

English Translation

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Financial Results for the Fiscal Year Ended September 30, 2016 [Japanese Standards] (Consolidated)

October 27, 2016

Listed company name: CyberAgent, Inc.

Listed stock exchange: TSE 1st section

Code No.: 4751

URL <https://www.cyberagent.co.jp/en/>

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Scheduled date of the Annual General Meeting of Shareholders: December 16, 2016

Scheduled date of dividend payment start: December 19, 2016

Scheduled filing date of the Annual Securities Report: December 19, 2016

Preparation of supplementary references regarding financial results: Yes

Holding the briefing of financial results: Yes (For security analysts and institutional investors)

(Amounts less than ¥1 million are rounded down)

1. Consolidated Performance for the Fiscal Year Ended September 30, 2016 (October 1, 2015 - September 30, 2016)

(1) Consolidated Results of Operations

	Net sales		Operating income		Ordinary income		Profit attributable to shareholders of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2016	310,665	22.1	36,790	12.3	35,341	9.4	13,612	(8.0)
FY2015	254,381	23.9	32,747	47.4	32,314	45.6	14,792	54.8

(Note) Comprehensive income FY2016 ¥18,476 million(+2.5%) FY2015 ¥18,016 million (+54.0%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating income margin
	¥	¥	%	%	%
FY2016	108.36	107.91	18.9	24.6	11.8
FY2015	118.09	117.56	24.4	27.9	12.9

(Reference) Equity in earning of affiliates: FY 2016: ¥-1,345 million

FY 2015: ¥-618 million

(Note) The Company conducted a 2-for-1 stock split of common stocks as of October 1, 2016. The “Basic earnings per share” and “Diluted earnings per share” are calculated assuming that the said stock split was conducted at the beginning of the previous consolidated FY.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	¥ million	¥ million	%	¥
FY2016	156,597	92,614	49.3	613.66
FY2015	131,188	77,702	50.8	531.37

(Reference) Equity capital: As of Sep. 30, 2016 ¥77,139 million, as of Sep. 30, 2015 ¥66,706 million

(Note) The Company conducted a 2-for-1 stock split of common stocks as of October 1, 2016. The “Net assets per share” is calculated assuming that the said stock split was conducted at the beginning of the previous consolidated FY.

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of the period
	¥ million	¥million	¥ million	¥ million
FY2016	28,246	(15,224)	453	51,767
FY2015	29,021	(19,492)	(2,362)	38,716

2. Dividends

	Annual dividends per share					Amount of dividends (Total)	Dividend ratio (Consolidated)	Dividend on equity (Consolidated)
	1Q	2Q	3Q	Year-end	Annual			
	¥	¥	¥	¥	¥	¥ million	%	%
FY 2015	—	0.00	—	50.00	50.00	3,138	21.2	5.2
FY 2016	—	0.00	—	50.00	50.00	3,142	23.1	4.4
FY 2017 (forecast)	—	0.00	—	25.00	25.00	—	—	—

(Note) The Company conducted a 2-for-1 stock split of common stocks as of October 1, 2016. The year-end dividends for FY2016 are calculated using the figures before the stock split, while the year-end dividends for FY2017 are calculated using the figures after the stock split.

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3. Consolidated Performance Forecast for the Fiscal Year Ending September 30, 2017 (October 1, 2016 - September 30, 2017)

(% = Year-on-Year Change)

	Net sales		Operating income		Ordinary income		Profit attributable to shareholders of parent		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
2Q of FY2016 (cumulative)	—	—	—	—	—	—	—	—	—
Full year	360,000	15.9	28,000	(23.9)	26,700	(24.5)	10,000	(26.5)	79.55

(Note) No forecasts have been made for the first half of the consolidated fiscal year. For details, please see “Earnings Estimates for the Next Period (October 1, 2016 to September 30, 2017)” under “1. Qualitative Information Related to Consolidated Results of Operations and Consolidated Financial Standing” on page 3.

*Notes

(1) Changes in Significant Subsidiaries during the Period: None

(Changes in specified subsidiaries due to changes in the scope of consolidation)

New companies: — (Company name: —)

Excluded companies: — (Company name: —)

(2) Changes in accounting policies, changes in accounting estimates, restatements

i) Changes associated with revisions of accounting standards: Yes

ii) Changes other than those included in i) : None

iii) Changes in accounting estimates: None

iv) Restatements: None

(Note) For details, please see “(5) Notes to Consolidated Financial Statements (Changes of Accounting Methods),” on page 17.

(3) Number of shares issued (common stock)

(1) Number of shares issued and outstanding at end of period (including treasury stock)	
Fiscal Year Ended September 2016: 126,426,600	Fiscal Year Ended September 2015: 126,426,600
(2) Number of shares of treasury stock issued and outstanding at end of period	
Fiscal Year Ended September 2016: 724,400	Fiscal Year Ended September 2015: 889,600
(3) Average number of shares during the period (cumulative period)	
Fiscal Year Ended September 2016: 125,622,846	Fiscal Year Ended September 2015: 125,262,696

(Note) The Company conducted a 2-for-1 stock split of common stocks as of October 1, 2016. The “Number of shares issued (common stock)” is calculated assuming that the said stock split was conducted at the beginning of the previous consolidated FY. For details, please see “(Information on Value per Share) on page 23.

(Reference)

Non-consolidated Performance for the Fiscal Year Ended September 30, 2016

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(October 1, 2015 - September 30, 2016)

(1) Non-consolidated Results of Operations

(% = Year-on-Year Change)

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2016	170,599	16.1	9,374	(23.6)	13,139	7.2	12,298	66.0
FY2015	146,925	21.3	12,278	15.1	12,259	10.0	7,406	62.3

	Basic earnings per share	Diluted earnings per share
	¥	¥
FY2016	97.89	97.49
FY2015	59.12	58.86

(Note) The Company conducted a 2-for-1 stock split of common stocks as of October 1, 2016. The “Basic earnings per share” and “Diluted earnings per share” are calculated assuming that the said stock split was conducted at the beginning of the previous consolidated FY.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	¥ million	¥ million	%	¥
FY2016	84,774	52,965	61.9	417.33
FY2015	73,432	43,420	58.8	344.03

(Reference) Equity capital: As of Sep. 30, 2016 ¥52,460million, as of Sep. 30, 2015 ¥43,189 million

(Note) The Company conducted a 2-for-1 stock split of common stocks as of October 1, 2016. The “Net assets per share” is calculated assuming that the said stock split was conducted at the beginning of the previous consolidated FY.

*Matters Regarding Quarterly Review Procedures

The audit procedures for reviewing financial statements pursuant to the Financial Instruments and Exchange Act are in progress at the time of disclosure of the financial results.

