

The following information was originally prepared and published by DeNA Co., Ltd. in Japanese as it contains timely disclosure materials to be submitted to the Tokyo Stock Exchange. This English translation is for your convenience only. To the extent there is any discrepancy between this English translation and the original Japanese version, please refer to the Japanese version.



May 21, 2020

Company name: DeNA Co., Ltd.
(TSE First Section Stock Code: 2432)
Name of representative: Isao Moriyasu, President & CEO
Contact person: Jun Oi, Managing Executive Officer, CFO,
Head of Corporate Unit
Tel.: 03-6758-7200

Notice Regarding Company Split (Simple Absorption-Type Company Split)

DeNA Co., Ltd. would like to announce that during a Board of Directors meeting held today, it passed a resolution to undertake a simple absorption-type company split of a part of its business (hereinafter referred to as “company split”), and have Manga Box Co., Ltd. succeed DeNA to this business.

Please note that because this is a company split where a 100% consolidated subsidiary of DeNA is to succeed to the business to be split, DeNA has omitted some items in this disclosure.

1. Purpose of the company split

In order to make the Manga Box business, including all planning and operations, even more agile, DeNA established a 100% consolidated subsidiary, and will have this subsidiary succeed to said business department in this company split.

2. Summary of the company split

(1) Schedule

Date of board of directors resolution	May 21, 2020
Date of conclusion of the company split agreement	May 21, 2020
Implementation date (effective date)	July 1, 2020 (Scheduled)

*As the company split to be conducted by DeNA corresponds to a simple absorption-type split as defined in Article 784, Paragraph 2 of the Companies Act, it will be implemented without the approval and resolution of the General Meeting of Shareholders.

(2) Company split method

Absorption-type company split, where DeNA is the splitting company, and Manga Box Co., Ltd. is the succeeding company.

(3) Allotment in this company split

For this company split, the succeeding company Manga Box Co., Ltd. will newly issue 9,080 shares of common stock to allocate to DeNA.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights accompanying the company split
There are no applicable items.

(5) Changes to capital due to the company split
There are no changes in capital.

(6) Rights and obligations to be succeeded by the succeeding company
Manga Box Co., Ltd. will succeed to assets, liabilities and the accompanying rights and obligations held by DeNA relating to the business subject to the company split as of the effective date of the split, excluding those which are otherwise noted in the company split agreement. The assumption of liabilities by Manga Box Co., Ltd. will be undertaken without recourse to DeNA.

(7) Prospect of fulfillment of obligations
MangaBox Co., Ltd. is judged to be capable of fulfilling the obligations to be borne after the effective date of the company split.

3. Overview of the parties of the company split

		Splitting Company*	Succeeding Company**
(1)	Company name	DeNA Co., Ltd.	Manga Box Co., Ltd.
(2)	Address	2-21-1 Shibuya, Shibuya-ku, Tokyo, Japan	2-21-1 Shibuya, Shibuya-ku, Tokyo, Japan
(3)	Name and title of representative	Isao Moriyasu, President & CEO	Ryota Yasue, President & CEO (Scheduled)
(4)	Description of business	Game business, sports business, automotive business, healthcare business, new businesses & others	Various information processing services and information providing services, etc. using the internet
(5)	Stated capital	10,397 million yen	1 million yen
(6)	Established	March 4, 1999	May 18, 2020
(7)	Number of shares issued	150,810,033 shares	100 shares
(8)	Fiscal year-end	March 31	March 31
(9)	Shareholding percentage of major shareholders	Tomoko Namba 13.80% Nintendo Co., Ltd. 10.52% Japan Trustee Services Bank, Ltd. 10.44%	DeNA Co., Ltd. 100.00%
(10)	Financial position and operating results as of the previous fiscal year		
	Fiscal year-end	Fiscal year ended March 31, 2020 (consolidated)	Fiscal year ended March 31, 2020 (non-consolidated)
	Total equity	187,319 million yen	- million yen
	Total assets	255,740 million yen	- million yen
	Equity per share attributable to owners of the parent	1,432.14 yen	- yen
	Revenue	121,387 million yen	- million yen
	Operating profit (loss)	(45,676 million yen)	- million yen
	Profit (loss) before tax	(40,235 million yen)	- million yen
	Profit (loss) for the period	(49,847 million yen)	- million yen
	Profit (loss) attributable to owners of the parent	(49,166 million yen)	- million yen

Basic earnings (loss) per share attributable to owners of the parent	(352.49 yen)	- million yen
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*The list of DeNA major shareholders is as of September 30, 2019, and does not include DeNA's holdings of its own shares (including DeNA stock held through the trust for the DeNA employee stock option plan (ESOP)). The DeNA Group's consolidated financial statements are prepared in accordance with IFRS.

**The information for Manga Box Co., Ltd. is as of the date of establishment.

4. Overview of the business department to be split

(1) Business description of the department to be split

Development/operation of Manga Box platform, production of original works

(2) Operating results for the department to be split (Fiscal year ended March 31, 2020)

	Operating results of the business (a)	Operating results of DeNA (consolidated) (b)	Ratio (a/b)
Revenue	1,980 million yen	121,387 million yen	1.6%

(3) Assets and liability items and monetary amounts to be split

Assets		Liabilities	
Item	Book Value	Item	Book Value
Current assets	427 million yen	Current liabilities	434 million yen
Non-current assets	1 million yen	Non-current liabilities	—
Total	427 million yen	Total	434 million yen

*The amounts of assets and liabilities to be split are based on the balance sheets as of March 31, 2020. The actual amounts of assets and liabilities to be split will be determined by adjusting the above amounts to reflect changes to the assets and liabilities up to the effective date of the split.

5. Status of the listed company and the succeeding company in the absorption-type company split after the company split

No changes are expected in the company name, address, name and titles of representative, description of businesses, stated capital, or fiscal year-end for DeNA or Manga Box Co., Ltd. as a result of this company split.

6. Future outlook

The impact of this company split on DeNA financial performance is expected to be minimal.

(Reference) Consolidated financial results for the fiscal year ended March 31, 2020

	Revenue	Operating profit (loss)	Profit (loss) before tax	Profit (loss) for the period	Profit (loss) attributable to owners of the parent	Basic earnings (loss) per share
Fiscal year ended March 31, 2020	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
	121,387	(45,676)	(40,235)	(49,847)	(49,166)	(352.49)

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