

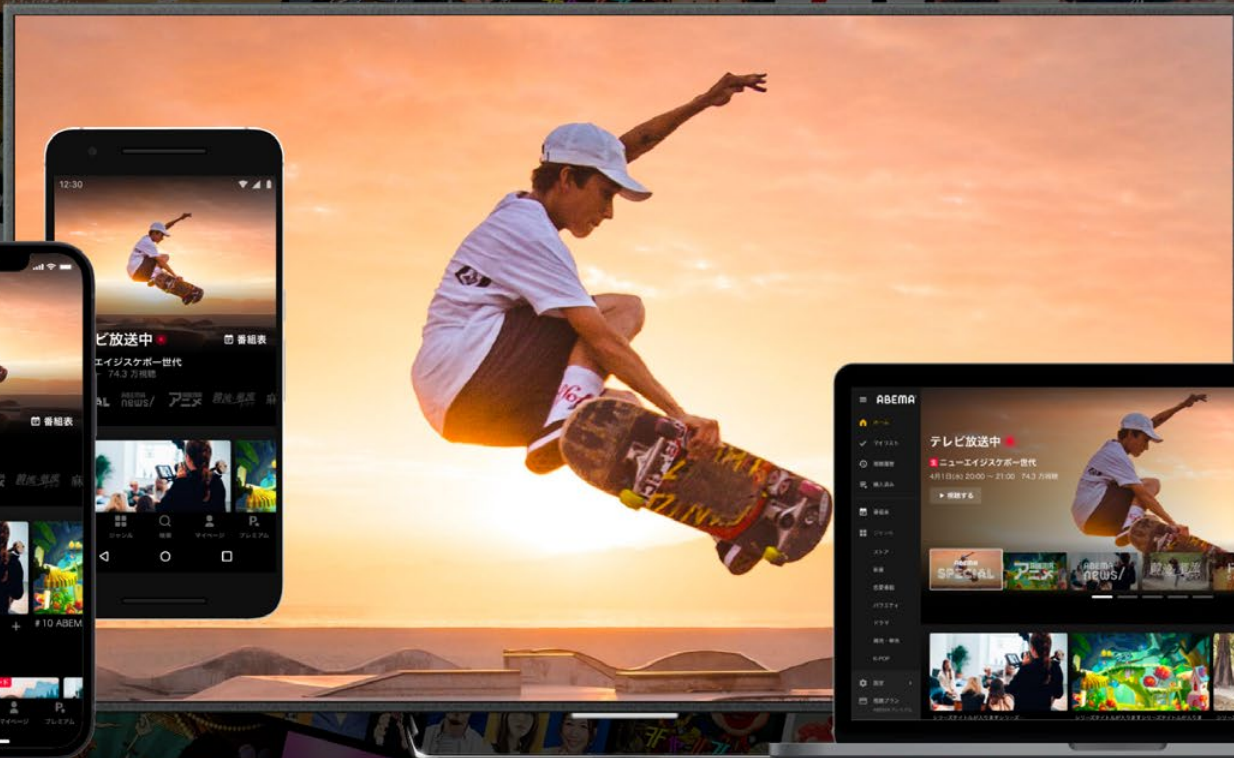
Media

Growth Strategy



ABEMA®

TV for the Future



VISION

TV for the Future

PURPOSE

Becoming a "Social Infrastructure for Connecting Anytime, Anywhere"



Strong Progress as "TV for the Future" Helps ABEMA Leap Into the Next Stage

Norishige Nagase

Senior Managing Executive Officer, Director of AbemaTV

ABEMA aims to be a social infrastructure for connecting anytime, anywhere, based on the concept of TV innovation.

This year marks the 7th anniversary of ABEMA, which was built from the ground up since its launch in 2016. Not only has the number of users grown steadily, but WAU*, a key metric, has reached an all-time high as a result of streaming sports and other popular content.

We spoke with Norishige Nagase, Senior Managing Executive Officer and Director of AbemaTV, about how ABEMA has the potential to advance to the next stage before its 10th anniversary, an important milestone.

*WAU: Weekly Active Users

FIFA World Cup Qatar 2022 Shifted the Trajectory of the Company

—What are your thoughts on the current state of ABEMA?

Since ABEMA's inception, we've been working toward the goal of establishing ABEMA as a major media provider within 10 years, and we believe we have made strong progress.

One reason behind this was the success of the free live coverage of all 64 FIFA World Cup Qatar 2022 matches. This gave ABEMA the chance to leap into the next stage.

The 5 million WAUs in the five years leading up to the FIFA World Cup Qatar 2022 were matched in just one year when the Cup was streamed and now stand at around 20 million WAUs. This resulted in consistent increases not only in advertising and billing revenues but also in peripheral businesses, putting the company in a deficit-reduction phase.

