



1Q FY2022 Presentation Material

October to December 2021

January 26, 2022



[Forward-looking statement]

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

- 1. Quarterly Results** (October - December 2021)
- 2. Forecast**
- 3. Internet Advertisement Business**
- 4. Game Business**
- 5. Media Business**
- 6. Medium to long-term strategy**
- 7. References - Purpose**

Quarterly Results

October - December 2021

FY2022 Q1

Sales and OP were off to a strong start.

Sales: **171.0** billion yen up **30.6%** YoY
OP: **19.8** billion yen up **2.8X** YoY

Media

Revenue from ABEMA and related businesses increased.

Sales: **24.9** billion yen up **22.4%** YoY
OP: **-3.8** billion yen +**80** million yen YoY

Ad

Sales reached a new record driven by operation and technical capability.

Sales: **87.8** billion yen up **14.7%** YoY
OP: **5.7** billion yen up **0.7%** YoY

Game

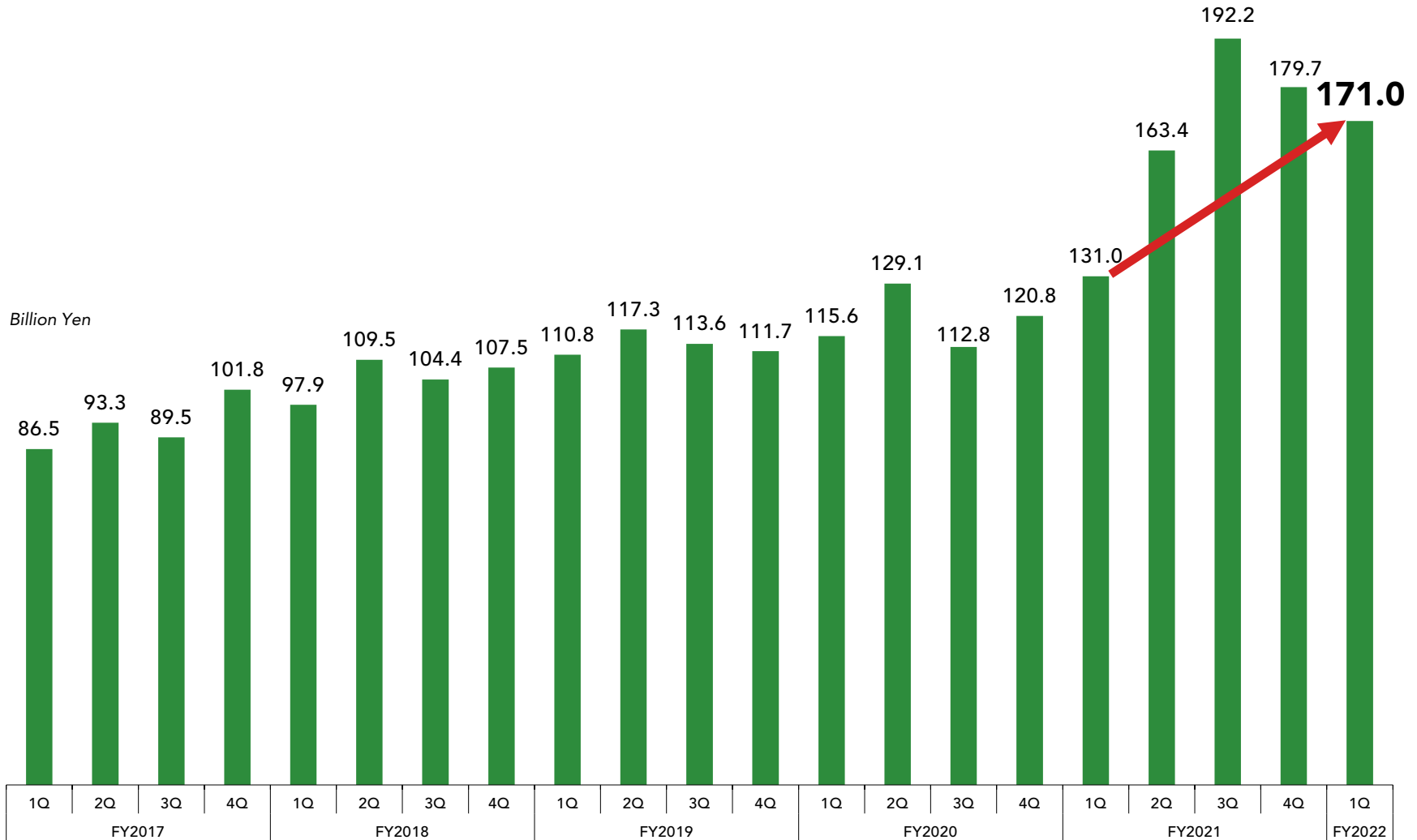
Sales and OP grew driven by "Uma Musume Pretty Derby*."

Sales: **58.3** billion yen up **94.7%** YoY
OP: **17.1** billion yen up **15.1X** YoY

1. Quarterly Results

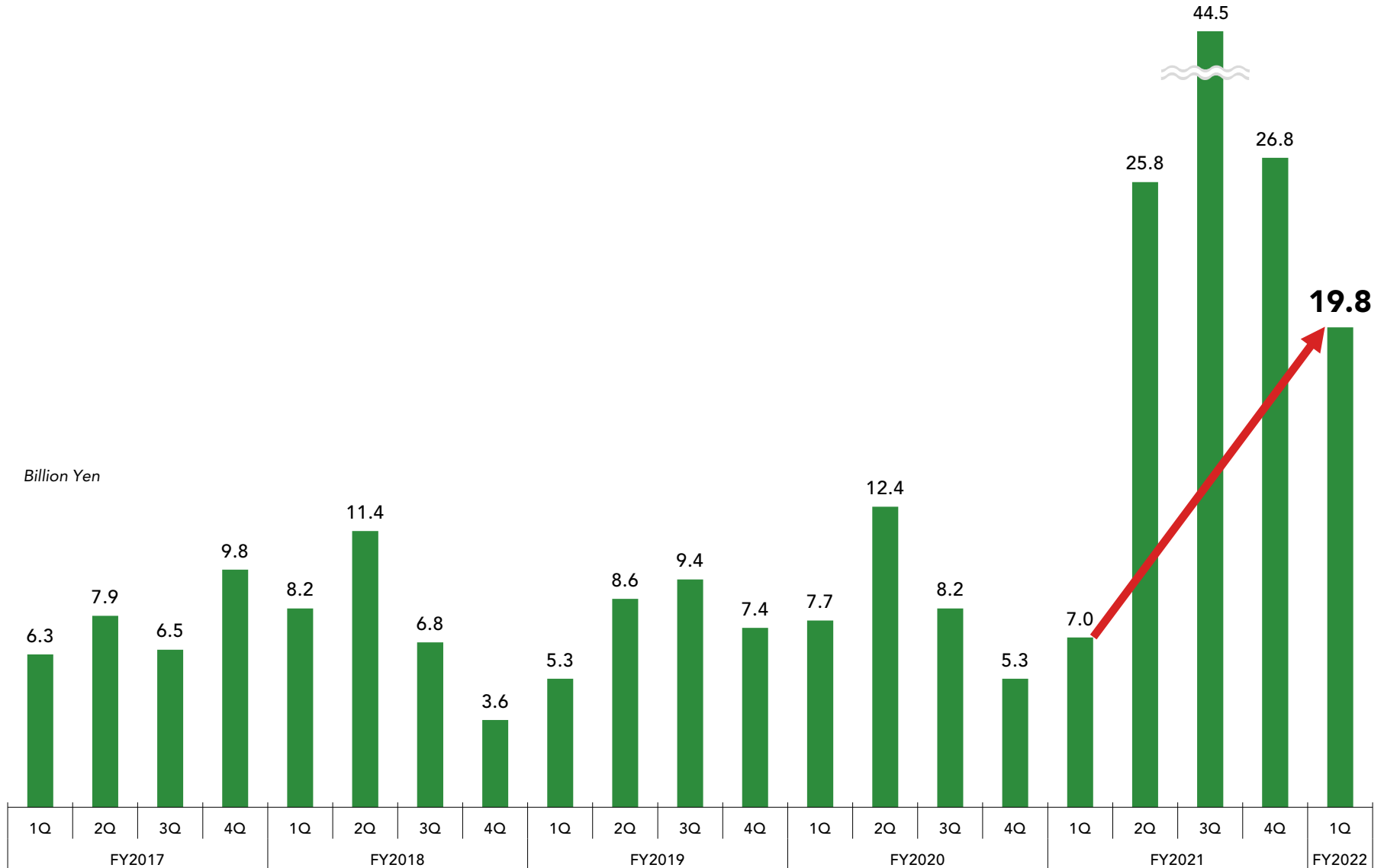
[Consolidated Sales] **171.0** billion yen (up 30.6% YoY)

The advertising business and the media business performed well while the game business has been volatile.



1. Quarterly Results

[Consolidated OP] **19.8** billion yen (up 2.8x YoY)

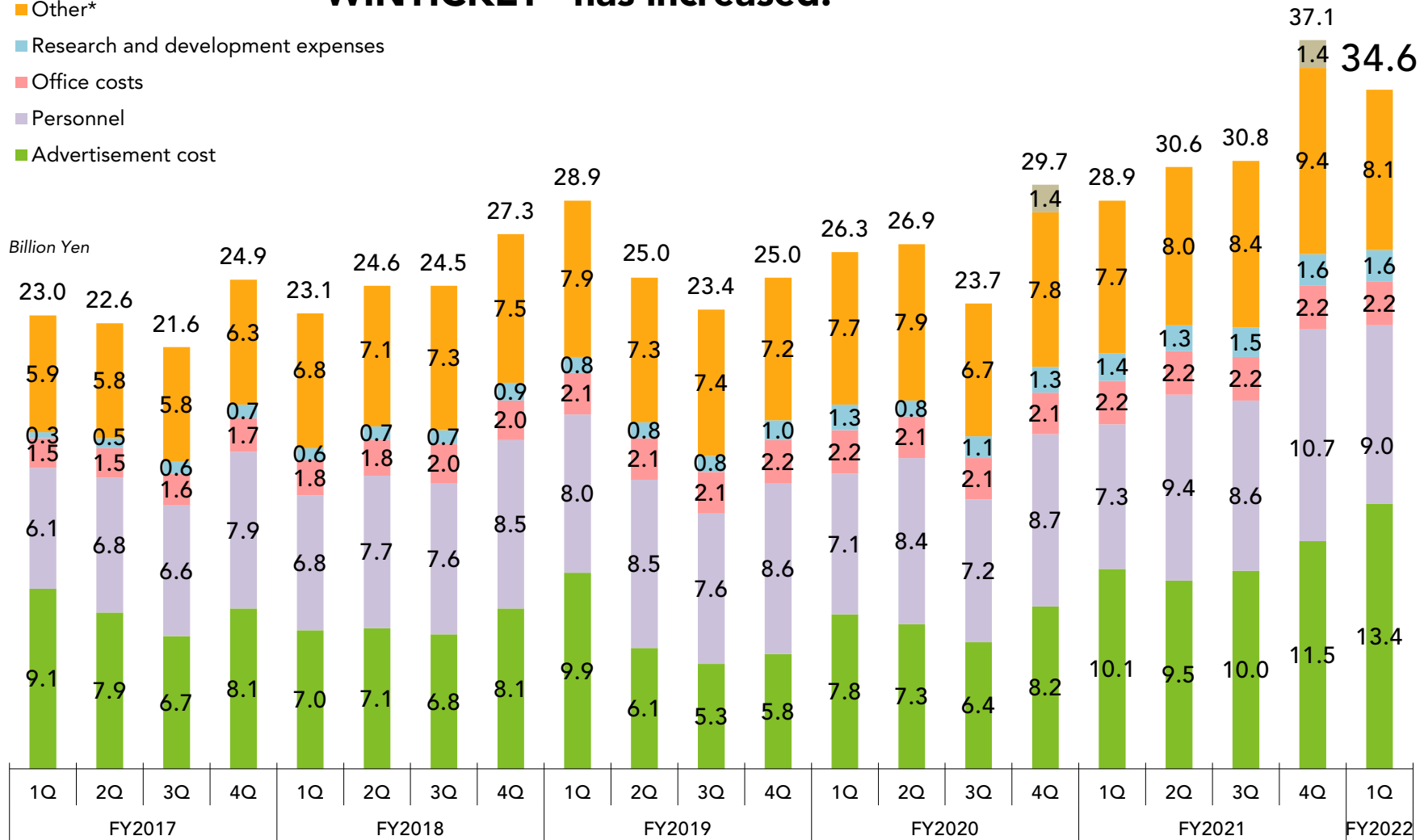


1. Quarterly Results

[SG&A Expenses] **34.6 billion yen**

Marketing expenses of the game business and "WINTICKET" has increased.

