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Consolidated Financial Results for the Three Months Ended June 30, 2014 [IFRS]

August 6, 2014

Company name: DeNA Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 2432

URL: <http://dena.com/intl/>

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Scheduled date of filing quarterly securities report: August 7, 2014

Scheduled date of commencing dividend payments: —

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes (for institutional investors, analysts and the press)

(Amounts of less than one million yen are rounded.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2014 (from April 1, 2014 to June 30, 2014)

(1) Consolidated Operating Results

(% changes from the previous corresponding period)

	Revenue		Operating profit		Profit before tax		Profit for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2014	35,819	(31.3)	6,975	(59.0)	6,722	(61.8)	4,033	(59.2)
Three months ended June 30, 2013	52,158	9.6	16,991	(7.6)	17,581	(2.7)	9,882	(4.2)

	Profit for the period attributable to owners of the parent		Total comprehensive income for the period		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Three months ended June 30, 2014	3,769	(60.6)	3,182	(72.6)	29.09	29.01
Three months ended June 30, 2013	9,575	(4.2)	11,595	27.3	72.07	71.89

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent
	Millions of yen	Millions of yen	Millions of yen	%
As of June 30, 2014	195,464	142,606	137,537	70.4
As of March 31, 2014	197,325	145,555	140,600	71.3

2. Dividends

	Dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of year	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2014	—	0.00	—	37.00	37.00
Fiscal year ending March 31, 2015	—				
Fiscal year ending March 31, 2015 (Forecast)		0.00	—	—	—

(Note) The dividend forecast for the fiscal year ending March 31, 2015 has not been determined at this time.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

(% changes from the previous corresponding period)

	Revenue		Operating profit		Profit for the period attributable to owners of the parent	Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	Yen
First half	71,400	(28.5)	12,700	(60.4)	6,600	50.94
Full year	—	—	—	—	—	—

(Note) The financial results forecast for the following quarter is disclosed in lieu of full-year financial results forecast. For details, please refer to “1. Qualitative Information on Consolidated Financial Results for the Period under Review (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 5 of the Appendix.

* Notes

(1) Changes in Significant Subsidiaries during the Period under Review (changes in specified subsidiaries accompanying changes in scope of consolidation): No

(2) Changes in Accounting Policies and Changes in Accounting Estimates

1) Changes in accounting policies required by IFRS: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

(3) Number of Shares Issued (common stock)

1) Total number of shares issued at the end of the period (including treasury stock):

As of June 30, 2014	150,810,033 shares
As of March 31, 2014	150,810,033 shares

2) Total number of shares of treasury stock at the end of the period:

As of June 30, 2014	21,226,026 shares
As of March 31, 2014	21,283,601 shares

3) Average number of shares during the period:

Three months ended June 30, 2014	129,559,782 shares
Three months ended June 30, 2013	132,861,671 shares

(Note) The 619,805 shares of the Company’s stock owned by the Stock Grant ESOP Trust account are included in the “Total number of shares of treasury stock at the end of the period” as of June 30, 2014, and the 648,844 shares of the Company’s stock owned by the same trust account are included in the “Total number of shares of treasury stock at the end of the period” as of March 31, 2014.

* Presentation regarding the Implementation Status of the Quarterly Review Process

This quarterly financial report is outside the scope of quarterly review procedures under the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial report, review procedures for the Condensed Consolidated Financial Statements are in progress.

* Explanation of the Proper Use of Financial Results Forecast and Other Notes

(1) Consolidated Financial Results Forecast

The forward-looking statements herein are based on information available to the Company and certain assumptions deemed reasonable as of the date of publication of this document. They are not intended as the Company's commitment to achieve such forecasts, and actual results may differ significantly from these forecasts due to a wide range of factors. For conditions prerequisite to the financial results forecast, etc., please refer to "1. Qualitative Information on Consolidated Financial Results for the Period under Review (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" on page 5 of the Appendix.

(2) Dividend Forecast

With regard to the dividend forecast for the fiscal year ending March 31, 2015, as the Company's basic policy is to pay its shareholders performance-linked cash dividends, an announcement of the expected dividend amount will be promptly made when it is possible to disclose the full-year financial results forecast. Currently, the Company expects to provide a dividend forecast at the time of the announcement of financial results for the third quarter of the fiscal year ending March 31, 2015.