The fact that many people in Japan became aware of the convenience and high quality of ABEMA has had a positive impact on subsequent initiatives and activities. The level of trust and expectations among various business partners has increased, including clients, content holders, and performers, which has helped relationships evolve to a higher level.

The FIFA World Cup Qatar 2022 has also instilled greater confidence in our assets, which include technology, creativity, marketing, and operations.

Especially in terms of technology, we took on the ambitious challenge of streaming the matches against Japan live over the

internet, which resulted in the highest number of simultaneous connections ever seen in Japan. Still, the best indicator of our success has been our consistent ability to stream high-quality video.

Taking advantage of the nature of internet services, CyberAgent quickly developed a number of features, including "multi-angle video," which allows viewers to select their favorite angle from multiple camera feeds; "commentary," which allows them to watch the game while cheering each other on; and "game data," which allows them to check information about the game, players, and more. This was yet another example of CyberAgent's advanced technological capabilities.

Becoming a "Social Infrastructure for Connecting Anytime, Anywhere"

—In the face of fierce competition in video streaming services, what is ABEMA's competitive advantage?

ABEMA is the only company in Japan with a dedicated news channel that streams 24 hours a day, 365 days a year, and is available for free. We believe that our ability to flexibly structure and program the channel to include news during disasters and press conferences of international interest makes ABEMA an essential part of the social infrastructure. We hope to continue to be a media provider that can provide everyone with the kind of content they want to watch.



Since its inception, ABEMA has provided news, dating reality shows, dramas, sports, anime, Japanese chess, mahjong, among other genres that cannot be covered under a TV format. While we intend to continue broadening our streaming offerings, our current focus is on sports and anime.

We have streamed a wide variety of sports, including Major League Baseball (MLB), Premier League and Bundesliga Soccer, K-1, professional wrestling, sumo, F-League, and more. To further bolster our sports content, we signed an agreement with KDDI Corporation in June 2023, intending to step up such efforts, contribute to the growth of the sports industry and culture, and deliver the kind of new sports viewing experience that only ABEMA can provide.

A System and Culture That Encourage Engineers to Take Ownership

—How did ABEMA become so technologically advanced?

CyberAgent has developed its business around the internet industry since 1998. In 2006, we came up with the slogan "Technology-Led CyberAgent," under which we internalized our engineers to strengthen our technological capabilities. In addition, we have always invested aggressively in technological innovation, including technology research as well as recruiting and training talent.

ABEMA also benefits from our experience and accumulated knowledge of rapid development without sacrificing quality,

which has been one of our competitive advantages.

—What do you think is important when training engineers?

We place a high value on our ownership culture. To foster such a culture, it is essential to build on each engineer's sense of autonomy and responsibility, to let their creativity flow and to be flexible in response to change. But most importantly, we believe that the engineers themselves should be given opportunities and discretion.

We provide an environment where they can propose and implement their solutions if they feel they can improve a service they operate or strengthen their team, and we recognize these kinds of efforts. We are always aware of having systems that create a virtuous cycle of opportunities and recognition, such as holding a technical version of our Ashita Kaigi* and overhauling our recognition system.

We are currently working hard to actively use generative AI to boost productivity.

In April 2023, we integrated "GitHub Copilot," an AI-driven code completion tool, across the company. The tool is used by roughly 70% of engineers, the highest number of users in the country. Going forward, we will contribute to the business by accelerating development and improving productivity more than ever before.

* "Ashita Kaigi" is an important executive meeting (=kaigi) in which new business initiatives and solutions that could improve CyberAgent's future (=ashita) are proposed and decided upon.

Norishige Nagase

Senior Managing Executive Officer, Director of AbemaTV

Aug. 2005 Joined CyberAgent, Inc.
 Jan. 2007 Director, New Development Bureau
 Oct. 2015 Corporate Officer, CyberAgent, Inc.
 Oct. 2018 Director, CyberAgent, Inc.
 Feb. 2022 Director, AbemaTV, Inc. (current position)
 Oct. 2022 Senior Managing Executive Officer, AbemaTV, Inc. (current position)

新しい未来のテレビ

TV for the Future

無料 すべてのひとが楽しめる

生中継 ライブならではの臨場感

同時性 日本のイマを捉え流行をつくる

報道 常に新鮮なニュース

利便性 時間と場所からの解放

"Free" Fun For All

"Live Broadcast" Immersive Experiences Unique to Live Broadcasting

"Synchronization" Creating and Capturing Japan's Modern Trends

"News" Always Fresh News

"Convenience" Freedom from Time and Space

ABEMA

Delivering World-Class Content That Is "the Highest Quality, Or Completely Original"

Tatsuhiko Taniguchi

Executive Officer, Head of ABEMA's Programming Department

The strength of ABEMA's content is its unique ability to seize popular cultural shifts and trends.

