



CA CyberAgent®

3Q FY2022 Presentation Material

April to June 2022

July 27, 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** (April - June 2022)
- 2. Forecast**
- 3. Internet Advertisement Business**
- 4. Game Business**
- 5. Media Business**
- 6. Medium to long-term strategy**

Quarterly Results

(April - June 2022)

1. Quarterly Results (April – June)

FY2022 Q3

Game sales declined from the peak made by the title released last year. Advertising and Media business remained strong.

Sales: **172.1** billion yen down **10.4%** YoY
OP: **10.3** billion yen down **76.7%** YoY

Media

Sales growth driven by ABEMA PPV and related businesses.

Sales: **29.5** billion yen up **48.2%** YoY
OP: **-3.9** billion yen

Ad

Maintained high growth rate and achieved new record sales.

Sales: **99.5** billion yen up **21.6%** YoY
OP: **6.1** billion yen up **19.0%** YoY

Game

Sales decreased due to the big events in the previous quarter.

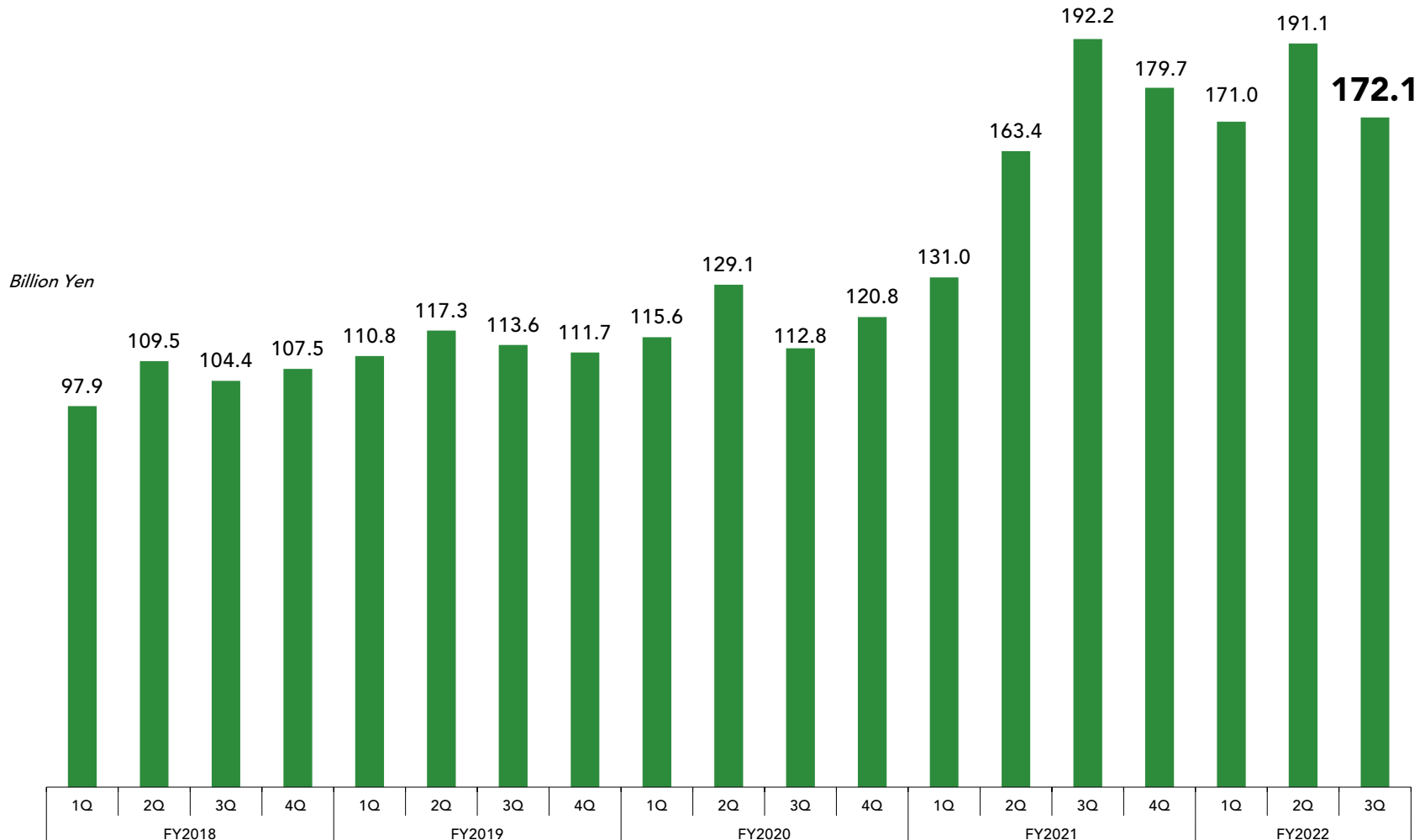
Sales: **46.2** billion yen down **50.0%** YoY
OP: **9.8** billion yen down **77.6%** YoY

1. Quarterly Results (April – June)

[Consolidated Sales] **172.1** billion yen (down 10.4% YoY)

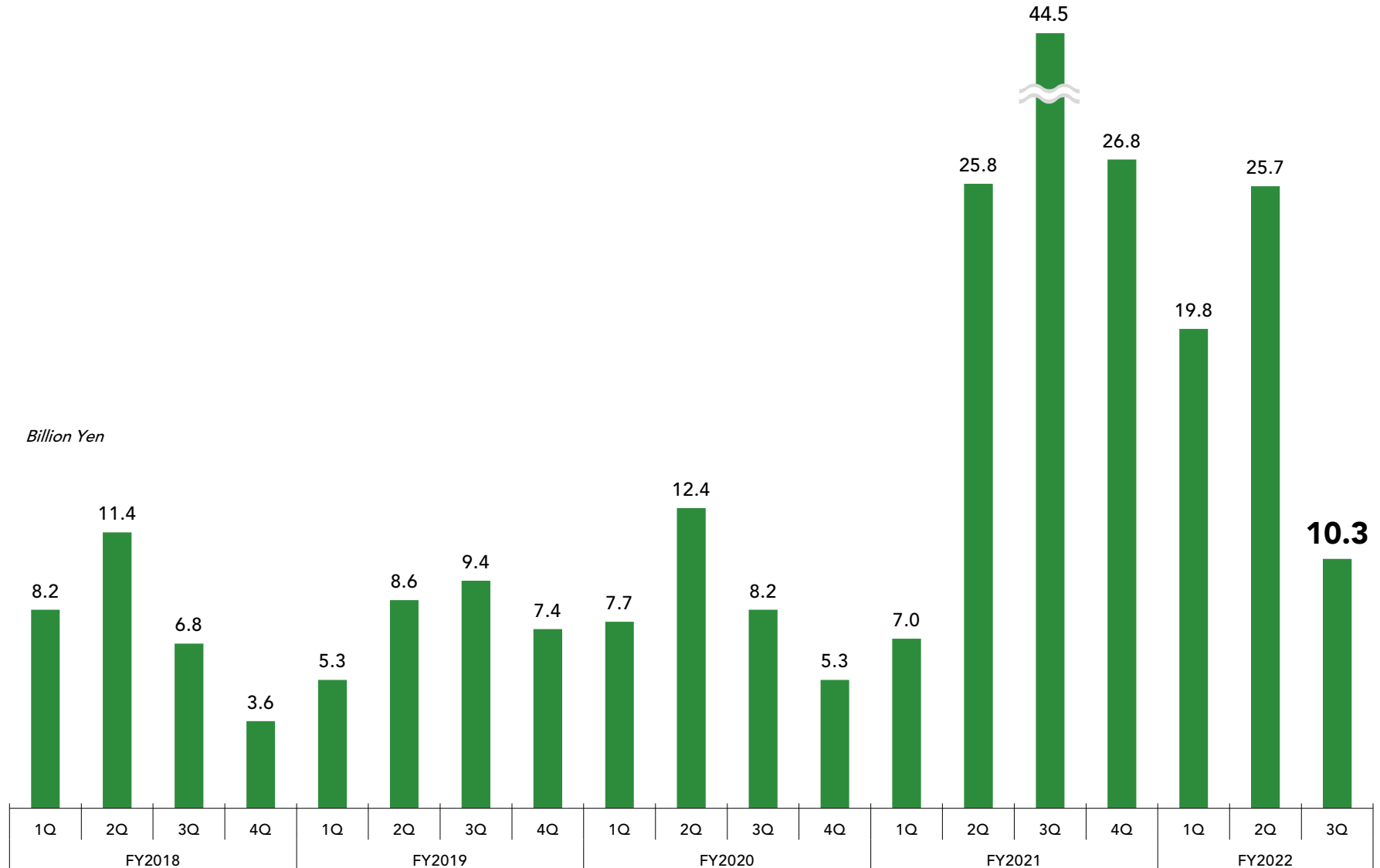
Game sales declined from the peak made by the title released last year.

Advertising and Media business remained strong.



1. Quarterly Results (April – June)

[Consolidated OP] **10.3** billion yen (down 76.7% YoY)



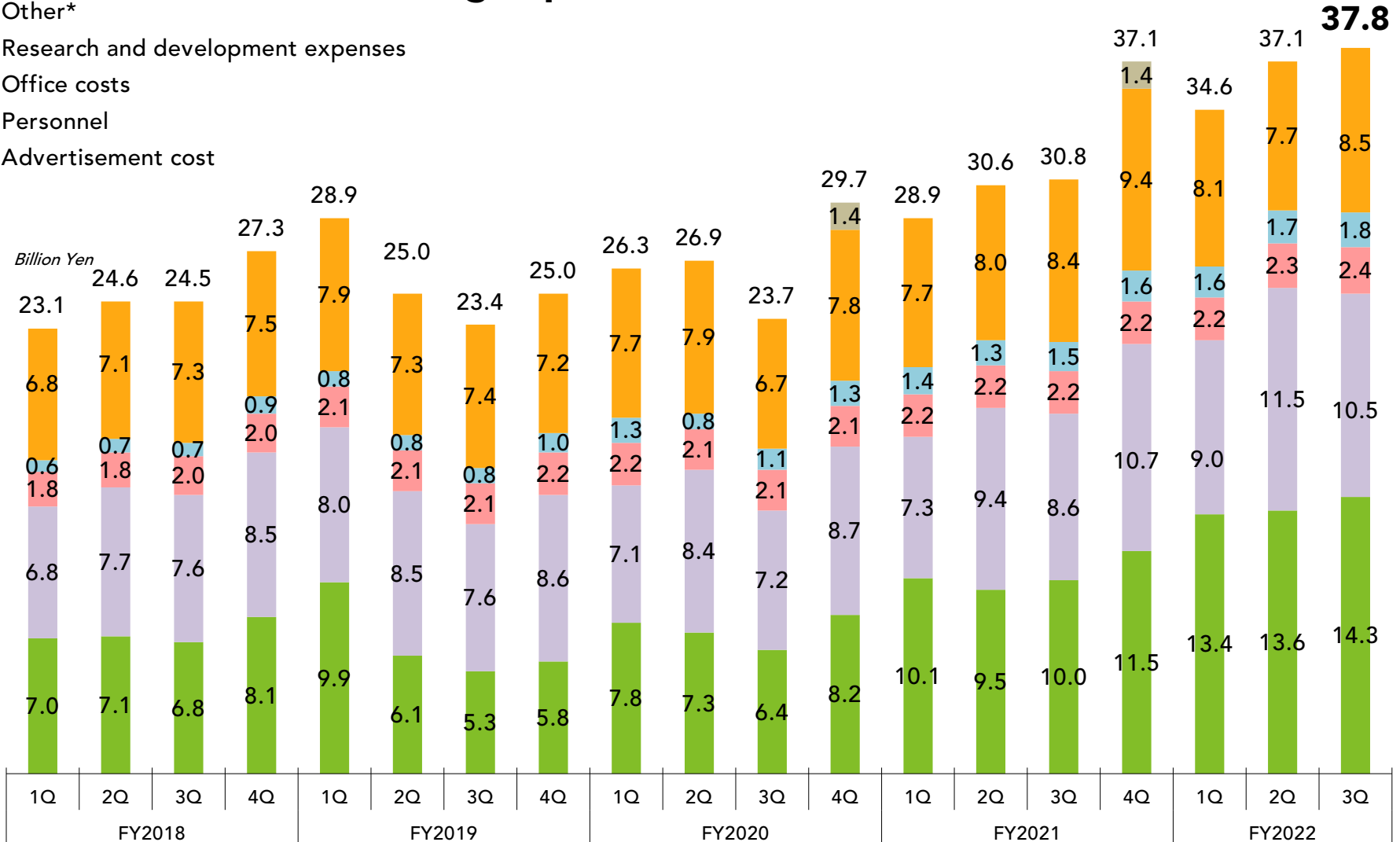
1. Quarterly Results (April – June)



[SG&A Expenses] Q3 37.8 billion yen

Marketing expenses of "WINTICKET" has increased.

