



2Q FY2023 Presentation Material

January to March 2023

April 26, 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** (January - March 2023)
2. **Forecast**
3. **Internet Advertisement Business**
4. **Game Business**
5. **Media Business**
6. **Medium to long-term strategy**
7. **References** - Purpose

FY23 Q2 Financial Summary

January - March 2023

1. Financial Summary

**FY2023
Q2**

Quarterly sales hit a new record high.

Sales: **195.6** billion yen up **2.4%** YoY
OP: **18.7** billion yen down **27.0%** YoY

Media

ABEMA significantly reduced its loss.

Sales: **33.4** billion yen up **22.4%** YoY
OP: **-0.5** billion yen **+1.3** billion yen YoY

Ad

Ad sales remain stable, resulting from solid client acquisition.

Sales: **100.2** billion yen up **6.7%** YoY*
OP: **4.9** billion yen down **33.9%** YoY

Game

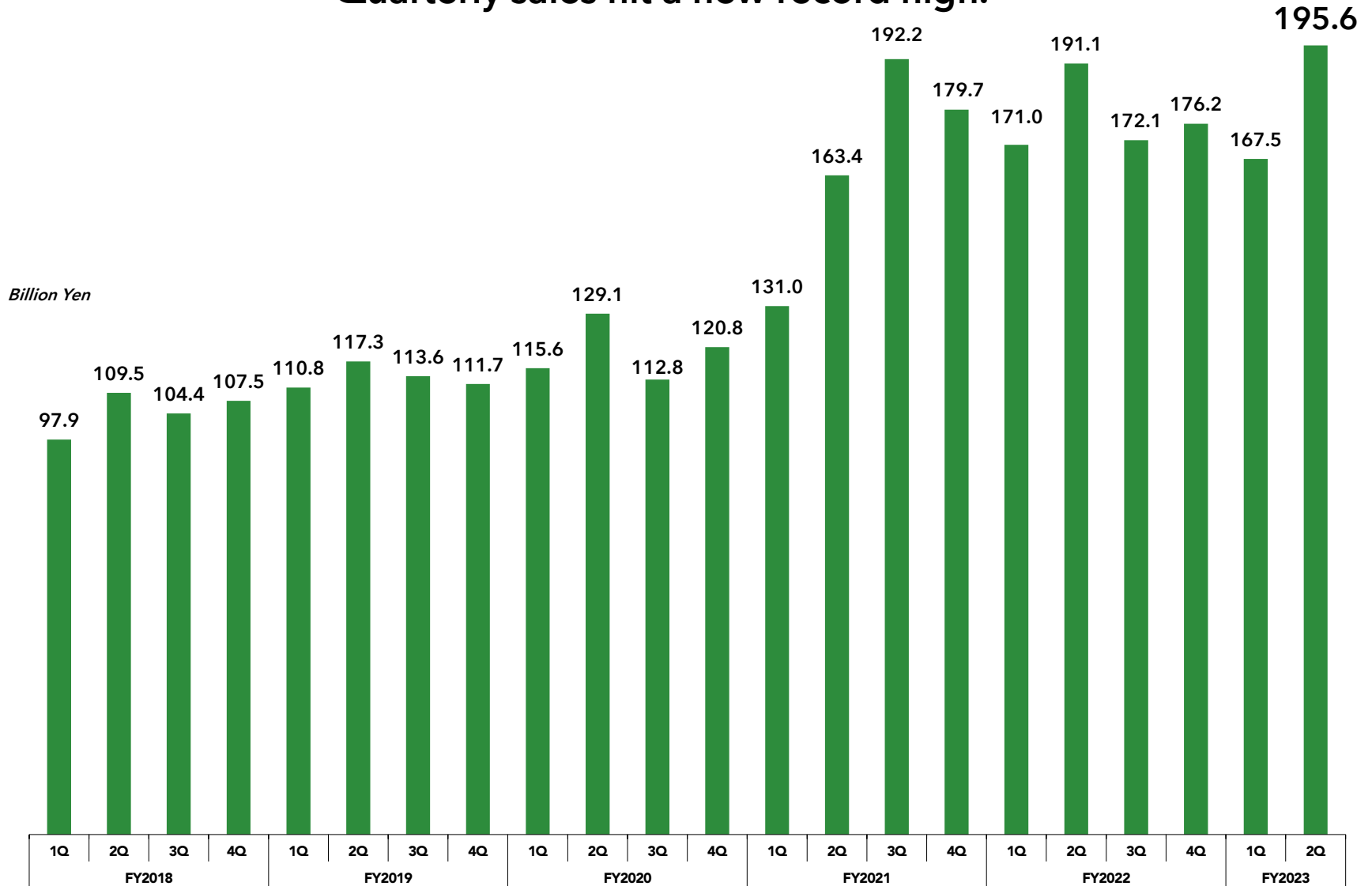
Strong performance driven by major games' anniversaries.

Sales: **62.1** billion yen down **10.0%** YoY up **51.9%** QoQ
OP: **15.2** billion yen down **29.0%** YoY up **191.7%** QoQ

1. Financial Summary

[Consolidated Sales] **195.6** billion yen (up 2.4% YoY)

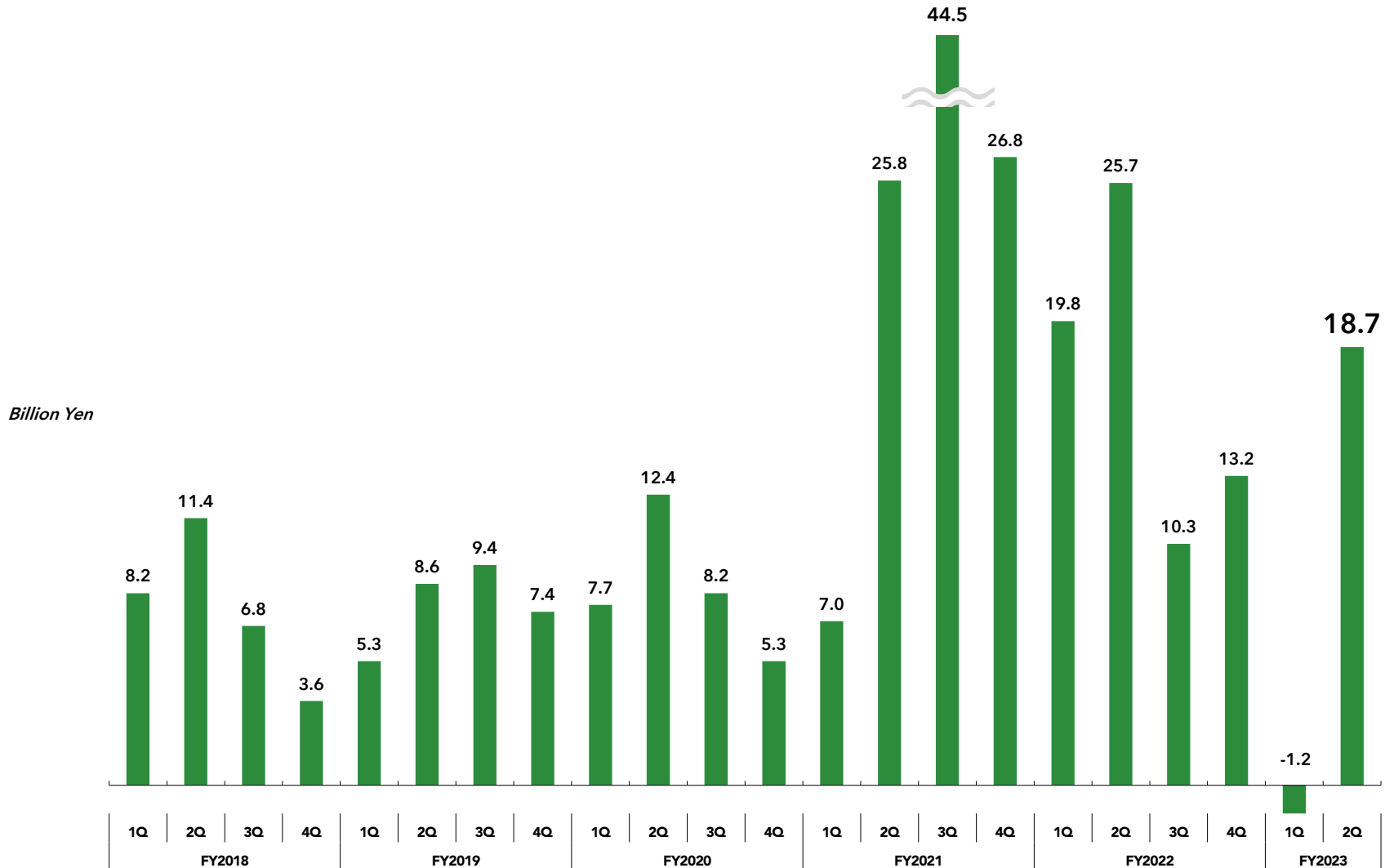
Quarterly sales hit a new record high.



1. Financial Summary

[Consolidated OP] **18.7** billion yen

Profit increased significantly led by loss reduction in the media business and profit growth in the game business.

