



Q3 FY2016 Operating Results

February 8, 2017

DeNA Co., Ltd.

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Financial Results Summary

- Q3 revenue was in line with expectations
- Due to withdrawal of all articles, the curation platform business did not reach third quarter expectations

(billion yen)

Item	FY2015		FY2016		
	Q3	Q4	Q1	Q2	Q3
Revenue (IFRS)	33.8	35.0	38.3	38.2	32.2
QoQ	-9%	3%	9%	-0%	-16%
YoY	-2%	-3%	1%	3%	-5%
Revenue from Sports	0.7	1.5	5.5	6.3	0.6
QoQ	-83%	123%	268%	15%	-90%
YoY	13%	103%	46%	56%	-5%
Revenue excl. Sports	33.2	33.5	32.8	32.0	31.6
QoQ	0%	1%	-2%	-3%	-1%
YoY	-2%	-5%	-3%	-4%	-5%
Operating profit (IFRS)	3.3	5.1	7.4	7.9	3.4
QoQ	-55%	55%	43%	7%	-56%
YoY	-36%	11%	83%	7%	4%
Non-GAAP operating profit	3.4	3.9	7.8	7.9	3.4
QoQ	-45%	15%	101%	1%	-56%
YoY	-34%	-20%	14%	28%	2%
Operating profit from Sports	-1.8	-1.1	1.8	2.2	-1.6
QoQ	-	-	-	24%	-
YoY	-	-	109%	115%	-
Operating profit excl. Sports	5.2	4.9	6.0	5.7	5.0
QoQ	1%	-5%	21%	-5%	-11%
YoY	-22%	-13%	0%	11%	-3%

*For IFRS revenue, we defer revenue over the period that we expect the user to use a particular game in games that have a single payment model or are similar to that model.

For full reconciliation of GAAP to Non-GAAP metrics, please see the reference section.

Consolidated Financial Results (IFRS)

- Other income: recognized gain from sale of the shopping mall business (6.0 billion yen)
- Other expenses: recognized impairment loss for the curation platform business (3.9 billion yen), and dissolution costs associated with the West closure (2.2 billion yen)

(billion yen)

Item	FY2015		FY2016				
	Q3	Q4	Q1	Q2	Q3	YoY Change	QoQ Change
Revenue	33.8	35.0	38.3	38.2	32.2	-5%	-16%
Game	27.3	26.6	26.1	24.3	23.6	-13%	-3%
E-commerce	4.8	5.2	4.6	4.9	5.1	6%	4%
Sports	0.7	1.5	5.5	6.3	0.6	-5%	-90%
New Businesses and Others	1.4	2.0	2.3	3.0	3.1	114%	3%
Adjustments	-0.3	-0.2	-0.3	-0.2	-0.2	-	-
Operating profit	3.3	5.1	7.4	7.9	3.4	4%	-56%
Operating profit margin	10%	15%	19%	21%	11%	-	-
Segment profit / loss	3.5	4.9	7.2	8.0	3.6	2%	-55%
Game	6.0	6.6	6.7	6.1	6.0	-1%	-2%
E-commerce	0.7	0.7	0.4	0.5	0.5	-34%	-14%
Sports	-1.8	-1.1	1.8	2.2	-1.6	-	-
New Businesses and Others	-1.3	-1.0	-1.3	-0.9	-1.4	-	-
Adjustments	-0.1	-0.4	-0.3	0.1	0.1	-	33%
Other income *	0.1	2.3	0.1	0.1	6.1	4026%	6326%
Other expenses*	0.3	2.1	0.0	0.2	6.2	1703%	2419%

*Includes non-extraordinary gains and losses under Japanese GAAP. (e.g. Loss on sales / retirement of tangible / intangible assets)

Cost and Expense Breakdown (IFRS)

(billion yen)

Item	FY2015		FY2016				
	Q3	Q4	Q1	Q2	Q3	YoY Change	QoQ Change
Cost of Sales	14.0	14.3	14.9	14.8	12.9	-8%	-13%
Personnel Expenses	1.5	1.4	1.3	0.9	0.9	-39%	-1%
Depreciation and amortization	2.2	2.2	2.2	2.3	2.3	4%	2%
Outsourcing expenses	2.2	2.1	2.5	2.9	2.6	17%	-11%
Commission fees	6.2	6.2	6.1	5.8	5.8	-6%	0%
Others	1.9	2.4	2.8	2.9	1.3	-31%	-55%
Selling, general, and administrative expenses	16.3	15.8	16.2	15.4	15.7	-4%	2%
Personnel Expenses	3.3	3.4	3.7	3.6	3.6	9%	-2%
Sales promotion & Advertising expenses	4.1	3.1	3.2	2.8	2.9	-30%	0%
Outsourcing expenses & Commission fees	7.0	7.0	7.3	7.0	7.0	-1%	0%
Others	1.9	2.4	2.0	2.0	2.3	21%	15%
Other income*	0.1	2.3	0.1	0.1	6.1	4026%	6326%
Other expenses*	0.3	2.1	0.0	0.2	6.2	1703%	2419%
Consolidated employee headcount	2,410	2,435	2,497	2,496	2,413	0%	-3%

*Includes non-extraordinary gains and losses under Japanese GAAP. (e.g. Loss on sales / retirement of tangible / intangible assets)

Financial Results for the Nine Months Ended December 31, 2016 (IFRS)