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

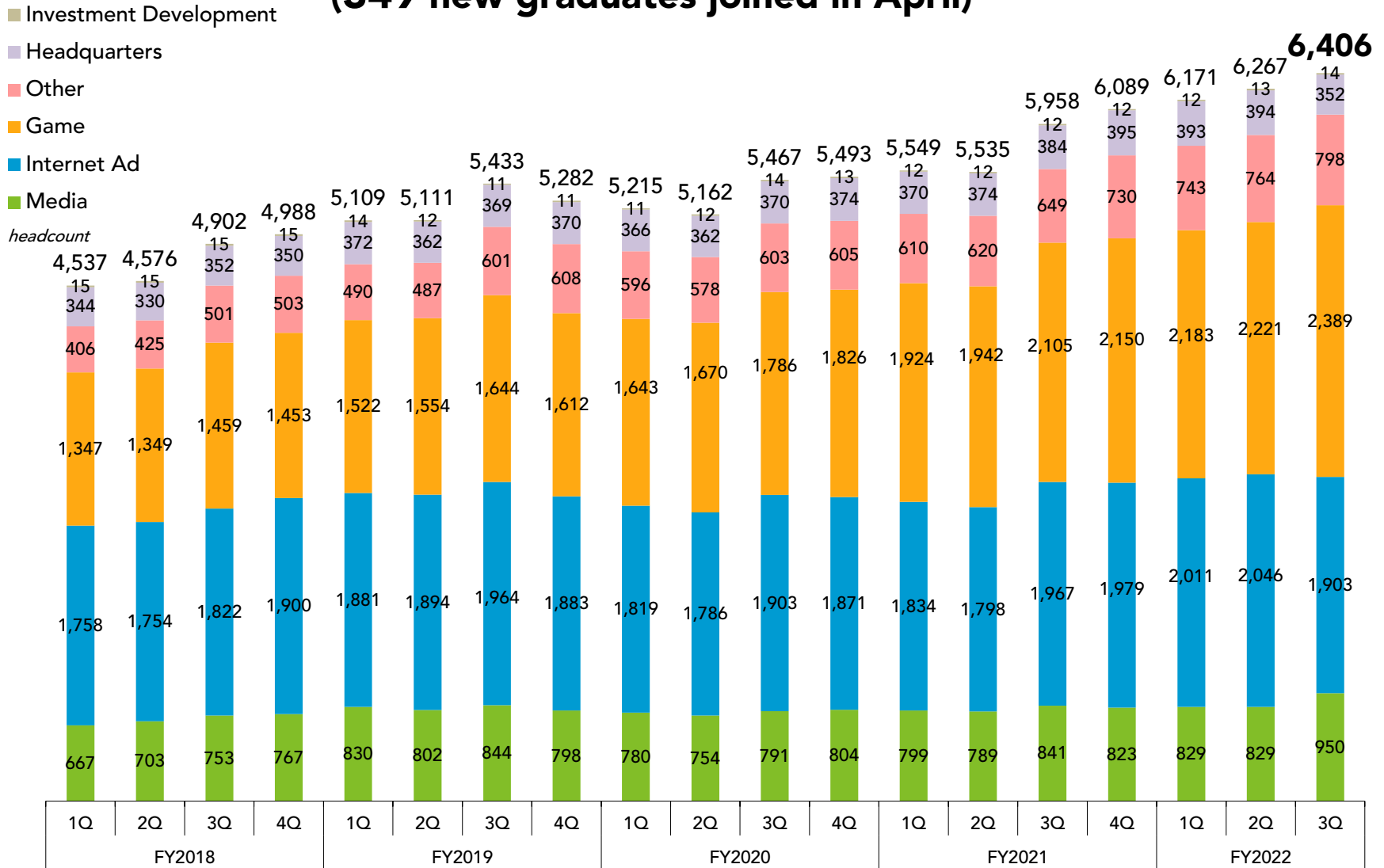


*R&D expenses are separated from "Other," and sales-related expenses are included in "Other" from FY 2022. Effective retroactively from FY2018. Other: Outsourcing expenses, research and development expenses, external standard taxation, entertainment expenses, etc.

1. Quarterly Results (April – June)



[No. of Employees] Total headcount was **6,406** at the end of June.
(349 new graduates joined in April)



*FY2022 Q3 Internet ads: Headcounts decreased by 356 due to the deconsolidation of MicroAd, Inc. upon its listing on the TSE Growth Market on June 29, 2022.

1. Quarterly Results (April – June)

[PL]

| million yen | FY2022 Q3 | FY2021 Q3 | YoY | FY2022 Q2 | QoQ |
|---|----------------|-----------|---------|-----------|--------|
| Net Sales | 172,155 | 192,234 | -10.4% | 191,102 | -9.9% |
| Gross profit | 48,227 | 75,433 | -36.1% | 62,885 | -23.3% |
| SG&A expenses | 37,855 | 30,851 | 22.7% | 37,162 | 1.9% |
| Operating profit | 10,371 | 44,581 | -76.7% | 25,723 | -59.7% |
| OPM | 6.0% | 23.2% | -17.2pt | 13.5% | -7.5pt |
| Ordinary profit | 10,549 | 44,770 | -76.4% | 25,879 | -59.2% |
| Extraordinary income | 1,209 | 1,647 | -26.6% | 136 | 784.5% |
| Extraordinary loss | 1,818 | 527 | 244.7% | 795 | 128.5% |
| Income before income taxes and non-controlling interests | 9,940 | 45,890 | -78.3% | 25,220 | -60.6% |
| Net profit* | 3,544 | 19,349 | -81.7% | 11,063 | -68.0% |

*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]

| million yen | End of June. 2022 | End of June. 2021 | YoY | End of Mar. 2022 | QoQ |
|-----------------------------|----------------------|----------------------|--------|---------------------|--------|
| Current assets | 286,447 | 272,884 | 5.0% | 303,905 | -5.7% |
| Cash deposits | 167,264 | 146,607 | 14.1% | 177,567 | -5.8% |
| Fixed assets | 88,220 | 70,785 | 24.6% | 81,792 | 7.9% |
| Total assets | 374,695 | 343,717 | 9.0% | 385,731 | -2.9% |
| Current liabilities | 128,058 | 120,510 | 6.3% | 123,437 | 3.7% |
| (Income tax payable) | 3,201 | 18,870 | -83.0% | 13,319 | -76.0% |
| Fixed liabilities | 29,953 | 45,118 | -33.6% | 49,462 | -39.4% |
| Shareholders' equity | 134,629 | 110,514 | 21.8% | 130,756 | 3.0% |
| Net Assets | 216,683 | 178,088 | 21.7% | 212,831 | 1.8% |

FY2022 Forecast

October 2021 - September 2022

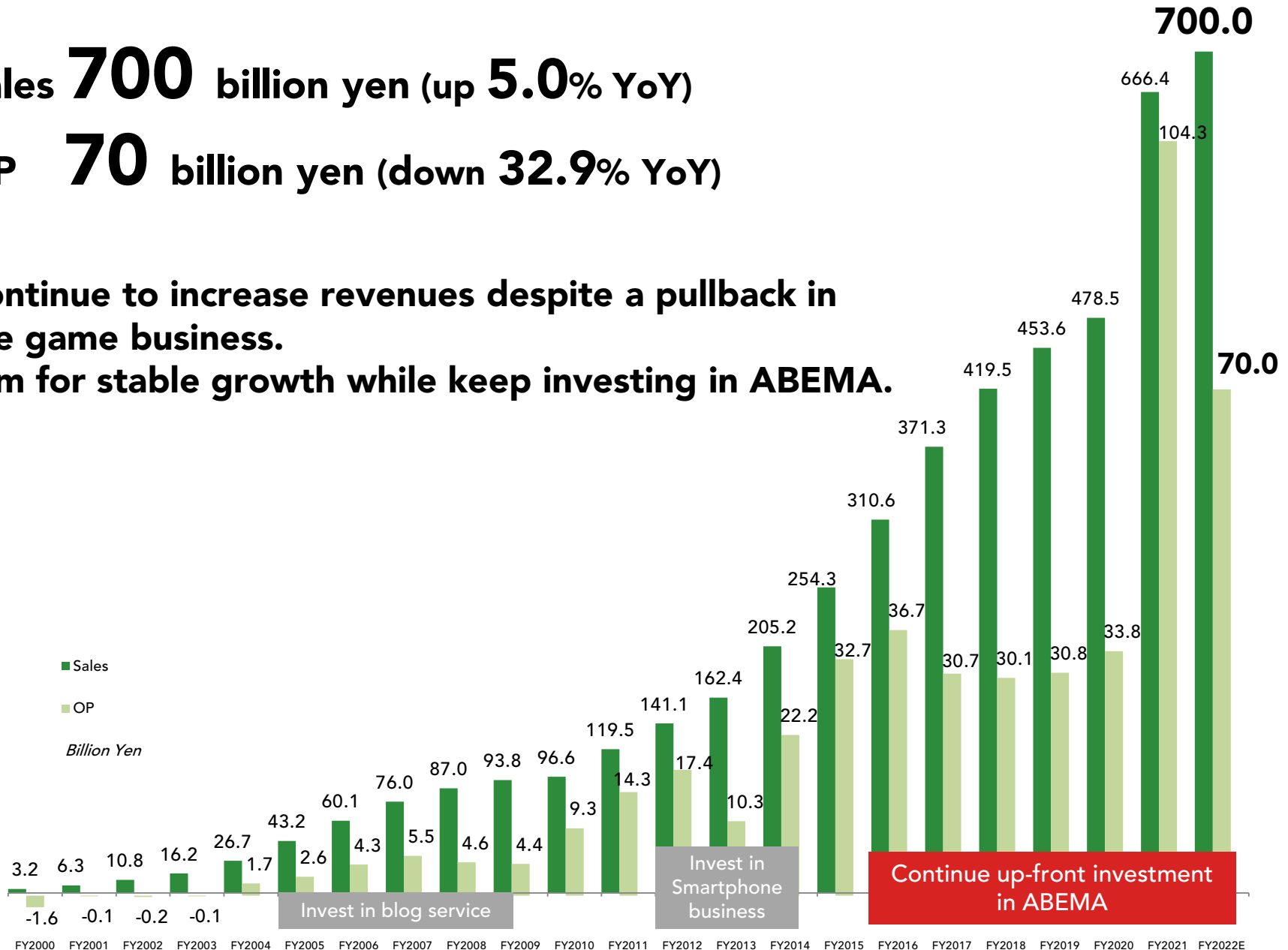
2. Forecast

Sales **700** billion yen (up **5.0%** YoY)

OP **70** billion yen (down **32.9%** YoY)

Continue to increase revenues despite a pullback in the game business.

