

## The 23<sup>rd</sup> Annual General Meeting of Shareholders Summary of Question and Answer Session

The following is a compilation of questions from shareholders at the 23<sup>rd</sup> Annual General Meeting of Shareholders held on Friday, December 11, 2020.

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Q1

How do you estimate the annual production cost of “ABEMA” in the future?

A1 Respondent: Fujita

We will change the production cost of TV and Video Entertainment “ABEMA” flexibly going forward. Since this is a completely new business model, we will take future business trends into account.

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Q2

Do you have a plan to take ABEMA overseas?

A2 Respondent: Fujita

2021 onward, we think it is important to expand the business outside Japan. It will be a different way from other international video streaming services. We plan to develop a strategy that is unique to ABEMA, which can succeed in the global market.

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Q3

ABEMA continues to post an operating loss. How long do you expect it to become profitable?

A3 Respondent: Fujita

If I were to make a public commitment regarding the turnaround of ABEMA, it might interfere with the development of the business, so I try not to answer the question.

In principle, it takes a long time to create a viewing habit of media in people’s routine. While continuing to invest in ABEMA from a long-term perspective, we would like to increase the number of viewers and sales while the advertising and game businesses are doing well.

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Q4

Regarding the matters of resolution no.2, Election of five (5) Directors (excluding Directors serving on the Audit and Supervisory Committee), why did you reduce the number of directors so drastically?

A4 Respondent: Fujita

We intended to add more directors as our business expanded and to slim it down at some point.

The recent trend of strengthening corporate governance requires the ratio of outside directors to be at least one-third. However, we do not seek to substantially increase the number of outside directors. We reduced the number of directors by making a clear distinction between management and execution and concentrating on the supervisory function as the original role of directors.

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Q5

Regarding the issues the Company should address in the business report, what is the definition of a talented creator and how do you recruit or train them?

A5 Respondent: Fujita

It is hard to define the creative talent. In terms of games, Cygames, a subsidiary company, has many talented creators, creates globally top-level games, and is supported by users.

We are focusing on hiring and training talented creators and providing them with opportunities to flourish, as this will eventually lead to increased corporate value and competitiveness.

Respondent: Soyama

We hire both new graduates and mid-career creators. The actual hiring process is determined by looking at and discussing the portfolio (past works) with the creative department's executives. We also offer internship programs that require students to submit assignments.

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※Only questions related to the proposed items will be accepted at the General Meeting of Shareholders.

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