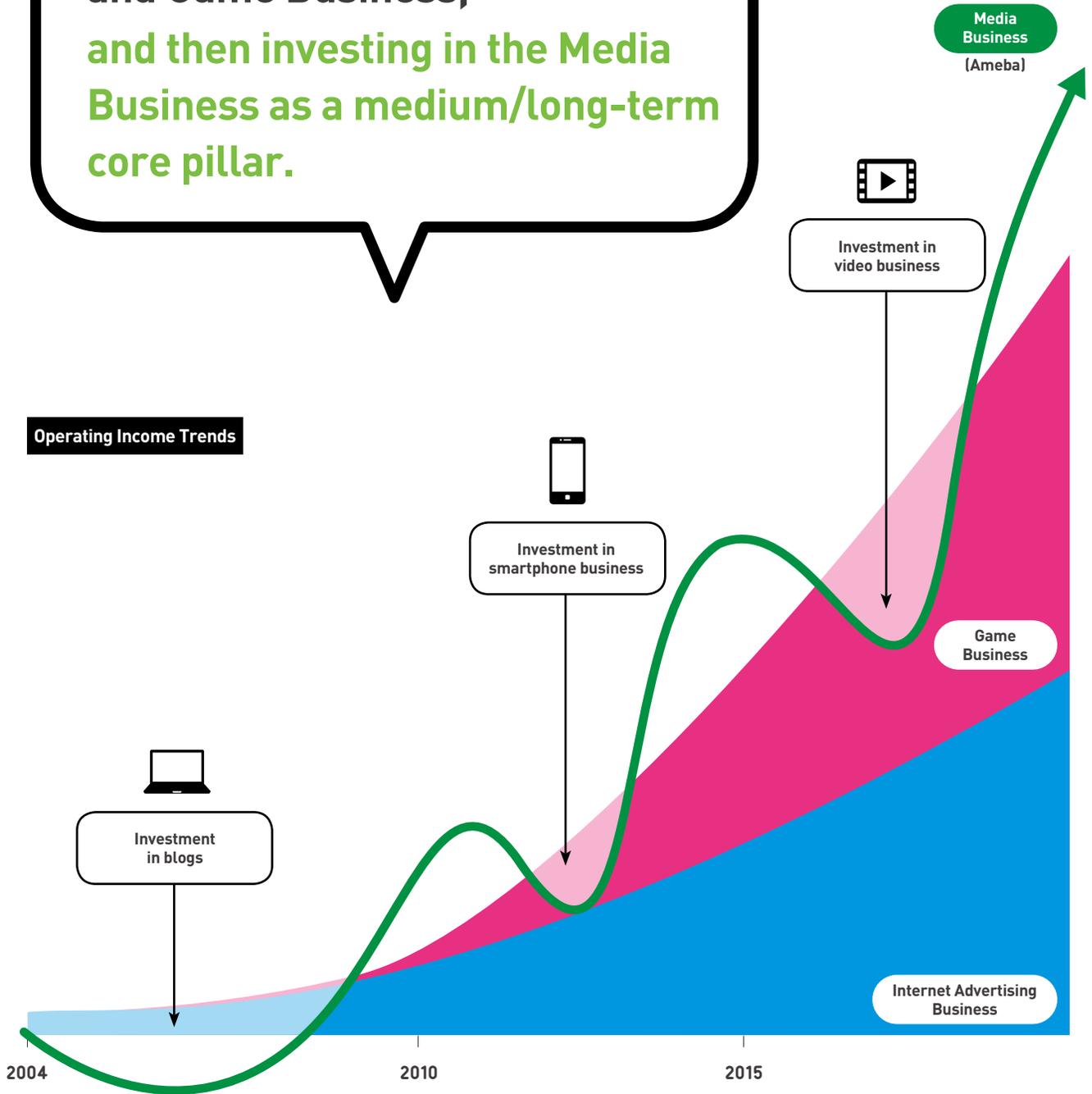
Sustained Organic Growth

CyberAgent's rise in the evolving Internet industry has been achieved not through M&A, but through organic growth. As communication speeds improve and devices evolve, the services sought by consumers through the Internet have also become more diverse. We moved into the game business in 2009, and six years later, it is making a significant contribution to our core earnings. We are determined to achieve continuing business expansion by identifying future growth markets and adopting management strategies that match current trends.

Sales Trends



Building up profits with the Internet Advertising Business and Game Business, and then investing in the Media Business as a medium/long-term core pillar.



CyberAgent's

Track Record

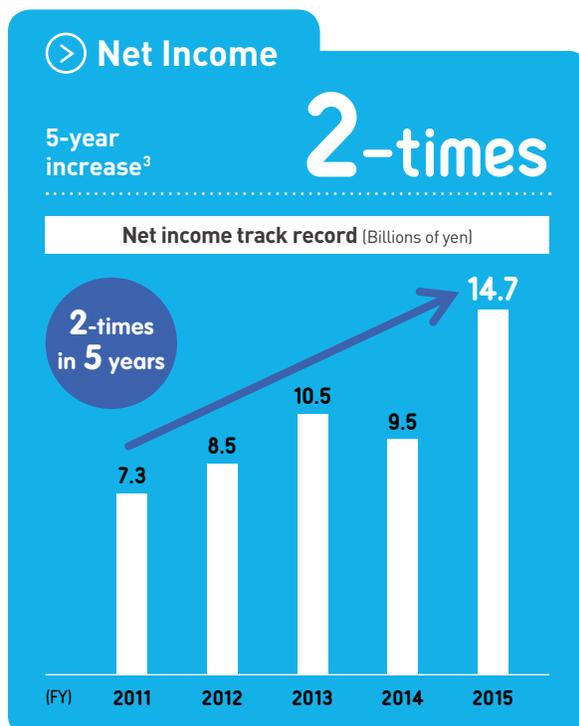
CyberAgent targeted the Internet industry as its business domain from the outset and has continued to expand through organic growth. When we first launched *Ameba* in the year ended September 2004, the ratio of operating income to sales was 6.5%. We have since combined up-front investment with incremental improvements in earning performance, and in the year ended September 2015, the ratio of operating income to sales reached 12.9%. We have positioned the year ending September 2016 as a new investment phase, with the aim of strengthening the Media Business. While maintaining a dividend payout ratio of 20% or higher, we will continue our efforts to ensure good shareholder returns over the medium- to long-term future. In the year ended September 2015, ROE¹ reached a new record of 24.4%. We will continue our efforts to build CyberAgent as a high-income company capable of maintaining excellent returns.

¹ ROE = Net income / [Shareholders' equity at the beginning and at the end of the fiscal year] / 2

High growth rates and earning power yield



² Average for years ended September 2011 through September 2015



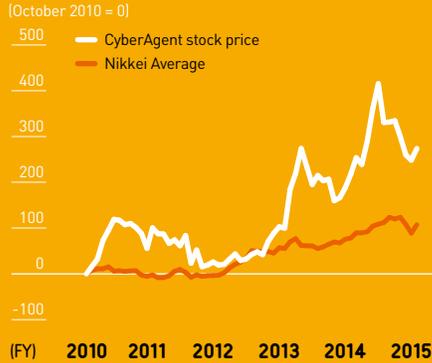
³ Comparison between years ended September 2011 and September 2015

> Dividend Payout Ratio

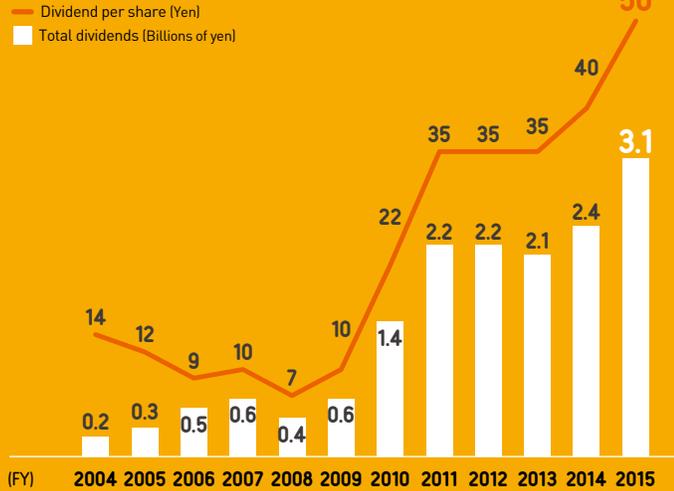
5-year average²

25.2%

Capital gains track record



Income gains track record



* The dividend for the year ended September 2014 does not include a ¥20 commemorative dividend.

high returns for growth investment

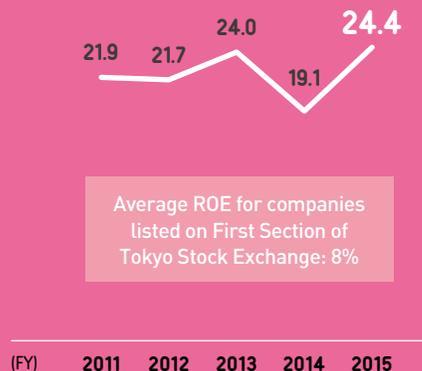
and shareholder dividends

> ROE

5-year average²

22.2%

ROE track record (%)



Acquisition and cancellation of treasury stock



* The share trading unit was changed to 100 shares in October 1, 2013. Stock prices reflect stock splits.

Interview

Growth of a New Core Pillar

— Developing the Media Business into a Core Business Area for the Medium/Long-term Future —

Managing Director
Executive Manager for Head Office Function/
Investment Development Business

Go Nakayama



After making the transition to the smartphone business, CyberAgent continues to work toward the next level. Managing Director Go Nakayama describes the new challenges for CyberAgent in the medium/long-term future.

Looking Back on the Previous Year and Ahead to the Next Year

In the year ended September 2013, CyberAgent redeployed its management resources, including human resources, into the smartphone business. Three years later in the year ended September 2015, up-front investment in smartphone-related activities was reflected in consolidated

operating income, which tripled to ¥32.7 billion. We believe that further rapid growth is achievable, and we expect consolidated net sales to increase by 17.9% year on year to ¥300 billion in the year ending September 2016. Our guidance indicates that consolidated operating income will be lower year on year at ¥28.0 billion, but this reflects a one-off factor in the form of returns from the Investment Development Business, which temporarily

added ¥4.9 billion to operating income in the year ended September 2015. If we discount that factor, operating income would remain basically unchanged in the year ending September 2016. As industry leader, we continue to achieve steady growth in the Internet Advertising Business that we have been developing for many years. We expect operating income to increase by 14% year on year to ¥14 billion. Despite escalating competition, the Game Business continues to show steady growth in market share thanks to multiple hit products, and we expect operating income to increase by 7% year on year to ¥20 billion. With these core segments performing strongly, we see this is an excellent time for up-front investment. We will invest around ¥9 billion, focusing in particular on the video

business as a new growth segment. While this means that income will temporarily remain static in the year ending September 2016, we are determined to build the new video business into a core segment for the medium/long-term future.

Building Sustained Momentum through Investment in Growing Areas

CyberAgent has always targeted high-income business activities, especially in media-related businesses, and our management strategies have been oriented toward medium/long-term growth. In 2004, we moved into the blogging business, which was then a growth area,

and we undertook up-front investment totaling around ¥7 billion* over a five-year period to build *Ameba Blog* into CyberAgent's best-known media business. The Ameba Business became profitable in 2009. As smartphones began to become popular in 2013, we shifted our focus to smartphone-related activities. After investment totaling around ¥8 billion in one year, smartphone-related activities now account for about 80% of consolidated net sales.

Rapid change is a feature of the Internet industry, which is the main arena for CyberAgent's business development efforts. However, we have been able to maintain revenue growth by adapting our business strategies to changing trends.

Currently, the Internet Advertising and Game businesses are performing strongly, and we see this an opportune time for strategic up-front investment in the video business as a new core segment for the medium/long-term future.

* This investment was treated as a cumulative operating loss for the Ameba business during the period in question.

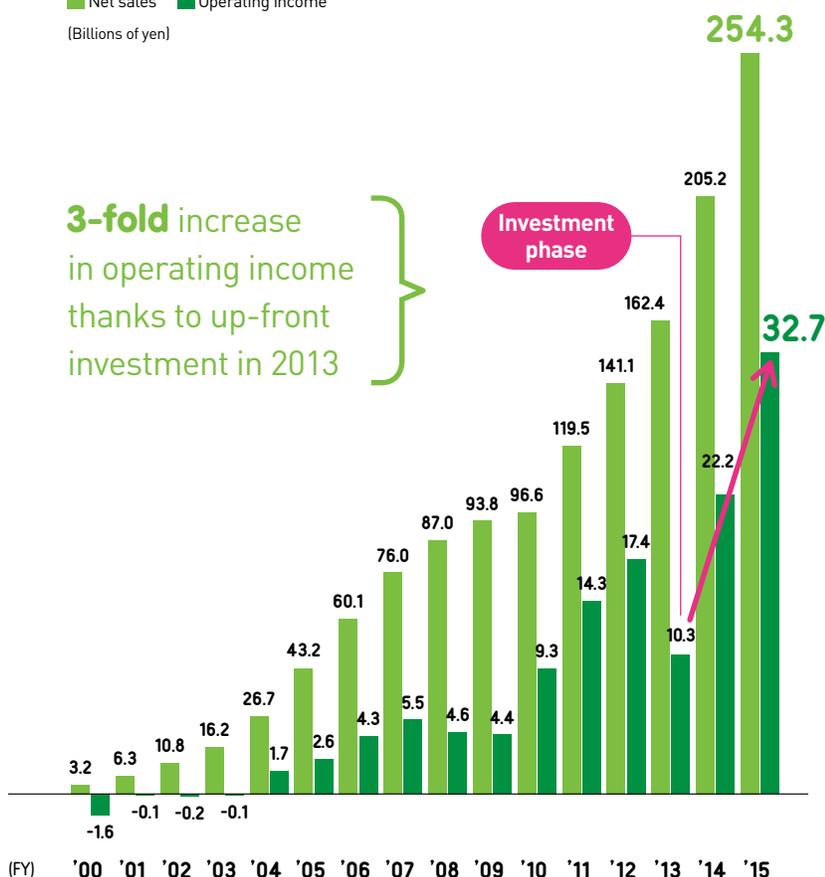
Sustained Momentum not Driven by M&A but Created Internally through Organic Growth

Our sustained growth has not been driven by M&A, but by continuing business expansion based on the internal creation

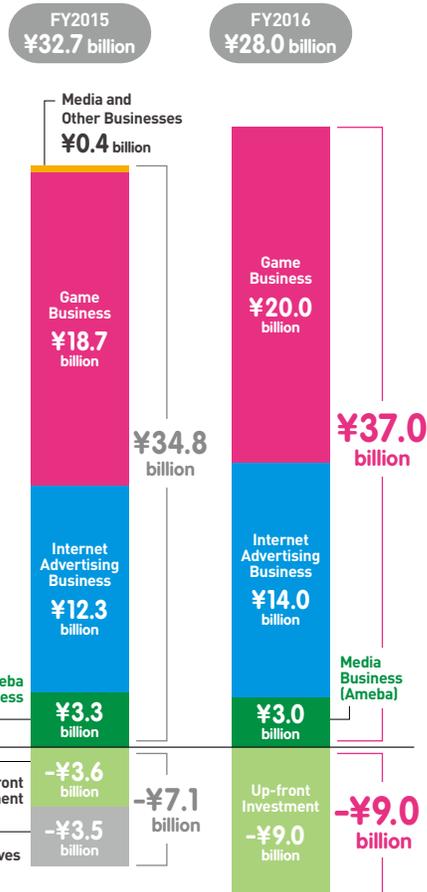
Net Sales and Operating Income (Yearly)

■ Net sales ■ Operating income
(Billions of yen)

3-fold increase in operating income thanks to up-front investment in 2013



Approach to Forecasting of Consolidated Operating Income





Managing Director

Go Nakayama

Born in 1975, Go Nakayama is a graduate of the University of Tokyo. He joined Sumitomo Corporation in 1998 and CyberAgent in 1999, and in 2004 became a director of CyberAgent. He has held his current post as Managing Director since 2006.

