

Corporate Governance Report

CyberAgent, Inc.

Latest Revision: April 28, 2021
Company: CyberAgent, Inc.
Representative: Susumu Fujita,
Representative Director
Inquiries: IR&SR Division
Securities Code: 4751
URL: <https://www.cyberagent.co.jp/en/>

The following is an overview of corporate governance at CyberAgent, Inc.

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

1. Basic Policy

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

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

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

[Reasons for Not Implementing Principles of Corporate Governance Code]

<Medium-term management plan>

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

[Disclosure Based on the Principles of the Corporate Governance Code]

<Strategic-Shareholdings>

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

<Related Party Transactions>

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

<Roles of Corporate Pension Funds as Asset Owners>

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

<Full Disclosure>

Principle 3-1:

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

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

4. CyberAgent's fundamental approach for the Board of Directors is to have the necessary and appropriate number of persons to ensure constructive discussion at Board of Director meetings, while also giving due consideration to a proper balance of knowledge, experience, and ability concerning each business.

When determining the candidates for Directors, the Board of Directors consults the Nomination and Remuneration Advisory Committee as needed. Then we appoint capable persons based on the report.

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

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

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

<Roles and duties of directors>

Principle 4-1-1: The Board of Directors decides on the execution of the business defined as a matter for decision by the Board of Directors in the "Regulations of the Board of Directors" and the "Regulations for Authority of Management." Other individual business decisions are delegated to the Corporate Executive Office and the executive officer in charge, in accordance with the "Regulations for Authority of Management."

<Independence Standards and Qualification for Independent Directors>

Principle 4-9: The Company selects independent external directors in accordance with the requirements for Outside Directors under the Companies Act and the independence criteria specified by Tokyo Stock Exchange. The Board of Directors selects those who understand the business administration and corporate value of the Company, are independent of management and are expected to contribute to constructive discussions in the Board of Directors as outside directors.

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

Principle 4-11-1: In selecting director candidates, the Company takes into account the balance of knowledge, experience and competence related to the Company and its businesses, as well as the diversity of the Board of Directors, and considers the number of directors necessary and appropriate to ensure constructive discussion in the Board of Directors. The Board of Directors consists of eight directors (in which four directors are independent outside directors.)

<Concurrent Positions of Directors>

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

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

Principle 4-11-3: We conducted a questionnaire survey about the effectiveness of the Board of Directors targeted at directors include Audit and Supervisory members on September 30, 2020. The results of the survey showed that deliberations are made with sufficient time secured for the Board meeting. Each director are in close communication with the outside directors. They do not only stick to their own responsibilities but make appropriate decisions which will contribute to the company-wide business expansion, concentration and selection, enhancing enterprise value based upon discussions about budget, performance forecast and risk factors which can affect business and management.

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

<Training policy for Directors>

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

<Policy for dialogues with shareholders>

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

English Translation

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

2. Capital Structure

Ratio of Shares Held by Foreigners	More than 30%
------------------------------------	---------------

[Major Shareholders] **Updated**

Name or Designation	Number of Shares Held (Shares)	Shareholding Ratio (%)
Susumu Fujita	24,639,600	19.53
The Master Trust Bank of Japan, Ltd. (trust account)	12,396,400	9.82
Custody Bank of Japan, Ltd. (Trust account)	7,314,800	5.80
NORTHERN TRUST CO. (AVFC) SUB A/C NON TREATY	4,327,612	3.43
THE BANK OF NEW YORK MELLON 140051	2,954,900	2.34
SSBTC CLIENT OMNIBUS ACCOUNT	2,705,986	2.14
JP MORGAN CHASE BANK 385635	2,176,401	1.72
RBC ISB S/A DUB NON RESIDENT/TREATY RATE UCITS CLIENTS-ACCOUNT	2,023,700	1.60
Custody Bank of Japan, Ltd. (Trust account 5)	1,805,500	1.43
BNYM AS AGT/CLTS 10 PERCENT	1,751,804	1.39

Controlling Shareholders (excluding parent company)	—
Parent Company	—

3. Corporate Attributes

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

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

N.A.

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

A subsidiary of the Company Makuake, Inc. is listed on the Mothers. We believe that it is desirable from the perspective of group management to enhance the corporate value of Makuake, Inc. through their own growth strategies. We respect the management decisions of them and emphasize that they should develop their business activities with independence and self-reliance.

