

The state of corporate governance in CyberAgent and its Group is as follows.

## I Basic Approach to Corporate Governance, Capital Structure, Company Attributes and Other Basic Information

### 1. Basic Approach

The vision of the CyberAgent Group (the "Group") is to undertake business focused around the Internet, and through this young industry, become a hallmark company of the 21st century that has a large impact on society and consumers. So as to respect the position of the Group's stakeholders and fulfill its corporate social responsibility, CyberAgent (the "Company") has set down the CyberAgent Mission Statement, the objective of which is to not only ensure compliance with laws and regulations but to also establish corporate ethics and promote integrity. The Company does everything within its means to ensure that its officers and employees observe the stated mission.

The Company's Board of Directors is kept in check through the participation in their meetings of two highly independent Outside Auditors. The Auditors actively express their opinions to ensure that fair decisions are made. The Group also utilizes a Board of Auditors system through which each Auditor audits the legality of the execution of duties by members of the Board of Directors. Furthermore, a Group Meeting attended by heads of the Company's subsidiaries and major businesses is held every month. In addition to providing business updates, the sharing and confirmation of compliance is carried out in a cross-sectoral manner in an effort to reinforce the governance of the Group.

Active and prompt information disclosure is carried out in order to ensure fair and timely provision of information to shareholders and investors and the realization of transparent management.

### 2. Capital Structure

Ratio of shares held by non-Japanese  
shareholders Updated

More than 20% Less than 30%

#### [Principal Shareholders] Updated

Name	No. of Shares (shares)	Ratio (%)
Susumu Fujita	150,972	23.14%
The Master Trust Bank of Japan, Ltd.	43,413	6.65%
Japan Trustees Services Bank, Ltd. (Trust Account)	35,554	5.45%
Japan Trustees Services Bank, Ltd. (Trust Account9)	19,518	2.99%
GOLDMAN, SACHS & CO. REG	13,930	2.13%
STATE STREET BANK AND TRUST COMPANY	13,165	2.02%
NORTHERN TRUST CO. AVFC RE FIDELITY FUNDS	9,553	1.46%
Trust & Custody Services Bank, Ltd. (Securities Investment Account)	6,968	1.07%
Japan Securities Finance Co., Ltd.	6,940	1.06%
STATE STREET BANK CLIENT OMNIBUS OM04	6,495	1.00%

Existence of a controlling shareholder  
(excluding a parent company)

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Existence of a parent company

None

#### Supplementary explanation

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### 3. Corporate Attributes

Listed market and section	Tokyo Stock Exchange Mothers
Settlement period	September
Type of business	Services business
No. of employees (consolidated) as of the end of the previous fiscal year	More than 1,000
Net sales (consolidated) as of the end of the previous fiscal year	More than 100 billion yen and less than 1 trillion yen
No. of consolidated subsidiaries as of the end of the previous fiscal year	More than 50 and less than 100

**4. Guideline regarding the measures for protecting minority shareholders in transactions, etc. with a controlling shareholder**

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**5. Other Circumstances that May Have a Significant Impact on Corporate Governance**

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Masao Horiuchi	From another company					Yes			Yes	
Isao Numata	From another company					Yes			Yes	

Note1: Choices regarding relationship with the Company

- a Is from the parent company
- b Is from other affiliated company
- c Is a major shareholder of the Company
- d Serves concurrently as an Outside Director or Outside Auditor of another company
- e Is an executive Director, Executive Officer, etc. of another company
- f Is a spouse, a relation within a third degree of kinship or has other similar relationship with an Executive Director, Executive Officer, etc. of the Company or a business with a specific relationship with the Company
- g Receives compensation or other asset-related advantages from a parent company of this Company or a subsidiary of the parent company as a board member.
- h A limitation of liability agreement has been concluded between the individual and the Company.
- i Other