In addition to streaming some 25 channels of various genres 24 hours a day, 365 days a year, ABEMA also boasts the most original episodes* in Japan among Japan-based video services.

We spoke with Tatsuhiko Taniguchi, Executive Officer and Head of ABEMA's Programming Department, about ABEMA's content strategy, which aims to realize a unique "TV for the future" with free live streaming, simultaneous feeds, news coverage, and convenience," to stand out from the crowd of competitors in video streaming services.

* Source: In-house research (January 2023)



—What is your content programming strategy?

Our current strategy is for programming to be "the highest quality, or completely original."

With the spread of foreign-capital video streaming services, the quality of content demanded by viewers has skyrocketed. In the face of fierce competition for quality, we strive to create world-class content.

In February 2023, we launched a project with Netflix as our content partner. The resulting original ABEMA dating reality show, "Is She the Wolf?" was streamed in June of that year and was extremely well received, rising to #4 in Netflix's rankings. This initiative not only served as a foothold for ABEMA to enter the global market, but was also designed to raise awareness of world-class production within the company in terms of quality competition.

—What are you doing to improve quality?

We are doing many things, but in terms of both speed and quality, we believe that reimagining the original programming planning and production process has been effective.

The process from planning to stream is divided into three steps. First, the project's quality is scrutinized to ensure that it meets our standards, and then feedback is provided to the planner within 48 hours.

This is followed by casting and detailed production planning to ensure accuracy, and the official green light is only given when it

reaches that point.

The final step of the process is to watch the actual finished production and make a final quality judgment under the direction of myself and the general producer, and then, based on the quality of the production and expectations, we determine how much marketing investment will be made.

By using this new production method, the variety show "Sekai no Hate ni, Hiroyuki o Oitekita (Drop Hiroyuki off at the edge of the World)" and dating reality show "Shuffle Island" were both very successful. Both of these programs generated a buzz, drawing a large number of viewers from their respective target demographics.

—What is your view on compliance?

We believe it is essential to consider the viewer's point of view in all aspects of our work. This commitment has grown even stronger in the aftermath of the FIFA World Cup Qatar 2022, which has increased trust and expectations from all sides.

However, our mindset of eliminating the unnecessary, such as things that are unclear as to how others will perceive them, or rules whose purpose is unclear, has remained consistent since ABEMA's inception.

We naturally consider whether programming that could be being offensive or hurtful to people, and do not compromise when it comes to this. We're also committed to producing works while upholding the highest ethical standards and pursuing entertaining content that touches people's hearts.

* "Is She the Wolf?" entered the Netflix Top 10, peaking at No. 4 (Week of June 12-18, 2023)



ABEMA's Content Production That Does Not Separate "Production" From "Delivery"

—What is your current production system like?

We plan and produce original works, including dramas and variety programs, in collaboration with the content studio BABEL LABEL as well as with highly-skilled creators both in and outside the company.

We will extend our reach to the world by combining these creative powerhouses with in-house talent, who are experts in internet business and marketing. For the time being, we plan to continue implementing this strategy while also focusing on revitalization.

We often say, "Don't separate production from delivery. Unlike in the past, when the only way to reach an audience was through limited advertising, marketing design is now required from the content planning and sourcing stages. When it comes to this aspect, our company, which has created a diverse range of internet-based entertainment businesses, possesses unique expertise and knowledge.

—Would you say that your greatest strength lies in internet-based marketing capabilities?

The internet is characterized by its abilities to rapidly spread information among users and exert a strong influence. Creating content based on this reality has always been ABEMA's strong suit.

We want to continue to refine our content creation, whose strength lies in having a unique hook that captures the times and trends to create something of an ignition point—like a story that seems interesting even before you see it, or a story that makes you want to share your thoughts, even if it is controversial, rather than just leaving a good after-impression.

We Want to Deliver Content That Breaks Through the Sense of Stagnation in Japan's Media

—What are your plans for the future?

Under CyberAgent's purpose, to "break through stagnation with new power and the internet," we want to keep increasing the amount of content that brings vitality to Japan.

Two examples of this are the FIFA World Cup Qatar 2022 and Major League Baseball (MLB).

Many Japanese people, including myself, have been inspired by the sight of athletes competing around the world. Every time I watch a livestream, I am struck by the power of sports.

There is a lot of content out in the world that moves people. We intend to be the sole media provider capable of delivering such content on a large scale and in the right way.



Tatsuhiko Taniguchi

Executive Officer, Head of ABEMA's Programming Department

Apr. 2014 Joined CyberAgent, Inc.