*Appropriate Use of Earnings Projections and Other Matters

This forecast of performance is based on the judgment of the Group in accordance with information that was available at the time of its creation, and includes factors of risk and uncertain elements. Accordingly, actual results, performance, etc., may differ from the listed estimates. For information related to the forecast of performance indicated above, please see “Earnings Estimates for the Next Period (October 1, 2016 to September 30, 2017) under “1. Qualitative Information Related to Consolidated Results of Operations and Consolidated Financial Standing (1) Qualitative Information Related to Consolidated Results of Operations” on page 3.

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1. Qualitative Information Related to Consolidated Results of Operations and Consolidated Financial Standing

(1) Qualitative Information Related to Consolidated Results of Operations

Smartphone ownership of ordinary households in Japan reached 67.4% as of March 31, 2016 (Note 1). The scale of the smartphone ad market is estimated to steadily increase by 22.2% to 454.2 billion yen (Note 2) between 2015 and 2016. Especially, the video ad market (including PCs) is expected to grow rapidly. Its scale is estimated to be 80.0 billion yen in 2016, up 58.1% from the previous term, exceed 100 billion yen in 2017, and reach 200 billion yen by 2020 (Note 3).

Seizing on this trend, the CyberAgent Group has taken advantage of the growth of the smartphone market. As a result, during this consolidated fiscal year, net sales grew 22.1% year on year to ¥310,665 million, while operating income amounted to ¥36,790 million (12.3% increase). Ordinary income amounted to ¥35,341 million (9.4% increase), and profit attributable to parent company shareholders equity came in at ¥13,612 million (8.0% decrease).

(Note 1) Source: *Economic and Social Research Institute Cabinet Office, Government of Japan, Consumer Confidence Survey, March 2016*

(Note 2) Source: CyberZ/Seed Planning, *Survey on Smartphone market trends and Smartphone Advertising Market Trends, 2016*

(Note 3) Source: CyberAgent/Seed Planning, *Survey on the market trend of video ads in Japan*

Earnings by business segment are discussed below.

The CyberAgent Group recategorized reportable segments during the first quarter of the year. Prior-year figures used for comparison purposes have been recalculated to reflect these new segment categories.

(a) Media Business

The Media Business includes "AbemaTV", "FRESH!" and "Ameba," etc. Due to the launch of "AbemaTV" on April 11, 2016, CyberAgent has begun in earnest with its investment for video business. It reported net sales of ¥21,934 million for the period, a 6.0% year-on-year decrease. The operating loss amounted to ¥8,301 million, compared to operating loss of ¥299 million for the same period in the prior fiscal year.

(b) Game Business

The Game Business includes Cygames, Inc., Sumzap, Inc., GCREST, Inc., Applibot, Inc. and others. Main titles have made steady performance, with net sales amounting to ¥122,638 million, a 40.9% year-on-year increase. Operating income gained 70.3% to ¥30,451 million.

(c) Internet Advertisement Business

The Group's Internet Advertisement Business includes Internet Advertisement Division, CyberZ, Inc. and others. This segment recorded ¥170,473 million in net sales, up 19.3% year on year. Operating income gained 26.1%, reaching ¥14,528 million. This is because of the healthy sales of in-feed ads (Note), video ads, etc. for smartphones. (Note) In-feed ads: Ads posted in the timelines of websites or apps, etc.

(d) Investment Development Business

The Investment Development Business consists primarily of the CyberAgent corporate venture capital business and the fund operations of CyberAgent Ventures, Inc. The goal of this segment is to invest for capital gains, finding promising ventures to help develop and create value.

The Investment Development Business recorded net sales of ¥1,748 million (75.8% year-on-year decrease) and operating income of ¥384 million, a decrease of 92.3% year-on-year compared to the same period in the prior fiscal year.

(e) Other Businesses

The Other Businesses segment includes CA Mobile, Ltd., Wedding Park, Ltd., and others.

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This segment reported net sales of ¥16,951 million, a 0.9% year-on-year increase. Operating income amounted to ¥1,761 million (a year-on-year increase of 550.7%).

Earnings Estimates for the Next Period (October 1, 2016 to September 30, 2017)

For business results forecasts for the next fiscal year (ending September 2017), we will continue to take part in the growth market of smartphone, and consolidated sales are expected to be ¥360,000 million (up 15.9% from this fiscal year).

For consolidated operating income and consolidated ordinary income, it is expected the Internet Ad Business to grow steadily and the Game Business to contribute earnings, but we plan to strengthen investment in video business such as "AbemaTV" , etc. Accordingly, it is estimated that consolidated operating income is ¥28,000 million, consolidated ordinary income is ¥26,700 million and profit attributable to shareholders of parent is ¥100,000 million.

We do not disclose the mid-term earnings estimates because the environment surrounding the Internet changes drastically and the Group's operating results may fluctuate greatly in a short period of time.

The above estimates are based on the information that is available at this moment. It is possible that the actual operating results, etc. may differ due to various uncertain elements.

(2) Qualitative Information on Consolidated Financial Position

(a) Assets, liabilities and net assets

Total assets at the end of this consolidated fiscal year amounted to ¥156,597 million, which was an increase of ¥25,409 million compared to the end of the prior fiscal year. This increase was mainly due to an increase in cash and deposit with growing interests.

Liabilities increased ¥10,497 million compared to the end of the prior fiscal year, reaching ¥63,983 million. This result was mainly due to an increase in notes and accounts payable-trade and notes and accounts payable-other associated with sales and business expansion.

The CyberAgent Group reported net assets of ¥92,614 million at the end of this fiscal year, up ¥14,911 million. This increase was mainly due to an increase in retained earnings by recording profit attributable to shareholders of parent.

(b) Cash flows

As of the end of this consolidated fiscal year, cash and cash equivalents amounted to ¥51,767 million, an increase of ¥13,051 million compared to the end of the prior consolidated fiscal year.

The following discusses the major factors affecting cash flow for this consolidated fiscal year.

(1) Cash flow from operating activities

Net cash provided by operating activities increased ¥28,246 million, compared to a ¥29,021 million increase during the same period in the prior fiscal year. This result was mainly due to net income gains and payments of income taxes.

(2) Cash flow from investing activities

Net cash used in investing activities amounted to a decrease of ¥15,224 million, compared to a decrease of ¥19,492 million during the same period in the prior fiscal year. This result was mainly due to purchases of non-current assets.

(3) Cash flow from financing activities

Net cash used in financing activities amounted to an increase of ¥453 million, compared to a decrease of ¥2,362 million during the same period in the prior fiscal year. This result was mainly due to sales of subsidiaries' shares without a change in the scope of consolidation and dividend payments.

