



Q1 FY2022

Operating Results

August 10, 2022
DeNA Co., Ltd.

1. Financial Results Summary & Financial Highlights

Financial Results Summary*

- Solid start towards FY2022 goals (aim for year-on-year revenue and non-GAAP operating profit increase)
- Major progress in mid to long term strategy, including building business portfolio

(billion yen)	FY2021				FY2022			FY2021	
	Q1	Q2	Q3	Q4	Q1	QoQ change	YoY change	YoY change	
Revenue (IFRS)	34.1	34.0	31.0	31.7	34.8	10%	2%	130.9	-4%
Operating profit (IFRS)	5.5	7.9	2.2	-4.1	4.0	-	-28%	11.5	-49%
Operating profit (Non-GAAP)	4.7	5.1	1.3	-3.6	3.8	-	-18%	7.5	-52%
Finance income / costs (net)	2.8	-0.6	1.7	-0.2	6.9	-	152%	3.7	-32%
Share of profit (loss) of associates accounted for using the equity method**	9.4	2.9	0.8	1.1	-0.2	-	-	14.2	334%
Profit before tax	17.6	10.2	4.7	-3.1	10.7	-	-39%	29.4	-6%
Profit for the period attributable to owners of the parent	14.5	8.2	4.0	3.9	7.1	85%	-51%	30.5	19%
EPS (Yen)	119.81	69.54	33.60	32.61	60.27	85%	-50%	256.45	24%

*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.

**Includes a one-time gain of 4.4 billion yen due to the third party allotment by Mobility Technologies that was recognized in Q1 FY2021.

Financial Results Summary: Financial Results by Segment

(billion yen)		FY2021				FY2022			FY2021	
		Q1	Q2	Q3	Q4	Q1	QoQ change	YoY change	YoY change	
Game	Revenue	18.8	20.0	17.2	18.7	15.8	-16%	-16%	74.7	-18%
	Operating profit/loss	3.3	3.1	2.1	3.1	1.7	-44%	-48%	11.6	-39%
Live streaming	Revenue	7.9	8.8	8.9	9.0	9.6	7%	21%	34.7	43%
	Operating profit/loss	1.6	1.2	0.6	0.0	-0.2	-	-	3.5	-33%
Sports*	Revenue	5.8	3.6	2.8	2.4	7.9	224%	36%	14.7	15%
	Operating profit/loss	1.0	-0.3	-1.3	-2.0	2.6	-	152%	-2.6	-
Healthcare	Revenue	0.4	0.7	1.1	0.9	0.7	-15%	75%	3.0	43%
	Operating profit/loss	-0.4	-0.2	0.1	-0.2	-0.2	-	-	-0.6	-
New Businesses and Others**	Revenue	1.1	0.9	1.0	0.8	0.7	-7%	-37%	3.9	-44%
	Operating profit/loss	-0.1	-0.1	-0.0	-0.2	-0.2	-	-	-0.3	-

*See slide 16 for the seasonality of the Sports Business and status of matches for each quarter.

**The financial performance of Manga Box was excluded from segment performance from May 2021 when it became an equity method affiliate, and the financial performance of Everystar was excluded from segment performance from December 2021 when all shares were transferred.

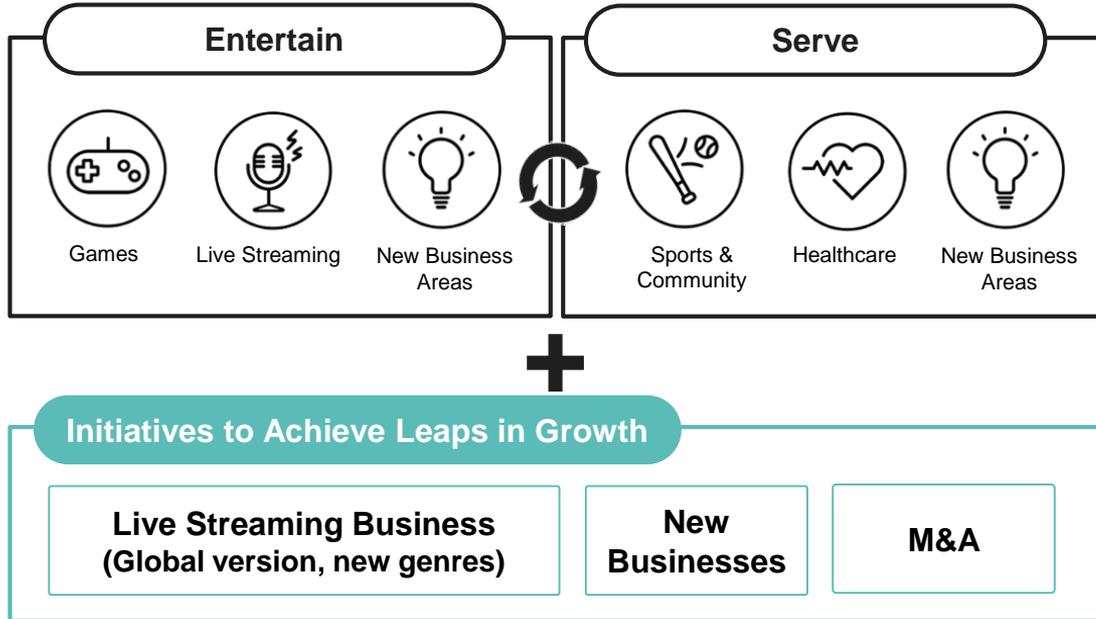
Financial Results Summary: Cost and Expense Breakdown