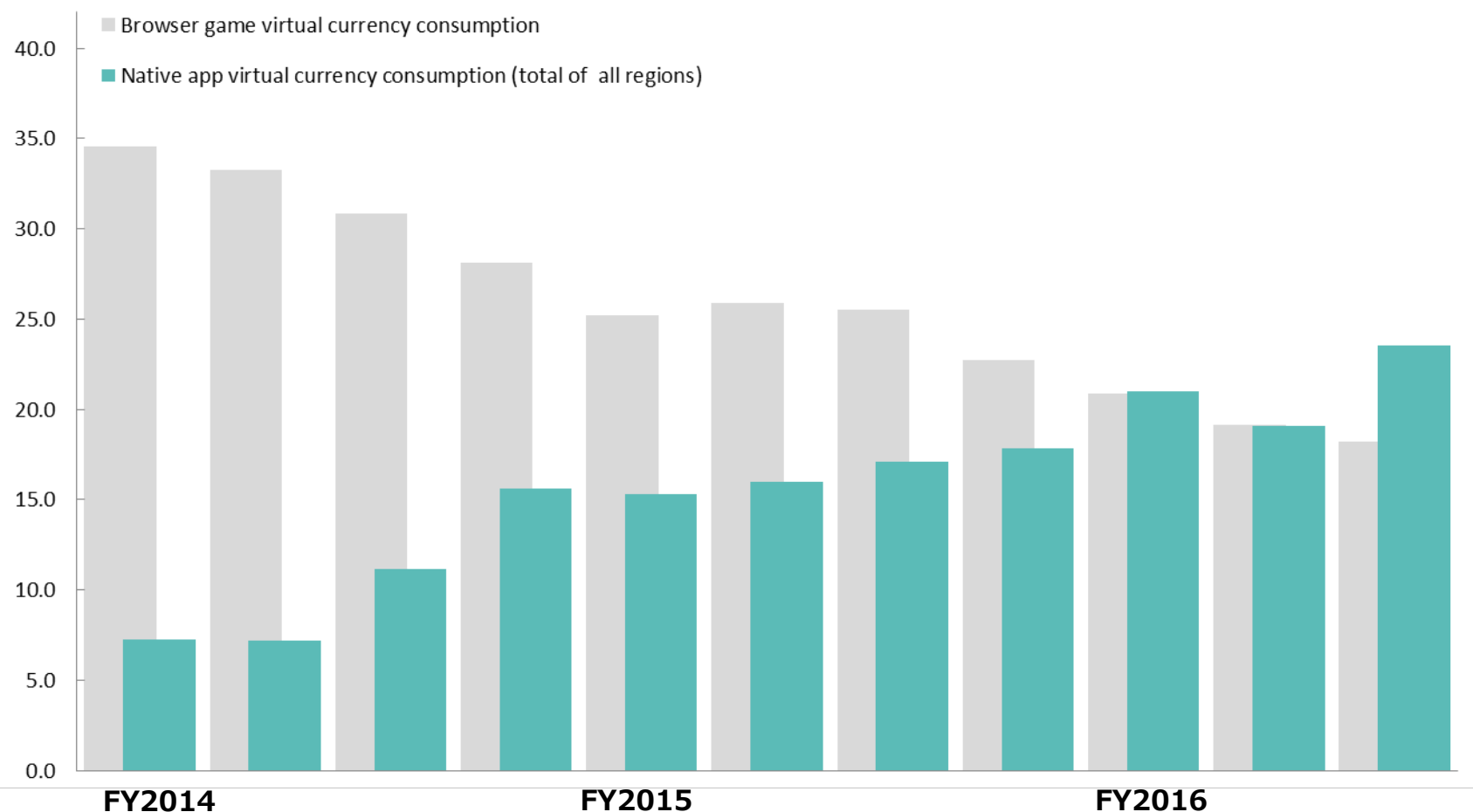
- Income tax benefit was recognized due to deferred tax assets related to the loss on the valuation of shares of overseas subsidiaries related to the West game business. Recognition of this loss on Japanese standalone financial statements occurred in the past

(billion yen)

Item	FY2015 Apr-Dec	FY2016 Apr-Dec	YoY Change
Revenue	108.7	108.7	+ 0.0
Operating profit	14.7	18.7	+ 4.0
Finance income	0.2	0.5	+ 0.3
Finance costs	-0.2	-0.2	+ 0.0
Share of profit (loss) of associates accounted for using the equity method	1.4	2.0	+ 0.5
Profit before tax	16.1	21.0	+ 4.8
Income tax expense	-7.4	9.2	+ 16.7
Profit for the period	8.7	30.2	+ 21.5
Profit for the period: Owners of the parent	8.4	28.8	+ 20.4
Profit for the period: Non-controlling interests	0.4	1.4	+ 1.0

Game Business (Overall)

- Shifting strategy and organization towards lineup with greater potential for global success beginning 2H FY2016
- *Super Mario Run** was launched for iOS on December 15, 2016
*Provided by Nintendo
- Other 1st- and 2nd-party titles, particularly in the Japan Game Business, showed stable performance (billion yen)



