

## Corporate Governance Report

CyberAgent, Inc.

Latest Revision: December 9, 2022  
Company: CyberAgent, Inc.  
Representative: Susumu Fujita,  
Representative Director  
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Securities Code: 4751  
URL: <https://www.cyberagent.co.jp/en/>

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

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

#### **1. Basic Policy**

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

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

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

#### **[Reasons for Not Implementing Principles of Corporate Governance Code]**

<Medium-term management plan>

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

#### **[Disclosure Based on the Principles of the Corporate Governance Code] Updated**

<Strategic-Shareholdings>

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

<Related Party Transactions>

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

### <Ensuring diversity in the assignment of key persons>

Supplementary Principle 2-4-1: Hiring, training, energizing, and putting the right people in the right places are the four key principles of our human capital management. We offer a workplace environment and support systems that helps each of our employees reach their full potential and take on challenges while having initiative and make decisions. By selecting personnel regardless of age, gender, or experience, and appointing them to responsible positions, we seek to broaden their decision-making experience and help them grow quickly.

[https://www.cyberagent.co.jp/en/sustainability/info/contents\\_type=1306](https://www.cyberagent.co.jp/en/sustainability/info/contents_type=1306)

### <Roles of Corporate Pension Funds as Asset Owners>

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

### <Full Disclosure>

Principle 3-1:

1. Our purpose, vision, management strategies, etc. are disclosed in the financial reports and the Company's website.
2. Our basic policy for corporate governance is written on our website, corporate governance reports, and securities reports.
3. Regarding the amount of remuneration of each director (excluding a member of the Audit and Supervisory Committee), the Board of Directors consults the Nomination and Remuneration Advisory Committee as needed. Based on the report, it will be determined by the Board of Directors within the limit of remuneration, which is approved at the general meeting of shareholders.

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

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

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

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

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

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

### <Initiatives on Sustainability>

#### Supplementary Principle 3-1-3:

We hold our purpose "To break through stagnation with new power and the internet" and focus on the internet business to grow sustainably by strengthening our superiority in creation, technology, and talent management that supports our core competence to adapt to changes.

Specifically, we are focusing on the following initiatives:

- Enhancing our human resource capabilities by hiring, training, energizing, and placing the right people in the right positions
- Establishing labs and cross-functional organizations to which engineers can belong
- Incorporating new technologies through industry-academia collaborations, etc.
- Implementing internal measures to create new businesses continuously
- Developing management personnel through talent-spotting

CyberAgent recognizes climate change as one of its key management challenges and is committed to reducing its environmental impact and improving the efficiency of its business activities as a company that strives to help realize a sustainable society. The Board of Directors are involved in making decisions on important matters such as policies for addressing risks and opportunities related to climate change and greenhouse gas emissions. To Respond to the TCFD recommendations, we analyze climate change-related risks and opportunities through scenario analysis, consider countermeasures and disclose the information on the corporate website and the integrated report.

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

### <Roles and duties of directors>

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

### <Independence Standards and Qualification for Independent Directors>

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

### <Use of Optional Approach>

Principle 4-10-1: Of the eight directors of the Company, four are independent outside directors, accounting for a half of the total. We have also established the Nomination and Remuneration Advisory Committee, chaired by an independent outside director, as a voluntary advisory body to the Board of Directors. The Committee consists of four independent outside directors, a director who serves as a full-time Audit Committee member, and a representative director. To enhance the independence, objectivity, and accountability of the Board of Directors' function in nominating director candidates and determining director compensation, the Board of Directors resolved to establish this committee at its meeting held on October 30, 2019, to strengthen the corporate governance. The Committee deliberates and reports to the Board of Directors on decisions regarding nomination and remuneration of Directors and other relevant matters, based on consultation with the Board of Directors.

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

Principle 4-11-1: In selecting director candidates, the Company takes into account the balance of knowledge, experience and competence related to the Company and its businesses, as well as the diversity of the Board of Directors, and considers the number of directors necessary and appropriate to ensure constructive discussion in the Board of Directors. The information on each candidate's knowledge, experience, ability, management experience at other companies and others is provided in the notice of convocation of the annual general meeting of shareholders. The Board of Directors consists of eight directors (in which four directors are independent outside directors.)

