

2Q FY2022 Presentation Material

January to March 2022

April 27, 2022



[Forward-looking statement]

The future information, such as earnings forecast, written in this document is based on our expectations and assumptions as of the date the forecast was made. Our actual results could differ materially from those described in this forecast because of various risks and uncertainties.

- 1. Quarterly Results** (January - March 2022)
- 2. Forecast**
- 3. Internet Advertisement Business**
- 4. Game Business**
- 5. Media Business**
- 6. Medium to long-term strategy**

Quarterly Results

January - March 2022

FY2022 Q2

All three main businesses performed strongly.

Sales: **191.1** billion yen up **16.9%** YoY
OP: **25.7** billion yen down **0.6%** YoY

Media

Revenue from ABEMA and related businesses largely increased, and profitability has improved.

Sales: **27.3** billion yen up **37.9%** YoY
OP: **-1.9** billion yen **+1.5** billion yen YoY

Ad

Sales and OP reached a new record by pursuing ad effectiveness.

Sales: **97.0** billion yen up **20.3%** YoY
OP: **7.4** billion yen up **3.3%** YoY

Game

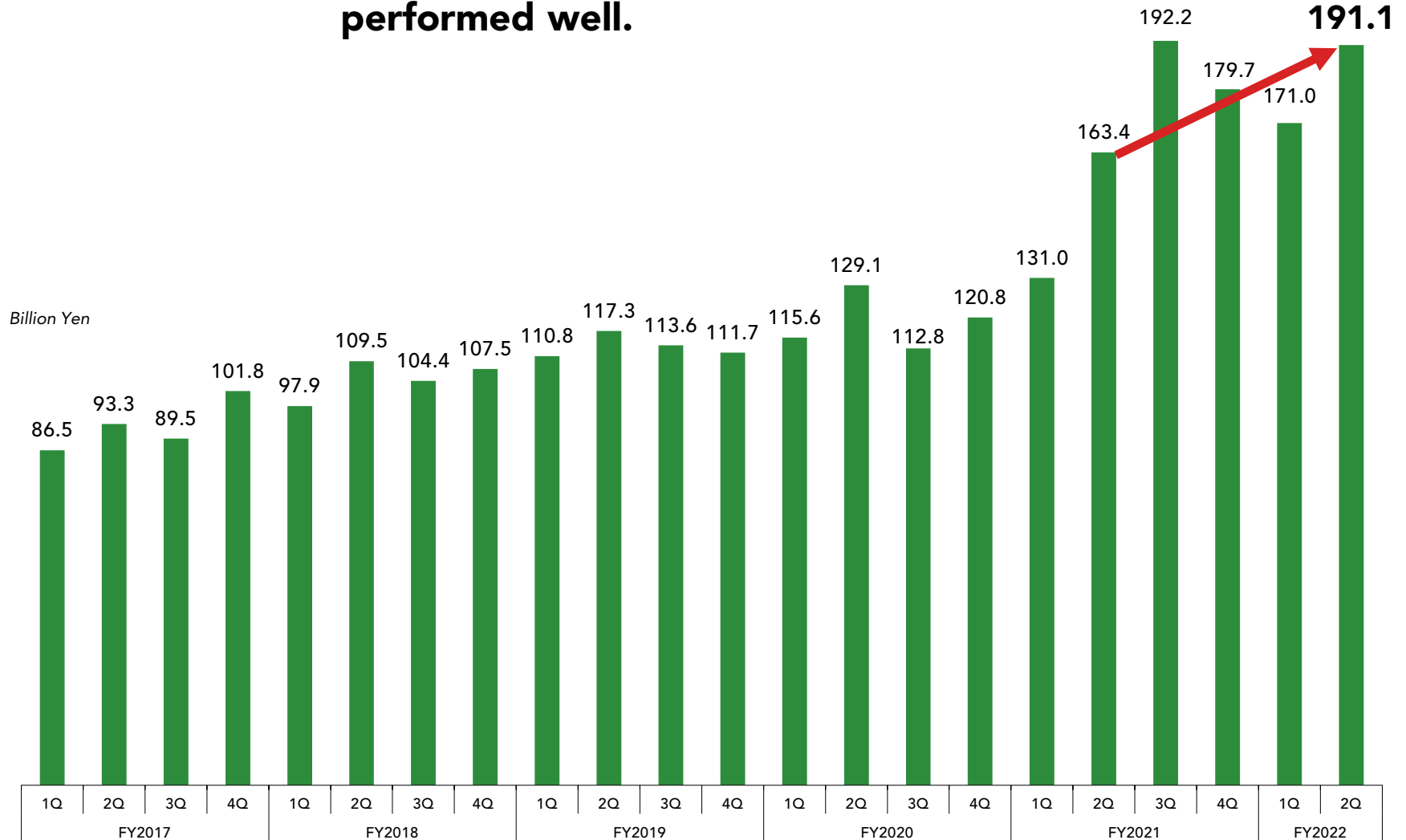
Sales and OP grew quarter over quarter driven by successful anniversaries.

Sales: **69.0** billion yen up **7.9%** YoY up **18.3%** QoQ
OP: **21.3** billion yen down **7.8%** YoY up **24.9%** QoQ

1. Quarterly Results

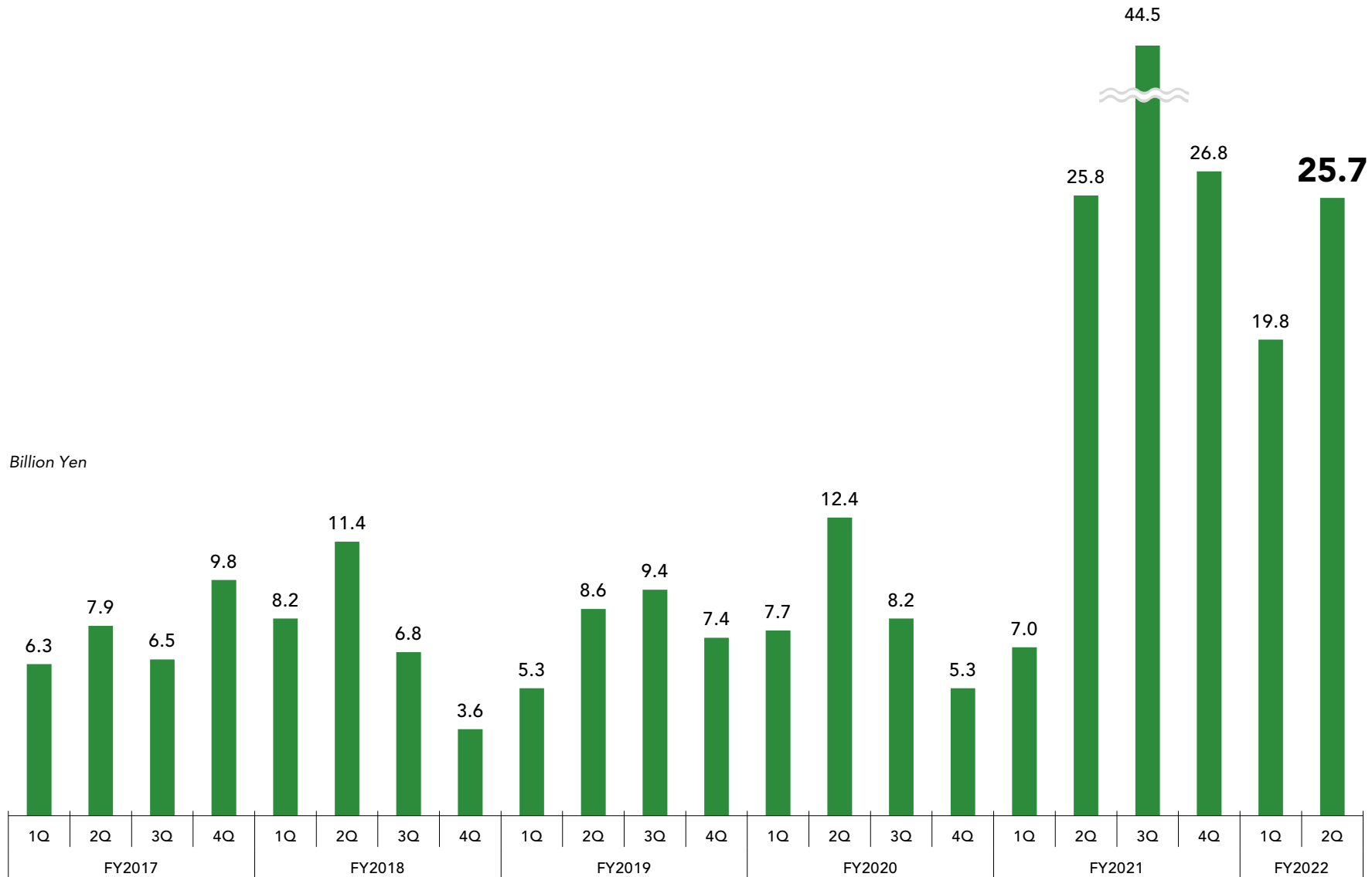
[Consolidated Sales] **191.1** billion yen (up 16.9% YoY)

Not only the anniversaries of the game business but the advertising business and the media business performed well.



1. Quarterly Results

[Consolidated OP] **25.7** billion yen (down 0.6% YoY)

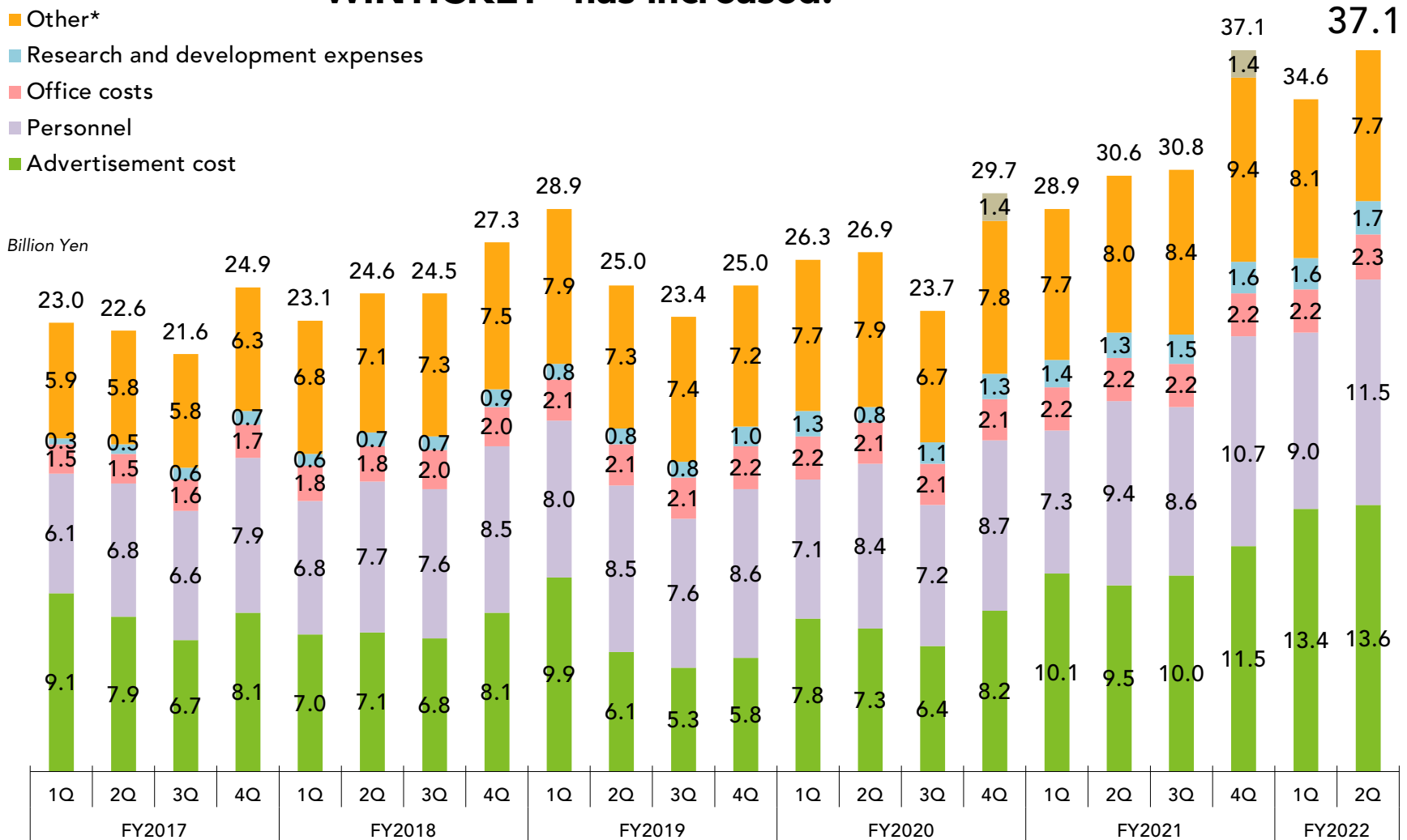


1. Quarterly Results

[SG&A Expenses] **37.1 billion yen**

Marketing expenses of the game business and "WINTICKET" has increased.