Aim for stable growth while keep investing in ABEMA.



2. Forecast

[Forecast]

| Unit: billion yen | FY2022 Forecast | FY2021 | YoY |
|-------------------------|-----------------|--------|--------|
| Net Sales | 700 | 666.4 | 5.0% |
| Operating profit | 70 | 104.3 | -32.9% |
| Ordinary profit | 70 | 104.6 | -33.1% |
| Net profit*1 | 25 | 41.5 | -39.8% |

[Dividend forecast*2] Dividend increased to meet the DOE guidance.

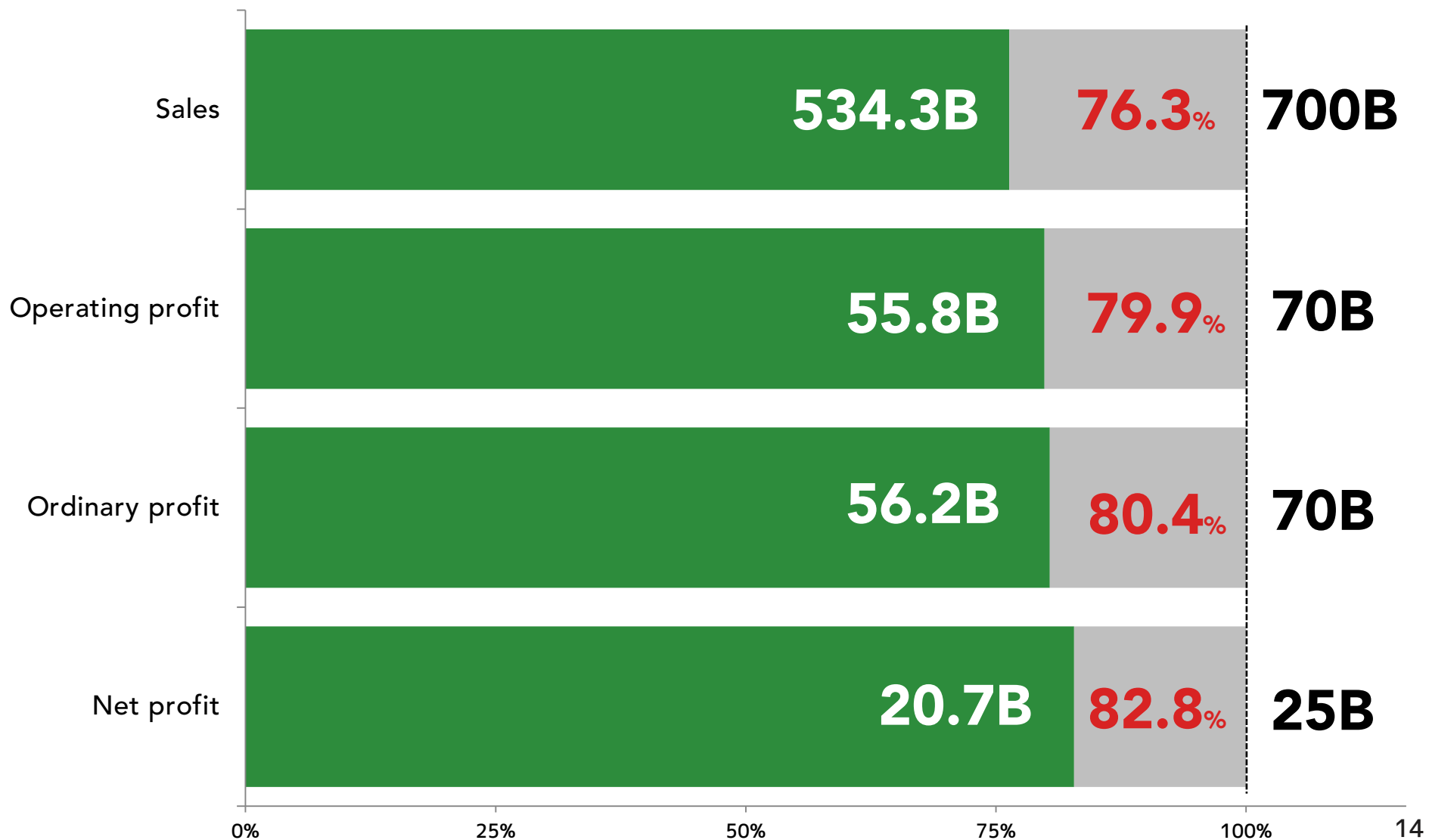
| | | | |
|-----------------|---------------|--------|-------|
| Dividend | 14 yen | 11 yen | 27.3% |
|-----------------|---------------|--------|-------|

*1 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.

*2 Dividend forecast will be submitted to the shareholder meeting scheduled to hold in December 2022.

2. Forecast

[Progress to Full-year Forecast after revision]

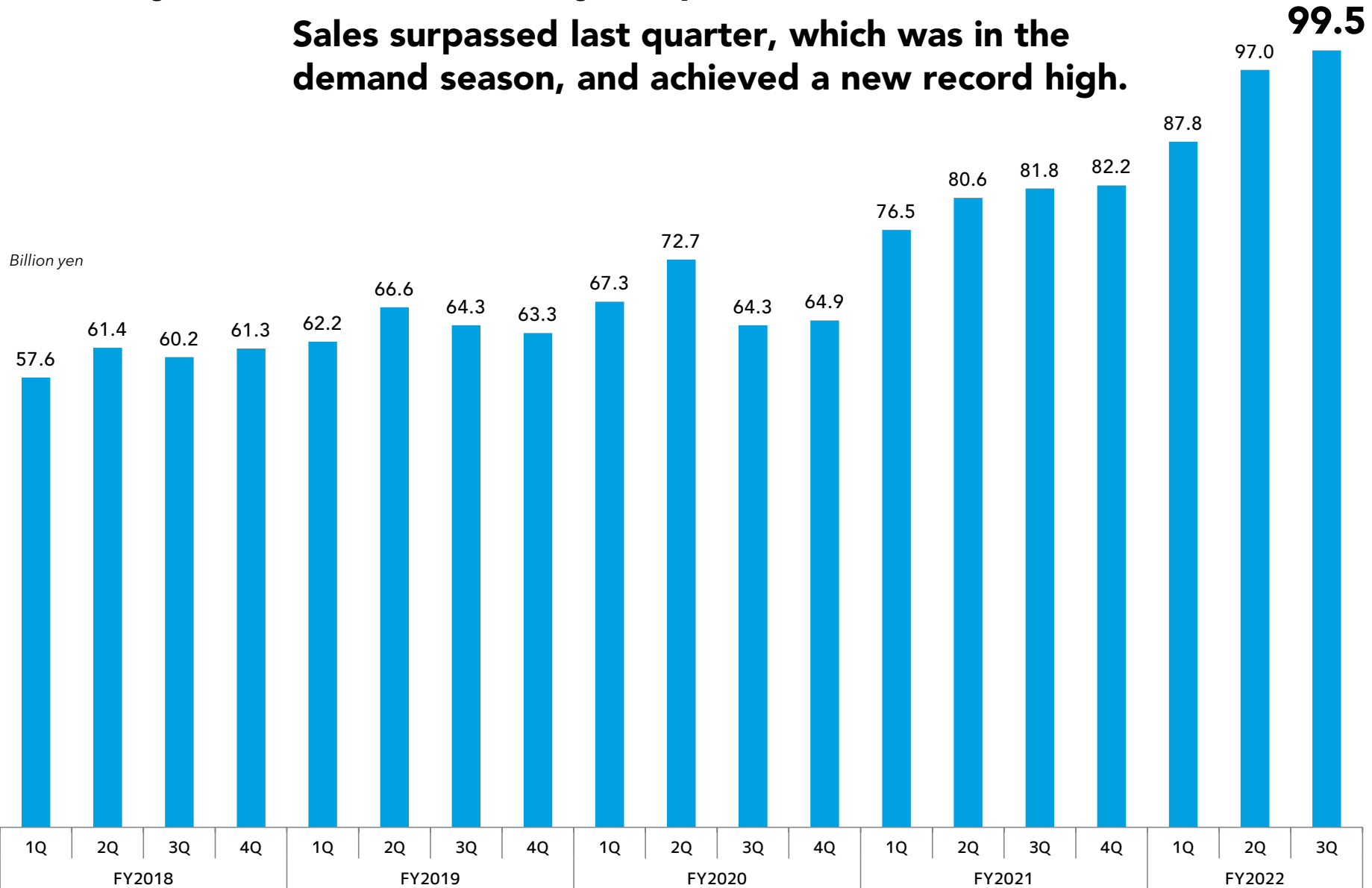


Internet Advertisement

3. Internet Advertisement Business

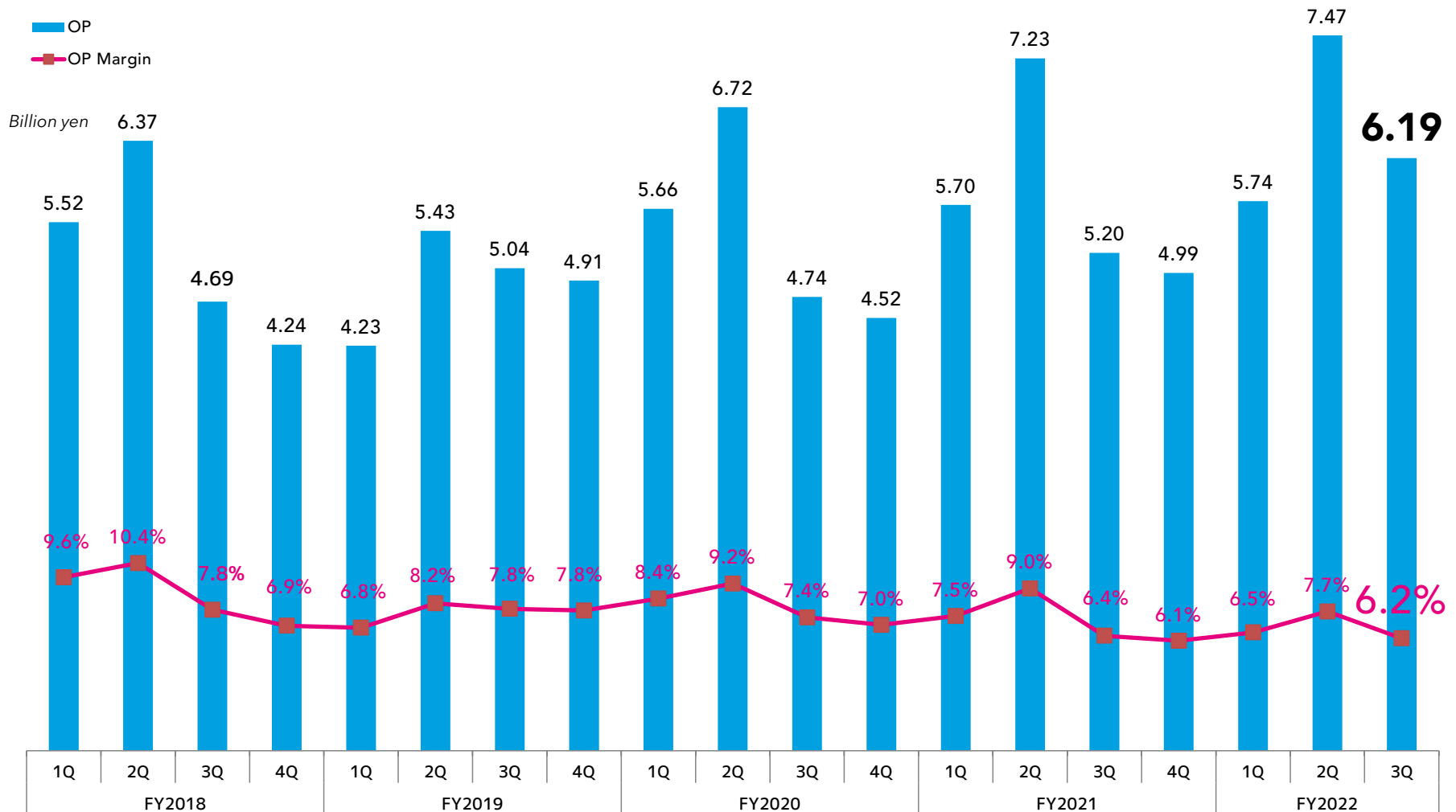
[Quarterly Sales] Q3 **99.5** billion yen (up 21.6% YoY)

Sales surpassed last quarter, which was in the demand season, and achieved a new record high.



