

English Translation

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MEMBERSHIP

March 17, 2015

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Announcement of Disposition of Treasury Shares by Third-Party Allotment and Change of Major Shareholders

DeNA Co., Ltd. (“DeNA”) announced that it resolved at its board of directors meeting as of today to allot its treasury shares by means of a third-party allotment to Nintendo Co., Ltd. (headquarters: Minami-ku, Kyoto, President and Representative Director: Satoru Iwata, “Nintendo”) (the “Disposition of Treasury Shares”)

DeNA also announced that a change in its major shareholders would result from the Disposition of Treasury Shares.

I. Disposition of Treasury Shares by Third-Party Allotment

1. Overview of the Disposition of Treasury Shares

(1)	Date of disposition	April 2, 2015 (Thursday)
(2)	Number of shares	15,081,000 shares of common stock
(3)	Disposition price	¥1,458 yen per share
(4)	Funds raised	¥21,988,098,000
(5)	Disposition method	Third-party allotment
(6)	Acquirer of shares	Nintendo Co., Ltd.
(7)	The above items are conditional upon the taking effect of the applicable securities registration statement based on the Financial Instruments and Exchange Act	

2. Purposes and reasons for the Disposition of Treasury Shares

DeNA and Nintendo think that the corporate value of both companies can be enhanced through a business and capital alliance, by comprehensively combining each other’s strengths and offering services and content with even

higher added value. Also, DeNA determined that a capital alliance taking the form of each company holding shares of stock in the other would provide a significant boost to the business alliance, and be necessary to ensure a strong relationship of trust between DeNA and Nintendo. Accordingly, DeNA entered into an agreement with Nintendo for such a business and capital alliance on March 17, 2015 (for details, please refer to the joint release with Nintendo published today, entitled “Announcement of Business and Capital Alliance between Nintendo Co., Ltd. and DeNA Co., Ltd.”)

As to the specific details of the capital alliance, Nintendo is to acquire 15,081,000 of DeNA’s treasury shares (corresponding to 10.00% of its issued shares, having a total value of about ¥22 billion) by means of a third-party allotment. Simultaneously, DeNA is to acquire 1,759,400 of the treasury shares of Nintendo (corresponding to 1.24% of its issued shares, having a total value of about ¥22 billion) by means of a third-party allotment.

3. Amount and uses of funds to be raised and expected timing of payment

(1) Amount of funds to be raised

(a) Total amount to be paid	¥21,988,098,000
(b) Estimated issuance expenses	¥2,500,000
(c) Estimated remaining balance	¥21,985,598,000

- (Notes)
1. Consumption tax and the like are not reflected in the estimated issuance expenses.
 2. The issuance expenses are broken down into estimated legal fees and other administrative expenses (fees for preparing the securities registration statement, etc.)

(2) Specific uses of funds raised

The ¥21,985,598,000 estimated remaining balance set forth above is to be allocated for the acquisition of common shares (treasury shares) of Nintendo in connection with the capital alliance with Nintendo. The expected date of payment for these shares is April 2, 2015.

4. Appropriateness of uses of funds

The acquisition of common shares (treasury shares) of Nintendo for which the funds raised through the Disposition of Treasury Shares are to be used is for the purpose of ensuring that the intended results of the business and capital alliance with Nintendo (the “Business and Capital Alliance”) are realized, by the two companies holding shares in each other and thereby strengthening the relationship of trust between them, as one element of the Business and Capital Alliance. DeNA thinks that the Business and Capital Alliance will lead to the enhancement of its corporate value and increase its share price, and DeNA has determined that this use of the funds raised in the Disposition of Treasury Shares is appropriate.

5. Appropriateness of the disposition conditions, etc.

(1) Basis for calculation of the payment amount and specific description of the same

The disposition price was determined to be ¥1,458, which is the average of the closing prices (rounded up to the nearest ¥1) of DeNA shares on the Tokyo Stock Exchange for the three months preceding March 16, 2015, the business day immediately preceding the date on which the board of directors meeting relating to the Disposition of Treasury Shares (the “Board Meeting Date”) was held.

The disposition price represents a 2.7% (rounded to the nearest tenth of a percentage point; hereafter the same) premium over ¥1,419 (rounded up to the nearest ¥1; hereafter the same), which was the closing price on the business day immediately preceding the Board Meeting Date, a 3.3% premium over ¥1,412, which is the average of the closing prices during the one month period immediately preceding the Board Meeting Date (from February 17, 2015 to March 16, 2015), and a 1.8% premium over ¥1,432, which is the average of the closing prices during the six month period immediately preceding the Board Meeting Date (from September 17, 2014 to March 16, 2015).