Oct. 2018 President, eStream Inc. (current position)

Oct. 2020 Chief Diversity Officer (CDO), CyberZ Inc. (current position)

Oct. 2022 Executive Officer, CyberAgent (current position)

Anime Choose ABEMA to Go Viral, ABEMA Connects Anime with its Viewers

Rina Takai

Executive Officer, Head of ABEMA's Commerce Business Department

The Anime Channel has been a staple of ABEMA since its inception. In addition to its extensive anime lineup, the channel offers special programs, voice actor programs, and other content that connects anime works with its viewers, and it has received widespread support from anime fans.

Over the past decade, the anime industry market has more than doubled to 2.7 trillion yen*, making anime a growth industry in Japan. As commercial opportunities grow, we spoke with Rina Takai, Executive Officer and Head of ABEMA's Commerce Business Department, about ABEMA's anime strategy.

* Source: Association of Japanese Animations "Anime Industry Report 2022" (Jan. 2023)
© Taiki Kawakami, Fuse, KODANSHA/ "Ten-Sura" Project



The “Anime Channel,” a Popular Genre on ABEMA

—How would you characterize the state of anime on ABEMA these days?

Since ABEMA was launched, anime works has consistently remained at the top of the rankings in terms of viewers and comments.

Currently, we're getting a lot of positive feedback from content holders who tell us that streaming on ABEMA has expanded the reach of their work, and we have built a track record of several exclusive and advance streams of animated shows.

The wide range of genres and themes of anime on ABEMA, across our six anime channels, streaming not only the latest works but also past works, marathon broadcasts, and more, draws many viewers constantly. In addition, ABEMA attracts both anime productions and viewers because, in addition to the free service, we offer special programs aligned with the original work as well as a wide variety of voice-acting content, such as "Say You to Yo Asobi," (Night out with voice actors) the industry's first regular show featuring voice actors. Content like this allows viewers to enjoy anime from many different perspectives.

—The fastest exclusive streaming of the wildly popular anime "Oshi no Ko" is still fresh in our minds.

Timed to coincide with the fastest streaming of this anime, we

set up a special store where people could purchase the latest merchandise. While the strength of the work itself was instrumental, I'm proud to say that the collaborative efforts of ABEMA contributed to maximizing the buzz.

We intend to continue to strengthen these efforts to make ABEMA a place that connects works and viewers.

Expanding Profit-Making Opportunities for Anime IPs to Create Win-Win Relationships With Stakeholders

—“Character goods” seem to be gaining popularity with the rapid growth of anime.

The character merchandising market in Japan has a worth of 663.1 billion yen* and has been on the rise in recent years.

ABEMA Mart, our official online store that launched in January of this year, has been working to develop products based on ABEMA viewing data. Among the most popular items in our online store are anime figurines and merchandise based on the original program, which cannot be purchased anywhere else. In addition to dedicated fans, demand is growing among young people and women who enjoy light anime.

Going forward, we want to expand the scope of commerce to increase revenue opportunities, such as by selling more merchandise that utilizes our anime IPs.

We also hope to contribute to the anime industry as a whole, including to content holders and viewers, by providing services

that only ABEMA can fully realize through our investment and other relationships from the anime production stage.

Anime, manga, and figurines— what was once considered a Japanese subculture has now become a mainstream culture around the world.

In particular, the commerce area has enormous potential for growth, not just in Japan but internationally. It should be a game-changer when it comes to competing on a global scale. In the years to come, we will make every effort to bring ABEMA and anime content produced by CyberAgent to the world.

*Source: Association of Japanese Animations "Anime Industry Report 2022" (Jan. 2023)

Rina Takai

Executive Officer, Head of ABEMA's Commerce Business Department

Apr. 2014 Joined CyberAgent, Inc.

Oct. 2018 President, eStream Inc. (current position)

Oct. 2020 Chief Diversity Officer (CDO), CyberZ Inc. (current position)

Oct. 2022 Executive Officer, CyberAgent (current position)



Introducing Japan's "Oshi" Activities to the World to Build a Highly-Profitable Entertainment Ecosystem

Takunori Fujii

Executive Officer, Head of ABEMA's Entertainment DX Division

Since the launch of the paid online live streaming service ABEMA PPV ONLINE LIVE ("PPV") in June 2020, it has featured over 500 performers, making it one of the largest platforms in Japan. The kickboxing event, THE MATCH 2022, sold approximately 500,000 tickets, the highest ever in Japan.

We spoke with Takunori Fujii, Executive Officer and Head of ABEMA's Entertainment DX Division, about the service's strategy and plans for global expansion.

Boosting Profitable Business Through the "Entertainment Ecosystem"

—With the COVID pandemic coming to an end, what changes can we expect in the entertainment industry?

With the lifting of restrictions on holding events, there is a growing demand for in-person events. Shouting loudly and feeling a sense of unity at a live event is one of its most delightful aspects.