We regard the provision of returns to shareholders as our most important management priority, and we will continue our efforts to maintain reliable dividends and raise our stock price over the medium/long-term future.

of businesses and subsidiaries. This has given us a key advantage in the sense that we are able to react quickly when improvements and course changes become necessary as we develop our Internet-based service activities. We are also able to create and develop new businesses appropriately and with minimal risk.

The mechanism behind this organic growth is the CyberAgent *Jigyo Jinzai Ikusei* (business and human resource development), or CAJJ Program. Under the CAJJ system, businesses are graded into 10 levels based on operating

income. Businesses are managed according to criteria that result in promotion or demotion. By classifying businesses and subsidiaries by level, we have created an environment for growth and development through friendly competition. Supporting activities such as group-wide meetings and employee general assemblies help to foster business cooperation and the sharing of know-how within the CyberAgent Group. Possible actions when businesses fail to meet these criteria include turnaround initiatives, dissolution of the business or replacement of the people in charge. By

setting these withdrawal criteria, we prevent the excessive proliferation of losses that can result from undue perseverance with unprofitable businesses. We also believe that this approach provides the impetus for expansion into new business activities.

Policies Targeting Share Price

Growth and Reliable Dividends

over the Medium/Long-term Future

Companies listed on the first section of the Tokyo Stock Exchange are estimated to have an average ROE¹ of 8%. This is low compared with companies in Europe and North America, and in recent years, Japanese companies have tended to aim for double-figure ROE ratios. CyberAgent's ROE set a new record of 24.4% in the year ended September 2015, bringing our average for the past five years to a high 22.2%. We do not currently set an ROE target, but we think that the ratio can rise even higher in the future as we evolve into a high-revenue high-income company.

We regard the provision of returns to shareholders as our most important management priority, and we will continue our efforts to maintain reliable dividends and raise our stock price over the medium/long-term future. We will undertake up-front investment in the year ending September 2016, and the dividend will therefore remain at the previous year's level of ¥50, which represents a payout ratio of 22.4%, based on the forecast. We have implemented share buy-back schemes four times in the past, for a cumulative total of ¥10 billion.

In the year ending September 2016, we aim to move forward to the next level by taking up the challenge of new growth areas. All members of the CyberAgent Group are committed to continuing efforts. We look forward to your continuing support and understanding.

¹ ROE = Net income / (Shareholders' equity at the beginning and at the end of the fiscal year) / 2

Business Portfolio

CYBERAGENT'S BUSINESS ACTIVITIES

Segment Contributions to Net Sales^{1,2}



52%

Internet Advertising

- Advertising agency business specializing in the Internet
- Driven by smartphone advertising
- No. 1 in Japan in terms of share of Internet advertising agency business and earning performance

25%

Game

- Development and management of mostly native games
- Sales driven by multiple hit titles

13%

Ameba

- Media business centering on *Ameba*
- Expanding up-front investment in video business, etc.

7%

Media & Others

New-generation talk app *755* and new services, etc.

3%

Investment Development

Corporate venture capital business

¹ As of September 30, 2015

² Segments will change in the year ending September 2016



Internet Advertising

Internet Advertising Business Expanding —Biggest Market Share

According to a 2014 report on advertising expenditure in Japan¹, the Japanese Internet advertising market grew by 12% year on year to over ¥1 trillion and is now the second-ranked advertising medium after television. CyberAgent's Internet advertising sales grew significantly faster than the market with a 39% year-on-year increase to over ¥120 billion². Our market share also expanded. Over 60% of households now own smartphones³, but this medium still accounts for only about 30% of total Internet advertising, indicating that further expansion can be anticipated. Smartphone advertising makes up over 60% of CyberAgent's total Internet advertising sales. With a market share of 24%, this business area has become a key growth driver. CyberAgent is especially strong in the area of operating ads, which is the main form of advertising used on smartphones. We have won numerous awards in this area, including the inaugural first prize for display operating ads at the Yahoo! Japan Agency Conference⁴ for the second half of fiscal 2014. In July 2015, we expanded our team of operating ad specialists with the aim of further raising our profile in this area.

Another advertising method that is attracting interest as a new growth area is video advertising. We are leading the industry in this type of advertising, with innovations that include the creation of the Online Video Studio in June 2014, and the establishment of CyberBull, Inc. in April 2015 as a subsidiary specializing in video advertising. We will continue to build our activities in this market, which is expected to show rapid growth.

CyberAgent will continue to lead the Internet advertising business as No. 1 company in this market.

¹ Published by DENTSU INC.

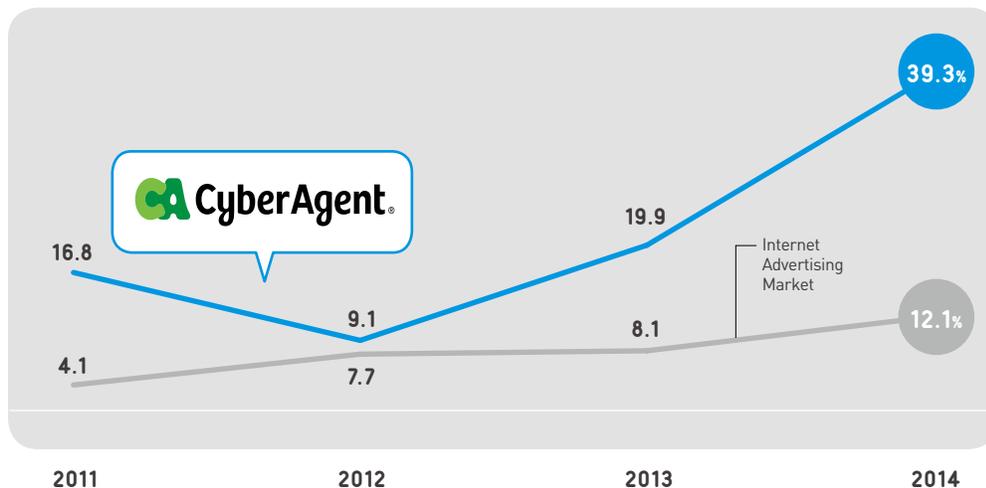
² Total sales for January–December 2014

³ Based on results from the "Consumer Confidence Survey (results of the survey in March 2015)" conducted by the Cabinet Office, Economic and Social Research Institute

⁴ This award is given to the advertising agency judged to be the best in each period based on a comprehensive assessment of criteria that include the value and growth rate of advertising handled on the Yahoo! Display Ad Network and Yahoo! Premium DSP.

GROWTH RATE

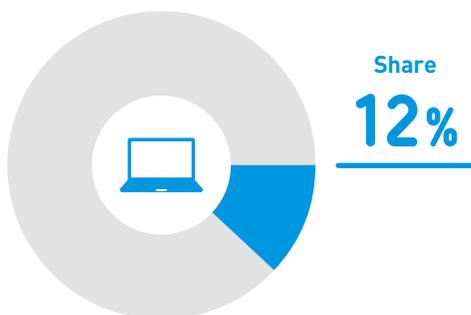
> Sales growth in excess of the market growth rate is reflected in an expanding market share.



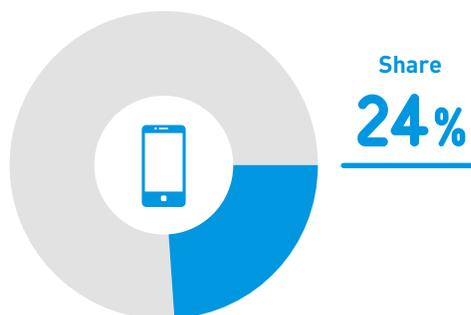
MARKET SHARE

> We have a large share of the smartphone advertising market.

Share of Internet advertising market ⁵



Share of smartphone advertising market ⁶



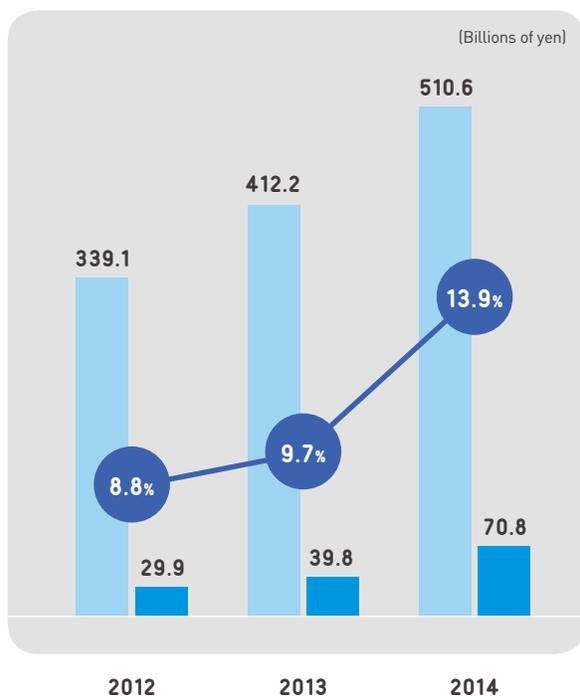
⁵ Calculated using DENTSU INC., Advertising Expenditure in Japan 2014 and our sales for January–December 2014

⁶ Calculated using CyberZ, Inc., Seed Planning, Inc., Japan's Smartphone Advertising Market, 2014 Edition and our sales for January–December 2014

TRENDS IN THE SCALE OF OPERATING AD

> Operating ads are driving the Internet advertising market.

■ Operating ad market ■ CA operating ad sale ● Share of operating ad



Agency Assessments



Japan's highest rating of ★★★★★ as a certified partner



One of only two 5-star authorized agencies in Japan



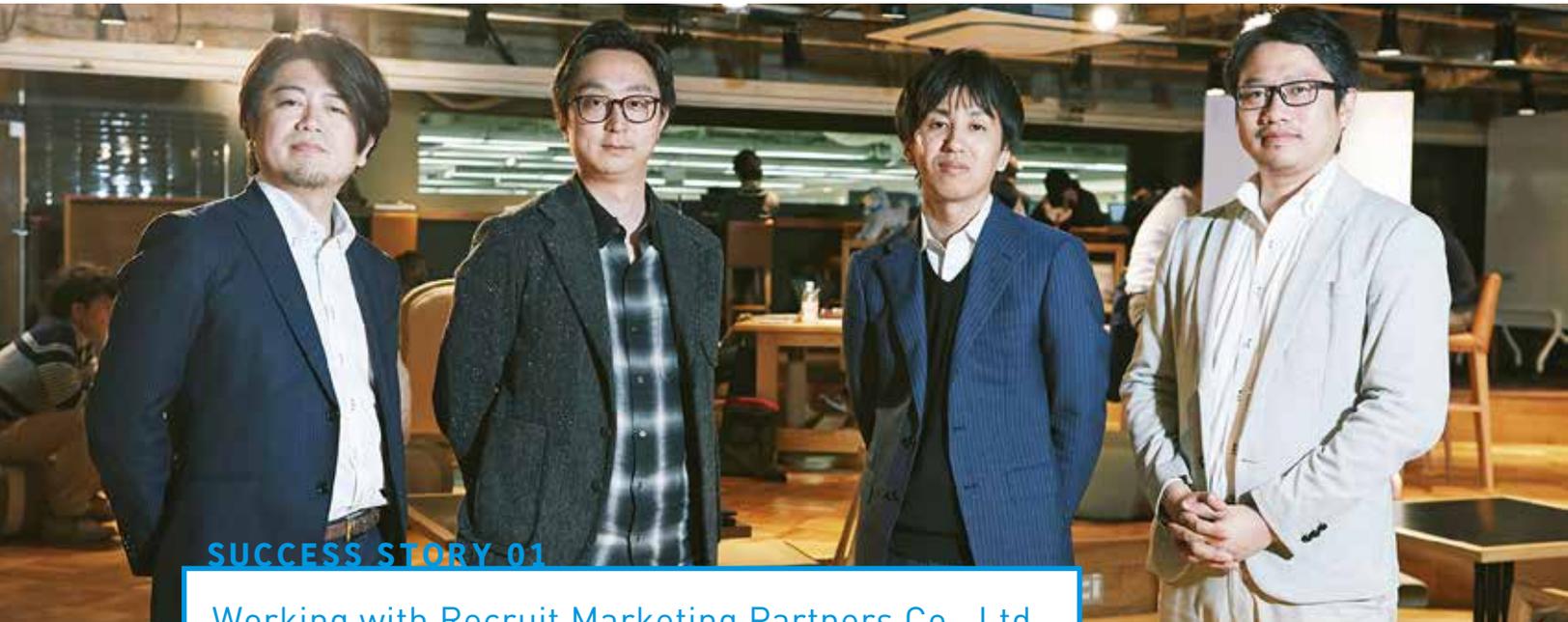
Yahoo! Japan Agency Conference 1st place in the display operating ad category



INTERNET ADVERTISING

SUCCESS STORIES

WORKING WITH BUSINESSES



SUCCESS STORY 01

Working with Recruit Marketing Partners Co., Ltd.

