



May 15, 2025

CyberAgent, Inc.

Susumu Fujita

Representative Director, CEO, and President

TSE Prime: 4751

(Corrections / Corrections of Numerical Data) Partial Correction to FY2020 Consolidated Financial Results [Japanese GAAP]

CyberAgent, Inc. today announced a correction to part of the "FY2020 Consolidated Financial Results [Japanese GAAP]," which was disclosed on October 28, 2020. The details of the correction are as follows.

Additionally, the corrected numerical data provided reflects the corrections made to certain numerical values.

1. Reason for corrections

The details of the correction and the reasons for it have been disclosed separately in the "Notice on Submission of Correction Reports of Past Annual Securities Reports and Amendments of Financial Statements for Past Fiscal Years" dated today, May 15, 2025, for further information.

2. Details of corrections

The corrections are underlined. Since there are numerous corrections, only the revised full text is provided.

English Translation

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(Revised)

FY2020 Consolidated Financial Results [Japanese GAAP]

October 28, 2020

Listed company name: CyberAgent, Inc.

Listed stock exchange: TSE 1st section

Code No.: 4751

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

Representative: President

Susumu Fujita

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Scheduled date of the Annual General Meeting of Shareholders: December 11, 2020

Scheduled date of dividend payment start: December 14, 2020

Scheduled filing date of the Annual Securities Report: December 16, 2020

Preparation of supplementary references regarding financial results: Yes

Holding the briefing of financial results: Yes (live stream only)

(Amounts less than ¥1 million rounded down)

1. Consolidated Financial Results for the Year Ended September 30, 2020 (October 1, 2019 - September 30, 2020)

(1) Consolidated Results of Operations

	Net sales		Operating income		Ordinary income		Profit attributable to shareholders of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2020	<u>478,526</u>	5.5	<u>33,839</u>	<u>9.8</u>	<u>33,822</u>	<u>10.9</u>	<u>6,567</u>	<u>287.5</u>
FY2019	453,611	8.1	30,825	2.2	30,493	6.8	1,694	(65.1)

(Note) Comprehensive income FY2020: ¥20,126 million (+255.0%) FY2019: ¥5,670 million (-50.3%)

	Basic earnings per share	Diluted earnings per share	Return on shareholders' equity	Return on assets	Operating income margin
	¥	¥	%	%	%
FY2020	<u>52.09</u>	<u>48.82</u>	7.8	13.9	7.1
FY2019	13.45	12.21	2.1	13.5	6.8

(Reference) Equity in earnings of affiliates FY2020: ¥-367 million

FY 2019: ¥-605 million

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	¥ million	¥ million	%	¥
FY2020	<u>260,725</u>	<u>127,637</u>	34.3	<u>709.49</u>
FY2019	224,876	110,352	35.2	628.36

(Reference) Equity capital: As of September 30, 2020 ¥89,488 million, as of September 30, 2019: ¥79,169 million

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at the end of the period
	¥ million	¥million	¥ million	¥ million
FY2020	37,028	(16,621)	(2,590)	102,368
FY2019	14,917	(18,000)	(4,662)	84,563

2. Dividends

	Dividends per share					Amount of dividends (Total)	Dividend ratio (Consolidated)	Dividend on equity (Consolidated)
	1Q	2Q	3Q	Year-End	Annual			
	¥	¥	¥	¥	¥	¥ million	%	%
FY 2019	—	0.00	—	33.00	33.00	4,157	245.2	5.2
FY 2020	—	0.00	—	34.00	34.00	4,288	<u>65.3</u>	5.1
FY 2021 (forecast)	—	0.00	—	37.00	37.00		—	

English Translation

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3. Forecast of the Consolidated Results for the Fiscal Year Ending September 30, 2021 (October 1, 2020 - September 30, 2021)

(% = Year-on-Year Change)

	Net sales		Operating income		Ordinary income		Profit attributable to shareholders of parent		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full year	500,000	4.5	30,000 ~35,000	(11.3) ~3.4	30,000 ~35,000	(11.3) ~3.5	8,000 ~10,000	21.8 ~52.3	63.42 ~79.28

(Note) Consolidated earnings forecasts for the fiscal year ending September 30, 2021 is disclosed as a range of estimates. For details, please see "(4) Forecast" under "1. Results of Operations" on page 3.

