



Growing

Progress with Purpose

Forward

CyberAgent

Business Report 2014

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CyberAgent

Business Report 2014

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Growing Forward

CyberAgent has achieved continuing growth in the rapidly changing Internet industry.

This success is the result of innovation in step with contemporary trends.

The Internet industry requires little capital investment. Human resources are the most important assets.

We believe that human effort is the driving force for business innovation and the key to further growth.

We are determined to maintain consistent medium- and long-term strategies and continual business expansion through repeated cycles of evolution as a perennial venture business ready to accept every new challenge.

FACTOR
01

We do what we say. That's our style.

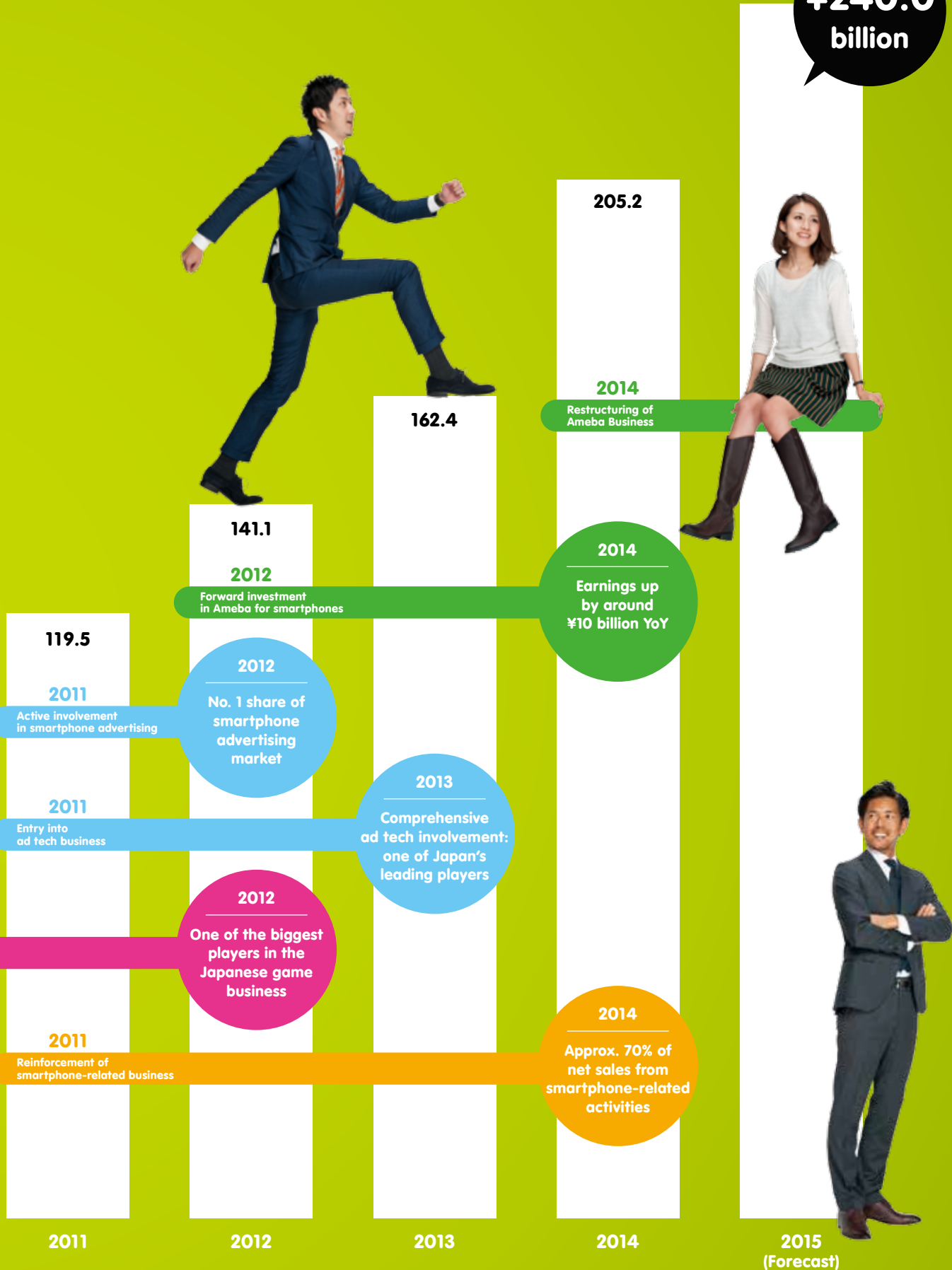
The power to act in tune with today

The Internet industry is evolving at a dizzying pace. Success depends on keeping up with changes in the environment, including faster transmission speeds, better devices and expanding access by diversifying services. Services soar to popularity and fade away just as quickly in this industry, and continuing growth can only be achieved by adapting business strategies and creating new businesses in step with changing trends. Since the establishment of CyberAgent in 1998, we have continually evolved through countless challenges by always doing what we say we will. That's our style.

This approach has produced results. We have created many new income sources, and we have achieved sustained organic growth. In 2014, CyberAgent adopted new strategies designed to generate further growth. In August, for example, we initiated the restructuring of the Ameba Business, and in October, we launched the Entertainment Business and the Community Business. Our ability to adapt flexibly to change will be a key strategic asset as we continue to expand our activities in the future.



¥240.0 billion



2011

2012

2013

2014

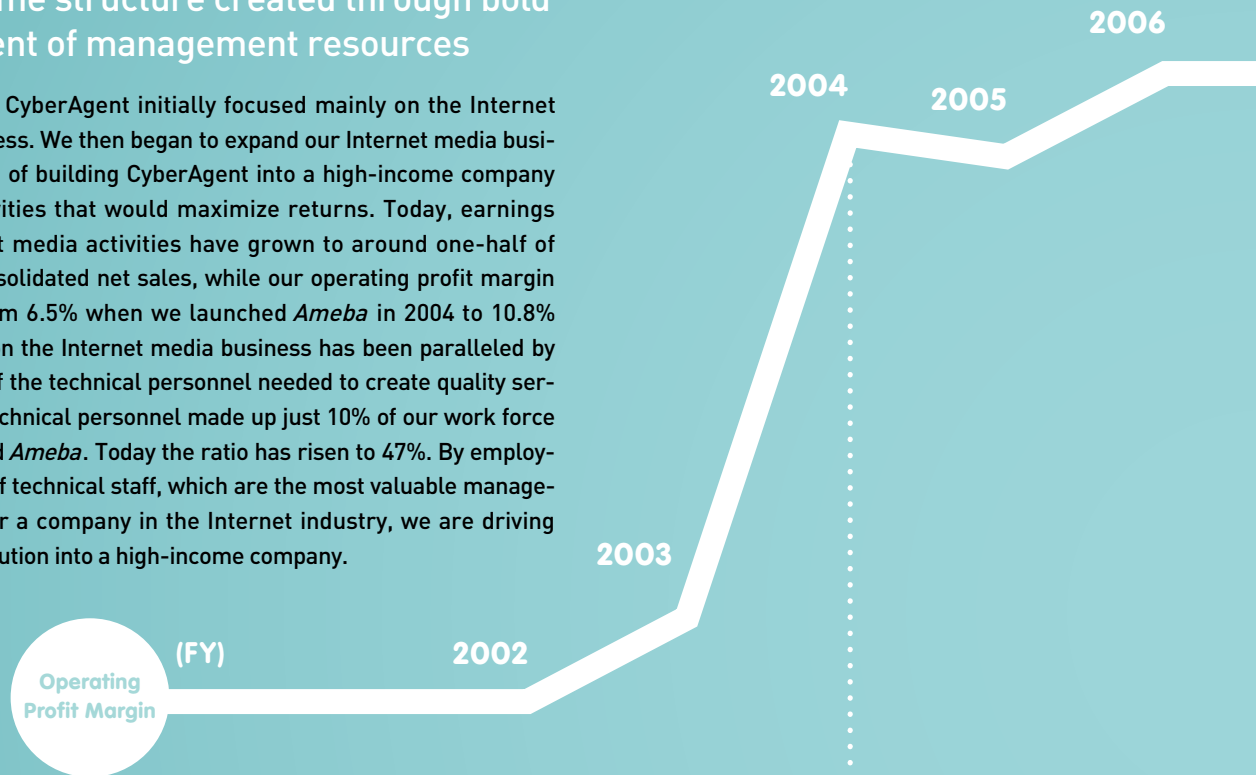
2015 (Forecast)

FACTOR
02

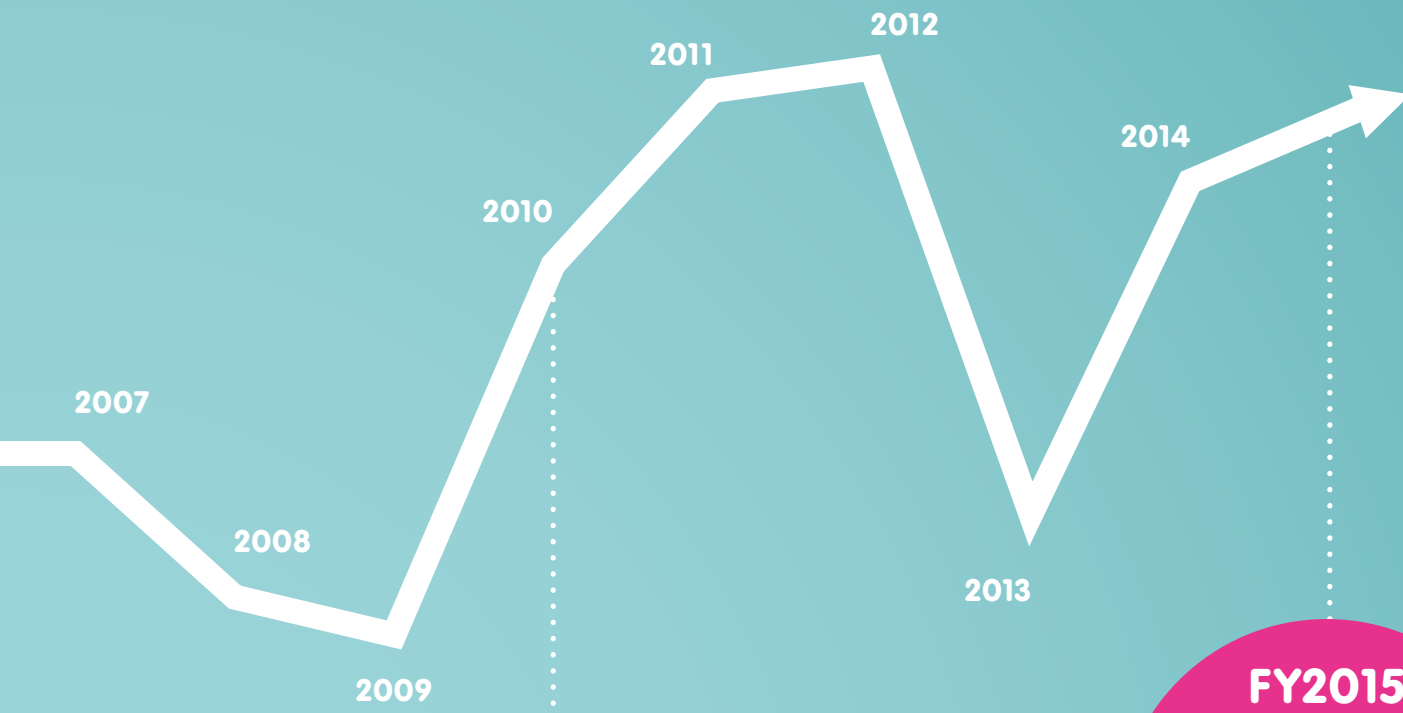
Transformed into a high-income company

A high-income structure created through bold redeployment of management resources

Founded in 1998, CyberAgent initially focused mainly on the Internet Advertising Business. We then began to expand our Internet media business with the aim of building CyberAgent into a high-income company by targeting activities that would maximize returns. Today, earnings from our Internet media activities have grown to around one-half of CyberAgent's consolidated net sales, while our operating profit margin has improved from 6.5% when we launched *Ameba* in 2004 to 10.8% today. Our focus on the Internet media business has been paralleled by our recruitment of the technical personnel needed to create quality services in-house. Technical personnel made up just 10% of our work force when we launched *Ameba*. Today the ratio has risen to 47%. By employing a large force of technical staff, which are the most valuable management resource for a company in the Internet industry, we are driving CyberAgent's evolution into a high-income company.



FY2004
Operating Profit Margin
6.5%



FY2010

Operating Profit Margin

9.7%

**FY2015
(Forecast)**

Operating Profit Margin

11.7%



FACTOR
03

Creating sources of continual growth

Through a new business-creation mechanism with
clearly defined exit criteria

J2 Ameba Business

J2 Sumzap, Inc.

J2 Internet Advertising Business

J2 Cygames, Inc.

J4 CAreward, Inc.

CyberAgent continues to create new businesses in step with changes in the market environment. Our experience is reflected in a steady rise in the success rate of new businesses over the years, and in the sustained growth of our activities. The mechanism behind this organic growth is the CyberAgent *Jigyō Jinzai Ikusei* (business and human resource development), or CAJJ, Program. By classifying subsidiaries and business activities into ten levels based mainly on operating income, this system creates an environment for improvement through competition. Business management is based on standards for promotion or demotion within specific periods. Failure to reach the required standard will result in demotion or liquidation for the business operation or subsidiary concerned, and replacement of those in charge. By establishing these clear exit criteria, we prevent the extended losses that result from stubborn persistence with unprofitable activities. This process also releases personnel work on new business initiatives, further enhancing the overall productivity of the CyberAgent Group.



J6 Applibot, Inc.

J4 CA MOBILE, LTD.

J6 GCREST, Inc.

J6 GRIPHONE, Inc.

J6 MicroAd, Inc.

Cash cow	J1	Operating income: ¥2,500 million or higher
	J2	Operating income: ¥1,000 million or higher
	J3	Operating income: ¥500 million or higher
Star	J4	Operating income: ¥100 million or higher
	J5	Operating income: ¥50 million or higher
—	J6	Operating income in positive figures
Problem child	J7	Operating loss
	J8	Operating loss of ¥45 million or less
Dog	J9	Operating loss under ¥100 million
	J10	Operating loss of ¥100 million or more

(J ranks as of September 30, 2014)

Basic policy

- CyberAgent will withdraw from any business that fails to achieve positive operating income within 18 months.
- CyberAgent will withdraw from any business that records reduced revenues and income in two successive quarters.
- CyberAgent will withdraw from any business that fails to achieve positive operating income with an initial investment not exceeding ¥100 million.



Opening doors to new growth areas

Seeking new challenges to drive our evolution

CyberAgent has always pursued organic growth without relying on major mergers and acquisitions. Our ability to create new businesses is a vital driving force for sustainable growth in the rapidly changing Internet industry. Since expanding into the smartphone-related business in 2011, we have continually strengthened this segment by establishing many new services. This strategy has been so successful that smartphone-related sales now account for 76.2%¹ of our consolidated net sales.