<Concurrent Positions of Directors>

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

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

Principle 4-11-3: We conducted a questionnaire survey about the effectiveness of the board of directors targeted at all directors include Audit and Supervisory members at the end of September 2022. The score of the questionnaire was high overall, ensuring that the Company's Board of Directors is functioning effectively.

Also, there is no problem in regard to the number of times the Board of Directors being held, the scope and quantity of the proposals being submitted, and the content of materials. Each director is in close communication with the outside directors and is able to make appropriate decisions which will contribute to the company-wide business expansion, concentration and selection, enhancing enterprise value based upon discussions about budget, performance forecast and risk factors which can affect business and management. In response to the results of the survey, we have enhanced the content of the reporting materials to assist further discussions.

<Training policy for Directors>

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

<Policy for dialogues with shareholders>

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

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## 2. Capital Structure

Ratio of Shares Held by Foreigners	More than 30%
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### [Major Shareholders] **Updated**

Name or Designation	Number of Shares Held (Shares)	Shareholding Ratio (%)
Susumu Fujita	89,121,600	17.62
The Master Trust Bank of Japan, Ltd. (trust account)	81,898,700	16.19
Custody Bank of Japan, Ltd. (Trust account)	37,271,600	7.37
THE BANK OF NEW YORK MELLON 140051	16,406,100	3.24
SSBTC CLIENT OMNIBUS ACCOUNT	11,825,931	2.34
JP MORGAN CHASE BANK 385635	8,321,166	1.64
STATE STREET BANKWEST CLIENT - TREATY 505234	7,352,216	1.45
STATE STREET BANKAND TRUST COMPANY505225	6,617,876	1.31
RBC ISB S/A DUB NON RESIDENT	6,157,965	1.22
/TREATY RATE UCITS CLIENTS-ACCOUNT-MIG	5,896,378	1.17

Controlling Shareholders (excluding parent company)	—
Parent Company	None

## 1. Corporate Attributes

Stock Exchange Listings and Market Classification	Prime Market, Tokyo Stock Exchange
Fiscal Year-end	September
Industry	Service
Number of Employees as of Previous Fiscal Year-End (Consolidated)	1,000 or more
Total Trading Transactions in Previous Fiscal Year (Consolidated)	More than 100 billion yen and less than 1 trillion yen
Number of Consolidated Subsidiaries <b>Updated</b>	More than 50 and less than 100

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

N.A.

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

### **Updated**

The Company's three main business activities are the media business centered on "ABEMA", the internet advertising business, and the game business. On the other hand, Makuake, Inc. is engaged in the crowdfunding business, which is operated independently of the Group and does not represent a core business, accounting for approximately 0.59% of the Company's consolidated net sales for FY2022. The crowdfunding service "Makuake" provided by the company is used to support regional development and the creation of innovative technologies and is positioned as a social contribution business of the Group. In addition, the company listed on the Mothers market with the expectations that the listing would increase its social credibility and name recognition, strengthen its systems through fundraising, and accelerate its global operations. As of now, the company has five outside directors out of ten directors and is managing its business autonomously.

In terms of group management, CyberAgent believes that it is best for MAKUAKE to enhance its corporate value through its own growth strategy. Therefore, we value the company's decision-making and respect its autonomy and independence in its business activities. However, we will request discussions and reports on matters necessary for appropriate and smooth group operations, as

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well as matters requiring supervision and confirmation pursuant to laws and regulations, to ensure the effectiveness of its governance.