* Notes

(1) Changes in Significant Subsidiaries during the Period: None

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

New : — (Company name: —)

Excluded : — (Company name: —)

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

i) Changes associated with revisions of accounting standards: None

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

iii) Changes in accounting estimates: None

iv) Restatements: None

(3) Number of shares issued (common stock)

(1) Number of shares issued and outstanding at end of period (including treasury stock)	
FY2020: 126,426,600	FY2019: 126,426,600
(2) Number of shares of treasury stock issued and outstanding at end of period	
FY2020: 297,742	FY2019: 434,142
(3) Average number of shares during the period (cumulative period)	
FY2020: 126,068,485	FY2019: 125,938,289

(Reference)

Non-consolidated Results for the Fiscal Year Ended September 30, 2020

(October 1, 2019 - September 30, 2020)

(1) Non-consolidated Results of Operations

(% = Year-on-Year Change)

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2020	260,611	6.0	14,122	(3.9)	22,554	(5.1)	17,723	9.9
FY2019	245,910	7.7	14,698	1.9	23,765	(6.3)	16,131	4.0

	Basic earnings per share	Diluted earnings per share
	¥	¥
FY2020	140.59	132.79
FY2019	128.08	120.88

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	¥ million	¥ million	%	¥
FY2020	189,322	108,741	56.9	854.50
FY2019	164,337	89,029	53.6	699.30

(Reference) Equity capital: As of September 30, 2020: ¥107,777 million, as of September 30, 2019: ¥88,107 million

* The Consolidated Financial Results is not subject to audit by independent auditors.

* Appropriate Use of Earnings Forecast and Other Matters

This 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 (4) Forecast" on page

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1. Results of Operations

(1) Overview of Results of Operations

The scale of the Internet advertising market in 2020 is estimated to increase by 0.5% (Note) year-on-year due to the spread of COVID-19.

Under the circumstances, the CyberAgent Group has taken advantage of the growth of the smartphone market. At the same time, the group has been investing in "ABEMA", to grow it in the medium to long-term mainstay.

As a result, during this consolidated fiscal year, net sales grew 5.5% year on year to ¥478,526 million, and operating income amounted to ¥33,839 million (9.8% increase). Ordinary income amounted to ¥33,822 million (10.9% increase), and profit attributable to shareholders of parent increased 287.5% to ¥6,567 million.

(Note) Source: NIKKEI Advertising Research Institute / Forecast for Advertising Expenditure in FY2020

(Revised in July 2020)

Earnings by business segments are discussed below.

As of this consolidated accounting period, the division of the reporting segments has been changed. For comparisons to the same period of the previous year, the previous year's values have been changed to follow the new segment divisions.

(a) Media Business

The Media Business includes "ABEMA", "Ameba" and "Tapple", etc.

While investing in "ABEMA", net sales grew and amounted to ¥57,098 million for the period, a 22.6% year-on-year increase. Operating loss amounted to ¥18,267 million, compared to operating loss of ¥16,862 million for the same period in the prior fiscal year.

(b) Game Business

The Game Business includes Cygames, Inc., Craft Egg, Inc., Sumzap, Inc., etc.

Major existing titles remain strong, and new hit titles came out. Net sales amounting to ¥155,861 million, a 2.4% year-on-year increase. Operating income was posted ¥30,337 million, a 16.5% year-on-year increase.

(c) Internet Advertisement Business

The Group's Internet Advertisement Business includes Internet Advertising Division, and CyberZ, Inc., etc.

Demand for advertising declined due to the spread of COVID-19, however, this segment recorded ¥269,355 million in net sales, up 5.0% year on year. Operating income gained 7.1%, reaching ¥21,030 million.

(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 ¥4,092 million (36.3% year-on-year decrease) and operating income of ¥3,068 million (a year-on-year decrease of 33.2%).

(e) Other Businesses

The Other Businesses segment includes CAM, Inc., Makuake, Inc., Zelvica Co., Ltd. and others.

This segment reported net sales of ¥19,599 million, a 3.4% year-on-year increase. Operating income amounted to ¥1,300 million (year-on-year increase of 43.3%).