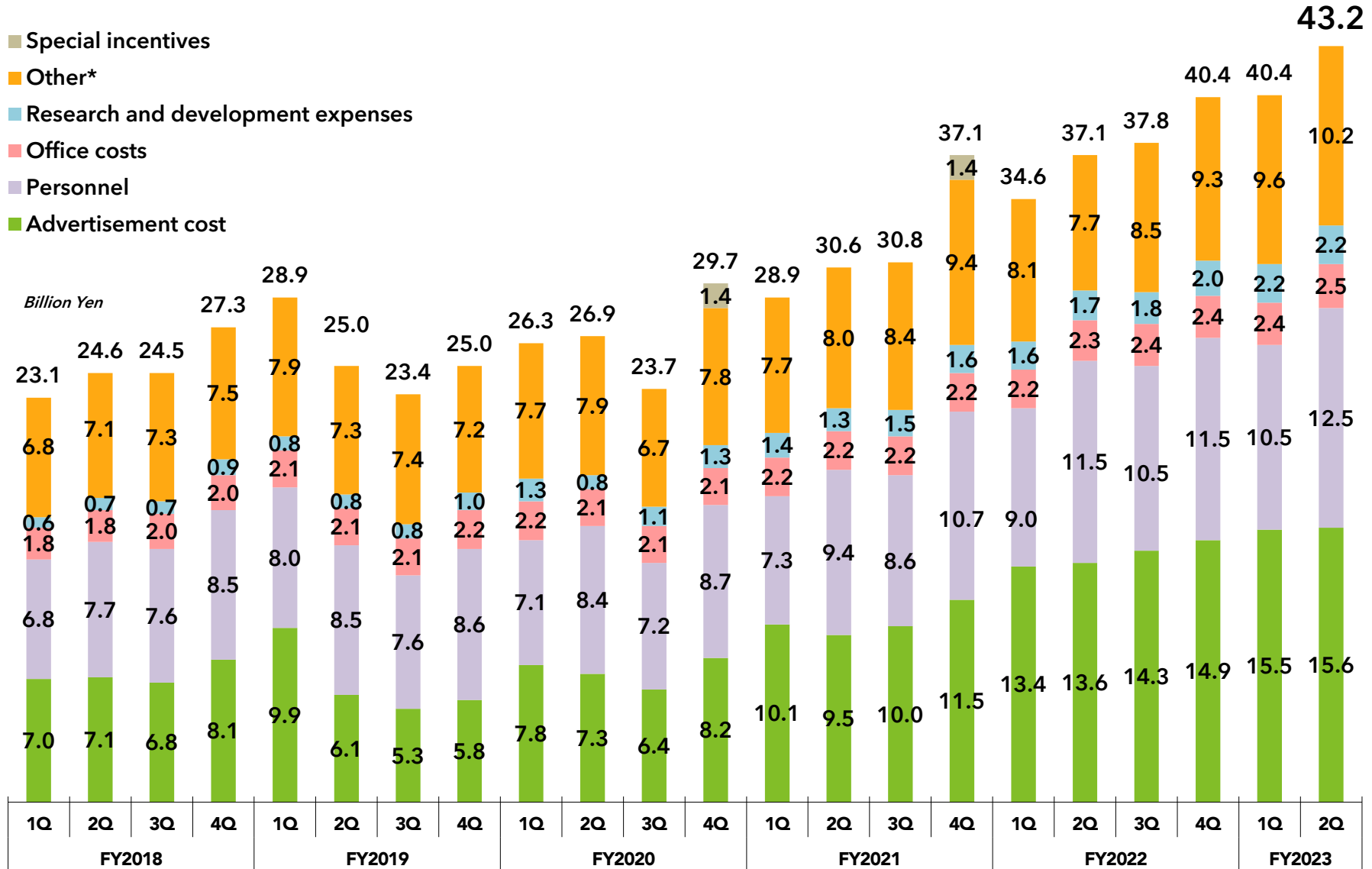


*FY23Q1: The expenses related to FIFA World Cup Qatar 2022 are recorded.

1. Financial Summary

[SG&A Expenses] **43.2 billion yen (up 16.3% YoY)**

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

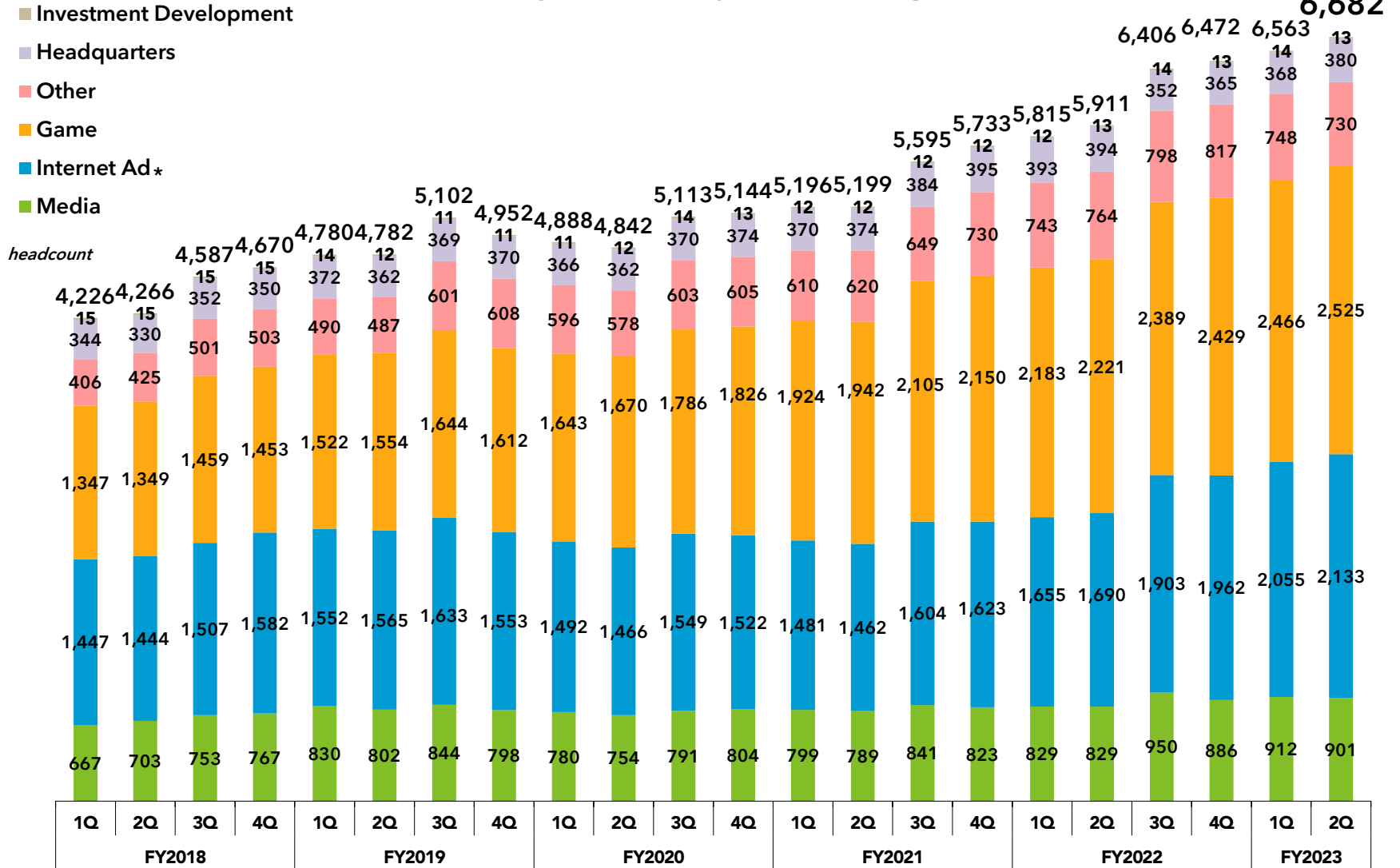


*Other: Outsourcing expenses, sales-related expenses, external standard taxation, entertainment expenses, and others.

1. Financial Summary



[No. of Employees] Total headcount was **6,682** at the end of March.
 (449 new graduates joined in April.)



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

1. Financial Summary

[PL]

million yen	FY2023 Q2	FY2022 Q2	YoY	FY2023 Q1	QoQ
Net Sales	195,657	191,102	2.4%	167,577	16.8%
Gross profit	62,004	62,885	-1.4%	39,187	58.2%
SG&A expenses	43,218	37,162	16.3%	40,443	6.9%
Operating income (loss)	18,786	25,723	-27.0%	-1,255	-
OPM	9.6%	13.5%	-3.9pt	-0.7%	10.4pt
Ordinary income (loss)	18,830	25,879	-27.2%	-939	-
Extraordinary gain	93	136	-31.5%	1,296	-92.8%
Extraordinary loss	921	795	15.8%	409	124.9%
Income (loss) before income taxes and non-controlling interests	18,002	25,220	-28.6%	-52	-
Net income (loss) attributable to shareholders of parent*	7,900	11,063	-28.6%	-5,002	-

1. Financial Summary

[BS]

million yen	End of Mar. 2023	End of Mar. 2022	YoY	End of Dec. 2022	QoQ
Current assets	329,795	303,905	8.5%	331,580	-0.5%
Cash deposits	183,260	177,567	3.2%	198,697	-7.8%
Fixed assets	98,943	81,792	21.0%	91,368	8.3%
Total assets	428,812	385,731	11.2%	423,028	1.4%
Current liabilities	134,099	123,437	8.6%	139,914	-4.2%
(Income tax payable)	9,812	13,319	-26.3%	2,318	323.2%
Fixed liabilities	71,119	49,462	43.8%	71,416	-0.4%
Shareholders' equity	133,816	130,756	2.3%	126,003	6.2%
Net Assets	223,593	212,831	5.1%	211,696	5.6%