## II

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

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

Form of Organization	Company with Audit and Supervisory Committee
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#### [Directors]

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

#### Relationship with the Company (1)

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

#### \* Relationship with the Company

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

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

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

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

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

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

Name	Audit and Supervisory Committee member	Independent Director	Supplementary Information Related to the Criteria	Reason for Appointment as Outside Director (For Independent Directors, Including Reason for Designation as an Independent Director)
Koichi Nakamura		✓	<p>Until June 2014, he was an executive officer of Recruit Holdings Co., Ltd. (The business amount in FY2022 account for 5.78% of our consolidated sales) which is the Company's specified related business operator (major customer). There is currently no specific relationship between them.</p>	<p>Mr. Koichi Nakamura has extensive experience, achievements, and broad insight in corporate management, human resource strategy, and M&amp;A, having led the administration of Japan Recruit Center Co., Ltd. (currently Recruit Holdings Co., Ltd.) for a long period as its Director and Executive Vice President. In addition, at the Board of Directors, which consists of eight (8) members (including four (4) Outside Directors), he is committed to the decision-making of investment and other important matters from his standpoint as an independent and Outside Director. Also, a voluntary meeting of directors ("Outside Directors' Meeting") is held every month to discuss a wide range of issues, including the enhancement of medium to long-term corporate value, sustainable growth, management supervision, executive compensation, and such. As a result of the discussions at the Outside Directors' Meeting, the Company established its "Purpose" and reviewed the policy for the remuneration system for executive directors, etc. He participates in the Nomination and Compensation Advisory Committee and provides advice for the current fiscal year. Based on this experience, accomplishments, and insight, the Company judged that he could supervise management, provide advice, and make proposals from a third-party perspective when making decisions at the Board of Directors, to continuously strengthen corporate governance and enhance the corporate value of the Group. Therefore, we believe that he is well qualified to serve as an independent and outside director.</p> <p>The Company has determined that Mr. Koichi Nakamura meets the qualifications of an independent director as set by the Tokyo Stock Exchange and poses no risk in terms of conflict of interest with ordinary shareholders and has thereby appointed him as an independent outside director.</p>

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Kozo Takaoka		✓	<p>Mr. Kozo Takaoka was President and CEO of Nestle Japan LTD., a regular business partner in the Company's Internet advertising business, until March 2020. However, there is no special business relationship between the company and CyberAgent. So, we decide that there is no risk of influencing the judgment of shareholders and investors.</p>	<p>Mr. Kozo Takaoka has a wealth of experience and a wide range of insights as a corporate executive and leading expert in the field of marketing in Japan, having driven management and contributed to the development of the business as President and CEO of Nestlé Japan Ltd. and a board member of Nestlé Global. In addition, at the Board of Directors, which consists of eight (8) members (including four (4) Outside Directors), he is committed to the decision-making of investment and other important matters from his standpoint as an independent and Outside Director. He participates in the Outside Directors' Meeting every month. As a result of the discussions at the Outside Directors' Meeting, we are discussing and planning the selection, development, and the creation of a system for executive personnel, including future director candidates who will be responsible for sustainable corporate value enhancement. He has been engaging in the Nomination and Compensation Advisory Committee and consulting the current fiscal year. Based on his experience, accomplishments, and insight, the Company judged that he could supervise management, provide advice, and make proposals from a third-party perspective when making decisions at the Board of Directors meetings to continuously strengthen corporate governance and enhance the corporate value of the Group. Therefore, we believe that he is well qualified to serve as an independent and outside director.</p> <p>The Company has determined that Mr. Kozo Takaoka meets the qualifications of an independent director as set by the Tokyo Stock Exchange and poses no risk in terms of conflict of interest with ordinary shareholders and has thereby appointed him as independent outside director.</p>
Masao Horiuchi	✓	✓	<p>Mr. Masao Horiuchi was a director of USEN-NEXT HOLDINGS Co., Ltd., (U-N) our regular client in the internet advertising business from December 2010 to June 2017 and has been a full-time auditor of this company since July 2017. The Company believes that there is no risk of influence on the judgment of shareholders and investors given that he</p>	<p>Mr. Masao Horiuchi is a certified tax accountant and has specialized knowledge in finance, accounting, and tax. He has extensive experience and wide insight regarding internal control and corporate governance as a director of U-NEXT Co., Ltd. (currently USEN-NEXT HOLDINGS Co., Ltd.)</p> <p>The Company has nominated him as a candidate for a director serving on the Audit and Supervisory Committee, because since as he took office as an Outside Director of the Company in December 2017. He has raised frank discussions with management regarding possible risks based on his wide experience and insight and offers advice on strengthening internal control and corporate governance. Based on his experience, achievements, and insight, the Company believes that he will continue to provide appropriate advice from</p>