(2) Overview of Financial Position

Total assets at the end of this fiscal year have increased by ¥ 260,725 million compared to the end of the previous fiscal year and amounted to ¥35,848 million. It is mainly due to an increase in Current assets with business expansion.

Total liabilities have increased by ¥133,088 million compared to the end of the previous fiscal year and amounted to ¥18,564 million. This increase is mainly due to an increase in Accounts payable-trade to sales and Income tax payable.

Total net assets have increased by ¥127,637 million compared to the end of the previous fiscal year and amounted to ¥17,284 million. It is mainly due to increase in valuation difference on available-for-sale securities and non-controlling interests.

(3) Overview of Cash Flow

As of the end of this fiscal year, cash and cash equivalents increased by ¥17,804 million from the end of the previous fiscal year to ¥102,368 million.

The following is a summary of the major factor affecting the cash flow in this fiscal year.

(1) Cash flow from operating activities

Net cash provided by operating activities was ¥37,028 million of inflow (¥14,917 million of inflow in the previous fiscal year). The major inflow included net income gains, and the major outflow included income tax payments.

(2) Cash flow from investing activities

Net cash used in investing activities was ¥16,621 million of outflow (¥18,000 million of outflow in the previous fiscal year). Major outflow included acquisition of fixed assets.

(3) Cash flow from financing activities

Net cash provided by financing activities was ¥2,590 million of outflow (¥4,662 million of outflow in the previous fiscal year). Major outflow included dividend payment.

(4) Forecast

With respect to earnings forecasts for the next fiscal year (ending September 2021), we will continue to take part in the growth market of smartphone, and consolidated sales is expected to be ¥500 billion (up 4.5% from the previous fiscal year).

On Consolidated operating income, the Internet Ad Business and Game Business etc., are expected to contribute the profit, as we strengthen monetization, and continue to invest in "ABEMA" to make it a pillar of medium to long-term. Considering the volatility of Game Business, Consolidated operating income is anticipated to range from ¥30 billion to ¥35 billion. Consolidated ordinary income is estimated at ¥30 billion to ¥35 billion and profit attribute to shareholders of parent is expected to be ¥8 billion to ¥10 billion.

We do not disclose the mid-term earnings forecast because the environment surrounding the Internet changes drastically and the Group's operating results may fluctuate greatly in a short period of time. The above forecast is based on the information that is available at this moment.

The forecast results are based on current situation and may be different due to various uncertain elements.

2. Basic Policy for the Selection of Accounting Standards

The Group has adopted the generally accepted accounting standards in Japan, by considering the comparability of periods and firms in consolidated financial statements.

English Translation

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3. Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheets

(Unit: ¥ million)

	FY2019 (As of September 30, 2019)	FY2020 (As of September 30, 2020)
Assets		
Current assets		
Cash and deposits	84,565	102,368
Accounts and notes receivable-trade	54,917	58,501
Inventories	924	2,078
Sales investment securities	14,239	24,096
Other	14,093	16,682
Allowance for doubtful accounts	(77)	(93)
Total current assets	168,662	203,633
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,073	9,893
Accumulated depreciation	(1,680)	(1,867)
Buildings and structures, net	6,392	8,025
Tools, furniture and fixtures	13,378	12,123
Accumulated depreciation	(8,453)	(7,467)
Tools, furniture and fixtures, net	4,925	4,655
Other	1,679	560
Total property, plant and equipment	12,998	13,241
Intangible assets		
Goodwill	1,196	1,192
Software	7,006	8,710
Software in progress	15,711	14,004
Other	474	601
Total intangible assets	24,388	24,509
Investments and other assets		
Investment securities	8,210	8,186
Long-term loans receivable	243	356
Deferred tax assets	5,640	5,875
Other	4,711	4,893
Allowance for doubtful accounts	(20)	(14)
Total investments and other assets	18,785	19,296
Total non-current assets	56,172	57,047
Deferred assets	41	44
Total assets	224,876	260,725

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(Unit: ¥ million)

