



3Q FY2024 Presentation Material

April to June 2024

July 31, 2024



[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 (April - June 2024)**
- 2. Forecast**
- 3. Internet Advertisement Business**
- 4. Game Business**
- 5. Media Business**
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- 7. References**

FY24 Q3 Financial Summary

April - June 2024

1. Financial Summary

**FY2024
Q3**

Three key businesses were strong.
OP grew 6 times year over year.

Increase Sales : 190.3 billion yen up 10.9% YoY

Increase OP : 8.5 billion yen up 497.5% YoY

Media

It maintained profitability following
the previous quarter with the strong
ABEMA-related businesses.

Increase Sales : 41.0 billion yen up 22.9% YoY

Increase OP : 0.33 billion yen +1.8 billion yen YoY

Ad

Sales hit a record high.
OP improved from 3.7% to 5.3%
year over year.

Increase Sales : 112.1 billion yen up 6.4% YoY

Increase OP : 5.9 billion yen up 54.2% YoY

Game

Sales and OP increased driven by a
new game released in May.

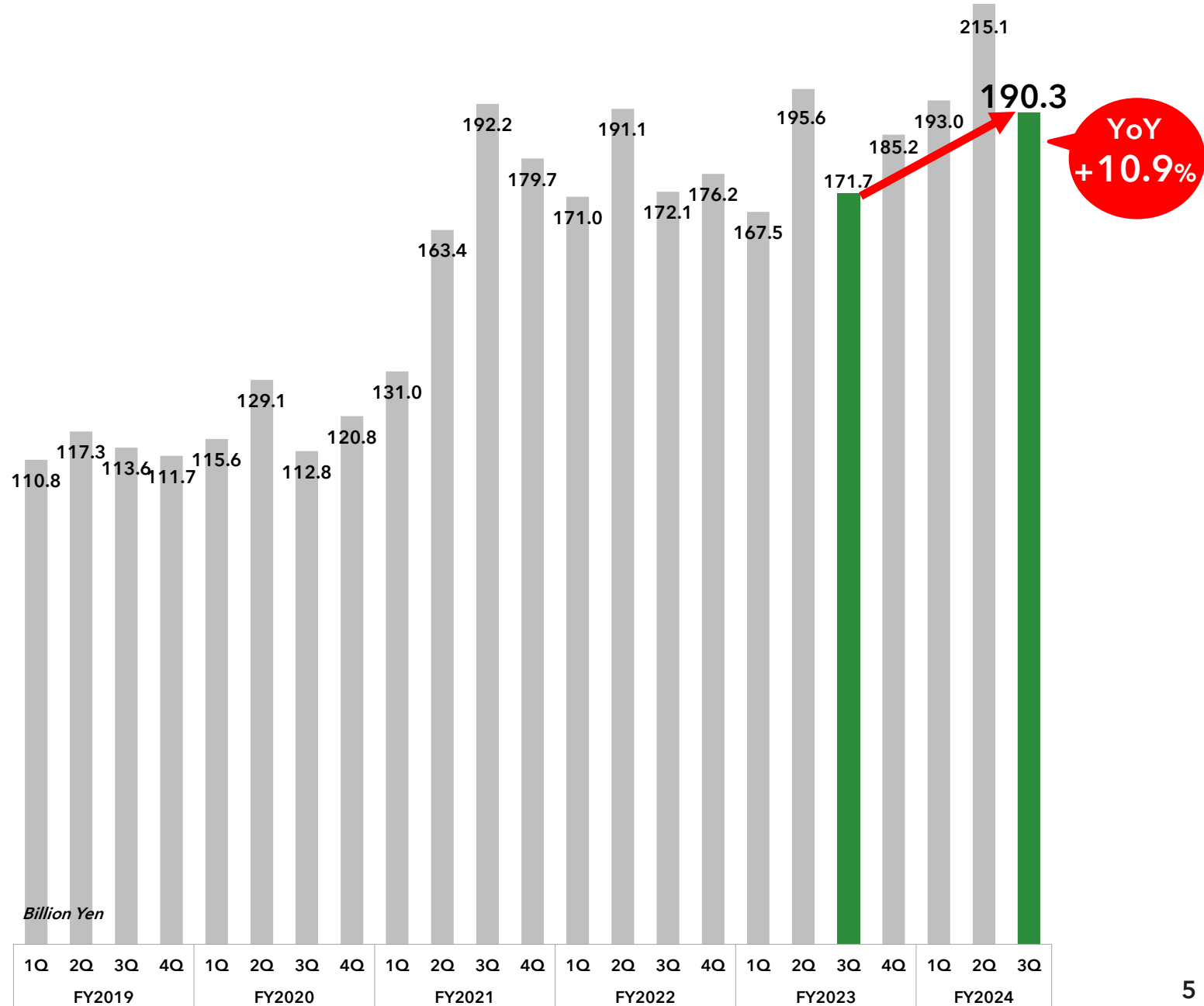
Increase Sales : 38.8 billion yen up 15.1% YoY

Increase OP : 5.1 billion yen +5.2 billion yen YoY

1. Financial Summary

[Consolidated Sales]

190.3 billion yen (up **10.9%** YoY)

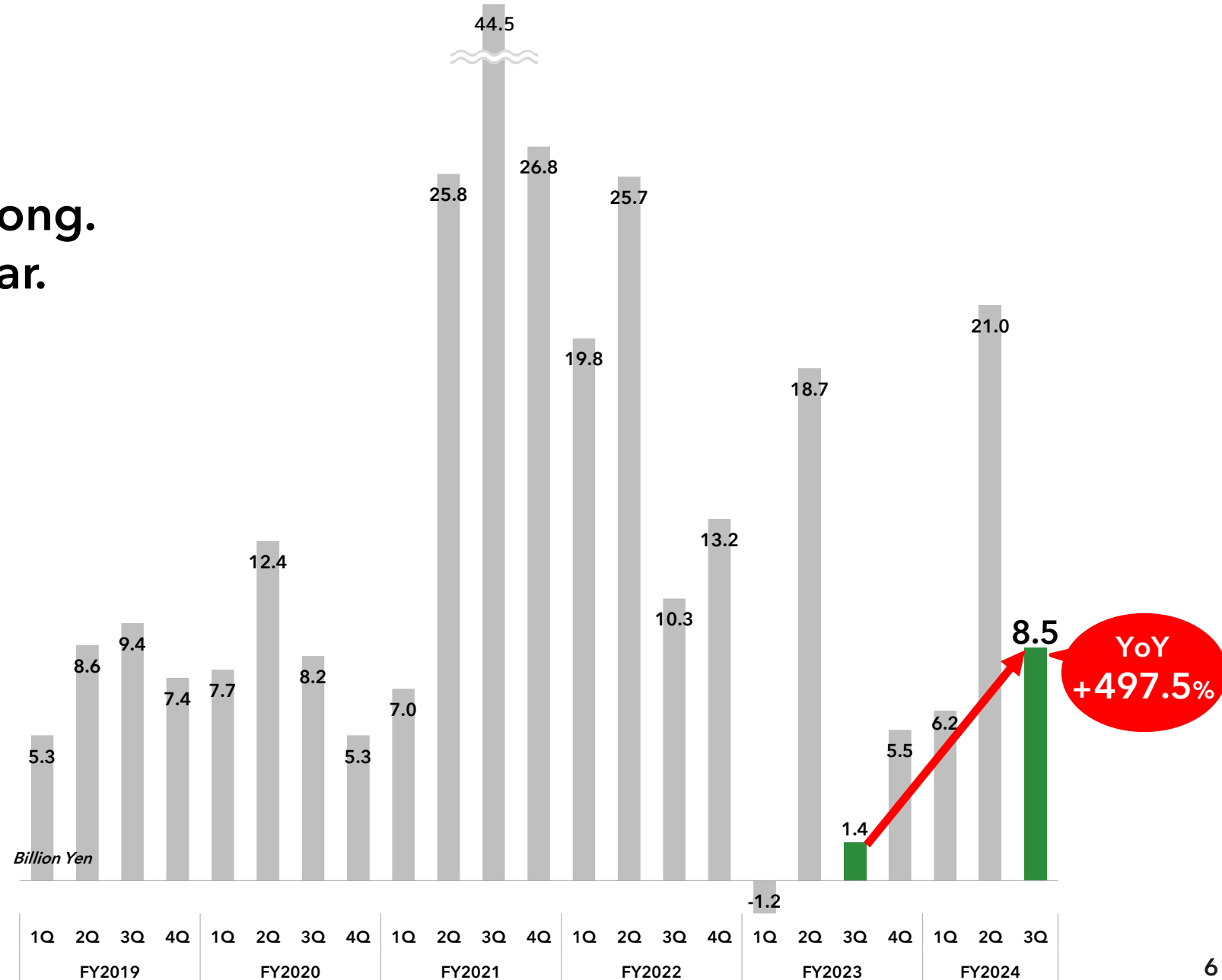


1. Financial Summary

[Consolidated OP]

Three key businesses were strong.
OP grew 6 times year over year.

