



CA CyberAgent®

1Q FY2021 Presentation Material

October to December 2020

January 27, 2021



[Forward-looking statement]

The future information, such as earnings forecast, written in this document is based on our expectations and assumptions as of the date the forecast was made. Our actual results could differ materially from those described in this forecast because of various risks and uncertainties.

- 1. Quarterly Results** (October - December 2020)
- 2. Forecast**
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- 4. Game Business**
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Quarterly Results

October - December 2020

1. Quarterly Results

**FY2021
Q1**

Ads and media business went well. Sales reached a record high.

Sales: **131.0** billion yen up **13.3%** YoY
OP: **7.0** billion yen down **8.7%** YoY

Media

Driven by ABEMA related businesses, sales increased 1.6x year over year.

Sales: **20.4** billion yen up **67.0%** YoY
OP: **-3.9** billion yen

Ad

Sales reached a record high and grew at double-digits year over year.

Sales: **76.5** billion yen up **13.8%** YoY
OP: **5.7** billion yen up **0.8%** YoY

Game

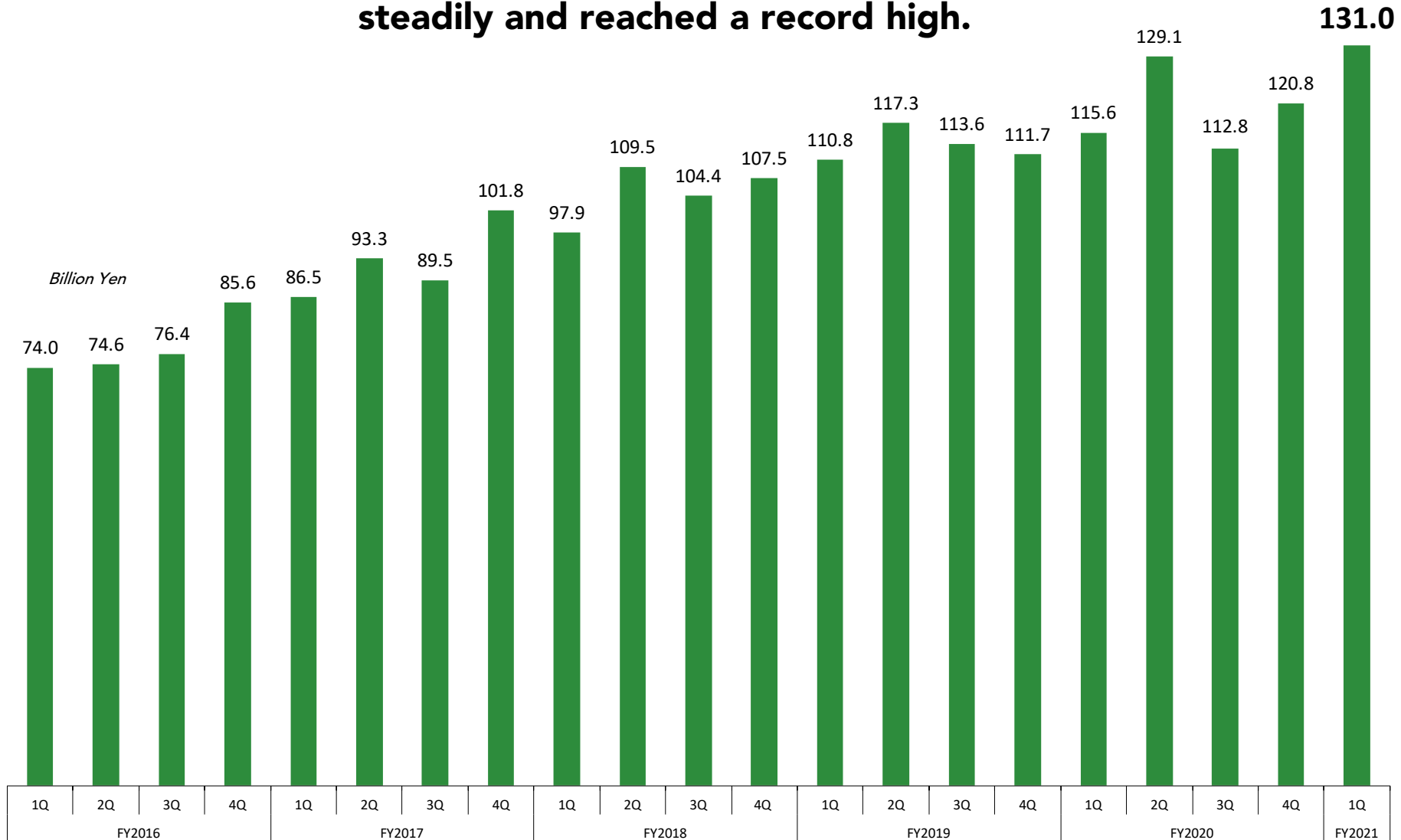
Decrease in sales and OP due to seasonal factors of existing titles, etc.

Sales: **29.9** billion yen down **15.0%** YoY
OP: **1.1** billion yen down **77.8%** YoY

1. Quarterly Results

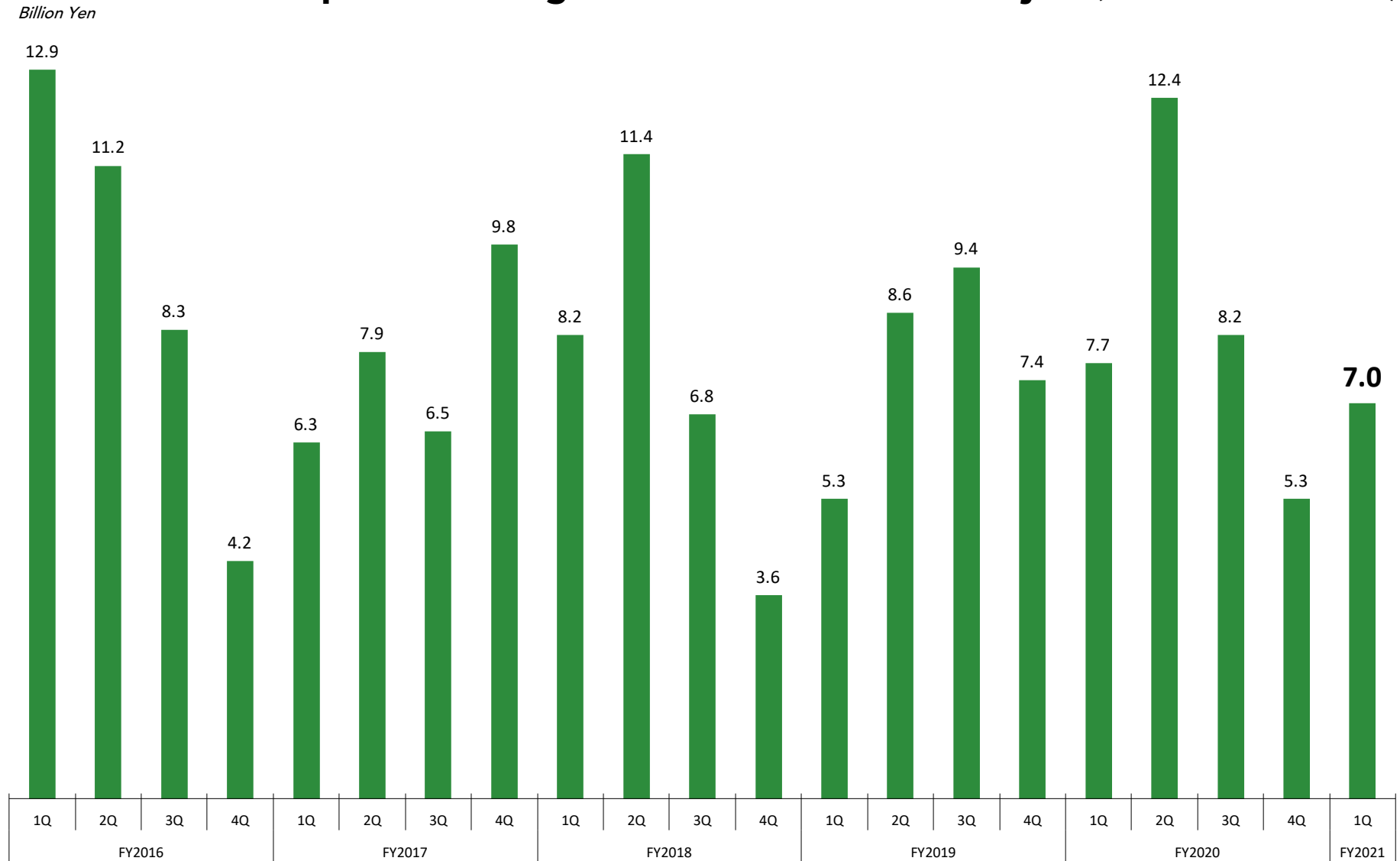
[Consolidated Sales] **131 billion yen** (up 13.3% YoY)

The advertising business and the media business grew steadily and reached a record high.



1. Quarterly Results

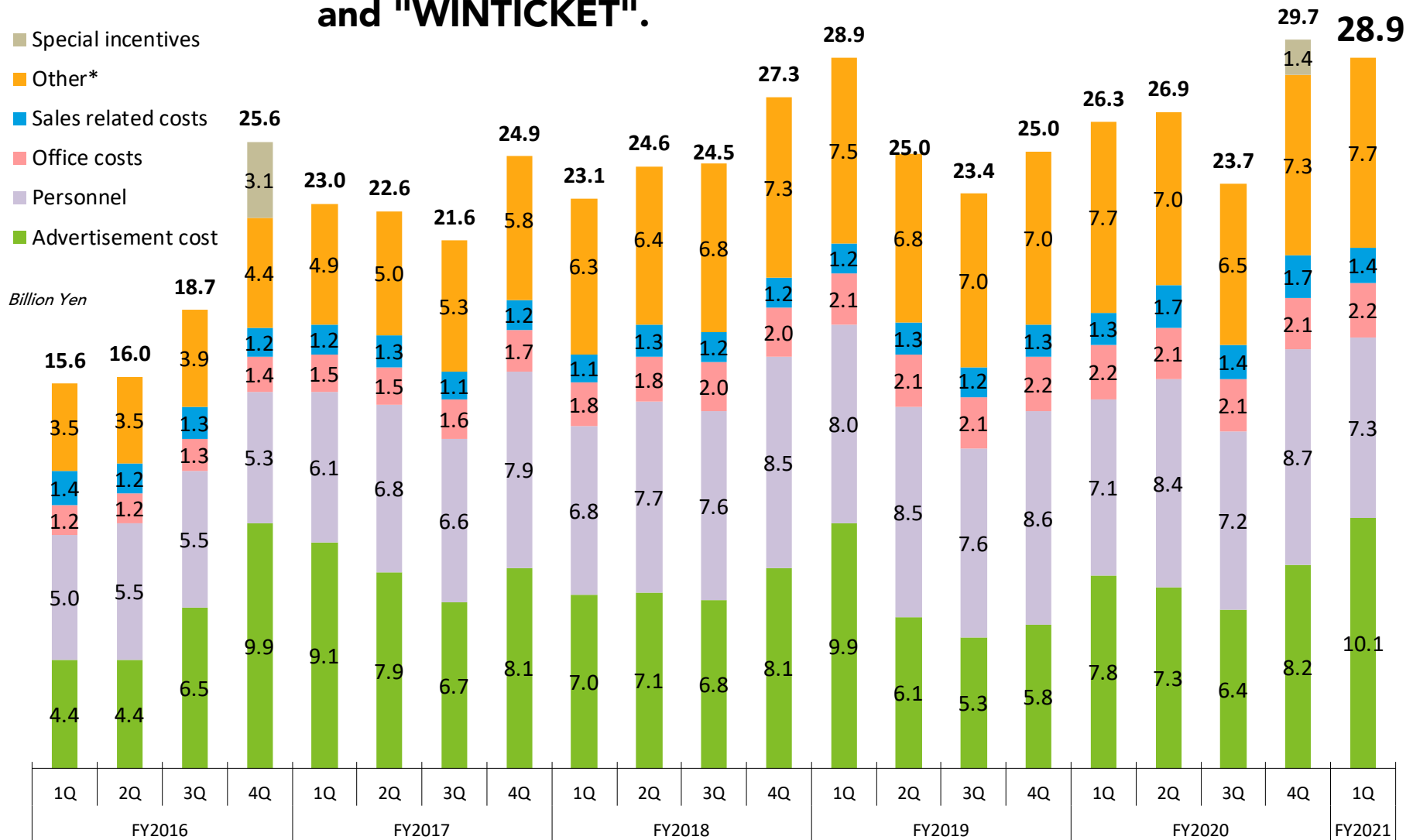
[Consolidated OP] The investment development business offset the decrease in profit of the game business. **7.0 billion yen (down 8.7% YoY)**



