



1Q FY2023 Presentation Material

October to December 2022

January 25, 2023



[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. **Financial Summary** (October - December 2022)
2. **Internet Advertisement Business**
3. **Game Business**
4. **Media Business**
5. **Medium to long-term strategy**
6. **References** - Purpose

FY23 Q1 Financial Summary

October - December 2022

FY2023
Q1

The FIFA World Cup Qatar 2022 was the largest investment in our history.

Sales: 167.5 billion yen down 2.1% YoY
OP: -1.2 billion yen

Media

The value of ABEMA as a medium has increased considerably resulting from the investment in the FIFA World Cup Qatar 2022.

Sales: 33.4 billion yen up 34.0% YoY
OP: -9.3 billion yen -5.5 billion yen YoY

Ad

Sales remained strong despite being partially affected by the economic situation.

Sales: 95.6 billion yen up 12.7% YoY*
OP: 5.0 billion yen down 13.0% YoY

Game

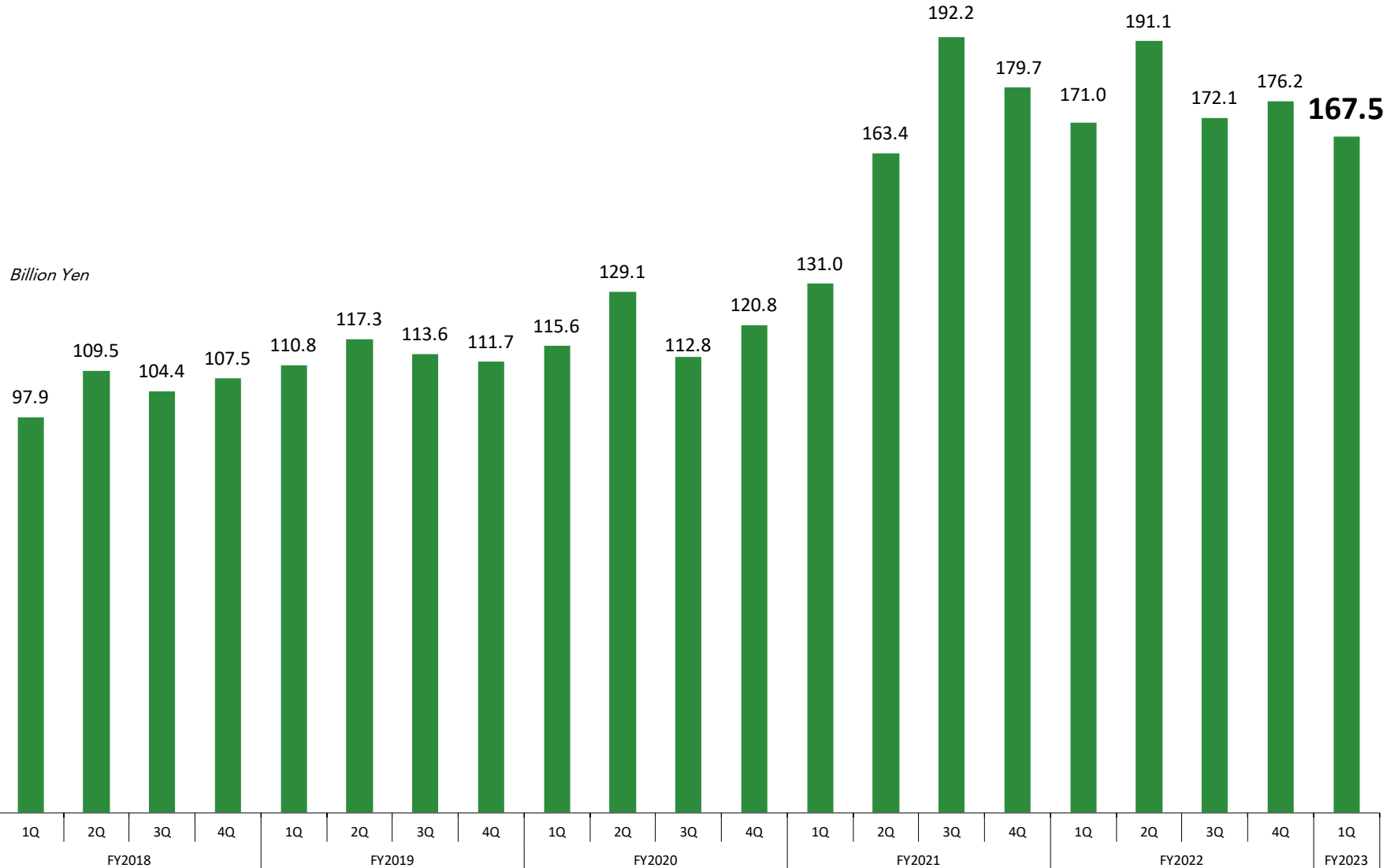
Sales and OP temporarily declined as the major games' anniversary season drew near.

Sales: 40.9 billion yen down 29.9% YoY
OP: 5.2 billion yen down 69.6% YoY

1. Financial Summary

[Consolidated Sales] **167.5** billion yen (down 2.1% YoY)

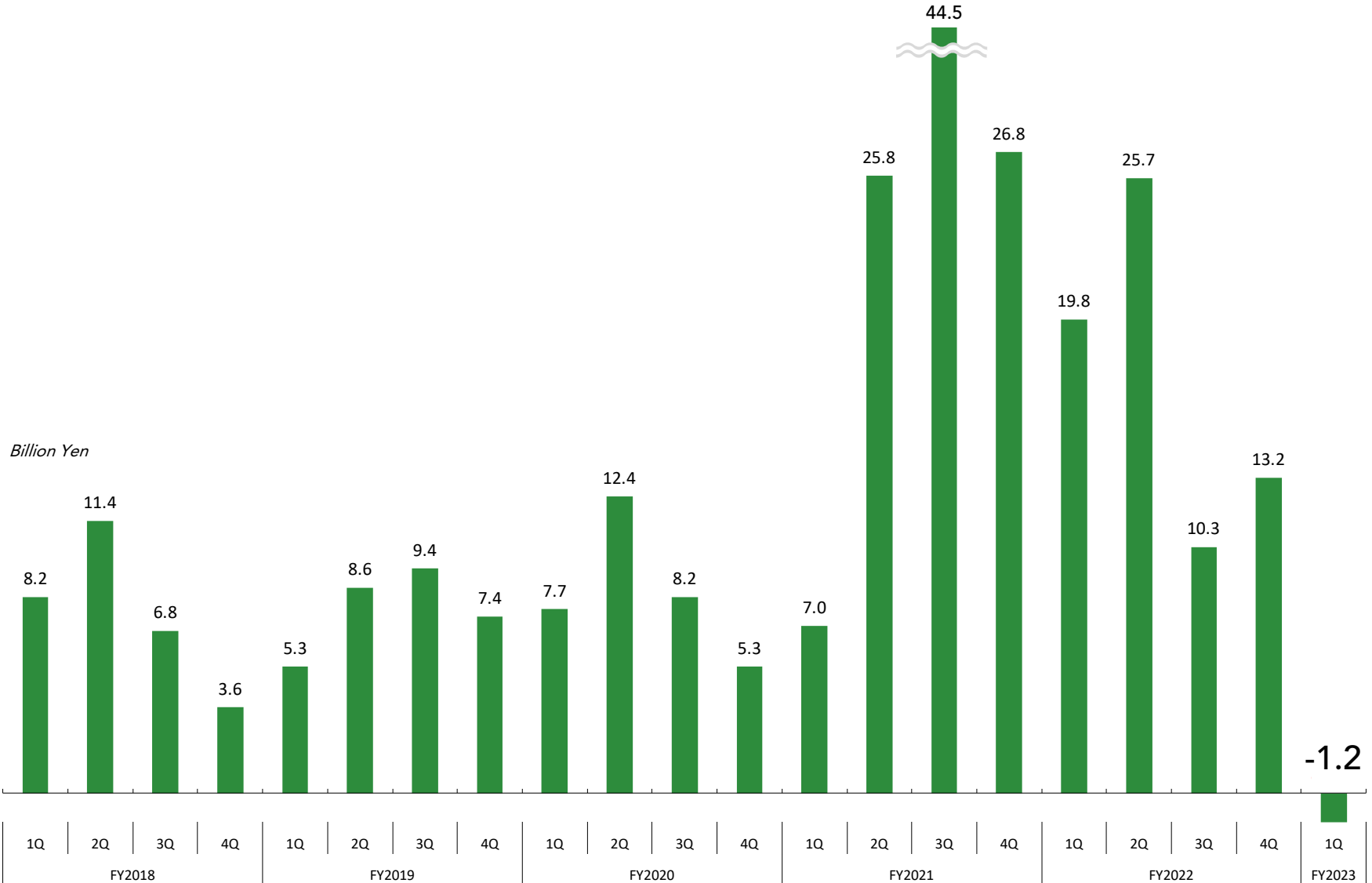
Progress toward the forecast is 23.3%.



1. Financial Summary

[Consolidated OP] -1.2 billion yen

The transient costs of the FIFA World Cup Qatar 2022 are recorded.



