

The following information was originally prepared and published by the Company 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.

Consolidated Financial Results for the Three Months Ended June 30, 2016 [IFRS]

August 10, 2016

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 12, 2016

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, 2016 (from April 1, 2016 to June 30, 2016)

(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, 2016	38,284	1.5	7,354	83.5	7,039	55.8	5,333	140.6
Three months ended June 30, 2015	37,721	5.3	4,008	(42.5)	4,519	(32.8)	2,217	(45.0)

	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, 2016	5,168	152.2	273	(98.1)	35.63	35.57
Three months ended June 30, 2015	2,049	(45.6)	14,658	360.7	14.53	14.48

(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, 2016	248,630	193,779	186,540	75.0
As of March 31, 2016	254,861	196,328	189,208	74.2

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, 2016	—	0.00	—	20.00	20.00
Fiscal year ending March 31, 2017	—				
Fiscal year ending March 31, 2017 (Forecast)		0.00	—	—	—

(Note) The dividend forecast for the fiscal year ending March 31, 2017 has not been determined at this time.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

(% 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	76,800	2.6	15,000	31.8	11,200	77.21
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 4 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: No

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, 2016	150,810,033 shares
As of March 31, 2016	150,810,033 shares

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

As of June 30, 2016	5,740,882 shares
As of March 31, 2016	5,790,665 shares

3) Average number of shares during the period:

Three months ended June 30, 2016	145,044,260 shares
Three months ended June 30, 2015	141,058,742 shares

(Note) The 445,294 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, 2016, and the 495,077 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, 2016.

* 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 4 of the Appendix.

(2) Dividend Forecast

With regard to the dividend forecast for the fiscal year ending March 31, 2017, as the Company decides the dividend amount taking into consideration the financial results and other factors for each fiscal year, 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, 2017.

(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 10, 2016. 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.

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* 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, 2016 (from April 1, 2016 to June 30, 2016), the Japanese economy continued on a mild recovery track. Meanwhile, a possible downswing in international economies poses a risk of downward pressure on the domestic economy.

Under these conditions, with regard to the fiscal year ending March 31, 2017, the Group will work on further increasing its competitive advantage in the Game Business, which is the Group's principal business, while continuing to create and nurture businesses with structural strengths for mid- to long-term growth, in order to enhance corporate value over the mid- to long-term.

During the three months ended June 30, 2016, revenue increased on a year-on-year basis. Despite a year-on-year decline in revenue of the Game Business, there was revenue growth in the New Businesses and Others and the Sports Business.

The total of cost of sales and selling, general and administrative expenses increased slightly on a year-on-year basis. While commission fees related to the utilization of IP (intellectual property) decreased, commission fees related to settlement of in-game fees increased accompanying the expanded use of applications. Furthermore, with respect to sales promotion expenses and advertising expenses, expenditures were made mainly in promising game titles and new businesses, while they were appropriately controlled.

While one-time factor associated with carrying out optimization of the organizational structure and game portfolio in Europe and the U.S. were recorded under other expenses during the same period of the previous fiscal year, no such expenses were recorded during the period under review.

Finance costs including exchange losses increased year on year due to the continuing appreciation of the yen.

As a result, revenue of the DeNA Group was ¥38,284 million, up 1.5% year-on-year, operating profit was ¥7,354 million, up 83.5% year-on-year, profit before tax was ¥7,039 million, up 55.8% year-on-year, and profit for the period attributable to owners of the parent was ¥5,168 million, up 152.2% year-on-year.

Business performance by segment is as follows.

1) Game Business

Revenue of the Game Business was ¥26,144 million, down 7.7% year-on-year, and segment profit was ¥6,652 million, down 2.3% year on year.

In Japan, the Group's principal market, consumption of the in-game virtual currency coins was ¥37.0 billion, up 7.0% year-on-year. Coin consumption declined in the highly profitable browser market, while coin consumption performed steadily in the application market. Coin consumption in titles for the application market for the three months ended June 30, 2016 was ¥16.2 billion, up 71.9% year-on-year in the Japan market and ¥4.6 billion, down 21.8% year-on-year in the international market.

2) E-commerce Business

Revenue of the E-commerce Business was ¥4,636 million, down 6.9% year-on-year, and segment profit was ¥382 million, down 33.5% year-on-year.

While travel agency services and processing settlement services with growing transaction volumes performed steadily, revenue from shopping services and auction services decreased year-on-year.

3) Sports Business

Revenue of the Sports Business was ¥5,460 million, up 46.1% year-on-year, and segment profit was ¥1,786 million, up 109.1% year-on-year. Yokohama DeNA Baystars Baseball Club, Inc. performed strongly, with an increase in attendance at home games.

Yokohama Stadium Co., Ltd., which became a consolidated subsidiary in January 2016, will contribute to the performance on a full-year basis from the fiscal year ending March 31, 2017.

4) New Businesses and Others

Revenue of the New Businesses and Others was ¥2,294 million, up 104.0% year-on-year, and segment loss was ¥1,272 million, compared with segment loss of ¥1,119 million for the same period of the previous fiscal year.

This section comprises businesses, such as the IP-generating platform business for the purpose of creating IP and contents structurally, the curation platform business*1, the healthcare business and the automotive business*2.

Of these, use of the services in the curation platform business grew, including MERY, specializing in women's fashion, and iemo, specializing in housing and interior design. Revenues, especially advertising revenue, grew as well.

- (Notes) 1 A curation platform is a website or application where people called curators can publish articles in which they organize information scattered on the Internet from a specific perspective according to a specific subject of their own interest.
- 2 Businesses in the automotive field, such as the Robot Taxi service that use autonomous driving technology.

