



CA CyberAgent®

FY2020 Presentation Material

October 2019 to September 2020

October 28, 2020



[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. FY2020 Full Year Results** (October 2019 - September 2020)
- 2. FY2021 Forecast** (October 2020 - September 2021)
- 3. Internet Advertisement Business**
- 4. Game Business**
- 5. Media Business**
- 6. FY2021**
- 7. References**
 - Governance**
 - Quarterly Results (July – September 2020)**

FY2020
Full Year Results
October 2019 - September 2020

1. FY2020 Full Year Results

FY2020

Achieved the FY2020 forecast even though COVID-19 impacted the ad business.

Sales: **478.5** billion yen UP **5.5%** YoY
OP: **33.8** billion yen UP **9.9%** YoY

Media

A 22.6% increase year over year, driven by services such as Pay-Per-View of ABEMA.

Sales: **57.0** billion yen UP **22.6%** YoY
OP: **-18.2** billion yen

Ad

Maintained year over year growth despite declining ad demand due to COVID-19.

Sales: **269.3** billion yen UP **5.0%** YoY
OP: **21.0** billion yen UP **7.3%** YoY

Game

Successful new game titles contributed to sales and OP increase.

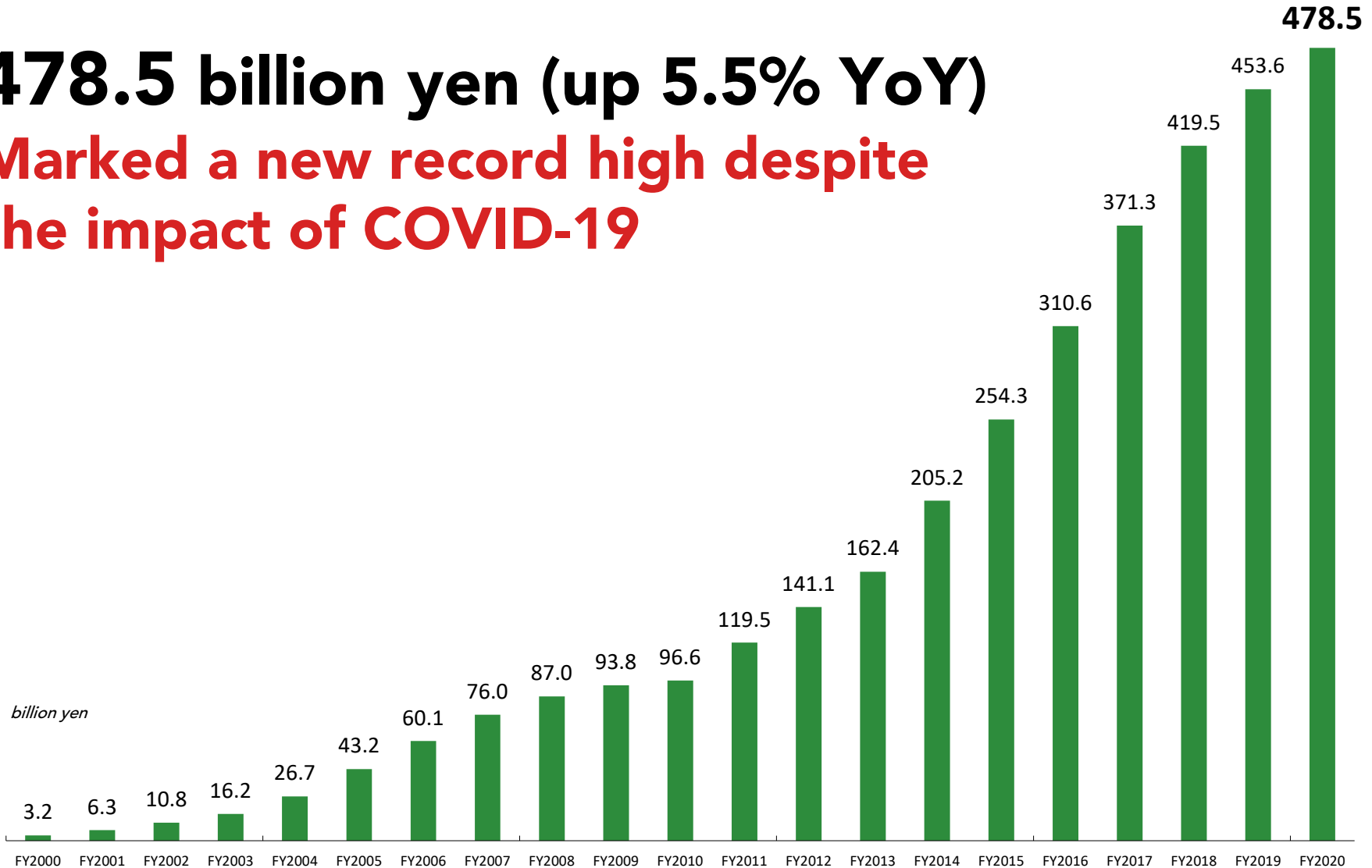
Sales: **155.8** billion yen UP **2.4%** YoY
OP: **30.3** billion yen UP **16.5%** YoY

1. FY2020 Full Year Results

[Consolidated Sales]

478.5 billion yen (up 5.5% YoY)

Marked a new record high despite the impact of COVID-19



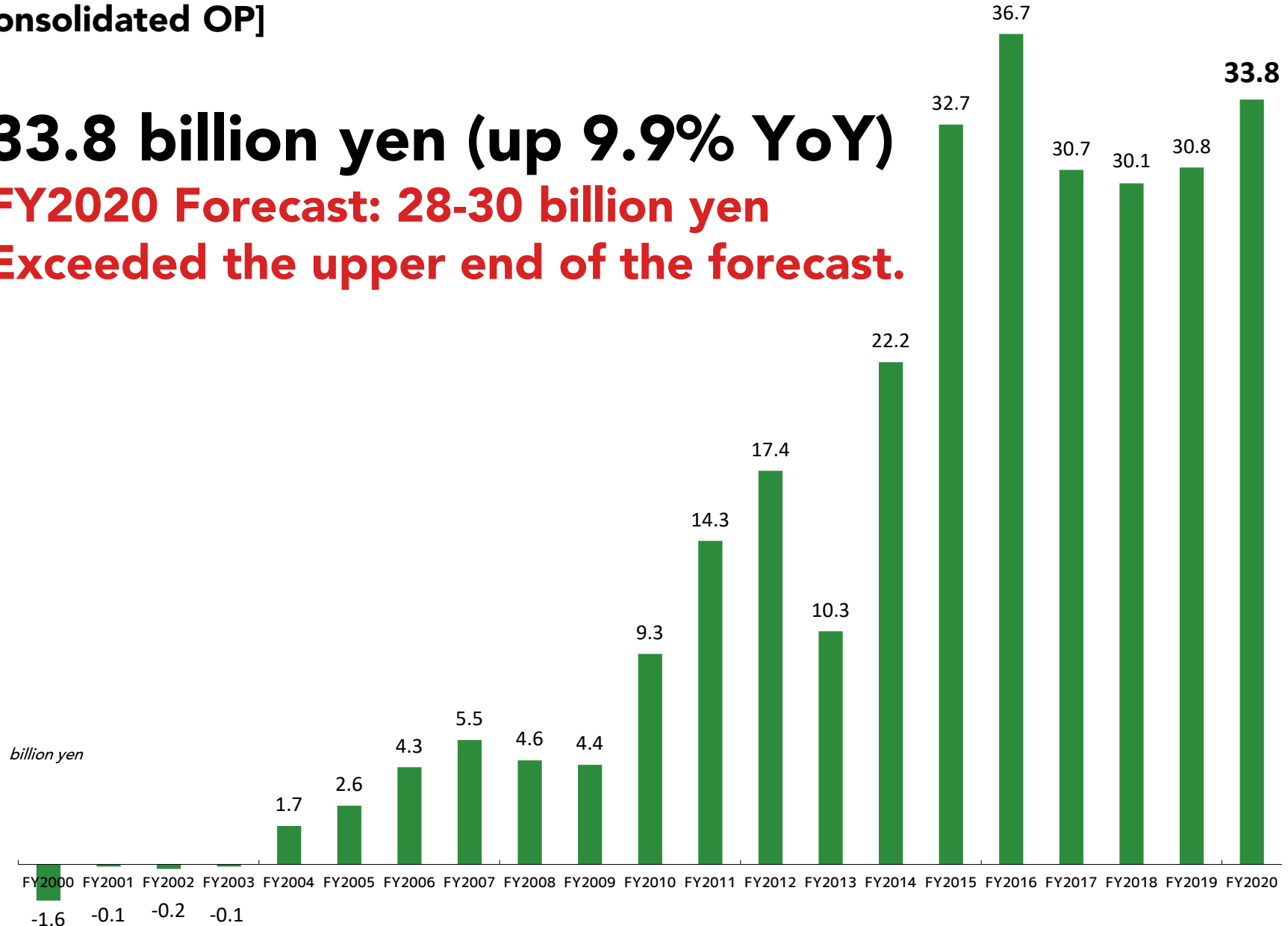
1. FY2020 Full Year Results

[Consolidated OP]

33.8 billion yen (up 9.9% YoY)

FY2020 Forecast: 28-30 billion yen

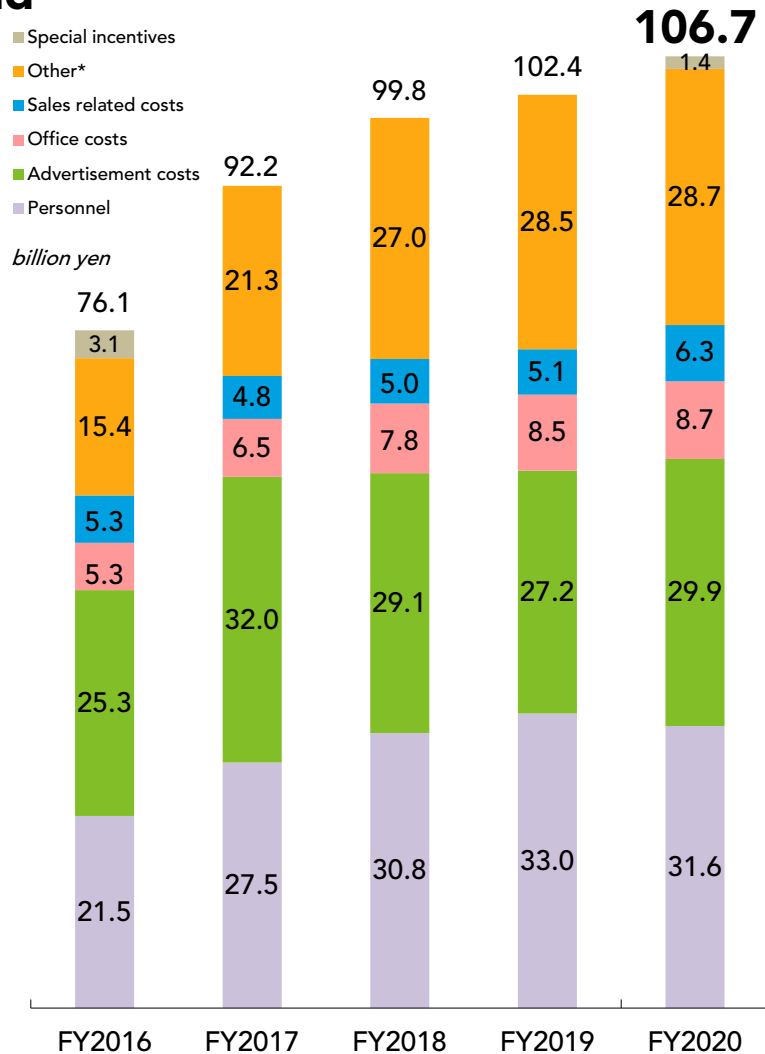
Exceeded the upper end of the forecast.



1. FY2020 Full Year Results

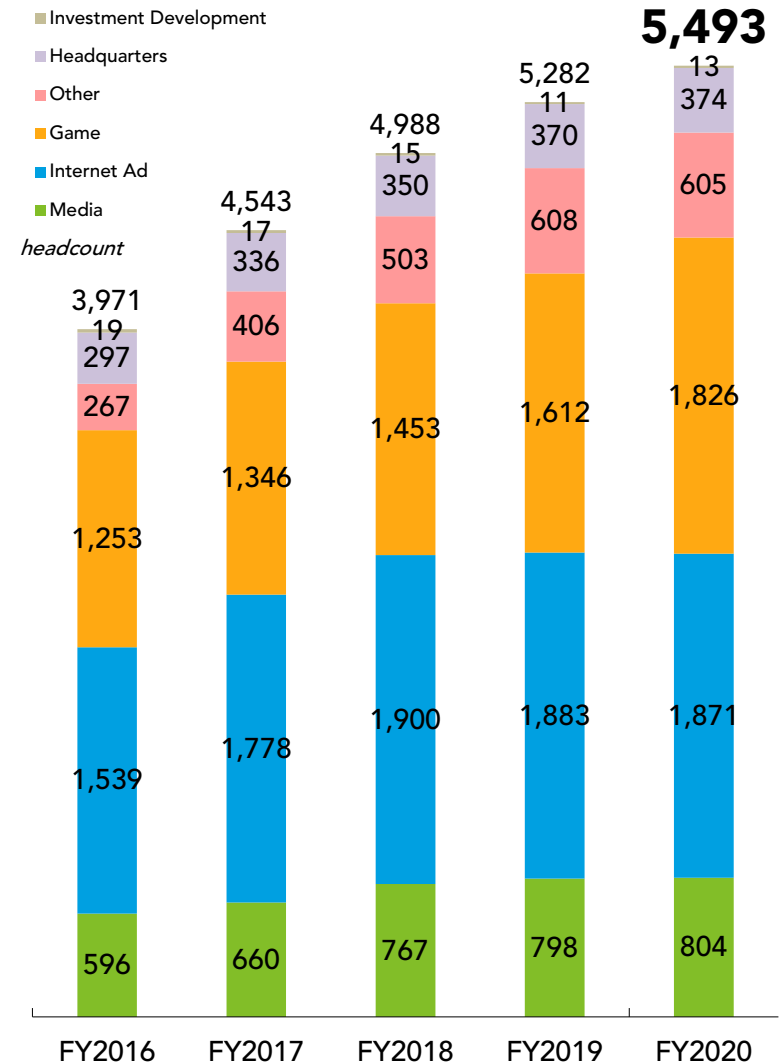
[SG&A Expenses]

A special incentive of 1.4 billion yen was paid



[No. of Employees]

5,493 employees



*Other: Outsourcing expenses, R&D expenses, entertainment expenses etc.

