

## Corporate Governance Report

CyberAgent, Inc.

Latest Revision: December 8, 2023  
Company: CyberAgent, Inc.  
Representative: Susumu Fujita,  
Representative Director  
Inquiries: IR&SR Division  
Securities Code: 4751  
URL: <https://www.cyberagent.co.jp/en/>

The following is an overview of corporate governance at CyberAgent, Inc.

### **I** Basic Policy, Capital Structure, Corporate Attributes and Other Basic Information

#### 1. Basic Policy

The CyberAgent Group (the Group) makes efforts to improve its corporate value under our vision of “To create the 21st century's leading company.”

While recognizing that thoroughgoing corporate governance is essential for expanding business, the Group takes measures so that its corporate activities comply with laws, regulations, social norms, ethics.

In order to respect the positions of stakeholders and fulfill corporate social responsibility, the Group set the “CyberAgent Mission Statement” for the purposes of not only following laws and regulations, but also establishing corporate ethics, and strives to improve the morals of executives and employees.

#### [Reasons for Not Implementing Principles of Corporate Governance Code]

<Medium-term Management Plan>

Principle 4-1-2: CyberAgent (the Company) operate businesses in the Internet industry, which the business environment and technologies are changing rapidly. Therefore, instead of producing medium to long-term management plans, we explain our medium to long-term management strategies continuously through IR activities to promote the understanding of shareholders and investors.

#### [Disclosure Based on the Principles of the Corporate Governance Code] **Updated**

<Basic Strategy for Capital Policy>

Measures to ensure the cost of capital and share price conscious management (under review).

Principle 1-3: The Company sees the internet as a growing industry. It has continued to increase revenues since its inception while making up-front investments in creating various businesses and enhancing technological capabilities. Therefore, in its capital policy, the Company focuses on securing funds for growth that will contribute to the expansion of the company's business, while at the same time maintaining a stable financial position and increasing management efficiency.

Also, the Company considers the return of earnings to shareholders to be a top management priority. In addition to increasing the stock's value over the medium to long-term through business growth and improvements in capital efficiency, we intend to continue to pay dividends.

Since the fiscal year 2016, the Company has been investing in "ABEMA", the new TV of the future, to develop it into a medium to long-term pillar, and set "DOE\* 5% or more" as a management guidance from the fiscal year 2017, to gain a medium to long-term support from our shareholders even during the investment period.

\*DOE: Dividend on equity ratio

## 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.

### <Strategic-Shareholdings>

Principle 1-4: If business tie-ups are expected to be cemented, the Company may hold the Strategic-Shareholdings. As for the exercise of voting rights of such strategically held shares, we will examine the content of each bill and deal with it properly.

### <Related Party Transactions>

Principle 1-7: With regard to all transactions, including the ones between related parties, our “regulations for the board of directors,” “rules for authority,” etc. set forth appropriate systems and procedures according to the scale and importance of each transaction. Each conflicting interest transaction of directors requires the approval of the board of directors pursuant to law, and the results of the transaction are reported at a meeting of the board of directors.

### <Ensuring Diversity in the Assignment of Key Persons>

Supplementary Principle 2-4-1: Hiring, training, energizing, and putting the right people in the right places are the four key principles of our human capital management. We offer a workplace environment and support systems that helps each of our employees reach their full potential and take on challenges while having initiative and make decisions. By selecting personnel regardless of age, gender, or experience, and appointing them to responsible positions, we seek to broaden their decision-making experience and help them grow quickly.

[https://www.cyberagent.co.jp/en/sustainability/info/contents\\_type=1306](https://www.cyberagent.co.jp/en/sustainability/info/contents_type=1306)

### <Roles of Corporate Pension Funds as Asset Owners>

Principle 2-6: The Company does not adopt the corporate pension funds.

### <Full Disclosure>

Principle 3-1:

1. Our purpose, vision, management strategies, etc. are disclosed in the integrated report and the Company’s website.
2. Our basic policy for corporate governance is written on our website, corporate governance reports, and securities reports.
3. Regarding the amount of remuneration of each director (excluding a member of the Audit and Supervisory Committee), the Board of Directors consults the Nomination and Remuneration Advisory Committee as needed. Based on the report, it will be determined by the Board of Directors within the limit of remuneration, which is approved at the general meeting of shareholders.

The amount of remuneration of each director who is a member of the Audit and Supervisory Committee are determined through consultation by directors who are members of the Audit and Supervisory Committee.

4. The Company’s fundamental approach for the Board of Directors is to have the necessary and appropriate number of persons to ensure constructive discussion at Board of Director meetings, while also giving due consideration to a proper balance of knowledge, experience, and ability concerning each business.

When determining the candidates for Directors, the Board of Directors consults the Nomination and Remuneration Advisory Committee as needed. Then we appoint capable persons based on the report.

As for the candidates for Directors who will also serve as Audit and Supervisory Committee members, under the consent of the Audit and Supervisory Committee, we select those who have sufficient expertise, experience, insight, and independence to carry out audits and supervisory duties appropriately.

## 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.

With regard to outside directors, in addition to meeting external requirements under Japan's Companies Act, our selections are based on the candidate who also has the qualifications of an independent director as set by the Tokyo Stock Exchange and meets criteria that deem them as posing no risk in terms of conflict of interest with ordinary shareholders. If a director violates the law or the articles of incorporation or has difficulty in accomplishing the job, the company's Board of Directors will make a comprehensive judgment with considering the outside directors' opinion about his/her removal.

5. The reasons for the appointment of each director candidate are disclosed on the notice of convocation of the annual general meeting of shareholders.

### <Initiatives on Sustainability>

#### Supplementary Principle 3-1-3:

The CyberAgent Group aims to contribute to a sustainable and vibrant society with medium to long-term growth on the strength of its ability to respond to change based on its human resources, technological capabilities, and creativity, in line with its purpose "To break through stagnation with new power and the Internet" established in 2021.