1. Quarterly Results

[SG&A Expenses] 28.9 billion yen

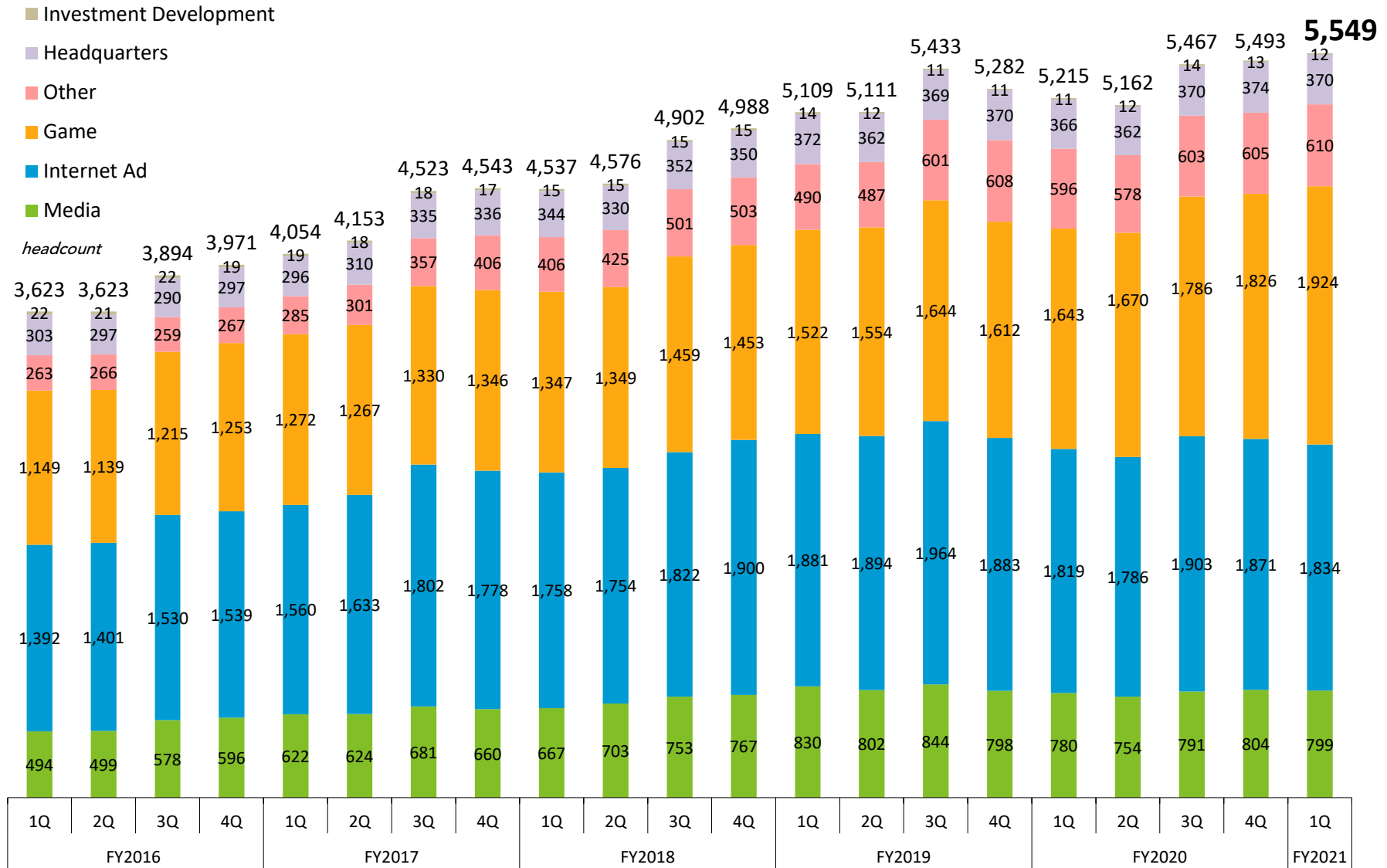
Due to increased marketing expenses of the game business and "WINTICKET".



*Other: Outsourcing expenses, R&D expenses, entertainment expenses etc.

1. Quarterly Results

[No. of Employees] Total headcount was **5,549** at the end of December.



1. Quarterly Results

[PL]

million yen	FY2021 Q1	FY2020 Q1	YoY	FY2020 Q4	QoQ
Net Sales	131,014	115,681	13.3%	120,858	8.4%
Gross profit	35,967	34,064	5.6%	35,157	2.3%
SG&A expenses	28,908	26,331	9.8%	29,788	-3.0%
Operating profit	7,058	7,733	-8.7%	5,369	31.5%
OPM	5.4%	6.7%	-1.3pt	4.4%	1.0pt
Ordinary profit	6,932	7,724	-10.2%	5,399	28.4%
Extraordinary income	454	1	24864.6%	0	86727.5%
Extraordinary loss	837	951	-12.0%	255	227.4%
Income before income taxes and non-controlling interests	6,550	6,774	-3.3%	5,144	27.3%
Net profit*	2,930	1,456	101.3%	729	301.9%

*Net profit: Profit attributable to shareholders of parent.

Affected by the fact that AbemaTV, Inc. is exempted from consolidated tax payment, and non-controlling equity interest (minority interest) of Cygames, Inc.

1. Quarterly Results

[BS] We maintain a strong financial position.

million yen	End of Dec 2020	End of Dec 2019	YoY	End of Sept 2020	QoQ
Current assets	193,779	168,150	15.2%	203,674	-4.9%
Cash deposits	96,960	82,508	17.5%	102,368	-5.3%
Fixed assets	58,274	57,993	0.5%	57,047	2.2%
Total assets	252,094	226,195	11.4%	260,766	-3.3%
Current liabilities	85,854	70,591	21.6%	87,867	-2.3%
(Income tax payable)	1,909	2,555	-25.3%	9,458	-79.8%
Fixed liabilities	43,802	44,113	-0.7%	45,220	-3.1%
Shareholders' equity	77,601	72,958	6.4%	78,466	-1.1%
Net Assets	122,436	111,489	9.8%	127,678	-4.1%