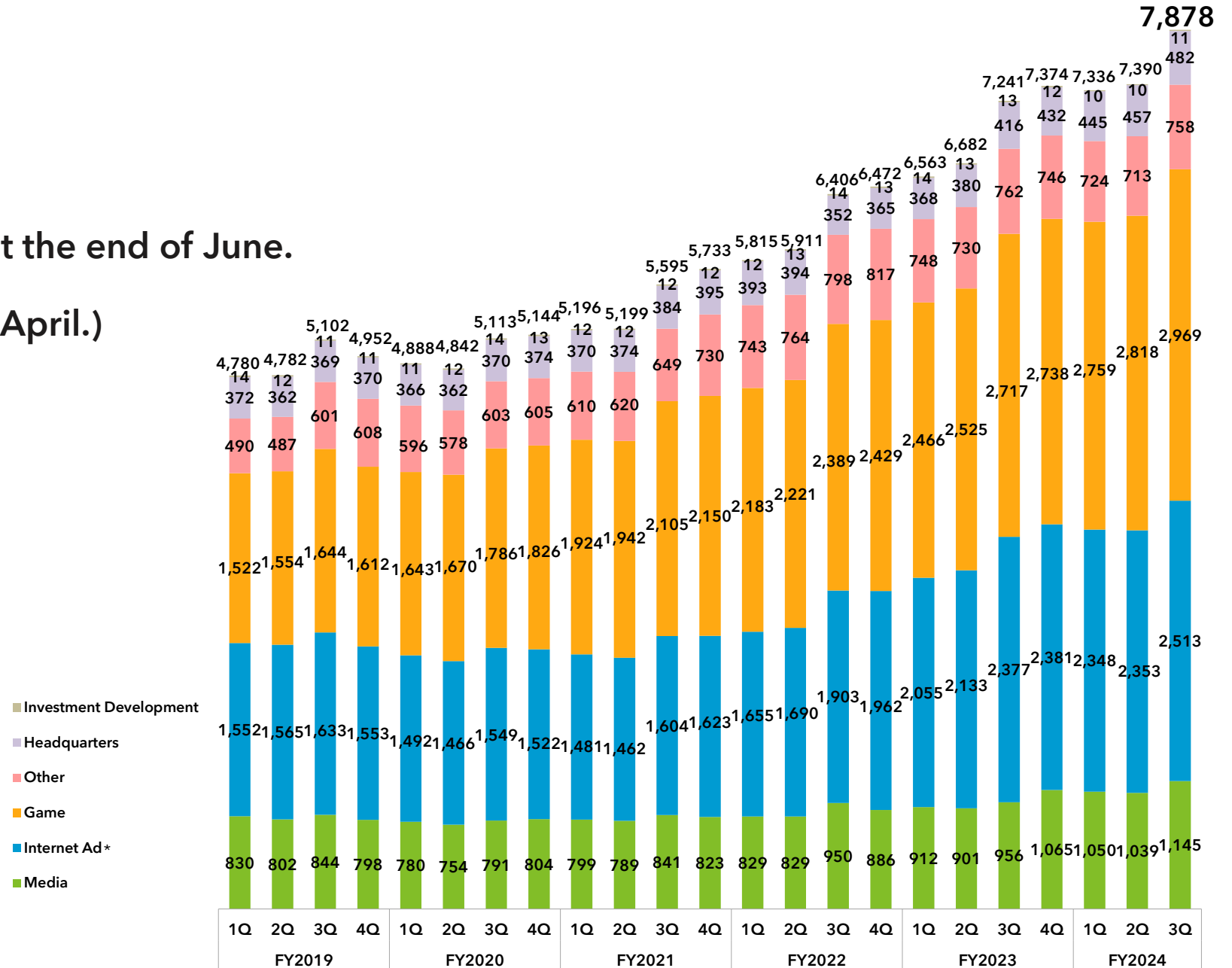
8.5 billion yen (up **497.5%** YoY)



1. Financial Summary

[No. of Employees]

Total headcount was **7,878** at the end of June.
(478 new graduates joined in April.)



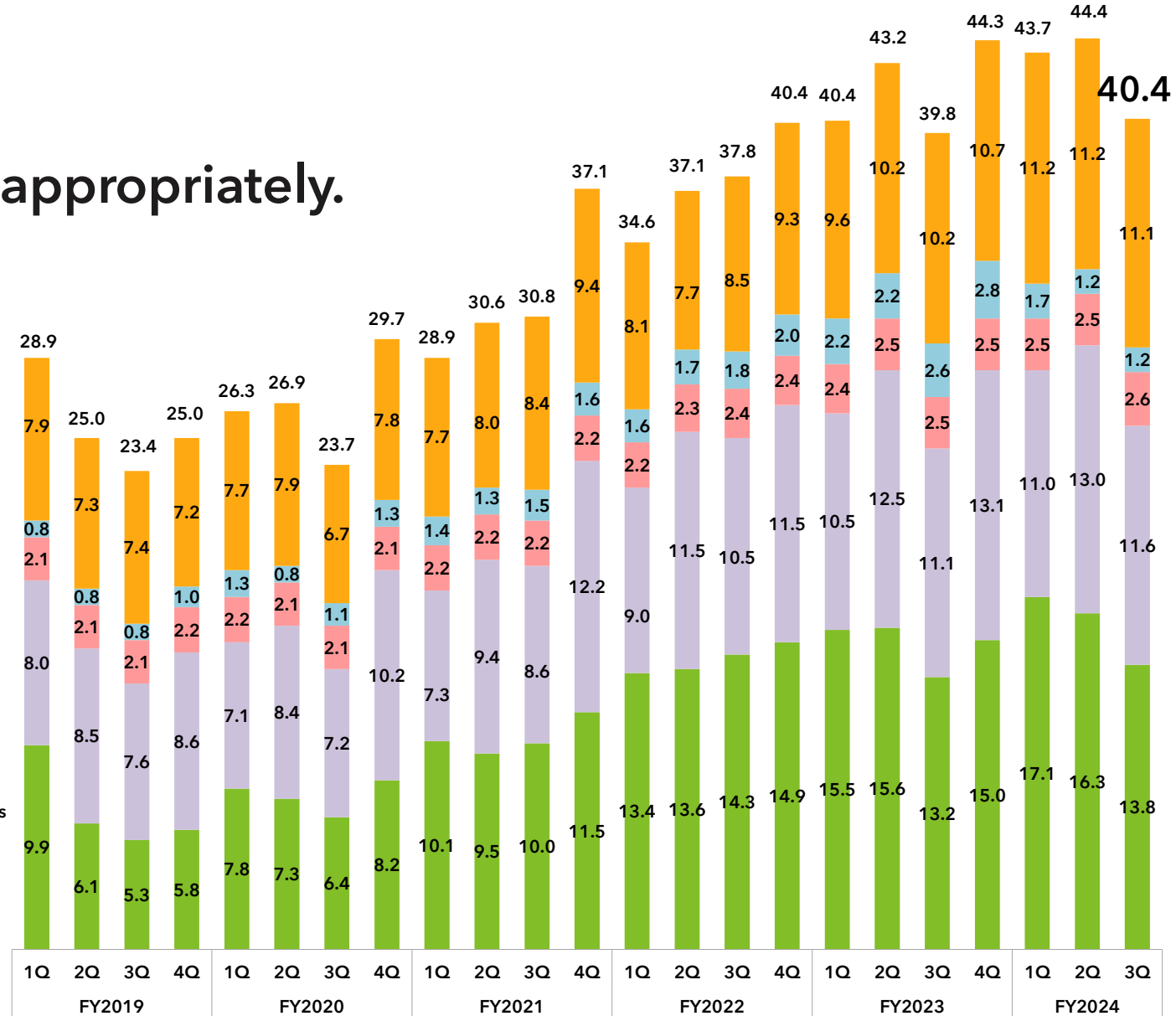
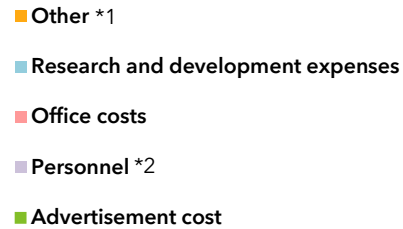
* Internet Ad: MicroAd, Inc. became unconsolidated on June 29, 2022, and is reflected from FY 2019 retrospectively.

1. Financial Summary

[SG&A Expenses]

Operating costs are controlled appropriately.

40.4 billion yen (up **1.6%** YoY)
(down **9.1%** QoQ)



*1 Other: Outsourcing expenses, sales-related expenses, external standard taxation, entertainment expenses, and others.
*2 Personnel: includes 1.4 billion yen special incentives in Q4 FY2020 and Q4 FY2021.

1. Financial Summary

[PL]

| million yen | FY2024 Q3 | FY2023 Q3 | YoY | FY2024 Q2 | QoQ |
|--|----------------|-----------|--------|-----------|--------|
| Net Sales | 190,379 | 171,738 | 10.9% | 215,129 | -11.5% |
| Gross profit | 49,032 | 41,264 | 18.8% | 65,559 | -25.2% |
| SG&A expenses | 40,455 | 39,828 | 1.6% | 44,488 | -9.1% |
| Operating income | 8,577 | 1,435 | 497.5% | 21,070 | -59.3% |
| Operating margin | 4.5% | 0.8% | 3.7pt | 9.8% | -5.3pt |
| Ordinary income | 9,169 | 1,568 | 484.5% | 21,310 | -57.0% |
| Extraordinary income | 8 | 65 | -87.2% | 133 | -93.7% |
| Extraordinary loss | 155 | 238 | -35.0% | 1,903 | -91.8% |
| Income before income taxes and non-controlling interests | 9,022 | 1,395 | 546.5% | 19,539 | -53.8% |
| Net income attributable to owners of the parent * | 5,959 | 703 | 747.0% | 10,338 | -42.4% |

* Net income attributable to owners of the parent is affected by the fact that AbemaTV, Inc. is exempted from the group tax sharing system, and non-controlling equity interest (minority interest) of Cygames, Inc.

1. Financial Summary

[BS]