(3) Method of Obtaining Supplementary Briefing Material on Financial Results

The Company is planning to hold a briefing session for institutional investors, analysts and the press on August 6, 2014. The briefing materials to be distributed at the session are scheduled to be posted on the Company's website at the appropriate time for disclosure. In addition, videos and primary Q&A of the briefing session are scheduled to be posted on the Company's website at a later date shortly thereafter.

* Definition of Terms

As used in this consolidated financial results, references to "DeNA" and the "DeNA Group" are to DeNA Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group") except as the context otherwise requires or indicates.

Appendix

1. Qualitative Information on Consolidated Financial Results for the Period under Review	2
(1) Explanation of Operating Results	2
(2) Explanation of Financial Position	4
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information	5
2. Matters Related to Summary Information (Notes)	6
(1) Changes in Significant Subsidiaries during the Period under Review	6
(2) Changes in Accounting Policies and Changes in Accounting Estimates	6
3. Condensed Consolidated Financial Statements	7
(1) Condensed Consolidated Statement of Financial Position	7
(2) Condensed Consolidated Income Statement	9
(3) Condensed Consolidated Statement of Comprehensive Income	10
(4) Condensed Consolidated Statement of Changes in Equity	11
(5) Condensed Consolidated Statement of Cash Flows	12
(6) Notes on Going Concern Assumption	13
(7) Notes to Condensed Consolidated Financial Statements	13
(8) Notes on Significant Subsequent Events	17

* Note

The condensed consolidated financial statements are presented in Japanese yen and rounded off to the nearest million yen. As a result, the totals in yen do not necessarily agree with the sum of the individual amounts.

1. Qualitative Information on Consolidated Financial Results for the Period under Review

(1) Explanation of Operating Results

During the three months ended June 30, 2014 (from April 1, 2014 to June 30, 2014, hereinafter “the period under review”), a moderate recovery trend continued in the Japanese economy while the backlash to last-minute demand associated with the consumption tax hike abated. A downswing in overseas economies continues to pose a risk of downward pressure on the domestic economy.

The number of smartphone subscriptions in Japan is projected to grow from 57.34 million at the end of March 2014 to 103.00 million by the end of March 2019, reflecting the continuing market proliferation of smartphones (according to research by MM Research Institute, Ltd.). Global proliferation of smartphones continues.

Under these conditions, the DeNA Group has positioned the fiscal year ending March 31, 2015 as the fiscal year for building its business base to continuously improve corporate value as a global Internet player. The Group’s efforts will be guided by the policy of proactively making the necessary investments with a view to strengthening existing businesses and creating growing businesses, while conducting thorough cost management.

During the period under review, revenue of the Japan game business decreased year-on-year due to the decline in usage. On the cost front, owing to a decrease in variable costs such as costs related to settlement of in-game fees and control over sales promotion and advertising expenses, both cost of sales and selling, general and administrative expenses decreased year-on-year.

As a result, revenue of the DeNA Group was ¥35,819 million, down 31.3% year-on-year, operating profit was ¥6,975 million, down 59.0% year-on-year, profit before tax was ¥6,722 million, down 61.8% year-on-year, and profit for the period attributable to owners of the parent was ¥3,769 million, down 60.6% year-on-year.

Business performance by segment is as follows.

1) Social Media Business

During the period under review, in the Japan game business, although the Group continued to provide new titles as it had in the fiscal year ended March 31, 2014, this did not offset the decline in revenue associated with the slump in usage of existing titles, and consumption of the in-game virtual currency MobaCoin decreased 31% year-on-year to ¥37.6 billion.

In the international game business, the Group pursued efforts with a view to providing titles in a broader range of genres for Europe and the U.S., although this did not manage to offset the slump in usage of existing titles. With respect to China, the Group also took advantage of leading IP (intellectual property) to enhance new titles in addition to existing titles.

The number of users of MangaBox, a digital manga magazine service, expanded steadily. The Group has been moving ahead with efforts to broaden the range of both users and contents for Showroom, a virtual live space.

As a result, revenue of the Social Media Business was ¥28,522 million, down 36.7% year-on-year, and segment profit was ¥8,075 million, down 54.8% year-on-year due to factors including a decline in revenue in the Japan game business which have high profitability.