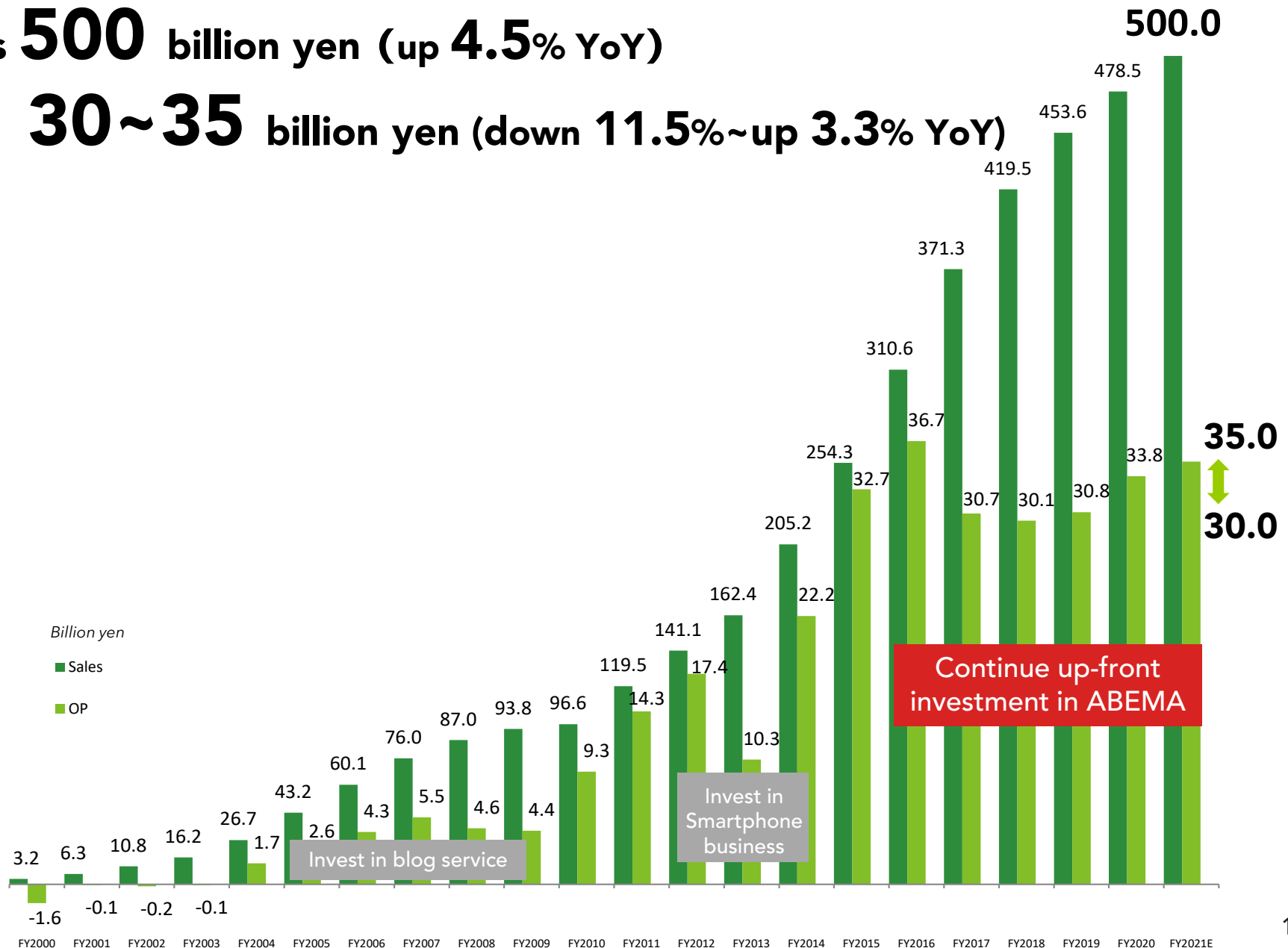
FY2021 Forecast

October 2020 - September 2021

2. Forecast

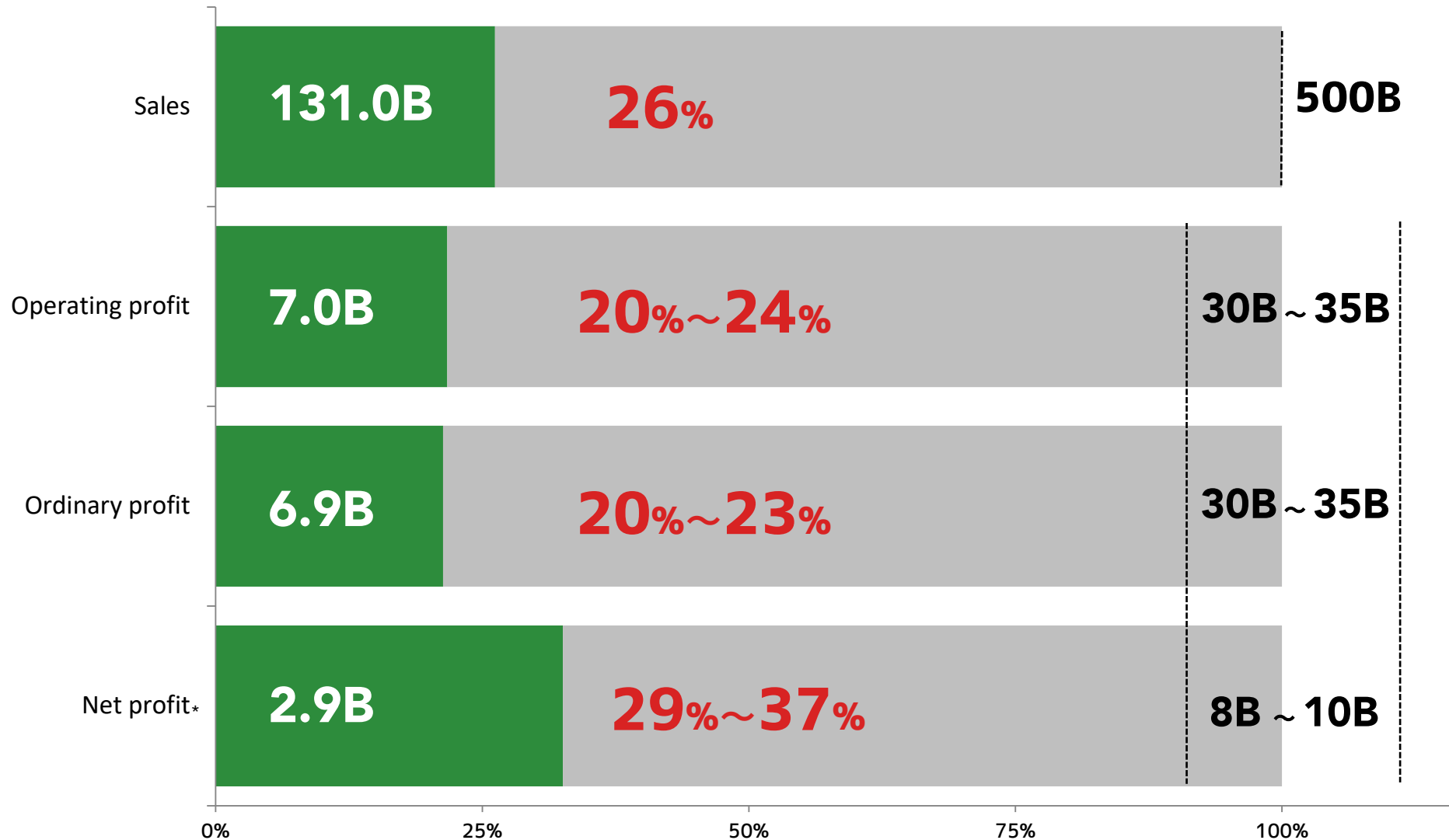
Sales **500** billion yen (up **4.5%** YoY)

OP **30~35** billion yen (down **11.5%**~up **3.3%** YoY)



2. Forecast

[Progress to Full-year Forecast] Q1 off to a good start.



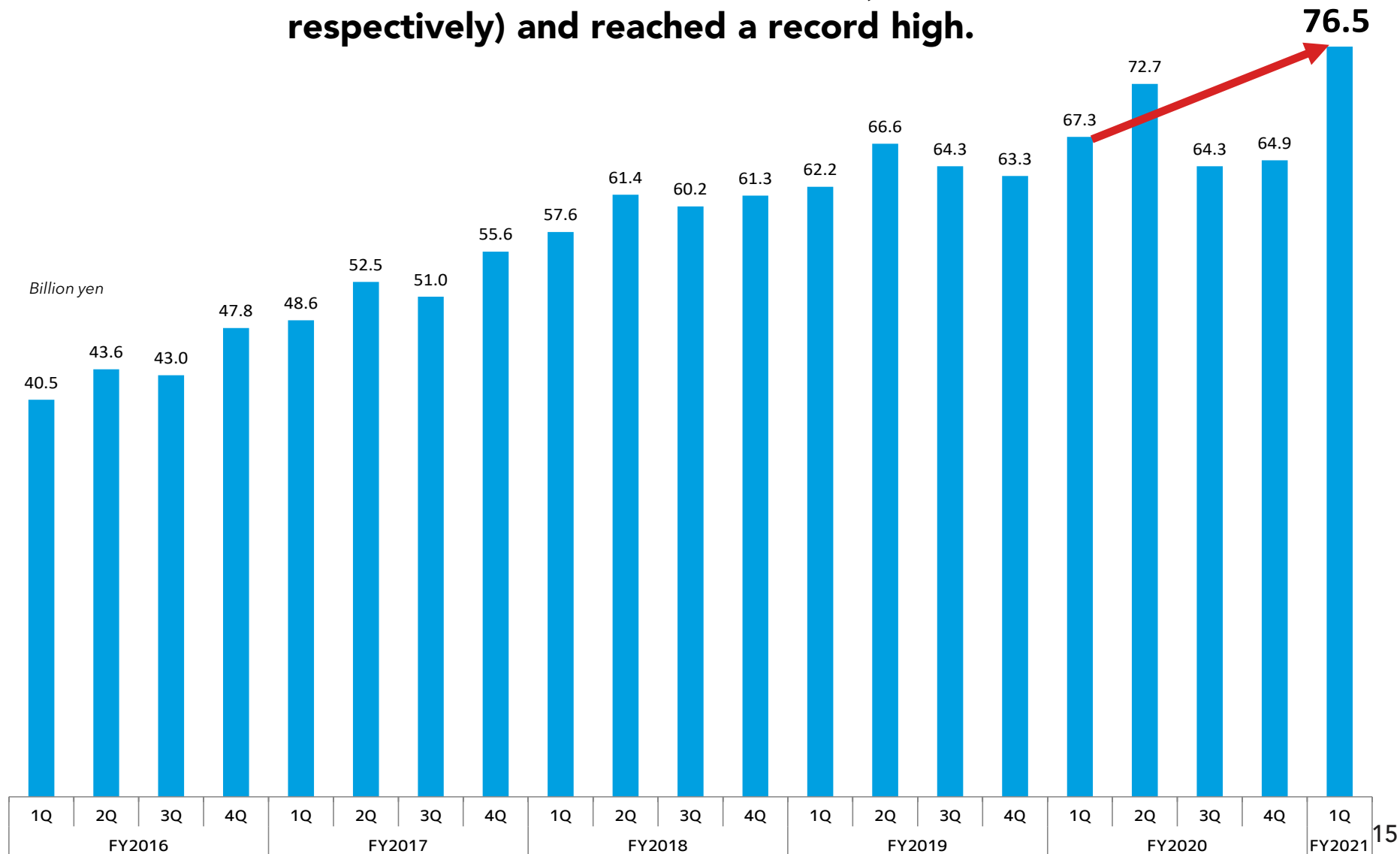
*Net profit: Profit attributable to shareholders of parent.
Affected by the fact that AbemaTV, Inc. is exempted from consolidated tax payment, and non-controlling equity interest (minority interest) of Cygames, Inc.

Internet Advertisement

3. Internet Advertisement Business

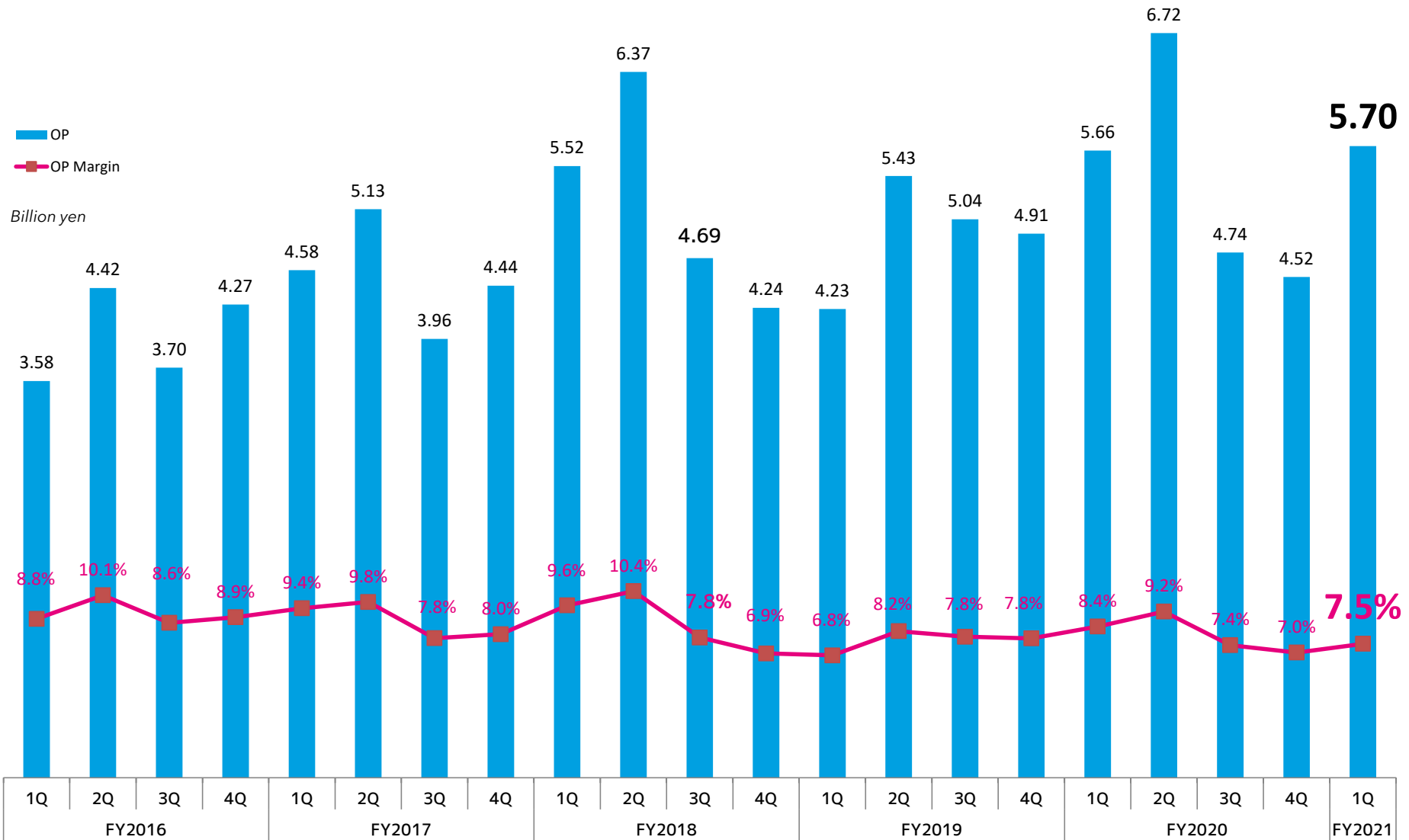
[Quarterly Sales] Q1 **76.5** billion yen (up 13.8% YoY)

Sales recovered from Q3 and Q4 (0.01% and 2.5% increase respectively) and reached a record high.



