

3Q FY2021 Presentation Material

April to June 2021

July 28, 2021



[Forward-looking statement]

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

- 1. Quarterly Results** (April - June 2021)
- 2. Forecast**
- 3. Internet Advertisement Business**
- 4. Game Business**
- 5. Media Business**
- 6. FY2021**

Quarterly Results

(April - June 2021)

1. Quarterly Results (April – June)

**FY2021
Q3**

**The growth of games and ads exceeded our expectation.
The forecast is revised upward again.**

Sales: **192.2** billion yen up **70.3%** YoY
OP: **44.5** billion yen up **5.4X** YoY

Media

**Sales of ABEMA and related businesses increased about
1.5x year over year.**

Sales: **19.9** billion yen up **48.7%** YoY
OP: **-3.8** billion yen

Ad

**Set a new record with the strength of maximizing
advertising effectiveness.**

Sales: **81.8** billion yen up **27.3%** YoY
OP: **5.2** billion yen up **9.7%** YoY

Game

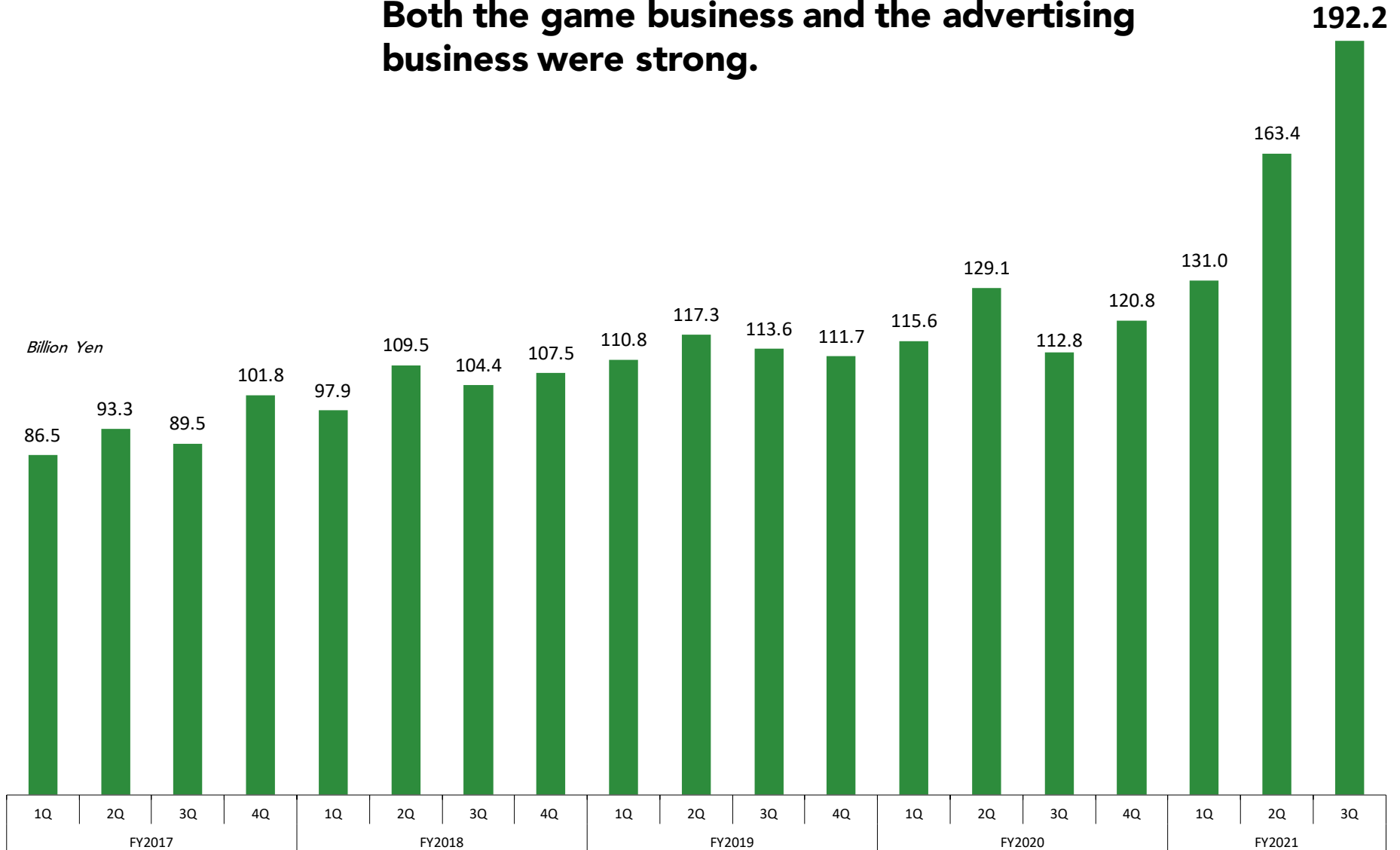
**"Uma Musume Pretty Derby*" contributed to the results
three months in a row.**

Sales: **92.3** billion yen up **151.7%** YoY
OP: **44.2** billion yen up **483.5%** YoY

1. Quarterly Results (April – June)

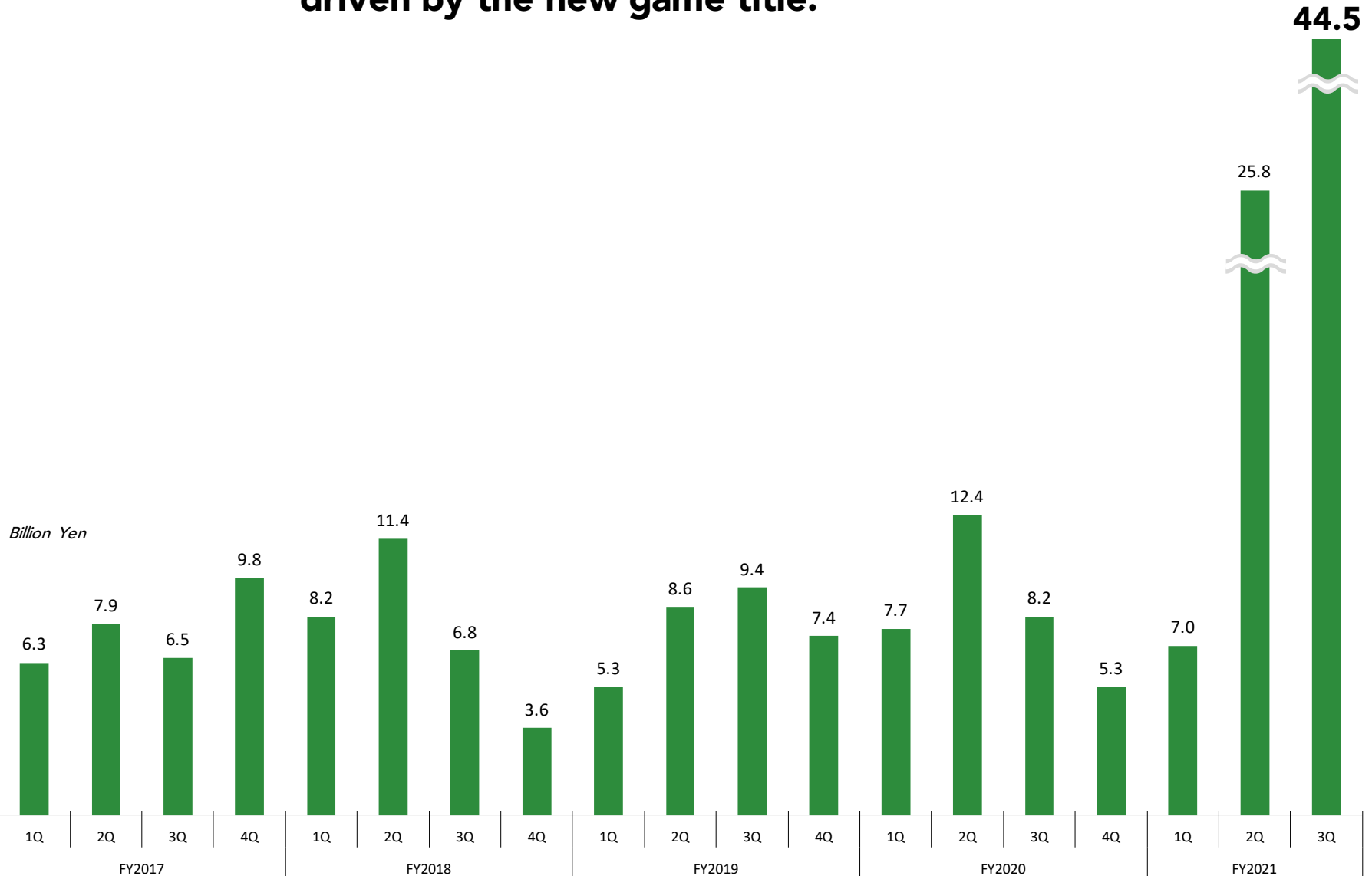
[Consolidated Sales] **192.2 billion yen (up 70.3% YoY)**

Both the game business and the advertising business were strong.



1. Quarterly Results (April – June)

[Consolidated OP] OP reached **44.5** billion yen (up 5.4x YoY) driven by the new game title.



1. Quarterly Results (April – June)

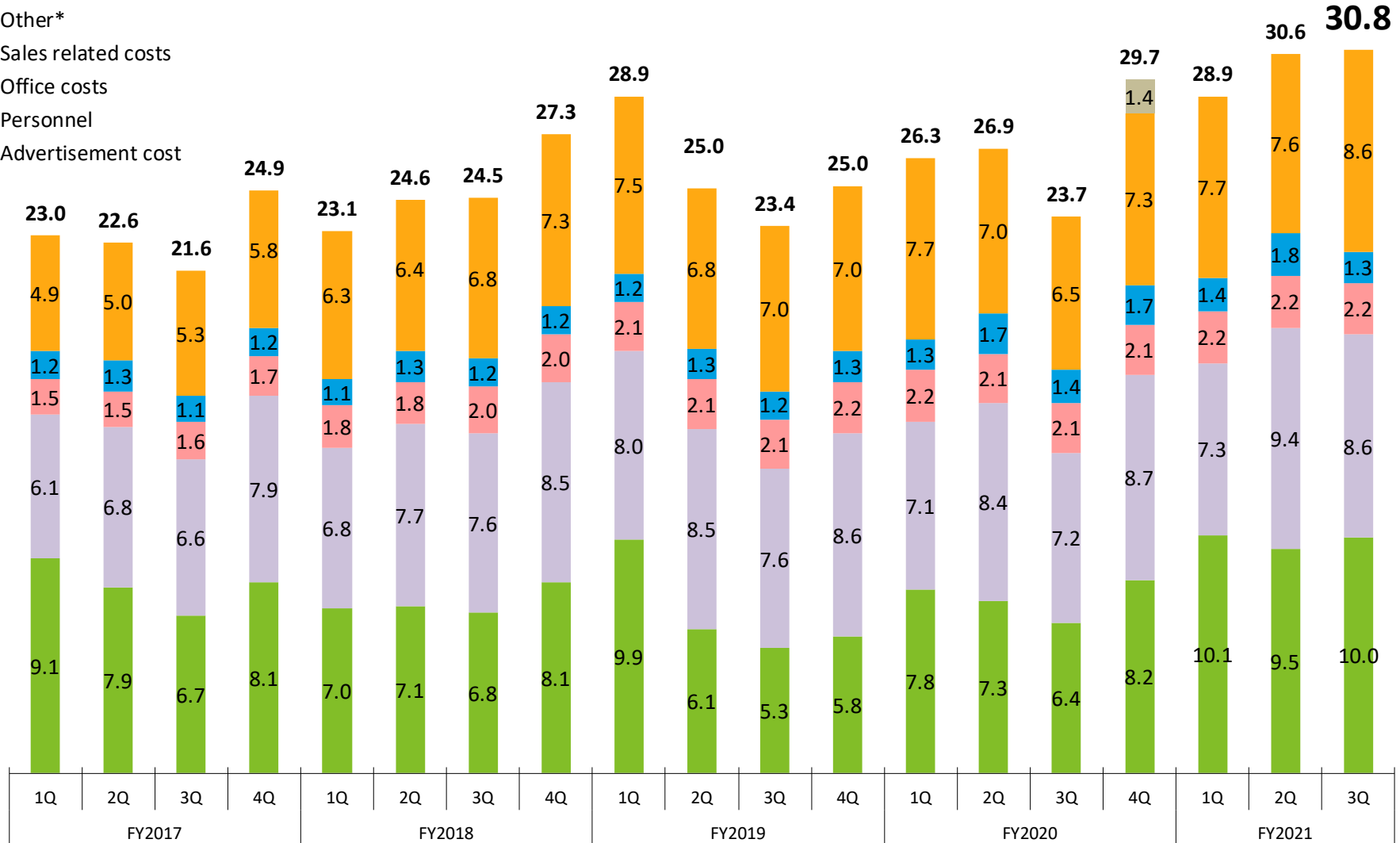


[SG&A Expenses] Q3 30.8 billion

It stayed flat quarter over quarter.