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

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

Form of Organization	Company with Audit and Supervisory Committee
----------------------	--

[Directors]

Number of Directors Stipulated in Articles of Incorporation	15
Term of Office for Directors Stipulated in Articles of Incorporation	1 year
Chairman of the Board of Directors	President
Number of Directors	8
Election of Outside Directors	Elected
Number of Outside Directors	4
Number of Outside Directors Designated as Independent Director	4

Relationship with the Company (1)

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

* Relationship with the Company

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

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

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

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

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

English Translation

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

Relationship with the Company (2) **Updated**

Name	Audit and Supervisory Committee member	Independent Director	Supplementary Information Related to the Criteria	Reason for Appointment as Outside Director (For Independent Directors, Including Reason for Designation as an Independent Director)
Koichi Nakamura		✓	Until June 2014, he was an executive officer of Recruit Holdings Co., Ltd. (The business amount in FY2020 account for 3.74% of our consolidated sales) which is the Company's specified related business operator (major customer). There is currently no specific relationship between them.	<p>Mr. Nakamura has provided practical and objective indications regarding overall management and supervision of business execution from a third party perspective when making decisions at the board of directors. He also offers helpful advice on using human assets, which we value, and contributes to our corporate value enhancement. He has contributed to business development for many years at Japan Recruit Center Co., Ltd. (currently Recruit Holdings Co., Ltd.). He served as a director and vice president of the Company and has vast experience and broad insight into business promotion and corporate management.</p> <p>The Company has determined that Mr. Nakamura meets the qualifications of an independent director as set by the Tokyo Stock Exchange and poses no risk in terms of conflict of interest with ordinary shareholders, and has thereby appointed him as an independent outside director.</p>
Masao Horiuchi	✓	✓	Mr. Masao Horiuchi was a director of USEN-NEXT HOLDINGS Co., Ltd. (U-N), our regular client in the Internet Advertising Business, from December 2010 to June 2017, and has been a full-time auditor of this company since July 2017. The Company believes that there is no risk of influence on the judgment of shareholders and investors given that he is not an executive of U-N, the scale of transactions between U-N and the Company (less than 1% of the Company's consolidated net sales in fiscal 2020) is insignificant, and the nature of the transactions.	<p>Since Mr. Horiuchi took office as an outside director of the Company in December 2017, he has raised frank discussions with management regarding possible risks based on his broad experience and insight and offered advice on strengthening internal control and corporate governance. Going forward, we continue to expect him to supervise the Board of Directors from an independent standpoint when making decisions.</p> <p>He has been responsible for corporate management departments and internal controls for many years. He has extensive experience and comprehensive insights regarding internal control and corporate governance as a director of U-NEXT Co., Ltd. (currently USEN-NEXT HOLDINGS Co., Ltd.). He is a certified tax accountant and has specialized knowledge in finance, accounting, and tax.</p> <p>The Company has determined that Mr. Horiuchi meets the qualifications of an independent director as set by the Tokyo Stock Exchange and poses no risk in terms of conflict of interest with ordinary shareholders, and has thereby appointed him as independent outside director.</p>

English Translation

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

Isao Numata	✓	✓	--	<p>Since taking office as an outside director of the Company, Mr. Numata has exchanged extensive discussions from various perspectives, and provided advice based on an abundant information network. Based on these contributions, we continue to expect him to give appropriate supervision from an independent standpoint when making decisions at the Board of Directors. He has run a consulting company for many years to support public offering and overseas operations. He has broad experience and deep insights regarding corporate management, stock markets, and foreign markets.</p> <p>Mr. Numata also worked from April 1988 to June 2000 at Daiwa securities (currently Daiwa Securities Group headquarters), which is CyberAgent's lead underwriter. It should be noted, however, that he has never held a key position concerning the administration of Daiwa securities, and more than 20 years has passed since he left that company. He also had never had any special business relationship with the company after leaving it. Based on this history, we consider him to have more than adequate impartiality concerning CyberAgent.</p> <p>CyberAgent has determined that Mr. Numata meets the qualifications of an independent director as set by the Tokyo Stock Exchange and poses no risk in terms of conflict of interest with ordinary shareholders, and has thereby appointed him as Independent outside director.</p>
Kozo Takaoka		✓	<p>Mr. Kozo Takaoka was President and CEO of Nestle Japan LTD0., a regular business partner in the Company's Internet advertising business, until March 2020. However, the Company believes that there is no risk of influencing the judgment of shareholders and investors in view of the small scale of the transaction (less than 1% of the Company's consolidated net sales in fiscal 2020) and the nature of the transaction.</p>	<p>Mr. Takaoka has a wealth of experience and a wide range of insights as a corporate executive and leading expert in the marketing field in Japan, having driven management and contributed to the development of the business as President and CEO of Nestlé Japan Ltd. for many years. We nominate him for director because we believe that his significant insights, support for management from a highly independent and broad perspective, and advice on the execution of marketing operations will enhance the corporate value of the CyberAgent group.</p> <p>CyberAgent has determined that Mr. Takaoka meets the qualifications of an independent director as set by the Tokyo Stock Exchange and poses no risk in terms of conflict of interest with ordinary shareholders, and has thereby appointed him as a Independent outside director.</p>