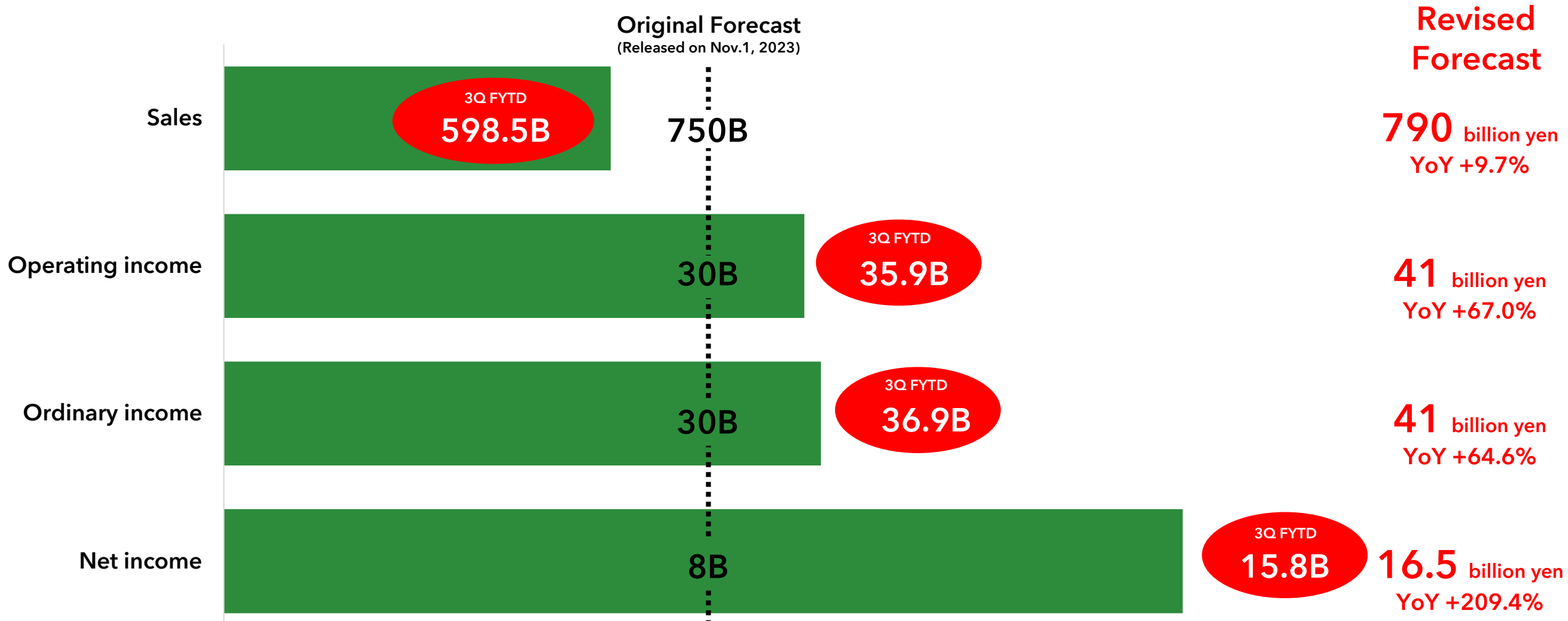
| million yen | End of Jun. 2024 | End of Jun. 2023 | YoY | End of Mar. 2024 | QoQ |
|----------------------|------------------|------------------|--------|------------------|--------|
| Current assets | 360,018 | 343,857 | 4.7% | 368,366 | -2.3% |
| (Cash deposits) | 206,055 | 203,842 | 1.1% | 204,506 | 0.8% |
| Fixed assets | 136,685 | 120,723 | 13.2% | 131,353 | 4.1% |
| Total assets | 496,756 | 464,650 | 6.9% | 499,775 | -0.6% |
| Current liabilities | 156,265 | 122,818 | 27.2% | 164,312 | -4.9% |
| (Income tax payable) | 6,844 | 1,801 | 279.9% | 10,521 | -34.9% |
| Fixed liabilities | 95,441 | 112,531 | -15.2% | 96,021 | -0.6% |
| Shareholders' equity | 145,398 | 135,012 | 7.7% | 139,439 | 4.3% |
| Net Assets | 245,049 | 229,301 | 6.9% | 239,441 | 2.3% |

FY2024 Forecast

October 2023 - September 2024

2. Forecast

[Progress to Forecast] We revised the FY2024 earnings forecast upward because of the strong performance of our three key businesses and the contribution from the new successful games.

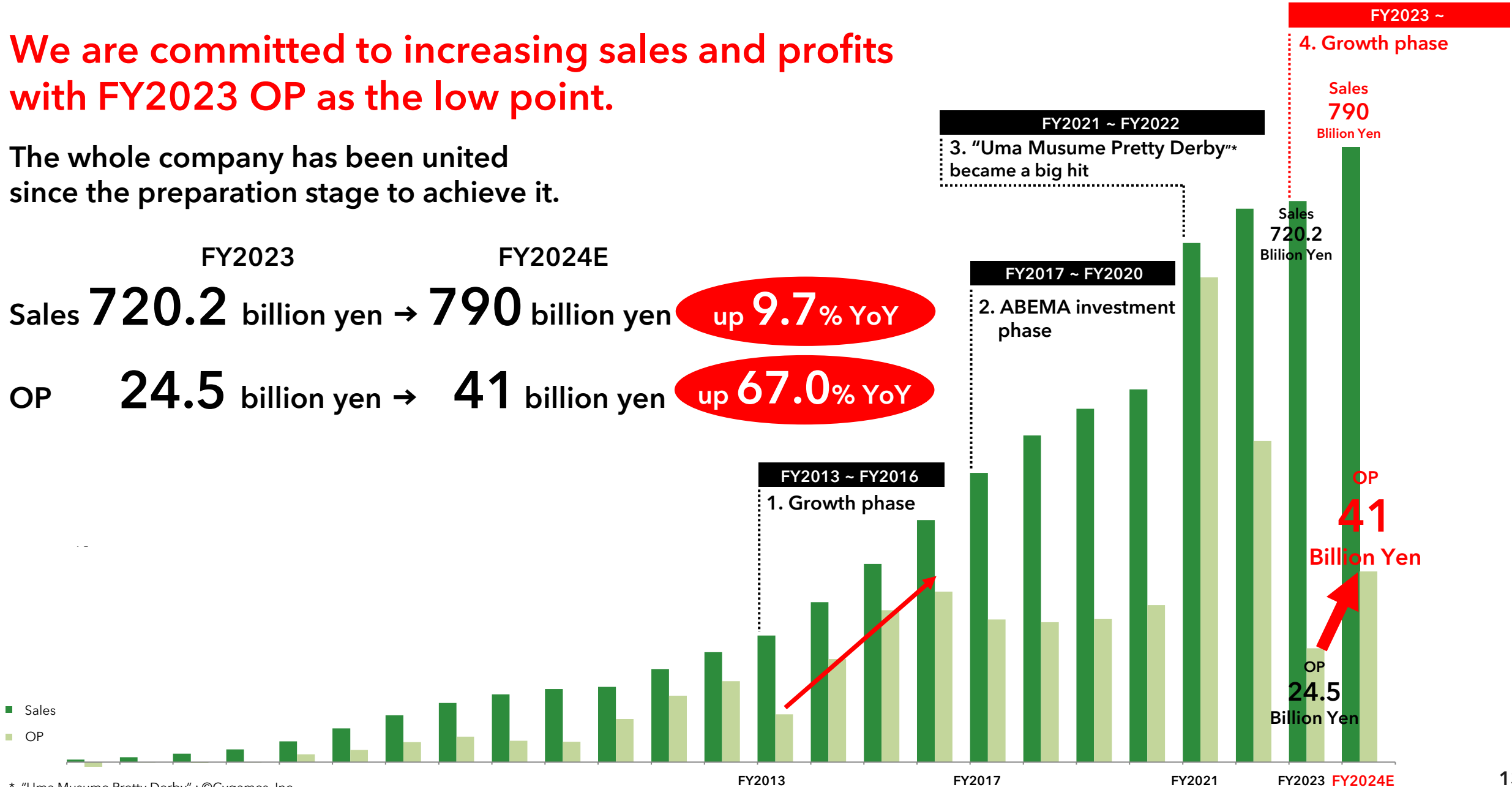


2. Forecast

We are committed to increasing sales and profits with FY2023 OP as the low point.

The whole company has been united since the preparation stage to achieve it.

| | | | |
|-------|--------------------------|------------------------|---------------------|
| | FY2023 | FY2024E | |
| Sales | 720.2 billion yen | 790 billion yen | up 9.7% YoY |
| OP | 24.5 billion yen | 41 billion yen | up 67.0% YoY |



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

2. Forecast

[Upward Revision]

| Unit: billion yen | FY2024 Original Forecast (Released on Nov.1, 2023) | FY2024 Revised Forecast (Released on Jul.31, 2024) | Difference (Amount) | Difference (%) | FY2023 | YoY |
|---|--|--|------------------------|----------------|--------|--------|
| Net Sales | 750 | 790 | 40 | 5.3% | 720.2 | 9.7% |
| Operating income | 30 | 41 | 11 | 36.7% | 24.5 | 67.0% |
| Ordinary income | 30 | 41 | 11 | 36.7% | 24.9 | 64.6% |
| Net income attributable to owners of the parent * | 8 | 16.5 | 8.5 | 106.3% | 5.3 | 209.4% |
| Dividend | 15yen | 15yen | 0yen | 0.0% | 15yen | 0.0% |

* Net income attributable to owners of the parent is affected by the fact that AbemaTV, Inc. is exempted from the group tax sharing system, and non-controlling equity interest (minority interest) of Cygames, Inc.

