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COLOPL, Inc. The 17th 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 17th Ordinary General Meeting of Shareholders held on December 23, 2025. Questions and answers received from shareholders are supplemented as necessary to clarify the meaning of the text. In addition, "I. Questions and Answers on the day" includes questions and answers that could not be presented due to time constraints.

I. Questions and answers on the day

No.	Questions	Answers
1	I am a user who has logged in for over 4,500 days to “Quiz RPG: The World of Mystic Wiz.” The sudden rule change during the September in-game event left me extremely confused. Frankly, I cannot help but feel the response was somewhat perfunctory. As a company that positions entertainment as its core business, I demand more careful management. Furthermore, I want the executive team to fully recognize this point.	<p>(Sakamoto)</p> <p>We sincerely thank you for logging in and playing every single day without fail for over 12 years, since the service first launched.</p> <p>In the rapidly changing mobile game market, we are truly delighted that you have supported us with such passion for such a long period and that our service has been a part of your life.</p> <p>We firmly believe that continuing to live up to this trust is the key to sustainable growth. We have received your feedback as valuable input. We will focus on operations that will satisfy you, aiming to meet the expectations of our long-time users.</p>
2	I feel there is a lack of two-way communication with shareholders and users. Occasional surveys and similar efforts make it difficult to feel connected to the company or the game. To enhance engagement with shareholders and users, please focus on improving two-way communication.	<p>(Miyamoto)</p> <p>We sincerely appreciate your continued use of and support for our services. As our business operates online, opportunities for face-to-face communication with you are limited. While we make various efforts to engage, we deeply regret that our commitment to thoroughly considering your feedback has not been sufficiently conveyed. Moving forward, we intend to employ as many methods as possible to translate the feedback we receive from you into improvements.</p> <p>Specifically, for our shareholders, we will refine the content presented in our integrated reports and other materials. For our users, we will continue exploring and improving our communication methods, such as sharing the results of surveys we receive and our responses explaining how we are considering them.</p>

No.	Questions	Answers
3	<p>At the previous shareholders' meeting, questions were altered to use more favorable phrasing before being read aloud. We deem this an attempt to manipulate perceptions by exploiting the virtual-only format's inability for shareholders to correct statements, thereby undermining the fairness of the meeting. Please disclose the number of instances where past statements were altered and the specific content modified.</p>	<p>(Miyamoto)</p> <p>When we receive multiple similar questions, we may consolidate our responses and adjust phrasing for readability, but we do not alter the content itself. We appreciate your understanding. Furthermore, our responses on the website are posted exactly as the questions were submitted.</p> <p>Therefore, we do not manipulate content or engage in impression management. We appreciate your understanding of this policy.</p>
4	<p>The prolonged poor performance has led to a significant decline in stock price.</p> <p>Most recently, extraordinary losses related to “Brilliantcrypto” resulted in two consecutive years of losses and the reduction in force of 70 employees.</p> <p>The reappointment of directors who allowed the situation to deteriorate to this extent is unacceptable.</p> <p>Please explain the legitimate reasons why they are not being held accountable for the long-term poor performance and two consecutive years of losses, and provide evidence that the reappointment candidates can turn the company around.</p>	<p>(Miyamoto)</p> <p>We sincerely acknowledge the current performance and stock price levels. We believe the directors appointed last year have each fulfilled their duties responsibly. Over the past year, we have focused on laying the groundwork to achieve our mid-term management policy, “Global Top 20.” We must sincerely accept the results and use them as a basis for improvement. We do not believe that replacing directors alone necessarily constitutes taking responsibility.</p> <p>We have carefully analyzed the figures and reviewed how to improve our future content strategy and content creation methods. Specifically, we have reexamined advertising method management, development process management, and the structure of our game development organization. Furthermore, we are implementing various measures to adapt to the significantly changing external environment for games and entertainment.</p> <p>Moving forward, we intend to thoroughly investigate the root causes of the issues within our game business, including “Brilliantcrypto,” and continue addressing them under the current executive structure.</p>
5	<p>Questions at online general meetings are limited to 150 characters, severely restricting two-way dialogue with shareholders.</p> <p>This violates Corporate Governance Code's principles of “constructive dialogue with shareholders” and “ensuring the substantive functioning of shareholder meetings.”</p> <p>While ostensibly for convenience and cost reduction, this practice effectively prevents inconvenient questions. We request an improvement in the dialogue stance and the holding of in-person or hybrid shareholder meetings.</p>	<p>(Miyamoto)</p> <p>We address all questions raised at the shareholders' meeting to the extent time permits. For questions we were unable to answer due to time constraints, we provide responses on our website.</p> <p>Regarding our sluggish performance, we often receive feedback suggesting that harsh words conveyed in person are more effective than written communication. However, we sincerely take all critical written feedback to heart, just as we would face-to-face comments.</p> <p>That said, holding the meeting online offers advantages such as cost reduction and easier access for those in remote locations. Furthermore, we are constantly exploring ways to respond to the feedback we receive from our customers online. Considering these aspects of our business model, we would appreciate your understanding regarding the online format.</p>