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(Reference) Movement of Cash Flow Related Indices

	FY2014	FY2015	FY2016
Equity Ratio (%)	54.2	50.8	49.3
Market Value Basis Equity Ratio (%)	239.3	223.0	240.2
Debt to Cash Flow Ratio (%)	0.2	0.7	4.0
Interest Coverage Ratio (times)	3,138.6	8,615.0	3,096.1

Equity Ratio: Owner's Equity / Total Assets

Market Value Basis Equity Ratio: Market Capitalization / Total Assets.

Debt to Cash Flow Ratio: Interest Bearing Liabilities / Cash Flow

Interest Coverage Ratio: Cash Flow / Interest Payments

Note: 1. All are calculated from financial values with a consolidated basis.

2. Market capitalization is calculated based on number of shares outstanding, excluding treasury shares.

3. Cash flow uses operating cash flow.

4. Interest bearing liabilities refers to all liabilities on the consolidated balance sheet for which interest is being paid.

(3) Fundamental Policy on Distribution of Profits and Dividends for This Period and Next Period

Our Company considers returning profits to our shareholders an important issue for management, and plans to continue providing dividends while working on increasing share value over the mid-term with business growth and improved capital efficiency. Decisions on retained earnings for the sake of future business expansion and fiscal soundness considering consolidated results and individual cash management will be made after comprehensive consideration.

Following this policy, the dividend for this fiscal year (ended September 2016) will be ¥50 (¥25 after stock split), and the dividend for the next fiscal year (ending September 2017) will be ¥25.

(4) Business Risks, etc.

The following passages will describe major possible risk factors related to the business operation of our Group. In addition, the items that are not related to the risk factors but considered important for investment judgment will be mentioned below, from the viewpoint of proactively disclosing information to investors. The Group will recognize these risks, and implement some measures for avoiding or coping with these risks.

1) Regarding business trend

The markets of the Internet media, Internet advertisements, games, and music have been growing due to the expansion of the Internet market, the increase of Internet users, the distribution of smart devices, including smartphones and tablet terminals, and the increased use of the Internet in corporate economic activities. We expect that this trend will continue, but if there emerges a hindrance to the growth of the Internet media, game, and music markets or if business confidence worsens, causing economic fluctuations and affecting the Internet ad market, our business performance and financial standing may be affected.

2) Regarding fluctuations in business performance

Earnings forecast is judged by us. And it does not guarantee the accuracy of the information.

Accordingly, already announced earnings forecasts may differ from actual business performance, according to the changes to the various factors.

Also, if accounting standards or taxation systems are changed considerably, this change may affect the business performance and financial standing of the Group.

3) Regarding legal regulations, etc.

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Based on the laws and regulations, we make a thorough effort to inform users fully about legal compliance and user morals, and are strengthening our efforts on defense and information leakage prevention of unauthorized access. If there would be a new legislation, or strengthening existing regulations for internet business operators or with regard to music copyrights, if we need to pay the royalties to copyright management groups, and the holders of copyright-related rights, or obtain licenses as licensing conditions are changed or new rights emerge, the business performance and financial condition of the Group may be affected. Also, as the service operator, there are possibilities to be brought an action for damages, etc. by the third party who has suffered from an illegal acts in our services.

4) Regarding internal control systems

CyberAgent takes various measures for maximizing the value of each group firm, while considering that our important managerial mission is to enrich our corporate governance. However, if the development of sufficient internal control systems cannot keep up with the rapid expansion of our businesses, etc., it may become difficult to operate our businesses appropriately, affecting the business performance and financial standing of the Group.

5) Regarding the risks accompanying the dependence on specific employers and recruitment

If it becomes difficult to secure personal or if as represented by board members, including the president or executive who has technical knowledge, skills, or experiences resigns or retires for some reason and there are no successors, the business performance and financial standing of the Group may be affected.

6) Regarding information security risks

There is possibilities to cause the leakage of important data, the unauthorized falsification of computer programs, system failure, etc. from the defects in computer systems, computer viruses, the unauthorized access from the outside to computer networks, the errors of executives, employees, or business partners, natural disaster, temporary overload due to the increase of access. This may result in a third party's claim for damages, the decline in the trust toward the Group, and affecting the business performance and financial condition of the Group.

7) Regarding the risks in personal information management

CyberAgent holds personal information obtained through the Internet media business, etc., and controls according to the Privacy Policy specified in accordance with The Act on the Protection of Personal Information.. If personal information leaks or there emerges a problem with the collection of personal information due to the risks regarding to information security or the like, this may result in the claim for damages against the Group, the damage of decline in the trust, etc., affecting the business performance and financial condition of the Group.

8) Regarding risks related to intellectual property rights

The Group makes efforts to protect our intellectual property rights, and enhance in-company education and management. However, if a third party files a lawsuit regarding the infringement of his/her intellectual property rights or requests us to stop using his/her intellectual property by the different interpretations of the terms of the contract, it may affect the business performance and financial condition of the Group.

9) Regarding the risks related to natural disaster, etc.

If we are faced with a natural disaster, such as an earthquake and a typhoon, an unknown computer virus, or a terrorist attack, there is no guarantee that it has only limited impact. In addition, the infrastructure for our strongholds and computer networks is concentrated in a certain area according to services. Accordingly, if a natural disaster or the like occurs there, this may cause significant damage, affecting the business performance and future business operation of the Group.

10) Regarding the risks in future business operation

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Since the Group offers services targeted at general consumers, such as Internet media businesses, there is a possibility that the Group will suffer an unexpected reputational damage. This would degrade our brand image, and affect our business performance. Moreover, when operating overseas businesses, there is a possibility that we will not be able to cope with potential risks regarding the laws, regulations, politics, social situations, exchange rate fluctuations, and competitive environments in respective countries.

In order to expand our business, we need to bear additional investment in recruiting new personnel, improving equipment, developing businesses, etc. and it would take some time to earn stable profits from these businesses. In addition, there is a possibility that our profitability will decline due to price-cutting competitions and the cost for increasing users will augment for gaining an advantage over competitors.

11) Regarding the risks in the Internet media business

We operate several contents and services through the internet, including blogs, social media, games, videos, music, and informative websites. We plan to increase and retain users, by developing new contents, enriching the functions of existing services, stabilizing our business operation, and so on. However, if we cannot offer attractive contents and services liked by a broad range of users, the business performance and future business operation of the Group may be affected.

Our company takes various measures when necessary, for the purpose of promoting the sound development of markets related to the usage of games incorporate with industry groups. However, if system adjustment and improvement or an unexpected event occurs, the business performance and future business operation of the Group may be affected.

Our Internet media business offers services in accordance with the contracts with the card companies, platform operators, telecommunications carriers, etc. If there are changes in technical specifications, revisions to contracts, cancellation of contracts, or other unexpected events, the business performance and future business operation of the Group may be affected.