(billion yen)	FY2021				FY2022			FY2021	
	Q1	Q2	Q3	Q4	Q1	QoQ change	YoY change	YoY Change	
Cost of Sales	16.0	16.1	16.3	16.6	17.4	5%	9%	64.9	5%
Personnel Expenses	1.6	1.5	1.9	1.9	2.0	9%	29%	6.8	-4%
Depreciation and amortization	0.7	0.8	0.9	1.0	0.8	-16%	20%	3.3	25%
Outsourcing expenses	4.0	3.5	3.6	3.5	3.9	11%	-2%	14.6	3%
Commission fees	7.2	7.9	7.4	7.7	7.9	3%	10%	30.1	5%
Others	2.6	2.5	2.5	2.6	2.7	7%	7%	10.1	8%
Selling, general, and administrative expenses	13.3	15.0	13.5	15.4	13.8	-10%	4%	57.2	-1%
Personnel Expenses	3.2	3.3	3.4	3.8	3.5	-9%	7%	13.8	3%
Sales promotion & Advertising expenses	2.9	3.9	3.6	4.0	3.8	-6%	32%	14.4	27%
Outsourcing expenses & Commission fees	5.4	6.2	5.2	5.9	4.8	-18%	-11%	22.8	-10%
Others	1.7	1.5	1.3	1.7	1.7	0%	0%	6.3	-21%
Other income*	1.0	5.0	1.0	0.1	0.5	292%	-49%	7.1	-37%
Other expenses*	0.4	0.0	0.0	4.0	0.1	-98%	-72%	4.4	-23%
Consolidated employee headcount	2,133	2,183	2,204	2,194	2,294	5%	8%	2,194	4%

*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).

Progress Towards Building Long Term Portfolio

- Made major progress towards enhancing business portfolio in two approaches, including the use of M&A, since FY2021
- Shifting to focus on initiatives to further grow and enhance the earnings power of the strengthened business portfolio



Business Portfolio Enhancement

Entertain

- Pococha international expansion
- IRIAM

Serve

- Nipponect Systems
- Allm
- DATA HORIZON

Financial Highlights

- Using healthy financial base to grow corporate value, while also considering ROE
- Making proactive use of our balance sheet, including debt, to capture mid to long term growth opportunities

(billion yen)	As of Mar. 31, 2022	As of Jun 30, 2022
Current assets	110.4	156.7
Cash and cash equivalents	78.3	127.9
Non-current assets	230.1	177.7
Property and equipment & Right-of-use assets	20.5	20.4
Goodwill	17.5	17.5
Intangible assets	13.1	13.7
Investments accounted for using the equity method	55.9	55.7
Other non-current financial assets	122.2	69.4
Total assets	340.6	334.4
Total liabilities	95.7	90.7
Total capital	244.9	243.7
Total liabilities and assets	340.6	334.4
ROE (%)	13.2%	

Investment in New Growth & Initiatives

- In May 2022 concluded basic agreement to make Allm a subsidiary (Total acquisition price: approx. 29.3 billion yen)*
- In August 2022 converted DATA HORIZON into a subsidiary (Total cash out: approx. 6.9 billion yen)

Increasing Asset Efficiency

- Updated shareholdings for policy purposes, and sold approx. half of DeNA-held Nintendo shares in May 2022 (49.6 billion yen)
- For the two M&A, conducted 15.0 billion yen total in borrowings in Q2

Shareholder Returns

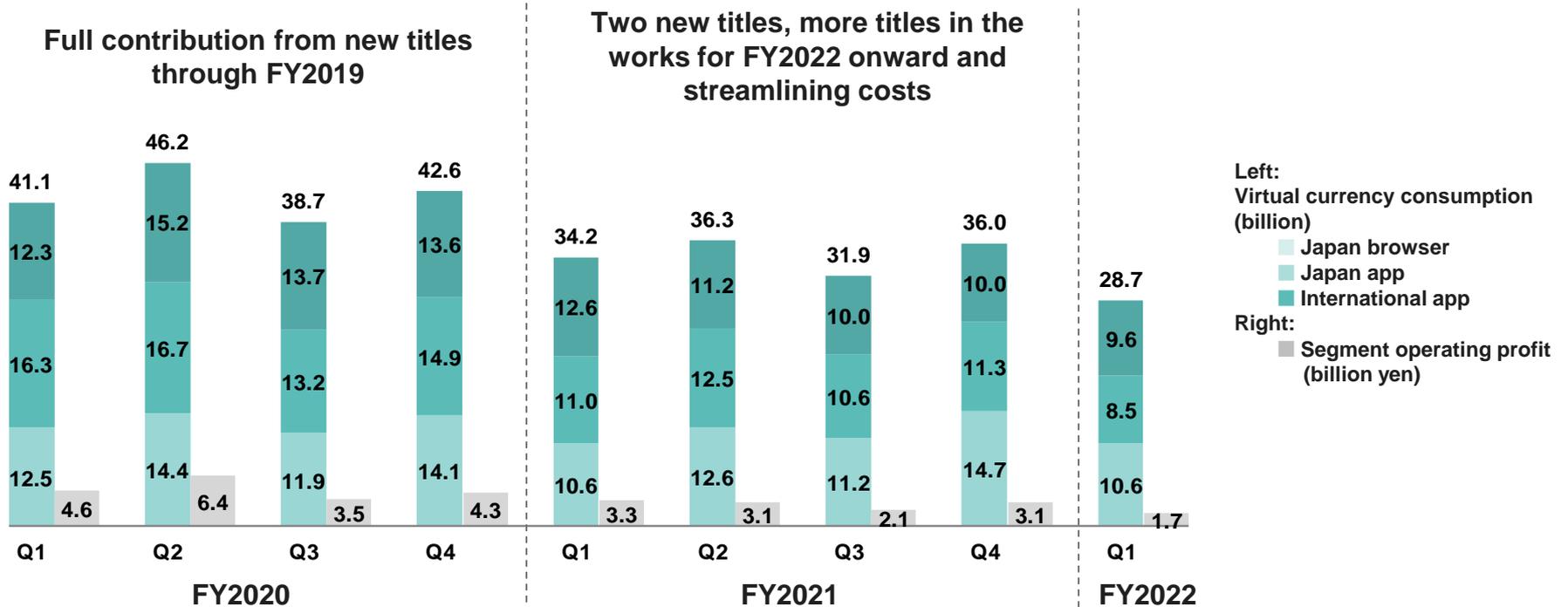
- Share buyback with a maximum of 15.0 billion yen underway since July 2022

*For more details see the disclosure of May 25, 2022. Continuing to discuss and consider further details, including the timing and method of the conversion into a subsidiary. If there are any matters to be disclosed regarding the progress, etc. then DeNA will disclose them in a timely manner.