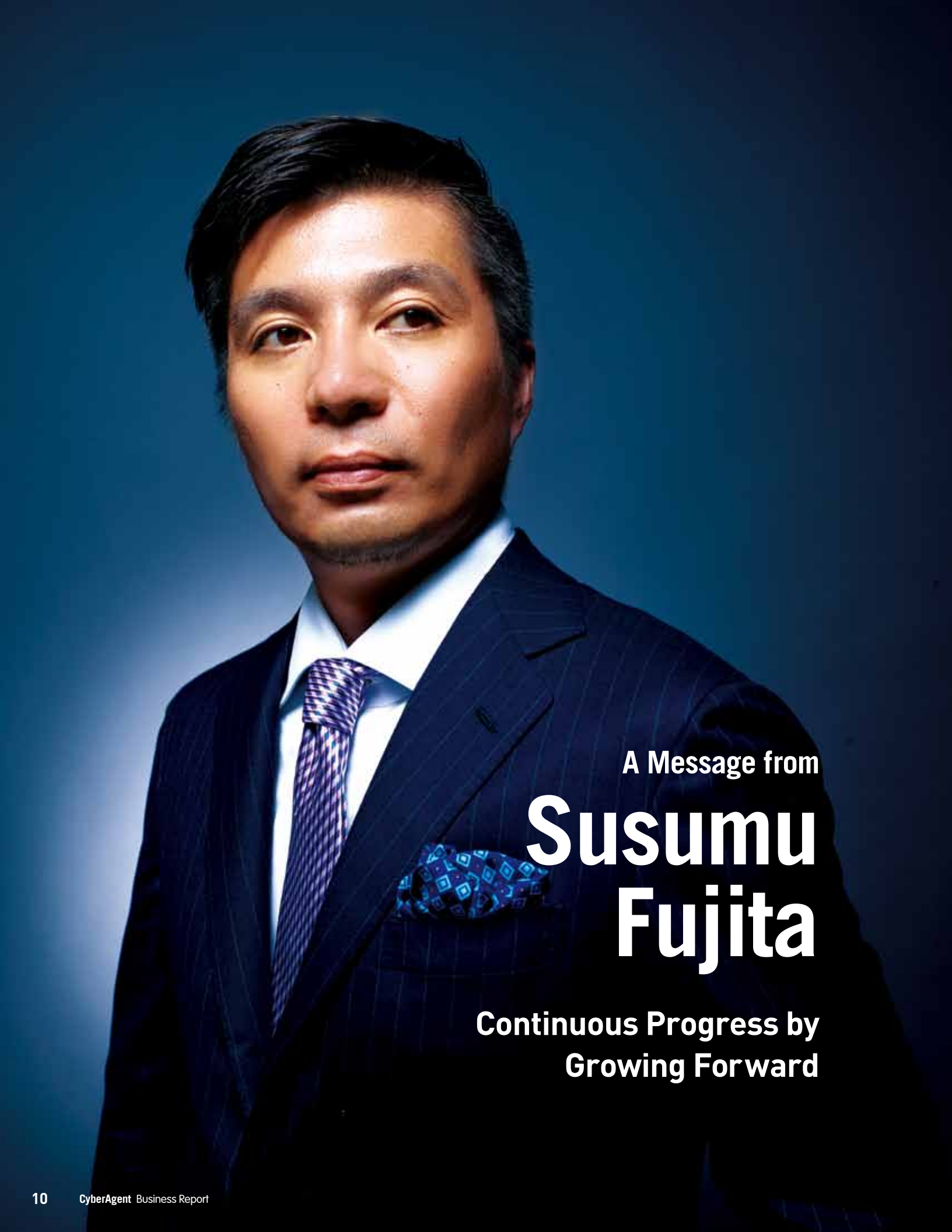
New services are constantly being added. In 2014, for example, we moved into the curation service² field, and we also launched the 755³ service, which allows users to watch and comment on live chat among celebrities and entertainers. In the year ended September 30, 2015, we will also develop the Entertainment Business, which will focus on streaming video and music, and the Community Business. Our strategy is to develop significant new income streams by investing human resources and management assets in these growth areas.

To create the 21st Century's leading company, we will continue to take up each new challenge boldly utilizing our strength of flexible adaptability to evolving environments.

1. Net sales from smartphone-related activities are calculated by subtracting net sales from the Investment Development Business from consolidated net sales in the fourth quarter of the year ended September 2014.
2. A curation service, repackages information from the Internet to provide new value.
3. Users of the rapidly growing 755 live talk app service include members of the all-girl pop group, AKB48, and the group's producer, Yasushi Akimoto, etc.







A Message from

Susumu Fujita

Continuous Progress by
Growing Forward

Top Message

A Message from Susumu Fujita

The seeds we have sown are starting to bear fruit as we evolve into a smartphone-based company.

Evolution into a Smartphone-based Company

We began to move into the smartphone-related market on a significant scale in 2011, and we have since intensively invested management resources, including human resources, in this area. While aware of the need to maintain a balance with existing income streams based on PCs and feature phones, we also recognized the risk of falling behind competitors that were specializing in smartphone-related services. We therefore made a decisive shift into the smartphone market, knowing that this would cause a temporary decline in our business performance. We decided to limit our consolidated operating income for the year ended September 2013 to just ¥10 billion, and to allocate the remainder of our income to investment in the smartphone-related business.

Following this up-front investment phase, we began to harvest the fruits of this commitment in the year ended September 2014. Consolidated net sales increased by 26% to ¥205.2 billion, while consolidated operating income was 2.2-times higher year on year at ¥22.2 billion. We have transformed CyberAgent into a smartphone-based company, and

smartphone-related activities now account for 76%¹ of our net sales.

Restructuring of the Ameba Business

We have created many new services through the Ameba Business with the aim of producing mega-hit smartphone services. Our improving ability to develop and operate smartphone services has resulted in many successful services, but there have also been failures. We also became aware of the need to move away from an organizational structure characterized by over-investment by reducing personnel numbers back to a more appropriate level. For these reasons, we began to restructure the Ameba Business in August 2014. Our aim was to make a new start by resizing the business to improve income ratios. This process halved the number of people working in the Ameba segment from around 1,600 to approximately 800.

Talk of work force downsizing creates a negative impression and can lead to misunderstandings in the stock market. However, our restructuring should be characterized not in terms of a balanced contraction, but rather as a positive move forward. There was a reason for our decision to reduce the

work force all at once. Gradual cuts have a negative effect on organizational morale because of continuing worries about further reductions. A sudden reduction may cause temporary alarm, but this is followed by a shift to a more positive mindset as people realize that the only way forward is growth. In fact, we believe that the mood within the Ameba segment has been positive, and we expect operating income in the year ending September 2015 to triple year on year to ¥8.0 billion. The completion of restructuring signals a new beginning and the start of a new growth phase for the Ameba Business.

We plan to shift from a browser-oriented strategy to one based on native smartphone games. We will also focus on the development of curation services and owned media, which are attracting intense interest at present, and on the creation of new businesses.

Unlocking Growth Potential to Create a Fourth Core Segment

We have achieved steady growth and increases in both revenues and income in our three existing core segments—the Ameba Business, the Internet Advertising Business and the game business. We are also moving into new growth areas. We have created the ad technology business to strengthen our Internet Advertising Business, and we are also developing the Community Business and Entertainment Business. Two newly appointed members of the Board of Directors have been put in charge of these new business segments. In the area of community services, we

A Message from Susumu Fujita



We will continue to target major hits by creating new services while also pursuing growth in our three existing core segments.

will shift from browser-based services to full native applications. We also plan to expand our earnings by selling forms of advertising designed to exploit the capabilities of smartphones, such as timeline advertising and native advertising. One of our new businesses is the 755 live talk application. We expect this business to make a running start thanks to the networks that we have built with performers and celebrities through the Ameba Business.

The Entertainment Business, including music, streaming videos and other media, is a totally new area for us. Demand for music and streaming videos that can be enjoyed via smartphones continues to expand in step with the growing popularity of smartphones and improvements in the telecommunications environment. This is especially true of music. Western

countries have led the way in the development of increasingly popular subscription streaming services which charge users fixed amounts to enjoy music without downloading by listening to music directly from incoming data streams. Our challenge is to bring this trend to Japan.

Expanding our No. 1 Share of the Internet Advertising Market

We are achieving high rates of return from our Internet Advertising Business. We already control the biggest share of the Japanese market, and we are continuing to expand that share. There has been a major shift toward smartphone advertising in the Internet advertising market, and our strength in that area has allowed us to achieve rapid growth. Another factor that is

driving the expansion of our market share is our determined efforts to strengthen our presence in the area of online ad operations, which are becoming the mainstream type of Internet advertising. In October 2013, we also began to focus on the ad technology business, and we assembled a team of 200 engineers to create the Ad Technology Studio. Our high growth rate reflects our success in adapting to changing trends.

Game Business Built on a Solid Portfolio

I see the fact that we consistently have multiple titles among the 50 top-selling games on the App Store and Google Play as evidence that CyberAgent has become a leading name in the Japanese game market. We predict that competition in the game market will intensify, and that only a few companies will survive in an environment in which it will be increasingly difficult to achieve hits. CyberAgent has built a solid portfolio, and I am confident that we will be among the survivors, and possibly be the market leader. Of course, we aim to produce even bigger hit games than our present products, but even if we cannot create big hits, I believe that we will still be able to create a business capable of generating a reliable income stream.

Investing in New Businesses for the Future

We currently have three core sources of earnings. We anticipate sustained

growth in all three of these segments, but we also aim to build one of our new business areas into a fourth core segment. We will strengthen some of these areas, especially ad technology, community services and entertainment. Currently, we have no plans for investment on a scale comparable to the level of expenditure during our rapid transition to a smartphone-based business. However, we will be deploying significant numbers of personnel with experience of the start-up phase of the smartphone-related business. I believe that in the years ahead new concepts and technological advances that we cannot imagine at present will transform our world. Once we perceive such changes, we need to take up the challenges without hesitation. Challenges and turning points can come at any time, and we must always be battle-ready.

Combining Corporate Social Responsibility with the Venture Spirit

In September 2014, we changed CyberAgent’s listing to the First Section of the Tokyo Stock Exchange. I believe that this new status will inspire us to even greater efforts to improve our corporate value and social credibility. At the same time, I gained a new awareness of the importance of CyberAgent’s venture spirit. The greatest danger when a company is listed on the First Section of the stock exchange is the tendency to become complacent about the company’s new status and to stop taking up challenges.

**Our Vision:
To Create the 21st Century’s Leading Company while Maintaining Our Venture Spirit**

We will be working even harder to ensure that the ability to take up challenges is valued and encouraged. That is why I announced at a general meeting of employees that our slogan chosen for the year ending September 2015 would be “Jumping in the dark.”

Returns to Shareholders, and a Message

As an Internet-based business, CyberAgent does not need to undertake large-scale capital investment in factories and other facilities as it expands. We regard shareholder returns as an important management priority, and we will endeavor to realize medium/long-term growth in our share price while continuously paying dividends. In the year ended September 2014, in addition to an ordinary dividend of ¥40, we also paid a ¥20 commemorative dividend to mark CyberAgent’s listing on the First Section of the Tokyo Stock Exchange. In the year ending September 2015, we plan to increase the dividend by 25%² year on year to ¥50. We have implemented share buy-back schemes four times in the past when our share price has fallen, and we will consider further buybacks in the future depending on stock market trends.

We are determined to earn the support of our shareholders by achieving continuous growth. We look forward to your continuing understanding and support.



November 2014
President

1. Net sales from smartphone-related activities are calculated by subtracting net sales from the Investment Development Business from consolidated net sales in the fourth quarter of the year ended September 2014.
2. Compared with the ordinary dividend, excluding the commemorative dividend paid in the year ended September 2014.

Highlights and Outlook

Consolidated net sales increased by 26.3% year on year to ¥205.2 billion thanks to the impetus from record growth in revenues from the Internet Advertising Business. There was also a ¥10.6 billion improvement in earnings from the Ameba Business, which went from an operating loss of ¥8.2 billion resulting from up-front investment in the year ended September 2013, to operating income of ¥2.4 billion in the current year. As a result, consolidated operating income was 2.2-times higher year on year and set a new record of ¥22.2 billion.

Our forecasts indicate that consolidated net sales will increase by 16.9% year on year to ¥240.0 billion and consolidated operating income by 26.0% to ¥28.0 billion.

Consolidated Net Sales and Operating Income

■ Net Sales ■ Operating Income

(Billions of yen)

Harvest in 2014

“Up-front investment” in 2013

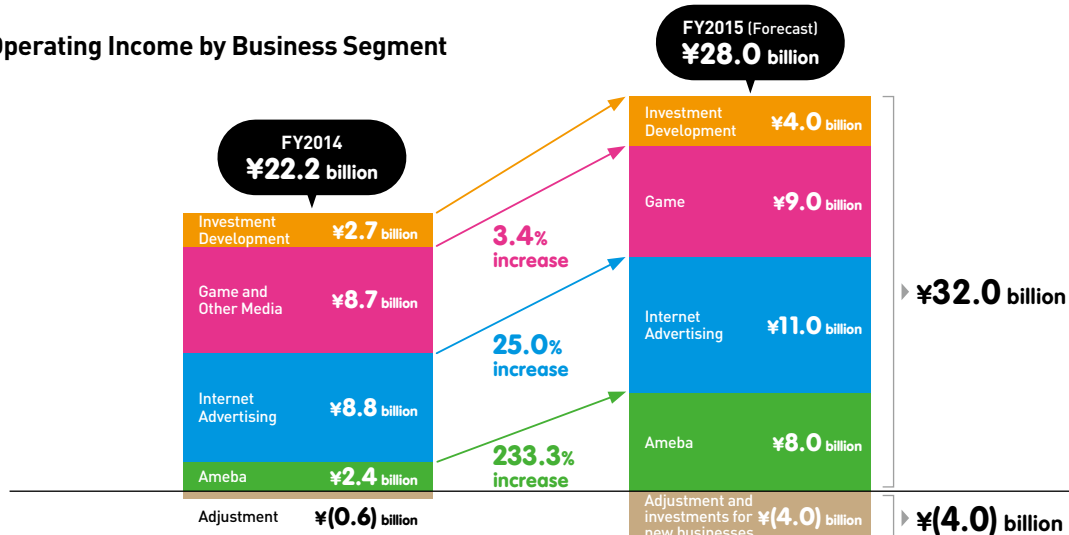
- Large-scale promotion of “Ameba Smartphone”
- Development of 100 smartphone services
- “Ameba Smartphone” was 5th-ranked in the number of website visitors
- No. 1 in smartphone ad volume

“Reform” in 2012

- Started cross-platform social media strategy on “Ameba Smartphone”
e.g., Shared log-in with other services IDs such as Facebook
- Reform of the Internet ad business
- Recruitment of many engineers

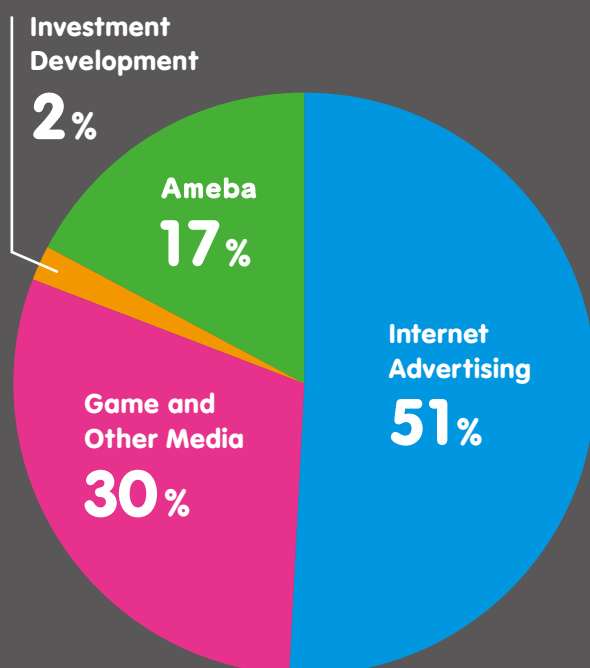


Operating Income by Business Segment



Building a Portfolio in Growth Areas of Smartphone-related Business

Segment Contributions to Net Sales¹



Ameba Business

Business development centering on Ameba services

Smartphone-related sales account for 69% of net sales. We are working to improve earning performance through structural changes.

Internet Advertising Business

Specializing in Internet advertising

CyberAgent is No. 1 in the Japanese market in terms of its share of the Internet advertising agency business and its earning performance.

Game and Other Media Businesses

Development and management of native smartphone games sold primarily through the App Store and Google Play

With multiple hit games, the CyberAgent Group is emerging as a leader in the Japanese market for native smartphone games.

Investment Development Business

An expanding involvement in corporate venture capital

The Japanese IPO market is booming.

