



December 11, 2020

CyberAgent, Inc.
TSE: 4751

Susumu Fujita
Representative Director, President

Notice on Issuance of Stock Acquisition Rights as Stock Options

CyberAgent, Inc. (“CyberAgent”) today announced that its Board of Directors passed a resolution regarding the issuance of stock acquisition rights as stock options to directors (excluding outside directors and the Audit and Supervisory committee members; the same applies hereinafter), employees of CyberAgent and its subsidiaries pursuant to the resolution at the 23rd Annual General Meeting of Shareholders of CyberAgent held on December 11, 2020 as stated below.

The authority to determine the subscription requirements is delegated to the Board of Directors upon the resolution of the 23rd Ordinary General Meeting of Shareholders held on December 11, 2020.

1. Reasons for issuing the stock acquisition rights on particularly favorable conditions

Since the value of the stock acquisition rights is linked to CyberAgent’s stock price, delivering the stock acquisition rights to the executives and employees of the Group will allow them to share the gains of shareholders when stock prices rise. Thus enhancing their motivation to achieve higher performance and securing outstanding human resources.

The exercise period of the stock acquisition rights shall begin on the date on which at least four years have passed since the issuance of the stock acquisition rights. It will be possible to further raise the incentive of the Group towards higher performance and higher stock prices in the medium to long term.

2. Outline of the issuance of the stock acquisition rights

(1) Persons to be allotted the Stock Acquisition Rights, their number, and number of the Stock Acquisition Rights to be allotted

3	Directors of CyberAgent	338 units	(Of which 0 will be allotted to outside director)
102	Employees of CyberAgent	1,658 units	
43	Directors of Subsidiaries	529 units	

The above number of eligible persons and the number of stock acquisition rights to be allotted are the upper limits and may decrease depending on the number of applications.

(2) Class and number of shares to be issued upon exercise of stock acquisition rights

Common stock of the Company: 252,500 shares.

However, if the Company splits its common stock (including allotment of its common stock without compensation; the same applies hereinafter) or consolidates its common stock, the number of shares to be issued upon exercise of such stock acquisition rights shall be adjusted according to the following formula, that such adjustment shall be made only to those remain unexercised or uncanceled at the time of such adjustment, and further, that if any fraction less than one share arises as a result of such adjustment, such fraction shall be discarded.

Number of shares after adjustment = Number of shares before adjustment x Ratio of split or consolidation

In addition, if the Company carries out a merger, a company split, share exchange, share transfer, etc. that makes it necessary to adjust the number of shares, the number of shares shall be adjusted within a reasonable range, taking into account the conditions of the merger, company split, share exchange, share transfer, etc.

(3) Total number of stock acquisition rights to be issued

2,525 shall be the number of stock acquisition rights.

One hundred shares shall be issued for each stock acquisition rights. However, that in the event of any adjustment in the number of shares stipulated in (2) above, the number of shares to be issued for the stock acquisition rights shall be adjusted.

(4) Cash payment for stock acquisition rights

No cash payment is required for stock acquisition rights.

(5) Value of the assets to be contributed upon exercise of stock acquisition rights

It shall be an amount obtained by multiplying the price per share to be issued upon exercise of the stock acquisition rights, which shall be one yen, by the number of shares to be allotted.

(6) Exercise period of stock acquisition rights

It shall be from December 19, 2024 to December 18, 2030. If the final day of the exercise period falls on a holiday of the Company, the final day shall be the working day immediately preceding the final day.

(7) Conditions etc. for exercise of stock acquisition rights

(i) Those who received the allotment of the issue of stock acquisition rights (hereinafter “Holders of stock acquisition rights”) shall remain directors or employees of the Company, or its subsidiaries or affiliates at the time of exercising such rights. However, that exceptional treatment may be allowed in this regard by the Board of Directors in consideration of circumstances.

(ii) Stock acquisition rights shall not be inherited. However, that exceptional treatment may be allowed in this regard by the Board of Directors in consideration of circumstances.

(8) Matters concerning increase in capital stock and capital reserve by issuing of shares upon exercise of stock acquisition rights

(i) Amount of increase in capital stock by issuing shares upon exercise of stock acquisition rights shall be half of the upper limit of capital increase as calculated pursuant to the provisions of Article 17, Paragraph 1 of the Ordinance on Accounting of Companies, where any resultant fraction less than one yen shall be rounded up.