3. Internet Advertisement Business

[Quarterly OP] OP was **6.19** billion yen (up 19.0% YoY)
 Headcounts are increased mainly by the new graduates.
 Investments in DX is still ongoing.



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

3. Internet Advertisement Business

[Focus Area] Drive DX in collaboration with partner companies to create advertising businesses utilizing data.

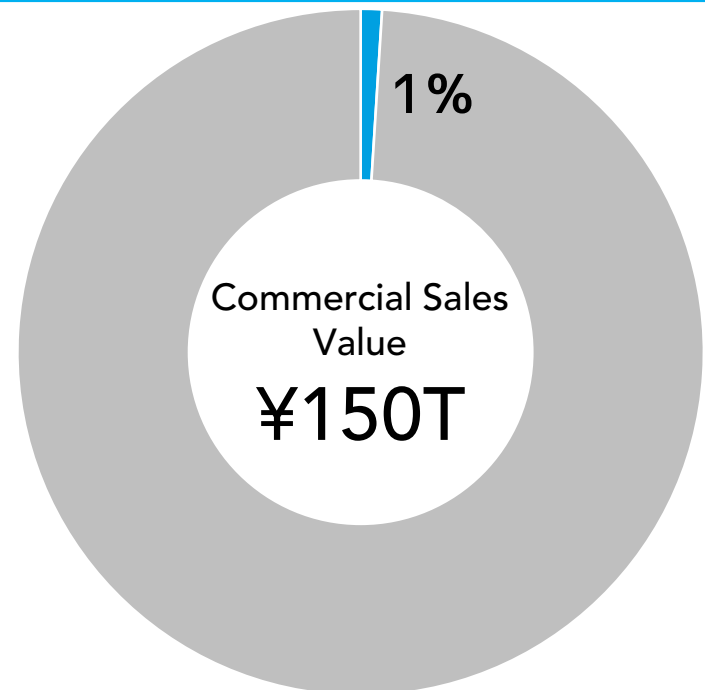
Partner Companies



Create advertising business utilizing data

Market Size Estimate in Retail

Advertising Business*1 **¥1.5T_(E)**










*1 Advertising Business: Estimated by CyberAgent based on the US market.

*2 Commercial Sales Value: the "Current Survey of Commerce 2021," Ministry of Economy, Trade and Industry

3. Internet Advertisement Business

[Focus Area] Expand the number of DX business cases in collaboration with partner companies.

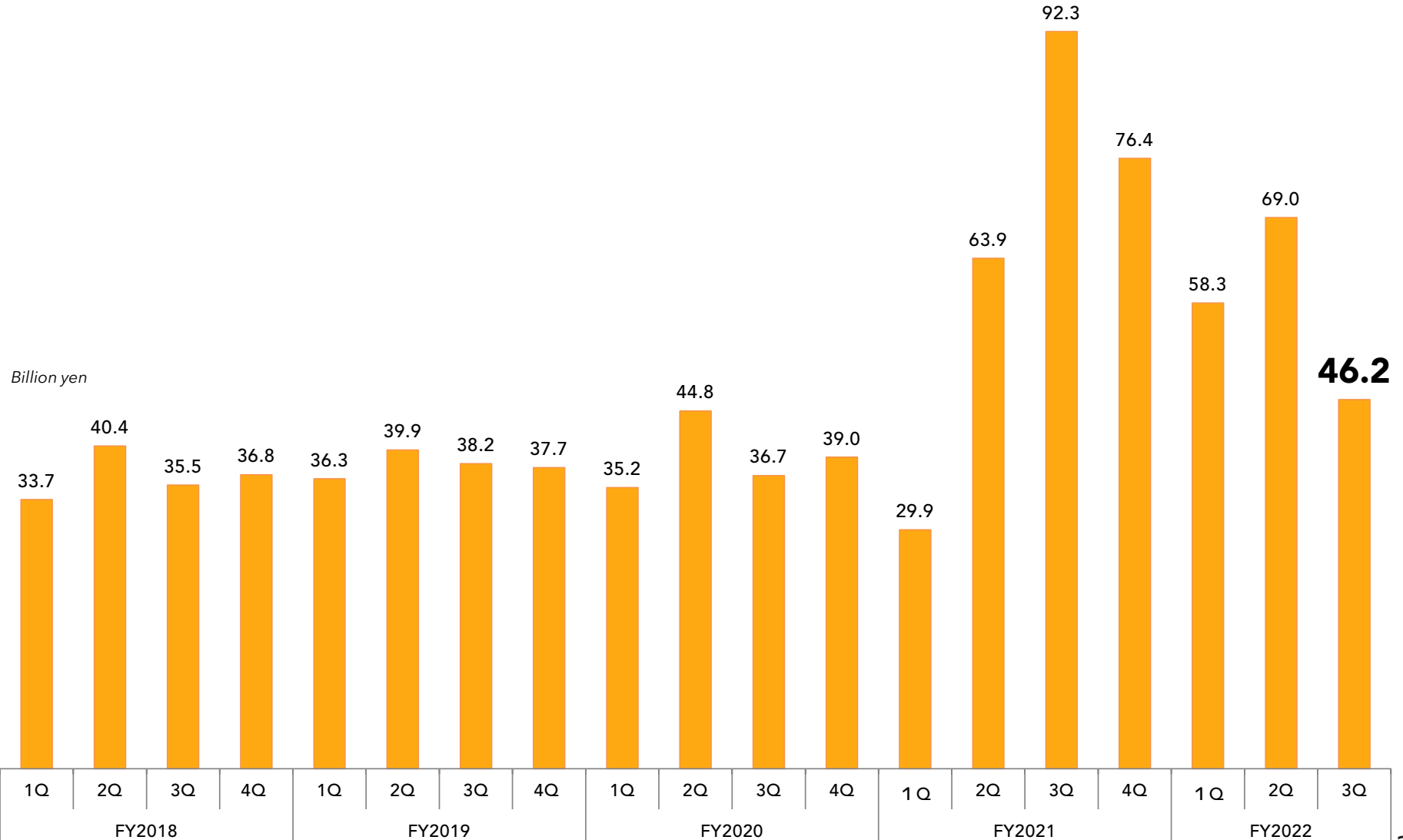
| | | | | |
|--|--|---|---|--|
| <p>NTT DOCOMO, INC. New</p> <p>Established joint company Prism Partner Inc. Provide digital promotion and app ads.</p>  | <p>MUFG Bank, Ltd. Coming soon</p> <p>Agreed to collaborate on advertising business that uses financial data for analysis and targeting.</p>  | | | |
| <p>ANA X INC.</p> <p>Support ad business utilizing booking information and customer data</p>  | <p>YAMADA DENKI Co., Ltd.</p> <p>"Yamada Digital Ads"</p>  | <p>NTT Communications Corporation</p> <p>"Next-generation Smart Advertising Platform"</p>  | <p>SAPPORO DRUG STORE AWL, Inc.</p> <p>"Retail Connect"*</p>  | <p>Credit Saison Co., Ltd.</p> <p>Joint Company CASM, Inc.</p>  |

Game

4. Game Business

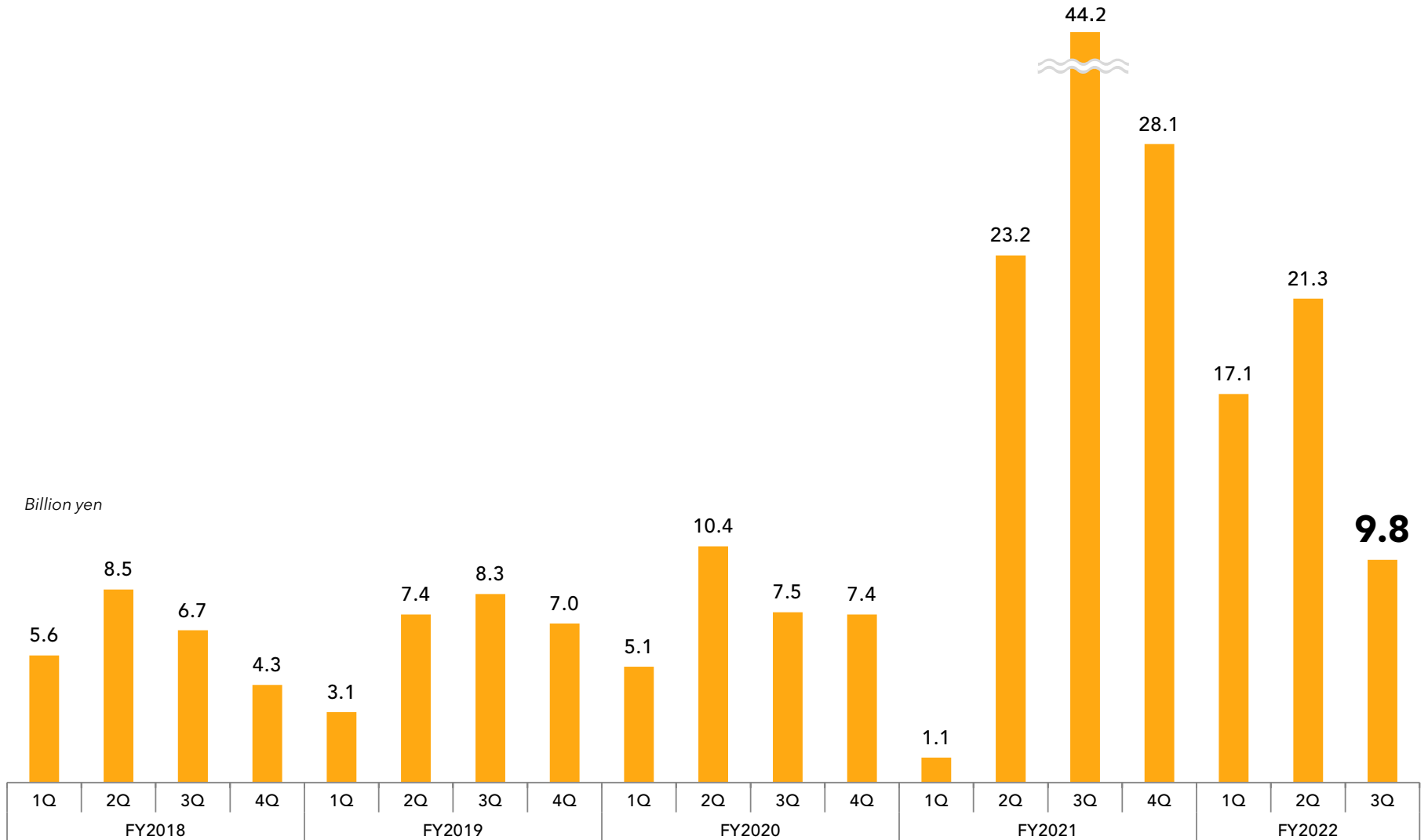
[Quarterly Sales] Q3 **46.2** billion yen. (down 50.0% YoY)

Sales decreased due to the big events in the previous quarter.