12) Regarding the risks in the Internet Ad Business and Ad-Technology Businesses

The Internet Advertisement Business may be affected by business trends, including the reduction of Ad costs by advertisers. In addition, there is a possibility that we may have to fulfill the obligation to pay additional Ad fees to the media because of the worsening the financial standings of advertisers, the wrong distribution of Ads etc. If we become unable to procure ad spaces or products due to the discontinuance of transactions with media firms or if the conditions for transactions are changed, the business performance of the Group may be affected.

In the Ad Technology, if new technologies or methods for advertisement are invented, the competitiveness of services we offer may decline considerably. As for the most of ad technology, advertising we handle are for smart devices, there is a possibility that the changes to the regulations, the guidelines for the providers of OS for smart devices and its functions will affect the business performance and future business operation of the Group.

13) Regarding the risks related to the investment development business

For public companies out of the firms in which we invest, evaluation gains may decrease or evaluation losses may increase, valuation loss by impairment apply may accrue according to share price trends. According to the performance of the invested firms, the profit or loss of the Group may be affected.

As for unlisted companies, there is a possibility that their performance will worsen due to uncertainties, affecting the business performance, financial standing, and future business operation of the Group.

14) Regarding the risks related to the EC business

As the Group operates E-commerce businesses, we manage product control systems, and sign contracts with suppliers thoroughly, but if the product we sold goes against the law or has defects, producing problems of safety, etc., we may become liable for damages.

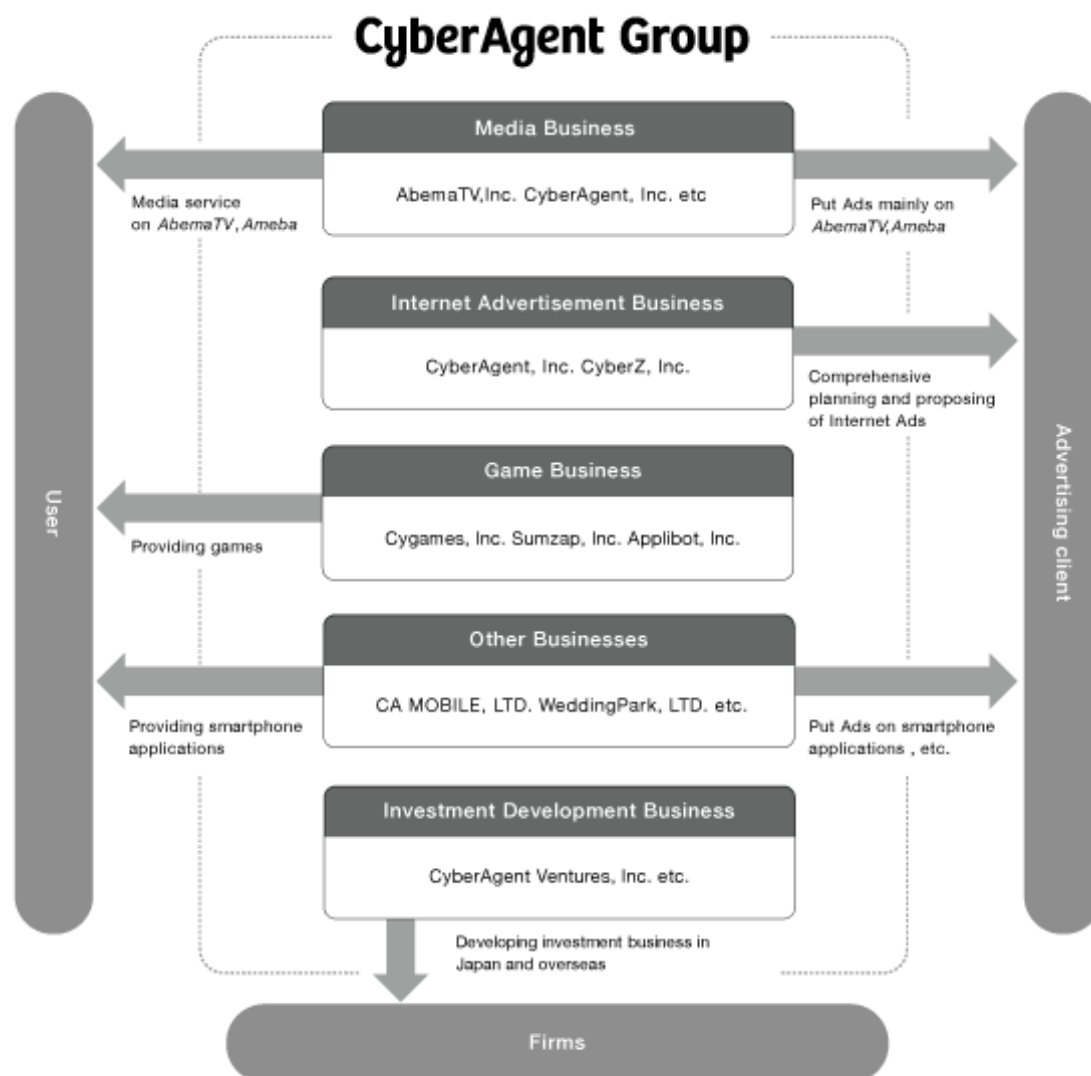
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2. Corporate Group

The Group is currently, as of September 30, 2016, made up of the Company (CyberAgent, Inc.), 84 consolidated subsidiaries (including 5 associations), and 9 affiliate companies (including 2 associations).

Our reportable segments are *Media Business*, *Game Business*, *Internet Advertisement Business*, *Investment Development Businesses*, and *Other Business*.



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3. Management Policies

(1) Company Fundamental Management Policy

The Group will make efforts with the Vision to *create the company that symbolizes the 21st century*, and the Fundamental Management Policy to create new businesses by placing its focus on the rapidly expanding field of the Internet.

(2) Target Business Indicators

The business indicators the Group focuses on are (1) sales and (2) operating income. The Group will increase profitability by developing and expanding highly profitable businesses.

(3) Mid-to-Long-Term Company Management Strategy

The Group aims to become a general company of profitable Internet businesses centered on "AbemaTV" and will improve mid-to-long-term corporate value by building the "AbemaTV" as a mass media, expanding the share of Internet advertisement, and continuously creating hit titles in Game Business.

(4) Issues the Company Should Address

The following three points recognize as the major management issues within the Group.

1) Media Business

Improve profitability through the establishment of video businesses such as "AbemaTV".

2) Internet Advertisement Business

Strengthen sales of In-feed ads and video ads that are expected high growth.

3) Strengthening of technical abilities and creativities

Hiring and training of superior engineers and creators.

In order to resolve the management issues and continue expanding and growing the businesses, the Group will actively work to strengthen employee hiring and training as well as brand permeation of the media company centered on "AbemaTV" while also enhancing corporate governance and internal management systems in response to business expansion.

