

Financial Results Presentation For The Third Quarter FY2013

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Overview of Consolidated Financial Results (April 2013-June 2013)

1 Overview of Consolidated Financial Results

Third Quarter Highlights (Apr. – Jun. 2013)

Consolidated Financial Results

- Ratio of smartphone-related sales to consolidated sales: **59.4%**
Sales: **38.0 billion yen**
(sales excluding FX business increased **19.1%** over the same quarter of the previous year)
Operating Profit: **1.6 billion yen**

Ameba Business

- “Ameba” for smartphone is doing well
Smartphone PV: **12.2 billion PVs** for June
(1.8 times over the same month of the previous year)
Smartphone coin spent amount: Increased to a quarterly amount of **5.7 billion**
(**14 times** over the same quarter of the previous year)

Internet Advertisement Business

- Sales of smartphone advertisement: **7.6 billion yen**
(**2.2 times** over the same quarter of the previous year)
Sales: **19.2 billion yen** (increase **15%** over the same quarter of the previous year)
Operating Profit: **1.5 billion yen**

SAP and Other Media Businesses

- Quarterly operating profit reached a record high
Sales: **14.1 billion yen** (**1.3 times** over the same quarter of the previous year)
Operating Profit: **2.9 billion yen** (Operating profit margin: **20.7%**)

1 Overview of Consolidated Financial Results

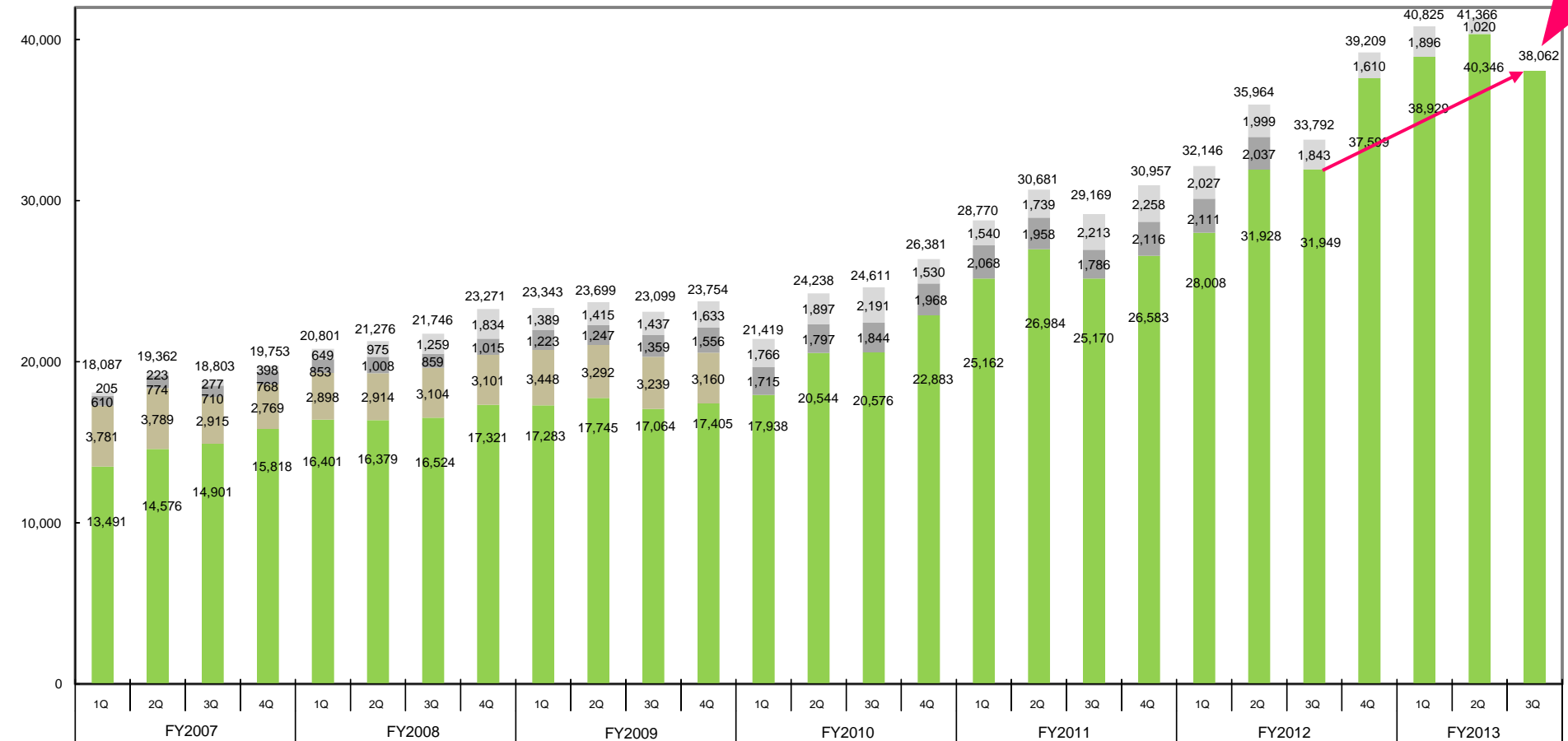
Quarterly Consolidated Sales

Sales excluding FX business increased **19.1%** over the same quarter of the previous year
The third quarter has consistently shown slow growth in past years

Increased 19.1%
over the same
quarter of
the previous year

(Unit: million yen)

Quarterly Consolidated Sales



■ Sales excluding netprice.com, Ltd., VOYAGE GROUP, Inc. and CyberAgent FX, Inc.

■ Sales of netprice.com, Ltd.

■ Sales of VOYAGE GROUP, Inc.

■ Sales of CyberAgent FX, Inc.

Note 1: netprice.com, Ltd. was transitioned from consolidated subsidiary to our equity method affiliate in FY2010.

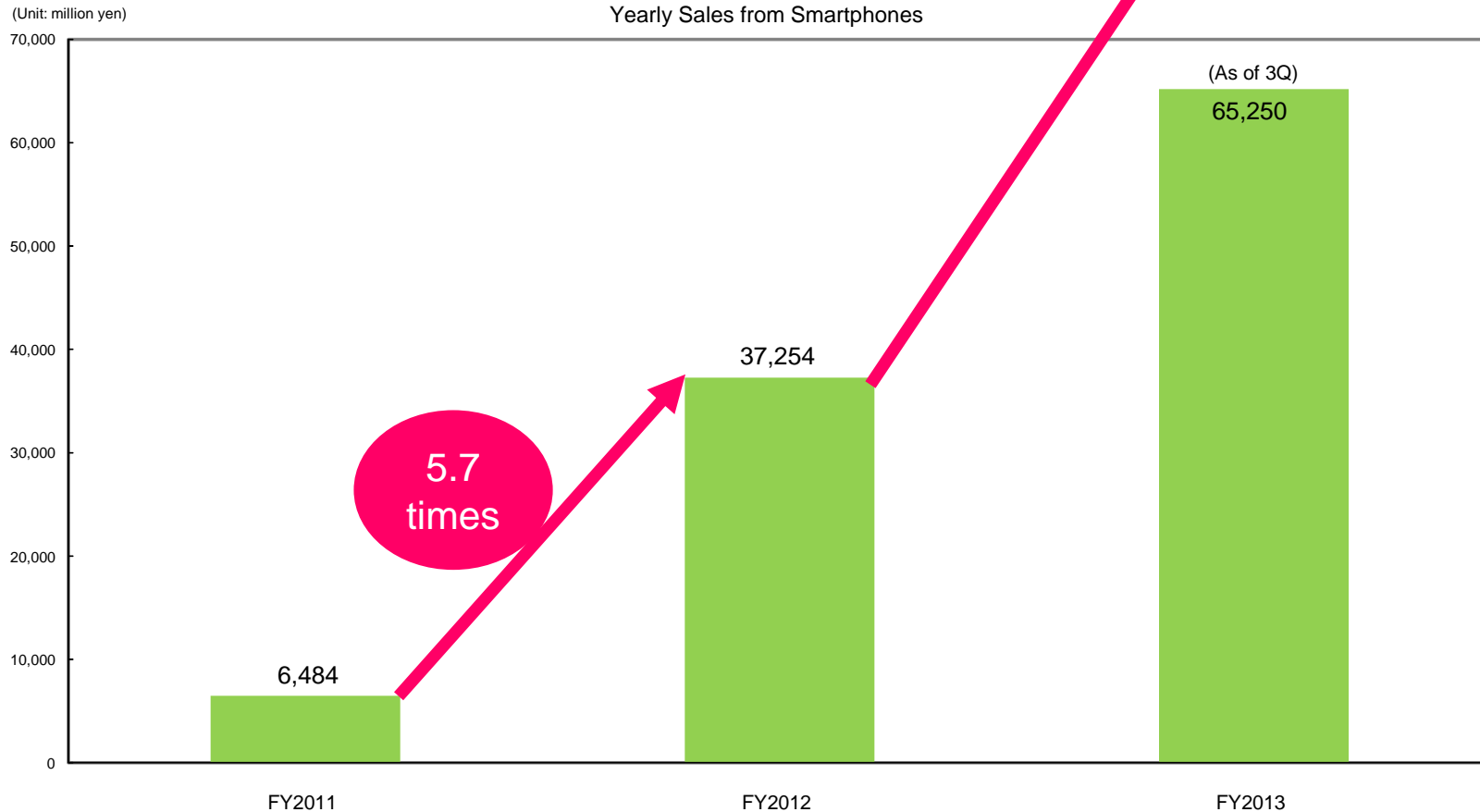
Note 2: The stock of VOYAGE GROUP, Inc. was transferred in 3Q 2012, and so is no longer consolidated.

