

2Q FY2024 Presentation Material

January to March 2024

April 24, 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** (January - March 2024)
2. **Forecast**
3. **Internet Advertisement Business**
4. **Game Business**
5. **Media Business**
6. **Medium to long-term strategy**
7. **References**

FY24 Q2 Financial Summary

January - March 2024

1. Financial Summary

FY2024 Q2

Sales reached a new record and OP increased year on year.

Increase	Sales: 215.1 billion yen	up 10.0% YoY
Increase	OP: 21.0 billion yen	up 12.2% YoY

Media

ABEMA's weekly active users (WAU) grew 1.2x to 23.64 million*. ABEMA-related businesses performed well and became profitable on a quarterly basis.

Increase	Sales: 42.0 billion yen	up 25.8% YoY
Increase	OP: 0.16 billion yen	+0.7 billion yen YoY

Ad

Sales reached a new record, with its strength in maximizing advertising effectiveness. OPM has grown for the third quarter in a row. (3.7% ⇒ 4.3% ⇒ 5.4% ⇒ 5.5%)

Increase	Sales: 107.3 billion yen	up 7.1% YoY
Increase	OP: 5.9 billion yen	up 19.6% YoY

Game

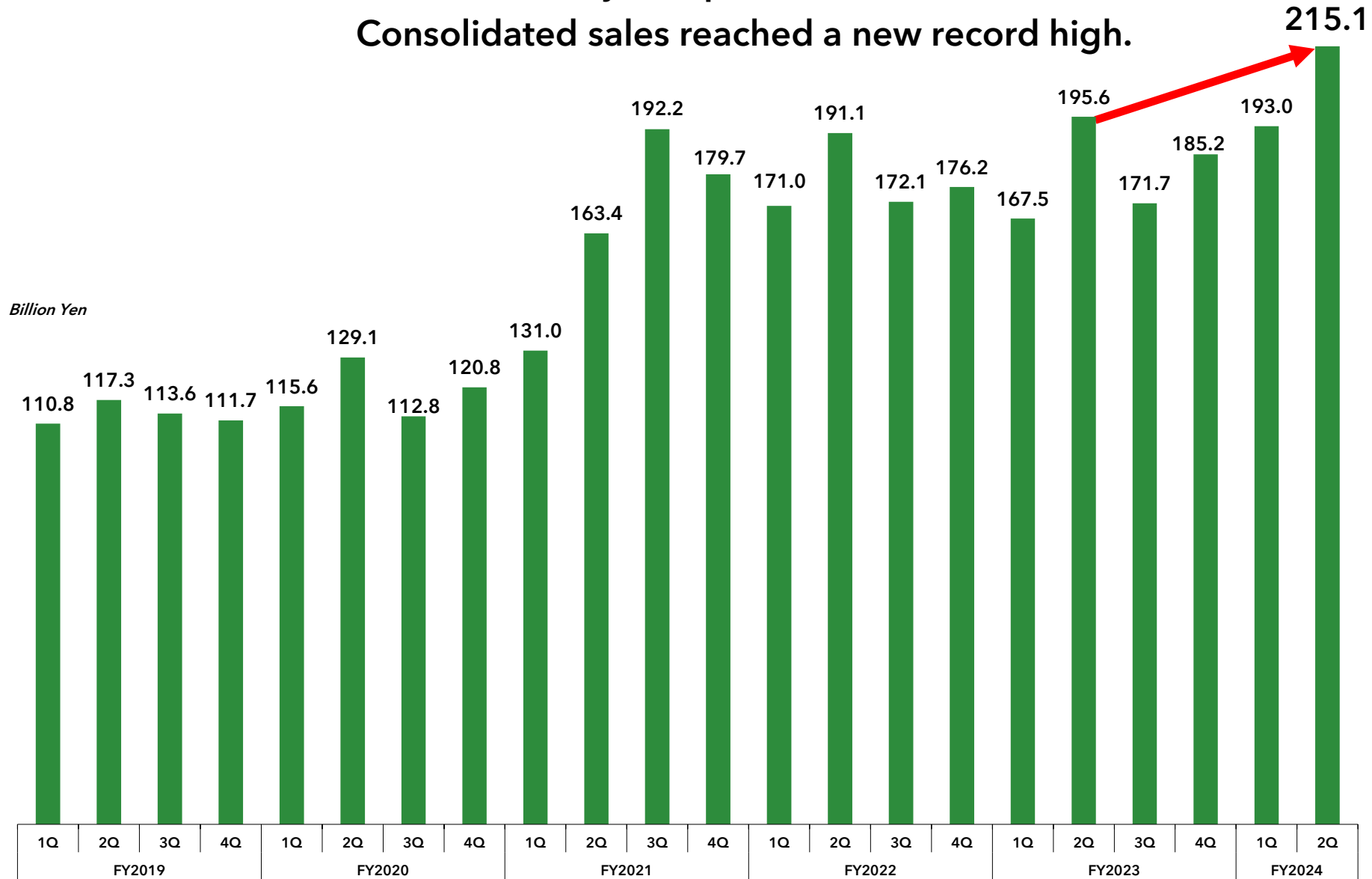
Sales and OP increased, driven by a successful new game title and the anniversary events of major titles.

Increase	Sales: 67.1 billion yen	up 8.1% YoY (up 49.1% QoQ)
Increase	OP: 18.2 billion yen	up 19.8% YoY (up 421.2% QoQ)

1. Financial Summary

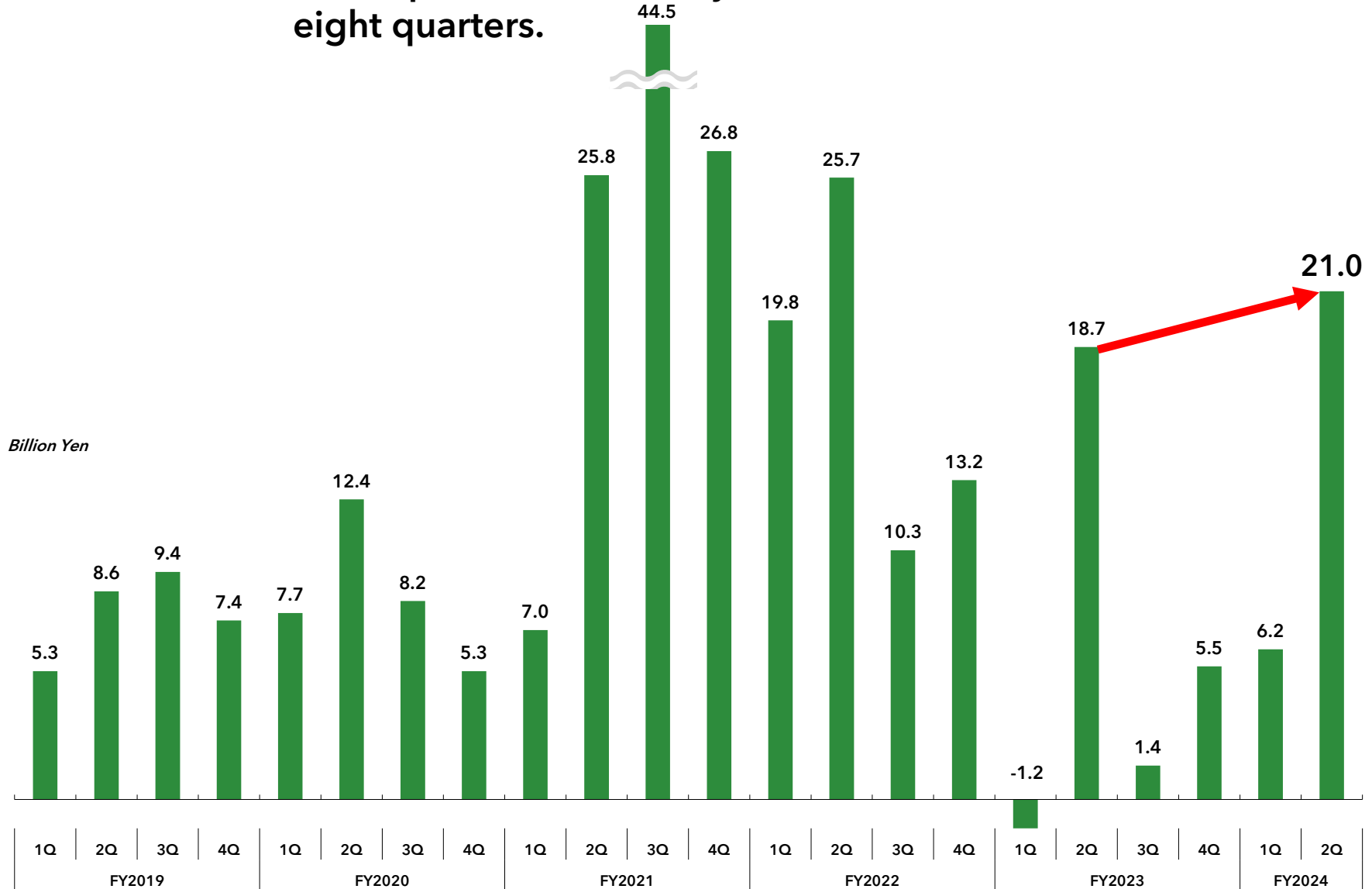
[Consolidated Sales] **215.1** billion yen (up 10.0% YoY)

Consolidated sales reached a new record high.