## Relationship of Outside Auditors with the Company (2)

Name	Independent Directors	Supplementary Information related to Applicable Relationship	Reason for Appointing the Outside Auditor (including the reason for appointing an independent director, If the outside auditor is also an independent director)
Masao Horiuchi		Masao Horiuchi is the Director and Management Chief of U-NEXT. There are some ads sales deals with the Company.	Masao Horiuchi provides advice and proposals based on his abundant experience in and knowledge of finance, accounting, taxes and internal control. He is not from a major shareholding company or a major business partner, etc., and the Company believes that his role and function of auditing from an independent position is sufficiently secured.
Isao Numata	Yes	Isao Numata is the President of Five Eyes Network, Inc. and Security Business Laboratory Co., Ltd. And he is also an auditor of IMAGEEPOCH INC. There is no noteworthy interest with the Company. He is an independent officer of the Company based on the policy of Tokyo Stock Exchange.	Isao Numata is an Outside Auditor for whom there is no possibility of a conflict of interest arising with general shareholders. The Company believes that he is appropriate as an independent officer of the Company.

### [Independent Director-related]

No. of Independent Directors	1
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### Other items regarding Independent Directors

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### [Incentive Programs]

State of granting incentives to Directors	A stock option system has been adopted
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### Supplementary Information related to this Item

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.

Those object to the granting of stock options	Internal Directors, employees, directors and employees of subsidiaries
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### Supplementary Information related to this Item 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 March 31, 2012 was a balance of 9,233 issued shares and an assumed total paid-up value of 2,314,165,000 yen.

(1) Date of resolution of issuance: December 18, 2005

Those object to the allocation of stock options (stock acquisition rights): Directors and employees of the Company and its subsidiary companies

Number of new stock issuance for stock options: 5,545

(2) Date of resolution of issuance: December 18, 2009  
 Those object to the allocation of stock options (stock acquisition rights): 8 Directors of the Company  
 Number of new stock issuance for stock options: 1,168  
 (3) Date of resolution of issuance: October 27, 2011  
 Those object to the allocation of stock options (stock acquisition rights): Employees of the Company  
 Number of new stock issuance for stock options: 384  
 (4) Date of resolution of issuance: December 16, 2011  
 Those object to the allocation of stock options (stock acquisition rights): Directors of the Company  
 Number of new stock issuance for stock options: 2,136

## [Directors' Compensation]

Method for disclosing the remuneration of each Director	The remunerations of individual Directors are not disclosed.
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### Supplementary Information related to this Item

The compensation of the Company's Directors in the year ended September 30, 2011 was as follows.  
 Number of Directors to whom payment was made: 10  
 Value of compensation payment: 273 million yen  
 (The number of directors and value of compensation above included 2 directors resigned as of October 8th, 2010.)

Existence of the policy for determining remunerations or the method for calculating them	None
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### Supplementary Information related to this Item

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## [Support System for Outside Directors (Outside Auditors)]

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 Auditors. The Management Headquarters acts as the contact point for inquiries from Outside Auditors and carries out timely and appropriate information provision towards Outside Auditors.

### 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)

The Group has adopted a Board of Auditors system, and each Auditor audits the legality of the execution of duties by Directors. Two highly independent Outside Auditors attend the meeting of the Board of Directors and actively express their opinions to keep the Board of Directors in check and ensure that fair decisions are made.

Regarding matters related to the execution of duties, careful decision-making is carried out at the meeting of the Board of Directors, which is comprised of eight Directors, with outside officers in attendance on particularly important matters, etc. that are established through law, the Company's Articles of Incorporation and internal regulations as matters to be determined by the Board of Directors. Regularly scheduled meetings of the Board of Directors are held once a month, with extraordinary meetings held as needed. A total of 16 meetings of the Board of Directors were held in FY2011.

Important investments are discussed by the Investment Committee carefully in advance, and the results of the discussion are reported to the Board of Directors and the Board of Full-Time Directors, so as to make more appropriate decisions for investments. Auditors attend the meetings of the Board of Directors and other important meetings, to check the legality of business execution. If necessary, they receive reports and explanations from the executives and employees of the Company, and investigate major subsidiaries and offices, etc. The Board of Auditors holds monthly and extraordinary meetings. In FY2011, a total of 14 meetings were held.