2. Entertain

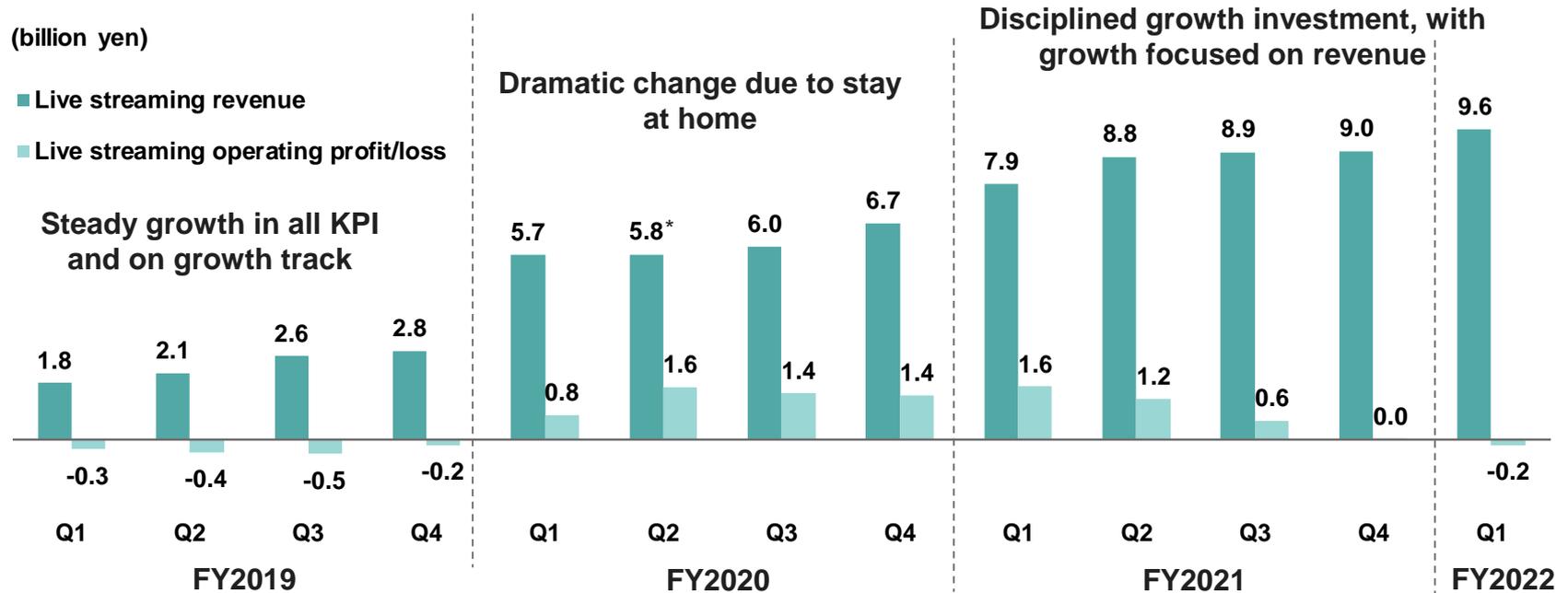
Game Business: Quarterly Results

- Q1 performance was impacted by seasonality in Japan existing title performance



Live Streaming Business: Quarterly Results

- Pococha Japan revenue was up quarter over quarter, segment also continuing revenue growth trends
- Continuing strategic growth investment, mainly in Pococha US

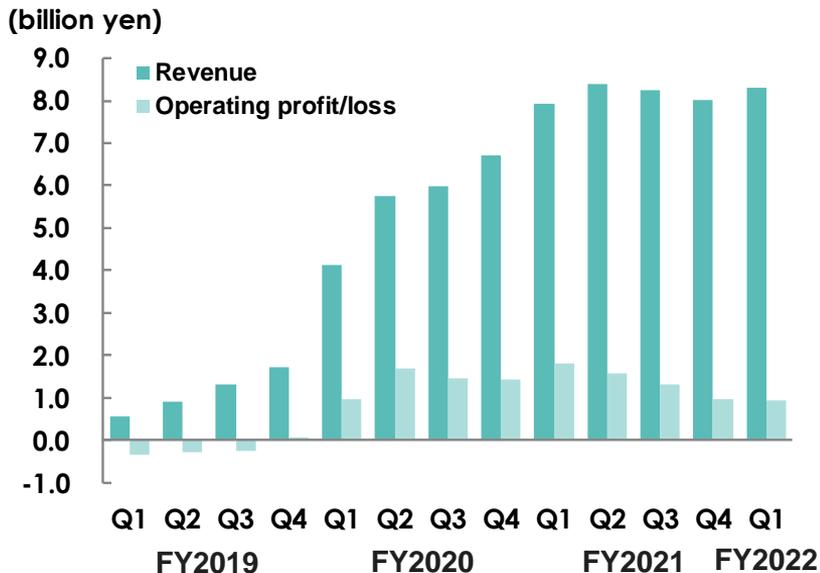


*The performance of SHOWROOM Inc. is not included from Q2 FY2020 onwards.