English Translation

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

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

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

Appointment of Directors and employees who assist the Audit and Supervisory Committee with its duties	Appointed
---	-----------

Matters relating to the Independence of Such Directors and Employees from Executive Directors

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

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

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

[Voluntary Establishment of Committees]

Voluntary Establishment of Committees equivalent to Nomination Committee or Compensation Committee	Yes
--	-----

Status of Establishment of Voluntary Committee, Composition of Committee and Attributes of Committee Chair (Chairperson)

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

English Translation

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

Supplementary Explanation

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

[Independent Directors]

Number of Independent Directors	4
---------------------------------	---

Matters relating to Independent Directors

All outside officers who meet the qualifications for independent directors are designated as independent directors.

[Incentive Programs]

Incentive Policies for Directors	The stock option system has been adopted
----------------------------------	--

Supplementary Information

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

Grantees of Stock Options	Executive Directors, Outside Directors, employees, directors and employees of subsidiaries
---------------------------	--

Supplementary Information **Updated**

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

The total value of stock options as of the end of March, 2021 was a balance of 914,600 (0.72% of issued shares including treasury stocks) issued shares and an assumed total paid-up value of 348,308,600 yen.

(Note) On April 1, 2021, the Company conducted a four-for-one stock split of common stock. The balance of stock options outstanding after reflecting this stock split is 3,658,400 shares.

English Translation

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

[Directors' Compensation]

Disclosure of Individual Directors' Compensation	The compensation of individual directors is not disclosed.
--	--

Supplementary Information

The compensation of the Company's directors in the fiscal year ended September 30, 2020

Category	Number of paid Directors	Value of Compensation
Director who is NOT the Audit and Supervisory committee members	12	564 million yen
(Outside)	(1)	(16 million yen)
Director who IS the Audit and Supervisory committee members	3	19 million yen
(Outside)	(2)	(8 million yen)
Total	15	583 million yen
(Outside)	(3)	(24 million yen)

* The value of compensation above include cost of stock option granted to the directors (94 million yen).

Policy on Determining Compensation Amounts and Calculation Methods Updated	Yes
---	-----

Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

Regarding the amount of remuneration of each director (excluding a member of the Audit and Supervisory Committee), the Board of Directors consults the Nomination and Remuneration Advisory Committee as needed. Based on the report, the Representative Director who is entrusted from the Board of Directors will take into account the role, the level of contribution, and the performance of each director and determine the amount within the limit of remuneration, which is approved at the general meeting of shareholders.

[Support System for Outside Directors]