FY2023 Forecast

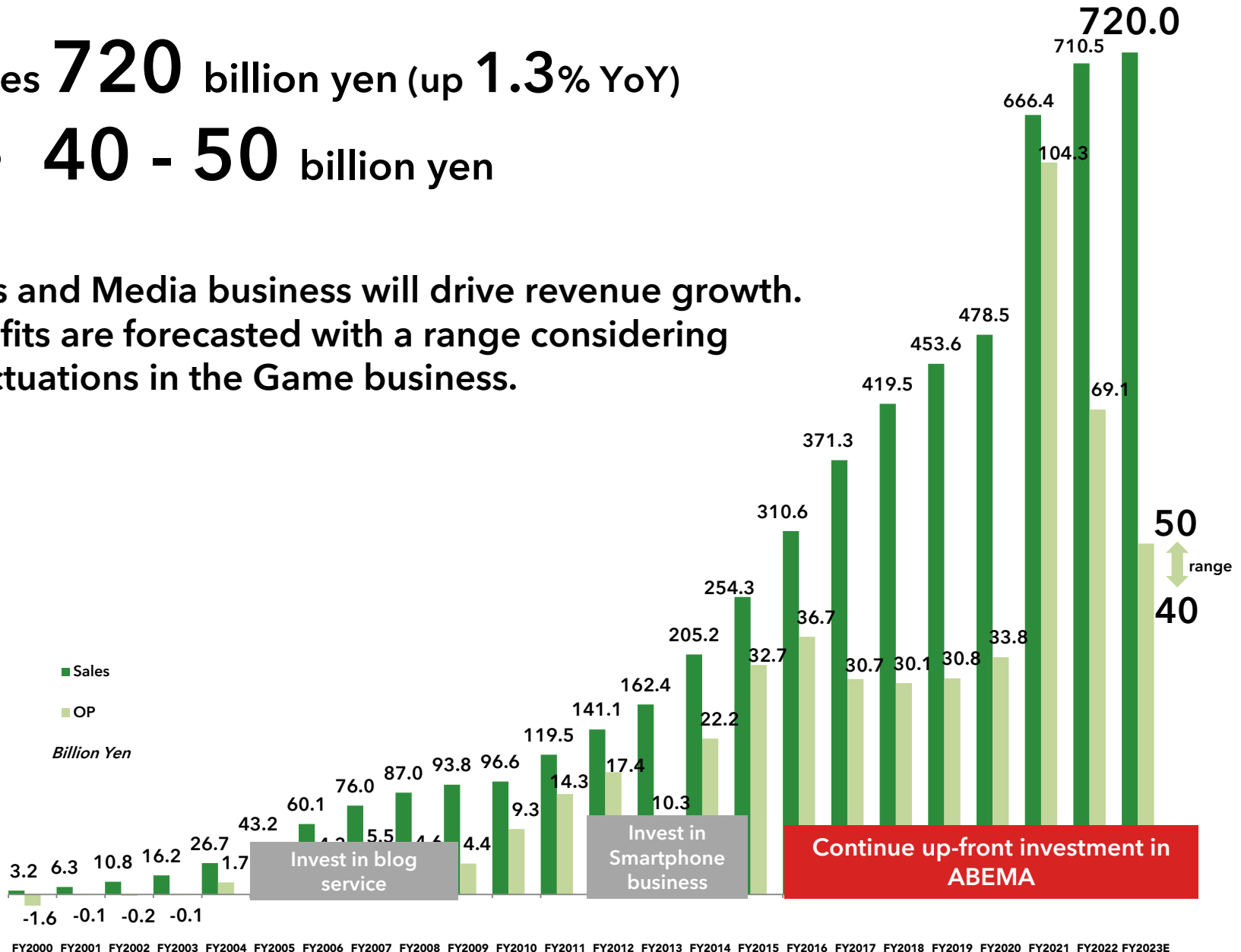
October 2022 - September 2023

2. Forecast

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

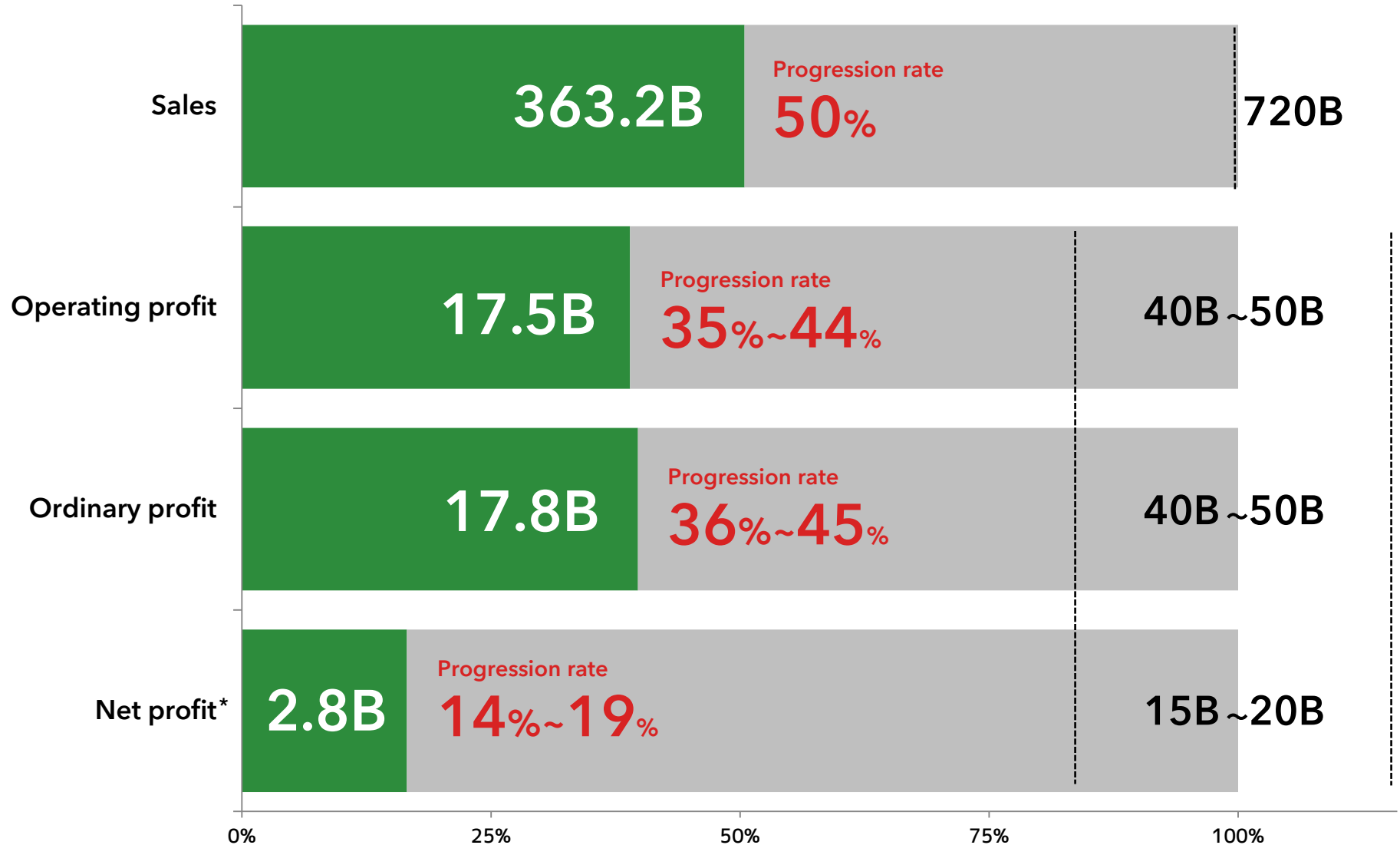
OP **40 - 50** billion yen

Ads and Media business will drive revenue growth.
Profits are forecasted with a range considering fluctuations in the Game business.



2. Forecast

[Progress to Forecast] Progress remains on track.

