

## Financial Results for the 3rd Quarter of the Period Ending September 30, 2012 [Japanese Standards] (Consolidated)

July 26, 2012

Listed company name: CyberAgent, Inc. Listed stock exchange: TSE Mothers  
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 Quarterly report submission date: July 27, 2012 Dividend payment start date —  
 Preparation of supplementary references regarding quarterly results: Yes  
 Holding the briefing of quarterly results: Yes (For security analysts and institutional investors)

(Amounts less than ¥ million are rounded down.)

### 1. Consolidated Performance for the 3rd Quarter of the Period Ending September 30, 2012

(October 1, 2011 – June 30, 2012)

#### (1) Consolidated results of operations (cumulative total)

(The percentage indicates the change from the same quarter of the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
3Q of FY2012	101,902	15.0	14,557	34.3	14,407	35.7	6,912	24.0
3Q of FY2011	88,620	26.1	10,838	54.0	10,620	51.0	5,574	14.4

(Note) Comprehensive Income: 3Q of FY 2012: 7,398 million yen (41.2 %) 3Q of FY 2011: 5,942 million yen (— %)

	Net income per share	Diluted net income per share
	¥	¥
3Q of FY2012	10,675.45	10,669.56
3Q of FY2011	8,595.55	8,588.06

#### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	¥ million	¥ million	%
As of Jun. 30, 2012	127,675	41,989	31.5
As of Sep. 30, 2011	111,689	38,677	33.0

(Reference) Equity capital: As of Jun. 30, 2012 ¥40,158 million, As of Sep. 30, 2011 ¥36,851 million

### 2. Dividend Status

	Annual dividends				
	1Q end	2Q end	3Q end	Year end	Total
	Yen	Yen	Yen	Yen	Yen
FY2011	—	0.00	—	3,500.00	3,500.00
FY2012	—	0.00	—		
FY2012 (Forecast)				3,500.00	3,500.00

(Note) Corrections to the dividend forecast for this quarter: None

### 3. Consolidated Performance Forecast for the Fiscal Year Ending September 30, 2012

(October 1, 2011 – September 30, 2012)

(The percentages indicate the change from the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	130,000	8.7	17,000	18.5	16,700	18.3	8,500	16.1	13,126.29

(Note) Corrections to the consolidated performance forecast figures for this quarter: None

4. Other

(1) Changes in important subsidiaries during the period (change of specified subsidiaries that lead to a change in the scope of consolidation): None

Newly companies: — (Company name: —)

Excluded companies: — (Company name: —)

(2) Application of specific accounting methods for producing quarterly consolidated financial statements: None

(3) Changes to accounting policies, changes to accounting estimates, restatements:

1) Changes associated with revisions of accounting standards: Yes

2) Change other than those included in 1): None

3) Changes to Accounting Estimates: None

4) Restatements: None

(4) Number of shares issued (common stock)

(1) Number of shares issued and outstanding (including treasury stock)	
3Q Sep. 2012 Period: 652,497	Sep. 2011 Period: 652,251
(2) Number of shares of treasury stock issued and outstanding	
3Q Sep. 2012 Period: 5,125	Sep. 2011 Period: —
(3) Average number of shares during the period (quarterly consolidated cumulative accounting period)	
3Q Sep. 2012 Period: 647,555	3Q Sep. 2011 Period: 648,491

\* Indication regarding the implementation status of the audit procedures

This quarterly financial results is not subject to the quarterly review procedures pursuant to the Financial Instruments and Exchange Act. As of the disclosure of this quarterly financial results, the procedures for reviewing quarterly financial statements pursuant to the Financial Instruments and Exchange Act are in progress.

\* Explanations related to appropriate use of the performance forecast; other special instructions

This forecast of performance is based on the judgment of the Group in accordance with information that was available at the time of its creation, and includes factors of risk and uncertain elements. Accordingly, actual results, performance, etc., may differ from the listed estimates. For information related to the forecast of performance indicated above, please see “(3) Qualitative Information regarding the Consolidated Performance Forecast” under “1. Results of Operations” on page 3.

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## 1. Results of Operations

### (1) Qualitative Information Related to Consolidated Results of Operations

In fiscal 2011, the domestic Internet business market expanded to about ¥14 trillion, and it is expected to reach ¥15 trillion in 2012, and later ¥22 trillion in 2016<sup>\*1</sup>. In particular, the social games market has rapidly expanded to ¥257 billion in 2011, 1.8 times compared to the previous year, and is expected to expand to ¥342.9 billion in 2012<sup>\*2</sup>. The shipment volume of smartphones for fiscal 2011 was 24.17 million (56.6% of the total shipment), 2.8 times larger than the shipment volume for the previous year, showing the rapid shift to smartphones<sup>\*3</sup>.