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



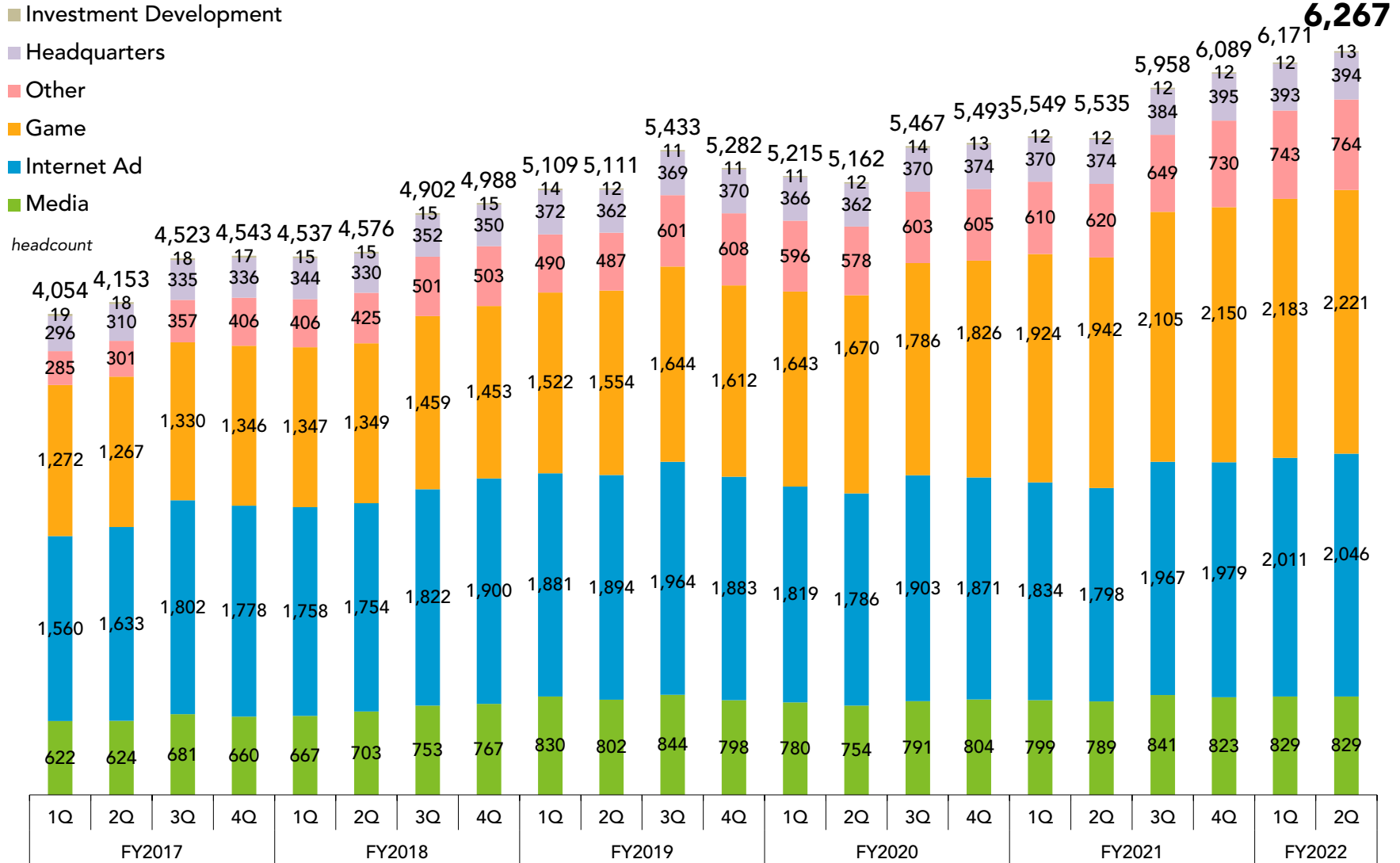
*Since the current fiscal year, R&D expenses are excluded from "Other" and sales-related expenses are included in "Other", retroactive from FY2017.

*Other: Outsourcing expenses, research and development expenses, external standard taxation, entertainment expenses, and others.

1. Quarterly Results



[No. of Employees] Total headcount was **6,267** at the end of March.
(349 new graduates joined in April.)



1. Quarterly Results

[PL]

million yen	FY2022 Q2	FY2021 Q2	YoY	FY2022 Q1	QoQ
Net Sales	191,102	163,483	16.9%	171,090	11.7%
Gross profit	62,885	56,529	11.2%	54,419	15.6%
SG&A expenses	37,162	30,655	21.2%	34,615	7.4%
Operating profit	25,723	25,874	-0.6%	19,804	29.9%
OPM	13.5%	15.8%	-2.3pt	11.6%	1.9pt
Ordinary profit	25,879	26,096	-0.8%	19,836	30.5%
Extraordinary income	136	9	1389.0%	97	40.0%
Extraordinary loss	795	1,397	-43.1%	981	-18.9%
Income before income taxes and non-controlling interests	25,220	24,707	2.1%	18,953	33.1%
Net profit*	11,063	10,764	2.8%	6,091	81.6%

*Net profit: Profit attributable to shareholders of parent is affected by the fact that AbemaTV, Inc. is exempted from consolidated tax payment, and non-controlling equity interest (minority interest) of Cygames, Inc.

1. Quarterly Results

[BS] We maintain a strong financial position.

million yen	End of Mar. 2022	End of Mar. 2021	YoY	End of Dec. 2021	QoQ
Current assets	303,905	234,873	29.4%	273,381	11.2%
Cash deposits	177,567	100,384	76.9%	157,221	12.9%
Fixed assets	81,792	65,437	25.0%	80,485	1.6%
Total assets	385,731	300,365	28.4%	353,904	9.0%
Current liabilities	123,437	109,212	13.0%	108,907	13.3%
(Income tax payable)	13,319	10,845	22.8%	3,396	292.2%
Fixed liabilities	49,462	44,535	11.1%	49,208	0.5%
Shareholders' equity	130,756	90,947	43.8%	119,621	9.3%
Net Assets	212,831	146,617	45.2%	195,788	8.7%

FY2022 Forecast

October 2021 - September 2022

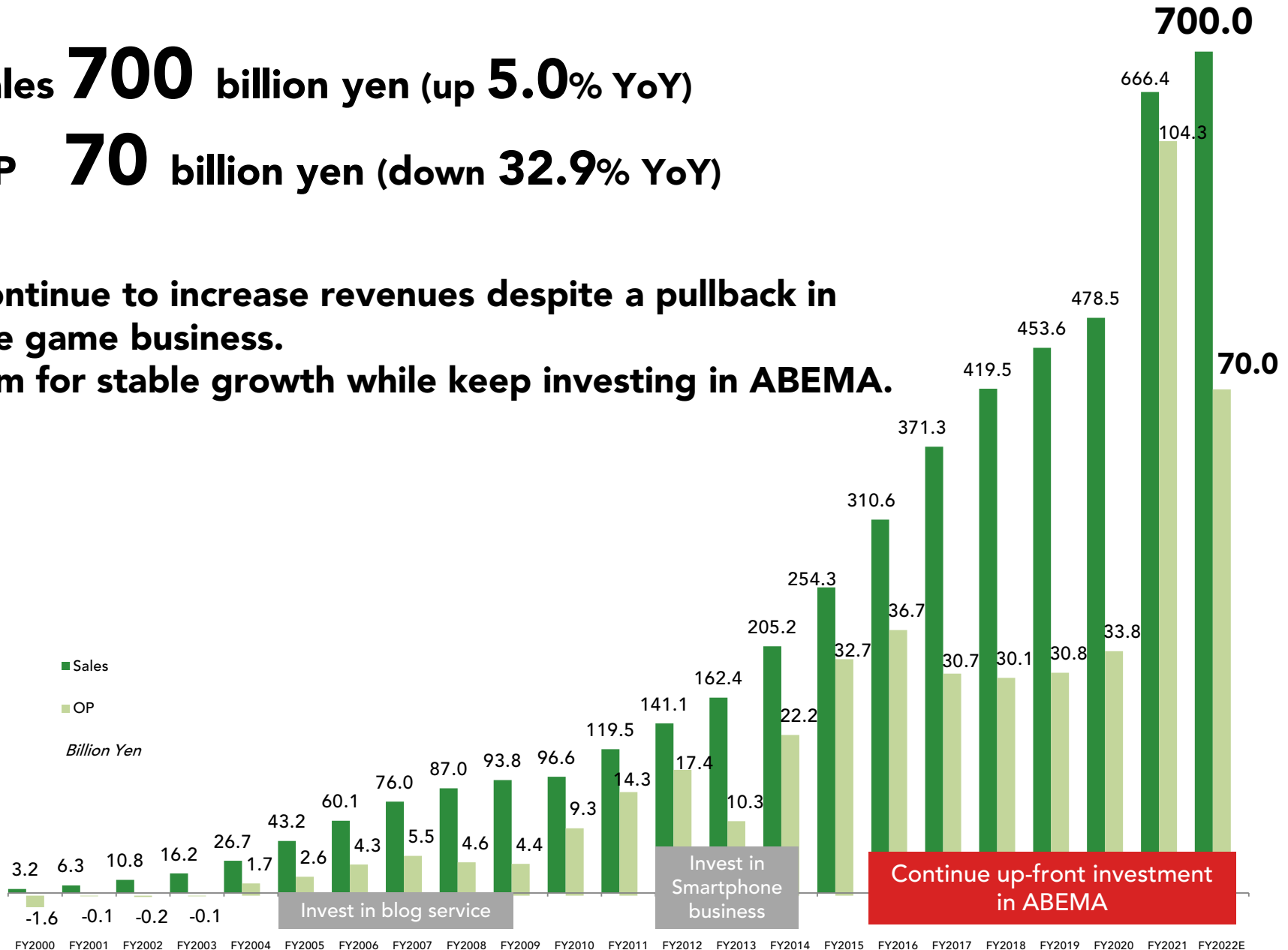
2. FY2022 Forecast

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

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

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

Aim for stable growth while keep investing in ABEMA.