	FY2019 (As of September 30, 2019)	FY2020 (As of September 30, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	38,151	42,966
Accounts payable-other	11,563	13,519
Short-term loans payable	940	1,080
Income tax payable	7,014	9,458
Other	13,080	20,844
Total current liabilities	70,749	87,867
Non-current liabilities		
Convertible bonds	40,434	40,331
Long-term loans payable	83	22
Accrued long service rewards for employees	1,409	1,586
Asset retirement obligation	1,795	1,851
Deferred tax liabilities	40	1,414
Other	10	13
Total non-current liabilities	43,774	45,220
Total liabilities	114,523	133,088
Net assets		
Shareholders' equity		
Capital stock	7,203	7,203
Capital surplus	6,181	8,048
Retained earnings	61,090	63,489
Treasury stock	(459)	(315)
Total shareholders' equity	74,015	78,425
Other comprehensive income		
Valuation difference on available-for-sale securities	5,000	10,952
Foreign currency translation adjustments	152	109
Total other comprehensive income	5,153	11,062
Subscription rights to shares	925	977
Non-controlling interests	30,258	37,171
Total net assets	110,352	127,637
Total liabilities and net assets	224,876	260,725

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

(Unit: ¥ million)

	FY2019 (Oct.1, 2018 to Sep.30, 2019)	FY2020 (Oct.1, 2019 to Sep.30, 2020)
Net sales	453,611	<u>478,526</u>
Cost of sales	320,311	337,918
Gross profit	133,300	<u>140,608</u>
Selling, general and administrative expenses	102,474	106,768
Operating income	30,825	<u>33,839</u>
Non-operating income		
Interest income	140	135
Dividends income	110	118
Gain on valuation of investment securities	92	132
Subsidy income	71	63
Other	120	69
Total non-operating income	535	519
Non-operating expenses		
Interest expenses	11	14
Equity in losses of affiliates	605	367
Foreign exchange losses	37	71
Other	213	83
Total non-operating expenses	867	536
Ordinary income	30,493	<u>33,822</u>
Extraordinary income		
Gain on sales of subsidiaries and affiliates' stocks	749	79
Gain on sales of property	147	9
Other	1,015	0
Total extraordinary gain	1,912	88
Extraordinary loss		
Impairment loss	9,502	4,589
Other	3,482	1,159
Total extraordinary loss	12,985	5,749
Income before income taxes and not-controlling interests	19,420	<u>28,162</u>
Income taxes-current	14,896	15,218
Income taxes-deferred	(1,538)	(1,272)
Total income tax	13,357	13,945
Net income	6,062	<u>14,216</u>
Profit attributable to non-controlling interests	4,368	7,648
Profit attributable to shareholders of parent	1,694	<u>6,567</u>

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Consolidated Statements of Comprehensive Income

(Unit: ¥ million)

	FY2019 (Oct. 1, 2018 to Sep. 30, 2019)	FY2020 (Oct. 1, 2019 to Sep. 30, 2020)
Net income	6,062	<u>14,216</u>
Other comprehensive income		
Valuation difference on available-for-sale securities	(251)	5,865
Foreign currency translation adjustment	(132)	(58)
Share of other comprehensive income of associates accounted for using equity method	(8)	102
Total other comprehensive income	(392)	5,909
Comprehensive Income	<u>5,670</u>	<u>20,126</u>
(Comprehensive Income Attributable to)		
Shareholders of parent	1,420	<u>12,476</u>
Non-controlling interests	4,249	7,649

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(3) Consolidated Statements of Changes in Shareholders' Equity

FY2019 (Oct. 1, 2018 to Sep. 30, 2019)

(Unit: ¥ million)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	7,203	5,758	63,789	(622)	76,129
Changes of items during the period					
Dividends from surplus			(4,026)		(4,026)
Disposal of treasury stock		158		162	320
Change in treasury shares of parent arising from transactions with non-controlling shareholders		264			264
Change of scope of consolidation			(366)		(366)
Profit attributable to shareholders of parent			1,694		1,694
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	422	(2,698)	162	(2,113)
Balance at the end of current period	7,203	6,181	61,090	(459)	74,015