2) E-commerce Business

In shopping services, the Group focused on groceries and daily consumables, centered on the online shopping site DeNA Shopping (including au Shopping Mall). Gross merchandise volume of shopping was ¥14.9 billion for the period under review, a year-on-year increase of 17%. Transactions increased at Paygent Co., Ltd., a processing settlement company, and at the travel agency business including DeNA Travel. As for auction services, the mobile auction site Mobaoku (including au Mobaoku) saw a decrease in the number of paid members.

As a result, revenue of the E-commerce Business was ¥4,483 million, up 3.1% year-on-year, and segment profit was ¥685 million, down 22.7% year-on-year, owing to the implementation of active measures to attract customers and other factors.

3) Others

Yokohama DeNA Baystars Baseball Club, Inc. contributed to revenue growth mainly due to a steady year-on-year increase in attendance at home games.

As a result, revenue of the other businesses was ¥2,814 million, up 2.0% year-on-year, and segment profit was ¥308 million, up 110.8% year-on-year.

(2) Explanation of Financial Position

1) Financial Position

Total assets at the end of the three months ended June 30, 2014 were ¥195,464 million, a decrease of ¥1,860 million compared to the end of the previous fiscal year.

Current assets were ¥110,418 million, a decrease of ¥891 million, compared to the end of the previous fiscal year. This was due primarily to a decrease in trade and other current receivables by ¥3,849 million.

Non-current assets were ¥85,046 million, representing a decrease of ¥970 million, compared to the end of the previous fiscal year. This was due mainly to a decrease in investments accounted for using the equity method by ¥1,451 million.

Current liabilities were ¥51,577 million, an increase of ¥845 million, compared to the end of the previous fiscal year. This was due primarily to an increase in other current liabilities by ¥2,629 million.

Non-current liabilities stood at ¥1,282 million, representing an increase of ¥244 million, compared to the end of the previous fiscal year.

As a result, total liabilities amounted to ¥52,858 million, an increase of ¥1,088 million compared to the end of the previous fiscal year.

Total equity was ¥142,606 million, representing a decrease of ¥2,949 million compared to the end of the previous fiscal year. This was primarily attributable to a decrease of ¥1,442 million in capital surplus.

In terms of liquidity, the liquidity ratio and ratio of equity attributable to owners of the parent were 214.1% and 70.4%, respectively, as of the end of the three months ended June 30, 2014.

2) Cash Flows

Cash and cash equivalents (collectively, “cash”) at the end of the three months ended June 30, 2014 increased by ¥1,456 million to ¥66,850 million, compared to the end of the previous fiscal year. Cash flows in each area of activity and their respective contributing factors are as follows.

(Operating activities)

Net cash provided by operating activities for the three months ended June 30, 2014 was ¥10,804 million, compared to a cash outflow of ¥869 million in the same period of the previous fiscal year. The principal cash inflow factors were ¥6,722 million in profit before tax and ¥3,787 million in decrease in trade and other current receivables, which offset the effect of ¥2,788 million in decrease in trade and other current payables.

(Investing activities)

Net cash used in investing activities for the three months ended June 30, 2014 was ¥4,821 million, compared to a cash outflow of ¥3,736 million in the same period of the previous fiscal year. The principal cash outflow factors were ¥3,791 million in acquisition of intangible assets and ¥755 million in purchases of investment securities.

(Financing activities)

Net cash used in financing activities for the three months ended June 30, 2014 was ¥4,457 million, compared to a cash outflow of ¥16,287 million in the same period of the previous fiscal year. The principal cash outflow factor was ¥4,464 million in cash dividends paid.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

1) Social Media Business

For the Japan game business, the Group will strive to reactivate utilization through the introduction of new titles for the application market. In the international game business, the Group will pursue a strategy of expanding use by providing titles in a wide range of genres aimed at Europe and the U.S. As for China, where future market expansion is expected, the Group will work on developing and providing titles that utilize leading IP. The Group will also focus efforts on strengthening the user base for IP-generating platforms (Manga Box, Showroom, etc.) where synergy effects with the game business are expected.

2) E-commerce Business

In shopping services, the Group will continue its efforts to strengthen the areas of groceries and daily consumables, centered on DeNA Shopping, while making maximum use of collaboration with partner companies. The Group will also strive to expand transactions in payment services and the travel agency business.