4. Basic Policy for the Selection of Accounting Standards

Our corporate group adopted the Japanese accounting standards, while considering the comparability of periods and firms in consolidated financial statements. As for the adoption of the International Financial Reporting Standards (IFRS), we plan to take appropriate measures according to the situations inside and outside Japan.

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5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: ¥ million)

	FY2015 (As of September 30, 2015)	FY2016 (As of September 30, 2016)
Assets		
Current assets		
Cash and deposits	38,723	51,774
Accounts and notes receivable-trade	38,095	42,572
Inventories	65	192
Sales investment securities	10,818	12,591
Deferred tax assets	2,278	2,190
Other	3,702	5,513
Allowance for doubtful accounts	(152)	(187)
Total current assets	93,532	114,647
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,013	4,256
Accumulated depreciation	(810)	(1,063)
Buildings and structures, net	2,203	3,192
Tools, furniture and fixtures	11,047	12,092
Accumulated depreciation	(5,660)	(6,670)
Tools, furniture and fixtures, net	5,386	5,421
Other	26	18
Total property, plant and equipment	7,616	8,633
Intangible assets		
Goodwill	4,551	1,821
Software	7,625	8,862
Software in progress	5,687	9,351
Other	90	393
Total intangible assets	17,955	20,429
Investments and other assets		
Investment securities	6,682	5,694
Long-term loans receivable	—	1,545
Deferred tax assets	2,148	2,424
Other	3,391	3,729
Allowance for doubtful accounts	(138)	(506)
Total investments and other assets	12,083	12,888
Total non-current assets	37,656	41,950
Total assets	131,188	156,597

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(Unit: ¥ million)

	FY2015 (As of September 30, 2015)	FY2016 (As of September 30, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	24,599	27,601
Notes and accounts payable-other	9,294	13,138
Short-term loans payable	20	854
Income tax payable	10,605	11,169
Deferred tax liabilities	187	526
Other	7,307	8,847
Total current liabilities	52,013	62,137
Non-current liabilities		
Long-term loans payable	130	91
Accrued long service rewards for employees	530	762
Asset retirement obligation	710	890
Other	100	101
Total non-current liabilities	1,472	1,845
Total liabilities	53,486	63,983
Net assets		
Shareholders' equity		
Capital stock	7,203	7,203
Capital surplus	2,549	4,780
Retained earnings	55,788	63,573
Treasury stock	(940)	(765)
Total shareholders' equity	64,601	74,791
Other comprehensive income		
Valuation difference on available-for-sale securities	1,678	2,440
Foreign currency translation adjustments	426	(91)
Total other comprehensive income	2,105	2,348
Subscription rights to shares	234	516
Non-controlling interests	10,761	14,957
Total net assets	77,702	92,614
Total liabilities and net assets	131,188	156,597

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) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Unit: ¥ million)

	FY2015 (Oct. 1, 2014 to Sep. 30, 2015)	FY2016 (Oct. 1, 2015 to Sep. 30, 2016)
Net sales	254,381	310,665
Cost of sales	162,160	197,736
Gross profit	92,221	112,928
Selling, general and administrative expenses	59,473	76,138
Operating income	32,747	36,790
Non-operating income		
Interest income	3	14
Dividends income	50	100
Gains on valuation of investment securities	84	—
Subsidy income	55	49
Other	67	46
Total non-operating income	261	212
Non-operating expenses		
Interest expenses	3	9
Equity in losses of affiliates	618	1,345
Foreign exchange losses.	2	205
Other	70	100
Total non-operating expenses	695	1,660
Ordinary income	32,314	35,341
Extraordinary income		
Gain on sales of property	—	286
Gain on sales of subsidiaries and affiliates' stocks	3,069	3,152
Gain on sales of investment securities	0	1,669
Other	202	104
Total extraordinary gain	3,272	5,212
Extraordinary loss		
Impairment loss	3,747	4,366
Other	1,119	1,568
Total extraordinary loss	4,866	5,935
Income before income taxes and not-controlling interests	30,719	34,619
Income taxes-current	14,632	16,110
Income taxes-deferred	(1,573)	(61)
Total income tax	13,059	16,048
Net income	17,660	18,570
Profit attributable to non-controlling interests	2,868	4,957
Profit attributable to shareholders of parent	14,792	13,612

English Translation

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Consolidated Statements of Comprehensive Income

(Unit: ¥ million)

	FY2015 (Oct. 1, 2014 to Sep. 30, 2015)	FY2016 (Oct. 1, 2015 to Sep. 30, 2016)
Net income	17,660	18,570
Other comprehensive income		
Valuation difference on available-for-sale securities	290	824
Foreign currency translation adjustment	10	(771)
Share of other comprehensive income of associates accounted for using equity method	55	(146)
Total other comprehensive income	356	(94)
Comprehensive Income	18,016	18,476
(Comprehensive Income Attributable to)		
Shareholders of parent	14,954	13,856
Non-controlling interests	3,062	4,620

English Translation

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(3) Consolidated Statements of Changes in Shareholders' Equity

FY2015 (Oct. 1, 2014 to Sep. 30, 2015)

(Unit: ¥ million)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholder's equity
Balance at the beginning of current period	7,203	2,393	44,745	(1,522)	52,819
Changes of items during the period					
Dividends from surplus			(3,749)		(3,749)
Disposal of treasury stock		156		582	738
Profit attributable to shareholders of parent			14,792		14,792
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	156	11,042	582	11,781
Balance at the end of current period	7,203	2,549	55,788	(940)	64,601

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized gain on securities	Foreign currency translation adjustments	Total other comprehensive income			
Balance at the beginning of current period	1,415	301	1,717	199	8,439	63,175
Changes of items during the period						
Dividends from surplus						(3,749)
Disposal of treasury stock						738
Profit attributable to shareholders of parent						14,792
Net changes of items other than shareholders' equity	262	124	387	35	2,322	2,745
Total changes of items during the period	262	124	387	35	2,322	14,526
Balance at the end of current period	1,678	426	2,105	234	10,761	77,702

English Translation

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FY2016 (Oct. 1, 2015 to Sep. 30, 2016)

(Unit: ¥ million)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholder s' equity
Balance at the beginning of current period	7,203	2,549	55,788	(940)	64,601
Cumulative effects of changes in accounting policies		98	(3,218)		(3,119)
Restated balance	7,203	2,648	52,570	(940)	61,481
Changes of items during the period					
Dividends from surplus			(3,138)		(3,138)
Disposal of treasury stock		54		174	229
Change in treasury shares of parent arising from transactions with non-controlling shareholders		2,077			2,077
Change of scope of consolidation			522		522
Change of scope of equity method			6		6
Profit attributable to shareholders of parent			13,612		13,612
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	2,132	11,002	174	13,309
Balance at the end of current period	7,203	4,780	63,573	(765)	74,791