Billion Yen

- Special incentives
- Other*
- Sales related costs
- Office costs
- Personnel
- Advertisement cost

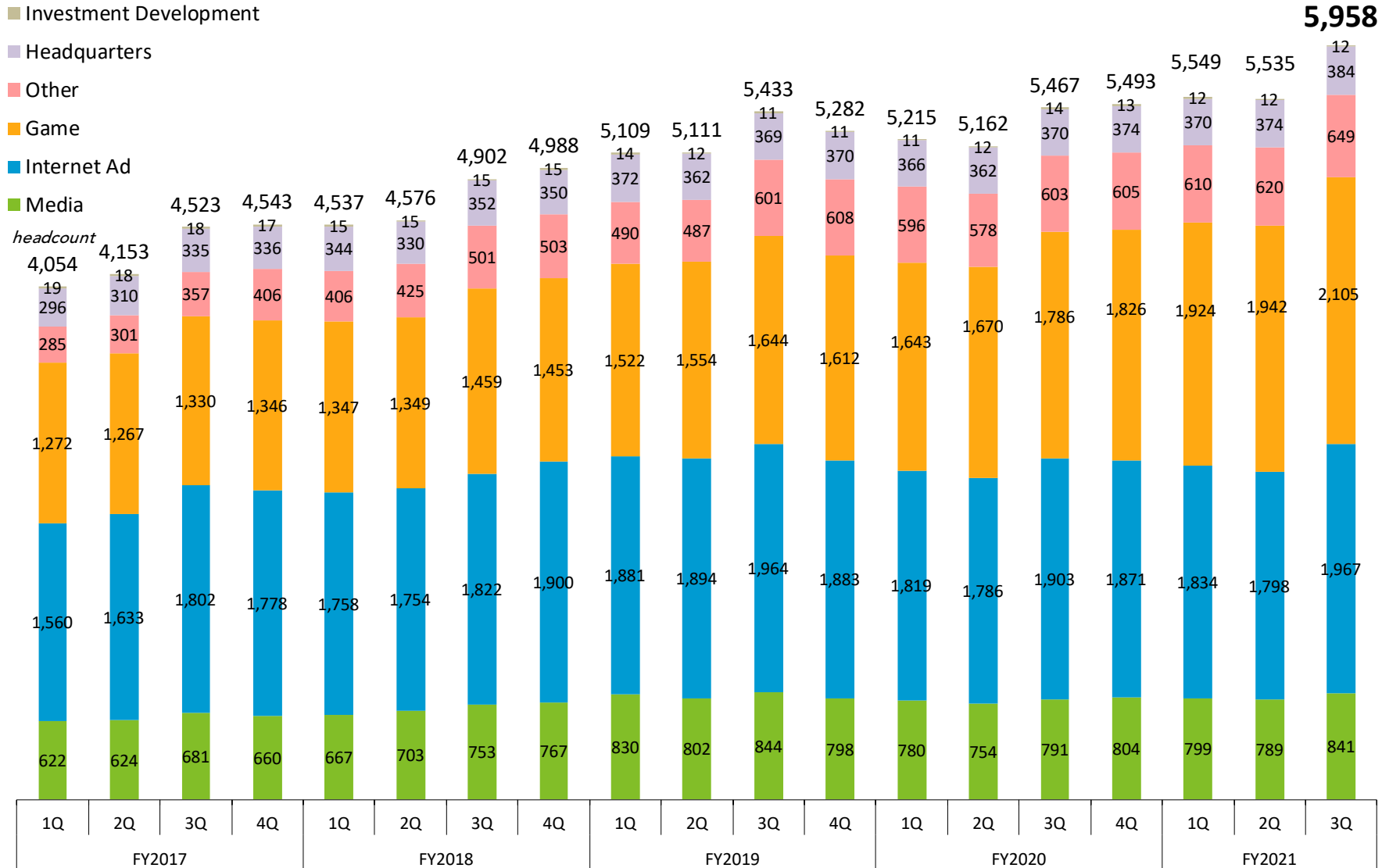


Other: Outsourcing expenses, research and development expenses, external standard taxation, entertainment expenses, etc.

1. Quarterly Results (April – June)



[No. of Employees] Total headcount was **5,958** at the end of June.
(300 new graduates joined in April)



1. Quarterly Results (April – June)

[PL]

million yen	FY2021 Q3	FY2020 Q3	YoY	FY2021 Q2	QoQ
Net Sales	192,234	112,854	70.3%	163,483	17.6%
Gross profit	75,433	32,003	135.7%	56,529	33.4%
SG&A expenses	30,851	23,724	30.0%	30,655	0.6%
Operating profit	44,581	8,279	438.5%	25,874	72.3%
OPM	23.2%	7.3%	15.9pt	15.8%	7.4pt
Ordinary profit	44,770	8,229	444.0%	26,096	71.6%
Extraordinary income	1,647	7	21131.6%	9	17851.0%
Extraordinary loss	527	3,009	-82.5%	1,397	-62.3%
Income before income taxes and non-controlling interests	45,890	5,228	777.8%	24,707	85.7%
Net profit*	19,349	1,118	1629.5%	10,764	79.8%

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

1. Quarterly Results

[BS] We maintain a strong financial position.

million yen	End of June. 2021	End of June. 2020	YoY	End of Mar. 2021	QoQ
Current assets	272,884	181,182	50.6%	234,873	16.2%
Cash deposits	146,607	90,425	62.1%	100,384	46.0%
Fixed assets	70,785	54,629	29.6%	65,437	8.2%
Total assets	343,717	235,860	45.7%	300,365	14.4%
Current liabilities	120,510	71,661	68.2%	109,212	10.3%
(Income tax payable)	18,870	5,946	217.4%	10,845	74.0%
Fixed liabilities	45,118	43,836	2.9%	44,535	1.3%
Shareholders' equity	110,514	77,786	42.1%	90,947	21.5%
Net Assets	178,088	120,362	48.0%	146,617	21.5%

FY2021 Forecast

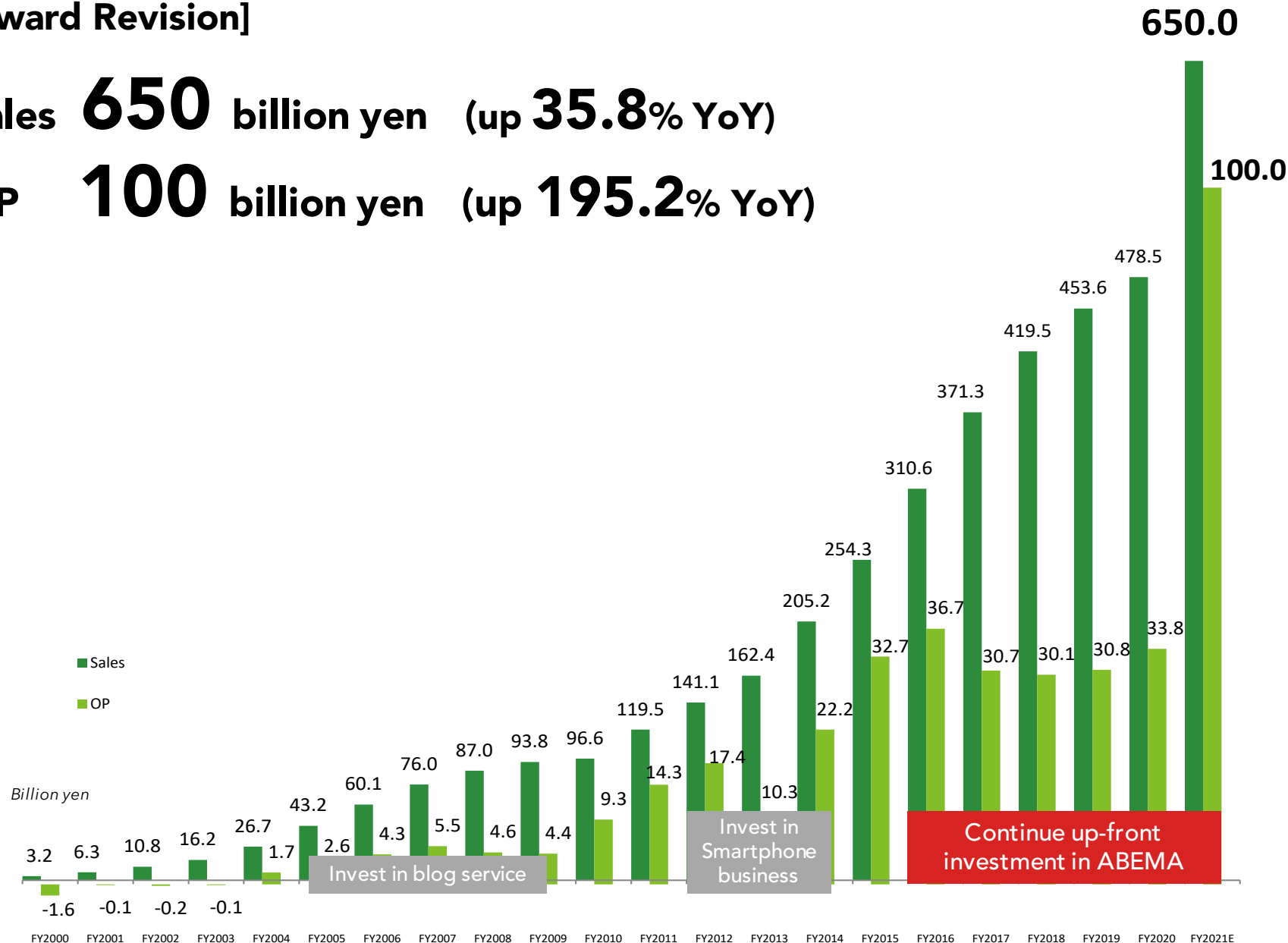
October 2020 - September 2021

2. Forecast

[Upward Revision]

Sales **650** billion yen (up **35.8%** YoY)

OP **100** billion yen (up **195.2%** YoY)



2. Forecast

[Upward Revision]

<i>billion yen</i>	FY2021 Previous Forecast (As of April.28, 2021)		FY2021 Revised Forecast (As of July.28, 2021)	Difference	FY2020	YoY
	Minimum	Maximum				
Net Sales	600		650	50	478.5	35.8%
Operating profit	57.5	62.5	100	37.5-42.5	33.8	195.2%
Ordinary profit	57.5	62.5	100	37.5-42.5	33.8	195.3%
Net profit*	24.0	26.0	40	14-16	6.6	505.3%

[Dividend forecast] The dividend forecast is revised according to the DOE guidance of 5%.

