



Company Information Session - Q&A Summary

This document summarizes the questions asked by shareholders at the Company Information Session held on Friday, December 13, 2024.

Q1

What are your thoughts on the listing of consolidated subsidiaries?

A1 Respondent: Susumu Fujita, President

We are neither positive nor negative on the listing of subsidiaries, and will consider it as situations arise.

In the group, Makuake, Inc. and Realgate, Inc. have been listed. While it can provide competitive advantages by expanding or actualizing businesses based on the motivation of their respective management teams, selling shares of subsidiaries is not always favorable for our shareholders.

Q2

I believe the abduction issue is of high interest, including among younger generations. For example, producing a program on this topic could attract more viewers to ABEMA and enhance the corporate image. Have you considered this?

A2 Respondent: Susumu Fujita, President

Since ABEMA also has a news division, I'll share your suggestion and consider whether something can be done.

Q3

Regarding the third-party share allocation of Rakuten Group Inc., do you have a plan to have a return on the investment?

A3 Respondent: Susumu Fujita, President

The share price of Rakuten Group has risen compared to when we invested, but we have no plans to sell the shares at this time.

Q4

What is your outlook for the Japanese internet advertising market?

While it has shown double-digit growth in the past, Dentsu Inc.'s research shows a market growth rate decline to 7.8% in 2023. Could you share your thoughts on the future of the internet advertising business, including overseas expansion?

A4 Respondent: Susumu Fujita, President

Given the scale of the internet advertising market, a 7.8% increase is still attractive and indicates that the market continues to grow. As individuals spend more time online and are increasingly influenced by it, I think we can expect internet advertising to expand accordingly.

Even though market growth has slowed down, if we turn our head to overseas expansion or consulting business, it could lead to a mistake. I think it's essential to remain focused.

Q5

I think President Fujita's activities as a horse owner this year were remarkable. During today's presentation, you mentioned the long-term operation of *Umamusume: Pretty Derby**. Does that mean we can expect new elements for users to enjoy in the future?

A5 Respondent: Susumu Fujita, President

Sorry, I can't comment on game content. My activities as a horse owner are entirely personal, but I believe that by strengthening my relationship with the horse racing industry, I've been able to gain a better understanding and cooperation for *Umamusume: Pretty Derby**.

Q6

Regarding ABEMA, what are the benefits of collaborating with TV Asahi Corporation, and what are your future plans?

A6 Respondent: Susumu Fujita, President

From the beginning, we have viewed news coverage as an essential part of building a TV station.

In addition, establishing international sports broadcast would not be possible without TV Asahi's extensive experience.

Buying streaming rights is also heavily reliant on previous accomplishments, connections, and negotiation skills, which makes collaboration with a TV network critical. We have maintained a good relationship thus far and intend to continue doing so.

Q7

Recently, J. League has been ridiculed online as the "tax league" and viewed pessimistically.

As the owner of FC Machida ZELVIA, what are your thoughts on the J. League's 30-year practice of relying on local governments for stadium maintenance costs and sponsors for players' annual salaries?

A7 Respondent: Susumu Fujita, President

Soccer has improved in both strength and quality, and I believe Japanese soccer is now the greatest in Asia.

Frankly, I feel it's about time to address the "Tax League" issue and make soccer financially self-sustainable.

As a club president myself, I intend to work towards this goal.

Q8

Given the occurrence of security incidents causing corporate losses, can you tell us about your company's efforts?

A8 Respondent: Susumu Fujita, President

Given that similar companies have been attacked, we have significantly strengthened our systems.

Respondent: Go Nakayama, Director

Norishige Nagase, Senior Managing Executive Officer, Masato Sato, Executive Officer and CISO, and Yukihiro Nowatari, Principal Engineer of security have launched a company-wide project to comprehensively and systematically review our countermeasures. We have also assigned engineers to all internal projects, using the incidents as an opportunity to raise awareness further, including awareness campaigns for all employees and taking proactive measures whatever possible.

Q9

Regarding FC Machida ZELVIA, negative aspects such as malicious posts and slander unrelated to match results have been a topic of concern. I'm concerned that if this continues, it could impact revenue. Do you have any measures or policies in place?

A9 Respondent: Susumu Fujita, President

We worked with our legal counsel to issue a statement regarding slander during the latter half of the season.

By making FC Machida ZELVIA firmly in the top team rankings, I believe that the number of slanderous and malicious postings will decrease.

Furthermore, in particularly severe cases, we will take into consideration, including the possibility of pursuing lawsuits.

* *Umamusume: Pretty Derby*: © Cygames, Inc.

END