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To whom it may concern

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Notice Regarding Issuance of Stock Acquisition Rights

CyberAgent, Inc. (the "Company") Board of Directors today passed a resolution to authorize it to issue stock acquisition rights, pursuant to the regulations of Articles 236, 238 and 240 of the Companies Act of Japan.

Details of issuance of stock acquisition rights as compensation to directors are according to the approval in the 14th ordinary shareholders' meeting.

1. Reason for issuing stock options to employees

The stock options shown below in 2. shall be issued as compensation for the execution of duties by CyberAgent's employees for the purpose of raising their desire and motivation to contribute the consolidated performance of the Company, increase corporate value and further strengthen the management culture of the Company.

2. Details of the stock options

(1) Recipients of stock option allotment

Company's 8 directors (upper limit)

(2) Type and number of underlying shares of the stock options

The type of underlying shares of the stock options shall be common shares, and their number (hereinafter referred to as "number of shares granted") shall be limited to 2,500 shares. The underlying of one stock option shall be one common share.

The following calculation shall be used to adjust the number of underlying shares in the event the Company performs a stock split, an allotment of shares without contribution or a reverse stock split of common shares. However, adjustments are made to the number of underlying shares of stock options which have not been exercised at the time and fractional shares resulting from such calculations are rounded down.

$$\begin{aligned} \text{Number of shares granted after adjustment} &= \text{number of shares granted before adjustment} \\ &\quad \times \text{ratio of split or reverse split} \end{aligned}$$

Furthermore, in addition to the above, the number of shares granted shall be adjusted within reasonable bounds if an unavoidable event occurs that requires the adjustment of the number of shares granted after the resolution date.



(3) Total number of stock options

The total number of stock options shall be limited to a maximum of 2,500.

(The underlying of one stock option shall be one common share. However, when the number of shares is adjusted as stipulated in (2), similar adjustments shall be made.)

(4) Payment for stock options

The amount of payment in exchange for a single Stock Acquisition Right (hereinafter referred to as "Payment") shall be equal to the fair value per Stock Acquisition Right on the allotment date (as calculated using the Black-Scholes model based on the closing value on the Tokyo Stock Exchange on said day. On the allotment date, the Company shall make a consensual offset between the remuneration credits held by the recipients toward the Company and the right to demand payment of the amount to be paid in for Stock Acquisition Rights.

Therefore, Persons receiving an allotment of stock options shall not be required to make a monetary payment in exchange for the stock options. However, this is calculated using the Black-Scholes model, and this does not constitute the issuance under the terms and conditions that are particularly favorable to the recipients.

(5) Stock option allotment date

January 4, 2012 (scheduled)

(6) Method used to calculate the amount to be contributed when exercising stock options

The amount to be contributed when exercising stock options shall be the amount obtained by multiplying the amount paid for receiving one share by exercising stock options (hereinafter referred to as the "strike price") and the total number of shares granted.

The strike price shall be the average closing price for common shares of CyberAgent on the Tokyo Stock Exchange for each day (excluding days when no transactions took place) of the month before the month containing the date of allotment of the stock options (hereinafter referred to as the "allotment date"), and fractions of 1 yen shall be rounded up. However, if that amount is less than the closing price on the day before the allotment date (or the immediately preceding closing price if there was no closing price that day), the closing price of the day before the allotment date shall be used.

Note that in the event CyberAgent engages in a stock split, an allotment of shares without contribution or reverse stock for its common shares after the allotment date, the strike price shall be adjusted according to the following equation, and fractions of one yen resulting from the adjustment shall be rounded up.

$$\text{Strike price after adjustment} = \frac{\text{strike price before adjustment}}{\text{Ratio of split or reverse split}} \times 1$$

Furthermore, if the Company issues new shares or disposes of treasury shares that are common shares at a price below the market value at the time (excluding cases regarding the right to sell odd-lot shares and the exercise of stock options resulting from the conversion of convertible shares and shares with provisions for mandatory conversion), the strike price shall be adjusted according to the following equation, and fractions of one yen resulting from the adjustment shall be rounded up.