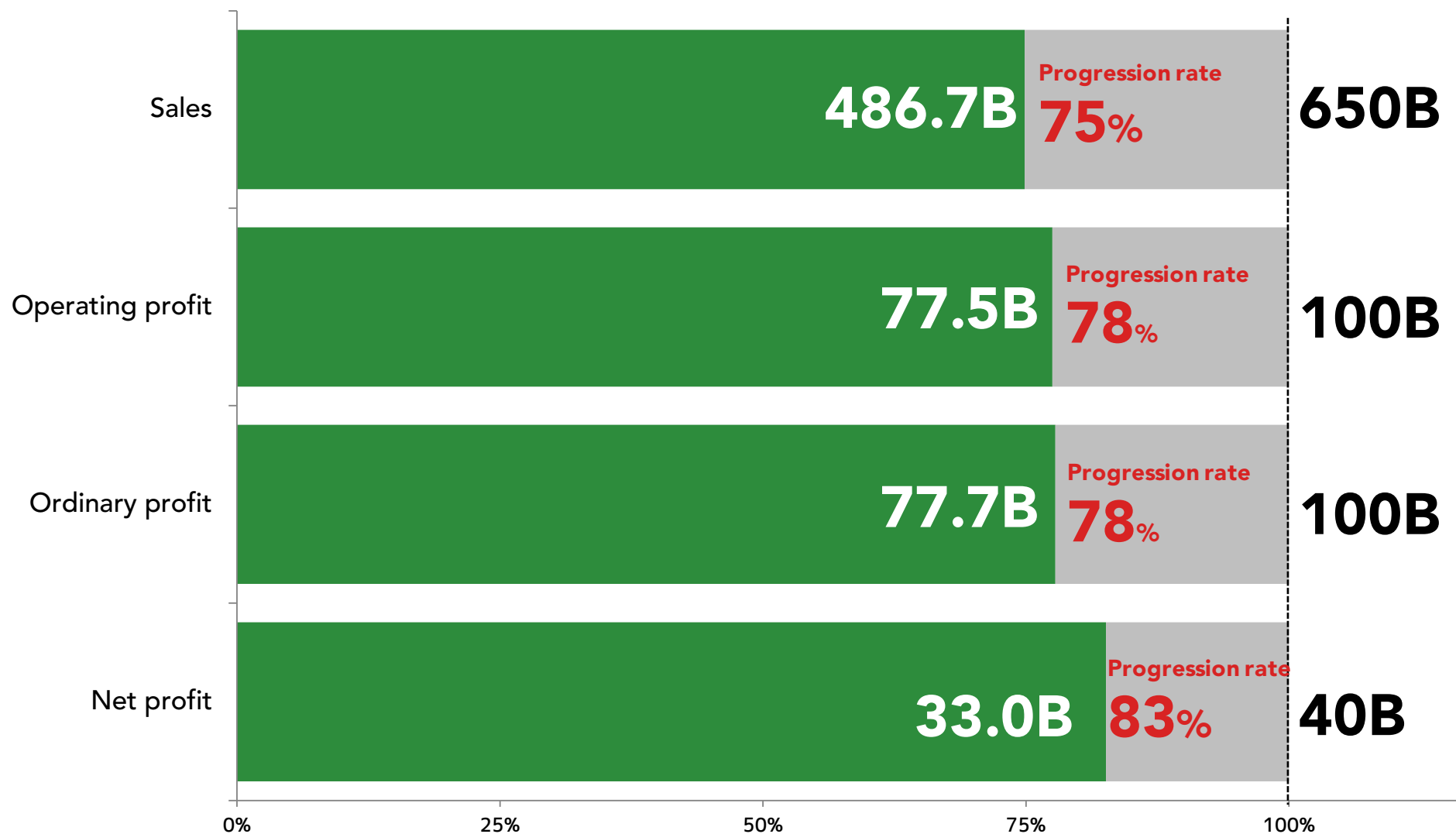
Dividend**	10 yen (Amounts without reflecting the stock split 40yen)	11 yen (Amounts without reflecting the stock split 44yen)	1 yen (Amounts without reflecting the stock split 4 yen)	8.50 yen (Amounts without reflecting the stock split 34yen)	29.4%
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*Net profit: Profit attributable to shareholders of parent is affected by the fact that AbemaTV, Inc. is exempted from consolidated tax payment, and non-controlling equity interest (minority interest) of Cygames, Inc.

**Dividend: CyberAgent conducted a four-for-one split of its common stock with a record date of March 31, 2021, and in effect on April 1, 2021.

2. Forecast

[Progress to Full-year Forecast after revision]

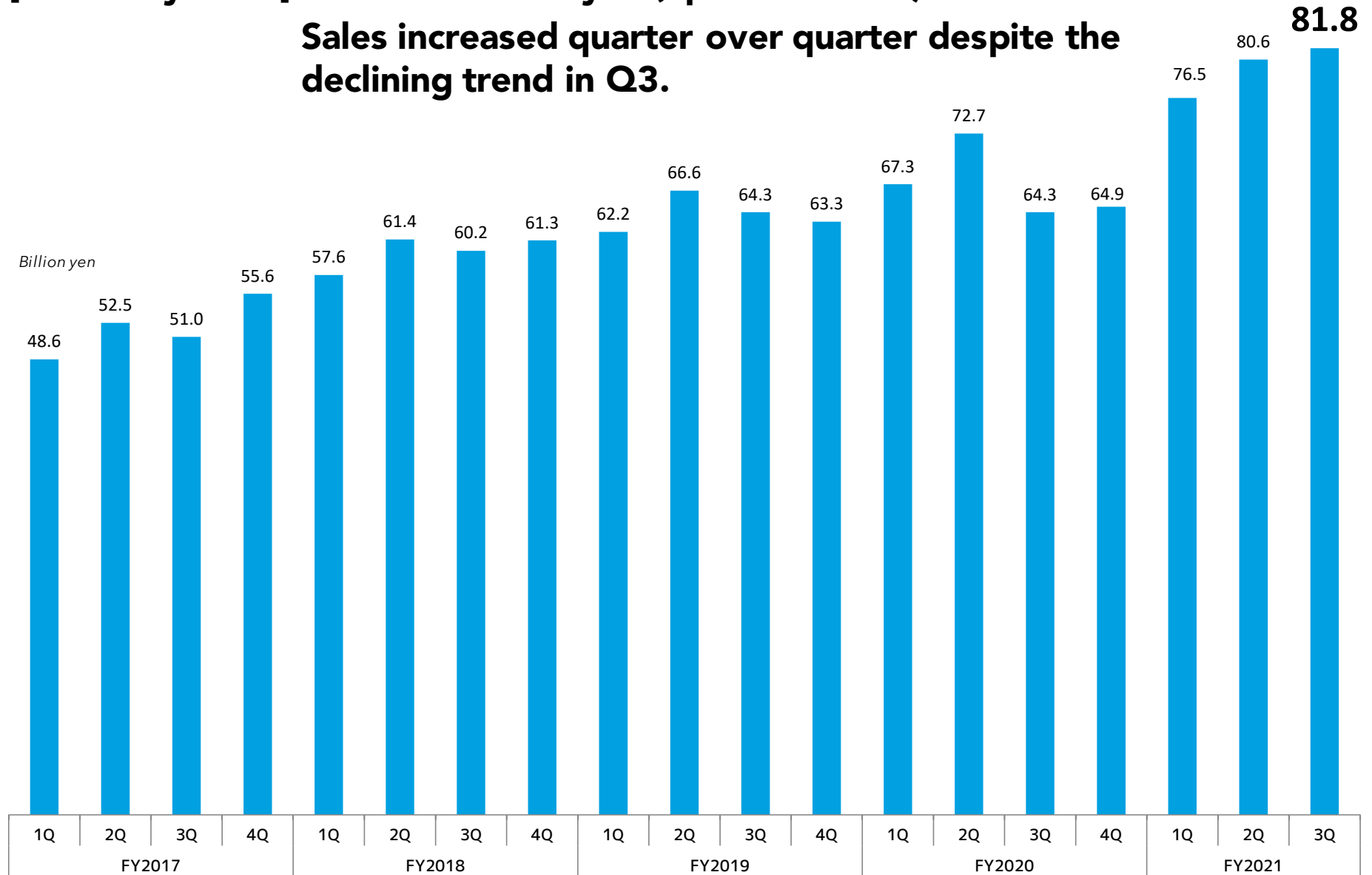


Internet Advertisement

3. Internet Advertisement Business

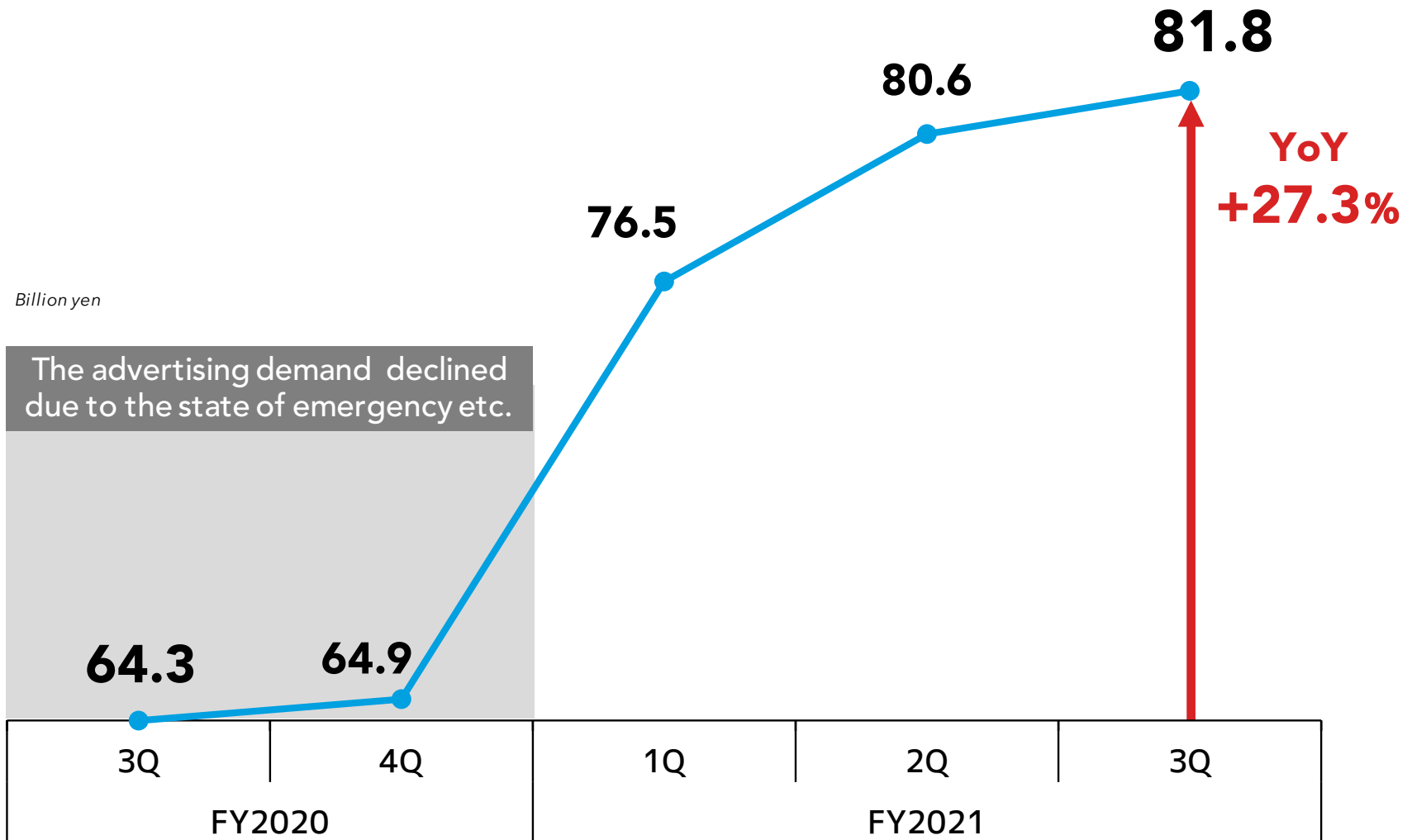
[Quarterly Sales] Q3 **81.8** billion yen (up 27.3% YoY)

Sales increased quarter over quarter despite the declining trend in Q3.