2. FY2022 Forecast

[Forecast]

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

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

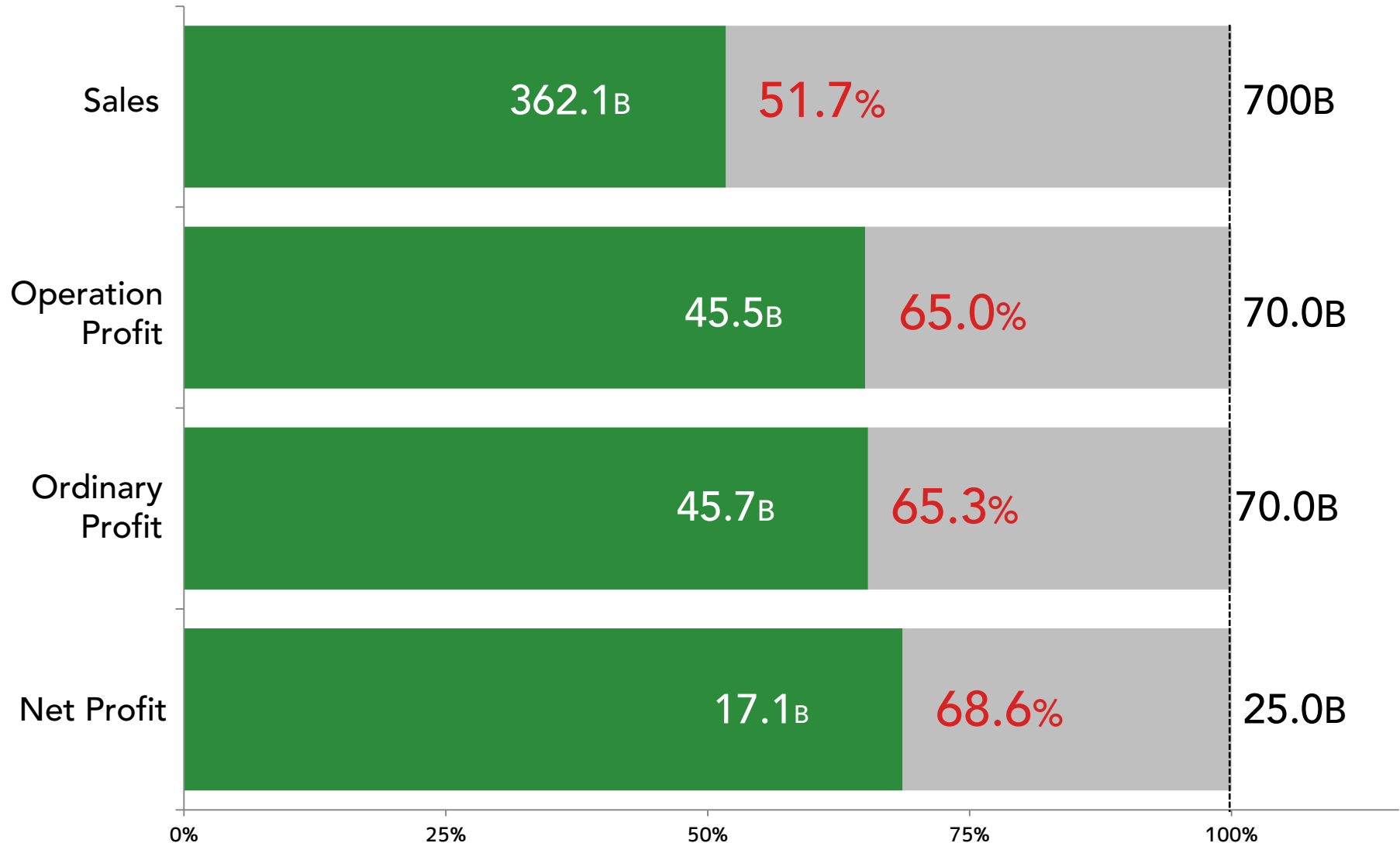
Dividend	14 yen	11 yen	27.3%
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* Net profit: Profit attributable to shareholders of parent is affected by the fact that AbemaTV, Inc. is exempted from consolidated tax payment, and non-controlling equity interest (minority interest) of Cygames, Inc.

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

2. FY2022 Forecast

[Progress to Forecast]

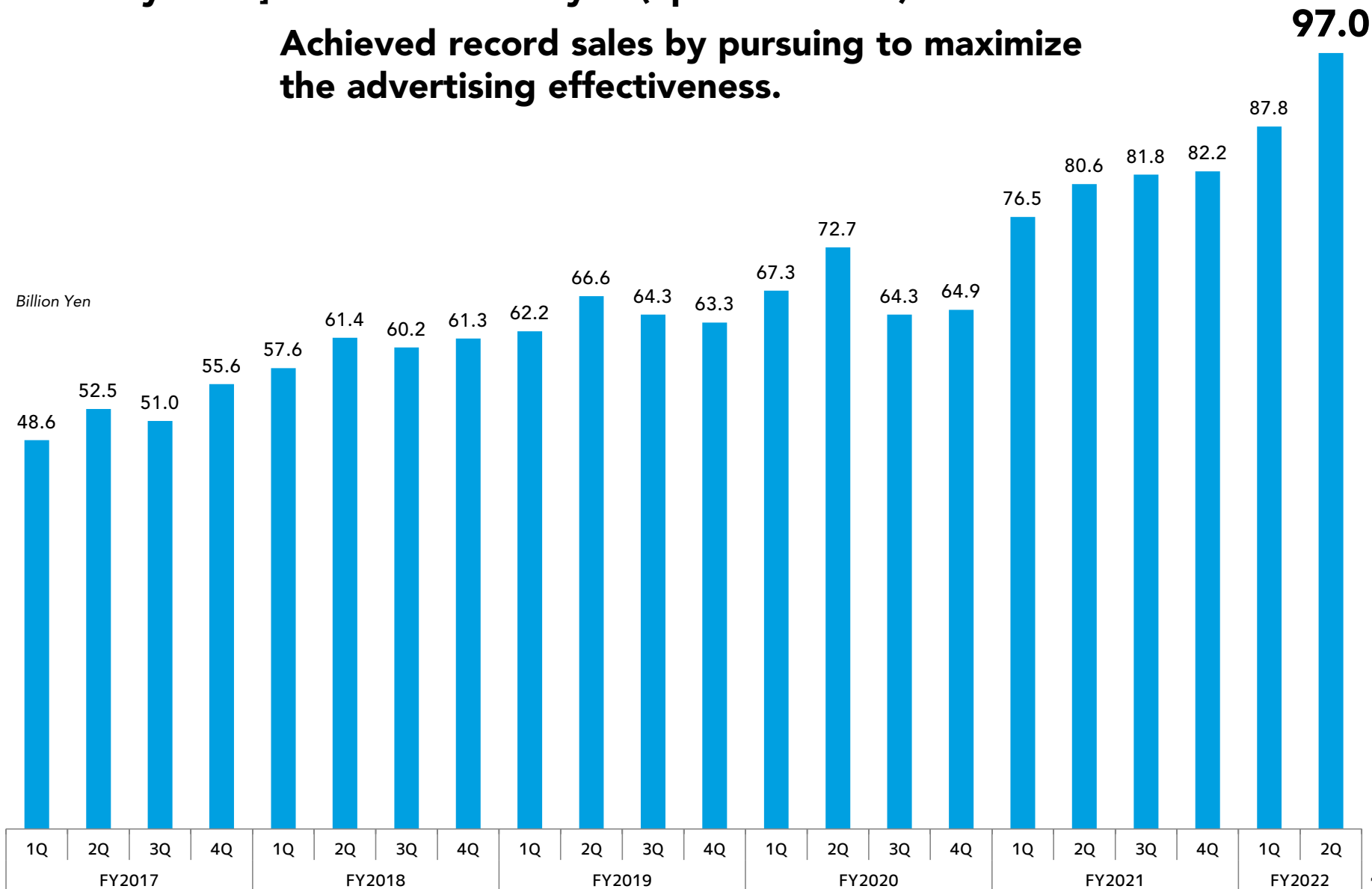


Internet Advertisement

3. Internet Advertisement Business

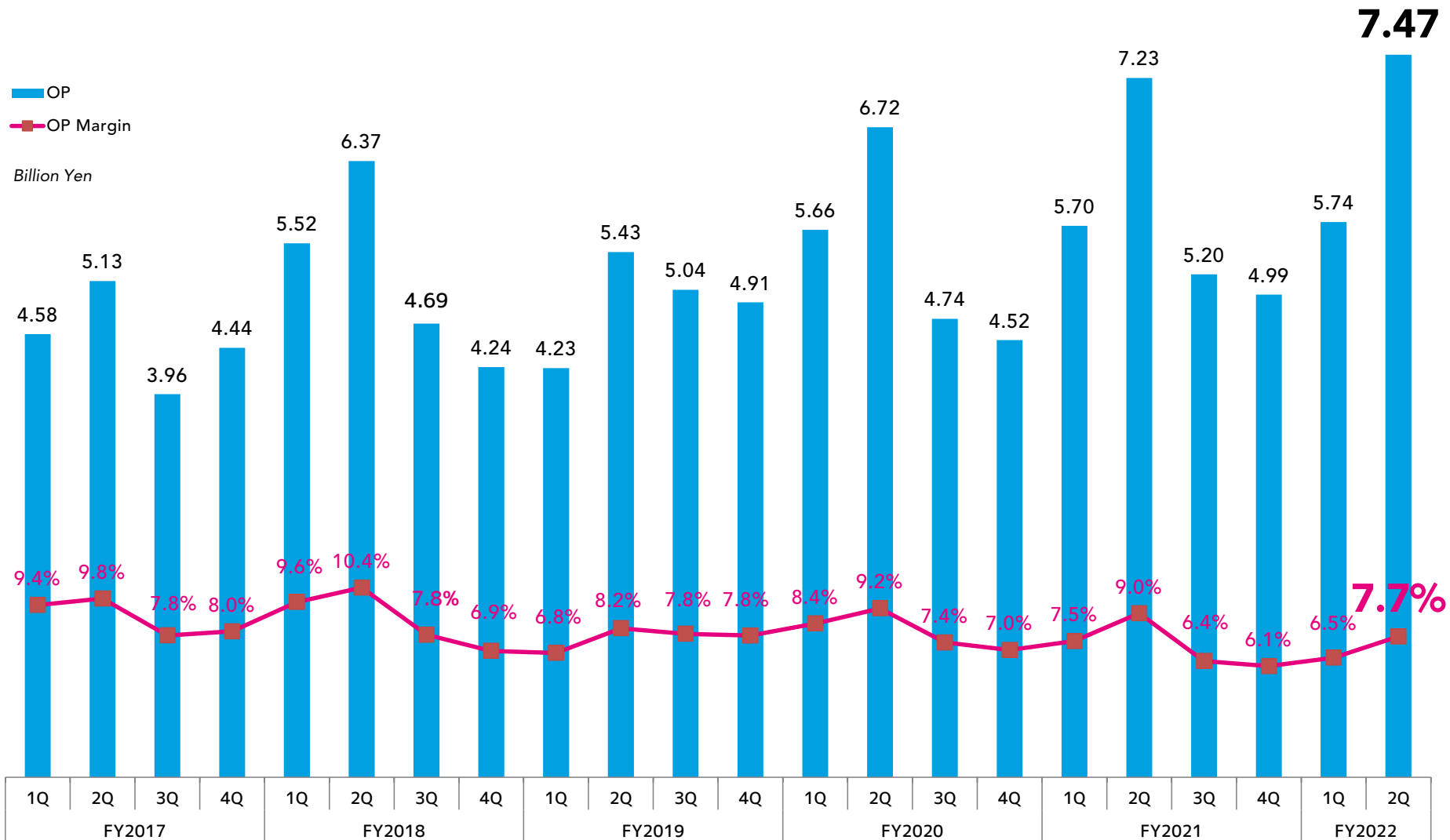
[Quarterly Sales] Q2 **97.0** billion yen (up 20.3% YoY)

Achieved record sales by pursuing to maximize the advertising effectiveness.



3. Internet Advertisement Business

[Quarterly OP] OP was **7.47** billion yen, achieved a new record.
 OPM **7.7%** Continue to invest in AI and DX.



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

3. Internet Advertisement Business

[Focus Area] Expand the DX business in collaboration with the retail, distribution companies and others.

ANA X INC. **New**

Support to develop the advertising business utilizing booking information and customer data of ANA group.



YAMADA DENKI Co., Ltd.

"Yamada Digital Ads"



NTT Communications Corporation

"Next-generation Smart Advertising Platform"



**SAPPORO DRUG STORE CO.,LTD.
AWL, Inc.**

"Retail Connect"*

Credit Saison Co., Ltd.

**Joint Company
CASM, Inc.**



*"Retail Connect" is a platform that supports smooth ad business development for retailers by supporting ad operations such as ad distribution and measuring effectiveness.

3. Internet Advertisement Business

[Competitive advantages]

Enhance the technical capability in addition to the operational capability to aim for maximizing advertising effectiveness.

