Q1 FY2024
Operating Results

August 8, 2024
DeNA Co., Ltd.

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1. Financial Results Summary

Financial Results Summary*

(billion yen)	FY2023				FY2024			FY2023	
	Q1	Q2	Q3	Q4	Q1	QoQ change	YoY change		YoY change
Revenue (IFRS)	36.1	39.0	29.0	32.6	**34.0**	4%	-6%	136.7	1%
Operating profit (IFRS)	1.7	3.1	-32.4	-0.6	**1.9**	-	11%	-28.3	-
Operating profit (Non-GAAP)	1.6	2.9	-4.9	1.5	**2.1**	39%	27%	1.2	-71%
Finance income / costs (net)	2.9	1.0	-1.6	0.9	**2.7**	217%	-4%	3.1	-59%
Share of profit (loss) of associates accounted for using the equity method**	1.4	0.1	-5.9	1.4	**-0.2**	-	-	-3.0	-
Profit before tax	6.0	4.1	-39.9	1.7	**4.5**	170%	-25%	-28.1	-
Profit for the period attributable to owners of the parent	4.6	2.8	-38.6	2.6	**3.1**	20%	-34%	-28.7	-
EPS (Yen)	41.66	24.82	-346.98	22.91	**27.40**	20%	-34%	-257.60	-

*For full reconciliation of IFRS to Non-GAAP metrics, the calculation process, Non-GAAP EBITDA, and Sports Business seasonality, please see the reference materials at the end of the presentation.

**This includes the recognition in Q1 FY2023 of a one-time gain in earnings of 2.4 billion yen due to capital increase through a third-party allotment by GO Inc., and the recognition in Q3 FY2023 of a one-time loss of 5.9 billion yen related to SHOWROOM. For more details refer to the disclosures of February 7, 2024 titled “Notice Regarding Recognition of Impairment Loss, Etc.” and “Consolidated Financial Results for the Nine Months Ended December 31, 2023 [IFRS].”

Financial Results Summary: Financial Results by Segment

(billion yen)		FY2023				FY2024			FY2023	
		Q1	Q2	Q3	Q4	Q1	QoQ change	YoY change		YoY change
Game	Revenue	12.5	13.9	12.7	14.9	**11.2**	-25%	-10%	54.0	-16%
	Segment profit/loss	0.2	0.2	-0.2	3.2	**0.9**	-73%	307%	3.5	-64%
Live streaming	Revenue	10.8	11.0	10.8	10.0	**10.2**	2%	-6%	42.6	6%
	Segment profit/loss	-0.2	0.1	0.5	-0.0	**-0.6**	-	-	0.3	-
Sports*	Revenue	10.2	11.0	2.4	3.6	**10.0**	178%	-2%	27.3	30%
	Segment profit/loss	3.4	4.0	-3.0	-2.3	**3.3**	-	-3%	2.1	-
Healthcare & Medical	Revenue	2.0	2.3	2.4	3.4	**1.8**	-45%	-6%	10.0	43%
	Segment profit/loss	-1.2	-1.0	-0.9	-0.5	**-1.4**	-	-	-3.6	-
New Businesses and Others	Revenue	0.7	0.8	0.8	0.8	**0.8**	9%	16%	3.1	4%
	Segment profit/loss	-0.3	-0.3	-0.3	-0.4	**-0.3**	-	-	-1.3	-

*See slides 11-12 for the seasonality of the Sports Business and status of matches for each quarter.

Financial Results Summary: Cost and Expense Breakdown

(billion yen)	FY2023				FY2024			FY2023	
	Q1	Q2	Q3	Q4	Q1	QoQ change	YoY change		YoY change
Cost of Sales	**19.0**	**20.4**	**18.1**	**18.2**	**17.8**	**-3%**	**-7%**	**75.7**	**7%**
Personnel Expenses	2.2	2.3	2.4	2.2	2.1	-5%	-1%	9.1	4%
Depreciation and amortization	1.0	1.3	1.6	0.8	0.9	2%	-12%	4.8	37%
Outsourcing expenses	4.5	4.9	3.9	4.4	4.3	-1%	-4%	17.6	16%
Commission fees	7.8	8.2	7.6	7.5	6.7	-10%	-14%	31.0	-3%
Others	3.6	3.6	2.7	3.3	3.8	13%	4%	13.3	17%
Selling, general, and administrative expenses	**15.4**	**15.5**	**15.3**	**14.5**	**14.2**	**-1%**	**-7%**	**60.6**	**1%**
Personnel Expenses	4.6	4.5	4.6	4.3	4.5	4%	-3%	18.0	17%
Sales promotion & Advertising expenses	4.3	4.2	4.1	3.2	4.1	30%	-3%	15.8	0%
Outsourcing expenses & Commission fees	4.4	5.1	4.5	4.7	3.9	-17%	-12%	18.7	-9%
Others	2.1	1.6	2.2	2.3	1.7	-23%	-16%	8.2	-1%
Other income*	**0.2**	**0.1**	**0.2**	**1.5**	**0.2**	**-87%**	**28%**	**2.0**	**55%**
Other expenses*	**0.2**	**0.1**	**28.2**	**2.1**	**0.2**	**-88%**	**37%**	**30.6**	**2,464%**
Consolidated employee headcount	**3,079**	**3,061**	**2,960**	**2,897**	**2,767**	**-4%**	**-10%**	**2,897**	**-2%**

*Includes non-operating income / expenses and extraordinary income / expenses, excluding finance income / costs under Japanese GAAP (e.g. Loss on sales / retirement of tangible / intangible assets).