The disposition price was used because, in comprehensive consideration of such things as the impact of temporary market swings, unstable market conditions, and movement in the price of DeNA shares as well as the price history of DeNA shares during the last six months,, using the average closing price over the three month period immediately preceding the Board Meeting Date was judged to be highly objective and appropriate as a calculation method compared with using the closing price on the business day immediately preceding the Board Meeting Date.

The disposition price was determined based on the Japan Securities Dealers Association's *Rules Concerning Handling of Allotment of New Shares to Third Party, Etc.* following discussions with the expected acquirer, and was judged not to constitute a particularly favorable disposition price.

Also, an opinion was obtained from all four corporate auditors (of whom three are outside corporate auditors) to the effect that the disposition price was determined based on the Japan Securities Dealers Association's *Rules Concerning Handling of Allotment of New Shares to Third Party, Etc.*, and the disposition price is not particularly favorable to the acquirer when such things as DeNA's business environment, recent trends in operating results, recent trends in the stock market and fluctuations in stock price of DeNA are comprehensively taken into account.

(2) Basis for determining that the number of shares and scale of dilution are appropriate

The number of shares involved in the Disposition of Treasury Shares is 15,081,000 (accompanied by 150,810 voting rights), which constitutes 10.00% of the 150,810,033 total currently issued shares (or 11.58% of the 1,301,791 total voting rights as of September 30, 2014) of DeNA, so the price per share is expect to be diluted thereby.

However, DeNA thinks that the business alliance will be advanced by DeNA and Nintendo entering into the capital alliance and strengthening the relationship of trust, and will lead to the enhancement of DeNA's corporate value, and DeNA has therefore determined that the number of shares and scale of share dilution are at an appropriate level.

6. Reasons for selecting the acquirer, etc.

(1) Overview of acquirer

(as of September 30, 2014)

(a) Name	Nintendo Co., Ltd.		
(b) Address	11-1, Hokotate-cho, Kamitoba, Minami-ku, Kyoto-shi, Kyoto		
(c) Name and title of representative	Satoru Iwata, Director and President		
(d) Description of business	Manufacture and sales of home leisure equipment		
(e) Stated capital	¥10,065,400,000		
(f) Date established	November 20, 1947		
(g) No. of issued shares	141,669,000		
(h) Date of fiscal year end	March 31		
(i) No. of employees	5,221 (on a consolidated basis)		
(j) Main customers	Corporations in and outside Japan		
(k) Main banks	The Bank of Kyoto, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Resona Bank, Limited		
(l) Shareholding percentages of major shareholders	State Street Bank and Trust Company		9.14%
	JP Morgan Chase Bank 380055		8.94%
	The Bank of Kyoto, Ltd.		4.39%
	The Nomura Trust and Banking Co., Ltd. (The Bank of Tokyo-Mitsubishi UFJ, Ltd. Retiree Allowance Trust Account)		3.36%
	Japan Trustee Services Bank, Ltd. (Trust account)		2.51%
	Katsuhito Yamauchi		1.98%
	The Master Trust Bank of Japan, Ltd. (Trust account)		1.98%
	Banjo Yamauchi		1.40%
	The Bank of New York, Treaty JASDEC Account		1.25%
Northern Trust Co. (AVFC) Sub A/C Non Treaty		1.06%	
(m) Relationships with DeNA			
	Capital relationship	not applicable	
	Personnel relationship	not applicable	
	Transactional relationship	not applicable	
	Circumstances relevant to related parties	not applicable	
(n) Results of operations and financial condition for most recent 3 years (in ¥millions; excluding noted items)			
Fiscal year	FY ending 3/12	FY ending 3/13	FY ending 3/14
Consolidated net assets	1,191,025	1,227,520	1,118,438
Consolidated assets	1,368,401	1,447,878	1,306,410
Consolidated net assets per	9,313.15	9,598.22	9,447.00

share (yen)			
Consolidated sales	647,652	635,422	571,726
Consolidated operating income	-37,320	-36,410	-46,425
Consolidated ordinary income	-60,863	10,482	6,086
Consolidated current net income	-43,204	7,099	-23,222
Consolidated current net income per share (yen)	-337.86	55.52	-183.59
Dividends per share (yen)	100.00	100.00	100.00

The expected acquirer for the disposition is listed on the Tokyo Stock Exchange, and DeNA confirmed in a corporate governance report (last updated on June 30, 2014) submitted to such exchange by the expected acquirer that it is committed to responding resolutely to any antisocial forces that threaten social order or security and is developing such a mindset in the company; accordingly it is DeNA's judgment that neither the acquirer group nor its directors or employees have relationships with antisocial forces.