*Segment reclassification in FY2020: The change is applied from FY2019 retrospectively.

1. FY2020 Full Year Results

[PL]

Unit: million yen	FY2020	FY2019	YoY
Net Sales	478,566	453,611	5.5%
Gross profit	140,648	133,300	5.5%
SG&A expenses	106,768	102,474	4.2%
Operating profit	33,880	30,825	9.9%
OPM	7.1%	6.8%	0.3pt
Ordinary profit	33,863	30,493	11.1%
Extraordinary income	88	1,912	-95.4%
Extraordinary loss*	5,749	12,985	-55.7%
Income before income taxes and non-controlling interests	28,202	19,420	45.2%
Net profit*	6,608	1,694	289.9%

*Net profit: Profit attributable to shareholders of parent.

Affected by the fact that AbemaTV, Inc. is exempted from consolidated tax payment, and non-controlling equity interest (minority interest) of Cygames, Inc.

1. FY2020 Full Year Results

[BS] We maintain a strong financial position.

Unit: million yen	End of Sept. 2020	End of Sept. 2019	YoY
Current assets	203,674	168,662	20.8%
Cash deposits	102,368	84,565	21.1%
Fixed assets	57,047	56,172	1.6%
Total assets	260,766	224,876	16.0%
Current liabilities	87,867	70,749	24.2%
(Income tax payable)	9,458	7,014	34.8%
Fixed liabilities	45,220	43,774	3.3%
Shareholders' equity	78,466	74,015	6.0%
Net assets	127,678	110,352	15.7%

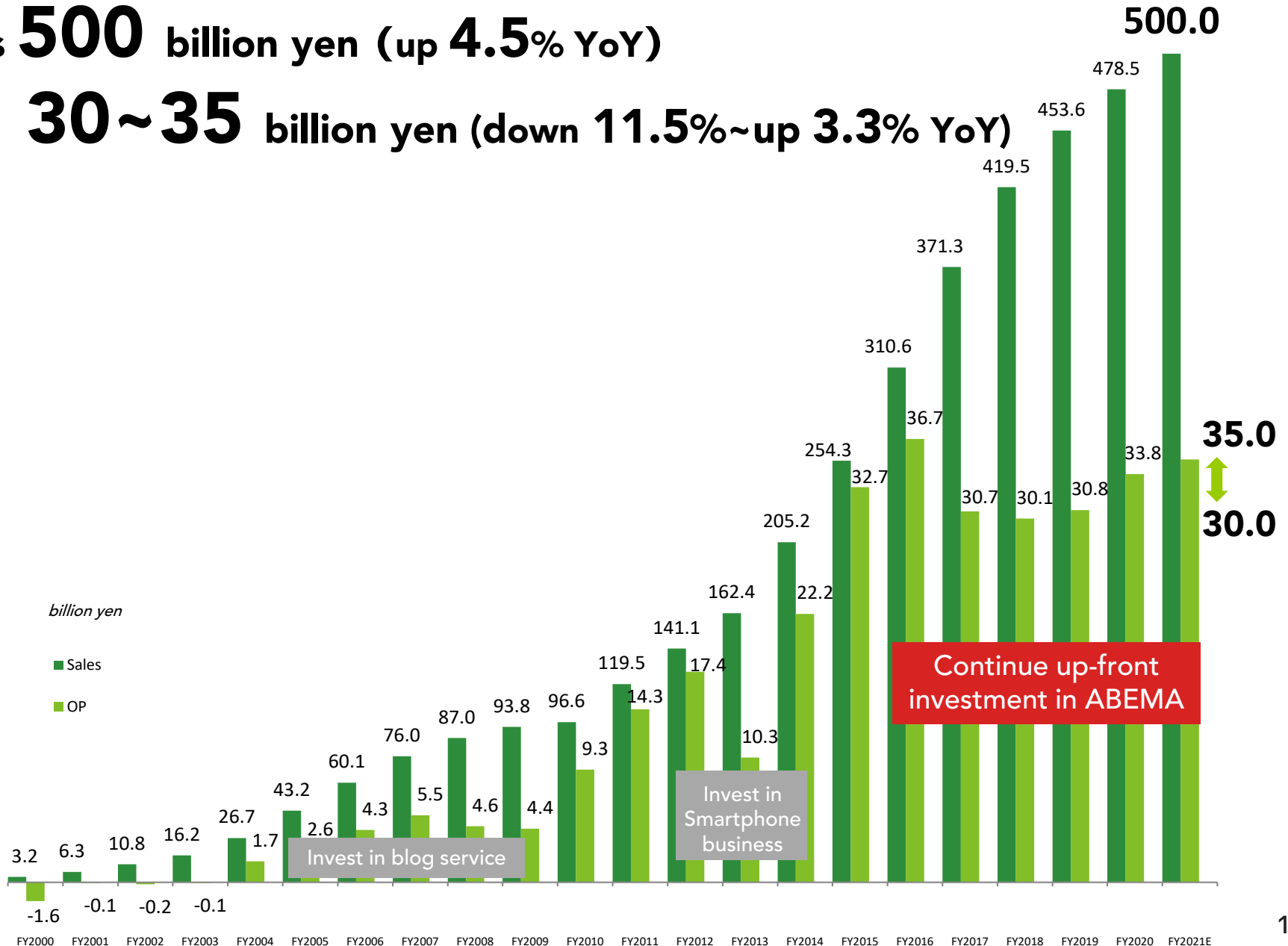
FY2021 Forecast

October 2020 - September 2021

2. FY2021 Forecast

Sales **500** billion yen (up **4.5%** YoY)

OP **30~35** billion yen (down **11.5%**~up **3.3%** YoY)



2. FY2021 Forecast

[Business Forecast]

Unit: billion yen	FY2021 Forecast		FY2020	YoY	
	Minimum	Maximum		Minimum	Maximum
Net Sales	500		478.5	4.5%	
Operating profit	30	35	33.8	-11.5%	3.3%
Ordinary profit	30	35	33.8	-11.4%	3.4%
Net profit*	8	10	6.6	21.1%	51.3%

[Dividend Forecast] Expected based on DOE of 5% set as the management index.

Dividend**	37 yen	34 yen	8.8%
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*Net profit: Profit attributable to shareholders of parent.

Affected by the fact that AbemaTV, Inc. is exempted from consolidated tax payment, and non-controlling equity interest (minority interest) of Cygames, Inc.

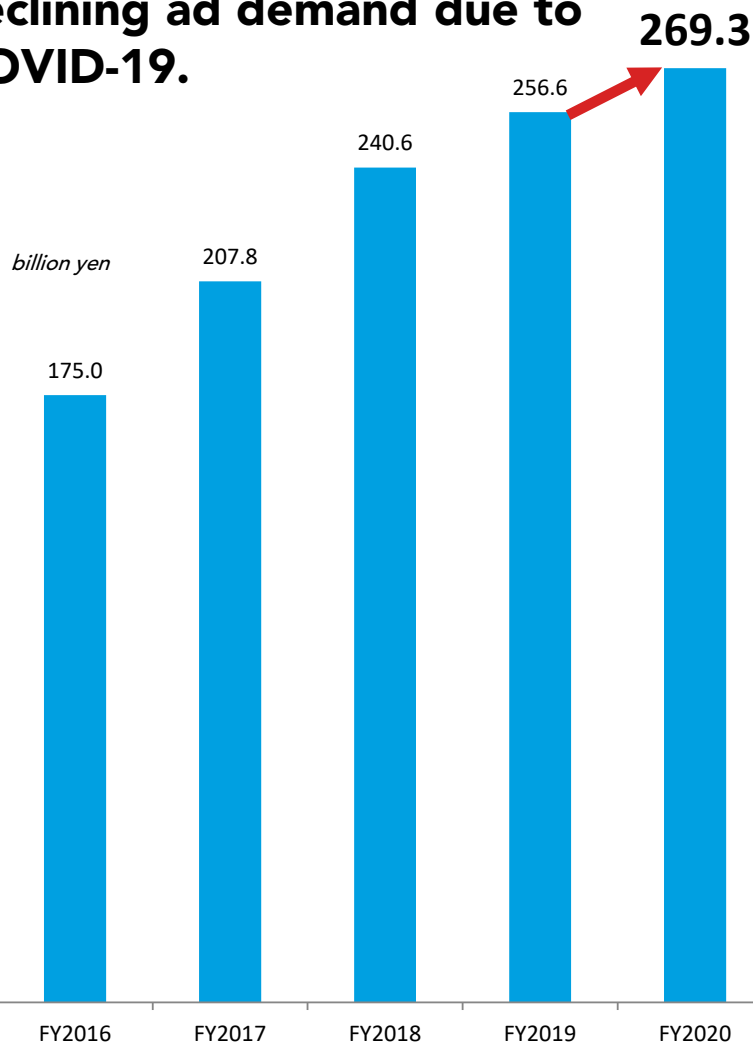
**Dividend of FY2020 (34 yen): We plan to discuss a surplus disposal plan at the annual General meeting of Shareholders to be held in December 2020.

Internet Advertisement

3. Internet Advertisement Business

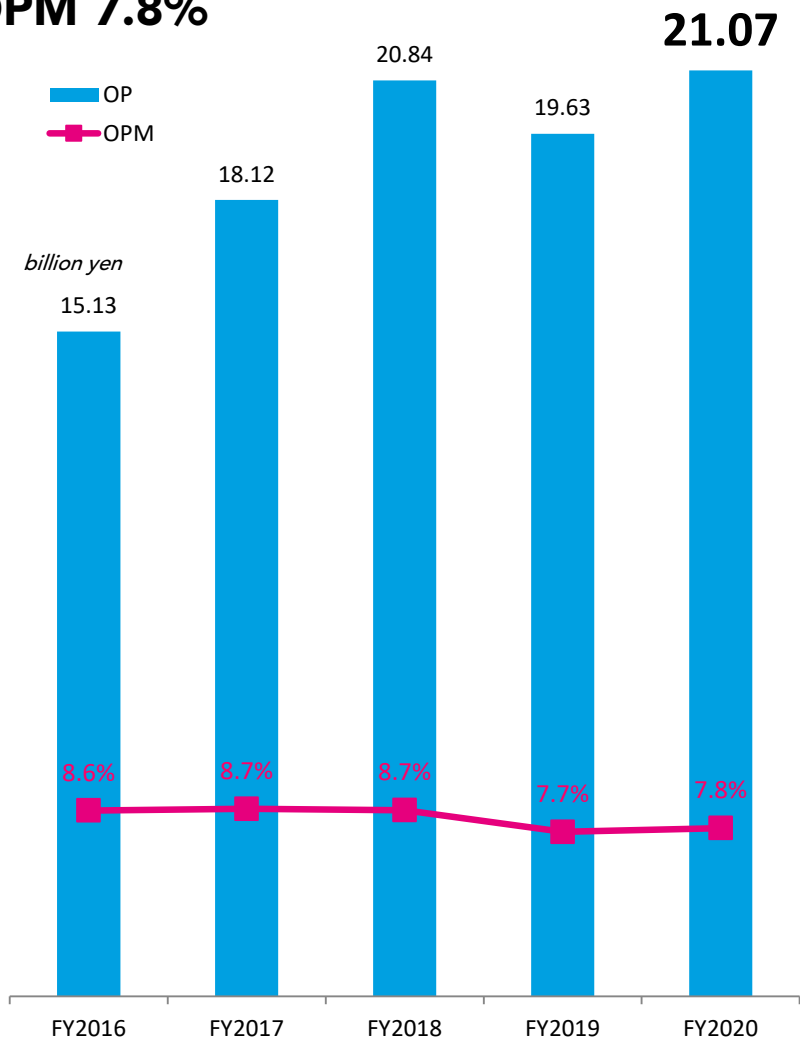
[Full Year Sales]

Increased 5.0% YoY despite declining ad demand due to COVID-19.