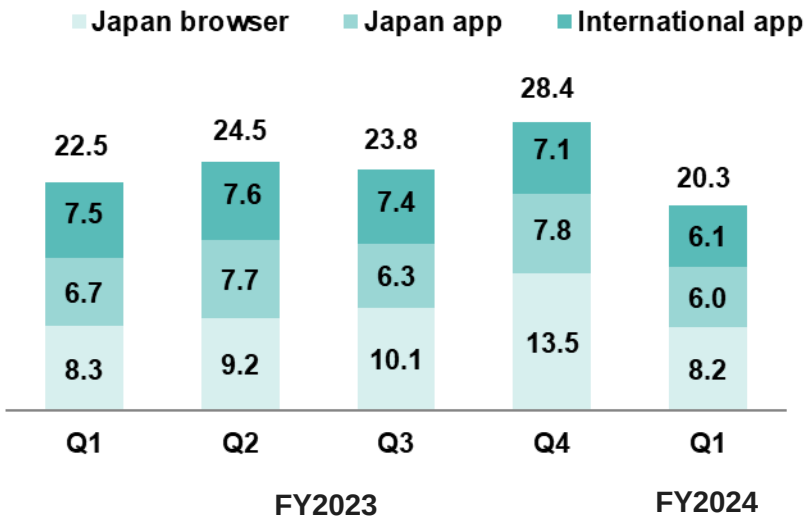
2. Progress for Each Business

Game Business

- **Q1 profit increased year-over-year due to factors such as the significant downsizing of the China office announced in February 2024**

Virtual Currency Consumption

(billion)



Game Business Segment Profit/Loss

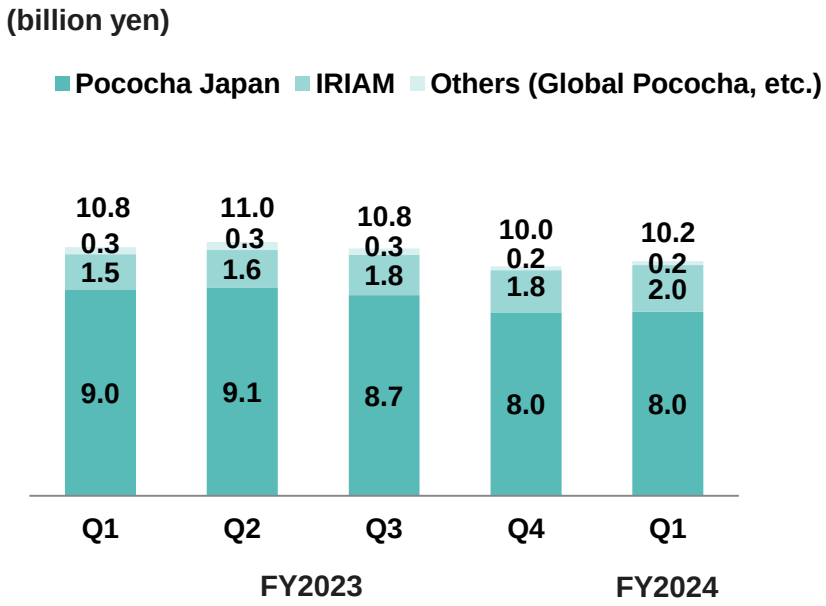
(billion yen)



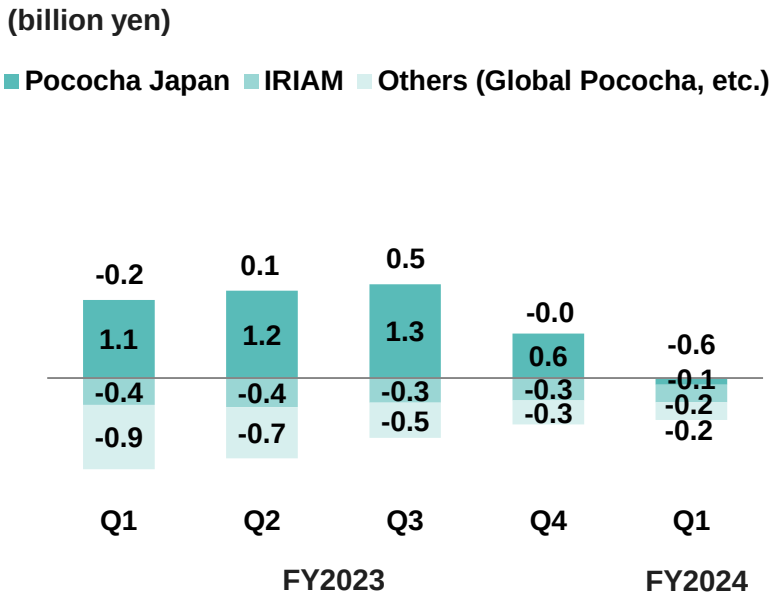
Live Streaming Business

- In Pococha Japan, enhancing new user acquisition through marketing, with a media mix including TV commercials, mainly in the first half of FY2024
- Placing greater focus on profitability, and continue to aim to achieve full-year revenue and profit growth
- Aim for buildup of profit towards the second half