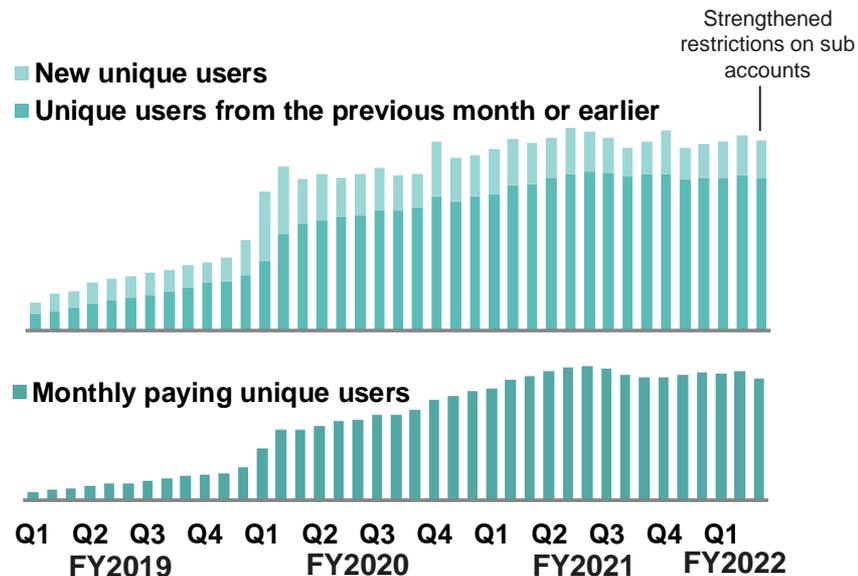
Live Streaming Business: Pococha Japan

- Usage trends solid, 4 million downloads as of June 30, 2022
- Continuing growth measures, including measures to acquire new users and business alliance with UUUM* regarding broadcasters, etc.

Pococha Japan Results**



User Trends



*See the press release of August 10, 2022 "Conclusion of Business Alliance Related to Encouraging Video Creator Broadcasts Between Live Communication App Pococha and UUUM" (Japanese only).

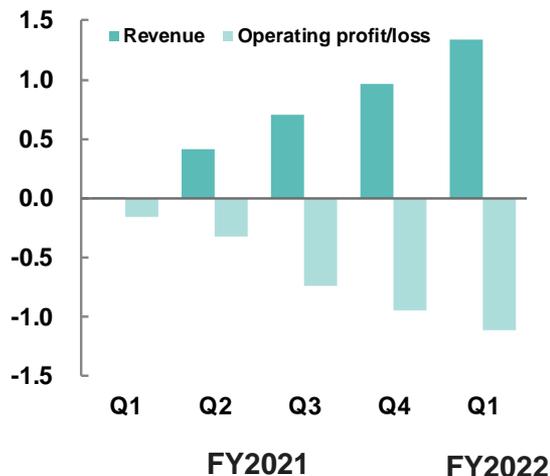
**The revenue and operating profit/loss figures from management accounting for each segment shown above are for reference purposes.

Live Streaming Business: Global Version / New Genres

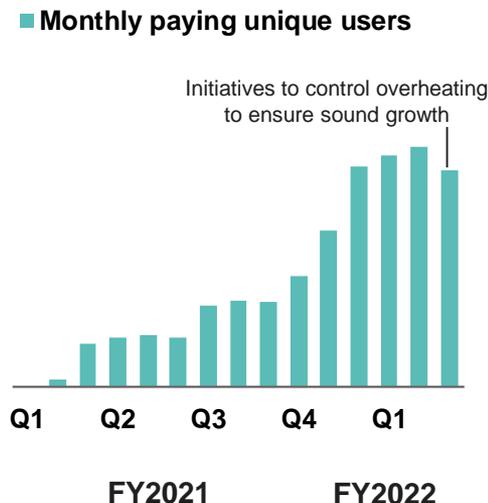
- IRIAM achieved 930,000 downloads as of June 30, 2022, and highest quarterly revenue to date
- In Q1 proactively invested primarily in Pococha US. User engagement continues to be positive, and 580,000 downloads achieved as of June 30, 2022

Operating Results Excluding Pococha Japan*

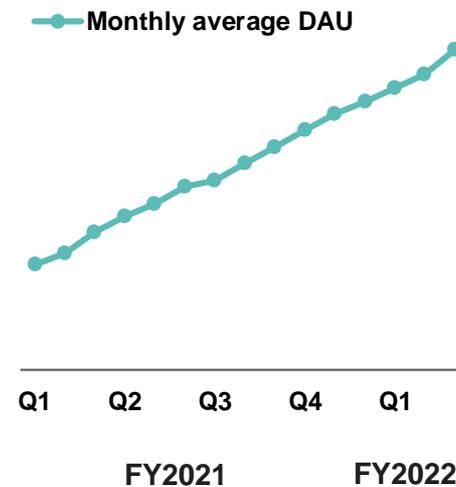
(billion yen)