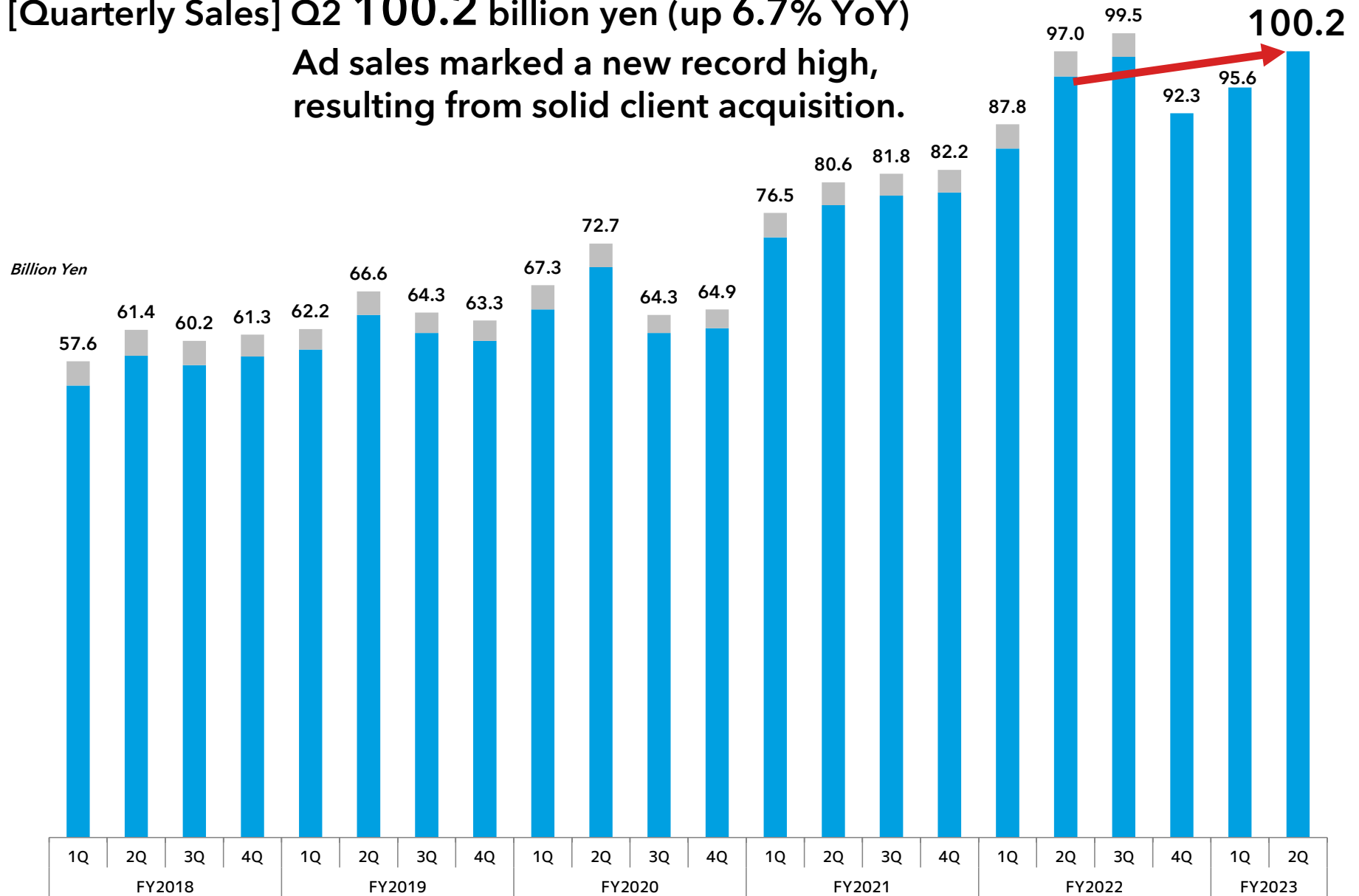


Internet Advertisement

3. Internet Advertisement Business

[Quarterly Sales] Q2 100.2 billion yen (up 6.7% YoY)

Ad sales marked a new record high, resulting from solid client acquisition.

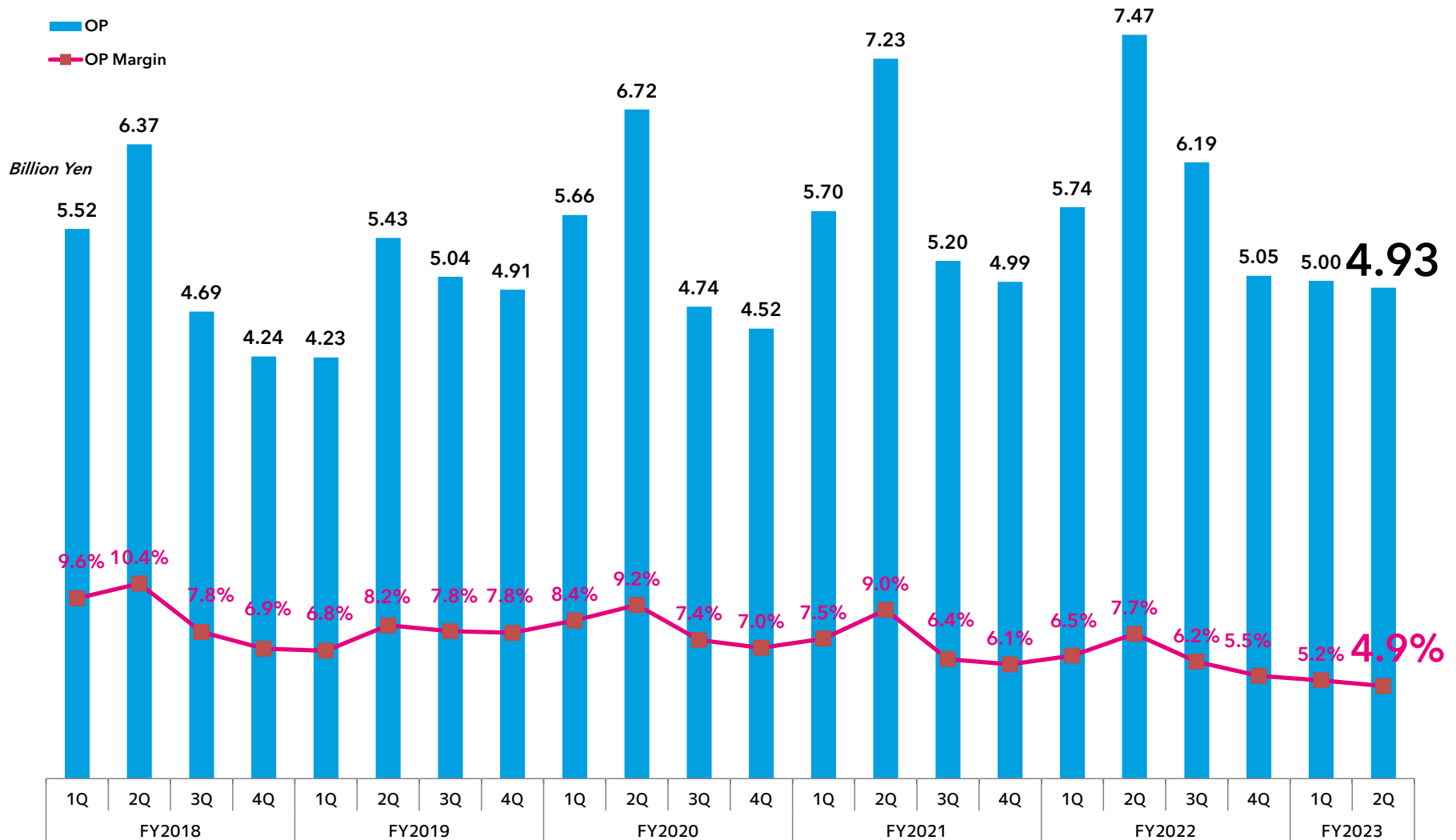


*YoY Change: The revenue growth rate is calculated after deducting the Q2 FY 2022 sales of the non-consolidated subsidiary MicroAd, Inc (3.23 billion yen.)

3. Internet Advertisement Business

[Quarterly OP] Q2 4.93 billion yen (down 33.9% YoY)

We continue to invest in AI and DX businesses.



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

3. Internet Advertisement Business

[Upfront Investment] We aim for sustainable growth by introducing the latest technologies and expanding the organization in response to changes in the industry.

DX

Support DX of clients



»»» CASM



Feb 2023

DX Direct Business Center

Feb 2023

CA Reskilling Partners

Retail



CA無人店舗

Public offices

Digital Government Promotion Dept.