The Internal Audit Office, which is in charge of carrying out the internal audits of the Company's divisions and subsidiaries in cooperation with Auditors, report the results of the audits to the Board of Directors once every quarter.

### 3. Reason why the current corporate governance system has been adopted

In our group, audit is carried out by 2 high independent outside auditors, and so it can be considered that the business administration of our group is well monitored from outside. Accordingly, any external directors have not been appointed. In addition, we have adopted the director replacement system "CA8" that makes up for the lack of the functions of external directors. The upper limit of the number of directors is 8 and 2 directors are replaced with new ones every two years, so that the board of directors functions in a constructive manner. This system was introduced in 2008, with the purposes of deploying directors according to business strategies, fortifying our corporate organization with many executives, and improving our business performance.

### III State of Executing Measures related to Shareholders and Other Stakeholders

#### 1. State of Efforts Made toward the Revitalization of the Annual General Meetings of Shareholders and Facilitation of the Execution of Voting Rights

	Supplementary explanation
Setting of the Annual General Meeting of Shareholders on dates that avoid peak general Shareholder meeting seasons	The 12th Annual General Meeting of Shareholders was held on Friday, December 17, 2010.
Execution of voting rights through electromagnetic methods	Since the 10th Annual General Meeting of Shareholders (held on December 20, 2007), the Company has accepted the execution of voting rights via the Internet from personal computers and mobile phones so that more shareholders can participate the meeting.
Brief notice of convocation in English	The notice of English convocation is published on the corporate website.
Other	The Company takes consideration of convenient access and holds the Annual General Meeting of Shareholders at a venue close to a train station. It also strives for the revitalization of the Annual General Meeting of Shareholders by using video to execute business reports and business briefings.

#### 2. State of IR related Activities

	Supplementary explanation	Explanation provided by the president & CEO
Production and announcement of disclosure policy	Our disclosure policy is written in our homepage.	
Holding of regularly scheduled briefings for individual investors	A seminar for individual investors is held about two times a year or more, with the president & CEO providing an explanation of business performance and corporate strategy. In 2010, the seminar was held on July and December.	Yes
Holding of regularly scheduled briefings for analysts and institutional investors	- A briefing for analysts and institutional investors is held in accordance with the date of the announcement of quarterly financial results, and the president & CEO reports on the details of the financial closing as well as the corporate strategy. - Small meetings attended by the president & CEO, Director and others are held about four times a year.	Yes
Holding of regularly scheduled briefings for overseas investors	On a quarterly basis, we hold telephone or TV conferences with overseas investors. After the release of annual financial statements, managing directors participate in IR Conference in Hong Kong. In addition, the scenes of the briefings for institutional investors in Japan are distributed through our homepage on that day, and the English translations of financial reports, etc. can be browsed from outside Japan.	Yes

Publication of IR materials on the corporate website	Financial results (including the financial report and annual securities report), materials disclosed on a timely basis, financial results presentation materials, video streaming of briefings, etc. are published on the corporate IR websites at <a href="http://www.cyberagent.co.jp/ir/">http://www.cyberagent.co.jp/ir/</a> (Japanese site) and <a href="http://ir.cyberagent.co.jp/ir_e/">http://ir.cyberagent.co.jp/ir_e/</a> (English site).
Establishment of an IR-related division (person in charge)	Division in charge: PR&IR Division Officer in charge: Susumu Fujita, President & CEO Person in charge of information handling: Go Nakayama, Executive Director Person in charge of clerical communication: Sonoko Miyagawa, Sr. Manager, PR&IR Division
Other	Our homepage discloses technical information and contents for individual investors, so as to further enrich qualitative information. In addition, our core business "Ameba Pigg" is introduced with a movie, and the trial session for investors is held. We also engage in the bilateral information transmission utilizing blogs, bulletin boards, and Twitter, which are attracting attention these days.