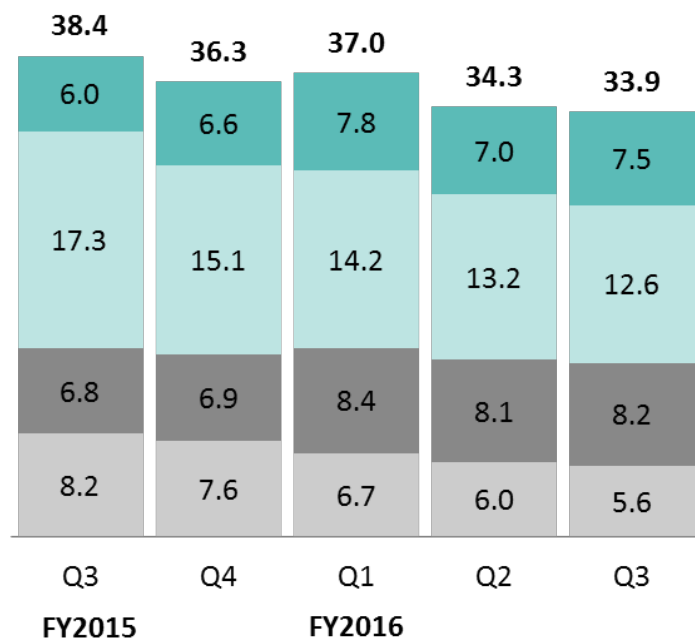
Game Business (Japan Game Business Excluding Nintendo)

- Stable performance from key 1st- and 2nd-party apps

Coin Consumption in Japan by Business

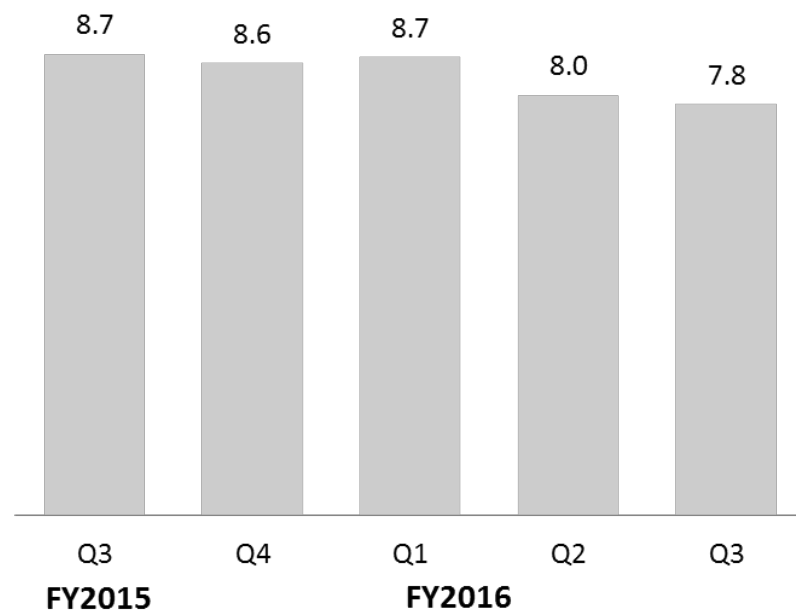
(billion yen)

■ 3rd-Party(App) ■ 3rd-Party(browser)
■ 1st- and 2nd-Party(App) ■ 1st- and 2nd-Party(browser)



Operating Profit from Japan Game Business*

(billion yen)

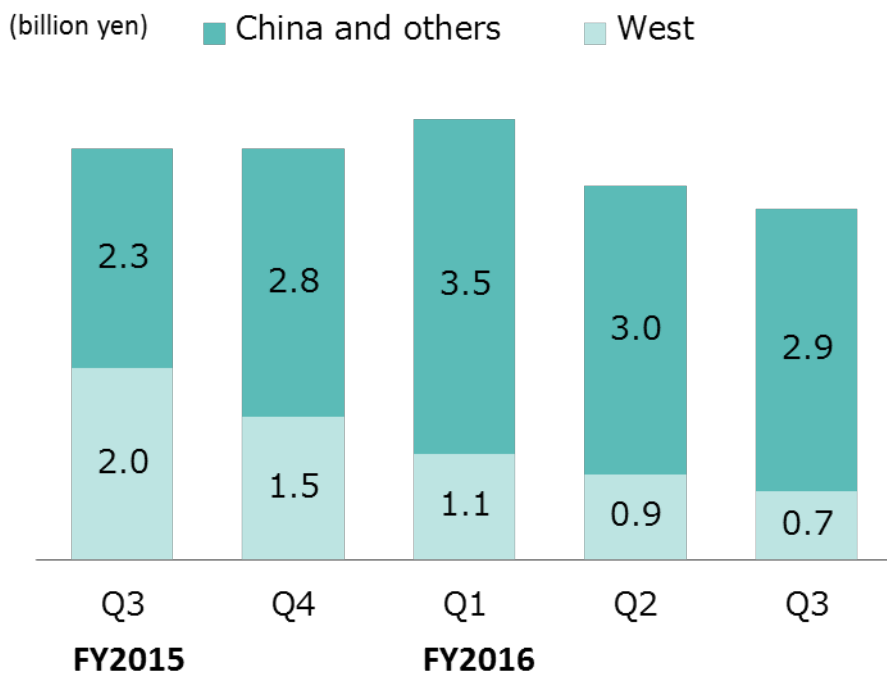


*Figures are based on management accounting
 Due to changes in our management accounting classifications, some of the past results shown here may differ from previous disclosure

Game Business (International Game Business Excluding Nintendo)

- Overseas gaming business is approaching the breakeven point
 - China: Solid performance, mainly from existing titles
 - West: On-location game development and operations have halted, while publishing business continues

