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COLOPL, Inc. The 14th Ordinary General Meeting of Shareholders
Shareholder Questions and Answers

This section contains answers to questions from shareholders in advance and on the day of the 14th Ordinary General Meeting of Shareholders held on December 23, 2022. Questions with overlapping content are introduced by summarizing the purpose of the questions.

I Questions and answers on the day

No.	Questions	Answers
1	Please tell me about your company's specific efforts regarding the "metaverse," which has become a hot topic in recent years.	Our company has been working in the VR and XR domain since before the term "metaverse" was widely known. Among others, our subsidiary 360Channel is currently producing a software package called "Web Metaverse System" using these technologies. This is a software that realizes high-quality 3D space on a web browser using the technology we have cultivated so far. In addition to the B-to-B model, in which we work on various events in cooperation with other companies, we will also specialize and develop the B-to-C model. Another possibility is the investment development business, and we intend to actively invest if there are good investment opportunities in the "metaverse" area.
2	I have been playing "YOU GENERATION" since its first release. I wanted to participate in the last event of "YOU GENERATION," but I was sadly unable to log in because I had changed my cell phone. Please tell me why you are making it work this way.	Thank you for playing "YOU GENERATION." It is a necessary part of the process to stop new registrations as the service ends. In this case, we think that our consideration was insufficient, as it may have been possible to reinstate the account if you had contacted us. We intend to make improvements to prevent this from happening as much as possible in the future. We hope you will continue to play our games.

No.	Questions	Answers
3	Isn't Mr. Ishiwatari's retirement a big loss for your company? He must have been a big part of the issues with Nintendo, but who will play a key role in legal affairs from now on?	Mr. Ishiwatari contributed to our Board of Directors as a Non-Executive Director, not as an Executive Director. Because he is a licensed attorney, we sometimes sought his opinion on legal affairs. On the other hand, ordinary legal affairs are conducted under the supervision of the Corporate Division, which has experienced employees, including licensed attorneys, on its staff. In addition, since Mr. Iida, an attorney, is an outside Audit & Supervisory Committee Member, the Company will continue to receive advice from legal experts who are in a position to be objective on the Board of Directors.
4	Is development of the Switch version of "Shironeko Project" continuing and when are you aiming to release it?	Thank you for playing "Shironeko Project." As for the development of the Switch version, we have no news to be able to announce at this time, we would like to inform you again when we are in the situation to be able to do so.
5	I found "NEKO GOLF -Anime GOLF-" to be an interesting game, but the daily missions are too heavy. I don't think it would be acceptable as a sub-game in modern society where it is common to play multiple games at the same time. What are your thoughts on game design that is easily compatible with other games, daily life, or anything else?	Thank you for playing "NEKO GOLF -Anime GOLF-." We are very glad about you rating this game as interesting. We will discuss your comment about the heavy daily missions with the development team. Our mission is "Entertainment in Real Life," and we have in mind providing games that are rooted in real life. It is quite possible that users will play multiple games as a way of playing, and we would like to design the game with such considerations in mind.
6	Is revenue a major criterion in determining whether to terminate or continue your company's gaming services? Is there a clear monetary level at which to determine service termination?	As a for-profit business, revenue is a major factor in determining whether to continue or terminate the game. However, we make decisions based on multiple perspectives, including the number of users and growth potential of the service, in addition to revenue.
7	Is Nintendo's license related to "Punicon" only for existing games or will it be used for future games?	Due to confidentiality reasons, we cannot answer questions other than those that we have disclosed in our timely disclosures to date.