GovTech Development Center

Healthcare



AI

Research and Development



Chatbot



Products



ChatGPT

March 2023

ChatGPT Business Development Office

April 2023

ChatGPT Innovative Operation Office

Ad operation support

April 2023

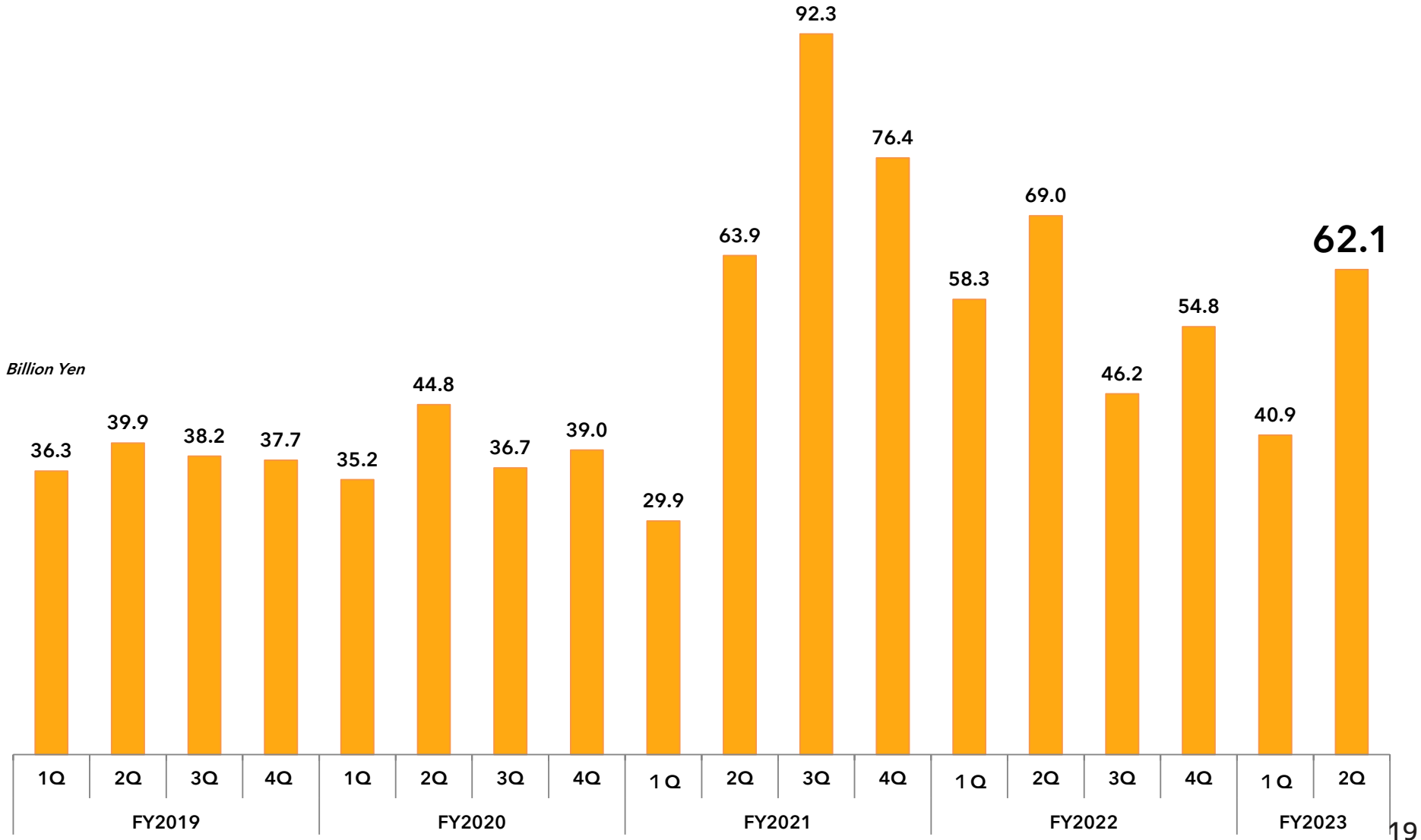
Nex-Gen Google Marketing Center

Game

4. Game Business

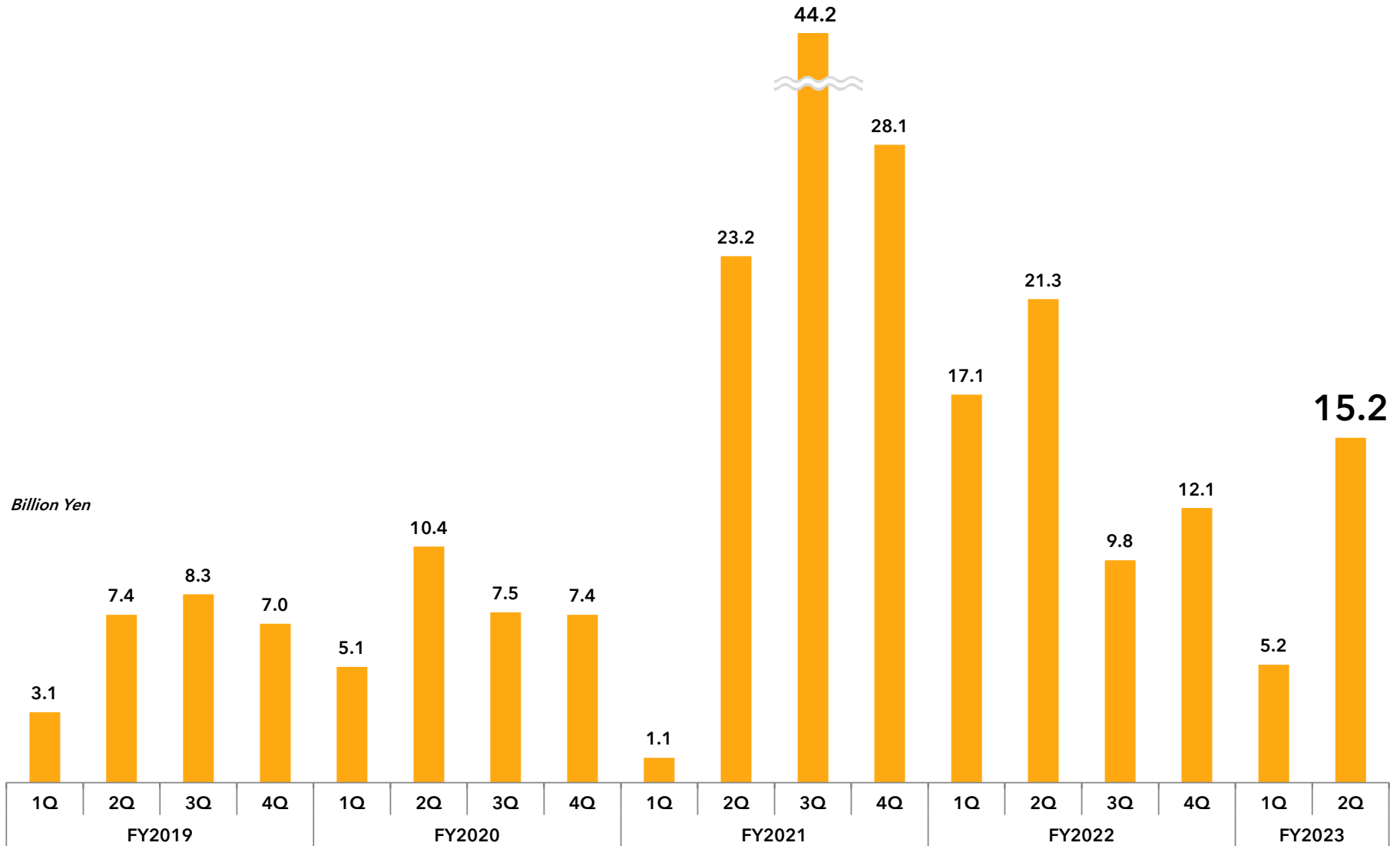
[Quarterly Sales] Q2 **62.1** billion yen (down 10.0% YoY) (up 51.9% QoQ)

The anniversary celebration events of major games went well.



4. Game Business

[Quarterly OP] **15.2 billion yen** (down 29.0% YoY) (up 191.7% QoQ)



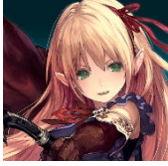
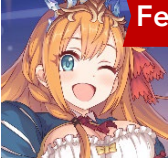








*Quarterly OP : Special incentives in FY2020 and FY2021 are excluded.

4. Game Business

Anniversary Month

[Major Games] Six major games celebrated their anniversaries in the second quarter.

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

4. Game Business

[Major Games] The events of “Uma Musume Pretty Derby”^{*1} and “Granblue Fantasy”^{*2} presented were successful.



*1,2 ©Cygames, Inc.

*3 Event schedule: From February 14, 2023, to March 30, 2023

*4 Event schedule: From March 10 to 31, 2023

*5 Event schedule: From January 20 to 22, 2023 at Tokyo Big Sight

4. Game Business

[Upcoming Games] Two popular IP games are under development.

"FINAL FANTASY VII EVER CRISIS"*1 RPG
SQUARE ENIX CO., LTD. / Applibot, Inc.

CBT*2 planned in summer 2023



"Jujutsu Kaisen Phantom Parade"*3 RPG
Sumzap, Inc. / TOHO CO., LTD.

To be released in 2023



*1"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

*2 CBT: Closed Beta Test

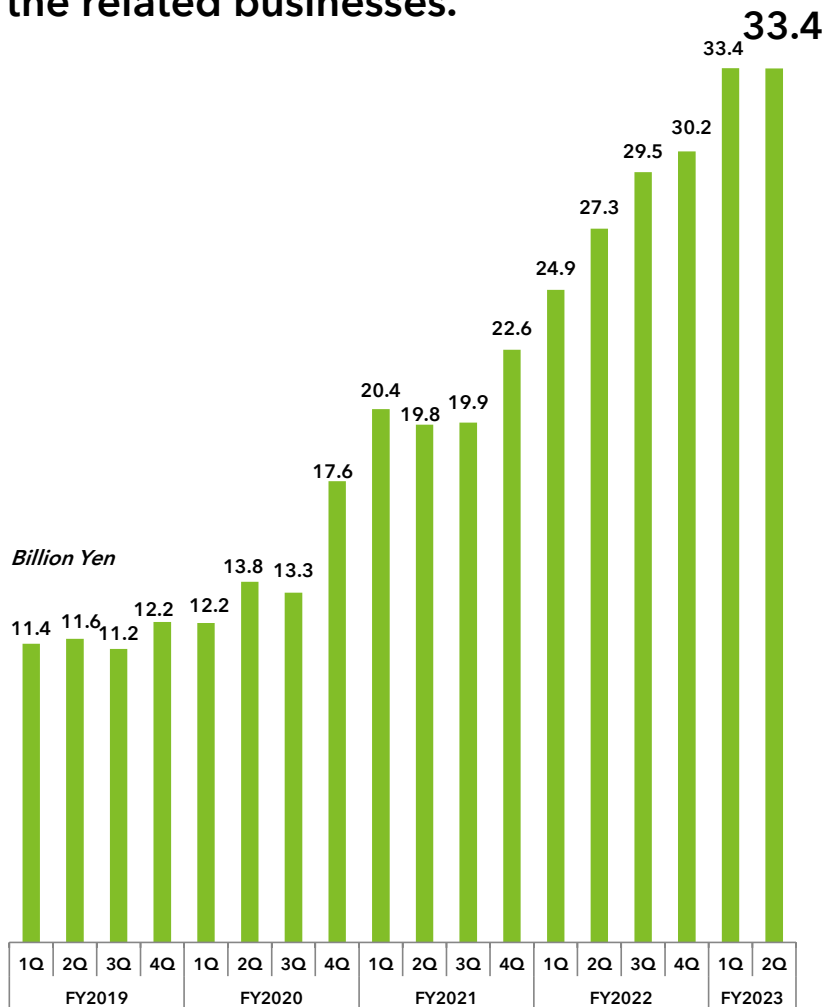
*3"Jujutsu Kaisen Phantom Parade": © Gege Akutami/ Shueisha, Jujutsu Kaisen Production Committee © Sumzap, Inc./TOHO CO., LTD.