$$\begin{array}{r}
 \text{Strike price after} \\
 \text{adjustment}
 \end{array}
 =
 \begin{array}{r}
 \text{Strike price} \\
 \text{before} \\
 \text{adjustment}
 \end{array}
 \times
 \begin{array}{r}
 \text{Number} \\
 \text{of shares} \\
 \text{already} \\
 \text{issued}
 \end{array}
 +
 \frac{
 \begin{array}{r}
 \text{Number of} \\
 \text{shares newly} \\
 \text{issued}
 \end{array}
 \times
 \begin{array}{r}
 \text{Amount paid per} \\
 \text{share}
 \end{array}
 }{
 \begin{array}{r}
 \text{Market value of one share} \\
 \text{Number of shares already issued} + \text{Number of shares newly issued}
 \end{array}
 }$$

In the above equation, “Number of shares already issued” refers to the total common shares issued less the number of common shares held by the company as treasury stock, and when disposing of treasury stock, the “Number of shares newly issued” can be read as “the number of treasury shares disposed of.”

Furthermore, in addition to the above, the strike price shall be adjusted within reasonable bounds if an unavoidable event occurs that requires the adjustment of the strike price after the allotment date.

(7) Period in which stock options may be exercised

From December 17, 2013 to December 16, 2021 (8 years)

(8) Matters concerning the increase in capital and capital reserves when issuing shares due to the exercise of stock options.

- (i) The amount of the increase in capital when issuing shares due to the exercise of stock options shall be half the maximum increase calculated in accordance with Article 17.1 of the Company Accounting Rules, and fractions of one yen resulting from the calculation shall be rounded up.
- (ii) The amount of the increase in capital reserves when issuing shares due to the exercise of stock options shall be the amount obtained by deducting the capital increase in (i) from the maximum capital increase shown in (i).

(9) Restrictions on the acquisition of stock options through assignment

Acquisition of stock options through assignment requires the approval of the Board of Directors.

(10) Conditions for the exercise of stock options

The person who has received allotment of share options must be a director of the Company, an employee of the Company, a director of a subsidiary of the Company or an employee of a subsidiary of the Company when exercising the stock options.

(11) Terms of acquisition of stock options

If any of the proposals (i), (ii) or (iii) below are approved by the General Meeting of Shareholders (or by the Board of Directors if approval by the General Meeting of Shareholders is not required), the Company may acquire the stock options at no cost on a date stipulated elsewhere by the Board of Directors.

- (i) Proposal to approve a merger agreement in which the Company becomes the expired corporation
- (ii) Proposal to approve an agreement to split the company or a plan to split the Company in which the Company is the splitting company
- (iii) Proposal to approve a stock swap agreement or a plan to transfer shares in which the Company becomes a wholly-owned subsidiary



(12) Policy to determine the extinguishment of Offered Stock Acquisition Rights upon organizational restructuring and delivery of stock acquisition rights of reorganized company

If the Company engages in a merger (only mergers that cause extinguishment of the Company), absorption-type demerger, incorporation-type demerger, share exchange, or share transfer (hereinafter collectively referred to as "Organizational Restructuring"), the Company shall deliver stock acquisition rights of any of the stock companies designated in (i) to (ho) of Article 236, Paragraph 1, Item 8 of the Corporation Law (hereinafter referred to as "Reorganized Company"), as applicable, to each of the Subscription Right Holders having the remaining Stock Acquisition Rights (hereinafter referred to as "Remaining Stock Acquisition Rights") immediately before the effective date of the Organizational Restructuring in accordance with the following conditions. In this case, the Remaining Stock Acquisition Rights shall be extinguished and the Reorganized Company will issue new stock acquisition rights; provided, however, that this shall only apply when the delivery of stock acquisition rights of the Reorganized Company in accordance with the contract or conditions has been determined by the relevant merger agreement respectively.

(13) Arrangement of fractional figures of less than one (1) share upon the exercise of the Offered Stock Acquisition Rights

If any fractional figure of less than one (1) share is to be provided to the Subscription Right Holders who have exercised the Offered Stock Acquisition Rights as a result of the exercise of the Offered Stock Acquisition Rights, it shall be rounded down.

(14) Other

Matters concerning the distribution and details of stock acquisition rights, other than the items prescribed above, shall be determined in stock acquisition rights allotment contract agreed with company and recipients.

(End of Document)