3) Others

In order to create businesses with structural strengths that will grow in the mid- to long-term, the Group will focus efforts on the healthcare field, and plans to launch Mycode, a direct-to-consumer genetic testing service, in August 2014.

Regarding selling, general and administrative expenses, the Group will work to reduce costs by carrying out appropriate cost control.

With regard to the consolidated financial results forecast, it is difficult to project the speed of market growth in the game-related market, which is the Group's principal business, for both in Japan and internationally. In addition, revenue is substantially affected by various uncertainties, such as user preferences and the existence of popular titles. Owing to these and other factors, the Group announces the financial results forecast for the following quarter at the time of each quarterly results announcement since it is not feasible to prepare highly reliable financial forecasts for the full year and half year.

As for the consolidated financial results forecast for the six months ending September 30, 2014, the Group expects a decrease in revenue and profit on a year-on-year basis. This is because, in the Japan game business, which is a key revenue source, the Group expects that new titles for the application market will not be able to offset the decrease in revenue associated with declining usage of existing titles for the browser market, as well as other factors.

The forward-looking statements above are based on information available and certain assumptions deemed reasonable as of the date of publication of this document, and contain many uncertain factors. Actual results may differ from the forecasts above due to a wide range of uncertain factors.

2. Matters Related to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period under Review

Not applicable.

(2) Changes in Accounting Policies and Changes in Accounting Estimates

Significant Accounting Policies

Except as described below, significant accounting policies adopted by the Group in the condensed consolidated financial statements for the three months ended June 30, 2014 remain the same as those adopted in the consolidated financial statements for the fiscal year ended March 31, 2014. Income tax expense for the three months ended June 30, 2014 was calculated using the estimated average annual effective tax rate.

Major accounting standards adopted by the Group from the three months ended June 30, 2014 are as follows:

IFRS		Description of new standards/amendments
IAS 32	Financial Instruments: Presentation	Clarification of requirements for offsetting disclosures and additions to guidelines
IFRIC 21	Levies	Clarification of the recognition of liabilities for levies

These standards have been adopted in accordance with their respective transitional provisions, and the adoption of the above standards has no significant impact on the three months ended June 30, 2014.

3. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

	(Millions of yen)	
	As of March 31, 2014	As of June 30, 2014
Assets		
Current assets		
Cash and cash equivalents	65,394	66,850
Trade and other current receivables	37,803	33,954
Other current financial assets	1,025	1,086
Other current assets	7,086	8,527
Total current assets	111,309	110,418
Non-current assets		
Property and equipment	3,311	3,173
Goodwill	42,730	42,052
Intangible assets	15,089	15,923
Investments accounted for using the equity method	9,197	7,746
Other non-current financial assets	12,627	13,023
Deferred tax assets	2,996	3,060
Other non-current assets	67	69
Total non-current assets	86,016	85,046
Total assets	197,325	195,464

	(Millions of yen)	
	As of March 31, 2014	As of June 30, 2014
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other current payables	26,206	23,299
Income tax payables	2,525	2,600
Other current financial liabilities	11,981	13,028
Other current liabilities	10,021	12,650
Total current liabilities	50,732	51,577
Non-current liabilities		
Non-current provisions	951	952
Other non-current financial liabilities	9	9
Other non-current liabilities	78	321
Total non-current liabilities	1,038	1,282
Total liabilities	51,770	52,858
Equity		
Common stock	10,397	10,397
Capital surplus	10,965	9,523
Retained earnings	153,072	152,048
Treasury stock	(44,290)	(44,135)
Other components of equity	10,456	9,704
Total equity attributable to owners of the parent	140,600	137,537
Non-controlling interests	4,955	5,069
Total equity	145,555	142,606
Total liabilities and equity	197,325	195,464

(2) Condensed Consolidated Income Statement

	(Millions of yen)	
	Three months ended June 30, 2013	Three months ended June 30, 2014
Revenue	52,158	35,819
Cost of sales	(15,859)	(13,701)
Gross profit	36,299	22,118
Selling, general and administrative expenses	(19,122)	(14,389)
Other income	132	294
Other expenses	(318)	(1,048)
Operating profit	16,991	6,975
Finance income	262	22
Finance costs	(9)	(289)
Share of profit (loss) of associates accounted for using the equity method	337	14
Profit before tax	17,581	6,722
Income tax expense	(7,699)	(2,689)
Profit for the period	9,882	4,033
Attributable to:		
Owners of the parent	9,575	3,769
Non-controlling interests	307	264
Profit for the period	9,882	4,033
		(Yen)
Earnings per share attributable to owners of the parent:		
Basic earnings per share	72.07	29.09
Diluted earnings per share	71.89	29.01