Photo (from left):
Shingo Ogura
 Senior Manager
 Sales Department
 Internet Advertising Business
 Division
 CyberAgent, Inc.

Mr. Kohei Sakurai
 Executive Manager
 Recruit Marketing Partners
 Co., Ltd.

Takashi Amiya
 Senior Account Planner
 Internet Advertising Business
 Division
 CyberAgent, Inc.

Yuta Furukawa
 Manager
 Internet Advertising Business
 Division
 CyberAgent, Inc.

The keys to a high-performance operating ads are the detailed design and control of elements relating to operations, such as creative activities and unit prices, and continual fine-tuning of these elements. Recruit Marketing Partners Co., Ltd. chose CyberAgent to handle its operating ads five years ago. Since then, we have combined a trial-and-error approach with repeated plan-do-check-action (PDCA) cycles. By maintaining these efforts over a long period, we have succeeded in achieving sustained improvement in the effectiveness of the advertising. For example, advertising efficiency has risen by three times compared with the initial level, while the accumulation of operating expertise has led to a continuing partnership with the client. Mr. Kohei Sakurai, an executive manager with Recruit Marketing Partners Co., Ltd. summed up this success as follows. "CyberAgent's precision, attention to detail, and fine-tuned approach have enabled us to achieve our targets consistently. We have great faith

in them as our partner, and we look forward to taking up new challenges with them in the future." A CyberAgent sales executive has repeatedly emphasized the importance of thinking and acting as consultants. "As consultants, we should not simply accede to every request from the client. We should respond by stating our own views. By continually debating, and by shifting the focus of policies from quantity to quality, we have been able to achieve excellent results quickly, even with new advertising. I see this as the most important achievement from our work with Recruit Marketing Partners over the past five years." Trends move quickly in the Internet advertising market, and the environment is changing continually. The moment that a company stops evolving and taking up new challenges is the moment when that company will be left behind. CyberAgent is never satisfied with the status quo. We are driven by a sense of crisis, and we are always ready to take up new challenges.



SUCCESS STORY 02

Working with Yahoo Japan Corporation

In late May 2015, Yahoo! Japan undertook a major revamp of its top pages for smartphones and apps, resulting in the introduction of timelines. As one of its new menu items, Yahoo! Display Ad Network (YDN) began to offer in-feed advertising. Advertisers welcomed this change. It increased the amount of advertising space available compared with the old Yahoo! Japan and made it easier for a wide range of customers to place advertising. According to Mr. Yasunori Yabuki, Senior Manager, Yahoo! Display Ad Network, Display Ads Unit, Marketing Solutions Company at Yahoo Japan Corporation, "Optimizing creative elements and content is essential to the development of in-feed

advertising that will be easily recognized by consumers. Because content flows in timelines, we can't attract consumers' attention if we simply display the same content over and over again." In cooperation with Yahoo!, CyberAgent was able to triple the benefits of advertising by using knowledge accumulated through operations for YDN to optimize the creative elements. We take pride in our success in achieving measurable results in the rapidly growing area of in-feed advertising through the continual application of our expertise relating to operations, including creative layout and design, link verification, account structure design, and the development of verification rules. Keisuke Tanoue, head of the Infeed Strategy Department of CyberAgent's Internet Advertising Business Division, has played a key role in this work. "We look forward to continuing our collaboration with Yahoo! as we work to create precedents and rules." In-feed advertising is likely to attract increasing attention as smartphones become more common. CyberAgent is determined to play an active role as a driver of this market.

Photo (from left):

Ippei Otsuka

Manager
Infeed Strategy Department
Internet Advertising Business Division
CyberAgent, Inc.

Tatsuya Ando

Manager/Planner
Creative Solutions Department
CyberAgent, Inc.

Mr. Yasunori Yabuki

Senior Manager
Yahoo! Display Ad Network
Display Ads Unit Marketing Solutions Company
Yahoo Japan Corporation

Keisuke Tanoue

Senior Manager
Infeed Strategy Department
Internet Advertising Business Division
CyberAgent, Inc.

Tomoko Koizumi

Manager
Infeed Strategy Department
Internet Advertising Business Division
CyberAgent, Inc.

Editorial cooperation: Advertimes, operated by Sendenkaigi
<https://www.sendenkaigi.com/english/>

SUCCESS STORY 03

Working with Japan CRITEO K.K.

CRITEO is a leader in the field of dynamic re-targeting advertising, a technique for distributing advertising according to consumers' browsing histories and other factors. Based in France, the company is active in over 130 countries worldwide. It entered the Japanese market around 2011 and has become a driving force in the Japanese dynamic retargeting advertising market.

Japan is one of the few countries in the world where it is normal business practice for advertisers to order advertising through advertising agencies. In July 2015, CRITEO took the unique step of establishing the CRITEO Certified Partner system for Japan. Agencies are selected according to a comprehensive set of criteria, including not only sales track records, but also knowledge of *Criteo*. In July 2015, CyberAgent achieved four-star status, the highest ranking for a certified partner.

CRITEO's Senior Director for sales, Mr. Kota Amano, emphasizes the importance of relationships. "An extensive track record indicates that a partner

has made extensive use of *Criteo* and has accumulated know-how. Unless there are particular reasons to do so, we do not look for new agencies. Ideally, we want to maintain long-standing relationships with successful agencies and advertisers so that we accumulate know-how together. Devices are becoming more diverse, and we are stepping up its efforts to develop smartphone-based advertising. We look forward to working on new challenges with CyberAgent, and we hope that they will continue to tell us frankly about any areas in which we need to try harder." We will continue to engage in two-way exchanges of views as part of our ongoing efforts to create advertising methods that benefit both advertisers and viewers.



Photo (from left):

Ms. Rie Hori

Sales Manager
Japan CRITEO K.K.

Mr. Kota Amano

Senior Director, Head of Sales
Japan CRITEO K.K.

Shohei Okubo

Head of Display ad Sales Team
Internet Advertising Business Division
CyberAgent, Inc.

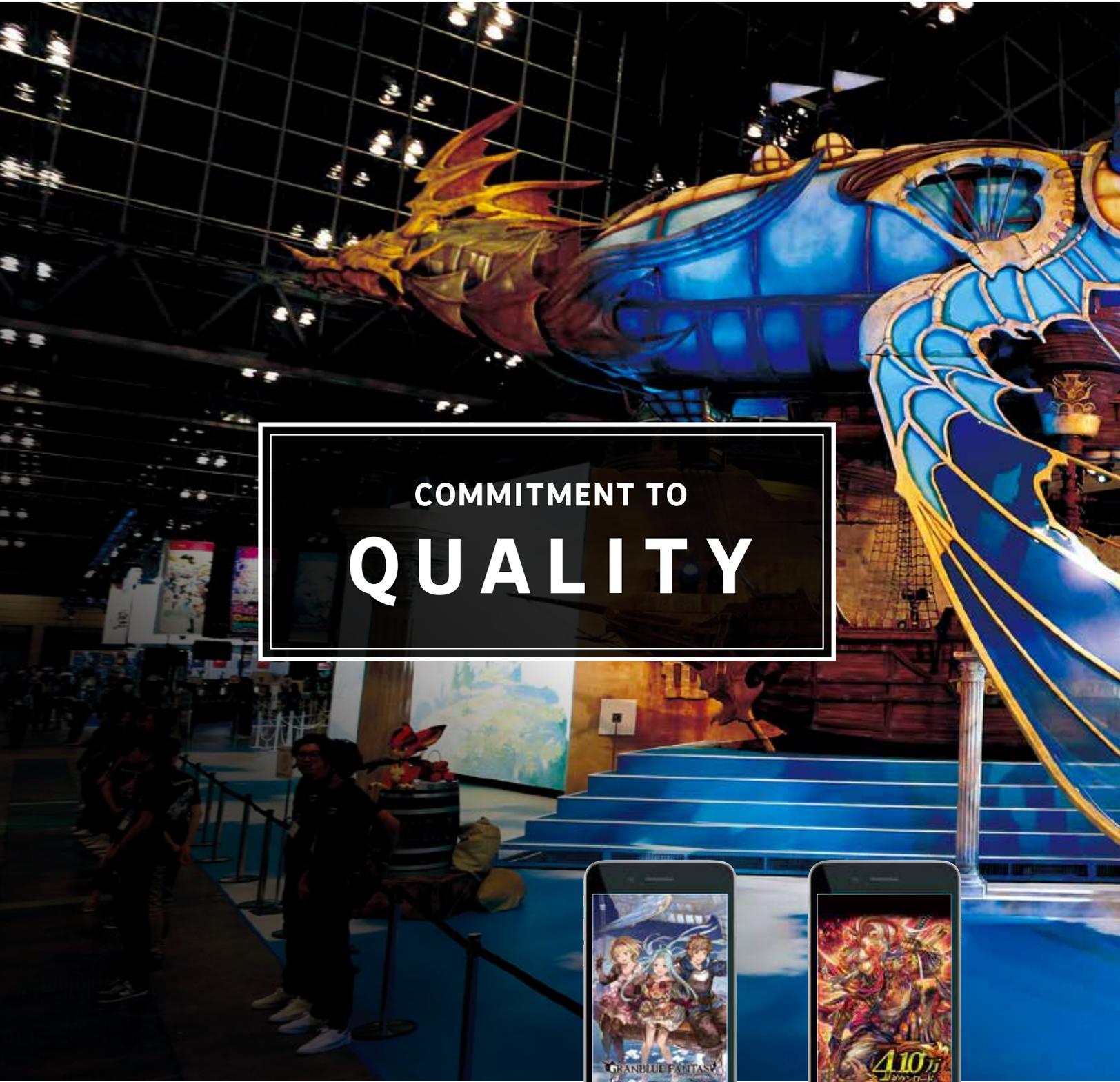
*Currently Representative Director of AMoAd, Inc.

Yosuke Sawada

Senior Consultant
Display ad Sales Team
Internet Advertising Business Division
CyberAgent, Inc.

*CRITEO was listed on the NASDAQ exchange in October 2013. Its current market cap is in excess of \$2.6 billion (November 2015).





COMMITMENT TO
QUALITY





Since 2012, the smartphone game market has been expanding rapidly in step with the growing popularity of smartphones. The Japanese market is regarded as the second biggest in the world, following the U.S., but it is becoming a “red ocean” market¹, in part because of the entry of foreign game companies. The top sales rankings on the App Store and Google Play are becoming increasingly monopolized by established titles, and it is difficult to break into the market with new titles. CyberAgent’s commitment to quality is an important strength that has enabled it to expand its market share in this environment.

CyberAgent’s best-known game, *GRANBLUE FANTASY*, which is published by Cygames, Inc., was developed by a team that included Hideo Minaba, a noted graphic designer with many major RPG games to his credit, as art director, and Nobuo Uematsu, who has created musical scores for a variety of games, as sound director. Our determination to achieve the highest possible level of perfection in this game led to a decision to delay its launch until March 2014. Already a major hit title, *GRANBLUE FANTASY* is ranked second in terms of App Store sales, and its growth is still accelerating.

Cygames secured the biggest display area at the 2015 Tokyo Game Show in September to create a realistic experience of the world of *GRANBLUE FANTASY*. Visitors were amazed by the display, which included a full-scale 25-meter replica of the airship, which is one of the main visual elements in this game.

We will now introduce some of the game titles that have achieved fan support and continuing success, thanks to our total commitment to quality control.

¹ A “red ocean” market is an existing market affected by escalating competition.



² THE IDOLM@STER CINDERELLA GIRLS: ©Toshiyuki Kubooka ©BNEI Jointly developed and operated by BANDAI NAMCO Entertainment Inc. and Cygames, Inc.



Game

Operating Management Capabilities the Key to Continuing Revenue Growth

At a time when some companies are worried about a possible slowdown in the smartphone game market, we continue to achieve top sales rankings with multiple titles. The key to that success is our operating management capabilities. As of October 31, 2015, we had six titles among the top 50 sales rankings on the App Store. Four of those titles were launched on the market 18 months ago, and one over three-and-a-half years ago. In addition to the high quality of our game titles, we also take advantage of the characteristics of smartphone games to provide excellent day-to-day operational support. This is reflected in the continuing presence of our titles among the top rankings, and in continuing revenue growth. New titles launched in the year ended September 2015 include *100 Sleeping Princes and the Kingdom of Dreams* and *THE iDOLM@STER CINDERELLA GIRLS STARLIGHT STAGE*¹. Both showed encouraging initial sales trends and are building profile in the sales rankings, despite the increasingly high barriers to new entries. Our share of the smartphone game market has risen from 7.5% in 2014 to 9.7%² in 2015. We will continue to use our operating management capabilities to achieve further growth in our market share.

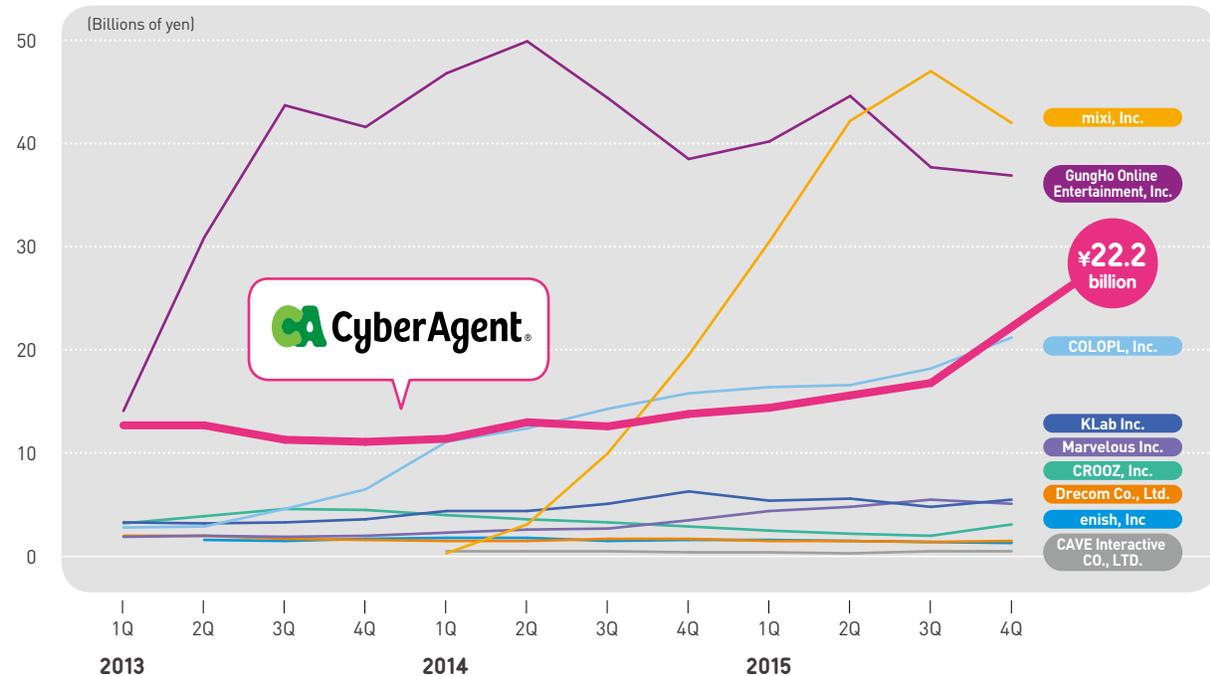
¹ ©BANDAI NAMCO Entertainment Inc.