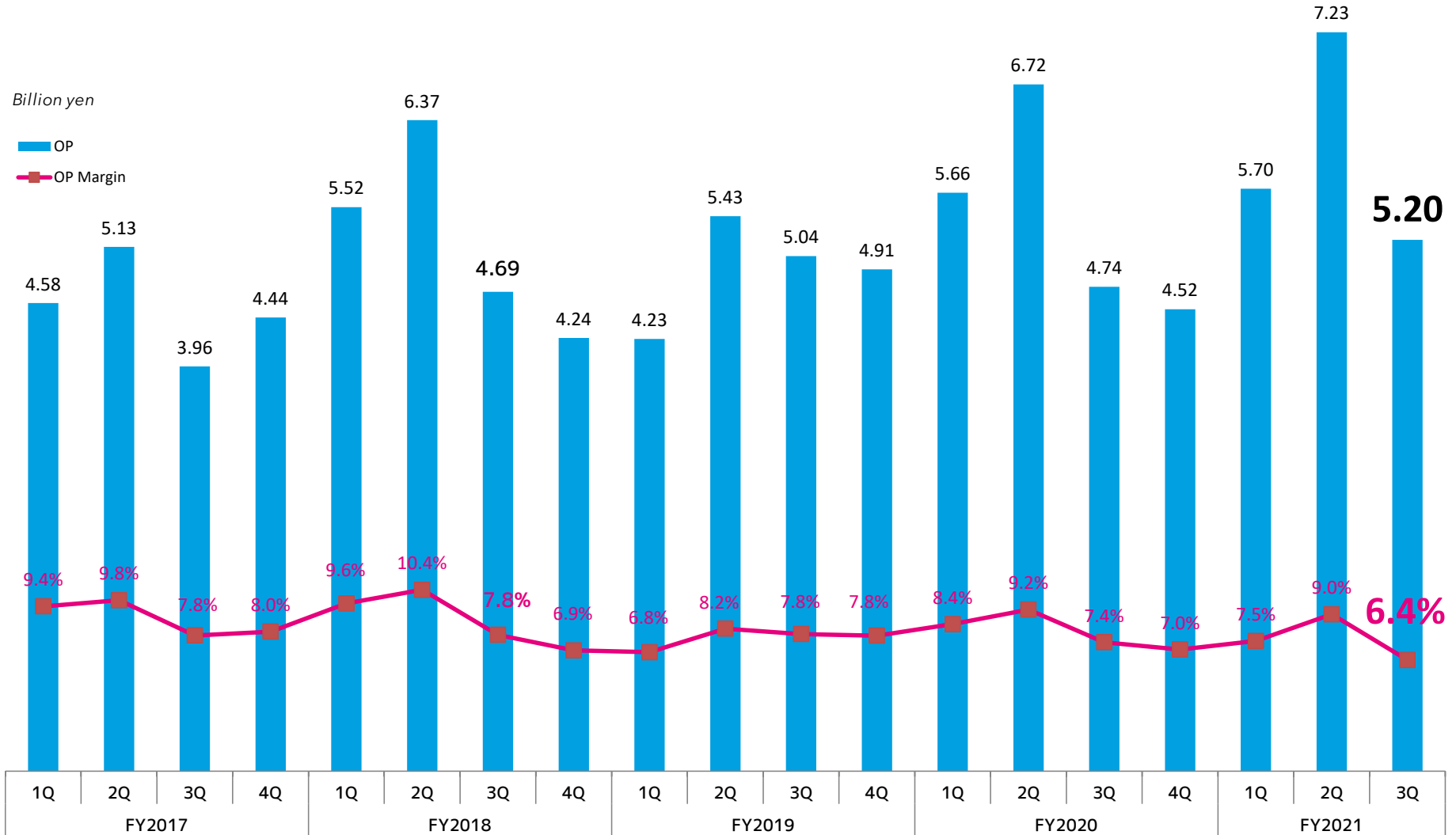
3. Internet Advertisement Business

[Change in Sales] The advertising demand once declined due to the state of emergency etc. is now demonstrating upward trend.



3. Internet Advertisement Business

[Quarterly OP] OP was **5.2 billion yen** (up 9.7% YoY)
 OPM tends to decline in Q3.



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

3. Internet Advertisement Business

[Focus Area] AI-driven advertising products are largely accepted by advertisers*.

KIWAMI Prediction AI

AI produces highly effective ad creative.
81% of our advertisers* introduced it.**

Released in May 2020

The screenshot shows a comparison of ad creatives. On the left, a 'SALE' ad has an AI SCORE of 0.8. On the right, a 'TIME SALE' ad has an AI SCORE of 0.9, highlighted as 'NEW & HIGH SCORE!'. Other creatives with scores of 0.7 and 0.6 are also visible. The interface includes the CyberAgent logo and the text 'AI to create highly effective ad creative. Performance-based Pricing'.

KIWAMI Prediction TD

AI automates creating text ads.
80% of our advertisers* introduced it.**

Released in May 2020

The screenshot displays a network diagram of keywords (KW) connected to a central brain icon labeled 'KIWAMI Prediction TD'. To the right, a text box states 'Automatically improve your keyword quality score to your target. Support for over a billion search terms'. Below this, there are indicators for 'Quality Score' (up arrow), 'CPC' (down arrow), and 'CPA' (down arrow).

KIWAMI Prediction AI Human

More than 600 successful AI-generated models has been used in ads.

Released in October 2020

The screenshot shows a grid of AI-generated human faces. Text on the screen includes 'オリジナルAI人物モデルが使い放題となる新プランを提供開始' (New plan for unlimited use of original AI human models). It also lists '無制限使い放題 様々なクリエイティブに活用可能' (Unlimited use, applicable to various creatives). AI scores for different models are shown, ranging from 0.6 to 0.9.

KIWAMI Prediction LED

AI predicts the ad effectiveness of shot video and still images in real-time.

Released in January 2021

The diagram illustrates the workflow between 'LED STUDIO' and 'KIWAMI Prediction AI'. In the LED studio, a camera operator shoots a scene with a person in a green field. The resulting image is then processed by KIWAMI Prediction AI, which provides a 'NEW & HIGH SCORE!' prediction. A text box at the bottom explains: 'The most advanced LED lighting and high-definition CG backgrounds reproduce a variety of locations. The AI is immediately shared with the camera operator, who continues shooting until a high score is achieved.'

*Advertisers: Advertisers who run display ads and search ads and can implement AI-driven products.

**As of the third quarter FY 2021

3. Internet Advertisement Business

[Focus Area] More AI-driven advertising products are released to meet advertisers need.

KIWAMI Prediction Trimming

Released in June 17



AI generates a batch of images with high predicted CTR* values for each search term.

Select relevant images for key search terms.

AI predicts the effectiveness of the ad and crops the image.

Cropped images are used as images for search ads.



KIWAMI Prediction LP

Released in June 23

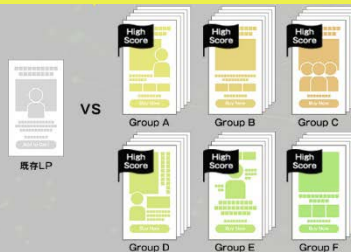


AI creates landing pages** with high predicted ad effectiveness values.

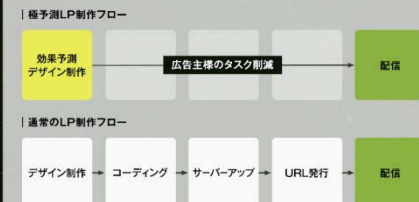


Landing pages improve the conversion rate of search ads.

AI that predicts ad effectiveness selects the best landing page.



Succeeded in reducing time to delivery.



*CTR: Click Through Rate, A ratio of clicks on the number of times your ad was viewed.

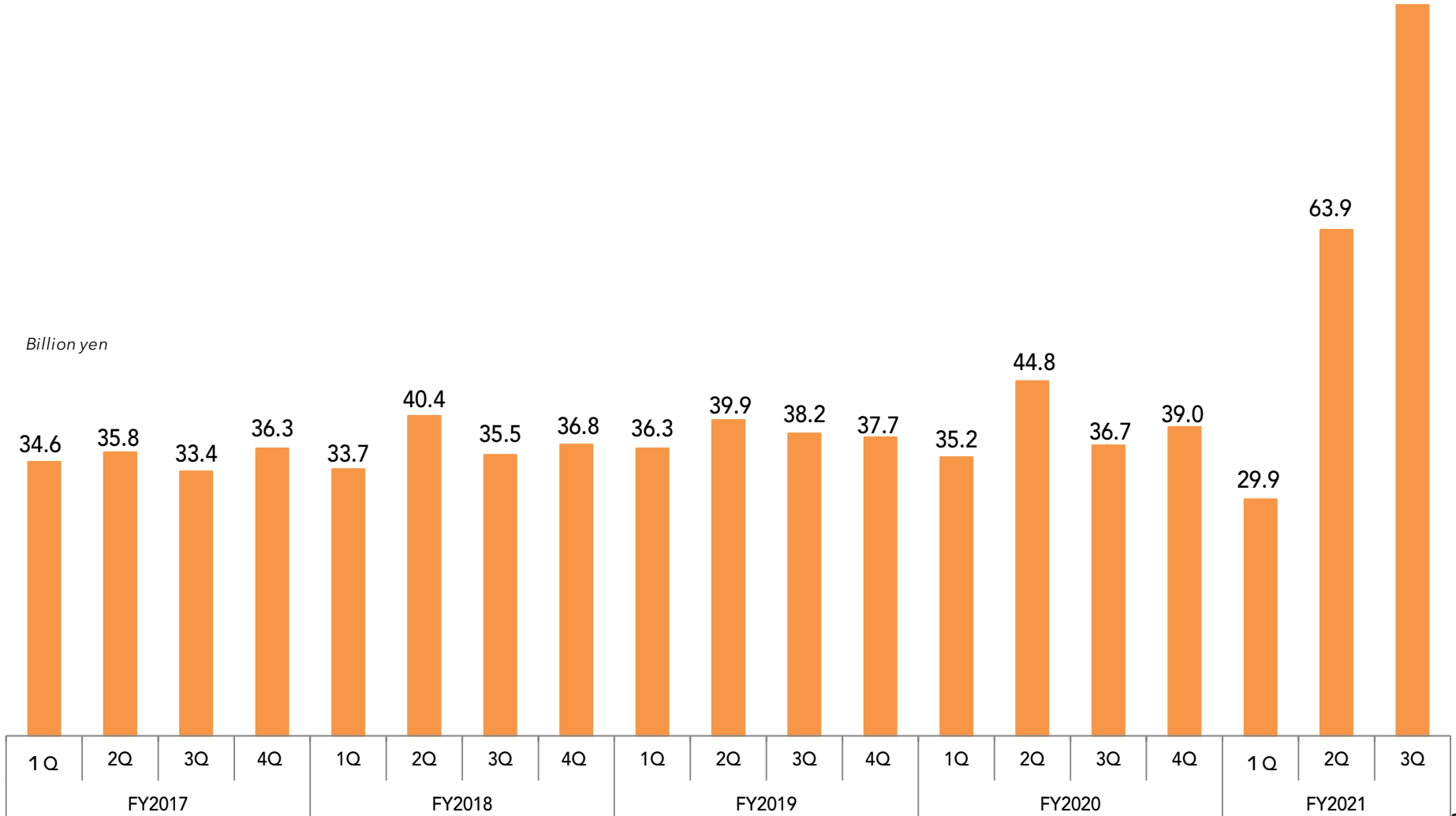
** Landing page : The first page that a user accesses via a search-based advertisement.