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

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

- 1) Board of Directors
The Board of Directors consists of five directors who are not members of the Audit Committee (including two outside directors) and three directors who are members of the Audit Committee (including two outside directors). Regular board meetings are held once a month and special meetings are held when necessary to make important decisions and supervise the executions and operations. In addition, the Company established the Corporate Executive Office on October 2, 2020, with the aim of separating management oversight from business execution, and delegated some of the Board's executive authority to the Corporate Executive Office. The Board of Directors and the Corporate Executive Office have developed an agile management system and are working to strengthen supervisory functions.
- 2) Corporate Executive Office
The Corporate Executive Office consists of eight senior executive officers or higher (including three who also serve concurrently as directors). It holds meetings as necessary to improve the efficiency and speed of management decision-making and business execution. In addition, a director, who is a full-time member of the Audit and Supervisory Committee, attends meetings occasionally and supervises important business execution decisions with the directors.
- 3) Audit and Supervisory Committee
The Audit and Supervisory Committee consists of three directors (including two independent outside directors). It generally holds a monthly meeting to audit the business execution by the directors.
- 4) Internal Audit Office
The Internal Audit Office conducts internal audits of all Group operations according to the audit plan. The results of the audit are reported to the Board of Directors, and the director or a member of the Audit and Supervisory Committee instructs the executive officer in charge to make improvements. The results of the audit are reported to the Board of Directors and improvements are instructed to the executive officer in charge through the director or the director who is a member of the Audit Committee, in order to ensure immediate action is taken.
- 5) Accounting Audit
The Company has appointed Deloitte Touche Tohmatsu LLC as the accounting auditor. There are no special interests between the audit firm or its executive members and the Company.
- 6) Nomination and Remuneration Committee
The Nomination and Remuneration Committee consists of three independent outside directors, one director who is a full-time member of the Audit Committee, and the representative director. In order to strengthen the independency, objectivity and accountability of the Board of Directors' functions in nominating director candidates and determining director compensation, and to further strengthen corporate governance in the Company, the Board of Directors resolved to establish the Committee at its October 30, 2019 meeting. The Nomination and Remuneration Committee consults with the Board of Directors to deliberate on decisions on the nomination and remuneration of directors, and reports to the Board of Directors.
- 7) Limitation of Liability Contract
The Company has concluded an agreement with Messrs. Koichi Nakamura, Kozo Takaoka, Masao Horiuchi, Isao Numata, and Ms. Toko Shiotsuki to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the same Act. The limit of compensation for damages based on the agreement is the minimum liability limit stipulated by law.

3. Reasons for adopting the current corporate governance system

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

III Status of Implementation of Measures Related to Shareholders and Other Stakeholders

1. Measures to Revitalize the General Meeting of Shareholders and Facilitate of Exercise of Voting Rights Updated

	Supplementary Information
Prompt Delivery of Convocation Notice of General Meeting of Shareholders	The Company makes efforts to send out proxy materials at an early date in order to allow shareholders sufficient time to consider resolutions. Proxy materials are dispatched more than one week prior to the statutory date (more than three weeks before the convening of the General Meeting of Shareholders). The materials are also made available on the Company's website, the Tokyo Stock Exchange's website and the electric platform of the voting exercise.
Setting Date of General Meeting of Shareholders to Avoid Being Held on the Same Day as Many Other Companies	In order to more shareholders join Annual General Meeting, the date is decided to avoid concentrated days. The 23 rd Annual General Meeting of Shareholders was held on Friday, December 11, 2020.
Exercise of Voting Rights by Electromagnetic Means	Since the 10th Annual General Meeting of Shareholders (held on December 20, 2007), the Company has accepted the execution of voting rights via the internet from computers and mobile phones so that more shareholders can participate in the meeting.
Participation in Platform for Exercise of Voting Rights by Electromagnetic Means and Other Measures to Enhance Environment for Exercise of Voting Rights by Institutional Investors	The Company adopted electronic voting platforms from the 18th Annual General Meeting of Shareholders (held on December 11, 2015), in order to provide institutional investors with sufficient time to consider the content of the resolutions.
Providing Convocation Notice (Summary) in English	English version of the notice of convocation and the disclosed information at the time of notice are published on the corporate website as same as the Japanese version.
Other	Shareholders' meeting: In order to prevent the spread of COVID-19 and to ensure the safety and security of our shareholders, we have announced in the notice of convocation and on the investor relations website that we are asking our shareholders to refrain from coming to the venue for the 2020 Annual General Meeting of Shareholders if at all possible. The distribution of souvenirs that might encourage visitors and the company information sessions that were held at the same time in previous years have been cancelled. The shareholders' meeting was streamed live online on the Internet so that it could be viewed from anywhere.