3. Internet Advertisement Business

[Quarterly OP] OP was **5.7** billion yen, OPM 7.5%



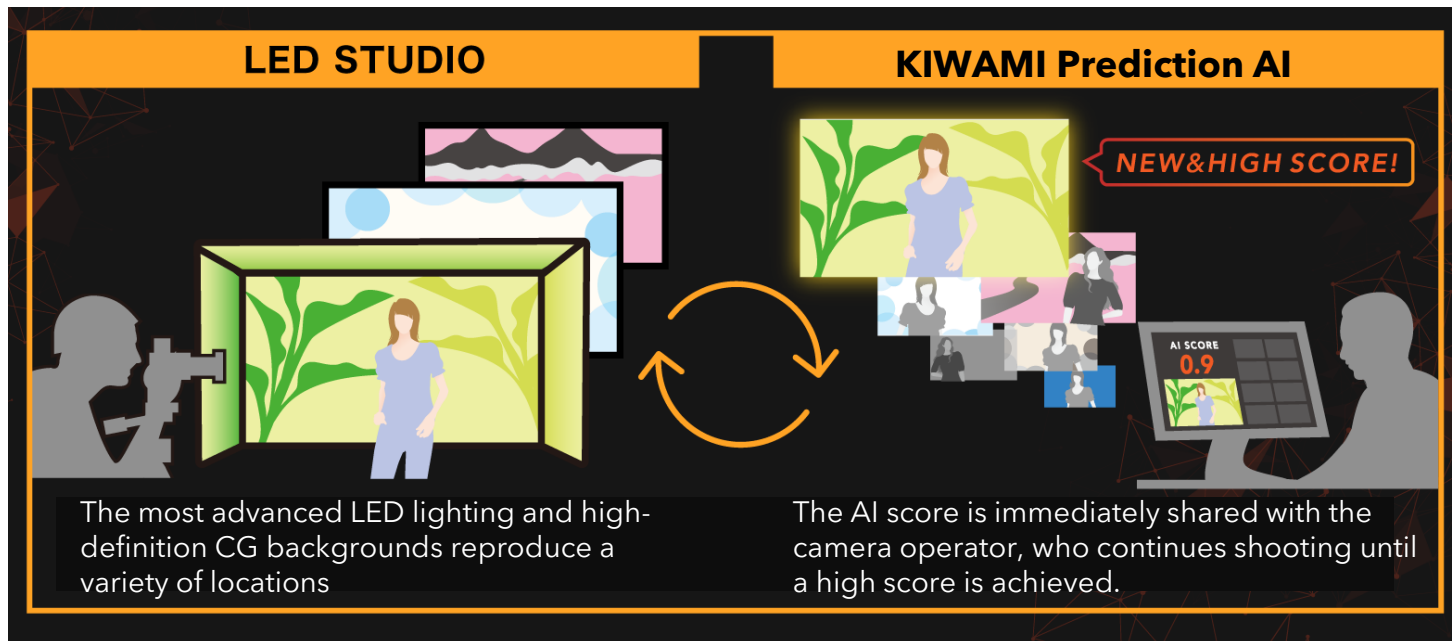
*Quarterly OP and OPM: Special incentives in FY2016 and FY2020 are excluded.

3. Internet Advertisement Business

[Focus Area] Following the release of KIWAMI Prediction AI (ad creative production) and KIWAMI Prediction TD (automatic advertising text generation,) KIWAMI Prediction LED is launched.

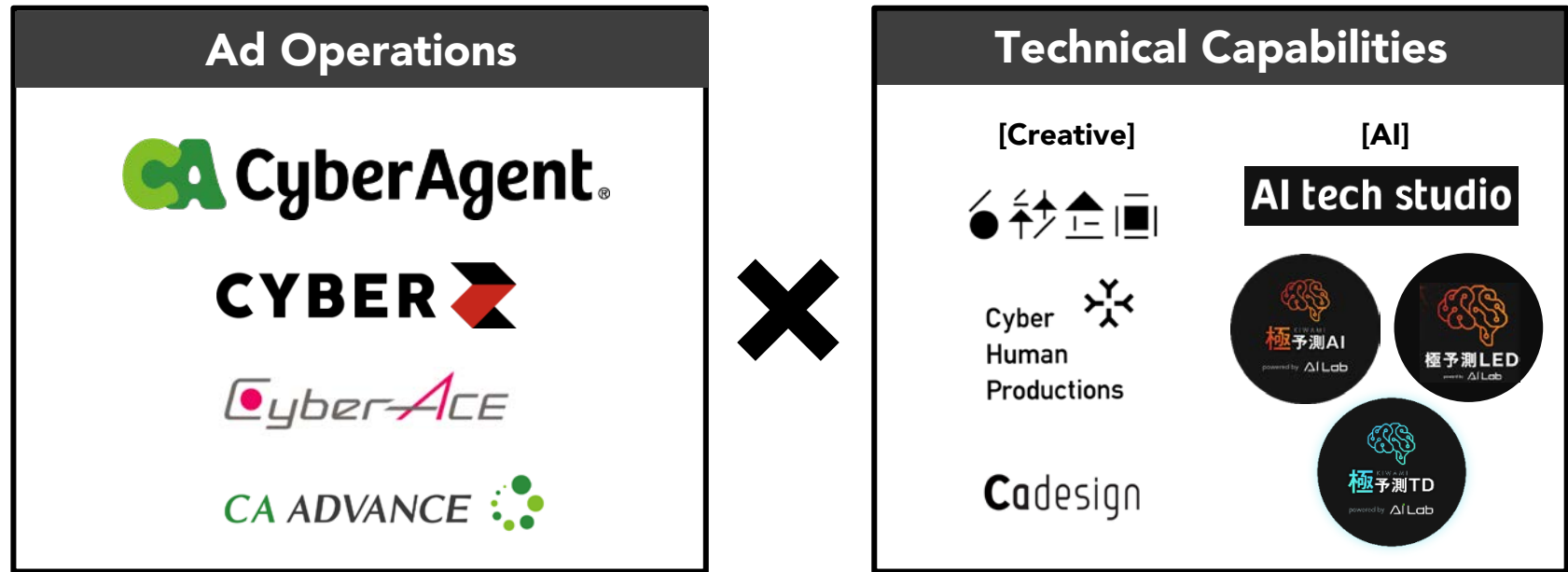
KIWAMI Prediction LED

An innovative shooting method uses KIWAMI Prediction AI to predict the advertising effectiveness of shot video and still images in real-time. It continues shooting until the advertising effectiveness is expected to improve.



3. Internet Advertisement Business

[Competitive Advantage] Aiming to expand market share on the strength of the ability to maximize advertising effectiveness.

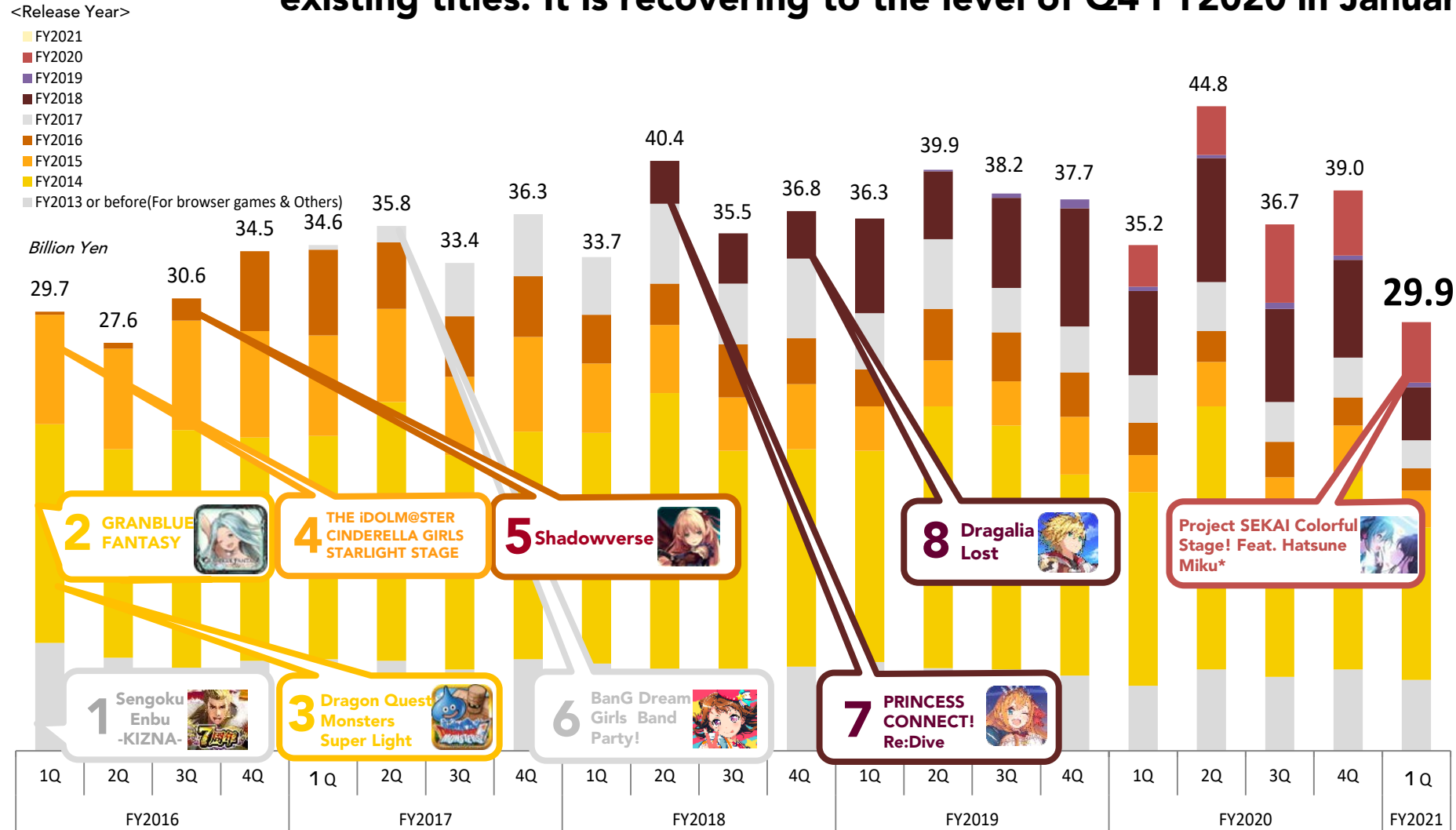


Maximize Advertising Effectiveness

Game

4. Game Business

[Quarterly Sales] Q1 29.9 billion yen (down 15.0% YoY) due to seasonal factors of existing titles. It is recovering to the level of Q4 FY2020 in January.