Number of investments : 149 companies²
Amount of investment : ¥9.5 billion²

1. Intersegment sales (adjustments) were not included when calculating segment contributions to net sales.
Results for the year ended 2014

2. As of September 30, 2014

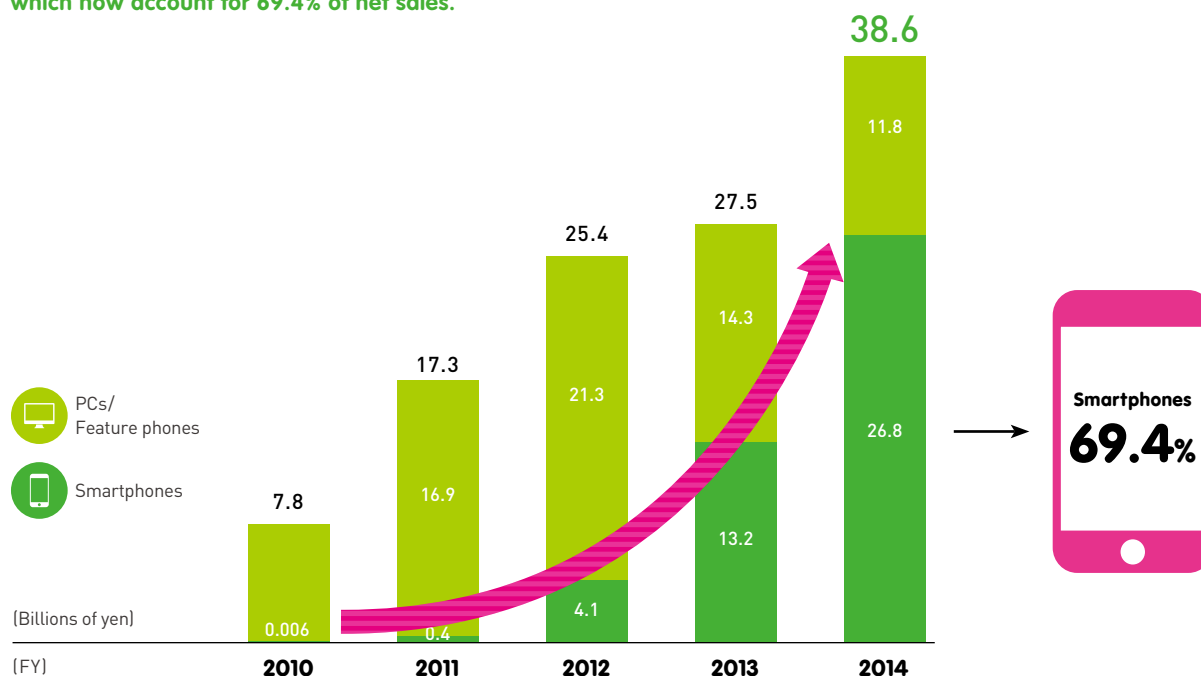
Ameba Business

From Up-front investment to Harvest

The *Ameba* service was first launched in 2004 as a blog service. In the year ended September 2013, we responded to the growing popularity of smartphones by investing approximately ¥8 billion in a major promotion. Awareness of our smartphone-based services rose rapidly, and today *Ameba* has grown into one of Japan's leading media channels, encompassing not only blogs, but also smartphone games and community services. Operating income improved by ¥10.6 billion to ¥2.4 billion in the year ended September 2014, and in the year ending September 2015 we aim to achieve operating income of ¥8.0 billion through restructuring.

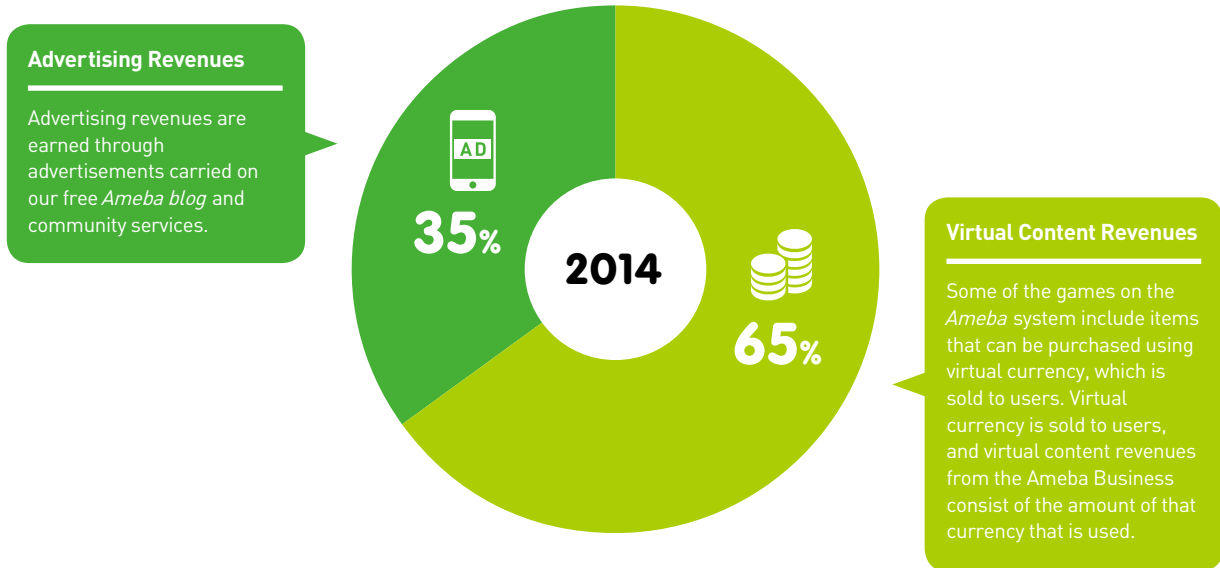
Net Sales by Device Type

In 2012, we shifted the focus of the Ameba Business toward smartphone-based services, which now account for 69.4% of net sales.



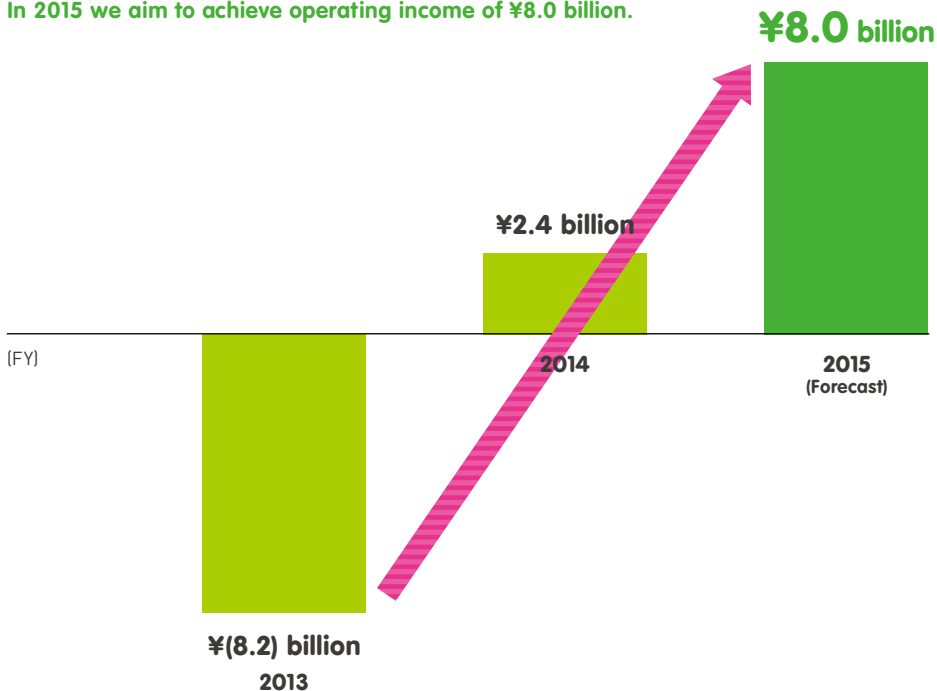
Breakdown of Sales

Net sales from the Ameba Business consist of advertising revenues and virtual content revenues.



Operating Income

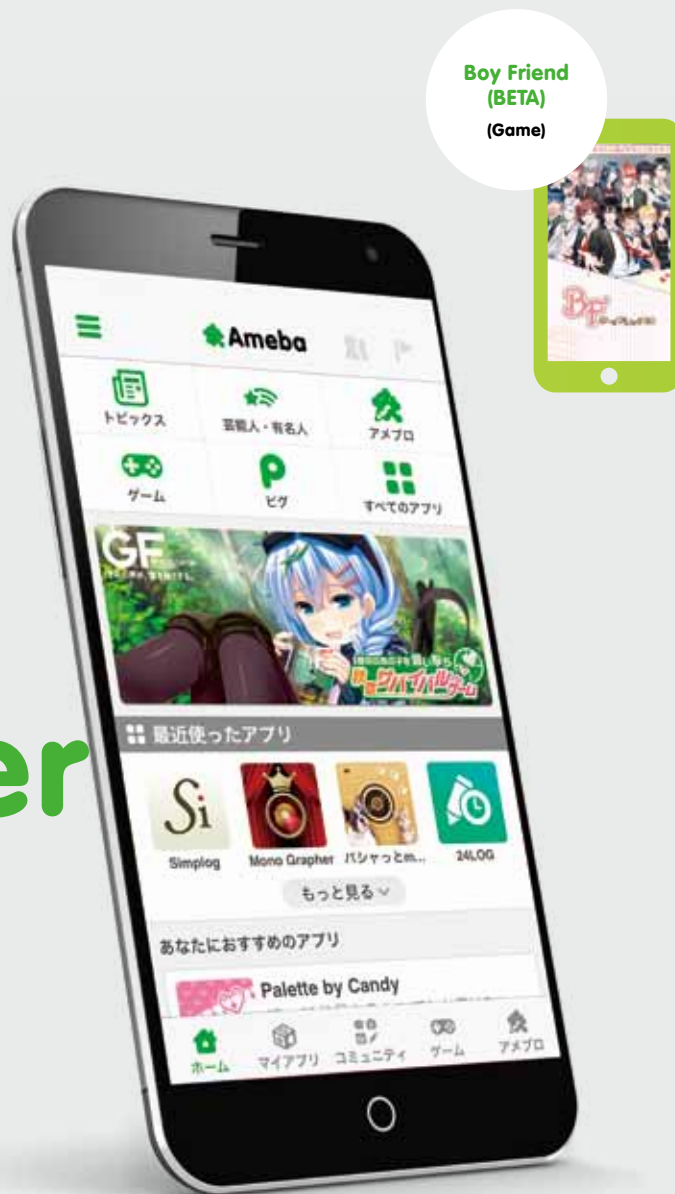
Following an up-front investment phase in 2013, the investment recovery phase began in 2014. In 2015 we aim to achieve operating income of ¥8.0 billion.



Making a Move for Further Growth

The Future of the Ameba Business

We have expanded the Ameba Business by providing blog and community services, together with games and other smartphone-related services. In the spring of 2014, we also moved into the new boom area of curation services, which create new value by repackaging content and information available on the Internet. We have already launched the *Spotlight* and *SELECTY* services. We are also focusing on developing new services and plan to introduce in the spring of 2015 “owned media,” a new type of media service that is expected to supersede blogs. In the area of games, we plan to shift from the browser-based strategy to one based on native smartphone games, and 9 new titles are already in preparation. Following the investment recovery phase, *Ameba* is about to enter a new growth phase following the completion of a restructuring process that has taken staffing levels back down to an appropriate level.



Boy Friend
(BETA)
(Game)



girls pic
(Community)



GIRL'S TALK
(Community)



Uchi no
Hime-sama ga
Ichiban Kawaii
(My Princess is Cutest)
(Game)

Ameba will
continue to evolve
and **Expand**
in step with user
preferences and
current trends.



SELECTY
(Curation media)

Spotlight
(Curation media)



Girl Friend
(BETA)
(Game)

Internet Advertising Business

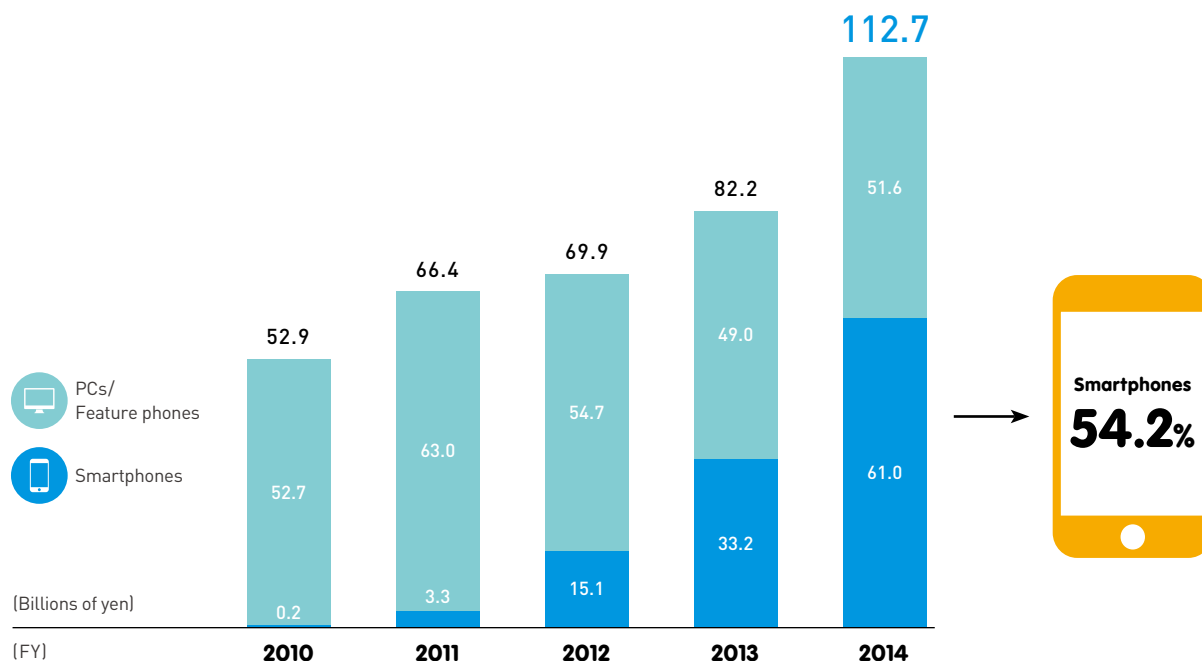
No. 1 Market Share and Still Expanding

Internet advertising has been a CyberAgent specialty since its founding in 1998, and today we are number one in this business area. Revenues continue to follow a steep growth curve, increasing by 35.1% in the year ended September 2014. The high earning performance of our advertising business is underscored by an operating profit margin of 7.9%¹, compared with an estimated average of 2–3% for advertising agencies. Driving this growth are the rapidly expanding areas of smartphone advertising and the ad technology business. CyberAgent's pioneering introduction of new advertising methods is reflected in its dominance of the smartphone advertising market with a market share of 31.0%². CyberAgent also offers Japan's most comprehensive range of ad technology services. We are determined to maintain this market leadership.