Jointly developed and operated by BANDAI NAMCO Entertainment Inc. and Cygames Inc.

² January to October 2015

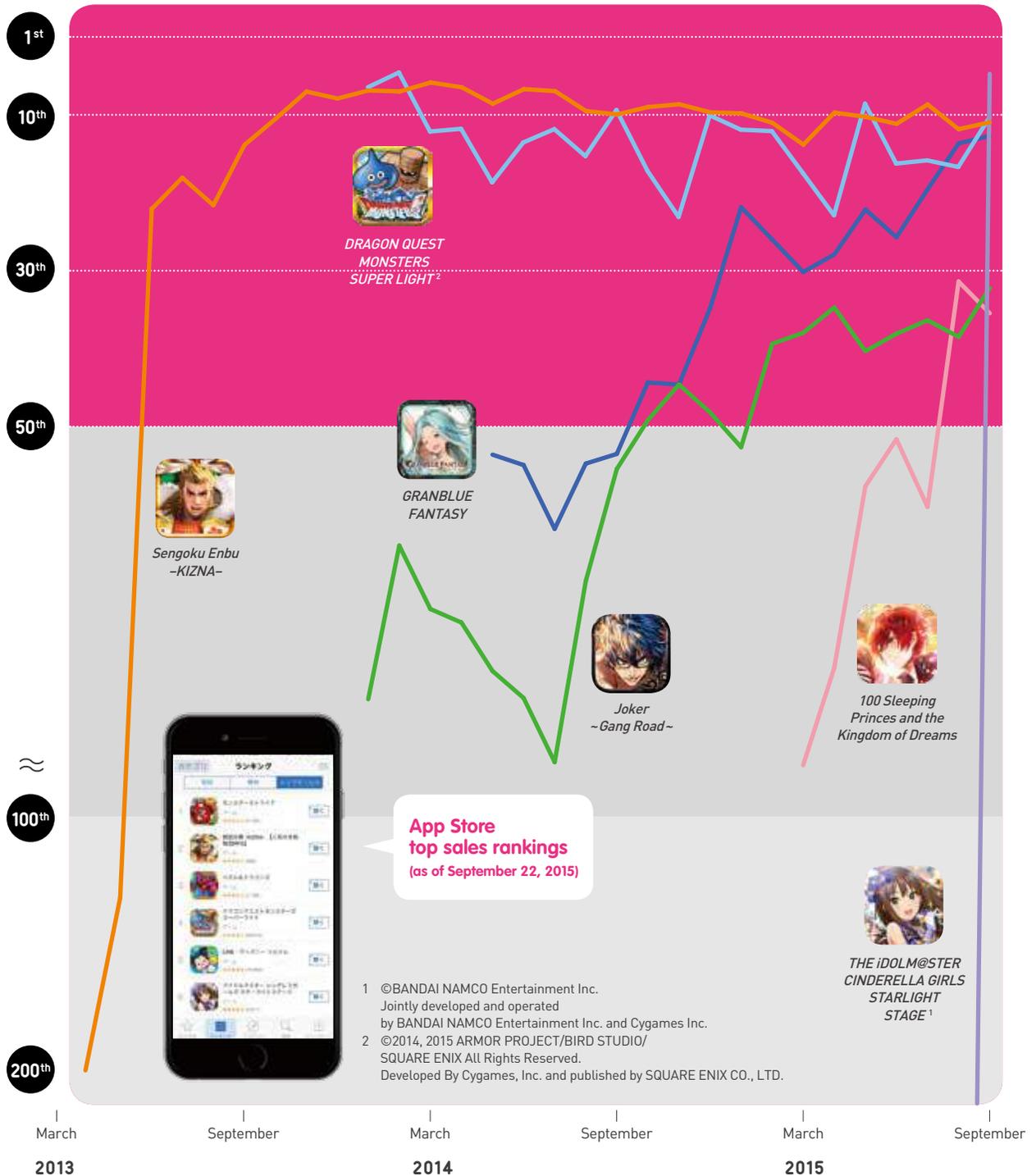
COMPARISON OF GAME COMPANY SALES

> Strong core titles are driving stable sales growth.

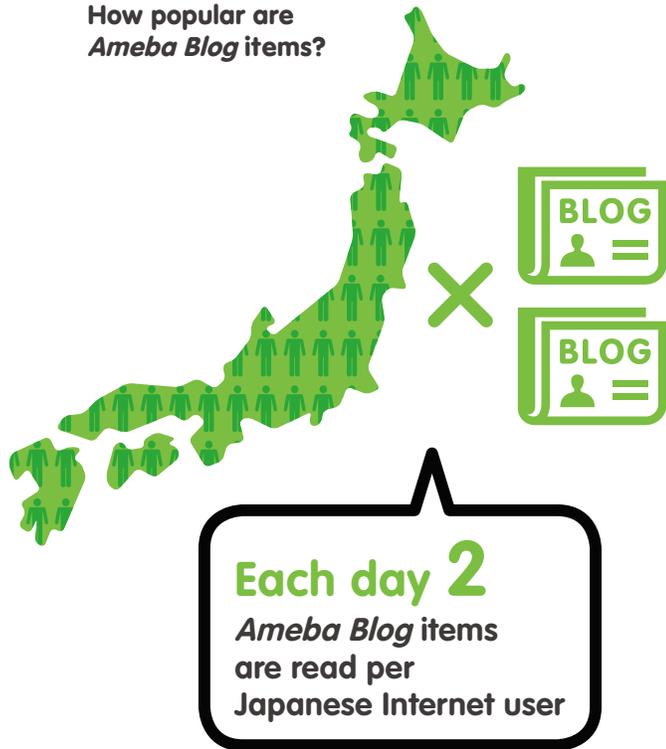


GAME RANKINGS

➤ One CyberAgent title after another has risen to the top sales rankings.

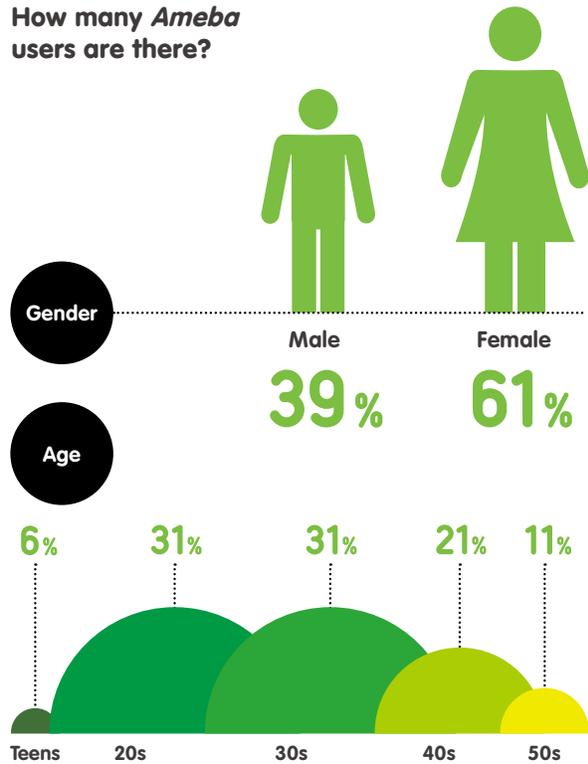


How popular are Ameba Blog items?



*Monthly page views of Ameba Blog: 7.29 billion (June 2015)

How many Ameba users are there?



Source: Nielsen Mobile NetView 3.0 [data for June 2015]

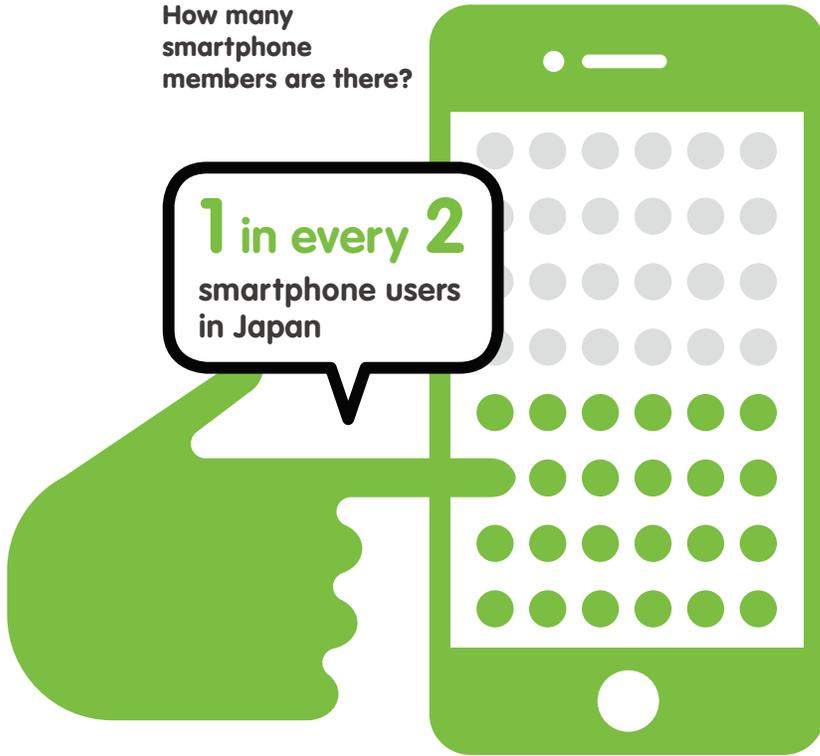
Ameba Graph

Ameba's Continuing Evolution

The *Ameba Blog* (now *Ameba*) service first went online 10 years ago in September 2004. Those 10 years have been a time of dizzying change in the Internet industry, including device changes and improvements in transmission speeds. *Ameba* has continued to achieve organic growth while evolving in response to these changes through the introduction of new features, such as smartphone games, community services and curation services. Since *Ameba's* transition to a smartphone platform in September 2013, over 70% of accesses have been from smartphones. Our curation services have successfully kept pace with the recent shift to timelines, and the number of monthly unique browsers (MUB) is among the highest in Japan at over 31 million. *Ameba* advertising revenues amount to ¥10.8 billion per year. Initiatives targeted toward further growth include the establishment of a specialized unit, the Editorial Ad Studio, in October 2015 to accelerate the development of advertising based on curation services. The Ameba Business entered a new growth phase in 2015 with our decision to move into the video business, which is attracting intense interest as a future growth area. We will continue to use our adaptability as a driving force for evolution.

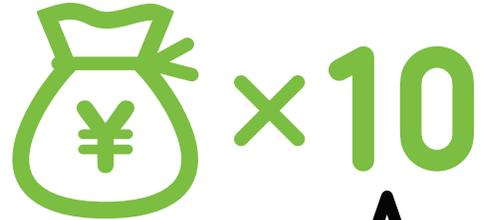
How many smartphone members are there?

1 in every 2
smartphone users
in Japan



* Smartphone-based *Ameba* users: 27 million (September 30, 2015)

How much *Ameba* advertising are you selling?



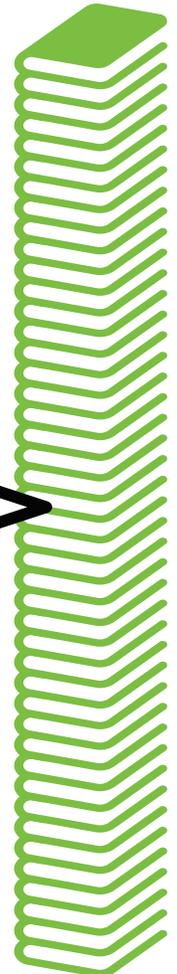
Annual sales of *Ameba* advertising:

Over ¥10 billion

What is the reach of the *by.S* curation media?



44-times
the total monthly
circulation of
women's
magazines

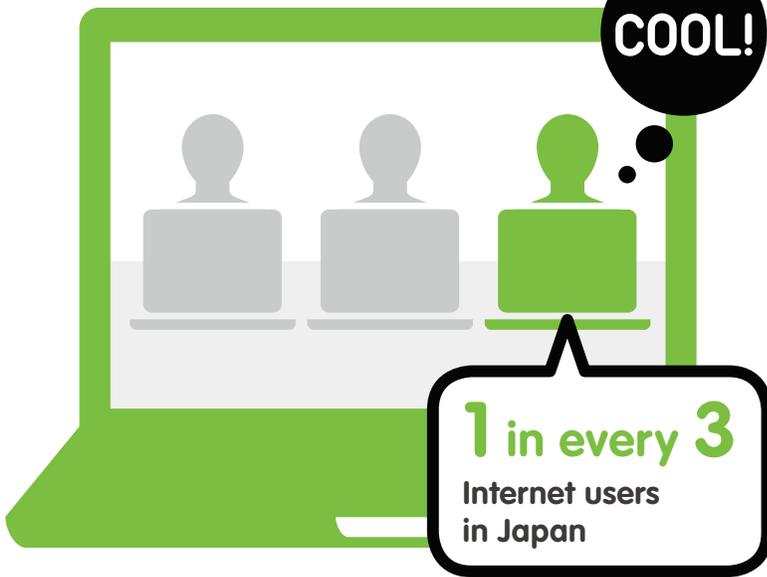


* The number of users of *by.S*:
According to statistics compiled by
Google Analytics, the total number of
monthly users is 10 million (including
multiple accesses by the same users
across multiple devices).

How many people access *Ameba* curation media?

COOL!

1 in every 3
Internet users
in Japan



* The number of users of *Ameba* curation media: According to statistics compiled by Google Analytics, the total number of monthly users is 31 million (including multiple accesses by the same users across multiple devices).



Open!!