2.5.7 : ©Cygames, Inc. 3 : © 2014-2019 ARMOR PROJECT/BIRD STUDIO/SQUARE ENIX All Rights Reserved. Developed by Cygames, Inc. Publisher: SQUARE ENIX

4 : ©BANDAI NAMCO Entertainment Inc. It was jointly developed and is operating by ©BANDAI NAMCO Entertainment Inc. and Cygames, Inc.

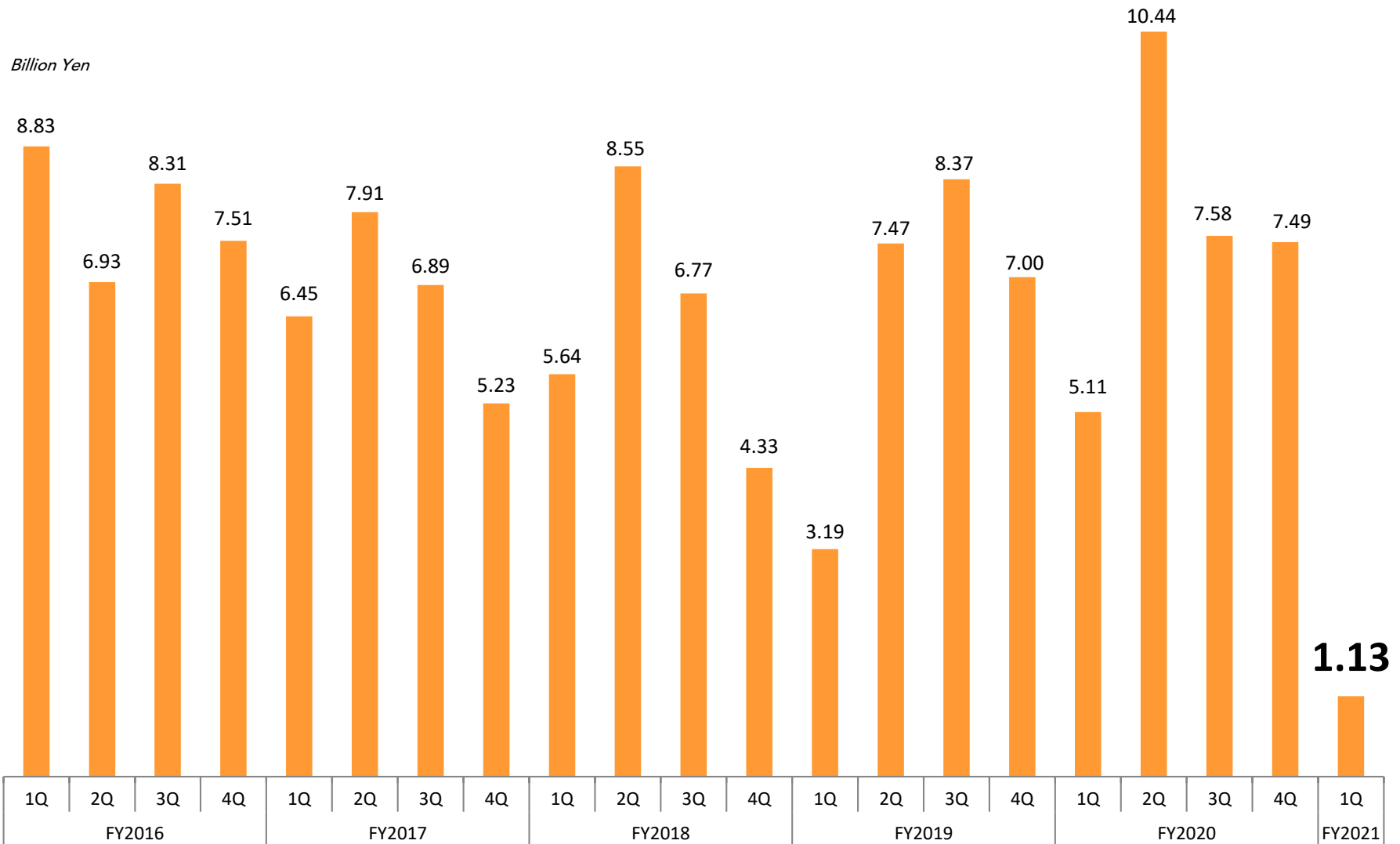
6 : ©BanG Dream! Project ©Craft Egg Inc. ©bushiroad All Rights Reserved. 8 : ©Nintendo / Cygames Publisher: Nintendo

**Project SEKAI Colorful Stage! Feat. Hatsune Miku" : © SEGA / © Colorful Palette Inc. / © Crypton Future Media, INC. www. piapro .net All rights reserved. Publisher : SEGA CORPORATION

**Balloon : Selected major titles only

4. Game Business

[Quarterly OP] 1.13 billion yen due to decrease in sales (down 77.8% YoY)



*Quarterly OP and OPM: Special incentives in FY2016 and FY2020 are excluded.

4. Game Business

[Upcoming Games]

New RPG game “NieR Re[in]carnation” will be released on February 18.

Planning & Production by SQUARE ENIX CO., LTD. Development by Applibot, Inc.

To be released
in North America
& Europe as well

The promotional art for NieR Re[in]carnation features a large, dark, insect-like boss character with long, thin limbs and a long, flowing tail, standing on a light-colored, textured ground. In the foreground, a small, blonde-haired girl in a white dress and a small, white, round, ghost-like creature are visible. The title "NieR Re[in]carnation" is prominently displayed in the center, with the Japanese text "ニアー リンカーネーション" below it. The overall style is a mix of dark, industrial elements and soft, painterly textures.

NieR Re[in]carnation™
ニアー リンカーネーション

すべての祈りは、「檻」の中に。

4. Game Business

[Upcoming Games]

The training simulation game “UMA MUSUME Pretty Derby,” an original IP of Cygames, will be released on February 24.

TV anime
“UMA MUSUME Pretty Derby Season 2**”
has been airing since Jan. 4



*“UMA MUSUME Pretty Derby” :©Cygames, Inc.

**TV Anime “UMA MUSUME Pretty Derby Season 2”: 2021 Anime “UMA MUSUME Pretty Derby Season 2” Production Committee

4. Game Business

[Upcoming Games] More new games will come out aiming to be successful titles.

"Princess Connect Re:Dive*" English Dramatic anime RPG
Operated by Crunchyroll Games
Cygames, Inc. Original IP Developed by funplex, Inc.



"IDOLY PRIDE***" Idol management RPG
QualiArts, Inc.



"London Labyrinth**" Mystery & Hidden objects game
Sumzap, Inc. Original IP



TV Anime
"IDOLY PRIDE****"



* "Princess Connect Re:Dive" English : © Cygames, Inc. Developed by: funplex, Inc. Service operated by: Crunchyroll Games Available on: iOS/Android

** "London Labyrinth" : © Sumzap, Inc. ALL Rights Reserved.

*** "IDOLY PRIDE" : © 2019 Project IDOLY PRIDE

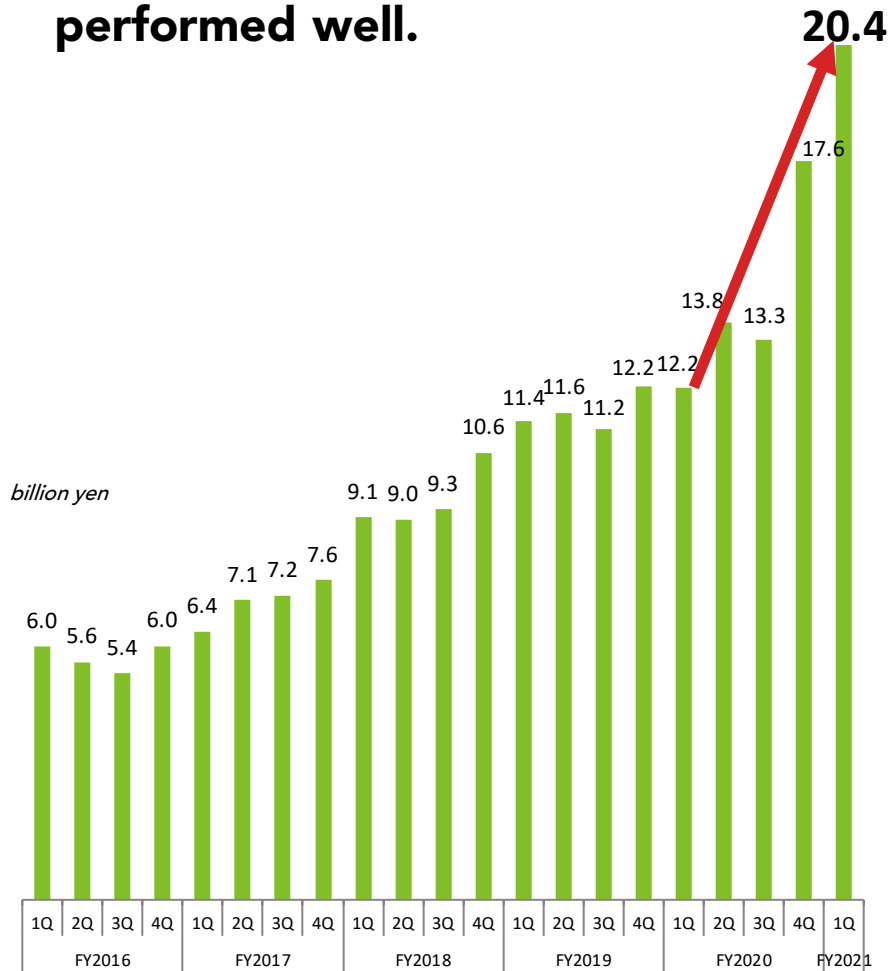
**** TV Anime "IDOLY PRIDE" : © 2019 Project IDOLY PRIDE/ Hoshimi Production Available on ABEMA every Sunday at 11 pm starting January 10, prior to terrestrial broadcasting.