Game

4. Game Business

[Quarterly Sales] Sales hit a record high of **92.3** billion yen. (up 151.7% YoY)
"Uma Musume Pretty Derby*" was released on February 24 and contributed to the results three months in a row. **92.3**

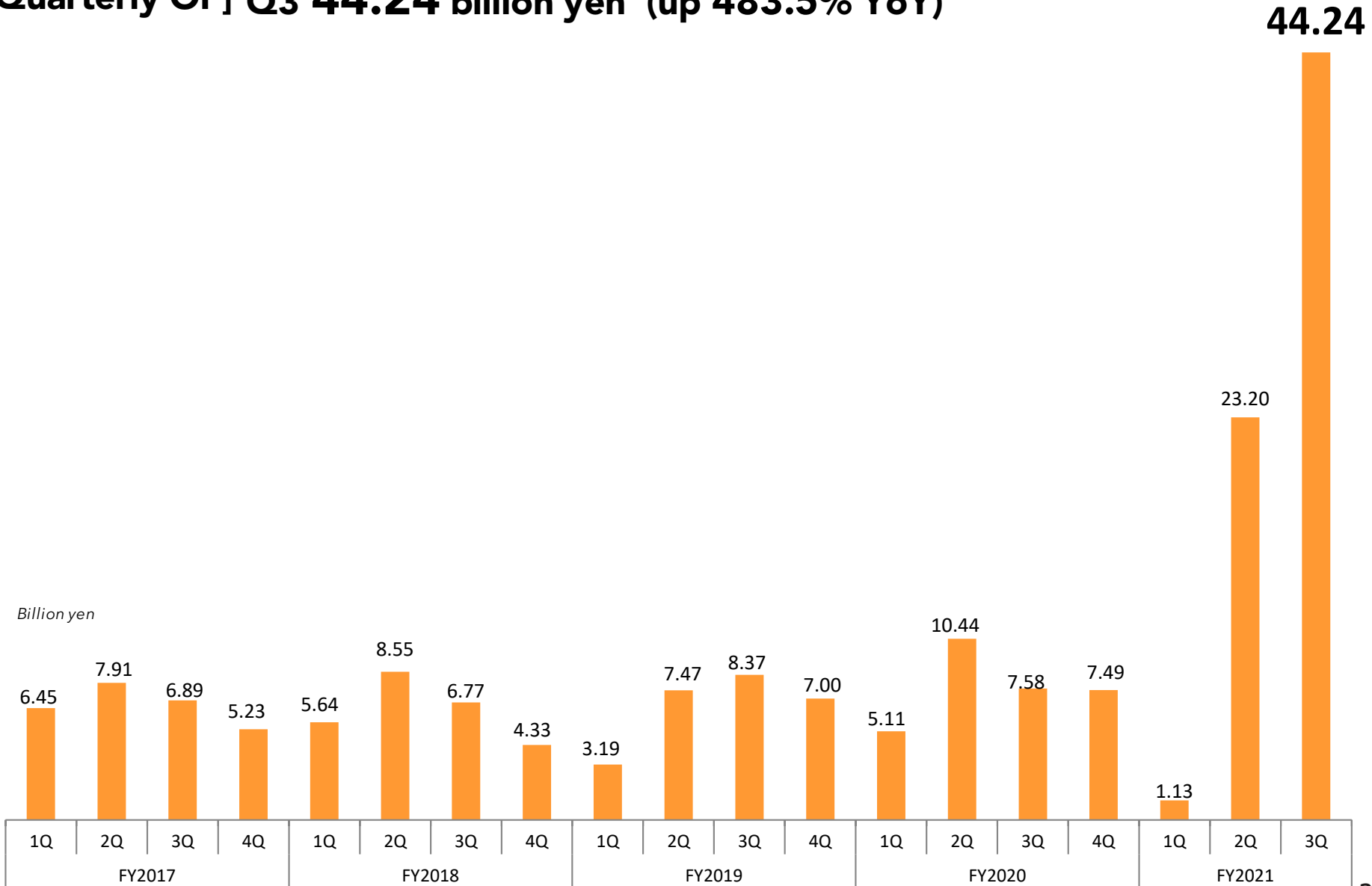
Billion yen



Uma Musume Pretty Derby : © Cygames, Inc.

4. Game Business

[Quarterly OP] Q3 44.24 billion yen (up 483.5% YoY)



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

4. Game Business

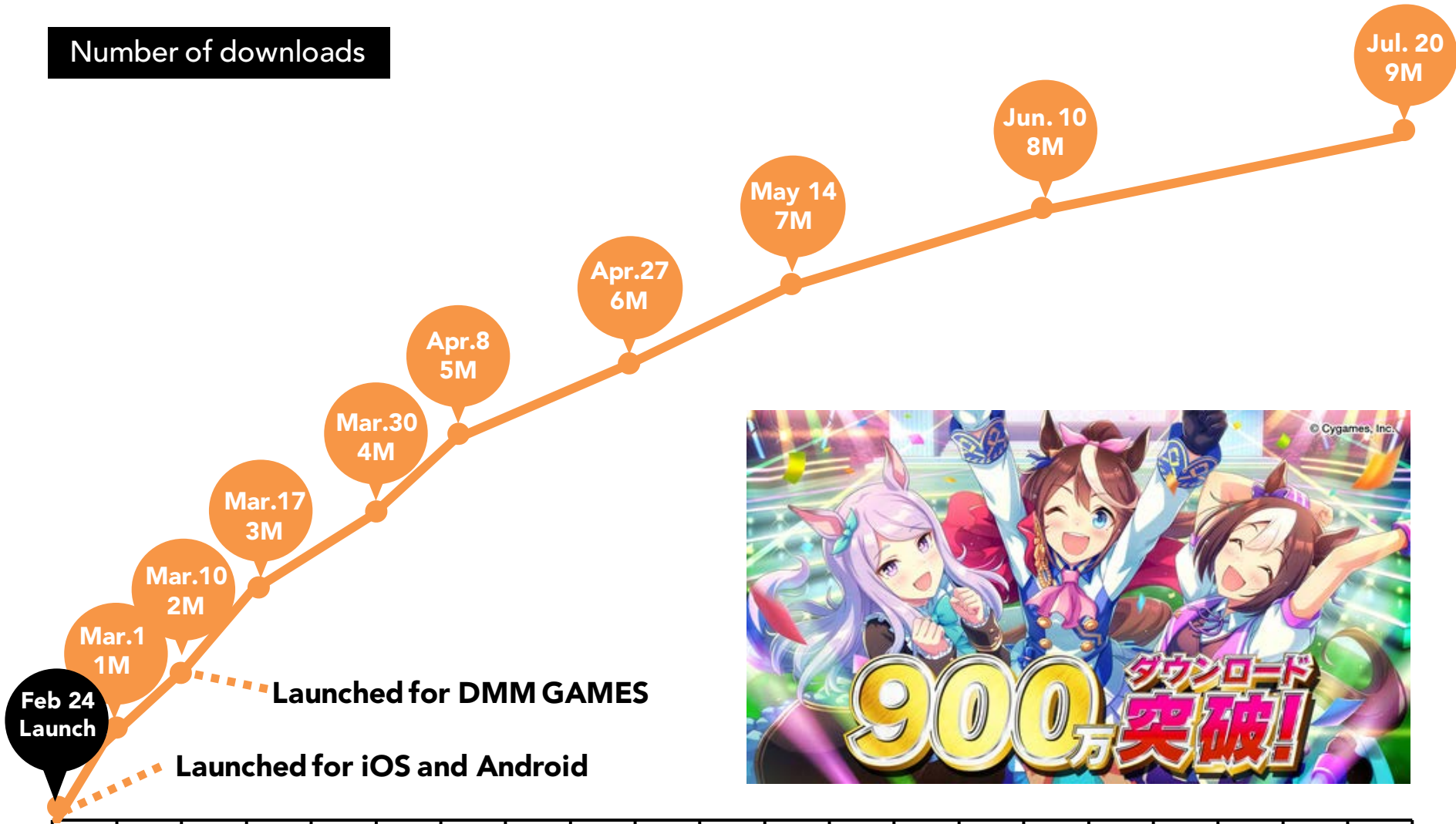
[Uma Musume Pretty Derby*]



4. Game Business

[Uma Musume Pretty Derby*] Exceeded 9 million downloads in five months since launch.

Number of downloads



Uma Musume Pretty Derby : © Cygames, Inc.

4. Game Business

[Uma Musume Pretty Derby*] New works are released as part of Uma Musume franchise.

TV Anime
 "Uma Musume Pretty Derby" **

Available on ABEMA

ABEMA

Celebrating Uma Musume Pretty Derby
 3rd Event WINNING DREAM STAGE*

Live Event
 "3rd Event WINNING DREAM STAGE****"

Available on ABEMA ONLINE PPV

Blu-ray
 "UMABAKO2 The First Corner***"

3rd Place at the Oricon Blu-ray ranking 2021 ****

UMABAKO2 The First Corner
 May 26 On Sale!

© 2021 アニメ「ウマ娘 プリティーダービー Season 2」製作委員会

Manga
 "Uma Musume: Cinderella Grey" *****

More than 1 million copies sold *****

ウマ娘 プリティーダービー シリーズ最新作 いざ出走です!!

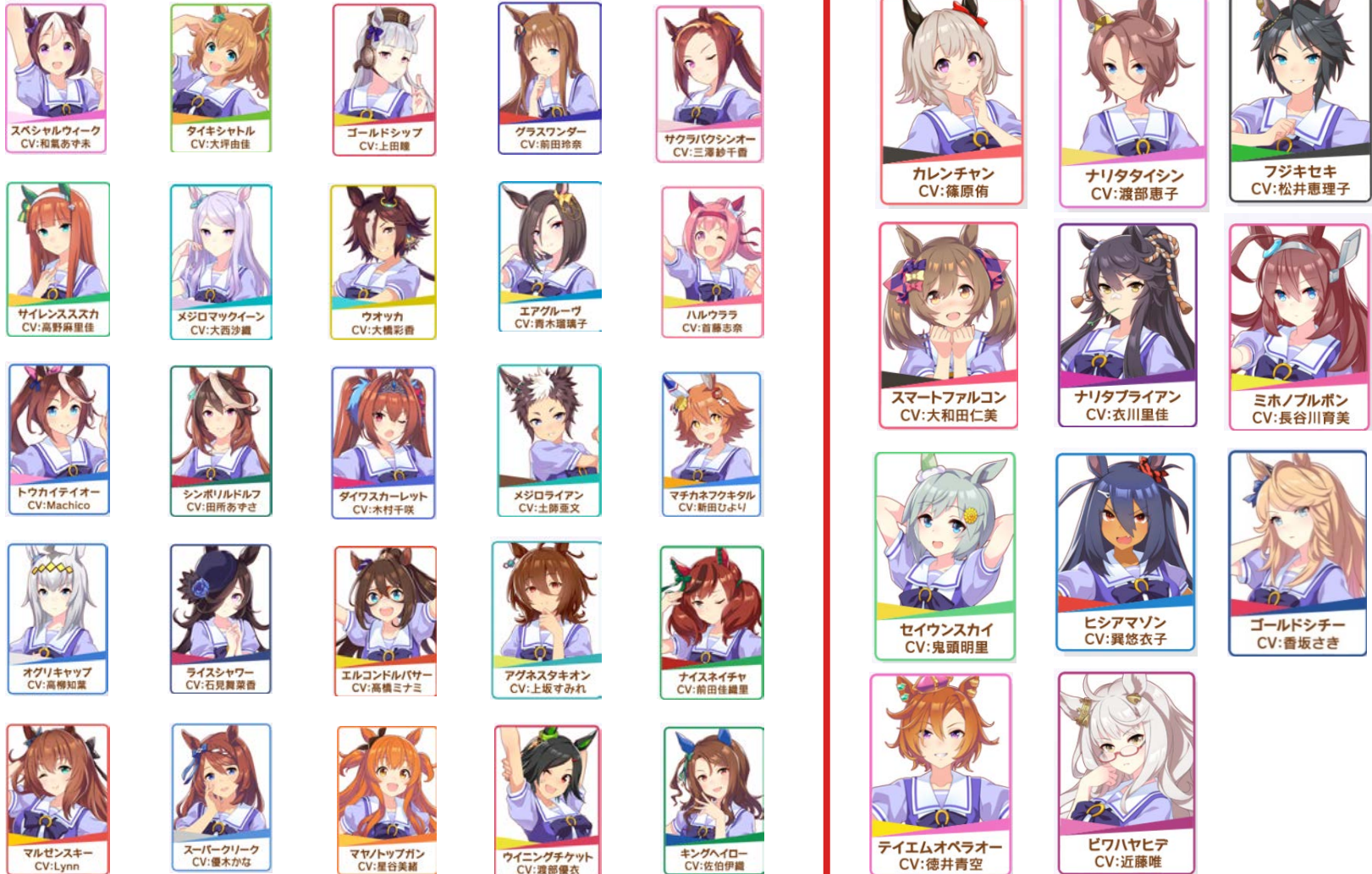
¥0! 毎日1話無料!