English Translation

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	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized gain on securities	Foreign currency translation adjustments	Total other comprehensive income			
Balance at the beginning of current period	1,678	426	2,105	234	10,761	77,702
Cumulative effects of changes in accounting policies						(3,119)
Restated balance	1,678	426	2,105	234	10,761	74,582
Changes of items during the period						
Dividends from surplus						(3,138)
Disposal of treasury stock						229
Change in treasury shares of parent arising from transactions with non-controlling shareholders						2,077
Change of scope of consolidation						522
Change of scope of equity method						6
Profit attributable to shareholders of parent						13,612
Net changes of items other than shareholders' equity	761	(518)	243	282	4,196	4,722
Total changes of items during the period	761	(518)	243	282	4,196	18,031
Balance at the end of current period	2,440	(91)	2,348	516	14,957	92,614

English Translation

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(4) Consolidated Statements of Cash Flows

(Unit: ¥ million)

	FY2015 (Oct. 1, 2014 to Sep. 30, 2015)	FY2016 (Oct. 1, 2015 to Sep. 30, 2016)
Cash flow from operating activities		
Income before income taxes and non-controlling interests	30,719	34,619
Depreciation	5,757	6,748
Amortization of goodwill	529	241
Impairment loss	3,747	4,366
Equity in losses (earnings) of affiliates	618	1,345
Gain and loss on sale of investment securities (increase)	(0)	(1,305)
Loss (gain) on sales of stocks of subsidiaries and affiliates	(3,069)	(3,150)
Decrease (increase) in notes and accounts receivable-trade	(9,482)	(4,237)
Decrease (increase) in investment securities for sale	(838)	(417)
Increase (decrease) in notes and accounts payable-trade	6,864	2,031
Increase (decrease) in accounts payable-other	1,240	3,736
Increase (decrease) in accrued consumption taxes	415	(86)
Other, net	1,102	1,256
Sub-total	37,603	45,147
Interest and dividends income received	53	154
Interest expenses paid	(3)	(9)
Income taxes paid	(8,632)	(17,046)
Net cash provided by (used in) operating activities	29,021	28,246
Cash flow from investing activities		
Purchase of property, plant and equipment	(3,084)	(2,789)
Purchase of intangible assets	(10,174)	(13,392)
Proceeds from sales of investment securities	119	1,792
Purchases of investment securities	(3,651)	(511)
Proceeds from sales of stocks of subsidiaries and affiliates	3,545	4,616
Purchase of stocks of subsidiaries and affiliates	(1,588)	(950)
Payments for loans	(74)	(2,487)
Payment of the outstanding balance from the previous term for purchasing investments in subsidiaries and affiliates resulting in change in scope of consolidation	(927)	—
Purchase of treasury stock of subsidiaries in consolidation	(2,177)	—
Other, net	(1,478)	(1,501)
Net cash used in investing activities	(19,492)	(15,224)
Cash flow from financing activities		
Net increase (decrease) in short-term loans payable	(11)	800
Proceeds from long-term loans payable	200	59
Repayment of long-term loans payable	(30)	(119)
Proceeds from stock issuance to non-controlling shareholders	507	649
Proceeds from contributions paid by investment partners	349	379
Payments of dividends to investment partners	(440)	(234)
Proceeds from disposal of treasury stock	716	190
Purchase of treasury stocks of subsidiaries in consolidation	—	(1,202)
Cash dividends paid	(3,750)	(3,136)
Proceeds from the sales of subsidiaries' shares without a change in the scope of consolidation	—	3,402
Other, net	98	(335)
Net cash provided by (used in) financing activities	(2,362)	453
Effect of exchange rate change on cash and cash equivalents	109	(414)
Net increase (decrease) in cash and cash equivalents	7,276	13,060
Cash and cash equivalents at beginning of period	31,439	38,716
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	(8)
Cash and cash equivalents at end of period	38,716	51,767

English Translation

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(5) Notes to Consolidated Financial Statements

(Notes Regarding the Going Concern Assumption)

No applicable items.

(Changes of Accounting Methods)

(Application of the Accounting Standard for Business Combination, etc.)

“*The Accounting Standard for Business Combination*” (Corporate Accounting Standards No. 21; Sep. 13, 2013; hereinafter referred to as “*Business Combination Accounting Standard*”), “*the Accounting Standard for Consolidated Financial Statements*” (Corporate Accounting Standards No. 22; Sep. 13, 2013; hereinafter referred to as “*Consolidated Accounting Standard*”), “*the Accounting Standard for Business Divestitures*” (Corporate Accounting Standards No. 7; Sep. 13, 2013; hereinafter referred to as “*Business Divestiture Accounting Standard*”), etc. were adopted in the first quarter of this consolidated fiscal period. Then, the difference arising out of the change in the equity of the company for subsidiaries still under control was posted as capital surplus, and the method of posting acquisition-related cost as the expense in the consolidated fiscal year was adopted. As for the business combination conducted at the beginning of the first quarter of this consolidated financial period or later, the company adopted the method of reflecting the revision to the allocation amount of acquisition cost due to the provisional adoption of accounting procedures in the quarterly consolidated financial statements for the quarter including the date of business combination. In addition, the indications of quarterly net income, etc. were changed, and minority shareholders’ equity was changed to non-controlling interests. In order to reflect the change of the indications, the quarterly consolidated financial statements of the prior cumulative consolidated third quarter and the consolidated financial statements of the prior consolidated fiscal year are reclassified.

In the quarterly consolidated statements of cash flows for the third quarter of this consolidated fiscal period, cash flows from the purchase or sales of shares of subsidiaries without change in scope of consolidation are presented in cash flows from financing activities, and cash flows relating to the acquisition-related costs of shares of subsidiaries with change in scope of consolidation and cash flows relating to the costs incurred in acquisitions or sales of shares of subsidiaries without change in scope of consolidation are presented in cash flows from operating activities.

The application of Business Combination Accounting Standard follows the transitional provisions specified in *Section 58-2 (3) of Business Combination Accounting Standard*, *Section 44-5 (3) of Consolidated Accounting Standard*, and *Section 57-4 (3) of Business Divestiture Accounting Standard*. The cumulative influence of the retroactive application of the new accounting policy to the past period as of the beginning of the first quarter of this consolidated accounting period is reflected in capital surplus and retained earnings.

As a result, at the beginning of the first quarter of this consolidated accounting period, goodwill account (3,119 million yen) and retained earnings (3,218 million yen) decreased, while capital surplus (98 million yen) increased. Also, due to the changes in equity of controlled subsidiaries etc. at the end of this consolidated fiscal year, capital surplus increased ¥2,077 million, on the other hand income before income taxes decreased ¥3,423 million and profit attributable to shareholders of parent decreased ¥2,382 million in this consolidated fiscal year.