4. Game Business

[Quarterly OP] Q3 **9.8** billion yen (down **77.6%** YoY)

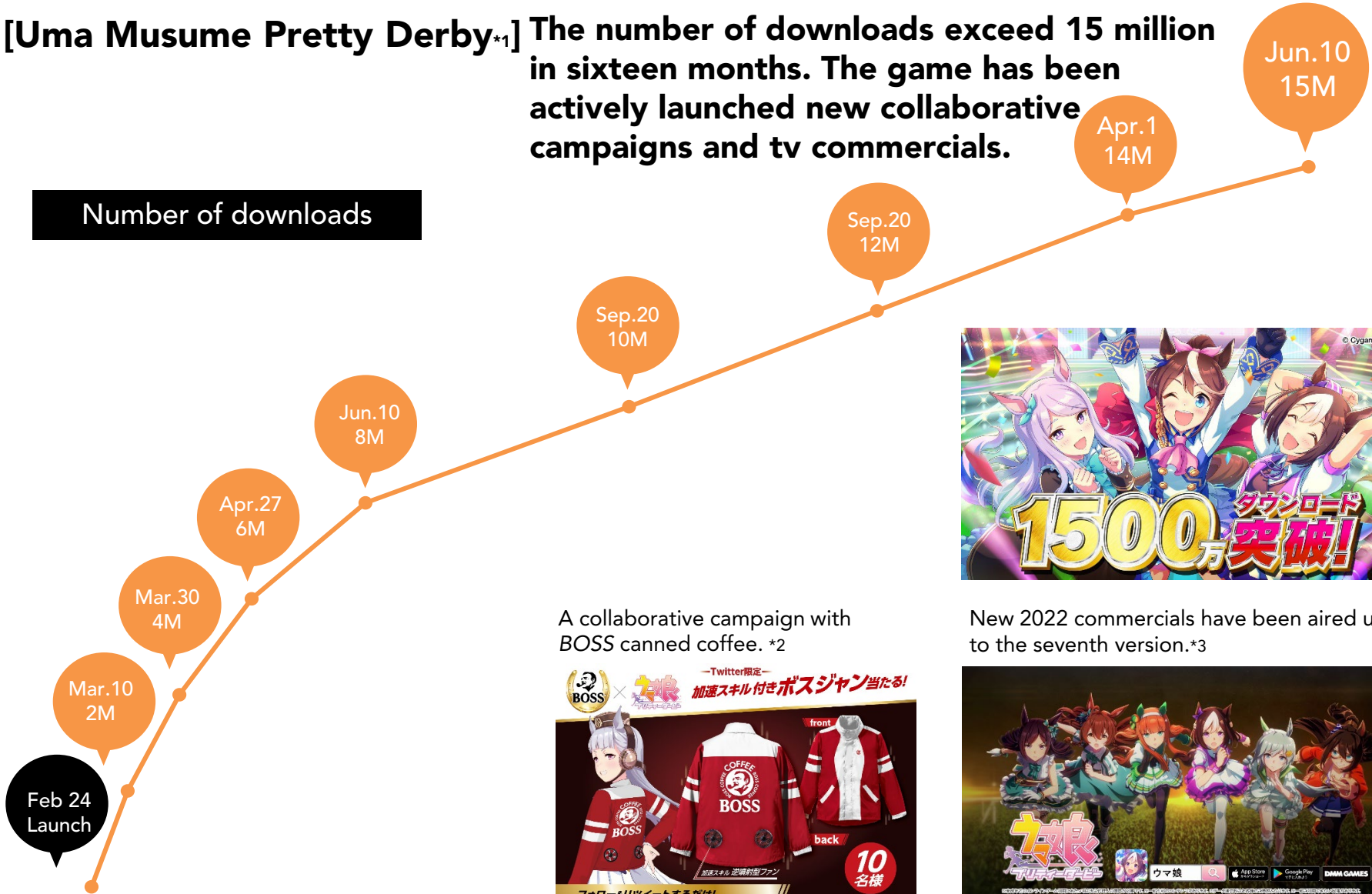


*Quarterly OP and OPM: Special incentives in FY2020 are excluded.

4. Game Business

[Uma Musume Pretty Derby*1] The number of downloads exceed 15 million in sixteen months. The game has been actively launched new collaborative campaigns and tv commercials.

Number of downloads



A collaborative campaign with BOSS canned coffee. *2



New 2022 commercials have been aired up to the seventh version.*3



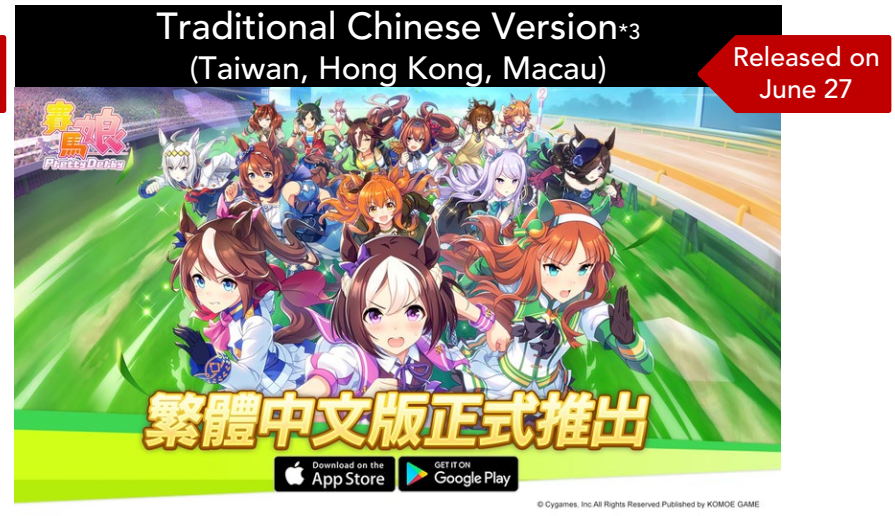
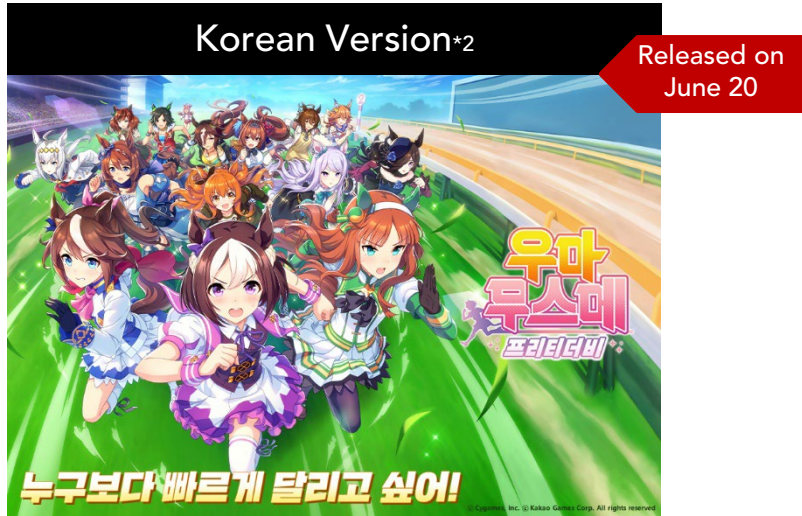
*1 Uma Musume Pretty Derby: © Cygames, Inc.

*2 Campaign period: May 16, 2022, to June 30, 2022.

*3 Original air date: May 20: the first ver., May 30: the second ver., June 10 : the third ver., June 20: the fourth ver., June 30: the fifth ver., July 11: the sixth ver., July 20: the seventh ver.

4. Game Business

[Uma Musume Pretty Derby*1] Korean and traditional Chinese version have released. New animation to be rolled out.



*1 Uma Musume Pretty Derby: © Cygames, Inc.

*2 Korean version: © Cygames, Inc. © Kakao Games Corp. All rights reserved.

*3 Traditional Chinese version: © Cygames, Inc. All Rights Reserved. Published by KOMOE GAME.

*4 "Umayuru": © Cygames, Inc.

4. Game Business

[Upcoming Games] "Little Noah: Scion of Paradise," a console game has released on June 28. Three popular IP titles are to be launched.

"Little Noah: Scion of Paradise"*1 Console Game
Cygames, Inc. **Released on June 28**

Little Noah
Scion of Paradise

"FINAL FANTASY VII EVER CRISIS"*3 RPG
SQUARE ENIX CO., LTD. / Applibot, Inc. **CBT*4 in 2022**

FINAL FANTASY VII
EVER CRISIS

"Jujutsu Kaisen Phantom Parade"*2 RPG
Sumzap, Inc. / TOHO CO., LTD. **To be released in 2022**

呪術廻戦
ファントムパレード

"Tokyo Revengers Puzz-reve! Road to National Championship"*5 Puzzle
GOODROID, Inc. **To be released in 2022**

東京リベンジャーズ
Tokyo Revengers
ゲームアプリ化決定!!

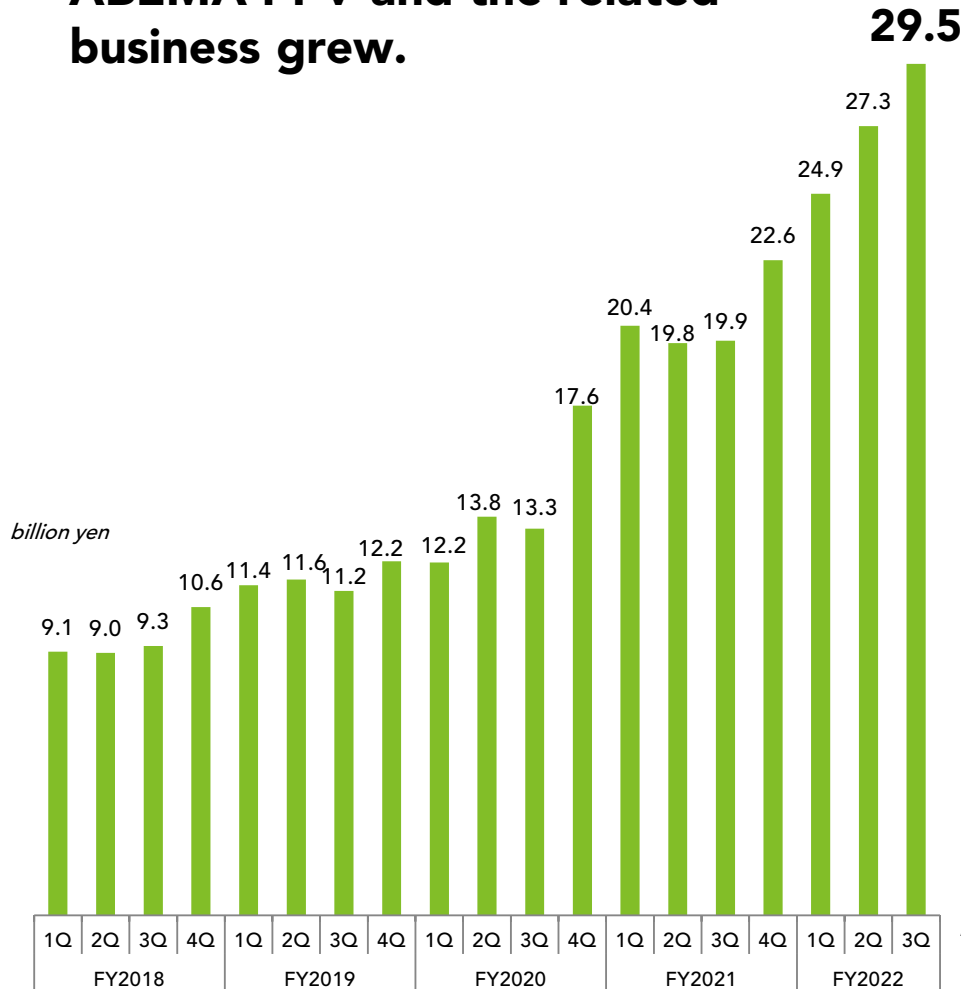
*1 "Little Noah: Scion of Paradise": © Cygames, Inc. Platforms available: Nintendo Switch TM, PlayStation 4 ®, Steam®
*2 "Jujutsu Kaisen Phantom Parade": © Gege Akutami/ Shueisha, Jujutsu Kaisen Production Committee © Sumzap, Inc
*3 "FINAL FANTASY VII EVER CRISIS": © 1997, 2021 SQUARE ENIX CO., LTD. All Rights Reserved. Powered by Applibot, Inc. CHARACTER DESIGN: TETSUYA NOMURA CHARACTER ILLUSTRATION: LISA FUJISE
*4 CBT: Closed Beta Test
*5 "Tokyo Revengers Puzz-reve! Road to National Championship": © Ken Wakui, Kodansha/ Anime "Tokyo Revengers" Production Committee © GOODROID, Inc. ALL Rights Reserved. CyberAgentGroup.