Under such conditions, the Group has enriched the services for smartphone media, especially Ameba, and increased the number of social games. Also, the Group works toward reforming the comprehensive Internet business (former Internet advertising agency business).

As a result, the Group's operating results for this third consolidated fiscal quarter were as follows. Net sales reached ¥101,902 million (up 15.0% from ¥88,620 million in the same period of the previous year); operating income reached ¥14,557 million (up 34.3% from ¥10,838 million in the same period of the previous year); ordinary income reached ¥14,407 million (up 35.7% from ¥10,620 million in the same period of the previous year); and quarterly net income reached ¥6,912 million (up 24.0% from ¥5,574 million in the same period of the previous year).

Source: Nomura Research Institute, Ltd.<sup>\*1</sup>, Yano Research Institute Ltd.<sup>\*2</sup>, MM Research Institute, Ltd.<sup>\*3</sup>

Performance of each business segment was as follows.

#### (a) Ameba business

The Ameba business includes Ameba, Ameba Pigg and AMoAd, etc.

Ameba's PV number for June 2012 was 33.9 billion PV (up 8.7 billion PV from 25.2 billion PV in the same month of the previous year), and subscribers totaled 23.59 million (up 7.14 million from 16.45 million in the same month of the previous year).

In the current business year, advertising revenue and fees generated by Ameba Pigg increased, and as a result, net sales totaled ¥18,841 million (up 58.0% from ¥11,924 million in the same period of the previous year), and we recorded an operating income of ¥4,931 million (up 30.9% from an operating income of ¥3,767 million in the same period of the previous year).

#### (b) Media business

The media business includes CA Mobile, LTD. and social game businesses in our Group companies such as Cygames Inc., Grence, Inc., Applibot, Inc., CyberX Co., Ltd., and Sumzap, Inc.

In the current business year, due to factors such as steady expansion of our social games business, net sales totaled ¥32,962 million (up 27.5% from ¥25,849 million in the same period of the previous year), and we recorded an operating income of ¥4,356 million (up 130.7% from an operating income of ¥1,888 million in the same period of the previous year).

#### (c) Comprehensive Internet business

From the current business year, the organization is divided into Agency Unit, which engages in advertising agency businesses, and Internet Business Unit, which launches new businesses for smartphones.

As for this business, we concentrated on the launch of new businesses by reshuffling personnel, recruiting more engineers, etc. As a result, net sales totaled ¥50,919 million (up 0.4% from ¥50,727 million in the same period of the previous year), and we recorded an operating income of ¥2,428 million (down 21.2% from ¥3,083 million in the same period of the previous year).

#### (d) FX business

The FX business includes foreign exchange margin trading in CyberAgent FX, Inc.

In the current business year, the number of account openings and deposit accounts increased steadily. As a result, net sales totaled ¥5,870 million (up 6.9% from ¥5,493 million in the same period of the previous year), and we recorded an operating income of ¥2,956 million (up 35.8% from an operating income of ¥2,176 million in the same period of the previous year).

year).

(e) Investment development business

Our investment development business includes the Company's corporate venture capital business, and fund operation in CyberAgent Ventures, Inc. It discovers, develops and generates value for promising venture companies both within Japan and in Asian countries.

In the current business year, due mainly to sales of shares, net sales totaled ¥302 million (up 48.3% from ¥203 million in the same period of the previous year), and we recorded an operating loss of ¥115 million (an operating loss of ¥77 million for the same period of the previous year).

(2) Qualitative Information Related to Consolidated Financial Standing  
(Financial standing)

At the end of the third quarter of this consolidated fiscal year, total assets stood at ¥127,675 million (up ¥15,985 million from the end of the previous fiscal year). This was mainly due to the fact that foreign exchange dealings cash segregated as deposits for customers increased, as a result of the balance on deposit assets in our FX business steadily increasing, and cash and deposits, and accounts and notes receivable-trade increased as a result of healthy sales activities.

Liabilities totaled ¥85,685 million (up ¥12,674 million from the end of the previous fiscal year). This was mainly due to an increase in foreign exchange dealings deposits from customers in our FX business.