1. Financial Summary

[SG&A Expenses] **40.4 billion yen (up 16.8% YoY)**

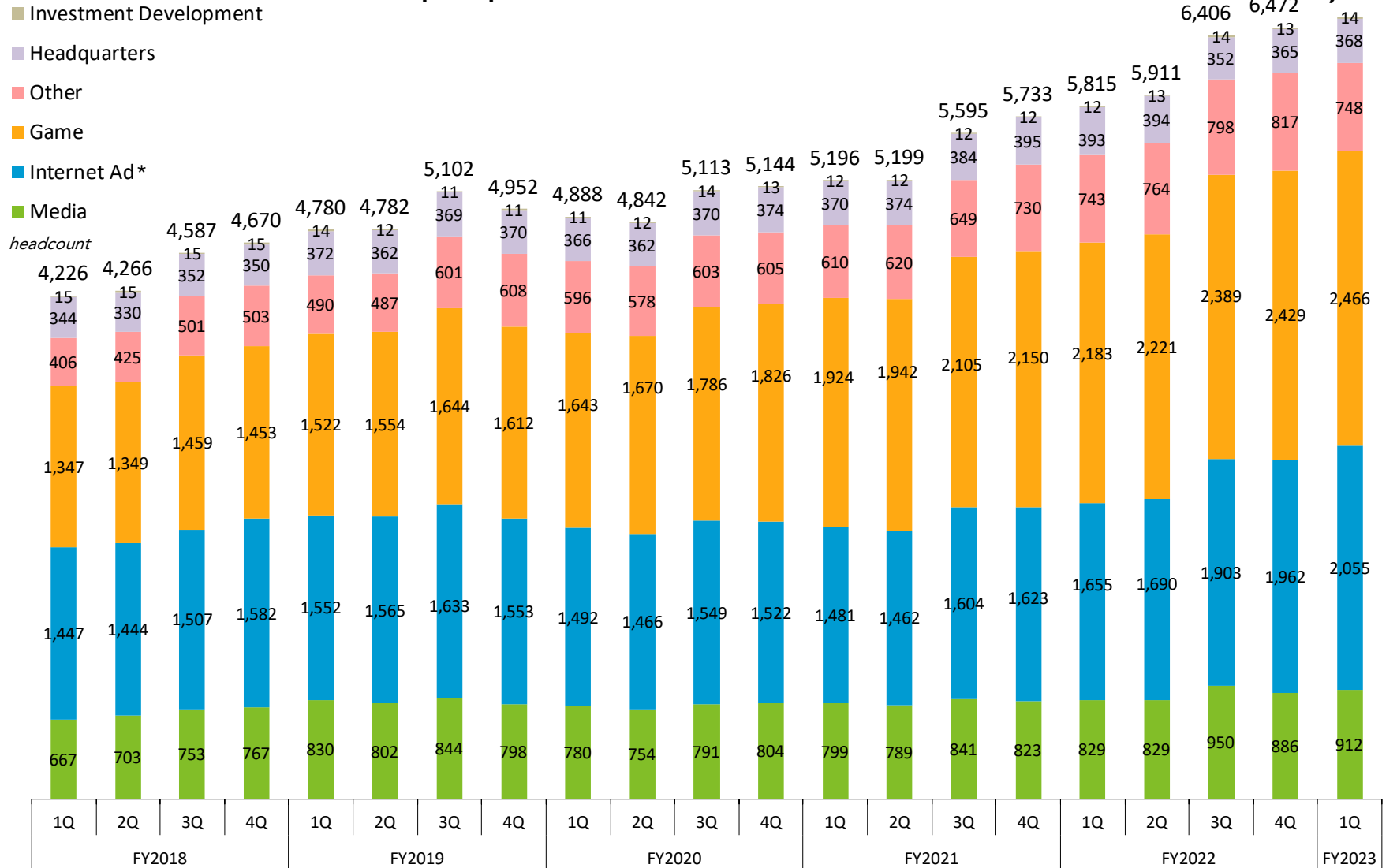


*Other: Outsourcing expenses, sales-related expenses, external standard taxation, entertainment expenses, and others.

1. Financial Summary



[No. of Employees] Total headcount was **6,563** at the end of December.
(748 people increased YoY)



*Internet Ad: MicroAd, Inc. became unconsolidated on June 29, 2022, and is reflected from FY 2018 retrospectively.

1. Financial Summary

[PL]

million yen	FY2023 Q1	FY2022 Q1	YoY	FY2022 Q4	QoQ
Net Sales	167,577	171,090	-2.1%	176,226	-4.9%
Gross profit	39,187	54,419	-28.0%	53,625	-26.9%
SG&A expenses	40,443	34,615	16.8%	40,410	0.1%
Operating income (loss)	-1,255	19,804	-106.3%	13,215	-109.5%
OPM	-0.7%	11.6%	-12.3pt	7.5%	-8.2pt
Ordinary income (loss)	-939	19,836	-104.7%	13,199	-107.1%
Extraordinary gain	1,296	97	1227.7%	189	582.2%
Extraordinary loss	409	981	-58.2%	4,704	-91.3%
Income (loss) before income taxes and non-controlling interests	-52	18,953	-100.3%	8,684	-100.6%
Net income (loss) attributable to shareholders of parent*	-5,002	6,091	-182.1%	3,518	-242.2%

*Net income (loss) 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. Financial Summary

[BS]

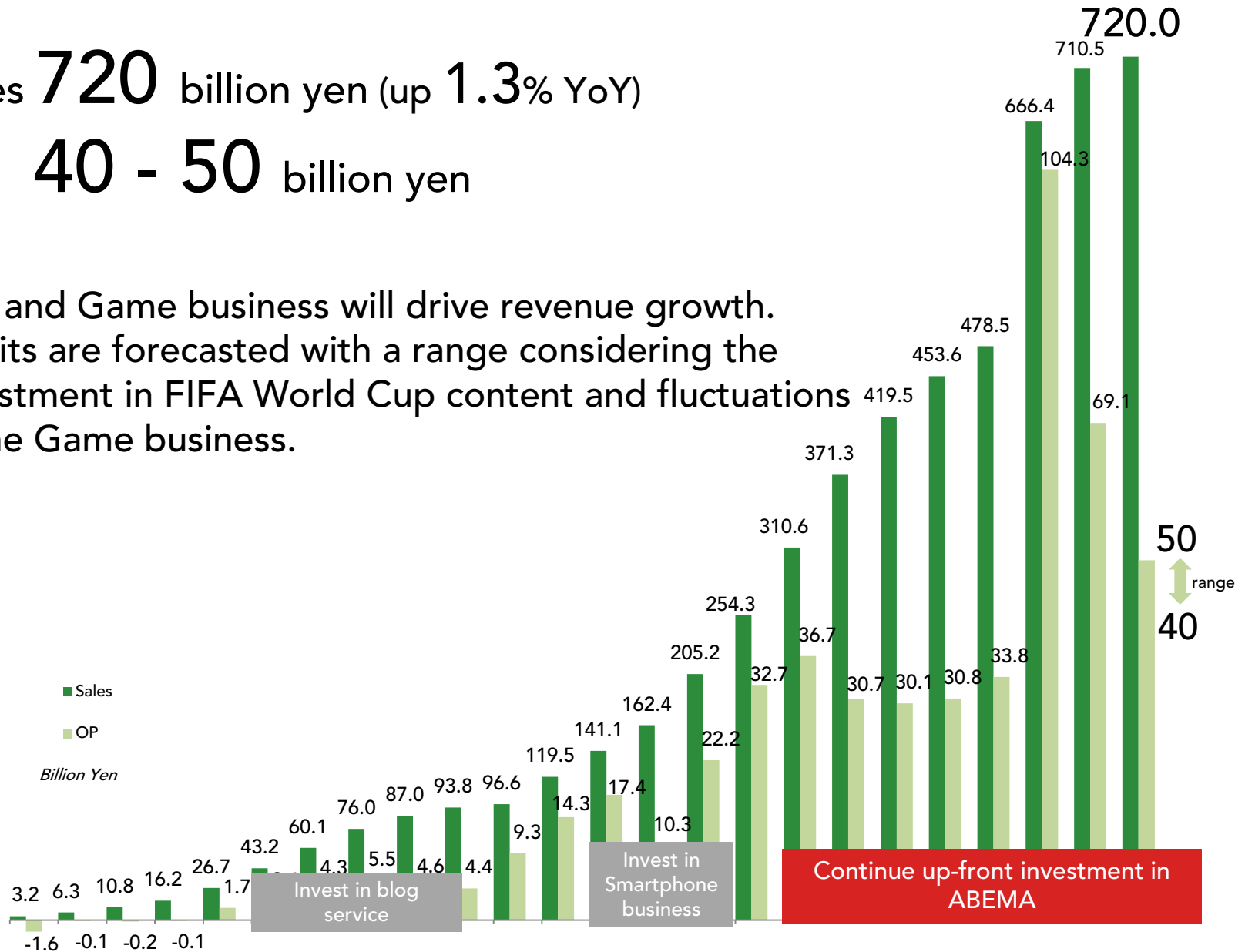
million yen	End of Dec. 2022	End of Dec. 2021	YoY	End of Sept. 2022	QoQ
Current assets	331,580	273,381	21.3%	293,850	12.8%
Cash deposits	198,697	157,221	26.4%	165,907	19.8%
Fixed assets	91,368	80,485	13.5%	89,826	1.7%
Total assets	423,028	353,904	19.5%	383,698	10.3%
Current liabilities	139,914	108,907	28.5%	130,014	7.6%
(Income tax payable)	2,318	3,396	-31.7%	5,036	-54.0%
Fixed liabilities	71,416	49,208	45.1%	30,768	132.1%
Shareholders' equity	126,003	119,621	5.3%	138,079	-8.7%
Net Assets	211,696	195,788	8.1%	222,915	-5.0%

1. Financial Summary

Sales **720** billion yen (up **1.3%** YoY)

OP **40 - 50** billion yen

Ads and Game business will drive revenue growth. Profits are forecasted with a range considering the investment in FIFA World Cup content and fluctuations in the Game business.