On the other hand, it is also true that online streaming has opened people's eyes to the convenience of being able to watch live performances whenever, wherever, and however they want, without having to travel to a specific location to enjoy them. We believe that the internet-based experiences are here to stay.

—What is your future business strategy in this context?

We are currently working to strengthen our IP business, which encompasses artists, celebrities, anime, and more.

We are now able to handle every aspect in-house, from box office planning to operation, sales, and streaming, and this has increased our earning potential.

In July 2023, ABEMA held "Creator Dream Fes ~produced by Com.", an in-person live performance that drew around 40,000 people to the Tokyo Dome. In parallel, ABEMA streamed an original pre-event program, sold merchandise, and held

exclusive live streaming. The number of live-streaming viewers exceeded those who showed up at the Tokyo Dome, a clear sign of the demand for PPV.

We've also signed a partnership agreement with "Hypnosis Mic -Division Rap Battle-," a popular character rap project, and we're working on exclusive streaming and original projects.

—The IP business in the entertainment industry seems to be attracting a lot of attention.

By owning numerous IPs in the fields of music, video, and anime, we hope to create an "entertainment ecosystem" that can compete on a global scale.

For example, we will develop artists from our ABEMA audition program and promote them using the internet-based marketing expertise we have developed over the years.

Then, we will build up the business and eventually monetize it globally by mobilizing all of our assets, including box office, PPV (pay-per-view), commerce, fan clubs, and advertising, resulting in a highly profitable business model.

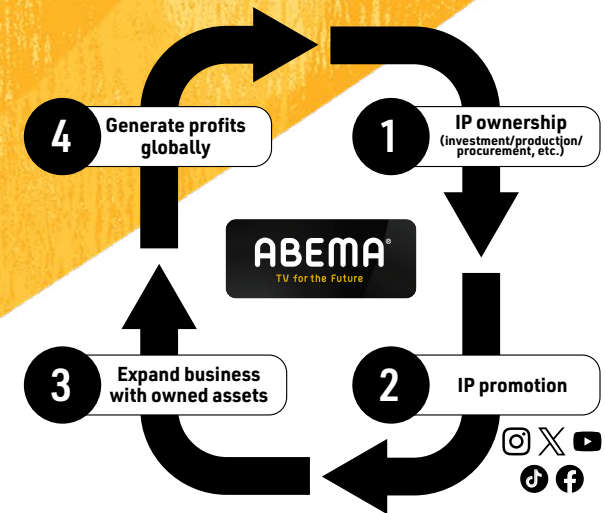
A good example of this is the K-pop boy group "n.SSign."

They were selected to make their debut on the Japan-Korea joint audition program "Stars Awakening," which was broadcast exclusively in Japan on ABEMA. We are responsible for handling fan meetings and promotional marketing in Japan, and we are looking to expand our activities globally in the future.

Once the "entertainment ecosystem" is in place, there will be more opportunities to collaborate and take on new challenges

that would not otherwise be possible, and we are confident that this will lead to dramatic business growth. We are dedicated to developing IPs and expanding their streaming and monetization opportunities.

Boosting Profitable Business Through the "Entertainment Ecosystem"



A Close Affinity With "Oshi" Activities by Dedicated Fans

—In what areas do you see affinities with the PPV offerings of CyberAgent?

We target IPs that have a strong fan base.

"Oshi" activities (supporting your favorite entertainers or characters) have flourished in Japan in recent years, and the sheer size of the population and willingness to spend is astounding.

In Japan and abroad, many fans of artists, idol groups, and 2.5-dimensional entertainment have purchased PPV to watch again after experiencing the live show.

We have already streamed the PPV of the 2.5-dimensional musical produced by Nelke Planning, who joined the group in June of this year. In the near future, we are also planning a fan meeting after the last performance and an original ABEMA program to deliver uninterrupted entertainment and maintain a high level of engagement with dedicated fans.

Online streaming has also become commonplace in the mixed martial arts (MMA) field.

The fact that over 500,000 tickets were sold for THE MATCH 2022 kickboxing event sends a strong message that MMA belongs on PPV. The MMA event "RIZIN" used to rely on televising rights from TV stations as a source of revenue but is now only streamed online, which we believe is a result of PPV becoming commonplace in society.

Because athletes are matched between countries, MMA and boxing are content the world is passionate about. So it is why we are working to develop more PPV services for global markets.

Our Technological and Marketing Advantages Gives Us the Competitive Edge

—What are the benefits of your PPV services?

We believe that our technological and marketing advantages give us a competitive edge.

One of the concerns with PPV is server overload when the number of simultaneous accesses is too high. In this regard, ABEMA has extensive experience dealing with it. The free live streaming of all matches of the FIFA World Cup Qatar 2022 also proved our technological advantages.