**"UMA MUSUME Pretty Derby" :©Cygames, Inc. **TV Anime "UMA MUSUME Pretty Derby": ©2018 Anime "UMA MUSUME Pretty Derby" Production Committee", ©2021 Anime "UMA MUSUME Pretty Derby Season 2" Production Committee
 "UMABAKO2 The First Corner": ©2021 Anime "UMA MUSUME Pretty Derby Season 2" Production Committee *Ranked in the 3rd Place at the Oricon Blu-ray ranking 2021: © oricon ME inc.
 ***** "3rd Event WINNING DREAM STAGE" :©Cygames, Inc., ©2021 Anime "UMA MUSUME Pretty Derby Season 2" Production Committee *****"Uma Musume: Cinderella Grey"©SHUEISHA Inc. All right reserved. ©Cygames, Inc. Manga/ Taiyou Kuzumi, Script/ Masafumi Sugiura, Manga plot production/ Junnosuke Ito (Original: Cygames, Inc.) ***** More than 1 million copies sold as of June 11, 2021.

4. Game Business

[Uma Musume Pretty Derby*]

11 new characters carrying the names of real racehorses are added, bringing the total to 36. More will be coming in the future.



New

*"Uma Musume Pretty Derby" ©Cygames, Inc **Characters carry the names of real racehorses: Not including characters in different costumes as of July 20..

4. Game Business

[Uma Musume Pretty Derby*] We aim to make it a long running hit by adding new features, etc.

“Room Match” Feature

A feature that allows players to host their own matches against other players.



New Training Scenario












“Aoharu Cup -Shine out, our team bond-” is under development.



*Uma Musume Pretty Derby” :©Cygames, Inc ***Aoharu Cup -Shine out, our team bond-”: Contents may be changed without notice.

4. Game Business

[Major Titles]

FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
1 Sengoku Embu -KIZNA-  Original IP Card Battle	2 Granblue Fantasy  Original IP RPG		5 Shadowverse  Original IP Esports for Smartphone		7 PRINCESS CONNECT! Re:Dive  Original IP Anime RPG			10 UMA MUSUME Pretty Derby  Original IP Training Simulation
	3 Dragon Quest Monsters Super Light  Others IP RPG	4 THE iDOLM@STER CINDERELLA GIRLS STARLIGHT STAGE  Others IP Idol & Rhythm		6 BanG Dream! Girls Band Party!  Others IP Rhythm & Adventure	8 Dragalia Lost  Others IP Action RPG		9 Project SEKAI Colorful Stage! Feat. Hatsune Miku  Others IP Rhythm Game	11 NieR Re[in]arnation  Others IP RPG

4. Game Business

[Upcoming Games] Aim to make new game titles successful.

"IDOLY PRIDE"* Idol management RPG
QualiArts, Inc. **June 24 Release**

"D-CIDE TRAUMEREI"*** Mixed media project
Sumzap, Inc./ Drecom Co., Ltd./Bushiroad Inc. **To be released in 2021**

"NieR Re[in]carnation"** English ver., Korean ver. RPG
SQUARE ENIX CO., LTD. /Applibot, Inc **To be released on July 29**

"Pride of Orange! SMILE PRINCESS"**** Mixed media project
CyberAgent Anime Business Unit/EXNOA **To be released in 2021**

* "IDOLY PRIDE" : © 2019 Project IDOLY PRIDE ** "NieR Re[in]carnation" : © 2021 SQUARE ENIX CO., LTD. All Rights Reserved. Developed by Applibot, Inc
*** "D_CIDE TRAUMEREI" : © D_CIDE TRAUMEREI **** "Pride of Orange! SMILE PRINCESS" : ©2020 Pride of Orange! Media Mix Partners

4. Game Business

[Upcoming Games] The latest title of the “FINAL FANTASY VII” series, “FINAL FANTASY VII EVER CRISIS”* for smartphones is scheduled for global distribution** in 2022.

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



4. Game Business

[Upcoming Games] Sumzap has announced "Jujutsu Kaisen Phantom Parade" as the first mobile game based on the TV anime "Jujutsu Kaisen".

Planning & Production: Sumzap, Inc. TOHO CO., LTD.
Development & Operation: Sumzap, Inc.



4. Game Business

[Upcoming Games] Cygames, Inc. develops new console game titles with creative and technical capabilities. In May 2021, it announced "Project GAMM*" is currently under development.

"Project GAMM*"

Action Game

Cygames, Inc.

Release Date
TBD



"GRANBLUE FANTASY Relink*"

Action RPG

Cygames, Inc.

To be released
in 2022

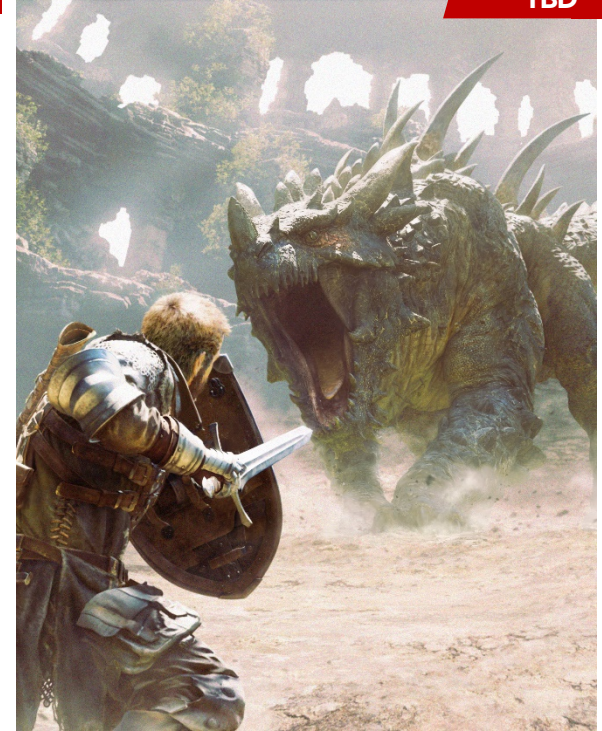


"Project Awakening*"

Action RPG

Cygames, Inc.

Release Date
TBD

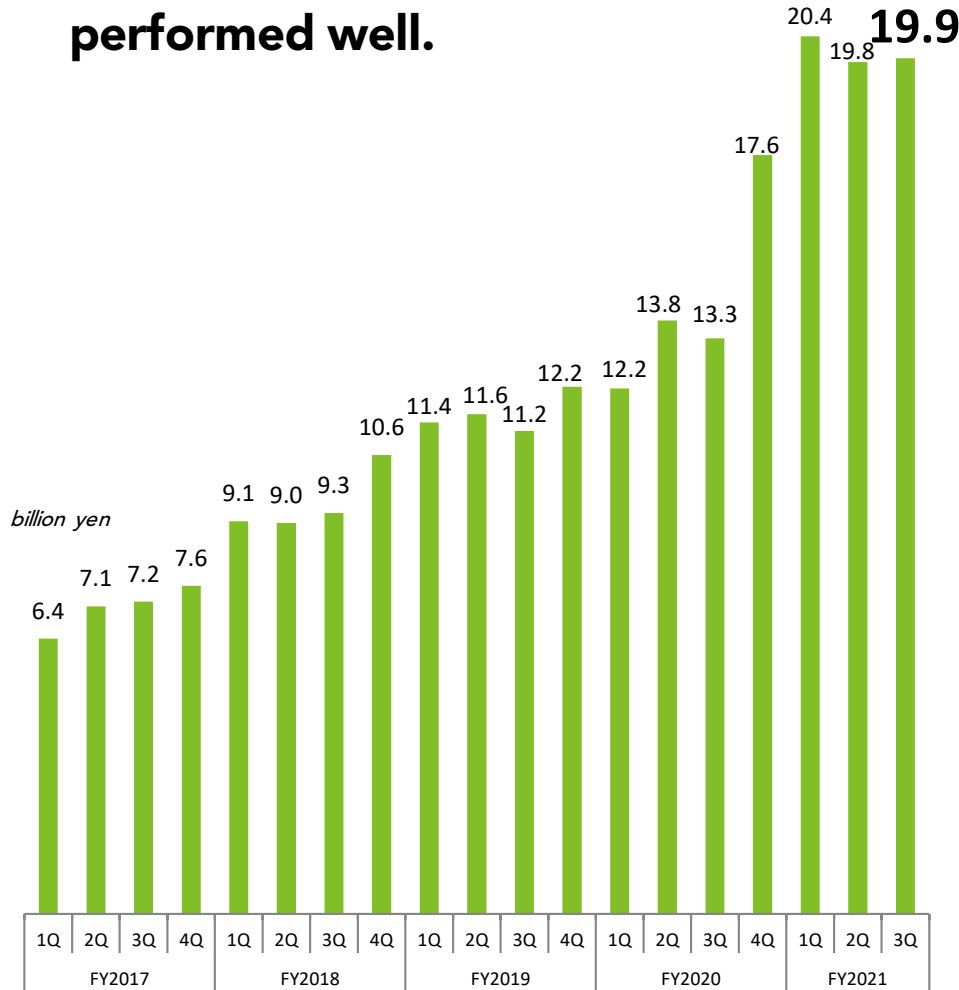


Media

5. Media Business

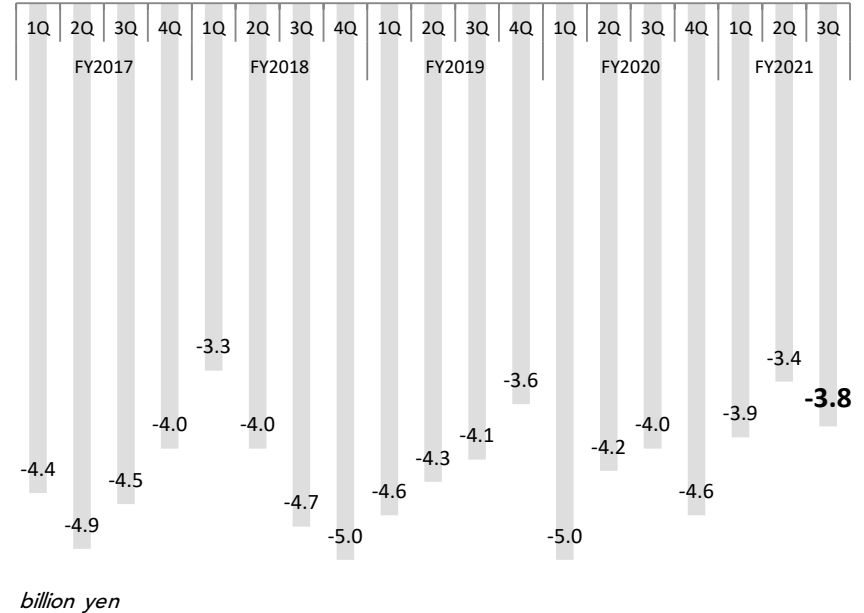
[Quarterly Sales]

19.9 billion yen (grew 1.5x YoY)
The related businesses of ABEMA performed well.



[Quarterly OP]

-3.8 billion yen operating loss in Q3.