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			is not an executive of U-N, the scale of transactions between U-N and the Company (1.01% of the Company's consolidated net sales in fiscal 2022) is insignificant, and the nature of the transactions.	<p>an independent standpoint in the decision-making process of the Board of Directors. Therefore, we believe that he is well qualified to serve as an independent and outside director.</p> <p>The Company has determined that Mr. Masao Horiuchi meets the qualifications of an independent director as set by the Tokyo Stock Exchange and poses no risk in terms of conflict of interest with ordinary shareholders and has thereby appointed him as independent outside director.</p>
Tomomi Nakamura	✓	✓	There is no special business relationship between the Company and Nagaishi Law Office, where Tomomi Nakamura works for.	<p>Mr. Tomomi Nakamura has twenty-three (23) years of practice as an attorney in the field of corporate legal affairs, as well as three (3) years of teaching experience as a civil defense instructor at the Legal Training and Research Institute. He also has extensive expertise and deep insight into laws and regulations, including the Companies Act, Civil Code, and Intellectual Property Law. Based on the above, we believe that we can expect him to supervise the management and make appropriate remarks from his high level of expertise and experience and an external and independent standpoint when the Board of Directors makes decisions. Therefore, we believe that he is well qualified to serve as an independent and outside director.</p> <p>CyberAgent has determined that Mr. Tomomi Nakamura meets the qualifications of an independent director as set by the Tokyo Stock Exchange and poses no risk in terms of conflict of interest with ordinary shareholders, and has thereby appointed him as an Independent outside director.</p>

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

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

Directors and employees who assist the Audit and Supervisory Committee with its duties	Appointed
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### Matters relating to the Independence of Such Directors and Employees from Executive Directors

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

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

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

### [Voluntary Establishment of Committees]

Voluntary Establishment of Committees equivalent to Nomination Committee or Compensation Committee	Yes
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### Status of Establishment of Voluntary Committee, Composition of Committee and Attributes of Committee Chair (Chairperson)

	Voluntary committee corresponding to a nominating committee	Voluntary committee corresponding to a remuneration committee
Name of committee	Nominating and Remuneration Advisory committee	Nominating and Remuneration Advisory committee
Total number of members	6	6
Number of full-time members	2	2
Number of internal directors	2	2
Number of outside directors	4	4
Number of external experts	0	0
Number of other members	0	0
Committee chair (chairman)	Outside director	Outside director

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### Supplementary Explanation

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

### [Independent Directors]

Number of Independent Directors	4
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### Matters relating to Independent Directors

All outside officers who meet the qualifications for independent directors are designated as independent directors. The Company has determined that transactions of 15 million yen or less have no impact on the independence of the relevant outside director based on the minimum disclosure criteria for judging the risks of influencing shareholders' decisions to exercise their voting rights. Therefore, this information is omitted.

### [Incentive Programs]

Incentive Policies for Directors	The stock option system has been adopted
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### Supplementary Information

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

Grantees of Stock Options	Executive Directors, Outside Directors, employees, directors and employees of subsidiaries
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### Supplementary Information **Updated**

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

The total value of stock options as of the end of September 2022 was a balance of 2,172,400 (0.43% of issued shares including treasury stocks) issued shares and an assumed total paid-up value of 13,841,200 yen.

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### [Directors' Compensation]

Disclosure of Individual Directors' Compensation	The compensation of individual directors is not disclosed.
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Supplementary Information <b>Updated</b>
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The compensation of the Company's directors in the fiscal year ended September 30, 2022

Category	Number of paid Directors	Total Value of Compensation	Total Value of Compensation by Type	
			Monetary Remuneration	Stock Options
Director who is NOT the Audit and Supervisory committee members	5	267 million yen	172 million yen	95 million yen
(Outside)	(2)	(38 million yen)	(34 million yen)	(4 million yen)
Director who IS the Audit and Supervisory committee members	4	19 million yen	19 million yen	-
(Outside)	(3)	(8 million yen)	(8 million yen)	-
Total	9	287 million yen	191 million yen	95 million yen
(Outside)	(5)	(47 million yen)	(42 million yen)	(4 million yen)

\* The performance-based remuneration within the monetary remuneration is zero yen.