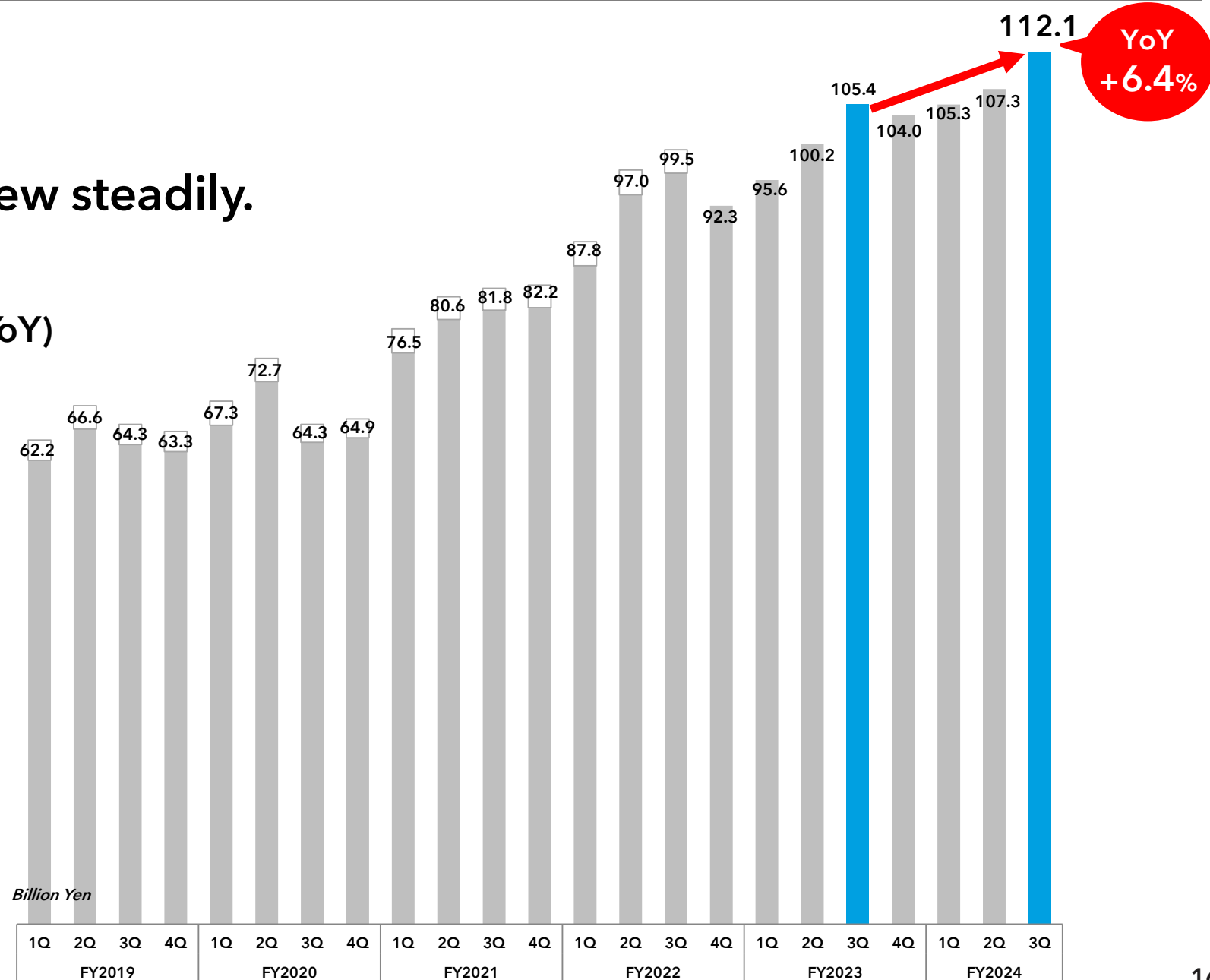
Internet Advertisement

3. Internet Advertisement Business

[Quarterly Sales]

Sales hit a new record and grew steadily.

Q3 **112.1** billion yen (up **6.4%** YoY)



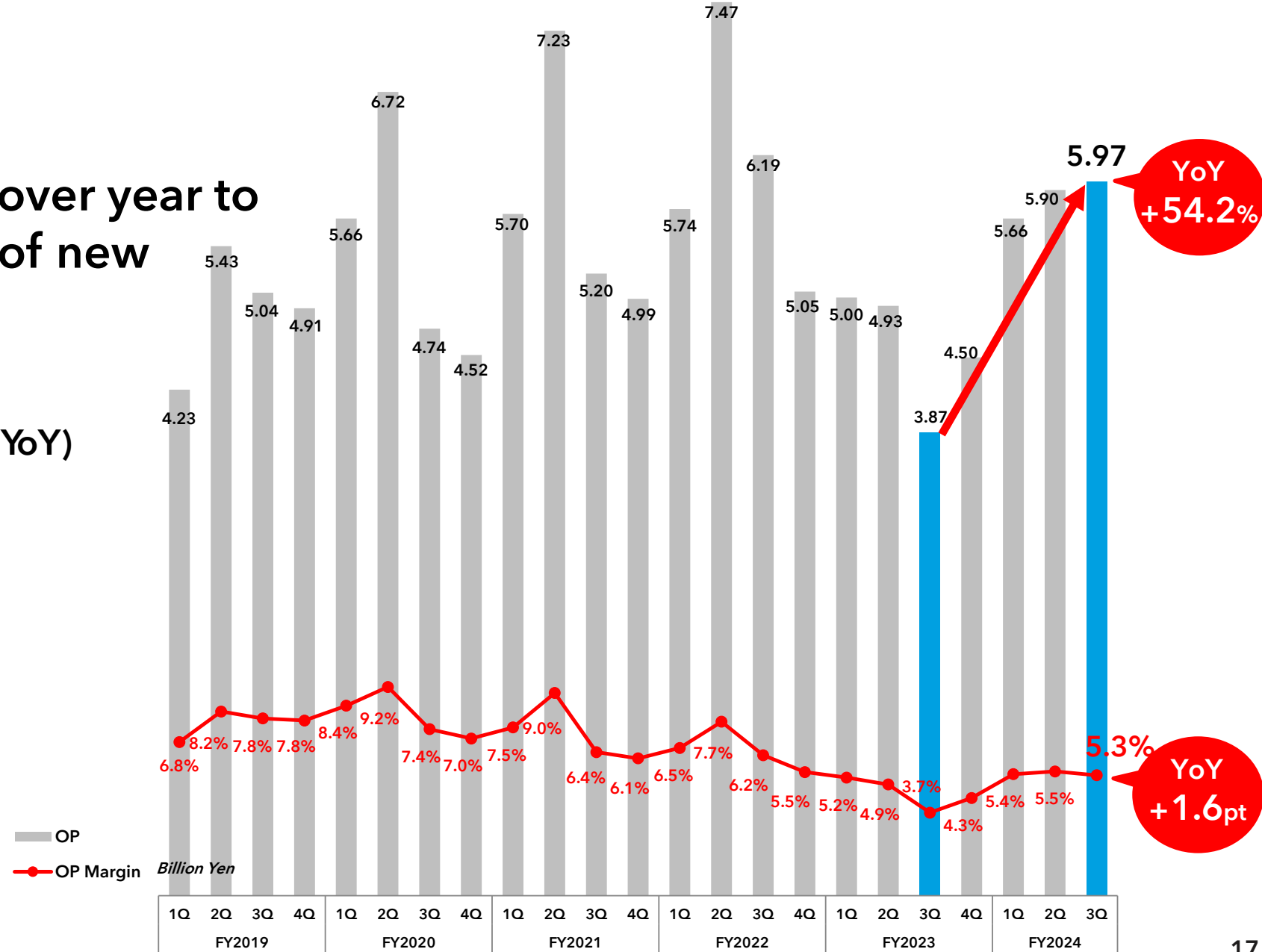
□ indicates the sales of MicroAd, Inc., which became a non-consolidated company.

3. Internet Advertisement Business

[Quarterly OP]

OP margin improved year over year to 5.3% despite the increase of new graduates.

Q3 **5.9** billion yen (up **54.2%** YoY)



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

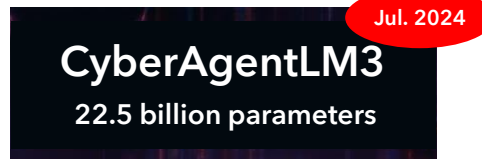
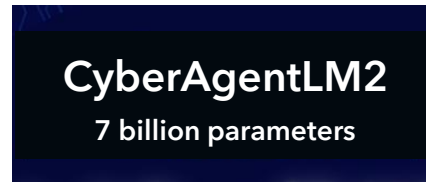
[Technological Advantage] Using generative AI to improve productivity in the advertising operation process.

Use AI and LLM to promote business development and operational efficiency

Ad creative tools with generative AI
"Kiwami Prediction Series"



Japanese language models
developed by CyberAgent



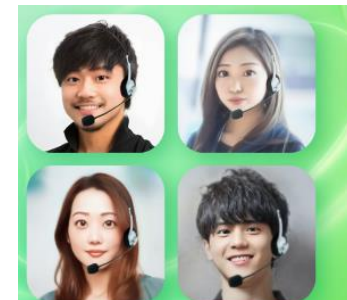
"Kiwami AI Odaiba Studio"

Video production studio equipped with AI and CG technologies



Personal AI Assistant "CA Assistant"

Jun. 2024



Features of AI assistants

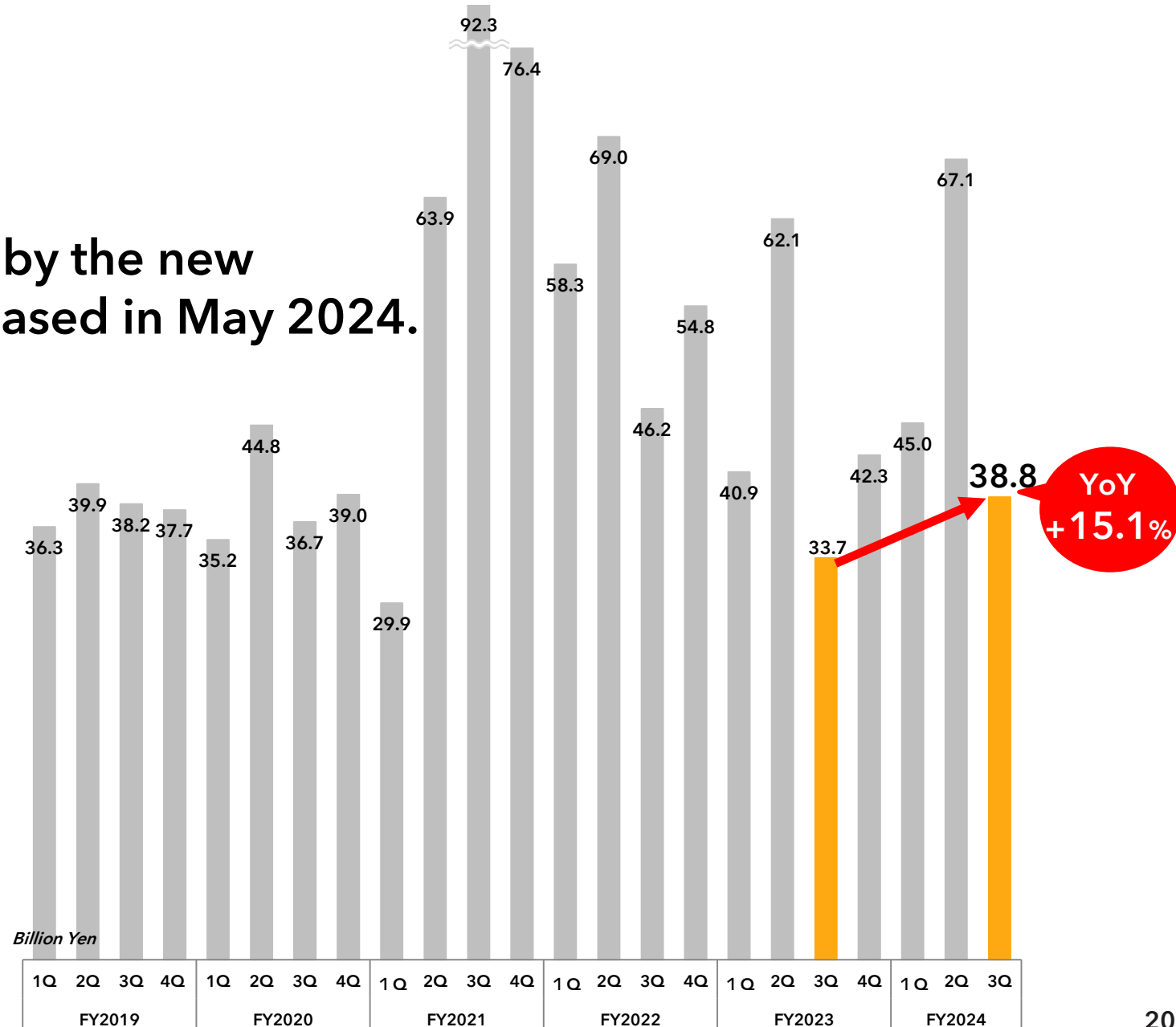
- Support ad analysis
- Create charts and graphs
- Set up ad campaigns
- Answer technical questions
- Generate message/mail response

Game

[Quarterly Sales]

Sales increased year on year driven by the new game "Gakuen iDOLM@STER*" released in May 2024.

