



November 13, 2009

To whom it may concern

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Notification Regarding Granting of Stock Options

We hereby give notification that, at the meeting of the Board of Directors of CyberAgent, Inc. held on November 13, 2009, CyberAgent, Inc. will submit a proposal concerning the amount and details of compensation provided to the Company's directors in the form of stock options at its 12th Ordinary General Meeting of Shareholders scheduled to be held on December 18, 2009 (hereinafter referred to as "the Ordinary General Meeting of Shareholders"), as described below.

This proposal requests approval for the issue of stock options to the directors of CyberAgent within one year of the date of the Ordinary General Meeting of Shareholders for the purpose of further promoting management focused on shareholder value and corporate value. These stock options shall be in the form of non-monetary remuneration to the extent of up to 40 million yen per year as a separate framework to the monetary remuneration already approved in the 6th Ordinary General Meeting of Shareholders.

The value of the remuneration as stock options is calculated as being the fair value of each stock option as calculated on the allotment date of stock options multiplied by the total number of stock options allotted.

CyberAgent currently has eight directors.

1. Reason for issuing stock options to directors

The stock options shown below in 2. shall be issued as compensation for the execution of duties by CyberAgent's directors 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

Stock options shall be allotted to the Company's eight directors.

(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 1,600 shares.

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 on or after the date of the resolution in the Ordinary General Meeting of Shareholders (hereinafter referred to as the “resolution date”). 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.

$$\text{Number of shares granted after adjustment} = \text{number of shares granted before adjustment} \times \text{ratio of split or reverse split}$$

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 1,600.

(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

Persons receiving an allotment of stock options shall not be required to make a monetary payment in exchange for the stock options.

(5) Stock option allotment date

The allotment date shall be determined in the meeting of the Board of Directors determining the details of the subscription of the stock options.

(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 Cyber Agent 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.

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



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.

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

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

The stock options may be exercised in the period from December 19, 2011 until December 18, 2013. (2 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) Fair value of stock options

The fair value of stock options shall be the fair appraisal value calculated according to the Black–Scholes model based on factors including the price of the Company’s shares on the date of the allotment of the share options and the strike price.

(13) Delegation of the determination of details of the subscription

Details of the subscription of the stock options other than those shown above shall be determined by a resolution of the Board of Directors held after the Ordinary General Meeting of Shareholders.

(Note) The above issue of stock options is contingent upon approval of the proposal at the Ordinary General Meeting of Shareholders held on December 18, 2009.

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