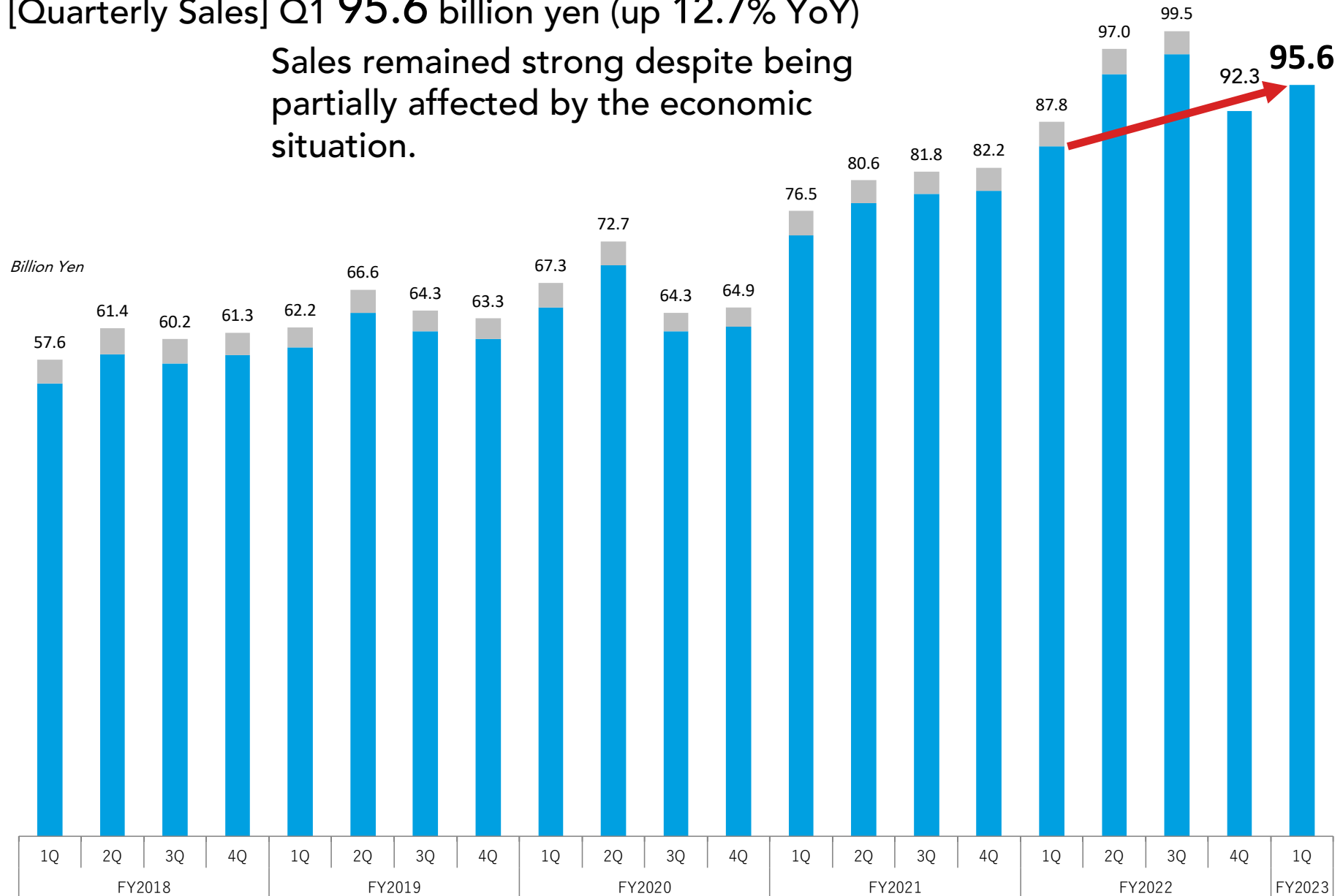


Internet Advertisement

2. Internet Advertisement Business

[Quarterly Sales] Q1 95.6 billion yen (up 12.7% YoY)

Sales remained strong despite being partially affected by the economic situation.

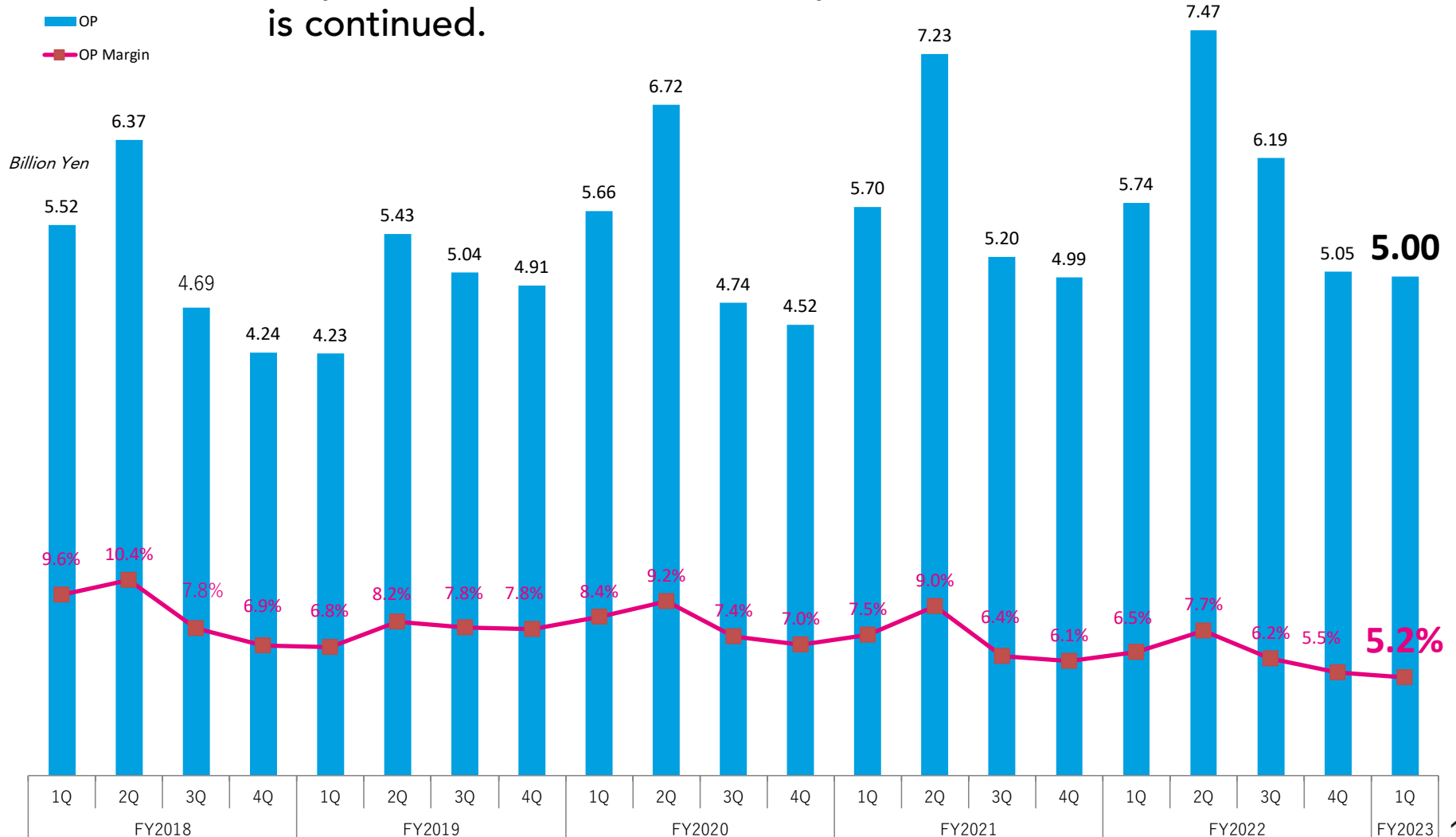


*YoY change: MicroAd, Inc. became an unconsolidated affiliate and the sales of 3.17 billion yen of Q1 FY 2022 has been exempted.

2. Internet Advertisement Business

[Quarterly OP] Q1 5.0 billion yen (down 13.0% YoY)

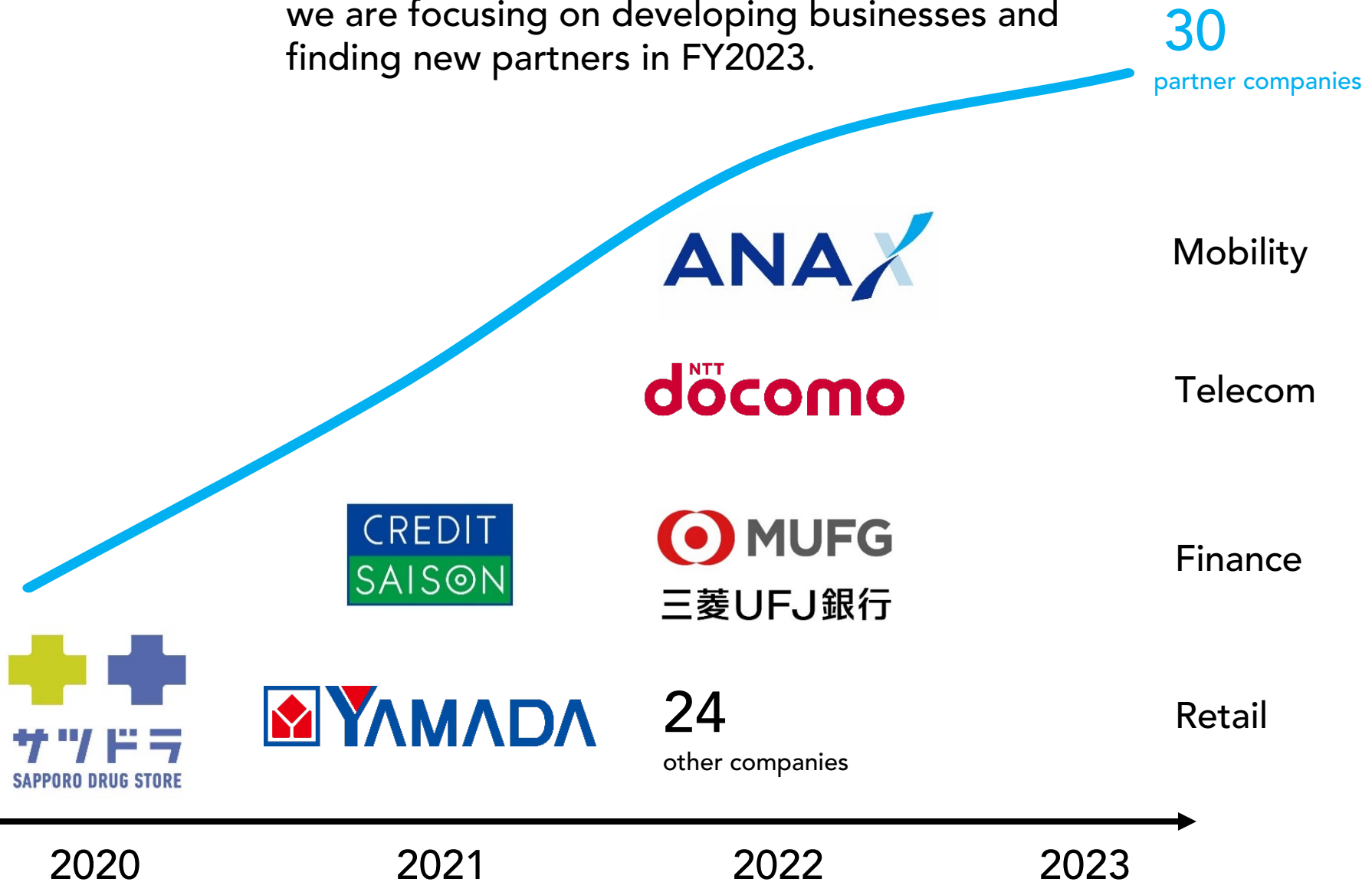
Preparing for expected business expansion, the number of employees are increased. The upfront investment in DX business is continued.