Net assets totaled ¥41,989 million (up ¥3,311 million from the end of the previous fiscal year). This was mainly due to the fact that retained earnings increased as a result of recording quarterly net income.

(Status of cash flow)

Cash and cash equivalents (hereafter 'funds') for the third quarter of this consolidated fiscal year increased by ¥422 million from the end of the previous consolidated fiscal year, and totaled ¥18,531 million.

Cash flow situations and major causal factors for the third quarter of this consolidated fiscal year are as follows.

(Net cash provided by operating activities)

Net cash provided by operating activities totaled ¥9,566 million (net cash provided by the same period of the previous year totaled ¥5,184 million). This was mainly due to the fact that we recorded a profit.

(Net cash used in investing activities)

Net cash used in investing activities totaled ¥7,990 million (net cash used in the same period of the previous year totaled ¥5,755 million). This was mainly due to purchase of non-current assets.

(Net cash used in financing activities)

Net cash used in financing activities totaled ¥1,183 million (net cash used in the same period of the previous year totaled ¥1,870 million). This was mainly due to cash dividends paid and purchase of treasury stock.

(3) Qualitative Information regarding the Consolidated Performance Forecast

No revisions have been made from the consolidated performance forecast announced on October 27, 2011.

## 2. Summary Information (Other Information)

### (1) Changes in Important Subsidiaries during the Period

No applicable items.

### (2) Application of Specific Accounting Methods for Producing Quarterly Consolidated Financial Statements

No applicable items.

### (3) Changes to Accounting Policies, Changes to Accounting Estimates, Restatements

(Application of Accounting Standards for Earning per Share)

“Accounting Standard for Earnings Per Share” (ASBJ Statement No.2, June 30, 2010), “Guidance on Accounting Standard for Earnings Per Share” (ASBJ Guidance No.4, June 30, 2010) and “Practical measures regarding current net profit per share” (Report on practical measures, No. 9; June 30, 2010) are applied from first quarter of the current fiscal year.

In the calculation of quarterly net income per share fully diluted, we adopted the method of including the amount related to the services to be offered to the company in the fair value of stock options under the assumption that the stock options that become available after a certain period of employment.

In the case where these accounting standards, etc. are not used, the quarterly net income per share fully diluted for the previous consolidated third quarters is 8,586.56 yen.

### (4) Additional Information

For accounting changes and error corrections carried out after the beginning of the first quarter of this fiscal year, the Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No.24, December 4, 2009) and the Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No.24, December 4, 2009) are applied.

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheets

(Unit: ¥ million)

	FY2011 (As of September 30, 2011)	3Q of FY2012 (As of June 30, 2012)
<b>Assets</b>		
Current assets		
Cash and deposits	20,755	21,600
Accounts and notes receivable-trade	14,917	17,592
Inventories	184	95
Sales investment securities	3,069	3,603
Foreign exchange dealings cash segregated as deposits for customers	34,023	49,216
Foreign exchange dealings variation margin paid for customers	14,170	10,199
Other	10,346	6,899
Allowance for doubtful accounts	(53)	(39)
<b>Total current assets</b>	<b>97,414</b>	<b>109,168</b>
Non-current assets		
Property, plant and equipment	2,204	3,596
Intangible assets		
Goodwill	3,102	3,106
Other	3,452	6,156
<b>Total intangible assets</b>	<b>6,555</b>	<b>9,262</b>
Investments and other assets		
Other	5,591	5,711
Allowance for doubtful accounts	(77)	(64)
<b>Total investments and other assets</b>	<b>5,514</b>	<b>5,647</b>
<b>Total non-current assets</b>	<b>14,274</b>	<b>18,506</b>
<b>Total assets</b>	<b>111,689</b>	<b>127,675</b>

(Unit: ¥ million)

	FY2011 (As of September 30, 2011)	3Q of FY2012 (As of June 30, 2012)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	8,594	9,659
Short-term loans payable	220	220
Foreign exchange dealings deposits from customers	47,896	60,064
Income tax payable	4,353	3,185
Provision for point card certificates	409	53
Asset retirement obligations	6	—
Other	9,206	10,969
Total current liabilities	70,686	84,152
Non-current liabilities		
Bonds payable	300	200
Long-term loans payable	1,515	566
Asset retirement obligations	364	616
Other	139	145
Total non-current liabilities	2,319	1,528
Reserves under the special laws		
Reserve for financial products transaction liabilities	5	4
Total reserves under the special laws	5	4
Total liabilities	73,011	85,685
<b>Net assets</b>		
Shareholders' equity		
Capital stock	7,177	7,203
Capital surplus	5,512	5,400
Retained earnings	24,268	28,769
Treasury stock	—	(1,388)
Total shareholders' equity	36,958	39,985
Other Comprehensive Income		
Valuation difference on available-for-sale securities	76	303
Foreign currency translation adjustment	(183)	(130)
Total other comprehensive income	(107)	172
Subscription rights to shares	64	101
Minority interests	1,761	1,729
Total net assets	38,677	41,989
Total liabilities and net assets	111,689	127,675