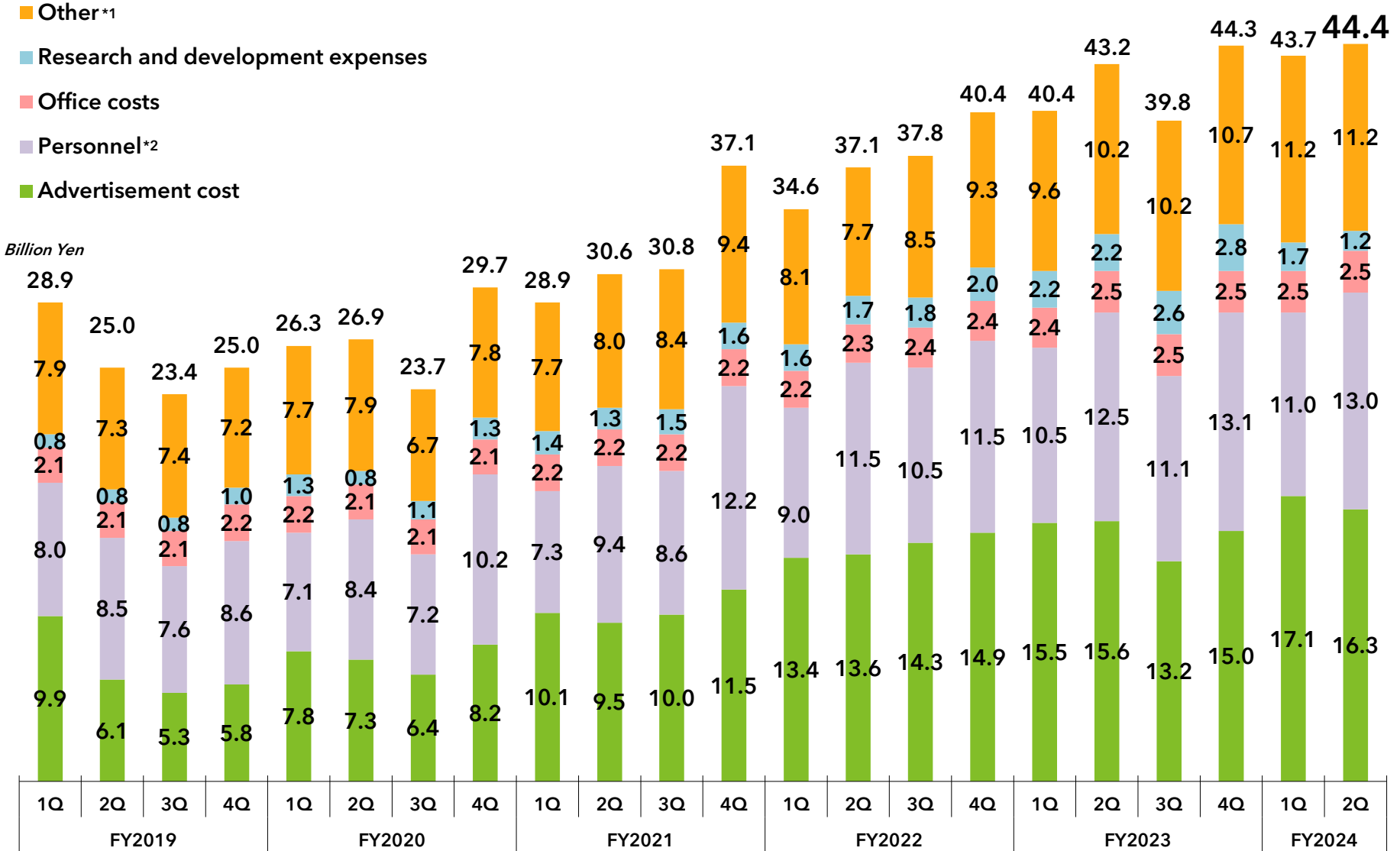
1. Financial Summary

[Consolidated OP] **21.0** billion yen (up 12.2% YoY)
OP surpassed 20 billion yen for the first time in the last eight quarters.



1. Financial Summary

[SG&A Expenses] **44.4** billion yen (up 2.9% YoY)



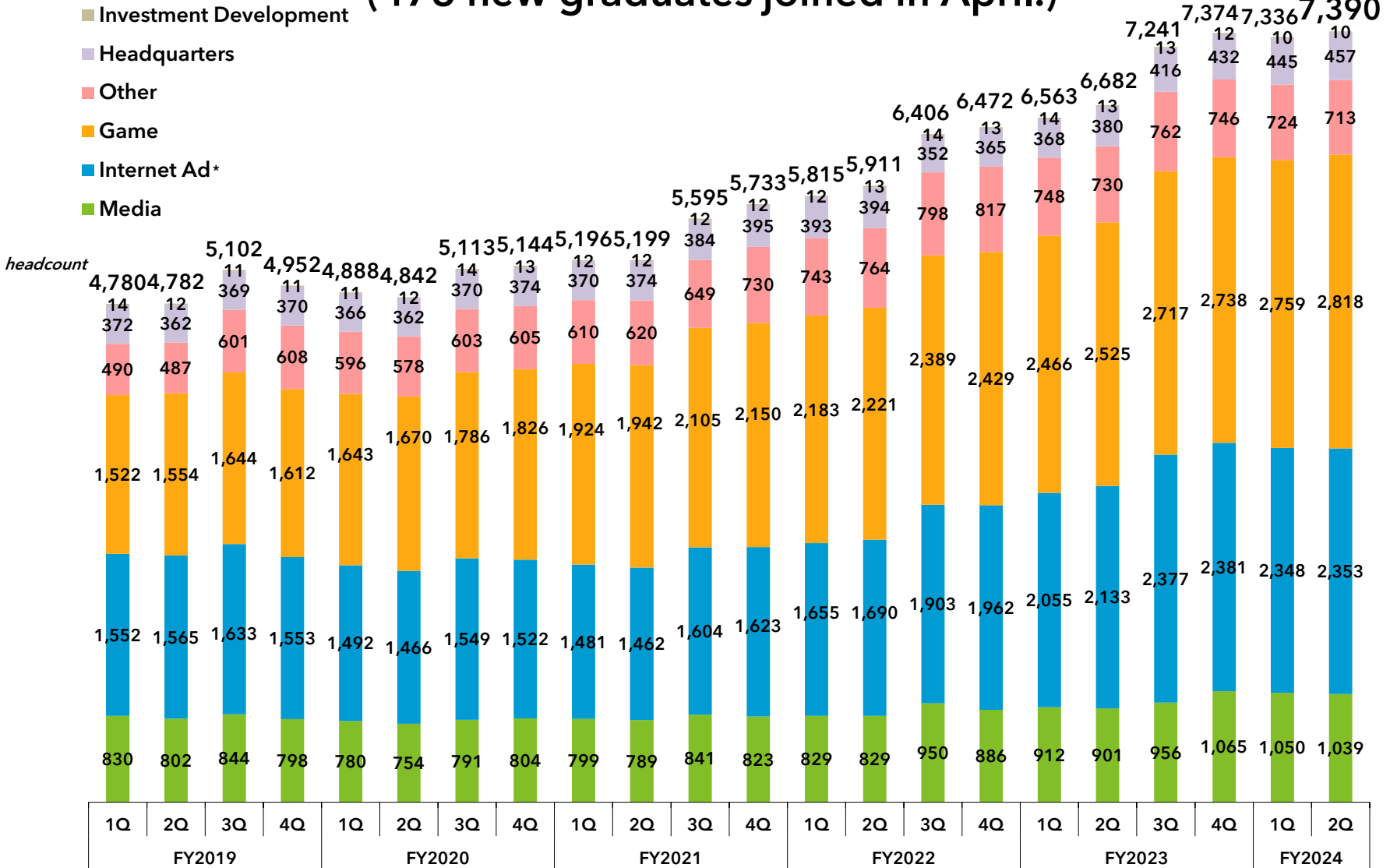
*1 Other: Outsourcing expenses, sales-related expenses, external standard taxation, entertainment expenses, and others.

*2 Personnel: includes 1.4 billion yen special incentives in Q4 FY2020 and Q4 FY2021.