Note 3: The stock of CyberAgent FX, Inc. was transferred in 2Q 2013, and so is no longer consolidated.

1 Overview of Consolidated Financial Results

Yearly Sales from Smartphones

As of 3Q: **65.2 billion yen** (cumulative)
Over 3 years, we have switched to smartphone business
(**approximately 60%** of sales)
*Note 3



Note 1: The sales from smartphones include ad fees, virtual content, and others

Note 2: Reference value before the deductions for intracompany transfers

Note 3: Ratio of smartphone sales to FY2013 3Q consolidated sales : 59.4%

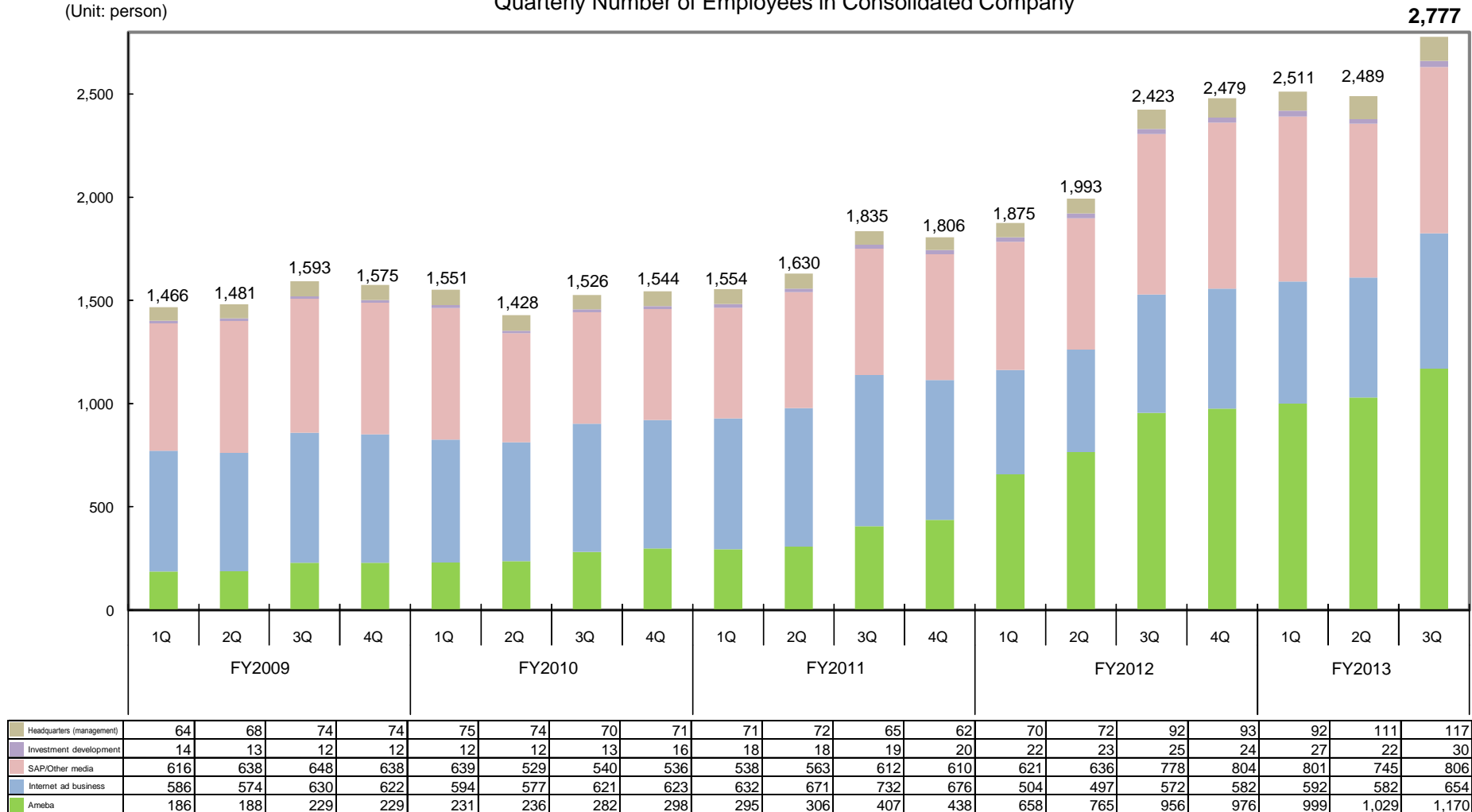
1 Overview of Consolidated Financial Results

Quarterly Number of Employees in Consolidated Companies

Increase of 288 from the previous quarter (305 new employees joined in April)

(Unit: person)

Quarterly Number of Employees in Consolidated Company



The number of employees of the old consolidated firms: netprice.com, Ltd., VOYAGE GROUP, Inc., and CyberAgent FX, Inc. is excluded.

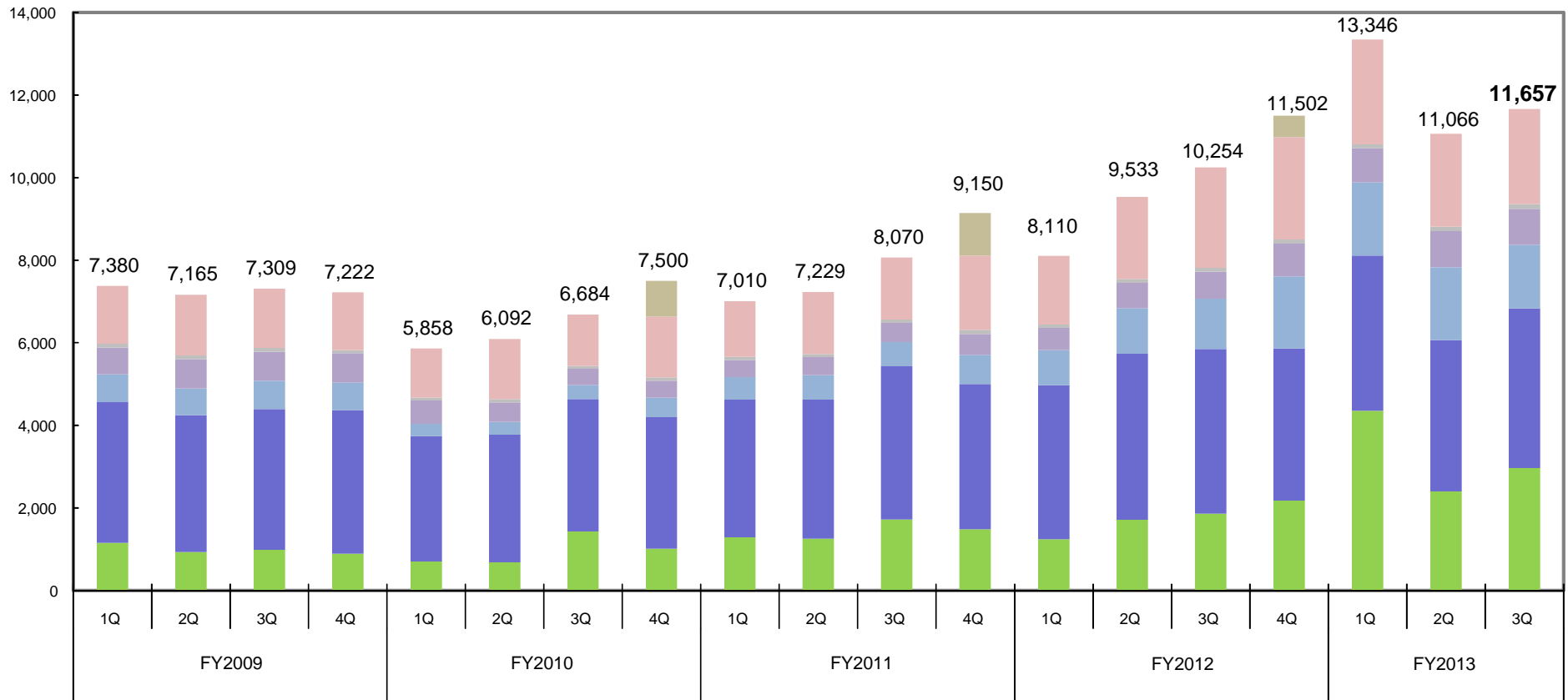
1 Overview of Consolidated Financial Results

Quarterly SG&A Expenses

Advertising costs increased due to television commercials for the Ameba business
Personnel costs increased due to new employees

Quarterly SG&A Expenses

(Unit: million yen)