[Full Year OP]

A 7.3% increase YoY
OPM 7.8%

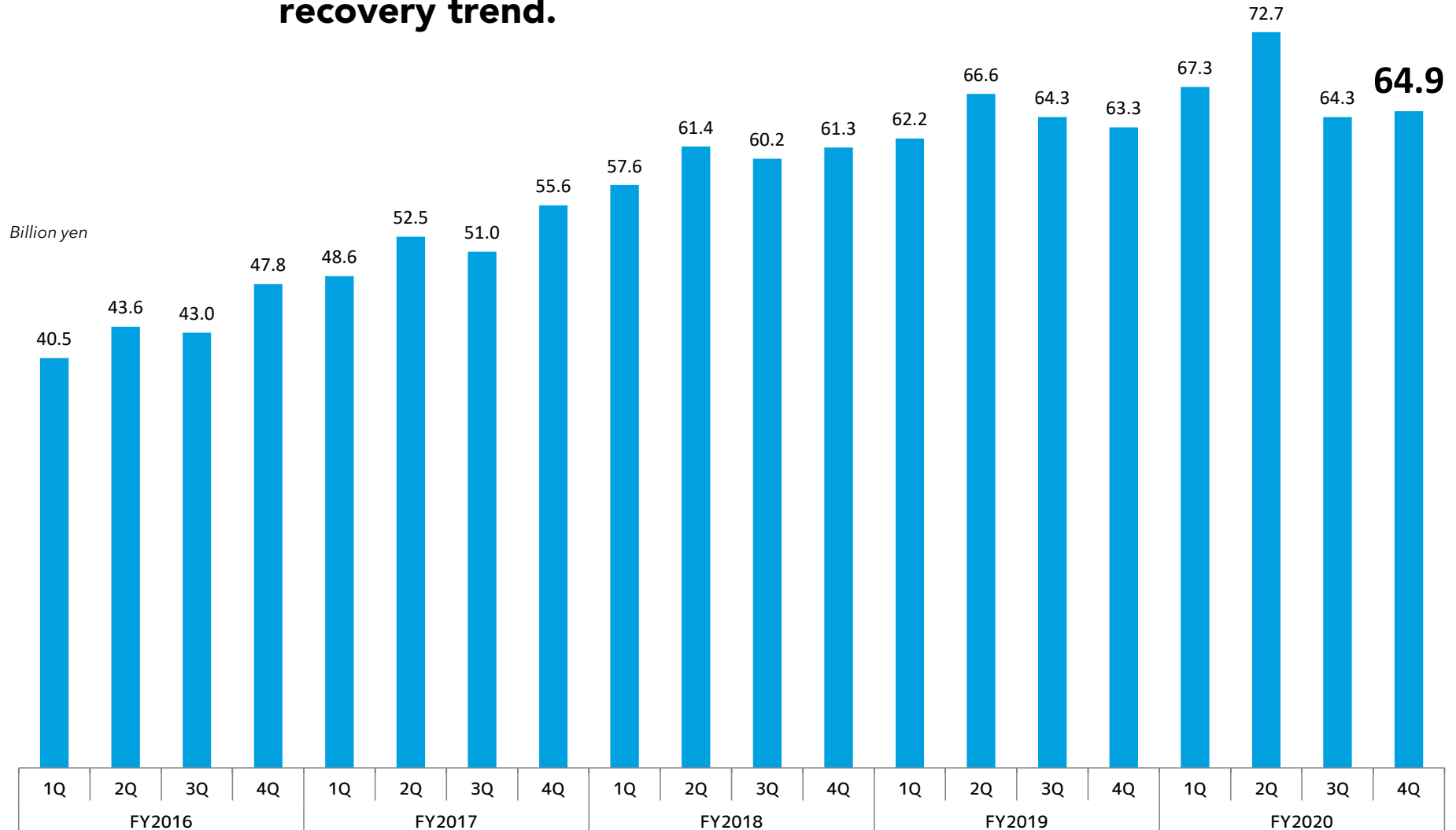


*FY2020 Segment reclassification: Some EC businesses that were included in Internet Advertisement Business have transferred to Media business and the change is applied from FY2016 retrospectively.

3. Internet Advertisement Business

[Quarterly Sales] Q4 **64.9** billion yen (up 2.5% YoY)

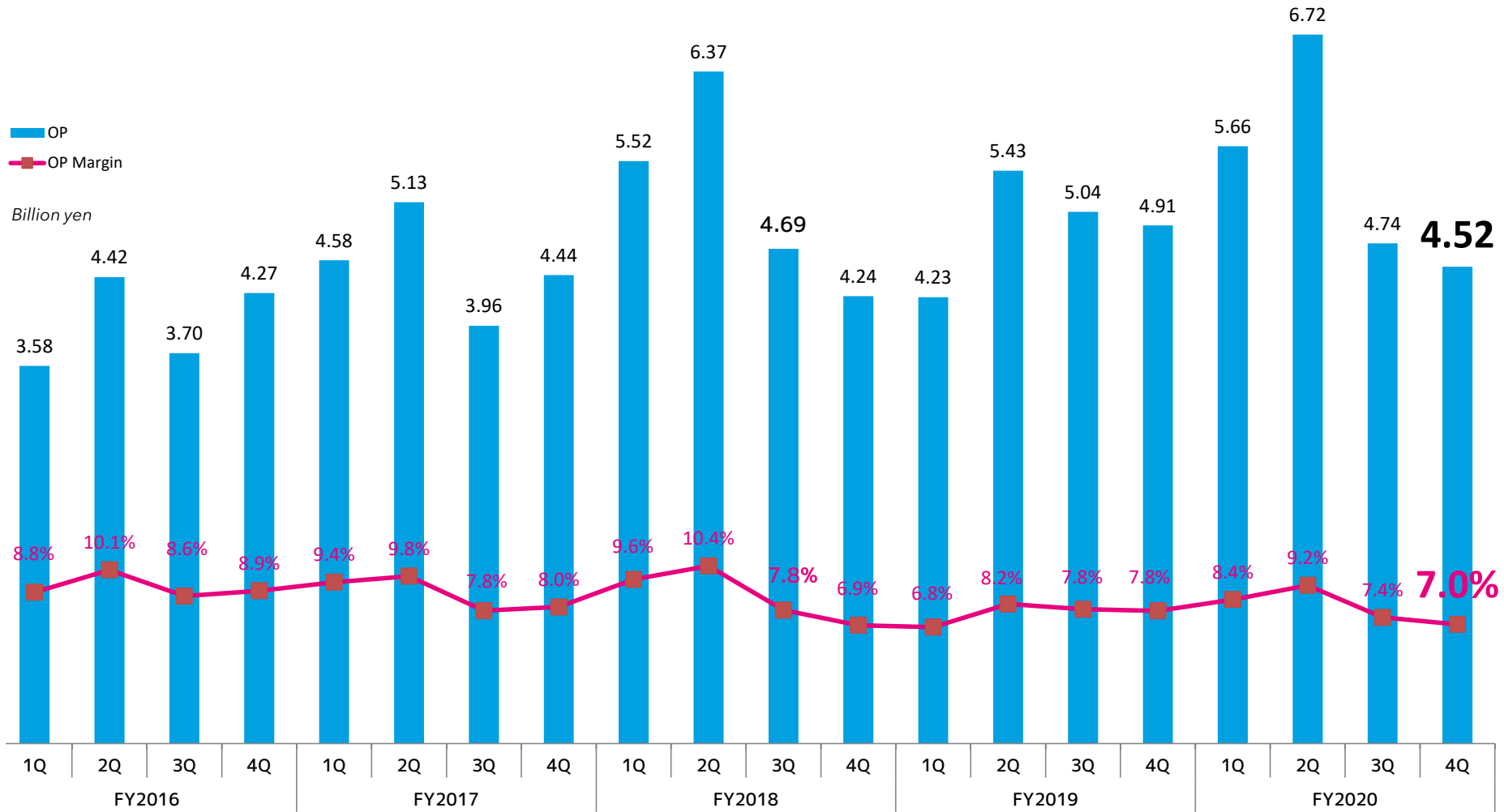
Sales have bottomed out in Q3 (up 0.01% YoY) and are on a recovery trend.



*FY2020 Segment reclassification: Some EC businesses that were included in Internet Advertisement Business have transferred to Media business and the change is applied from FY2016 retrospectively.

3. Internet Advertisement Business

[Quarterly OP] OP was **4.5** billion yen, OPM **7.0%**



*FY2020 Segment reclassification: Some EC businesses that were included in Internet Advertisement Business have transferred to Media business and the change is applied from FY2016 retrospectively.

**Quarterly OP and OPM: Special incentives in FY2016 and FY2020 are excluded.

3. Internet Advertisement Business

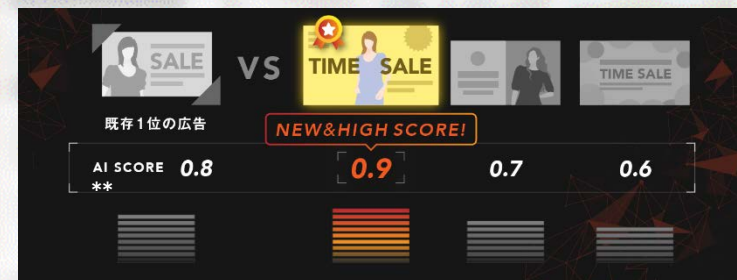
[Competitive Advantage] Economies of scale and AI are our advantages of ad operations capability.

極予測AI “KIWAMI Prediction AI”



Celebrating Over
500
Accounts*

The AI that creates the most effective ad creative



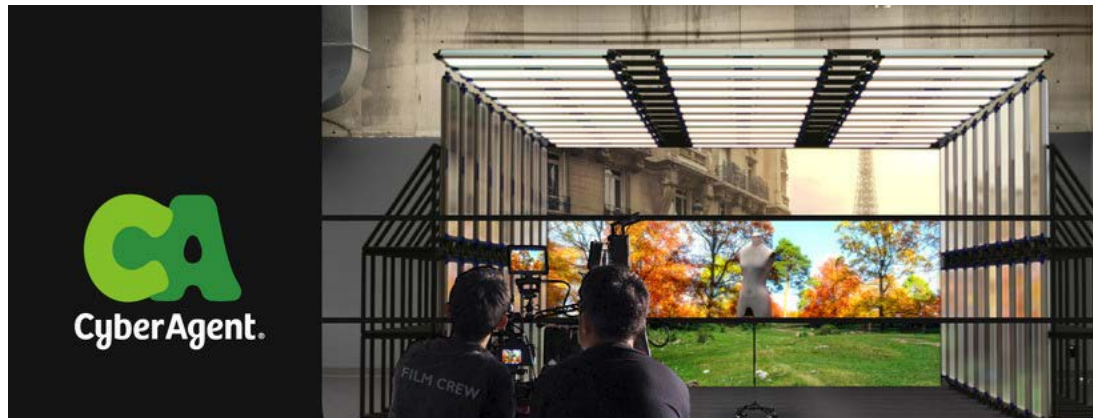
*Over 500 accounts: As of August 18, 2020

** AI SCORE: Sample

3. Internet Advertisement Business

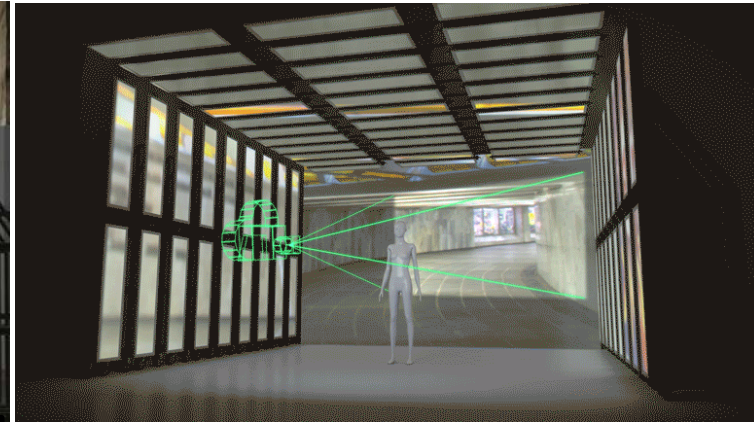
[Competitive Advantage] We utilize the most advanced technology, such as 3DCG, in the creative production process.

Virtual Production Studio "LED STUDIO™"



The First Production Studio in Japan Equipped with Big LED Wall & LED Lighting.*

"LED STUDIO™" will allow you to shoot in the high definition CG space.



*The First Production Studio in Japan Equipped with Big LED Wall & LED Lighting: installed at Kamuro-zaka Studio where CyberAgent own. (As of October 2020)