### 3. State of Efforts related to Respect of the Stakeholder Position

	Supplementary Explanation
Stipulation in in-house regulations, etc. regarding respect of the stakeholder position	In order to respect the position of stakeholders and fulfill the Company's corporate social responsibilities, the Company has established the CyberAgent Mission Statement, the objective of which is to thoroughly comply with not only laws and social norms but also establish corporate ethics.
Execution of environmental conservation and corporate social responsibility activities	The Company's understanding is that focusing on the growth industry of the Internet and continually generating employment is one of the ways of contributing to society.
Formulation of policies, etc. related to the provision of information to stakeholders	The Company's policy related to the provision of information to stakeholders is clearly stated 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, the Company strives to enable equal access by all stakeholders to such information.

## 1. Basic Approach related to Internal Control Systems and the State of Their Implementation

The Company aims to enrich its internal control system as a core function in its corporate governance. The Company has established its internal control system as follows in order to ensure that the execution of duties by its Directors is in compliance with laws and the Company's Articles of Incorporation as well as to secure the appropriateness of other operations.

### 1. Item regarding the Preservation and Management of Information related to the Execution of Duties by Directors

A person responsible company-wide for the preservation and management of information related to the execution of duties by Directors is appointed from a Director by the Board of Directors. The appointed Director abides by the regulations for the handling of documents, regulations for the handling of confidential information, regulations for the protection of personal information and regulations for the management of insider information and stores information related to the execution of duties by Directors as documents or electronic records.

### 2. Rules regarding Management of the Risk of Loss and Other Systems

Regarding the management of risk loss, specific risks have been assumed and categorized in the regulations for response in the event of emergency situations, and swift and appropriate information communication and emergency systems have been established. Furthermore, on the basis of regulations for internal audits, the Internal Audit Office has a grasp of the status of cross-organizational risks, monitors the risk situation and reports matters related to risk management to the Board of Directors on a periodic basis.

### 3. System to Ensure the Efficient Execution of Duties by Directors

The following system has been adopted to ensure the efficient execution of duties by Directors: the efficiency of operations is secured by establishing a company-wide target shared by both Directors and employees, making an effort to instill understanding of this target by all, having the Director in charge establish specific numerical targets for each division to work towards, reviewing the achievement level of targets periodically utilizing administrative accounting methods and by feeding the results back to those concerned.

### 4. System to Ensure the Compliance of Duties Executed by Directors and Employees with Laws and the Company's Articles of Incorporation

The Management Headquarters monitors the execution of duties by Directors and employees and executes in-house education and training as needed. Furthermore, the Internal Audit Office collaborates with the Board of Auditors, attains an understanding of the situation regarding the execution of duties by Directors and employees and periodically executes audits, reporting the results back to the Board of Directors.

### 5. System to Ensure the Appropriateness of Operations by the Business Enterprise Composed of a Joint Stock Company, Its Parent Company and Subsidiaries

The Board of Directors establishes numerical targets towards Directors in charge and grants authority and responsibility to the Director for building a system for managing risk and complying with laws. The Management Headquarters promotes and manages this in a cross-sectoral manner. Furthermore, regulations for managing affiliated companies have been established, and the affiliated companies are obligated to report certain important matters as well as risk information to the Board of Directors in advance, with specified matters established as an agenda for discussion in meetings of the Board of Directors.

### 6. System in the Case that an Auditor Seeks an Employee to Assist His/Her Duties

The Board of Auditors may request required aid from an employee of the Internal Audit Office for the execution of audition operation.

### 7. Matter regarding the Independence of the Employee in the Previous Paragraph from Directors

The opinion of the Board of Auditors is respected in regard to the relocation of assistants.

### 8. System for Employees and Directors to Report to Auditors and Other Matters related to Reports to Auditors

Directors, the Management Headquarters and Internal Audit Office periodically report the following important matters to full-time Auditors and submit said report to the meeting of the Board of Auditors.

- 1) Important institutional decisions
- 2) Important matters related to the state of management
- 3) Matters that may cause significant damage to the Company
- 4) Important matters related to the state of internal audits and risk management
- 5) Grave breaches of laws and the Articles of Incorporation
- 6) Other important matters

### 9. Other Systems that Ensure the Effective Execution of Audits by Auditors

The Board of Auditors may execute hearings towards executive Directors and important employees. At the same time, they execute exchanges of opinions with the President & CEO, auditing firms and legal advisors.