No.	Questions	Answers
6	<p>PBR below 1x As pointed out at the last two shareholder meetings, it has deteriorated to a PBR of 0.78x.</p> <p>I would like to know whether there is no intention to improve, or whether it is impossible. If it is impossible, I would like the management team to be replaced.</p>	<p>(Harai)</p> <p>We deeply regret that our PBR has fallen below 1x and are strongly committed to improving this situation.</p> <p>However, we do not intend to implement short-term financial measures such as share buybacks to artificially boost the stock price. We are determined to steadily advance our efforts toward achieving the mid-term management goal “Global Top 20,” announced with this earnings report. Through this progress, we will improve our stock price over the medium to long term and enhance our PBR.</p>
7	<p>The mid-term targets were announced in the November financial results materials. What basis was used to set these mid-term targets?</p> <p>Furthermore, have specific, phased targets been established to achieve these mid-term goals?</p> <p>Additionally, do you have a firm outlook that these targets can be achieved?</p>	<p>(Miyamoto)</p> <p>The “Global Top 20” refers to the top 20 companies in the global mobile game market, with a benchmark of consolidated sales exceeding 100 billion yen and operating profit exceeding 50 billion yen. Our highest sales to date were approximately 85 billion yen, meaning we would surpass that figure.</p> <p>The reason for announcing this now is that we have established a clear pipeline toward achieving consolidated sales of 100 billion yen.</p> <p>We possess unique technologies and know-how that only we can deliver, such as the “Generative Games” released last fiscal year and our longstanding strength in “Location-Based Games.” By combining these with IPs that resonate overseas, we aim to create hit services not only in Japan but also internationally, particularly targeting North America.</p> <p>Concurrently, we must develop the next generation of location-based game technology and expand services by positioning it as a market. We recognize that our failure to achieve this was a factor in the recent underperformance of our new titles.</p> <p>Moving forward, we plan to adopt a “market-in” approach, adding multiple pipelines and developing new businesses. Through these cumulative efforts, we aim to achieve “Global Top 20” status, consolidated sales exceeding 100 billion yen, and operating profit exceeding 50 billion yen.</p>

No.	Questions	Answers
8	<p>Regarding the challenges to be addressed, you mentioned expanding overseas services. Could you please tell us about the current performance overseas and how you plan to proceed with that going forward?</p>	<p>(Sakamoto)</p> <p>While we do not disclose detailed overseas performance figures, we recognize that overseas expansion is critically important for our future corporate growth.</p> <p>We view the “Leveraging Powerful IP” strategy, one of our mid-term management policies, as crucial for overseas expansion. This is because we believe leveraging such powerful IP is indispensable for achieving global recognition and success.</p> <p>We also consider collaboration with companies possessing powerful IP equally important, and are currently exploring avenues for such partnerships.</p> <p>(Miyamoto)</p> <p>I believe the intent of your question also included, “Can we succeed overseas with our current ratio of overseas sales?”</p> <p>Please understand that the overseas sales we will generate going forward, as we aim for “Global Top 20,” will be entirely different from our previous overseas sales.</p> <p>Until now, we licensed our IP to overseas companies who then provided the services. Going forward, however, we will proactively partner with other companies possessing strong IP to expand. Furthermore, our approach to overseas markets will involve not only our own company but also partnerships with overseas companies.</p> <p>Therefore, I would like to clarify that this will differ in scale and approach from our previous overseas sales.</p>

