



CyberAgent

Cyberagent Reports First Quarter Results; Net Income Up 39.7%

Tokyo, Jan 26, 2012 - (JCN Newswire) - CyberAgent, Inc. (TSE: 4751), a Tokyo-based leader in Internet media markets, has announced results for the first quarter ended December 31, 2011. Net sales reached 32,146 million yen (up 11.7% from the same period of the previous year); operating income reached 4,915 million yen (up 38.1%); ordinary income reached 4,888 million yen (up 40.0%); and quarterly net income reached 2,054 million yen (up 39.7%).

In fiscal 2011, the domestic Internet business market expanded to about 14 trillion yen, and it is expected to reach 15 trillion yen in 2012, and later 22 trillion yen in 2016. (Source: Nomura Research Institute, Ltd.) In 2010, the Internet advertising market totaled 774.7 billion yen, and has grown to become the second-largest advertising medium, after TV advertising. (Source: Dentsu Inc.) Among future Internet business, based on blogs and SNSs (social networking services) that have newly emerged in recent years, segments such as rapidly spreading smartphone-related services and social games businesses are expected to expand. The social games market has rapidly expanded to 250 billion yen in 2011, 1.8 times compared to the previous year, and is expected to expand to 342.9 billion yen in 2012. (Source: Yano Research Institute Ltd.)

Under such conditions, the Group has enriched the services for Internet media, especially Ameba, increased the number of social games, which are rapidly growing, and launched new businesses, including the development of services for mainly smartphones, with the purposes of reforming the comprehensive Internet business (former Internet advertising agency business) into a more profitable business.

1) Consolidated Financial Results for the First Quarter Ended Dec 31, 2011

A. Business Results

First Quarter Results	12/31/2011	%	(millions of yen)	
			12/31/2010	%
Net Sales	32,146	11.7	28,770	34.3
Operating Income	4,915	38.1	3,558	68.2
Ordinary Income	4,888	40.0	3,491	63.9
Net Income	2,054	39.7	1,470	14.5
Net Income/Share (y)	3,169.23		2,268.36	
Diluted Net Income/Share(y)	3,168.14			--

B. Financial Position

Total Assets	111,791	111,689
Net Assets	36,992	38,677
Shlders' Eqty Ratio (%)	31.4	33.0

C. Dividends

Year ended	2012 (Forecast)	(yen) 2011
	3,500	3,500

D. Forecast for Fiscal Year 2012

Year Ending September 30,	2012	(millions of yen)
		Change
Net Sales	130,000	8.7
Operating Income	17,000	18.5
Ordinary Income	16,700	18.3
Net Income	8,500	16.1
Net Income/Share (y)	13,132.97	--

2) Results by Business Segment

(a) Ameba business

The Ameba business includes Ameba, Ameba Pigg and AMoAd, etc. Ameba's PV number for December 2011 was 32.8 billion PV (up 13.3 billion PV from the same month of the previous year), and subscribers exceeded 20 million and totaled 20.02 million (up 7.10 million from 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 6,083 million yen (up 70.2% from 3,574 million yen in the same period of the previous year), and we recorded an operating income of 1,958 million yen (up 86.9% from an operating income of 1,047 million yen 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., CyberX Co., Ltd., Sumzap, Inc. and GCREST, Inc.

In the current business year, due to factors such as steady expansion of our social games business, net sales totaled 9,512 million yen (up 6.2% from 8,955 million yen in the same period of the previous year), and we recorded an operating income of 909 million yen (up 0.8% from an operating income of 902 million yen 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.

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 16,641 million yen (up 1.1% from 16,452 million yen in the same period of the previous year), and we recorded an operating income of 1,019 million yen (down 10.2% from 1,134 million yen 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, despite the effects of leverage regulations that came into effect in August 2010, the number of account openings and deposit accounts

increased steadily. As a result, net sales totaled 2,027 million yen (up 31.7% from 1,540 million yen in the same period of the previous year), and we recorded an operating income of 1,097 million yen (up 106.9% from an operating income of 530 million yen in the same period of the previous 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 such as China and Vietnam.

In the current business year, due to sales of shares, net sales totaled 53 million yen (up 163.8% from 20 million yen in the same period of the previous year), and we recorded an operating loss of 69 million yen (against an operating loss of 56 million yen for the same period of the previous year).

3) Segment Information

Current consolidated first quarter (Oct 1, 2011 to Dec 31, 2011)

	A	B	C	D	E	F	(millions of yen)	
							G	H
Net Sales								
(1) Sales to external customers	4,709	9,229	16,125	2,027	53	32,146	--	32,146
(2) Intersegment internal sales of transferred amount	1,373	282	516	--	0	2,172	(2,172)	--
Total	6,083	9,512	16,641	2,027	53	34,318	(2,172)	32,146
Segment income (Loss)	1,958	909	1,019	1,097	(69)	4,915	--	4,915

A. Ameba business

B. Media business

C. Comprehensive Internet business

D. FX

E. Investment development business

F. Subtotal

G. Adjustment Amount

H. Consolidated quarterly balance sheet amount

About CyberAgent, Inc.

CyberAgent, Inc. is a leading worldwide developer, publisher and distributor of interactive entertainment for PCs, handheld and wireless devices. Founded in 1998, the company has provided many kinds of businesses in Japan including being the largest social game provider, running the #1 blog based communication service (Ameba), the #1 internet, and the #1 corporate venture capital. CyberAgent maintains operations in the U.S., China, Vietnam, Japan with corporate headquarters located in Tokyo, Japan. For additional information on the company and its offerings, please visit www.cyberagent.info or contact pub@cyberagent.co.jp

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