Media

5. Media Business

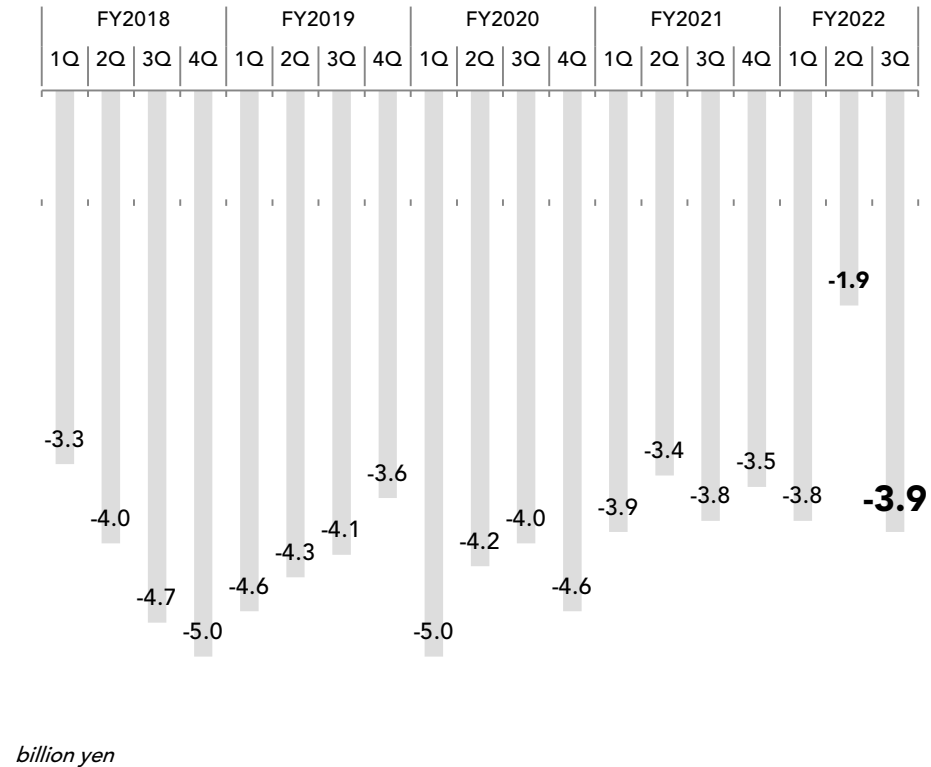
[Quarterly Sales]

29.5 billion yen (up 48.2% YoY)
ABEMA PPV and the related business grew.



[Quarterly OP]

-3.9 billion yen operating loss in Q3.
Invested in ABEMA and WINTICKET.

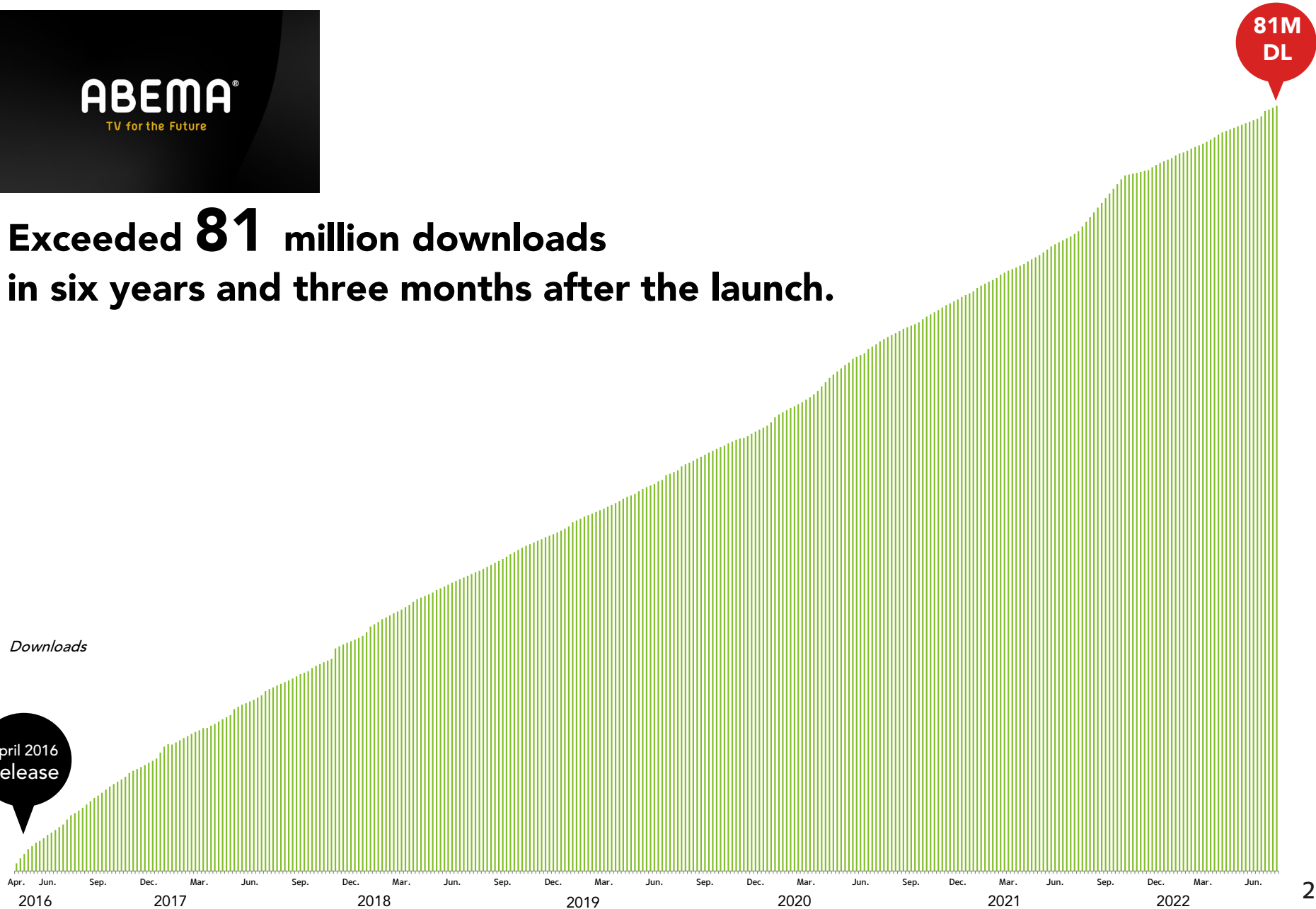


*Quarterly OP: Special incentives in FY2020 are excluded.

5. Media Business

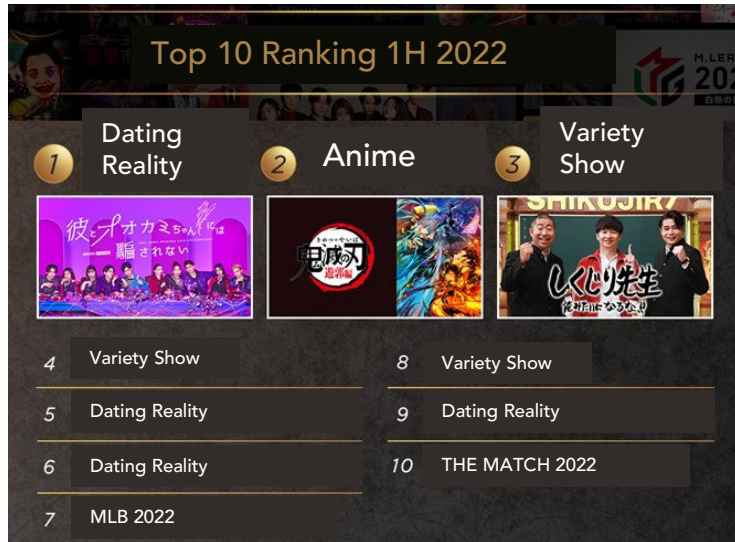


Exceeded **81** million downloads
in six years and three months after the launch.



5. Media Business

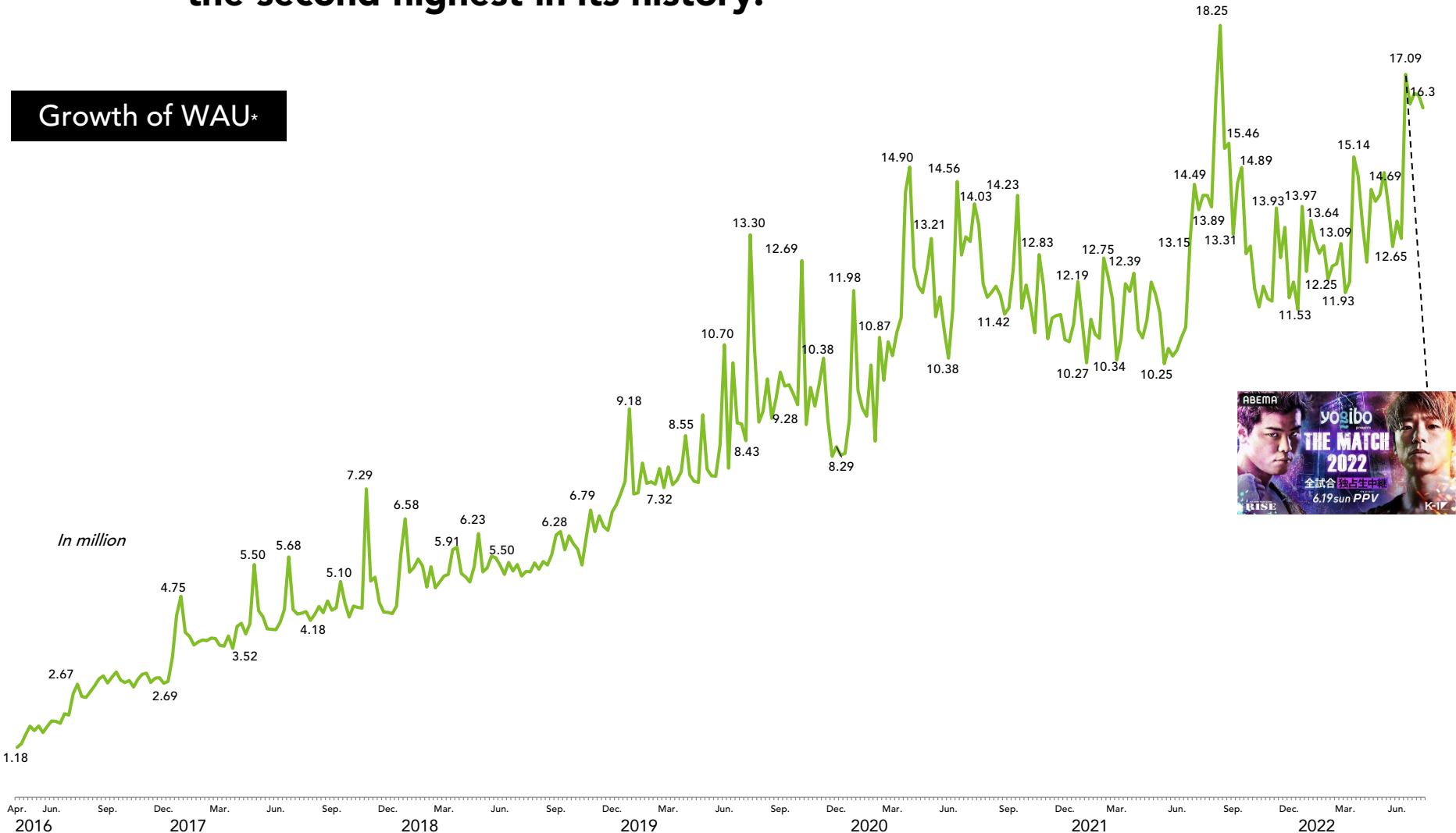
[ABEMA] Popular anime, dating reality shows, sports programs attracted many attentions.