Live Streaming Business Revenue*



Live Streaming Business Profit/Loss*



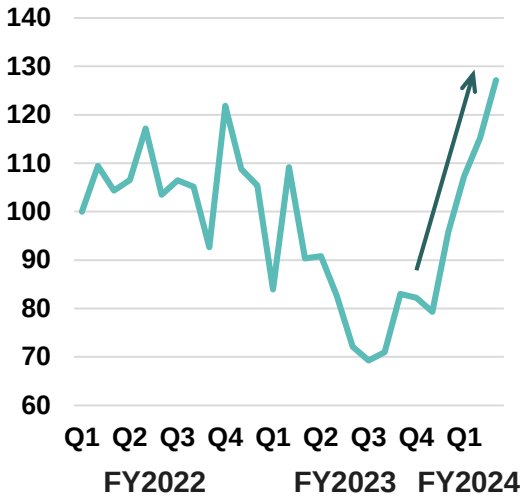
*The revenue and profit/loss figures for each segment in the breakdown shown above are from management accounting for reference purposes.
Definition for aggregation partially updated for costs in Q1 FY2024. Some costs previously included in “Others” are included in the “Pococha Japan” segment as of Q1 FY2024.

Live Streaming Business: Pococha Japan

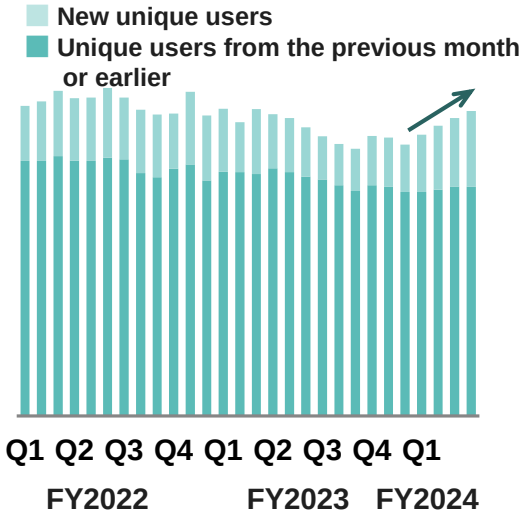
- Strengthened marketing push primarily in the first half with the aim to spread awareness of Pococha
- Since April, new user acquisition has seen a significant recovery, while existing user activity continues to be solid, leading to growth in both overall unique users and unique paying users
- 6.08 million downloads in Japan as of June 30, 2024

Monthly New User Trend

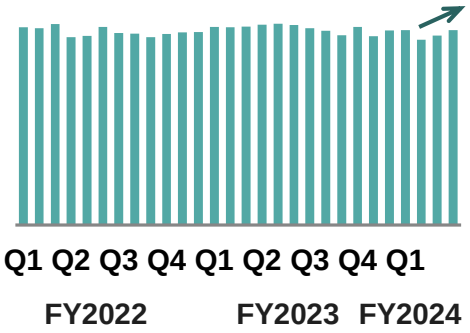
(Trend with start of FY2022 set to 100)



Monthly Unique Users



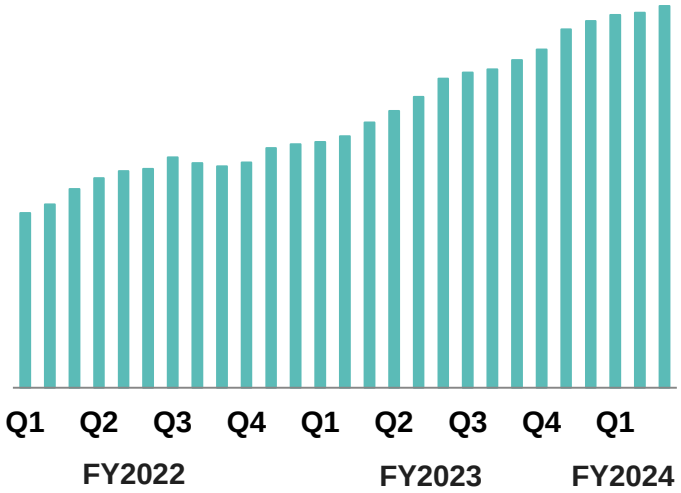
Monthly Unique Paying Users



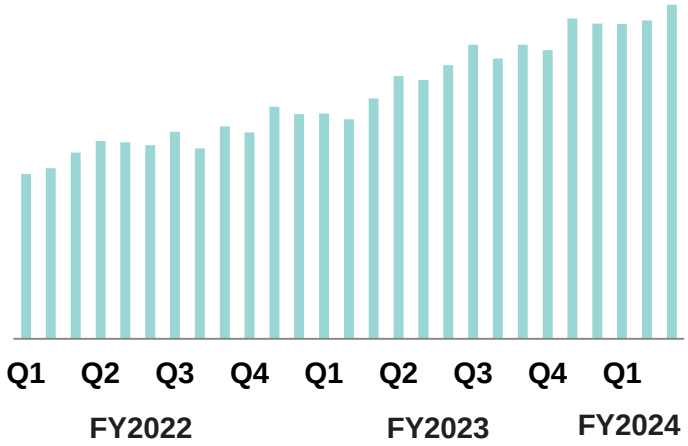
Live Streaming Business: IRIAM

- **IRIAM achieved 3.49 million downloads* as of June 30, 2024, and continues to see active use**
- **Prioritizing sound community development, while also aiming to achieve revenue growth and early profitability**