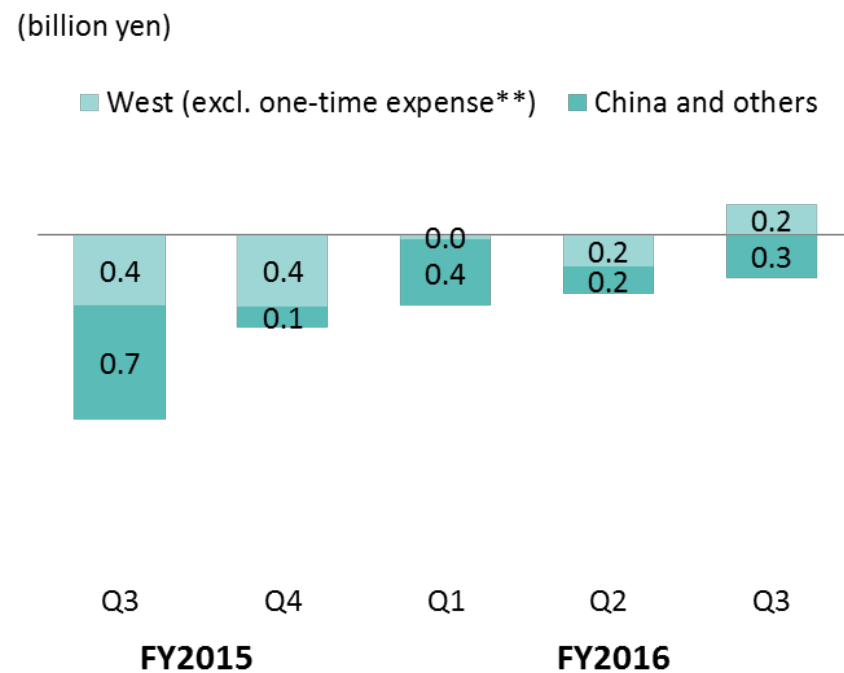
International Coin Consumption



Exchange rates at the end of each quarter:

(Unit:Yen)	FY2015		FY2016		
	Q3	Q4	Q1	Q2	Q3
1 USD	120	112	103	101	117
1 RMB	19	17	15	15	17

International Operating Profit/Loss*

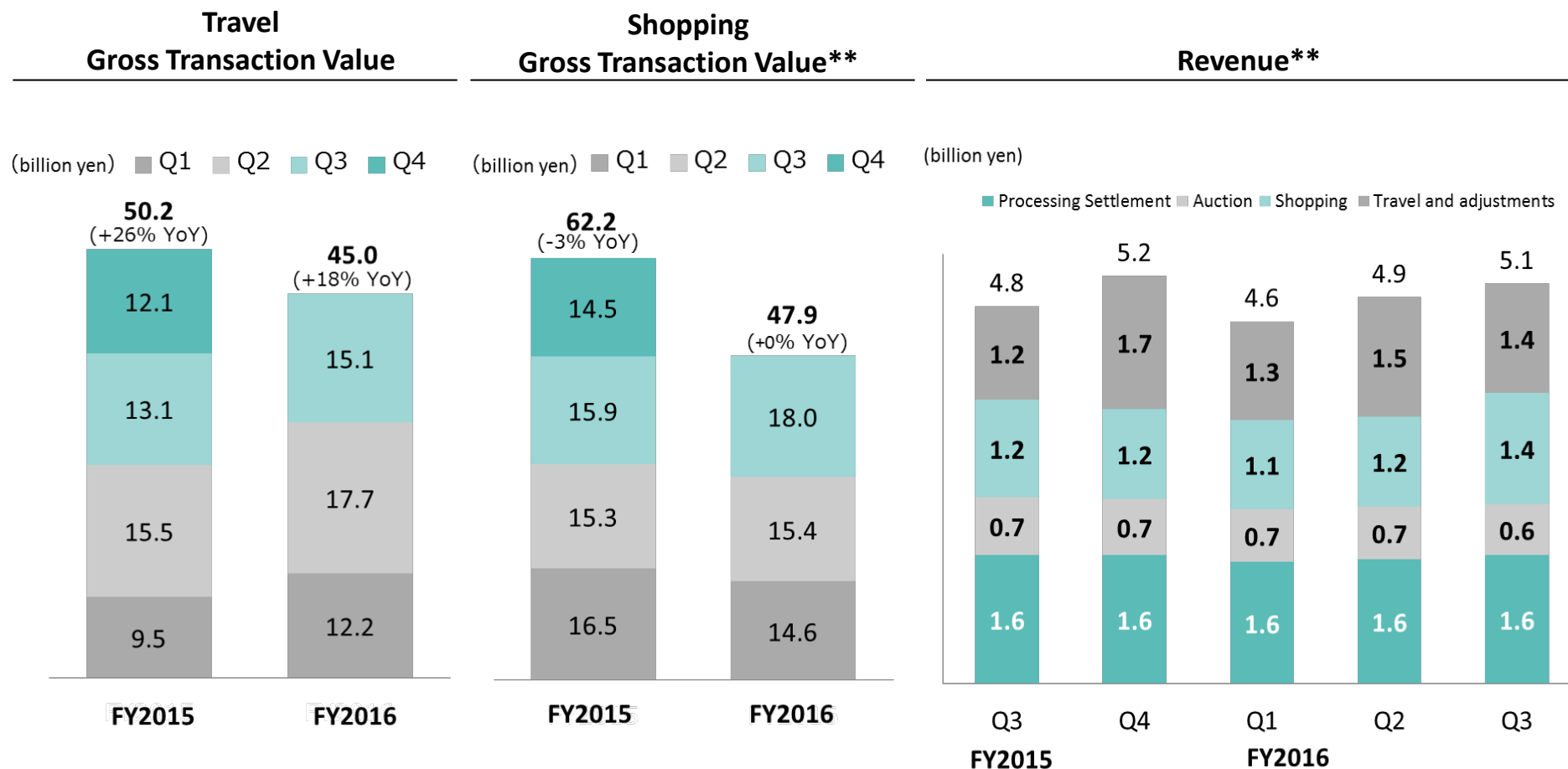


*Figures are based on management accounting

**Costs associated with the dissolution of West subsidiaries are not included in the operating loss

E-commerce Business

- Travel business continued to perform well
- In the Shopping business, DeNA Shopping and au Shopping Mall were sold to KDDI on December 28, 2016*



