

English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

FY2025 First Quarter Consolidated Financial Results [Japanese GAAP]

January 29, 2025

Listed company name: CyberAgent, Inc.

Listed stock exchange: TSE Prime Market

Code No.: 4751

URL <https://www.cyberagent.co.jp/en/>

Representative: Representative Director, CEO, President

Susumu Fujita

Inquiries: Senior Managing Executive Officer

Go Nakayama

Tel +81-3-5459-0202

Dividend payment start date —

Preparation of Supplementary Materials for Financial Results: Yes

Holding the briefing of financial results: Yes (streaming only)

(Amounts less than ¥1 million rounded down)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending September 2025

(1) Consolidated results of operations (cumulative)

(% = Year-on-Year Change.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Comprehensive income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%
1Q FY2025	203,842	5.6	8,301	32.1	8,806	35.9	5,071	—	6,532	—
1Q FY2024	193,075	15.2	6,284	—	6,478	—	(472)	—	(1,934)	—

	Basic earnings per share	Diluted earnings per share
	¥	¥
1Q FY2025	10.01	9.21
1Q FY2024	(0.93)	—

(Note) Diluted earnings per share for the first quarter of the fiscal year ending September 2024 is not presented in the above table, because basic earnings per share was negative although there are dilutive shares.

(2) Consolidated financial position

	Total assets	Equity	Shareholders' equity	Shareholders' equity ratio
	¥ million	¥ million	¥ million	%
As of 1Q FY2025	524,972	252,002	156,590	29.8
As of FY2024	520,417	254,235	159,365	30.6

2. Dividends

	Annual dividends				
	1Q	2Q	3Q	Year end	Total
	¥	¥	¥	¥	¥
FY2024	—	0.00	—	16.00	16.00
FY2025	—	—	—	—	—
FY2025 (Forecast)	—	—	—	17.00	17.00

(Note) Revisions to the most recent dividend forecast: None

3. Forecast of the Consolidated Results for the Fiscal Year Ending September 2025

(October 1, 2024 - September 30, 2025)

(% = Year-on-Year Change)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full year	820,000	2.1	42,000	0.4	42,000	1.3	21,000	29.3	41.46

(Note) Revisions to the most recent forecast: None

English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

*Notes

(1) Significant changes in the scope of consolidation during the period: None

(Changes in specified subsidiaries due to changes in the scope of consolidation)

New : — (Company name: —)

Excluded : — (Company name: —)

(2) Application of simplified accounting methods and/or special accounting methods: None

(3) Changes in accounting policies, changes in accounting estimates, restatements

i) Changes associated with revisions of accounting standards: Yes

ii) Changes other than those included in i) : None

iii) Changes in accounting estimates: None

iv) Restatements: None

(4) Number of shares issued

(1) Number of shares issued and outstanding at end of period (including treasury stock)	
1Q FY2025: 506,430,400 shares	FY2024: 506,344,400 shares
(2) Number of shares of treasury stock issued and outstanding at end of period	
1Q FY2025: 1,098 shares	FY2024: 1,098 shares
(3) Average number of shares during the period (cumulative quarterly period)	
1Q FY2025: 506,371,098 shares	1Q FY2024: 506,202,815 shares

*Audit of quarterly consolidated financial statements attached: None

*Appropriate Use of Earnings Forecast and Other Matters

The forecast of performance is based on our expectations and assumptions as of the date the forecast was made. Our actual results could differ materially from those listed in this forecast because of various risks and uncertainties. For information related to the forecast indicated above, please refer to "1. Results of Operations (3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking Information" on page 2.

English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

Table of Contents

1. Results of Operations	2
(1) Overview of Results of Operations during the Period	2
(2) Overview of Financial Position during the Period	2
(3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking Information	2
2. Quarterly Consolidated Financial Statements and Key Notes	3
(1) Quarterly Consolidated Balance Sheets	3
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income	4
(3) Notes to Quarterly Consolidated Financial Statements	6
(Notes Regarding Changes in Accounting Policies)	6
(Notes Regarding in Segment Information)	6
(Notes Regarding Significant Changes in Shareholders' Equity)	8
(Notes Regarding the Going Concern Assumption)	8
(Notes to Statements of Cash Flows)	8

1. Results of Operations

(1) Overview of Results of Operations during the Period

The CyberAgent Group is expanding its business around "ABEMA", a new TV of the future, which was launched in 2016. Recently, the IP business with a multimedia franchise strategy has been growing rapidly in Japan and worldwide. For this reason, the group is also working to strengthen its IP business which has a high affinity with "ABEMA", while capturing the growth of the internet advertising and the gaming markets.