## 1. Basic Position to Eliminate Antisocial Forces and the Status of Promoting the Position

The Group is constantly aware of the need for an awareness of risk management towards antisocial forces, which pose threats against social order and safety. 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 has been collaborating 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.

## 1. Whether any measures against acquisitions have been adopted

Whether any measures against acquisitions have been adopted

Such measures adopted

### Supplementary explanation regarding this item

Our company adopted “a measure against the acquisition of a large amount of shares of our company (anti-acquisition measure)” in accordance with the resolutions of the meeting of the board of directors held on Nov. 17, 2006 and the general meeting of shareholders held on Dec. 20, 2006; partially revised its contents based on the resolutions of the meeting of the board of directors held on Nov. 11, 2008 and the general meeting of shareholders held on Dec. 19, 2008 (the revised plan is hereinafter referred to as “Old Plan”); and further revised the Old Plan through the resolutions of the meeting of the board of directors held on Nov. 4, 2010 and the general meeting of shareholders held on Dec. 17, 2010 (the revised one is hereinafter referred to as “the Plan”).

According to the Plan, when large-scale acquisitions, etc. (collectively referred to as “Acquisitions”) of the Company’s shares arise, the Company will request the party effecting or proposing the acquisitions (collectively referred to as “Acquirers”) to provide information regarding such acquisitions in advance. The Company then secures a period for collecting information and reviewing such Acquisitions, and the Plan stipulates the procedures to be taken by the Company, such as the presentation of the Company management’s plan or alternative proposals to shareholders and the carrying out of negotiations, etc. with the Acquirers (collectively referred to as “Procedures”). In cases where the Acquisition by the Acquirers are deemed possibly harmful to the Company’s corporate value and the common interest of shareholders, such as through the execution of Acquisitions without acceding to the Procedures, the Company will follow the method of gratis allotment of subscription rights and allocate to all shareholders at that point new share subscription rights with exercising conditions rejecting the exercise of subscription rights by the Acquirers and acquisition provisions stating that the Company will acquire subscription rights in exchange for its shares held by all persons other than the Acquirers (the “Subscription Rights”).

Furthermore, in determining the execution, non-execution or acquisition of gratis allotment of the Subscription Rights, the Company plans to follow its regulation for independent committees in order to eliminate the making of an arbitrary decision by the Company’s Board of Directors, gain the judgment of an independent committee composed solely of those independent of the Company’s management, hold a General Meeting of Shareholders as needed and consult with shareholders before making the decision.

The Company plans to secure transparency by disclosing information to shareholders on a timely basis. Note that the term of validity of the Plan expires upon the conclusion of the Annual General Meeting of Shareholders to be held in relation to the business year ending September 30, 2012.

## 2. Other Matters related to the Corporate Governance System, etc.

Our company discloses information proactively and swiftly so as to provide information with shareholders and investors evenly and timely and achieve transparent management.

To do so, the board of directors holds a regular meeting once a month and an extraordinary meeting when necessary. Our company allows highly independent outside auditors to attend the meetings of the board of directors and express their opinions, so that they make fair decisions regarding the execution of important businesses. In addition, our company has adopted a board-of-auditors system, in which a regular meeting of the board of auditors is held once a month, to improve the functions to grasp facts and monitor the performance of directors and the transparency of information. In cooperation with the board of auditors, we conduct internal audit at the internal audit office. In detail, we review documents and investigate each field to check whether corporate projects and group companies follow law, the articles of incorporation, social norms, and guidelines specified in in-company regulations, and whether our work processes are well monitored.

As for accounting audit, an auditing firm audits our accounting and reviews it quarterly, and we receive advices for important accounting processes when necessary, and make efforts to disclose accurate information.

Under such policy, our company has the following in-company systems for disclosing corporate information when necessary.

### 1. Personnel and section in charge of information handling

Managing directors are in charge of the timely disclosure of information. The headquarters and the publicity/IR section prepare and release documents for disclosing information under the supervision of the personnel in charge of information handling. The headquarters and the publicity/IR section glean information in cooperation with the board of directors and departments of our company, and the representatives and related sections of group companies, etc.