1. Based on actual results for the year ended September 2014.
 2. Calculated using actual results for the first 10 months of calendar year 2014.
 (Source: Data gathered with CyberZ, Inc. and Seed Planning, Inc. (2014))

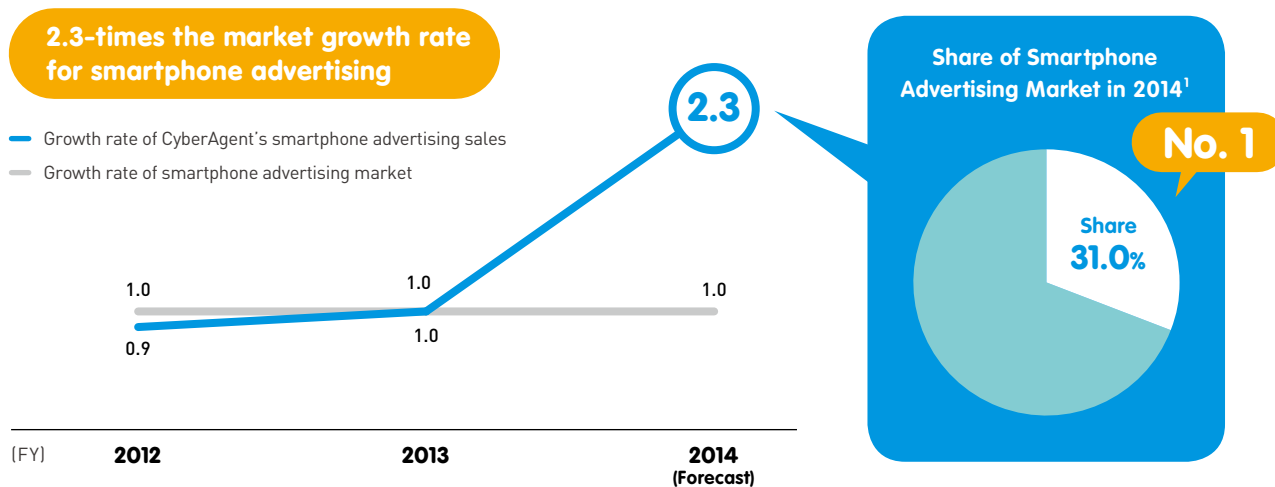
Net Sales by Device Type

Smartphone advertising sales increased by 83.8% to ¥61.0 billion in the year ended September 2014. This business area is a major revenue driver, accounting for 54.2% of net sales.



Smartphone Advertising—Growth Rate and Market Share

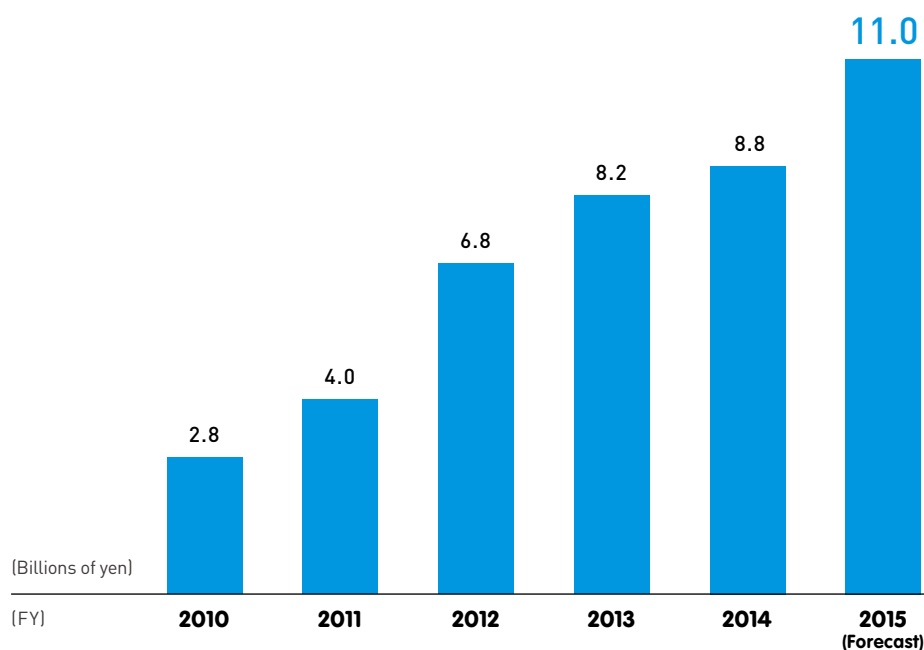
Between 2013 and 2014, the smartphone advertising market grew by 39.5%¹. CyberAgent's smartphone advertising sales expanded 2.3-times faster than this rapid growth rate, allowing us to capture a 31.0%² share of the market.



1. Source: Data gathered with CyberZ, Inc. and Seed Planning, Inc. (2014)
2. Calculated using actual results for the first 10 months of calendar year 2014.

Operating Income

In the year ended September 2014, operating income increased by 7.4% year on year to ¥8.8 billion. We aim to maintain the operating profit margin in the 7–8% range and increase operating income by 25% year on year to ¥11.0 billion in the year ending September 2015.





Strategic Promotions and Marketing Tools behind Hit Games



Smartphone advertising is a rapidly expanding market with an annual growth rate of around 40%. A major source of advertising in that market is the smartphone game industry, which actively uses web promotions to ensure the success of games. One of the top-selling games in the Japanese smartphone game market is *Monster Strike* by mixi, Inc. The continuing success of this product is the result of strategic web promotions. For a behind-the-scenes view of the factors that resulted in this huge hit, we asked Masaya Tamura, Marketing Group Manager of *Monster Strike* Studio at mixi, Inc., to take part in a dialog with Shingo Otomo, a director of CyberZ, Inc., which is a consolidated subsidiary of CyberAgent.

* The dialogue is about the Japanese version of *Monster Strike*.

Origin of Business Relationship

Tamura We had concluded that we would need to include web promotions in our promotion planning for *Monster Strike*, and we were evaluating potential partners to work with us. We decided to use CyberZ after learning about your extensive operational expertise and hearing positive reports from other games companies.

Monster Strike was mixi's first full-scale entry into the smartphone game market. We therefore enlisted the help of CyberZ, a company with wide-ranging

knowledge of web promotion, and we have since had CyberZ carry out many of our web promotion activities for *Monster Strike*.

Signs of a Hit after the First Promotion

Tamura We first began to provide the *Monster Strike* service for iOS, but our web promotion activities began with a pre-registration promotion for the launch of the Android service in December 2013. We used CyberZ's *Ichihaya!* preregistration system as part of a promotion targeted toward Android users. As more and more users

signed up, it became increasingly apparent that *Monster Strike* was going to be a hit.

Otomo We first launched the *Ichihaya!* System in June 2013. It allows users to earn premiums by registering for pre-release games or inviting their friends to register. Promotions based on *Ichihaya!* have been very well received. mixi was one of the early adopters to use a user referral system based on *SMS authentication**, which many other companies have since emulated.

* SMS authentication

This authentication method is based on the short messaging system (SMS) available on mobile phones. It is used to prevent fraudulent referrals.



This action RPG game for smartphones has been extremely popular with number one sales rankings on both App Store and Google Play. A key feature of the game is its support for collaborative play by up to four people at the same time. By October 27, 2014, just after the first anniversary of the game's launch on October 10, the world user base had reached a cumulative total in excess of 15 million. *Monster Strike* is available in Japan, Taiwan and North America.

The Role of Web Promotions in Creating Hit Games

Tamura We further enhance the enjoyment of *Monster Strike* players by regularly staging events inside the game. For example, we may collaborate with famous characters to arrange appearances in the game. We also put a lot of effort into our TV commercials, including the use of coordinated promotional activities that heighten the effectiveness of our web promotions by timing them to coincide with events and TV commercials.

Otomo We aim to achieve synergy benefits through our web promotions by adjusting the scale of our advertising and where we place it, and by coordinating the creative content of our advertising with events and TV commercials. We are currently managing over 100 widely varied creative banners.

Tamura Web promotions are obviously designed to appeal to people on the web who are unaware of *Monster Strike*, but I believe that when people who heard about *Monster Strike* through TV advertising encounter Internet advertising, they are reminded about the game and encouraged to download it. We want the creative content of advertising to trigger a desire to play the game in people who see our web advertising.

Otomo There are many people who retain an impression after viewing a TV commercial but do not download the game immediately. We put considerable effort into Internet advertising because we see it as an effective way to appeal to those

people, like the outdoor billboards that we encounter in various locations.

Tamura The cumulative world total of *Monster Strike* players exceeded 15 million just one year after the launch for the service. We believe that our web promotion activities have also helped to increase the number of users.

Web Promotions Effective for Over a Year

Tamura From the outset, the user-capture rates for our promotions were excellent. A year later we are still capturing users without any loss of effectiveness. There is a virtuous circle in which we can capture more users by increasing the volume of advertising submitted to ensure the efficiency of our promotions.

Otomo We use a variety of methods to ensure that promotions are effective. For example, we avoid concentrating advertising in one medium. When advertising is concentrated in a single medium, the benefits tend to appear in waves, with peaks followed by temporary troughs. To avoid this pattern, we continually distribute advertising through at least 10 media to achieve continual benefits.

Because we were able to create a virtuous circle, the promotion of *Monster Strike* on the web has been very successful. We have recently launched a new type of web promotion targeting users who have taken time off from *Monster Strike*. We have developed our own tool, Force Operation X, or F.O.X.*, for measuring the effectiveness of advertising. This allows us

to match our approach and the appeal of our promotions and communications by modifying, according to user characteristics, the angle of the advertising aimed at guiding users to the destination, so that we can encourage users to come back to *Monster Strike*.

Tamura I see F.O.X. as the key to advertising that encourages dormant users to return to *Monster Strike*. Because F.O.X. monitors usage patterns in detail, it allows us to match advertising to user characteristics. Apart from advertising, it is also useful for other aspects of game management, and we have started to use it with the overseas version of *Monster Strike* as an important marketing tool.

* Force Operation X (F.O.X.)

Provided by CyberZ, F.O.X. is Japan's first dedicated tool for measuring the effectiveness of smartphone advertising.



Expectations toward CyberZ

Tamura We expect advertising to produce new value. The amount earned per user is frequently used as a key advertising performance indicator, especially for web promotions. However, we believe that advertising can have a positive effect even if it does not lead directly to earnings. We hope that CyberZ will create an advertising effectiveness indicator that is not limited to capture rates. We also look forward to more advanced initiatives, such as the improvement of attribution* analysis.

* Attribution

The visualization of user actions that lead from the initial advertising contact to the achievement of results, such as downloads or product purchases.

Game and Other Media Businesses

A Leader in the Japanese Game Industry

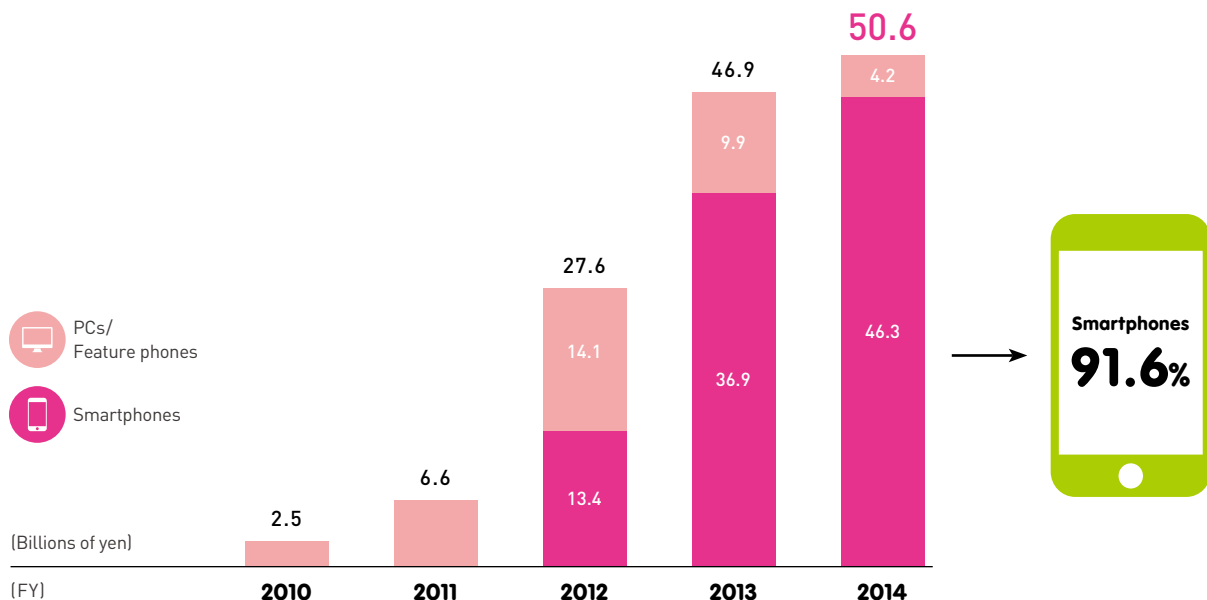
CyberAgent first became involved in the game business in 2009. Today we have 10 consolidated subsidiaries working in this business segment. These companies have kept pace with changing trends, and most of the 58 titles* that they currently supply were developed as native smartphone games. We plan to launch 19 new native smartphone games in the year ending September 2015. With multiple titles achieving top sales rankings on the App Store and Google Play, which are the platforms for native smartphone games, the CyberAgent Group is a leader in the Japanese game market. We aim to use the strengths of our subsidiaries to create hit games that will help to drive expansion of our share of the game market.

* As of September 30, 2014.

Net Sales by Device Type

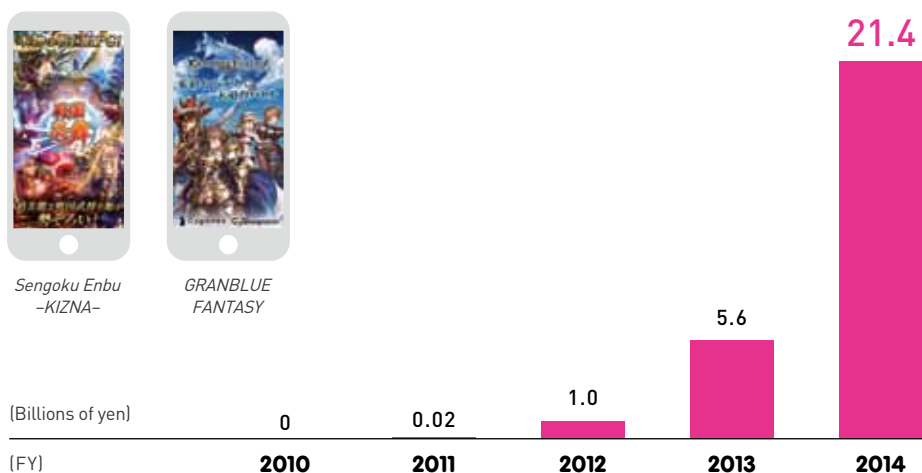
We have successfully shifted from games for PCs and feature phones to smartphone games. Smartphone games now account for 91.6%* of total net sales in this segment, and sales growth is driven by smartphone-based games.

* As of September 30, 2014.



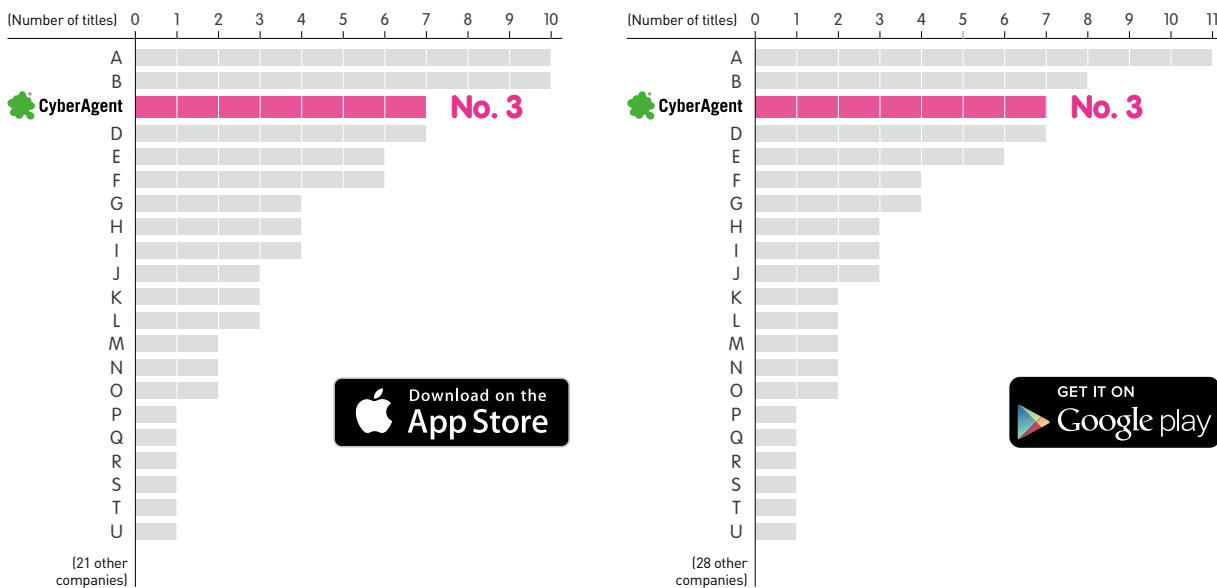
Sales of Native Smartphone Games

In the year ended September 2014, domestic sales of native smartphone games were 3.8-times higher year on year at ¥21.4 billion. There were multiple hit titles, including *Sengoku Enbu -KIZNA-* and *GRANBLUE FANTASY*.