In fact, we have never had a single PPV stream fail. Because people pay for PPV, we feel a strong responsibility to provide high-quality video that cannot be experienced through free media. We also have unparalleled marketing advantages. Unlike TV broadcasts, which anyone can watch, paid PPVs are only watched by those who are truly interested, making it more difficult to acquire new fans. The ability to attract new fans using ABEMA's free programming as a marketing tool is an advantage that only we possess.

We are committed to delivering global hits in the way that only ABEMA can, as well as providing incredible video and user experiences to as many people as possible.



Takunori Fujii

Executive Officer, Head of ABEMA's Entertainment DX Division

Apr. 2006 Joined CyberAgent Inc., assigned to the Office of the President

Sept. 2007 Head of Entertainment Division, Ameba Business Headquarters

Oct. 2015 Executive Officer, CyberAgent (current position)

Apr. 2020 President, OEN Inc.

April 2020 Head of the AbemaTV Entertainment DX Division (current position)



ペイパーヒュー
ABEMA PPV
ONLINE LIVE

Creator Dream Force

PARK
Bay Current
K 共立製菓
EBC
アール・シー・エス
能美防災
nippon
JJA

AMBA
ECC
PPV

Growing ABEMA as a "New Model for the Future of Advertising"

Riku Yamada

Managing Executive Officer, Head of ABEMA's Business Development Division

ABEMA, the new future model of TV, aims to create "a new kind of advertising" that is a hybrid of TV and the internet. With today's increase in users of video streaming services, 30% of TV sets in Japan are now connected to the internet, with this figure expected to rise to 43% by 2025*.

In response to the rapid proliferation of CTVs (Connected TVs), ABEMA, which can be viewed on multiple devices, has stepped up efforts to have ABEMA buttons incorporated into the remote controls of major TV manufacturers in Japan, as well as the development of special promotional products. As a result, the share of CTVs in ABEMA's ad space inventory has increased to over 30%.

We spoke with Riku Yamada, ABEMA's Managing Executive Officer and Head of Business Development, about ABEMA's business strategies and advertising business advantages, which have resulted in high advertising effectiveness and consistent growth while adapting to changes in the digital marketing market.

* Source: Intage Inc., "Research Report on Connected TV Trends" (May 2022)





Reaching a Wide Age Bracket with a Special Focus on the Younger Demographic

—What kinds of changes have occurred in ABEMA's advertising business?

In the 7 years since the ABEMA launched, needs and expectations regarding advertising have evolved each time ABEMA's content went viral, but the FIFA World Cup Qatar 2022, which was streamed live in November 2022, was one of the most significant turning points.

I believe that this was due to the increased awareness of the new future model of TV, which offers functionality and ease of use that frees people from time and place, combined with its unparalleled service that allows free viewing of a wide variety of content that includes news, sports, anime, and variety shows.

People in the TV industry have told us that "ABEMA has gained citizenship," and we believe that our ability to build up a viewership base has helped foster a sense of trust that the service can also be effectively used for advertising.

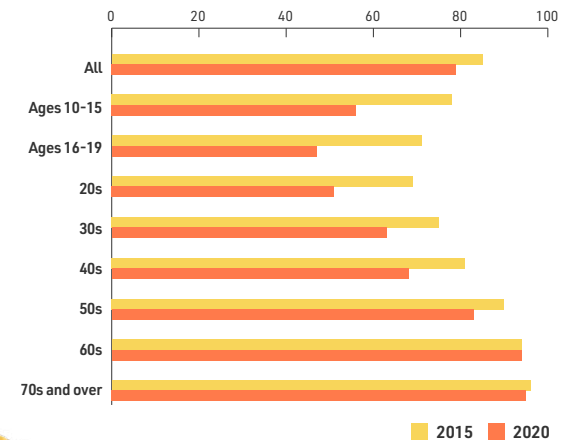
—What characteristics define ABEMA in terms of advertising?

ABEMA is a medium that is viewed by a large number of young people and users in their twenties and thirties who have a strong propensity to consume and are difficult to reach through other media such as TV broadcasts.

ABEMA was originally launched to provide free videos for the younger demographic, who prefer watching videos on their smartphones. We've been able to reach a wide range of age groups, especially younger viewers, by focusing on planning content that would be popular among the group, casting, social media-driven marketing, and also improving national sports and other content.

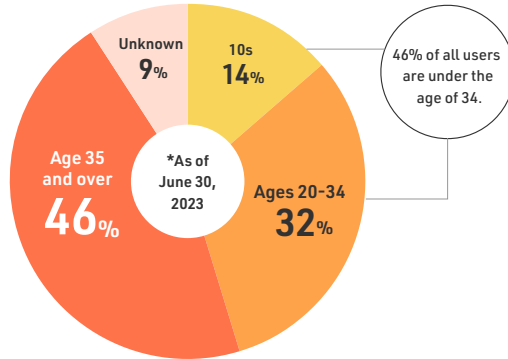
Comparison of Daily TV Viewing Demographics (2015 vs. 2020)

In 2015, 85% of all people watched TV; in 2020, 79%. The decline is significant among the 50s and younger demographic, especially those in their 20s and younger, where the percentage of TV viewers has dropped to about 50%.