2. Investor Relations Activities **Updated**

	Supplementary Information	Explanation by Representative
Adoption of Disclosure Policy	The Company's disclosure policy include basic policy, disclosing method and quiet period is available on our website. https://www.cyberagent.co.jp/en/way/info/detail/id=20537	-
Holding Regular Meetings for Individual Investors	In view of the spread of COVID-19, we have cancelled the business briefing session held after the Shareholders' meeting in previous years, and are working to disseminate information online. The webcast of quarterly financial results briefings can be accessed at the investor website. In addition, we have created about 25 short video contents available on the "IR Channel" to strengthen the disclosure of qualitative information such as competitive advantages and technological capabilities of each business. The investor website has a number of features for individual investors, including a generator function that allows you to compare various financial statements.	Yes
Holding Regular Meetings for Analysts and Institutional Investors	On the day of the quarterly earnings announcement, the Company provides a webcast of financial results briefing. President explains the financial results and current business strategy. We strive to provide timely and equal information disclosure to individual investors and overseas investors through simultaneous live webcast in Japanese and English. Also, we set small meetings for institutional investors with our board members, and other small meetings focused on new or focusing businesses and services.	Yes
Holding Regular Meetings for International Investors	To ensure equal information disclosure, investor website is available in English. Also the financial results briefings have live webcast in Japanese and English. We regularly hold conference calls and online conferences with investors every quarter. Several times a year, we participate in conferences for international institutional investors to have more opportunities for dialogue.	Yes
Posting Investor Relations Materials on the Company Website	From fiscal year 2018, we have published the integrated report that includes information on our sustainable growth mechanisms and ESG information. In order to gain further understanding from investors, we have expanded the disclosure of environmental information since fiscal 2020.	
Establishment of Investor Relations Department	Division in charge: IR&SR Division Officer in charge: Susumu Fujita, Representative Director Person in charge of information handling: Go Nakayama, Director Person in charge of clerical communication: Sonoko Miyakawa, Head of IR&SR Division	

English Translation

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

Others

Other Information dissemination through investor relations website

- Utilizing social media

We use social networking services such as Facebook, Twitter, Instagram, and LINE to disseminate the latest information in real-time.

- Owned Media “FEATUReS”

We post articles about our unique structure, culture, social contributions, etc. on our IR website.

- Video Contents for shareholders and investors

The IR Channel provides video content including interviews with outside directors and presentations on competitive advantages by business managers.

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

	Supplementary Information
Provisions Made in Consideration of Stakeholders' Interests (Internal Regulations, etc.)	In order to respect the positions of stakeholders and fulfill corporate social responsibility, the Group established "Ethical Business Guideline," to set a basic rule which is followed by all Directors and employees based on the "CyberAgent Mission Statement."
Promotion of Environmental Protection, Corporate Social Responsibility (CSR), and Other Activities	<p>CyberAgent has been working on disclosing information on greenhouse gas emissions from its business activities since fiscal 2020. Considering the nature of our business, mainly in the internet domain, the calculation of CO2 emissions covers emissions from our main domestic offices, the data centers for the operation of the internet services we provide, employees' commuting, and business trips. We will continue to measure the environmental impact of business activities and strive to improve business efficiency and reduce total CO2 emissions at the same time.</p> <p>Total GHG Emissions [t-CO2] FY2018 19,244 FY2019 24,794 FY2020 15,820*</p> <p>*Total GHG emissions decreased due to more efficient use of electricity as a result of consolidating multiple offices dotted around Shibuya into one from April to September 2019, and a decrease in business transportation and business trip expenses due to the spread of the COVID-19.</p> <p>Our commitment to the Sustainable Development Goals (SDGs) CyberAgent supports the Sustainable Development Goals (SDGs) set by the United Nations and aims to contribute the goals through our various services, content, and partnerships. Please access our integrated report to learn more. https://www.cyberagent.co.jp/en/ir/library/annual/</p> <p>Strengthening of Information Infrastructure Functions "ABEMA" allows users to browse the latest news and information for free on their smartphone. ABEMA delivers services to smartphones which people carry these days ubiquitously and provides notifications 24-hours-a-day in real time in the event of a disaster. By doing this, we are pursuing business initiatives that recognize the importance of its role in society as new information infrastructure in the age of the internet.</p> <p>Support for Creating Shared Value Makuake, Inc., one of our subsidiaries, operates a crowdfunding platform, "Makuake." Crowdfunding service is one of the growth strategies the Japanese government sets and effectively nurtures venture companies. We aim to contribute to the revitalization of the Japanese economy through Makuake.</p> <p>Development of IT talent With the aim of developing the talent to lead the 21st century with IT, we established "CA Tech Kids" to offer programming education to elementary school students in May 2013. Our efforts go beyond just helping kids acquire IT programming knowledge and skills; we also aim to encourage the development of "talent capable of using technology as a tool to realize their own ideas and actively engage in society."</p>