The Video Content Business —New Challenges in a New Growth Area

CyberAgent has decided to expand into the video content business. At a time when TV operators are worried about shrinking audiences, there is keen interest in data from a 2014 survey¹ showing that 83% of smartphone users had watched videos on their devices. We have opened the *AmebaFRESH!Studio* near the Takeshita Exit of JR Harajuku Station² as the CyberAgent Group's distribution base for various video services. In addition to live broadcast studios where celebrities and well-known performers appear, the facility also includes live streaming booths for use by individuals. Another feature is the digital signage adorning the exterior walls of the facility. We aim to stream over 5,000 programs and events in 2015. A new joint venture established with TV Asahi Holdings Corporation in April 2015 is currently developing *AbemaTV*, free TV programs viewed via smartphones. In January 2016, we are planning to distribute the *AmebaFRESH!* live broadcasting video platform. *AmebaFRESH!* will distribute live broadcast content in various genres, including live sporting events. It will focus primarily on live broadcast programs streamed from the *AmebaFRESH!Studio* featuring well-known personalities. We will continue to develop new income streams for the future by developing a wide range of video-based activities in the Ameba segment.

¹ Source: Hakuholdo DY Group Smart Device Business Center, Findings from Analysis of the 9th Survey of 1,000 Smartphone Users Across Japan

² A popular gathering spot in Tokyo for trendy young people.



Booths

Individual streaming booth



Pictures

Ameba photo booth



Signage

13m digital signboard



Studio

Live broadcast studio



Mixer

Mixer room



Studio

Live broadcast studio

Ameba **FRESH!** Studio

Events

Event space



Sofa

Abema Sofa



TECHNOLOGY & CREATIVITY



Smartphones have enormous potential as smart devices. They provide functionality and operability that was not possible with feature phones because of their small screens and button interfaces. A combination of good design and superior user interfaces has given smartphones a competitive edge. Users have shown increasing support for services that allow them to control not only text content but also designs and other features, and for the first time in the Internet industry, technology and creativity have emerged as factors that determine whether products will succeed or fail. CyberAgent has actively recruited engineers and designers and channeled resources into technology and creativity since it first began to produce *Ameba Blog* in-house in 2006. In 2015, we began to strengthen our creative capabilities again with the aim of achieving world-class performance in this area. Our evolution as a company with a strong technology team is apparent from the fact that engineers and designers now make up about 45% of our work force (as of September 30, 2015). The AWA music streaming service, which we launched on May 27, 2015, is a high-quality service with design and operability features to match the capabilities of smart devices.

Currently under development are *AbemaTV*, free TV programs viewed via smartphones, and *AmebaFRESH!*, a live broadcasting video platform. With both of these services, we will use technology and creativity to build a share of the video market.

AWA

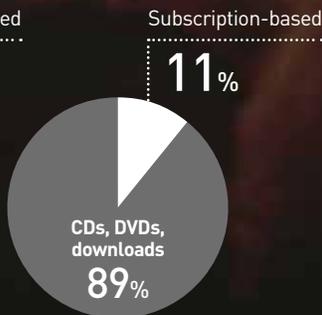
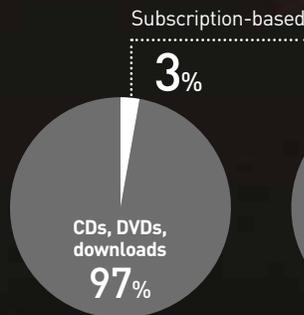
Subscription-Based Music Streaming Service

Established through joint investment with Avex Digital Inc. as an equity method affiliated company, AWA Co., Ltd. provides Japan's first subscription-based music streaming service. A feature of the service is a system that recommends tracks based on users' original playlists and audience trends. Subscription-based streaming is already an established format in many countries, but in Japan this market is still in its infancy. Several companies have moved into the field since the second half of 2015, signaling the expansion of the music streaming service business in Japan. Our goal with AWA is to build a new market by offering a totally new music experience based on the concept of introducing people to music that they will love, and reuniting them with music that they have enjoyed in the past.



Japanese music market breakdown of sales (2014)¹

World music market breakdown of sales²



1 Based on trends in music software streaming and paid music streaming and music streaming sales in Recording Industry Association of Japan, The Japanese Recording Industry in 2015
2 Calculations based on International Federation of the Phonographic Industry (IFPI), *IFPI Digital Music Report 2015*



Social Initiatives



01

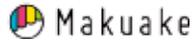


IT Education for Elementary School Students CA Tech Kids, Inc.

Continuing growth in the IT industry is reflected in an increasingly serious shortage of programmers in Japan. The Japan Revitalization Strategy adopted by the cabinet in June 2015 calls for an increased emphasis on programming education, and work has already started on the expansion of IT education. CyberAgent recognizes the social importance of developing talented Japanese programmers from a young age as a way of enhancing the international competitiveness of the IT sector and creating employment. Our consolidated subsidiary, CA Tech Kids, Inc., has been running

programming courses for elementary school students regularly since 2013. In November 2015, as part of our social contribution activities, we organized a free programming course in areas affected by the massive earthquake that struck eastern Japan in 2011. The purpose of the course is to contribute not only to the development and training of talented future programmers by giving participants the opportunity to learn programming skills by developing iPhone apps and 2D games, but also to foster imagination in children.

02



Makuake—One of Japan’s Biggest Crowd-Funding Services

One of the growth strategies identified by the Japanese government is the development of venture businesses. Crowd funding services will play an important role in the realization of this strategy. In August 2013, our consolidated subsidiary, CyberAgent Crowd Funding, Inc., launched the *Makuake* crowd funding service, which has so far introduced over 1,000 projects. When projects win support through *Makuake*, CyberAgent Crowd Funding helps them to succeed by raising funds from supporters and guiding each project toward realization. We will continue to contribute to Japan’s economic revitalization by supporting initiatives to bring goods, ideas, services and other values to the world.



Source: CyberAgent Crowd Funding, Inc.



Crowd Funding Program

On May 20, 2015, we launched the *Isetan x Makuake Crowd Funding Program* in partnership with the trend-setting retailer Isetan Mitsukoshi Holdings Ltd. The aim of this program is to attract new supporters and create PR opportunities by displaying products supported through *Makuake* in display spaces in the main Isetan Department Store in Shinjuku. This is the first time in Japan that samples from current crowd funding projects have been displayed in a department store. We will continue to use the *Makuake* system dynamically to implement this kind of initiative based on convergence between the Internet and the real world.

<https://www.makuake.com/landing/isetan/>

03

Woman & Crowd

Supporting Women with Children Woman&Crowd

We created the *Woman&Crowd* platform service to help women find new ways to work in today’s increasingly diverse society. The service matches mothers of young children with individual and corporate clients who wish to offer them work. We also started to offer the *macalon+* service, a female-oriented welfare package for employers.

Source: stride, Inc.



CA8

CyberAgent's Board of Directors consists of eight members. In the constantly changing Internet industry, CyberAgent replaces two directors every two years, determining the composition of its directors according to its business strategy.



President
Susumu Fujita



Vice President
Executive Manager
for the Game Business
Yusuke Hidaka

Executive Managing Director
Executive Manager
for the Internet Advertising
Business

Yasuo Okamoto



Managing Director
Executive Manager
for Head Office Function/
Investment Development
Business

Go Nakayama





Managing Director
Executive Manager
for the Ameba Business

Masahide Koike



Director
Executive Manager
for the Smartphone Advertising
Business

Takahiro Yamauchi



Director
Executive Manager
for the Community Business

So Miyazaki



Director
Executive Manager
for the Video Content Business

Hiroki Urabe



Internet Advertising
Business Division
Gaku Miyata

Applibot, Inc.
Koki Ukita

AbemaTV, Inc.
Jun Yokota



CA18

CyberAgent has introduced a number of unique systems to strengthen its management by nurturing next-generation managers, improving the scope of management information, and making board deliberations more transparent. In addition to our eight directors (CA8), we select 10 people as executive officers. In principle, three of these people are replaced each fiscal year.

Job titles are viewed with respect in Japanese society. By giving these people the title of “executive officer,” we enhance their sense of responsibility and motivation, leading to performance maximization and business expansion.

Alliance
Business Division
Tatsuhiko Taniguchi

Internet Advertising
Business Division

Manabu Date

Ad Technology
Business Division

Takahito Naito

System Division

Masato Sato



Human Resources
Division

Tetsuhito Soyama

Ameba
Business Division

Yuka Yokoyama

Media Development
Business Division

Riku Yamada



Corporate Governance

Basic Policy on Corporate Governance

Our vision is to build the CyberAgent Group into the 21st century's leading company by developing business activities centering on the Internet, and by influencing consumers and society significantly through our activities in this new industry. All members of the CyberAgent organization, including executives and employees, are required to comply with the CyberAgent Mission Statement, which stipulates that we must respect the positions of all stakeholders and fulfill our social responsibilities as a business corporation by complying with laws and regulations, by establishing corporate ethics, and by maintaining high moral standards.

CyberAgent is structured as a company with auditors. The Corporate Auditors effectively audit the performance of executive duties by the directors. Two highly independent external Corporate Auditors attend meetings of the Board of Directors and actively provide input and apply checks and balances to ensure fair decision-making.

We have also established a group-wide structure, the Group Meeting, made up of the executives responsible for subsidiaries and key business areas. This organization, which convenes each month to receive reports and check compliance, plays an important role in our efforts to strengthen corporate governance. We provide shareholders and investors with fair and timely access to information and ensure management transparency by actively and promptly disclosing information.

While we believe that our present structure ensures objectivity and impartiality, we have also concluded that our corporate governance can be further enhanced by appointing external directors. Candidates for this role must combine an understanding of the management and corporate value of CyberAgent with independence from our management. Our policy is to search for suitable candidates, and to appoint them as directors if they are willing to serve in that role. We will continue to look for suitable people.

Overview of the Current Corporate Governance System

CyberAgent is structured as a company with auditors. The Corporate Auditors effectively audit the performance of executive duties by the directors. Two highly independent external Corporate Auditors attend meetings of the Board of Directors and actively provide input and apply checks and balances to ensure fair decision-making. Decisions pertaining to the performance of business operations, including matters of particularly high importance, must be taken in accordance with laws, regulations and the corporate articles, and after careful deliberation by the Board of Directors, which consists of eight direc-

tors, with the external Corporate Auditors in attendance.

In addition to its regular meetings each month, the Board of Directors also holds extraordinary meetings as required. In the year under review, the Board met a total of 16 times.

Decisions on matters other than items requiring resolutions of the Board of Directors are taken after exhaustive discussions at meetings of the Board of Full-time Directors, which consists of the eight full-time directors and one standing Corporate Auditor. The Board of Full-time Directors normally meets on a weekly basis. To ensure appropriate decision-making on important investment matters, such matters are first thoroughly examined by the Investment Committee, which reports its findings to the Board of Directors and the Board of Full-time Directors.

The Corporate Auditors attend all important meetings, including meetings of the Board of Directors, to audit the legality of executive actions by the directors. If necessary, they also obtain reports and seek explanations from company officers and examine the operations of major subsidiaries and offices. The Board of Auditors also holds extraordinary meetings as required in addition to its normal meetings each month. In the year ended September 2015 there were 13 meetings. Internal audits are the responsibility of the Internal Audit Office, which audits the company's divisions and subsidiaries in cooperation with the Corporate Auditors. The Internal Audit Office reports its findings to the Board of Directors every quarter.

Reasons for the Adoption of the Current Corporate Governance Structure

CyberAgent recognizes the development and maintenance of corporate governance structures and the appropriate implementation of essential measures as one of the most important management priorities. In the CyberAgent Group, audits are conducted by two highly independent external Corporate Auditors, who effectively oversee management and provide advice. We believe that this process ensures objectivity and impartiality. However, we are also considering candidates for external directorships. By participating in management from various perspectives, the external directors will help to ensure management transparency and further strengthen our corporate governance. We plan to appoint external directors as soon as suitable candidates have been found and have agreed to accept the positions.

The CA8 director rotation system is an original part of our corporate governance structure that ensures the constructive functioning of the Board of Directors. There should in principle be eight directors, and in principle two directors should be replaced every two years.

We introduced the CA8 system in 2008 with the aim of expanding our business performance by creating a robust

corporate structure with a management team made up of a wide range of people with skills that match our business strategies.

Stock Options

Stock options are used to strengthen the motivation and raise the morale of the directors and employees of CyberAgent and its subsidiaries and encourage them to improve the financial performance of the CyberAgent Group.

The total number of stock options issued and outstanding as of September 30, 2015 was 424,800, which is equivalent to 0.7% of the total number of shares issued and outstanding, including treasury stock. The assumed total paid-up value is ¥979,564,200.

Anti-Takeover Measures

We discontinued our anti-takeover measures at the conclusion of the 17th Annual General Meeting of Shareholders on December 12, 2014. In the event of activity indicating large-scale purchasing of shares subsequent to this change, we will actively gather and disclose accurate information, while taking appropriate steps within the rules set down in laws, regulations, and our articles of incorporation.

Policies and Initiatives Relating to the Role of Women in CyberAgent

CyberAgent supports the Japanese government's policy of encouraging women to play an active role in the workforce. We are committed to the employment of women, and our assessment systems at all stages, including recruiting and promotion, are gender-neutral and based solely on ability and achievements. Women make up 32% of our total non-consolidated work force and 22% of people at the executive level, including producers and directors. Women in senior positions in our consolidated subsidiaries include two representative directors, two ordinary directors, and five corporate auditors.

In addition to women holding executive positions, a growing number of female employees are working as key front-line professionals in an expanding range of work areas that match their personal ambitions, such as marketing and design. CyberAgent helps women to achieve their goals as executives or in other roles by providing a wide range of job categories, and by creating working environments that facilitate continuing employment.

Women with children made up 19.6% of our female work force. The percentage of female employees who return to work after childbirth and childcare leave is extremely high at 96.6%. We support employees with children with policies that include reduced working hours, maternity allowances, and social gath-

erings for employees who are parents of young children.

The average age of our female employees was 29.7. In May 2014, we introduced the macalon package of systems to help women build long-term careers. The name macalon consists of "ma" from "mama," "ca" standing for "CyberAgent," and "lon" from the English word "long."

We will continue to work through initiatives such as these to enhance the work-life experience of our employees while creating a corporate environment conducive to long-term career development.

*As of September 30, 2015

Auditor Profiles



Standing Corporate Auditor

Toko Shitsuki

April 1996

Entered Japan Airlines Co., Ltd.

October 1999

Passed the second exam for certified public accountants

July 2000

Appointed as Corporate Auditor of CyberAgent (current post)

Corporate Auditor

Masao Horiuchi

April 1992

Entered Nippon Investment & Finance Co., Ltd. (now **Daiwa Capital Holdings**)

April 1995

Joined Intelligence, Ltd.