#### (1) Governance

The Group's Board of Directors and the Corporate Executive Office, which makes decisions related to business execution and other matters, are responsible for overseeing and directing the sustainability of management. The Corporate Executive Office comprehensively discusses and executes human resource strategies along with business-related proposals, and significant proposals are discussed at the Board of Directors meetings, including outside directors. To improve corporate value over the medium to long-term, we promote management that emphasizes business growth and hiring, training, energizing human resources, and placing the right people in the right positions to promote that growth.

#### (2) Strategy

The Group's initiatives regarding climate change and human capital are as follows.

##### 1. Measures to Climate Change

As a corporation that contributes to the realization of a sustainable society, the Group recognizes climate change as an important management issue and is working to reduce its environmental impact and improve the efficiency of its business activities.

We have been calculating CO2 emissions since FY2020 and have obtained third-party assurance since FY2022. With the involvement of the Board of Directors, we have been disclosing on our corporate website and in our Integrated Report our analysis of risks and opportunities related to climate change and our countermeasures developed through scenario analysis in line with TCFD recommendations, as well as other important matters such as greenhouse gas emissions.

##### 2. Human Resource Development Policy

Since our founding, we have grown by developing our business centered on the internet to realize our vision "To create the 21st century's leading company". We consider our human resources to be an important competitive advantage. In our Mission Statement, which serves as a guideline for employee behavior, we clearly state that we will "eliminate seniority" and we actively transfer authority to younger employees. In addition, our human resource development emphasizes an environment that fosters human resources with self-driven, self-leadership skills and provides them with opportunities to make and implement decisions on their own. We believe that learning from experience and mistakes and connecting them to the next step will encourage the growth of our human resources and at the same time lead to the sustainable growth of the company.

##### 3. Work Environment Development Policy

The Group respects the human rights of all people involved in its business activities, including directors, employees (including part-time and temporary employees), and subcontractors, and strives to create an environment where people can be their true selves and be treated as equals without discrimination or harassment based on race, religion, gender, age, sexual orientation, gender identity, gender expression, disability, or nationality. While we have a corporate culture that proactively takes on challenges, we also believe that challenge and peace of mind go hand in hand. We have put in place HR systems and benefits that ensure our people feel secure in their careers and workplace, and that they can work long and stay healthy.

Our award system, which includes company-wide awards twice a year and monthly awards for all departmental units, fosters a culture of praising employees who have achieved high in a variety of positions, thus contributing to the overall vitality of the organization and keeping employees highly motivated. In addition, to help employees improve their skills, we offer a range of training courses such as

specialized knowledge for particular jobs, risk management, and leadership required for each position. With regard to generative AI, which has become an essential element in improving the efficiency of daily operations, an AI training course was launched in November 2023 for all employees.

#### 4. AI initiatives at CyberAgent

The Group established the AI Lab in 2016 to research and develop a wide range of AI technologies. As a result of our efforts to create an environment in which skilled researchers can play an active role in the company, as of September 2023, there were 66 researchers enrolled in the AI Lab, of whom more than 60% had held a Ph.D. degree.

The Group's strength lies in its 'implementation capability' in applying advanced AI technology. In the internet advertising business, AI is used to improve the efficiency of the ad production process significantly, and the Group is working to return the research results to society by, for example, making its original Japanese LLM based on natural language processing research available to the public. Also, the AI Lab promotes industry-academia collaboration with more than 30 university laboratories with advanced technology and actively contributes to the academic community by posting papers.

Until now, the Group's use of AI has mainly focused on the advertising business field, however, in October 2023, the Group established the Game AI Lab and Animation AI Lab as specialized research organizations aimed at expanding the scope of its development into the entertainment field. Both organizations will work on research, development, and social implementation of generative AI technology to transform the game and animation production process.

The AI Operations Office, newly established in October 2023, is working on the company-wide implementation of generative AI, to utilize AI technology in operations. At the same time, we intend to implement selected proposals from around 2,200 submissions presented in the internal Generative AI ideas competition, to drive innovative business and operational efficiencies.

#### <Roles and Duties of Directors>

Principle 4-1-1: The Board of Directors decides on the execution of the business defined as a matter for decision by the Board of Directors in the “Regulations of the Board of Directors” and the “Regulations for Authority of Management.” Other individual business decisions are delegated to the Corporate Executive Office and the executive officer in charge, in accordance with the “Regulations for Authority of Management.”

#### <Independence Standards and Qualification for Independent Directors>

Principle 4-9: The Company selects independent external directors in accordance with the requirements for Outside Directors under the Companies Act and the independence criteria specified by Tokyo Stock Exchange. The Board of Directors selects those who understand the business administration and corporate value of the Company, are independent of management and are expected to contribute to constructive discussions in the Board of Directors as outside directors.

#### <Use of Optional Approach>

Principle 4-10-1: Of the eight directors of the Company, four are independent outside directors, accounting for a half of the total. We have also established the Nomination and Remuneration Advisory Committee, chaired by an independent outside director, as a voluntary advisory body to the Board of Directors. The Committee consists of four independent outside directors, a director who serves as a full-time Audit Committee member, and a representative director. To enhance the independence, objectivity, and accountability of the Board of Directors' function in nominating director candidates and determining director compensation, the Board of Directors resolved to establish this committee at its meeting held on October 30, 2019, to strengthen the corporate governance. The Committee deliberates and reports to the Board of Directors on decisions regarding nomination and remuneration of Directors and other relevant matters, based on consultation with the Board of Directors. Succession plan is also discussed, including selection, training, and establishing framework for people to take over leadership.

## 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.

<View on the Appropriate Balance Between Knowledge, Experience and Skills of the Board as a Whole, and also on Diversity and Appropriate Board Size>

Supplementary Principle 4-11-1: In selecting director candidates, the Company takes into account the balance of knowledge, experience and competence related to the Company and its businesses, as well as the diversity of the Board of Directors, and considers the number of directors necessary and appropriate to ensure constructive discussion in the Board of Directors. The information on each candidate's knowledge, experience, ability, management experience at other companies and others is provided in the notice of convocation of the annual general meeting of shareholders. The Board of Directors consists of eight directors (in which four directors are independent outside directors.)