1. Financial Summary



[No. of Employees] Total headcount was **7,390** at the end of March.
 (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

[PL]

million yen	FY2024 Q2	FY2023 Q2	YoY	FY2024 Q1	QoQ
Net Sales	215,129	195,657	10.0%	193,075	11.4%
Gross profit	65,559	62,004	5.7%	50,019	31.1%
SG&A expenses	44,488	43,218	2.9%	43,734	1.7%
Operating income	21,070	18,786	12.2%	6,284	235.3%
Operating margin	9.8%	9.6%	0.2pt	3.3%	6.5pt
Ordinary income	21,310	18,830	13.2%	6,478	228.9%
Extraordinary income	133	93	42.7%	168	-20.8%
Extraordinary loss	1,903	921	106.5%	3,556	-46.5%
Income before income taxes and non-controlling interests	19,539	18,002	8.5%	3,090	532.3%
Net income (loss) attributable to shareholders of parent*	10,338	7,900	30.8%	-472	-

1. Financial Summary

[BS]

million yen	End of Mar. 2024	End of Mar. 2023	YoY	End of Dec. 2023	QoQ
Current assets	368,366	329,795	11.7%	342,589	7.5%
Cash deposits	204,506	183,260	11.6%	184,763	10.7%
Fixed assets	131,353	98,943	32.8%	126,033	4.2%
Total assets	499,775	428,812	16.5%	468,681	6.6%
Current liabilities	164,312	134,099	22.5%	132,819	23.7%
(Income tax payable)	10,521	9,812	7.2%	2,827	272.1%
Fixed liabilities	96,021	71,119	35.0%	113,948	-15.7%
Shareholders' equity	139,439	133,816	4.2%	129,018	8.1%
Net Assets	239,441	223,593	7.1%	221,914	7.9%

FY2024 Forecast

October 2023 - September 2024

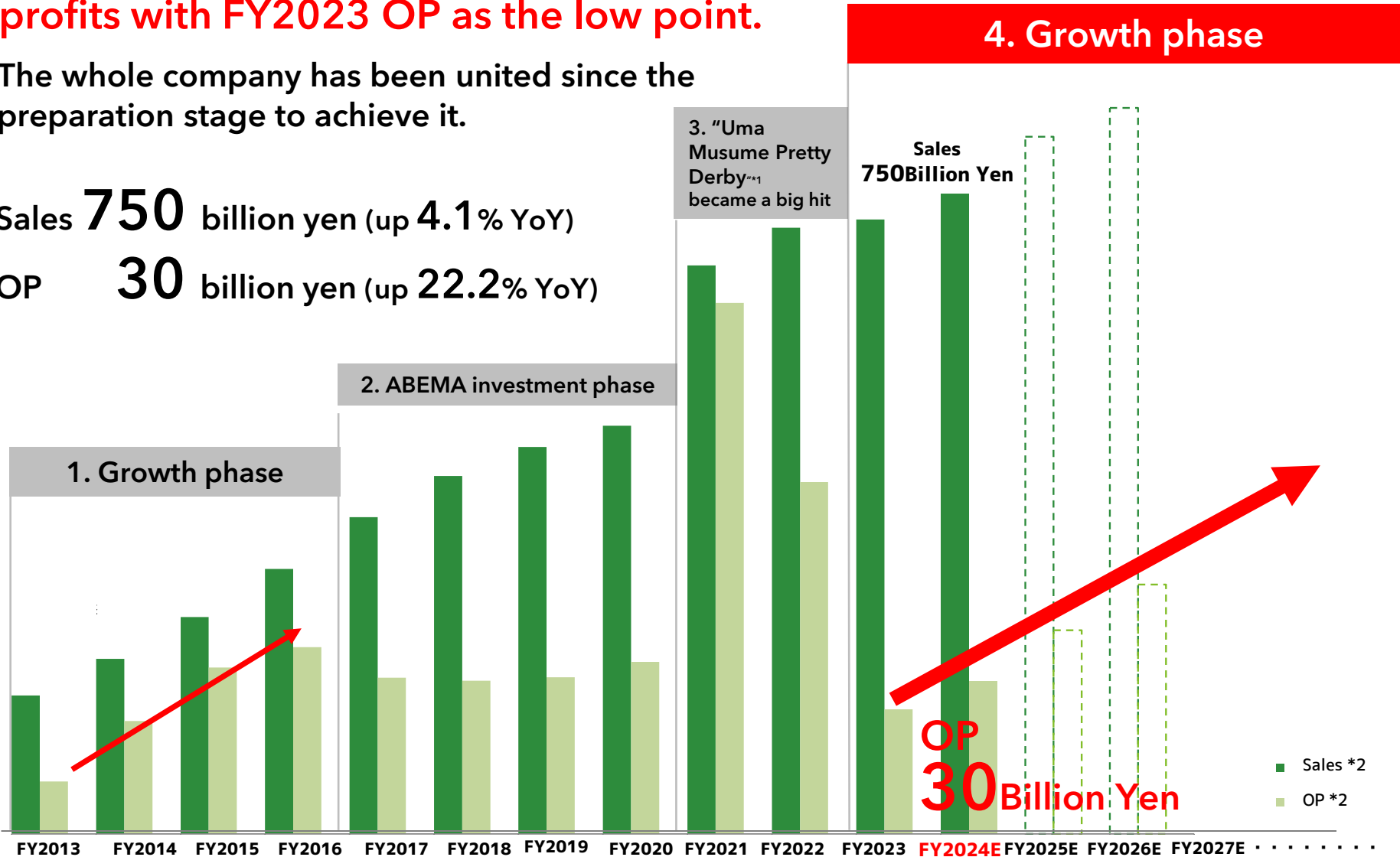
2. Forecast

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.

Sales **750** billion yen (up 4.1% YoY)

OP **30** billion yen (up 22.2% YoY)

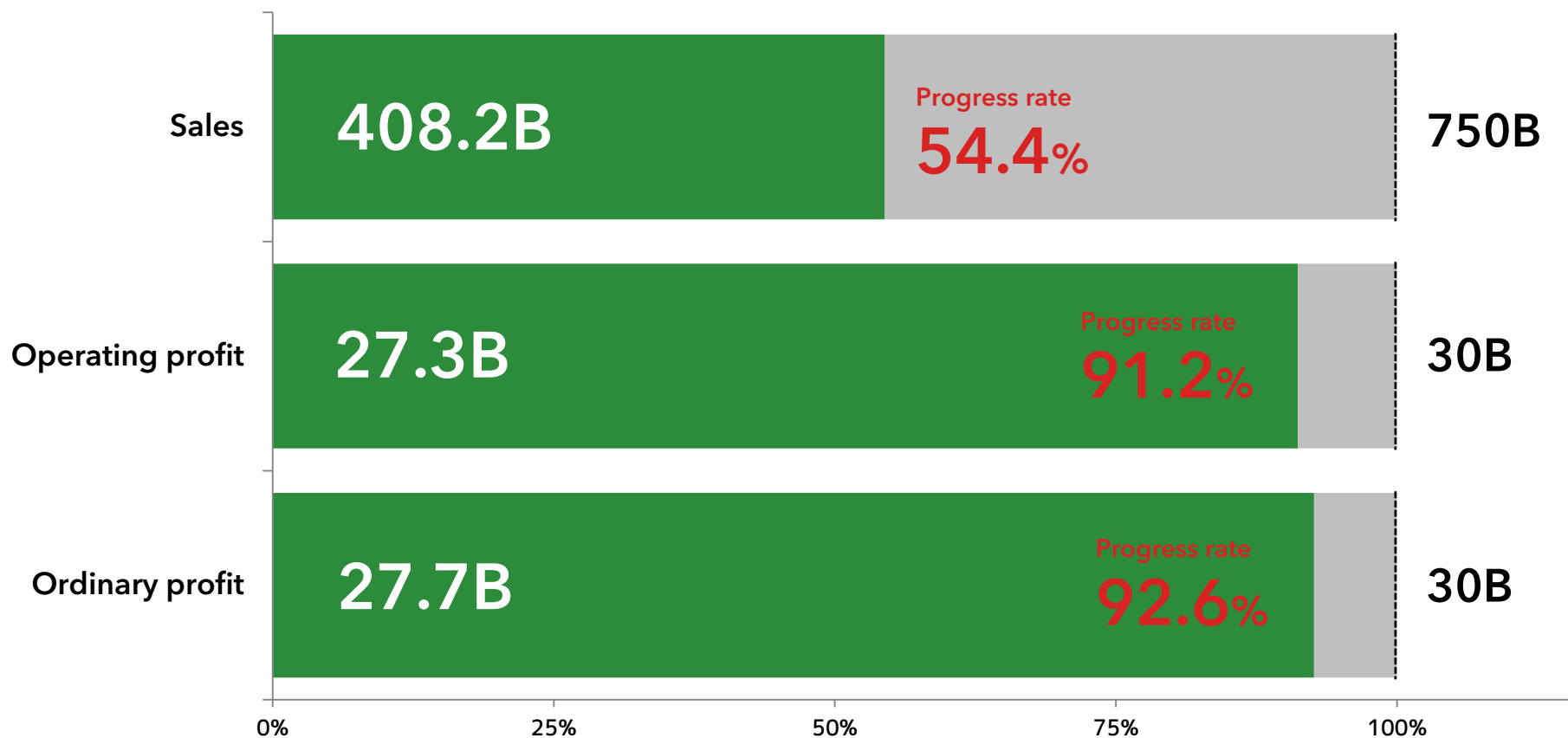


*1 "Uma Musume Pretty Derby": ©Cygames, Inc. *2 Sales and OP assumptions may differ materially.