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

2. Internet Advertisement Business

[Upfront Investment] To create a new advertising business utilizing data, we are focusing on developing businesses and finding new partners in FY2023.

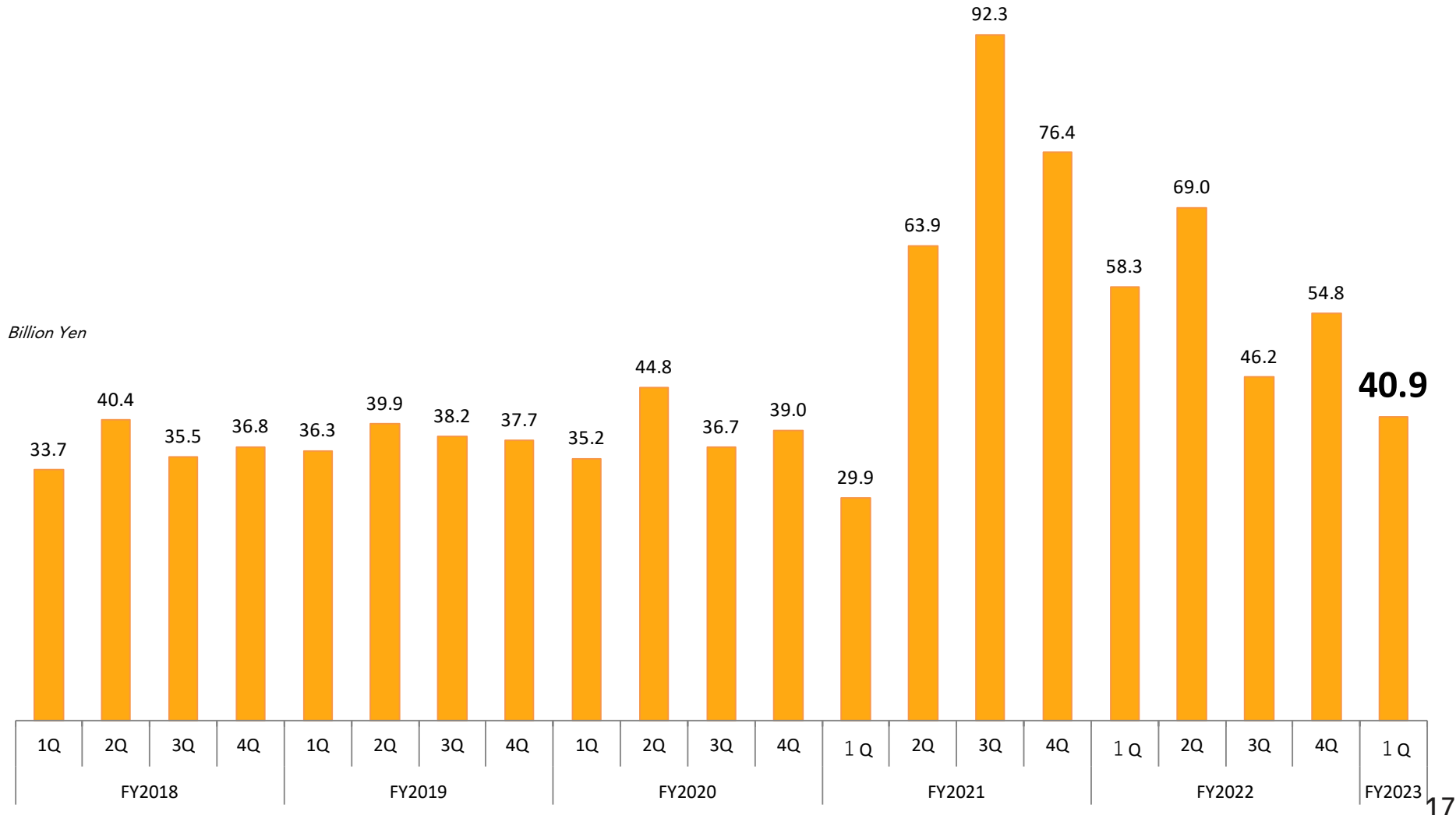


Game

3. Game Business

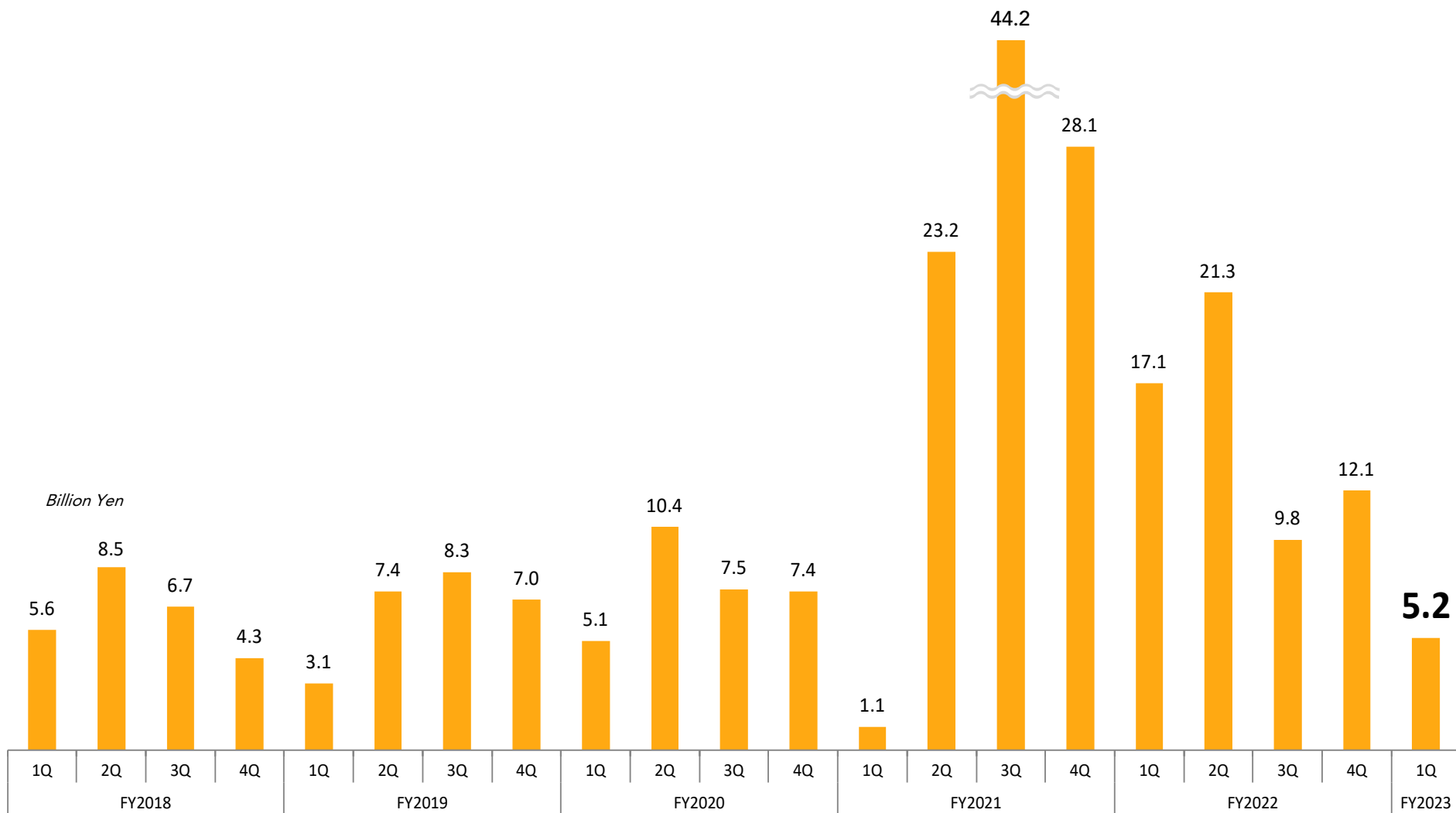
[Quarterly Sales] Q1 **40.9** billion yen (down 29.9% YoY)

Sales temporarily declined as the major games' anniversary season drew near. The ongoing January sales are off to a good start.



3. Game Business

[Quarterly OP] 5.2 billion yen (down 69.6% YoY)



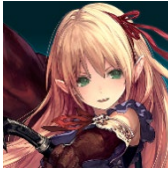
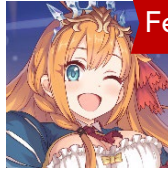





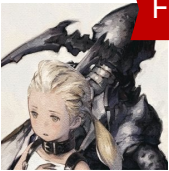


*Quarterly OP : Special incentives in FY2020 and FY2021 are excluded.

3. Game Business

Anniversary Month

[Upcoming Events] The six major titles will celebrate their anniversaries in Q2.

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

3. Game Business

[Upcoming Games] A title released in December 2022, two other popular IP titles are to be launched.

"Tokyo Revengers Puzz-reve! Road to National Championship"*1
GOODROID, Inc. Puzzle
Released in December 2022

12月8日配信開始!

"Jujutsu Kaisen Phantom Parade"*2
Sumzap, Inc. / TOHO CO., LTD. RPG
To be released in spring 2023

"FINAL FANTASY VII EVER CRISIS"*3
SQUARE ENIX CO., LTD. / Applibot, Inc. RPG
CBT*4 planned in summer 2023

*1 "Tokyo Revengers Puzz-reve! Road to National Championship": © Ken Wakui, Kodansha/ Anime "Tokyo Revengers" Production Committee © GOODROID,Inc. ALL Rights Reserved. CyberAgentGroup.

*2 "Jujutsu Kaisen Phantom Parade": © Gege Akutami/ Shueisha, Jujutsu Kaisen Production Committee © Sumzap, Inc./ TOHO CO., LTD.