English Translation

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(Changes to Indication Methods)

(Consolidated Balance Sheets)

The “Software in progress” which was included in “Other” under the “Intangible assets” in the previous consolidated FY is separately stated in the current consolidated FY, because it exceeded 5% of the total amount of assets. In order to reflect this change, the Consolidated Financial Statements of the previous consolidated FY is rearranged. As a result, ¥5,778 million yen in “Other” under the “Intangible assets” is separated as ¥5,687 million yen in “Software in progress” and ¥90 million yen in “Other” .

(Consolidated Statements of Income)

The “Foreign exchange losses” which was included in “Other” under the “Non-operating expenses” in the previous consolidated FY is separately stated in the current consolidated FY, because it exceeded 10% of the total amount of Non-operating expenses. In order to reflect this change, the Consolidated Financial Statements of the previous consolidated FY is rearranged. As a result, ¥73 million yen in “Other” under the “Non-operating expenses” is separated as ¥2 million yen in “Foreign exchange losses” and ¥70 million yen in “Other” .

The “Gain on sales of investment securities” which was included in “Other” under the “Extraordinary income” in the previous consolidated FY is separately stated in the current consolidated FY, because it exceeded 10% of the total amount of Extraordinary income. In order to reflect this change, the Consolidated Financial Statements of the previous consolidated FY is rearranged. As a result, ¥203 million yen in “Other” under the “Extraordinary income” is separated as ¥0 million yen in “Gain on sales of investment securities” and ¥202 million yen in “Other” .

(Consolidated Statements of Cash Flows)

The “Gain and loss on sale of investment securities (increase)” which was included in “Other” under the “Cash flow from operating activities” in the previous consolidated FY is stated separately in the current consolidated FY, because its importance has increased. In order to reflect this change, we rearranged the Consolidated Financial Statements of the previous consolidated FY. As a result, ¥1,101 million in “Other” under the “Cash flow from operating activities” is separated as ¥-0 million in “Gain and loss on sale of investment securities (increase)” and ¥1,102 million in “Other.”

The “Proceeds from sales of investment securities” and “Payments for loans” which were included in “Other” under the “Cash flow from investing activities” in the previous consolidated FY is stated separately in the current consolidated FY, because its importance has increased. In order to reflect this change, we rearranged the Consolidated Financial Statements of the previous consolidated FY.

As a result, -¥1,433 million in “Other” under the “Cash flow from investing activities” is separated as ¥119 million in “Proceeds from sales of investment securities” , -¥74 million in “Payments for loans” and -¥1,478 million in “Other” .

English Translation

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(Segment Information)

a. Segment Information

1. Overview of Reportable Segments

The Company's reportable segments are possible to separately acquire financial information among the Company's structural units, and are subject to reviews that are carried out periodically to make a decision on allocations of management resources and to evaluate performance by the board of directors.

The Company has business headquarters and subsidiaries for each product and service, and each business headquarters and subsidiary develop business activities both within Japan and overseas, with the aim of improving services and increasing sales and profit. Therefore, the Company is comprised of service-specific segments that are based on business headquarters and subsidiaries. We have five reportable segments: Media Business, Game Business, Internet Advertisement Business, Media and Other Businesses, and Investment Development business.

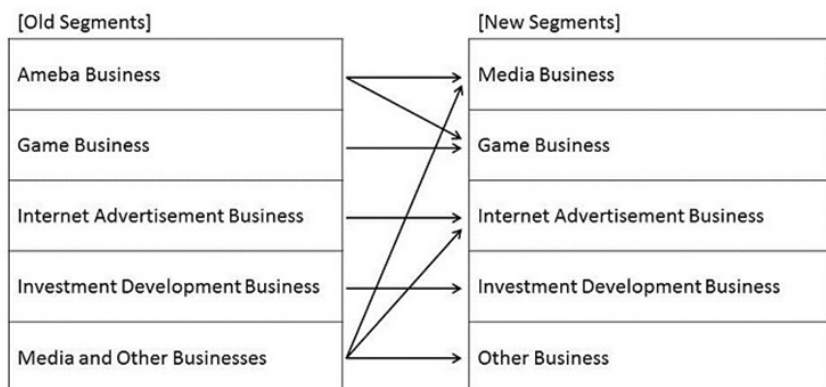
The company renewed the logo of Ameba for growing further and polishing creativity, and is unifying its brands. The company decided to enhance the up-front investment in video business for developing the Media Business, centered AbemaTV, in the mid to long term, and revised the allocation of managerial resources through reorganization and business restructuring.

Because of the reorganization and business restructuring, the new segments tabulated below, which are based on in-company performance management systems, were adopted in the first quarter of this consolidated accounting period.

The revised categorization method was applied to the segment information for the previous consolidated fiscal year.

The segment information for the previous third quarter of the consolidated period was produced with the new segments.

- (1) The game section that had belonged to the Ameba Business was integrated into the Game Business.
- (2) The video and community business that had belonged to the Media and Other Businesses was integrated into the Ameba Business, and the video ad business, etc. were integrated into the Internet Advertisement Business.
- (3) After the above integrations, the Ameba Business was renamed the Media Business while the Media and Other Businesses was renamed Other Business.



Services provided by each segment are summarized below:

Reportable Segment	Details of Services Belonging to the Segment
Media Business	AbemaTV, Ameba, etc.
Game Business	Smartphone game business, etc.
Internet Advertisement Business	Advertising business, Video ad business, Ad technology business, etc.
Investment Development Business	Corporate venture capital business, fund operation, etc.
Other Businesses	Operation of smartphones and PC media, etc.

2. Method for calculating monetary amounts for net sales and profit/loss for each segment

The profit for each segment is based on operating income. Internal rate of return and transfer to other accounts among segments are based on prevailing market rates.

English Translation

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3. Information concerning monetary amounts for net sales and profit/loss for each reportable segment

FY2015 (Oct. 1, 2014 to Sep. 30, 2015)

(Unit: ¥ million)

	Reportable Segment						Adjustment	Consolidated statement of Income
	Media Business	Game Business	Internet Advertisement Business	Investment Development Business	Other Businesses	Total		
Net Sales								
Sales to external customers	11,686	85,906	134,738	7,210	14,839	254,381	—	254,381
Inter-segment sales or transfers	11,645	1,160	8,149	—	1,956	22,911	(22,911)	—
Total	23,332	87,066	142,887	7,210	16,796	277,293	(22,911)	254,381
Segment income (loss)	(299)	17,875	11,521	4,980	270	34,349	(1,601)	32,747

(Note) Adjustment of -¥1,601 million represents corporate general and administrative expenses are not allocable to a reportable segment.