2. Forecast

[Progress to Forecast]

The successful new game title contributed to the second quarter results which tend to be strong every year. All indicators are making good progress.



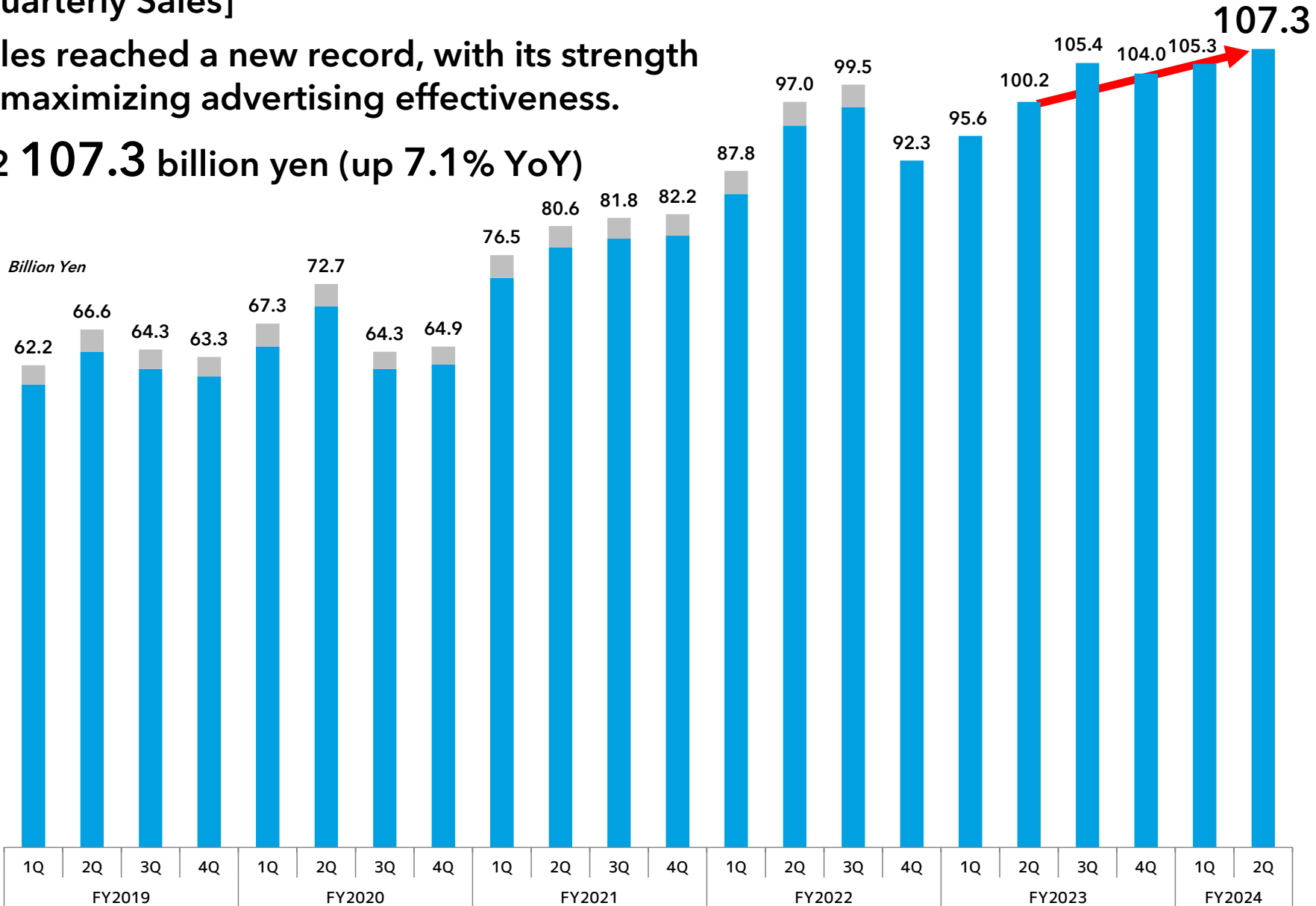
Internet Advertisement

3. Internet Advertisement Business

[Quarterly Sales]

Sales reached a new record, with its strength in maximizing advertising effectiveness.

Q2 107.3 billion yen (up 7.1% YoY)

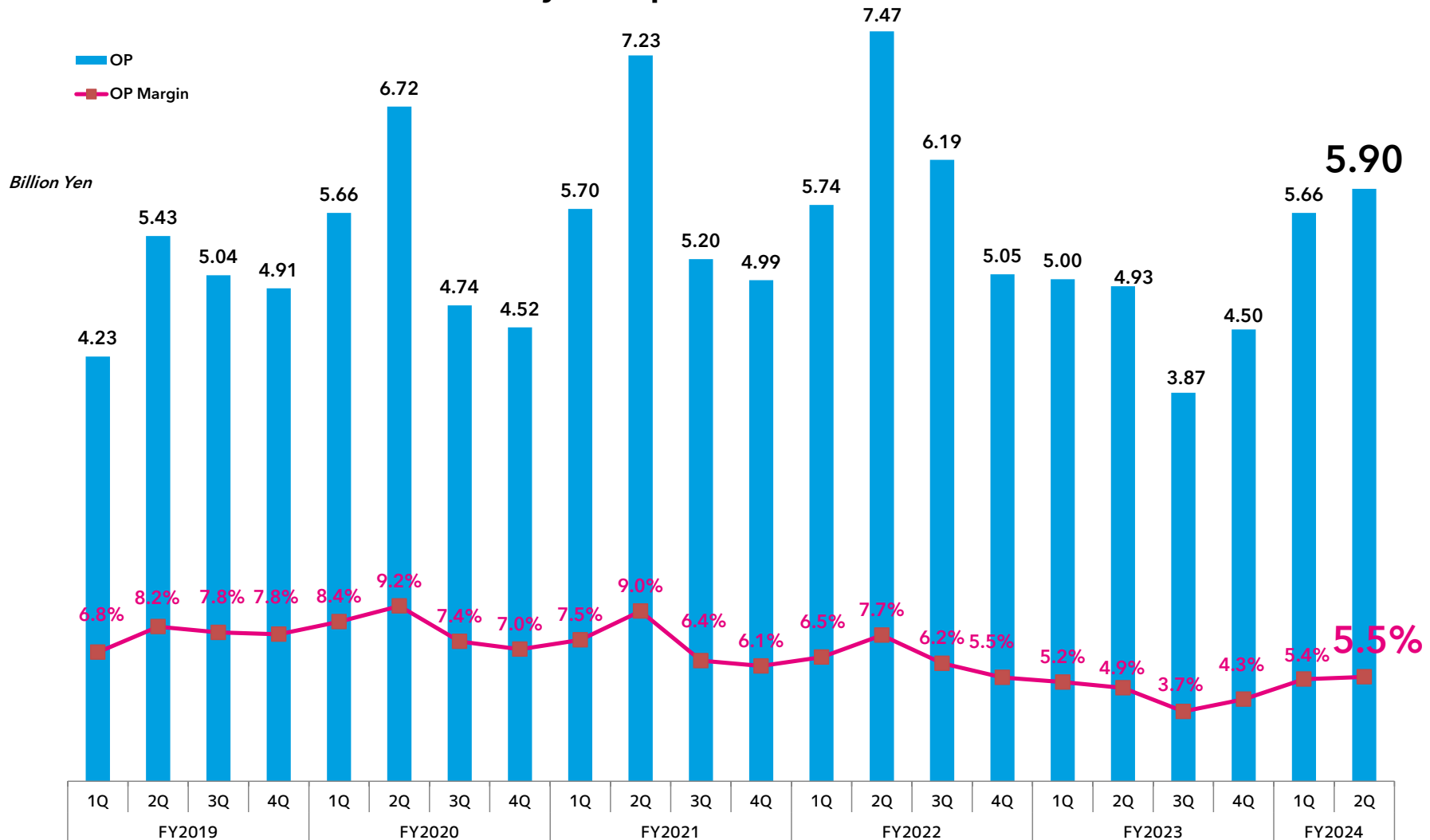


■ indicates the sales of MicroAd, Inc., which became a non-consolidated company.

3. Internet Advertisement Business

[Quarterly OP] OPM bottomed out in the third quarter of FY2023 and grew for the third quarter in a row.

Q2 5.9 billion yen (up 19.6% YoY)



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

3. Internet Advertisement Business

[Technological Advantage] We are improving our productivity by using technologies such as generative AI.