*3 "FINAL FANTASY VII EVER CRISIS": © 1997, 2023 SQUARE ENIX CO., LTD. All Rights Reserved. Powered by Applibot,Inc. CHARACTER DESIGN: TETSUYA NOMURA CHARACTER ILLUSTRATION: LISA FUJISE

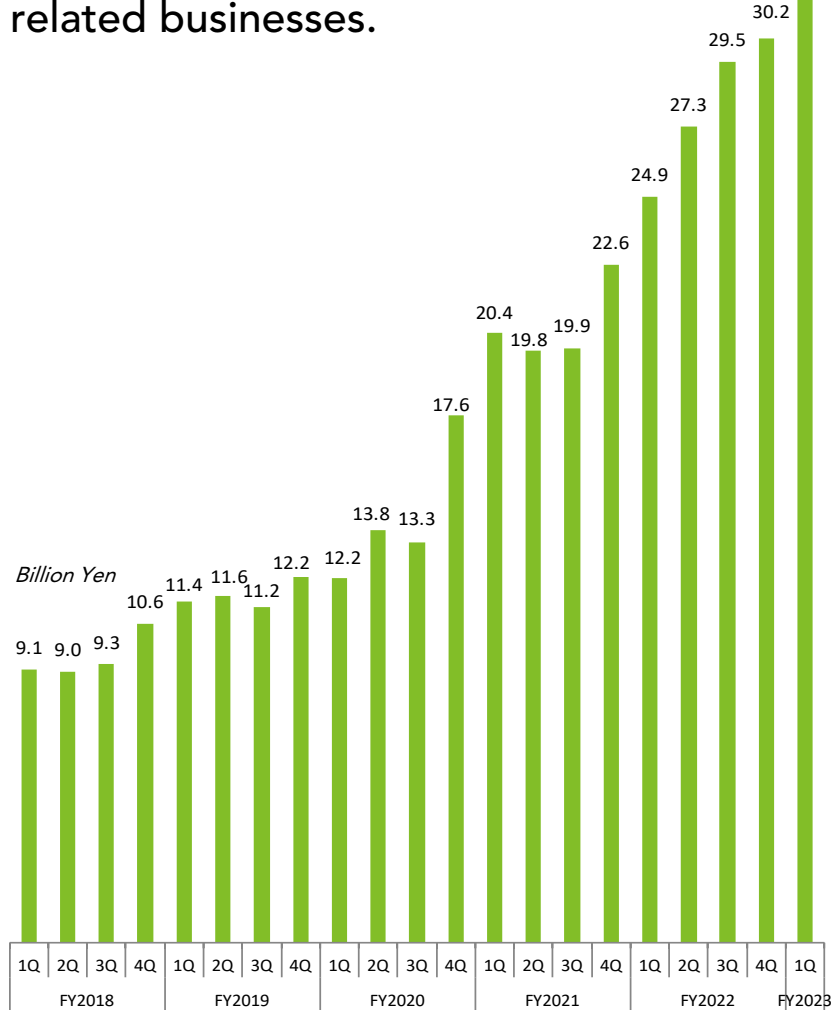
*4 CBT: Closed Beta Test

Media

4. Media Business

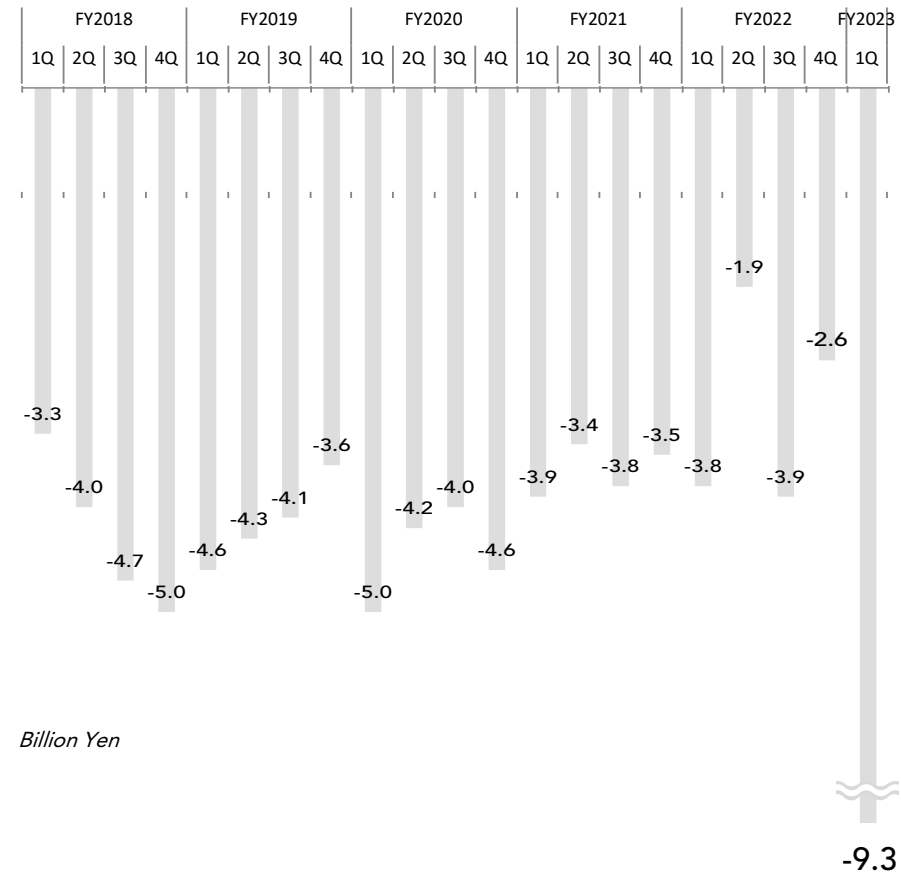
[Quarterly Sales]

33.4 billion yen (up 34.0% YoY)
 Sales increased driven by ABEMA and related businesses.



[Quarterly OP]

-9.3 billion yen operating loss in Q1.
 The costs of the FIFA World Cup Qatar 2022 are recorded.



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

4. Media Business



92M
DL

Exceeded **92** million downloads in six years and eight months after the launch.

7 million downloads were made during the FIFA World Cup.

Downloads

April 11
2016
Release



*Number of downloads: Accumulated numbers of the ABEMA app.

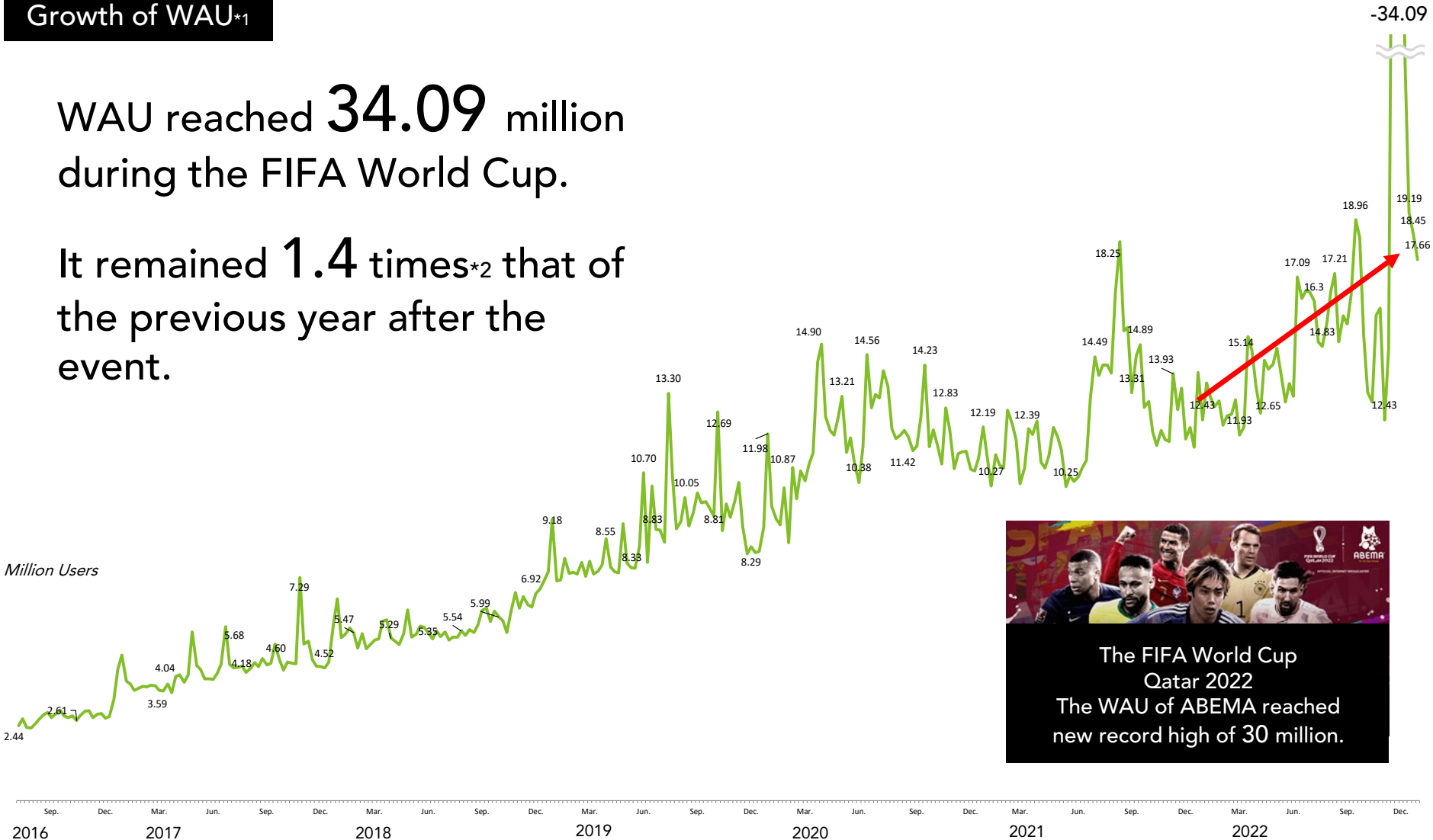
4. Media Business

[ABEMA]

Growth of WAU*1

WAU reached **34.09** million during the FIFA World Cup.