Media

5. Media Business

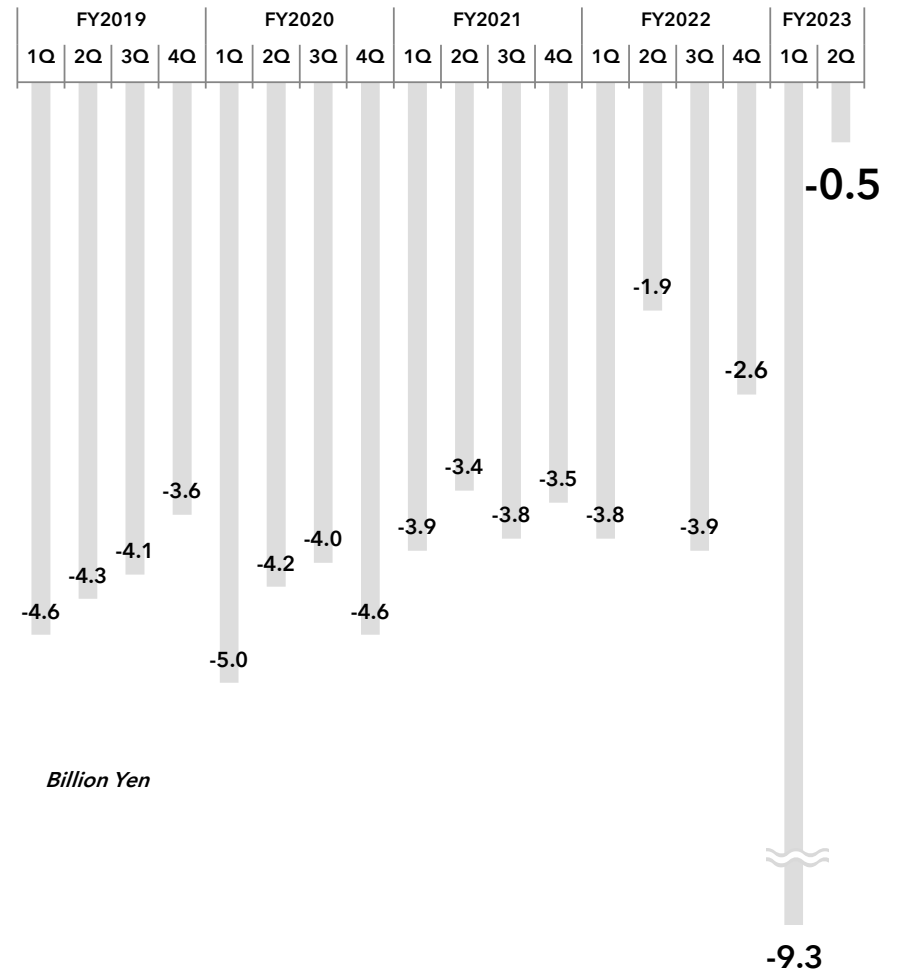
[Quarterly Sales]

33.4 billion yen (up 22.4% YoY)
 Sales increased driven by ABEMA and the related businesses.



[Quarterly OP]

0.5 billion yen operating loss in Q2.
 ABEMA significantly reduced its loss.



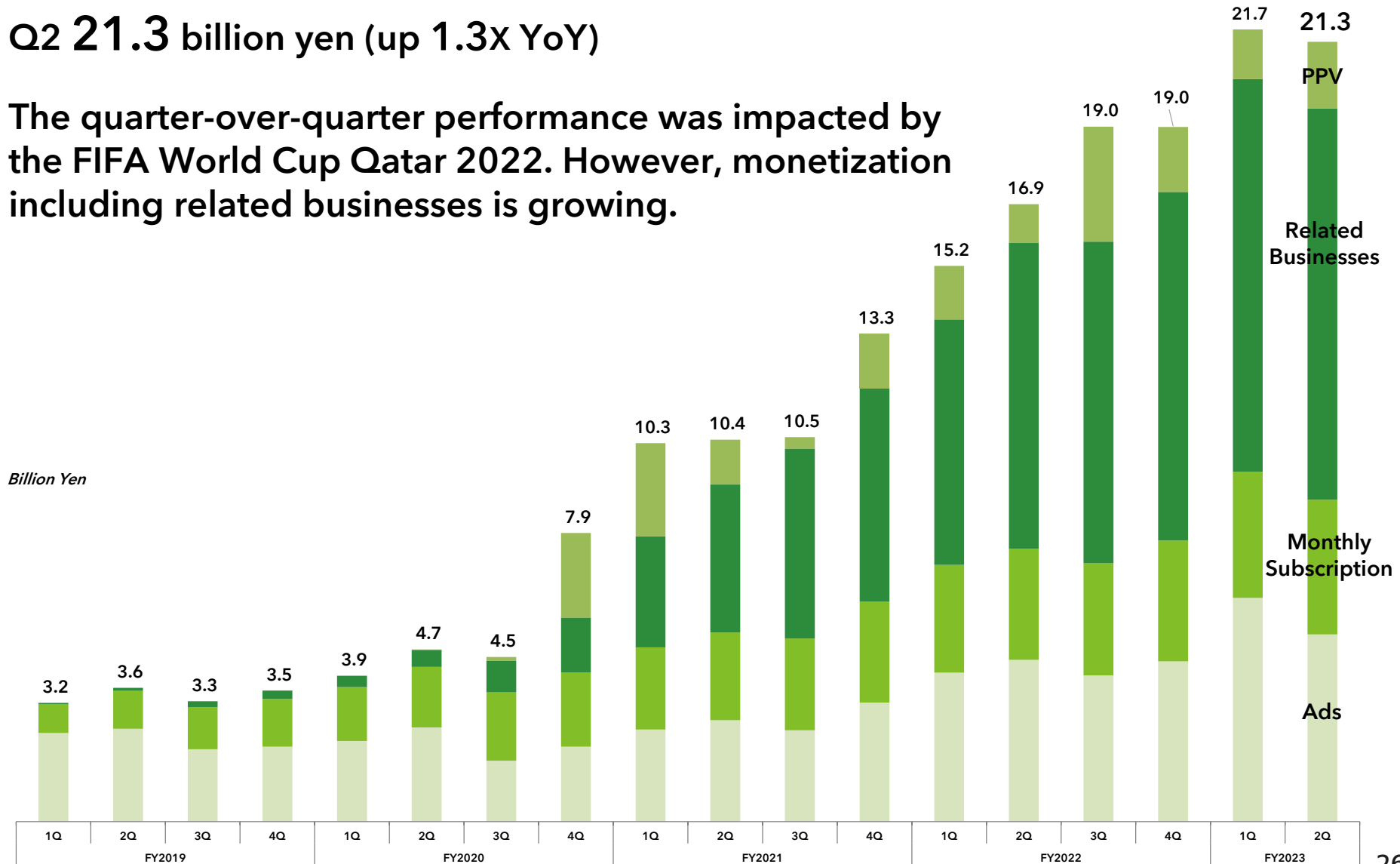
*1 Q1 FY2023: The expenses related to FIFA World Cup Qatar 2022 are recorded.
 *2 Quarterly OP: Special incentives in FY2020 and FY2021 are excluded.

5. Media Business

[Sales of ABEMA & Related Businesses]

Q2 21.3 billion yen (up 1.3X YoY)

The quarter-over-quarter performance was impacted by the FIFA World Cup Qatar 2022. However, monetization including related businesses is growing.

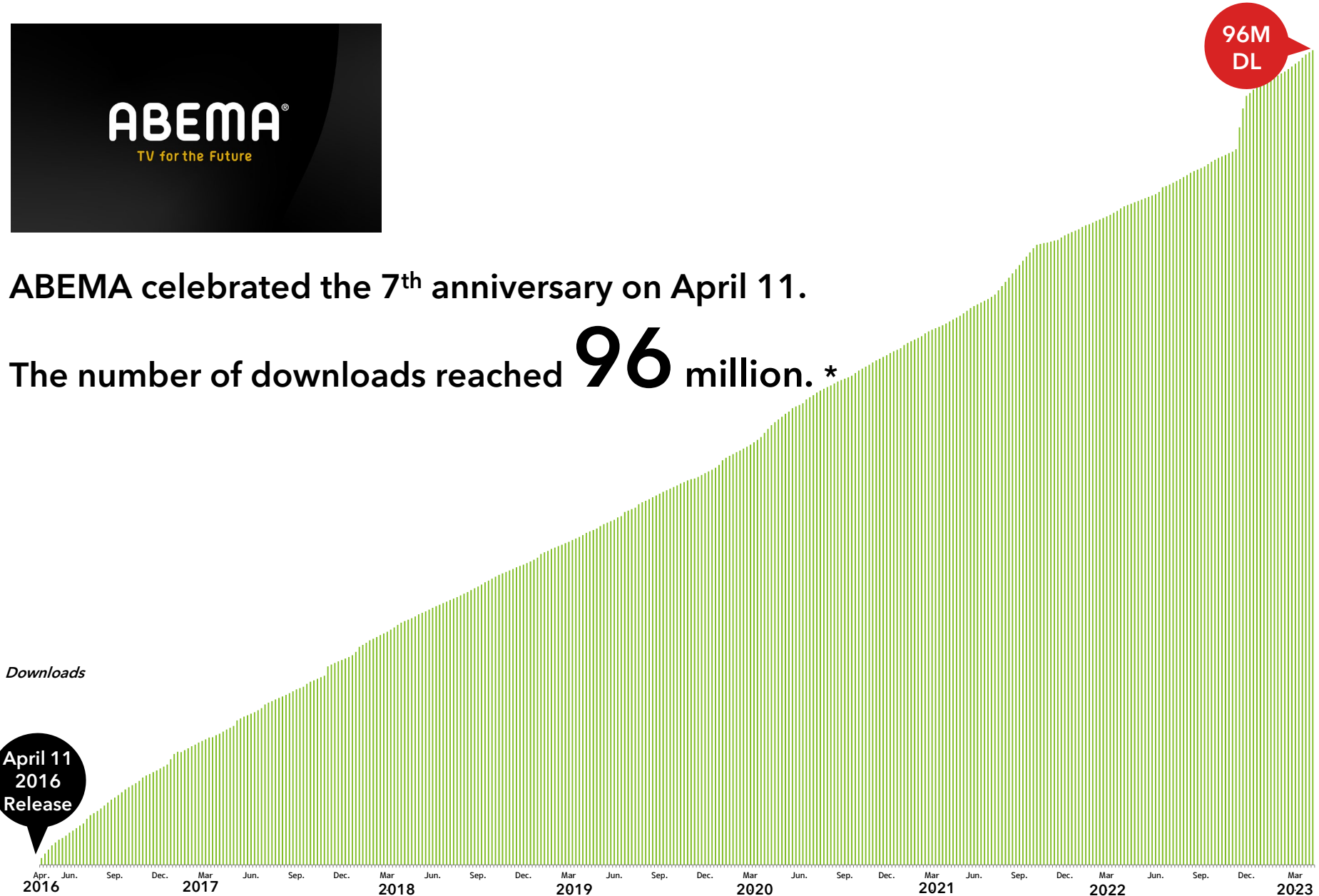


5. Media Business



ABEMA celebrated the 7th anniversary on April 11.