### 2. Determined items

Important items are determined at the regular or extraordinary meetings of the board of directors. Determined items are reported by the personnel in charge of information handling to the headquarters and the publicity/IR section immediately, and disclosed to the public when necessary.

### 3. System for grasping events

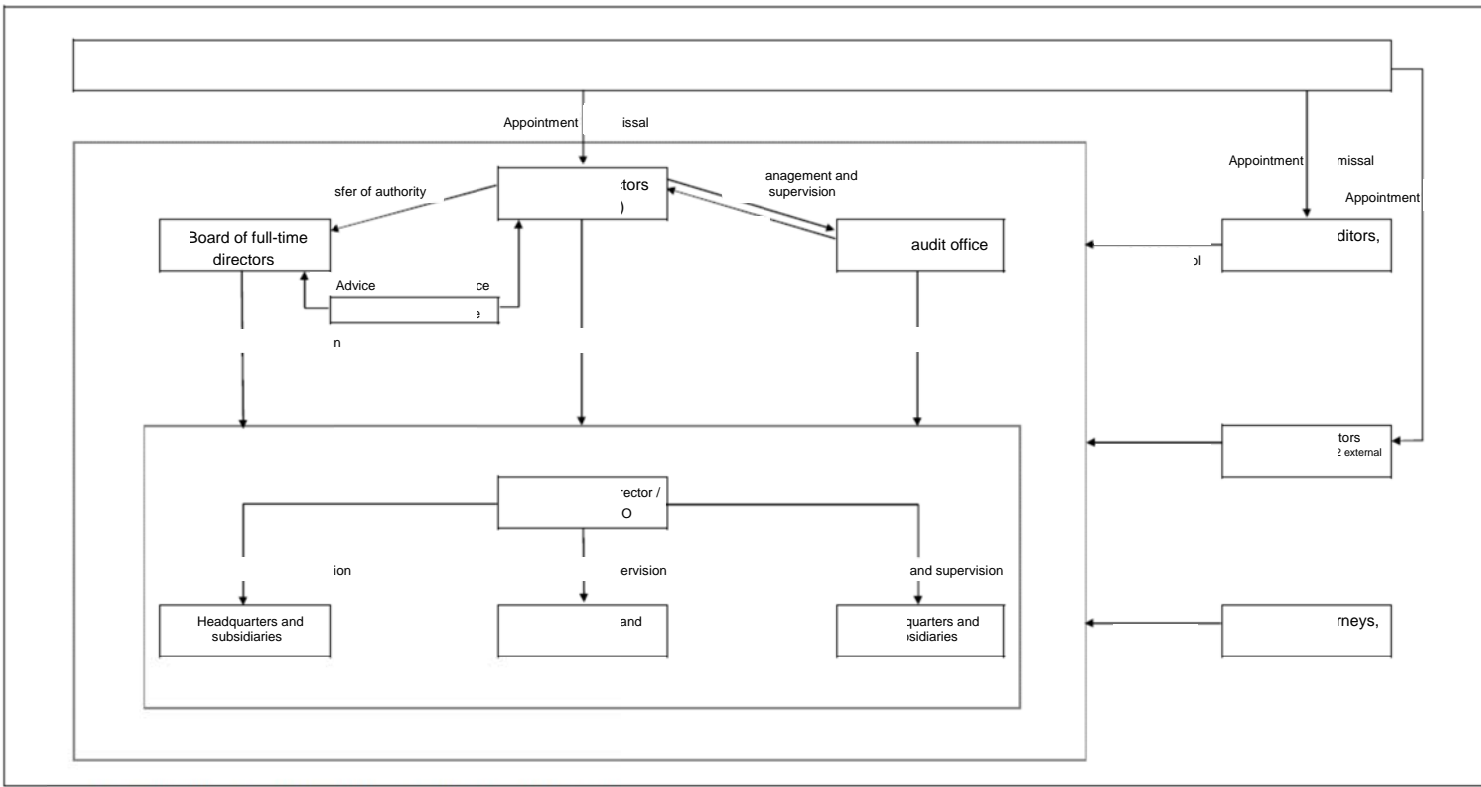
When an important event occurs, information is gathered by individual sections and meetings, etc., and summarized by the personnel in charge of information handling, and then discussed by the board of directors. Important events are reported by the personnel in charge of information handling to the headquarters and the publicity/IR section immediately, and disclosed to the public when necessary.