- Special incentives
- Other*
- Research and development expenses
- Office costs
- Personnel
- Advertisement cost

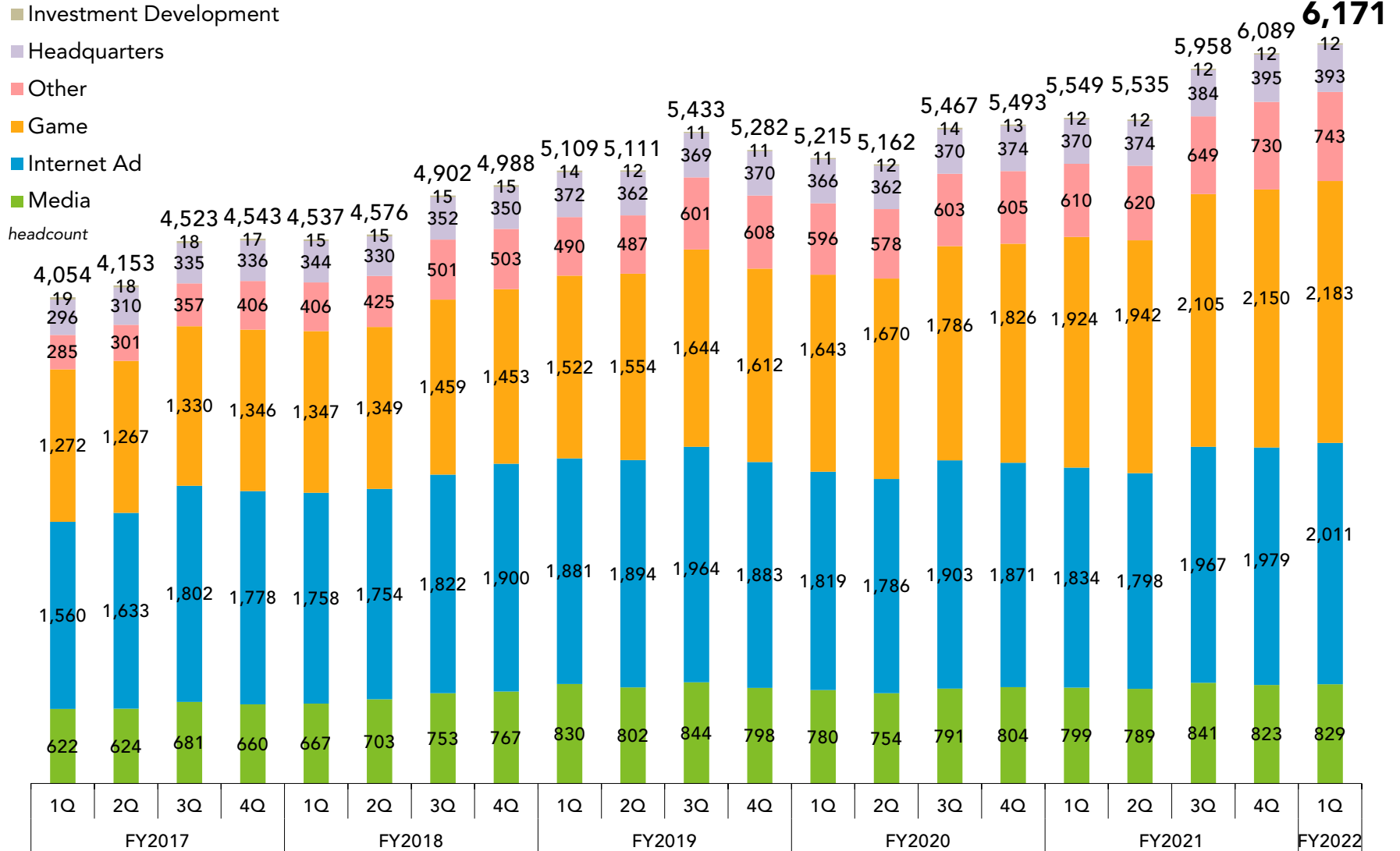


*Since the current fiscal year, R&D expenses are excluded from "Other" and sales-related expenses are included in "Other", retroactive from FY2017.

*Other: Outsourcing expenses, sales-related expenses, external standard taxation, entertainment expenses, and others.

1. Quarterly Results

[No. of Employees] Total headcount was **6,171** at the end of December.



1. Quarterly Results

[PL]

million yen	FY2022 Q1	FY2021 Q1	YoY	FY2021 Q4	QoQ
Net Sales	171,090	131,014	30.6%	179,728	-4.8%
Gross profit	54,419	35,967	51.3%	64,065	-15.1%
SG&A expenses	34,615	28,908	19.7%	37,197	-6.9%
Operating profit	19,804	7,058	180.6%	26,867	-26.3%
OPM	11.6%	5.4%	6.2pt	14.9%	-3.3pt
Ordinary profit	19,836	6,932	186.1%	26,894	-26.2%
Extraordinary income	97	454	-78.5%	90	8.2%
Extraordinary loss	981	837	17.2%	3,411	-71.2%
Income before income taxes and non-controlling interests	18,953	6,550	189.4%	23,573	-19.6%
Net profit*	6,091	2,930	107.9%	8,509	-28.4%

*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.

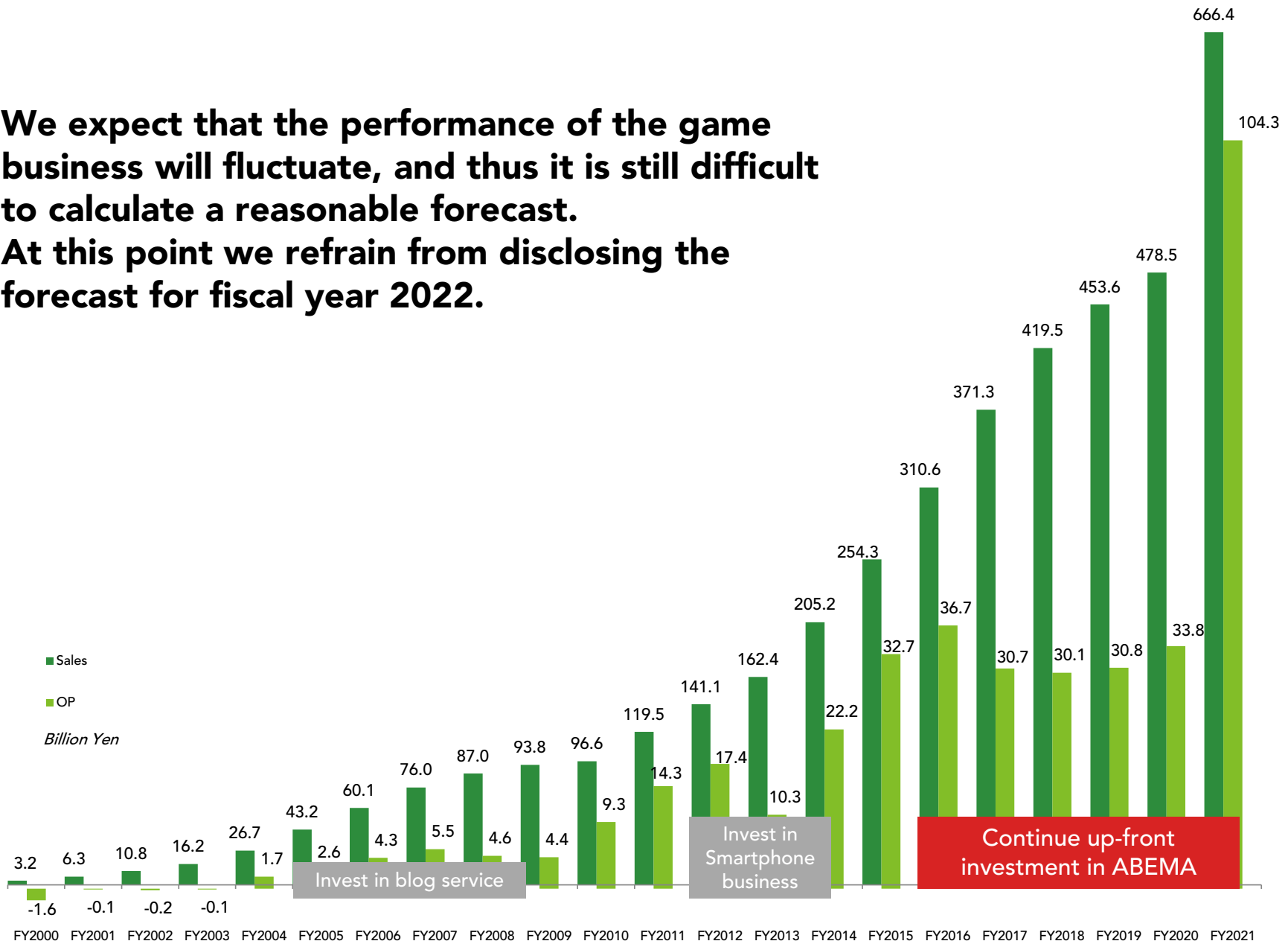
million yen	End of Dec. 2021	End of Dec. 2020	YoY	End of Sept. 2021	QoQ
Current assets	273,381	193,779	41.1%	301,650	-9.4%
Cash deposits	157,221	96,960	62.1%	181,451	-13.4%
Fixed assets	80,485	58,274	38.1%	80,885	-0.5%
Total assets	353,904	252,094	40.4%	382,578	-7.5%
Current liabilities	108,907	85,854	26.9%	140,714	-22.6%
(Income tax payable)	3,396	1,909	77.9%	29,723	-88.6%
Fixed liabilities	49,208	43,802	12.3%	47,718	3.1%
Shareholders' equity	119,621	77,601	54.1%	119,128	0.4%
Net Assets	195,788	122,436	59.9%	194,145	0.8%

FY2022 Forecast

October 2021 - September 2022

2. FY2022 Forecast

We expect that the performance of the game business will fluctuate, and thus it is still difficult to calculate a reasonable forecast. At this point we refrain from disclosing the forecast for fiscal year 2022.