Q3 38.8 billion yen (up 15.1% YoY)

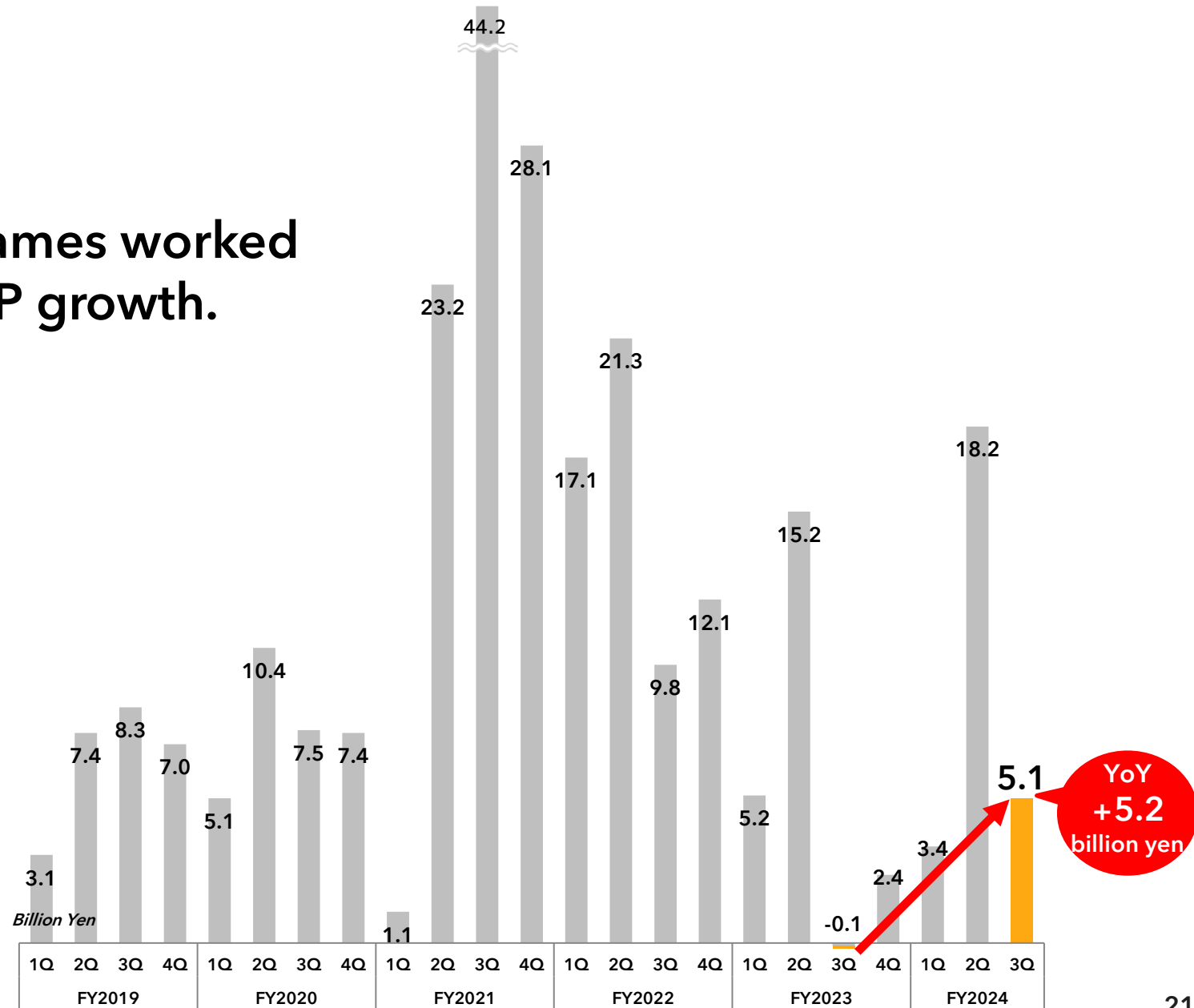


* Gakuen iDOLM@STER : Publisher: Bandai Namco Entertainment Inc.
 Development and operation: Consolidated subsidiary QualiArts Inc.
 THE IDOLM@STER & ©Bandai Namco Entertainment Inc.

[Quarterly OP]

The continuous release of new games worked well and resulted in significant OP growth.

Q3 **5.1** billion yen (up **5.2** billion yen)



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

[Gakuen iDOLM@STER^{*1}] The game was released in May 2024 and took first place^{*2} in the sales ranking. It has been performing well for more than two months after its release and has become a new popular title.

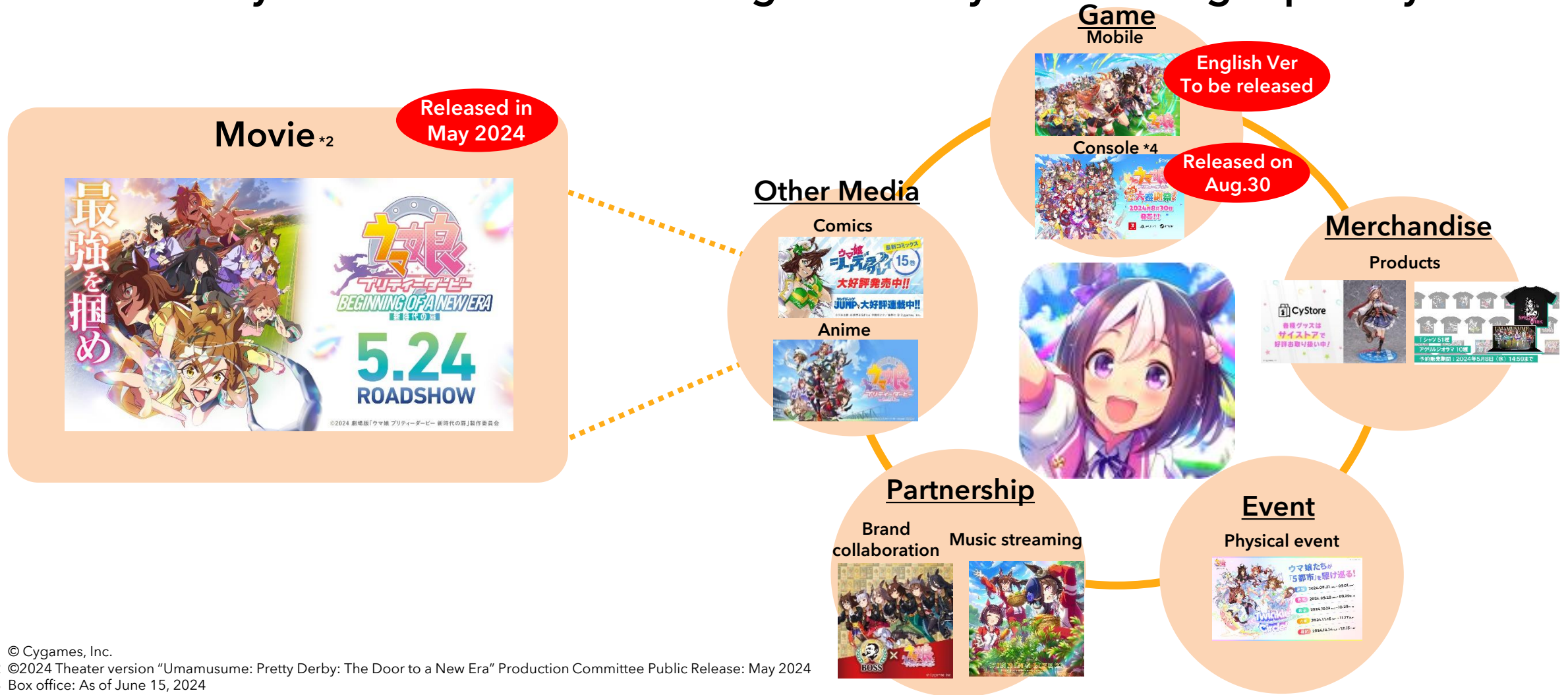


*1 Gakuen iDOLM@STER : THE IDOLM@STER & ©Bandai Namco Entertainment Inc.

*2 It ranked #1 multiple times on each platform.

[Umamusume: Pretty Derby*1]

The box office has surpassed 1 billion yen*3 in less than a month since the film's release*2 in May 2024. It aims to be a long-term IP by maintaining topicality.