No.	Questions	Answers
9	<p>It seems like all games except “DRAGON QUEST WALK” are underperforming, and I feel like we've been lacking creative talent for years now. You mentioned securing talent as a goal earlier—what kind of people are you prioritizing to keep the entertainment division going?</p>	<p>(Sakamoto)</p> <p>First, let me discuss the ideal candidate profile. Our company holds the vision of “Delivering ‘New Experiences’ with the latest technology and creative ideas.”</p> <p>Interpreting this vision, it requires heightening sensitivity to new technologies and keenly grasping the evolving needs of our users. We seek individuals who can comprehensively absorb diverse information and technologies and make them their own. Given that we develop complex content like games, we also need people who can fundamentally contemplate what “new forms of play” truly mean.</p> <p>To secure such talent, we will focus on two main directions.</p> <p>First is strengthening our recruitment competitiveness. To achieve this, we will adopt different hiring approaches for each job type, starting with direct recruiting. Additionally, raising awareness is crucial, so we will also focus on activities to increase recognition of Colopl, including communications through our owned media.</p> <p>Second, given the challenging recruitment market, we will also intensify our focus on internal talent development. Beyond training for first- and second-year employees, we plan to prioritize talent development initiatives such as strengthening talent management (including mid-career hires) and implementing individual development programs for all employees, including managers.</p>
10	<p>Regarding the “Global Top 20,” I can't see any roadmap or pipeline at all. It sounds like empty talk, and I have no confidence in the management team that has failed to deliver growth for years yet remains in key positions. Please clearly present the roadmap and pipeline.</p>	<p>First, regarding the recent performance and growth pace, we sincerely acknowledge the critical assessments received from our shareholders.</p> <p>To achieve our newly established mid-term management goal, “Global Top 20,” we are advancing three key strategies: “Active expansion into overseas markets,” “Leveraging powerful IP,” and “Provision of new UX (new user experiences through one-of-kind creation).” Specifically, we aim to create globally successful hit titles by combining our strength in “Location-based games” with globally recognized “powerful IP.” Our development pipeline currently includes four ongoing projects, with plans to expand further. We intend to achieve our target figures by building on the success of multiple hits.</p> <p>Regarding specific titles and release dates, many projects involve collaborations with third-party IP holders. We kindly ask for your understanding that we cannot disclose details based solely on our own decision. We will announce information at the appropriate time and appreciate your patience until then.</p>

II. Advance Questions and Answers

No.	Questions	Answers
1	<p>I have a question regarding “Pro Baseball PRIDE, which is scheduled to cease service this November.</p> <p>I proposed discontinuing “Pro Baseball PRIDE” last year as well, but the decision was made to continue the service, resulting in its discontinuation this year.</p> <p>Please explain why the decision to discontinue this app's service was delayed.</p>	<p>The decision to close a title is made based on a comprehensive assessment of sales, operating costs, and the trends of various associated KPIs.</p> <p>Regarding “Pro Baseball PRIDE,” which began operation in 2012, we made our decision based on our company standards, taking into account that some users have passionately enjoyed the game for many years.</p>
2	Regarding the virtual shareholders' meeting. If the meeting is to be held virtually to make it easier for all shareholders to participate, shouldn't it be scheduled on Sundays or holidays to avoid conflicts with shareholders' meetings of other companies and to avoid weekday mornings when people are generally busy with work or other activities?	We have received your valuable feedback and will consider the future methods for holding shareholders' meetings, taking into account social conditions and the actions of other companies.
3	The responses to shareholders' advance questions are too slow. Shouldn't they be disclosed promptly after the shareholders' meeting concludes?	We have received your valuable feedback and will continue to strive to provide shareholders with prompt and accurate information.
4	I have a question about COLOPL NEXT, Inc. Since 2015, they've been supporting startups. Are there any companies that have grown significantly over the past 10 years?	<p>As for results, through the exit of Timee Inc. shares, we recorded operating profit of 0.93 billion yen in the fourth quarter of the fiscal year ended September 2024 and 1.06 billion yen in the second quarter of the fiscal year ended September 2025.</p> <p>Approximately 12 years after the start of the investment and about 5 years after segment recognition, our portfolio companies have gradually grown and are now entering their harvest period.</p> <p>We regret that we are unable to provide specific information regarding individual portfolio companies currently held.</p> <p>For details on specific portfolio companies, we kindly ask that you refer to the website of COLOPL NEXT Inc. (https://www.coloplnext.co.jp/portfolio/?lang=en)</p>