The number of downloads reached **96** million.*



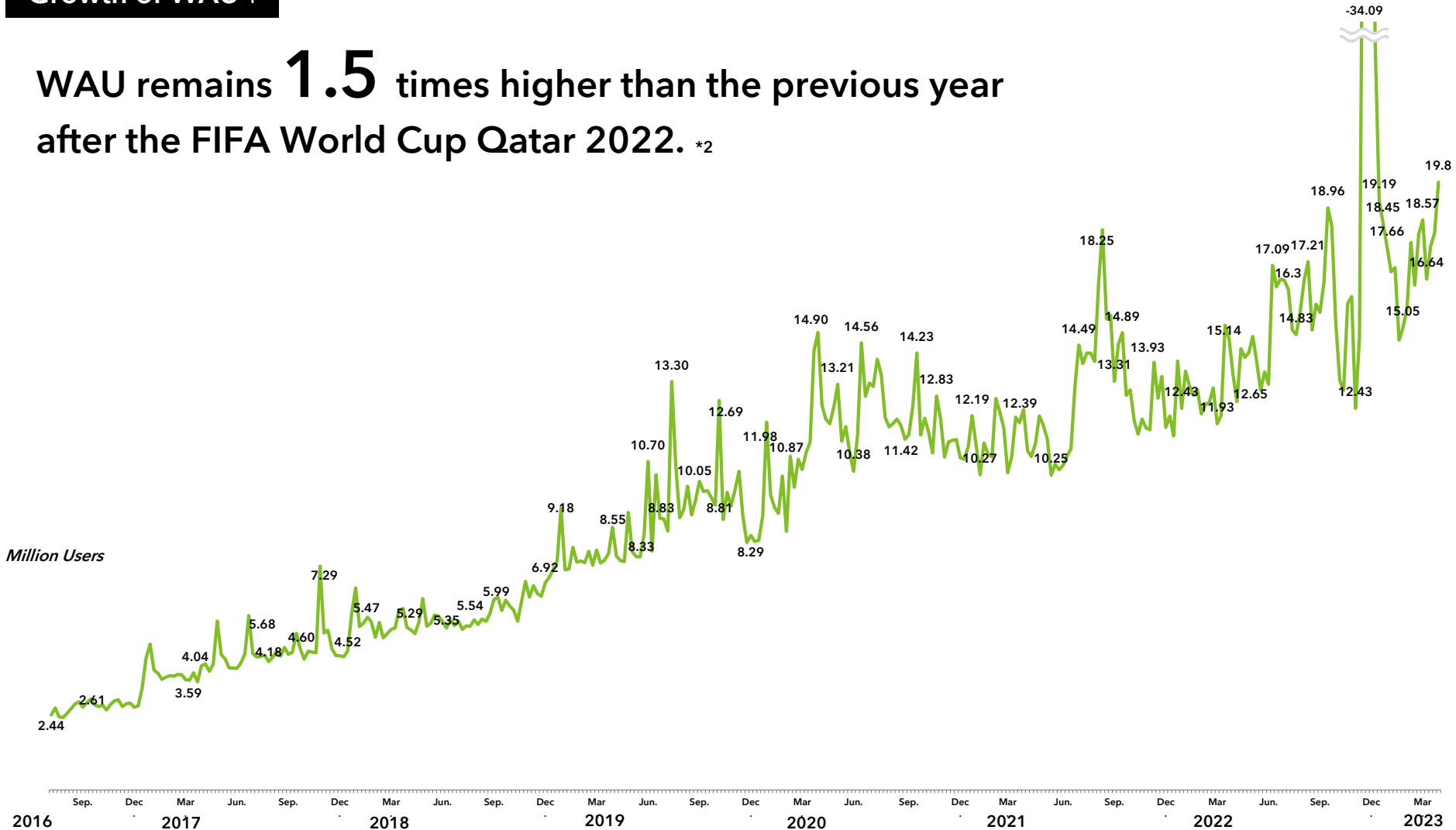
*Number of downloads: Accumulated numbers of the ABEMA app.

5. Media Business

[ABEMA]

Growth of WAU*1

WAU remains **1.5** times higher than the previous year after the FIFA World Cup Qatar 2022. *2

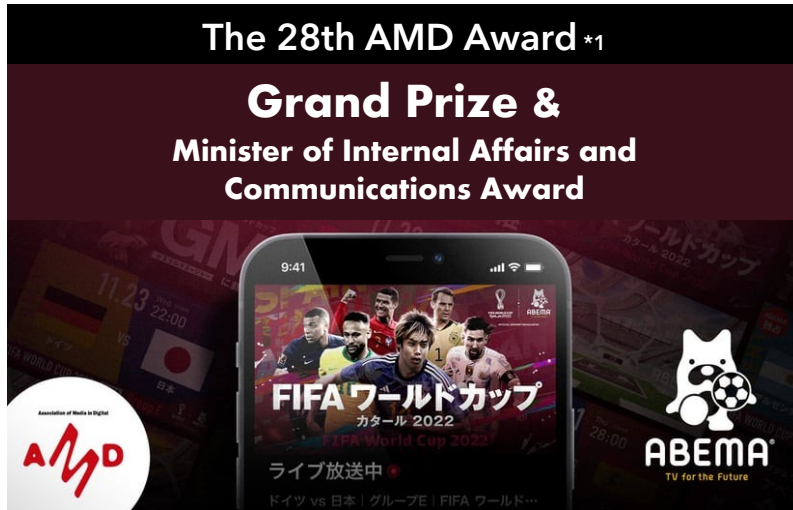


*1 WAU: Weekly Active Users

*2 Comparison of the first week of April in 2022 and 2023.

5. Media Business

[ABEMA] ABEMA received many awards in 2022.



Best Entertainment App in Japan



ABEMA was recognized for its commitment to the soundness and safety of digital advertising.

*1 The 28th AMD Award: released by the Association of Media in Digital
*2 Sensor Tower APAC Awards 2022: released by Sensor Tower, the app intelligence company.
*3 App Ape Award 2022: released by Fuller Inc. based on the usage data of App Ape operated by Fuller Inc.
*4 IAS AWARD 2022: released by Integral Ad Science Japan Inc.

[ABEMA]

ABEMA[®]