(3) Condensed Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Three months ended June 30, 2013	Three months ended June 30, 2014
Profit for the period	9,882	4,033
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss, net of tax		
Gains (losses) from investments in equity instruments, net of tax	3	(200)
Other	(0)	(0)
Total other comprehensive income that will not be reclassified to profit or loss, net of tax	3	(200)
Components of other comprehensive income that may be reclassified to profit or loss, net of tax		
Foreign currency translation adjustments, net of tax		
Other	1,694	(647)
Total other comprehensive income that may be reclassified to profit or loss, net of tax	16	(4)
Other comprehensive income, net of tax	1,710	(651)
Total comprehensive income for the period	1,713	(851)
	11,595	3,182
Attributable to:		
Owners of the parent	11,288	2,918
Non-controlling interests	307	264
Total comprehensive income for the period	11,595	3,182

(4) Condensed Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Total		
As of April 1, 2013	10,397	10,361	127,927	(34,724)	5,298	119,259	4,416	123,676
Profit for the period	-	-	9,575	-	-	9,575	307	9,882
Other comprehensive income	-	-	-	-	1,713	1,713	1	1,713
Total comprehensive income for the period	-	-	9,575	-	1,713	11,288	307	11,595
Dividends recognized as distributions to owners	-	-	(6,698)	-	-	(6,698)	(150)	(6,848)
Increase (decrease) through treasury stock transactions	-	(104)	-	(9,703)	(42)	(9,850)	-	(9,850)
Increase (decrease) through share-based payment transactions	-	96	-	-	79	176	-	176
Acquisition, disposal and other changes of non-controlling interests	-	458	-	-	-	458	(458)	-
As of June 30, 2013	10,397	10,812	130,805	(44,427)	7,047	114,633	4,115	118,748

(Millions of yen)

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Total		
As of April 1, 2014	10,397	10,965	153,072	(44,290)	10,456	140,600	4,955	145,555
Profit for the period	-	-	3,769	-	-	3,769	264	4,033
Other comprehensive income	-	-	-	-	(851)	(851)	(0)	(851)
Total comprehensive income for the period	-	-	3,769	-	(851)	2,918	264	3,182
Dividends recognized as distributions to owners	-	-	(4,792)	-	-	(4,792)	(150)	(4,942)
Increase (decrease) through treasury stock transactions	-	(90)	-	155	(54)	12	-	12
Increase (decrease) through share-based payment transactions	-	109	-	-	152	261	-	261
Acquisition, disposal and other changes of non-controlling interests	-	-	-	-	-	-	-	-
Changes in ownership interests in associates	-	(1,461)	-	-	-	(1,461)	-	(1,461)
As of June 30, 2014	10,397	9,523	152,048	(44,135)	9,704	137,537	5,069	142,606

(5) Condensed Consolidated Statement of Cash Flows

	(Millions of yen)	
	Three months ended June 30, 2013	Three months ended June 30, 2014
Operating activities		
Profit before tax	17,581	6,722
Depreciation and amortization	1,952	2,462
Interest and dividend income	(13)	(13)
Interest expenses	1	3
Decrease (increase) in trade and other current receivables	1,186	3,787
Increase (decrease) in trade and other current payables	(350)	(2,788)
Other, net	79	2,979
Subtotal	20,436	13,152
Dividends received	11	11
Interest paid	(1)	(3)
Interest received	2	2
Income tax paid	(21,316)	(2,357)
Net cash flows from (used in) operating activities	(869)	10,804
Investing activities		
Proceeds from sales and redemption of investment securities	59	31
Purchases of investment securities	(500)	(755)
Acquisition of property and equipment	(157)	(288)
Acquisition of intangible assets	(2,932)	(3,791)
Other, net	(207)	(19)
Net cash flows from (used in) investing activities	(3,736)	(4,821)
Financing activities		
Proceeds from borrowings	—	250
Repayments of borrowings	(200)	(100)
Cash dividends paid	(6,087)	(4,464)
Cash dividends paid to non-controlling interests	(150)	(150)
Acquisition of treasury stock	(9,859)	—
Other, net	10	7
Net cash flows from (used in) financing activities	(16,287)	(4,457)
Net increase (decrease) in cash and cash equivalents	(20,891)	1,527
Cash and cash equivalents at beginning of period	67,337	65,394
Effect of exchange rate changes on cash and cash equivalents	211	(71)
Cash and cash equivalents at end of period	46,657	66,850

(6) Notes on Going Concern Assumption

Not applicable.