II Advance Questions and Answers

No.	Questions	Answers
1	<p>While I am glad that the dividend has been maintained from last year, I am concerned that it exceeds the net income per share. Profits are important, but please tell me about your vision for the future by each segment.</p>	<p>Our policy regarding dividends is to pay stable and continuous dividends, taking into account consolidated financial results, DOE (Dividend on equity ratio), cash flow, and capital efficiency. In accordance with this basic policy, and after considering the balance between securing necessary internal reserves and returning profits to shareholders, we decided to pay a dividend of 20 yen although it exceeds net income per share.</p> <p>Regarding the future outlook, we cannot answer because the earnings outlook is undisclosed. Just as a point of reference, our Entertainment business aims to operate existing games to support smartphone games, which account for the majority of our sales, and also to release several new titles per year. In the investment and development business, the number of “middle” and “rater” companies with recent valuations of over 1 billion yen is increasing, and further capital gains are expected.</p>
2	<p>I am not convinced that the board members are continuing to serve without penalty despite continued poor performance. Please explain the clear rationale for each director’s decision to continue to serve.</p>	<p>We commend each of the directors appointed last year for fulfilling their duties responsibly. The selection of candidates for the directors are decided after deliberation and report by the Nomination and Compensation Advisory Committee, in which the majority of members are independent directors, in accordance with the basic policy related to appointment, thus ensuring objectivity and transparency in the process. Please refer to pages 9-13 of the Notice of the 14th Ordinary General Meeting of Shareholders for details on the reasons for the reappointment of each officer.</p>

No.	Questions	Answers
3	<p>What does stock price mean to your company? Please explain the causes of the stock price slump and the implementation of stock buybacks and other stock price countermeasures.</p>	<p>We are not in a position to comment on the stock prices. Since stock prices are determined by various factors such as business performance and market supply and demand, we are committed to generating solid sales and profits in our core business, explaining the results to the market and society, and returning profits to our shareholders.</p> <p>With regard to stock price measures, the basic shareholder return policy is to pay dividends, in addition to which it will consider flexible shareholder return policies as necessary.</p>
4	<p>I love “Meow Meow Star Acres” and became a shareholder. Please explain the current profitability and future operating policy for your non-mainstay titles (especially “Meow Meow Star Acres”)? I hope the game will continue for a long time.</p>	<p>Since many users are still playing “Meow Meow Star Acres,” we would like to continue the service for as long as possible. We may decide to terminate the game service for profitability reasons, in which case we will consider developing the game as an IP rather than as a stand-alone game.</p>
5	<p>Regarding “Meow Meow Star Acres,” is there any way to reacquire previously sold goods?</p>	<p>Our official store does not stock these goods.</p> <p>For more information about the goods for the animated version of “Meow Meow Star Acres,” please check the following website. http://hoshinyan.net/goods.html</p>
6	<p>At last year’s Ordinary General Meeting of Shareholders, the Company stated that it would continue to provide enjoyment to users through the development of goods and events for its game IP, which has reached maturity. I believe that this is predicated on continuing to enhance the appeal of the core game and actively increase the number of users and their level of satisfaction. What are your thoughts on how to handle the game of existing IP?</p>	<p>In order to continue to provide enjoyment to users, we believe it is necessary to continue to enhance the appeal of our games and actively increase the number of users and their level of satisfaction. Therefore, we aim to keep titles in operation for as long as possible, and provide regular improvements and new measures so that many users can continue to enjoy them. We also conduct various collaborations and campaigns to promote new users to play our games. Not only that, we are also proposing new attractions for our IP by releasing new game titles, such as the recently launched “NEKO GOLF -Anime GOLF-.” By doing so, we hope to play to new users who have not been exposed to the IP before.</p>

No.	Questions	Answers
7	<p>Since “DRAGON QUEST WALK,” there have been a series of failures in game development. What do you think is the reason for the failure of “YOU GENERATION” ? Do you have any plans to develop other Location-based game?</p>	<p>We believe the issue is that the value of the “new experience” we propose was not widely recognized by many users. However, we will continue to provide experiences using distribution like “YOU GENERATION,” and we will make every effort to ensure that many users will find value in our services.</p> <p>Since there are few companies in the world that have the technology and know-how to develop location-based games, we hope to leverage this advantage to continue developing location-based games.</p>
8	<p>Is “NEKO GOLF -Anime GOLF-” going according to the company’s plan? Please explain the budget and actuals and your vision for the future.</p>	<p>The KPI of the game is not bad, and the game is being played with high enthusiasm. In order to increase the number of users, we hope to attract more customers through future promotions. By then, we would like to improve the game at the same time and aim to provide a service that can be played for a long time.</p>
9	<p>What are your thoughts on the unusually large number of issued shares (130 million)? I think it needed to be organized when it was transitioned to Prime Market.</p>	<p>We believe that the current number of issued shares is appropriate from the perspective of ensuring sufficient liquidity for a diverse range of shareholders to invest with confidence. In fact, there were liquidity criteria established for the transition to the prime market, and of course, we had met those criteria.</p>