<Concurrent Positions of Directors>

Supplementary Principle 4-11-2: Concurrent positions of Directors (include Audit and Supervisory Committee members) are disclosed in the Notice of Annual General Shareholders' meetings, Securities Reports, and Corporate Governance Reports.

<Summary of Analysis and Evaluation concerning Effectiveness of the Board of Directors>

Supplementary Principle 4-11-3: We conducted a questionnaire survey about the effectiveness of the board of directors targeted at all directors include Audit and Supervisory members at the end of September 2023. The score of the questionnaire was high overall, ensuring that the Company's Board of Directors is functioning effectively.

Also, there is no problem in regard to the number of times the Board of Directors being held, the scope and quantity of the proposals being submitted, and the content of materials. Each director is in close communication with the outside directors and is able to make appropriate decisions which will contribute to the company-wide business expansion, concentration and selection, enhancing enterprise value based upon discussions about budget, performance forecast and risk factors which can affect business and management. In response to the results of the survey, we have enhanced the content of the reporting materials to assist further discussions.

<Training Policy for Directors>

Supplementary Principle 4-14-2: We hold business briefing sessions and compliance training for all appointed directors to help them acquire the necessary knowledge for fulfilling their roles and duties.

<Policy for Dialogues with Shareholders>

Principle 5-1: We recognize that in order to achieve sustainable growth and improve enterprise value in the medium to long-term, it is essential to have active dialogues with investors, including shareholders, and reflect their opinions and requests in our business administration. We developed an investor relations system, in which the representative director and director in charge of corporate function take central roles and the IR&SR Division serves as a contact point, for responding to inquiries from shareholders and other investors.

## 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. Capital Structure

Ratio of Shares Held by Foreigners	More than 30%
------------------------------------	---------------

### [Major Shareholders] **Updated**

Name or Designation	Number of Shares Held (Shares)	Shareholding Ratio (%)
Susumu Fujita	89,121,600	17.61
The Master Trust Bank of Japan, Ltd. (trust account)	81,338,900	16.07
Custody Bank of Japan, Ltd. (Trust account)	38,630,800	7.63
THE BANK OF NEW YORK MELLON 140051	14,776,500	2.92
SSBTC CLIENT OMNIBUS ACCOUNT	10,586,058	2.09
STATE STREET BANK WEST CLIENT - TREATY 505234	7,384,116	1.46
JPMorgan Securities Japan Co., Ltd.	6,472,805	1.28
JP MORGAN CHASE BANK 380072	5,742,200	1.13
JP MORGAN CHASE BANK 385632	5,527,293	1.09
DAIWA CM SINGAPORE LTD NOMINEE ROBERT LUKE COLLICK	4,430,000	0.88

Controlling Shareholders (excluding parent company)	—
Parent Company	None

## 3. Corporate Attributes

Stock Exchange Listings and Market Classification	Prime Market, Tokyo Stock Exchange
Fiscal Year-end	September
Industry	Service
Number of Employees as of Previous Fiscal Year-End (Consolidated)	1,000 or more
Total Trading Transactions in Previous Fiscal Year (Consolidated)	More than 100 billion yen and less than 1 trillion yen
Number of Consolidated Subsidiaries	More than 50 and less than 100

## 4. Policy for Measures to Protect Minority Shareholders When Conducting Transactions with Controlling Shareholder

N.A.

## 5. Other Exceptional Circumstances that May Have a Material Impact on Corporate Governance

### **Updated**

The Company's three main business activities are the media business centered on "ABEMA", the internet advertising business, and the game business. On the other hand, Makuake, Inc. is engaged in the crowdfunding business, which is operated independently of the Group and does not represent a core business, accounting for approximately 0.53% of the Company's consolidated net sales for FY2023. The crowdfunding service "Makuake" provided by the company is used to support regional development and the creation of innovative technologies and is positioned as a socially beneficial business of the Group.

Makuake, Inc. is listed on the TSE Growth Market with the expectation that its listing will increase its social credibility and name recognition as well as its corporate value. As of now, the company has five outside directors out of ten directors and is managing its business autonomously.

RealGate Inc. is engaged in the business of building renovation, planning, and operation with a focus on workplaces for startup companies and creators, and operates independently within the Group. It accounts for approximately 0.97% of the Company's consolidated net sales for FY2023, which is not considered a core business.

RealGate Inc. is listed on the TSE Growth Market, expecting to enhance its social credibility and name recognition by going public and strengthening stable growth in the real estate business by raising funds. Currently, one of the six directors serves as a director of the Company, and the company has two outside directors, making it an autonomous management

## 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.

company.

In terms of group management, the Company believes that MAKUAKE, Inc. and RealGate Inc. should enhance their corporate value through their own growth strategies. Therefore, we value both of the company's decision-making and respect their autonomy and independence in their business activities. However, we will request discussions and reports on matters necessary for appropriate and smooth group operations, as well as matters requiring supervision and confirmation according to laws and regulations, to ensure the effectiveness of the governance of both companies.

## II

### Overview of Business Management Organization and Other Corporate Governance Systems Related to Managerial Decision-Making, Business Execution, and Management Supervision

#### 1. Items Related to Organizational Structure and Operations, etc.

Form of Organization	Company with Audit and Supervisory Committee
----------------------	--

#### Directors

Number of Directors Stipulated in Articles of Incorporation	15
Term of Office for Directors Stipulated in Articles of Incorporation	1 year
Chairman of the Board of Directors	President
Number of Directors	8
Election of Outside Directors	Elected
Number of Outside Directors	4
Number of Outside Directors Designated as Independent Director	4

#### Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Koichi Nakamura	Worked at the other company					△						
Kozo Takaoka	Worked at the other company								△			
Masao Horiuchi	Worked at the other company								△			
Tomomi Nakamura	Lawyer											

\* Relationship with the Company

○: shows the item is/was applicable to the outside director either currently or until recently

△: shows the item was applicable to the outside director in the past

●: shows the item is/was applicable to a close relative of the outside director either currently or until recently