Use AI and LLM to promote business development and operational efficiency

Ad creative tools with generative AI
"Kiwami Prediction Series"



March 2024

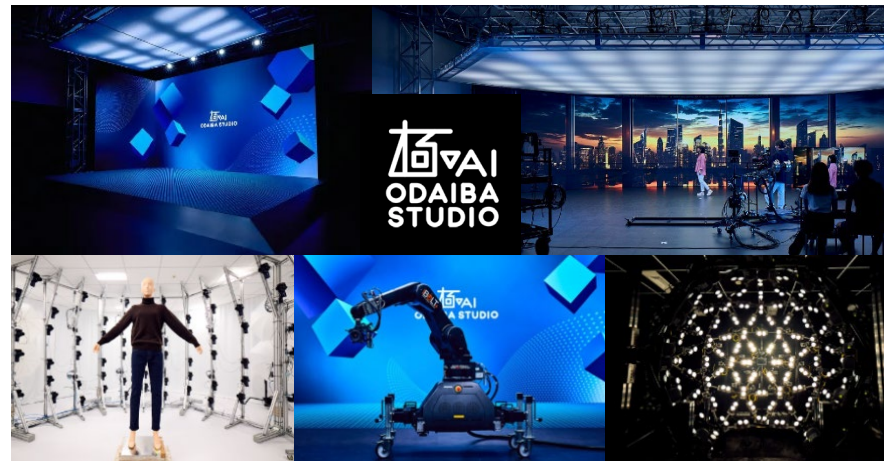
KIWAMI Prediction communication AI
New ad creative tool to help communication around ad creative.

Japanese language models developed by CyberAgent

CyberAgentLM
6.8 billion parameters

CyberAgentLM2
7 billion parameters

"Kiwami AI Odaiba Studio" Film studio equipped with AI and CG technologies

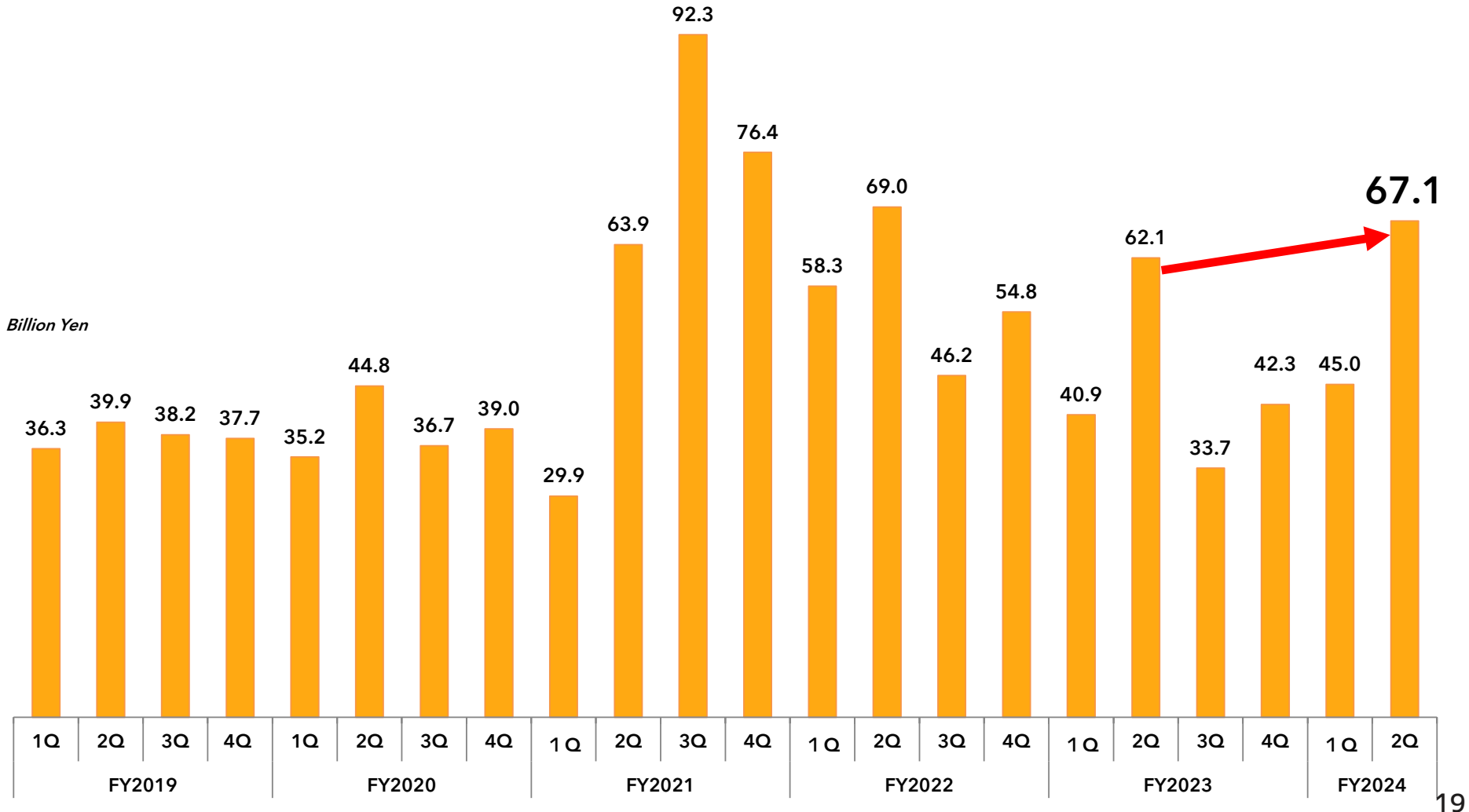


Game

4. Game Business

[Quarterly Sales] Q2 **67.1** billion yen (up 8.1% YoY) (up 49.1% QoQ)

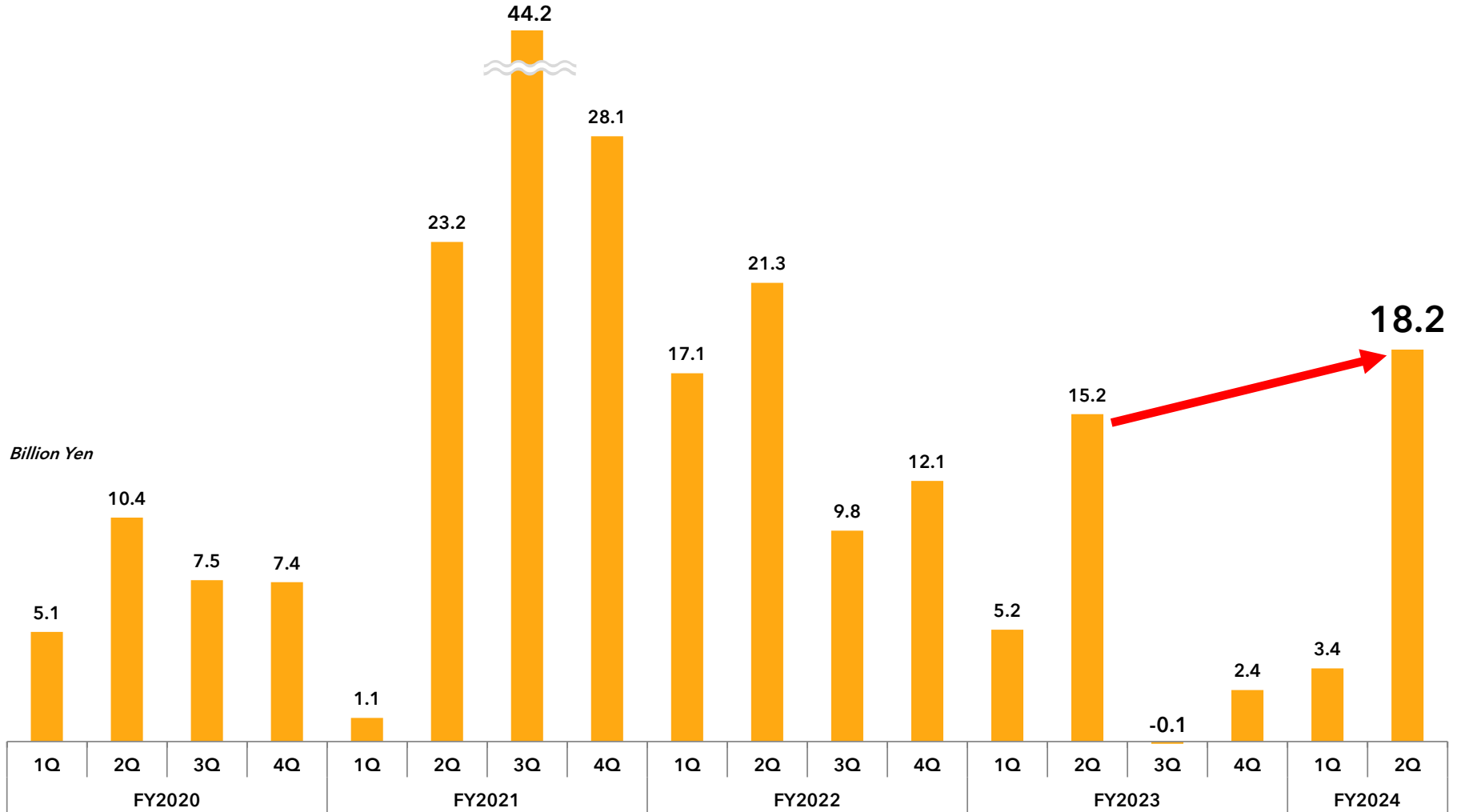
A successful new game title and the anniversary events of major titles contributed to increase sales.