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized gain on securities	Foreign currency translation adjustments	Total other comprehensive income			
Balance at the beginning of current period	5,191	235	5,427	988	26,705	109,250
Changes of items during the period						
Dividends from surplus						(4,026)
Disposal of treasury stock						320
Change in treasury shares of parent arising from transactions with non-controlling shareholders						264
Change of scope of consolidation						(366)
Profit attributable to shareholders of parent						1,694
Net changes of items other than shareholders' equity	(191)	(82)	(273)	(62)	3,552	3,216
Total changes of items during the period	(191)	(82)	(273)	(62)	3,552	1,102
Balance at the end of current period	5,000	152	5,153	925	30,258	110,352

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FY2020 (Oct. 1, 2019 to Sep. 30, 2020)

(Unit: ¥ million)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	7,203	6,181	61,090	(459)	74,015
Changes of items during the period					
Dividends from surplus			(4,157)		(4,157)
Disposal of treasury stock		130		144	274
Change in treasury shares of parent arising from transactions with non-controlling shareholders		1,736			1,736
Change of scope of consolidation			(11)		(11)
Profit attributable to shareholders of parent			<u>6,567</u>		<u>6,567</u>
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	1,867	<u>2,398</u>	144	<u>4,409</u>
Balance at the end of current period	7,203	8,048	<u>63,489</u>	(315)	<u>78,425</u>

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized gain on securities	Foreign currency translation adjustments	Total other comprehensive income			
Balance at the beginning of current period	5,000	152	5,153	925	30,258	110,352
Changes of items during the period						
Dividends from surplus						(4,157)
Disposal of treasury stock						274
Change in treasury shares of parent arising from transactions with non-controlling shareholders						1,736
Change of scope of consolidation						(11)
Profit attributable to shareholders of parent						<u>6,567</u>
Net changes of items other than shareholders' equity	5,952	(42)	5,909	52	6,913	12,874
Total changes of items during the period	5,952	(42)	5,909	52	6,913	<u>17,284</u>
Balance at the end of current period	10,952	109	11,062	977	37,171	<u>127,637</u>

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(4) Consolidated Statements of Cash Flows

(Unit: ¥ million)

	FY2019 (Oct. 1, 2018 to Sep. 30, 2019)	FY2020 (Oct. 1, 2019 to Sep. 30, 2020)
Cash flow from operating activities		
Income before income taxes and non-controlling interests	19,420	<u>28,162</u>
Depreciation	8,924	8,719
Impairment loss	9,502	4,589
Decrease (increase) in investment securities for sale	(1,655)	(1,246)
Decrease (increase) in notes and accounts receivable-trade	(5,142)	<u>(3,571)</u>
Increase (decrease) in notes and accounts payable-trade	(55)	4,802
Increase (decrease) in advances received	112	3,553
Increase (decrease) in accounts payable-other	(1,562)	3,119
Other, net	47	<u>2,359</u>
Sub-total	29,590	50,487
Interest and dividends income received	147	149
Interest expenses paid	(11)	(14)
Income taxes paid	(14,808)	(13,594)
Net cash provided by (used in) operating activities	14,917	37,028
Cash flow from investing activities		
Purchase of property, plant and equipment	(6,157)	(4,095)
Purchase of intangible assets	(11,096)	(9,939)
Other, net	(746)	(2,586)
Net cash provided by (used in) investing activities	(18,000)	(16,621)
Cash flow from financing activities		
Proceeds from share issuance to non-controlling shareholders	308	2,001
Cash dividends paid	(4,026)	(4,157)
Purchase of treasury shares of subsidiaries	—	(1,696)
Proceeds from the sales of subsidiaries' shares without a change in the scope of consolidation	180	1,875
Other, net	(1,125)	(613)
Net cash provided by (used in) financing activities	(4,662)	(2,590)
Effect of exchange rate change on cash and cash equivalents	(113)	(39)
Net increase (decrease) in cash and cash equivalents	(7,859)	17,777
Cash and cash equivalents at beginning of period	92,379	84,563
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	42	27
Cash and cash equivalents at end of period	84,563	102,368

(5) Notes to Consolidated Financial Statements (Notes Regarding the Going Concern Assumption)

No applicable items.