*Performance for FY2015: Revenue of 5.2 billion yen, operating profit of 580 million yen

**See appendix for information regarding major services within the Shopping sub-segment. DeNA BtoB market figures are excluded beginning Q2 FY2015

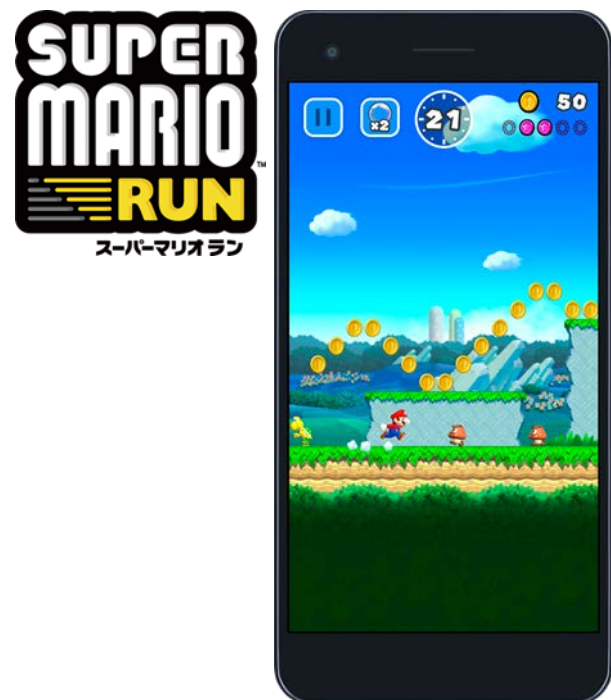
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Game Business (Nintendo Alliance)



- Released on December 15, 2016 for iOS
- Exceeded 78 million downloads in 151 countries (iOS only, as of February 1, 2017), and enjoyed by a wide range of users
- Will continue in-game and other initiatives to allow users, including those who have not yet made the purchase, to enjoy this game long-term
- Android version is scheduled for release in March 2017

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※Reference: Nintendo Nine Months
Financial Results Briefing material

Game Business (Nintendo Alliance)



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- Released on February 2, 2017 in 39 countries for iOS and Android
- *Fire Emblem Heroes* inherits the deep battle system and joy of training your characters from the Fire Emblem series, and optimizes the experience for smart devices
- Free to start model (has in-game purchases)

Game Business (Nintendo Alliance)



- We are changing the distribution period to next fiscal year so we can prepare all the content we wish to include and properly support the distribution of this application
- More detailed information about the release timing will be provided later