Policy on Determining Compensation Amounts and Calculation Methods	Yes
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Disclosure of Policy on Determining Compensation Amounts and Calculation Methods
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The amount of remuneration of Directors excluding a member of the Audit and Supervisory Committee (same as below), the details of the determination of the calculation method, and the process of determination thereof are as follows. In terms of the amount of remuneration for each individual Director who is a member of the Audit and Supervisory Committee, the amount is determined through discussions among the Committee members.

1) Basic policy

The remuneration of the Company's Directors consists of basic remuneration as a fixed amount and performance-linked amount (both are monetary remuneration). The payment amount is determined within the limit of remuneration approved at the Annual General Meeting of Shareholders. After consulting the Nomination and Remuneration Advisory Committee, the Board of Directors determines the details based on the committee's report. Remuneration for Outside Directors will be limited to basic remuneration.

2) Policy for determining the content and amount of basic remuneration

The basic remuneration shall be determined within the range of amounts determined in consideration of the position, grade, role, etc.

3) Policy on determination of performance-linked remuneration

Performance-linked remuneration shall be funded from a certain percentage of the operating profit for each fiscal year and shall be determined for Directors in charge of business execution, taking into consideration their performance and the degree of their contribution for the relevant fiscal year.

4) Other remuneration policies

In the event that other non-monetary remuneration is to be paid, the Board of Directors will determine the policy regarding the content, calculation method of such remuneration in accordance with laws and regulations.

**[Support System for Outside Directors]**

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

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

1) Board of Directors

The Board of Directors consists of five directors who are not members of the Audit Committee (including two outside directors) and three directors who are members of the Audit Committee (including two outside directors). Regular board meetings are held once a month and special meetings are held when necessary to make important decisions and supervise the executions and operations. In addition, the Company established the Corporate Executive Office on October 2, 2020, with the aim of separating management oversight from business execution and delegated some of the Board's executive authority to the Corporate Executive Office. The Board of Directors and the Corporate Executive Office have developed an agile management system and are working to strengthen supervisory functions.

2) Corporate Executive Office

The Corporate Executive Office consists of eight senior executive officers or higher (including three who also serve concurrently as directors). It holds meetings as necessary to improve the efficiency and speed of management decision-making and business execution. In addition, a director, who is a full-time member of the Audit and Supervisory Committee, attends meetings occasionally and supervises important business execution decisions with the directors.

3) Audit and Supervisory Committee

The Audit and Supervisory Committee consists of three directors (including two independent outside directors). It generally holds a monthly meeting to audit the business execution by the directors.

4) Internal Audit Department

The internal audit department conducts internal audits of all Group operations according to the audit plan. The results of the audit are reported to the Board of Directors, and the director or a member of the Audit and Supervisory Committee instructs the executive officer in charge to make improvements. The results of the audit are reported to the Board of Directors and improvements are instructed to the executive officer in charge through the director or the director who is a member of the Audit Committee, in order to ensure immediate action is taken.

5) Accounting Audit

The Company has appointed Deloitte Touche Tohmatsu LLC as the accounting auditor. There are no special interests between the audit firm or its executive members and the Company.

6) Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of four independent outside directors, one director who is a full-time member of the Audit Committee, and the representative director. In order to strengthen the independency, objectivity and accountability of the Board of Directors' functions in nominating director candidates and determining director compensation, and to further strengthen corporate governance in the Company, the Board of Directors resolved to establish the Committee at its October 30, 2019, meeting. The Nomination and Remuneration Committee is chaired by an independent director and consults with the Board of Directors to deliberate on decisions on the nomination and remuneration of directors, and reports to the Board of Directors.

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### 7) Limitation of Liability Contract

The Company has concluded an agreement with Messrs. Koichi Nakamura, Kozo Takaoka, Masao Horiuchi, Tomomi Nakamura, and Ms. Toko Shiotsuki to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the same Act. The limit of compensation for damages based on the agreement is the minimum liability limit stipulated by law.