Monthly Average DAU



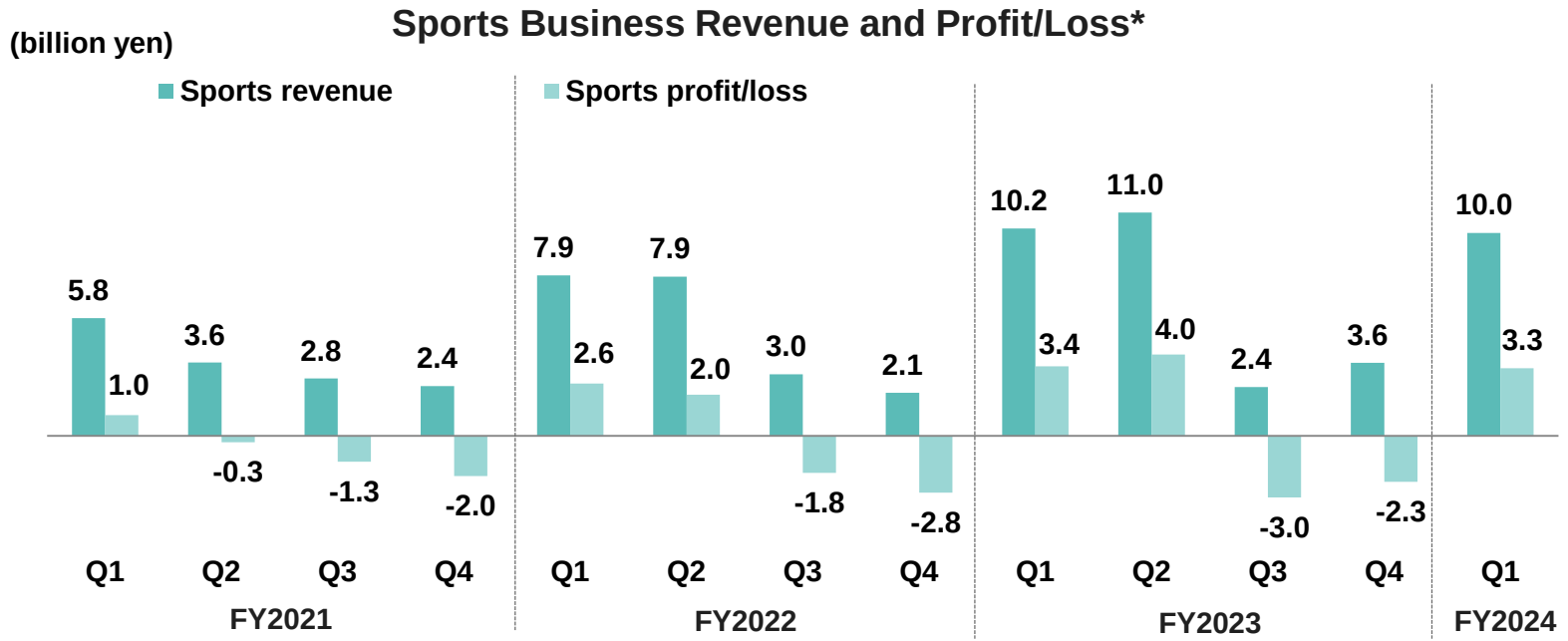
Monthly Unique Paying Users



*Definition for aggregation partially updated in Q1 FY2023.

Sports Business

- **Solid start this fiscal year**
  ***Number of home games for professional baseball: 32 games in Q1 FY2024 (33 games for Q1 FY2023)**



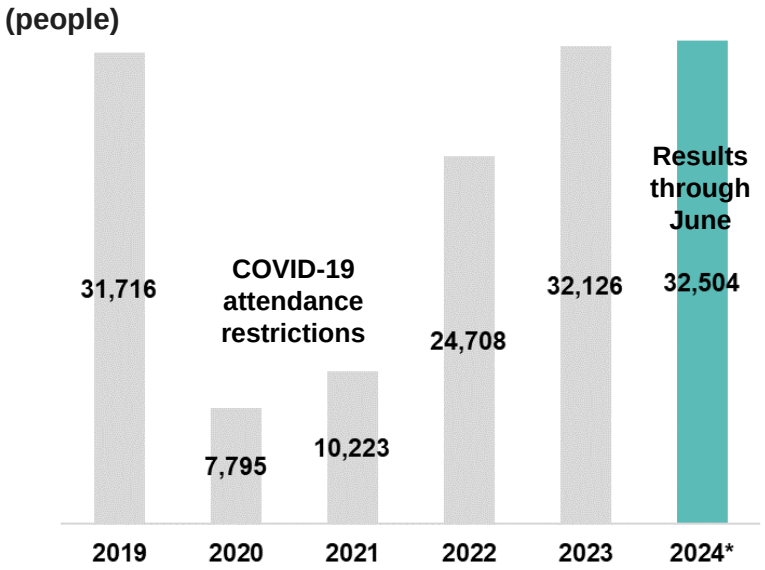
*Supplemental information regarding the number of home games (including Climax Series) held per quarter for the highly seasonal baseball business:

FY2021				FY2022				FY2023				FY2024
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
36	21	12	3	34	33	5	0	33	37	1	3	32

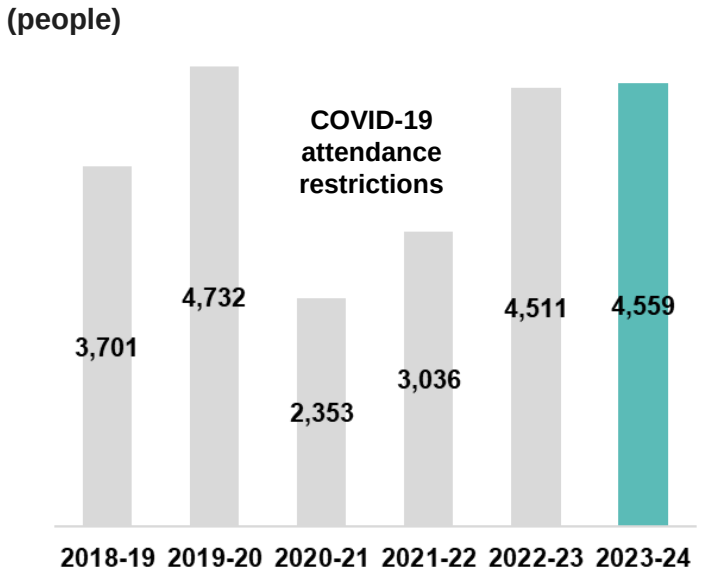
Sports Business

- **The average stadium attendance for the 2024 professional baseball season is solid, trending at a higher level than last season**
- **The 2023-24 season for basketball has ended, with attendance and revenue both seeing growth**

Yokohama DeNA BayStars Average Stadium Attendance



Kawasaki Brave Thunders Average Arena Attendance

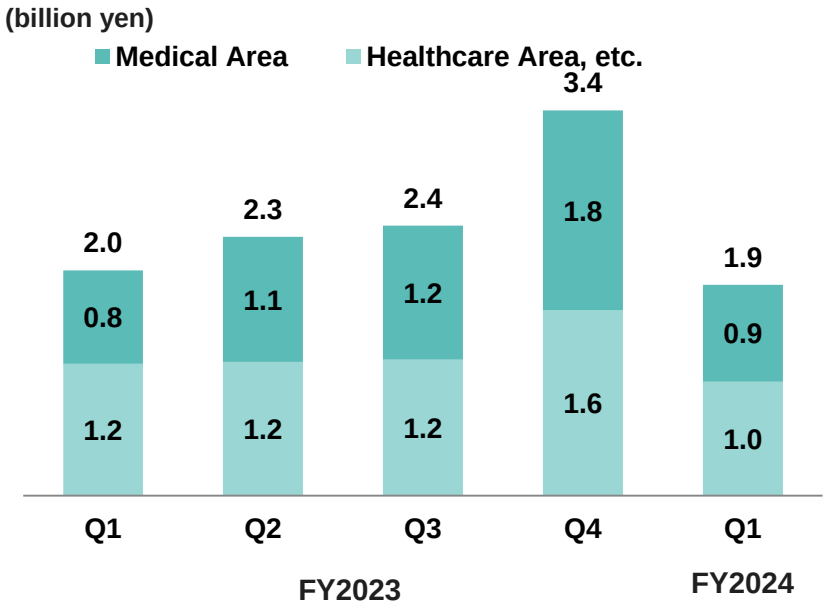


*For 2024, the data is for official home games for the Yokohama DeNA BayStars through June 30 (including home games held outside Yokohama Stadium).

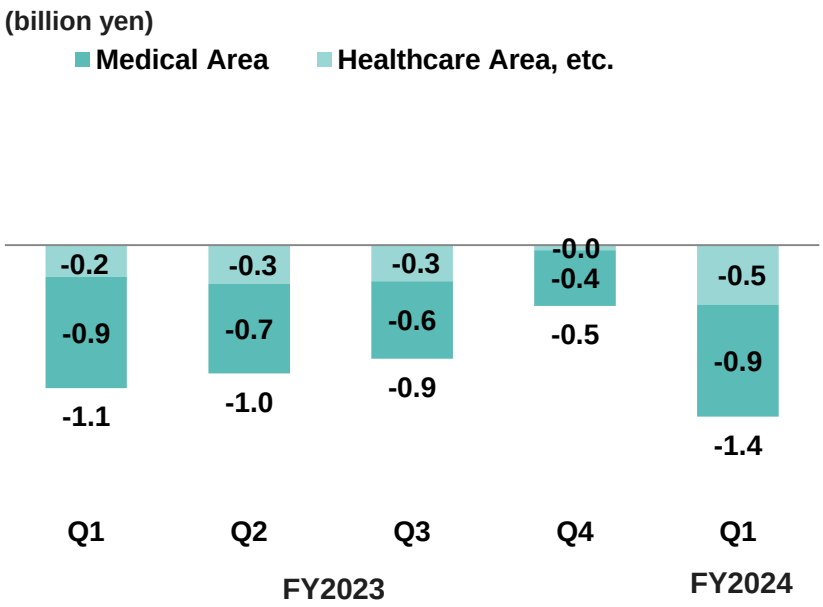
Healthcare & Medical Business*

- KPI in each area off to a good start for Q1 towards year-over-year increase in full-year revenue and profit
- Some financial contribution in both areas originally expected in FY2023 expected in FY2024 onward