Pococha US Usage Trends



IRIAM Usage Trends

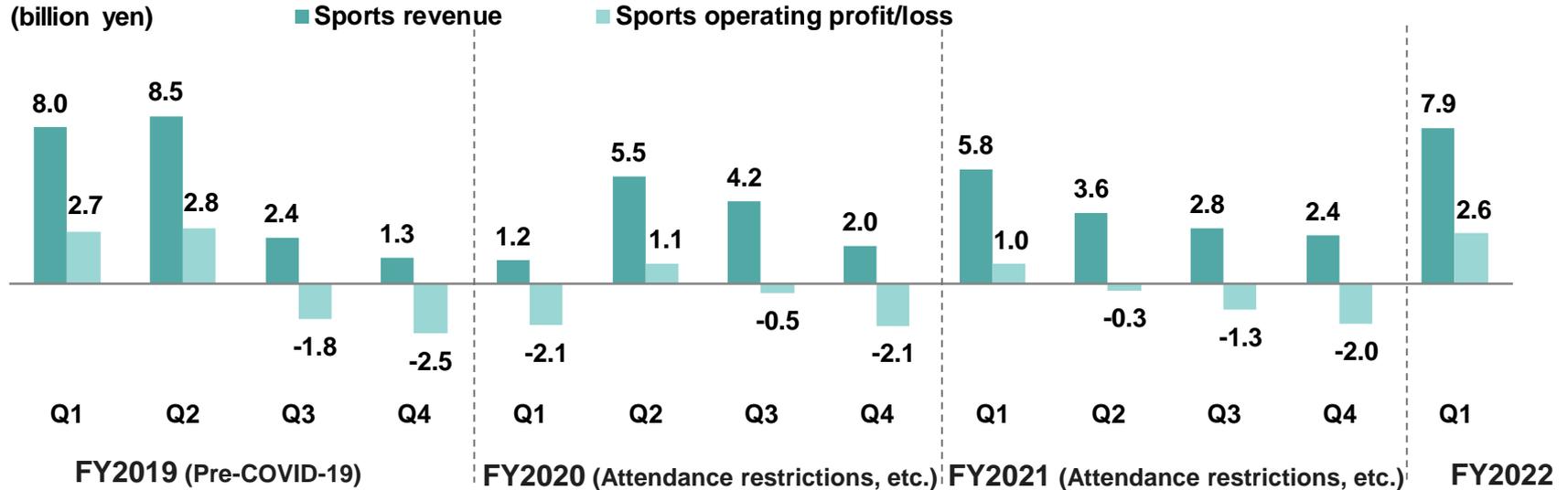


*The revenue and operating profit/loss figures from management accounting for each segment shown above are for reference purposes.

3. Serve

Sports Business: Quarterly Results

- Performance significantly improved year on year, with no restrictions on baseball attendance
- Kawasaki Brave Thunders 2021-22 season** had revenue growth and operating line improvement over last season and making good progress toward goal to achieve profitability in 5th season since joining Group (next season)



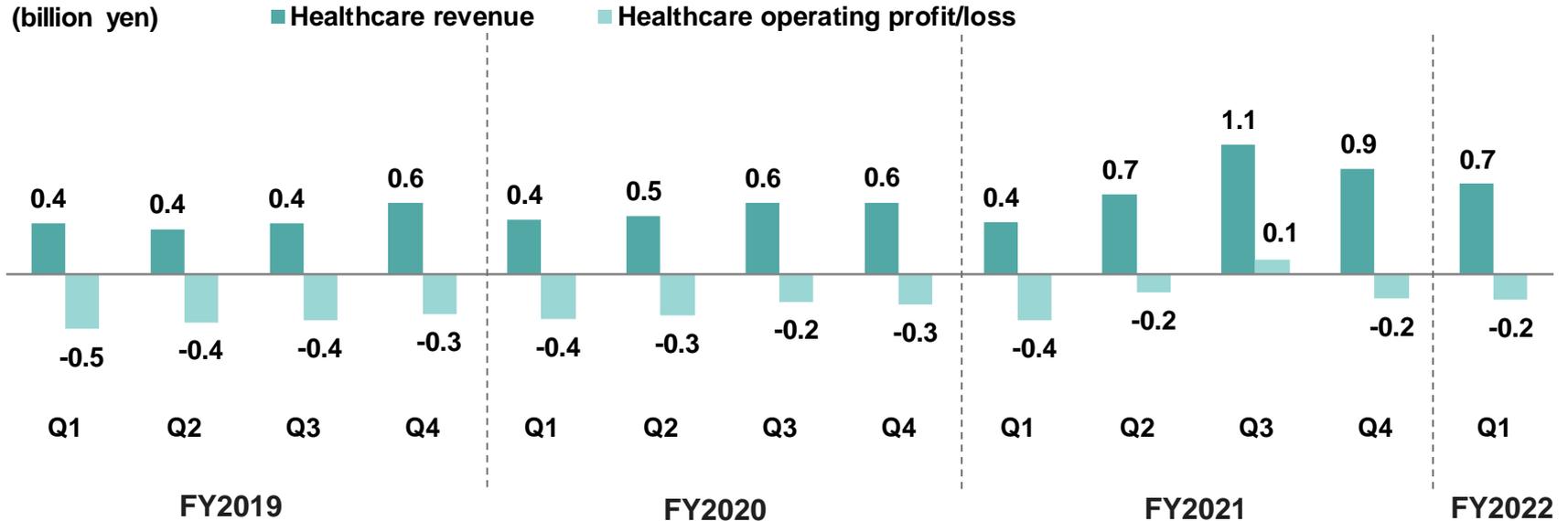
*Supplemental information regarding the number of home games held per quarter for the highly seasonal baseball business:

FY2022: Q1 34; FY2021: Q1 36, Q2 21, Q3 12, Q4 3; FY2020: Q1 9 (held without spectators in stadium), Q2 35, Q3 16, Q4 2; FY2019: Q1 34, Q2 35, Q3 3, Q4 0

**The basketball fiscal year is July to June

Healthcare Business: Quarterly Results

- Saw continued revenue growth & operating line improvement in Q1 year on year
- Made progress in strategic initiatives for mid to long term growth, including strengthening business portfolio



Healthcare Business: Mid to Long Term Growth

- With DATA HORIZON and Allm joining, the DeNA Group expects to reach meaningful revenue and headcount scale for business
- Going forward focus on further growth of strengthened business portfolio and earnings base enhancement
- No change to goal to achieve meaningful profit in three years until FY2023
- Actively seeking synergies within & outside of the Healthcare Business by leveraging our assets

Initiatives to Date



- Annual revenue: 3.0 billion yen
 - Headcount: 171
- (DeNA Healthcare Business results for FY2021)

Acceleration of Health Big Data Strategy



- Annual revenue: 3.0 billion yen
 - Headcount: 281
- (DATA HORIZON consolidated results for the fiscal year ended June 30, 2022*)

Expansion & Leap into Peripheral Area



- Annual revenue: 3.2 billion yen
 - Headcount: 113
- (Reference figures for April 2021 – March 2022*)

*DATA HORIZON CO., LTD. financial performance is rounded to the nearest hundred million yen. Allm Inc. has a fiscal year-end in August, and the above figures are for reference. The headcount numbers are on a standalone basis.