(2) Reasons for selecting the acquirer

Please refer to "2. Purposes and reasons for the Disposition of Treasury Shares" set forth above.

(3) Shareholding policy of the acquirer

DeNA has confirmed based on the agreement relating to the business and capital alliance entered into with the acquirer as of today's date that the acquisition of shares in the Disposition of Treasury Shares is an investment for the purpose of strengthening the relationship with DeNA, and carries with it a policy to hold the shares continuously over the long term.

DeNA expects to receive a written pledge from the acquirer agreeing that if, within 2 years following the disposition date (April 2, 2015), the acquirer transfers all or a portion of the DeNA shares that were acquired in the Disposition of Treasury Shares, the acquirer must immediately report the details of the same including the name and address of the transferee and the number of the transferred shares to DeNA in writing, after which DeNA would make a report based on this to the Tokyo Stock Exchange and the details of such report would be accessible to the public.

(4) Confirmation of existence of financial assets for payment by acquirer

DeNA has confirmed based on the status of cash and deposits set forth in the balance sheet in the acquirer's third quarter quarterly report for the 2014 fiscal year (submitted on February 13, 2015) that the acquirer holds cash and deposits sufficient to make payment for the Disposition of Treasury Shares.

7. Major shareholders and shareholding percentages following the Disposition of Treasury Shares

Before Disposition of Treasury Shares (as of September 30, 2014)		After Disposition of Treasury Shares	
Tomoko Namba	13.10%	Tomoko Namba	13.10%
Japan Trustee Services Bank, Ltd.	6.33%	Nintendo Co., Ltd.	10.00%
Shogo Kawada	2.67%	Japan Trustee Services Bank, Ltd.	6.33%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1.95%	Shogo Kawada	2.67%
The Master Trust Bank of Japan, Ltd.	1.60%	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1.95%
OM 04 SSB Client Omnibus (proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch)	1.55%	The Master Trust Bank of Japan, Ltd.	1.60%
Bank Julius Baer and Company, Limited (proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	1.05%	OM 04 SSB Client Omnibus (proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch)	1.55%
SBI Securities Co., Ltd.	0.96%	Bank Julius Baer and Company, Limited (proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	1.05%
Daiwa Securities Co. Ltd.	0.95%	SBI Securities Co., Ltd.	0.96%
Mizuho Securities Co., Ltd.	0.93%	Daiwa Securities Co. Ltd.	0.95%

(Notes)

1. Based on the shareholders registry as of September 30, 2014.
2. The above excludes DeNA's 21,206,779 treasury shares as of September 30, 2014, which include 600,558 shares of its common shares held in a Stock Grant ESOP trust account; 6,125,779 treasury shares are expected to remain following the allotment.
3. For the shareholding percentages, thousandths of a percentage point were rounded off to the nearest hundredth of a percentage point.

8. Future outlook

DeNA thinks that the Disposition of Treasury Shares will lead to the enhancement of its corporate value and share price. However, at this time, the specific effect on its operating results is uncertain. DeNA intends to promptly disclose any circumstances that arise in the future and should be disclosed.

9. Matters relating to corporate code of conduct procedures

Neither the obtaining of an opinion from independent third parties nor procedures to confirm the intent of shareholders as provided for in Article 432 of the Tokyo Stock Exchange's Securities Listing Rules will be necessary for the Disposition of Treasury Shares, because (a) the dilution percentage is less than 25% and (b) there is no accompanying change in controlling shareholders.

10. Operating results and equity financing over the previous three years

(1) Operating results over the previous three years (consolidated)

	FY ending 3/12	FY ending 3/13	FY ending 3/14
Sales revenue	¥146,501,000,000	¥202,467,000,000	¥181,313,000,000
Operating income	¥60,262,000,000	¥76,840,000,000	¥53,198,000,000
Current net income before tax	¥60,349,000,000	¥79,215,000,000	¥54,920,000,000
Current income attributable to owners of parent	¥31,137,000,000	¥45,581,000,000	¥31,661,000,000
Basic current income attributable to owners of parent per share	¥213.13	¥333.34	¥242.56
Dividends per share	¥36	¥50	¥37
Equity attributable to owners of parent per share	¥653.06	¥884.89	¥1,081.10

(2) Current status of issued shares and dilutive shares

	No. of shares	Percentage of issued shares
No. of issued shares	150,810,033	100%
No. of dilutive shares at current conversion value (exercise price)	427,664	0.28%
No. of dilutive shares at minimum conversion value (exercise price)	No minimum exercise price	No minimum exercise price
No. of dilutive shares at maximum conversion value (exercise price)	No maximum exercise price	No maximum exercise price