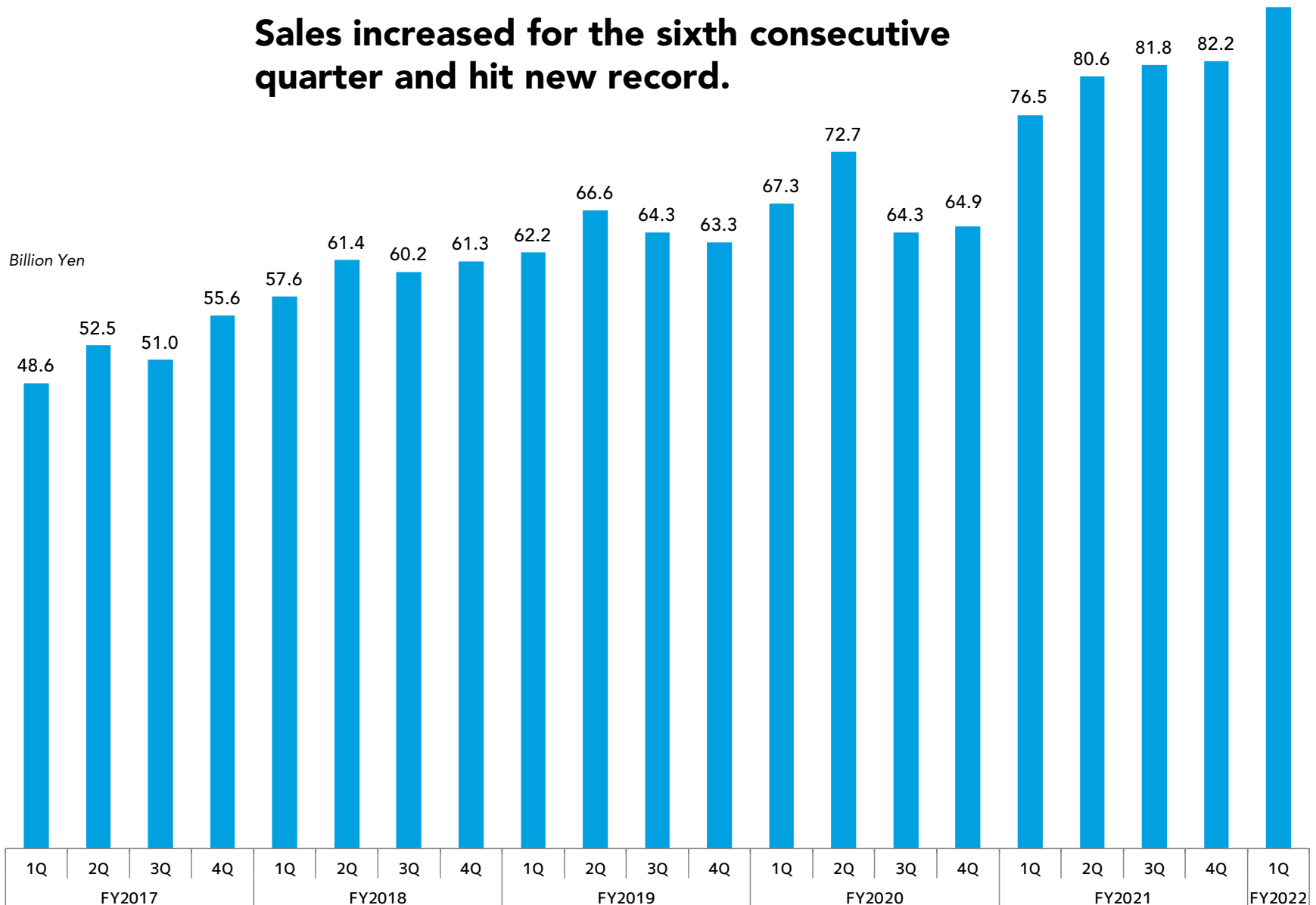


Internet Advertisement

3. Internet Advertisement Business

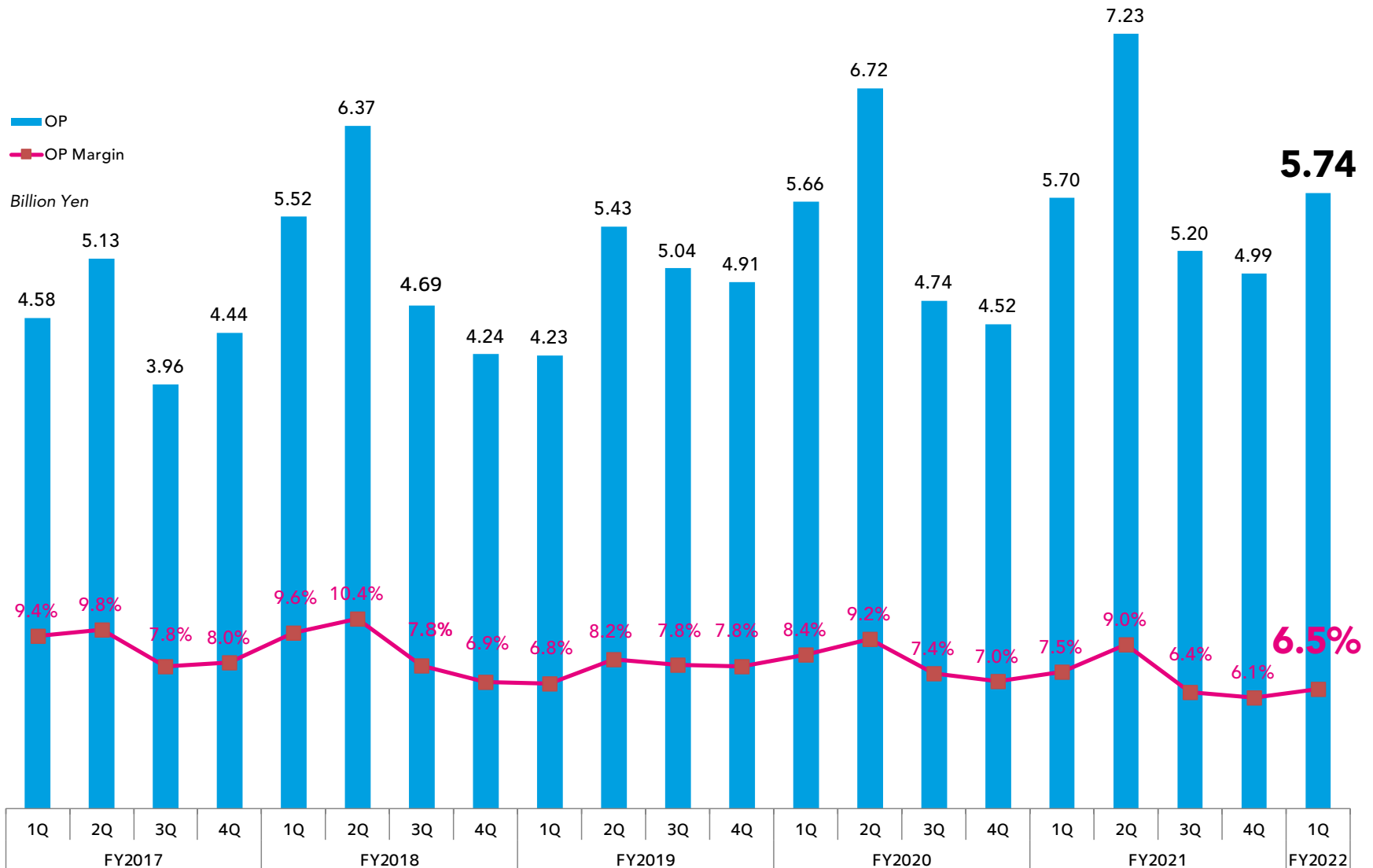
[Quarterly Sales] Q1 **87.8** billion yen (up 14.7% YoY)

Sales increased for the sixth consecutive quarter and hit new record.



3. Internet Advertisement Business

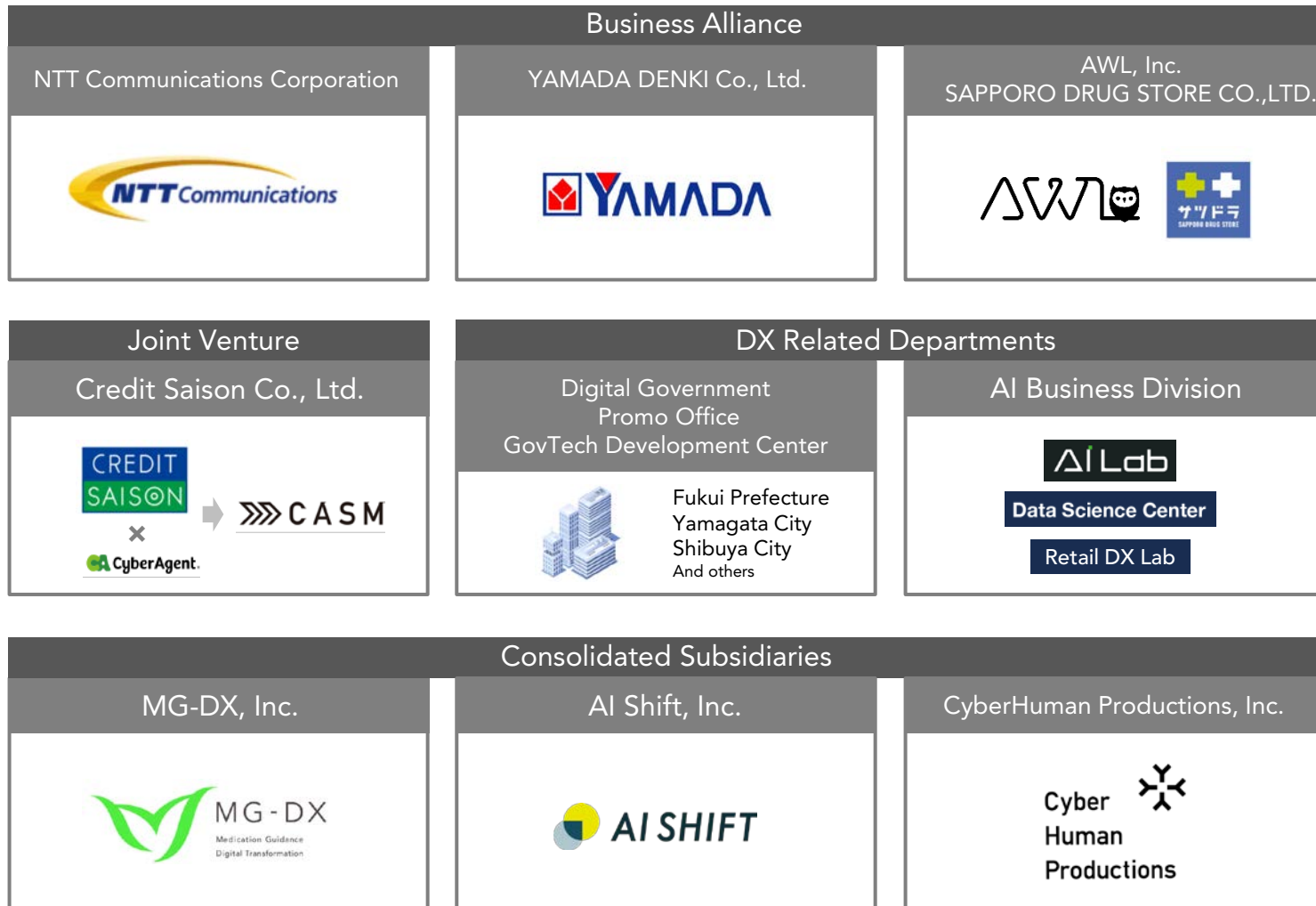
[Quarterly OP] OP was **5.7** billion yen, OPM **6.5%**
Continue to invest in AI and DX.



*Quarterly OP and OPM: Special incentives in FY2020 and FY2021 are excluded.