(7) Notes to Condensed Consolidated Financial Statements

1. Segment information

1) Outline of reportable segments

The Group provides principally Internet services for mobile and PC users. The Group organizes business units by service at its headquarters, and each of these units formulates comprehensive business strategies for the services it provides, and undertakes related business activities.

Therefore, the Group is composed of operating segments classified by the types of services provided, based on the business units. The reportable segments of the Group are classified as the “Social Media Business” and the “E-commerce Business.”

The types of services provided by each segment are shown in the table below:

Reportable segment	Type of service
Social Media Business	Social media-related services (provided in Japan and internationally) Principal services: Mobage, etc.
E-commerce Business	E-commerce-related services (provided in Japan) Principal services: DeNA Shopping, Mobaoku, and payment services, etc.

2) Revenue, profit or loss, and other items by reportable segment

The accounting policies of the reportable segments are the same as the accounting policies applied by the Group to the consolidated financial statements for the fiscal year ended March 31, 2014.

Intersegment revenue is calculated based on external market prices.

Revenue, profit or loss, and other items of the Group's reportable segments are as follows:

For the three months ended June 30, 2013

(From April 1, 2013 to June 30, 2013)

	(Millions of yen)				
	Social Media Business	E-commerce Business	Others*2	Adjustments*3	Total
Revenue					
Revenue from external customers	45,052	4,348	2,757	—	52,158
Intersegment revenue	15	569	58	(642)	—
Total	45,067	4,917	2,816	(642)	52,158
Segment profit *1	17,868	886	146	(1,723)	17,177
Other income (expenses), net					(186)
Operating profit					16,991
Finance income (costs), net					253
Share of profit (loss) of associates accounted for using the equity method					337
Profit before tax					17,581

(Notes) 1. Segment profit is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.

2. "Others" refers to operating segments that do not fall into any of the reportable segments, including the operations of a professional baseball team.

3. Adjustments in segment profit represent corporate expenses, which primarily include general and administrative expenses not attributable to any of the reportable segments.

For the three months ended June 30, 2014
(From April 1, 2014 to June 30, 2014)

	(Millions of yen)				
	Social Media Business	E-commerce Business	Others*2	Adjustments*3	Total
Revenue					
Revenue from external customers	28,522	4,483	2,814	—	35,819
Intersegment revenue	15	381	50	(446)	—
Total	28,537	4,864	2,864	(446)	35,819
Segment profit *1	8,075	685	308	(1,339)	7,729
Other income (expenses), net					(754)
Operating profit					6,975
Finance income (costs), net					(267)
Share of profit (loss) of associates accounted for using the equity method					14
Profit before tax					6,722

- (Notes) 1. Segment profit is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.
2. “Others” refers to operating segments that do not fall into any of the reportable segments, including the operations of a professional baseball team.
3. Adjustments in segment profit represent corporate expenses, which primarily include general and administrative expenses not attributable to any of the reportable segments.

2. Earnings per share

The basis for calculating earnings per share attributable to owners of the parent for the three months ended June 30, 2013 and 2014 are as follows:

	Three months ended June 30, 2013 (From April 1, 2013 to June 30, 2013)	Three months ended June 30, 2014 (From April 1, 2014 to June 30, 2014)
Profit for the period attributable to owners of the parent (Millions of yen)	9,575	3,769
Weighted average number of common shares outstanding during the period—basic (Shares)	132,861,671	129,559,782
Effect of dilutive potential common shares: Stock options, etc. (Shares)	327,779	366,097
Weighted average number of common shares outstanding during the period—diluted (Shares)	133,189,450	129,925,879
Earnings per share attributable to owners of the parent (Yen)		
Basic earnings per share	72.07	29.09
Diluted earnings per share	71.89	29.01

(8) Notes on Significant Subsequent Events

Not applicable.