



The 24th Annual General Meeting of Shareholders

Summary of Question and Answer Session

The following is a compilation of questions from the shareholders at the 24th Annual General Meeting of Shareholders held on Friday, December 10, 2021.

Q1

What are the sales amounts for the overseas operations of the game business?

Will there be any impact from the video game restrictions in China?

A1 Respondent: Go Nakayama

The overseas sales of the game business is currently insignificant. Also, since we only have a few game titles available in China, the impact from the regulation is negligible.

Q2

I hope CyberAgent pays more attention to rubella control measures.

A2 Respondent: Susumu Fujita

In 2013, we provided rubella vaccinations to our employees. I appreciate your comment.

Q3

I believe CyberAgent is making efforts to disseminate information, such as publications by executive officers or the ABEMA technical conference. Do you draw a line between what your employees can and cannot disseminate to the public though?

A3 Respondent: Susumu Fujita

I understand that damage to the company will be large if information sent out by employees causes a stir on social media. However, we tolerate such situation, and this often leads to the enhancement of the company's PR and branding. We have more control over the dissemination of information than before, but we try not to be overly restrictive.

Q4

I became a shareholder because I enjoy the Japanese chess program on ABEMA. I want to contribute to its sales, but I am not a subscriber because I think a monthly fee of 960 yen is expensive. Do you plan to make ABEMA Premium as part of the shareholder benefits?



A4 Respondent: Susumu Fujita

In the past, it was difficult to provide shareholder benefits as internet advertising was the core of our business and there were few services available for consumers. We will consider it as an option based on the current situation.

Q5

CyberAgent has the largest sales in the internet advertising market among competitors, but will you be able to maintain this in the future? What are the strengths that differentiate your business from your peers?

A5 Respondent: Susumu Fujita

We have the top share in the internet advertising market, and our competitors are traditional advertising agencies. Our operational and technological capabilities in internet advertising are our competitive advantages.

Q6

Regarding Proposal 2: Partial amendment to the Articles of Incorporation, the business objective of "operation and management of entertainment halls, amusement facilities and entertainment stores" is added.

Is this due to the addition of the sports mahjong venue "Octagon" to the group?

A6 Respondent: Susumu Fujita

Yes, that's one of the reasons we added some new business objectives. With the popularity of ABEMA's mahjong channel, we would like to use Octagon as a venue for M League pro-am tournaments, also for tournaments that players can casually participate in.

Q7

I am watching ABEMA's dating reality show "The love is greener on the other side." (Love is greener on the other side??)

How do you decide on the details of the show?

A7 Respondent: Susumu Fujita

I make the final judgment on plans for new programs.

ABEMA has a large number of viewers who are interested in relationships, so we carefully consider creating engaging show contents to meet the viewers interests.

Q8

In the game business, existing game titles other than "Uma Musume Pretty Derby" have had some ups and downs. Which title do you intend to focus on in the future?

A8 Respondent: Yusuke Hidaka

In addition to "Uma Musume Pretty Derby," the strength of the game business lies in the fact that we have several successful titles such as "PRINCESS CONNECT! Re:Dive" and "Project SEKAI Colorful Stage! Feat. Hatsune Miku". We offer many other game titles, but we also operate with a clearly defined withdrawal criteria while monitoring user trends.

Q9

What are your plans for overseas expansion?

A9 Respondent: Susumu Fujita

I have ambition to succeed in the international market.

The spread of COVID-19 has proven that when we offer PPV (e.g. online live concerts) and games, these contents are viewed around the world. We will continue to polish the quality of our products to make them world class.

Q10

I am a fan of the cast of a show on ABEMA. Do you have a standard by which the shows get discontinued?

A10 Respondent: Susumu Fujita

We do not make decisions just based on the number of viewership but based on a comprehensive assessment of the program's viewer demographic, reputation with sponsors and other factors.

Q11

What is the target number of users and profit and loss plan for ABEMA?

A11 Respondent: Susumu Fujita

We do not disclose the profit and loss plan for ABEMA because we do not like to be bound by it.

In addition to monthly subscriptions and advertising revenues, we plan to promote various monetizing strategies including peripheral businesses such as "WINTICKET" and "ABEMA Shopping".

Q12

In the internet advertising business, the OP margin has been trending downward for the past several years. Do you have any plans for recovery?

A12 Respondent: Go Nakayama

The OP margin of the internet advertising business is relatively high compared to other companies in the industry. We are currently making upfront investments in AI and DX businesses, and we hope to continue this upfront investment for coming few years to drive future top-line growth.



Q13

Besides ABEMA, which market will you focus on in the future?

What are your thoughts on eSports, which has a large market overseas?

A13 Respondent: Susumu Fujita

We are focusing on ABEMA to grow the company bigger.

CyberAgent's founding year is almost the same as Google (Alphabet Inc.) and Facebook (Meta Inc.), but now there is a huge gap. We are aware that whether to make a large service successful is a critical differentiator. ABEMA is only halfway through its 10-year plan, but we hope it will make a breakthrough.

At the same time, we are actively entering growing fields relating to the internet, such as eSports, AI, and DX.

Q14

How about changing the monthly fee for ABEMA Premium depending on how long you can go back to watch past programs?

A14 Respondent: Susumu Fujita

Each program has its own contract terms, such as the time limit for providing the program, but I think it is possible to negotiate individual contracts for popular programs to make them available for subscribed users, so, I would like to consider this. We will try to be flexible on the monthly fee as we research for an appropriate price.

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

END