Healthcare & Medical Business Revenue



Healthcare & Medical Business Profit/Loss

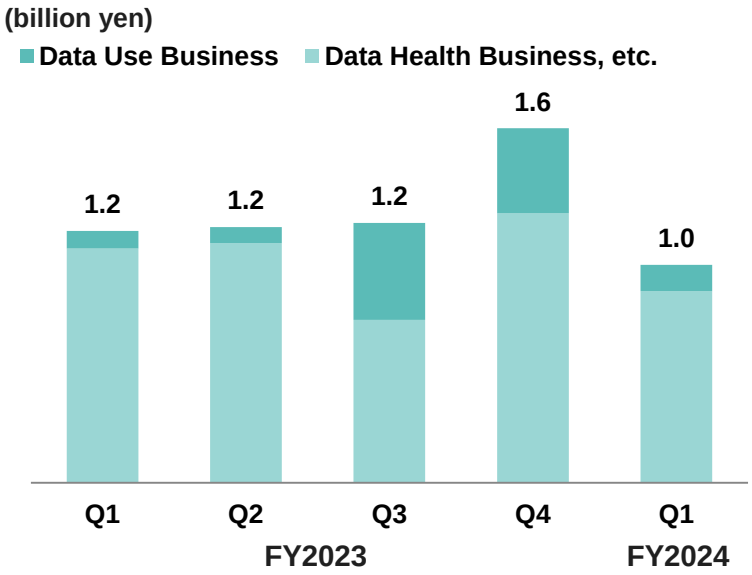


*The figures shown on this slide are on a management accounting basis, not including asset-related amortization costs, etc., which have begun to be recognized upon completion of PPA, and do not match the segment results.

Healthcare & Medical Business: Healthcare Area

- **Demand weighted towards the second half for the Data Use Business. The number of clients and other leading indicators are solid.**
- **Since no longer the Japanese government Data Health Plan formulation year, running business with focus on greater cost efficiency**

Healthcare Area Revenue Breakdown



Healthcare Area KPI

Data Health				
	Revenue (Past 12 months)		~Jun. 2023 2.73 bil yen	~Jun. 2024 3.58 bil yen
	No. of Orders from Municipal National Health Insurance* (full fiscal year)		FY2023 351	FY2024 472
Data Use**				
	Revenue (Past 12 months)		~Jun. 2023 0.80 bil yen	~Jun. 2024 1.03 bil yen
	No. of Clients (Past 12 months)	Overall	~Jun. 2023 41	~Jun. 2024 55
		Pharmaceutical Companies, etc.	~Jun. 2023 25	~Jun. 2024 29
	Transaction Amount Per Customer (Past 12 months)	Pharmaceutical Companies, etc.	27% increase year-over-year	

*Fiscal year here is the customers' fiscal year. FY2023 orders are through March 2024.
**In the "FY2023 Operating Results" materials some definitions were updated, such as for name aggregation, etc., and the data for the no. of clients and transaction amount per customer was updated. The above chart shows the results updated to the new definition, including for past results.

Healthcare & Medical Business: Medical Area

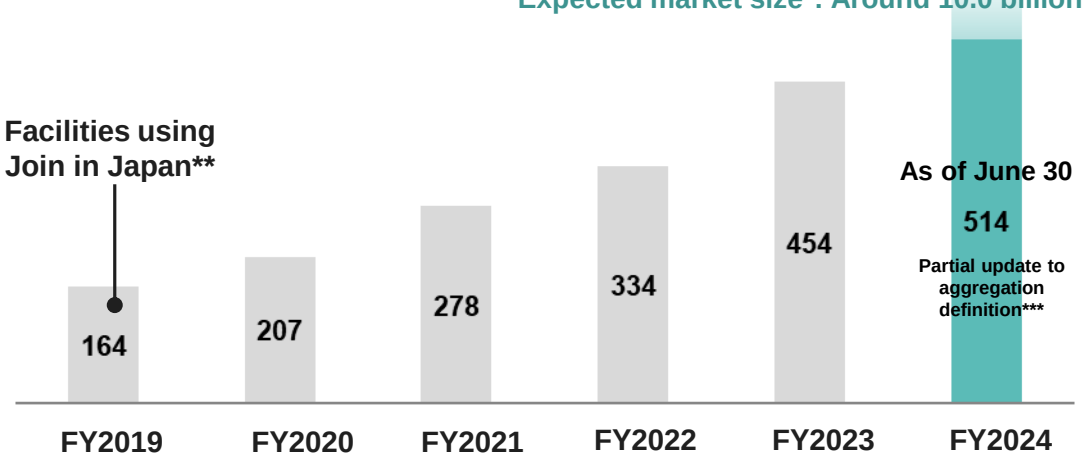
- **Expect acceleration in individual facility deployment in each region this fiscal year through various efforts, including support from the national government's medical digital transformation & working style reform initiatives**
- **Making progress in detailed discussions for projects leveraging Join Mobile Care, which combines portable medical devices and Join, to address regional medical resource shortages with the aim to achieve contribution this fiscal year**

Individual Approach
(Build relationship with Key Opinion Leaders)