▲: shows the item was applicable to a close relative of the outside director in the past

a. A person performing an executive role at the Company or its subsidiary

b. A person performing an executive role at or who is a non-executive director of the Company's parent

c. A person performing an executive role at an affiliate who is another subsidiary of the Company's parent

d. A person (or its person performing an executive role) whose major customers include the Company

e. A person (or its person performing an executive role) who is a major customer of the Company

f. A consultant, accountant or lawyer who receives a large amount of monetary compensation or other property (other than remuneration as the outside director) from the Company

g. A major shareholder (or its person performing an executive role) of the Company

h. A person performing an executive role at a customer of the Company (other than those to which item d, e or f applies) (this item applies only to the outside director himself/herself)

i. A person performing an executive role at an entity who has an outside director or corporate auditor from



## 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.

the Company

- j. A person performing an executive role at an entity to which the Company makes donations (this item applies only to the outside director himself/ herself)
- k. Others

### Relationship with the Company (2) **Updated**

Name	Audit and Supervisory Committee member	Independent Director	Supplementary Information Related to the Criteria	Reason for Appointment as Outside Director (For Independent Directors, Including Reason for Designation as an Independent Director)
Koichi Nakamura		✓	<p>Until June 2014, he was an executive officer of Recruit Holdings Co., Ltd. (The business amount in FY2023 account for 5.33% of our consolidated sales) which is the Company's specified related business operator (major customer). There is currently no specific relationship between them.</p>	<p>Koichi Nakamura has extensive experience, achievements, and broad insight in corporate management, human resource strategy, and M&amp;A, having led the administration of Japan Recruit Center Co., Ltd. (currently Recruit Holdings Co., Ltd.) for a long period as its Director and Executive Vice President. In addition, at the Board of Directors, which consists of eight (8) members (including four (4) Outside Directors), he is committed to decision-making on investment and other essential matters from his standpoint. Also, a voluntary meeting of directors ("Outside Directors' Meeting") is held every month to discuss a wide range of issues, including the enhancement of medium to long-term corporate value, sustainable growth, management supervision, succession plan, and executive compensation. This meeting leads to the discussion and formulation of a framework for the selection, development and structuring of senior executives, including future candidates for the Board of Directors. He participates in the Nomination and Compensation Advisory Committee and provides advice for the current fiscal year. Based on this experience, accomplishments, and insight, the Company believes that he is suited to serve as an independent director and outside director as he can be expected to supervise management, provide advice, and make proposals from a third-party perspective when making decisions at the Board of Directors, to continuously strengthen corporate governance and enhance the corporate value of the Group.</p> <p>The Company has determined that Koichi Nakamura meets the qualifications of an independent director as set by the Tokyo Stock Exchange and poses no risk in terms of conflict of interest with ordinary shareholders and has thereby appointed him as an independent outside director.</p>

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.

Kozo Takaoka		✓	<p>Kozo Takaoka was President and CEO of Nestle Japan LTD., a regular business partner in the Company's Internet advertising business, until March 2020. However, there is no special business relationship between the company and CyberAgent. So, we decide that there is no risk of influencing the judgment of shareholders and investors.</p>	<p>Kozo Takaoka has a wealth of experience and a wide range of insights as a corporate executive and leading expert in the field of marketing in Japan, having driven management and contributed to the development of the business as President and CEO of Nestlé Japan Ltd. and a board member of Nestlé Global.</p> <p>In addition, at the Board of Directors, which consists of eight (8) members (including four (4) Outside Directors), he is committed to the decision-making of investment and other important matters from his standpoint as an independent and Outside Director.</p> <p>He participates in the Outside Directors' Meeting every month. In this context, the Company is also committed to succession planning for representative directors and directors, including discussions on the qualities, abilities, and processes required of successors, and reviewing the required abilities and training content as necessary. He participates in the Nomination and Compensation Advisory Committee and provides advice for the current fiscal year. Based on his experience, accomplishments, and insight, the Company believes that he is suited to serve as an independent and outside director as he can be expected to supervise management, provide advice, and make proposals from a third-party perspective when making decisions at the Board of Directors meetings to continuously strengthen corporate governance and enhance the corporate value of the Group.</p> <p>The Company has determined that Kozo Takaoka meets the qualifications of an independent director as set by the Tokyo Stock Exchange and poses no risk in terms of conflict of interest with ordinary shareholders and has thereby appointed him as independent and outside director.</p>
Masao Horiuchi	✓	✓	<p>Masao Horiuchi was a director of USEN-NEXT HOLDINGS Co., Ltd., (U-N) our regular client in the internet advertising business from December 2010 to June 2017 and has been a full-time auditor of this company since July 2017. The Company believes that there is no risk of influence on the judgment of shareholders and investors given that he is not an executive of</p>	<p>Masao Horiuchi is a certified tax accountant and holds a Master of Business Administration (MBA) degree and has specialized knowledge in finance, accounting and tax.</p> <p>He has extensive experience and wide insight regarding internal control and corporate governance as a director of U-NEXT Co., Ltd. (currently USEN-NEXT HOLDINGS Co., Ltd.)</p> <p>Since his appointment as an Outside Director of the Company in December 2017, he has contributed to the strengthening of the Company's auditing system and corporate governance by supervising management from an external and independent standpoint, including using his experience and insight to discuss possible risks with management and provide advice that contributes to</p>