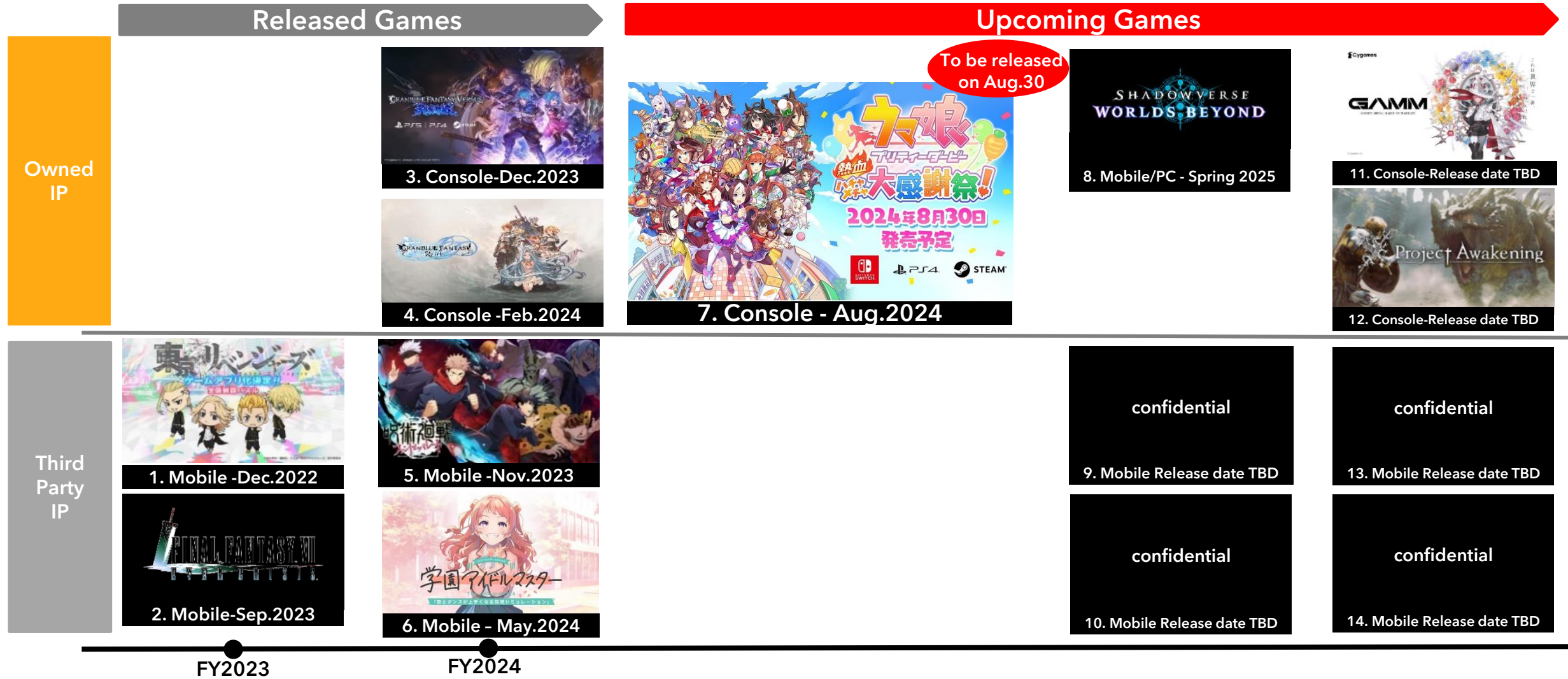
*1 © Cygames, Inc.

*2 ©2024 Theater version "Umamusume: Pretty Derby: The Door to a New Era" Production Committee Public Release: May 2024

*3 Box office: As of June 15, 2024

*4 © Cygames, Inc.

[Upcoming games*₁] Four new games were released and became successful in FY 2024.
 "Umamusume: Pretty Derby *₂" will release its first console game on August 30, 2024.



*1 Copyrights are stated on the last page.
 *2 © Cygames, Inc.

[Upcoming Movie] HATSUNE MIKU: COLORFUL STAGE!, A rhythm & adventure game that has surpassed 39 million downloads is to release its first anime movie.

Project SEKAI Movie: The broken world and Miku unable to sing *2

To be released on January 17, 2025



劇場版 プロジェクトセカイ
壊れたセカイと歌えないミク
Kowareta SEKAI To Utaenai MIKU

大人気リズム&アドベンチャーゲーム
『プロジェクトセカイ』初のアニメ映画化
2025年1月17日公開決定

©「劇場版プロジェクトセカイ 壊れたセカイと歌えないミク」製作委員会

*1: © SEGA / © Colorful Palette Inc. / © Crypton Future Media, INC. www.piapro.net piapro All rights reserved. Publisher: SEGA CORPORATION Dev and ops: Colorful Palette, Inc. - consolidated subsidiary

*2: "Project SEKAI Movie: The broken world and Miku unable to sing": "Project SEKAI Movie: The broken world and Miku unable to sing" production committee

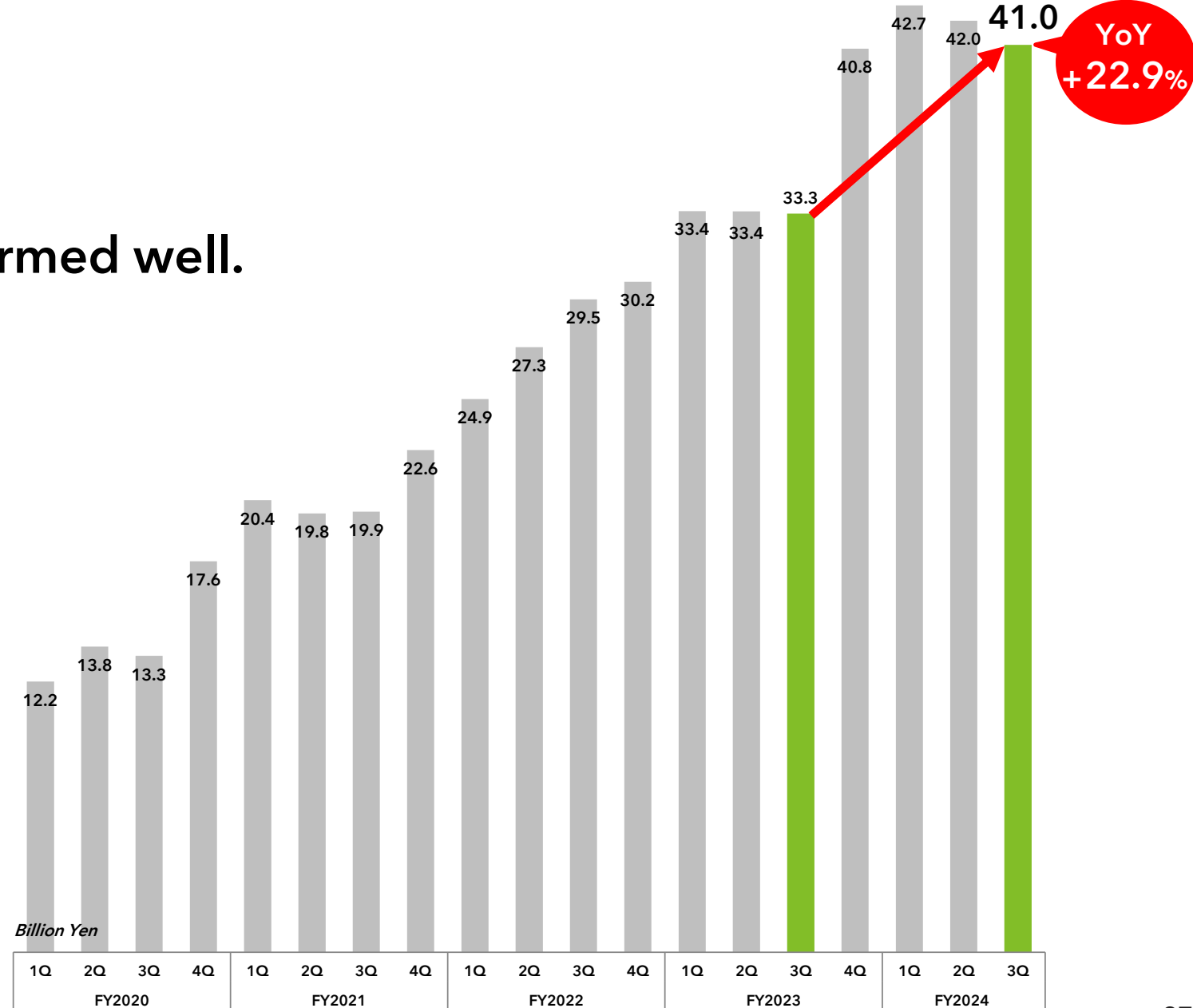
Media

5. Media Business

[Quarterly Sales]

ABEMA-related businesses performed well.

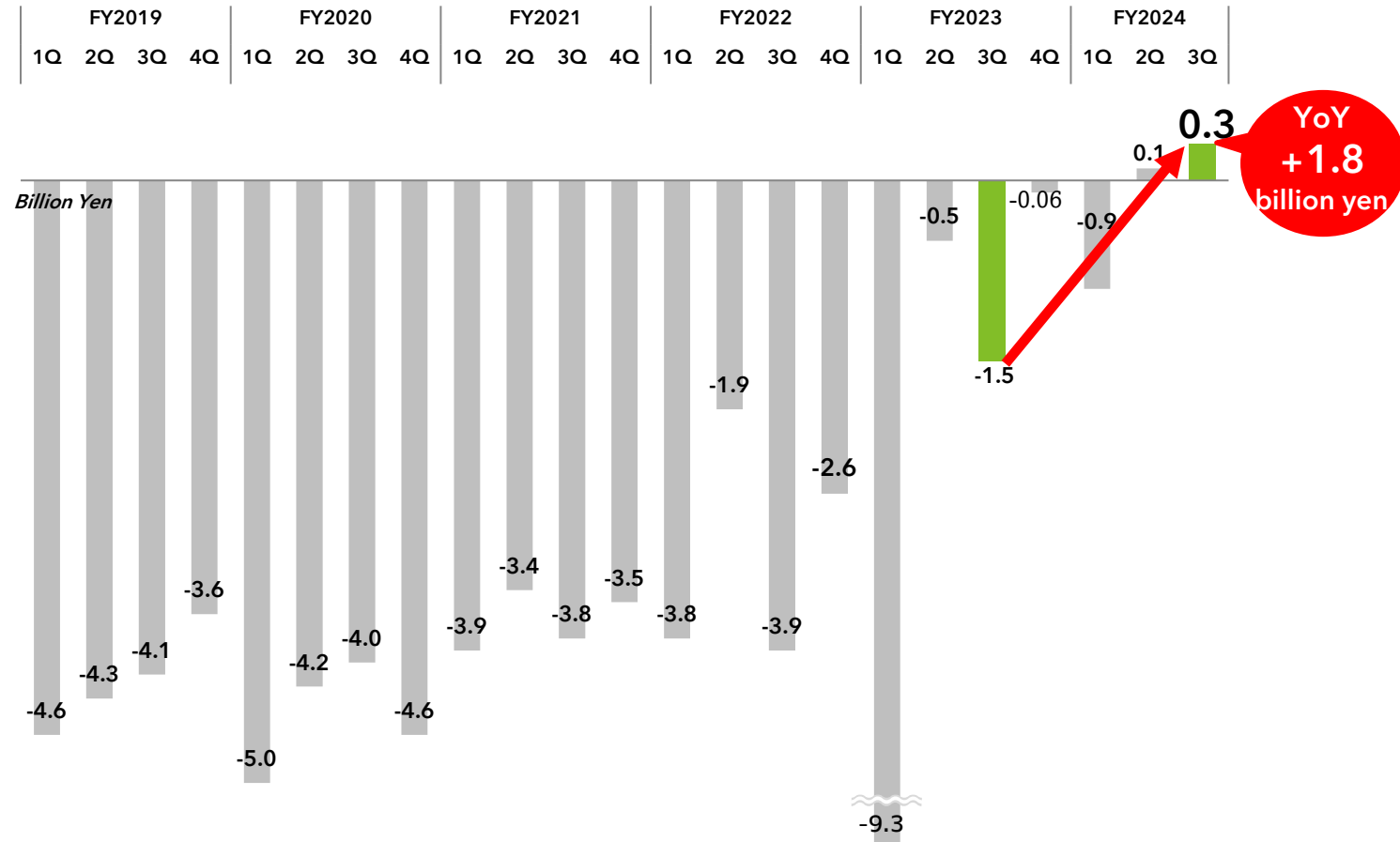
Q3 41.0 billion yen (up 22.9% YoY)



[Quarterly OP]

OP maintained profitability following the previous quarter. Monetization is in progress.