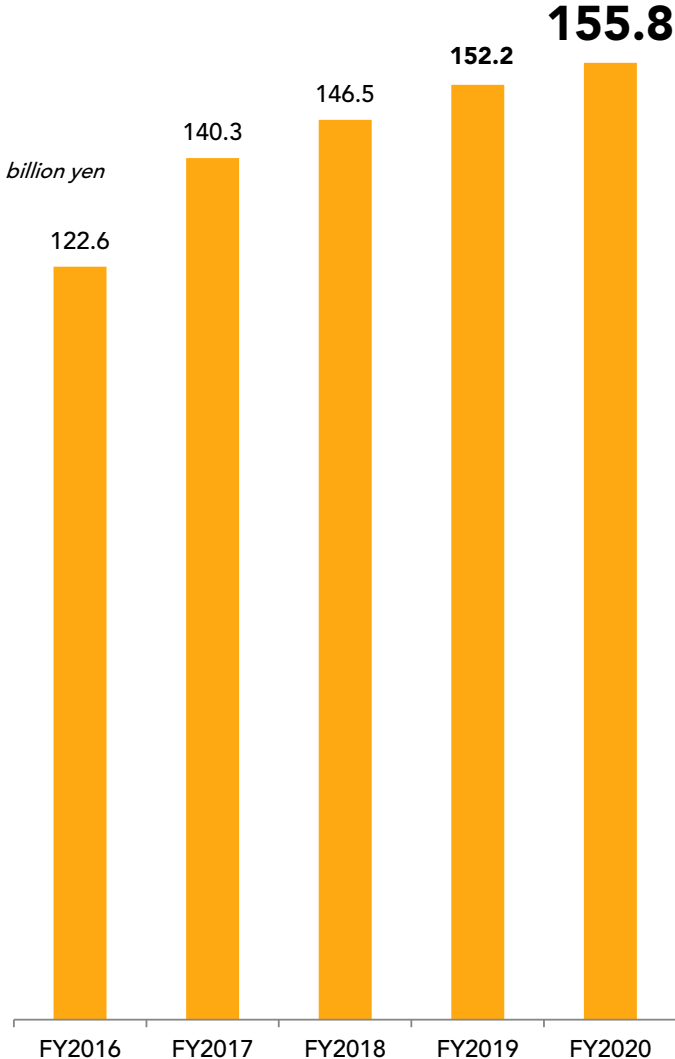
Game

4. Game Business



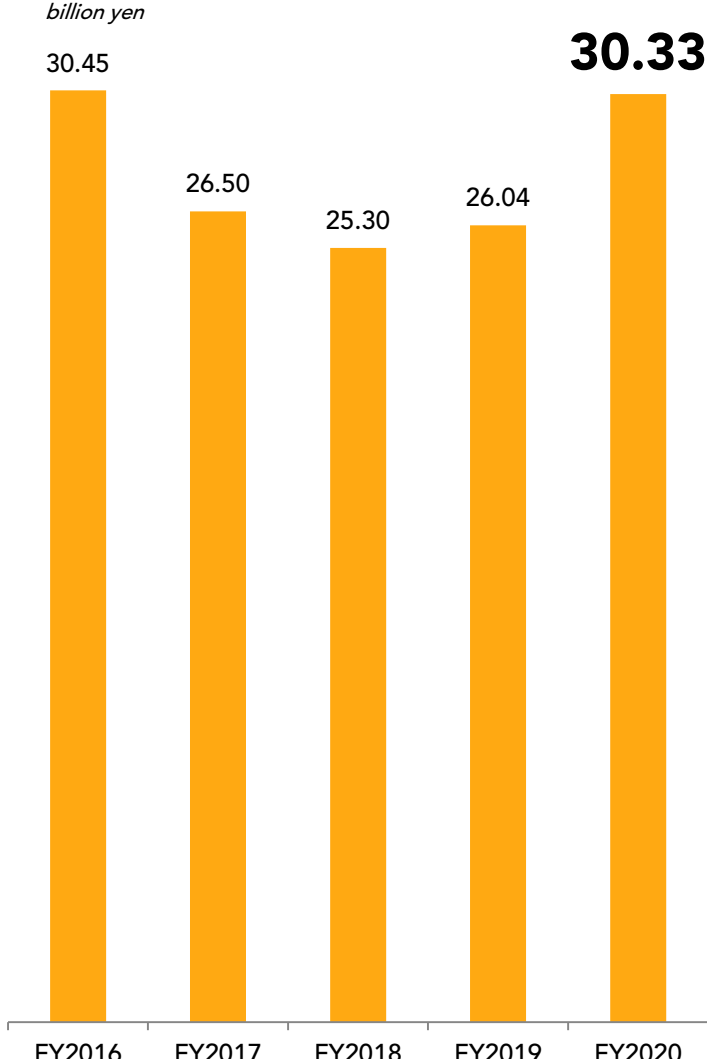
[Full Year Sales]

Increased 2.4% YoY, driven by new successful titles



[Full Year OP]

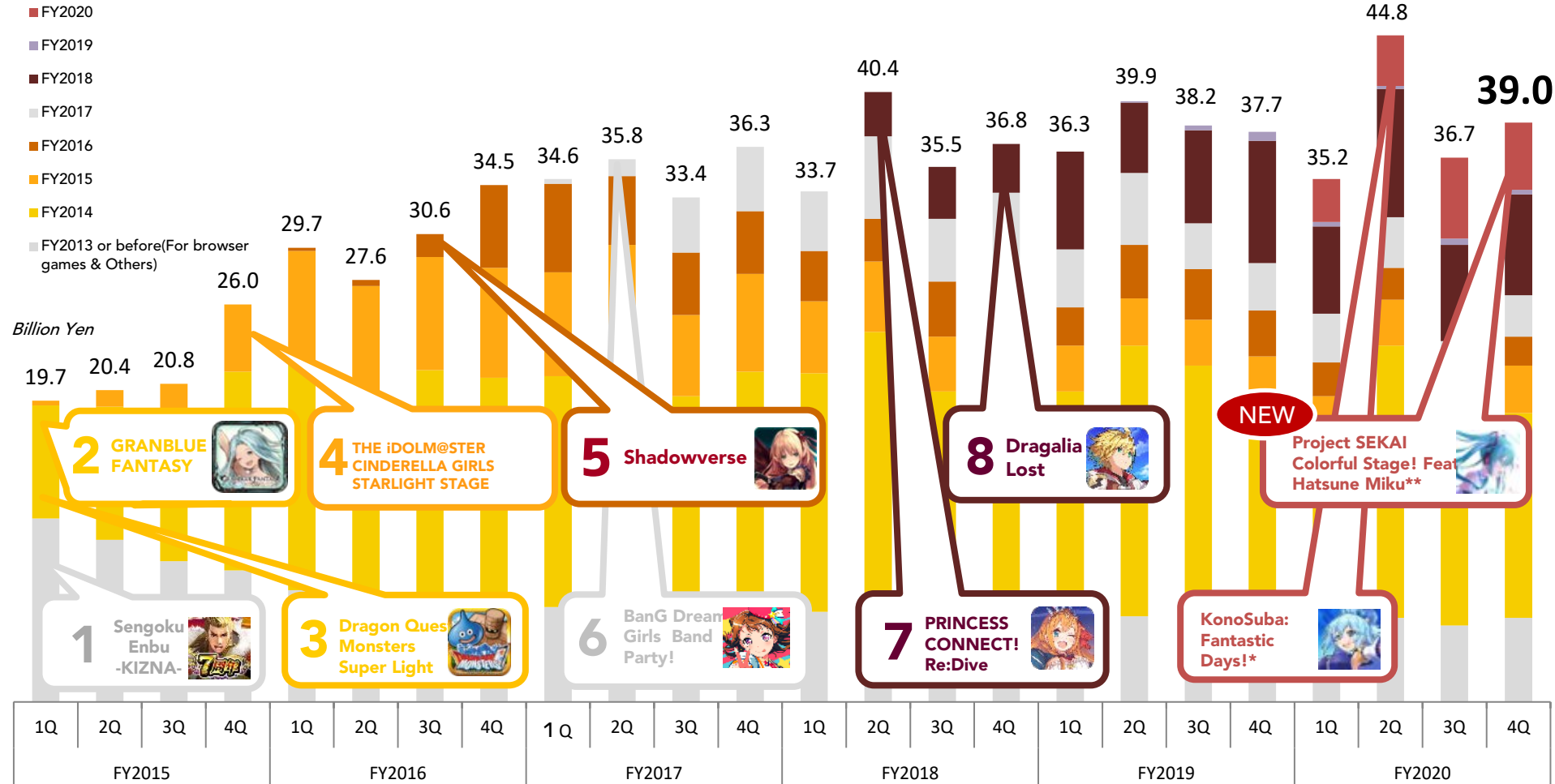
A 16.5% increase YoY



4. Game Business

[Quarterly Sales] Q4 **39.0** billion yen (up 3.5% YoY)
 The existing games performed steadily.

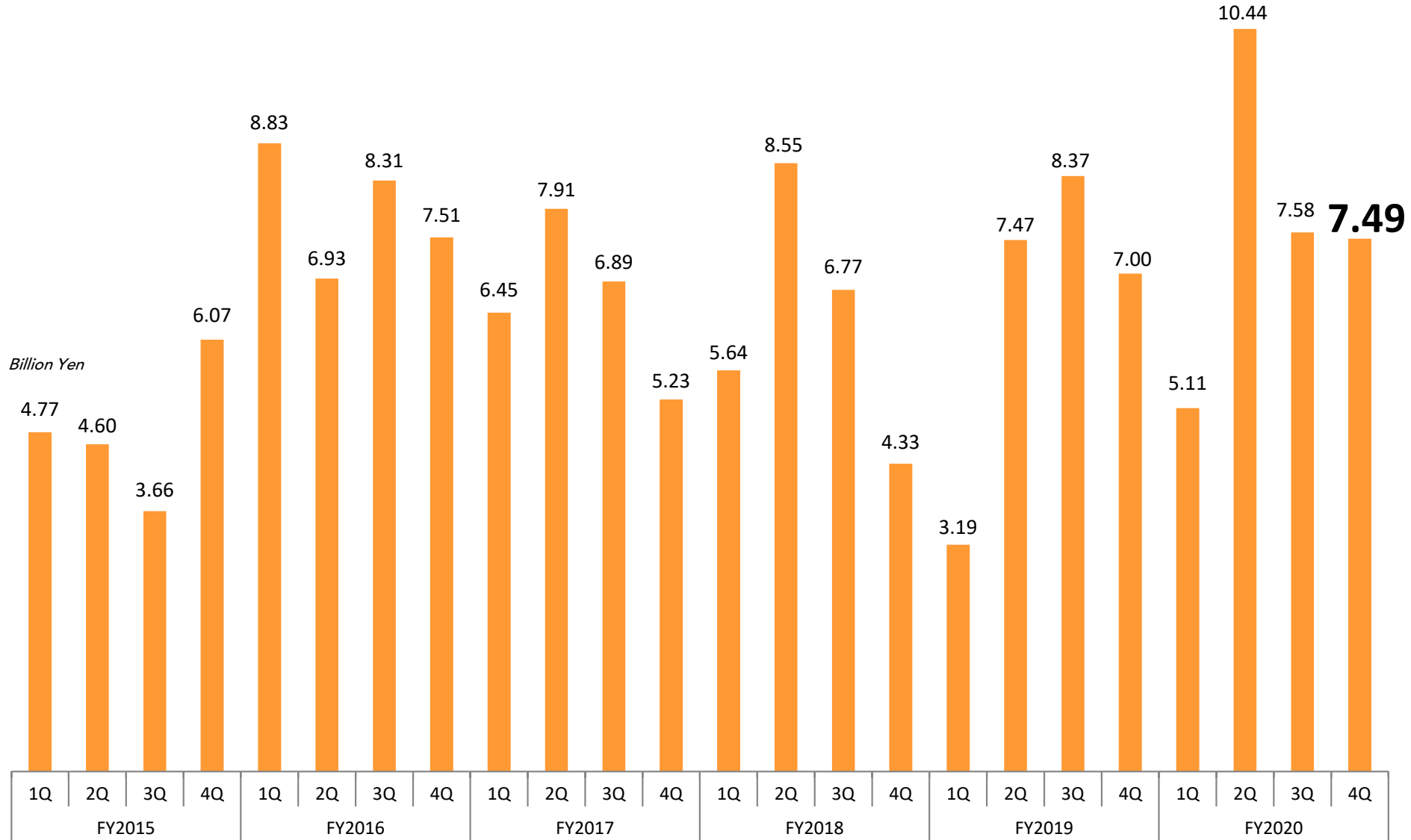
<Release Year>



2.5.7 : ©Cygames, Inc. 3 : © 2014-2019 ARMOR PROJECT/BIRD STUDIO/SQUARE ENIX All Rights Reserved. Developed by Cygames, Inc. Publisher: SQUARE ENIX
 4 : ©BANDAI NAMCO Entertainment Inc. It was jointly developed and is operating by ©BANDAI NAMCO Entertainment Inc. and Cygames, Inc.
 6 : ©BanG Dream! Project ©Craft Egg Inc. ©bushiroad All Rights Reserved. 8 : ©Nintendo / Cygames Publisher: Nintendo *KonoSuba: God's Blessing on this Wonderful World! Fantastic Days : ©2019 Akatsuki Natsume, Mishima Kurone / KADOKAWA/ KonoSuba Movie Production Committee ©Sumzap, Inc.**Project SEKAI Colorful Stage! Feat. Hatsune Miku" : © SEGA /© Craft Egg Inc. Developed by Colorful Palette /© Crypton Future Media, INC. www. piapro.net piapro All rights reserved. Production: SEGA CORPORATION / Craft Egg, Inc. Development: SEGA CORPORATION / Colorful Palette, Inc. ***Balloon : Selected major titles only 21

4. Game Business

[Quarterly OP] Q4 **7.4** billion yen (up 7.0% YoY)



*Quarterly OP and OPM: Special incentives in FY2016 and FY2020 are excluded.

4. Game Business

[New Game] New rhythm & adventure game, "Project SEKAI Colorful Stage! Feat. Hatsune Miku*" has released on September 30 and had a strong start.



*"Project SEKAI Colorful Stage! Feat. Hatsune Miku" : © SEGA /© Craft Egg Inc. Developed by Colorful Palette /© Crypton Future Media, INC. [www. piapro.net](http://www.piapro.net) **piapro** All rights reserved.
Production: SEGA CORPORATION / Craft Egg, Inc. Development: SEGA CORPORATION / Colorful Palette, Inc.

**2 million users: Registered users as of October 21, 2020

4. Game Business

[New Game] New RPG game “NieR Re[in]carnation” has started pre-registration on September 24.

Planning & Production by SQUARE ENIX CO., LTD. Development by Applibot, Inc.

To be released in
North America &
Europe as well



NieR Re[in]carnation™
NieR Re[in]carnation

すべての祈りは、「檻」の中に。

4. Game Business

[New Game] Anime series based on original IP games of Cygames, Inc. are expanding.

Anime Series on TV Shadowverse*



Shadowverse: Champions Battle**

Platform: Nintendo Switch(TM) Card battle RPG



Anime Series PRINCESS CONNECT! Re:Dive Season 2**



PRINCESS CONNECT! Re:Dive***

Thai ver. has released following the simplified Chinese ver. Dramatic Anime RPG



Anime Series on TV UMA MUSUME Pretty Derby Season 2****



UMA MUSUME Pretty Derby**

Training simulation



* Anime series "Shadowverse" : © Anime series "Shadowverse" Production Committee and TV Tokyo. Being aired on ABEMA, TV Tokyo Network of 6 channels.

** "Shadowverse: Champions Battle," anime Series "PRINCESS CONNECT! Re:Dive Season 2," anime series "UMA MUSUME Pretty Derby" : ©Cygames, Inc.