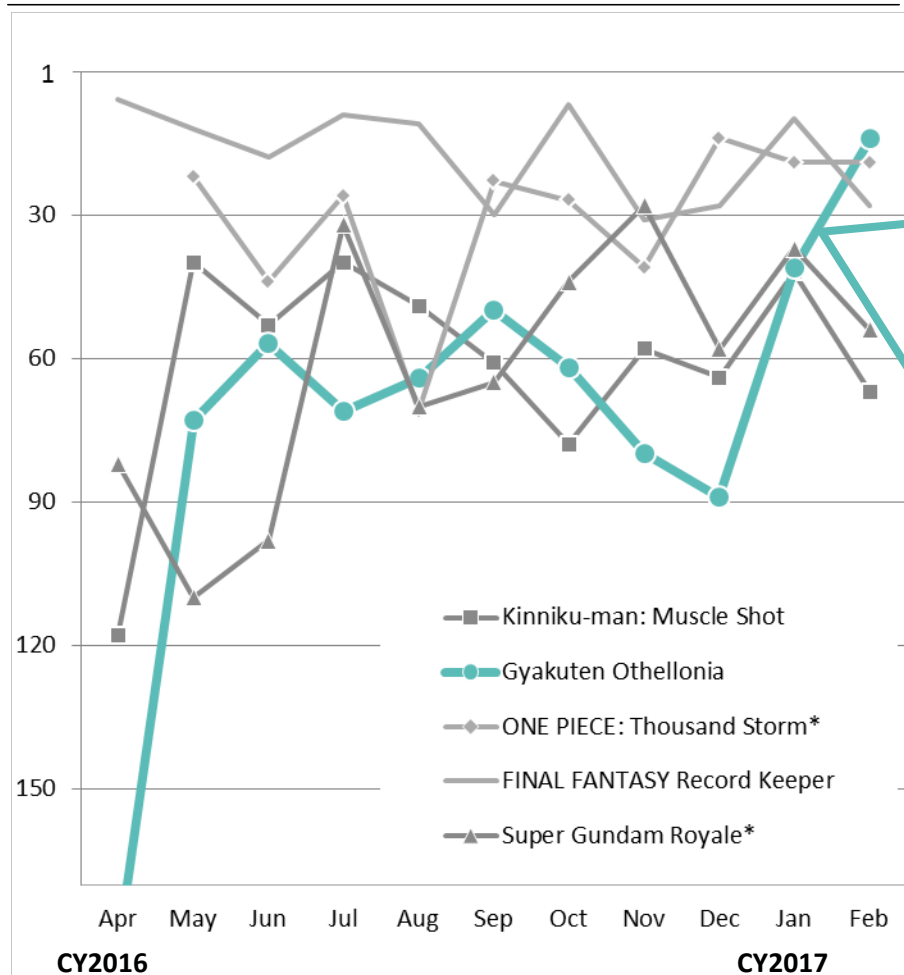
Future titles

- The Nintendo Partnership is a mid to long term partnership, and we will announce more details about the future title lineup at the appropriate timing
- Future partnership titles are in development

Game Business (Japan 1st- and 2nd-Party Apps)

- Good response to holiday season events and promotions, leading to solid performance in multiple 1st- and 2nd-party apps, including our original title *Gyakuten Othellonia*

App Store Top Grossing (FY2016)



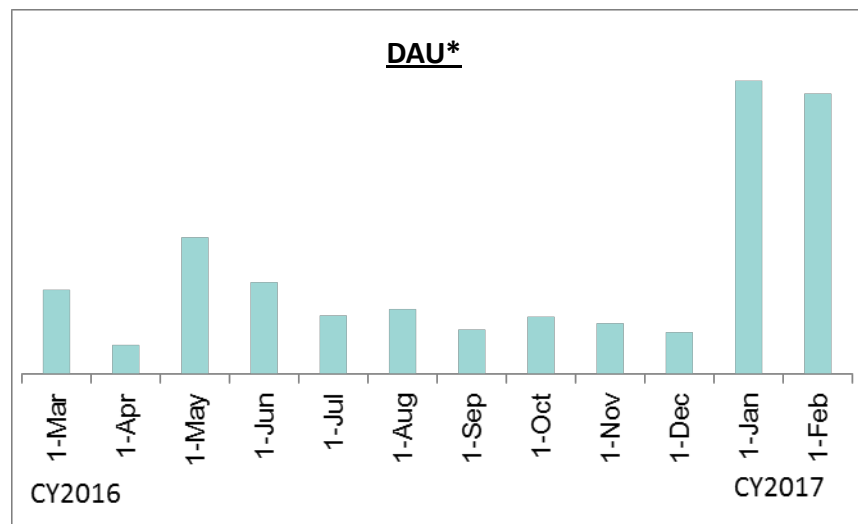
Operations Example

Gyakuten Othellonia



- About one year since launch
- Focus on forming user community and improving quality of game elements
- Proactive promotion from end of 2016
- Strong KPIs, including DAU, becoming one of our key titles

DAU*



Source: App Annie (Game category rankings in Japan, in the beginning of each month)

*Provided by: BANDAI NAMCO Entertainment Inc.

New Business Pillars (Curation Platform Business)

- Future for this business currently under discussion, plan to make determination after conclusion of investigation by Third-Party Committee
- Related assets, including goodwill, impaired given current uncertainty for this business

Events to Date and Future Plan

2016

November 29

- All articles withdrawn from WELQ

December 1

- All articles withdrawn from nine media aside from MERY

December 5

- All articles withdrawn from the entire curation platform service, including MERY

December 15

- Established Third-Party Committee

2017 (As of February 8)

- Third-Party Committee investigation underway, expected to last about three months
- After completion of the investigation, a report will be submitted to the board of directors, and made public soon afterwards

Related Data

Recent Results

(million yen)

Item	FY2015		FY2016		
	Q3	Q4	Q1	Q2	Q3
Revenue*	494	669	976	1,484	1,229
Segment profit / loss*	-620	-349	-603	-236	-849

*The above figures are based on management accounting, following the allocation of shared costs for the relevant business; review procedures have not been undertaken in accordance with the Financial Instruments and Exchange Act.

Impairment Loss at End of Q3

(million yen)

Impairment loss	3,859
Goodwill	3,576
peroli Inc. (Operates MERY)	2,653
iemo	793
Find Travel	130
Software and others	283

New Business Pillars (Automotive)

- Aiming to become the leading player in Japan by pursuing various initiatives to add value to the service layer in the self-driving field

DeNA's Major Areas of Initiative

Mobility Service Provider

Utilize the strengths of the internet, combined with autonomous driving technology and infrastructure to provide services and solutions to end users and partner companies

Self-Driving Technology

Vehicles

Infrastructure & Institutions

Announced New Initiative with Nissan Motor Co., Ltd. on January 6, 2017



NISSAN MOTOR CORPORATION



- Decision to develop a new transportation service platform that uses autonomous vehicles manufactured by Nissan Motor Co., Ltd.
- Conduct technical field tests in Japan during 2017
- Aim to validate business models for driverless transportation service platforms by 2020

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Consolidated Financial Guidance for Q4 FY2016

- Non-GAAP operating profit excluding Sports expected to be flat
- Additional information about Q4 guidance
 - Nintendo partnership titles not launched as of January 31, 2017 are not included in guidance due to difficulty in making reliable forecasts
 - No revenue is factored in for the Curation Platform Business

(billion yen)