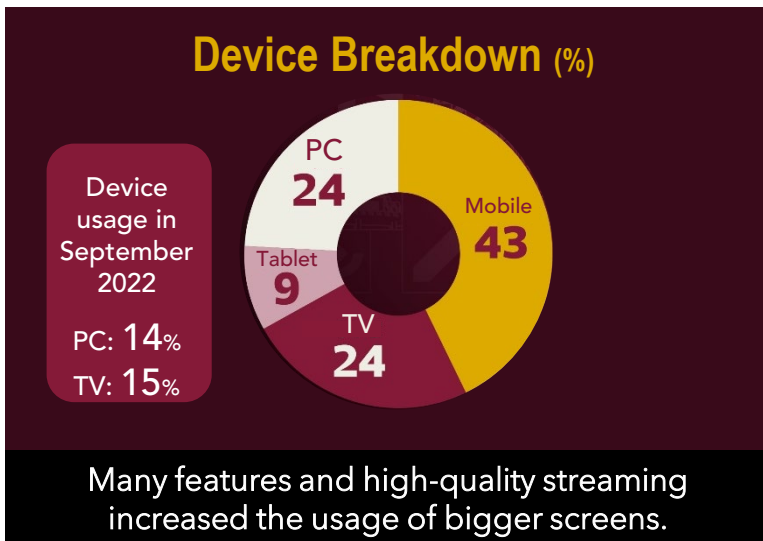
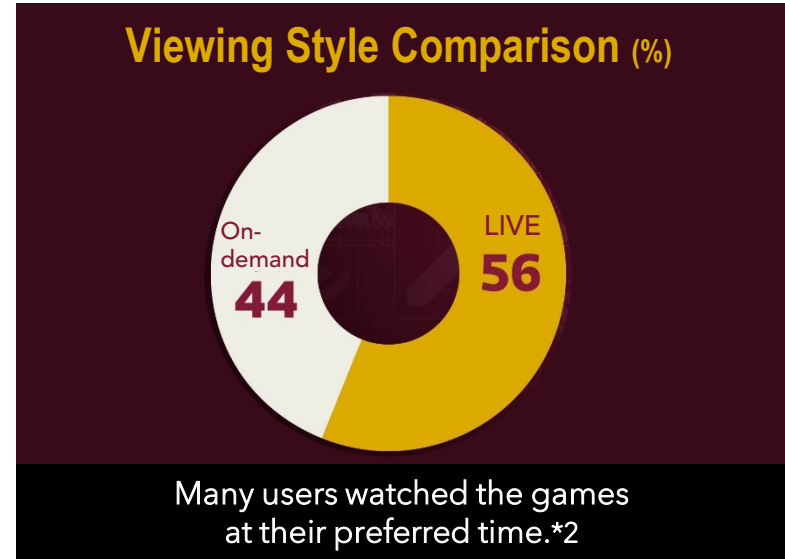
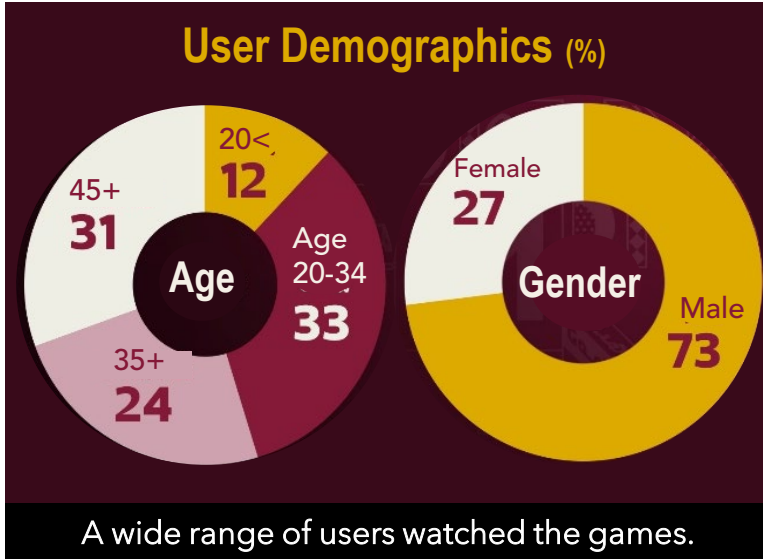
It remained **1.4** times*2 that of the previous year after the event.



*1 WAU: Weekly Active Users
*2 Comparison of the first week of January in 2022 and 2023.

4. Media Business

[ABEMA] The FIFA World Cup Qatar 2022 on ABEMA by the numbers.



*1 Survey time period: Sunday, November 20, 2022, to Sunday, December 18, 2022.

*2 On-demand viewing include the number of full match replay and match highlights viewership.

4. Media Business

[ABEMA] ABEMA provided a new viewing experience with high-quality and stable streaming.



Original Website for FIFA World Cup Qatar 2022



Multi-camera Angles



Game Data



On-demand Replay



Time Shift Replay



Comment Feature



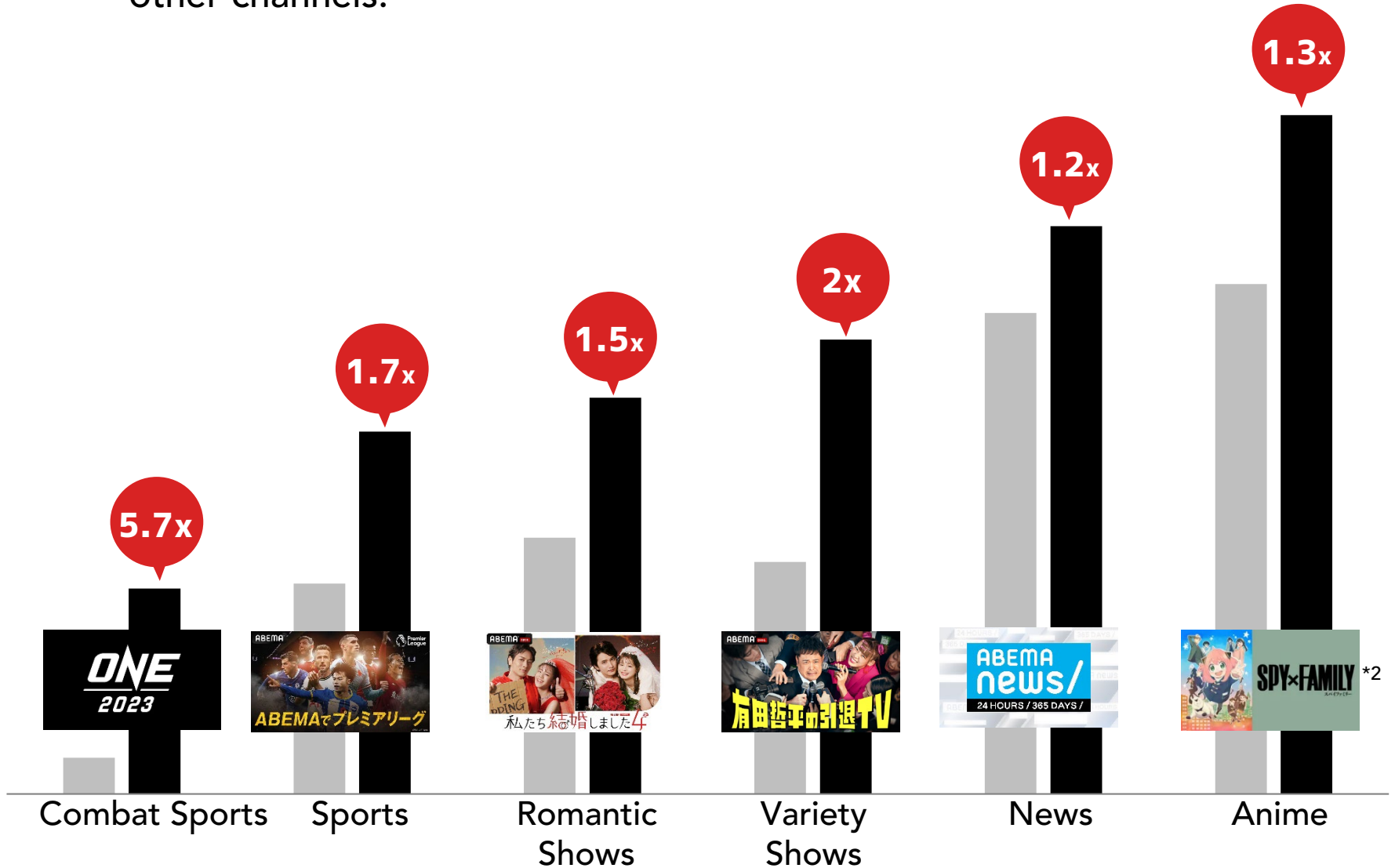
Device Compatibility



The Value of ABEMA as a medium has considerably increased.

4. Media Business

[ABEMA] The FIFA World Cup Qatar 2022 also increased the viewership*1 of other channels.