*Source: NHK Broadcasting Culture Research Institute, "Japanese Time Use Survey" (2015, 2020)

ABEMA Users by Age



Driving Monetization Capabilities as the New Model for the Future of Advertising

—What are some of the advertising products offered by ABEMA?

ABEMA's advertising products currently consist of planned advertising linked to popular original programs on ABEMA and distributed advertising, which targets viewers and delivers advertisements for a period of time, similar to TV commercials. For planned advertising, we plan and produce infomercials and commercials that, for example, feature cast members from our original dating reality show. Post-delivery surveys have verified

that this is a highly effective advertising method, and they received high praise from advertisers.

The advantage of distributed advertising, where we select viewer attributes that match the advertiser's commercial products and target and distribute them to programs and channels of high affinity for a predetermined period of time, is that it can reach a younger demographic that is not reached by television.

—What is your long-term advertising strategy for ABEMA?

In the medium term, we plan to expand our programmatic advertising, which is one of the most appealing aspects of internet advertising. These are ads that can be distributed up to a certain monthly budget limit without setting a specific time period for ad streaming. This product can be used while monitoring ad unit price and ad effectiveness in order to achieve the advertiser's desired results. ABEMA currently accounts for about 15% of all ad spaces, but we intend to increase this to 30% in three years.

ABEMA also focuses on visualizing the advertising effectiveness effect, which is difficult to do with TV broadcasts, and on strengthening our support for CTV advertising¹, a market that is expected to grow to over 160 billion yen in the future. We are committed to meeting the needs of advertisers even when ads are viewed on TV by quantitatively visualizing advertising effects in a manner similar to internet advertising.

—What are ABEMA's competitive advantages in advertising?

ABEMA handles all processes in-house and employs many engineers and creators from development to operation. This gives us the flexibility to transfer staff, for example, from program production to ad production or from streaming to ad platform development, so that we can create video ads tailored to the program's viewership, accurately measure ad effectiveness, develop ad delivery systems that are easy for advertising agencies to sell, and make any necessary upgrades when needed.

Recently, we have been actively incorporating new technologies, including efforts to improve targeting accuracy using LLM². We believe our competitive edge lies in our ability to adapt to the future evolution of devices, viewer usage trends, and advertiser needs.

We will continue to help monetize ABEMA by developing the "new model for the future of advertising," combining the benefits of TV and internet advertising.

¹ Source: AJA/SMN/Digital InFact "Market Size for Connected TV Advertising in Japan" (March 2022)

² LLM: Large Language Model

Riku Yamada

Managing Executive Officer,
Head of ABEMA's Business Development Division

Apr. 2011 Joined CyberAgent, Inc.

Apr. 2015 Head of Media Development Division, Ameba Business Headquarters (currently Media Headquarters)

Oct. 2015 Executive Officer, CyberAgent Inc.

Oct. 2017 Head of the AbemaTV Business Development Division (current position)

Dec. 2018 Director, CyberAgent, Inc.

Oct. 2020 Managing Executive Officer, CyberAgent, Inc. (current position)

Combining Sports and Technology to Create New Value

Chihiro Sano

Executive Officer, President of WinTicket Co., Ltd.

Apr. 2013 Joined CyberAgent, Inc.
Apr. 2015 Director, Applibot, Inc.
Nov. 2018 President, WinTicket Inc.
Oct. 2022 Executive Officer, CyberAgent (current position)