Healthcare Business: Accelerating Health Big Data Strategy

- Tender offer completed in July 2022, DATA HORIZON made subsidiary from August*
- Going forward together we will pursue further growth in the Data Health Business and accelerate initiatives to become No. 1 in the Data Use Business

DATA HORIZON Overview

(Prior to subsidiary conversion)

- Main customers (municipal national health insurance) continue to have strong need to rationalize medical costs
- Excluding the impact of the series of transactions including the tender offer, from FY2022 onward plan approx. 20% increase in revenue and correlated increase in profit
(from disclosure on June 29, 2022)



Going Forward Enhancing Collaboration Between the Companies

Data Health Business (for the Insured)

- Expanding distribution channels and strengthening sales utilizing both customer bases
- Collaborating on providing solutions for insurance businesses

Data Use Business (for Industry / Public Benefit)

- Covering all from the healthy to those with high risk through integration of databases, enabling analysis and research use for all ages
- Enabling more beneficial use for society and customers, including through collaboration with Medical Data Vision

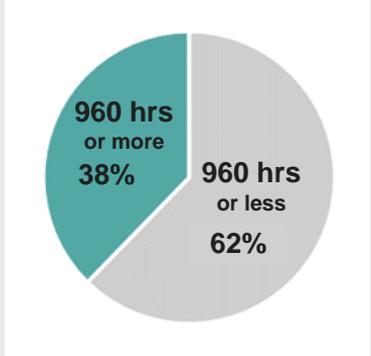
*Going forward plan to build organization after DATA HORIZON ordinary general meeting of shareholders in September 2022. DATA HORIZON plans to make DeSC Healthcare a consolidated subsidiary. Plan to discuss and consider the possibility of a merger of DATA HORIZON and DeSC Healthcare in the future.

Healthcare Business: Expansion & Leap into Peripheral Area*

- Introduction of working style transformation for doctors is imminent, and digital transformation in medicine to increase work efficiency is urgently needed in regional medical organizations
- Pressing issue for emergency medicine and specialized medicine organizations

Transformation of Working Style for Doctors (Coming into effect April 2024)

Current annual working hours for full-time hospital physician



Maximum annual working hours (with penalties)

General Practitioners

960 hours + other restrictions*

Doctors in Core Regional Medical Facilities

1,860 hours + other restrictions*

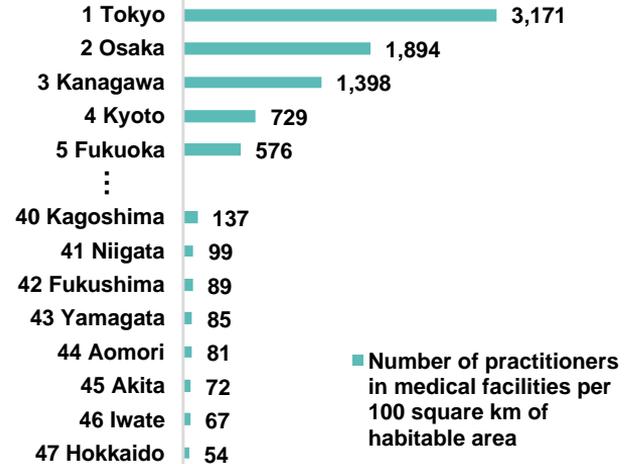
Young Doctors Needing Enhanced Specialization/Technical Skill

1,860 hours + other restrictions*

*Continuous working hour restrictions, interval between working hours, etc.

Shortage / Uneven Distribution of Doctors

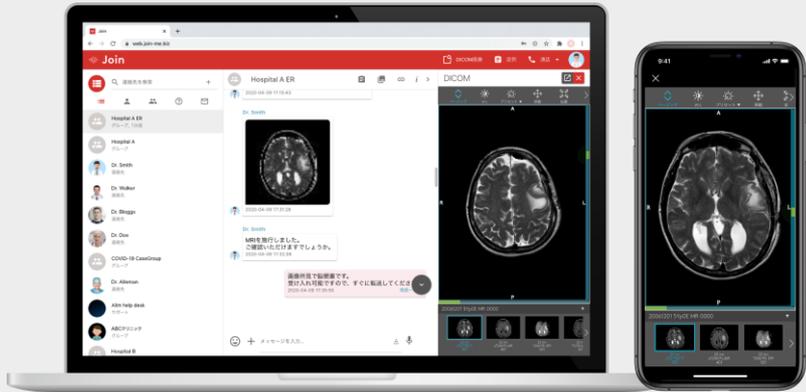
Prefecture



*Created from Survey of the Working Conditions of Doctors in 2019, Summary of Statistics on Doctors, Dentists, and Pharmacists in 2020, and Statistics on Prefectures 2022.

Healthcare Business: Conversion of Allm into a Subsidiary*

- Allm, a company with a high share of solutions encouraging digital transformation in medical and care spaces, etc., to be converted into a subsidiary
- Focus on creating business opportunities through spread of Join, a secure communication app for medical practitioners, and aim to achieve profitability in FY2023 and continuous growth



- ✓ Used in many settings, including regional medical collaboration with other hospitals, etc., monitoring from outside the hospital, work style reform, etc.
- ✓ High level security
- ✓ First medical device program covered by insurance in Japan

Growth from Spread of Join

- Introduced to approx. 20% of core hospitals through relationship with key opinion leaders (KOL), etc.
- Further use by existing customers and network effects from spread to related hospitals/facilities, etc.
- Will expand customer base using DeNA negotiation capabilities

+

Upside from Join Development

- Potential Japan market estimated at several hundred billion yen per year, including the development of remote medicine systems for specialists and linkage with IoT devices, etc.**
- Global growth opportunities including collaboration with global pharma (currently in 30 countries)

*For more details see the disclosure of May 25, 2022. The timing and method, etc. for the subsidiary conversion continues to be discussed and considered. If there are any matters to be disclosed then DeNA will disclose them in a timely manner.