(Changes in Presentation Method)

(Consolidated Profit and Loss Statement)

Foreign exchange losses included in Other in Non-operating expenses in the previous fiscal year is reported as a separate line item from the current fiscal year as it exceeded 10/100 of total Non-operating expenses. The consolidated financial statements of the previous fiscal year were reclassified to reflect this change in presentation

As a result, ¥251 million reported in Other in Non-operating expenses in the previous fiscal year is reclassified to Foreign exchange losses (¥37 million) and Other (¥213 million).

Gain on transfer of business was reported as separate line items in Extraordinary income in the previous fiscal year is included in Other from the current fiscal year as it is less than 10/100 of total Extraordinary income. The consolidated financial statements of the previous fiscal year were reclassified to reflect this change in presentation.

As a result, ¥737 million reported in Gain on transfer of business in Extraordinary income in the previous fiscal year is reclassified to Other.

Relocation expenses was reported as separate line items in Extraordinary loss in the previous fiscal year is included in Other from the current fiscal year as it is less than 10/100 of total Extraordinary loss. The consolidated financial statements of the previous fiscal year were reclassified to reflect this change in presentation.

As a result, ¥2,769 million reported in Relocation expenses in Extraordinary loss in the previous fiscal year is reclassified to Other.

(Consolidated Statement of Cash Flows)

Increase (decrease) in advances received included in Other in Cash Flow from operating activities in the previous fiscal year are reported as a separate line item from the current fiscal year as the importance has increased.

Also, Relocation expenses and Equity in losses (earnings) of affiliates and Increase (decrease) in accrued consumption taxes were reported as separate line items in Cash flow from operating activities in the previous fiscal year are included in Other from the current fiscal year as it has little significance. The consolidated financial statements of the previous fiscal year were reclassified to reflect this change in presentation.

As a result, (¥170) million reported in Other in Cash Flow from operating activities in the previous fiscal year is reclassified to Increase (decrease) in advances received ¥112 million and Other (¥282) million.

Furthermore, ¥2,769 million reported in Relocation expenses and ¥605 million reported in Equity in losses (earnings) of affiliates and (¥3,044) million reported in Increase (decrease) in accrued consumption taxes in the previous fiscal year are reclassified to Other.

Proceeds from sales of stocks of subsidiaries and affiliates and Payments for loans were reported as separate line items in Cash flow from investing activities in the previous fiscal year are included in Other from the current fiscal year as it has little significance. The consolidated financial statements of the previous fiscal year were reclassified to reflect this change in presentation.

As a result, ¥1,035 million reported in Proceeds from sales of stocks of subsidiaries and affiliates and (¥1,067) million reported in Payments for loans included in Cash flow from investing activities in the previous fiscal year are reclassified to Other.

Proceeds from stock issuance to non-controlling shareholders and Proceeds from the sales of subsidiaries' shares without a change in the scope of consolidation included in Other in Cash Flow from financing activities in the previous fiscal year are reported as a separate line item from the current fiscal year as the importance has increased.

Also, Payments of dividends to investment partners reported as separate line items in Cash Flow from financing activities in the previous fiscal year is included in Other from the current fiscal year as it has little significance. The consolidated financial statements of the previous fiscal year were reclassified to reflect this change in presentation.

English Translation

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As a result, ¥363 million reported in Other in Cash Flow from financing activities in the previous fiscal year is reclassified to Proceeds from stock issuance to non-controlling shareholders ¥308 million and Proceeds from the sales of subsidiaries' shares without a change in the scope of consolidation ¥180 million and Other (¥125) million. Furthermore, (¥999) million reported in Payments of dividends to investment partners in the previous fiscal year is reclassified to Other.

(Additional Information)

(Adoption of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System)

With respect to items subject to the review of the Non-Consolidated Taxation System conducted to coincide with transition from the Consolidated Taxation System to the Group Tax Sharing System, which was created under the Act on Partial Revision of the Income Tax Act, etc. (Act No. 8 of 2020), the Company and some of its domestic consolidated subsidiaries have not applied the provisions of Paragraph 44 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28 issued February 16, 2018) in accordance with the treatment set out in Paragraph 3 of Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System (PITF No.39 issued March 31, 2020) and the amounts of deferred tax liabilities and deferred tax assets are based on the provisions of tax laws before the revision.