	FY2015				FY2016					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4e	YoY	QoQ
Revenue										
Revenue(IFRS)	37.7	37.1	33.8	35.0	38.3	38.2	32.2	31.3	-11%	-3%
Revenue from seasonal sports business	-3.7	-4.0	-0.7	-1.5	-5.5	-6.3	-0.6	-1.1	-23%	81%
Revenue excluding Sports	34.0	33.1	33.2	33.5	32.8	32.0	31.6	30.2	-10%	-4%

(billion yen)

	FY2016				FY2016					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4e	YoY	QoQ
Reconciliation of operating profit to non-GAAP operating profit										
Operating profit (IFRS)	4.0	7.4	3.3	5.1	7.4	7.9	3.4	2.2	-57%	-36%
Accounting adjustments related to seasonality, net	+0.3	-0.2	-0.2	+0.1	+0.1	-0.2	-0.4	+0.5	376%	-232%
Acquisition and restructuring related expenses	+2.5	+0.2	+0.2	+0.6	+0.3	+0.2	+6.4	+0.5	-22%	-92%
Sales and disposition related gains	-	-1.2	-	-2.0	-0.0	-	-5.9	-	-100%	-100%
Non-GAAP operating profit	6.8	6.1	3.4	3.9	7.8	7.9	3.4	3.3	-15%	-5%
Profit (loss) from seasonal sports business	-0.9	-1.0	+1.8	+1.1	-1.8	-2.2	+1.6	+1.8	64%	11%
Non-GAAP operating profit excl. Sports	5.9	5.1	5.2	4.9	6.0	5.7	5.0	5.0	2%	0%

Consolidated Financial Guidance for FY2016 and Dividends

■ FY2016 full year guidance

(billion yen)

Item	FY2015 (Actual)	FY2016 (Forecast)	YoY change
Revenue	143.7	140.0	-3%
Operating profit(IFRS)	19.8	20.9	5%
Operating profit(Non-GAAP)	20.1	22.3	11%
Profit for the year attributable to owners of the parent	11.3	28.4	151%
Earnings per share attributable to owners of the parent (Yen)	78.76	195.77	149%
Dividend Per Share (Yen)	20.00	30.00	50%
Consolidated Dividend Payout Ratio (%)	25.4	15.3	-

■ Based on our dividend policy outlined below, we forecast a year-end dividend per share of 30 yen (consolidated payout ratio of 15.3%)

- Each fiscal year, based on our performance, we aim to pay out a consolidated payout ratio of 15% or an annual dividend of 20 yen per share of our common stock, whichever is higher
- Targeting a consolidated payout ratio of 30% in the future

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Consolidated Cash Flow Overview

	(billion yen)		
	FY2015	FY2015 Apr-Dec	FY2016 Apr-Dec
Operating cash flow (A)	26.7	18.4	15.0
Profit before tax	20.9	16.1	21.0
Depreciation and amortization	11.3	8.7	8.4
Income tax paid	-7.8	-7.7	-9.7
Others	2.3	1.4	-4.6
Investing cash flow (B)*	-40.0	-30.6	-4.0
Financing cash flow	20.1	19.3	-3.7
Cash dividends paid	-2.6	-2.6	-2.9
Disposition of Treasury stock*	22.2	22.1	0.3
Others	0.6	-0.3	-1.1
FCF ((A)+(B))	-13.3	-12.1	11.0
Cash and cash equivalents (Consolidated)	75.2	75.9	82.7
(Non-consolidated basis)	48.6	48.9	52.9

*Impact from the business and capital alliance with Nintendo is reflected to investing cash flow and disposition of treasury stock in financing cash flow by approximately 22 billion yen respectively in FY2015. Acquisition of Nintendo's shares and disposition of our treasury stock were both effective April 2, 2015.

IFRS to Non-GAAP Reconciliation

(billion yen)

	FY 2015				FY 2016		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Reconciliation of Operating profit to Non-GAAP operating profit							
Operating profit(IFRS)	4.0	7.4	3.3	5.1	7.4	7.9	3.4
Accounting adjustments related to seasonality, net	+0.3	-0.2	-0.2	+0.1	+0.1	-0.2	-0.4
Acquisition and restructuring related, net	+2.5	+0.2	+0.2	+0.6	+0.3	+0.2	+6.4
Sales and disposition related gain (loss)	-	-1.2	-	-2.0	-0.0	-	-5.9
Non-GAAP operating profit	6.8	6.1	3.4	3.9	7.8	7.9	3.4
Profit (loss) from seasonal sports business	-0.9	-1.0	+1.8	+1.1	-1.8	-2.2	+1.6
Non-GAAP operating profit excluding Sports	5.9	5.1	5.2	4.9	6.0	5.7	5.0
	FY 2015				FY 2016		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Reconciliation of Operating profit to Non-GAAP EBITDA							
Operating profit(IFRS)	4.0	7.4	3.3	5.1	7.4	7.9	3.4
Accounting adjustments related to seasonality, net	+0.3	-0.2	-0.2	+0.1	+0.1	-0.2	-0.4
Acquisition and restructuring related expenses	+2.5	+0.2	+0.2	+0.6	+0.3	+0.2	+6.4
Sales and disposition related gains	-	-1.2	-	-2.0	-0.0	-	-5.9
Depreciation and amortization	+3.2	+2.8	+2.7	+2.6	+2.7	+2.8	+2.9
Retirement of fixed assets (excl. one-time factors)	+0.4	+0.7	+0.2	+1.3	+0.0	+0.2	+0.1
Non-GAAP EBITDA	10.4	9.7	6.3	7.8	10.5	10.9	6.4

*Please consult the Q4 FY2015 Operating Results for more information regarding our introduction of Non-GAAP disclosure