4. Game Business

[Quarterly OP] Q2 **18.2** billion yen (up 19.8% YoY) (up 421.2% QoQ)

OP grew compared to the same quarter of the previous year.



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

4. Game Business

[New Game] Granblue Fantasy: Relink was released in February 2024 and sold one million units eleven days after the launch. 80% of the purchase come from overseas. It aims to be successful worldwide.

The image displays a grid of Granblue Fantasy Relink product editions. The top row features physical versions for PS5/PS4: Standard Edition (¥8,778), Deluxe Edition (¥14,300), and Collector's Edition (¥27,500). The bottom row features digital versions for PS5/PS4 and Steam: Standard Edition (¥8,778), Special Edition (¥11,700), and Digital Deluxe Edition (¥13,860). The Digital Deluxe Edition is noted as available only on PS5/PS4. The entire grid is framed with a decorative blue border and the game's title at the top.

Platform	Edition	Price (tax incl.)
PS5®/PS4® Physical Version	Standard Edition	¥8,778
	Deluxe Edition	¥14,300
	Collector's Edition	¥27,500
PS5®/PS4® Steam Digital Version	Standard Edition	¥8,778
	Special Edition	¥11,700
	Digital Deluxe Edition	¥13,860

*Available only on PS5®/PS4®

© Cygames, Inc.

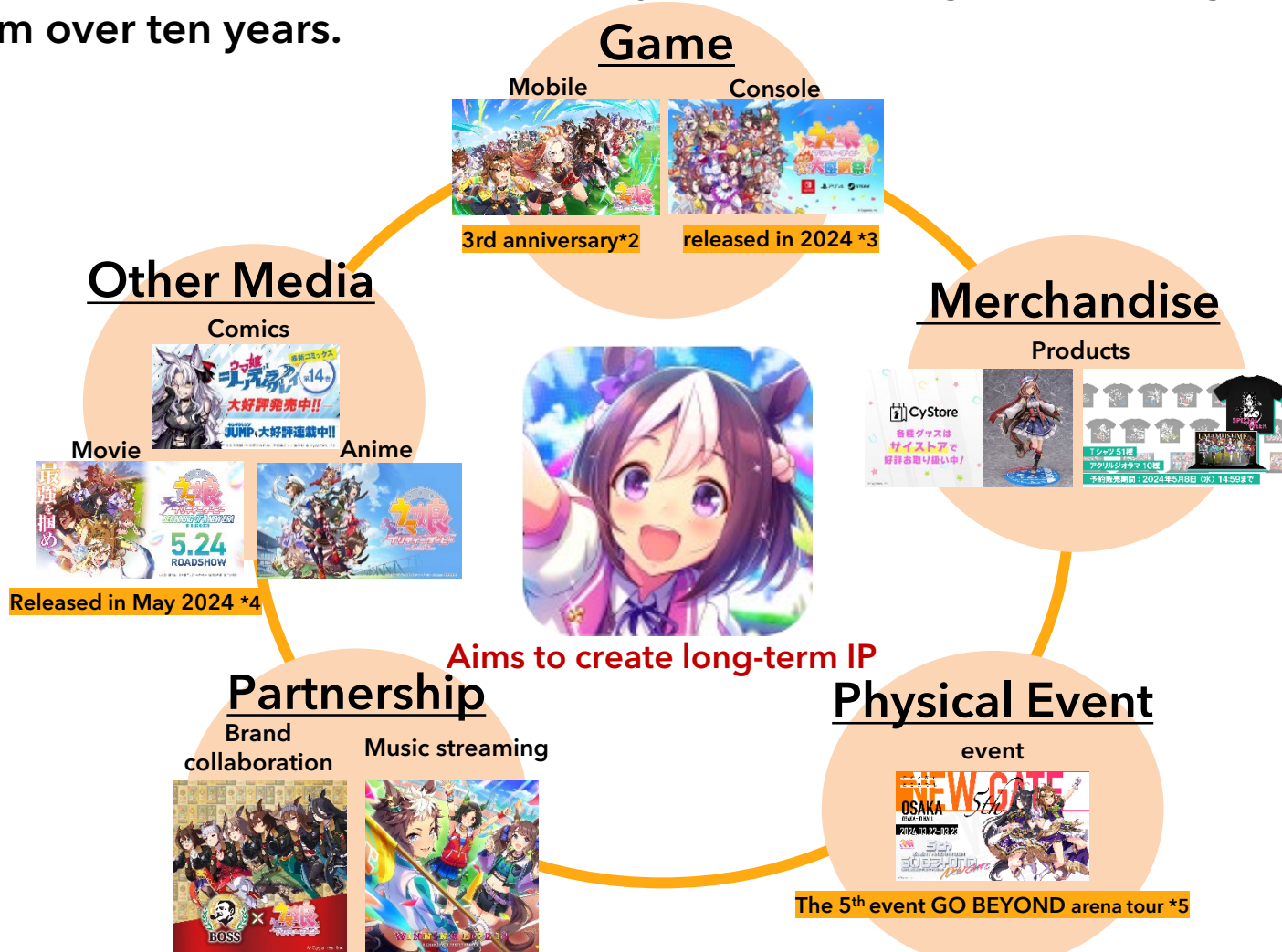
*1 © Cygames, Inc.

*2 Number of units sold overseas as of April 3, 2024.

4. Game Business

[Uma Musume Pretty Derby*1]

Strengthen the multimedia franchise beyond a mobile game, making the IP long-term over ten years.



*1 © Cygames, Inc.

*2 Event period : February 14 - March 30, 2024

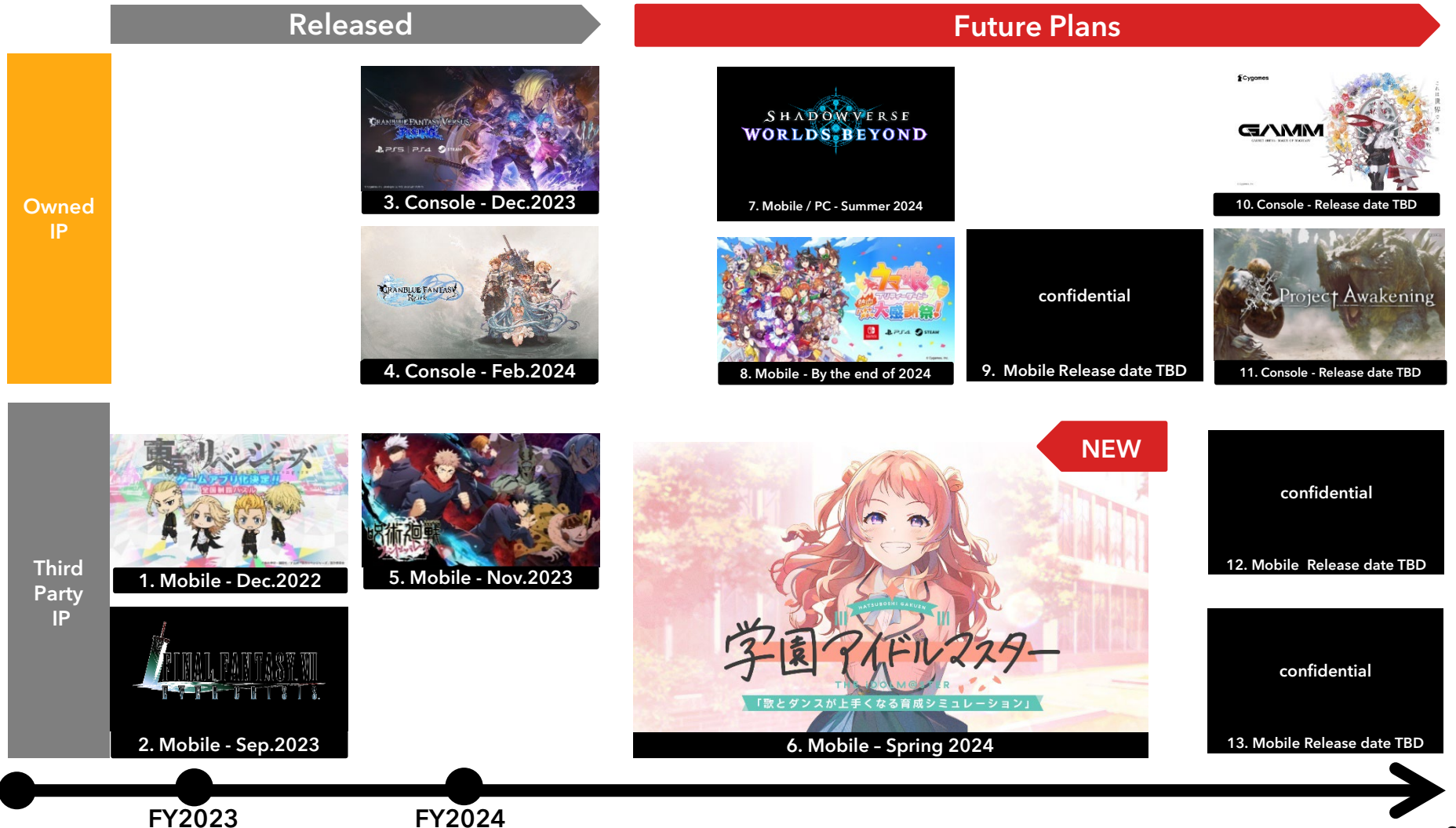
*3 © Cygames, Inc.