*** "PRINCESS CONNECT! Re:Dive" Thai Version: ©Cygames, Inc. Service provided by: Ini3 Digital PLC Available on iOS/Android

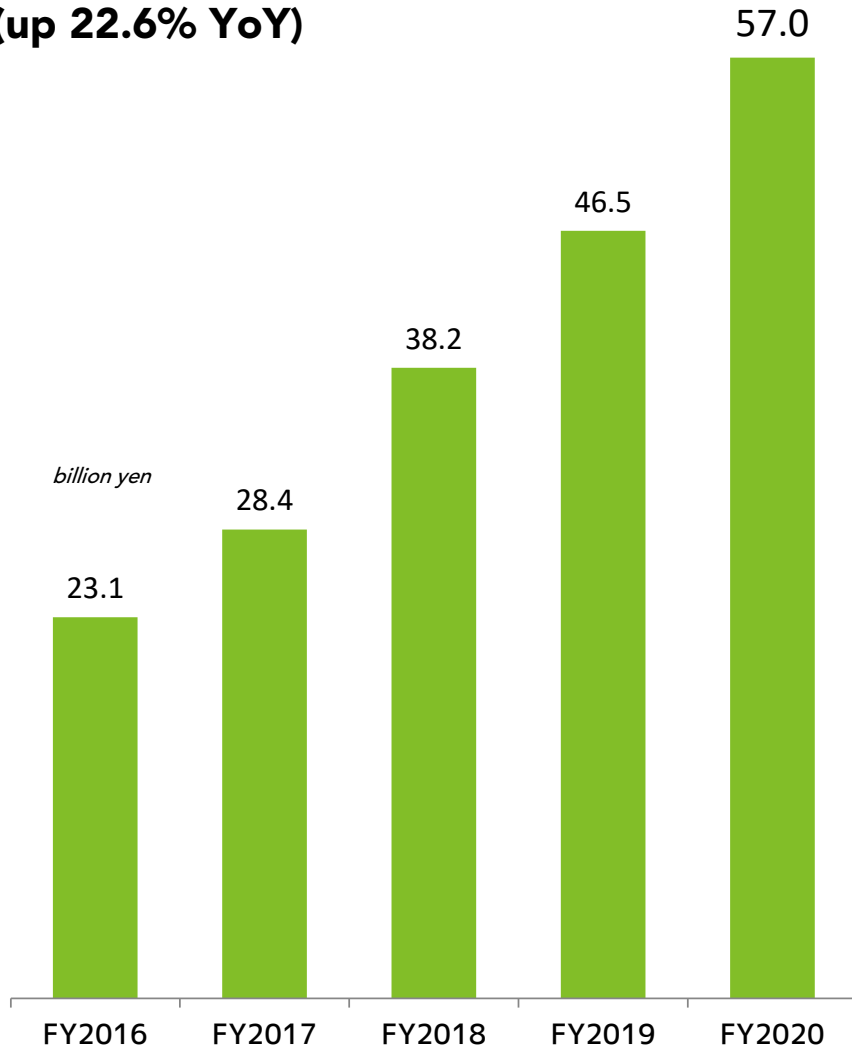
**** Anime series "UMA MUSUME Pretty Derby Season 2" : © Anime series "UMA MUSUME Pretty Derby Season 2" Production Committee

Media

5. Media Business

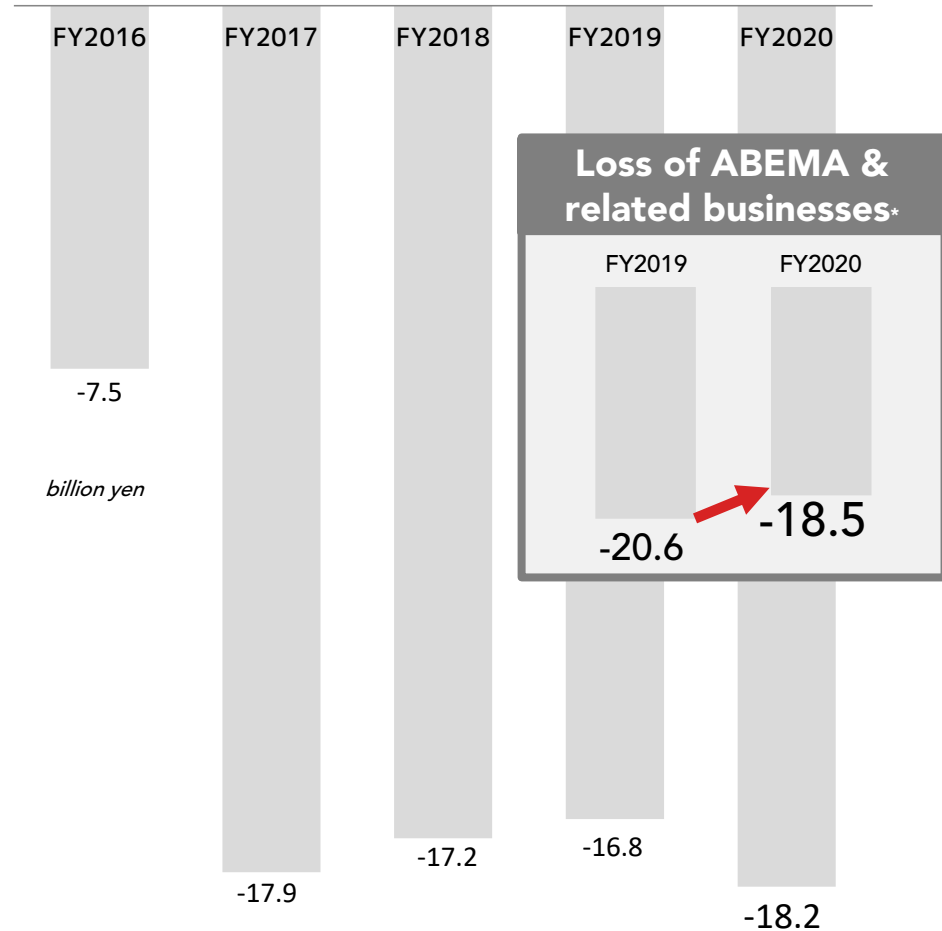
[Full Year Sales]

Sales were driven by ABEMA.
(up 22.6% YoY)



[Full Year OP]

Loss of ABEMA and related businesses reduced.



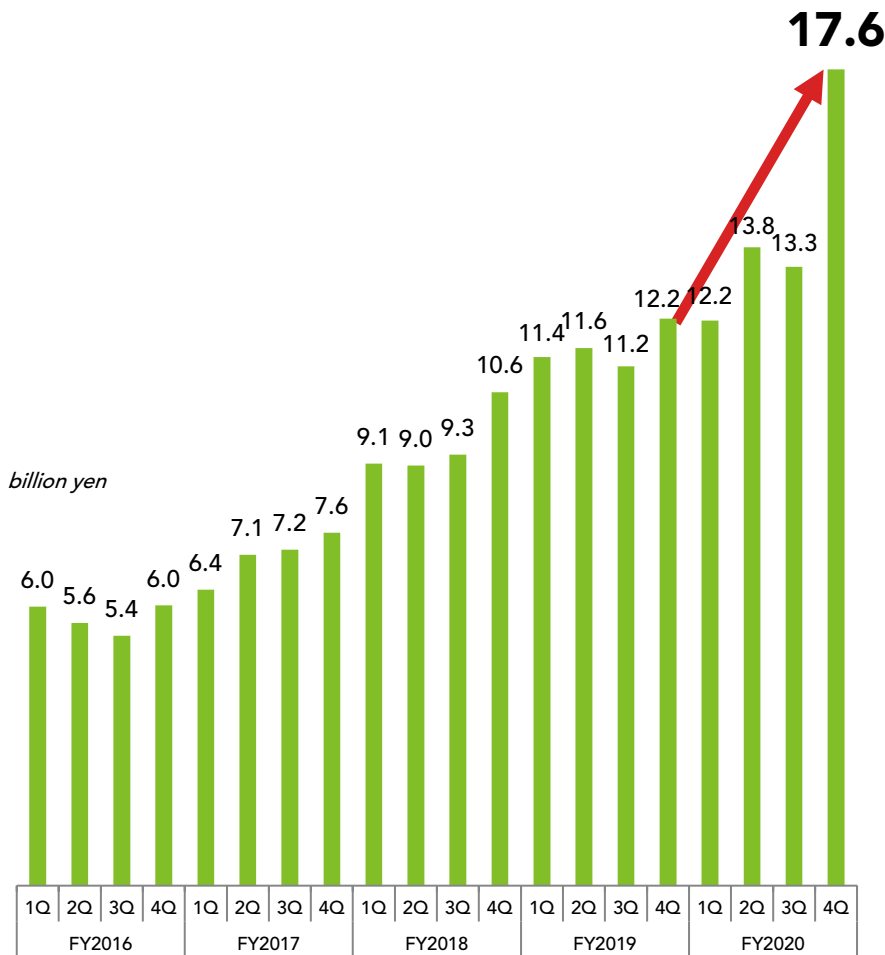
*Loss of ABEMA and related businesses: Sum of AbemaTV, Inc., Winticket, Inc., OEN, Inc., AJA, Inc., and Kaeru AbemaTV, Inc.

**Segment reclassification in FY2020: Some EC businesses that were included in Internet Advertisement Business has merged and reflected from FY2016.

5. Media Business

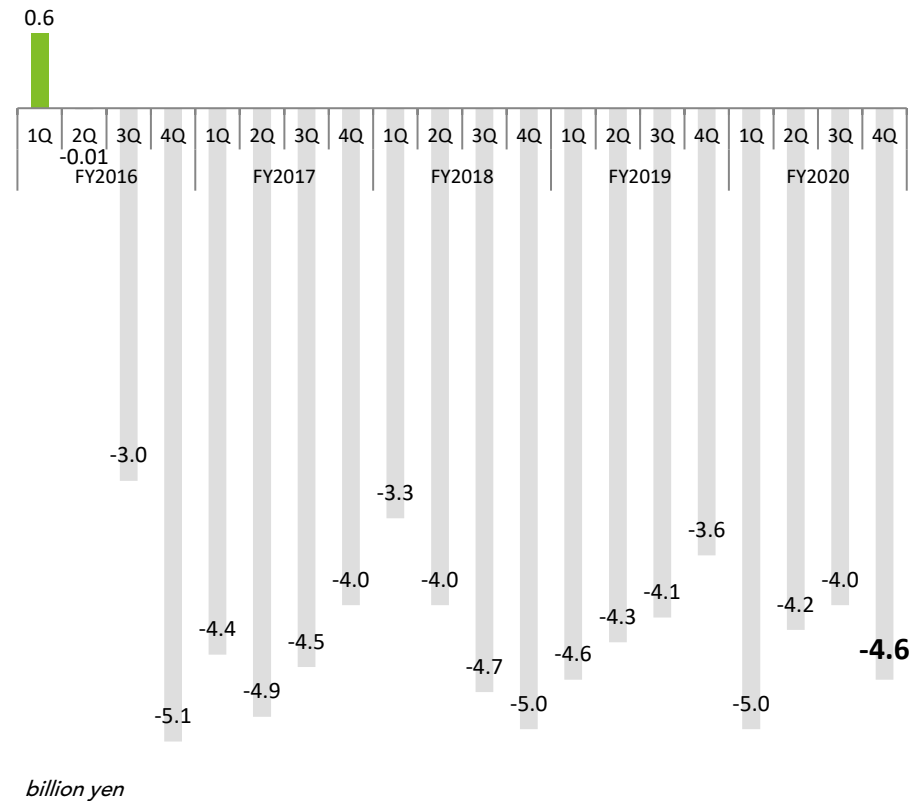
[Quarterly Sales]

ABEMA rolled out PPV* service.
17.6 billion yen (grew 1.4x YoY)



[Quarterly OP]

The upfront investment in PPV service etc. has resulted in the OP of **-4.6** billion yen.



*PPV: Pay Per View service launched in June 2020.

**Quarterly OP: Special incentives in FY2016 and FY2020 are excluded.

***Segment reclassification in FY2020: Some EC businesses that were included in Internet Advertisement Business has merged and reflected from FY2016.

5. Media Business

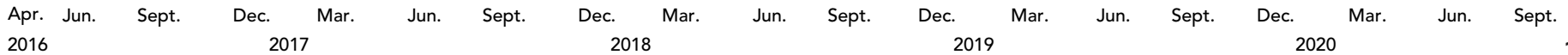


Exceeded **59** million downloads
in four and a half years after the launch.

59M
DL

Downloads

April 11
2016
Release



5. Media Business

[ABEMA] A viewing habit of "When something happened, turn on ABEMA" has been developed. WAU remain stable after lifting of the stay-at-home request.

Growth of WAU*



Information on COVID-19



Live Streaming



Sports & Interest



*WAU: Weekly Active Users

5. Media Business

[ABEMA] High-quality shows of ABEMA have been recognized.

Two original shows has awarded at the 36th ATP Award TV Grand Prix.



The image shows a promotional graphic for the ATP Award TV Grand Prix 2019. At the top left is the ABEMA logo. In the center, the ATP logo is displayed in large, bold, gold letters. Below it, the text 'ATP賞テレビグランプリ 受賞' (ATP Award TV Grand Prix Award) is written in gold, flanked by two gold laurel wreaths. Below this are two award-winning shows. The first show, 'オカミちゃんには騙されな' (You can't fool me, Miss Wolfy), is an information and variety show featuring a collage of ten diverse young people. The second show, '僕だけが17歳の世界で' (In the world where I am the only 17-year-old), is a drama featuring four young people in school uniforms. Below each show image are its category and prize name.

**Information & Variety Category
First Prize**

“You can’t fool me, Miss Wolfy.”