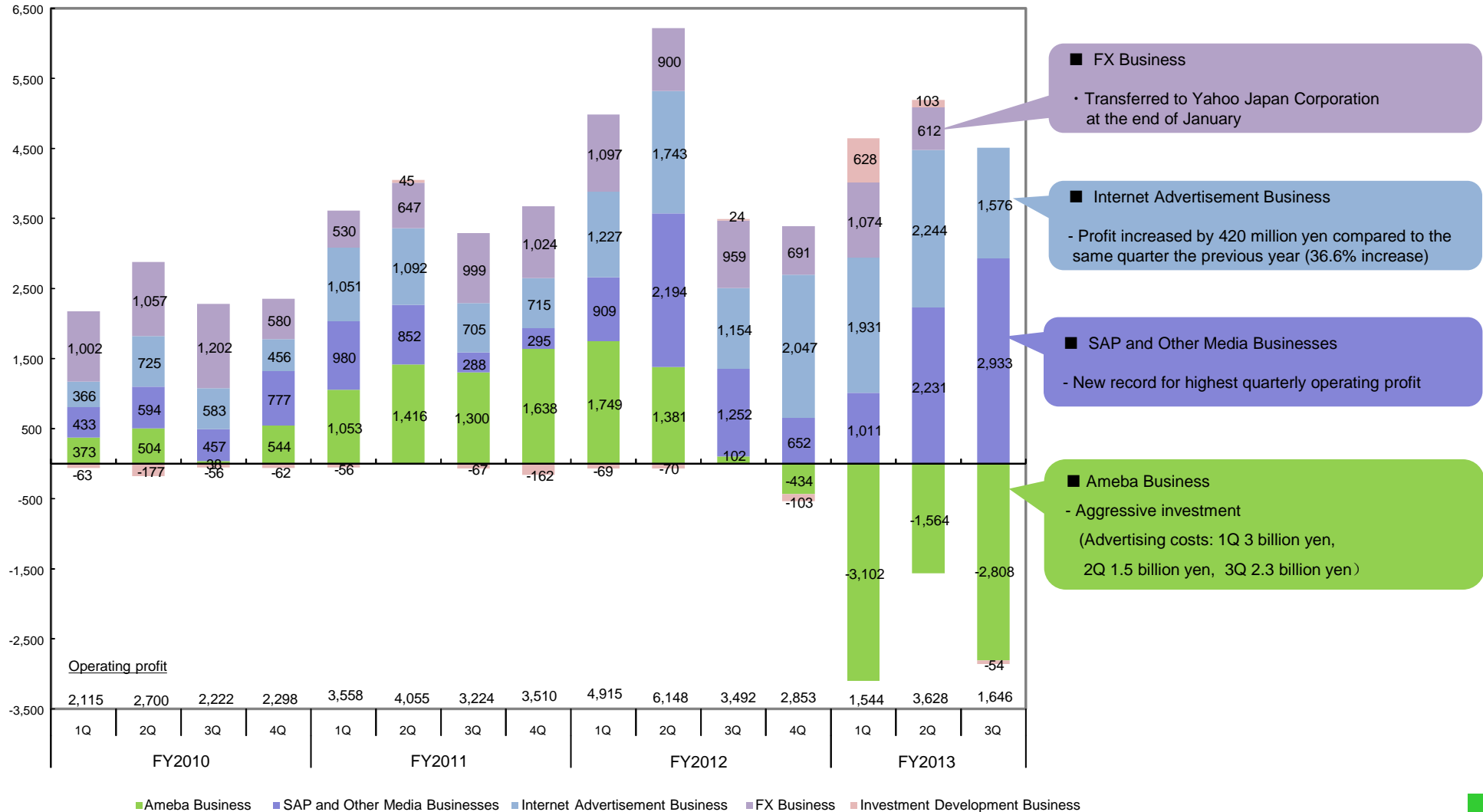
Earnings Incentives	-	-	-	-	-	-	-	864	-	-	-	1,035	-	-	-	518	-	-	-
Others	1,397	1,470	1,434	1,395	1,181	1,452	1,240	1,469	1,342	1,498	1,505	1,802	1,661	1,990	2,434	2,482	2,537	2,255	2,303
Consolidated adjustment	96	90	89	78	71	80	73	75	82	72	77	89	84	95	96	100	97	104	106
Office costs	651	709	696	706	566	466	382	416	409	438	462	513	544	605	648	793	826	875	872
Sales related costs	668	645	693	677	301	316	352	470	547	595	589	707	846	1,111	1,218	1,743	1,769	1,767	1,538
Personnel	3,410	3,314	3,405	3,474	3,033	3,091	3,206	3,190	3,335	3,364	3,711	3,512	3,728	4,012	3,993	3,686	3,759	3,663	3,870
Advertisement costs	1,157	936	992	890	706	685	1,428	1,014	1,293	1,260	1,723	1,489	1,244	1,720	1,864	2,179	4,358	2,401	2,968

1 Overview of Consolidated Financial Results

Quarterly Operating Profit by Business Segments

(Unit: million yen)

Quarterly Operating Profit by Business Segments



1 Overview of Consolidated Financial Results

PL

Unit: million yen	Apr-Jun 2013	Apr-Jun 2012	Change
Net sales	38,062	33,792	12.6 %
Gross margin	13,303	13,746	(3.2 %)
SG&A expenses	11,657	10,254	13.7 %
Operating profit	1,646	3,492	(52.9 %)
Operating profit margin	4.3%	10.3%	(6.0 points)
Ordinary profit	1,742	3,438	(49.3 %)
Extraordinary income	142	1,026	(86.2 %)
Extraordinary loss	876	275	218.5 %
Current net pretax profit	1,008	4,188	(75.9 %)
Current net profit	133	1,823	(92.7 %)

► Loss from the withdrawal from unprofitable businesses, and impairment loss, etc.

1 Overview of Consolidated Financial Results

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Unit: million yen	End of Jun 2013	End of Mar 2013	Change
Current assets	57,948	61,768	(6.2 %)
Cash deposits	● 29,541	31,443	(6.0 %)
Fixed assets	20,458	19,516	4.8 %
Total assets	78,406	81,284	(3.5 %)
Current liabilities	28,069	32,173	(12.8 %)
(Income tax payable)	● 5,325	8,283	(35.7 %)
Fixed liabilities	995	881	12.9 %
Net assets	49,341	48,229	2.3 %

→ Interim tax payment: 3.1 billion yen

1 Overview of Consolidated Financial Results

Progress Rate with Respect to the Forecast for FY2013

Progress rate with respect to the forecast for FY2013

Unit: million yen	Sales	Operating Profit	Ordinary Profit	Net Profit
Forecast for FY2013	170,000	10,000	10,000	12,000
Results for 3Q FY2013	120,254	6,818	7,090	9,688
Progress rate for 3Q FY2013	70.7 %	68.2 %	70.9 %	80.7 %

Dividend Forecast

Unit: yen	Dividend per share	Dividend increase rate (from the previous term)	Total dividend
Estimated dividend for FY2013	3,500	0 %	2,179 million
Dividend for FY2012	3,500	0 %	2,265 million
Dividend for FY2011	3,500	59 %	2,282 million

Note1: The total dividend for the term ending Sep. 2013 was calculated from the number of outstanding shares as of the end of Mar. 2013 (excluding treasury shares).

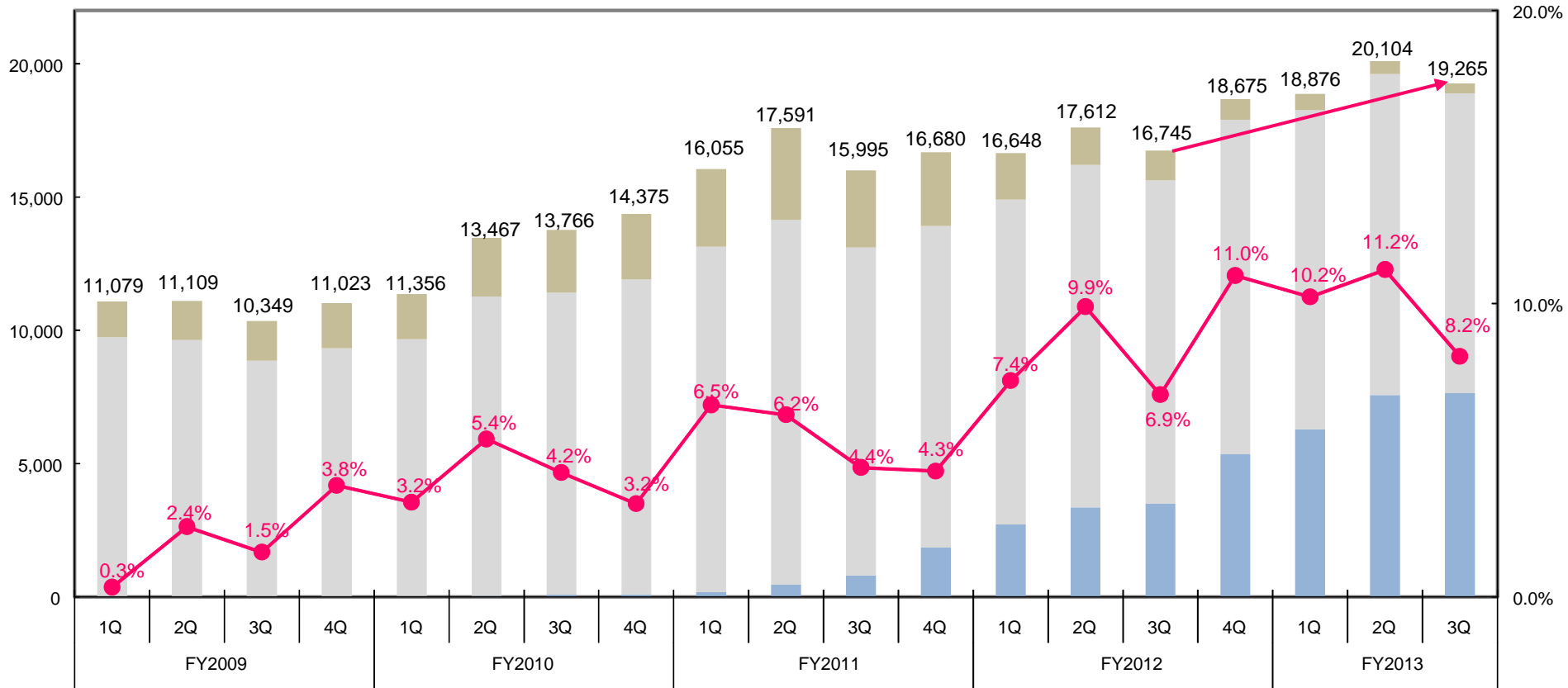
Internet Advertisement Business

Quarterly Sales & Operating Profit

Sales increased **15%** over the same quarter of the previous year

(Unit: million yen)