*4 © 2024 Theater version“UMA MUSUME Pretty Derby: The Door to a New Era” Production Committee Public Release: May 2024

*5 Tokyo : Feb 3-4,2024 in Ariake Arena, Osaka :Mar 22-23,2024 in Osaka Castle Hall

4. Game Business

[Upcoming games*] New games will keep coming from FY2024 onward.
 Gakuen iDOLM@STER is scheduled to be released in spring 2024.

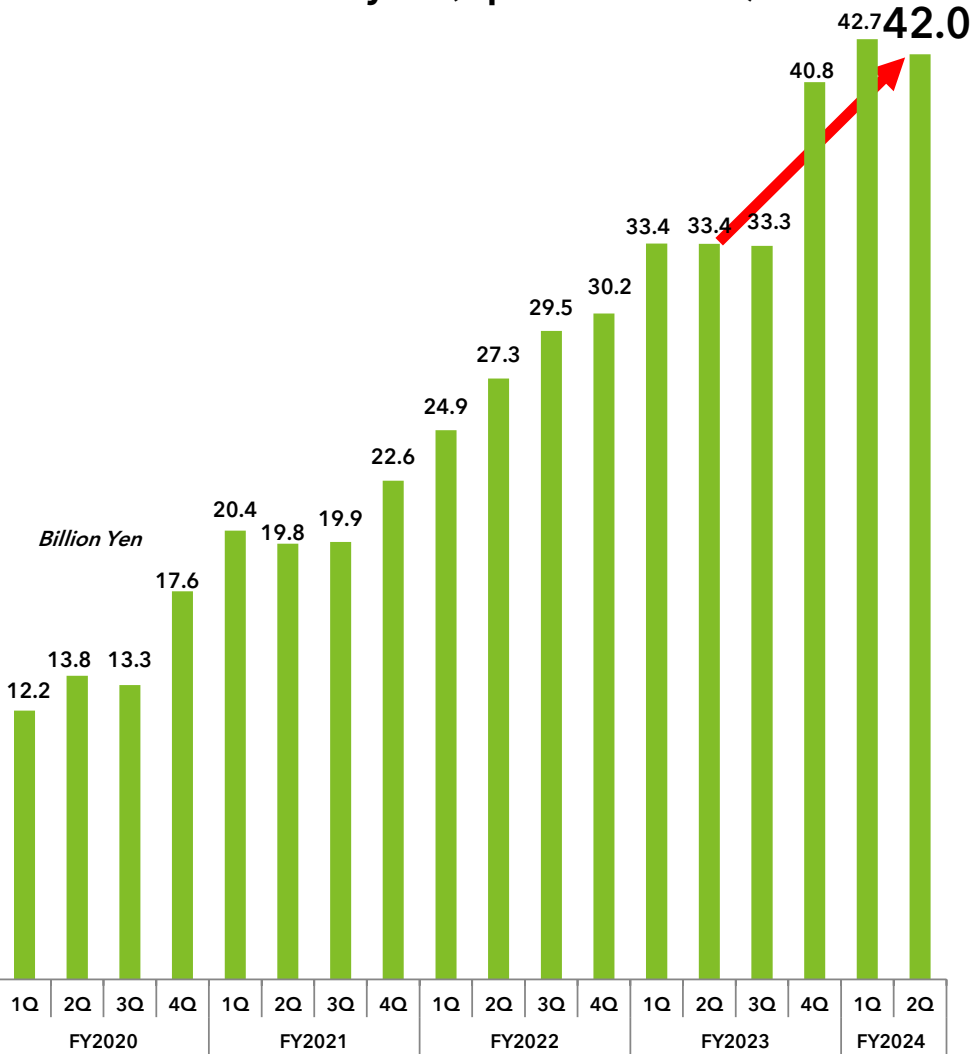


Media

5. Media Business

[Quarterly Sales]

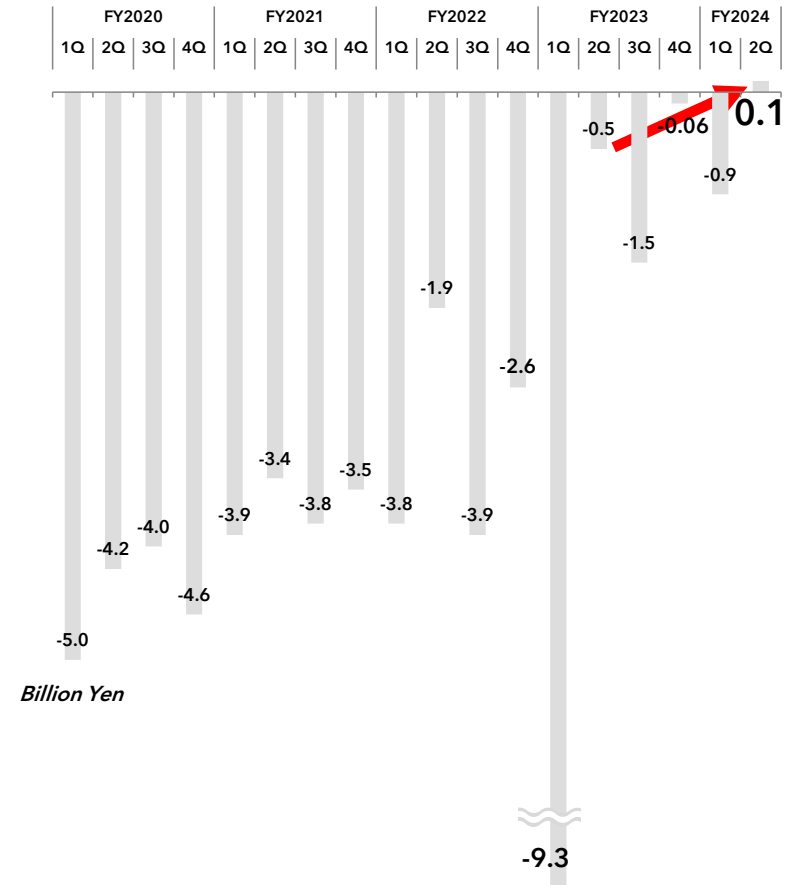
ABEMA-related business was strong.
Q2 42.0 billion yen (up 25.8% YoY)



[Quarterly OP]

OP turned profitable for the first time since investment in ABEMA began.

Q2 0.16 billion yen
(0.7 billion yen loss reduction YoY)