**Drama Category
Encouragement Prize**

“In the world where I am the only 17-year-old.”

5. Media Business

[ABEMA] TV Asahi Corporation, "TELASA," and ABEMA are working on the collaborative project, Japanese remake of the world-famous drama "24*" begun to air.

ABEMA exclusive episodes** are also broadcast.



*24 JAPAN:© 2020 Twentieth Century Fox Film Corporation. All Rights Reserved. Broadcasting has started since October 9, 2020.

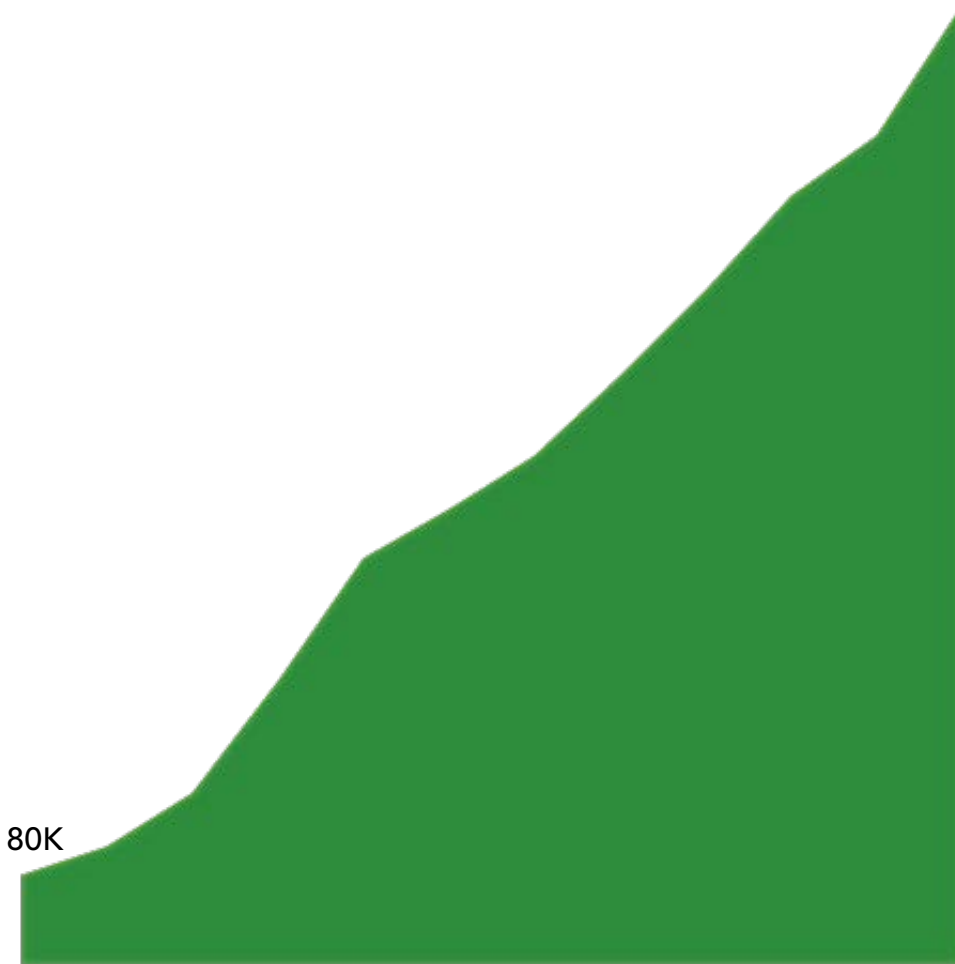
**ABEMA exclusive episodes: Japan version exclusive episodes are broadcast for ABEMA premium users.

5. Media Business

[ABEMA] 844K subscribers at the end of September.
We are aiming to reach 1 million subscribers by the end of December.

"ABEMA Premium" Subscribers

844K



Dec. 2017

Sept. 2020

Exclusive Content on ABEMA Premium

ABEMA Exclusive: LDH Festival
 Available since September 28

ABEMA プレミアム 限定 **LIVE×ONLINE IMAGINATION**

Artist	Release Date
THE RAMPAGE from EXILE TRIBE	9.28 Mon, 10.7 Wed, 10.16 Fri, 10.25 Sun
BALLISTIK BOYZ from EXILE TRIBE	9.29 Tue, 10.8 Thu, 10.17 Sat, 10.26 Mon
EXILE THE SECOND	9.30 Wed, 10.9 Fri, 10.18 Sun, 10.27 Tue
DOBERMAN INFINITY	10.1 Thu, 10.10 Sat, 10.19 Mon, 10.28 Wed
GENERATIONS from EXILE TRIBE	10.2 Fri, 10.11 Sun, 10.20 Tue, 10.29 Thu
FANTASTICS from EXILE TRIBE	10.3 Sat, 10.12 Mon, 10.21 Wed, 10.30 Fri
E-girls / Happiness / スワン・リリー	10.4 Sun, 10.13 Tue, 10.22 Thu, 10.31 Sat
EXILE J SOUL BROTHERS from EXILE TRIBE	10.5 Mon, 10.14 Wed, 10.23 Fri, 11.1 Sun
EXILE TRAIN PREMIUM LIVE	10.6 Tue, 10.15 Thu, 10.24 Sat, 11.2 Mon

Special movie co-produced with Toei Video
 Streaming starts on January 1

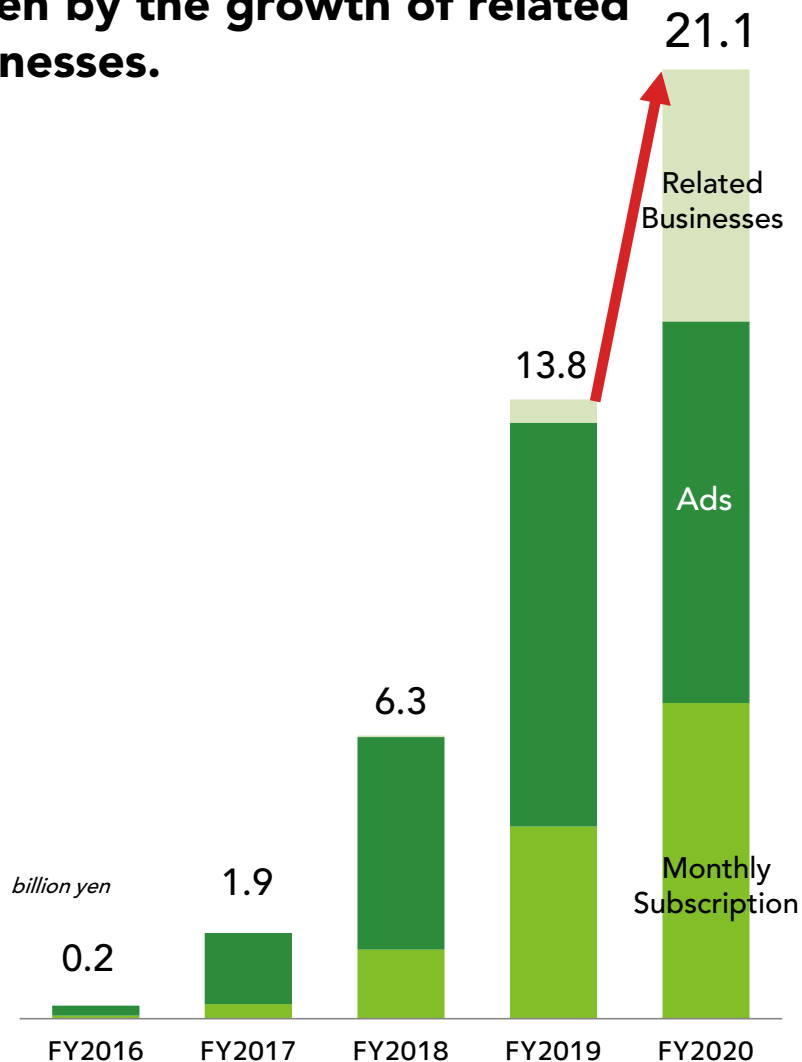
ABEMA 彼らは何を賭け、何のために戦うのか

ABEMA・東映ビデオ 共同製作 配信版

5. Media Business

[Sales of ABEMA & Related Businesses* (Full-year)]

Increased by approx. **1.5x YoY** driven by the growth of related businesses.



"ABEMA PPV ONLINE LIVE"

Bet on Cycling Online "WINTICKET"

Official Shopping Channel of ABEMA

*Sales of ABEMA & Related Businesses: Advertising sales include consolidated subsidiary AJA, Inc since FY2019.

5. Media Business

[ABEMA] Streaming a variety of exclusive live shows on "ABEMA PPV ONLINE LIVE."

July to September Lineup

ABEMA LIVE×ONLINE MAGNETIC

アベマLDH祭り 2020.9.19-9.26
～秋のLIVEスペシャル～

EXILE THE SECOND / 2HΛ J SOUL BROTHERS from EXILE TRIBE / GENERATIONS from EXILE TRIBE / THE RAMPAGE from EXILE TRIBE / FANTASTICS from EXILE TRIBE / BALLISTIK BOYZ from EXILE TRIBE / DODDERMAN INFINITY / E-girls / Happiness (20/9.22)

ABEMA 夏祭り 2020

8月2日(日) 20時30分～独占生配信!

ABEMA おかえり超問題児

「俺のアンチは全員クソ」
芦澤竜誠 25歳

9.22 K-1DX PPV

ABEMA ORE!! SUMMER 2020

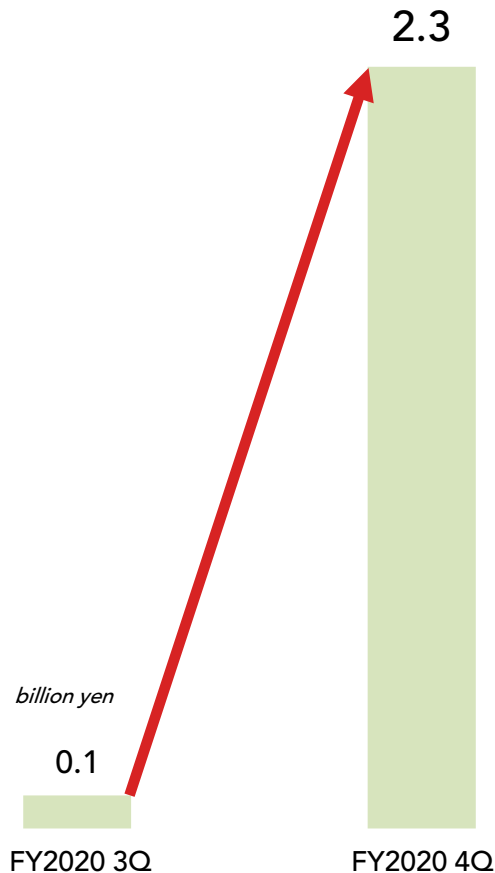
OREPARA PRESENTS

豪華男性声優15名による音楽の祭典 完全生配信

5. Media Business

[ABEMA] Sales of PPV service is growing rapidly.
The upcoming event list is ever-expanding.

Sales of PPV

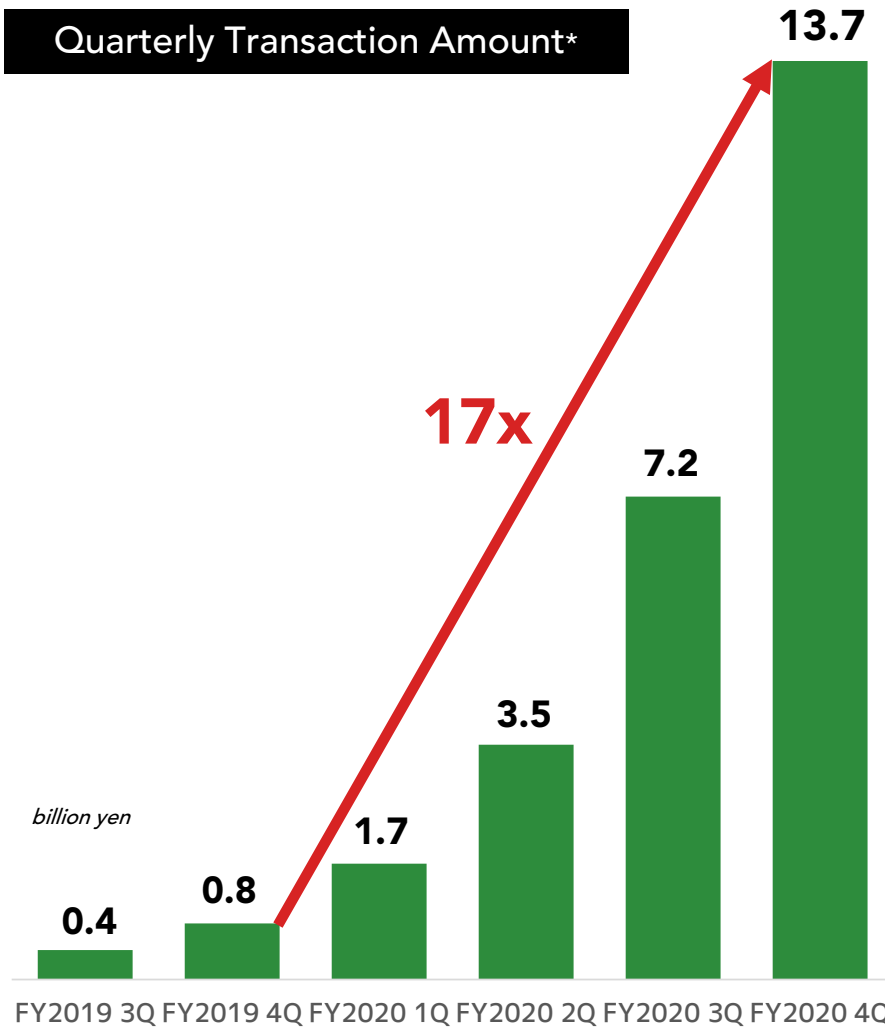


Upcoming Live Concerts



5. Media Business

[ABEMA] The transaction amount of "WINTICKET" is burgeoning, increased by 17x year over year.