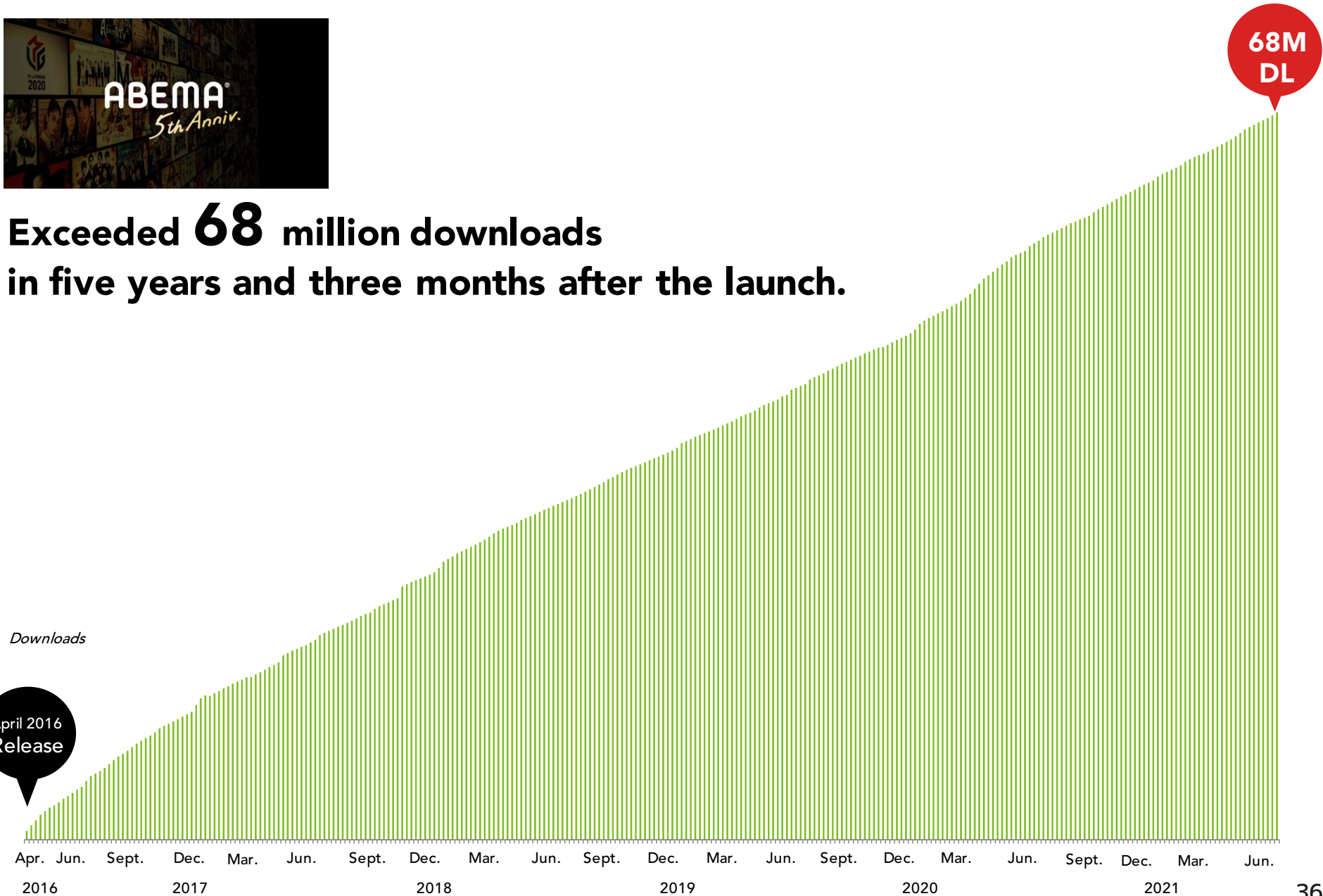


*Quarterly OP: Special incentives in FY2020 are excluded.

5. Media Business



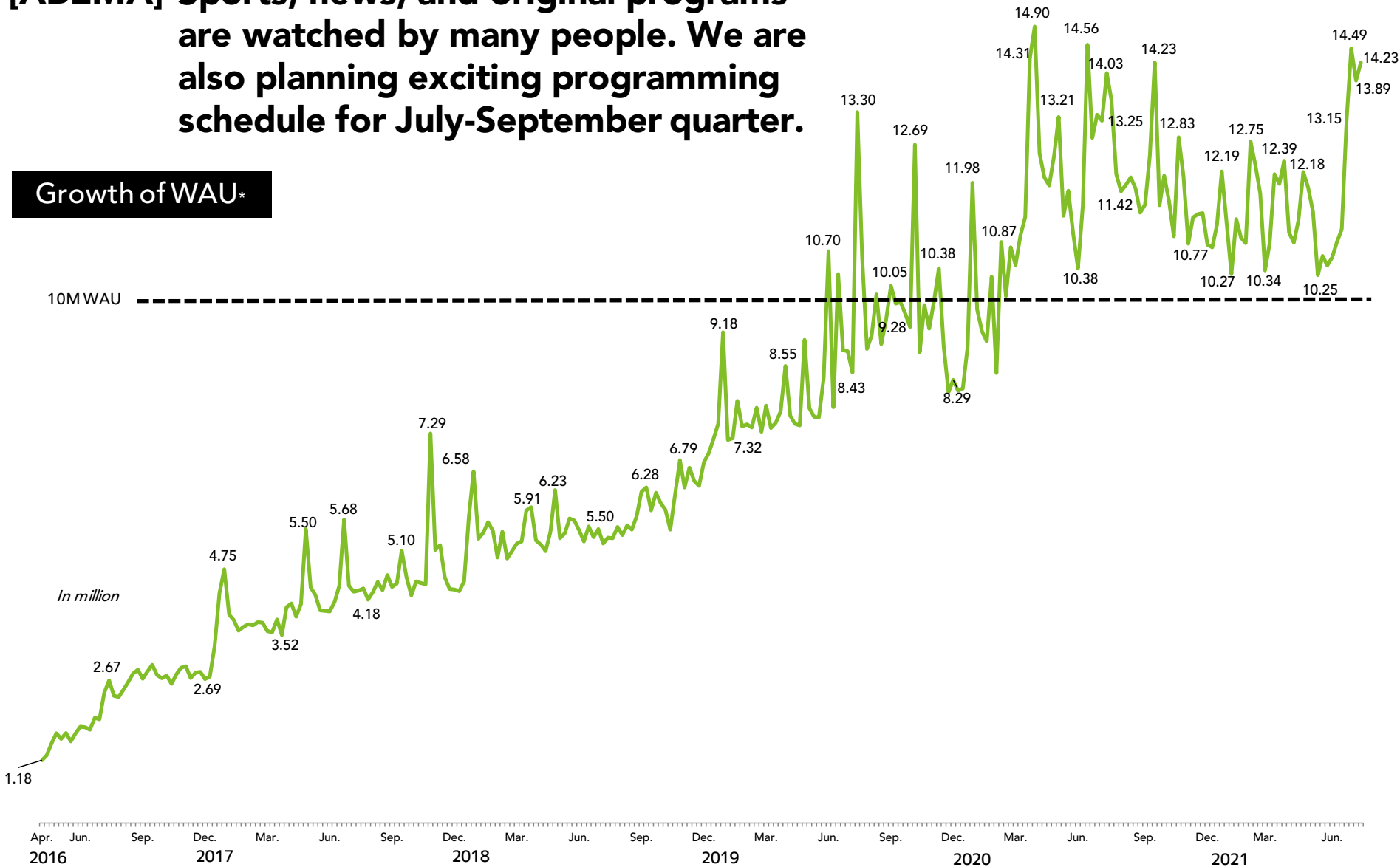
Exceeded **68** million downloads
in five years and three months after the launch.



5. Media Business

[ABEMA] Sports, news, and original programs are watched by many people. We are also planning exciting programming schedule for July-September quarter.

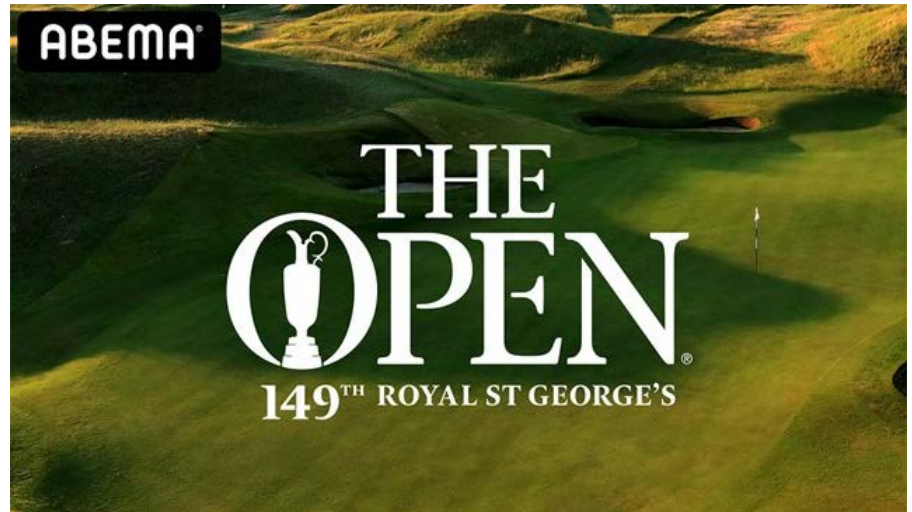
Growth of WAU*



*WAU: Weekly Active Users

5. Media Business

[ABEMA] With 166 official MLB games being broadcast on ABEMA, sports and other matches have become one of the most appealing contents.



5. Media Business

[ABEMA] ABEMA continues to produce and broadcast original content in a wide range of genres, including the first drama from a popular mystery novel series and a drama that depict the dark side of modern society.

"You Can't Fool Me Mr. Wolf - Rainbow series"

Starts on August 1



"What I Learned from Being a Normal High School Girl to Becoming a Mom at 16"

Started on July 20



"Tom and Sawyer in the City -Our Fort-"

Started on July 16



"Sake Guse 50" (50 Bad Drinkers)

Started on July 15



"We Got Married"

Started on July 9



"Lemmings in Miniature Garden"

Started on June 17



5. Media Business

[ABEMA] Popular programs on TV Asahi and ABEMA will collaborate.



5. Media Business

[ABEMA] There will be a variety of PPV* events for the July-September quarter.

Third Generation J Soul Brothers LIVE TOUR 2021 "THIS IS JSB" August 29

ABEMA
10th ANNIVERSARY
JSB3 LIVE TOUR 2021
"THIS IS JSB"
JSB3 LIVE TOUR 2021 "THIS IS JSB"
アベマ生配信 8.29 SUN

NMB48 Miru Shiroma Graduation Concert August 15

ABEMA
8/15 15:30 START
NMB48 白間美瑠卒業コンサート
みるるん・さるるん・ありがとう♡

HYPNOSIMIC 7th LIVE <SUMMIT OF DIVISIONS> August 7&8

ABEMA
HYP ABEMA
SUMMIT OF DIVISIONS 7th LIVE <SUMMIT OF DIVISIONS>
DIVISIONS DAY1-8.7 & DAY2-8.8

Momoiro Clover Z Special Online Fan Meeting July 25

ABEMA
モモクロ
スペシャルオンラインファンミーティング
ABEMA オリジナル

ACTORS☆LEAGUE 2021 July 20

ABEMA
BLACK WINGS
DIAMOND BEARS
ACTORS LEAGUE 2021
7月20日(火) 午後5時 試合開始
マルチアングルカメラ増設!

Official HIGE DANdism Road to <one - man tour 2021-2021> July 10

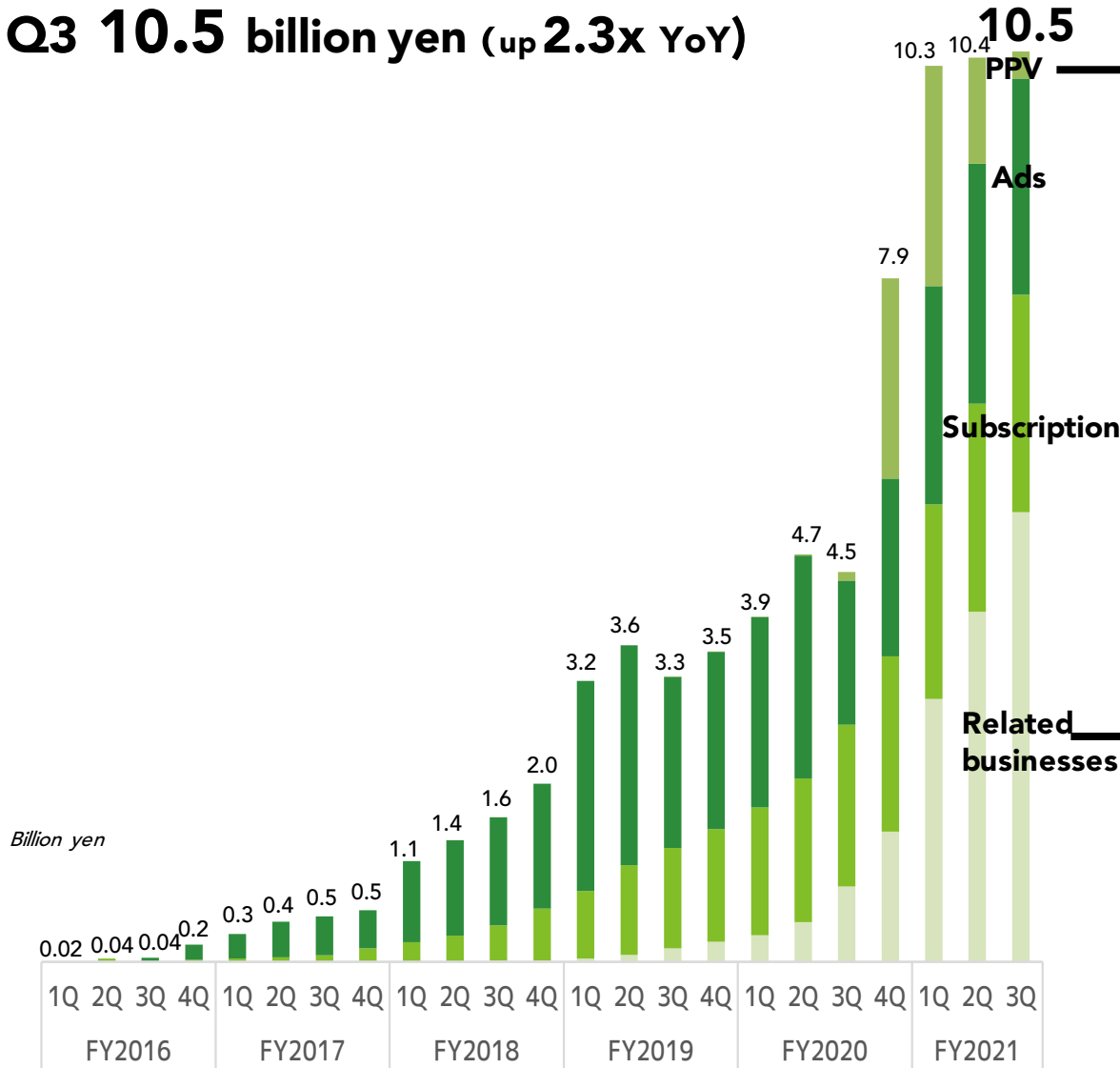
ABEMA
ONLINE LIVE
Official 髭男dism 7.10 20:00 SATURDAY