March 1998

Appointed as Corporate Auditor of CyberAgent (current post)

April 2009

Appointed to the President's Office of USEN CORPORATION as Manager of Internal Control Systems

May 2010

Certified Public Tax Accountant

December 2010

Appointed as Director and Head of Administration of U-NEXT Co., Ltd. (current post)



Corporate Auditor **Independent Director**

Isao Numata

April 1988

Entered Daiwa Securities Co. Ltd. (now Daiwa Securities Group Inc.)

July 2000

Appointed as Representative Director of Five Eyes Network, Inc. (current post)

December 2000

Appointed as Corporate Auditor of CyberAgent (current post)

December 2009

Appointed as Representative Director of Security Business Laboratory Co., Ltd. (current post)



Risk Analysis

Described below are the main risk factors that could affect the business activities of CyberAgent. In line with our commitment to active information disclosure, we have also included information with a significant bearing on investment decisions. Based on our perception of the likelihood of risks, we take steps to prevent their occurrence and to deal with any contingencies that may arise.

1 Business Trends

The business performance and financial position of the CyberAgent Group could be affected if a situation arises that could hinder the growth of the Internet market, the game market or the music market, or if there is a decline in business confidence in the Internet advertising market.

2 Fluctuations in Financial Performance

Forecasts of financial results are based on our judgment of the outlook, and no guarantee is provided concerning the accuracy of such information. Actual results may differ from forecasts due to changes in various factors. The business performance and financial position of the CyberAgent Group could be affected if there are significant changes in accounting standards or taxation systems.

3 Legal Regulations, etc.

In accordance with laws and regulations, we strive to inform users about regulatory requirements and moral expectations, and to ensure compliance. We are also continually strengthening our measures to prevent unauthorized access and leakage of information. However, CyberAgent's business performance and financial position could be affected if new laws are established or existing regulations relating to Internet businesses are tightened, if there are changes to royalties or licensing terms imposed by copyright organizations or holders of copyrights and neighboring rights, or if it becomes necessary to obtain new types of licensing, etc., relating to musical rights other than copyrights. In addition, lawsuits could be brought against CyberAgent, Inc. as the service operator by third parties who have suffered damages or losses as a result of illegal actions involving services administered by CyberAgent.

4 Internal Control Systems

CyberAgent regards the improvement of corporate governance as its most important management priority for the maximization of corporate value, and we implement a variety of measures for this purpose. However, CyberAgent's business performance and financial position could be affected if the development of adequate internal control systems fails to keep pace with rapid business expansion or other changes, with the

result that it becomes unable to ensure appropriate management of business operations.

5 Risks Associated with Reliance on Particular Managers or Personnel Recruitment

The business performance and future business development of the CyberAgent Group could be affected if the required talent cannot be recruited, or if company officers, such as directors, including representative directors, and executives with specialized knowledge, technology or experience resign or retire and replacements cannot be found.

6 Information Security Risks

Damages could result from leaks of important information, unauthorized tampering with computer programs, system breakdowns and other contingencies caused by such factors as computer system malfunctions, computer viruses, unauthorized external access to computers by unlawful means, negligence by company officers/employees or partner businesses, natural disasters, or temporary overloads caused by increased access, or other problems. In such cases, the business performance and financial position of the CyberAgent Group could be affected by claims for damages by third parties, damage to the reputation of the CyberAgent Group, or other situations.

7 Risks in Personal Information Management

CyberAgent Group holds personal information obtained through its Internet media business and other activities. Such information is controlled in accordance with the provisions of the Act on the Protection of Personal Information (enforced in April 2005). However, the business performance and financial position of the CyberAgent Group could be affected if there are claims for damages against CyberAgent or damage to CyberAgent's reputation resulting from leakage of personal information due to information security risks or other factors, or from problems occurring during the process of gathering such information.

8 Risks Relating to Intellectual Property Rights

We have strengthened internal control systems for intellectual property. However, the business performance and future business development of the CyberAgent Group could be

affected if third parties bring lawsuits against the CyberAgent Group for infringements of intellectual property rights, or apply for injunctions to prevent the use of intellectual property rights, discrepancies in the interpretation of contract terms or other factors.

9 Risks Relating to Natural Disasters, etc.

Various contingencies, such as earthquakes, typhoons or other natural disasters, unknown computer viruses or terrorist attacks, could affect CyberAgent, and there is no guarantee that we will be able to mitigate the effects of such events. Furthermore, since CyberAgent's offices and computer network infrastructure are concentrated in particular locations, there is a possibility that natural disasters and other events in those locations would cause major losses, which could affect the business performance and future business development of the CyberAgent Group.

10 Risks Pertaining to the Future Development of Business Activities

The CyberAgent Group provides services for general consumers and is therefore exposed to the possibility of unforeseen reputational risks. In addition, the CyberAgent Group may be unable to deal with potential risks associated with overseas business expansion, including risks relating to laws, regulations, political and social situations, currency fluctuations and competitive environments in various countries.

11 Risks in the Internet Media Business

The CyberAgent Group uses the Internet to provide content and services, including blogs, social media, games, videos, music, and information sites. Our policy is to attract and maintain a user base by ensuring reliable operation of these services. However, the business performance and future business development of the CyberAgent Group could be affected if we are unable to provide attractive services that will be supported by a wide range of users.

CyberAgent implements various measures as required to ensure sound market development in relation to the game utilization environment. However, the business performance and future business development of the CyberAgent Group could be affected if it becomes necessary to implement system changes or strengthen our structures, or if unexpected situations arise. Furthermore, the CyberAgent Group provides its services under contracts with card companies, platform providers, telecommunications carriers, and other organizations. The business performance and future business development of the CyberAgent Group could be affected if unforeseen circumstances arise, such as changes to technical specifications or contract terms, or the cancellation of contracts.

12 Risks Pertaining to the Internet Advertising Business

Internet advertising may be affected by economic trends, and advertisers may reduce their advertising budgets. There is also the possibility that we will be unable to recover advertising charges and will be required to meet payment obligations to media companies and other organizations due to various factors, such as the deterioration of an advertiser's financial position, or errors in the distribution of advertising. Our business performance could also be affected if we are unable to maintain business relationships with media companies, preventing us from procuring advertising space or products.

13 Risks Pertaining to the Advertising Technology Business

There is the possibility of substantial declines in the competitiveness of services provided by CyberAgent Group if new technologies and methods of advertising technology emerge. Also, since most of the CyberAgent Group's advertising technology services are targeted toward smart devices, our business results and future business development could be affected if providers of operating systems loaded on smart devices change their regulations, guidelines, and functions.

14 Risks Pertaining to the Investment Development Business

Where the companies in which we invest are publicly traded, there is a possibility that valuation gains will be reduced, that valuation losses will increase or that impairment losses will be incurred as a result of share price movements. In addition, the income of the CyberAgent Group could be affected by the business performance of the companies in which we invest.

Investment funds managed by a consolidated subsidiary of CyberAgent invest in multiple non-public companies. There are numerous uncertainties concerning the future outlook for these non-public companies, and it is possible that CyberAgent's business performance, financial position and future business development could be affected by deterioration in the business performance of such companies due to both external factors, such as technological advances and market conditions, and internal factors, such as management and control structures.

15 Risks Pertaining to the EC Business

CyberAgent is involved in areas of the electronic commerce (EC) business. While we take all appropriate steps concerning merchandise management systems and contracts with suppliers, CyberAgent could be liable for claims for losses resulting from regulatory violations, defects, safety problems or other issues affecting items sold.



Financial Section

Consolidated Financial Highlights 5-year Summary

(Unit: Millions of yen)

Fiscal Years Ended September 30 (October 1—September 30)	2011	2012	2013	2014	2015
Consolidated Performance					
Net sales	119,578	141,111	162,493	205,234	254,381
Operating income	14,349	17,410	10,318	22,220	32,747
Operating profit margin [%]	12.0	12.3	6.4	10.8	12.9
Ordinary income	14,114	17,146	10,570	22,188	32,314
Net income	7,323	8,522	10,504	9,556	14,792
Consolidated Financial Position					
Total assets	111,689	136,366	81,425	100,545	131,188
Net assets	38,677	43,594	50,587	63,175	77,702
Shareholders' equity ratio [%]	33.0	30.6	56.0	54.2	50.8
Consolidated Cash Flows					
Cash flow from operating activities	8,268	13,627	4,980	15,024	29,021
Cash flow from investing activities	(8,564)	(10,913)	10,837	(11,457)	(19,492)
Cash flow from financing activities	(1,665)	(1,548)	(7,081)	(765)	(2,362)
Cash and cash equivalents at end of the period	18,108	19,248	28,448	31,439	38,716
Per Share Data (Yen)					
Net income per share	112.81	131.62	166.41	153.07	236.18
Net assets per share	564.99	645.18	731.86	872.69	1,062.74

Notes: The Company conducted a 1:100 stock split of common stocks as of October 1, 2013.

Per share data are calculated assuming that the said stock split was conducted at the beginning of the previous consolidated fiscal year.

The shares of CyberAgent FX, Inc. were transferred in 2Q 2013. Net assets of the FX business were ¥77,542 million, as of December 31, 2012.

Financial Results

The smartphone ownership rate in Japan reached 60.6 percent¹ as of March 31, 2015. The estimated size of the smartphone ad market in 2015 rose by 29.8% from the previous year to ¥390.3 billion². In 2015, the smartphone game market is estimated to have reached ¥746.2 billion², up 13.3% from the previous year. Both markets have prospects for high growth.

Under these circumstances, the Group focused its business resources on the smartphone-related businesses, and consolidated smartphone-related sales for the cumulative

period through this fiscal year grew to 77.9% of total sales (excluding Investment Development Business).

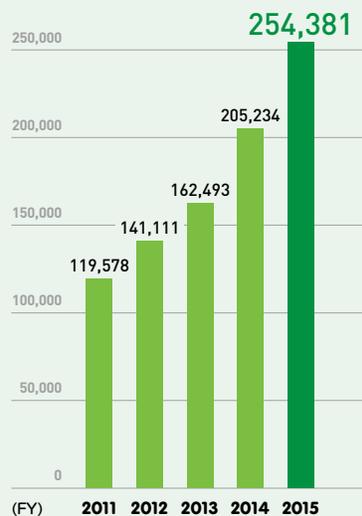
As a result, the Group's consolidated operating results for this fiscal year were as follows. Net sales grew 23.9% year on year to ¥254,381 million, while operating income amounted to ¥32,747 million (up 47.4% from the same period of the previous year). Ordinary income was ¥32,314 million (up 45.6% from the same period of the previous year), and net income came in at ¥14,792 million (up 54.8% from the same period of the previous year).

¹ Source: Cabinet Office, Economic and Social Research Institute "Consumer Confidence Survey (results of the survey in March 2015)"

² Source: CyberZ, Inc./Seed Planning, Inc. "Smartphone Market Trends Survey" and "Smartphone Ad Market Trends Survey in 2015."

Consolidated Net Sales

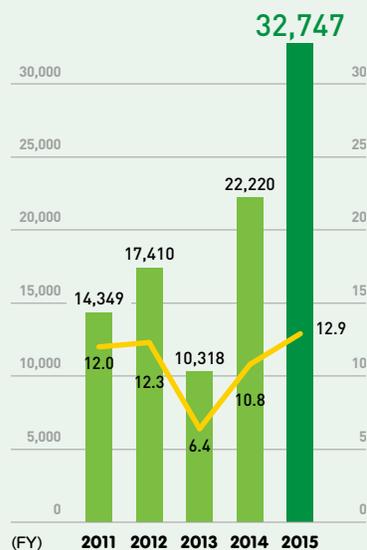
(Millions of yen)



Consolidated Operating Income/ Consolidated Operating Profit Margin

(Millions of yen)

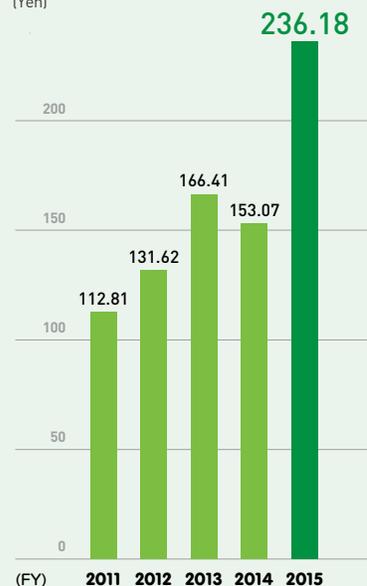
(%)



■ Consolidated Operating Income
— Consolidated Operating Profit Margin

Net Income per Share

(Yen)



Shareholders' Equity Ratio

(%)



Return on Equity (ROE)¹

(%)



¹ ROE = Net income / [Shareholders' equity at the beginning and at the end of the fiscal year] / 2



Consolidated Balance Sheets

(Unit: Millions of yen)

Fiscal Years Ended September 30 (October 1—September 30)	2011	2012	2013	2014	2015
Assets					
Current assets					
Cash and deposits	20,755	20,925	28,455	31,446	38,723
Accounts and notes receivable—trade	14,917	21,192	22,881	28,807	38,095
Inventories	184	92	164	39	65
Sales investment securities	3,069	3,638	5,619	9,517	10,818
Foreign exchange dealings cash segregated as deposits for customers	34,023	51,644	—	—	—
Foreign exchange dealings variation margin paid for customers	14,170	12,252	—	—	—
Deferred tax assets	1,538	1,326	1,581	1,431	2,278
Other	8,807	5,243	2,260	2,410	3,702
Allowance for doubtful accounts	(53)	(46)	(47)	(46)	(152)
Total current assets	97,414	116,268	60,916	73,605	93,532
Non-current assets					
Property, plant and equipment					
Buildings and structures	1,378	1,987	2,150	2,406	3,013
Accumulated depreciation	(603)	(510)	(635)	(692)	(810)
Buildings and structures, net	775	1,476	1,514	1,714	2,203
Tools, furniture and fixtures	4,386	5,888	6,791	9,103	11,047
Accumulated depreciation	(2,977)	(3,702)	(4,229)	(4,856)	(5,660)
Tools, furniture and fixtures, net	1,409	2,186	2,561	4,247	5,386
Construction in progress	—	148	261	—	—
Other	19	13	8	28	26
Total property, plant and equipment	2,204	3,825	4,346	5,989	7,616
Intangible assets					
Goodwill	3,102	2,991	2,812	3,735	4,551
Software	2,507	4,981	4,812	7,042	7,625
Other	945	2,046	2,792	3,561	5,778
Total intangible assets	6,555	10,019	10,417	14,339	17,955
Investments and other assets					
Investment securities	3,693	2,740	2,613	2,708	6,682
Deferred tax assets	382	898	1,233	1,353	2,148
Other	1,515	2,666	1,917	2,606	3,391
Allowance for doubtful accounts	(77)	(53)	(19)	(58)	(138)
Total investments and other assets	5,514	6,252	5,744	6,609	12,083
Total non-current assets	14,274	20,097	20,509	26,939	37,656
Total assets	111,689	136,366	81,425	100,545	131,188

* Certain prior year amounts have been reclassified to conform to the presentations as of September 30, 2015.