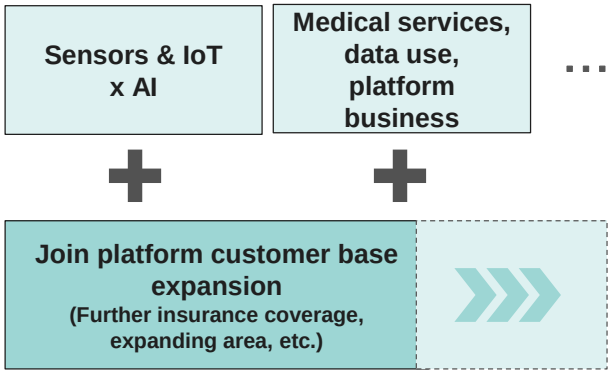
Accelerate Regional Expansion
(Form medical personnel communication platform)

Evolve as a Platform
(Develop application)

Expected market size*: Around 10.0 billion yen



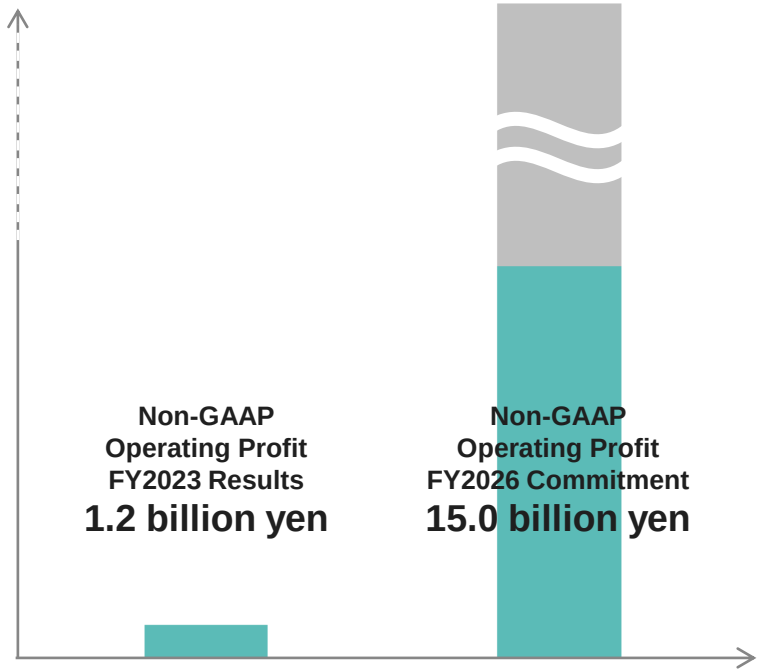
Expected market size*: Several hundred billion yen



*Calculated based on eligible facilities, etc. in Japan.
**This is an aggregation of only normal paying institutions to be a more meaningful reference. Facilities with an exceptional use, such as use for a demo or for COVID-19, are excluded.
***Aggregation definitions were partially updated from FY2024. The increase in the number of facilities since March 31, 2024 excluding the impact of the update is 19.

Key Focus for Next 3 Years (Disclosed May 8, 2024)

- Establish group of businesses with structural & continued growth, and aim for each business to achieve meaningful profit contribution
- Focus on increasing capital efficiency & ROE, with consideration for capital cost



- Aim to achieve profit increases every year for the next 3 years, and commit to 15.0 billion yen in non-GAAP operating profit for FY2026
- Due to the difficulty of reasonably forecasting a major game hit, etc., that possibility is considered upside potential relative to the commitment
- Expectations for growth in Sports & the Community as well as Medical, which have both had their foundations established over the past 3 years
- Aim to achieve the previously shared annual profit goals of 5.0 billion yen for Healthcare & Medical and 3.0 billion yen for Sports & the Community over the next 3 years
- Focus on establishing structural strengths in each business to achieve continued growth beyond FY2026

Outlook for FY2024 (Disclosed May 8, 2024)

- **The FY2024 consolidated financial results forecast is as follows**
  - **The consolidated financial results forecast cannot be provided due to the difficulty of reasonably & accurately estimating the figures**
  - **Full-year revenue is expected to increase year-over-year, in conjunction with changes to and strengthening of the business portfolio**
  - **Non-GAAP operating profit expected, with a year-over-year increase**
  - **In the Game Business, while DeNA expects to be affected by the trends in existing titles and the significant downsizing of the China office, we plan to release about three new titles. However, DeNA believes that it is difficult to reasonably calculate and provide a concrete outlook at the present time**
  - **With regard to the Live Streaming Business, the Sports Business, and the Healthcare & Medical Business, DeNA will aim to increase both revenue and profit while continuing to invest for growth**
  - **There are no items to be disclosed that could be construed as one-off factors impacting business performance**

Reference Materials

- **IFRS to Non-GAAP Reconciliation**
- **Consolidated Cash Flows**
- **Consolidated Financial Position**
- **Segment Breakdown**