Q3 **0.33** billion yen
(1.8 billion yen increase YoY)



*1 Q1 FY2023: The expenses related to FIFA World Cup Qatar 2022 are recorded.

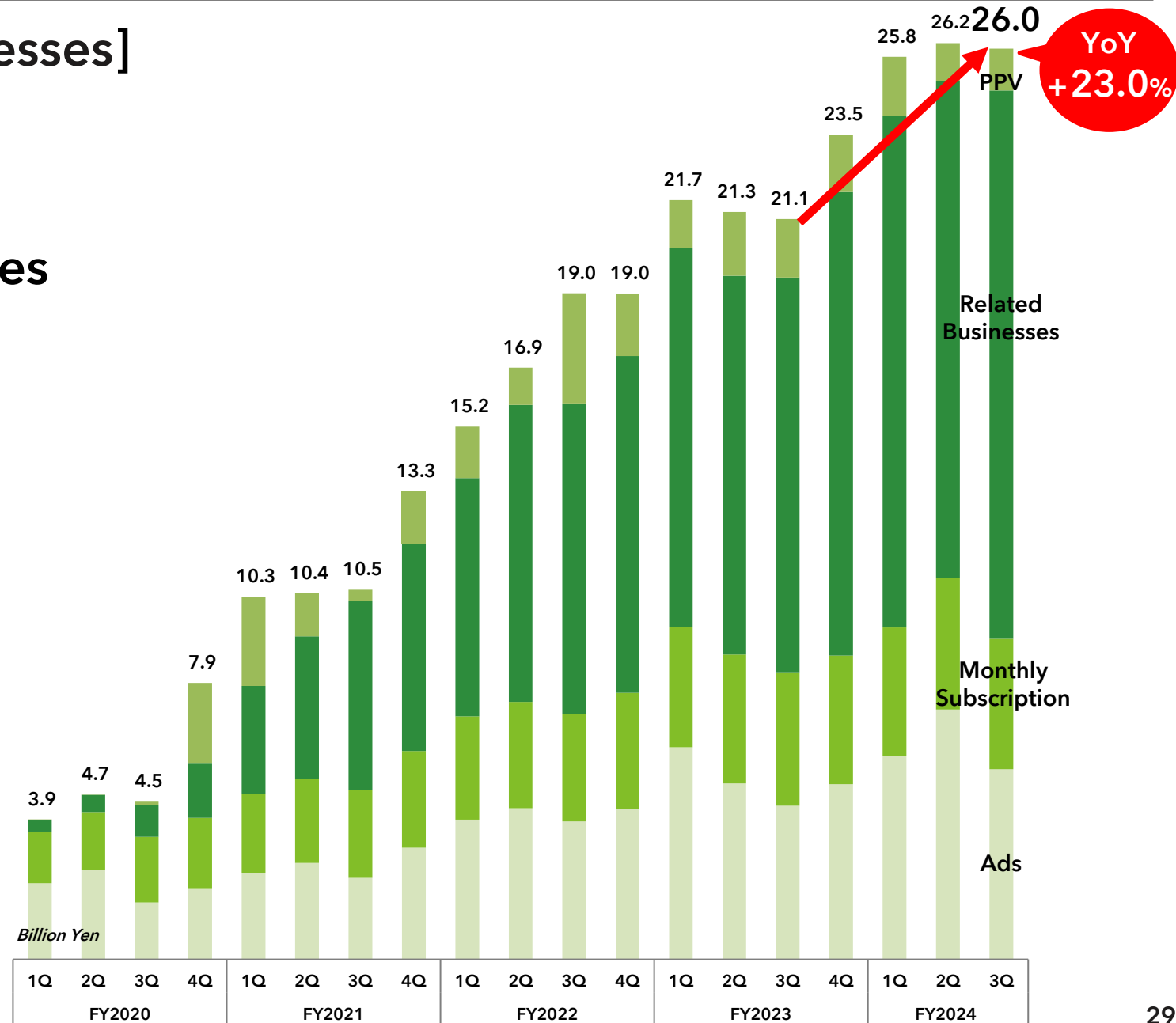
*2 Quarterly OP: Special incentives in FY2020 and FY2021 are excluded.

5. Media Business

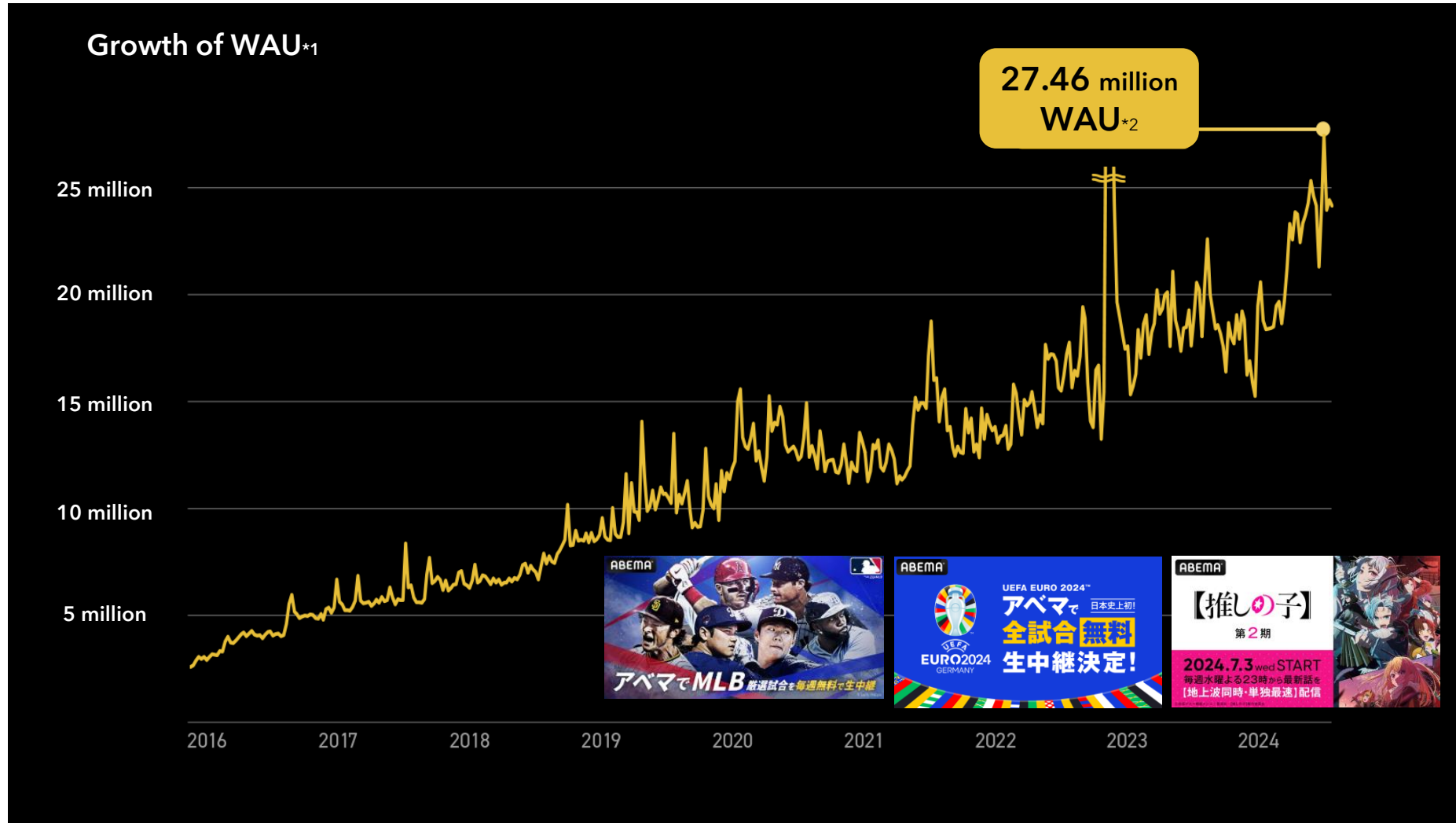
[Sales of ABEMA & Related Businesses]

Ads and ABEMA-related businesses remain stable.

Q3 **26.0** billion yen (up **23.0%** YoY)



[ABEMA] Viewership of popular sports and anime content have been strong. The number of weekly active users exceeded 27 million in June 2024.



*1 WAU: Weekly Active Users

*2 The number of weekly active users from Monday June 17, 2024, to Sunday, June 23, 2024.

[ABEMA] ABEMA partnered with DAZN^{*1}, WOWSPO^{*2}, J SPORTS^{*3} to provide more sports content on ABEMA.