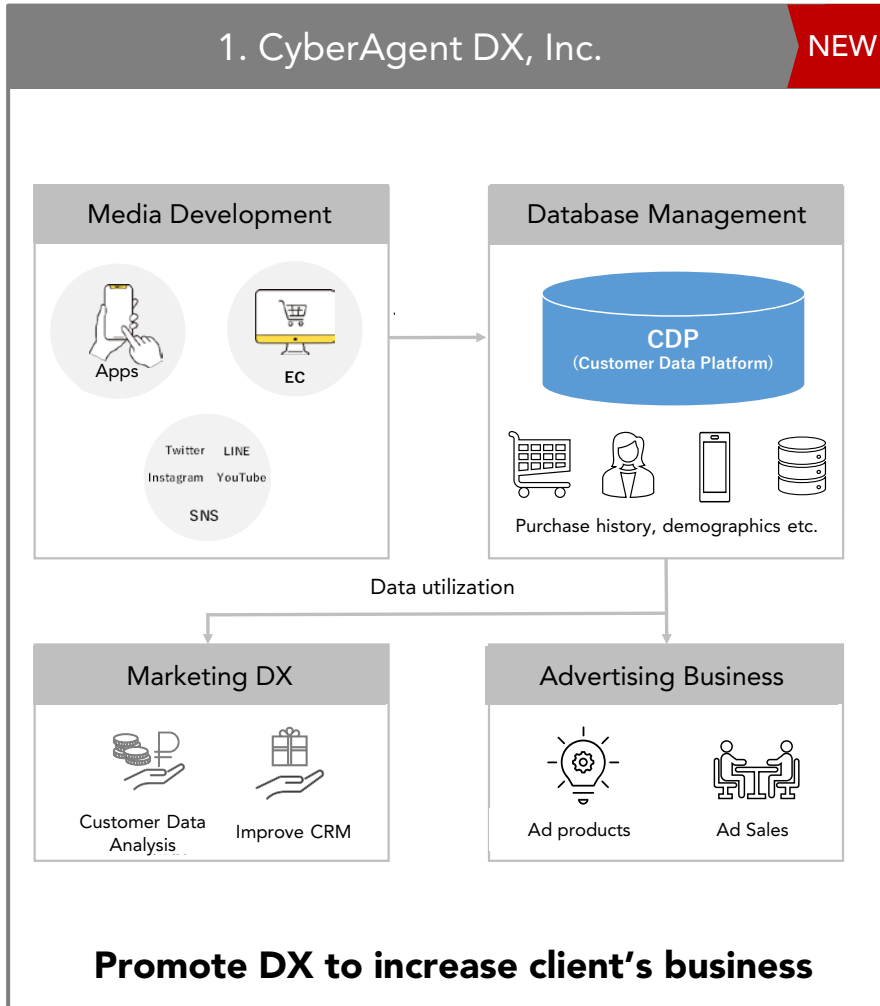
3. Internet Advertisement Business

[Focus Area] Expand the business in the DX area step by step.



3. Internet Advertisement Business

[Focus Area] Three new subsidiaries are launched in the first quarter to increase the business in the focus area.



2. CA Mujin Tenpo, Inc. NEW

Provide AI powered services for staff-free stores

3. CA Future Event, Inc. NEW

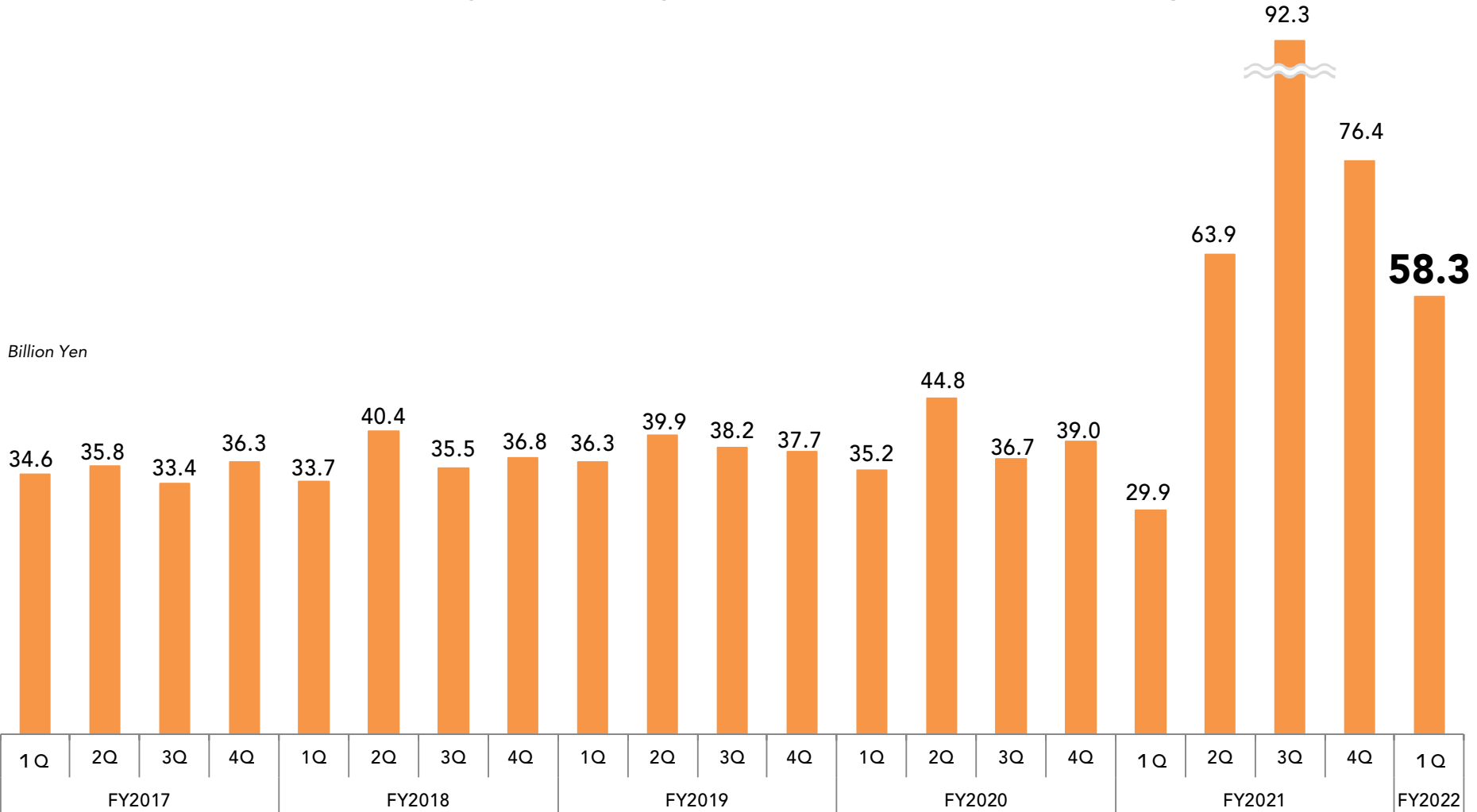
Plan, produce and operate online events

Game

4. Game Business

[Quarterly Sales] Q1 **58.3** billion yen (up **94.7%** YoY)

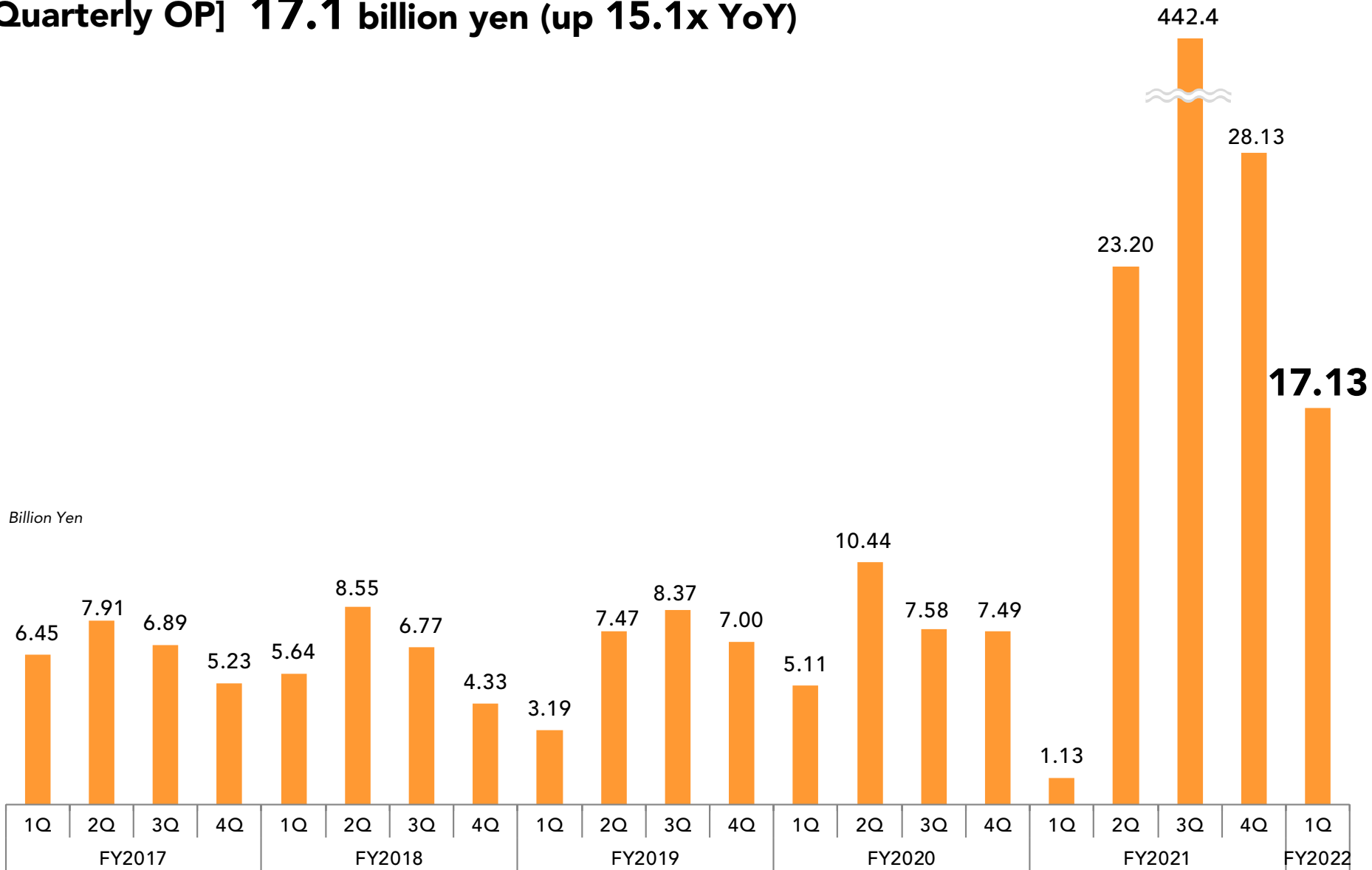
"Uma Musume Pretty Derby*," which will celebrate its first anniversary in February, still maintains revenue at a high level.



*Uma Musume Pretty Derby: © Cygames, Inc.