	<p>Promotion of Digital Transformation (DX) Against the current situation of the COVID-19, we are applying the know-how we have accumulated through the provision of various services, as well as the latest technologies and internal and external platforms we possess, to the digital transformation of industry. We have established OEN, Inc. to promote the shift to online services in the entertainment industry, which is mainly offline entertainment, MG-DX, Inc. to support the digital transformation in the pharmacy and pharmaceutical retail industry, and the Digital Government Promotion Office to support the digitalization of administrative procedures in public offices and local governments.</p> <p>Supporting Sports In October 2018, the Japan Professional Football League Club "FC Machida Zelvia" became part of CyberAgent Group. Also, in September 2020, CyberFight, Inc. was established by integrating DDT Pro-Wrestling, Inc. and Noah Global Entertainment Inc, that are wholly owned subsidiaries of the Company that operate a professional wrestling business. We leverage the synergy of the CyberAgent Group to support the sports business.</p>
Establishment of Policy Concerning Disclosure of Information to Stakeholders	<p>The Company's policy related to the provision of information to stakeholders clearly states in its Disclosure Policy. The Company executes information disclosure in accordance with the Tokyo Stock Exchange's timely disclosure regulations. Regarding important information that may have an impact on investment decision-making as well as information that may be useful to understand the Company, the Company strives to enable equal access by all stakeholders to such information.</p>
Other	<p>[Policy and actions to be a woman-friendly company] Female management ratio currently comprises 21.0% of employees on a non-consolidated basis. The Company, while remaining a venture firm with a vision to "create the 21st century's leading company," and based on a policy of offering employees lifetime employment and providing "challenges and peace of mind as a set," focuses on creating an environment in which "talented employees continue to actively participate over the long term." With the measures for the active participation of women, and the environment that support it, 90% of employees come back to work after maternity and child-care leaves as of September 2020.</p> <p>*Active participation of women We support the women's social advancement promoted by the Japanese government, and provide gender-neutral evaluations of competence and performance in hiring and promotion etc, and support an environment where women can continue to work positively. To pursue our goals, two systems have been introduced in the Company: the "macalon package" (started in May 2014), a support system for women with the meaning of "moms can stay with CyberAgent long" and the company-wide women's cross-sectional program "CAramel" (started in September 2017).</p>

English Translation

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

“macalon” package to support women

The package comprises 1) “Pre-pregnancy Leave” that employees can take for such purposes as going to the hospital for fertility treatments; 2) “Pre-pregnancy Concierge” to receive individual counseling by a professional; 3) “Kids at Home” to allow employees to work from home when their children get a sudden illness or are unable to attend nursery school; and 4) “Kids Day Leave” to allow employees time off for school events, such as entrance/graduation ceremonies or parent participation days, or other anniversaries.

Additionally, we introduced programs that 1) the Company bears part of expensive non-approved nursing fees to promote the return of female employees who can not return to work because they can not enter certified nursery school, 2) publishing an internal information magazine for mom employees.

“Caramel” company-wide women's cross-sectional program

This program helps women, whose careers are likely to be affected by life stage changes, to establish their own careers in the medium to long term, by holding online and other events for the purpose of interacting with female employees. It is meant to "create a place where many female employees can interact with each other." Many female employees have participated in it until now. These programs are aimed at improving the workplace environment where women can continue working even after childbirth and childcare, and we agree with promoting women's advancement of society promoted by the government. Through these efforts, we are carrying forward to build a company that allows employees to work for long periods while enriching their work and life.

IV Items Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

The following is a summary of decisions made regarding systems to ensure that the execution of duties by directors complies with laws and regulations and the Articles of Incorporation, and other systems to ensure the appropriate business operations of the listed company and the corporate group consisting of the listed company and its subsidiaries.

1) System for the storage and management of information regarding the execution of duties by directors.

The Board of Directors appoints a person from among the directors who is responsible for company-wide control. Information related to the execution of duties by directors is stored and managed in the form of documents or electromagnetic records in accordance with the Document Handling Regulations, Confidential Information Handling Regulations, Personal Information Protection Regulations, Insider Information Management Regulations.

2) Regulation and system concerning risk management and loss prevention.

In order to prevent losses, specific risks are identified and categorized in the Emergency Response Regulations, and a system is in place to ensure prompt and appropriate communication of information in the event of an emergency. In accordance with the Internal Audit Regulations, the internal audit office assesses and monitors the status of risk across the organization, and regularly reports to the Board of Directors on matters related to risk management.