Technical Capability

AI – KIWAMI Series 	Creative Field 	Cadesign 	Digital Twin Label 	LED STUDIO
			FUTURE EVENT 	CG • Conversational AI



Operational Capability

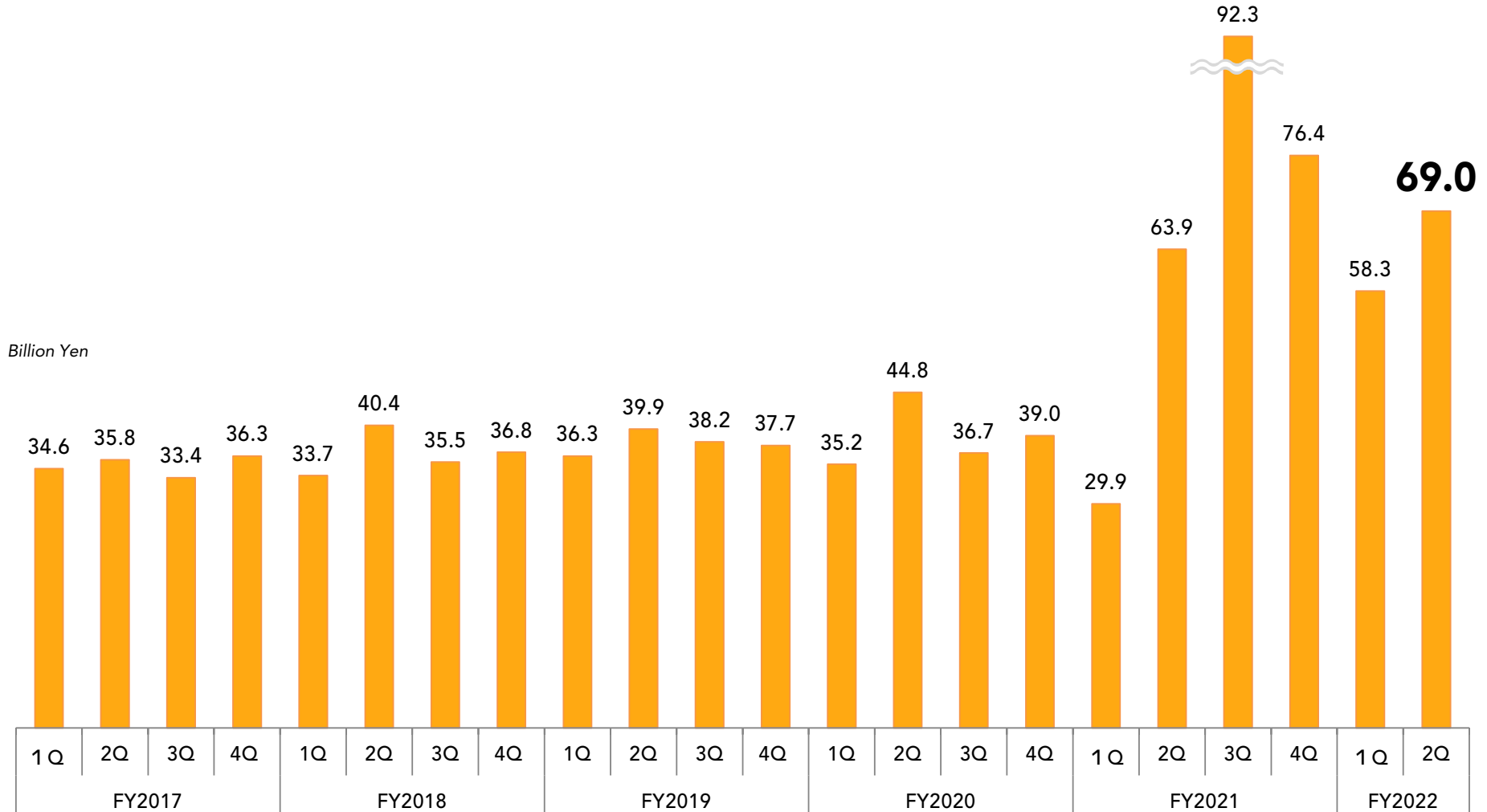
Maximize Advertising Effectiveness

Game

4. Game Business

[Quarterly Sales] Q2 **69.0** billion yen (up 7.9% YoY)

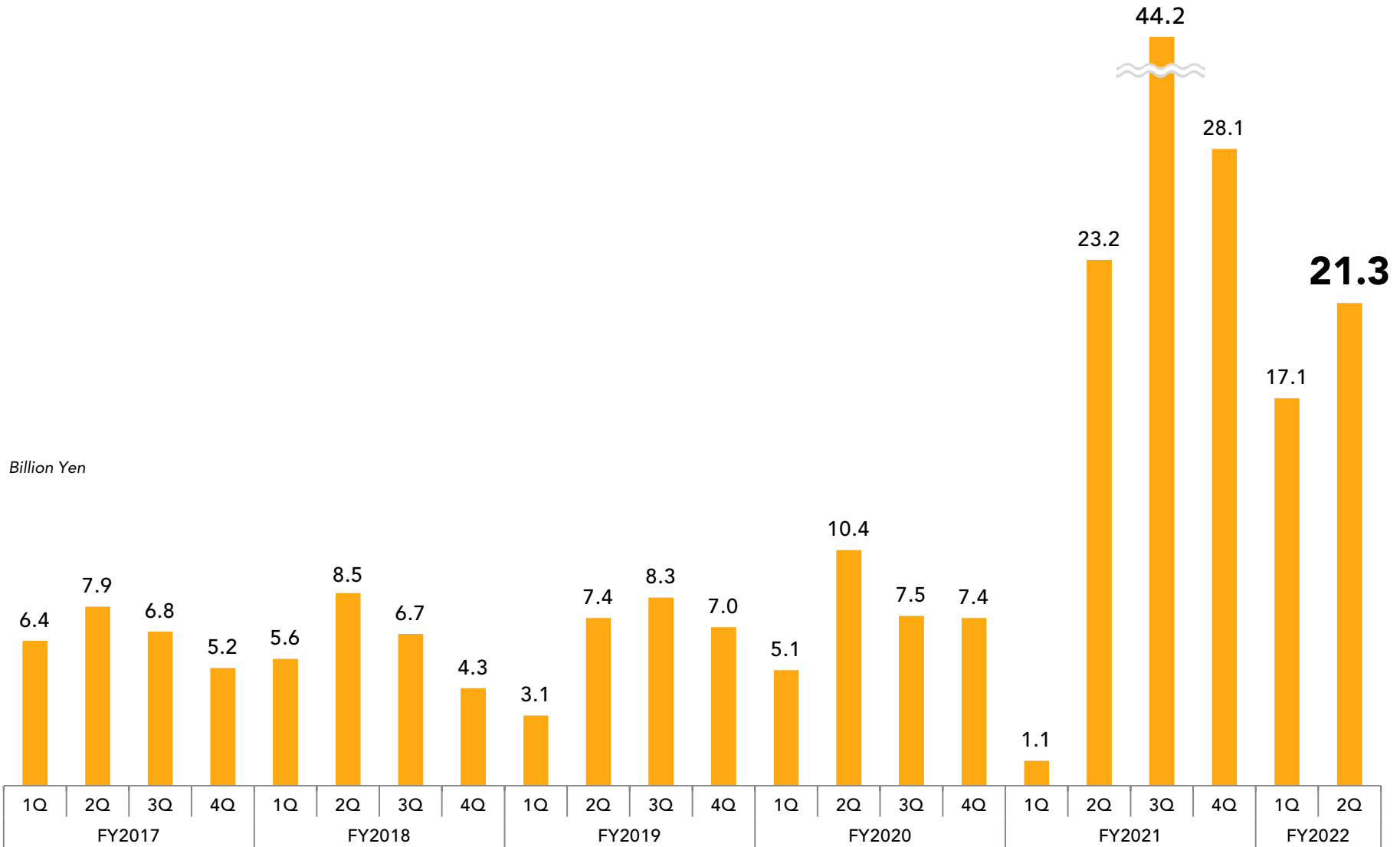
Sales driven by the anniversaries of "Uma Musume Pretty Derby*," and "Granblue Fantasy*."



*"Uma Musume Pretty Derby", "Granblue Fantasy" : © Cygames, Inc.

4. Game Business

[Quarterly OP] **21.3 billion yen (down 7.8% YoY)**



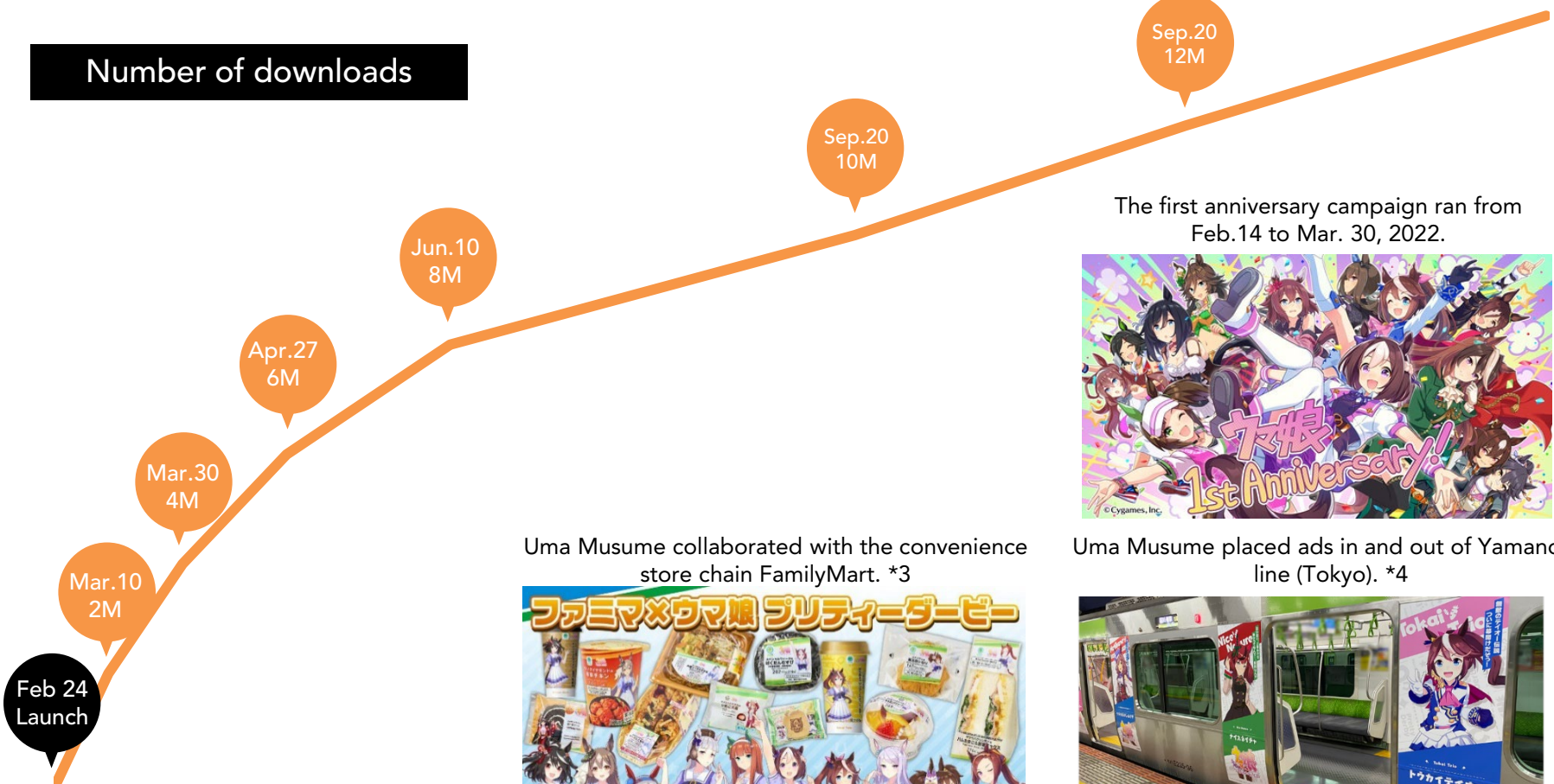
*Quarterly OP : Special incentives in FY2020 and FY2021 are excluded.