4. Game Business

[Quarterly OP] **17.1 billion yen (up 15.1x YoY)**

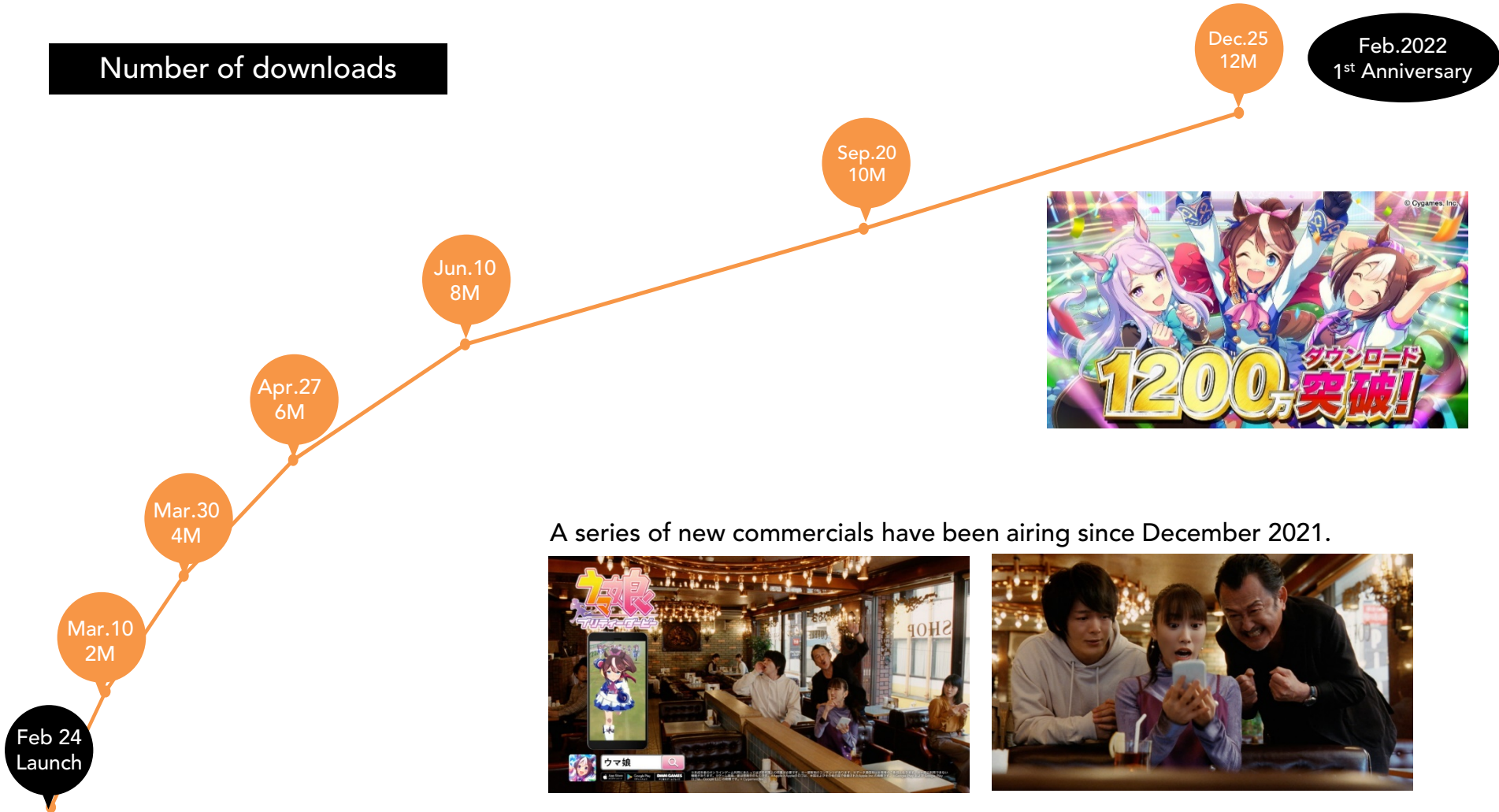


*Quarterly OP : Special incentives in FY2020 and FY2021 are excluded.

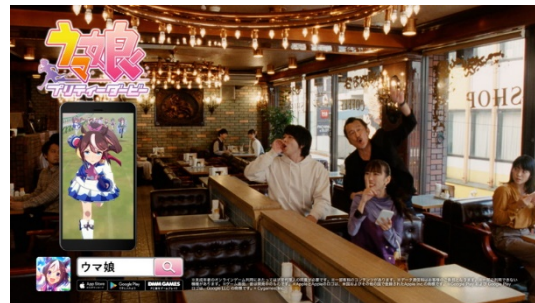
4. Game Business

[Uma Musume Pretty Derby*] Exceeded 12 million downloads in ten months since the launch.

Number of downloads



A series of new commercials have been airing since December 2021.



*Uma Musume Pretty Derby: © Cygames, Inc.

4. Game Business

[Upcoming Games] A number of leading other companies' IP titles are planned to be released.

"Dream Meister and the Recollected Black Fairy"* RPG
GCREST, Inc. **To be released on Feb. 17**

"FINAL FANTASY VII EVER CRISIS"*** RPG
SQUARE ENIX CO., LTD. / Applibot, Inc. **To be released in 2022**

"Jujutsu Kaisen Phantom Parade"**** RPG
Sumzap, Inc. / TOHO CO., LTD. **To be released in 2022**

"Tokyo Revengers (Name TBD)"**** Puzzle
GOODROID, Inc. **To be released in 2022**

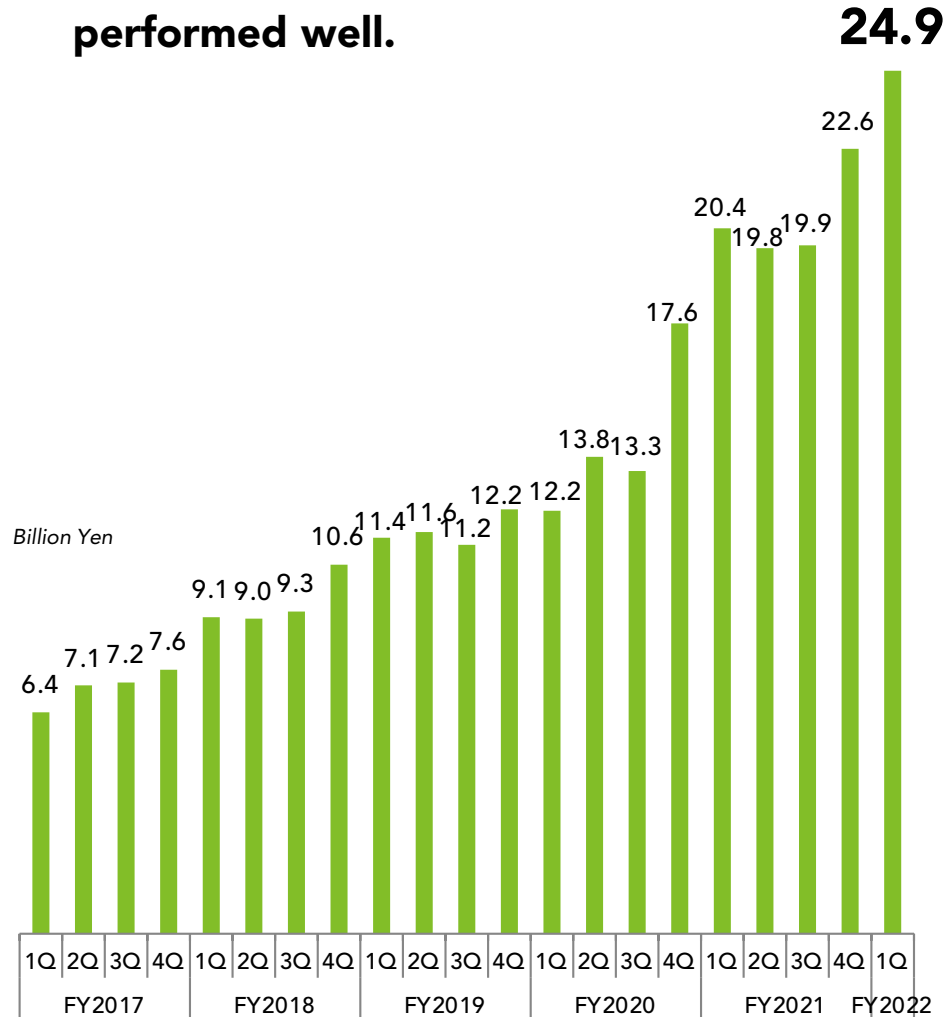
* "Dream Meister and the Recollected Black Fairy": © bilibili © GCREST
** "FINAL FANTASY VII EVER CRISIS": © 1997, 2021 SQUARE ENIX CO., LTD. All Rights Reserved. Powered by Applibot, Inc. CHARACTER DESIGN: TETSUYA NOMURA CHARACTER ILLUSTRATION: LISA FUJISE
*** "Jujutsu Kaisen Phantom Parade": © Gege Akutami/ Shueisha, Jujutsu Kaisen Production Committee © Sumzap, Inc
**** "Tokyo Revengers (Name TBD)": © Ken Wakui, Kodansha/ Anime "Tokyo Revengers" Production Committee © GOODROID, Inc. ALL Rights Reserved. CyberAgentGroup.

Media

5. Media Business

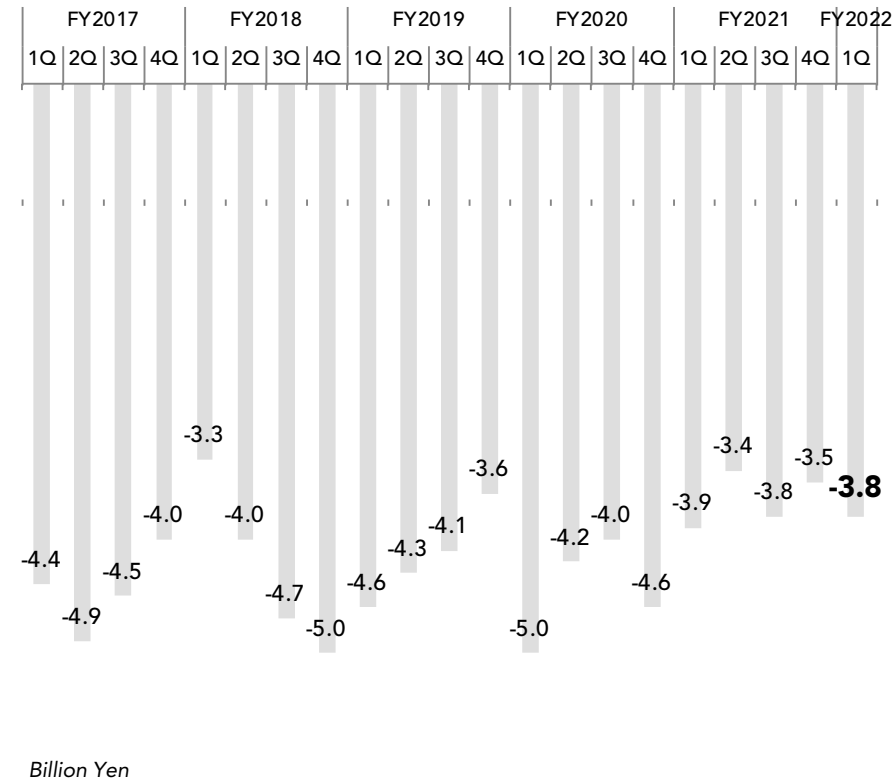
[Quarterly Sales]

24.9 billion yen (up 22.4% YoY)
ABEMA and related businesses
performed well.



[Quarterly OP]

-3.8 billion yen operating loss in Q1.
Invest largely in "WINTICKET."