**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.

			<p>U-N, the scale of transactions between U-N and the Company (0.98% of the Company's consolidated net sales in fiscal 2023) is insignificant, and the nature of the transactions.</p>	<p>strengthening internal controls.</p> <p>Based on his experience, achievements, and insight, the Company believes that he is suited to serve as an independent and outside director as he can be expected to continue to provide appropriate advice from an independent standpoint in the decision-making process of the Board of Directors.</p> <p>The Company has determined that Masao Horiuchi meets the qualifications of an independent director as set by the Tokyo Stock Exchange and poses no risk in terms of conflict of interest with ordinary shareholders and has thereby appointed him as independent and outside director.</p>
Tomomi Nakamura	✓	✓	<p>There is no special business relationship between the Company and Nagaishi Law Office, where Tomomi Nakamura works for.</p>	<p>Tomomi Nakamura has many years of experience as an attorney in the field of corporate legal affairs, as well as three (3) years of teaching experience as a civil defense instructor at the Legal Training and Research Institute.</p> <p>He also has extensive expertise and deep insight into laws and regulations, including the Companies Act, Civil Code, and Intellectual Property Law. Since his appointment as an Outside Director of the Company in December 2021, he has used his experience and insight to engage in frank discussions with management regarding possible risks and other issues, provide advice that contributes to strengthening internal controls, supervise management from an external and independent standpoint, and contribute to strengthening the Company's auditing system and corporate governance.</p> <p>Based on his experience, achievements, and insight, we believe that he is suited to serve as an independent director and outside director as we can expect him to contribute to strengthening the Company's auditing system and corporate governance and to supervise management from an outside and independent standpoint and provide appropriate suggestions in the decision-making process of the Board of Directors, based on his high expertise and experience.</p> <p>CyberAgent has determined that Tomomi Nakamura meets the qualifications of an independent director as set by the Tokyo Stock Exchange and poses no risk in terms of conflict of interest with ordinary shareholders, and has thereby appointed him as an independent and outside director.</p>

## 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.

### Advisory Committee(s) to the Board, Composition and Attribution of Chairperson

Name of Committee	Total Number of Members	Full-time Member	Internal Directors	Outside Directors	Chairman
Audit and Supervisory Committee	3	1	1	2	Outside Director

Directors and employees who assist the Audit and Supervisory Committee with its duties	Appointed
--	-----------

### Matters relating to the Independence of Such Directors and Employees from Executive Directors

Employees who assist Director who is member of Audit and Supervisory Committee with its duties follow his or her leadership.

### Cooperation between Audit and Supervisory Committee, Accounting Auditors and the Internal Auditing Division

Director who is a full-time Audit and Supervisory Committee member hold regular meetings with the Internal audit department to receive reports on the state of the execution of internal audits and the results of auditing in addition to exchanging opinions regarding such matters as internal audit execution plans, specific internal auditing methods and measures for improving internal auditing operations. She also cooperates with the Internal audit department upon the internal audits of the Company's divisions as well as Group companies and has interviews with Directors and employees, check documents, conduct field audits. Additionally, Directors who are Audit and Supervisory Committee members hold periodic meetings with Accounting Auditors to share information about auditing plans and audit results. Exchanges of opinions are also made as needed to increase effectiveness and efficiency of audits and to further strengthen corporate governance.

### [Voluntary Establishment of Committees]

Voluntary Establishment of Committees equivalent to Nomination Committee or Compensation Committee	Yes
--	-----

### Status of Establishment of Voluntary Committee, Composition of Committee and Attributes of Committee Chair (Chairperson)

	Voluntary committee corresponding to a nominating committee	Voluntary committee corresponding to a remuneration committee
Name of committee	Nominating and Remuneration Advisory committee	Nominating and Remuneration Advisory committee
Total number of members	6	6
Number of full-time members	2	2
Number of internal directors	2	2
Number of outside directors	4	4
Number of external experts	0	0
Number of other members	0	0
Committee chair (chairman)	Outside director	Outside director

## 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.

### Supplementary Explanation

The Company's Board of Directors' meeting held on October 30, 2019, resolved to establish the committee to strengthen the Board of Director's independence, objectivity, and accountability, and further enhancing corporate governance. Based on the Board of Director's consultation request, the committee deliberates on matters regarding the nomination and remuneration of directors and makes recommendations to the Board of Directors.

### [Independent Directors]

Number of Independent Directors	4
---------------------------------	---

### Matters relating to Independent Directors

All outside officers who meet the qualifications for independent directors are designated as independent directors. The Company has determined that transactions of 15 million yen or less have no impact on the independence of the relevant outside director based on the minimum disclosure criteria for judging the risks of influencing shareholders' decisions to exercise their voting rights. Therefore, this information is omitted.

### [Incentive Programs]

Incentive Policies for Directors	The stock option system has been adopted
----------------------------------	--

### Supplementary Information

Stock options are granted with the objective of further boosting the motivation and morale of the Company's Directors and employees to contribute to the consolidated performance of the Company as well as enhancing corporate value and further reinforcing the management culture.

Grantees of Stock Options	Executive Directors, Outside Directors, employees, directors and employees of subsidiaries
---------------------------	--

### Supplementary Information **Updated**

Stock options are granted with the objective of further boosting the motivation and morale of the Company's Directors and employees of the Company as well as Directors and employees of the Company's subsidiaries towards raising business performance, etc.

The total value of stock options as of the end of September 2023 was a balance of 2,824,500 (0.56% of issued shares including treasury stocks) issued shares and an assumed total paid-up value of 2,824,500 yen.

## 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.

### [Directors' Compensation]

Disclosure of Individual Directors' Compensation	The compensation of individual directors is not disclosed.
--	--

Supplementary Information <b>Updated</b>
--

The compensation of the Company's directors in the fiscal year ended September 30, 2023

Category	Number of paid Directors	Total Value of Compensation	Total Value of Compensation by Type	
			Monetary Remuneration	Stock Options
Director who is NOT the Audit and Supervisory committee members	5	293 million yen	200 million yen	93 million yen
(Outside)	(2)	(36 million yen)	(35 million yen)	(1 million yen)
Director who IS the Audit and Supervisory committee members	3	19 million yen	19 million yen	-
(Outside)	(2)	(8 million yen)	(8 million yen)	-
Total	8	312 million yen	219 million yen	93 million yen
(Outside)	(4)	(44 million yen)	(43 million yen)	(1 million yen)

\* The performance-based remuneration within the monetary remuneration is zero yen.

Policy on Determining Compensation Amounts and Calculation Methods	Yes
--	-----

Disclosure of Policy on Determining Compensation Amounts and Calculation Methods
--

The amount of remuneration of Directors excluding a member of the Audit and Supervisory Committee (same as below), the details of the determination of the calculation method, and the process of determination thereof are as follows. In terms of the amount of remuneration for each individual Director who is a member of the Audit and Supervisory Committee, the amount is determined through discussions among the Committee members.