(ii) Amount of increase in capital reserve by issuing shares upon exercise of stock acquisition rights shall be the upper limit of capital stock increase as described in (i) above less the amount of increase in capital stock set out therein.

(9) Reasons and conditions for the acquisition of stock acquisition rights

(i) In case that the proposal of amending the Articles of Incorporation for the Company to acquire all the shares of the Company or any merger agreement under which the Company is dissolved, or any absorption-type company split agreement or incorporation-type company split plan in which the Company will be a splitting company, or any share exchange agreement or share transfer plan in which the Company will be a wholly owned subsidiary of another company is approved at a General Shareholders' Meeting of the Company, the Company may acquire stock acquisition rights at the date specifically determined by the Board of Directors of the Company without any compensation therefor.

(ii) In case that holders of stock acquisition rights ceases to accommodate the conditions of (7) (i) above before exercising stock acquisition rights, the Company may acquire such stock acquisition rights at the date specifically determined by the Board of Directors of the Company without any compensation therefor.

(10) Restriction on the acquisition of stock acquisition rights by transfer

Any acquisition of stock acquisition rights by transfer shall require an approval of the Board of Directors of the Company by its resolution.

(11) Treatment of stock acquisition rights in case of organizational restructuring of the Company

In the event the Company merges (limited to cases where the Company becomes a dissolving company), performs an absorption-type company split or an incorporation-type company split, or conducts a share exchange or a share transfer (hereinafter collectively "Organizational Restructuring"), stock acquisition rights of a corporation described in Article 236, Paragraph 1, Items 8.1 through 8.5 of

the Companies Act (hereinafter “Restructured Company”) shall be delivered under the following conditions to holders of stock acquisition rights remaining unexercised (hereinafter “Remaining stock acquisition rights”) at the time when Organizational Restructuring takes effect. In this case, the Remaining stock acquisition rights will lapse and the Restructured Company will issue new stock acquisition rights. However, the foregoing shall apply only to cases in which the delivery of stock acquisition rights of the Restructured Company according to the following conditions is stipulated in the merger agreement, the absorption-type company split agreement, the incorporation-type company split plan, the share exchange agreement or the share transfer plan.

(i) Number of stock acquisition rights of the Restructured Company to be delivered

The Restructured Company shall deliver stock acquisition rights, the number of which shall equal the number of stock acquisition rights held by the holder of the Remaining stock acquisition rights.

(ii) Class of shares of the Restructured Company to be issued upon the exercise of stock acquisition rights

Shares of common stock of the Restructured Company

(iii) Number of shares of the Restructured Company to be issued upon the exercise of stock acquisition rights

To be decided according to (2) and (3) above after taking into consideration the conditions, etc. of the Organizational Restructuring.

(iv) Value of the assets to be contributed upon the exercise of stock acquisition rights

The value of the assets to be contributed upon the exercise of each stock acquisition rights shall be decided according to (5) above after taking into consideration the conditions, etc. of the Organizational Restructuring.

(v) Exercise period of stock acquisition rights

Starting from the later of either the first date of the exercise period of stock acquisition rights as stipulated in (6) above, or the date on which the Organizational Restructuring becomes effective and ending on the expiration date for the exercise of Stock acquisition rights as stipulated in (6) above.

(vi) Matters concerning increase in capital stock and capital reserve to be increased by issuing of shares by the Restructured Company upon the exercise of stock acquisition rights

To be determined in accordance with (8) above.

(vii) Restriction on acquisition of stock acquisition rights by transfer

Acquisition of stock acquisition rights by transfer shall be subject to the approval of the Board of Directors of the Restructured Company (or by the majority decision of directors if such company is not a company with Board of Directors).



(viii) Reasons and conditions for the acquisition of stock acquisition rights

To be determined in accordance with (9) above.

(12) Rules pertaining to fractions of less than one share arising from the exercise of stock acquisition rights

Fractions of less than one share in the number of shares to be delivered to Holders of stock acquisition rights who exercised stock acquisition rights shall be discarded.

(13) Date of issuance of stock acquisition rights

December 18, 2020.