Quarterly Sales of Internet Advertisement Business



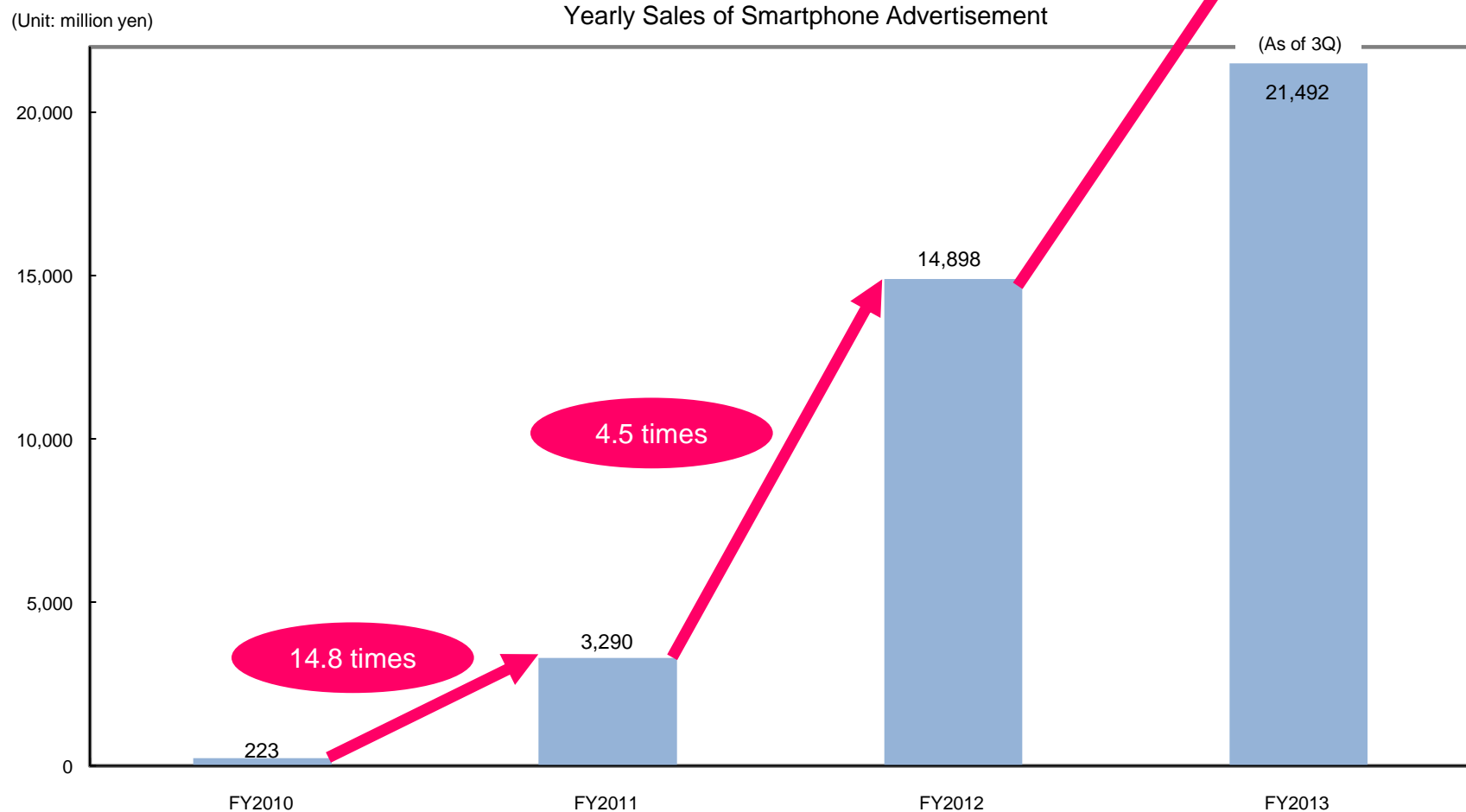
Feature phone	1,346	1,472	1,491	1,702	1,687	2,192	2,360	2,462	2,915	3,453	2,888	2,764	1,742	1,410	1,116	784	613	492	374
PC	9,733	9,637	8,858	9,321	9,646	11,240	11,326	11,828	12,958	13,682	12,299	12,071	12,191	12,856	12,140	12,542	11,973	12,048	11,252
Smartphone	0	0	0	0	23	35	80	85	182	456	808	1,845	2,715	3,346	3,489	5,348	6,289	7,564	7,639

—●— Operating profit margin

Yearly Sales of Smartphone Advertisement

As of 3Q: **21.4 billion yen** (cumulative)

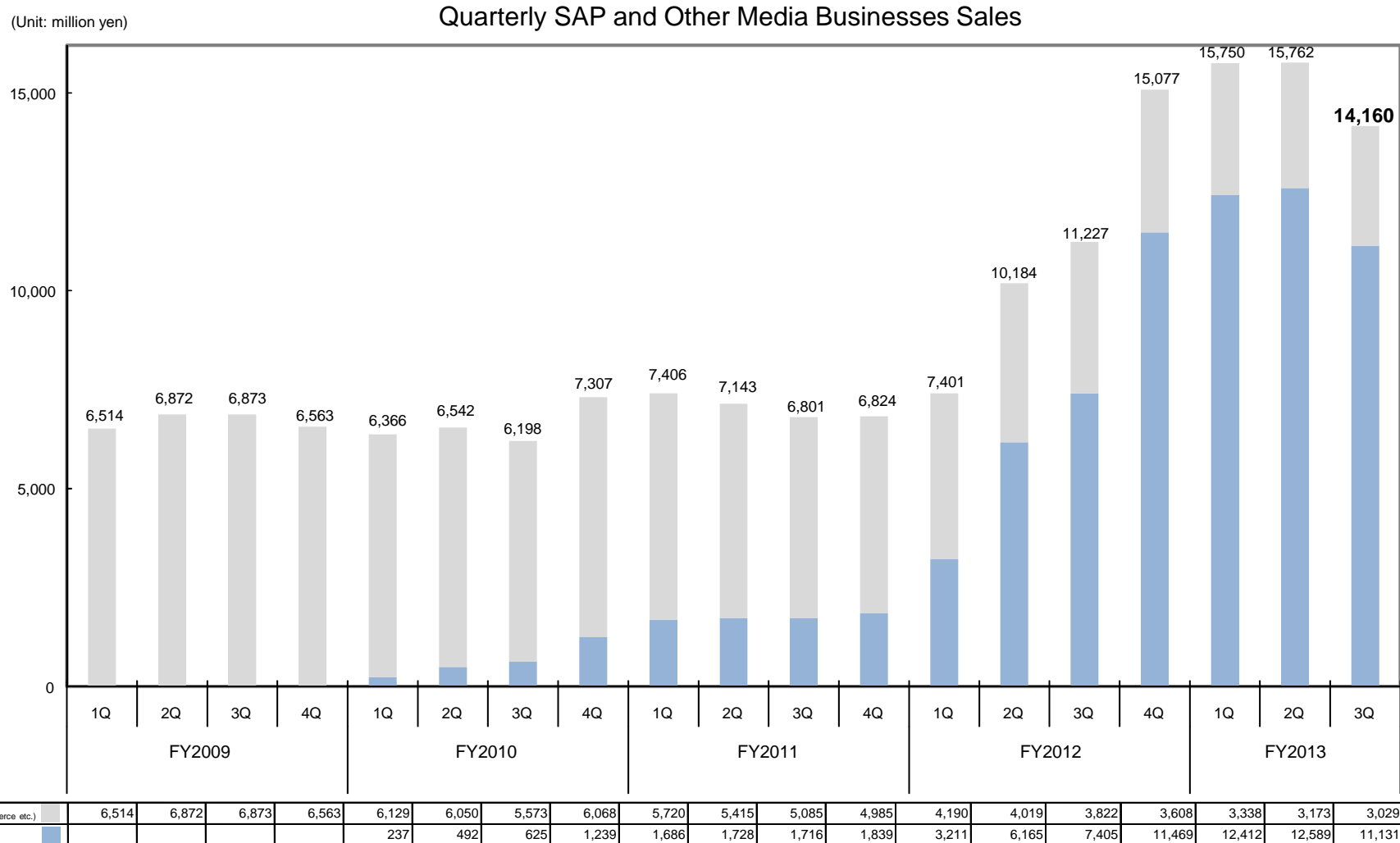
FY2013 3Q smartphone advertisement sales account for **approx. 40%**