(Segment Information)

a. Segment Information

1. Overview of Reportable Segments

The Company's reportable segments are possible to separately acquire financial information among the Company's structural units, and are subject to reviews that are carried out periodically to make a decision on allocations of management resources and to evaluate performance by the board of directors.

The Company has business headquarters and subsidiaries for each product and service, and each business headquarters and subsidiaries develop business activities both within Japan and overseas, with the aim of improving services and increasing sales and profit. Therefore, the Company is comprised of service-specific segments that are based on business headquarters and subsidiaries. We have five reportable segments: Media Business, Game Business, Internet Advertisement Business, Investment Development Business and Other Businesses.

Also, From this consolidated fiscal year, we transferred a part of the businesses from "Internet Advertisement business" to "Media business" to describe the actual management approach and business conditions of the Group.

As for the segment information for the previous consolidated fiscal year, the figures are calculated based on the new segment category.

Services provided by each segment are summarized below:

Reportable Segment	Details of Services Belonging to the Segment
Media Business	ABEMA, Ameba, Tapple, etc.
Game Business	Smartphone game business, etc.
Internet Advertisement Business	Advertising business, Video ad business, AI business, etc.
Investment Development Business	Corporate venture capital business, Fund operation, etc.
Other Businesses	Smartphone business, Operation of sports business, etc.

2. Method for calculating monetary amounts for net sales and profit/loss for each segment

The profit for each segment is based on operating income. Internal rate of return and transfer to other accounts among segments are based on prevailing market rates.

English Translation

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3. Information concerning monetary amounts for net sales and profit/loss for each reportable segment

FY2019 (Oct. 1, 2018 to Sep. 30, 2019)

(Unit: ¥ million)

	Reportable Segment						Adjustment *	Consolidated statement of Income
	Media Business	Game Business	Internet Advertisement Business	Investment Development Business	Other Businesses	Total		
Net Sales								
Sales to external customers	36,791	151,806	241,137	6,428	17,446	453,611	—	453,611
Inter-segment sales or transfers	9,784	418	15,506	—	1,501	27,210	(27,210)	—
Total	46,575	152,224	256,644	6,428	18,947	480,822	(27,210)	453,611
Segment income (loss)	(16,862)	26,040	19,632	4,593	907	34,312	(3,486)	30,825

(Note) Adjustment of -¥3,486 million represents corporate general and administrative expenses are not allocable to a reportable segment.

FY2020 (Oct. 1, 2019 to Sep. 30, 2020)

(Unit: ¥ million)

	Reportable Segment						Adjustment*	Consolidated statement of Income
	Media Business	Game Business	Internet Advertisement Business	Investment Development Business	Other Businesses	Total		
Net Sales								
Sales to external customers	49,625	155,517	<u>251,405</u>	4,092	17,885	<u>478,526</u>	—	<u>478,526</u>
Inter-segment sales or transfers	7,473	344	17,949	—	1,713	27,481	(27,481)	—
Total	57,098	155,861	<u>269,355</u>	4,092	19,599	<u>506,007</u>	(27,481)	<u>478,526</u>
Segment income (loss)	(18,267)	30,337	<u>21,030</u>	3,068	1,300	<u>37,470</u>	(3,630)	<u>33,839</u>

(Note) The adjustment of -¥3,630 million represents corporate general and administrative expenses are not allocable to a reportable segment.

b. Related information

FY2019 (Oct. 1, 2018 to Sep. 30, 2019)

1. Information on each product and each service

The description is omitted, because the same information is included in the segment information.

2. Information on each region

(1) Sales

The description is omitted, because the sales toward the external customers inside Japan exceeded 90% of the sales in the consolidated profit-and-loss statement.

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(2) Property, plant and equipment

The description is omitted, because the amount of property, plant, and equipment located inside Japan exceeded 90% of the amount of property, plant, and equipment in the consolidated balance sheet.

3. Information on each major client

The description is omitted, because there are no clients that account for over 10% of sales in the consolidated profit-and-loss statement for the sales toward foreign customers.

FY2020 (Oct. 1, 2019 to Sep. 30, 2020)

1. Information on each product and each service

The description is omitted, because the same information is included in the segment information.