5. Media Business

[ABEMA] ABEMA was the exclusive live broadcaster of the anticipated fight event "THE MATCH 2022." WAU reached 17.09 million, the second highest in its history.

Growth of WAU*



*WAU: Weekly Active Users

5. Media Business

[ABEMA] The long-awaited matchup between Tenshin Nasukawa and Takeru at “THE MATCH 2022” driven PPV ticket sales over 500,000 and achieved the highest grossing ppv sales of all time in Japan*.



*The highest grossing ppv sales of all time in Japan: Number of PPV tickets sold for combat sports (as of June 2022, based on our research)

5. Media Business

[ABEMA] ABEMA will broadcast the 2022/23 season of the Premier League.*
Free live streaming of high-profile matches and Japan's national team players will be available every week.



あるのは、最高だけ。

Virgil van Dijk
Kevin De Bruyne
Cristiano Ronaldo
Harry Edward Kane
Takehiro Tomiyasu
Kai Havertz

Premier League

ABEMAでプレミアリーグ生中継決定!!

© Getty Images

5. Media Business

[ABEMA] To build excitement for the "FIFA World Cup," a new program "THE VOICE*" featuring Japan's national team players will begin.

The graphic features a grid of 10 blue-tinted portraits of Japanese football players. The word "THE VOICE" is written vertically on the left side. The word "VOICE" is written horizontally across the bottom, with the "O" and "I" being white and the "V", "C", "E", and "E" being blue. The word "Japan" is written in a blue cursive font with a red circle over the "a". In the top right corner, there are logos for "FIFA WORLD CUP Qatar 2022" and "ABEMA TV for the Future OFFICIAL INTERNET BROADCASTER". At the bottom, there is a red banner with white Japanese text: "サッカー-日本代表独占TV番組" (Soccer - Japan national team exclusive TV program).

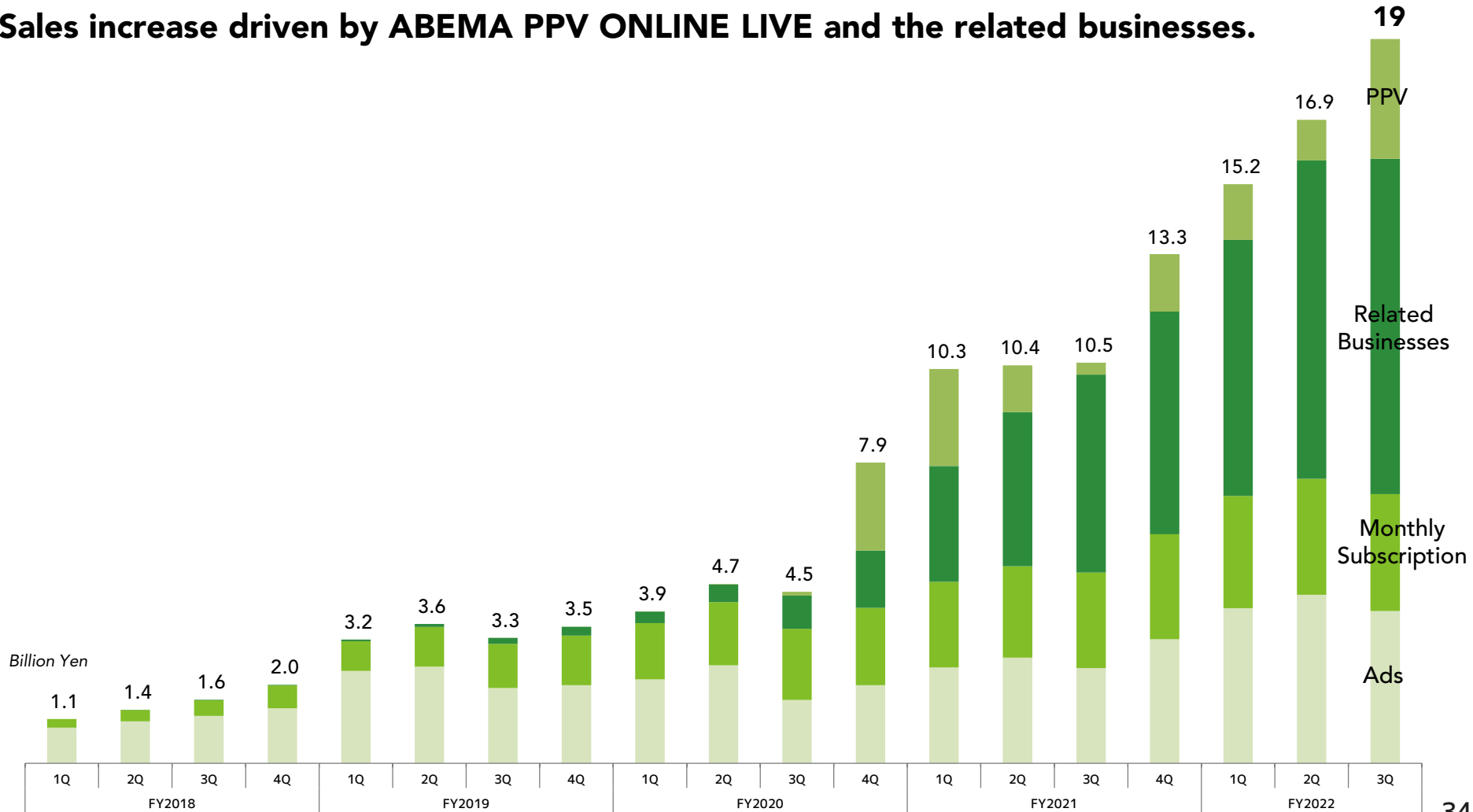
*THE VOICE: starting from July 13.

5. Media Business

[Sales of ABEMA & Related Businesses (Quarterly)]

Q3 19.0 billion yen (up 1.8X YoY)

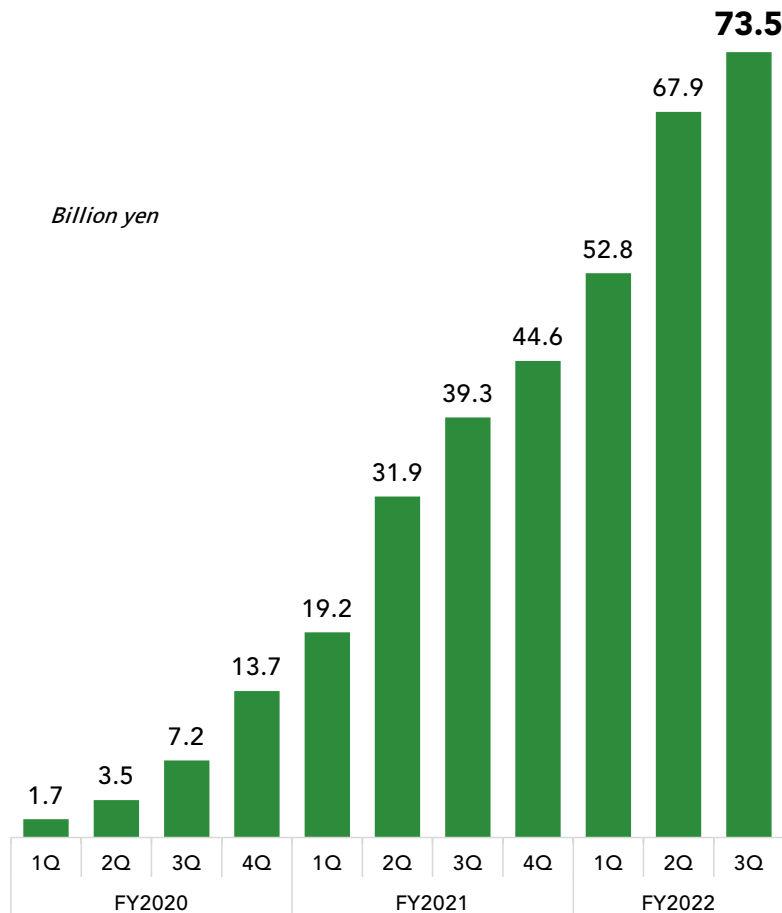
Sales increase driven by ABEMA PPV ONLINE LIVE and the related businesses.



5. Media Business

[WINTICKET] The transaction amount grew 1.9x and remained strong.

Quarterly Transaction Amount*1



New Commercials*2



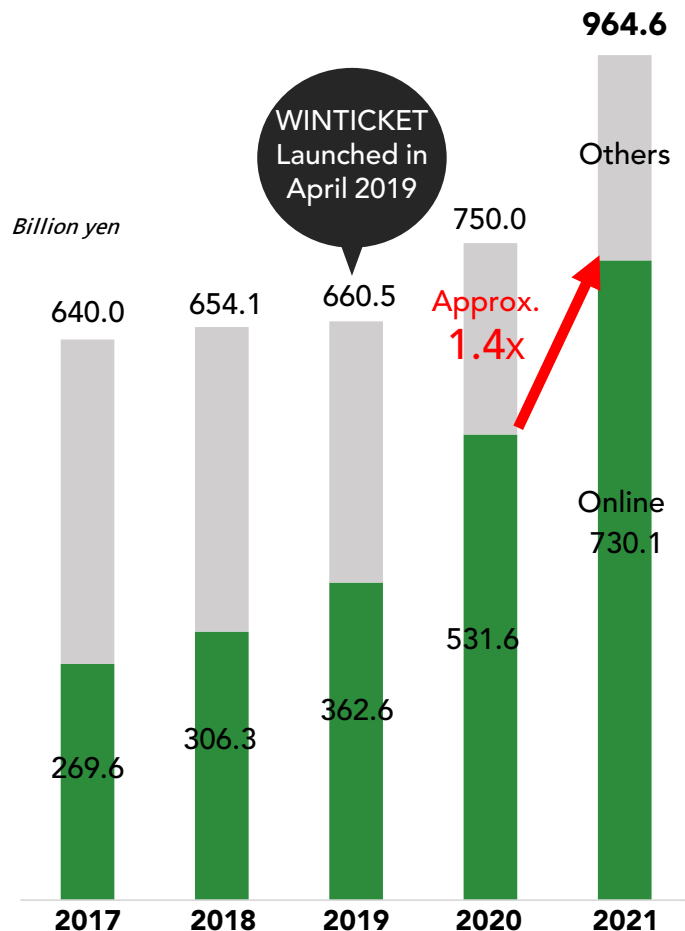
*1 Quarterly Transaction Amount: Transaction amount of WinTicket, Inc. that operates internet betting system of Keirin races. (includes loyalty point campaign)

*2 New commercials: started from May 14.