SAP and Other Media Businesses

Quarterly Sales

Leading titles are doing well. Unprofitable titles are removed and replaced with new titles
New titles are planned to be released at a constant pace

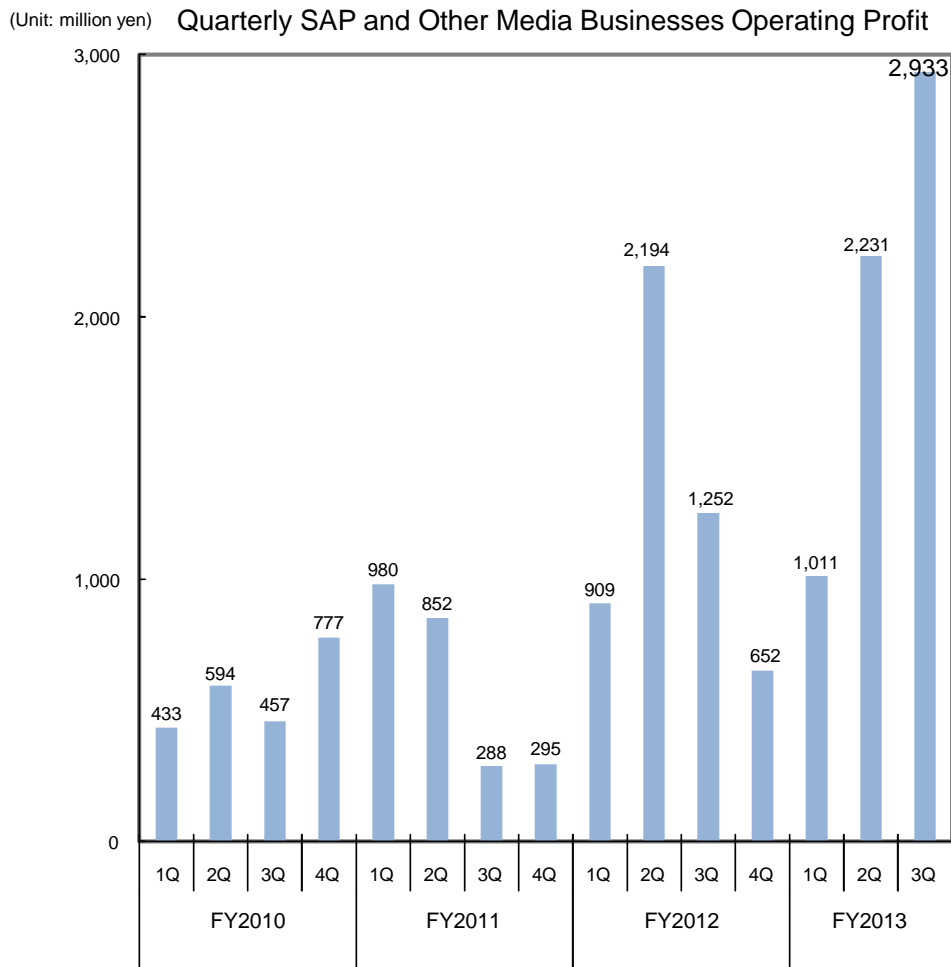


Note 1: The sales of netprice.com, Inc. and Voyage Group, Inc., which are excluded from consolidated performance, were removed retroactively.

3 SAP and Other Media Businesses

Quarterly Operating Profit

Increased efficiency of the production lines and made a new record for highest profit



Leading titles



Provided by NAMCO BANDAI Games Inc.
Provided and developed by NAMCO BANDAI Games Inc.
and Cygames Inc.



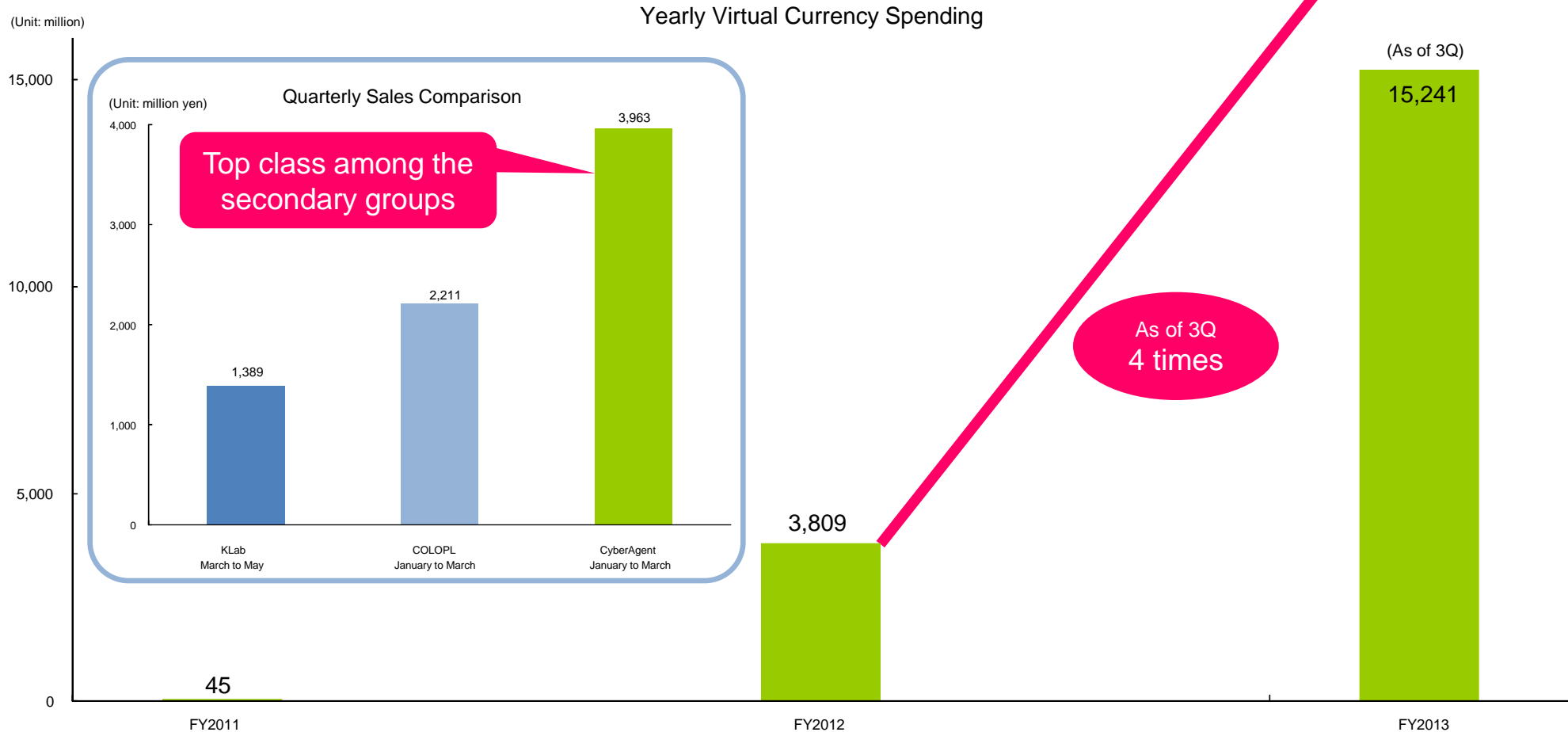
Provided by Cygames Inc.

CyberAgent Group's Smartphone Native Apps

4 CyberAgent Group's Smartphone Native Apps

Yearly Virtual Currency Spending

Smartphone Native Apps: 16 titles available
Spending of virtual currency from Smartphone Native titles increased to
4 times that of the previous year



Note 1: Smartphone Native Apps are games that use AppStore & GooglePlay for payments (in Japan and globally)
Note 2: Sales for KLab Inc. and COLOPL, Inc. are calculated using their results briefings materials

4 CyberAgent Group's Smartphone Native Apps

Leading Titles

Consistently high-ranked titles



Legend of the Cryptids

Legend of Monsters



A's Wonderland

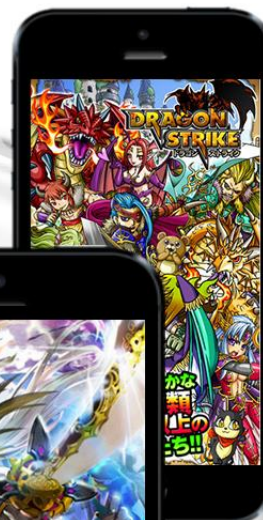


Dragon's Shadow



Sensei! Tsugi wa Battle no Jikan Desu.

Dragon Strike



Rage of Bahamut



Gang Road



Sengoku Enbu - KIZNA

Release Plans



Cygames Sangokushi Puzzle Taisen, released on July 25

A promising new title, out today!!



Release Plans

 **Ameba Native Game Studio**

Uchi no Himesama ga Ichiban Kawaii, will be released at the end of July

Ameba Native Game Studio, now open !

First title since establishment, will be released!