Media

5. Media Business

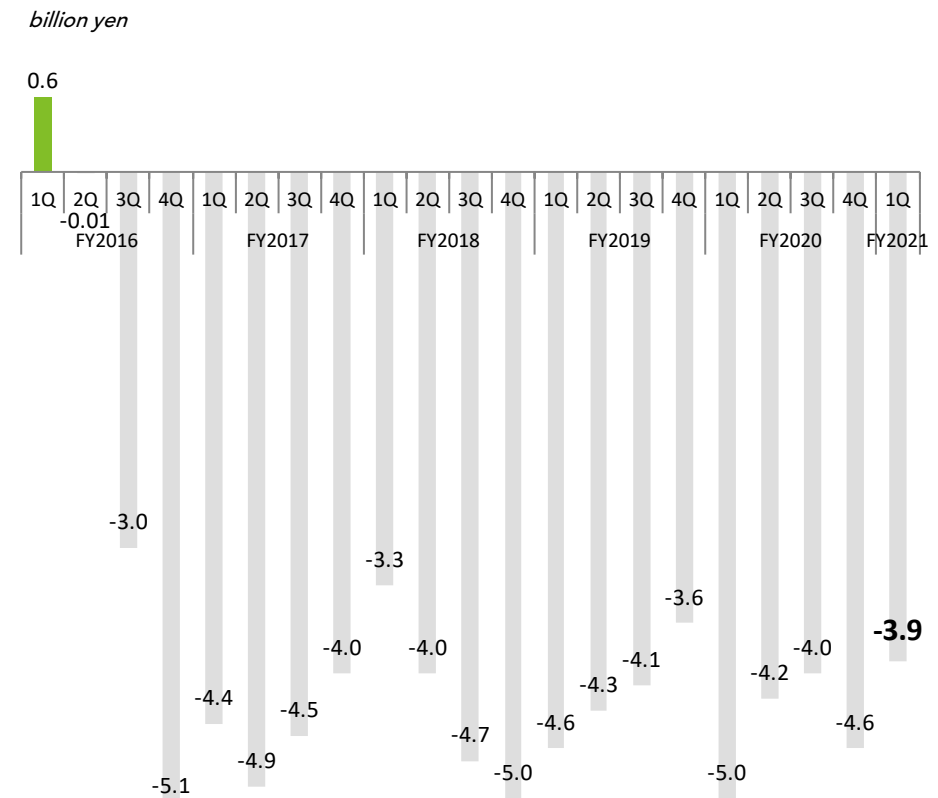
[Quarterly Sales]

20.4 billion yen (grew 1.6x YoY)
ABEMA related businesses
performed well.



[Quarterly OP]

-3.9 billion yen operating loss in Q1.

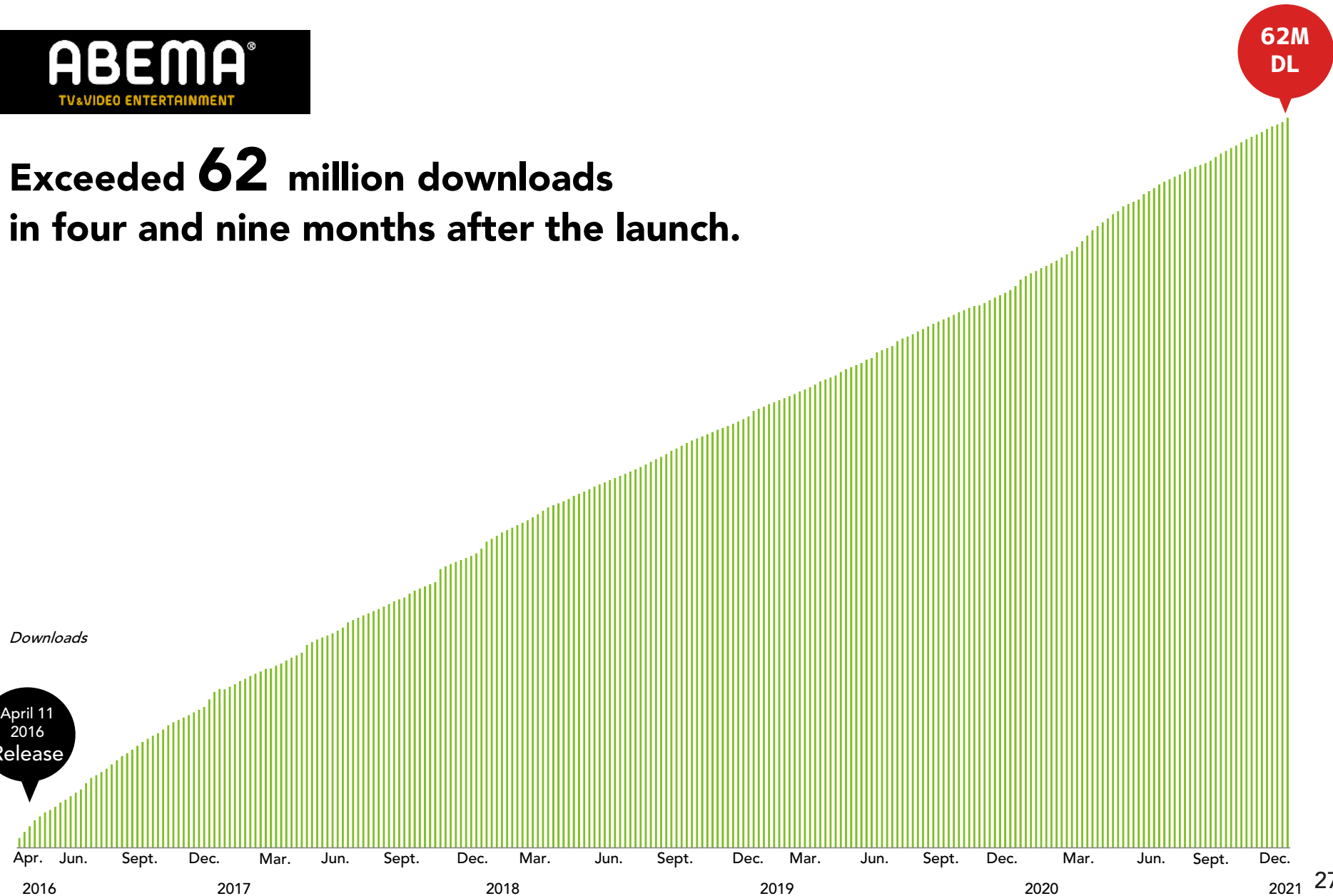


*Quarterly OP: Special incentives in FY2016 and FY2020 are excluded.

5. Media Business

ABEMA®
TV&VIDEO ENTERTAINMENT

Exceeded **62** million downloads
in four and nine months after the launch.

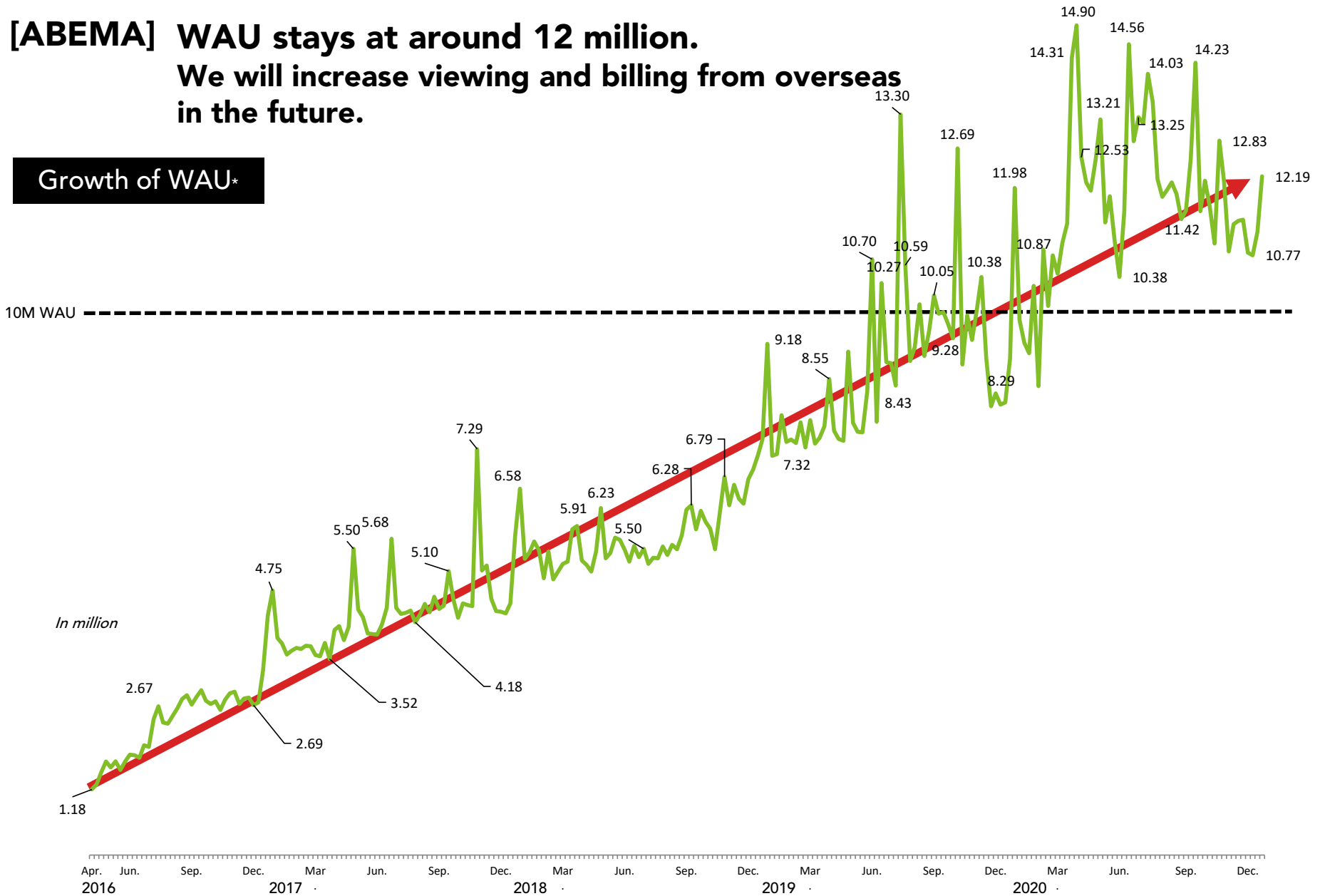


5. Media Business

[ABEMA] WAU stays at around 12 million.

We will increase viewing and billing from overseas in the future.