- 1) Basic policy  
The remuneration of the Company's Directors consists of basic remuneration as a fixed amount and performance-linked amount (both are monetary remuneration). The payment amount is determined within the limit of remuneration approved at the Annual General Meeting of Shareholders. After consulting the Nomination and Remuneration Advisory Committee, the Board of Directors determines the details based on the committee's report. Remuneration for Outside Directors will be limited to basic remuneration.
- 2) Policy for determining the content and amount of basic remuneration  
The basic remuneration shall be determined within the range of amounts determined in consideration of the position, grade, role, etc.
- 3) Policy on determination of performance-linked remuneration  
Performance-linked remuneration shall be funded from a certain percentage of the operating profit for each fiscal year and shall be determined for Directors in charge of business execution, taking into consideration their performance and the degree of their contribution for the relevant fiscal year.

4) Other remuneration policies

In the event that other non-monetary remuneration is to be paid, the Board of Directors will determine the policy regarding the content, calculation method of such remuneration in accordance with laws and regulations.

**[Support System for Outside Directors]**

The Board of Directors Secretariat prepares materials in advance of the holding of a meeting of the Board of Directors and provides detailed briefings as needed to Outside Directors. The Management Promotion Headquarters acts as the contact point for inquiries from Outside Directors and carries out timely and appropriate information provision towards Outside Directors.

**2. Matters regarding Decision-making Functions related to the Execution of Duties, Audit and Supervision, Appointments, Compensation, Etc. (Outline of the current corporate governance system)**

1) Board of Directors

The Board of Directors consists of five directors who are not members of the Audit Committee (including two outside directors) and three directors who are members of the Audit Committee (including two outside directors). Regular board meetings are held once a month and special meetings are held when necessary to make important decisions and supervise the executions and operations. In addition, the Company established the Corporate Executive Office on October 2, 2020, with the aim of separating management oversight from business execution and delegated some of the Board's executive authority to the Corporate Executive Office. The Board of Directors and the Corporate Executive Office have developed an agile management system and are working to strengthen supervisory functions.

2) Corporate Executive Office

The Corporate Executive Office consists of eight senior executive officers or higher (including three who also serve concurrently as directors). It holds meetings as necessary to improve the efficiency and speed of management decision-making and business execution. In addition, a director, who is a full-time member of the Audit and Supervisory Committee, attends meetings occasionally and supervises important business execution decisions with the directors.

3) Audit and Supervisory Committee

The Audit and Supervisory Committee consists of three directors (including two independent outside directors). It generally holds a monthly meeting to audit the business execution by the directors.

4) Internal Audit Department

The internal audit department conducts internal audits of all Group operations according to the audit plan. The results of the audit are reported to the Board of Directors, and the director or a member of the Audit and Supervisory Committee instructs the executive officer in charge to make improvements. The results of the audit are reported to the Board of Directors and improvements are instructed to the executive officer in charge through the director or the director who is a member of the Audit Committee, in order to ensure immediate action is taken.

5) Accounting Audit

The Company has appointed Deloitte Touche Tohmatsu LLC as the accounting auditor. There are no special interests between the audit firm or its executive members and the Company.

6) Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of four independent outside directors, one director who is a full-time member of the Audit Committee, and the representative director. In order to strengthen the independency, objectivity and accountability of the Board of Directors' functions in nominating director candidates and determining director compensation, and to further strengthen corporate governance in the Company, the Board of Directors resolved to establish the Committee at its October 30, 2019, meeting. The Nomination and Remuneration Committee is chaired by an independent director and consults with the Board of Directors to deliberate on decisions on the nomination and remuneration of directors, and reports to the Board of Directors.

## 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.

### 7) Limitation of Liability Contract

The Company has concluded an agreement with Messrs. Koichi Nakamura, Kozo Takaoka, Masao Horiuchi, Tomomi Nakamura, and Ms. Toko Shiotsuki to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the same Act. The limit of compensation for damages based on the agreement is the minimum liability limit stipulated by law.

### **3. Reasons for adopting the current corporate governance system**

The Company adopted an organizational structure of the Company with Audit and Supervisory Committee. From the viewpoint of seeking to improve corporate value over the medium to long-term, four independent outside directors provide advice on management policies, supervision of the execution of duties by directors and the executive officers, oversee of such conflicts of interests between the Company and the directors based upon their experience and knowledge about management, finance, accounting, and legal affairs.



## 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.

### III Status of Implementation of Measures Related to Shareholders and Other Stakeholders

#### 1. Measures to Revitalize the General Meeting of Shareholders and Facilitate of Exercise of Voting Rights **Updated**

	Supplementary Information
Prompt Delivery of Convocation Notice of General Meeting of Shareholders	The Company makes efforts to send out proxy materials at an early date in order to allow shareholders sufficient time to consider resolutions. Proxy materials are dispatched more than one week prior to the statutory date (more than three weeks before the convening of the General Meeting of Shareholders). The materials are also made available on the Company's website, the Tokyo Stock Exchange's website and the electric platform of the voting exercise.
Setting Date of General Meeting of Shareholders to Avoid the Same Day with Many Other Companies	The 26 <sup>th</sup> Annual General Meeting of Shareholders was held on Friday, December 8, 2023, to avoid the crowded day.
Exercise of Voting Rights by Electromagnetic Means	Since the 10 <sup>th</sup> Annual General Meeting of Shareholders (held on December 20, 2007), the Company has accepted the execution of voting rights via the internet from computers and mobile phones so that more shareholders can participate in the meeting.
Participation in Platform for Exercise of Voting Rights by Electromagnetic Means and Other Measures to Enhance Environment for Exercise of Voting Rights by Institutional Investors	The Company adopted electronic voting platforms from the 18th Annual General Meeting of Shareholders (held on December 11, 2015), in order to provide institutional investors with sufficient time to consider the content of the resolutions.
Providing Convocation Notice (Summary) in English	English version of the notice of convocation and the other matters regarding electric provision measure of the 26th Annual General Meeting of Shareholders (matters omitted in the documents to be delivered) are published on the corporate website as same as the Japanese version.
Other	Shareholders' meeting 2023: After the 26th Annual General Meeting of Shareholders, a company presentation was given to individual shareholders. The company presentation is streamed live so that individual investors can watch it, and the Q&A session is also made available on the company's website.