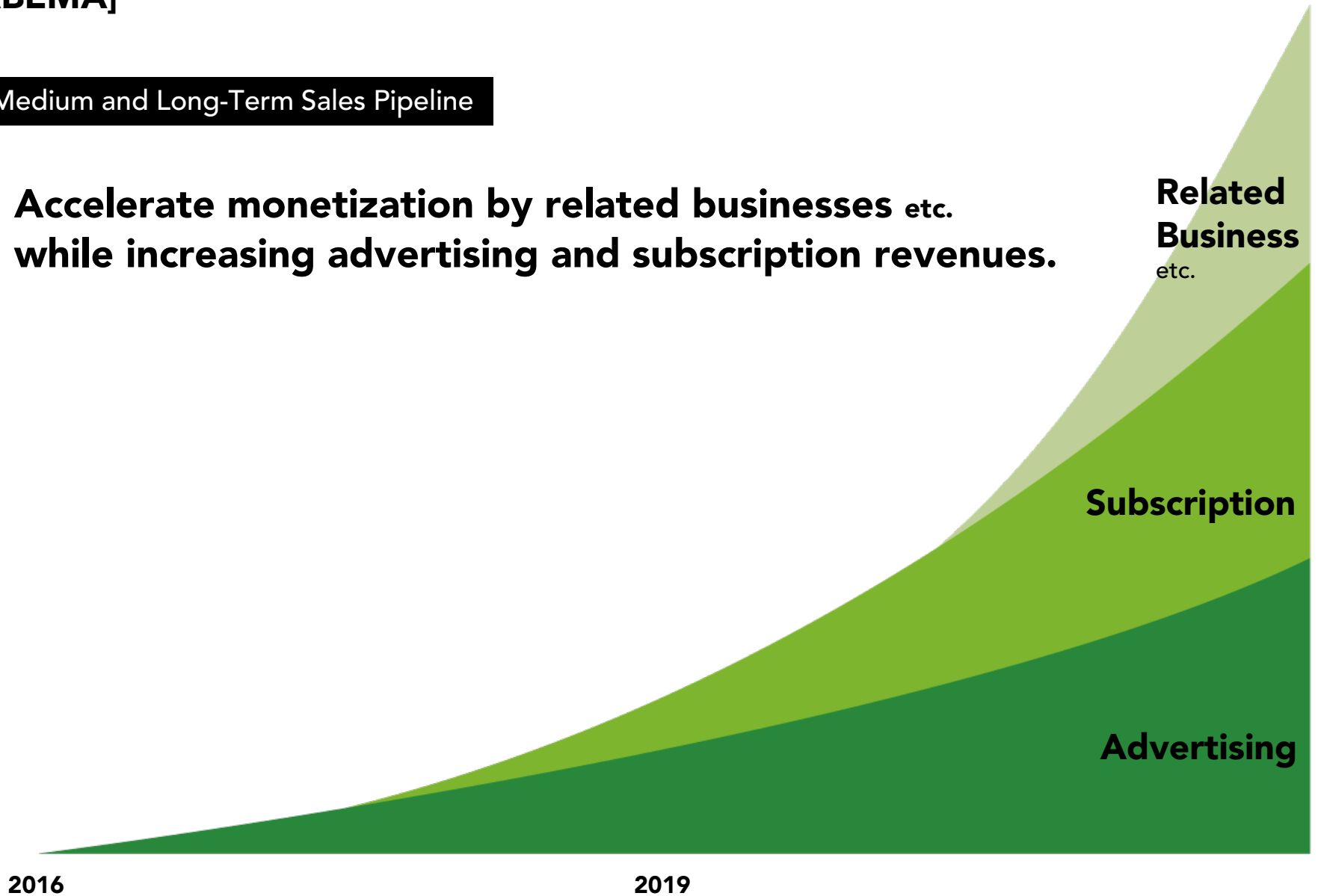
*Quarterly Transaction Amount: Transaction amount of WinTicket, Inc. that operates internet betting system of Keirin races. (includes loyalty point campaign)

5. Media Business

[ABEMA]

Medium and Long-Term Sales Pipeline

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



FY2021

Grow ABEMA as a medium to long-term pillar.

Media

Grow ABEMA larger and increase monetization

Ad

Aim to increase sales by maximizing advertising effectiveness

Game

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

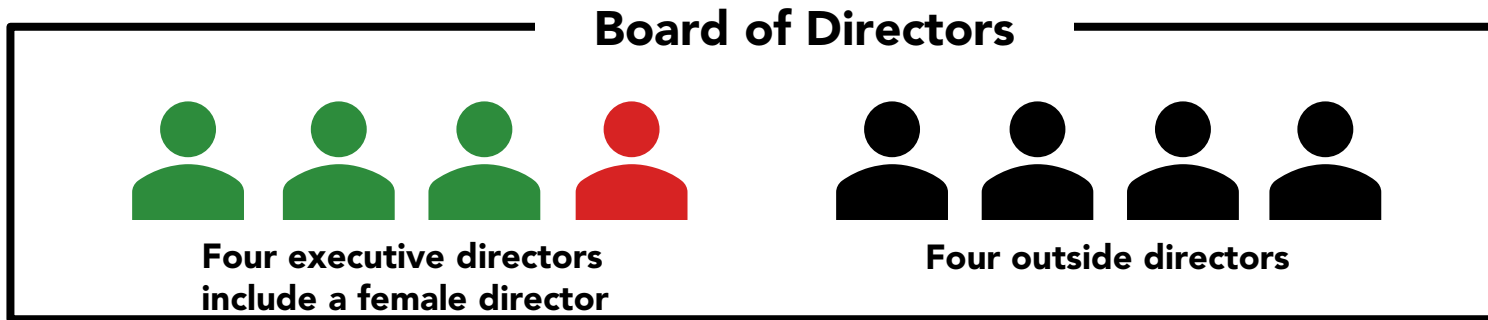


**Aiming to be a company with
medium to long-term supporters**

Reference

- **Governance**
- **Quarterly Results (July – September 2020)**

We developed a new structure to strengthen governance and make a clear distinction between management oversight and execution.



[Directors] Eight directors include three Audit and Supervisory Committee members. Seven male directors and a female director, of which four are outside directors.

Director Nominees*



Susumu Fujita
Representative Director



Yusuke Hidaka
Director



Go Nakayama
Director



Koichi Nakamura
Outside Director



Kozo Takaoka
Outside Director

*Director nominees to be discussed at the 23rd annual general meeting of shareholders to be held on December 11, 2020.

Members of Audit and Supervisory Committee**



Toko Shiotsuki
Director
Standing member of
Audit and Supervisory
Committee



Masao Horiuchi
Outside Director



Isao Numata
Outside Director

**Audit and Supervisory Committee members are approved for two-year term at the annual general meeting of shareholders held on December 13, 2019.

[Executive officers]

Corporate Executive Office

Susumu Fujita
CEO, President



Yusuke Hidaka
Executive Vice President



Yasuo Okamoto
Executive Vice President



Go Nakayama
Senior Managing Executive Officer



Masahide Koike
Senior Managing Executive Officer



Takahiro Yamauchi
Senior Managing Executive Officer



Yuko Ishida
Senior Managing Executive Officer



Yuta Iizuka
Senior Managing Executive Officer



[Executive officers]

Managing Executive Officers

Takahito Naito



Tetsuhito Soyama
CHO



Norishige Nagase
Technology



Koki Ukita



Riku Yamada



Executive Officers

Hiroyuki Ishii

Senior Executive Officer



Eiji Koike

Senior Executive Officer



Masato Sato



Yosuke Sato



Takehiro Takeda



Tatsuhiko Taniguchi



Daiki Nakata



Tomohisa Nomura



Takunori Fujii



Gaku Miyata

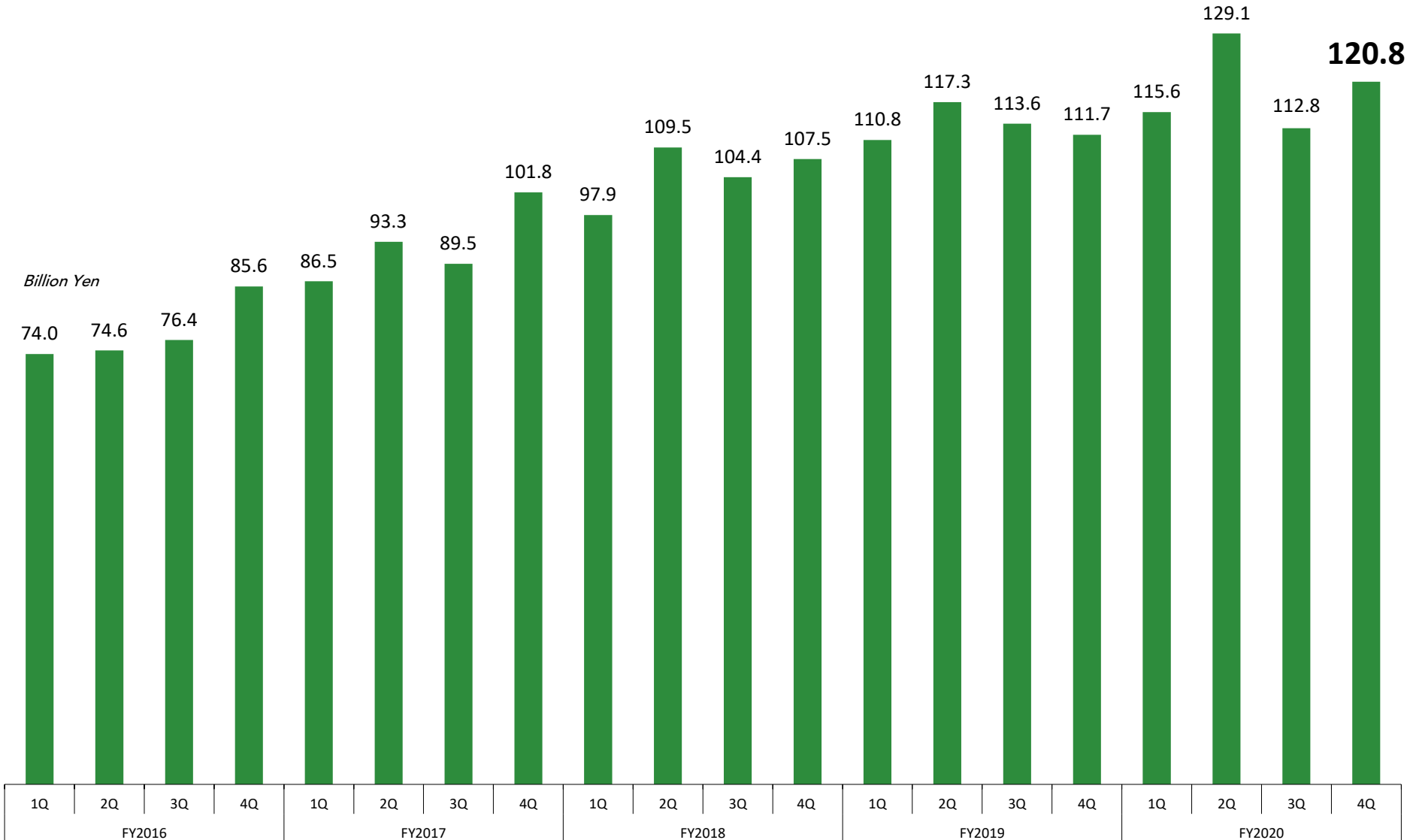


Yuka Yokoyama



7. Reference_ Quarterly Results

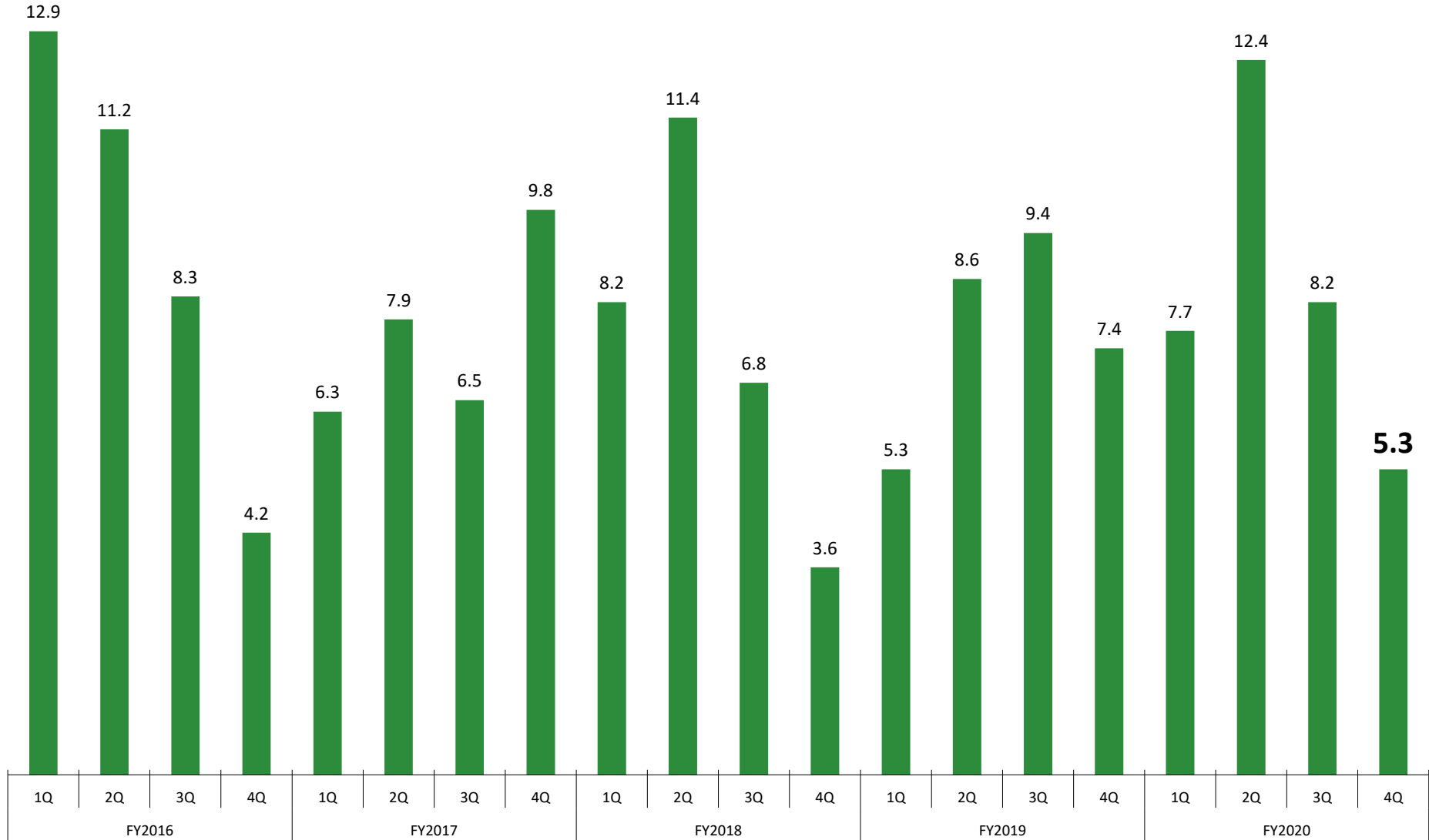
[Consolidated Sales] Sales were **120.8** billion yen, up **8.1%** year over year.