FY2016 (Oct. 1, 2015 to Sep. 30, 2016)

(Unit: ¥ million)

	Reportable Segment						Adjustment	Consolidated statement of Income
	Media Businesses	Game Business	Internet Advertisement Business	Investment Development Business	Other Businesses	Total		
Net Sales								
Sales to external customers	13,332	121,740	159,771	1,748	14,072	310,665	—	310,665
Inter-segment sales or transfers	8,601	897	10,702	—	2,879	23,081	(23,081)	—
Total	21,934	122,638	170,473	1,748	16,951	333,746	(23,081)	310,665
Segment income (loss)	(8,301)	30,451	14,528	384	1,761	38,824	(2,034)	36,790

(Note) The adjustment amount of -¥2,034 million represents corporate general and administrative expenses are not allocable to a reportable segment.

b. Related information

FY2015 (Oct. 1, 2014 to Sep. 30, 2015)

1. Information on each product and each service

The description is omitted, because the same information is included in the segment information.

2. Information on each region

(1) Sales

The description is omitted, because the sales toward the external customers inside Japan exceeded 90% of the sales in the consolidated profit-and-loss statement.

(2) Property, plant and equipment

English Translation

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The description is omitted, because the amount of property, plant, and equipment located inside Japan exceeded 90% of the amount of property, plant, and equipment in the consolidated balance sheet.

3. Information on each major client

The description is omitted, because there are no clients that account for over 10% of sales in the consolidated profit-and-loss statement for the sales toward foreign customers.

FY2016 (Oct. 1, 2015 to Sep. 30, 2016)

1. Information on each product and each service

The description is omitted, because the same information is included in the segment information.

2. Information on each region

(1) Sales

The description is omitted, because the sales toward the external customers inside Japan exceeded 90% of the sales in the consolidated profit-and-loss statement.

(2) Property, plant and equipment

The description is omitted, because the amount of property, plant, and equipment located inside Japan exceeded 90% of the amount of property, plant, and equipment in the consolidated balance sheet.

3. Information on each major client

The description is omitted, because there are no clients that account for over 10% of sales in the consolidated profit-and-loss statement for the sales toward foreign customers.

c. Significant impairment loss for non-current assets

FY2015 (Oct. 1, 2014 to Sep. 30, 2015)

(Unit: ¥ million)

	Reportable Segment						Company-wide/Deletion	Total
	Media Business	Game Business	Internet Advertisement Business	Investment Development Business	Other Business	Subtotal		
Impairment loss	257	2,683	196	—	600	3,736	10	3,747

FY2016 (Oct. 1, 2015 to Sep. 30, 2016)

(Unit: ¥ million)

	Reportable Segment						Company-wide/Deletion	Total
	Media Business	Game Business	Internet Advertisement Business	Investment Development Business	Other Business	Subtotal		
Impairment loss	186	3,862	114	—	202	4,366	—	4,366

English Translation

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d. Significant changes in amount of goodwill and the information on unamortized balance

FY2015 (Oct. 1, 2014 to Sep. 30, 2015)

(Unit: ¥ million)

	Reportable Segment						Company-wide/Deletion	Total
	Media Business	Game Business	Internet Advertisement Business	Investment Development Business	Other Business	Subtotal		
Amortization amount for the current term	—	154	33	0	340	529	—	529
Balance at the end of the current term	—	573	490	—	3,487	4,551	—	4,551

FY2016 (Oct. 1, 2015 to Sep. 30, 2016)

(Unit: ¥ million)

	Reportable Segment						Company-wide/Deletion	Total
	Media Business	Game Business	Internet Advertisement Business	Investment Development Business	Other Business	Subtotal		
Amortization amount for the current term	2	43	21	—	175	241	—	241
Balance at the end of the current term	—	424	374	—	1,022	1,821	—	1,821

e. Significant gains on negative goodwill

FY2015 (Oct. 1, 2014 to Sep. 30, 2015)

No applicable items.

FY2016 (Oct. 1, 2015 to Sep. 30, 2016)

No applicable items.

English Translation

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(Information on Value per Share)

	FY2015 (Oct. 1, 2014 to Sep. 30, 2015)	FY2016 (Oct. 1, 2015 to Sep. 30, 2016)
Net assets per share	¥531.37	¥613.66
Basic earnings per share	¥118.09	¥108.36
Diluted earnings per share	¥117.56	¥107.91

(Note)

1. The Company conducted a 2-for-1 stock split of common stocks as of October 1, 2016. The "Net asset per share", "Basic earnings per share" and "Diluted earnings per share" are calculated assuming that the said stock split was conducted at the beginning of the previous consolidated FY.
2. The base for calculating "Basic earnings per share" and "Diluted earnings per share" is as follows.

	FY2015 (Oct. 1, 2014 to Sep. 30, 2015)	FY2016 (Oct. 1, 2015 to Sep. 30, 2016)
Basic earnings per share		
Profit attributable to shareholders of parent (¥ million)	14,792	13,612
Amount not attributable to common shareholders (¥ million)	—	—
Profit attributable to shareholders of parent on common shares (¥ million)	14,792	13,612
Average number of common shares during period (shares)	125,262,696	125,622,846
Diluted earnings per share		
Adjustment of profit attributable to shareholders of parent (¥ million)	—	—
Increase in common shares (Subscription rights to shares)	557,863 (557,863)	515,004 (515,004)
Brief description of residual shares excluded from diluted earnings per share, because it does not have the dilutive effect.	—	—

(Significant Subsequent Events)

No applicable items.

English Translation

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6. Other

Change of directors

(1) Change of President

No applicable items.

(2) Change of Directors

- New director candidate

Director Koki Ukita (Current position: President of Applibot, Inc.)

Director Tetsuhito Soyama (Current position: Corporate Officer, GM of HR Development Dept.)

- Resigned director (Resigned as of October 7, 2016)

Director So Miyazaki

Director Hiroki Urabe

(3) Appointed date of new directors

December 16, 2016

Reference)

New Board Member

Title	President	Executive Vice President	Executive Managing Director	Managing Director	Managing Director	Director	Director (Planned)	Director (Planned)
Name	Susumu Fujita	Yusuke Hidaka	Yasuo Okamoto	Go Nakayama	Masahide Koike	Takahiro Yamauchi	Koki Ukita	Tetsuhito Soyama

Previous Board Member

Title	President	Executive Vice President	Executive Managing Director	Managing Director	Managing Director	Director	Director	Director
Name	Susumu Fujita	Yusuke Hidaka	Yasuo Okamoto	Go Nakayama	Masahide Koike	Takahiro Yamauchi	So Miyazaki	Hiroki Urabe

Additionally, we plan to appoint Mr. Koichi Nakamura, who is a former senior advisor of Recruit Holdings Co.,Ltd as an outside director and it is to be discussed at the 19th annual meeting of shareholders scheduled to be held in December 16, 2016.