Feb.2024
Apr. 2024
May. 2024

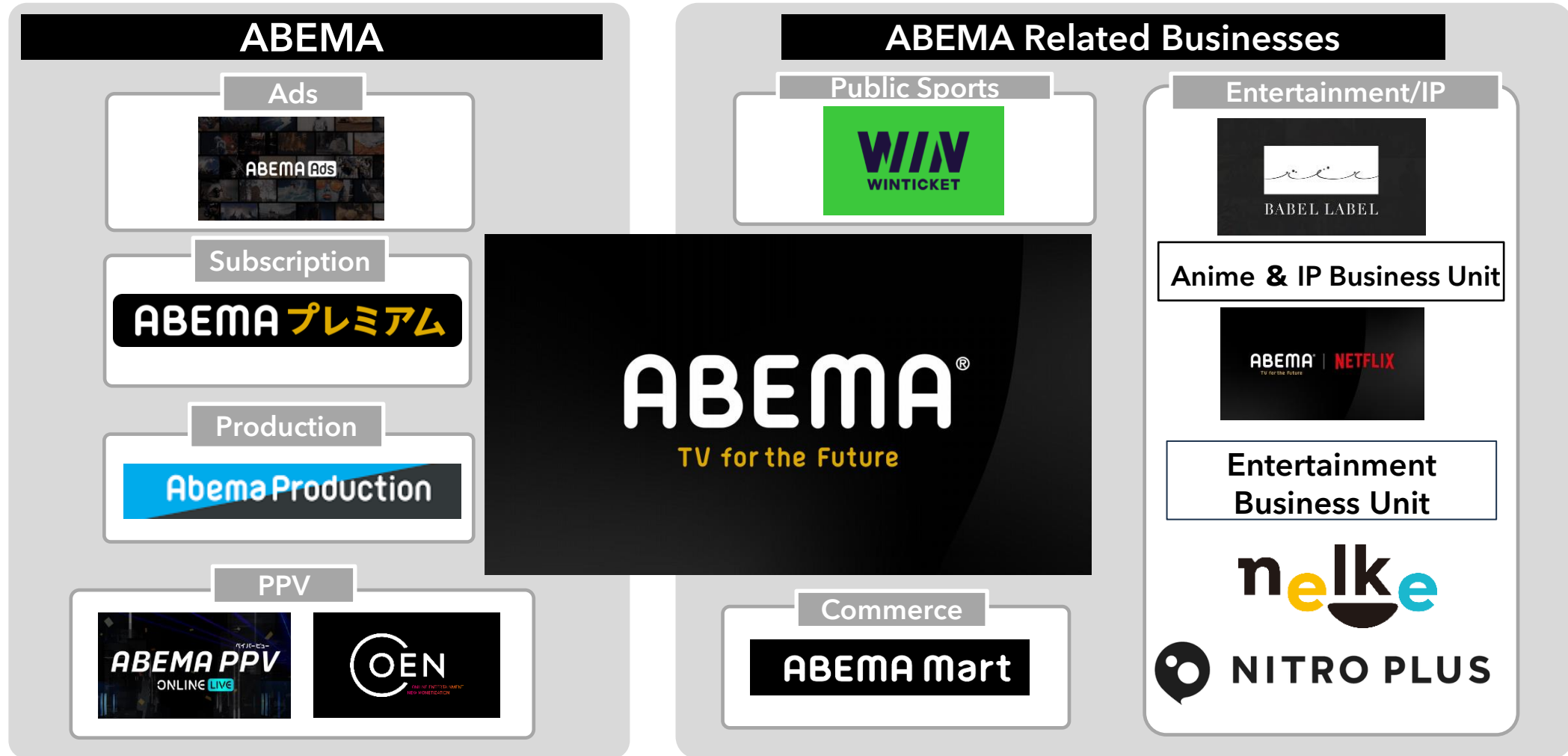
| ABEMA | ABEMA de DAZN ^{*1} | ABEMA de WOWSPO ^{*2} | ABEMA de J SPORTS ^{*3} |
|---|--|---|---|
|  |  |  |  |
|  |  |  |  |
| Subscription Plan | ABEMA de DAZN | ABEMA de WOWSPO | ABEMA de J SPORTS |
| ABEMA | ABEMA de DAZN | ABEMA de WOWSPO | ABEMA de J SPORTS |
| ¥960 | ¥ 4,200 (¥ 32,000/year) | ¥1,980 | ¥2,180 |

*1 ABEMA de DAZN was launched on February 23, 2024.

*3 ABEMA de J SPORTS was launched on May 13, 2024.

*2 ABEMA de WOWSPO was launched on April 2, 2024.

[Business Overview] Expand the businesses around ABEMA to improve monetization.



* The sales of BABEL LABEL Inc., Nelke Planning Inc, and Nitroplus Co.,Ltd. are not included in the sales of ABEMA-related businesses.

Medium to Long-Term Strategy

Media

Make ABEMA a social infrastructure that can access anytime, anywhere. Aim for high profitability by strengthening monetization.

Ad

Take market share with the capability to maximize advertising effectiveness. Working to commercialize AI and DX related business to improve OP margin.

Game

Create high-quality new games.
Make Game business stable by extending lifespan of released games.



With FY2023 OP at the bottom,
we are committed to increasing sales and profits.

6. Medium to Long-Term Strategy for Media Business

Umamusume: Pretty Derby * achieved huge success by becoming a multimedia franchise. To replicate the success story, we do:



Use ABEMA which maintain many weekly active users as a base



Acquire companies that create original IPs and develop new businesses

BABEL LABEL



NEW

ABEMA mart

STUDIO ZOON
Vertical reading manga studio



NEW

Anime & IP Business Unit

Animation AI Lab

Game AI Lab

Aim to create a new IP in the CyberAgent group.

6. Medium to Long-Term Strategy for Media Business

[NITRO PLUS] The company offers high-quality content in various genres, including games, animation, novels, illustrations, and most notably *Touken Ranbu*.



*1 © 2015 EXNOA LLC/NITRO PLUS

*3 © Ishimori Production • Toei © Stage "Kamen Rider Zangetsu: -Gaim Gaiden-" Production committee

*2 © 2009-2010 5pb. Inc./Nitroplus © 2011 5pb. /Nitroplus Mirai Gadget Research Lab

*4 © 2024 NITRO PLUS

6. Medium to Long-Term Strategy for Media Business

[MANGA APARTMENT VUY]

We will provide a designated apartment for people who want to become manga artists with Shihei Lin, a manga editor who supervised many bestsellers such as *Chainsaw Man* and *Spy x Family*.

The apartment will be renovated by the consolidated subsidiary REALGATE, inc. *

Scheduled to open
in Apr. 2025





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

Reference

 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.

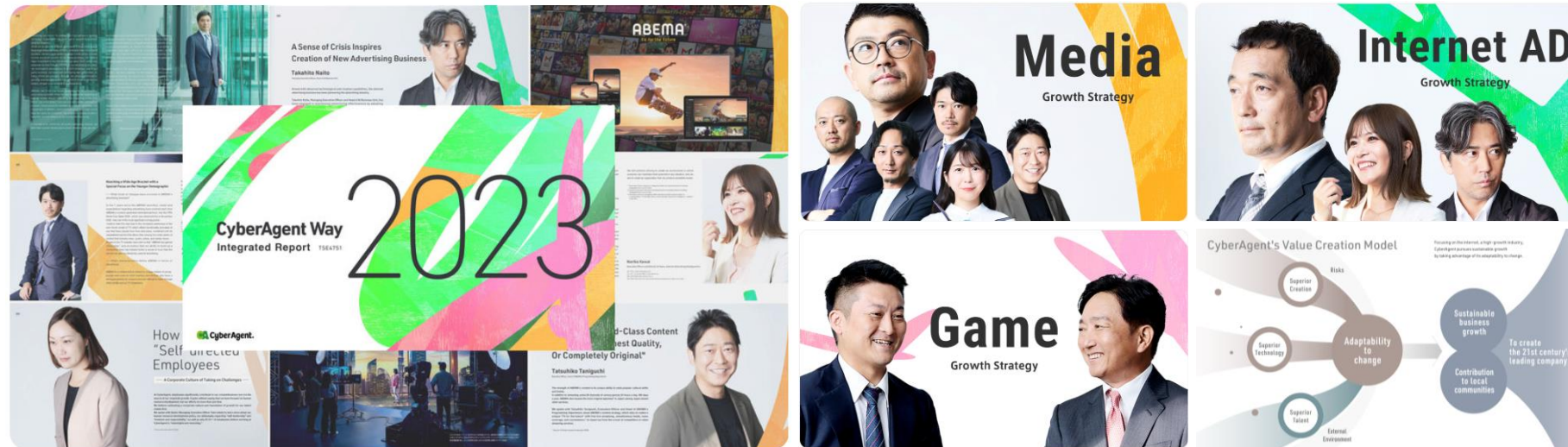
Challenge the world with a fusion of technology and creativity.

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 2023



In the 2023 edition, we will explain the competitive advantages and growth strategies of our three main businesses through interviews with 11 executive officers: the media business centered around ABEMA, which marked its 7th anniversary, the internet advertising business that generates about half of our consolidated revenues, and the game business that has succeeded in producing many hit titles.

Integrated Report CyberAgent Way 2023

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

Click!!



FY2024 Q4 earnings release is scheduled to be released at 3 pm or later on Wednesday, October 30, 2024.

Copyrights of Game Business

- 1 Tokyo Revengers Pazuribe! The Road to Supremacy : Ken Wakui, Kodansha/ Anime "Tokyo Revengers" Production Committie
- 2 FINAL FANTASY VII EVER CRISIS :© SQUARE ENIX Powered by Applibot, Inc. Character Design: TETSUYA NOMURA / Character Illustration: LISA FUJISE
- 3 Granblue Fantasy Versus: Rising : © Cygames, Inc. Developed by ARC SYSTEM WORKS
- 4 Granblue Fantasy: Relink: © Cygames, Inc.
- 5 Jujutsu Kaisen Phantom Parade:© Gege Akutami/ Shueisha, Jujutsu Kaisen Production Committee © Sumzap, Inc./TOHO CO., LTD.
- 6 Gakuen iDOLM@STER : THE IDOLM@STER™& ©Bandai Namco Entertainment Inc.
- 7 Umamusume: Pretty Derby -Party Dash : © Cygames, Inc.
- 8 Shadowverse: Worlds Beyond: © Cygames, Inc.
- 11 GARNET ARENA: Mages of Magicary : © Cygames, Inc.
- 12 Project Awakening : © Cygames, Inc.

*Games #9,10,12,13 are to be disclosed.