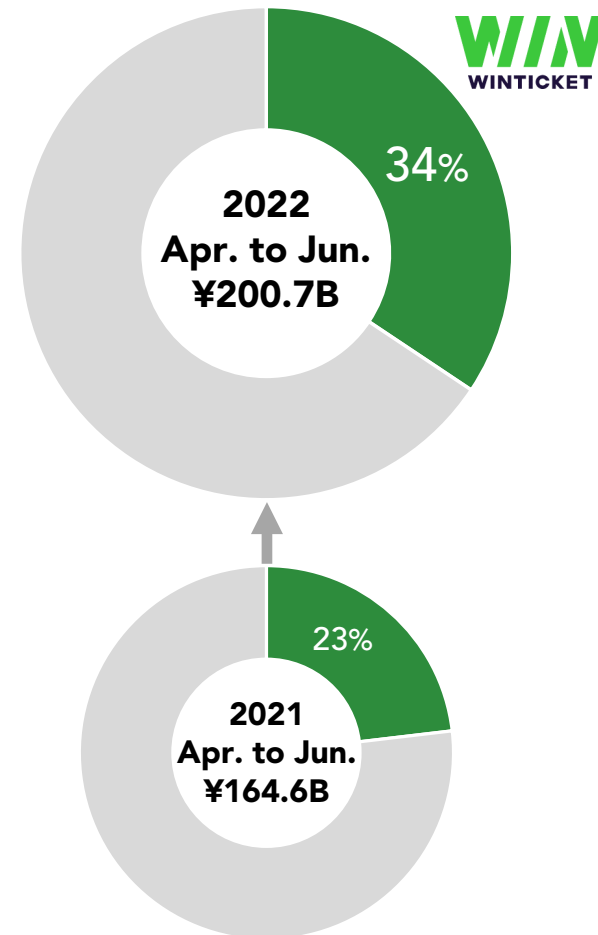
5. Media Business

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

Keirin Market*1



Keirin Online Betting Market*2



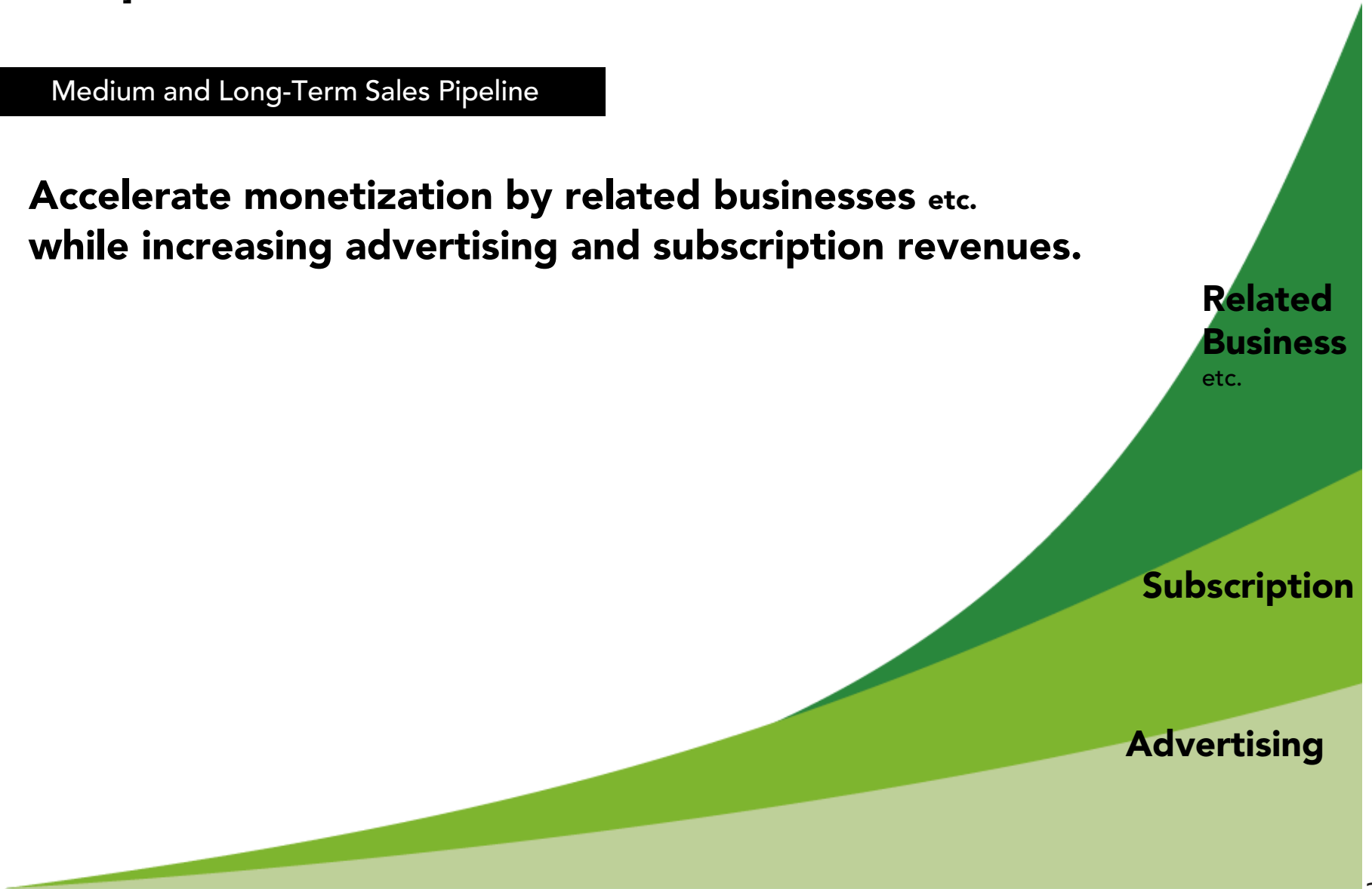
*1 Keirin market: "Current condition and issues on Keirin and auto race industry" Ministry of Economy, Trade and Industry

*2 Keirin Online Betting Market: April-June 2021 and April-May 2022 are taken from JKA's public relations KEIRIN "Telephone Betting" sales. June 2022 is estimated by CyberAgent.

[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.

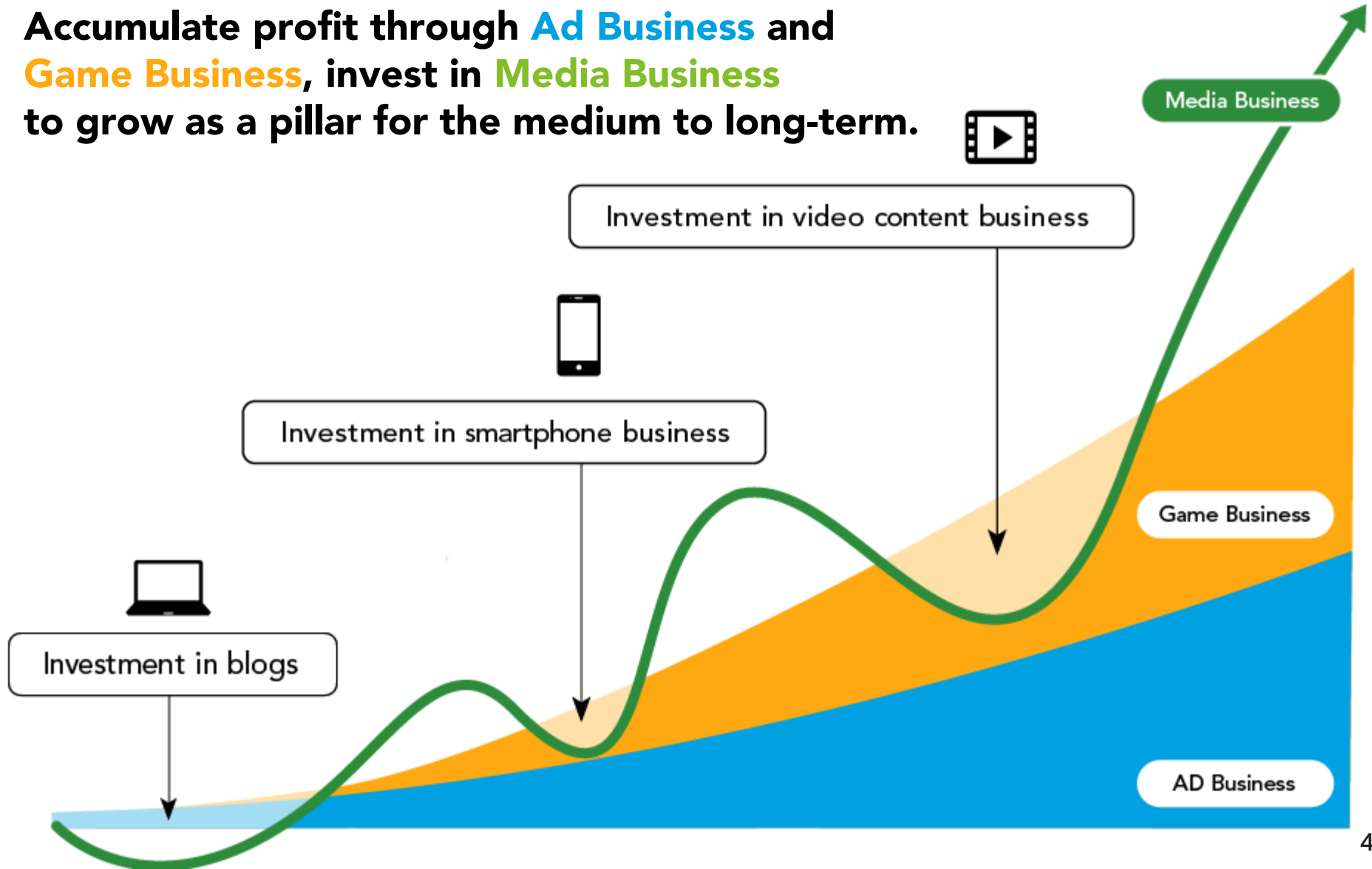
Game

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)]

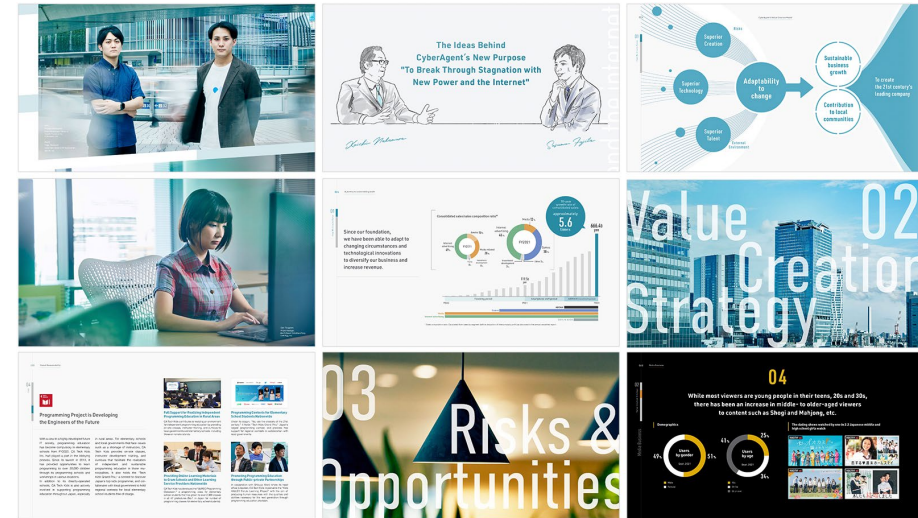
Accumulate profit through **Ad Business** and **Game Business**, invest in **Media Business** to grow as a pillar for the medium to long-term.





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

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!!