* The shares of CyberAgent FX, Inc. were transferred in 2Q 2013. Net assets of the FX business were ¥77,542 million, as of December 31, 2012.

(Unit: Millions of yen)

Fiscal Years Ended September 30 (October 1—September 30)	2011	2012	2013	2014	2015
Liabilities					
Current liabilities					
Notes and accounts payable—trade	8,594	12,226	14,268	17,681	24,599
Notes and accounts payable—other	3,536	6,608	5,076	8,235	9,294
Short-term loans payable	220	220	—	30	20
Income tax payable	4,353	4,711	6,971	4,604	10,605
Deferred tax liabilities	—	—	—	—	187
Foreign exchange dealings deposits from customers	47,896	63,468	—	—	—
Other	6,086	4,343	3,545	5,778	7,307
Total current liabilities	70,686	91,579	29,861	36,329	52,013
Non-current liabilities					
Long-term loans payable	1,515	315	47	—	130
Accrued long service rewards for employees	—	122	267	344	530
Asset retirement obligation	364	624	658	695	710
Other	439	124	3	—	100
Total non-current liabilities	2,319	1,187	976	1,040	1,472
Reserves under the special laws	5	4	—	—	—
Total reserves under the special laws	5	4	—	—	—
Total liabilities	73,011	92,771	30,837	37,369	53,486
Net assets					
Shareholders' equity					
Capital stock	7,177	7,203	7,203	7,203	7,203
Capital surplus	5,512	5,400	2,289	2,393	2,549
Retained earnings	24,268	30,379	37,439	44,745	55,788
Treasury stock	—	(1,388)	(1,933)	(1,522)	(940)
Total shareholders' equity	36,958	41,595	44,999	52,819	64,601
Other comprehensive income					
Valuation difference on available-for-sale securities	76	310	436	1,415	1,678
Foreign currency translation adjustments	(183)	(138)	157	301	426
Total other comprehensive income	(107)	171	594	1,717	2,105
Subscription rights to shares	64	121	152	199	234
Minority interests	1,761	1,705	4,840	8,439	10,761
Total net assets	38,677	43,594	50,587	63,175	77,702
Total liabilities and net assets	111,689	136,366	81,425	100,545	131,188



Consolidated Statements of Changes in Shareholders' Equity

(Unit: Millions of yen)

Fiscal Years Ended September 30 (October 1—September 30)	2011	2012	2013	2014	2015
Shareholders' equity					
Capital stock					
Balance at the beginning of current period	6,771	7,177	7,203	7,203	7,203
Changes of items during the period					
Issuance of new shares	406	25	—	—	—
Total changes of items during the period	406	25	—	—	—
Balance at the end of current period	7,177	7,203	7,203	7,203	7,203
Capital surplus					
Balance at the beginning of current period	5,106	5,512	5,400	2,289	2,393
Changes of items during the period					
Cancellation of treasury stock	—	—	(4,305)	—	—
Disposal of treasury stock	—	(137)	(9)	103	156
Issuance of new shares	406	25	—	—	—
Transfer to capital surplus from retained earnings	—	—	1,203	—	—
Total changes of items during the period	406	(111)	(3,110)	103	156
Balance at the end of current period	5,512	5,400	2,289	2,393	2,549
Retained earnings					
Balance at the beginning of current period	18,374	24,268	30,379	37,439	44,745
Changes of items during the period					
Dividends from surplus	(1,426)	(2,282)	(2,265)	(2,180)	(3,749)
Transfer to capital surplus from retained earnings	—	—	(1,203)	—	—
Decrease of retained earnings by increase of consolidated subsidiaries	(3)	—	—	—	—
Decrease of retained earnings by decrease of consolidated subsidiaries	—	(128)	—	—	—
Change of scope of equity method	—	—	24	(70)	—
Net income	7,323	8,522	10,504	9,556	14,792
Total changes of items during the period	5,893	6,111	7,060	7,306	11,042
Balance at the end of current period	24,268	30,379	37,439	44,745	55,788
Treasury stock					
Balance at the beginning of current period	—	—	(1,388)	(1,933)	(1,522)
Changes of items during the period					
Purchase of treasury stock	—	(1,999)	(4,999)	—	—
Cancellation of treasury stock	—	—	4,305	—	—
Disposal of treasury stock	—	611	149	410	582
Total changes of items during the period	—	(1,388)	(545)	410	582
Balance at the end of current period	—	(1,388)	(1,933)	(1,522)	(940)
Total shareholders' equity					
Balance at the beginning of current period	30,252	36,958	41,595	44,999	52,819
Changes of items during the period					
Issuance of new shares	812	51	—	—	—
Dividends from surplus	(1,426)	(2,282)	(2,265)	(2,180)	(3,749)
Purchase of treasury stock	—	(1,999)	(4,999)	—	—
Disposal of treasury stock	—	611	140	513	738
Decrease of capital surplus by disposal of treasury stock	—	(137)	—	—	—
Decrease of retained earnings by increase of consolidated subsidiaries	(3)	—	—	—	—
Decrease of retained earnings by decrease of consolidated subsidiaries	—	(128)	—	—	—
Change of scope of equity method	—	—	24	(70)	—
Net income	7,323	8,522	10,504	9,556	14,792
Total changes of items during the period	6,706	4,636	3,404	7,819	11,781
Balance at the end of current period	36,958	41,595	44,999	52,819	64,601

* Certain prior year amounts have been reclassified to conform to the presentations as of September 30, 2015.

(Unit: Millions of yen)

Fiscal Years Ended September 30 (October 1—September 30)	2011	2012	2013	2014	2015
Other comprehensive income					
Valuation difference on available-for-sale securities					
Balance at the beginning of current period	24	76	310	436	1,415
Changes of items during the period					
Net changes of items other than shareholders' equity	51	233	126	979	262
Total changes of items during the period	51	233	126	979	262
Balance at the end of current period	76	310	436	1,415	1,678
Foreign currency translation adjustments					
Balance at the beginning of current period	(121)	(183)	(138)	157	301
Changes of items during the period					
Net changes of items other than shareholders' equity	(61)	44	296	144	124
Total changes of items during the period	(61)	44	296	144	124
Balance at the end of current period	(183)	(138)	157	301	426
Total other comprehensive income					
Balance at the beginning of current period	(96)	(107)	171	594	1,717
Changes of items during the period					
Net changes of items other than shareholders' equity	(10)	278	422	1,123	387
Total changes of items during the period	(10)	278	422	1,123	387
Balance at the end of current period	(107)	171	594	1,717	2,105
Subscription rights to shares					
Balance at the beginning of current period	27	64	121	152	199
Changes of items during the period					
Net changes of items other than shareholders' equity	36	57	30	46	35
Total changes of items during the period	36	57	30	46	35
Balance at the end of current period	64	121	152	199	234
Minority interests					
Balance at the beginning of current period	3,281	1,761	1,705	4,840	8,439
Changes of items during the period					
Net changes of items other than shareholders' equity	(1,519)	(56)	3,135	3,598	2,322
Total changes of items during the period	(1,519)	(56)	3,135	3,598	2,322
Balance at the end of current period	1,761	1,705	4,840	8,439	10,761
Total net assets					
Balance at the beginning of current period	33,464	38,677	43,594	50,587	63,175
Changes of items during the period					
Dividends from surplus	(1,426)	(2,282)	(2,265)	(2,180)	(3,749)
Purchase of treasury stock	—	(1,999)	(4,999)	—	—
Disposal of treasury stock	—	474	140	513	738
Issuance of new shares	812	51	—	—	—
Decrease of retained earnings by increase of consolidated subsidiaries	(3)	—	—	—	—
Decrease of retained earnings by decrease of consolidated subsidiaries	—	(128)	—	—	—
Change of scope of equity method	—	—	24	(70)	—
Net income	7,323	8,522	10,504	9,556	14,792
Net changes of items other than shareholders' equity	(1,493)	279	3,588	4,768	2,745
Total changes of items during the period	5,213	4,916	6,992	12,588	14,526
Balance at the end of current period	38,677	43,594	50,587	63,175	77,702



Consolidated Statements of Income

(Unit: Millions of yen)

Fiscal Years Ended September 30 (October 1—September 30)	2011	2012	2013	2014	2015
Net sales	119,578	141,111	162,493	205,234	254,381
Cost of sales	73,767	84,301	104,907	133,891	162,160
Gross profit	45,810	56,810	57,585	71,342	92,221
Selling, general and administrative expenses	31,461	39,399	47,266	49,122	59,473
Operating income	14,349	17,410	10,318	22,220	32,747
Non-operating income					
Interest income	19	39	9	10	3
Dividends income	3	3	0	—	50
Gain on valuation of investment securities	11	8	39	2	84
Foreign exchange gains	—	—	205	68	—
Subsidy income	—	21	9	0	55
Other	80	49	106	67	67
Total non-operating income	114	121	371	149	261
Non-operating expenses					
Interest expenses	45	29	21	4	3
Equity in losses of affiliates	53	141	—	100	618
Other	250	214	97	76	73
Total non-operating expenses	349	385	119	181	695
Ordinary income	14,114	17,146	10,570	22,188	32,314
Extraordinary income					
Gain on sales of subsidiaries and affiliates' stocks	593	1,081	16,661	134	3,069
Other	466	67	290	187	203
Total extraordinary gain	1,059	1,148	16,952	321	3,272
Extraordinary loss					
Impairment loss	960	1,436	3,835	1,932	3,747
Other	758	588	2,714	2,099	1,119
Total extraordinary loss	1,718	2,024	6,549	4,032	4,866
Income before income taxes and minority interests	13,455	16,270	20,973	18,477	30,719
Income taxes—current	6,179	7,971	10,482	8,601	14,632
Income taxes—deferred	(285)	(467)	(873)	(527)	(1,573)
Total income tax	5,893	7,503	9,608	8,074	13,059
Income before minority interests	7,562	8,767	11,364	10,402	17,660
Minority interests in net income	239	244	860	846	2,868
Net income	7,323	8,522	10,504	9,556	14,792

* Certain prior year amounts have been reclassified to conform to the presentations as of September 30, 2015.

Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

Fiscal Years Ended September 30 (October 1—September 30)	2011	2012	2013	2014	2015
Income before minority interests	7,562	8,767	11,364	10,402	17,660
Other comprehensive income					
Valuation difference on available-for-sale securities	76	231	58	1,069	290
Foreign currency translation adjustment	(56)	28	185	200	10
Share of other comprehensive income of associates accounted for using equity method	(3)	13	196	23	55
Total other comprehensive income	17	273	441	1,293	356
Comprehensive income	7,579	9,040	11,806	11,696	18,016
(Comprehensive income attributable to)					
Owners of the parent	7,312	8,801	10,927	10,679	14,954
Minority interests	267	238	878	1,016	3,062

* Certain prior year amounts have been reclassified to conform to the presentations as of September 30, 2015.

Quarterly Segment Information

(Unit: Millions of yen)

	2014/1Q	2014/2Q	2014/3Q	2014/4Q	2015/1Q	2015/2Q	2015/3Q	2015/4Q
Sales								
Ameba Business	7,233	9,059	8,329	9,388	9,550	8,872	7,982	7,847
Game Business	11,421	12,988	12,603	13,786	14,393	15,589	16,755	22,254
Internet Advertising Business	24,449	29,968	28,533	309,146	33,186	34,971	35,355	38,596
Media and Other Businesses	3,387	3,810	3,858	4,135	4,449	4,802	4,658	4,974
Investment Development Business	345	86	732	3,182	5,682	344	700	483
Subtotal	46,836	55,912	54,057	61,408	67,262	64,580	65,452	74,156
Adjustment amount	(3,121)	(3,465)	(2,767)	(3,626)	(3,811)	(4,070)	(4,297)	(4,890)
Total	43,715	52,447	51,290	57,781	63,451	60,510	61,154	69,265
Gross margin rate								
Ameba Business (%)	43.9	53.4	48.3	52.5	53.6	51.0	43.4	40.4
Game Business (%)	52.6	52.5	48.5	49.0	51.5	52.3	52.4	57.8
Internet Advertising Business (%)	19.4	19.1	18.5	17.7	19.0	20.9	19.1	18.1
Media and Other Businesses (%)	39.9	38.4	39.1	34.1	35.8	39.5	41.3	41.2
Investment Development Business (%)	63.9	(11.8)	62.7	88.7	90.5	66.8	48.3	47.5
Operating income								
Ameba Business	22	1,304	219	741	2,095	1,689	822	(347)
Game Business	2,057	2,309	1,477	2,634	3,505	3,620	3,485	5,356
Internet Advertising Business	2,072	3,021	2,303	1,732	2,886	3,780	2,894	1,973
Media and Other Businesses	76	121	153	(152)	(489)	(716)	(524)	(661)
Investment Development Business	56	(163)	255	2,634	4,847	32	138	(38)
Adjustment amount	(22)	(42)	(349)	(243)	(309)	(211)	(561)	(518)
Total	4,263	6,549	4,060	7,345	12,535	8,193	6,254	5,763

From the year ended September 30, 2015, the segments were changed.

- Ameba Business "Two Internet advertising subsidiaries for smartphones moved to Internet Advertising Business. Three other subsidiaries moved to Media and Other Business."
- Game Business "Twelve subsidiaries related to game business moved from Game and Other Media Businesses."
- Internet Advertising Business "Two Internet advertising subsidiaries for smartphones moved from Ameba Business."