## 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. Investor Relations Activities **Updated**

	Supplementary Information	Explanation by Representative
Adoption of Disclosure Policy	The Company's disclosure policy includes basic policy, disclosing method and quiet period is available on our website. <a href="https://www.cyberagent.co.jp/en/way/info/detail/id=20537">https://www.cyberagent.co.jp/en/way/info/detail/id=20537</a>	-
Holding Regular Meetings for Individual Investors	We are working to disseminate information online for individual investors. The webcast of quarterly financial results briefings is accessible on the investor website. In addition, 28 short video contents are available on the "IR Channel" to introduce our strategy and competitive advantages. We also utilize "CyberAgent Way", an owned media to regularly publish articles on our human resources, technology, and creation capabilities that generate value for our company.  The investor website has a number of features for individual investors, including a generator function that allows them to compare various financial statements.  In addition, after the 26th Annual General Meeting of Shareholders, the representative director gave a company presentation and explained the company's business to individual shareholders. The company presentation was streamed live so that individual investors could watch it, and the Q&A session report is also available on the company's website.	Yes
Holding Regular Meetings for Analysts and Institutional Investors	On the day of the quarterly earnings announcement, the Company provides a webcast of financial results briefing. President explains the financial results and current business strategy. We strive to provide timely and equal information disclosure to individual investors and overseas investors through simultaneous webcast in Japanese and English. Also, we set small meetings for institutional investors focusing on new businesses and investing areas.	Yes
Holding Regular Meetings for International Investors	To ensure fair information disclosure, investor website is available in English. Also, the financial results briefings provide webcast in Japanese and English. We regularly hold conference calls and online conferences with international investors every quarter. Also, we participate in brokerage conferences for international institutional investors dozens of times a year to have more opportunities for dialogue.	Yes
Posting Investor Relations Materials on the Company Website	From fiscal year 2018, we have published the integrated report that includes information on our sustainable growth mechanisms, business strategies and human resource initiatives. In order to gain further understanding from investors, we have expanded the disclosure of ESG information since fiscal 2020.	

## 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.

Establishment of Investor Relations Department	Division in charge: IR&SR Division Officer in charge: Susumu Fujita, Representative Director Person in charge of information handling: Go Nakayama, Director Person in charge of clerical communication: Sonoko Miyakawa, Head of IR&SR Division
Other	Other Information dissemination on the internet  - Utilizing social media We use social networking services such as LINE, Facebook, and X (former Twitter) to disseminate the latest information.  - Owned Media “CyberAgent Way” We produce articles include the ideas behind our Purpose, unique structure, and culture.  - Video Contents for shareholders and investors The IR Channel provides video content to introduce our strategy and competitive advantages in Japanese and English.

## 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. Measures that Consider the Interests of Stakeholders **Updated**

	Supplementary Information
Provisions Made in Consideration of Stakeholders' Interests (Internal Regulations, etc.)	In order to respect the positions of stakeholders and fulfill corporate social responsibility, the Group established "Ethical Business Guideline," to set a basic rule which is followed by all Directors and employees based on the "CyberAgent Mission Statement."
Promotion of Environmental Protection, Corporate Social Responsibility (CSR), and Other Activities	<p><b>Strengthening Information Infrastructures</b>            Launched in April 2016, ABEMA allows users to browse the latest news and information for free on their smartphone. Taking advantage of the smart devices that people carry with them at all times, we have also added an emergency channel that provides real-time information to affected people 24 hours a day in the event of a disaster or other emergency, such as an earthquake early warning. We will continue to pursue business activities that recognize the importance of ABEMA's role in society as a new information infrastructure in the age of the internet.</p> <p><b>Support for Creating Social Value</b>            One of our consolidated subsidiaries, Makuake Inc., is developing "Makuake," a crowdfunding platform that venture capital firms and small businesses can use for marketing purposes. Through Makuake, we hope to contribute to the further vitalization of the Japanese economy.</p> <p><b>Tech Talent Development</b>            To develop the talent to lead the 21st century through information technology, in May 2013, we established "CA Tech Kids" to offer programming education projects for elementary school students. We host Japan's largest programming competition and provide career development opportunities for IT professionals. Our efforts go beyond just helping kids acquire IT programming knowledge and skills, as we also strive to foster the development of "talent capable of using technology as a tool to realize their own ideas and actively engage in society."</p> <p><b>Driving Forward Digital Transformation (DX)</b>            As AI and other IT technologies continue to evolve, there is an urgent need for DX to help companies in all industries, including retail, government, healthcare, and entertainment, maintain their competitive edge and achieve growth. We are working to develop and deliver solutions to our customers' problems by applying our unique knowledge and technological capabilities in the digital domain.</p> <p><b>Providing energy-saving solutions using IoT technology</b>            The AI-GX Company of the AI Business Division started providing unique energy-saving solutions in July 2023 that use AI and robotics technologies to control lighting and air conditioning efficiently according to people's tendency to stay in the room.            Using its knowledge of IoT and sensor technologies and the development of user-friendly services, the AI-GX Company aims to realize both management efficiency and decarbonization.</p> <p><b>Supporting Sports</b>            The CyberAgent Group supports the revitalization of society through sports by sponsoring a variety of teams, including the J-League club "FC Machida ZELVIA"; DDT Pro-Wrestling; Pro Wrestling Noah; Shibuya ABEMAS, which competes in the professional mahjong league "M League"; and CyberAgent Legit, which competes in the professional dance league "D. LEAGUE."</p> <p>Please visit our corporate website for more information on our SDG</p>

## 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.

	initiatives. <a href="https://www.cyberagent.co.jp/sustainability/sdgs/">https://www.cyberagent.co.jp/sustainability/sdgs/</a>
Establishment of Policy Concerning Disclosure of Information to Stakeholders	The Company's policy related to the provision of information to stakeholders clearly states in its Disclosure Policy. The Company executes information disclosure in accordance with the Tokyo Stock Exchange's timely disclosure regulations. Regarding important information that may have an impact on investment decision-making as well as information that may be useful to understand the Company, the Company strives to enable equal access by all stakeholders to such information.