Game Business Revenue Recognition by Financial Accounting Rules

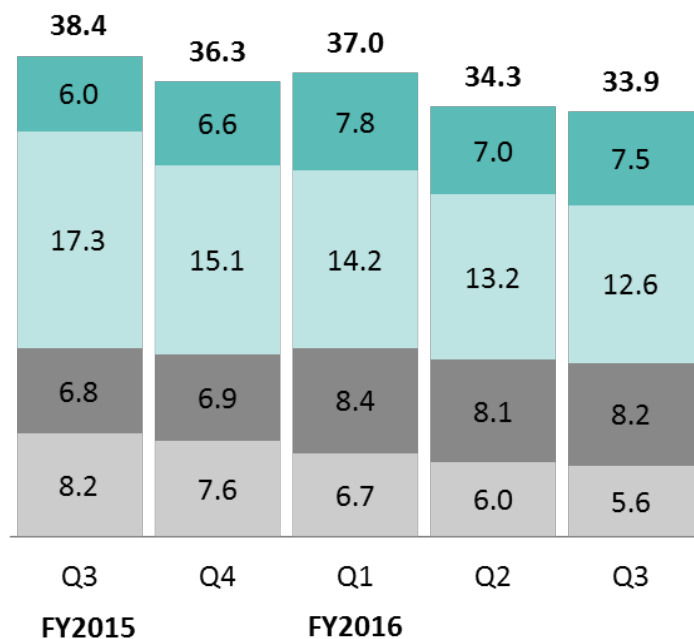
Revenue recognition by game business segments in financial accounting

- 1st- and 2nd-party browser titles: total coin consumption is recognized as revenue (i.e. gross revenue recognition)
- 1st- and 2nd-party native app titles: revenue is recognized in one of two ways: gross revenue recognition, and net revenue recognition in which the partners' revenue is deducted from the gross revenue before being recognized. Net revenue recognition is expected to increase mainly among IP titles, but neither gross or net revenue recognition impacts profitability of the business.
- 3rd-party browser titles: net revenue recognition
- 3rd-party native app titles: net revenue recognition

Coin Consumption in Japan by Business

(billion yen)

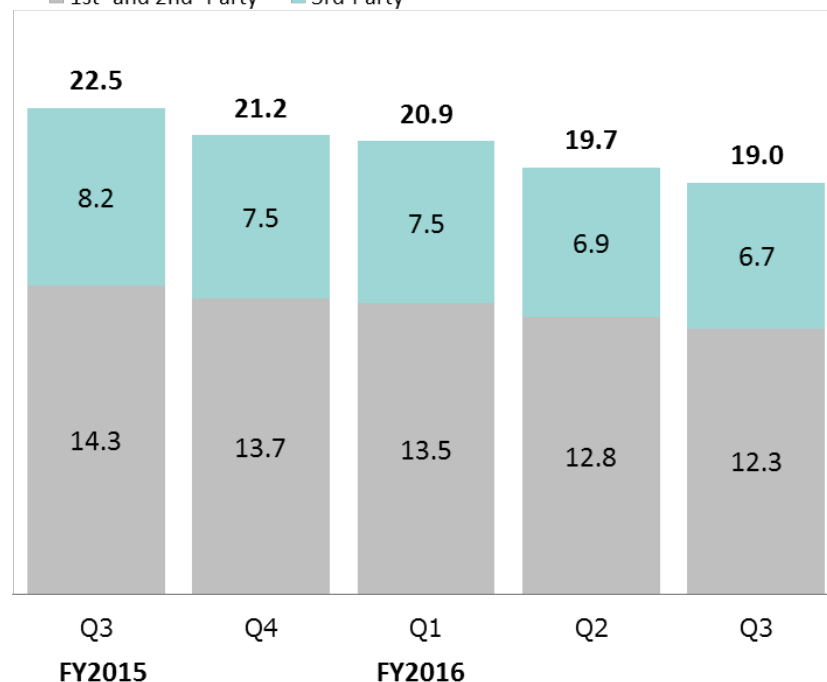
■ 3rd-Party(App) ■ 3rd-Party(browser)
■ 1st- and 2nd-Party(App) ■ 1st- and 2nd-Party(browser)



Japan Game Business Revenue

(billion yen)

■ 1st- and 2nd- Party ■ 3rd-Party



Segment Breakdown

Segments	Businesses
Game Business	Japan and international game businesses
E-Commerce Business	Sub-segment names (Major service names in parenthesis) <ul style="list-style-type: none"> • Travel (DeNA Travel, Shumee-to Club) • Shopping (DeNA Shopping*, au Shopping Mall*, SEIYU.com) • Auction (Mobaoku) • Processing Settlement (Paygent)
Sports Business	Baseball, Running Club, etc.
New Businesses and Others	Sub-segment names (major service names in parenthesis) <ul style="list-style-type: none"> • Curation platform (MERY, iemo, Find Travel) • IP-generating platform (Manga Box, Everystar, MyAnimeList) • Automotive • Healthcare (MYCODE, KenCoM) • Mobile social incubation (SHOWROOM, Mirrativ)

**DeNA Shopping and au Shopping Mall were sold to KDDI on December 28, 2016*

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In addition, any forward-looking statements contained in this presentation or these presentation materials are based on our opinions and information available as of February 8, 2017, and involve uncertainty. Please be aware that the actual performance data and similar information are subject to influence from diverse factors and may differ from the forecasts presented herein.



DeNA Co., Ltd.