Multiple Titles among Top 100 Native Smartphone Games

Many of our native smartphone games have achieved high sales rankings. The CyberAgent Group has become a major player in the Japanese game market and is among the three leading companies* in terms of the number of top 100 games.



* As of September 30, 2014. Top sales rankings for App DB and Android DB.

Our Commitment to Quality



Pursuing Creativity

We released browser versions of *GRANBLUE FANTASY* on March 10, 2014, followed on May 1, 2014 by the release of native versions for App Store and Google Play. With a cumulative total of 1.5 million downloads, this game reached its peak App Store sales ranking* of 11th just four months after its launch. *GRANBLUE FANTASY* is supplied by Cygames, Inc., one of the fastest-growing consolidated subsidiaries. These new games demonstrate our commitment to quality and creativity that are key to our continuing success in the face of escalating competition and ever-high levels of technology and quality in the native game market.

*As of September 1, 2014.

Magnificent world views

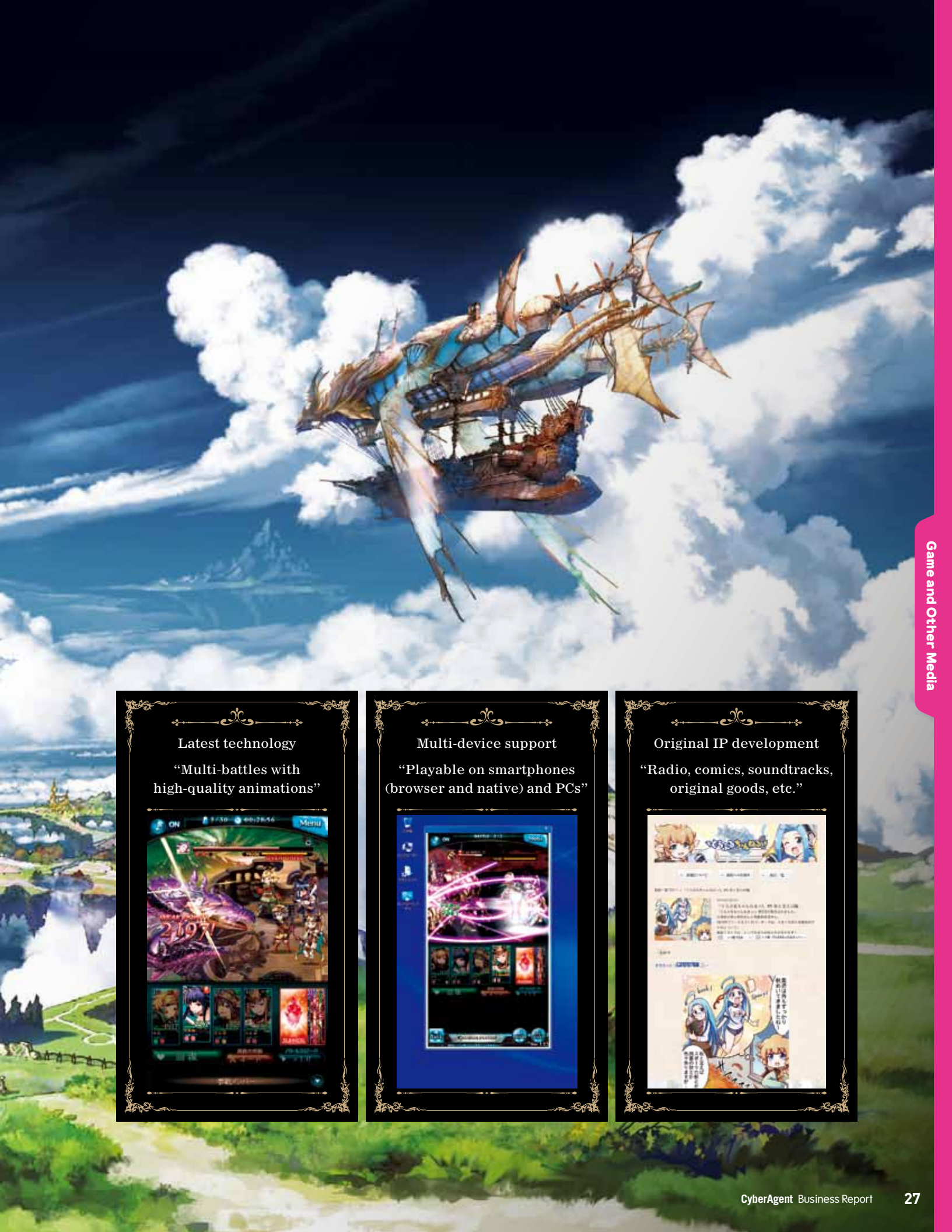
“Original
fantasy worlds”



Appeal to user empathy

“Unique
character designs”





Latest technology
“Multi-battles with high-quality animations”

Multi-device support
“Playable on smartphones (browser and native) and PCs”

Original IP development
“Radio, comics, soundtracks, original goods, etc.”

Investment Development Business

Investments Starting to Yield Returns Thanks to Buoyant IPO Market Activity

Surging activity in Japan's IPO market is helping to bring more and more companies in which we have invested to the listing stage. Since the start of our investment development activities in the year ended September 2004, we have invested mainly in Internet-related companies. Successes include Drecom Co., Ltd. (securities code: 3793) and mixi, Inc. (securities code: 2121), which were listed in February and September 2006, respectively. In 2014 we entered a major investment recovery phase with five companies¹ listed. The growth of this business sector is reflected in our forecast that cumulative operating income will reach ¥18.9 billion in the year ending September 2015. As of September 30, 2014, we have invested in a total of 149 companies, and the balance of investment in securities for sale stood at ¥9.5 billion. We will continue to use our experience in the development of wide-ranging Internet-based businesses to realize the value of the companies in which we invest.

1. Companies listed as of October 31, 2014

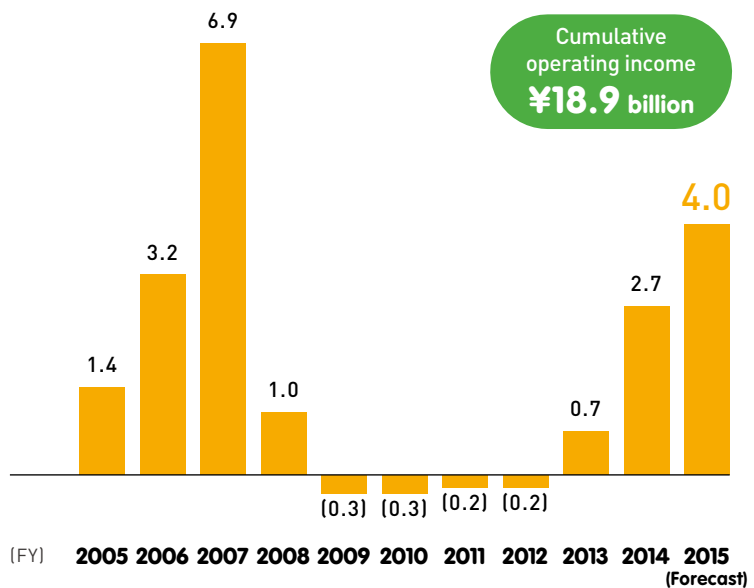
2014

- Jun. 27 Rarejob Inc.
- Jul. 2 VOYAGE GROUP, Inc.
- Sep. 17 LOCKON CO., LTD.
- Oct. 1 Daum Kakao Corporation²
- Oct. 22 Ceres inc.

2. Kakao Corporation, a company in which CyberAgent had invested, was listed after merging with Daum Communications Corporation on October 1, 2014.

Operating Income

(Billions of yen)



IPO Track Record		mixi	daumkakao	VOYAGE GROUP
anicom	土屋網 (Tsuchiyanami)	Full Speed	vector	Tenders
DRECOM	新井証券 (Shinai Securities)	宇嶽興行 (Utsukakou)	INTERSPACE	Synergy Marketing
OKWave	GTF (TREASURE FACTORY)	artment	MEDIAFLAG	株式会社セレス
MARVELL	O-uccino	Photo Create	CHOOZ	RareJob

Social Initiatives



CA Tech Kids

CA Tech Kids: Serving up IT Skills for Elementary Students

Japan needs to train highly skilled programmers in order to create employment and maintain its competitiveness in the IT industry. CyberAgent recognizes that providing this training from a young age is of importance to society, and our consolidated subsidiary, CA Tech Kids, Inc., regularly holds programming workshops for elementary school children. In addition to teaching the children about programming through the development of iPhone apps and 2D games, these workshops also help to foster imagination. The aim of this initiative is to develop a pool of talented programmers for the future.

Woman & Crowd



Source: stride, Inc.

Support for Women Raising Children Woman & Crowd Platform

Working patterns for women are becoming increasingly diversified. CyberAgent will continue to support new working modes for women by maintaining the Woman & Crowd platform, which employs online crowd sourcing to match mothers of young children with individual and corporate clients wishing to offer work, and by organizing seminars and events.

Employment of Women

CyberAgent's employment systems for women

macalon



The originator of macalon
Human Resource Division
Mother of 4-year-old twins

Recently the Japanese government launched a campaign to encourage women to participate in the work force. One of the targets was to increase the percentage of executive positions held by women to at least 30% by 2020. In May 2014, CyberAgent established its own systems to promote employment of women. This new system is known as the "macalon Package." "macalon" is a pun on the tasty French macaron confection, currently popular in Japan, and a word created by joining the "ma" from "Mama" with "ca" representing CyberAgent, and the first three letters of the English word "long"—expresses CyberAgent's commitment to long-term careers for women with children.

Although CyberAgent is a venture company, we aim to retain our employees throughout their working

What is the attraction of CyberAgent?

90% of women return to CyberAgent after taking maternity or childcare leave.



CyberAgent has created a working environment in which assessments focus more on results than hours worked.

President and Representative Director of stride, Inc.
Returned from leave in August 2014
Mother of 4-year-old and a baby



CyberAgent has a corporate culture in which each individual's wishes about their area of work are respected as much as possible.

Producer, Ameba Business Division
Joined CyberAgent as a college graduate after the birth of her child
Mother of a 2-year-old

lives by creating work environments in which talented people can continue to achieve and contribute on a long-term basis. Particularly important are our employment support systems for women, which include reduced working hours and childbirth allowances, in addition to systems to assist employees with raising young children, such as opportunities for social interaction with other employees who are parents.

The average age of our female employees has risen to 29.5 years (as of September 30, 2014). We expect further growth in the number of employees entering the child-bearing or child-raising phases of their lives, and we have therefore introduced the "macalon Package" a new support system for female employees in addition to our existing human resource management systems. The four core components of the "macalon Package" are as follows.

1. **Conception Leave:**
Leave for fertility treatment and other fertility-related activities
2. **Conception Counseling:**
Individual counseling by fertility specialists

3. **Emergency Work at Home:**
Parental work-at-home scheme for employees whose children require care due to sudden illness or temporary isolation from kindergarten attendance

4. **Kids' Day Leave:**
Leave for children's school events and special occasions, such as kindergarten and school entrance ceremonies and open days

Of course, these systems are also available to male employees. CyberAgent employs a variety of innovative approaches to ensure the systems are actually used. For example, if an employee takes Conception Leave, it is paid vacation and, along with all leave in this package, simply referred to as "F Leave" to ensure that other employees are never aware of the purpose for which one of their colleagues has obtained leave.

This attention to detail in our approach to the development of systems and working environments is reflected in the percentage of executive positions in CyberAgent, including producer and director positions that are held by women. At the non-consolidated

level, the ratio has reached 22.8% (as of September 30, 2014). The range of career paths for women is also expanding to include not only executive positions but also work in sales, design and other areas. More and more women are opting for professional careers as key players in their chosen fields. Many women working for CyberAgent are eager to build successful careers without facing restrictions based on gender or life stage. By creating systems to support those women, we will continue to build a corporate culture in which all employees will be able to enjoy long and fulfilling working lives.



There are senior women colleagues who have children.

Sales executive,
Internet Advertising Business Division
Returned from leave in September 2014
Mother of a 1-year-old



CyberAgent provides an environment in which I discover new challenges and can build a career that exceeds my own expectations.

Leader,
Sumzap, Inc.
Returned from leave in April 2013
Mother of a 2-year-old



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.

In December 2014, two new directors were elected from the Community Business and the Entertainment Business, which have been identified as sources of new earnings in the future.

Managing Director
Executive Manager
for Head Office Function

Go Nakayama

Managing Director
Executive Manager
for the Ameba Business

Masahide Koike

Vice President
Executive Manager
for the Game Business

Yusuke Hidaka

Director
Executive Manager
for the Entertainment Business

Hiroki Urabe (New)



President

Susumu Fujita



Director
Executive Manager
for the Community Business

So Miyazaki (New)



Executive Managing Director
Executive Manager
for the Internet Advertising Business

Yasuo Okamoto




Director
Executive Manager
for the Smartphone Advertising Business

Takahiro Yamauchi



Internet Advertising
Business Division


Eiji Koike



Ad Technology
Business Division


Takahito Naito

CA18



Ameba
Business Division


Yuka Yokoyama



Applibot, Inc.


Koki Ukita

In April 2014, we introduced the new CA18 executive officer system. The aim of this system is to develop a new generation of managers while improving the scope of management information and enhancing management transparency by selecting ten talented individuals to work alongside the CA8 team of directors. In principle, three CA18 members will be replaced each year, nurturing people to become future management executives. In October 2014, we also launched the CA36 next-generation leadership development system.



Ameba
Business Division

Takunori Fujii



Ameba
Business Division

Norishige Nagase



Management Office
Jun Yokota



Human Resources Division
Tetsuhito Soyama



Internet Advertising
Business Division
Manabu Date



System Division
Masato Sato

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 Corporate Investment Co., Ltd.)

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



Corporate Auditor **Independent Director**
Isao Numata

April 1988
Entered Daiwa Securities Co. Ltd.

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)

Corporate Governance

In 2006, CyberAgent adopted anti-takeover measures to prevent large-scale purchasing of its shares. These measures have since been updated three times, but we have now decided that there has been a relative decline in their importance to the continuing improvement of our corporate value. **Anti-takeover measures were therefore allowed to expire at the conclusion of the 17th general meeting of shareholders on December 12, 2014.**

Despite the abolition of the anti-takeover measures, we will actively gather and disclose accurate information in the event of large-scale purchasing of our shares. We will also take appropriate action within the limits set down in laws and regulations and our corporate articles. We remain determined to improve our corporate value, and to secure and advance the common interests of our shareholders.

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.

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 directors, 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 14 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 2014 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, 2014 was 700,300, which is equivalent to 1.1% of the total number of shares issued and outstanding, including treasury stock. The assumed total paid-up value is ¥1,695,817,200.

Policies and Initiatives Relating to the Role of Women in CyberAgent

CyberAgent supports the Japanese government's policy of encouraging women to play a greater role in the economy and the workforce. In May 2014, we introduced four new systems to help women build long-term careers. We coined the word "macalon," consisting of "ma" from "Mama," "ca" standing for "CyberAgent" and "lon" from the English word "long," as the name for this new package. Its aim is to create an improved working environment in which women can continue to work after bearing and/or raising children.