As a result, during the cumulative consolidated first quarter, Net sales grew 5.6% year on year to ¥203,842 million, and Operating income amounted to ¥8,301 million (32.1% increase). Ordinary income amounted to ¥8,806 million (35.9% increase). Net income attributable to owners of parent amounted to ¥5,071 million, compared to net loss attributable to owners of parent of ¥472 million for the same period in the prior fiscal year.

Earnings by business segments are discussed below.

The classification of reportable segments has been changed from the first quarter of the current fiscal year.

The following year-on-year comparisons are based on figures for the same period of the previous fiscal year, which have been reclassified into the new segment classification.

(a) Media & IP Business

The Media & IP Business includes "ABEMA" and "WINTICKET", etc.

Net sales made up of multiple layers were strong and amounted to ¥55,638 million for the period, a 10.5% year-on-year increase. And, driven by loss reduction of "ABEMA", operating income amounted to ¥1,416 million, compared to operating loss of ¥796 million for the same period in the prior fiscal year.

(b) Internet Advertisement Business

The Group's Internet Advertisement Business includes Internet Advertisement Division, and AI Division, etc.

By acquiring new clients etc., this segment remained strong. It reported ¥117,792 million in net sales, up 11.8% year on year. Operating income was ¥6,012 million, a 6.1% year-on-year increase.

(c) Game Business

The Game Business includes Cygames, Inc., Colorful Palette Inc., QualiArts, Inc., Sumzap, Inc., and Applibot, Inc. etc.

Some new titles were strong, however, due to slowdown of existing titles, Net sales amount into ¥38,247 million, a 15.1% year-on-year decrease. Operating income was ¥3,352 million, a 4.1% year-on-year decrease.

(d) Investment Development Business

The Investment Development Business consists of the CyberAgent corporate venture capital business and the fund operations of CyberAgent Capital, Inc. The Investment Development Business recorded net sales of ¥465 million (24.8% year-on-year decrease) and operating income of ¥85 million, (16.0% year-on-year decrease)

(2) Explanation of Consolidated Financial Position

Total assets at the end of this consolidated first quarter have increased by ¥4,554 million compared to the end of the previous fiscal year and amounted to ¥524,972 million. It is mainly due to the increase in trade notes, accounts receivable, and contract assets in line with sales increase.

Total liabilities have increased by ¥6,787 million compared to the end of previous fiscal year and amounted to ¥272,969 million. It is mainly due to the increase in accounts payable in line with sales increase.

This increase is mainly due to an increase in Accounts payable-trade to sales increase.

Equity have decreased by ¥2,233 million compared to the end of the previous fiscal year and amounted to ¥252,002 million. It is mainly due to the decrease in retained earnings owing to the dividend payment.

(3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking Information

Forecast of FY2025 has not been revised from its original publication on October 30, 2024.

English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheets

	FY2024 (As of September 30, 2024)	1Q FY2025 (As of December 31, 2024)
(Unit: ¥ million)		
Assets		
Current assets		
Cash and deposits	210,041	205,583
Trade notes and accounts receivable and contract assets	85,261	93,524
Inventories	11,594	10,675
Sales investment securities	18,206	19,557
Other	37,624	42,173
Allowance for doubtful accounts	(363)	(355)
Total current assets	362,363	371,160
Non-current assets		
Property, plant and equipment	27,278	29,240
Intangible assets		
Goodwill	14,778	14,599
Other	34,519	36,914
Total intangible assets	49,297	51,514
Investments and other assets		
Other	82,120	73,701
Allowance for doubtful accounts	(691)	(690)
Total investments and other assets	81,428	73,011
Total non-current assets	158,005	153,766
Deferred assets	48	45
Total assets	520,417	524,972
Liabilities		
Current liabilities		
Trade accounts payable	74,235	79,434
Short-term bank loans	600	5,665
Income tax payable	9,709	2,834
Current portion of convertible bonds	20,016	20,005
Other	63,664	65,242
Total current liabilities	168,226	173,182
Non-current liabilities		
Convertible bonds	40,439	40,418
Long-term bank loans	45,722	47,474
Provision for long service rewards for employees	3,452	3,465
Asset retirement obligations	2,626	2,629
Other	5,714	5,800
Total non-current liabilities	97,955	99,787
Total liabilities	266,181	272,969
Net assets		
Shareholders' equity		
Common stock	7,440	7,494
Capital surplus	12,296	12,092
Retained earnings	126,435	123,405
Treasury stock	(1)	(1)
Total shareholders' equity	146,170	142,991
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	12,917	13,236
Foreign currency translation adjustments	277	362
Total other comprehensive income	13,194	13,598
Stock acquisition rights	2,644	2,726
Non-controlling interests	92,226	92,685
Total Equity	254,235	252,002
Total liabilities and equity	520,417	524,972