(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income  
 Consolidated Quarterly Statements of Income  
 (3Q consolidated cumulative accounting period)

(Unit: ¥ million)

	3Q of FY2011 (Oct. 1, 2010 to Jun. 30, 2011)	3Q of FY2012 (Oct. 1, 2011 to Jun. 30, 2012)
Net sales	88,620	101,902
Cost of sales	55,471	59,447
Gross profit	33,149	42,455
Selling, general and administrative expenses	22,310	27,897
Operating income	10,838	14,557
Non-operating income		
Interest income	18	27
Other	57	66
Total non-operating income	76	94
Non-operating expenses		
Interest expenses	34	23
Equity in losses of affiliates	98	73
Consumption tax adjustments	82	93
Other	78	53
Total non-operating expenses	294	243
Ordinary income	10,620	14,407
Extraordinary income		
Gain on sales of subsidiaries and affiliates' stocks	547	1,077
Other	283	41
Total extraordinary gain	831	1,119
Extraordinary loss		
Impairment loss	598	850
Other	591	327
Total extraordinary loss	1,189	1,177
Income before income taxes and minority interests	10,262	14,348
Income taxes-current	4,126	6,356
Income taxes-deferred	388	867
Total income tax	4,514	7,224
Income before minority interests	5,747	7,124
Minority interests in net income	173	211
Net income	5,574	6,912

Consolidated Quarterly Statements of Comprehensive Income  
(3Q consolidated cumulative accounting period)

(Unit: ¥ million)

	3Q of FY2011 (Oct. 1, 2010 to Jun. 30, 2011)	3Q of FY2012 (Oct. 1, 2011 to Jun. 30, 2012)
Income before minority interests	5,747	7,124
Other comprehensive income		
Valuation difference on available-for-sale securities	221	220
Foreign currency translation adjustment	(19)	34
Share of other comprehensive income of associates accounted for using equity method	(7)	18
Total other comprehensive income	194	274
Comprehensive income	5,942	7,398
(Comprehensive income attributable to)		
Owners of the parent	5,697	7,193
Minority interests	244	205

## (3) Quarterly Consolidated Statements of Cash Flows

(Unit: ¥ million)

	3Q of FY2011 (Oct. 1, 2010 to Jun. 30, 2011)	3Q of FY2012 (Oct. 1, 2011 to Jun. 30, 2012)
<b>Cash flow from operating activities</b>		
Income before income taxes and minority interests	10,262	14,348
Depreciation	1,665	2,257
Amortization of goodwill	232	275
Impairment loss	598	850
Increase (decrease) in allowance for doubtful accounts	(9)	(8)
Equity in (earnings) losses of affiliates	98	73
Loss (gain) on sales of stocks of subsidiaries and affiliates	(539)	(1,077)
Decrease (increase) in notes and accounts receivable-trade	(559)	(3,500)
Decrease (increase) in investment securities for sale	(676)	(304)
Decrease (increase) in margin requirement for foreign exchange transactions	(1,650)	1,699
Net decrease (increase) in outstanding amount of foreign exchange transactions	(436)	(1,429)
Increase (decrease) in notes and accounts payable-trade	387	1,390
Increase (decrease) in accounts payable-other	527	1,468
Increase (decrease) in accrued consumption taxes	91	(209)
Other, net	153	1,181
Sub-total	10,145	17,016
Interest and dividends income received	22	24
Interest expenses paid	(33)	(21)
Income taxes paid	(4,949)	(7,454)
Net cash provided by (used in) operating activities	5,184	9,566
<b>Cash flow from investing activities</b>		
Payments into time deposits	(1,755)	(810)
Proceeds from withdrawal of time deposits	850	405
Purchase of property, plant and equipment	(1,001)	(2,102)
Purchase of intangible assets	(2,089)	(5,067)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	542	595
Payments for lease and guarantee deposits	(211)	(698)
Proceeds from collection of lease and guarantee deposits	120	84
Purchase of treasury stock of subsidiaries in consolidation	(2,199)	—
Other, net	(11)	(397)
Net cash provided by (used in) operating activities	(5,755)	(7,990)