### **3. Reasons for adopting the current corporate governance system**

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

## English Translation

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

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

	Supplementary Information
Prompt Delivery of Convocation Notice of General Meeting of Shareholders	The Company makes efforts to send out proxy materials at an early date in order to allow shareholders sufficient time to consider resolutions. Proxy materials are dispatched more than one week prior to the statutory date (more than three weeks before the convening of the General Meeting of Shareholders). The materials are also made available on the Company's website, the Tokyo Stock Exchange's website and the electric platform of the voting exercise.
Setting Date of General Meeting of Shareholders to Avoid the Same Day with Many Other Companies	The 25 <sup>th</sup> Annual General Meeting of Shareholders was held on Friday, December 9, 2022, to avoid the crowded day.
Exercise of Voting Rights by Electromagnetic Means	Since the 10 <sup>th</sup> Annual General Meeting of Shareholders (held on December 20, 2007), the Company has accepted the execution of voting rights via the internet from computers and mobile phones so that more shareholders can participate in the meeting.
Participation in Platform for Exercise of Voting Rights by Electromagnetic Means and Other Measures to Enhance Environment for Exercise of Voting Rights by Institutional Investors	The Company adopted electronic voting platforms from the 18th Annual General Meeting of Shareholders (held on December 11, 2015), in order to provide institutional investors with sufficient time to consider the content of the resolutions.
Providing Convocation Notice (Summary) in English	English version of the notice of convocation and the disclosed information at the time of notice are published on the corporate website as same as the Japanese version.
Other	Shareholders' meeting 2022: To prevent the spread of COVID-19 and the flu and to ensure safety and security of our shareholders, we asked our shareholders to refrain from coming to the venue if at all possible, in the notice of convocation and on the investor relations website. The shareholders' meeting was live-streamed online for shareholders who refrained from coming to the venue.

## English Translation

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### 2. Investor Relations Activities **Updated**

	Supplementary Information	Explanation by Representative
Adoption of Disclosure Policy	The Company's disclosure policy includes basic policy, disclosing method and quiet period is available on our website. <a href="https://www.cyberagent.co.jp/en/way/info/detail/id=20537">https://www.cyberagent.co.jp/en/way/info/detail/id=20537</a>	-
Holding Regular Meetings for Individual Investors	We are working to disseminate information online for individual investors. The live webcast and replay of quarterly financial results briefings are accessible on the investor website. In addition, 25 short video contents are available on the "IR Channel" to introduce our strategy and competitive advantages. We also utilize "CyberAgent Way", an owned media to regularly publish articles on our human resources, technology, and creation capabilities that generate value for our company.  The investor website has a number of features for individual investors, including a generator function that allows them to compare various financial statements.	Yes
Holding Regular Meetings for Analysts and Institutional Investors	On the day of the quarterly earnings announcement, the Company provides a webcast of financial results briefing. President explains the financial results and current business strategy. We strive to provide timely and equal information disclosure to individual investors and overseas investors through simultaneous live webcast in Japanese and English. Also, we set small meetings for institutional investors focusing on new businesses and investing areas.	Yes
Holding Regular Meetings for International Investors	To ensure fair information disclosure, investor website is available in English. Also, the financial results briefings provide live webcast in Japanese and English. We regularly hold conference calls and online conferences with international investors every quarter. Also, we participate in brokerage conferences for international institutional investors dozens of times a year to have more opportunities for dialogue.	Yes
Posting Investor Relations Materials on the Company Website	From fiscal year 2018, we have published the integrated report that includes information on our sustainable growth mechanisms and ESG information. In order to gain further understanding from investors, we have expanded the disclosure of environmental information since fiscal 2020.	
Establishment of Investor Relations Department	Division in charge: IR&SR Division Officer in charge: Susumu Fujita, Representative Director Person in charge of information handling: Go Nakayama, Director Person in charge of clerical communication: Sonoko Miyakawa, Head of IR&SR Division	



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Other

### Other Information dissemination on the internet

#### - Utilizing social media

We use social networking services such as LINE, Facebook, and Twitter to disseminate the latest information.