English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income (Cumulative consolidated first quarter)

(Unit: ¥ million)

	1Q FY2024 (October 1, 2023 - December 31, 2023)	1Q FY2025 (October 1, 2024 - December 31, 2024)
Net sales	193,075	203,842
Cost of sales	143,056	149,862
Gross profit	50,019	53,979
Selling, general and administrative expenses	43,734	45,678
Operating income	6,284	8,301
Non-operating income		
Interest income	42	103
Dividends income	138	182
Foreign exchange gains	—	301
Other	295	205
Total non-operating income	477	793
Non-operating expenses		
Interest expenses	56	82
Equity in losses of associated companies	46	35
Other	180	168
Total non-operating expenses	283	287
Ordinary income	6,478	8,806
Extraordinary income		
Gain on sales of non-current assets	0	1,700
Other	168	10
Total extraordinary gain	168	1,711
Extraordinary loss		
Impairment loss	175	1,273
Amortization of goodwill	3,376	—
Other	5	38
Total extraordinary loss	3,556	1,312
Income before income taxes	3,090	9,206
Income taxes-current	3,076	2,621
Income taxes-deferred	207	588
Total income tax	3,284	3,210
Net income	(193)	5,995
Net income attributable to non-controlling interests	278	923
Net income attributable to owners of the parent	(472)	5,071

English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

Quarterly Consolidated Statements of Comprehensive Income (Cumulative consolidated first quarter)

(Unit: ¥ million)

	1Q FY2024 (October 1, 2023 - December 31, 2023)	1Q FY2025 (October 1, 2024 - December 31, 2024)
Net income	(193)	5,995
Other comprehensive income		
Unrealized gain on available-for-sale securities	(1,780)	467
Foreign currency translation adjustment	0	89
Share of other comprehensive income(loss) of associated companies	38	(20)
Total other comprehensive income(loss)	(1,741)	536
Comprehensive income(loss)	(1,934)	6,532
(Comprehensive income attributable to)		
Owners of the parent	(1,926)	5,475
Non-controlling interests	(8)	1,056

English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

(3) Notes to Quarterly Consolidated Financial Statements

(Notes Regarding Change in Accounting Policies)

(Application of Accounting Standard for Current Income Taxes)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter, "Revised Accounting Standard 2022") and other standards from the beginning of the first quarter of the current fiscal year.

Revisions to categories for recording current income taxes (taxes on other comprehensive income) are subject to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment in the proviso of paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022). There is no impact on the quarterly consolidated financial statements.

(Note Regarding in Segment Information)

I. Cumulative First Quarter of the Fiscal Year Ended September 2024 (October 1, 2023 to December 31, 2023)

1. Sales and Income (Loss) by Reportable Segment

(Unit: ¥ million)

	Reportable Segment					Reconciliations*	Quarterly Consolidated Statements of Income
	Media & IP Business	Internet Advertise ment Business	Game Business	Investment Develop ment Business	Total		
Net sales							
Revenue from contracts with customers**	47,515	99,940	45,009	610	193,075	—	193,075
Sales to external customers	47,515	99,940	45,009	610	193,075	—	193,075
Inter-segment sales or transfers	2,835	5,380	34	8	8,259	(8,259)	—
Total	50,351	105,320	45,043	619	201,335	(8,259)	193,075
Segment income (loss)	(796)	5,667	3,495	102	8,468	(2,183)	6,284

*Reconciliations of ¥ -2,183 million represents corporate general and administrative expenses not allocable to a reportable segment.

**The amount of revenue other than "Revenue from contracts with customers" is insignificant. The Company does not report it separately from "Revenue from contracts with customers".