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

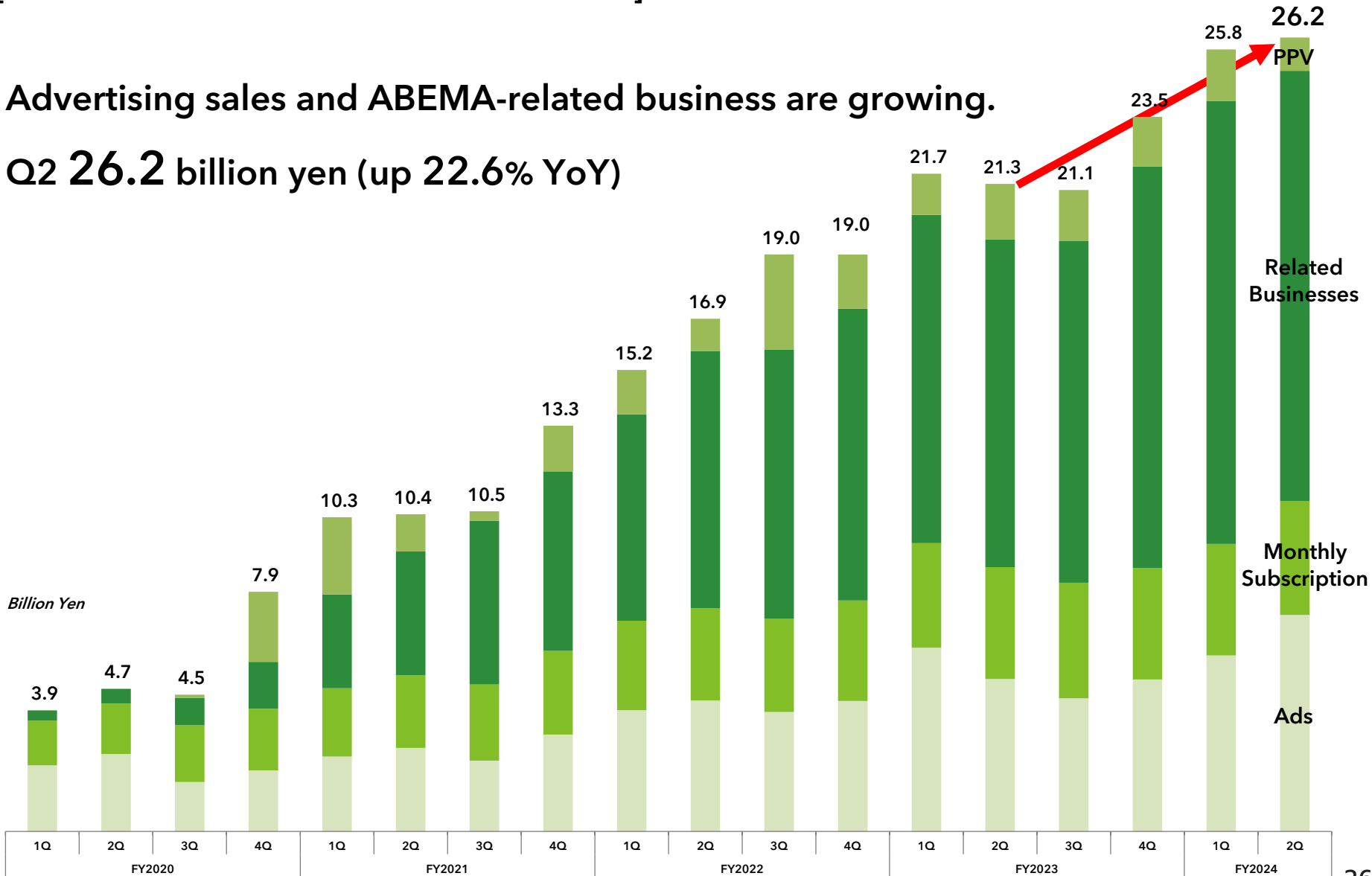
*2 Quarterly OP: Special incentives in FY2020 and FY2021 are excluded.

5. Media Business

[Sales of ABEMA & Related Businesses]

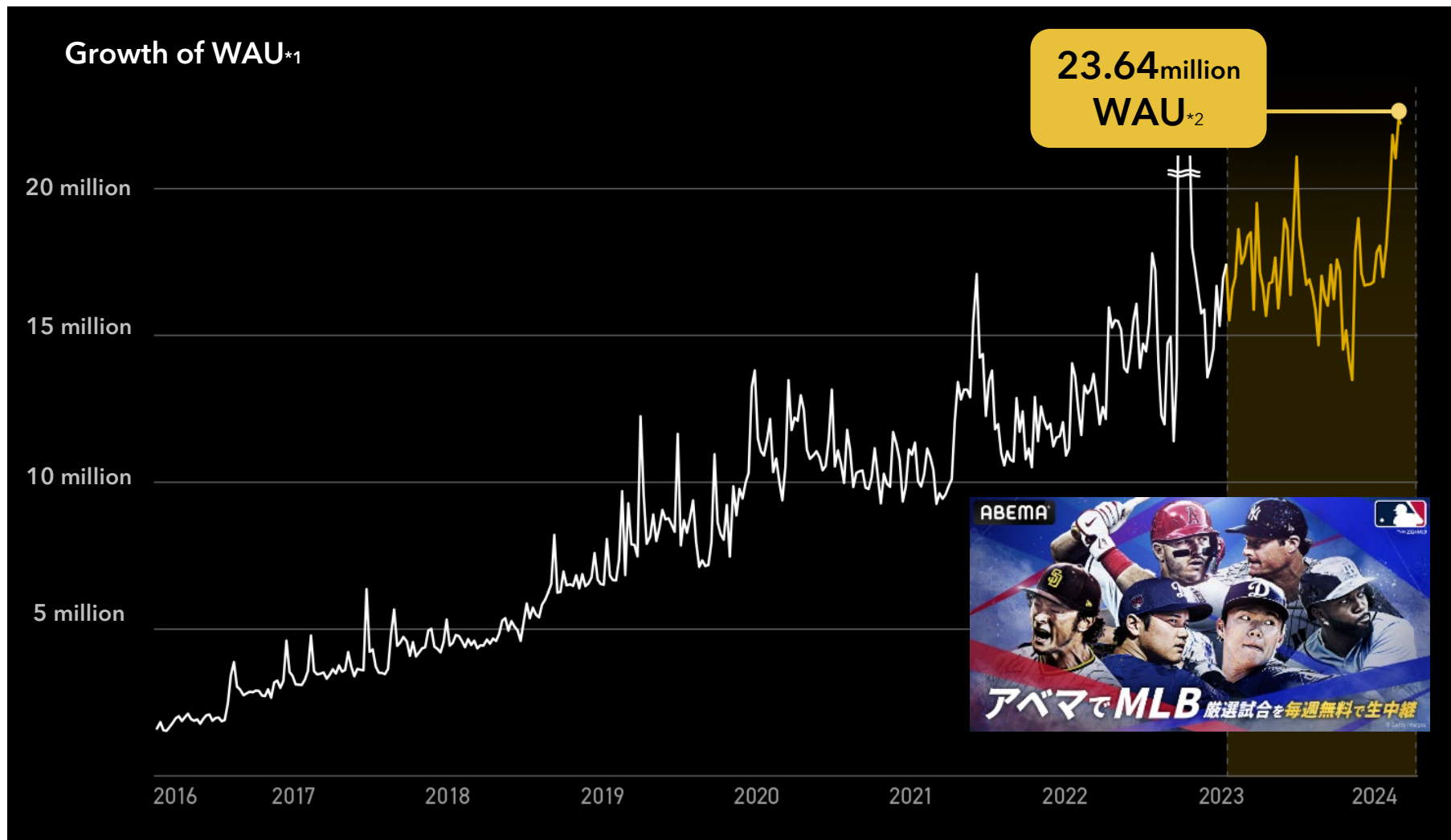
Advertising sales and ABEMA-related business are growing.

Q2 **26.2** billion yen (up 22.6% YoY)



5. Media Business

[ABEMA] WAU grew 1.2 times year-on-year to 23.64 million, driven by high profile content such as MLB.



*1 WAU: Weekly Active Users

*2 23.64 WAU are recorded in the week of April 1, 2024. The year-on-year comparison is made with the week of April 3, 2023.

5. Media Business

[ABEMA] ABEMA partners with DAZN*1 and WOWSPO*2 to provide more sports content on ABEMA.

ABEMA de DAZN*1 was launched in February 2024.



ABEMA de WOWSPO*2 was launched in April 2024.



ABEMA



ABEMA de DAZN



ABEMA de WOWSPO



*1 ABEMA de DAZN was launched on February 23, 2024. Subscription fee: ¥4,200/month (tax incl.), ¥32,000/year (tax incl.)

*2 ABEMA de WOWSPO was launched on April 2, 2024. Subscription fee: ¥1,980/month (tax incl.)

5. Media Business

[BABEL LABEL] The Parades ranked No. 1 in the weekly movie ranking on Netflix Japan for two consecutive weeks. The new movie 18x2 Beyond youthful Days was No. 1 at the box office on its first day in Taiwan. More than 600,000 people in the Asian region watched the movie.



Exclusively streaming on Netflix.

© 2024 18x2 Beyond youthful Days Film Partners

*1 Netflix original movie "The Parades" ranked No. 1 in the weekly movie ranking on Netflix Japan in the week of March 4 and 11, 2024.

*2 Release Date: March 14 in Taiwan, April 4 in Hong Kong, April 10 in Singapore, April 10 in Malaysia, April 12 in Vietnam, May 8 in Cambodia, May 20 in Mainland China, May 22 in Korea,

Medium to Long-Term Strategy

Media

Make ABEMA a social infrastructure that can connect anytime, anywhere. Aim to be profitable by enhancing 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.

A large, solid red downward-pointing arrow.

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



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 Q3 earnings release is scheduled to be released at 3 pm or later on Wednesday,
July 31, 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 Shadowverse: Worlds Beyond: © Cygames, Inc.
- 8 Umamusume: Pretty Derby -Party Dash : © Cygames, Inc.
- 10 GARNET ARENA: Mages of Magicary : © Cygames, Inc.
- 11 Project Awakening : © Cygames, Inc.

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