### 4. Timely disclosure

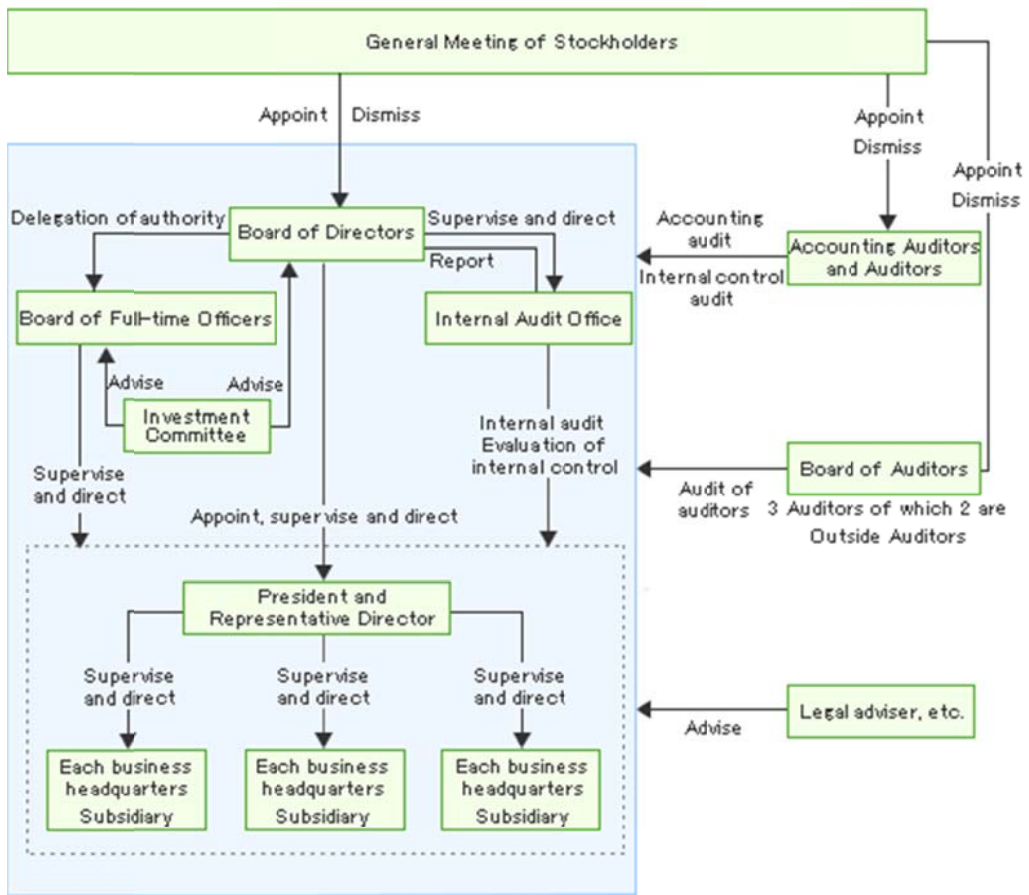
As for important determined items, events, and accounting information, we determine the necessity to disclose information, the timing of disclosing, and the contents of information to be disclosed in accordance with the regulations for timely disclosure, while consulting with accounting auditors, company attorneys, Tokyo Stock Exchange, and Kanto Financial Bureau, etc. under the supervision of the personnel in charge of information handling. When it is concluded that it is necessary to disclose information, the information is disclosed immediately.

### 5. Management of disclosed information

All of disclosed information is managed by the personnel in charge of information handling.



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Note: This pattern diagram is shows a simplified image of the state of the Company's corporate governance.