(Unit: ¥ million)

	3Q of FY2011 (Oct. 1, 2010 to Jun. 30, 2011)	3Q of FY2012 (Oct. 1, 2011 to Jun. 30, 2012)
Cash flow from financing activities		
Proceeds from long-term loans payable	3,300	—
Repayment of long-term loans payable	(822)	(970)
Redemption of bonds	(100)	(100)
Purchase of treasury stock	—	(1,999)
Proceeds from disposal of treasury stock	—	462
Cash dividends paid	(1,428)	(2,278)
Proceeds from stock issuance to minority shareholders	178	687
Payments made to trust account for purchase of treasury stock	(3,002)	—
Proceeds from trust account for purchase of treasury stock	—	3,002
Other, net	2	13
Net cash provided by (used in) financing activities	(1,870)	(1,183)
Effect of exchange rate change on cash and cash equivalents	(23)	30
Net increase (decrease) in cash and cash equivalents	(2,464)	422
Cash and cash equivalents at beginning of period	20,134	18,108
Cash and cash equivalents at end of period	17,669	18,531

(4) Notes Regarding the Premise of a Going Concern  
No applicable items.

(5) Segment Information

I. Previous 3Q consolidated cumulative accounting period (Oct. 1, 2010 to Jun. 30, 2011)

1. Information Concerning Sales and Income or Loss Amount by Reporting Segment

(Unit: ¥ million)

	Reporting Segment						Adjustment Amount	Consolidated quarterly balance sheet amount
	Ameba business	Media business	Comprehensive Internet business	FX	Investment development business	Subtotal		
Net Sales								
(1) Sales to external customers	8,491	24,644	49,787	5,493	203	88,620	—	88,620
(2) Intersegment internal sales or transferred amount	3,433	1,205	939	—	0	5,578	(5,578)	—
Total	11,924	25,849	50,727	5,493	203	94,199	(5,578)	88,620
Segment income (loss)	3,767	1,888	3,083	2,176	(77)	10,838	—	10,838

2. Information concerning impairment loss for non-current assets, or goodwill, for each reporting segment

(Significant impairment loss for non-current assets)

There are no applicable items.

(Significant changes in amount of goodwill)

There are no applicable items.

(Significant gains on negative goodwill)

There are no applicable items.

II. Current 3Q consolidated cumulative accounting period (Oct. 1, 2011 to Jun. 30, 2012)

1. Information Concerning Sales and Income or Loss Amount by Reporting Segment

(Unit: ¥ million)

	Reporting Segment						Adjustment Amount	Consolidated quarterly balance sheet amount
	Ameba business	Media business	Comprehensive Internet business	FX	Investment development business	Subtotal		
Net Sales								
(1) Sales to external customers	14,514	32,172	49,055	5,870	289	101,902	—	101,902
(2) Intersegment internal sales or transferred amount	4,327	789	1,863	—	13	6,994	(6,994)	—
Total	18,841	32,962	50,919	5,870	302	108,896	(6,994)	101,902
Segment income (loss)	4,931	4,356	2,428	2,956	(115)	14,557	—	14,557

2. Information regarding the change of business segments, etc.

In the current business year, we changed our organizational structure and revised the distribution of managerial resources for creating new businesses, including the development of services for mainly smartphones, with the purpose of reforming the “Internet advertising agency business” into a more profitable one.

Through this reform, the “Internet advertising agency business” has been renamed the “comprehensive Internet business.” In addition, we revised business segmentation according to business situations, and some of the Ameba and media businesses were included in the comprehensive Internet business.

The operating income and profit for each business segment for the previous consolidated third quarter based on new business segmentation are written in “I. Previous 3Q consolidated cumulative accounting period (from Oct. 1, 2010 to Jun. 30, 2011).”

3. Information concerning impairment loss for non-current assets, or goodwill, for each reporting segment

(Significant impairment loss for non-current assets)

There are no applicable items.

(Significant changes in amount of goodwill)

There are no applicable items.

(Significant gains on negative goodwill)

There are no applicable items.

(6) Notes Regarding the Premise of a Notes for Cases in Which There Has Been Significant Fluctuation of Shareholders' Equity

There are no applicable items.

(7) Important Subsequent Events

There are no applicable items.