All employees, regardless of gender, are assessed according to ability and results for recruitment, for promotion, and at other career stages. On a non-consolidated basis, women held 22.8%* of executive positions, including project producers and directors in our work force. Women holding senior positions in our consolidated subsidiaries include one representative director, two directors and five Corporate Auditors*.

See Page 30 for details of the new system and further information about the role of women in CyberAgent.

* As of September 30, 2014.

Financial Section

Consolidated Financial Highlights 5-year Summary

[Unit: Millions of yen]

Fiscal Years Ended September 30 (October 1—September 30)	2010	2011	2012	2013	2014
Consolidated Performance					
Net sales	96,650	119,578	141,111	162,493	205,234
Operating income	9,337	14,349	17,410	10,318	22,220
Operating profit margin (%)	9.7	12.0	12.3	6.4	10.8
Ordinary income	9,225	14,114	17,146	10,570	22,188
Net income	5,493	7,323	8,522	10,504	9,556
Consolidated Financial Position					
Total assets	83,723	111,689	136,366	81,425	100,545
Net assets	33,464	38,677	43,594	50,587	63,175
Shareholders' equity ratio (%)	36.0	33.0	30.6	56.0	54.2
Consolidated Cash Flows					
Cash flow from operating activities	10,969	8,268	13,627	4,980	15,024
Cash flow from investing activities	(7,796)	(8,564)	(10,913)	10,837	(11,457)
Cash flow from financing activities	(954)	(1,665)	(1,548)	(7,081)	(765)
Cash and cash equivalents at end of the period	20,134	18,108	19,248	28,448	31,439
Per Share Data (Yen)					
Net income per share	84.73	112.81	131.62	166.41	153.07
Net assets per share	465.11	564.99	645.18	731.86	872.69

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

As of the end of March 2014, the smartphone ownership rate surpassed 50 percent (53.5%). The social networking service (SNS) is becoming increasingly popular, with 63.3% of smartphone owners using SNS¹. With smartphone use continuing to grow, the FY2013 smartphone game market grew to ¥546.8 billion² (up 78.0% from the previous year) and the Internet advertising market grew to ¥938.1 billion³ (up 8.1% from the previous year). Under these circumstances, the Group focused our business resources on the smartphone related businesses, centered on our key business, *Ameba*. Smartphone-related sales for this consolidated fiscal year grew to 71.2% of total sales (excluding

Investment Development business), indicating the shift from up-front investment period to the harvest season.

As a result, the Group's operating results for this consolidated fiscal year were as follows. Net sales reached ¥205,234 million (up 26.3% from the same period of the previous year); operating income reached ¥22,220 million (up 115.3% from the same period of the previous year); ordinary income reached ¥22,188 million (up 109.9% from the same period of the previous year). Net income reached ¥9,556 million (down 9.0% from the same period of the previous year) mainly due to gain on sales of subsidiaries and affiliates' stocks of ¥16,661 million in the same period of the previous year.

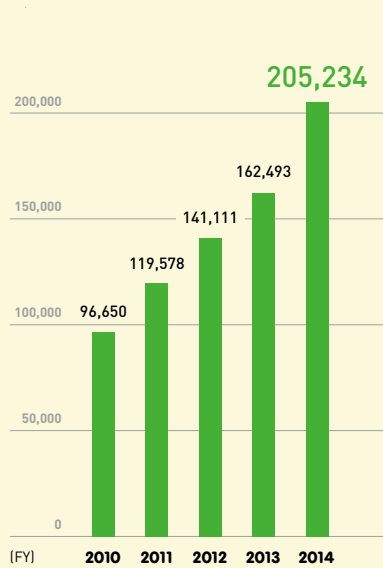
1. Source: MIC 2014 White Paper Information and Communications in Japan.

2. Source: CyberZ, Inc./Seed Planning, Inc. "Smartphone Market Trends Survey."

3. Source: "Advertising Expenditures in Japan" compiled by DENTSU INC.

Consolidated Net Sales

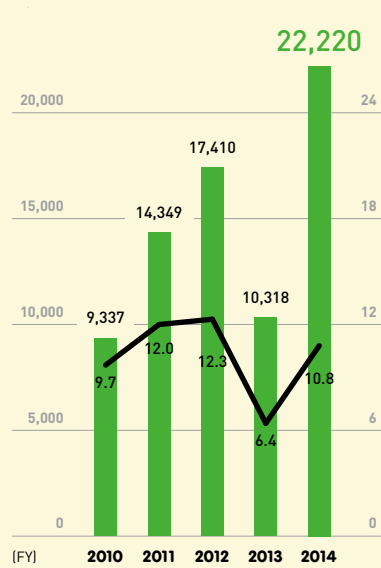
(Millions of yen)



Consolidated Operating Income/ Consolidated Operating Profit Margin

(Millions of yen)

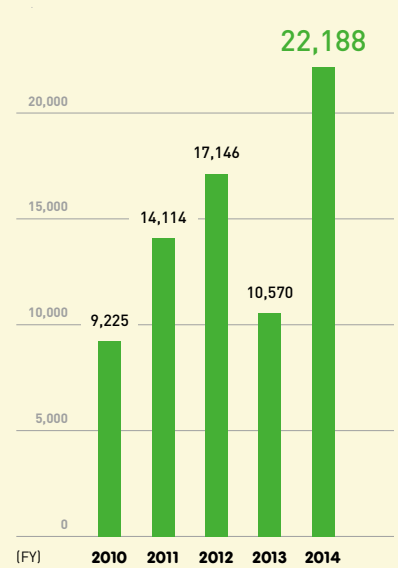
(%)



■ Consolidated Operating Income
— Consolidated Operating Profit Margin

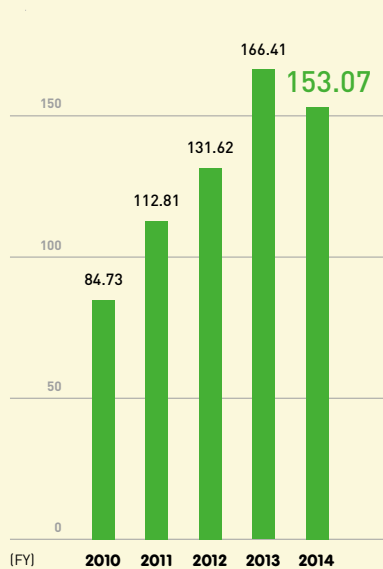
Consolidated Ordinary Income

(Millions of yen)



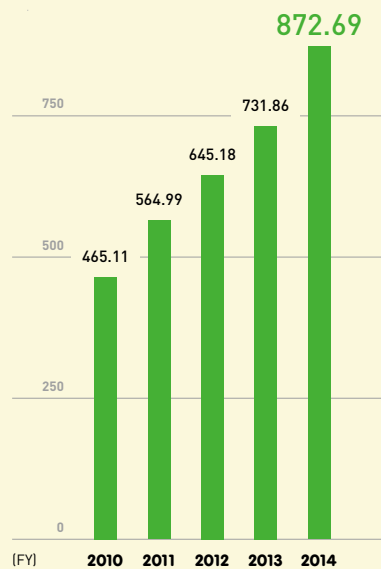
Net Income per Share

(Yen)



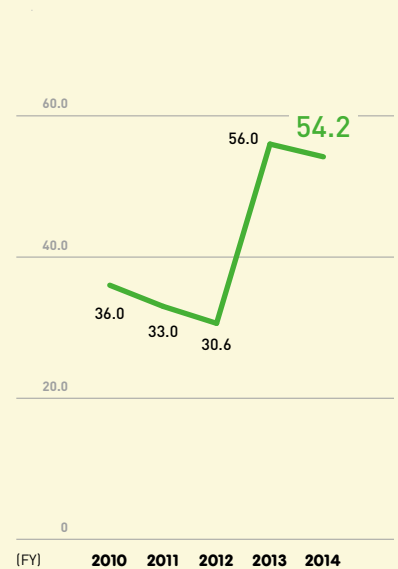
Net Assets per Share

(Yen)



Shareholders' Equity Ratio

(%)



Consolidated Balance Sheets

(Unit: Millions of yen)

Fiscal Years Ended September 30 (October 1—September 30)	2010	2011	2012	2013	2014
Assets					
Current assets					
Cash and deposits	21,428	20,755	20,925	28,455	31,446
Accounts and notes receivable—trade	12,531	14,917	21,192	22,881	28,807
Inventories	231	184	92	164	39
Sales investment securities	2,216	3,069	3,638	5,619	9,517
Foreign exchange dealings cash segregated as deposits for customers	22,924	34,023	51,644	—	—
Foreign exchange dealings variation margin paid for customers	8,370	14,170	12,252	—	—
Deferred tax assets	1,409	1,538	1,326	1,581	1,431
Other	3,230	8,807	5,243	2,260	2,410
Allowance for doubtful accounts	(71)	(53)	(46)	(47)	(46)
Total current assets	72,272	97,414	116,268	60,916	73,605
Non-current assets					
Property, plant and equipment					
Buildings and structures	845	1,378	1,987	2,150	2,406
Accumulated depreciation	(364)	(603)	(510)	(635)	(692)
Buildings and structures, net	481	775	1,476	1,514	1,714
Tools, furniture and fixtures	3,562	4,386	5,888	6,791	9,103
Accumulated depreciation	(2,409)	(2,977)	(3,702)	(4,229)	(4,856)
Tools, furniture and fixtures, net	1,153	1,409	2,186	2,561	4,247
Construction in progress	12	—	148	261	—
Other	25	19	13	8	28
Total property, plant and equipment	1,673	2,204	3,825	4,346	5,989
Intangible assets					
Goodwill	2,308	3,102	2,991	2,812	3,735
Software	2,240	2,507	4,981	4,812	7,042
Other	383	945	2,046	2,792	3,561
Total intangible assets	4,932	6,555	10,019	10,417	14,339
Investments and other assets					
Investment securities	3,153	3,693	2,740	2,613	2,708
Long-term loans receivable	38	8	12	8	8
Deferred tax assets	267	382	898	1,233	1,353
Other	1,478	1,506	2,653	1,908	2,598
Allowance for doubtful accounts	(93)	(77)	(53)	(19)	(58)
Total investments and other assets	4,845	5,514	6,252	5,744	6,609
Total non-current assets	11,451	14,274	20,097	20,509	26,939
Total assets	83,723	111,689	136,366	81,425	100,545

* Certain prior year amounts have been reclassified to conform to the presentations as of September 30, 2014.

* 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)	2010	2011	2012	2013	2014
Liabilities					
Current liabilities					
Notes and accounts payable—trade	7,632	8,594	12,226	14,268	17,681
Notes and accounts payable—other	2,847	3,536	6,608	5,076	8,235
Short-term loans payable	220	220	220	—	30
Income tax payable	3,141	4,353	4,711	6,971	4,604
Foreign exchange dealings deposits from customers	30,782	47,896	63,468	—	—
Other	4,772	6,086	4,343	3,545	5,778
Total current liabilities	49,396	70,686	91,579	29,861	36,329
Non-current liabilities					
Bonds payable	500	300	100	—	—
Long-term loans payable	309	1,515	315	47	—
Accrued long service rewards for employees	—	—	122	267	344
Asset retirement obligation	—	364	624	658	695
Other	52	139	24	3	—
Total non-current liabilities	862	2,319	1,187	976	1,040
Reserves under the special laws					
Total reserves under the special laws	—	5	4	—	—
Total liabilities	50,259	73,011	92,771	30,837	37,369
Net assets					
Shareholders' equity					
Capital stock	6,771	7,177	7,203	7,203	7,203
Capital surplus	5,106	5,512	5,400	2,289	2,393
Retained earnings	18,374	24,268	30,379	37,439	44,745
Treasury stock	—	—	(1,388)	(1,933)	(1,522)
Total shareholders' equity	30,252	36,958	41,595	44,999	52,819
Other comprehensive income					
Valuation difference on available-for-sale securities	24	76	310	436	1,415
Foreign currency translation adjustments	(121)	(183)	(138)	157	301
Total other comprehensive income	(96)	(107)	171	594	1,717
Subscription rights to shares	27	64	121	152	199
Minority interests	3,281	1,761	1,705	4,840	8,439
Total net assets	33,464	38,677	43,594	50,587	63,175
Total liabilities and net assets	83,723	111,689	136,366	81,425	100,545

Consolidated Statements of Changes in Shareholders' Equity

(Unit: Millions of yen)

Fiscal Years Ended September 30 (October 1—September 30)	2010	2011	2012	2013	2014
Shareholders' equity					
Capital stock					
Balance at the beginning of current period	6,771	6,771	7,177	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	6,771	7,177	7,203	7,203	7,203
Capital surplus					
Balance at the beginning of current period	5,106	5,106	5,512	5,400	2,289
Changes of items during the period					
Cancellation of treasury stock	—	—	—	(4,305)	—
Disposal of treasury stock	—	—	(137)	(9)	103
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
Balance at the end of current period	5,106	5,512	5,400	2,289	2,393
Retained earnings					
Balance at the beginning of current period	13,536	18,374	24,268	30,379	37,439
Changes of items during the period					
Dividends from surplus	(648)	(1,426)	(2,282)	(2,265)	(2,180)
Transfer to capital surplus from retained earnings	—	—	—	(1,203)	—
Decrease of retained earnings by increase of consolidated subsidiaries	—	(3)	—	—	—
Increase of retained earnings by decrease of consolidated subsidiaries	6	—	—	—	—
Decrease of retained earnings by decrease of consolidated subsidiaries	(14)	—	(128)	—	—
Change of scope of equity method	—	—	—	24	(70)
Net income	5,493	7,323	8,522	10,504	9,556
Total changes of items during the period	4,837	5,893	6,111	7,060	7,306
Balance at the end of current period	18,374	24,268	30,379	37,439	44,745
Treasury stock					
Balance at the beginning of current period	—	—	—	(1,388)	(1,933)
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
Total changes of items during the period	—	—	(1,388)	(545)	410
Balance at the end of current period	—	—	(1,388)	(1,933)	(1,522)
Total shareholders' equity					
Balance at the beginning of current period	25,415	30,252	36,958	41,595	44,999
Changes of items during the period					
Issuance of new shares	—	812	51	—	—
Dividends from surplus	(648)	(1,426)	(2,282)	(2,265)	(2,180)
Purchase of treasury stock	—	—	(1,999)	(4,999)	—
Disposal of treasury stock	—	—	611	140	513
Decrease of capital surplus by disposal of treasury stock	—	—	(137)	—	—
Decrease of retained earnings by increase of consolidated subsidiaries	—	(3)	—	—	—
Increase of retained earnings by decrease of consolidated subsidiaries	6	—	—	—	—
Decrease of retained earnings by decrease of consolidated subsidiaries	(14)	—	(128)	—	—
Change of scope of equity method	—	—	—	24	(70)
Net income	5,493	7,323	8,522	10,504	9,556
Total changes of items during the period	4,837	6,706	4,636	3,404	7,819
Balance at the end of current period	30,252	36,958	41,595	44,999	52,819

* Certain prior year amounts have been reclassified to conform to the presentations for the year ended September 30, 2014.