2. Information on each region

(1) Sales

The description is omitted, because the sales toward the external customers inside Japan exceeded 90% of the sales in the consolidated profit-and-loss statement.

(2) Property, plant and equipment

The description is omitted, because the amount of property, plant, and equipment located inside Japan exceeded 90% of the amount of property, plant, and equipment in the consolidated balance sheet.

3. Information on each major client

The description is omitted, because there are no clients that account for over 10% of sales in the consolidated profit-and-loss statement for the sales toward foreign customers.

c. Significant impairment loss for non-current assets

FY2019 (Oct. 1, 2018 to Sep. 30, 2019)

(Unit: ¥ million)

	Reportable Segment						Company-wide/Deletion	Total
	Media Business	Game Business	Internet Advertisement Business	Investment Development Business	Other Businesses	Subtotal		
Impairment loss	1,653	4,867	2,591	—	360	9,473	28	9,502

FY2020 (Oct. 1, 2019 to Sep. 30, 2020)

(Unit: ¥ million)

	Reportable Segment						Company-wide/Deletion	Total
	Media Business	Game Business	Internet Advertisement Business	Investment Development Business	Other Businesses	Subtotal		
Impairment loss	85	3,942	299	—	192	4,519	69	4,589

English Translation

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d. Significant changes in amount of goodwill and the information on unamortized balance

FY2019 (Oct. 1, 2018 to Sep. 30, 2019)

(Unit: ¥ million)

	Reportable Segment						Company-wide/Deletion	Total
	Media Business	Game Business	Internet Advertisement Business	Investment Development Business	Other Businesses	Subtotal		
Amortization amount for the current term	—	55	19	—	129	205	—	205
Balance at the end of the current term	—	449	0	—	746	1,196	—	1,196

FY2020 (Oct. 1, 2019 to Sep. 30, 2020)

(Unit: ¥ million)

	Reportable Segment						Company-wide/Deletion	Total
	Media Business	Game Business	Internet Advertisement Business	Investment Development Business	Other Businesses	Subtotal		
Amortization amount for the current term	—	59	—	—	122	182	—	182
Balance at the end of the current term	—	389	0	—	803	1,192	—	1,192

e. Significant gains on negative goodwill

FY2019 (Oct. 1, 2018 to Sep. 30, 2019)

No applicable items.

FY2020 (Oct. 1, 2019 to Sep. 30, 2020)

No applicable items.

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(Information on Value per Share)

	FY2019 (Oct. 1, 2018 to Sep. 30, 2019)	FY2020 (Oct. 1, 2019 to Sep. 30, 2020)
Net assets per share	¥628.36	¥709.49
Basic earnings per share	¥13.45	¥52.09
Diluted earnings per share	¥12.21	¥48.82

(Note)

1. The base for calculating "Basic earnings per share" and "Diluted earnings per share" is as follows.

	FY2019 (Oct. 1, 2018 to Sep. 30, 2019)	FY2020 (Oct. 1, 2019 to Sep. 30, 2020)
Basic earnings per share		
Profit attributable to shareholders of parent (¥ million)	1,694	<u>6,567</u>
Amount not attributable to common shareholders (¥ million)	—	—
Profit attributable to shareholders of parent on common shares (¥ million)	1,694	<u>6,567</u>
Average number of common shares during period (shares)	125,938,289	126,068,485
Diluted earnings per share		
Adjustment of profit attributable to shareholders of parent (¥ million)	-71	-76
(Interest income after tax credit) (¥ million)	(-71)	(-71)
(Adjustment of dilutive shares issued by subsidiaries) (¥ million)	(—)	(-5)
Increase in common shares (shares)	6,911,789	6,865,823
(Convertible Bond) (shares)	(6,285,767)	(6,285,767)
(Subscription rights to shares) (shares)	(626,022)	(580,056)
Brief description of dilutive shares excluded from diluted earnings per share, because it does not have the dilutive effect.	—	—

(Significant Subsequent Events)

No applicable items.

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4. Other

Changes to the Board of Directors

(1) Change to President

No applicable items.

(2) Changes to Directors

New Candidate of the Board of Directors

Outside Director Kozo Takaoka

(3) Appointment date of New Directors (Planned)

December 11, 2020