**Calculated based on the number of facilities, etc. throughout Japan that could be targeted.

Healthcare Business: Q1 Topic

- Began providing Nippontect Systems's MENKYO cognitive function test system to prefectural police headquarters, training institutes, and other test facilities around Japan
- MENKYO system uses a tablet and is in compliance with the amended legal requirements for testing the cognitive function of elderly drivers

 **MENKYO**



- Operations began first in Toyama Prefecture, where the tablet system was adopted in all test facilities in the prefecture
- Plan to start operations in 19 prefectures in FY2022, field tests underway at the Metropolitan Police Dept.
- Plan to distribute the MENKYO-based system to financial institutions, insurance companies, and local municipalities
- Social background:
 - Elderly drivers 75 or older are required to undergo a cognitive function test when renewing their license or for certain violations, and approx. 2 million people will be subject to these requirements every year.
 - The amended Road Traffic Act of May 2022 simplifies the test structure and adopts a tablet system. Many issues have been resolved, such as a significant reduction in time.



We delight people beyond their wildest dreams

Announcement

A DeNA IR Day is scheduled to be held in October 2022.

More information about the exact schedule and event itself shall be posted on the DeNA homepage when available. (<https://dena.com/intl/ir/calendar.html>)

Reference Materials

- **IFRS to Non-GAAP Reconciliation**
- **Segment Breakdown**
- **Consolidated Financial Position & Consolidated Cash Flows**
- **Mission, Vision, and Value**

IFRS to Non-GAAP Reconciliation

(billion yen)	FY2021				FY2022	FY2021	
	Q1	Q2	Q3	Q4	Q1	YoY change	
Reconciliation of Operating profit to Non-GAAP operating profit							
Operating profit (IFRS)	5.5	7.9	2.2	-4.1	4.0	11.5	-49%
Accounting adjustments related to seasonality & one-time factors	-0.1	-0.1	-0.1	+0.5	-0.1	+0.1	-
Acquisition and restructuring related expenses	-	-	-	-	-	-	-
Sales and disposition related gains	-0.6	-2.6	-0.9	-	-	-4.1	-
Non-GAAP operating profit	4.7	5.1	1.3	-3.6	3.8	7.5	-52%
Profit (loss) from seasonal sports business	-1.0	+0.3	+1.3	+2.0	-2.6	+2.6	-28%
Non-GAAP operating profit excluding Sports	3.7	5.5	2.5	-1.6	1.3	10.0	-48%

(billion yen)	FY2021				FY2022	FY2021	
	Q1	Q2	Q3	Q4	Q1	YoY change	
Reconciliation of Operating profit to Non-GAAP EBITDA							
Operating profit (IFRS)	5.5	7.9	2.2	-4.1	4.0	11.5	-49%
Accounting adjustments related to seasonality & one-time factors	-0.1	-0.1	-0.1	+0.5	-0.1	+0.1	-
Acquisition and restructuring related expenses	-	-	-	-	-	-	-
Sales and disposition related gains	-0.6	-2.6	-0.9	-	-	-4.1	-
Depreciation and amortization	+1.4	+1.4	+1.3	+1.4	+1.3	+5.6	3%
Retirement / impairment of fixed assets (excl. one-time factors)	+0.3	+0.0	+0.0	+3.9	+0.0	+4.3	23%
Non-GAAP EBITDA	6.4	6.5	2.6	1.8	5.1	17.3	-29%

Consolidated Cash Flows

(billion yen)	FY2021 Apr-Jun	FY2021	FY2022 Apr-Jun
Operating cash flow (A)	8.0	18.4	5.4
Profit before tax	17.6	29.4	10.7
Depreciation and amortization	1.4	5.6	1.3
Impairment loss	0.3	4.2	-
Share of loss (profit) of associates accounted for using the equity method	-9.4	-14.2	0.2
Decrease (increase) in trade and other current receivables	7.8	2.9	5.7
Increase (decrease) in trade and other current payables	-3.9	-1.3	-4.0
Dividends received	2.6	3.7	0.0
Others	-8.5	-12.0	-8.5
Investing cash flow (B)	-4.3	-19.9	47.4
Financing cash flow	-10.7	-18.5	-4.7
Proceeds from borrowings, net	-	-0.0	-0.0
Cash dividends paid	-3.8	-3.9	-4.5
Purchase of treasury stock	-5.9	-10.9	-0.0
Others	-0.9	-3.8	-0.1
FCF ((A)+(B))	3.7	-1.5	52.9
Cash and cash equivalents (Consolidated)	90.3	78.3	127.9
(Non-consolidated basis)	64.3	50.7	95.0

Consolidated Financial Position

(billion yen)	As of Jun. 30, 2021	As of Mar. 31, 2022	As of Jun. 30, 2022
Current assets	115.1	110.4	156.7
Cash and cash equivalents	90.3	78.3	127.9
Non-current assets	214.4	230.1	177.7
Property and equipment & Right-of-use assets	18.7	20.5	20.4
Goodwill	5.9	17.5	17.5
Intangible assets	6.8	13.1	13.7
Investments accounted for using the equity method	51.5	55.9	55.7
Other non-current financial assets	130.6	122.2	69.4
Total assets	329.5	340.6	334.4
Current liabilities	32.9	56.0	60.8
Borrowings	-	20.0	20.0
Non-current liabilities	60.1	39.6	29.9
Borrowings	20.0	0.1	0.1
Equity	236.5	244.9	243.7
Total equity attributable to owners of the parent	231.8	240.6	238.6
Total liabilities and equity	329.5	340.6	334.4

Segment Breakdown

Segment	Businesses
Game Business	Japan and international game businesses
Live Streaming Business	Japan and international Pocomo, IRIAM, etc.
Sports Business	Baseball, basketball, etc.
Healthcare Business	kencom and other healthcare related services
New Businesses & Others	Previous E-commerce business, previous Automotive business, and other new businesses, etc.