(Unit: Millions of yen)

Fiscal Years Ended September 30 (October 1—September 30)	2010	2011	2012	2013	2014
Other comprehensive income					
Valuation difference on available-for-sale securities					
Balance at the beginning of current period	436	24	76	310	436
Changes of items during the period					
Net changes of items other than shareholders' equity	(411)	51	233	126	979
Total changes of items during the period	(411)	51	233	126	979
Balance at the end of current period	24	76	310	436	1,415
Foreign currency translation adjustments					
Balance at the beginning of current period	(120)	(121)	(183)	(138)	157
Changes of items during the period					
Net changes of items other than shareholders' equity	(1)	(61)	44	296	144
Total changes of items during the period	(1)	(61)	44	296	144
Balance at the end of current period	(121)	(183)	(138)	157	301
Total other comprehensive income					
Balance at the beginning of current period	316	(96)	(107)	171	594
Changes of items during the period					
Net changes of items other than shareholders' equity	(413)	(10)	278	422	1,123
Total changes of items during the period	(413)	(10)	278	422	1,123
Balance at the end of current period	(96)	(107)	171	594	1,717
Subscription rights to shares					
Balance at the beginning of current period	13	27	64	121	152
Changes of items during the period					
Net changes of items other than shareholders' equity	14	36	57	30	46
Total changes of items during the period	14	36	57	30	46
Balance at the end of current period	27	64	121	152	199
Minority interests					
Balance at the beginning of current period	5,834	3,281	1,761	1,705	4,840
Changes of items during the period					
Net changes of items other than shareholders' equity	(2,553)	(1,519)	(56)	3,135	3,598
Total changes of items during the period	(2,553)	(1,519)	(56)	3,135	3,598
Balance at the end of current period	3,281	1,761	1,705	4,840	8,439
Total net assets					
Balance at the beginning of current period	31,579	33,464	38,677	43,594	50,587
Changes of items during the period					
Dividends from surplus	(648)	(1,426)	(2,282)	(2,265)	(2,180)
Purchase of treasury stock	—	—	(1,999)	(4,999)	—
Disposal of treasury stock	—	—	474	140	513
Issuance of new shares	—	812	51	—	—
Decrease of retained earnings by increase of consolidated subsidiaries	—	(3)	—	—	—
Increase of retained earnings by decrease of consolidated subsidiaries	6	—	—	—	—
Decrease of retained earnings by decrease of consolidated subsidiaries	(14)	—	(128)	—	—
Change of scope of equity method	—	—	—	24	(70)
Net income	5,493	7,323	8,522	10,504	9,556
Net changes of items other than shareholders' equity	(2,952)	(1,493)	279	3,588	4,768
Total changes of items during the period	1,885	5,213	4,916	6,992	12,588
Balance at the end of current period	33,464	38,677	43,594	50,587	63,175

Consolidated Statements of Income

(Unit: Millions of yen)

Fiscal Years Ended September 30 (October 1—September 30)	2010	2011	2012	2013	2014
Net sales	96,650	119,578	141,111	162,493	205,234
Cost of sales	61,177	73,767	84,301	104,907	133,891
Gross profit	35,473	45,810	56,810	57,585	71,342
Selling, general and administrative expenses	26,136	31,461	39,399	47,266	49,122
Operating income	9,337	14,349	17,410	10,318	22,220
Non-operating income					
Interest income	40	27	39	9	10
Equity in earnings of affiliates	—	—	—	18	—
Gain on valuation of investment securities	6	11	8	39	—
Foreign exchange gains	—	—	—	205	68
Interest on refund	—	—	—	0	25
Other	66	62	73	97	44
Total non-operating income	113	100	121	371	149
Non-operating expenses					
Interest expenses	30	45	29	21	4
Loss on valuation of investment securities	23	18	17	8	31
Equity in losses of affiliates	3	53	141	—	100
Consumption tax adjustments	105	101	124	45	3
Foreign exchange losses	33	61	15	—	—
Other	28	54	58	43	41
Total non-operating expenses	225	335	385	119	181
Ordinary income	9,225	14,114	17,146	10,570	22,188
Extraordinary income					
Gain on sales of subsidiaries and affiliates' stocks	447	593	1,081	16,661	134
Gain on change in equity	20	—	25	2	168
Other	1,074	466	41	287	18
Total extraordinary gain	1,542	1,059	1,148	16,952	321
Extraordinary loss					
Impairment loss	508	960	1,436	3,835	1,932
Loss on change in equity	—	36	13	—	1,184
Loss on withdrawal from business	4	4	34	1,807	—
Other	840	717	539	906	914
Total extraordinary loss	1,352	1,718	2,024	6,549	4,032
Income before income taxes and minority interests	9,415	13,455	16,270	20,973	18,477
Income taxes—current	3,809	6,179	7,971	10,482	8,601
Income taxes—deferred	(104)	(285)	(467)	(873)	(527)
Total income tax	3,705	5,893	7,503	9,608	8,074
Income before minority interests	5,709	7,562	8,767	11,364	10,402
Minority interests in net income	215	239	244	860	846
Net income	5,493	7,323	8,522	10,504	9,556

* Certain prior year amounts have been reclassified to conform to the presentations for the year ended September 30, 2014.

Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

Fiscal Years Ended September 30 (October 1—September 30)	2010	2011	2012	2013	2014
Income before minority interests	5,709	7,562	8,767	11,364	10,402
Other comprehensive income					
Valuation difference on available-for-sale securities	—	76	231	58	1,069
Foreign currency translation adjustment	—	(56)	28	185	200
Share of other comprehensive income of associates accounted for using equity method	—	(3)	13	196	23
Total other comprehensive income	—	17	273	441	1,293
Comprehensive income	5,709	7,579	9,040	11,806	11,696
(Comprehensive income attributable to)					
Owners of the parent	—	7,312	8,801	10,927	10,679
Minority interests	—	267	238	878	1,016

* Certain prior year amounts have been reclassified to conform to the presentations for the year ended September 30, 2014.

Quarterly Segment Information

(Unit: Millions of yen)

	2013/1Q	2013/2Q	2013/3Q	2013/4Q	2014/1Q	2014/2Q	2014/3Q	2014/4Q
Sales								
Ameba Business	6,100	6,637	6,768	8,053	7,983	10,164	9,693	10,760
Game and Other Media Businesses	15,756	15,776	14,178	14,357	14,711	16,669	16,325	17,688
Internet Advertising Business	19,370	20,510	19,754	22,629	24,225	29,738	28,215	30,568
Investment Development Business	889	515	155	240	345	86	732	3,182
FX Business (Excluded from the consolidation in February 2013)	1,896	1,020	—	—	—	—	—	—
Subtotal	44,013	44,459	40,857	45,281	47,265	56,659	54,967	62,199
Adjustment amount	(3,187)	(3,093)	(2,795)	(3,042)	(3,550)	(4,212)	(3,677)	(4,417)
Total	40,825	41,366	38,062	42,239	43,715	52,447	51,290	57,781
Gross margin rate								
Ameba Business (%)	35.2	33.7	35.3	36.7	41.8	49.8	43.7	47.9
Game and Other Media businesses (%)	42.5	46.8	51.1	51.5	49.8	49.5	46.5	45.9
Internet Advertising Business (%)	21.3	21.3	20.3	20.7	19.1	18.6	18.1	17.4
Investment Development Business (%)	83.5	40.5	55.7	69.5	63.9	(11.8)	62.7	88.7
FX Business (Excluded from the consolidation in February 2013) (%)	80.3	83.3	—	—	—	—	—	—
Operating income								
Ameba Business	(3,069)	(1,496)	(2,640)	(1,044)	34	1,359	280	762
Game and Other Media Businesses	978	2,175	2,823	2,487	2,157	2,465	1,652	2,521
Internet Advertising Business	2,063	2,251	1,781	2,188	2,037	2,932	2,222	1,706
Investment Development Business	629	103	(53)	20	56	(163)	255	2,634
FX Business (Excluded from the consolidation in February 2013)	1,074	612	—	—	—	—	—	—
Adjustment amount	(132)	(19)	(265)	(151)	(22)	(42)	(349)	(277)
Total	1,543	3,628	1,646	3,500	4,263	6,549	4,060	7,345

* From the year ended September 30, 2014, the segment was changed.

- Ameba Business "Four new business subsidiaries have moved to Game and Other Media Businesses. A media business for smartphones has moved to Internet Advertising Business."
- Game and Other Media Businesses "Four new business subsidiaries have been moved from Ameba Business. An Advertising subsidiary for smartphones has moved to Internet Advertising Business. Another subsidiary was moved to Investment Development Business."
- Internet Advertising Business A media and Internet advertising subsidiary for smartphones from Ameba Business and one from Game and Other Media Businesses have moved to Internet Advertising Business.
- Investment Development Business A consolidated subsidiary in the U.S. that changed its business to investment development moved from Game and Other Media Businesses to Investment Development Business.

Consolidated Statements of Cash Flows

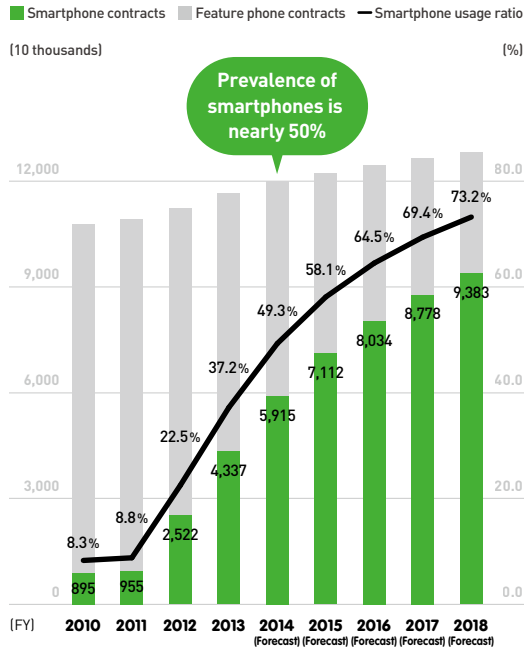
(Unit: Millions of yen)

Fiscal Years Ended September 30 (October 1—September 30)	2010	2011	2012	2013	2014
Cash flow from operating activities					
Income before income taxes and minority interests	9,415	13,455	16,270	20,973	18,477
Depreciation	1,913	2,345	3,334	4,276	4,447
Impairment loss	508	960	1,436	3,835	1,932
Amortization of goodwill	300	322	376	418	398
Decrease (increase) in notes and accounts receivable—trade	(3,042)	(2,701)	(7,103)	(1,710)	(6,116)
Increase (decrease) in notes and accounts payable—trade	1,921	1,098	3,959	2,133	3,023
Loss (gain) on sales of stocks of subsidiaries and affiliates	(296)	(584)	(1,081)	(16,606)	53
Loss (gain) on change in equity	(20)	36	(12)	(2)	1,015
Loss on withdrawal from business	4	4	34	1,807	—
Increase (decrease) in accounts payable—other	673	1,393	3,065	(1,410)	1,375
Increase (decrease) in accrued consumption taxes	216	245	(190)	(76)	1,946
Decrease (increase) in investment securities for sale	216	(938)	(347)	(1,735)	(2,212)
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	586	(32)	431	(965)	1,563
Sub-total	12,396	13,235	21,131	12,695	25,904
Interest and dividends income received	52	24	33	9	2
Interest expenses paid	(27)	(50)	(29)	(21)	(3)
Income taxes paid	(1,451)	(4,942)	(7,507)	(7,703)	(10,880)
Net cash provided by operating activities	10,969	8,268	13,627	4,980	15,024
Cash flow from investing activities					
Purchase of property, plant and equipment	(1,238)	(1,329)	(2,898)	(2,273)	(2,944)
Purchase of intangible assets	(2,404)	(3,199)	(6,963)	(6,693)	(7,919)
Payments into time deposits	(1,601)	(2,155)	(836)	(600)	—
Proceeds from withdrawal of time deposits	981	850	405	75	—
Proceeds from sales of stocks of subsidiaries and affiliates	—	3	289	7,065	161
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	—	542	595	13,647	—
Other, net	(3,533)	(3,277)	(1,504)	(383)	(755)
Net cash used in investing activities	(7,796)	(8,564)	(10,913)	10,837	(11,457)
Cash flow from financing activities					
Repayment of long-term loans payable	(1,328)	(1,212)	(1,231)	(1,003)	(364)
Redemption of bonds	(200)	(200)	(200)	(200)	(100)
Purchase of treasury stock	—	—	(1,999)	(5,004)	—
Cash dividends paid	(653)	(1,429)	(2,280)	(2,263)	(2,180)
Net increase (decrease) in short-term loans payable	(150)	—	—	(220)	30
Proceeds from stock issuance to minority shareholders	95	201	687	1,518	1,456
Proceeds from disposal of treasury stock	—	—	462	95	475
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	1,282	3,977	9	(4)	(83)
Net cash provided by (used in) financing activities	(954)	(1,665)	(1,548)	(7,081)	(765)
Effect of exchange rate change on cash and cash equivalents	(66)	(89)	(26)	464	190
Net increase (decrease) in cash and cash equivalents	2,152	(2,051)	1,139	9,200	2,990
Cash and cash equivalents at beginning of period	17,982	20,134	18,108	19,248	28,448
Increase in cash and cash equivalents resulting from change of scope of consolidation	0	25	—	—	—
Cash and cash equivalents at end of period	20,134	18,108	19,248	28,448	31,439

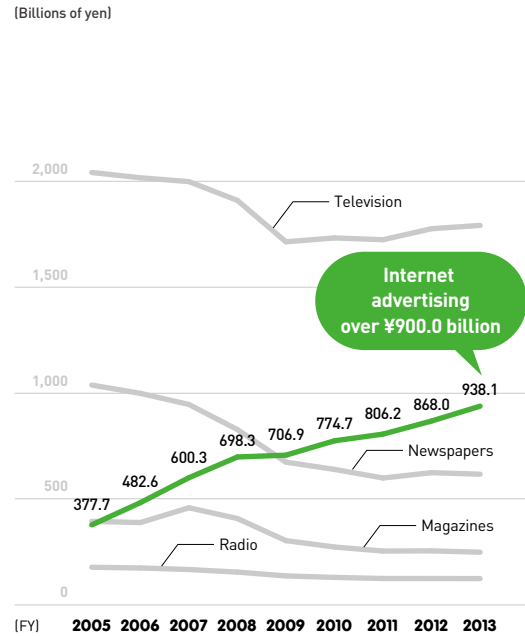
* Certain prior year amounts have been reclassified to conform to the presentations for the year ended September 30, 2014.

(Reference) Market Environment

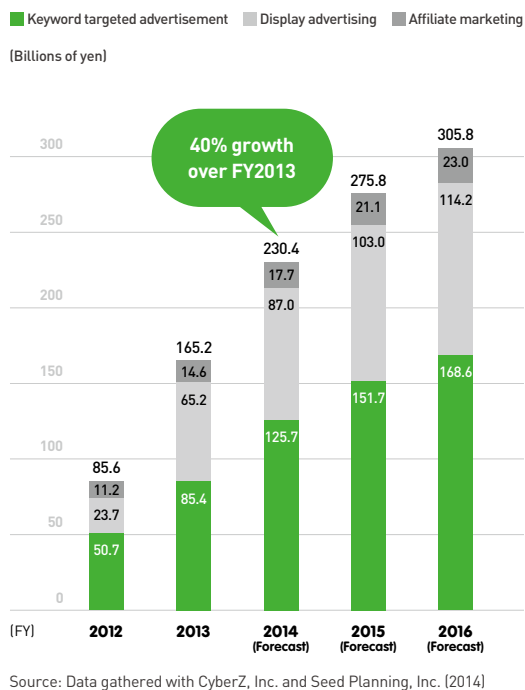
Smartphone Adoption Rate



Advertising Spending by Media (Japan)



Smartphone Advertising Market



Smartphone Game Market



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) Industry 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 media and game market, or if the Internet advertising market is affected by an economic downturn.

(2) Fluctuations in Financial Performance

Forecasts of financial results are based on our estimates, and the accuracy of such information is not guaranteed. Actual financial performance and results may differ from forecasts for various reasons. CyberAgent's business performance and financial position could be affected in the future if there are major changes in accounting standards and taxation systems.

(3) Laws and Regulations, etc.

In accordance with laws and regulations, we strive to ensure regulatory compliance by our users, and to inform users about moral standards as we encourage compliance. We are also taking steps to strengthen measures against unauthorized access and leakage of information. CyberAgent's business performance and financial position could be affected by the establishment of new laws or the tightening of existing regulations relating to Internet businesses, such as the July 1, 2013 amendment of the enforcement guidelines for the Law for Preventing Unjustifiable Extra or Unexpected Benefit and Misleading Representation. In addition, lawsuits could be brought against the CyberAgent Group as the service administrator 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 in relation to the maximization of corporate value, and we implement a variety of measures for this purpose. However, if the development of adequate internal control systems fails to keep pace with rapid business expansion or other changes, CyberAgent's business performance and financial position could be affected by the resulting inability to administer business operations appropriately.