## **IV Items Related to the Internal Control System**

### **1. Basic Views on Internal Control System and the Progress of System Development**

The following is a summary of decisions made regarding systems to ensure that the execution of duties by directors complies with laws and regulations and the Articles of Incorporation, and other systems to ensure the appropriate business operations of the listed company and the corporate group consisting of the listed company and its subsidiaries.

#### **1) System for the storage and management of information regarding the execution of duties by directors.**

The Board of Directors appoints a person from among the directors who is responsible for company-wide control. Information related to the execution of duties by directors is stored and managed in the form of documents or electromagnetic records in accordance with the Document Handling Regulations, Confidential Information Handling Regulations, Personal Information Protection Regulations, Insider Information Management Regulations.

#### **2) Regulation and system concerning risk management and loss prevention.**

In order to prevent losses, specific risks are identified and categorized in the Emergency Response Regulations, and a system is in place to ensure prompt and appropriate communication of information in the event of an emergency. In accordance with the Internal Audit Regulations, the internal audit department assesses and monitors the status of risk across the organization, and regularly reports to the Board of Directors on matters related to risk management.

#### **3) A system to ensure that board members' professional duties are carried out efficiently.**

In order to improve the efficiency and speed of the execution by directors, a part of the authority of the Board of Directors has been delegated to the Corporate Executive Office. Also, in order to ensure operational efficiency, the executive officer in charge sets numerical targets for each division to achieve the company-wide targets set by the Corporate Executive Office. The Corporate Executive Office reviews and approves the targets and then regularly checks the achievement using management accounting methods and reports the results to the Board of Directors.

#### **4) A system to ensure that the duties of directors and employees are carried out according to the law and Articles of Incorporation.**

The management office will monitor the duties of directors and employees and carry out a company training as deemed necessary. In addition, the internal audit department cooperates with the Audit and Supervisory Committee to understand the duties of directors and employees, carries out regular auditing, and reports to the Board of Directors.

#### **5) A system to ensure appropriateness of the operations of the Company and the Group of subsidiaries**

The Board of Directors will give the Corporate Executive Office a set of numerical targets that the Group (the Company and subsidiaries) must achieve. In addition, the Corporate Executive Office is given the authority and responsibility to manage risks and establish a legal compliance system, and the management office promotes and manages these activities across the Company. In order for each company in the Group to make progress in its individual performance and contribute to the overall growth of the Group's performance, the Company establishes regulations for the management of subsidiary companies and establish a system for regular reporting on the performance of the subsidiaries.

The Company requires its subsidiaries to report certain important matters and risk information to the Company's Board of Directors and the Corporate Executive Office in advance, and certain matters shall be submitted to the Board of Directors. In addition, the Internal audit department periodically conducts audits of the Company's subsidiaries and reports to the Board of Directors.

**6) Matters relating to the relevant directors and employees who should assist the Audit and Supervisory Committee members**

The Internal audit department has been established as an organization to assist the Audit and Supervisory Committee, and employees necessary for auditing operations have been assigned.

**7) Matters concerning the independence of employees from directors and matters relating to ensuring the effectiveness of instructions**

Employees who are to assist the duties of directors who are Audit and Supervisory Committee Members shall follow their instructions and orders in assisting the duties of directors who are Audit and Supervisory Committee Members. In addition, we ensure the independence of such employees and the effectiveness of instructions regarding their duties by respecting the opinions of the Audit and Supervisory Committee regarding the duties and personnel transfers of such employees.

**8) System for reporting to the Audit and Supervisory Committee members by directors and employees of the Company**

The Directors, Executive Officers, corporate management division and internal audit department shall regularly report the following important matters concerning the Group to the director who is a full-time member of the Audit and Supervisory Committee, and the director who is a full-time member of the Audit and Supervisory Committee shall submit such reports to the Audit and Supervisory Committee.

- 1) Matters relating to important decision making.
- 2) Important matters regarding the financial state of the business.
- 3) Matters concerning instances that may cause considerable harm to the company.
- 4) Important matters relating to the state of the internal auditing department and risk management.
- 5) Violations of the articles of incorporation or law.
- 6) Other important matters.

**9) System to ensure that a person who has made a report as stated in the preceding item will not be treated disadvantageously for having made such a report**

We have established internal regulations to prevent disadvantageous treatment of those who report to directors who are Audit and Supervisory Committee members on the reason that they have made such reports.

**10) Matters concerning procedures for prepayment or reimbursement of expenses incurred in the execution of duties by Audit and Supervisory Committee Members (limited to those related to the execution of duties by the Committee), and other policies concerning the handling of expenses and debts arising from the execution of such duties**

When a director who is a member of the Audit and Supervisory Committee makes a request to the Company for advance payment of expenses based on Article 399-2, Paragraph 4 of the Companies Act in the execution of his / her duties, the department in charge deliberates and makes the request. Unless it is deemed that such expenses, etc. are not necessary for the execution of duties by the directors who are the Audit and Supervisory Committee members, the expenses, etc. will be promptly processed.

**11) System to ensure that the auditing of Directors who are members of the Audit and Supervisory Committee is carried out efficiently.**

The representative director discusses important management matters with the Audit and Supervisory Committee. The Audit and Supervisory Committee have the right to work with external experts such as lawyers and certified accountants when necessary to perform their duties.

## 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. Basic Policy and Efforts to Eliminate Antisocial Forces

The Group will, as an organization, thoroughly respond with a firm attitude to such antisocial forces. Furthermore, with the objective of eliminating antisocial forces, the Group cooperated for some time with Outside specialized bodies, such as law enforcement organizations and attorneys at law, and promoting the reinforcement of information gathering, management and in-house systems related to antisocial forces.

## V Others

### 1. Adoption of Takeover Defense Measures

Adoption of Takeover Defense Measures —

Supplementary Information

N.A.

### 2. Other Items Related to Corporate Governance System, etc.

[Chart 1] Corporate Governance Structure