Growth of WAU*



*WAU: Weekly Active Users

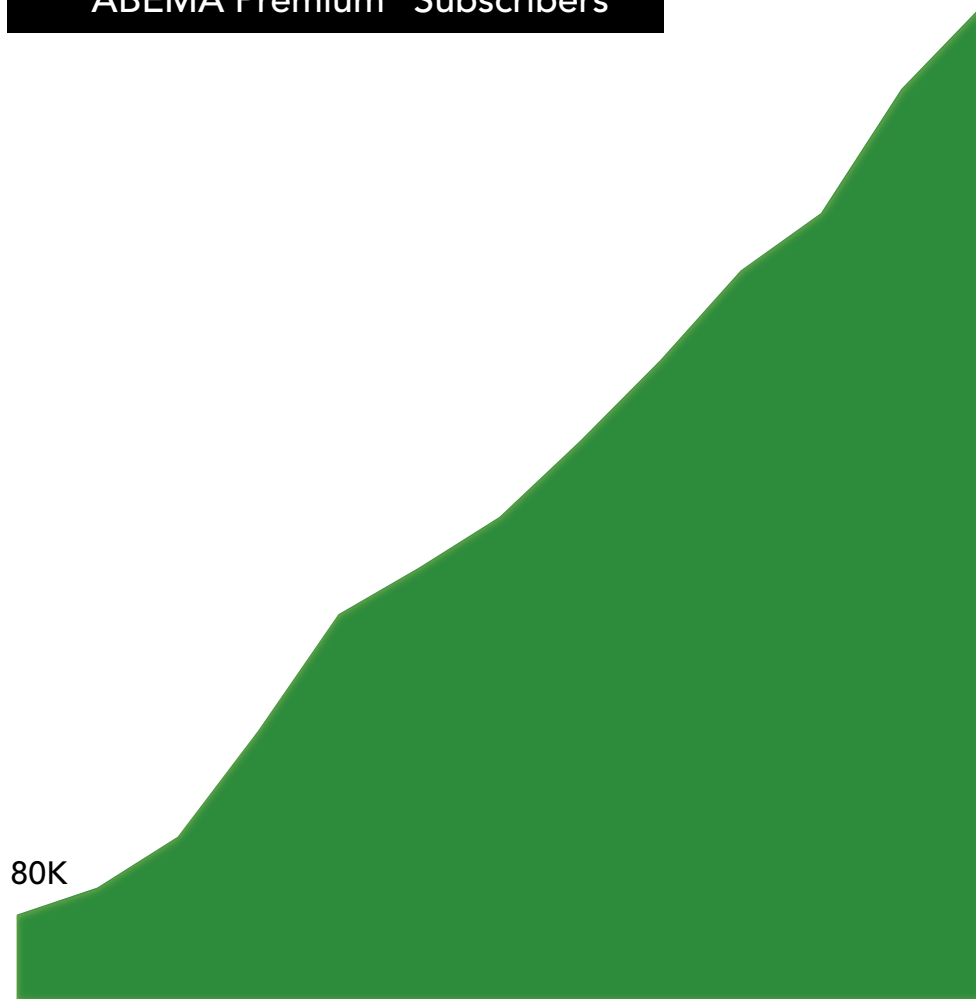
5. Media Business

[ABEMA] 0.921 million premium users at the end of December.

ABEMA will continue to expand the number of exclusive contents for subscribers.

"ABEMA Premium" Subscribers

0.921M



Dec. 2017

Dec. 2020

Exclusive Content on ABEMA Premium

Special movie co-produced with Toei Video

Streaming started on January 1, 2021



You can't fool me, Mr. Wolf

Streaming started November 1, 2020



5. Media Business

[ABEMA] During December quarter, many famous artists performed at the "ABEMA PPV ONLINE LIVE."

Live concerts in Oct-Dec

ABEMA LDH Festival 2020.12.22-12.31

Winter Festival

ABEMA オリジナル

アベマLDH祭り ~冬のLIVEスペシャル~

EXILE / 三代目 J SOUL BROTHERS from EXILE TRIBE / GENERATIONS from EXILE TRIBE / THE RAMPAGE from EXILE TRIBE / FANTASTICS from EXILE TRIBE / BALLISTIK BOYZ from EXILE TRIBE / E-girls

ABEMA PLAY!

マルチアングル

ももいろクローバーZ

アベマ限定ライブ

マルチアングル豪華盤

ABEMA

FUKUYAMA MASAHARU
30th Anniv. ALBUM LIVE

AKIRA

Sunday, Dec.27, 2020 @ONLINE

配信日時 12月27日(日) 19:00 視聴チケット料金 ¥3,939

ABEMA

PORNOGRAFFITI

CYBERロマンスポルノ'20
~REUNION~

12/4(金)
よる7時 生中継

ABEMA

サザンオールスターズ

2020

Keep Smilin' 皆さん、お疲れ様でした!! 顔を呼ぶマッピース!!

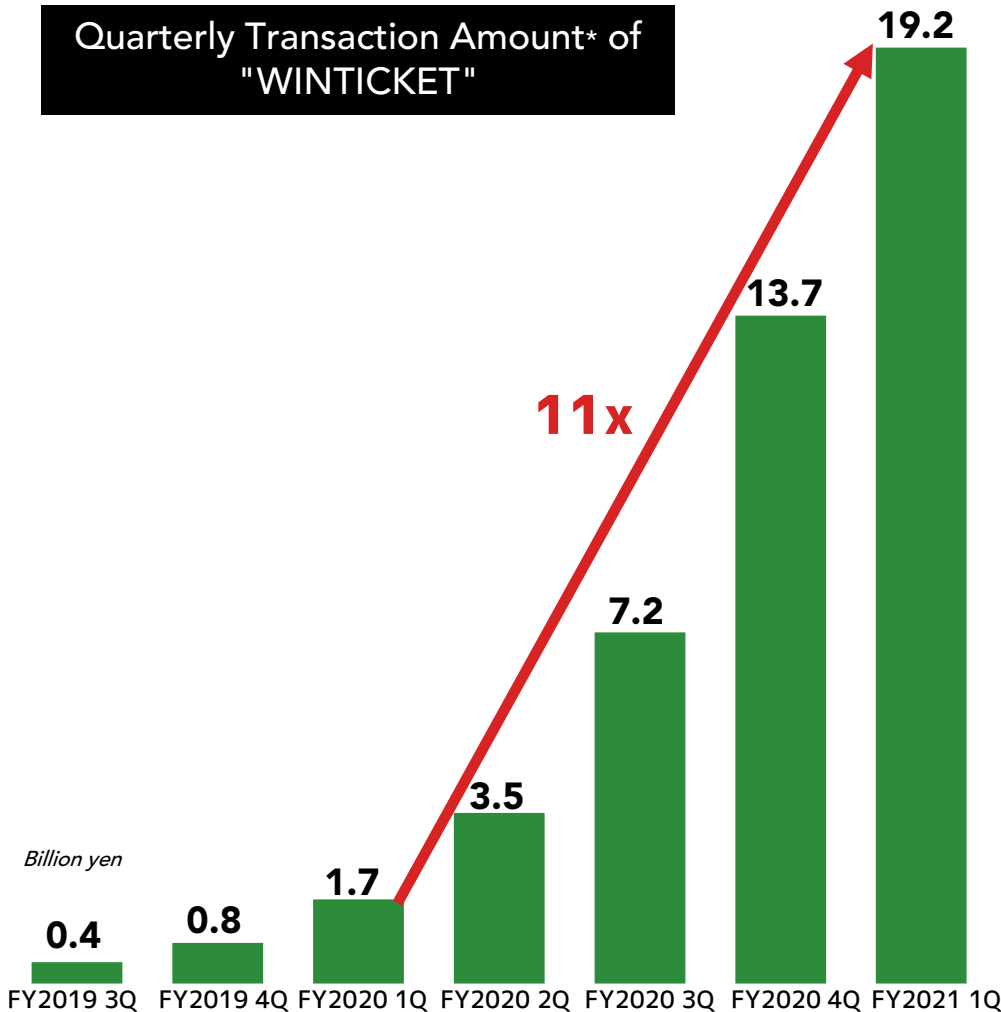
12.31 配信ライブ

SOUTHERN ALL STARS ONLINE LIVE 2020

5. Media Business

[ABEMA] By stepping up promotions and releasing new functions, the transaction volume of "WINTICKET" has increased about 11 times year over year.

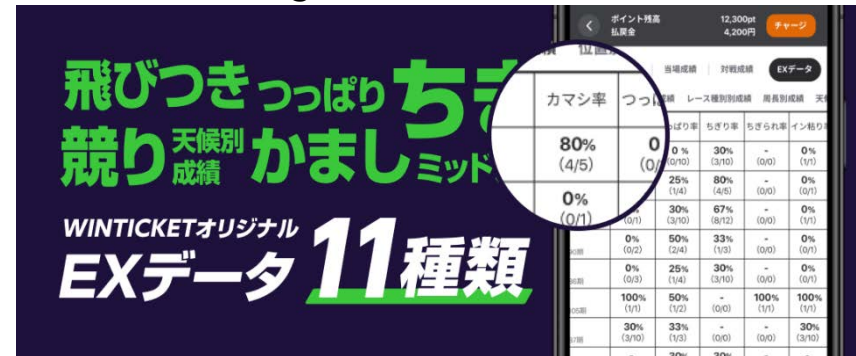
Quarterly Transaction Amount* of "WINTICKET"



TV commercial was aired during winter holidays. **



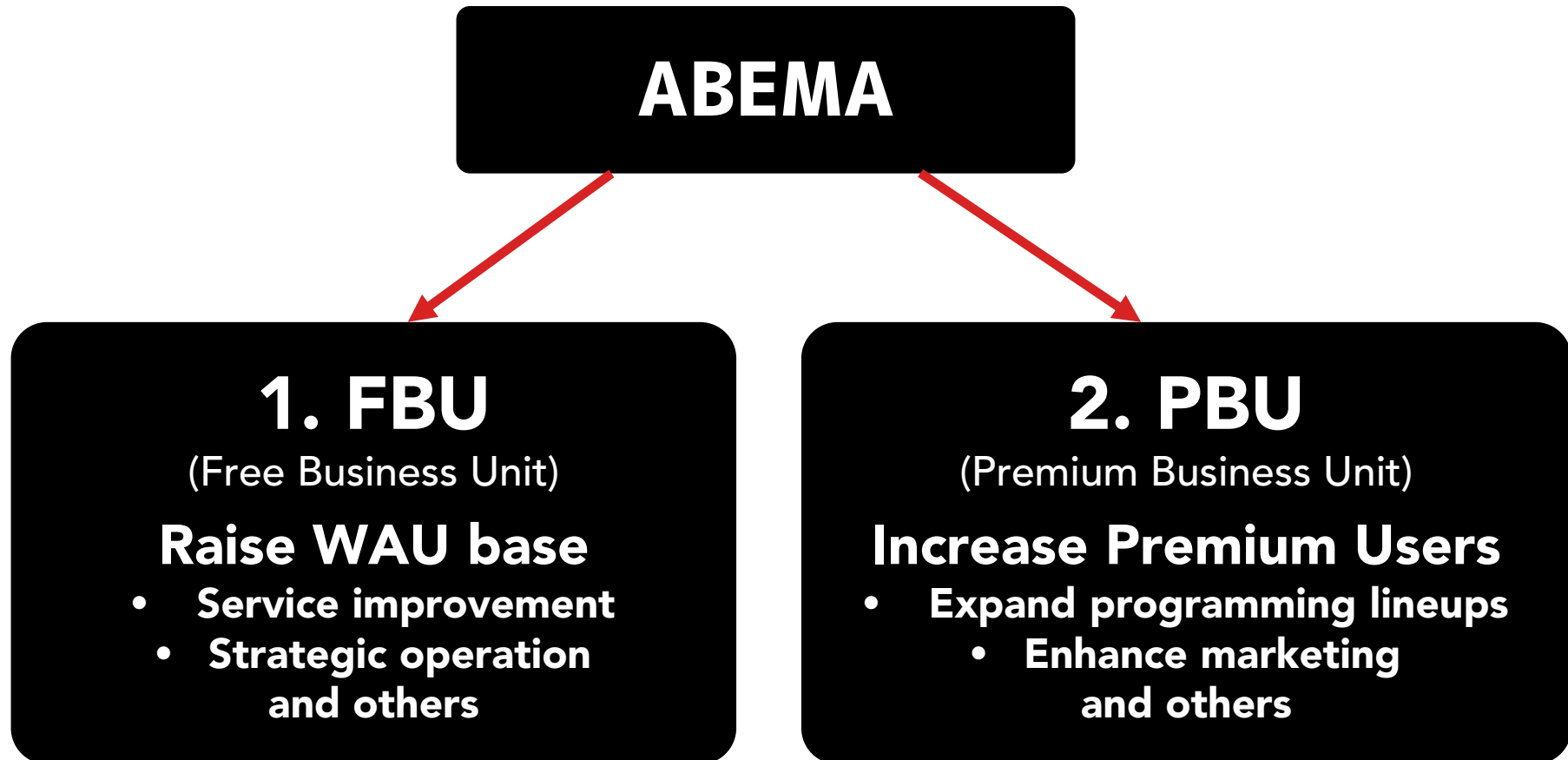
New Feature "Original EX Data"***



*Quarterly Transaction Amount: Transaction amount of WinTicket, Inc. that operates internet betting system of Keirin races. (includes loyalty point campaign)

WINTICKET's first TV commercial has been aired from Dec. 22 to Jan. 12. * WINTICKET launched a new feature that provides 11 types of original data that further improves the racing entries on Oct. 28.