2. Matters related to changes in Reportable Segment

No applicable items

3. Matters related to impairment loss of non-current assets, goodwill and other information in Reportable Segment

(Significant impairment loss of non-current assets)

No applicable items

(Significant change in the amount of goodwill)

No applicable items

(Significant gain from negative goodwill)

No applicable items

English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

II. Cumulative First Quarter of the Fiscal Year Ending September 2025 (October 1, 2024 to December 31, 2024)

1. Sales and Income (Loss) by Reportable Segment

(Unit: ¥ million)

	Reportable Segment					Reconciliations*	Quarterly Consolidated Statements of Income
	Media & IP Business	Internet Advertisement Business	Game Business	Investment Development Business	Total		
Net sales							
Revenue from contracts with customers**	52,165	113,035	38,176	465	203,842	—	203,842
Sales to external customers	52,165	113,035	38,176	465	203,842	—	203,842
Inter-segment sales or transfers	3,473	4,756	71	0	8,300	(8,300)	—
Total	55,638	117,792	38,247	465	212,143	(8,300)	203,842
Segment income (loss)	1,416	6,012	3,352	85	10,867	(2,566)	8,301

*Reconciliations of ¥ -2,566 million represents corporate general and administrative expenses not allocable to a reportable segment.

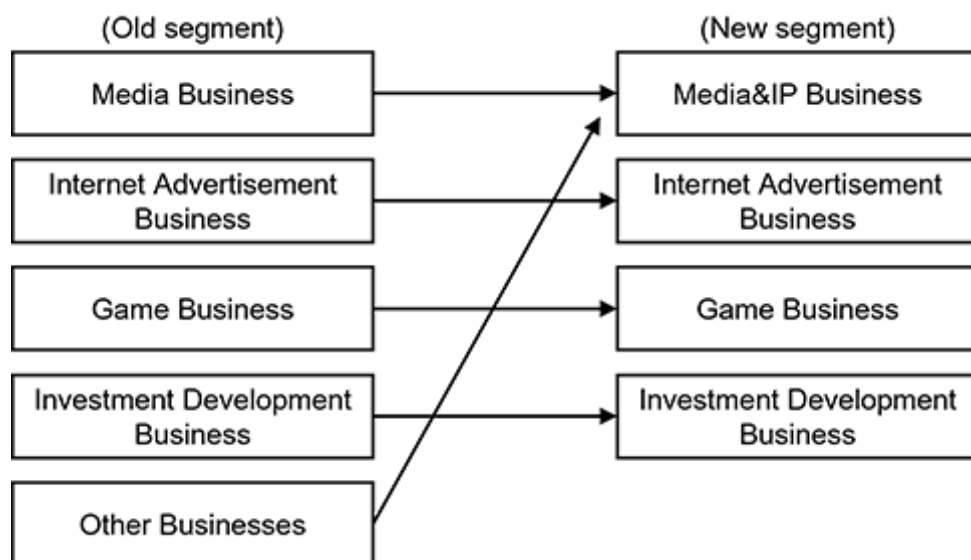
**The amount of revenue other than "Revenue from contracts with customers" is insignificant. The Company does not report it separately from "Revenue from contracts with customers".

2. Matters related to changes in Reportable Segment

(Changes in Reportable Segment)

Effective from the first quarter of the current fiscal year, the Company integrated the "Other Businesses" segment into the "Media Business" segment in accordance with a new structure to strengthen group synergies around "ABEMA", a new TV of the future. Accordingly, "Media Business" has been renamed "Media & IP Business" with the aim of expanding animation and other IP businesses.

In addition, the segment information for the first quarter of the previous fiscal year is disclosed based on the new segment classification.



English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

3. Matters related to impairment loss of non-current assets, goodwill and other information in Reportable Segment (Significant impairment loss of non-current assets)

In the "Game" segments, the Company posted an extraordinary loss as an impairment loss due to the lack of expected revenues and cost reduction resulting from the decline in profitability of some services.

The amount of the impairment loss for the first quarter of the consolidated cumulative period is stated below.

	(Unit: ¥ million)
Game	1,273
Total	1,273

(Significant change in the amount of goodwill)

No applicable items

(Significant gain from negative goodwill)

No applicable items

(Notes Regarding Significant Changes in Shareholders' Equity)

No applicable items.

(Notes Regarding the Going Concern Assumption)

No applicable items.

(Note Regarding Statements of Cash Flows)

Consolidated statement of cash flow during the cumulative consolidated first quarter has not been recorded.

Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill during the cumulative consolidated first quarter is stated below.

	(Unit: ¥ million)	
	1Q FY2024 (October 1, 2023 - December 31, 2023)	1Q FY2025 (October 1, 2024 - December 31, 2024)
Depreciation	2,542	1,935
Amortization of goodwill	3,487	213