#### - Owned Media “CyberAgent Way”

We produce articles include the ideas behind our Purpose, unique structure, and culture.

#### - Video Contents for shareholders and investors

The IR Channel provides video content to introduce our strategy and competitive advantages in Japanese and English.

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

Supplementary Information	
Provisions Made in Consideration of Stakeholders' Interests (Internal Regulations, etc.)	In order to respect the positions of stakeholders and fulfill corporate social responsibility, the Group established "Ethical Business Guideline," to set a basic rule which is followed by all Directors and employees based on the "CyberAgent Mission Statement."
Promotion of Environmental Protection, Corporate Social Responsibility (CSR), and Other Activities	<p><b>Our commitment to the Sustainable Development Goals (SDGs)</b> CyberAgent supports the Sustainable Development Goals (SDGs) set by the United Nations and aims to contribute the goals through our various services, content, and partnerships. Please access our integrated report to learn more. <a href="https://www.cyberagent.co.jp/en/ir/library/annual/">https://www.cyberagent.co.jp/en/ir/library/annual/</a></p> <p><b>Strengthening of Information Infrastructure Functions</b> "ABEMA", a new TV of the future which launched in April 2016, allows users to browse the latest news and information for free on their smartphone. ABEMA delivers services to smartphones which people carry these days ubiquitously and provides notifications 24-hours-a-day in real time in the event of a disaster. By doing this, we are pursuing business initiatives that recognize the importance of its role in society as new information infrastructure in the age of the internet.</p> <p><b>Support for Creating Shared Value</b> Makuake, Inc., our subsidiary company, operates a crowdfunding service, one of the growth strategies the Japanese government sets to nurture venture companies effectively. We aim to contribute to the revitalization of the Japanese economy through our service "Makuake."</p> <p><b>Development of IT talent</b> With the aim of developing the talent to lead the 21st century with IT, we established "CA Tech Kids" to offer programming education to elementary school students in May 2013. Our efforts go beyond just helping kids acquire IT programming knowledge and skills; we also aim to encourage the development of "talent capable of using technology as a tool to realize their own ideas and actively engage in society."</p> <p><b>Promotion of Digital Transformation (DX)</b> Digitalization is urgently needed in every industry due to the current COVID-19 situation, and CyberAgent is promoting Digital Transformation (DX) to solve social issues in the fields of retail, healthcare, government, and entertainment by applying our knowledge and technical capabilities in the digital domain.</p> <p><b>Supporting Sports</b> In October 2018, the Japan Professional Football League Club "FC Machida Zelvia" became part of CyberAgent Group. Also, in September 2020, CyberFight, Inc. was established by integrating DDT Pro-Wrestling, Inc. and Noah Global Entertainment Inc, that are wholly owned subsidiaries of the Company that operate a professional wrestling business. We leverage the synergy of the CyberAgent Group to support the sports business.</p>

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Establishment of Policy  
Concerning Disclosure  
of Information to  
Stakeholders

The Company's policy related to the provision of information to stakeholders clearly states in its Disclosure Policy. The Company executes information disclosure in accordance with the Tokyo Stock Exchange's timely disclosure regulations. Regarding important information that may have an impact on investment decision-making as well as information that may be useful to understand the Company, the Company strives to enable equal access by all stakeholders to such information.

## **IV Items Related to the Internal Control System**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Directors, Executive Officers, corporate management division and internal audit department shall regularly report the following important matters concerning the Group to the director who is a full-time member of the Audit and Supervisory Committee, and the director who is a full-time member of the Audit and Supervisory Committee shall submit such reports to the Audit and Supervisory Committee.

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

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

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

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

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

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

The representative director discusses important management matters with the Audit and Supervisory Committee. The Audit and Supervisory Committee have the right to work with external experts such as lawyers and certified accountants when necessary to perform their duties.

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## 2. Basic Policy and Efforts to Eliminate Antisocial Forces

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

## V Others

### 1. Adoption of Takeover Defense Measures

Adoption of Takeover Defense Measures —

Supplementary Information

N.A.

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

[Chart 1] Corporate Governance Structure