Release Plans

Smartphone Native titles under development for CyberAgent Group: **18 titles** (16 titles currently available)



5 titles



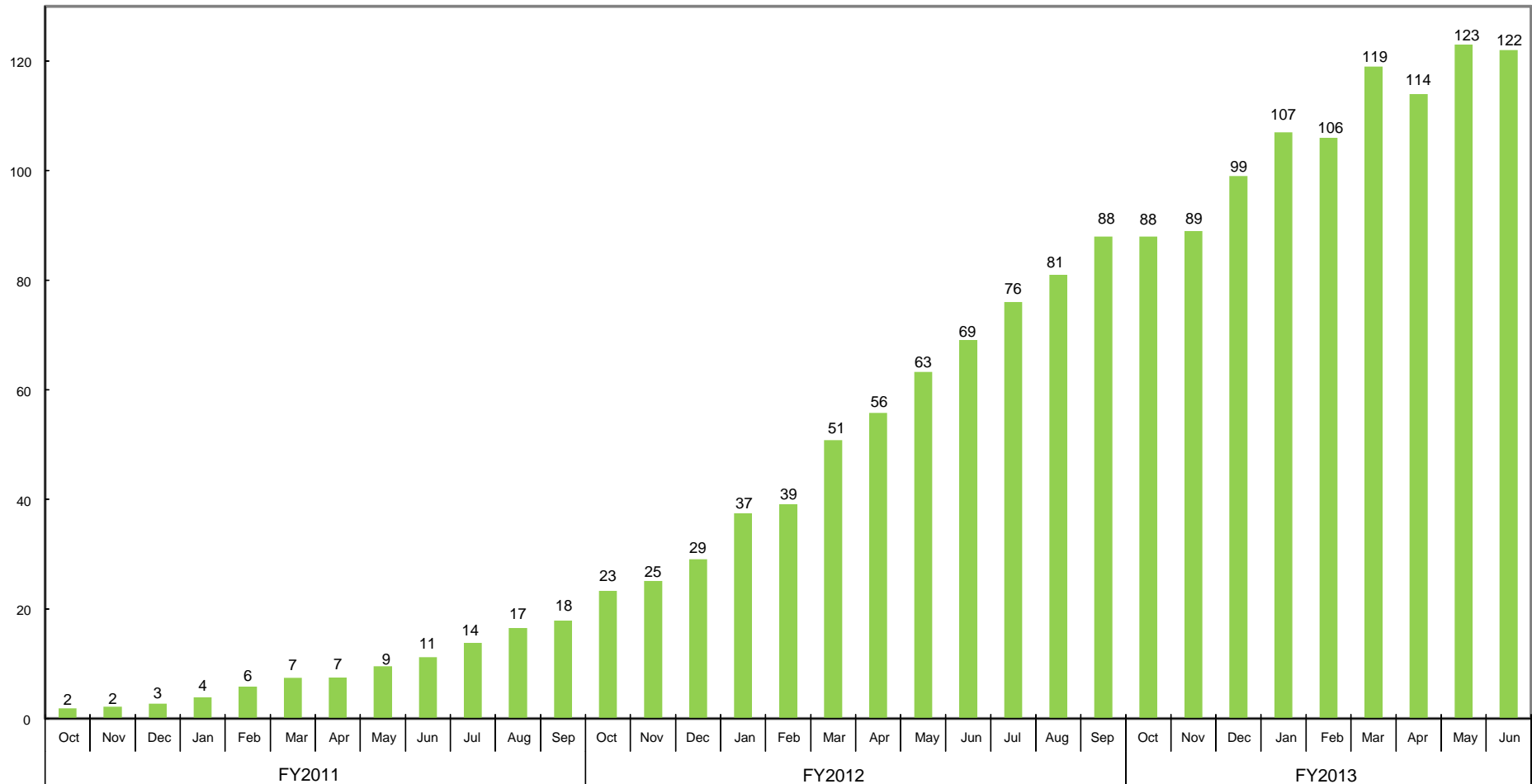
A total of 18 titles under development !

Ameba Business

Monthly Page Views from Smartphones

(Unit: hundred million PV)

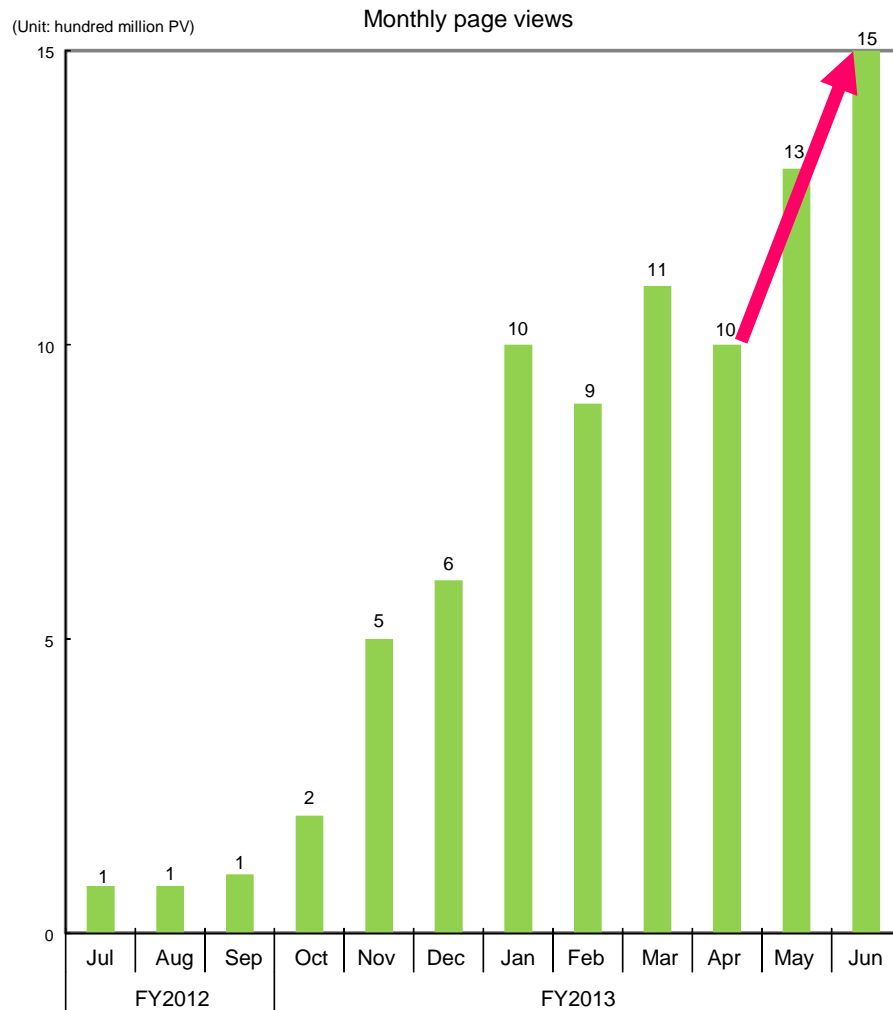
Monthly page views of “Ameba”



Note1: Retroactively excluding some pageviews, such as those from crawlers.
 Note2: Assuming the duration of June is 31 days, then PVs for June, 2013 is 12.6 billion.

Community Services

Television commercials for community services (from May 7 to June 2)
Pageviews for community services increased **1.5 times**