TV for the Future

FREE

Available for everyone

LIVE

Shares real-time events by live streaming

TREND

Starts a trend in Japan

NEWS

Brings the latest news

ACCESSIBILITY

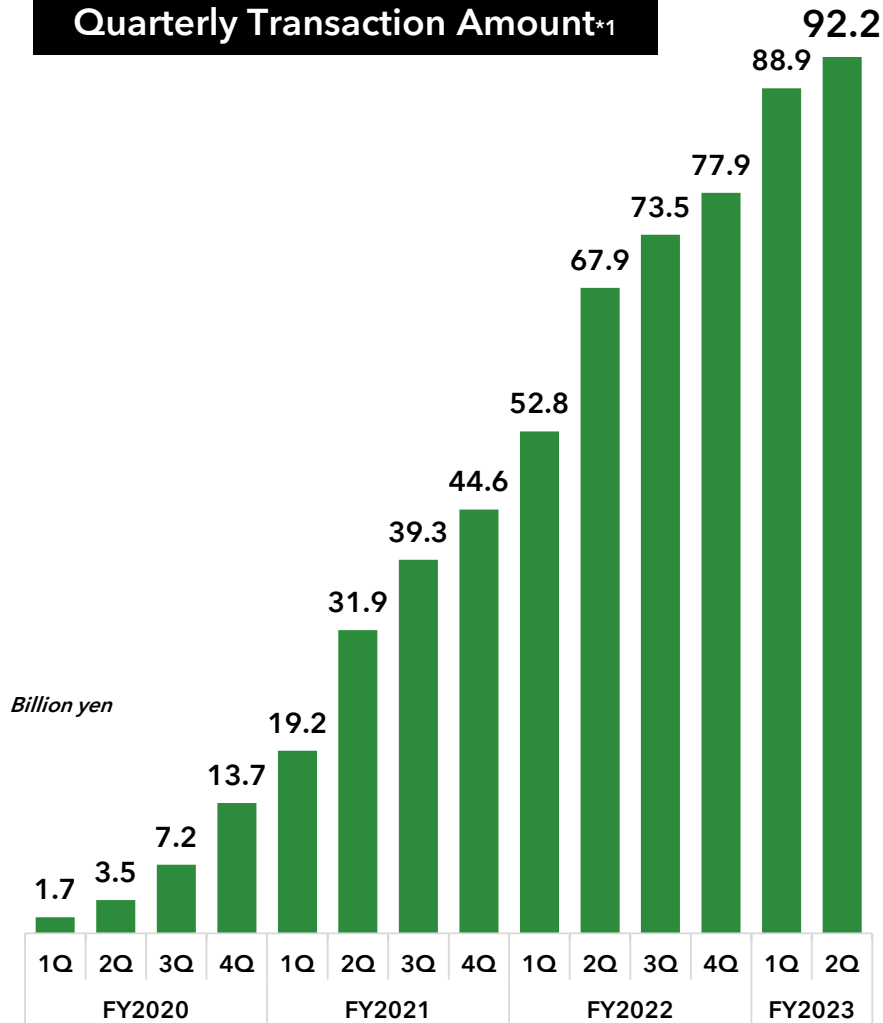
Not bound by time or place



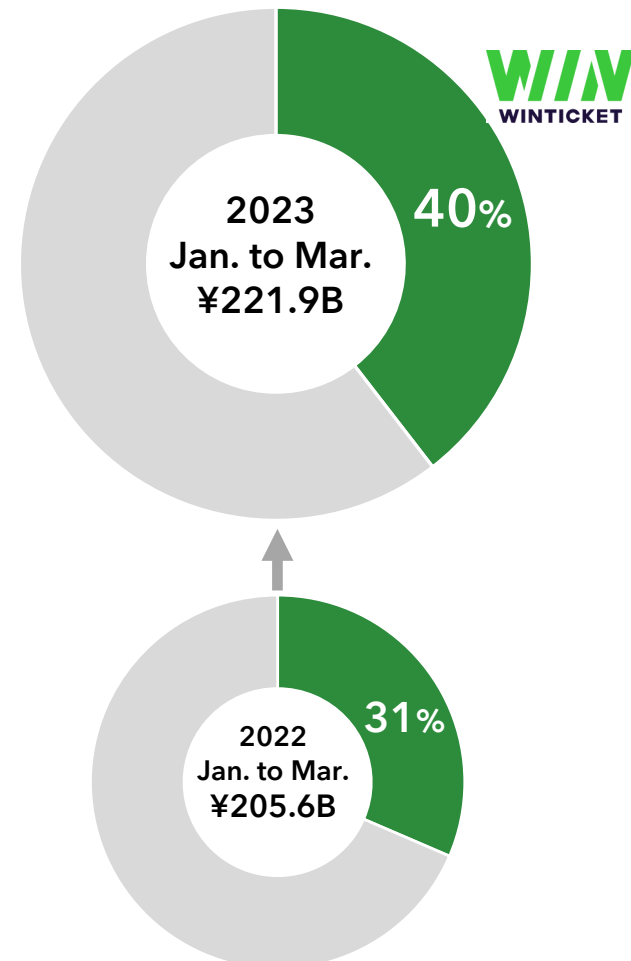
5. Media Business

[WINTICKET] The transaction amount has been strong and grew 1.4 times year over year.

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: The January-March 2022 and 2023 data are taken from JKA's public relations KEIRIN "Telephone Betting" sales. The estimate of March 2023 is made by CyberAgent.

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

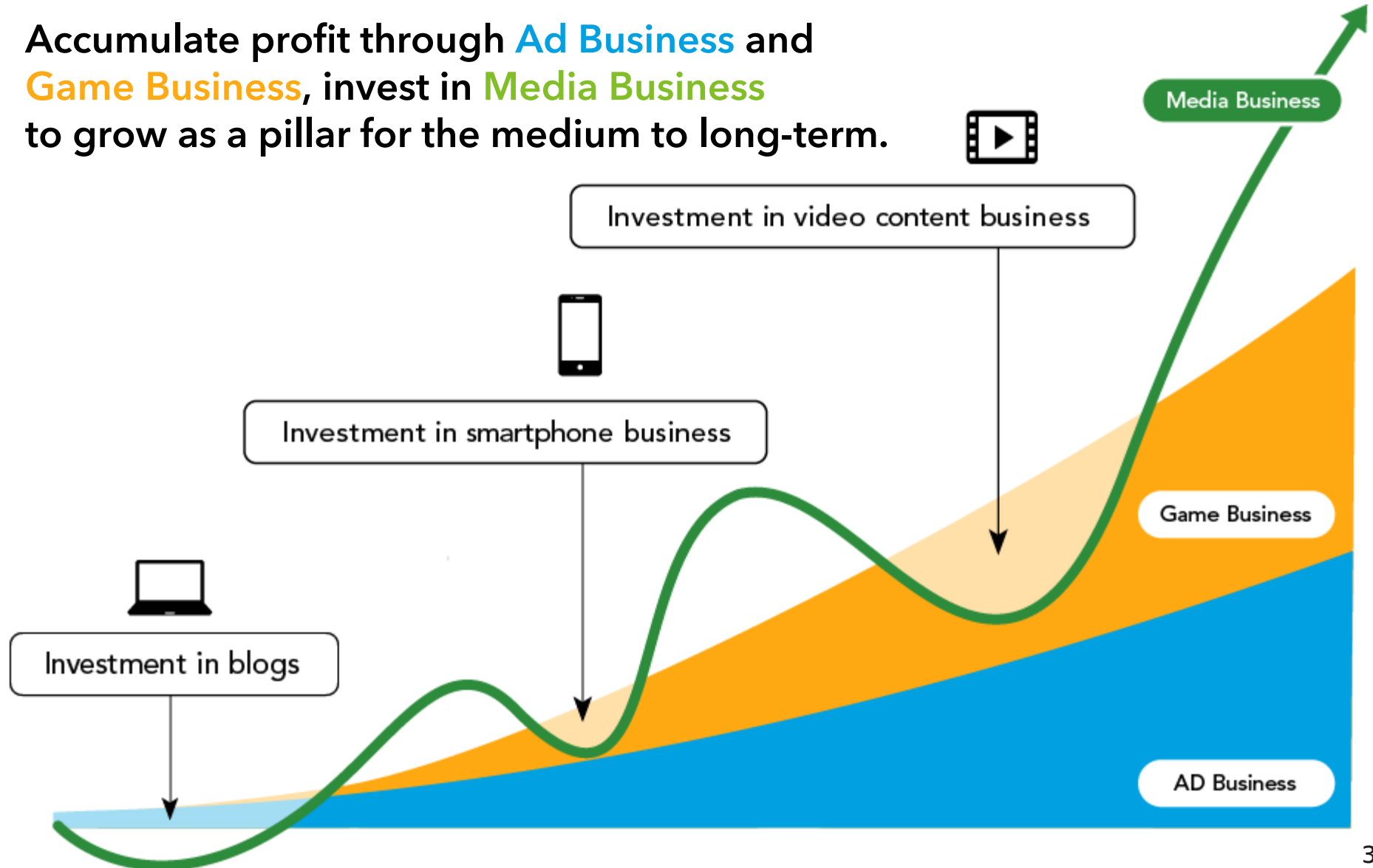
Game

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

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.

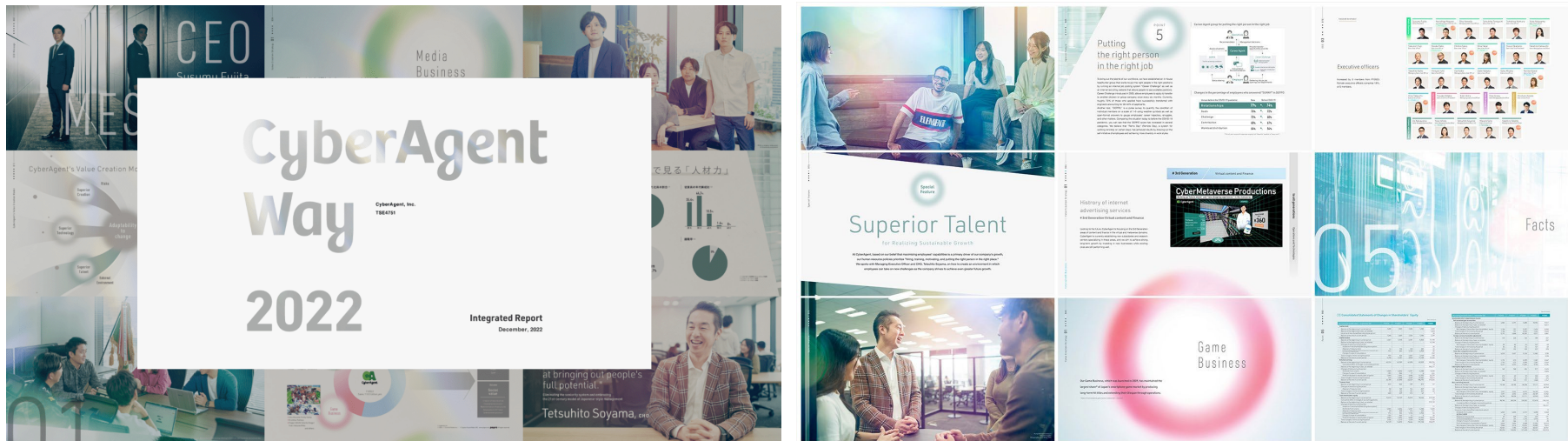
Challenge the world with a fusion of technology and creativity.

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 Q3 earnings release is scheduled to be released at 3 pm or later on Wednesday, July 26, 2023.

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