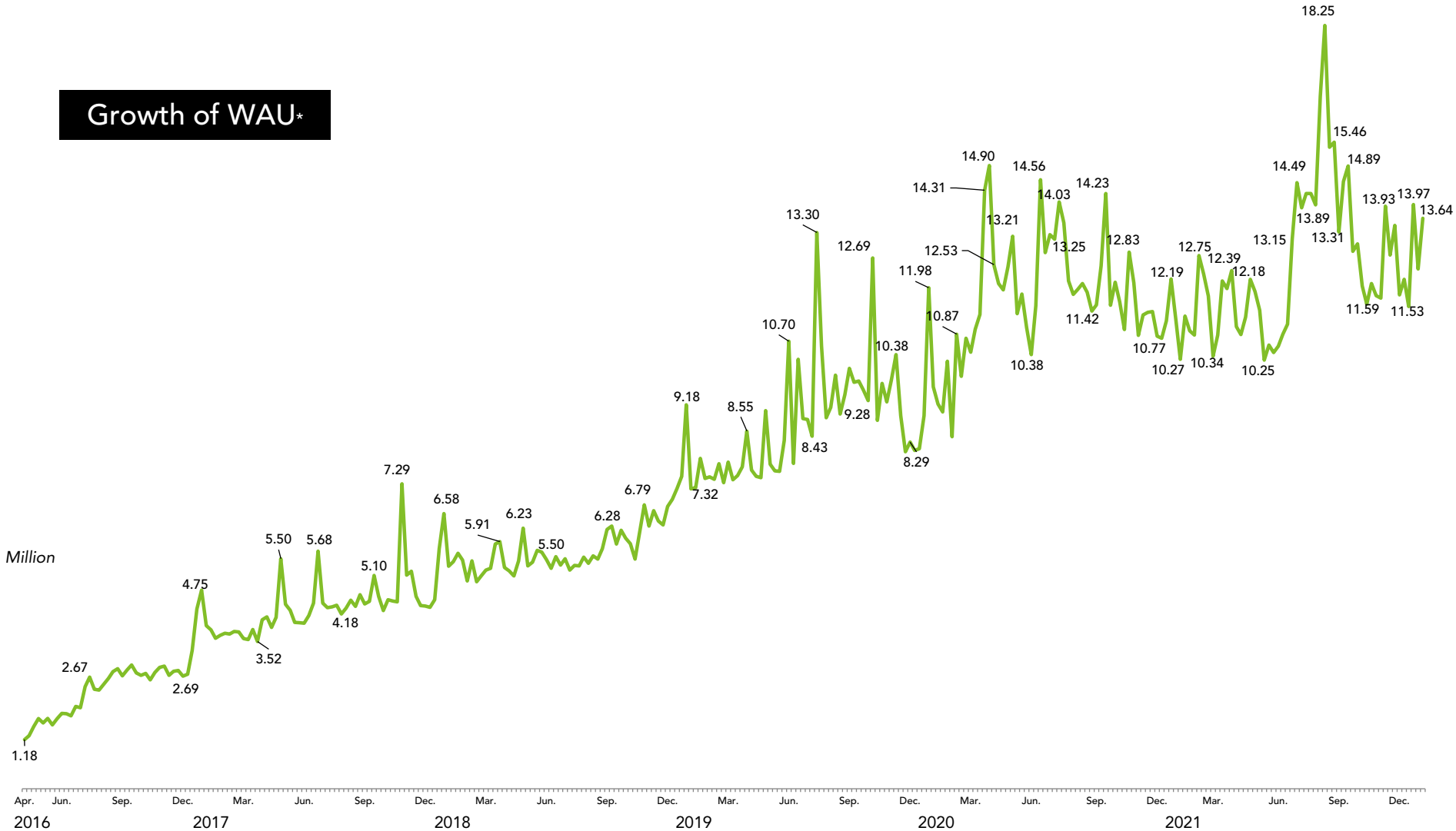


*Quarterly OP: Special incentives in FY2020 and FY2021 are excluded.

5. Media Business

[ABEMA] Weekly active users (WAU) remained strong with special programs and sports content during the year-end and New Year holidays.

Growth of WAU*



*WAU: Weekly Active Users

5. Media Business

[ABEMA] Many programs in various genres are coming up on ABEMA.

Original/co-production shows (Dramas, dating shows)



Exclusive distribution of Korean dramas on ABEMA



Copyright, WHYNOT MEDIA. All rights reserved.

Copyright, WHYNOT MEDIA. All rights reserved.

© CJ ENM Co., Ltd, All Rights Reserved

Exclusive genres only on ABEMA (Japanese chess, Sumo, Mahjong)



5. Media Business

[ABEMA] Pay-per-view programs attracted many viewers in the year-end and New Year holidays.

Live concerts



J-pop Idol shows

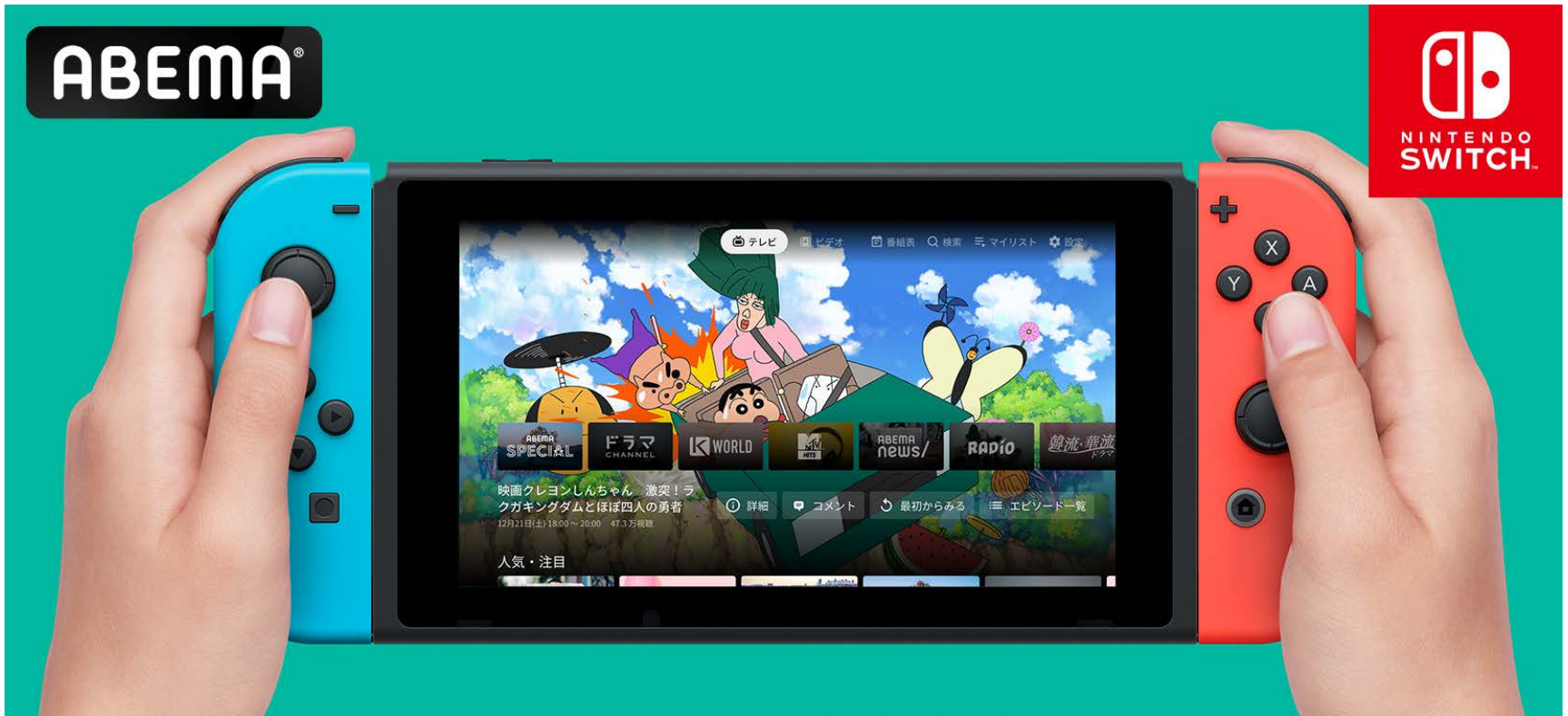


Combat sports



5. Media Business

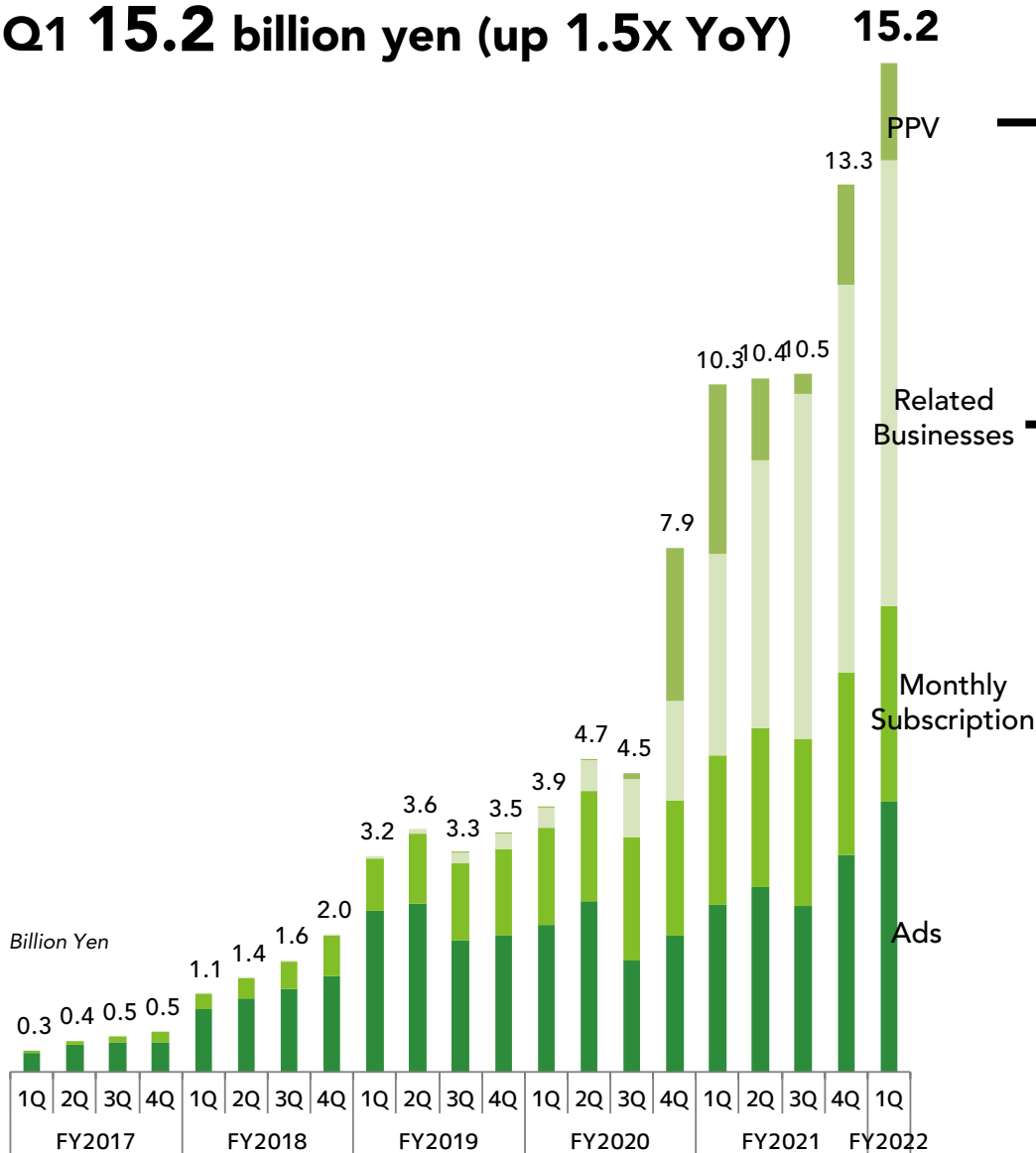
[ABEMA] ABEMA is now compatible with "Nintendo Switch."
Users can use their game consoles to watch ABEMA.