[ABEMA] The ABEMA team has been reorganized from FY2021.
The two units work to expand the number of "FREE users" and "PREMIUM users" respectively.

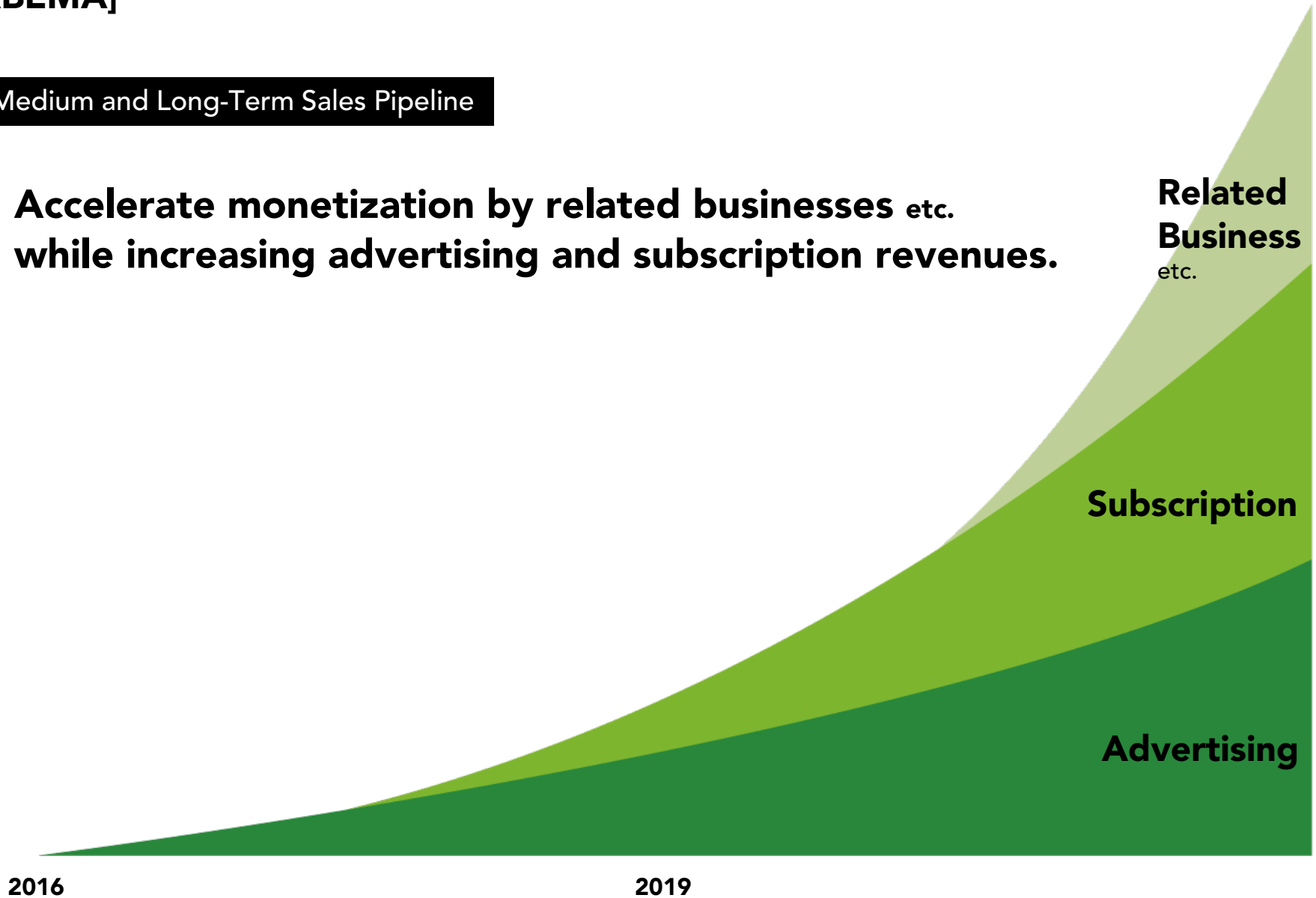


5. Media Business

[ABEMA]

Medium and Long-Term Sales Pipeline

**Accelerate monetization by related businesses etc.
while increasing advertising and subscription revenues.**



FY2021

Grow ABEMA as a medium to long-term pillar.

Media

Grow ABEMA larger and increase monetization

Ad

Aim to increase sales by maximizing advertising effectiveness

Game

Make successful games and enhance the operational capability to run long term games

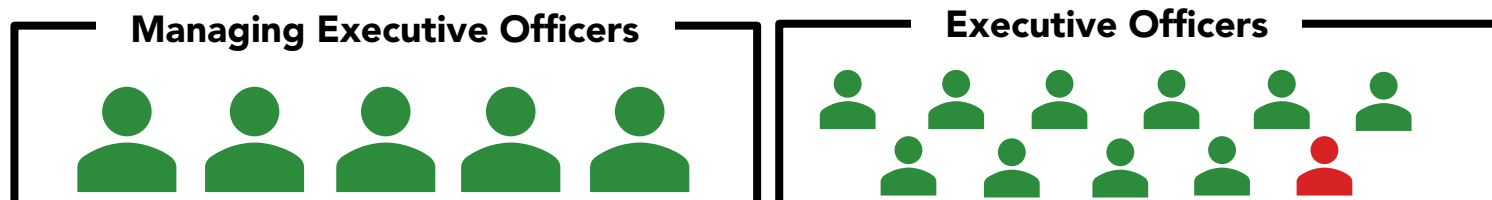
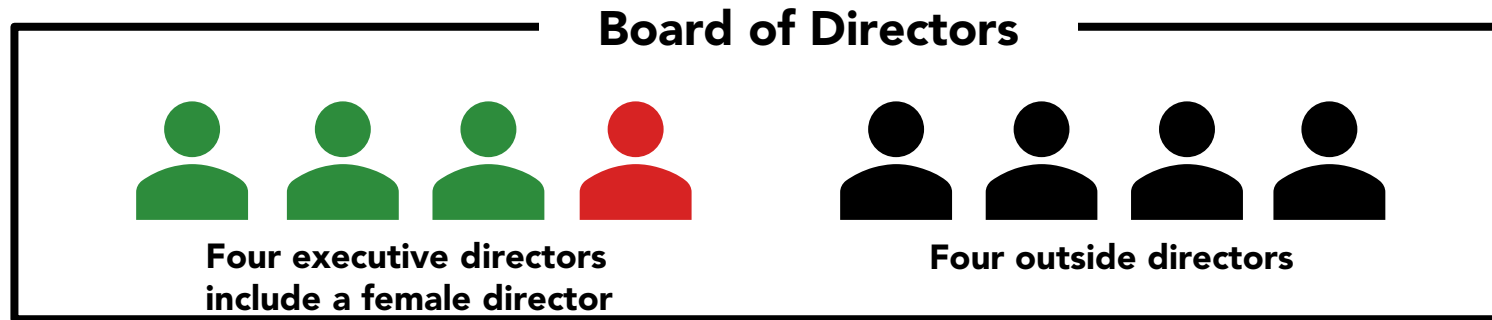


**Aiming to be a company with
medium to long-term supporters**

Reference

- **Governance**

We developed a new structure to strengthen governance and make a clear distinction between management oversight and execution.



[Directors] Eight directors include three Audit and Supervisory Committee members. Seven male directors and a female director, of which four are outside directors.

Director Nominees



Susumu Fujita
Representative Director



Yusuke Hidaka
Director



Go Nakayama
Director



Koichi Nakamura
Outside Director



Kozo Takaoka
Outside Director

Outside

Outside

Members of Audit and Supervisory Committee



Toko Shiotsuki
Director
Standing member of
Audit and Supervisory
Committee

Female



Masao Horiuchi
Outside Director

Outside



Isao Numata
Outside Director

Outside

[Executive officers]

Corporate Executive Office

Susumu Fujita

CEO, President



Yusuke Hidaka

Executive Vice President



Yasuo Okamoto

Executive Vice President



Go Nakayama

Senior Managing Executive Officer



Masahide Koike

Senior Managing Executive Officer



Takahiro Yamauchi

Senior Managing Executive Officer



Yuko Ishida

Senior Managing Executive Officer



Yuta Iizuka

Senior Managing Executive Officer



[Executive officers]

Managing Executive Officers

Takahito Naito



Tetsuhito Soyama
CHO



Norishige Nagase
Technology



Koki Ukita



Riku Yamada



Executive Officers

Hiroyuki Ishii
Senior Executive Officer



Eiji Koike
Senior Executive Officer



Masato Sato



Yosuke Sato



Takehiro Takeda



Tatsuhiko Taniguchi



Daiki Nakata



Tomohisa Nomura



Takunori Fujii



Gaku Miyata



Yuka Yokoyama



IR video contents for shareholders and investors

"IR Channel"

These short videos cover the latest case studies of AI in the advertising business, as well as the usage scenarios and functions of "ABEMA" in Japan.

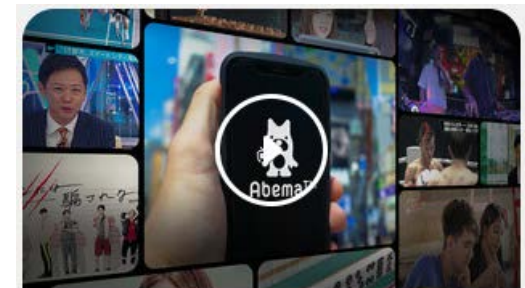
https://www.cyberagent.co.jp/en/ir/ir_channel/



AI for Effective Advertising - AI research and business implementation capability of CyberAgent



The evolving ad creative of CyberAgent



5 ways to use "ABEMA"

Integrated Report CyberAgent Way 2020

The New Normal is a theme of the report which describes CyberAgent's strength in responding to change, creating new business opportunities, and a new structure that separates supervision and execution to strengthen governance further. Also, to provide increasingly diverse ESG information, we started disclosing environmental data this fiscal year.



“CyberAgent Way 2019” won the Silver award in PDF Version of Annual Report: Internet Service Provider category at the 2020 ARC Awards hosted by MerComm Inc.

Integrated Report CyberAgent Way 2020
<https://www.cyberagent.co.jp/en/ir/library/annual/>

Click!!



FY2021 Q2 earnings release is scheduled to be released at 3 pm or later on Wednesday,
April 28, 2021.