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

In order to improve the efficiency and speed of the execution by directors, a part of the authority of the Board of Directors has been delegated to the Corporate Executive Office. Also, in order to ensure operational efficiency, the executive officer in charge sets numerical targets for each division to achieve the company-wide targets set by the Corporate Executive Office. The Corporate Executive Office reviews and approves the targets and then regularly checks the achievement using management accounting methods and reports the results to the Board of Directors.

4) A system to ensure that the duties of directors and employees are carried out according to the law and Articles of Incorporation.

The management office will monitor the duties of directors and employees and carry out a company training as deemed necessary. In addition, the internal audit office cooperates with the Audit and Supervisory Committee to understand the duties of directors and employees, carries out regular auditing, and reports to the Board of Directors.

5) A system to ensure appropriateness of the operations of the Company and the Group of subsidiaries

The Board of Directors will give the Corporate Executive Office a set of numerical targets that the Group (the Company and subsidiaries) must achieve. In addition, the Executive Officer's Office is given the authority and responsibility to manage risks and establish a legal compliance system, and the management division promotes and manages these activities across the Company. In order for each company in the Group to make progress in its individual performance and contribute to the overall growth of the Group's performance, the Company establishes regulations for the management of subsidiary companies and establish a system for regular reporting on the performance of the subsidiaries.

The Company requires its subsidiaries to report certain important matters and risk information to the Company's Board of Directors and the Corporate Executive Office in advance, and certain matters shall be submitted to the Board of Directors. In addition, the Internal Audit Office periodically conducts audits of the Company's subsidiaries and reports to the Board of Directors.

6) Matters relating to the relevant directors and employees who should assist the Audit and Supervisory Committee members

The Internal Audit Office has been established as an organization to assist the Audit and Supervisory Committee, and employees necessary for auditing operations have been assigned.

7) Matters concerning the independence of employees from directors and matters relating to ensuring the effectiveness of instructions

Employees who are to assist the duties of directors who are Audit & Supervisory Committee Members shall follow their instructions and orders in assisting the duties of directors who are Audit & Supervisory Committee Members. In addition, we ensure the independence of such employees and the effectiveness of instructions regarding their duties by respecting the opinions of the Audit and Supervisory Committee regarding the duties and personnel transfers of such employees.

8) System for reporting to the Audit and Supervisory Committee members by directors and employees of the Company

The Directors, Executive Officers, Corporate Management Division and Internal Audit Office shall regularly report the following important matters concerning the Group to the director who is a full-time member of the Audit Committee, and the director who is a full-time member of the Audit Committee shall submit such reports to the Audit Committee.

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

9) System to ensure that a person who has made a report as stated in the preceding item will not be treated disadvantageously for having made such a report

We have established internal regulations to prevent disadvantageous treatment of those who report to directors who are Audit & Supervisory Committee members on the reason that they have made such reports.

10) Matters concerning procedures for prepayment or reimbursement of expenses incurred in the execution of duties by Audit & Supervisory Committee Members (limited to those related to the execution of duties by the Committee), and other policies concerning the handling of expenses and debts arising from the execution of such duties

When a director who is a member of the Audit and Supervisory Committee makes a request to the Company for advance payment of expenses based on Article 399-2, Paragraph 4 of the Companies Act in the execution of his / her duties, the department in charge deliberates and makes the request. Unless it is deemed that such expenses, etc. are not necessary for the execution of duties by the directors who are the Audit and Supervisory Committee members, the expenses, etc. will be promptly processed.

11) System to ensure that the auditing of Directors who are members of the Audit and Supervisory Committee is carried out efficiently.

The Audit and Supervisory Committee may request a hearing regarding the business matters of board members or important employees, and have other privileges including their right to exchange opinions with the CEO, Accounting Auditors and legal advisors.

English Translation

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

2. Basic Policy and Efforts to Eliminate Antisocial Forces

The Group will, as an organization, thoroughly respond with a firm attitude to such antisocial forces. Furthermore, with the objective of eliminating antisocial forces, the Group cooperated for some time with Outside specialized bodies, such as law enforcement organizations and attorneys at law, and promoting the reinforcement of information gathering, management and in-house systems related to antisocial forces.

V Others

1. Adoption of Takeover Defense Measures

Adoption of Takeover Defense Measures

Supplementary Information

N.A.

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

[Chart 1] Corporate Governance Structure