5. Media Business

[Sales of ABEMA & Related Businesses (Quarterly)]

Q1 15.2 billion yen (up 1.5X YoY) 15.2



"ABEMA PPV ONLINE LIVE"

Online Sports Betting "WINTICKET"

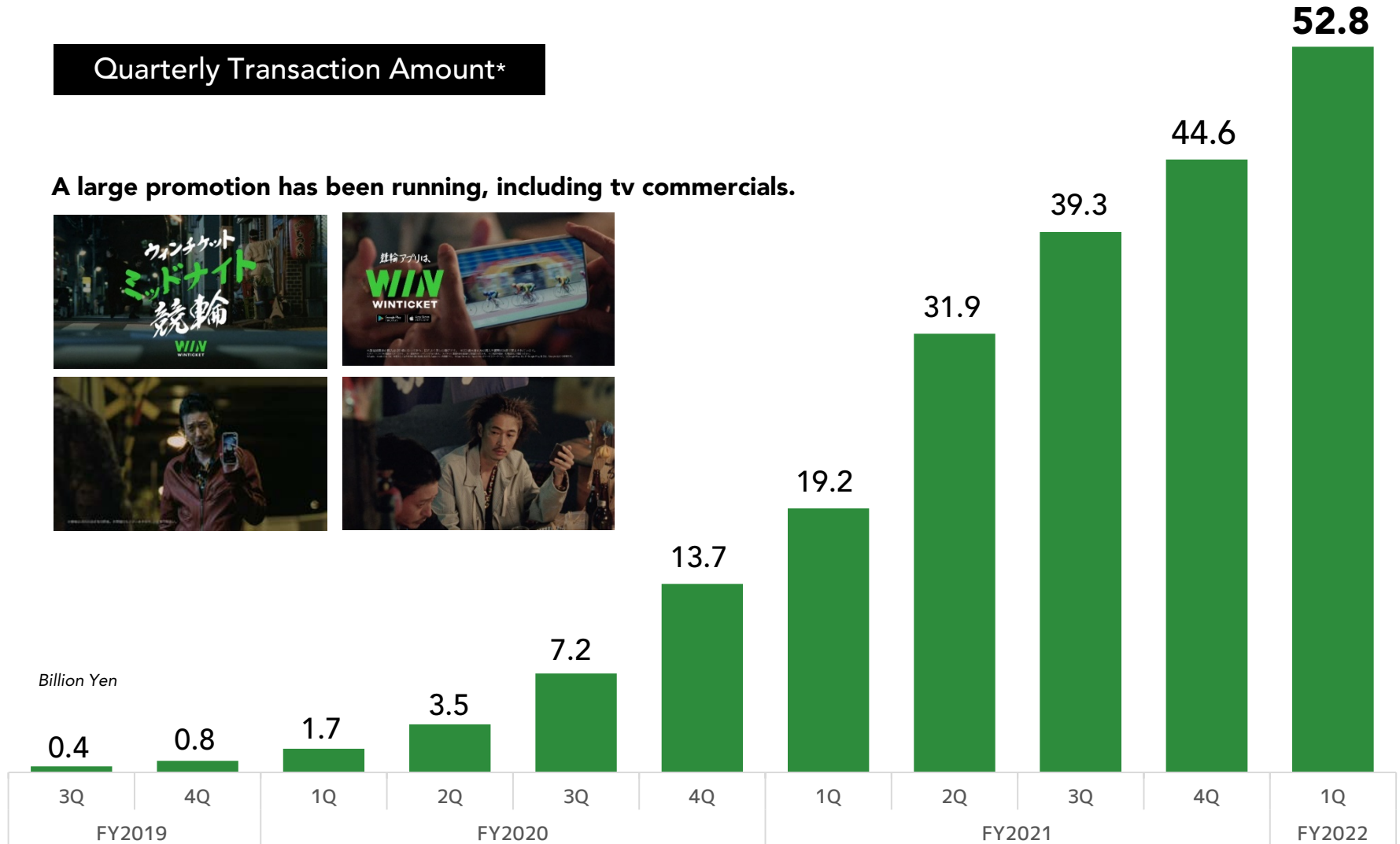
Official Shopping Channel of ABEMA

5. Media Business

[WINTICKET] The transaction amount increased by **2.8x** year over year and continues to be strong.

Quarterly Transaction Amount*

A large promotion has been running, including tv commercials.

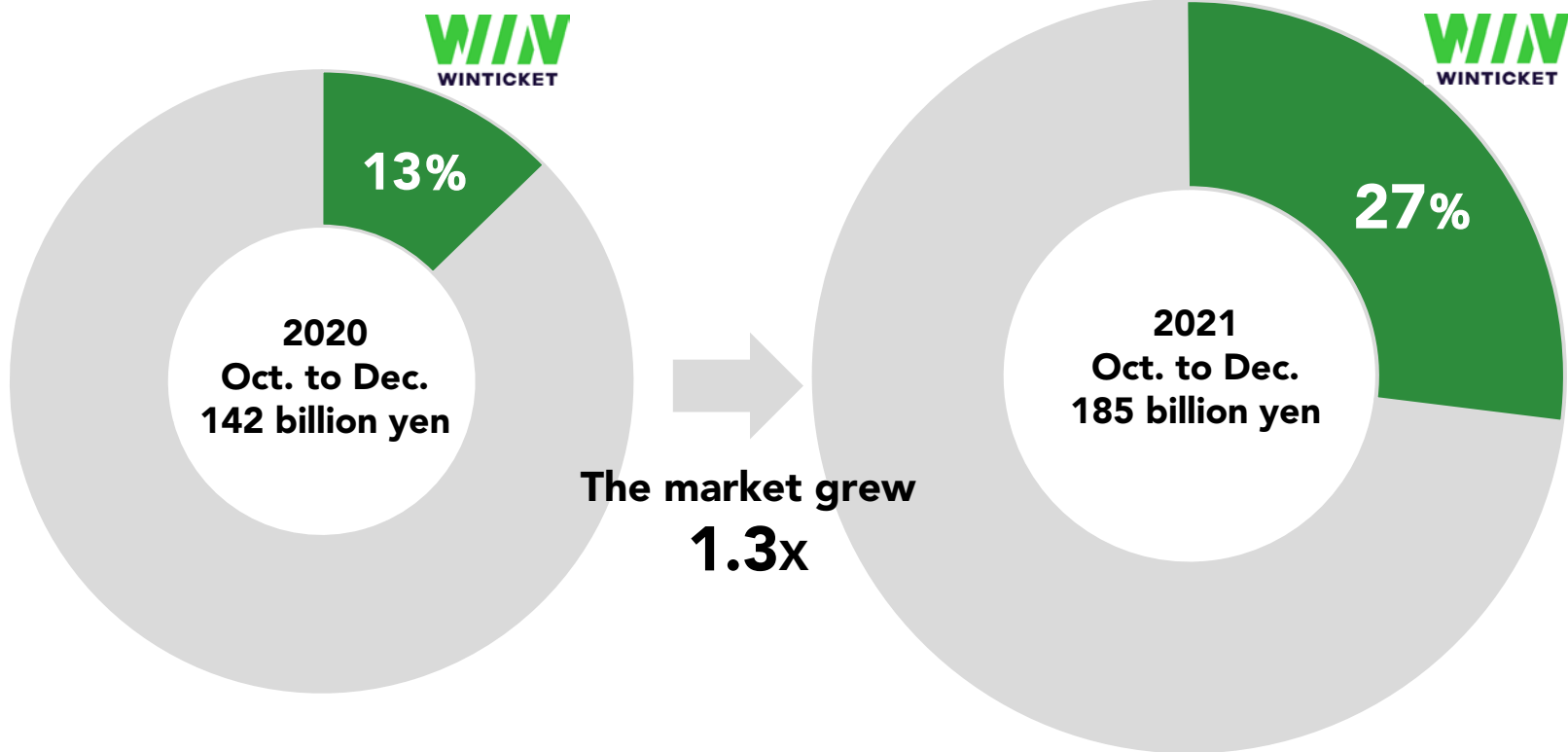


*Quarterly Transaction Amount: Transaction amount of WinTicket, Inc. that operates internet betting system of Keirin races. (includes loyalty point campaign)

5. Media Business

[WINTICKET] Rapidly expanding the market share in the growing market.

Keirin Online Betting Market*



*Keirin Online Betting Market: October-December 2020 and October-November 2021 are taken from JKA's public relations KEIRIN "Telephone Betting" sales. December 2021 is estimated by CyberAgent. 32

5. Media Business

[BABEL LABEL] Babel Label, a content studio involved in producing films, TV shows, and other entertainment, became a consolidated subsidiary to create content for a wide range of platforms and export worldwide.

Portfolio



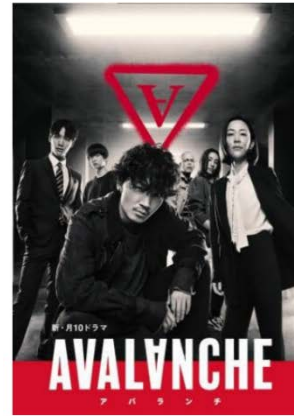
Movie
"The Journalist"



Movie
"The Family"



Movie
"The last 10 years"



TV drama
"Avalanche"



Netflix
"Ghost in the Shell"



Netflix
"The Journalist"



TV drama
"August night at the batting cage"



TV drama
"RISKY"



ABEMA
"The company is not a school"



TV drama
"Musho-boke"
(Out of Prison)



TV drama
"Tokyo Houchi Shokudo"
(An Abandoned Eatery in Tokyo)



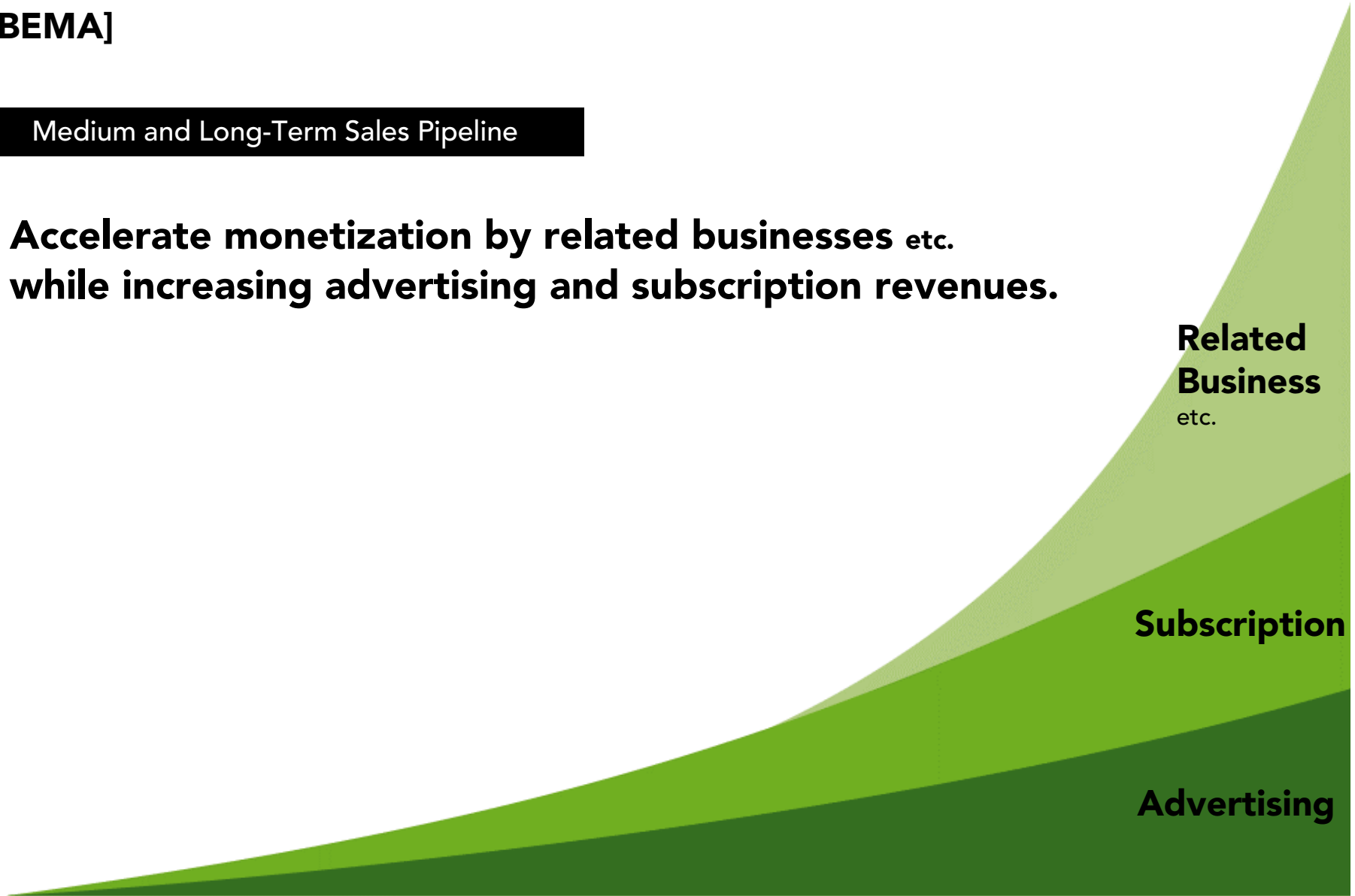
Movie
"GO TO THE FUTURE"