7. Reference_ Quarterly Results

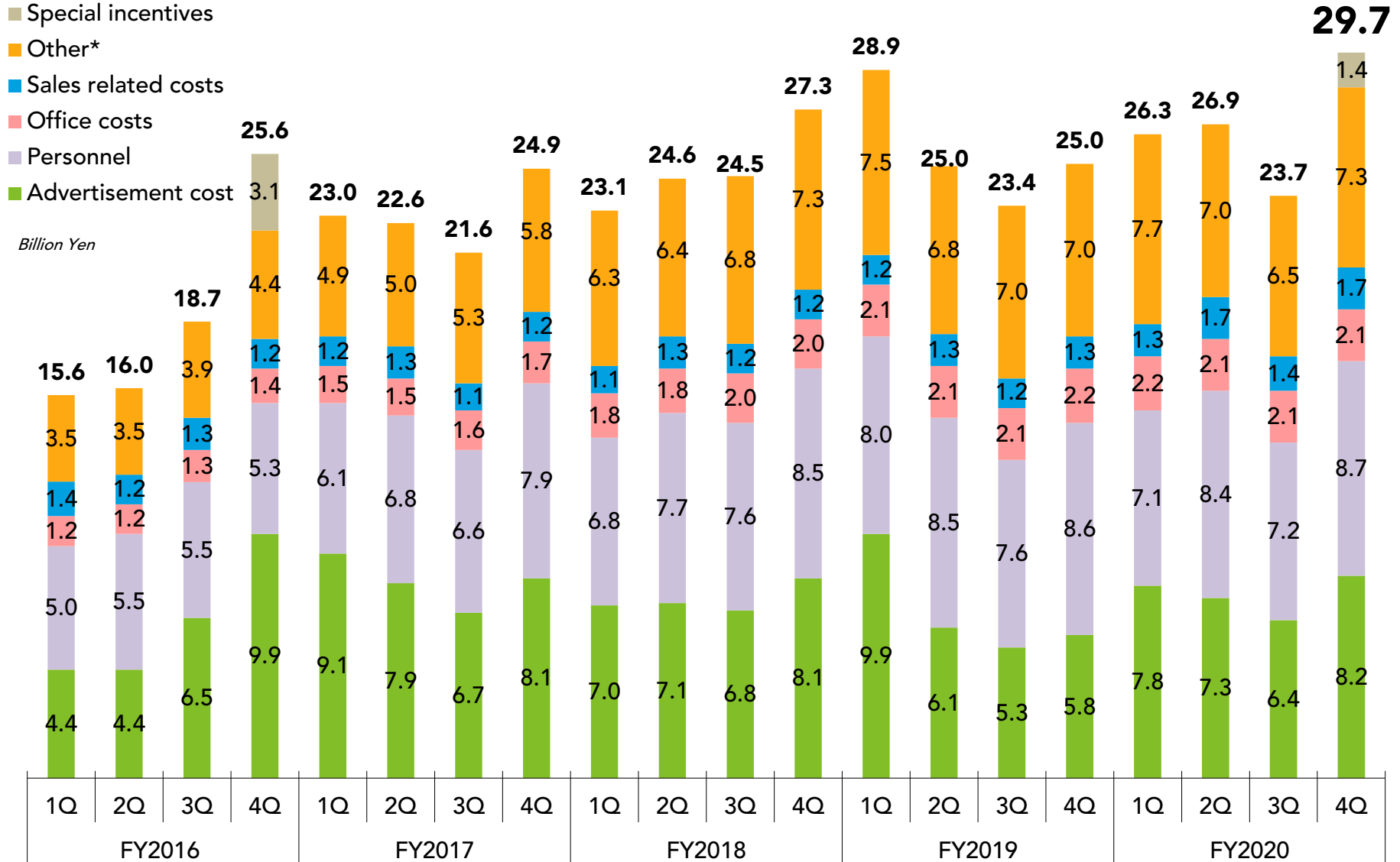
[Consolidated OP] **5.3** billion yen, down **27.8%** year over year

Billion Yen



7. Reference_ Quarterly Results

[SG&A Expenses] **29.7** billion yen in Q4.

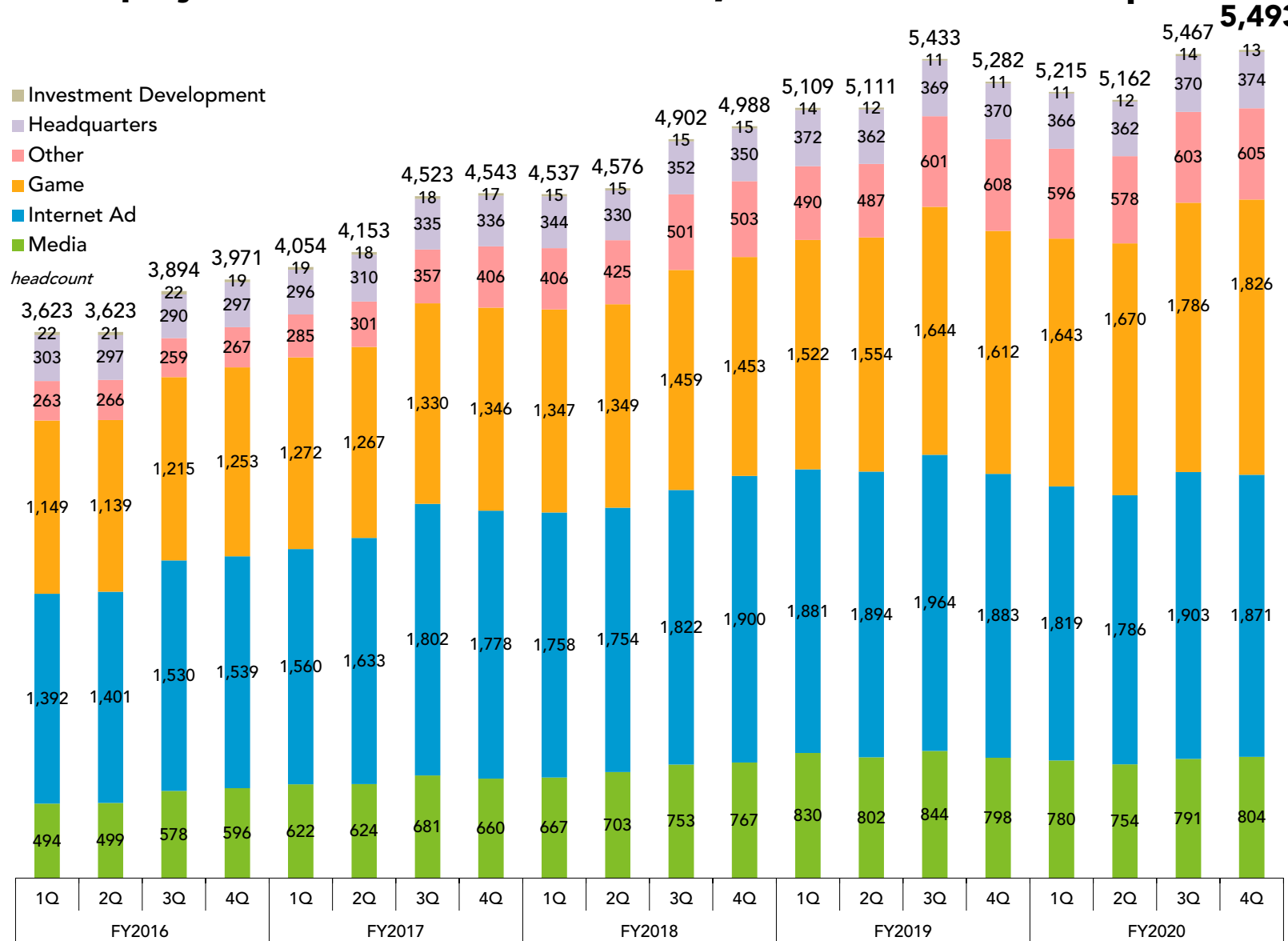


*Other: Outsourcing expenses, R&D expenses, entertainment expenses etc.

7. Reference_ Quarterly Results



[No. of Employees] Total headcount was **5,493** at the end of September.



*Segment reclassification in FY2020: The change is applied from FY2019 retrospectively.

7. Reference_ Quarterly Results

[PL]

million yen	FY2020 4Q Jul-Sept. 2020	FY2019 4Q Jul-Sept. 2019	YoY	FY2020 3Q Apr-Jun. 2020	QoQ
Net Sales	120,858	111,759	8.1%	112,854	7.1%
Gross profit	35,157	32,494	8.2%	32,003	9.9%
SG&A expenses	29,788	25,062	18.9%	23,724	25.6%
Operating profit	5,369	7,431	-27.8%	8,279	-35.2%
OPM	4.4%	6.6%	-2.2pt	7.3%	-2.9pt
Ordinary profit	5,399	7,319	-26.2%	8,229	-34.4%
Extraordinary income	0	881	-99.9%	7	-93.3%
Extraordinary loss	255	5,183	-95.1%	3,009	-91.5%
Income before income taxes and non-controlling interests	5,144	3,018	70.5%	5,228	-1.6%
Net profit*	729	-82	—	1,118	-34.8%

*Net profit: Profit attributable to shareholders of parent.

Affected by the fact that AbemaTV, Inc. is exempted from consolidated tax payment, and non-controlling equity interest (minority interest) of Cygames, Inc.

7. Reference_ Quarterly Results

[BS]

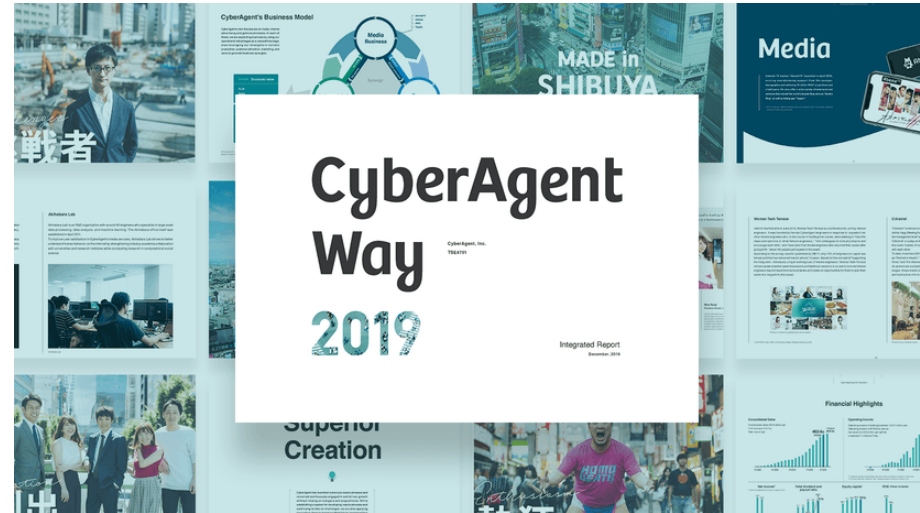
million yen	End of Sept 2020	End of Sept 2019	YoY	End of June 2020	QoQ
Current assets	203,674	168,662	20.8%	181,182	12.4%
Cash deposits	102,368	84,565	21.1%	90,425	13.2%
Fixed assets	57,047	56,172	1.6%	54,629	4.4%
Total assets	260,766	224,876	16.0%	235,860	10.6%
Current liabilities	87,867	70,749	24.2%	71,661	22.6%
(Income tax payable)	9,458	7,014	34.8%	5,946	59.1%
Fixed liabilities	45,220	43,774	3.3%	43,836	3.2%
Shareholders' equity	78,466	74,015	6.0%	77,786	0.9%
Net Assets	127,678	110,352	15.7%	120,362	6.1%

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The financial results of FY2021 Q1 are scheduled to be released at 3pm or later on Wednesday, January 27, 2021.