IFRS to Non-GAAP Reconciliation

(billion yen)	FY2023					FY2023	
	Q1	Q2	Q3	Q4	Q1		YoY change
Reconciliation of Operating profit to Non-GAAP operating profit							
Operating profit (IFRS)	1.7	3.1	-32.4	-0.6	1.9	-28.3	-
Accounting adjustments related to seasonality & one-time factors	-0.1	-0.1	+0.1	+0.2	-0.1	+0.1	-2%
Acquisition and restructuring related expenses	-	-	+27.4	+2.0	+0.2	+29.4	8,696%
Sales and disposition related gains	-	-	-	-	-	-	-
Non-GAAP operating profit	**1.6**	**2.9**	**-4.9**	**1.5**	**2.1**	**1.2**	**-71%**
Profit (loss) from seasonal sports business	-3.4	-4.0	+3.0	+2.3	-3.3	-2.1	-
Non-GAAP operating profit excluding Sports	**-1.8**	**-1.1**	**-1.8**	**3.8**	**-1.2**	**-0.9**	**-**

(billion yen)	FY2023					FY2023	
	Q1	Q2	Q3	Q4	Q1		YoY change
Reconciliation of Operating profit to Non-GAAP EBITDA							
Operating profit (IFRS)	1.7	3.1	-32.4	-0.6	1.9	-28.3	-
Accounting adjustments related to seasonality & one-time factors	-0.1	-0.1	+0.1	+0.2	-0.1	+0.1	-2%
Acquisition and restructuring related expenses	-	-	+27.4	+2.0	+0.2	+29.4	8,696%
Sales and disposition related gains	-	-	-	-	-	-	-
Depreciation and amortization	+1.4	+1.8	+2.1	+1.3	+1.2	+6.5	20%
Retirement / impairment of fixed assets (excl. one-time factors)	+0.1	+0.1	+0.7	+0.0	+0.0	+0.9	77%
Non-GAAP EBITDA	**3.1**	**4.8**	**-2.1**	**2.8**	**3.3**	**8.6**	**-16%**

Consolidated Cash Flows

(billion yen)	FY2023 Apr-Jun	FY2023	FY2024 Apr-Jun
Operating cash flow (A)	**-4.0**	**-10.8**	**7.1**
Profit before tax	6.0	-28.1	4.5
Depreciation and amortization	1.4	6.5	1.2
Share of loss (profit) of associates accounted for using the equity method	-1.4	3.0	0.2
Decrease (increase) in trade and other current receivables	8.3	-1.8	10.5
Increase (decrease) in trade and other current payables	-3.5	0.9	-5.3
Interest and dividends received	1.1	2.1	1.2
Income tax paid	-11.4	-18.7	-0.3
Others*	-4.5	25.3	-4.8
Investing cash flow (B)	**-2.3**	**-12.6**	**-2.4**
Financing cash flow	**-4.3**	**-4.1**	**-5.2**
Proceeds from borrowings, net	-1.6	-0.0	-2.6
Cash dividends paid	-2.2	-2.2	-2.2
Purchase of treasury stock	-	-	-0.0
Others	-0.6	-1.9	-0.4
FCF ((A)+(B))	**-6.2**	**-23.5**	**4.7**
Cash and cash equivalents (Consolidated)	**88.1**	**71.4**	**71.3**
(Non-consolidated basis)	52.8	41.9	39.3

*The FY2023 full year results include impairment losses on assets including software and goodwill (approximately 28.8 million yen).

Consolidated Financial Position

(billion yen)	As of Jun. 30, 2023	FY2023	As of Jun. 30, 2024
Current assets	**115.5**	**114.1**	**103.3**
Cash and cash equivalents	88.1	71.4	71.3
Non-current assets	**232.1**	**221.6**	**230.1**
Property and equipment & Right-of-use assets	20.2	21.9	25.1
Goodwill	49.1	33.6	33.6
Intangible assets	23.9	17.8	18.4
Investments accounted for using the equity method	60.9	56.5	56.4
Other non-current financial assets	76.4	91.1	95.9
Total assets	**347.6**	**335.7**	**333.4**
Current liabilities	**34.7**	**49.2**	**40.6**
Borrowings	1.4	8.6	6.2
Non-current liabilities	**67.6**	**66.5**	**69.9**
Borrowings	34.8	29.2	28.8
Equity	**245.3**	**220.0**	**222.9**
Total equity attributable to owners of the parent	233.0	209.2	212.1
Total liabilities and equity	**347.6**	**335.7**	**333.4**

Segment Breakdown

Segment	Businesses
Game Business	Japan and international game businesses
Live Streaming Business	Japan and international Pococha, IRIAM, etc.
Sports Business	Baseball, basketball, soccer, etc.
Healthcare & Medical Business	Health big data related services, Japan and international medical digital transformation related services
New Businesses & Others	Previous E-commerce business, previous Automotive business, and other new businesses, etc.

*Allm Inc. became a subsidiary from October 2022, and its performance is not included in the segment results for Q2 FY2022 and earlier.
**The financial results of the following companies became included in “Share of profit (loss) of associates accounted for using the equity method” in the consolidated income statement and became excluded from segment results as of the timing stated in the parenthesis.

- Previous Automotive business: GO Inc. (Q1 FY2020), DeNA SOMPO Mobility Co., Ltd. and DeNA SOMPO Carlife Co., Ltd. (Q1 FY2020)
- Live streaming business: SHOWROOM Inc. (Q2 FY2020)
- Healthcare & medical business: PFDeNA Inc. (Q1 FY2020)
- New businesses & others: Manga Box Co., Ltd. (Q1 FY2021)

We delight people beyond their wildest dreams

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