4. Game Business

[Uma Musume Pretty Derby*] The first anniversary campaign consisted of four phases. The number of characters*2 increased to 80 from 25 since the beginning.

Apr.1
14M

Number of downloads



The first anniversary campaign ran from Feb.14 to Mar. 30, 2022.



Uma Musume collaborated with the convenience store chain FamilyMart. *3



Uma Musume placed ads in and out of Yamanote-line (Tokyo). *4



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

*2 Characters do not include those with different costumes.

*3 The collaborated items were offered from Feb. 15 to Mar. 7, 2022.

*4 Placement period: Train wraps from Feb. 24 to Mar. 14, 2022. Full train ads from Mar.4 to Mar. 17, 2022.

4. Game Business

[Uma Musume Pretty Derby*] A series of new TV commercials are now on air since April 10, 2022.



4. Game Business

[Upcoming Games] A new game title has released in February.
Three popular IP titles are expected to be released in 2022.

"Dream Meister and the Recollected Black Fairy"* RPG
GCREST, Inc. **Released on Feb. 18**

"FINAL FANTASY VII EVER CRISIS"*2 RPG
SQUARE ENIX CO., LTD. / Applibot, Inc. **To be released in 2022**

"Jujutsu Kaisen Phantom Parade"*3 RPG
Sumzap, Inc. / TOHO CO., LTD. **To be released in 2022**

"Tokyo Revengers (Name TBD)"*4 Puzzle
GOODROID, Inc. **To be released in 2022**

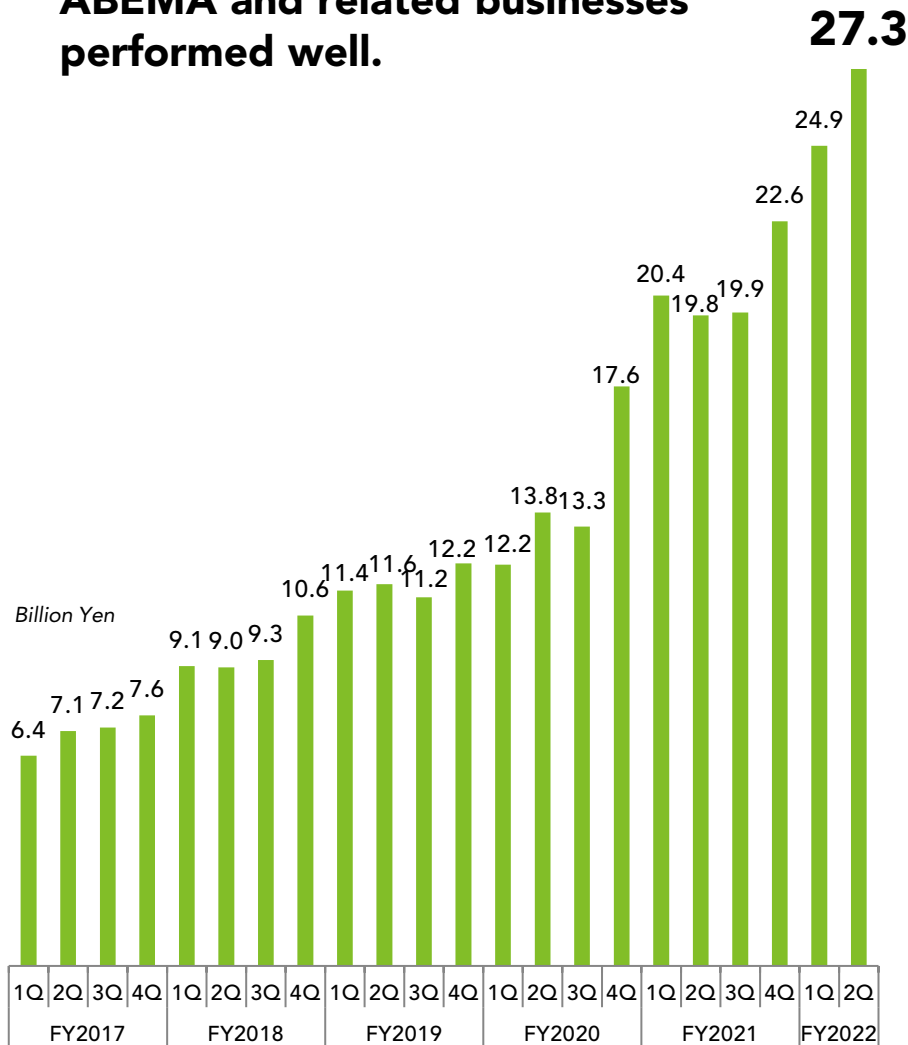
* "Dream Meister and the Recollected Black Fairy": © bilibili © GCREST
*2 "FINAL FANTASY VII EVER CRISIS": © 1997, 2021 SQUARE ENIX CO., LTD. All Rights Reserved. Powered by Applibot, Inc. CHARACTER DESIGN: TETSUYA NOMURA CHARACTER ILLUSTRATION: LISA FUJISE
*3 "Jujutsu Kaisen Phantom Parade": © Gege Akutami/ Shueisha, Jujutsu Kaisen Production Committee © Sumzap, Inc
*4 "Tokyo Revengers (Name TBD)": © Ken Wakui, Kodansha/ Anime "Tokyo Revengers" Production Committee © GOODROID, Inc. ALL Rights Reserved. CyberAgentGroup.

Media

5. Media Business

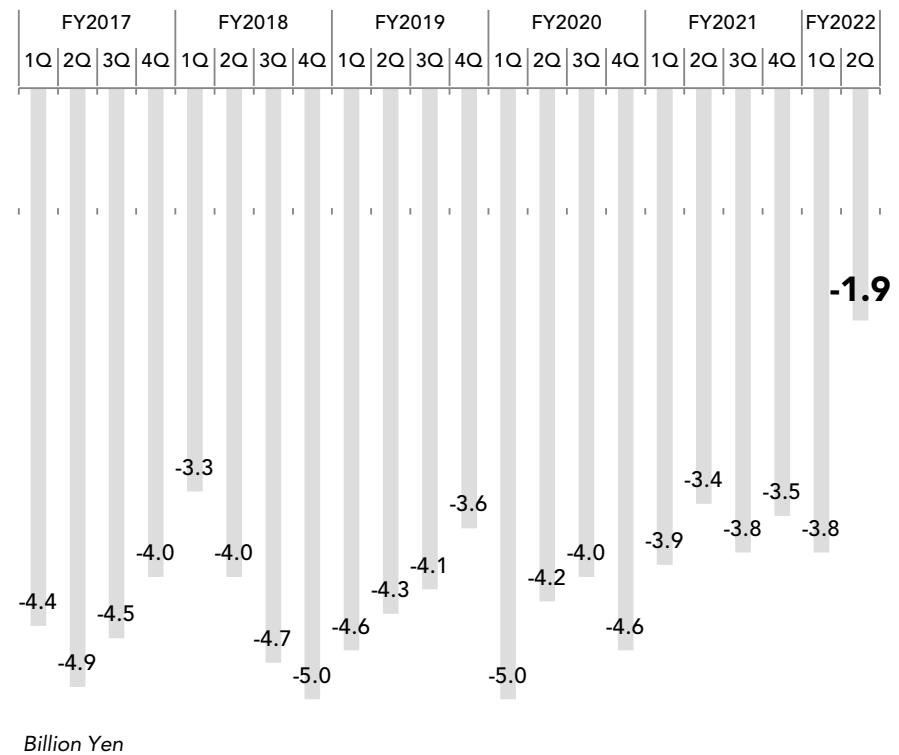
[Quarterly Sales]

27.3 billion yen (up 37.9% YoY)
ABEMA and related businesses performed well.



[Quarterly OP]

-1.9 billion yen operating loss in Q2.
Profitability has improved by increasing sales.



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

5. Media Business

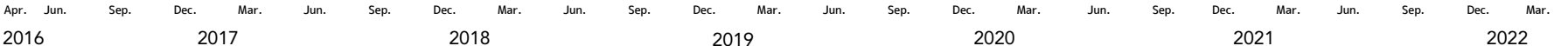


Exceeded **78** million downloads in six years after the launch.

Downloads

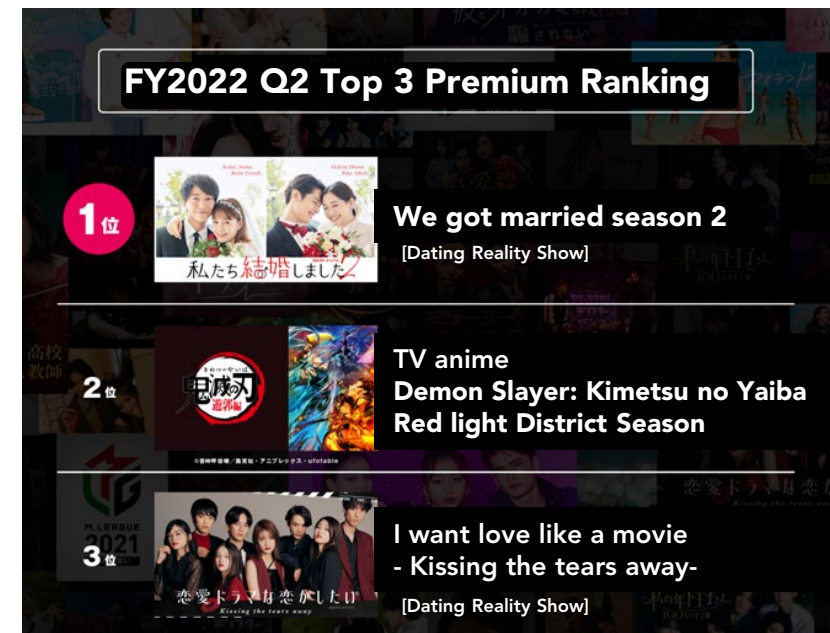
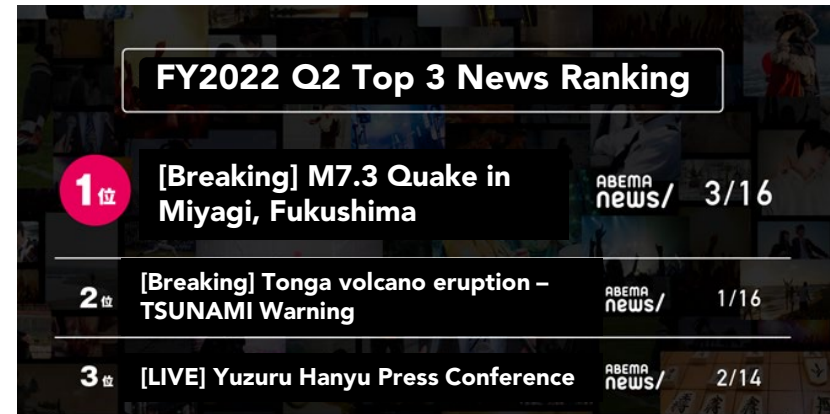
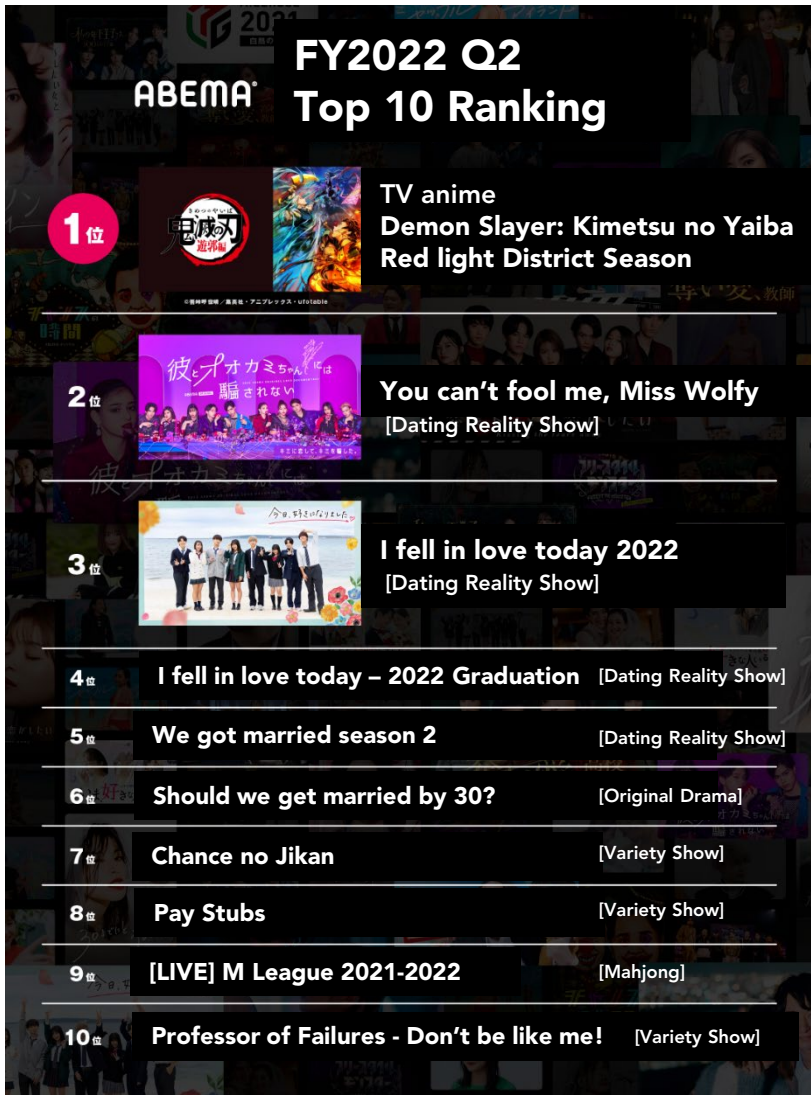
April 11
2016
Release