Consolidated Statements of Cash Flows

(Unit: Millions of yen)

Fiscal Years Ended September 30 (October 1—September 30)	2011	2012	2013	2014	2015
Cash flow from operating activities					
Income before income taxes and minority interests	13,455	16,270	20,973	18,477	30,719
Depreciation	2,345	3,334	4,276	4,447	5,757
Amortization of goodwill	322	376	418	398	529
Impairment loss	960	1,436	3,835	1,932	3,747
Equity in earnings (losses) of affiliates	—	141	(18)	100	618
Loss (gain) on sales of stocks of subsidiaries and affiliates	(584)	(1,081)	(16,606)	53	(3,069)
Decrease in notes and accounts receivable—trade	(2,701)	(7,103)	(1,710)	(6,116)	(9,482)
Decrease in investment securities for sale	(938)	(347)	(1,735)	(2,212)	(838)
Increase in notes and accounts payable—trade	1,098	3,959	2,133	3,023	6,864
Increase (decrease) in accounts payable—other	1,393	3,065	(1,410)	1,375	1,240
Increase (decrease) in accrued consumption taxes	245	(190)	(76)	1,946	415
Decrease (increase) in margin requirement for foreign exchange transactions	(1,550)	1,199	1,549	—	—
Net decrease (increase) in outstanding amount of foreign exchange transactions	(819)	(241)	208	—	—
Other, net	9	313	857	2,479	1,101
Sub-total	13,235	21,131	12,695	25,904	37,603
Interest and dividends income received	24	33	9	2	53
Interest expenses paid	(50)	(29)	(21)	(3)	(3)
Income taxes paid	(4,942)	(7,507)	(7,703)	(10,880)	(8,632)
Net cash provided by operating activities	8,268	13,627	4,980	15,024	29,021
Cash flow from investing activities					
Purchase of property, plant and equipment	(1,329)	(2,898)	(2,273)	(2,944)	(3,084)
Purchase of intangible assets	(3,199)	(6,963)	(6,693)	(7,919)	(10,174)
Purchases of investment securities	(112)	(30)	(110)	(51)	(3,651)
Proceeds from sales of stocks of subsidiaries and affiliates	3	289	7,065	161	3,545
Purchase of stocks of subsidiaries and affiliates	(736)	(340)	(296)	(193)	(1,588)
Payment of the outstanding balance from the previous term for purchasing investments in subsidiaries and affiliates resulting in change in scope of consolidation	—	—	—	—	(927)
Purchase of treasury stock of subsidiaries in consolidation	(2,199)	—	—	—	(2,177)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	542	595	13,647	—	32
Other, net	(1,534)	(1,565)	(500)	(509)	(1,465)
Net cash used in (provided by) investing activities	(8,564)	(10,913)	10,837	(11,457)	(19,492)
Cash flow from financing activities					
Net increase (decrease) in short-term loans payable	—	—	(220)	30	(11)
Proceeds from long-term loans payable	3,300	—	49	—	200
Repayment of long-term loans payable	(1,212)	(1,231)	(1,003)	(364)	(30)
Redemption of bonds	(200)	(200)	(200)	(100)	—
Proceeds from stock issuance to minority shareholders	201	687	1,518	183	507
Proceeds from contributions paid by investment partners	—	—	—	1,273	349
Payments of dividends to investment partners	—	—	—	(75)	(440)
Proceeds from disposal of treasury stock	—	462	95	475	716
Cash dividends paid	(1,429)	(2,280)	(2,263)	(2,180)	(3,750)
Purchase of treasury stock	—	(1,999)	(5,004)	—	—
Payments made to trust account for purchase of treasury stock	(3,002)	—	—	—	—
Proceeds from trust account for purchase of treasury stock	—	3,002	—	—	—
Other, net	677	9	(53)	(7)	98
Net cash used in financing activities	(1,665)	(1,548)	(7,081)	(765)	(2,362)
Effect of exchange rate change on cash and cash equivalents	(89)	(26)	464	190	109
Net increase (decrease) in cash and cash equivalents	(2,051)	1,139	9,200	2,990	7,276
Cash and cash equivalents at beginning of period	20,134	18,108	19,248	28,448	31,439
Increase in cash and cash equivalents resulting from change of scope of consolidation	25	—	—	—	—
Cash and cash equivalents at end of period	18,108	19,248	28,448	31,439	38,716

* Certain prior year amounts have been reclassified to conform to the presentations as of September 30, 2015.

Company Information/Stock Overview (As of September 30, 2015)

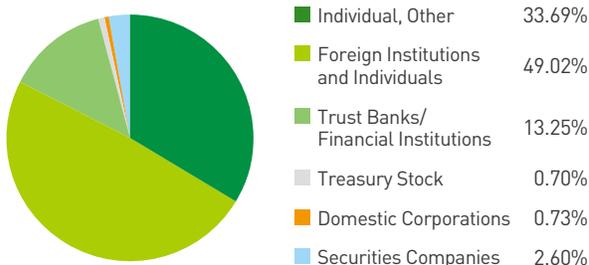
Company Information

Company Name	CyberAgent, Inc.
Head Office	1-12 Dogenzaka 1-chome, Shibuya-Ku, Tokyo 150-0043
Representative	Susumu Fujita (President)
Founded	March 18, 1998
Capital	¥7,203 million
Consolidated Subsidiaries	76
Consolidated Employees	3,566
Accounting Auditor	Deloitte Touche Tohmatsu LLC
Business Portfolio	Media Business/ Internet Advertising Business/ Game Business/Other Businesses/ Investment Development Business

Stock Overview

Security Code	4751
Listed Market	First Section of the Tokyo Stock Exchange
Fiscal Year	From October 1st to September 30th
Full-year Dividend Receiving Shareholder Fix Date	Every September
General Shareholders' Meeting	Every December
Shareholder Registry Administrator	Sumitomo Mitsui Trust Bank, Limited
Trading Unit	100 shares * On October 1, 2013, stock split of 1:100 and at the same time, we adopted a Share Unit System which defines 100 shares as one trading unit.
Number of Issued Shares	Total number of issued shares: 63,213,300 shares * Each of the Company's common shares held by shareholders, whose names are recorded in the latest Registry of Shareholders on September 30, 2013 as the record date, was split into 100 shares.
Number of Shareholders	15,753
Public Announcements	Public notices from the Company shall be given by way of electronic public notice; provided, however, that in cases where it is unable to give public notice by way of electronic public notice due to an accident or other unavoidable circumstances, public notices from the Company shall be given by publication in the "Nihon Keizai Shimbun".

Distribution by Shareholder Type (As of September 30, 2015)



Main Shareholders (As of September 30, 2015)

Shareholders' Name	Shareholding	Shareholding Ratio (%)
Susumu Fujita	13,554,800	21.44%
TAIYO FUND, L.P.	3,109,300	4.92%
NORTHERN TRUST CO. (AVFC) SUB A/C NON TREATY	2,766,649	4.38%
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,789,900	2.83%
Japan Trustees Services Bank, Ltd. (Trust Account)	1,751,000	2.77%
JP MORGAN CHASE BANK 380055	1,097,141	1.74%
SAJAP	1,058,700	1.67%
THE BANK OF NEW YORK 133524	911,000	1.44%
THE BANK OF NEW YORK 132812	828,100	1.31%
BBH FOR OPPENHEIMER GLOBAL OPPORTUNITIES FUND	800,000	1.27%

*Shareholding ratio above is calculated to three decimal places and rounded up to the two decimal place.

*The number of shares of Treasury Stock is 444,800.

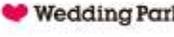
*On April 8, 2015, Taiyo Fund Management Co. LLC submitted a large shareholder report. The number of shares and shareholding ratio are 4,716,900 shares and 7.46%.

*On April 21, 2015, Baillie Gifford & Co submitted a large shareholder report. The number of shares and shareholding ratio are 7,019,900 shares and 11.11%.



Main Subsidiaries

The CyberAgent Group consists of 76 consolidated subsidiaries (as of September 30, 2015). We established specialized subsidiaries in each of our business domains and actively develop business in growth markets.

Media Business		
 AbemaTV	AbemaTV, Inc.	Development and operation of <i>AbemaTV</i> , free TV programs viewed via smartphones
 7gogo	7gogo, Inc.	Development and operation of <i>755</i> live talk app
Internet Advertising Business		
 CyberZ	CyberZ, Inc.	Advertising business for smartphones
 MicroAd	MicroAd, Inc.	RTB business (DSP, SSP)
 AMoAd	AMoAd, Inc.	Smartphone ad network business
 CA Reward	CAreward, Inc.	Smartphone reward advertising
 CA ADVANCE	CA Advance, Inc.	Supporting operations of Internet advertising and Internet media
 CyberBull	CyberBull, Inc.	Video advertising agency business
Game Business		
 Cygames	Cygames, Inc.	Game development (signature product: <i>GRANBLUE FANTASY</i>)
 Sumzap	Sumzap, Inc.	Game development (signature product: <i>Sengoku Enbu -KIZNA-</i>)
 Applibot	Applibot, Inc.	Game development (signature product: <i>Joker ~Gang Road~</i>)
 GCREST	GCREST, Inc.	Development of games for PCs and smartphones
Other Business		
 C.A. MOBILE	CA MOBILE, LTD.	Smartphone advertising and charging, etc.
 Wedding Park	WeddingPark, LTD.	Planning and administration of information sharing site for people preparing for weddings
Investment Development Business		
 <small>CyberAgent</small> Ventures	CyberAgent Ventures, Inc.	Venture capital business

History

1998

- Mar.** Founding of CyberAgent, Inc.
- Aug.** Launch of *CyberClick*, an advertising product developed by CyberAgent

1999

- Dec.** "Venture of the Year" award for 1999

2000

- Mar.** CyberAgent listed on the Tokyo Stock Exchange Mothers market

2003

- Sep.** Entry into online foreign exchange margin transaction business with the establishment of CyberAgent FX, Inc. (formerly CA Capital)

2004

- Sep.** *Ameba Blog* blogging service (now *Ameba*) launched
Positive annual results, commencement of dividend payments

2006

- Mar.** Number of registered *Ameba* users in excess of 1 million
- Apr.** Development of corporate venture capital business with the establishment of CyberAgent Ventures, Inc. (formerly CyberAgent Investment, Inc.)
- May** Start of mid-career recruitment of engineers
- Sep.** *Ameba Mobile* service launched

2007

- Jul.** Entry into the ad network business with the establishment of MicroAd, Inc.

2008

- Apr.** First intake of newly graduated engineers
- Oct.** Launch of CA8 director rotation system

2009

- Feb.** Launch of *Ameba Pigg* virtual space avatar service
- Apr.** CyberZ, Inc. established to strengthen the smartphone advertising business
- May** Entry into game business
- Sep.** Positive quarterly financial results for *Ameba*

2010

- Jul.** Number of registered *Ameba* users in excess of 10 million
Entry into the smartphone native game business with the establishment of Applibot, Inc.

2011

- Apr.** AMoAd, Inc. established to strengthen the smartphone ad network business
- May** Expansion of game development accelerated through the establishment of Cygames, Inc.
- Sep.** Consolidated net sales in excess of ¥100 billion
- Dec.** Number of registered *Ameba* users in excess of 20 million
Recruitment of engineers reinforced

2012

- Apr.** *Rage of Bahamut* the No. 1 game for smartphone in the United States
- Jun.** Launch of *Ameba* for smartphones
Engineering work force in excess of 40% of the total work force
- Oct.** Launch of *Girl Friend (BETA)* an *Ameba* game developed in-house
- Nov.** Large-scale promotion for *Ameba*

2013

- Jan.** CyberAgent FX, Inc. sold to Yahoo Japan Corporation
- Mar.** Cumulative total of registered game users in excess of 30 million
- Jun.** Entry into programming business for elementary school children with the establishment of CA Tech Kids, Inc.
- Aug.** Number of registered *Ameba* users in excess of 30 million
- Oct.** Ad Tech Division created as a dedicated unit specializing in the ad technology field

2014

- Feb.** Advertising technology company RightSegment, Inc. acquired as a consolidated subsidiary
- Apr.** Launch of CA18 executive officer system
- May** Introduction of "macalon Package" to promote career development for women
- Jun.** Net sales from smartphone-related business in excess of ¥100 billion
- Sep.** Move to the First Section of the Tokyo Stock Exchange
10th anniversary of launch of *Ameba* service
Ameba membership in excess of 40 million, total number of postings in over 1.9 billion
- Oct.** Launch of CA36 next-generation leadership development system

2015

- Jan.** Osaka Branch of Ad Tech Studio established
- Apr.** Changes to corporate logo and *Ameba* brand logo
Start of dynamic expansion of the video business, including the establishment of video-related business company, such as CyberBull, Inc. and AbemaTV, Inc.
- Jul.** *AmebaFRESH!Studio* opened
- Oct.** Online Video Lab to specialize in video advertising

Detailed financial information can be found in the September 2015 financial statements, which have been audited by the audit corporation.
The latest financial information is available from the following website.

 www.cyberagent.co.jp/en/ir/library/

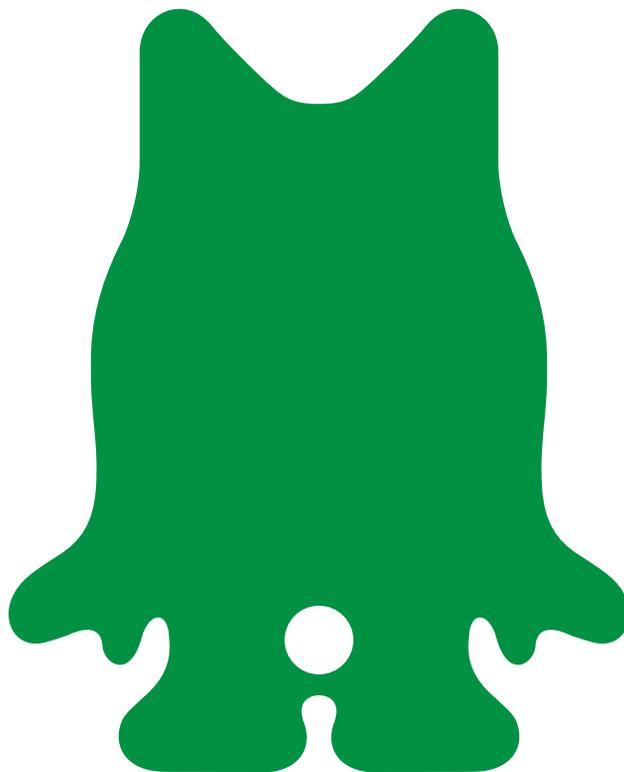
Important Information Concerning Forward-looking Statements

All opinions and forward-looking statements in this document are based on judgments made by the company at the time of writing, and no guarantee is provided concerning the accuracy of this information.

Readers should be aware that actual financial results and outcomes may differ from these opinions and forward-looking statements for a variety of reasons.



www.cyberagent.co.jp/en/



and then investing in the Media Business as a medium/long-term core pillar.

Operating Income Trends