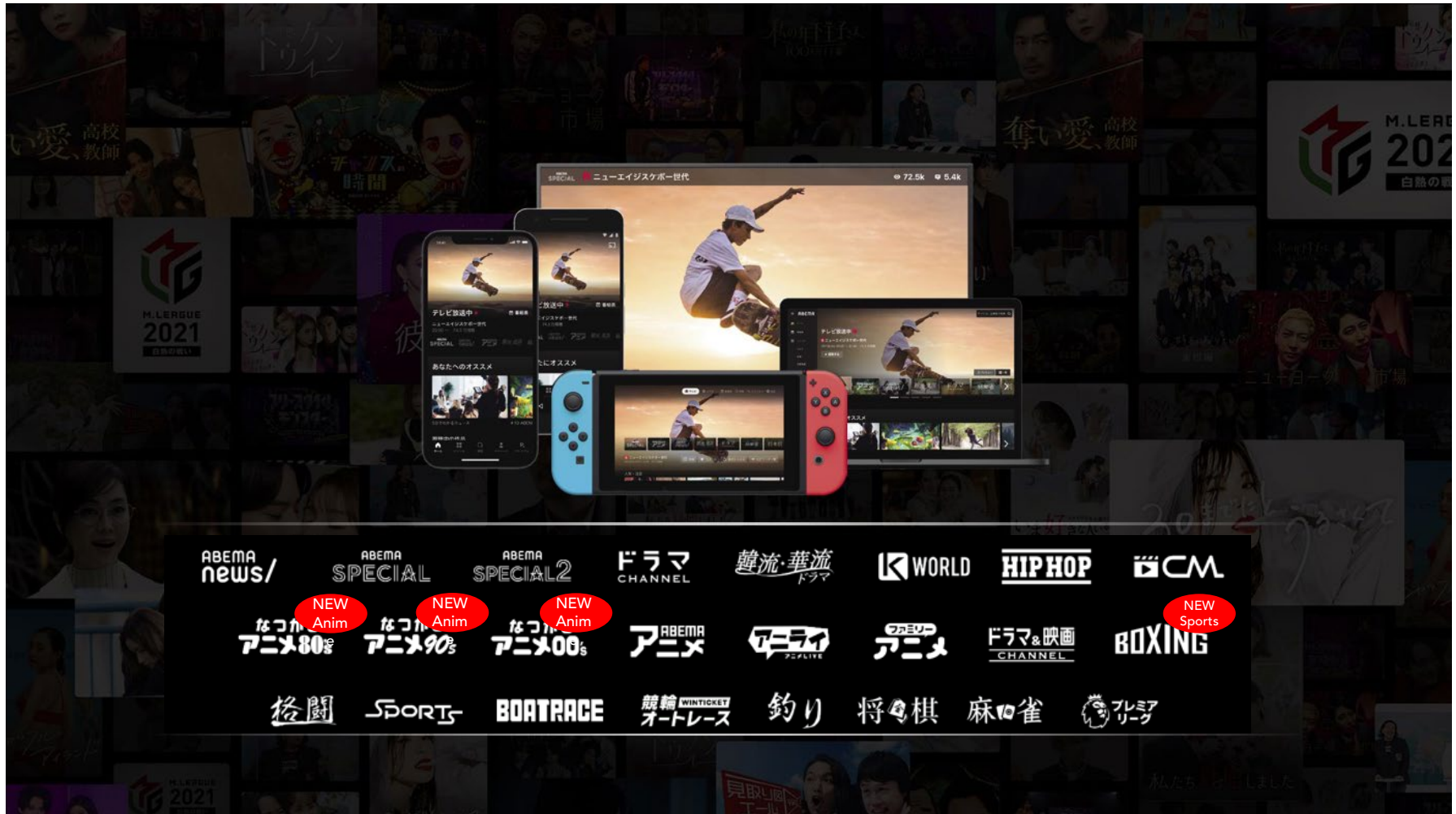


*1 Viewership: Compared the week of November 7, 2022, and the week of January 2, 2023, that are before and after the FIFA World Cup.

*2 ©Tatsuya Endo/ Shueisha, Spy x Family Production Committee

4. Media Business

[ABEMA] A new sports channel and three new anime channels are added to expand the coverage of these genres.



4. Media Business

[ABEMA] The live events of combat sports and other popular genres are attracting a large audience.

The last match of legendary pro-wrestler Keiji Muto on Feb. 21, 2023

Exclusive



The Osho title match of Japanese Shogi on Jan. 21 and 22, 2023



A series of NJPW and NOAH matches on Jan. 21, 2023

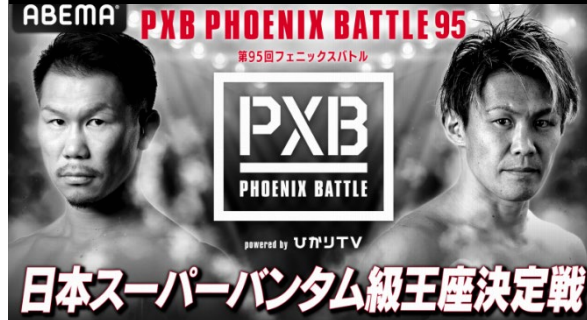
Exclusive



The MMA event RIZIN 40 took place on December 31, 2022



Japan boxing super bantamweight championship on December 26, 2022



Live concert of idol girl group Momoiro Clover Z on December 24 and 25, 2022

Exclusive

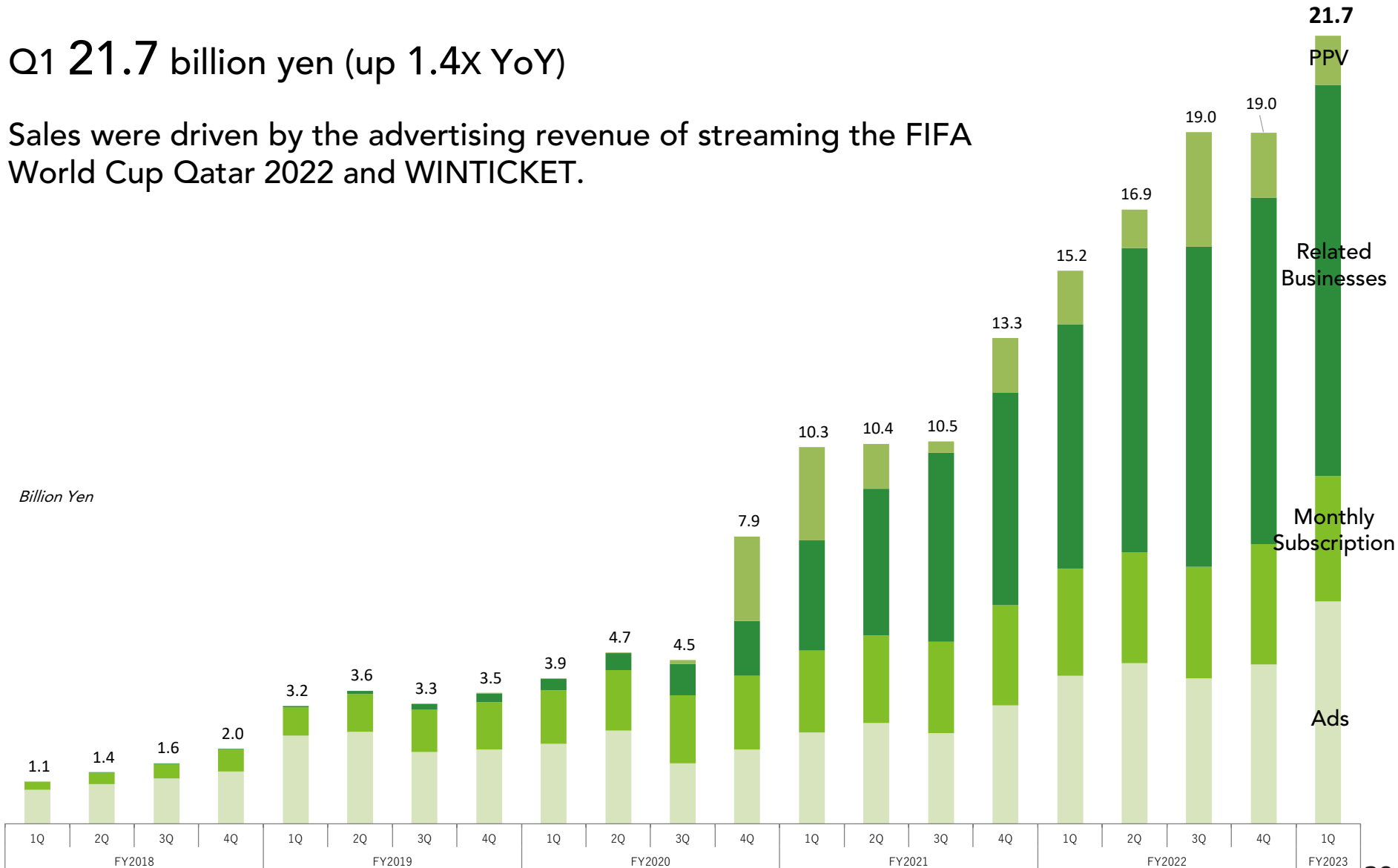


4. Media Business

[Sales of ABEMA & Related Businesses]

Q1 21.7 billion yen (up 1.4X YoY)

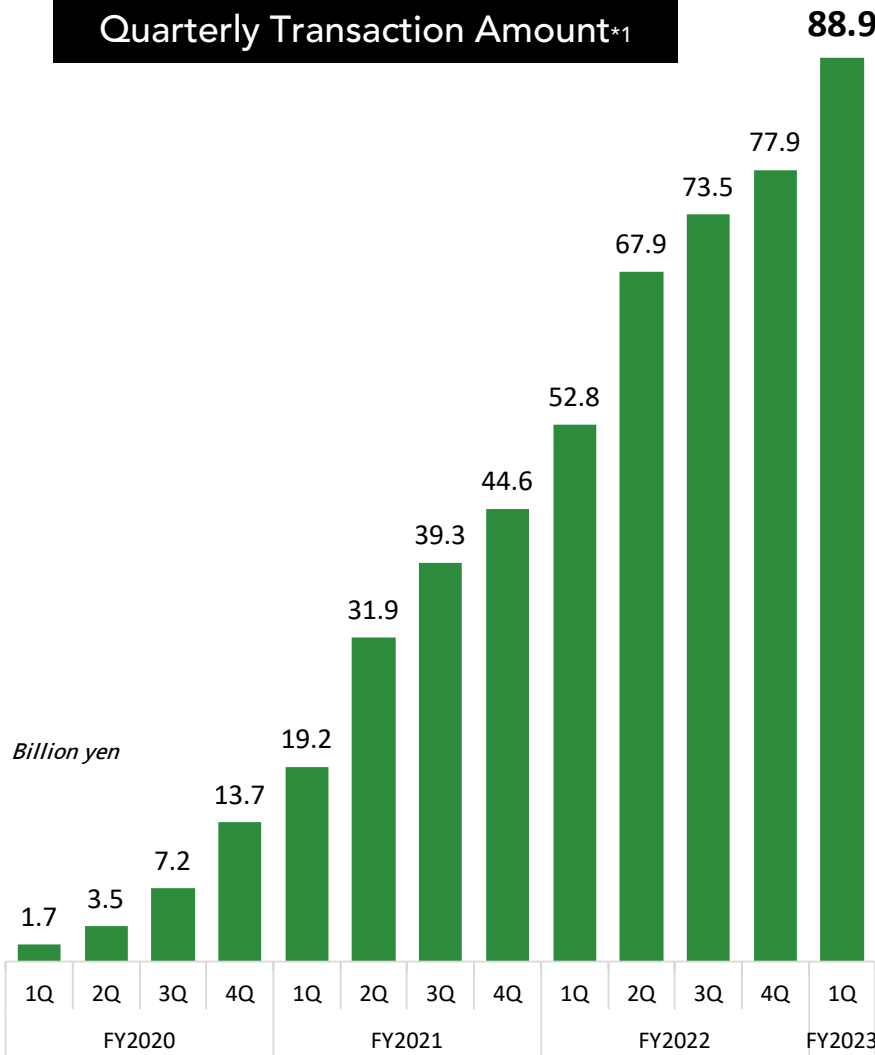
Sales were driven by the advertising revenue of streaming the FIFA World Cup Qatar 2022 and WINTICKET.



