



## The 25th Annual General Shareholders Meeting September 2022 Q&A Summary

Following the “25th Annual General Shareholders Meeting” held on Friday, December 9, 2022, we have summarized the questions that shareholders asked.

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### Q1

As a soccer fan, I am grateful for the free live broadcasts of all the FIFA World Cup matches on ABEMA. I think you have invested in this FIFA World Cup, but when will ABEMA become profitable?

I would also like to suggest, would you consider expanding the revenue by partnering with other media?

A1 Respondent: Susumu Fujita

The timing of when ABEMA becomes profitable may change due to uncertainty in the business environment, but that will not be disclosed because we do not want to be tied to it. Rather than cutting costs, we are aiming to increase revenue.

Regarding your question about partnering with other media, we would like to consider this when there are opportunities.

### Q2

With the internet advertising market as a red ocean and intensifying competition, will your revenue increase further if you approach clients who place TV ads?

A2 Respondent: Susumu Fujita

Originally, “ABEMA” produced and organized content for young people. As a result, there are many ads for young people. However, our audience has greatly expanded with the coverage of the FIFA World Cup, and there are more content that is viewed by older people, such as Japanese chess and fighting sports. So we will strengthen our approach to clients who place TV advertisements.

### Q3

Do you plan to expand your business beyond the internet to bricks-and-mortar business?

(SIROK Inc., CyberAgent’s consolidated subsidiary, provides an e-commerce site as well as physical store for the cosmetic N-Organic.)

A3 Respondent: Susumu Fujita

In our mission statement, we state that we will “Focus on internet growth markets.” However, it also says, “Seize opportunities to enter adjacent markets.” SIROK Inc. is essentially an internet company with strong internet marketing. Sales are mainly from e-commerce, and we are positioning physical store as a pilot.

Q4

I am an M-League fan, do you plan to offer ABEMA Premium as shareholders benefit besides cash dividends?

A4 Respondent: Susumu Fujita

We have considered about shareholders benefit several times in the past, but it must be something that shareholders will enjoy, so it is difficult to make a choice.

However, we will take a look at it as an option.

Q5

I think you have boosted your servers to handle the vast number of simultaneous connections for the FIFA World Cup, but will this remain as an excessive cost after the matches?

A5 Respondent: Susumu Fujita

We use external cloud servers. The costs will decrease as usage levels are lowered.

Q6

Investment developing business is generating solid profits, but there is little disclosure. I would like to ask for your explanation because I think that this is also a business that supports your performance.

A6 Respondent: Go Nakayama

In the course of operating our three major businesses (media, games, and advertising), we have benefited from investment opportunities. We have been able to invest in start-ups at an early stage. This business allows us to earn revenue from capital gains after the company's listing. We hope to maintain it as a business that supports our three main pillars.

Q7

President Fujita, I heard that you are good at Mahjong and I support you. Could you connect your interest to more business? (Competitions sponsorship, etc.)

A7 Respondent: Susumu Fujita

Thank you. We have set up the M-League and deliver it on ABEMA, and we are actively working in this area.

Q8

I feel the ABEMA website is difficult to use. Are the directors looking at the website?

Can't you refer to UI-UX etc. from the gaming business?

A8 Respondent: Susumu Fujita

I think it is better than other video streaming services based on customer experience metrics such as social media ratings and user surveys.

I am confident that I watch ABEMA more than anyone, especially because I am giving detailed instructions about UI-UX.

Q9

What are your plans to expand ABEMA overseas? I asked the same question two years ago, but I think the environment surrounding services such as PPV (pay-per-view) has changed. Has your strategy changed?

A9 Respondent: Susumu Fujita

Currently, ABEMA is available overseas, except in some regions. However, it is still difficult to stream everything due to content rights issues. We are considering one-time PPV broadcasts on a case-by-case basis and partnering with global platformers to distribute our content worldwide.

Q10

Can CyberAgent be more active in the esports business?

A10 Respondent: Yusuke Hidaka

Our consolidated subsidiary CyberZ offers an esports event "RAGE," with tens of thousands of visitors. Cygames has also launched various initiatives such as mobile game Shadowverse, which has become a competition title for esports.

Q11

What do you think of the following measures to restore profits to shareholders?

- (1) Is there any discussion for the share buyback?
- (2) Does the stock price reflect the current corporate value?
- (3) How about offering shareholder benefits of premium membership to ABEMA?

A11 Respondent: Susumu Fujita

- (1) I always consider share buybacks as an option, but we are not currently planning this.
- (2) We believe that if we can solidly raise our corporate value, the stock price will follow in the medium and long term. We will do what is necessary to achieve this.
- (3) I think that the people who support ABEMA and shareholders are a good match, so I would like to consider it.



Q12

I heard that ABEMA is working on a project to retain the new users who joined to watch the FIFA World Cup, but what are the key points to retain these users?

A12 Respondent: Susumu Fujita

The system recommends alternative content that is related to the content already viewed on ABEMA, so we are hoping this will be successful.

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\*At the shareholders' meeting, shareholders ask questions related to the agenda items.

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