*PPV: ABEMA PPV ONLINE LIVE

5. Media Business

[Quarterly Sales of ABEMA and Related Businesses]

Q3 10.5 billion yen (up 2.3x YoY)



ABEMA PPV ONLINE LIVE



Online Sports Betting "WINTICKET"



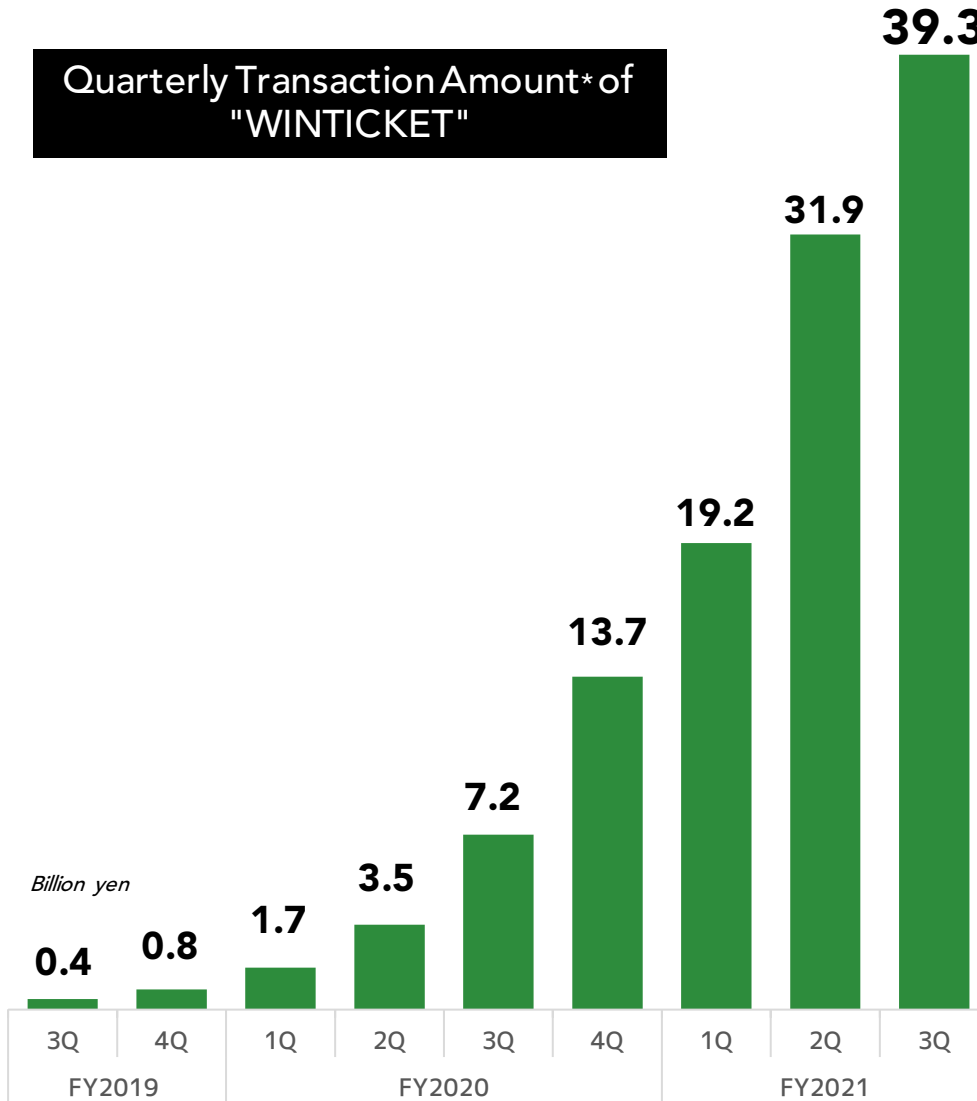
Official Shopping Channel "ABEMA Shopping"



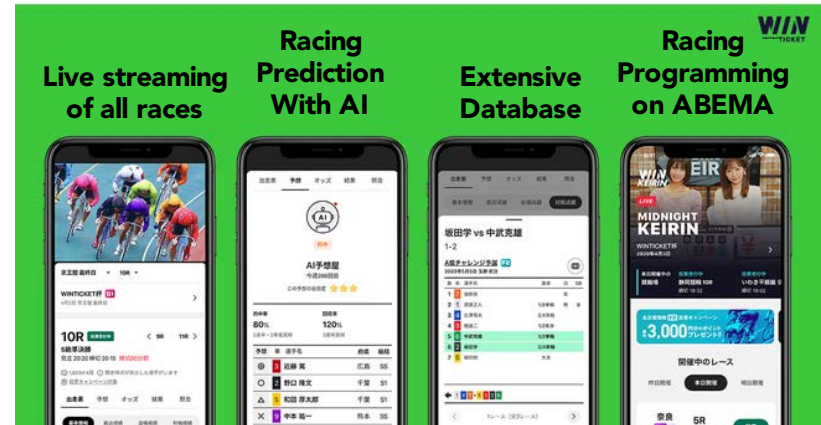
5. Media Business

[WINTICKET] WINTICKET has increased its transaction volume by about 5.5 times year-on-year through cooperation with ABEMA and its own prediction data.

Quarterly Transaction Amount* of "WINTICKET"



Four Features of WINTICKET



TV commercial was on air from April 24 to May 16.



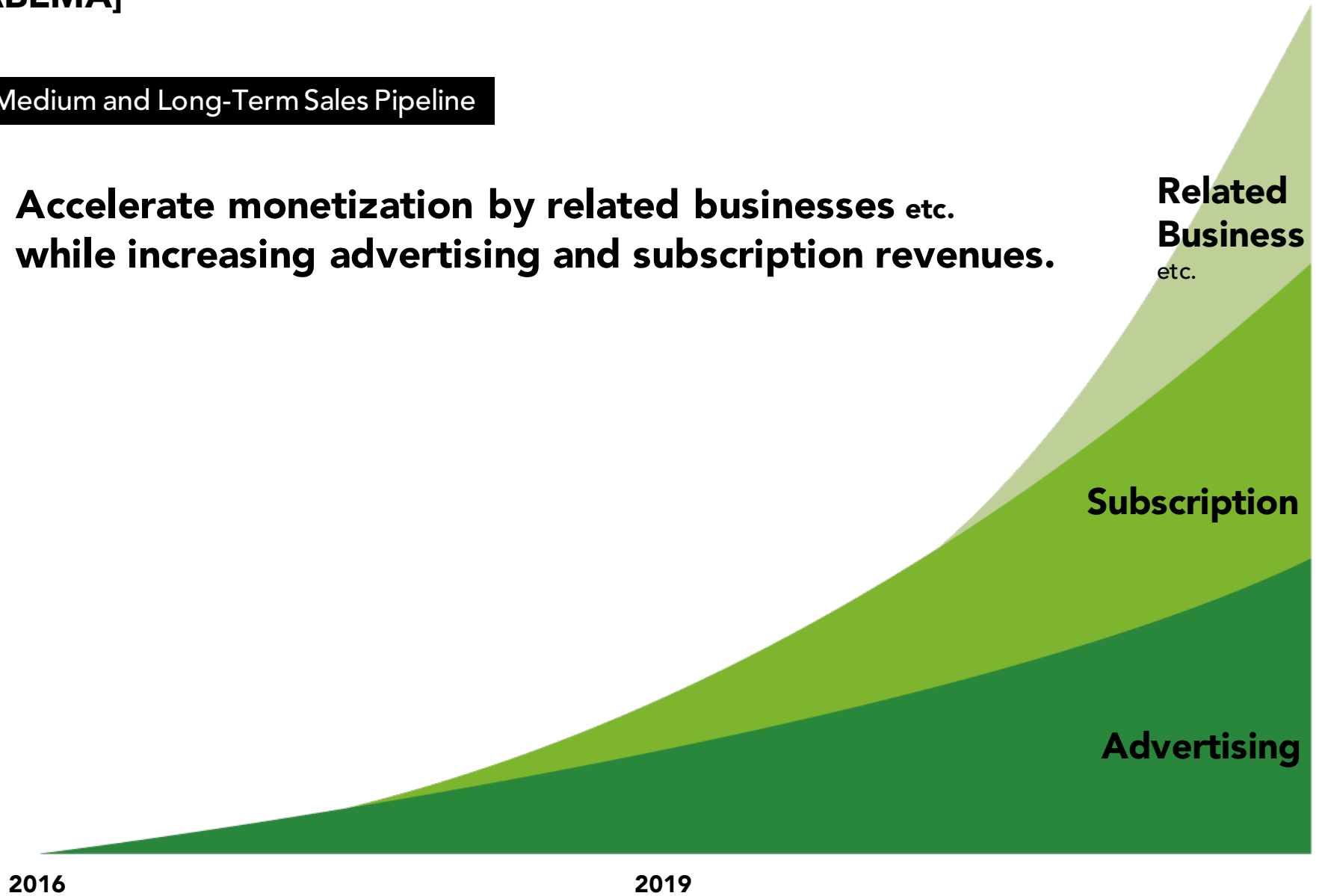
*Quarterly Transaction Amount: Transaction amount of WinTicket, Inc. that operates internet betting system of Keirin races. (includes loyalty point campaign)

5. Media Business

[ABEMA]

Medium and Long-Term Sales Pipeline

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



FY2021

Grow ABEMA as a medium to long-term pillar.

Media

Grow ABEMA larger and increase monetization

Ad

Aim to increase sales by maximizing advertising effectiveness

Game

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



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

IR video contents for shareholders and investors

"IR Channel"

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

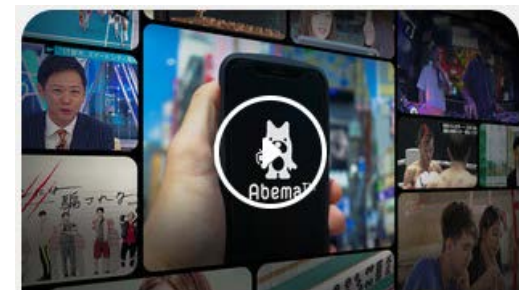
https://www.cyberagent.co.jp/en/ir/ir_channel/



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



The evolving ad creative of CyberAgent



5 ways to use "ABEMA"

Integrated Report CyberAgent Way 2020

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



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

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<https://www.cyberagent.co.jp/en/ir/library/annual/>

Click!!



FY2021 Q4 earnings release is scheduled to be released at 3 pm or later on Wednesday, October 27, 2021.