No.	Questions	Answers
5	<p>The core Entertainment Business has been sluggish for a long time, with no signs of recovery in sight. Without any drastic changes, can the current management team truly increase corporate value?</p> <p>There also seems to be insufficient communication with shareholders. Do they really think virtual-only shareholder meetings are sufficient?</p>	<p>We take our current performance and stock price level seriously. Over the past year, we have been laying the groundwork to achieve our mid-term management goal of “Global Top 20.” Internally, we have steadily implemented reforms based on our mid-term management policy, including refining our content strategy, rigorously managing new development processes and advertising methods, and changing our evaluation systems and organizational structure. We are determined to ensure these efforts translate into future corporate value growth.</p> <p>Regarding dialogue with shareholders and the virtual general meeting, our company has long operated a business centered on online platforms. This has enabled us to receive feedback from users and partners with a level of detail surpassing many other industries, and we have consistently reflected this in our business and management decisions. Against this backdrop, we believe we sincerely engage with opinions received online from our shareholders, regardless of format, and effectively incorporate them into management decision-making. Of course, we recognize the value of face-to-face dialogue. However, virtual meetings offer advantages such as reduced venue setup costs and easier participation for shareholders in remote locations. Moving forward, we will continue to explore the optimal approach for next year and beyond, taking into account social conditions and the actions of other companies.</p>
6	<p>Despite prolonged sluggish performance and share prices, the same directors continue to be reappointed, with restricted stock (RS) grants to directors increasing annually. These practices clearly violate Corporate Governance Code principles. The routine reappointment and ongoing stock compensation without commensurate results constitute entrenched vested interests. Therefore, we demand the introduction of performance and share price-linked conditions, the disclosure of board member effectiveness evaluation results, and full transparency regarding RS grant criteria.</p>	<p>We sincerely appreciate your valuable opinions regarding our governance structure and compensation.</p> <p>First, regarding the appointment of Directors, decisions are made following deliberation and recommendations by the Nomination and Compensation Advisory Committee, where Independent Outside Directors constitute a majority. This process ensures objectivity and transparency. Based on this, we determined that the continuation of reforms by the current management team is essential to achieving our “Global Top 20” goal.</p> <p>Furthermore, Restricted Stock (RS) is a system designed to share risks with our shareholders and enhance commitment to increasing corporate value. We believe it serves as a strong motivator for performance recovery.</p> <p>We will consider your requests as valuable input for future system design and information disclosure.</p>