(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) Risks Relating to Information Security

The business performance and future business development 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 resulting from various contingencies, such as losses caused by leaks of important data or tampering with computer programs as a result of computer system malfunctions, computer viruses, unauthorized external access to computers by unlawful means, negligence by company officers or partner businesses, natural disasters, sudden concentrated access to networks or other factors.

(7) Risks Relating to the Management of Personal Information

CyberAgent 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 future business development of the CyberAgent Group could be affected if there are claims for damages against CyberAgent or damage to CyberAgent's reputation if personal information is leaked due to information security risks or other factors, or if problems occur 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 Pertaining to the Internet Media Business

CyberAgent Group is involved in the provision of services, including blogs, social media and games, via the Internet. Our policy is to attract and maintain a user base by maintaining stable operations. 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 initiatives in collaboration with platform providers and other related organizations with the aim of supporting the sound development of the game usage environment. We will continue to implement measures as required to maintain and improve the soundness of games. However, the business performance and future business development of the CyberAgent Group could be affected under certain circumstances, such as the adaptation of systems or the reinforcement of structures to reflect these measures, or by other unforeseen situations. Furthermore, the CyberAgent Group is involved in the provision of services under contracts with card companies, providers of smartphones, social media and other platforms, 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 competitiveness regarding the services that CyberAgent Group provides, if there arise new technologies and methods of advertising technology.

There is also the possibility that our future business results and strategies could be affected by changing regulations, guidelines and functions of providers of OS used by smartphone terminals. This is because most of our advertising technology services are for advertising on smartphone terminals.

(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.

Policy on Returns to Shareholders

The policy on returns to shareholders is for rising share prices and dividends in the medium-to-long term.

Policy on Returns to Shareholders

We regard the return of earnings to shareholders as a vital management priority. Our policy is to achieve long-term growth in our stock price, primarily through business expansion and the improvement of capital efficiency.

Dividend Policy

Decisions on dividend payments are based on a comprehensive analysis of a range of factors, including our consolidated financial results, our financial soundness as indicated by the non-consolidated cash flow position and other factors, and the amount of retained earnings required for future business development.

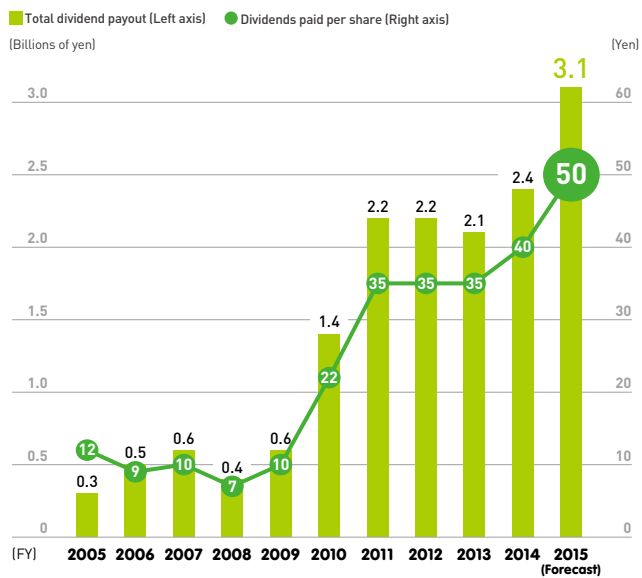
Dividends

We plan to pay a dividend of ¥50 per share for the year ending September 30, 2015. This is 25% higher than the previous year's dividend and represents a payout ratio of 22.3%.

FY2014

We decided to pay a special dividend to commemorate CyberAgent's move to the First Section of the Tokyo Stock Exchange. The addition of this ¥20 commemorative dividend to the ¥40 ordinary dividend brought the total dividend to ¥60.

Total Dividend Payout and Dividends Paid per Share



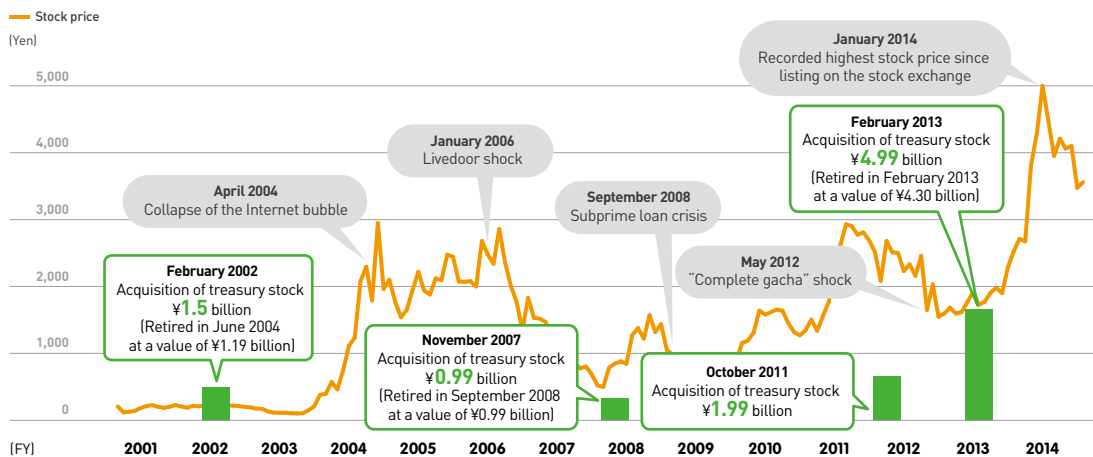
* The share trading unit was changed to 100 shares on October 1, 2013.

Dividends paid reflect stock splits.

* Total dividend payout and dividends paid per share for fiscal 2014 exclude the commemorative dividend.

Acquisition and Cancellation of Treasury Stock

We implemented four share buy-back and cancellation schemes.



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

Stock Overview (As of September 30, 2014)

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	19,748
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".

Main Shareholders (As of September 30, 2014)

Shareholders' Name	Share Holdings	Share Holding Ratio (%)
Susumu Fujita	13,531,800	21.41
TAIYO FUND. L.P.	4,134,000	6.54
Japan Trustees Services Bank, Ltd. (Trust Account)	3,220,000	5.09
GOLDMAN, SACHS & CO. REG	1,705,400	2.70
SAJAP	1,448,100	2.29
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,433,900	2.27
BBH FOR OPPENHEIMER GLOBAL OPPORTUNITIES FUND	1,300,000	2.06
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	1,160,343	1.84
JP MORGAN CHASE BANK 385632	915,993	1.45
J.P. MORGAN WHITEFRIARS INC. LONDON BRANCH	869,051	1.37

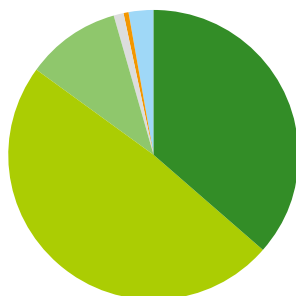
* Share holding ratios above are calculated to three decimal places and rounded up to the two decimal places.

* The number of treasury shares is 720,300.

* On September 22, 2014, Taiyo Fund Management Co. LLC submitted a large-shareholder report. The number of shares and share holding ratio are 5,747,300 shares and 9.09%.

* On November 5, 2014, Baillie Gifford & Co. submitted a large-shareholder report. The number of shares and share holding ratio are 5,714,800 shares and 9.04%.

Distribution by Shareholder Type (As of September 30, 2014)



Individual, Other	36.06%
Foreign Institutions and Individuals	49.01%
Trust Banks/Financial Institutions	10.49%
Treasury Stocks	1.13%
Domestic Corporations	0.64%
Securities Companies	2.64%



IR Topics

Move to the First Section of the Tokyo Stock Exchange

CyberAgent was listed on the Mothers market of the Tokyo Stock Exchange in March 2000. The scale of our activities has expanded considerably since then, and on September 5, 2014, we moved our listing to the First Section with the aim of expanding our range of investors. We look forward to the continuing support of our investors and shareholders as we further our efforts to maximize our corporate value and reputation.



Third-party Recognition for Our IR Activities

Gold Award (Overall Annual Report) from the “International ARC Awards 2014”—the world’s largest annual report competition

“2014 All-Japan Executive Team Best IR Professionals”
Institutional Investor magazine (U.S.)

CyberAgent was ranked first in the software and business category.



Expanding our English IR Information

By the end of September 2014, the shareholdings of foreign corporations and other foreign investors had risen to 49%. CyberAgent aims to provide prompt access to information for overseas investors as well as those in Japan, and we endeavor to disclose information in English, including translations of quarterly financial results, and financial presentation documents and streaming videos.



IR Activities Via the Internet

In addition to the continual updating of our IR site, we also actively disclose information through *Facebook*, *Twitter* and other Internet channels. See more information below.



Ameba Blog
www.ameblo.jp/cair



Facebook
www.facebook.com/CyberAgent.Inc

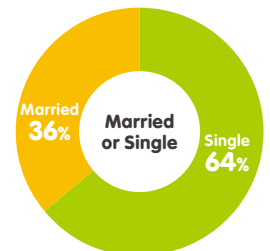
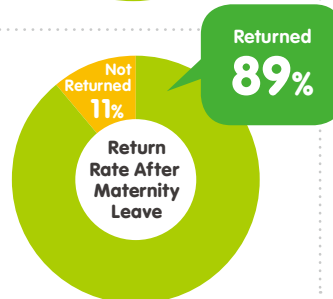
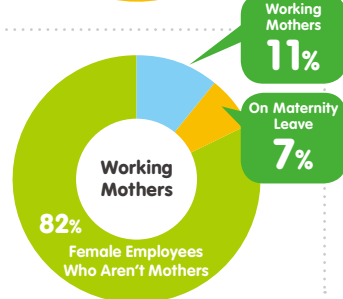
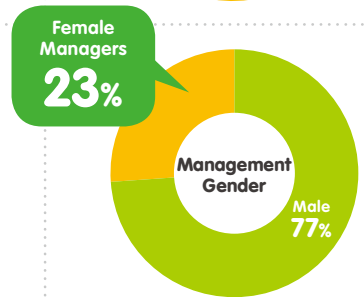
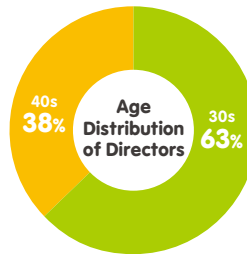
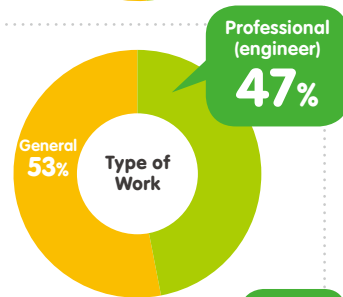
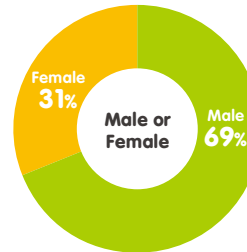
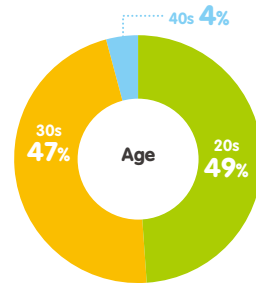


Twitter
www.twitter.com/CyberAgent_PR

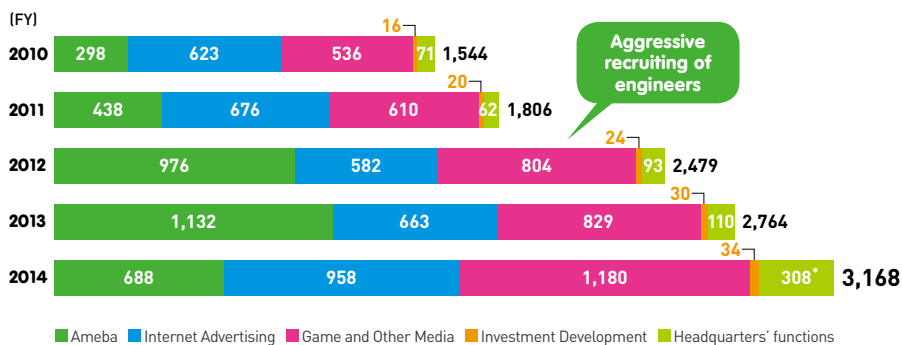
Employee Profile

CyberAgent Employees by the Numbers

* Figures are based on the aggregate number of employees (1,664) on September 30, 2014.



Number of Employees in Consolidated Company



* The employees for the headquarters' functions include 193 trainees in Mock Tech Labo, etc.

Company Information (As of September 30, 2014)

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	56
Consolidated Employees	3,168
Accounting Auditor	Deloitte Touche Tohmatsu LLC
Business Portfolio	Ameba Business/Internet Advertising Business/Game and Other Media Businesses/ Investment Development Business

Main Industry Affiliations



Japan Association of New Economy (JANE)

JANE is an organization dedicated to the realization of Japan's future growth strategy. It works to accelerate the development of various new industries, with a particular focus on healthy growth and the increased use of e-business and IT.



Japan Social Game Association (JASGA)

JASGA is working to create an environment in which social gamers can enjoy games safely and with confidence, primarily by formulating voluntary rules for social games, by undertaking educational and awareness activities for children and young people, and by working to improve the quality of customer support.



Content Evaluation and Monitoring Association (EMA)

EMA was established in April 2008 as an independent organization with a mission to ensure and promote the sound development of mobile content and protect children and young people from illegal and harmful information. CyberAgent's *Ameba* site has been approved by EMA.















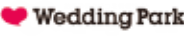


Japan Internet Safety Promotion Association (JISPA)

JISPA was established on February 27, 2009 as an organization for users, businesses, educators and other parties with an interest in the development of a healthy environment for Internet use.

* As of September 30, 2014

Main Subsidiaries

The CyberAgent Group consists of 56 consolidated subsidiaries (as of September 30, 2014). We established specialized subsidiaries in each of our business domains and actively develop business in growth markets.

Ameba Business		
 AMoAd	AMoAd, Inc.	Smartphone ad network business
 amesta	Amesta, Inc.	Management of Ameba Studio
 WAVEST	WAVEST, Inc.	Smartphone service business
Internet Advertising Business		
 CyberZ	CyberZ, Inc.	Advertising business for smartphones
 MicroAd	MicroAd, Inc.	RTB business (DSP, SSP)
 CA Reward	CAreward, Inc.	Smartphone reward advertising
 CA Advance	CA Advance, Inc.	Supporting operations of Internet advertising and Internet media
(And 12 other companies)		
Game and Other Media Businesses		
 Cygames	Cygames, Inc.	Game development (signature product: <i>DRAGON QUEST MONSTERS SUPER LIGHT*</i> , <i>GRANBLUE FANTASY</i>)
 C.A. MOBILE	CA MOBILE, LTD.	Smartphone advertising and charging, etc.
 Sumzap	Sumzap, Inc.	Game development (signature product: <i>Sengoku Enbu -KIZNA-</i>)
 Applibot	Applibot, Inc.	Game development (signature product: <i>Gang Road: Jorker</i>)
 GACREST Entertainment	GCREST, Inc.	Development of games for PCs and smartphones
 WeddingPark	WeddingPark, LTD.	Planning and administration of information sharing site for people preparing for weddings
 SIROK	SIROK, Inc.	Planning and administration of Internet-based information services
(And 21 other companies)		
Investment Development Business		
 CyberAgent Ventures	CyberAgent Ventures, Inc.	Venture capital business
(And 8 other companies)		

* © 2014 ARMOR PROJECT/BIRD STUDIO/SQUARE ENIX All Rights Reserved. Developed by Cygames, Inc.

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.

2011

- 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

Detailed financial information can be found in the September 2014 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.





CyberAgent

www.cyberagent.co.jp/en/