5. Media Business

[ABEMA]

Medium and Long-Term Sales Pipeline

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



Medium to Long-Term Strategy

[Directions of each business]

Media

Grow ABEMA larger and increase monetization

Ad

Aim to increase the market share by maximizing advertising effectiveness

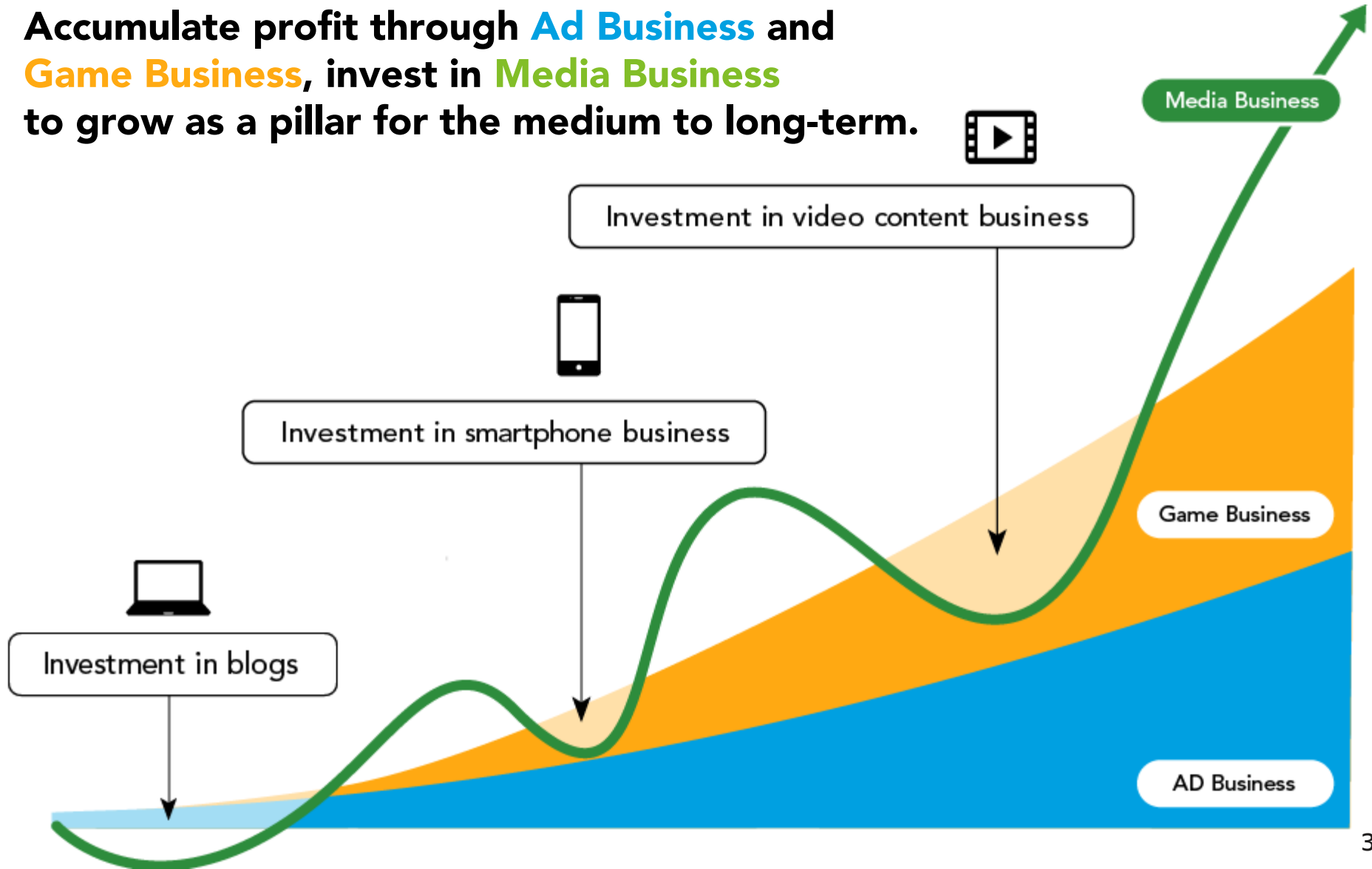
Game

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

6. Medium to Long-Term Strategy

[Operating Profit in Medium to long-term (Image)]

Accumulate profit through **Ad Business** and **Game Business**, invest in **Media Business** to grow as a pillar for the medium to long-term.





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

Reference

CyberAgent had defined a new **"Purpose"** that clearly states the significance of its existence.

 CyberAgent. | Purpose

To break through stagnation with new power and the internet

Contribute to the digital shift of all industries.

Make ABEMA the television of the future, an easily accessible social infrastructure.

Challenge the world with a fusion of technology and creativity.

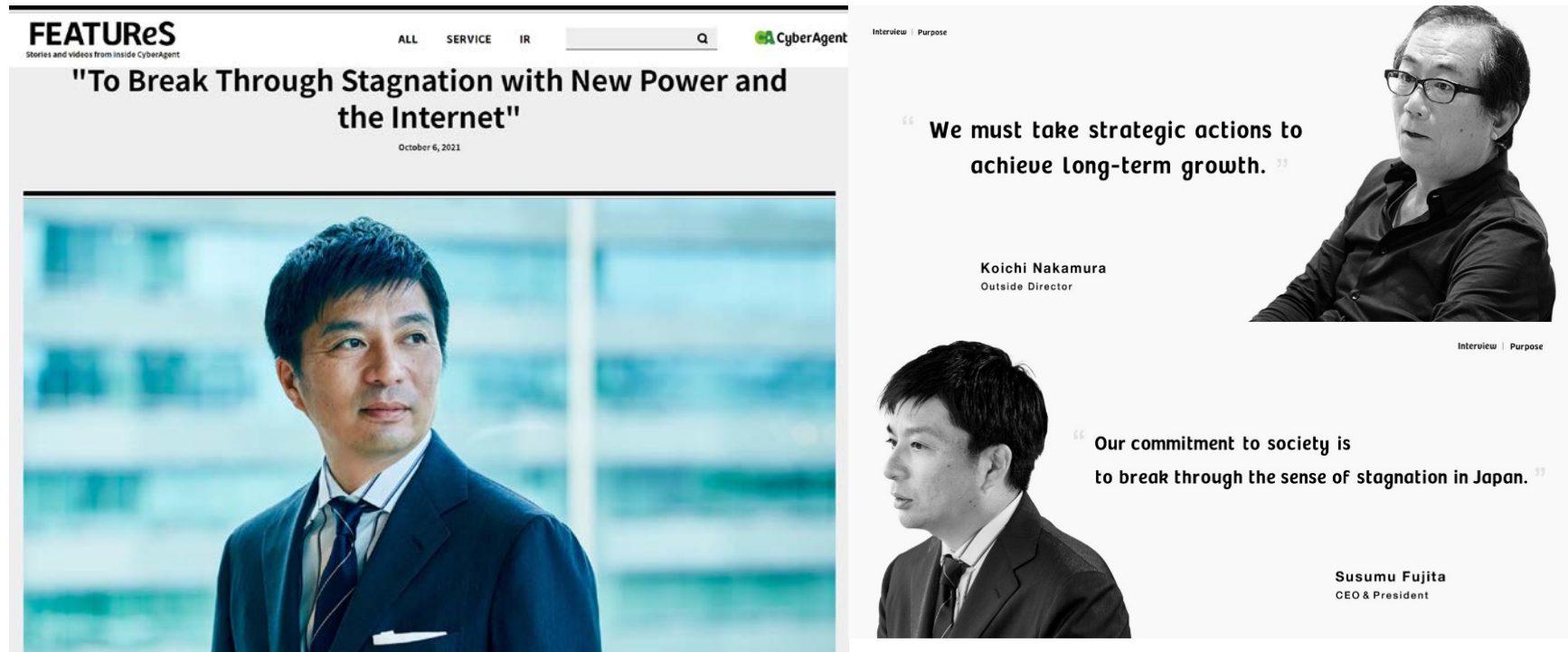
Eliminate the seniority system and embody the Japanese economy of the 21st century.

Adapt to the changing times and aim to become a global company.

Vitalize Japan with the internet.

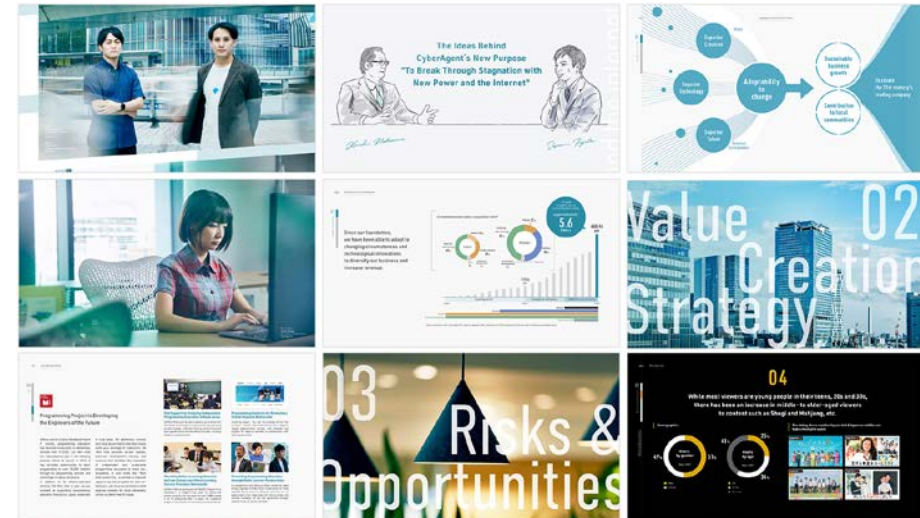
7. Reference - Purpose

President & CEO Susumu Fujita and Outside Director Koichi Nakamura discussed the background to creating the purpose and the ideas behind it on our owned media "FEATURES." [Learn more](#)



The screenshot shows the FEATURES website interface. At the top left, the logo "FEATURES" is displayed with the tagline "Stories and videos from inside CyberAgent". Navigation links for "ALL", "SERVICE", and "IR" are visible, along with a search bar and the CyberAgent logo. The main article title is "To Break Through Stagnation with New Power and the Internet", dated October 6, 2021. Below the title is a large image of Susumu Fujita. To the right, there are two quote cards. The top one features Koichi Nakamura, Outside Director, with the quote: "We must take strategic actions to achieve long-term growth." The bottom one features Susumu Fujita, CEO & President, with the quote: "Our commitment to society is to break through the sense of stagnation in Japan."

Integrated Report CyberAgent Way 2021



The theme of the Integrated Report for fiscal 2021 is the Purpose set in October 2021, "To break through stagnation with new power and the internet." It covers a variety of measures that support our sustainable growth, including competitive advantage and ESG information. Visit our investor relations website to read more.

Integrated Report CyberAgent Way 2021

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

Click!!



FY2022 Q2 earnings release is scheduled to be released at 3 pm or later on Wednesday, April 27, 2022.