Community Services Commercials



Community Services



Ameba Community


PV ranking in June **TOP10**

  **Kiiteyo! Mirucho**

  **Candy**

  **Simplog**

4th  **Ohgiri**

5th  **Pashatto my Pet**

6th  **Tellme**

7th  **GIRL'S TALK**

8th  **Pekori**

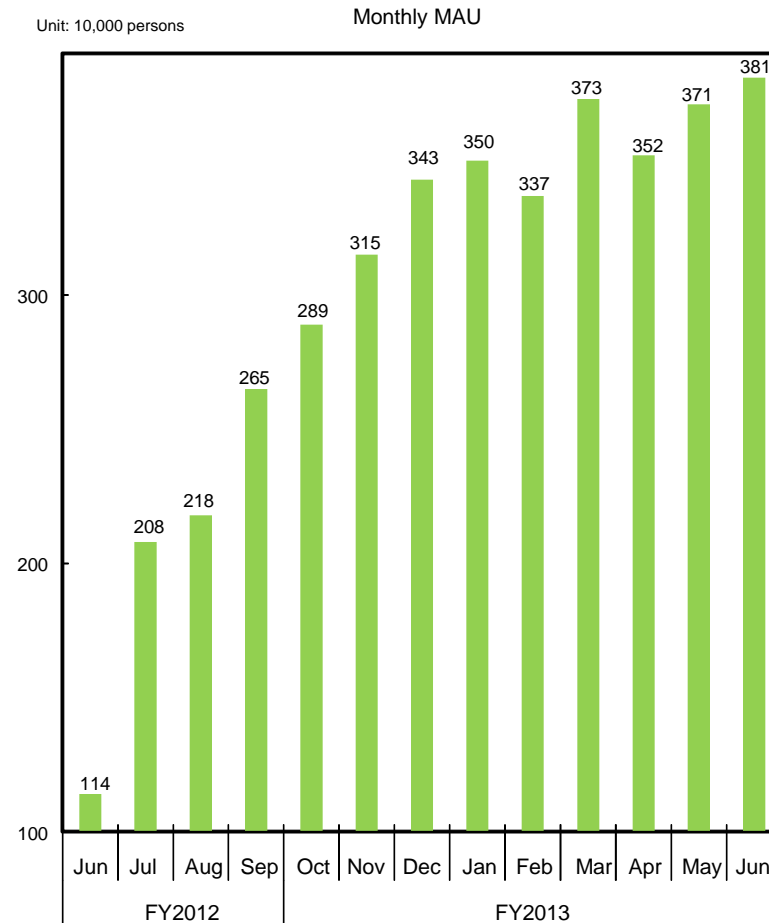
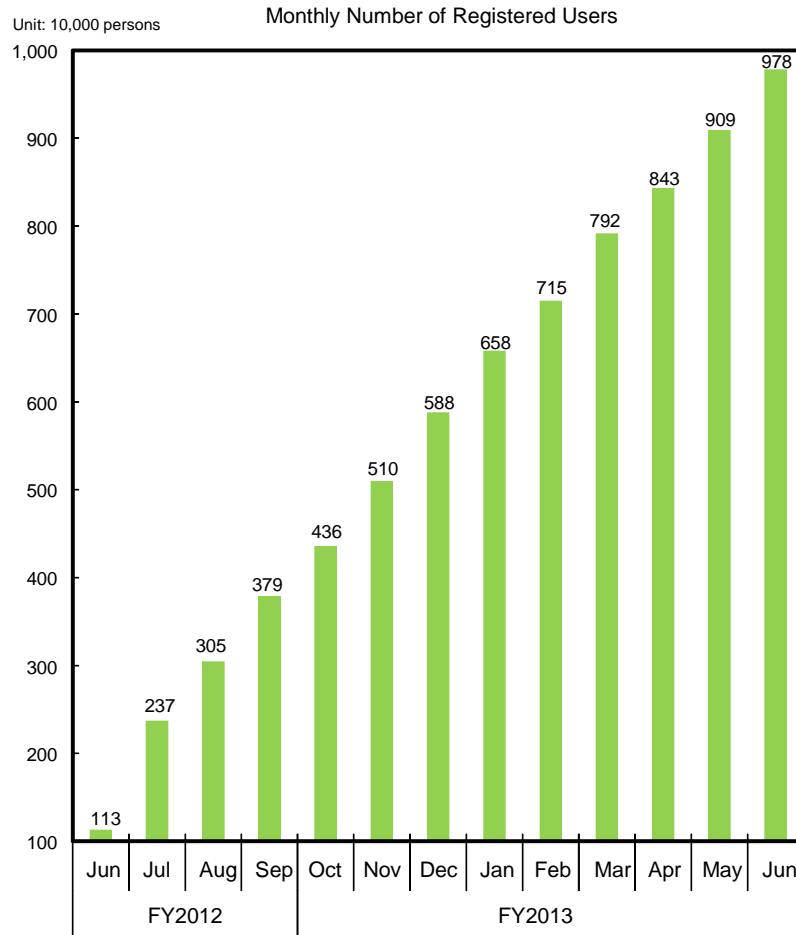
9th  **Neganega Neganyanko**

10th  **Mono Grapher**

As of the end of June: 41 services

Monthly Registered Users Using a Smartphone

Registered Users in June: 9.78 million (1.86 million increase from March)
The number of community users is increasing, but blog numbers continue to decrease



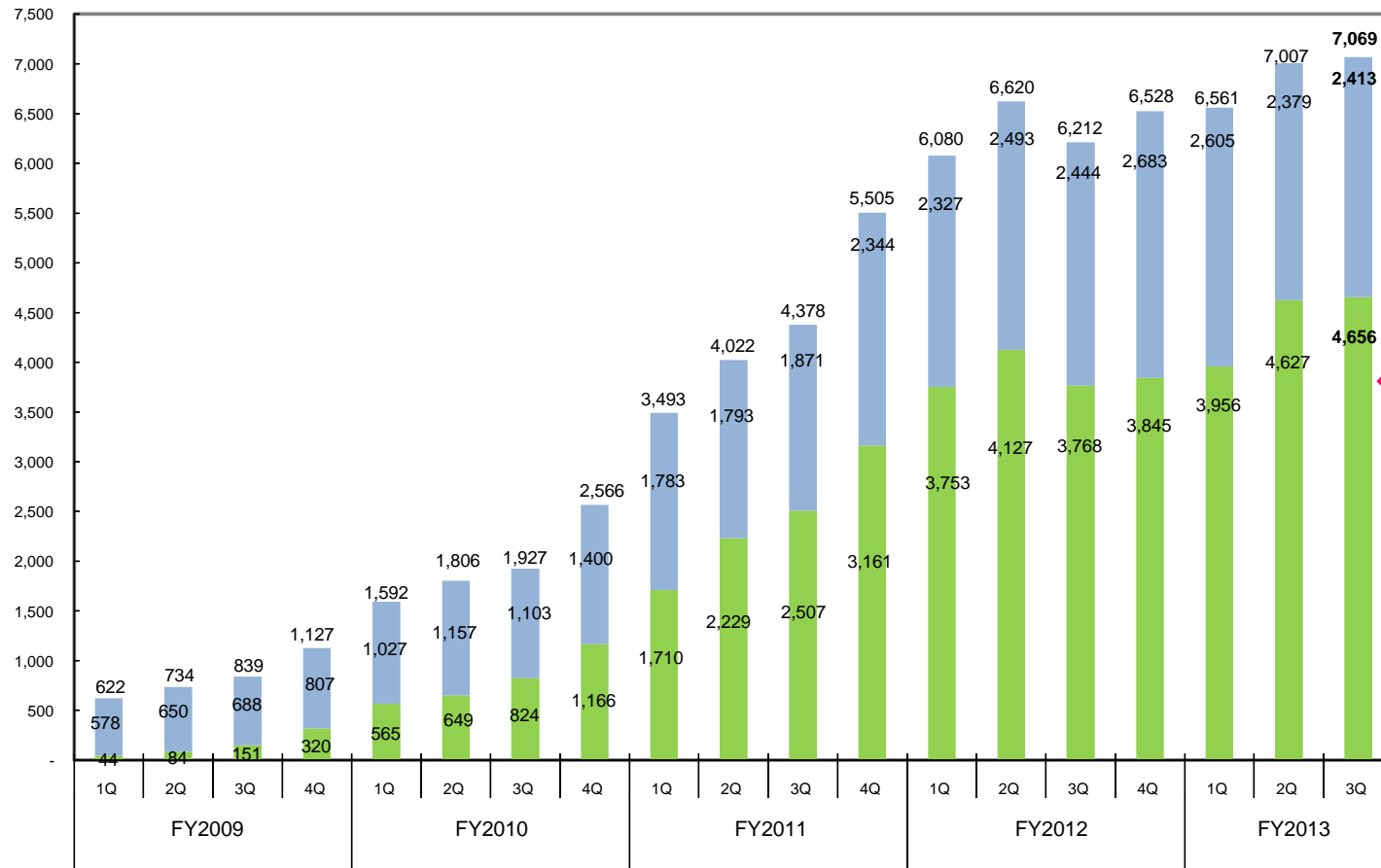
Note 1: MAU refers the number of subscribers who logged in "Ameba smartphone" more than once per month.

Quarterly Sales

Advertising sales were on the increase
Virtual content sales continue to improve for smartphones

(Unit: million yen)

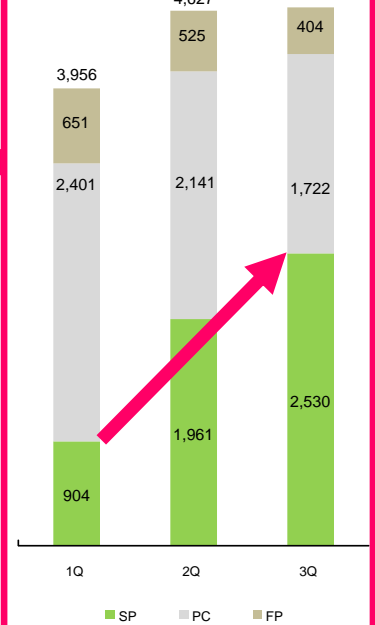
Quarterly Sales of Ameba Business



■ Virtual content sales ■ Advertisement fee, etc.