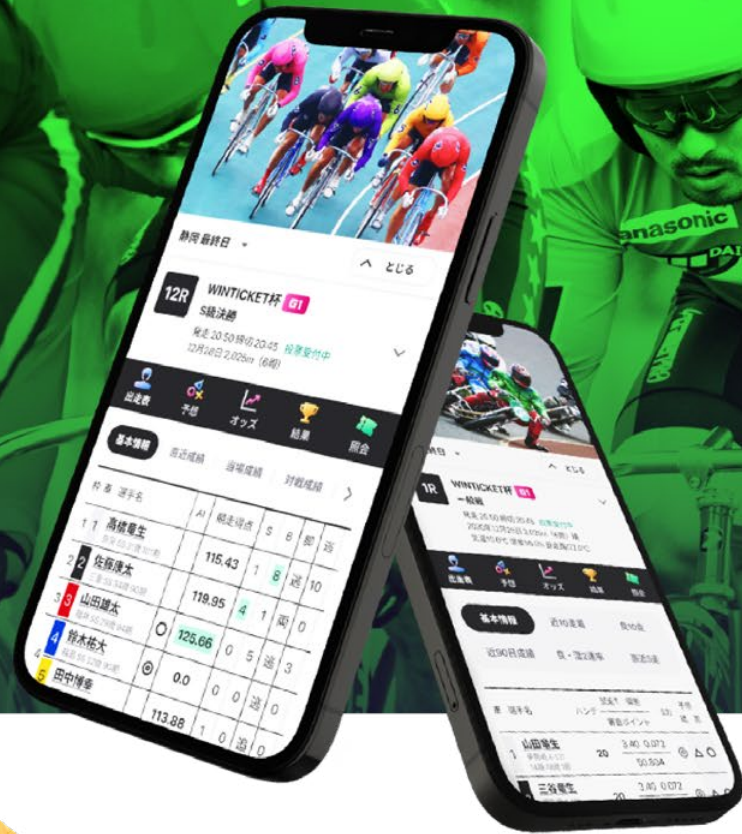
WinTicket is an internet betting service for cycle and auto racing. Despite being a latecomer to the market, WinTicket now accounts for over 40% of the online betting market for cycle racing by leveraging its close relationship with ABEMA, as well as its user interface (UI) design and marketing capabilities. Transaction volume continues to increase at double-digit rates, contributing significantly to ABEMA-related sales.

The spread of internet betting in recent years has helped the cycle racing market* to expand to over 1 trillion yen. We spoke with Chihiro Sano, Executive Officer and President of WinTicket, about the service's future business strategy.

*Source: Japan Keirin Autorace Foundation, "Total Ticket Sales in FY2022" (April 2023)



WIN WINTICKET



Cultivating New Cycle Racing Fans to Be No.1 in the Industry

—Despite being a latecomer to the industry, having launched in 2019, you have steadily increased your market share to become number one in the industry. What is your competitive advantage?

I believe it is because our target market is clearly different from the target of other companies' services. Our strategy is to communicate the appeal of WINTICKET to people who have never experienced cycle racing, rather than to those who have. The fan base for cycle racing and other government-regulated betting sports is aging. But in the case of WINTICKET, roughly 80% of users are in their 20s to 30s. The difference is clear even when looking at the age groups.

The key to this strategy has been CyberAgent's marketing advantages, the fact that it operates ABEMA media, and its development capabilities.

Through marketing, WINTICKET has communicated the appeal of cycle racing ("keirin") to people who have never experienced it before to spark their interest, and created experiences for people to learn about and enjoy cycle racing through ABEMA programs. I believe that ABEMA's programming expertise and name recognition as a media outlet were instrumental in this.

Development capability is also important. Because we are targeting a new audience, we need to make sure that the service is really easy to use or that people abandon it. Even for cycle racing services, our competitive advantage is our ability to

create a UIUX (user interface/user experience) that is simple for young people to use. WINTICKET was also the first to introduce a smartphone payment service in a government-controlled gambling sport.

When people hear the phrase "expand market share," it conjures up images of fighting over pieces of the same pie, but fighting within the same market only limits the growth of services. We believe that services have expanded as the overall market has grown by capturing new audience, and we believe that further growth can be achieved in the coming years by attracting even more new users.

—The market for cycle racing has surpassed 1 trillion yen, and the proportion of internet betters has risen to more than 80%. How are you going to keep increasing the number of users?

We have a business strategy for each phase of our business. The phases are divided based on the target audience, which is a combination of demographics and the level of cycle racing awareness. Right now, WINTICKET is in Phase 1, which means it is still in its infancy based on our perception.

Of course, the level of difficulty increases as the phases progress, but we are gaining knowledge at the same time. We hope to continue to grow the popularity of cycling and to work with the industry as a whole.

In any case, cycle racing is simply a lot of fun to begin with. The word "gambling" may have a negative image, but it is a wonderful form of entertainment when done responsibly. Combining this with the great potential of this engaging sport,

we believe the market is going to continue growing.

Bringing Innovation to the Sports Experience and Offering New Ways to Enjoy It

—What is your vision for WinTicket?

We want to bring innovation to the sports experience. Specifically, by integrating AI technology, sports data, and sports video, we want to create new experiences and new value. The actions that we have planned are already taking shape, and I think we'll be able to announce them soon.

Cycle racing, our current focus, is the only government-controlled gambling sport that is also an Olympic sport. Given that ABEMA is also focused on sports content, we believe we can achieve a synergistic effect with the group.

WINTICKET currently offers cycle racing and auto racing, both of which are government-controlled gambling sports. Still, we want to expand our efforts to sports in general to make the sports business a major pillar of CyberAgent in the future.