78M
DL



5. Media Business

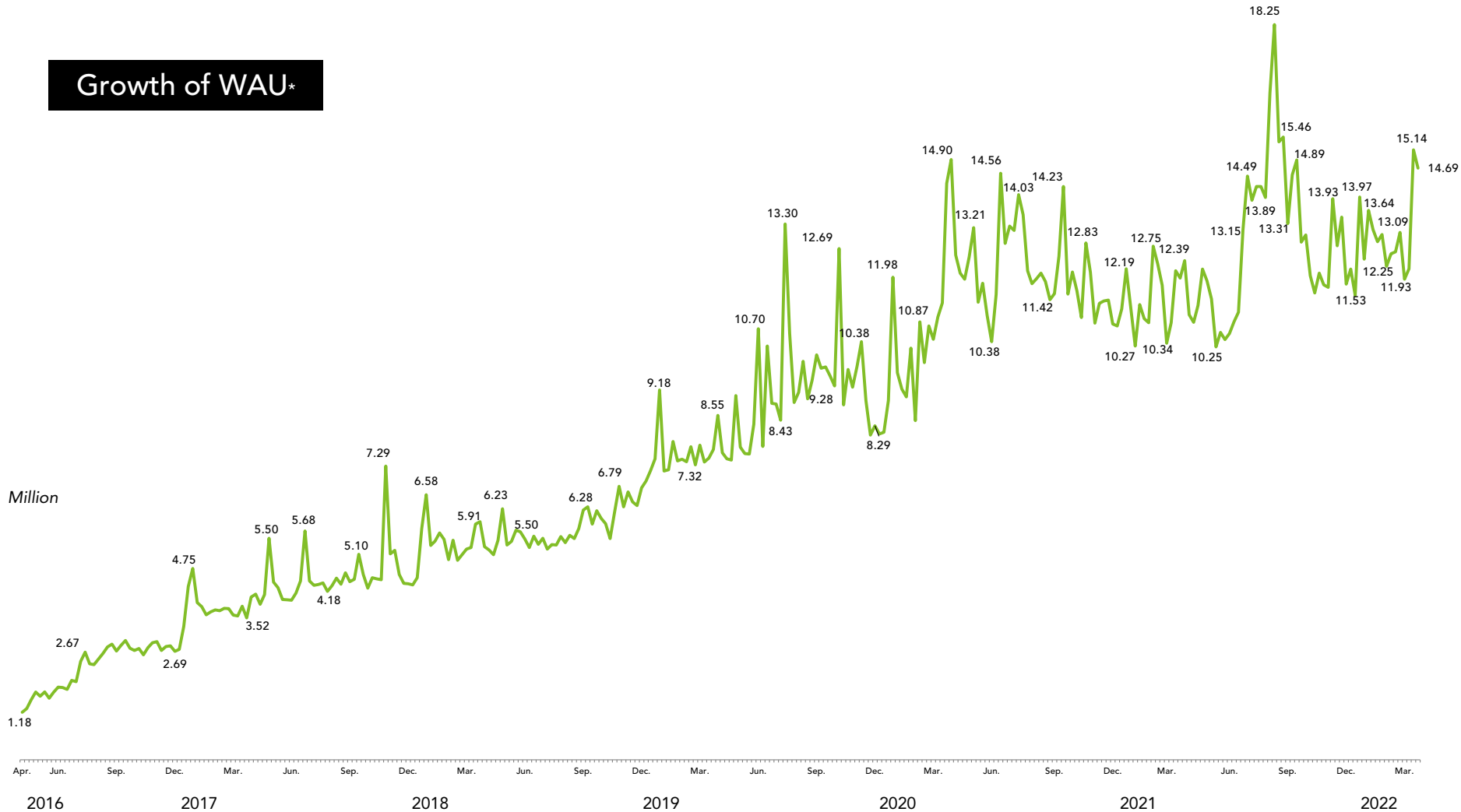
[ABEMA] Anime and new dating reality shows are being popular.



5. Media Business

[ABEMA] Weekly active users (WAU) continue to be high after the lifting of semi-emergency coronavirus measures.

Growth of WAU*



*WAU: Weekly Active Users

5. Media Business

[ABEMA] ABEMA broadcast all 324 official Major League Baseball (MLB) games live with Japanese play-by-play comment. The number of viewership are off to a good start and increased by 1.7x compared to the last season*.



The graphic features a collage of MLB players in various uniforms (Cubs, Athletics, Pirates, Yankees) in batting stances. The ABEMA logo is in the top left, and the MLB logo is in the top right. The text 'Major League Baseball' is written in a large, red, cursive font across the center, with '2022 opening this season!' written below it in a smaller, red, cursive font. At the bottom, the Japanese text 'アベマで 無料で毎日 MLB' is displayed in large, bold characters. The background is a dark blue with a grid pattern.

ABEMA®

MLB

© 2022 MLB

© Getty Images

アベマで 無料で毎日 MLB

*Last season: broadcast from July 2021~
©AbemaTV, Inc.

5. Media Business

[ABEMA] Upcoming fights of Tenshin Nasukawa vs Takeru and others will be fully covered on ABEMA PPV ONLINE LIVE.

ABEMA[®] ORIG.

天 TENSIN 武 TAKERU

い 最 ここ
ない 強 には
い し か は

THE MATCH 2022

心 RISE CHAMPION 尊 K-1 CHAMPION

全試合 完全生中継 6.19 PPV

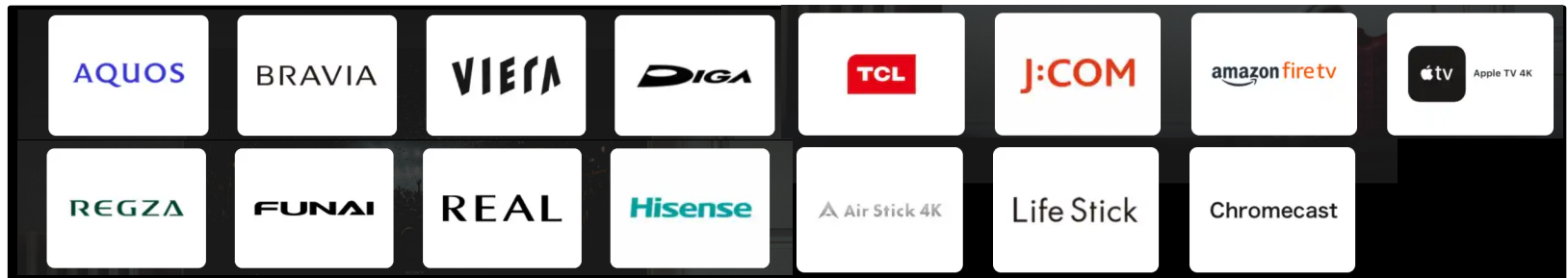
サイバーエージェント

5. Media Business

[ABEMA] "ABEMA button" is now available on the remote control of Amazon Fire TV series*. Users can watch live sports of ABEMA on their big screen TVs.



Many TVs with the "ABEMA button" on the remote control are on the market. ABEMA is now available on almost all the TVs.



Apple TV is a trademark of Apple Inc., registered in the U.S. and other countries. Chromecast trademark is owned by Google LLC. Amazon Fire TV is a trademark of Amazon.com, Inc. and related companies.

*Amazon Fire TV Series contains "Fire TV Stick," "Fire TV Stick 4K Max," "Fire TV Cube" and others.

5. Media Business

[ABEMA] ABEMA will broadcast all 64 matches of the "FIFA World Cup Qatar 2022" live and free of charge.




FIFA WORLD CUP
Qatar 2022


ABEMA®
TV for the Future

OFFICIAL INTERNET
BROADCASTER

FIFA World Cup Qatar 2022

All 64 Matches

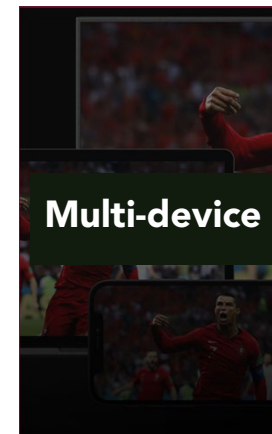
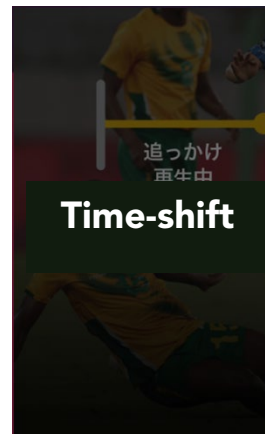
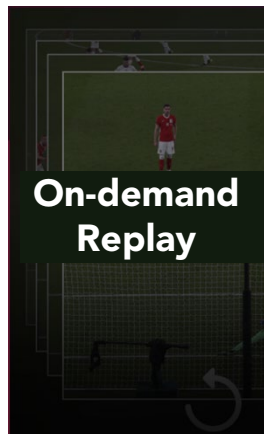
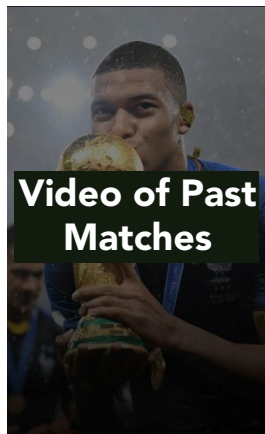
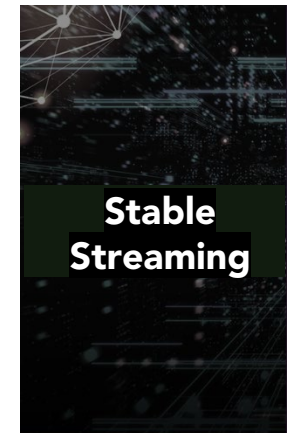
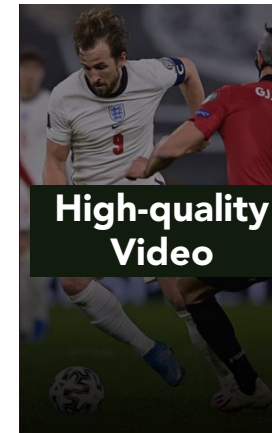
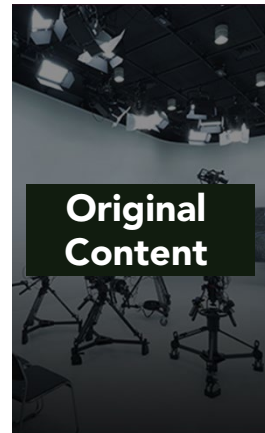
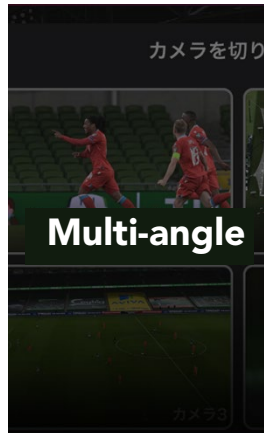
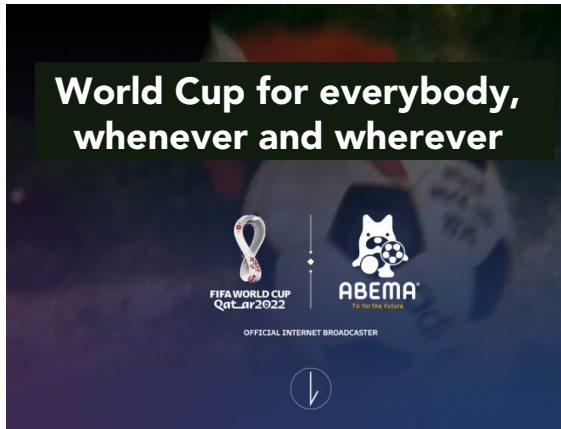
Live & Free

On ABEMA

First Time
in Japan

5. Media Business

[ABEMA] ABEMA will provide a unique experience to everybody who watch the FIFA World Cup in Japan.