Virtual content sales by device

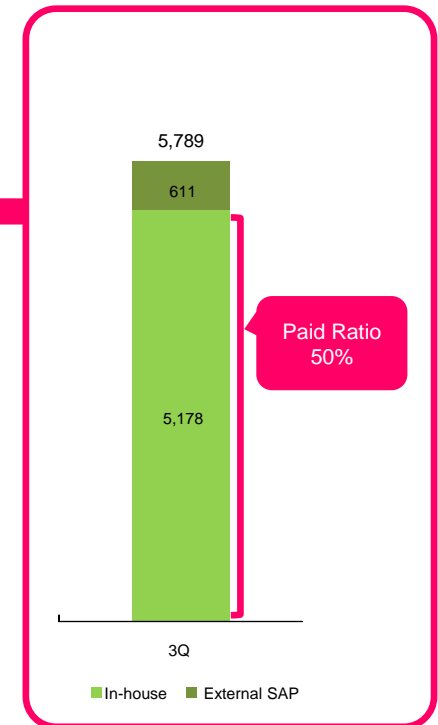
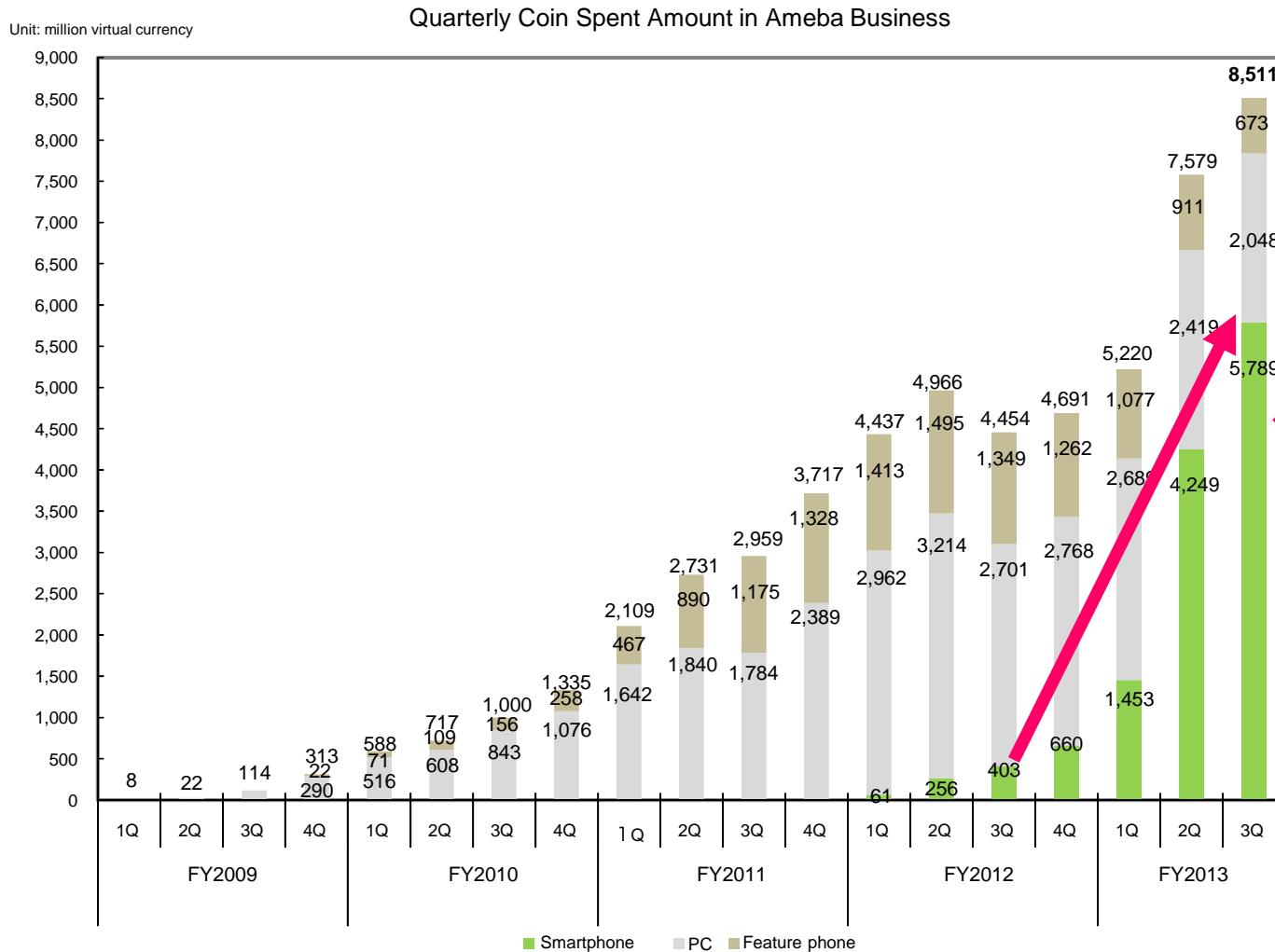
(Unit: million yen)



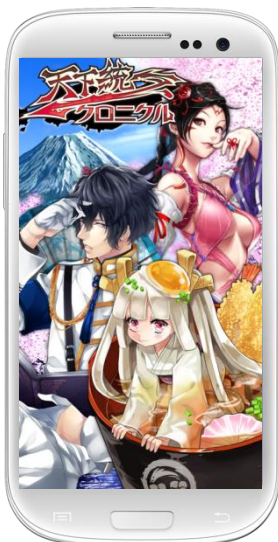
Note 1: The virtual content sales is calculated based on the virtual currency amount purchased and consumed by users.
Note 2: 2Q earnings and loss were partially modified (Ameba advertising sales decreased by 110 million yen)

Quarterly Amount of Coin Spent

The amount of coin spent for smartphones in this quarter was **5.7 billion**
(14 times increase over the same quarter of the previous year)



Games



Ameba Social Game

Coin spent amount ranking in June
TOP10



Girl Friend (tentative)



Tenka-toitsu-chronicle



mogg



4th **Tenku no Christaria**



5th **Gang Soul**



6th **Sengoku SAGA**



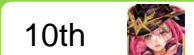
7th **Farmy**



8th **Ikemen okyu Midnight Cinderella**



9th **Aicon**



10th **Ragnabreak**

As of the end of June: 78 titles

Games

The internally developed game “Girl Friend (tentative)” had over **1 billion** coins spent monthly
There are also plans to release games by external SAPs such as SQUARE ENIX CO., LTD.

“Girl Friend (tentative)”



Registered users
2.4 million

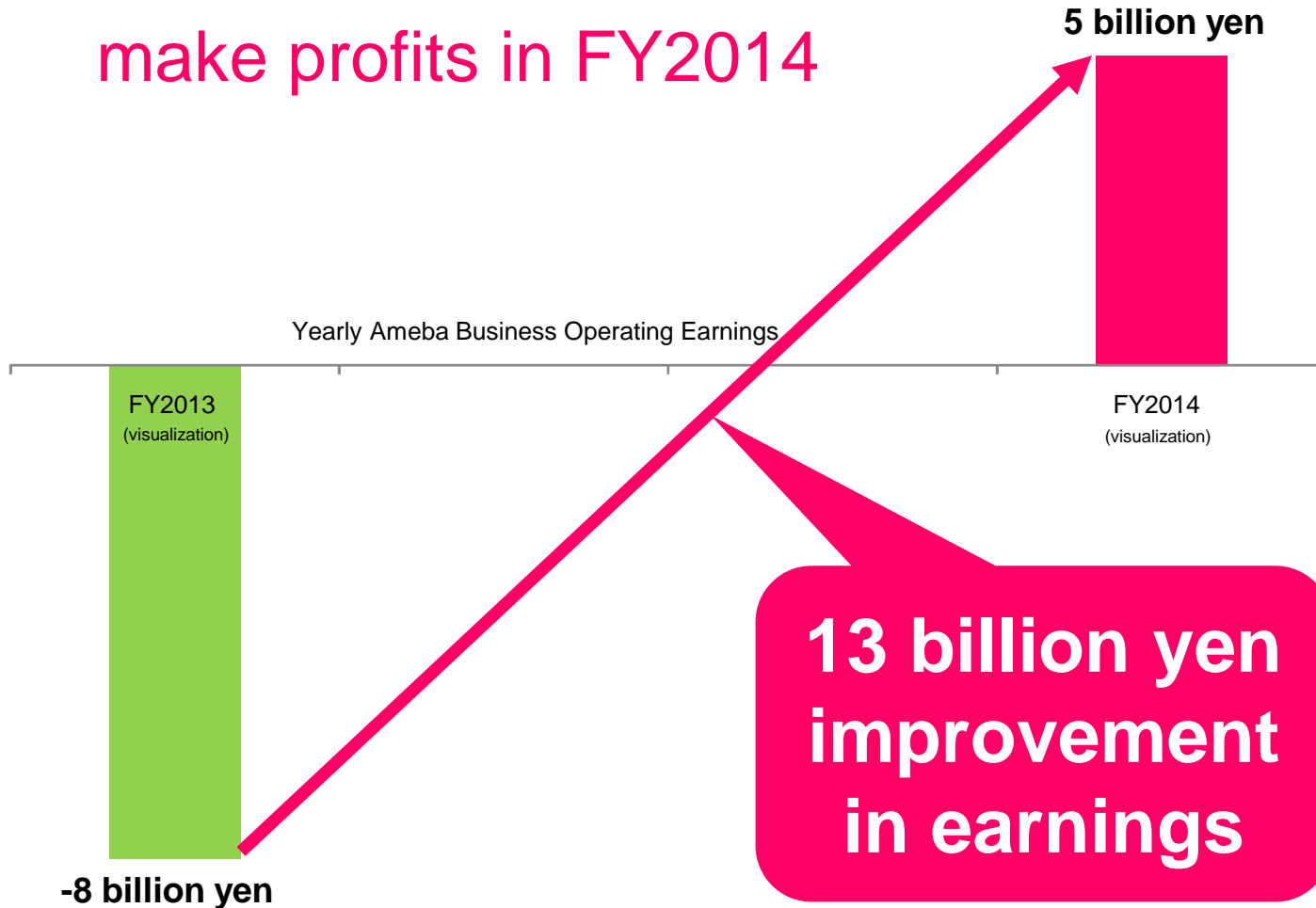
“Shinsei no Grand Union”
Provided by SQUARE ENIX CO., LTD.



To be released on
August 27

Earnings Forecast

Ameba business will shift to make profits in FY2014



Summary



Smartphone Native Apps
(SAP Business)

■ Create massive hit titles to leave the secondary groups

- Promising title, *Sangokushi Puzzle Taisen*, from Cygames Inc. released today
- 18 titles under development, plans to increase production lines further

Internet Advertisement
Business

■ Put Even More Focus on Smartphone Advertising

- Focus on top clients, to expand the base

Ameba
Business

■ Finished creating foundation for “Ameba” on smartphones

- Transfer to making profits in FY2014 (13 billion yen increase in earnings*)

VISION

We create the company that symbolizes the 21st century.



CyberAgent