(3) Recent share prices

(a) Share prices over the last 3 years

	FY ending 3/12	FY ending 3/13	FY ending 3/14
Opening price	¥3,015	¥2,354	¥2,563
High price	¥4,330	¥3,430	¥2,871
Low price	¥1,750	¥1,392	¥1,754
Closing price	¥2,293	¥2,555	¥1,864

(b) Share prices over the last 6 months

	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Opening price	¥1,291	¥1,396	¥1,448	¥1,466	¥1,457	¥1,533
High price	¥1,421	¥1,437	¥1,667	¥1,557	¥1,578	¥1,571
Low price	¥1,274	¥1,240	¥1,401	¥1,385	¥1,410	¥1,367
Closing price	¥1,395	¥1,416	¥1,470	¥1,446	¥1,553	¥1,430

(c) Share prices on the business day preceding the date of the resolution for disposition

	March 16, 2015
Opening price	¥1,424
High price	¥1,429
Low price	¥1,415
Closing price	¥1,419

(4) Equity financing over the last 3 years

(a) Issuance of stock options (DeNA Co., Ltd.'s 11th stock option series)

Allotment date	June 11, 2012
Amount paid	¥1,257 (per stock option) The rights of the recipients to remuneration from DeNA will be offset by the payment obligations for payments for these stock options.
Exercise price	¥1
Issued shares at time of subscription	150,810,033
Shares issued in the subscription	0
Issued shares following subscription	150,810,033
Recipients	5 of its directors
No. of dilutive shares resulting from the subscription	95,465
No. of exercised options	19,093
Current no. of dilutive shares	76,372

(b) Issuance of stock options (DeNA Co., Ltd.'s 12th stock option series)

Allotment date	May 24, 2013
Amount paid	¥1,411 (per stock option) The rights of the recipients to remuneration from DeNA will be offset by the payment obligations for payments for these stock options.
Exercise price	¥1
Issued shares at time of subscription	150,810,033
Shares issued in the subscription	0
Issued shares following subscription	150,810,033
Recipients	4 of its directors
No. of dilutive shares resulting from the subscription	68,036
No. of exercised options	0
Current no. of dilutive shares	68,036

(c) Issuance of stock options (DeNA Co., Ltd.'s 13th stock option series)

Allotment date	June 6, 2014
Amount paid	¥1,012 (per stock option) The rights of the recipients to remuneration from DeNA will be offset by the payment obligations for payments for these stock options.
Exercise price	¥1
Issued shares at time of subscription	150,810,033
Shares issued in the subscription	0
Issued shares following subscription	150,810,033
Recipients	4 of its directors (excluding outside directors)
No. of dilutive shares resulting from the subscription	158,100
No. of exercised options	0
Current no. of dilutive shares	158,100

11. Main points of Disposition of Treasury Shares

- (1) Type and no. of shares: 15,081,000 common shares
- (2) Disposition price: ¥1,458 per share
- (3) Total disposition amount: ¥21,988,098,000
- (4) Disposition method: Third-party allotment of shares
- (5) Application date: April 2, 2015
- (6) Disposition date: April 2, 2015
- (7) Acquirer: Nintendo Co., Ltd.
- (8) The above items are conditional upon the taking effect of the applicable securities registration statement based on the Financial Instruments and Exchange Act.

II. Change in Major Shareholders

1. Reasons for the change

As set forth in “I. Disposition of Treasury Shares by Third-Party Allotment” above, Nintendo is expected to become a major shareholder of DeNA, because it is to come into possession of 10.38% of DeNA’s total voting rights that accrue to DeNA’s common shares through the Disposition of Treasury Shares.

2. Expected date of the change

April 2, 2015

3. Overview of changed shareholders

Please refer to “I. 6.(1) Overview of acquirer” above.

4. Number of voting rights (number of shares) and percentage of shareholder voting rights held by the shareholder before and after the change

	No. of voting rights (no. of shares held)	% of shareholder voting rights*	Rank as major shareholder
Before the change (as of September 30, 2014)	0 (0)	0%	—
After the change	150,810 (15,081,000)	10.38%	No. 2

(Note) The percentage of voting rights held following the change was calculated using 1,452,601 as the number of voting rights held by all shareholders, which was obtained by adding the 150,810 additional voting rights from the Disposition of Treasury Shares to the 1,301,791 voting rights of all of the shareholders existing as of September 30, 2014.

5. Future outlook

The change is expected to have no effect on operating results.

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