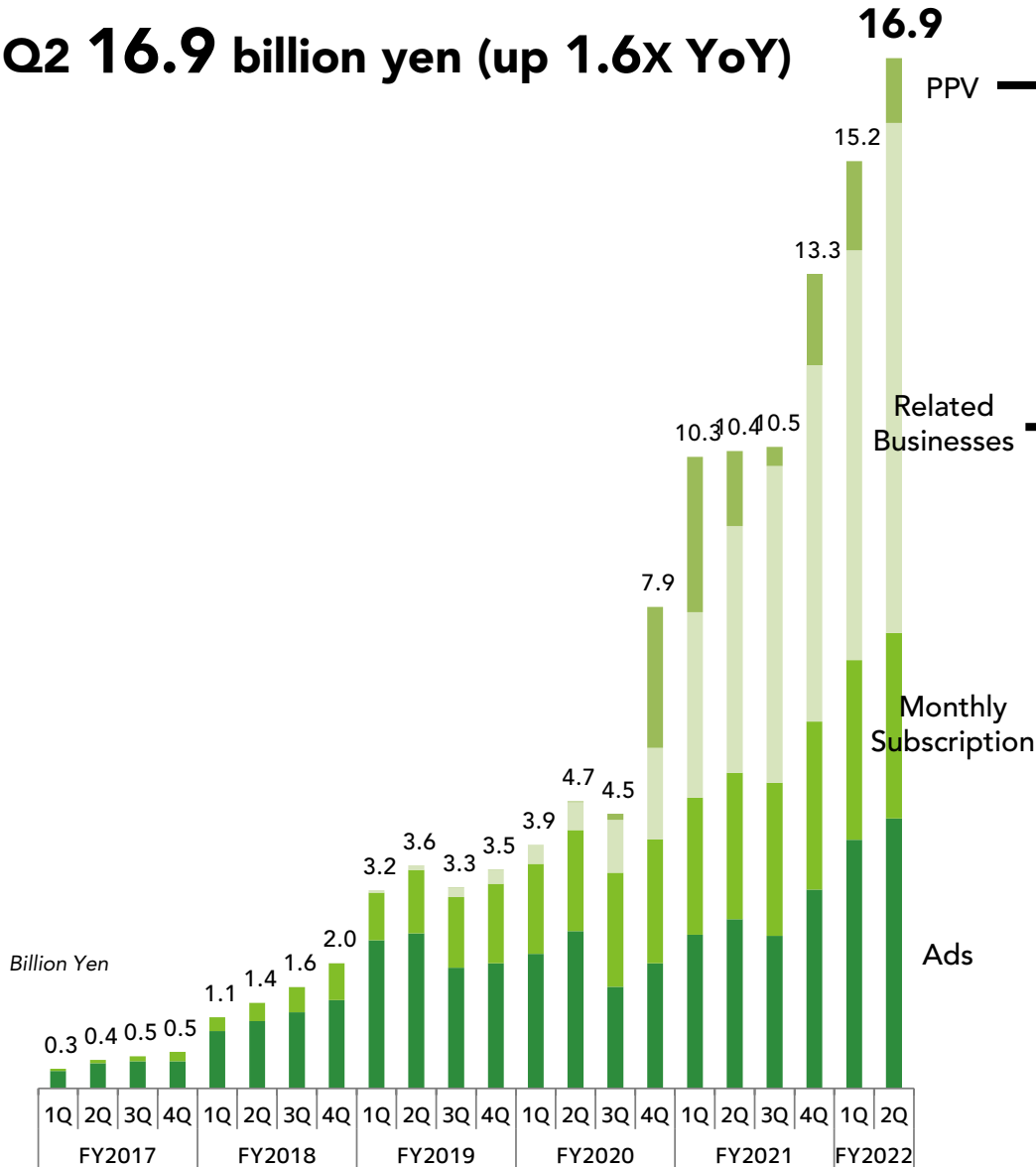


Aiming to provide the finest quality,
unique and one-of-a-kind viewing experience.

5. Media Business

[Sales of ABEMA & Related Businesses (Quarterly)]

Q2 **16.9** billion yen (up 1.6X YoY)



"ABEMA PPV ONLINE LIVE"

ABEMA to Launch "Pay-Per-View" Feature to Offer Paid Online Live Entertainment

Online Sports Betting "WINTICKET"

Official Shopping Channel of ABEMA

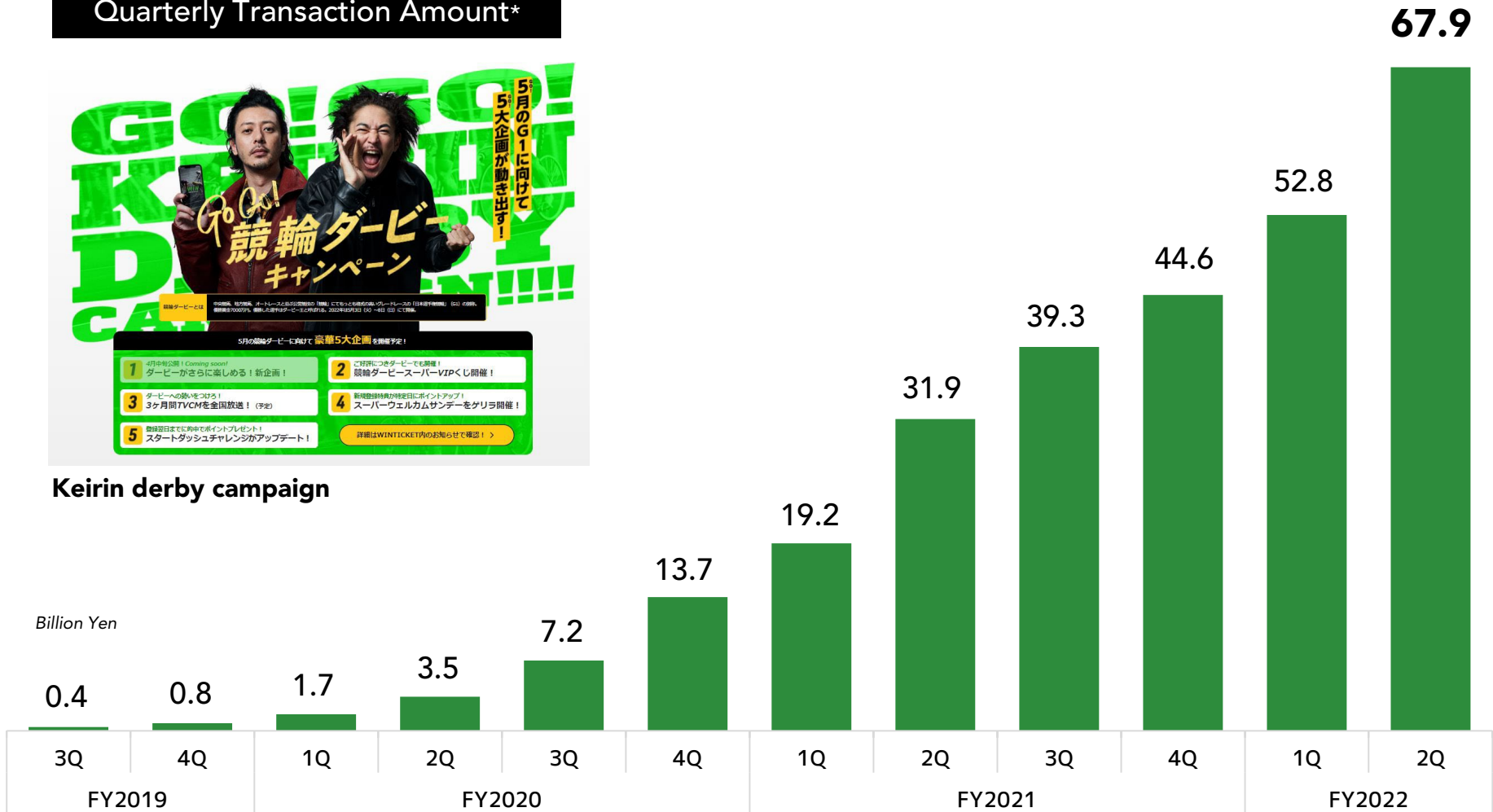
5. Media Business

[WINTICKET] The transaction amount is accelerated and increased by 2.1x year over year.

Quarterly Transaction Amount*



Keirin derby campaign

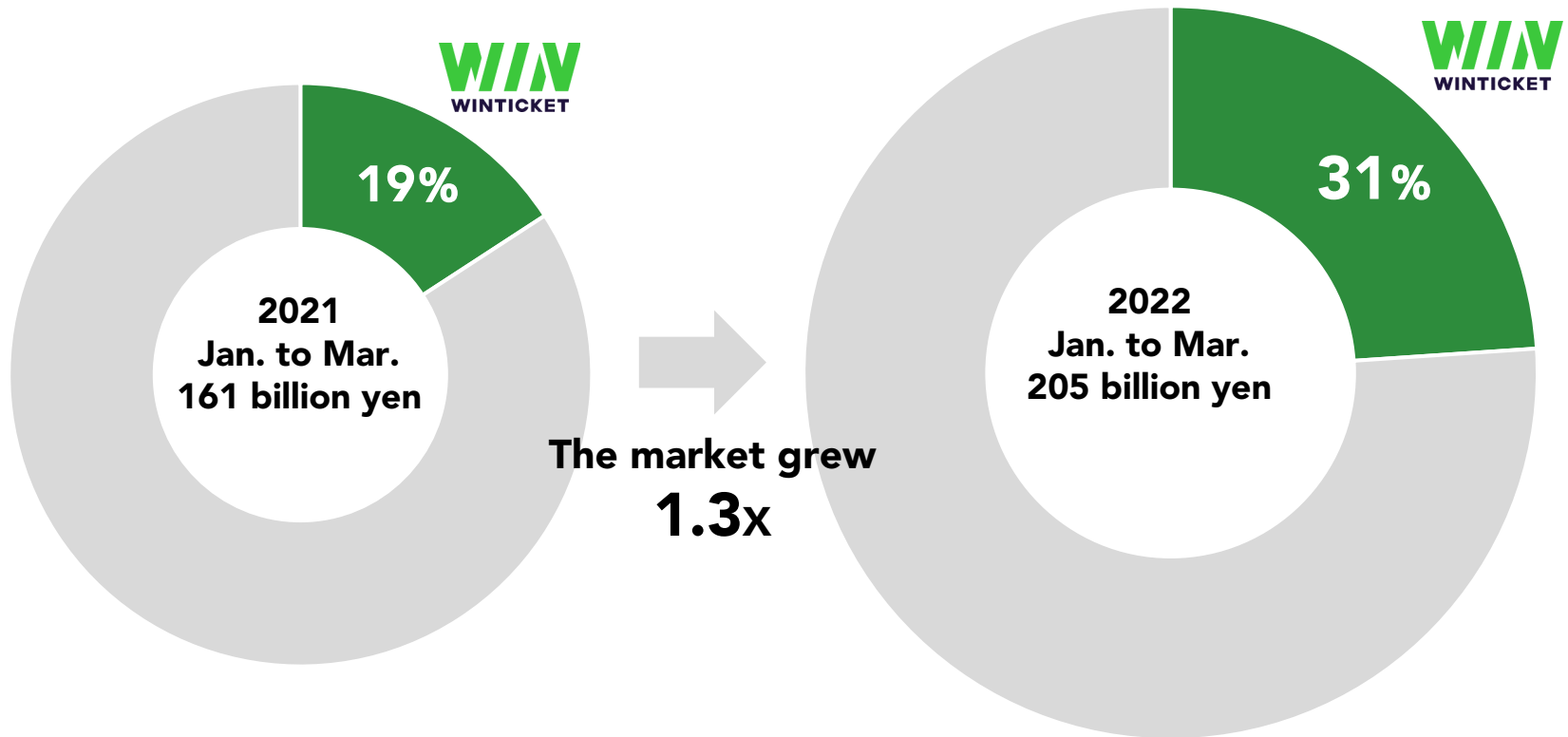


*Quarterly Transaction Amount: Transaction amount of WinTicket, Inc. that operates internet betting system of Keirin races. (includes loyalty point campaign)