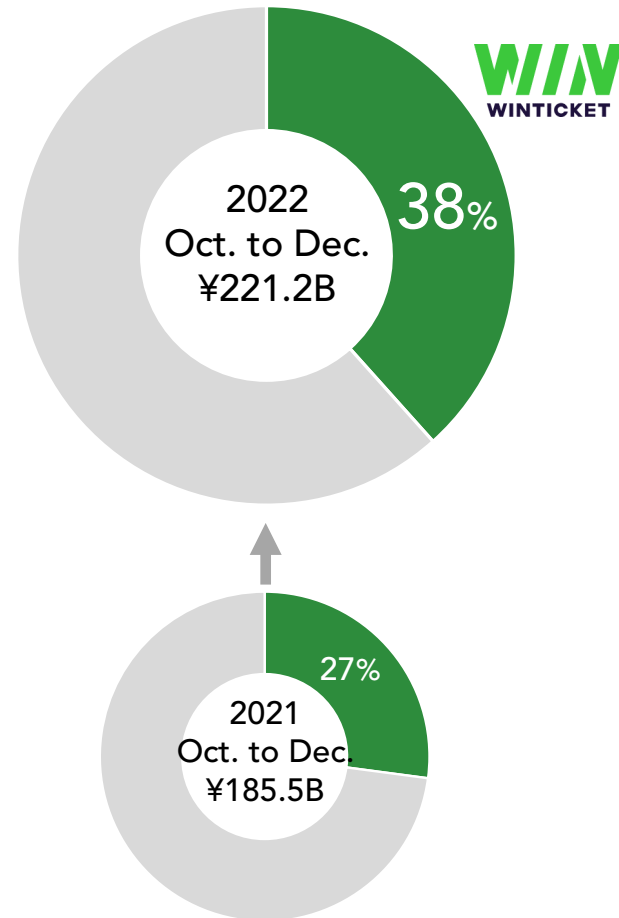
4. Media Business

[WINTICKET]The transaction amount grew 1.7x and remained strong.

Quarterly Transaction Amount*1



Keirin Online Betting Market*2



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

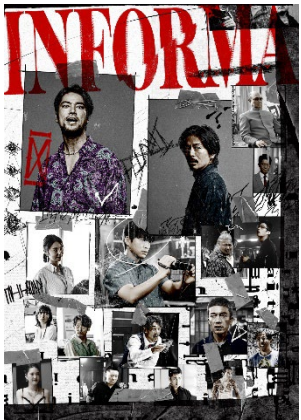
*2 Keirin Online Betting Market: October-December 2021 and October-November 2022 are taken from JKA's public relations KEIRIN "Telephone Betting" sales. The estimate of Dec. 2022 is made by CyberAgent.

4. Media Business

[BABEL LABEL] Content studio BABEL LABEL partnered with Netflix aiming at producing world-class content to distribute on Netflix.



BABEL LABEL



TV drama
"INFORMA"



Movie
"The Family"



Movie
"Ghost in the Shell: SAC_2045
Sustainable War"



Netflix Original
"Samurai Gourmet"



Netflix Original
"Million Yen Women"



Netflix Original
"The Journalist"

Medium to Long-Term Strategy

5. 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

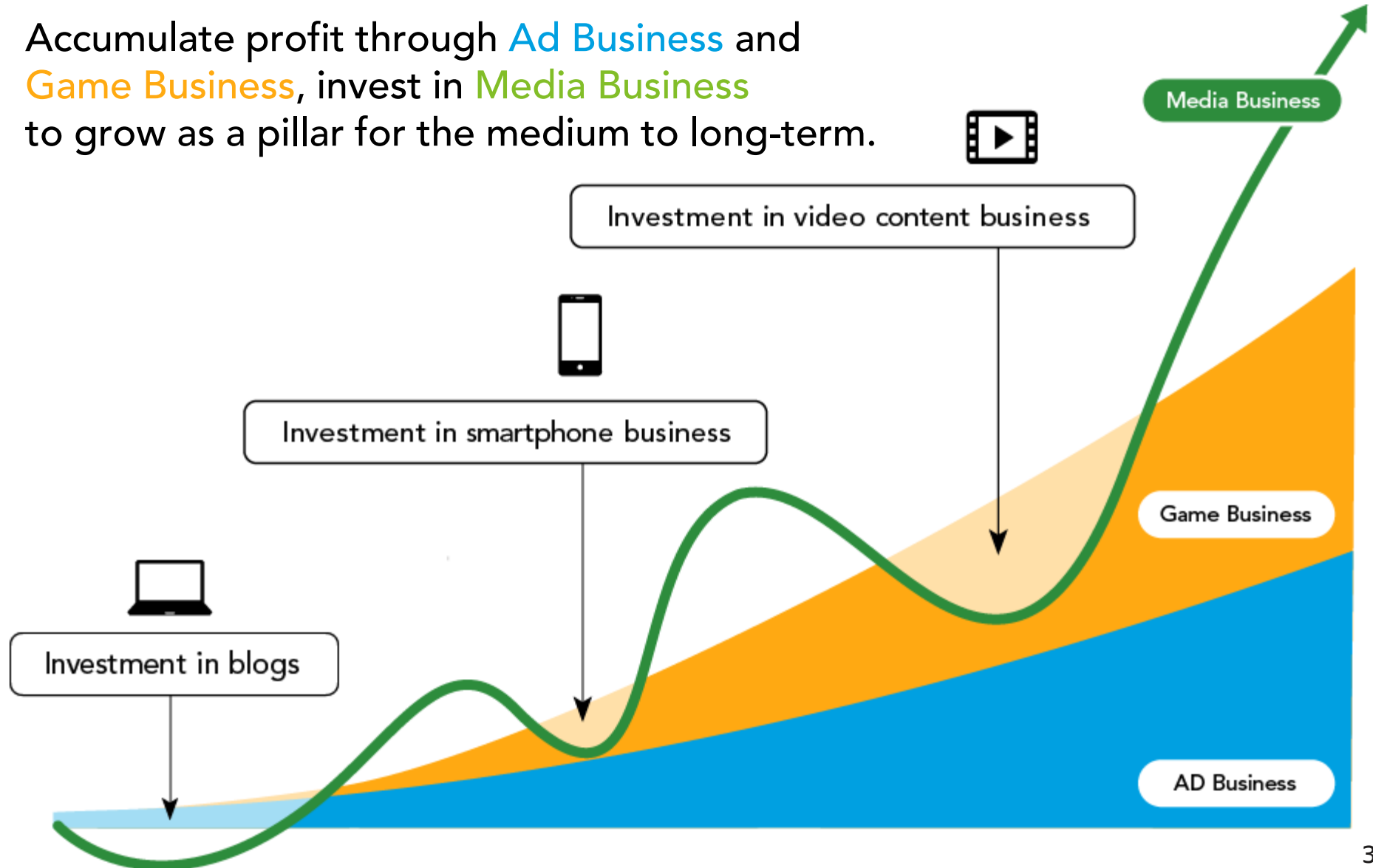
Game

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

5. 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.

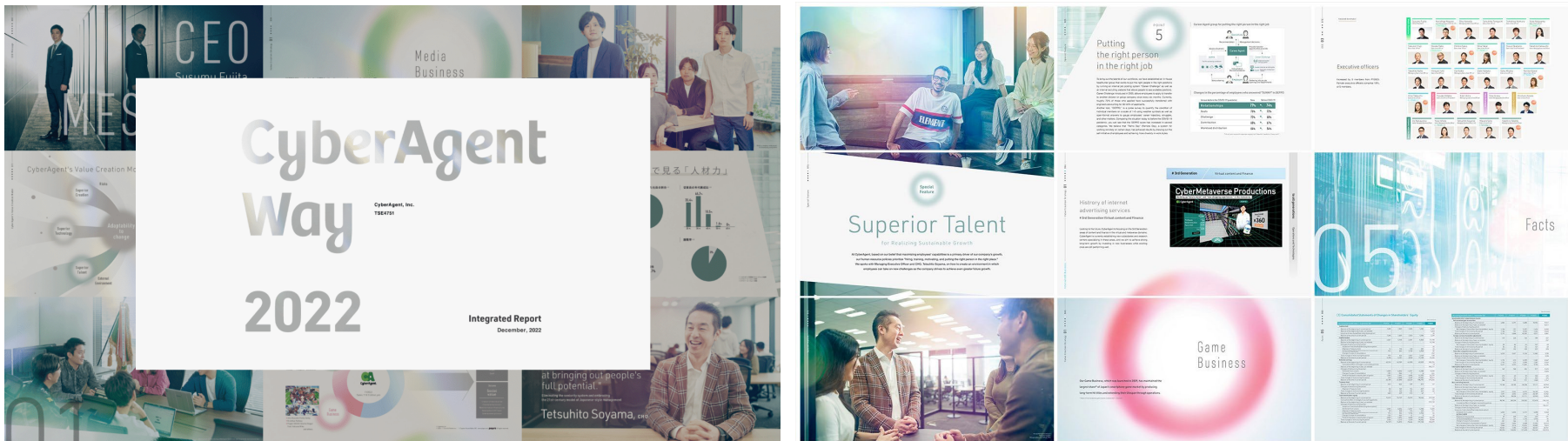
Challenge the world with a fusion of technology and creativity.

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.

Integrated Report CyberAgent Way 2022



The 2022 Integrated Report features our talent management frameworks to realize sustainable growth with soaring attention by society. It introduces our four focus areas: hiring, developing human resources, energizing the organization, and placing the right person in the right job, as well as systems to support our people to take on challenges. Visit our investor relations website to read more.

Integrated Report CyberAgent Way 2022

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

Click!!



FY2023 Q2 earnings release is scheduled to be released at 3 pm or later on Wednesday,
April 26, 2023.

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