*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: Mobility Technologies Co., Ltd. (Q1 FY2020),
DeNA SOMPO Mobility Co., Ltd. and DeNA SOMPO Carlife Co., Ltd. (Q1 FY2020)
- Live streaming business: SHOWROOM Inc. (Q2 FY2020)
- Healthcare business: PFDENA Inc. (Q1 FY2020)
- New businesses & others: Manga Box Co., Ltd. (Q1 FY2021)

Mission

**We delight people
beyond their
wildest dreams**

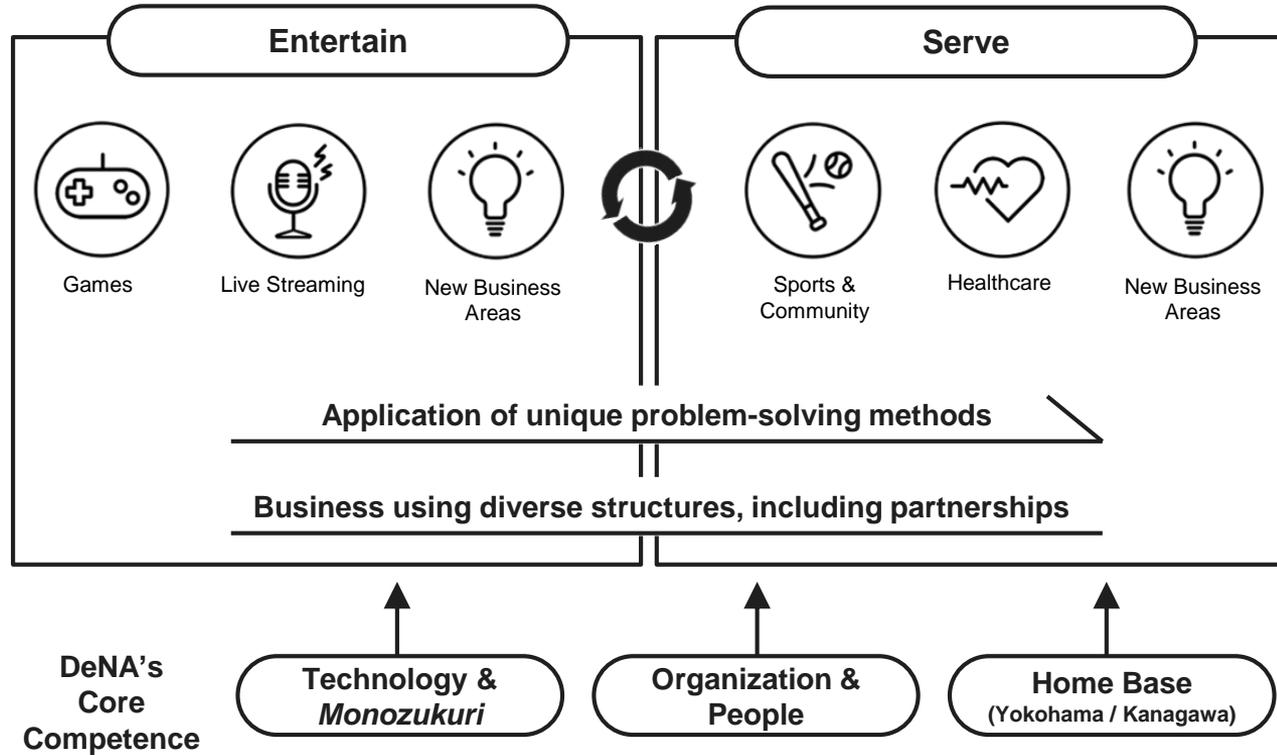
Vision

We will be the world's premier provider of internet and AI technology to delight people everywhere.

We seek to entertain and enrich lives, and to serve and make the world a better place.

Each of us harnesses our individual strengths to make our unique business succeed.

Vision



DeNA Promise

Our Social Promise

Commitment to Product & Service Quality

We deliver delight to our customers through an obsessive commitment to making our products and services trustworthy and easy to use.

Cooperation & Prosperity for All

We cooperate with business partners and other members of the community to create prosperity for everyone.

Overcoming Challenges

We provide delight that surpasses expectations. We challenge ourselves to develop new technology and services while overcoming any issues that may arise.

Acting with Transparency

As a member of the community, we believe that transparency should be reflected in the actions of everyone on staff and in management.

Providing Growth Opportunities

We seek to provide a unique and invaluable work experience, enabling our employees to contribute to society.

Acting Sustainably

As a global citizen, we strive for harmony with the economy, society, and the environment in order to contribute to a sustainable future.

Value

Reference: Updated information on DeNA sustainability initiatives frequently made available on the DeNA webpage.
<https://dena.com/jp/sustainability/>



Value

DeNA Quality

One Team in Pursuit of Delight

Focus on Substance

We focus on providing value, and each of us works as a part of an effective, purposeful team.

Being Our Best

We strive for the highest degree of professionalism in all our actions.

Speak Up & Listen

We share our thoughts and listen carefully, regardless of our position in the organization.

Respect Diversity

We appreciate the diverse strengths of our colleagues and harness them to achieve success.

Enjoy the Journey

Mindful that challenges can lead to success or failure, we thoroughly enjoy the journey.



We delight people beyond their wildest dreams

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