5. Media Business

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

Keirin Online Betting Market*

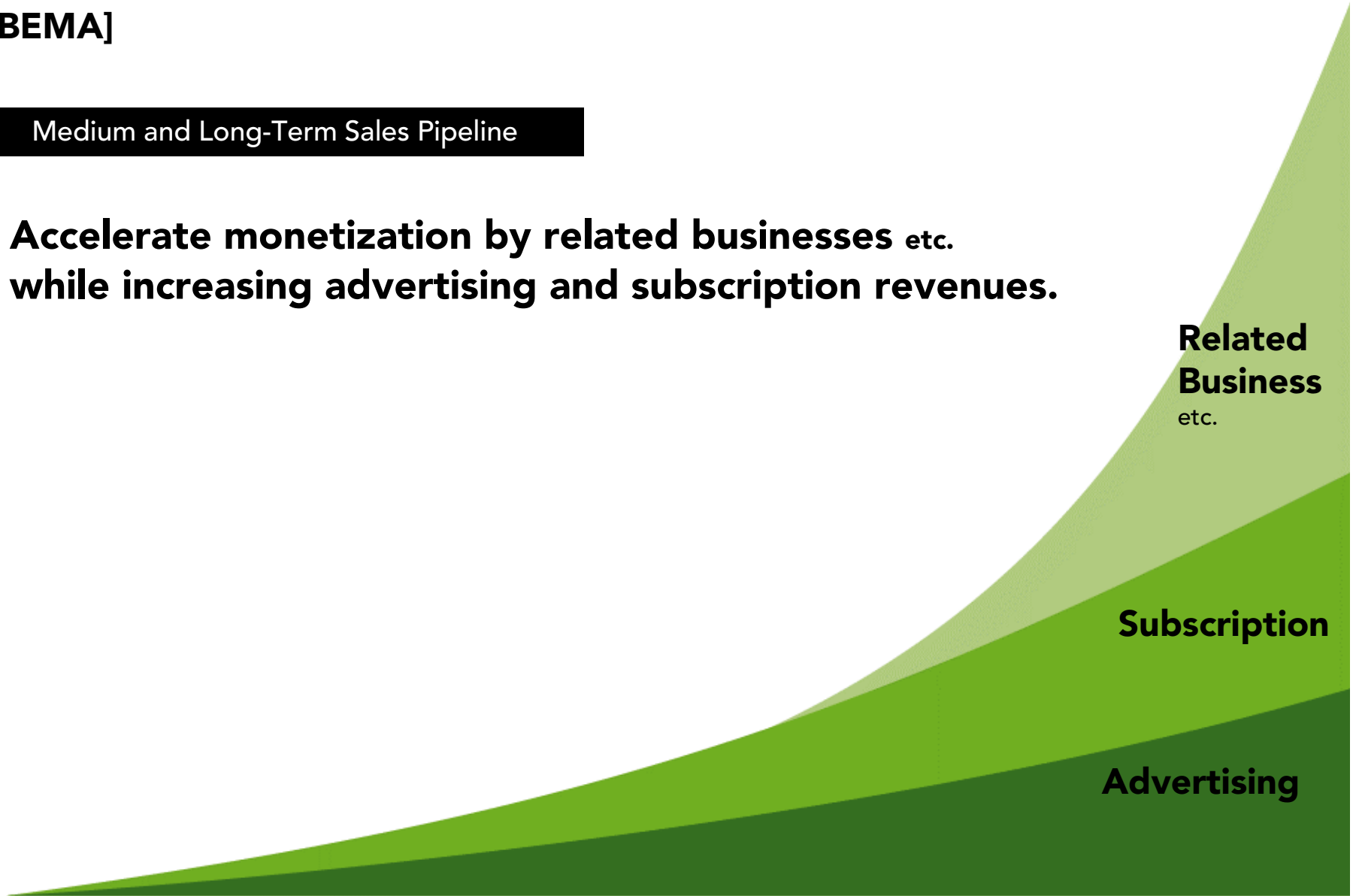


*Keirin Online Betting Market: January-March 2021 and January-March 2022 are taken from JKA's public relations KEIRIN "Telephone Betting" sales. March 2022 is estimated by CyberAgent.

[ABEMA]

Medium and Long-Term Sales Pipeline

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



Medium to Long-Term Strategy

6. Medium to Long-Term Strategy

[Directions of each business]

Media

Grow ABEMA larger and increase monetization

Ad

Aim to increase the market share by maximizing advertising effectiveness.

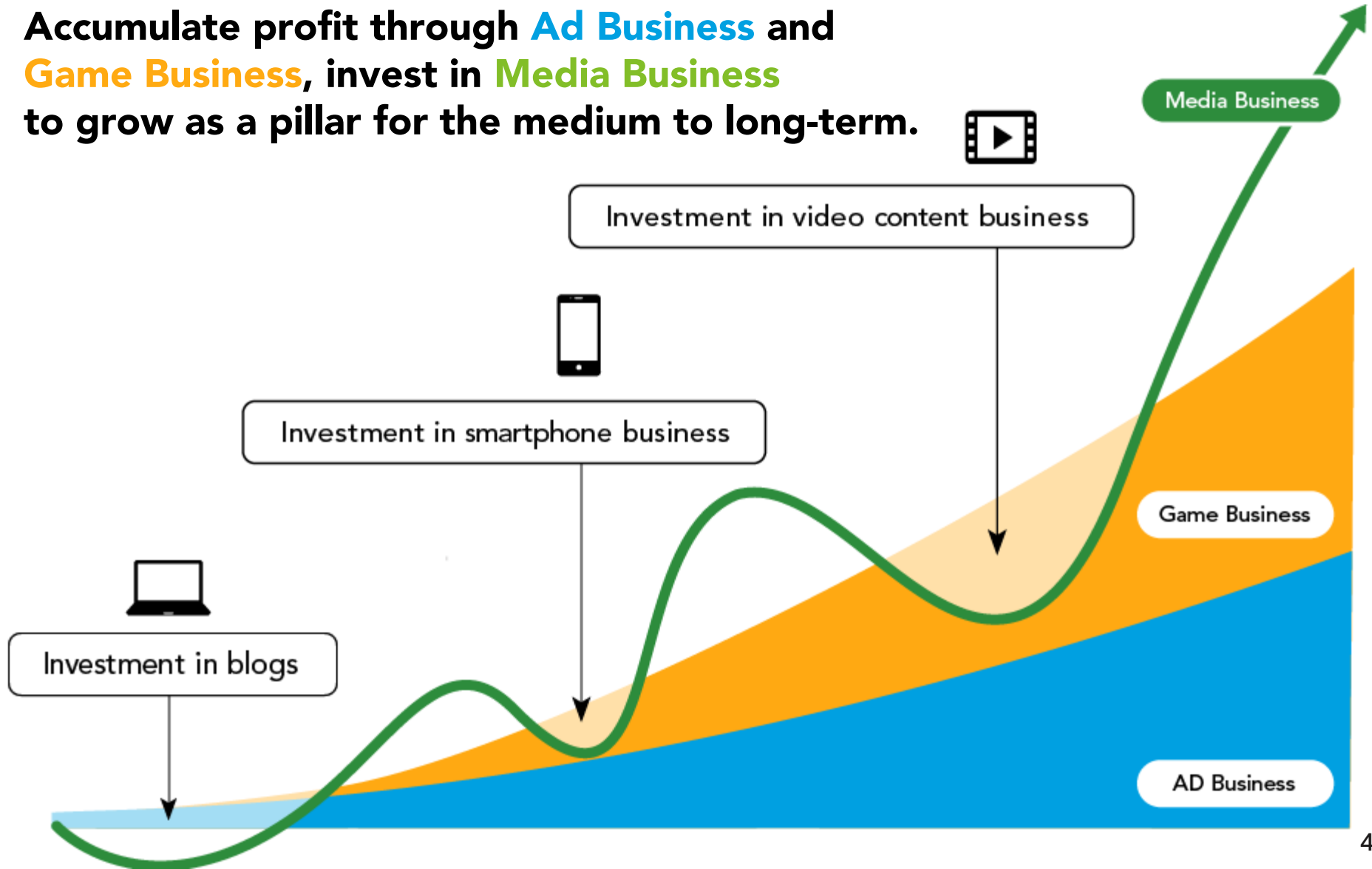
Game

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

6. Medium to Long-Term Strategy

[Operating Profit in Medium to long-term (Image)]

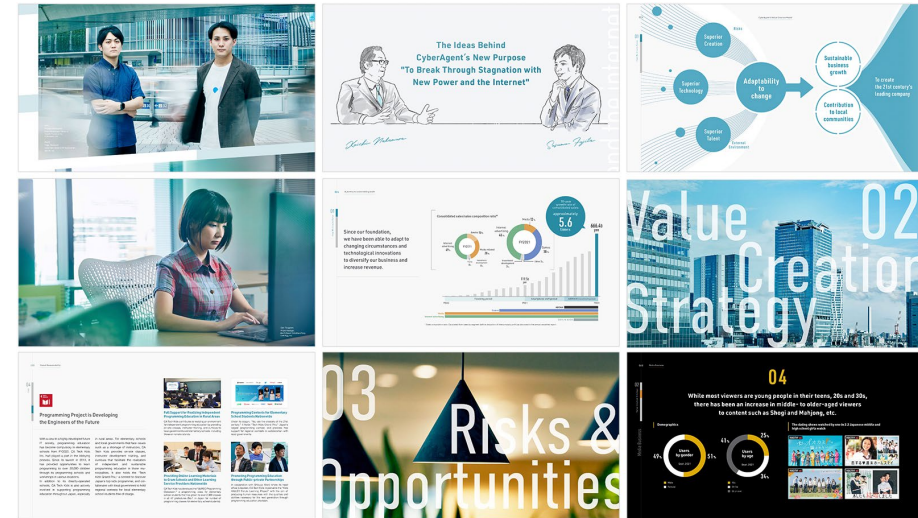
Accumulate profit through **Ad Business** and **Game Business**, invest in **Media Business** to grow as a pillar for the medium to long-term.





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

Integrated Report CyberAgent Way 2021



The theme of the Integrated Report for fiscal 2021 is the Purpose set in October 2021, “To break through stagnation with new power and the internet.” It covers a variety of measures that support our sustainable growth, including competitive advantage and ESG information. Visit our investor relations website to read more.

Integrated Report CyberAgent Way 2021

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

Click!!