No.	Questions	Answers
7	Despite stagnant performance, you continue paying a 20 yen per share dividend. While the current dividend policy appears to be formal equality, the majority actually flows back to the founder. This violates CGC's principles of “appropriate shareholder returns,” “equality among shareholders,” and “conflict of interest management.” Individual shareholders gain little benefit, making it effectively a cash gift to the founder. What is the basis for claiming this dividend policy “contributes to enhancing corporate value”?	<p>Dividends are paid fairly to all shareholders in proportion to their shareholdings, based on the “principle of shareholder equality” under the Companies Act. We recognize this as a legitimate shareholder return, not a benefit to specific individuals.</p> <p>Furthermore, based on a sound balance sheet, our fundamental policy is to provide stable and continuous dividends, taking into comprehensive consideration consolidated performance, the dividend on equity (DOE), cash flow, and capital efficiency. After balancing the internal reserves necessary for growth investments with shareholder returns, we have determined that a dividend of 20 yen per share, the same amount as last year, will contribute to enhancing corporate value over the medium to long term and, ultimately, to the interests of all shareholders.</p>
8	Please clearly explain the measures for improving business performance.	<p>To achieve our newly established mid-term management goal, “Global Top 20,” we are advancing three key strategies: Proactive expansion into overseas markets, Leveraging powerful IP, and Providing new UX (new user experiences through one-of-kind creation). While the domestic market is maturing, significant untapped potential remains globally. To reliably capture this opportunity, we will focus on creating hit titles that resonate globally by combining our core expertise in location-based games—a unique strength not found in competitors—with powerful IP.</p> <p>Furthermore, with our two pillars—the Entertainment Business and the Investment and Development Business—we will expand our business foundation through appropriate resource allocation and diversified investment, striving to enhance our fundamental corporate value.</p>
9	I would like to hear about measures to overcome the slump in stock prices due to poor performance or the question of responsibility.	<p>The entire management team sincerely acknowledges the current situation of persistently low stock prices. We recognize that our foremost responsibility is to complete thorough and fundamental reforms under the current management structure and restore business performance.</p> <p>To achieve our newly established mid-term management goal, “Global Top 20,” we are advancing three key strategies: Active expansion into overseas markets, Leveraging powerful IP, and Providing new UX (new user experiences through one-of-kind creation). Specifically, we aim to create globally successful hit titles by combining our strength in “New Experiences (UX)” with globally recognized “Powerful IP.” We will diligently execute these strategies and strive to enhance corporate value.</p>

No.	Questions	Answers
10	Although there are only two candidates for outside directors, you should increase the proportion of Outside Directors to include candidates who are well-versed in advertising, manufacturing, employee development, and M&A. This will enable you to quickly grasp external information and collaborate with other industries for growth.	<p>Regarding the governance structure, even under the current candidate proposal, five of the nine Directors, including Audit and Supervisory Committee Members, are Outside Directors, constituting a majority.</p> <p>These five Outside Directors comprise a certified public accountant, a lawyer, individuals with backgrounds in securities firms, and those with extensive experience as executives at other companies, possessing extremely high levels of expertise in their respective fields.</p> <p>Therefore, we judge that the current structure sufficiently encompasses the broad range of knowledge and external perspectives necessary for management decisions.</p> <p>We recognize ensuring diversity on the Board of Directors as an important challenge and will use the opinions received as a reference for building the optimal structure going forward.</p>
11	In “Quiz RPG: The World of Mystic Wiz,” Dietrich—a character consistently ranked high in past popularity polls—has been absent for an extended period. Meanwhile, certain event characters receive disproportionate favoritism. This situation has become monotonous, raising concerns about user attrition and declining sales. We demand fair character appearances and corrective measures in the operational structure.	<p>Thank you very much for always playing “Quiz RPG: The World of Mystic Wiz.” We sincerely take all expectations and concerns from our users as important feedback.</p> <p>We share the opinions we receive internally and use them as reference for our operations, aiming to continue providing a service that many users can enjoy for a long time.</p>
12	Regarding the revenue model for IPs (such as Alice Gear Aegis) that have been released for several years to continue generating profits going forward. Additionally, please explain the measures taken to address issues such as utilization of past assets within the IP and inflation over time, as well as the efforts to maintain the IP's brand value.	<p>Regarding the revenue model for long-running titles, we believe that providing a stable environment where players can enjoy the game with peace of mind over the long term, rather than chasing short-term sales, ultimately leads to stable revenue and brand maintenance.</p> <p>Moving forward, we will continue to earnestly listen to our users' feedback and strive to provide a service that is loved for years to come through careful balance adjustments and ongoing feature improvements.</p>
13	What happened to the Switch version of “Shironeko Project”?	We currently have no information to share, but we are refining the project and advancing development to deliver something that will delight our users. We will keep you updated as soon as we have news to share.