(2) Explanation of Financial Position

1) Financial Position

Total assets at the end of the three months ended June 30, 2016 were ¥248,630 million, a decrease of ¥6,231 million compared to the end of the previous fiscal year.

Current assets were ¥118,486 million, a decrease of ¥1,336 million, compared to the end of the previous fiscal year. This was due primarily to a decrease in cash and cash equivalents by ¥1,448 million.

Non-current assets were ¥130,145 million, representing a decrease of ¥4,895 million, compared to the end of the previous fiscal year. This was due mainly to a decrease in goodwill by ¥3,532 million.

Total liabilities at the end of the three months ended June 30, 2016 amounted to ¥54,851 million, a decrease of ¥3,682 million compared to the end of the previous fiscal year.

Current liabilities were ¥50,465 million, a decrease of ¥1,858 million, compared to the end of the previous fiscal year. This was due primarily to a decrease in income tax payables by ¥3,397 million.

Non-current liabilities stood at ¥4,386 million, representing a decrease of ¥1,824 million, compared to the end of the previous fiscal year. This was due mainly to a decrease of ¥1,431 million in other non-current financial liabilities.

Total equity at the end of the three months ended June 30, 2016 was ¥193,779 million, representing a decrease of ¥2,549 million compared to the end of the previous fiscal year. This was primarily attributable to a decrease of ¥5,011 million in other components of equity.

In terms of liquidity, the liquidity ratio and ratio of equity attributable to owners of the parent were 234.8% and 75.0%, respectively, as of the end of the three months ended June 30, 2016.

2) Cash Flows

Cash and cash equivalents (collectively, "cash") at the end of the three months ended June 30, 2016 decreased by ¥1,448 million to ¥73,720 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, 2016 was ¥5,794 million, compared to a cash inflow of ¥7,344 million in the same period of the previous fiscal year. The principal cash inflow factor was ¥7,039 million in profit before tax, which offsets the effect of ¥3,946 million in income tax paid.

(Investing activities)

Net cash used in investing activities for the three months ended June 30, 2016 was ¥2,151 million, compared to a cash outflow of ¥23,906 million in the same period of the previous fiscal year. The principal cash outflow factor was ¥3,273 million in acquisition of intangible assets.

(Financing activities)

Net cash used in financing activities for the three months ended June 30, 2016 was ¥4,803 million, compared to a cash inflow of ¥19,467 million in the same period of the previous fiscal year. The principal cash outflow factor was ¥2,827 million in cash dividends paid.

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

In the Game Business, the Group will focus efforts to further enhance existing leading titles and creating new hit titles for the application market in Japan, while continuing to carry out title operation to encourage longer use by users for the browser market in Japan. On the international front, the Group will aim for growth mainly in China, which development is focused on titles that utilize leading IP, while continuing to work on improvement in the bottom line. The Group will also launch multiple titles through its business and capital alliance with Nintendo Co., Ltd. during the fiscal year ending March 31, 2017.

In the E-commerce Business, the Group will continue efforts to expand transactions in the focus areas of travel agency services and processing settlement services, as well as strengthen the areas of groceries and daily consumables for shopping services.

In the Sports Business, following up on last season, the Group aims to reach a higher level of attendance at home games of Yokohama DeNA Baystars during the 2016 season.

In the New Businesses and Others, the Group will promote initiatives for turning each business profitable through assessing their growth phase while ensuring thorough cost management and assessing investments appropriately. In particular, the Group will strive for further growth centered on the curation platform business.

In addition, the Group will continue to work on the launch of new businesses making use of in-house development in addition to measures including cooperation with other companies and M&As, as well as strive for the expansion of user base.

As for selling, general and administrative expenses, the Group will work to appropriately conduct cost control and cut expenses.

With regard to the consolidated financial results forecast, it is difficult to estimate the trend of the market in the Game Business, which is the Group's principal business, 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 financial results forecast for the six months ending September 30, 2016, the Group expects an increase in revenue and profit year on year.

The forward-looking statements 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

Not applicable.

3. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

	(Millions of yen)	
	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and cash equivalents	75,169	73,720
Trade and other current receivables	30,982	30,943
Other current financial assets	2,971	1,574
Other current assets	10,701	12,248
Total current assets	119,822	118,486
Non-current assets		
Property and equipment	2,756	2,633
Goodwill	50,825	47,293
Intangible assets	16,860	17,462
Investments accounted for using the equity method	10,775	11,641
Other non-current financial assets	50,701	47,576
Deferred tax assets	3,075	3,478
Other non-current assets	47	61
Total non-current assets	135,039	130,145
Total assets	254,861	248,630

	(Millions of yen)	
	As of March 31, 2016	As of June 30, 2016
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other current payables	20,275	20,630
Income tax payables	4,091	693
Other current financial liabilities	15,514	15,623
Other current liabilities	12,443	13,518
Total current liabilities	52,323	50,465
Non-current liabilities		
Non-current provisions	837	836
Other non-current financial liabilities	2,719	1,288
Other non-current liabilities	2,653	2,263
Total non-current liabilities	6,210	4,386
Total liabilities	58,533	54,851
Equity		
Common stock	10,397	10,397
Capital surplus	10,250	10,194
Retained earnings	163,711	165,944
Treasury stock	(12,456)	(12,290)
Other components of equity	17,306	12,295
Total equity attributable to owners of the parent	189,208	186,540
Non-controlling interests	7,120	7,239
Total equity	196,328	193,779
Total liabilities and equity	254,861	248,630

(2) Condensed Consolidated Income Statement

	(Millions of yen)	
	Three months ended June 30, 2015	Three months ended June 30, 2016
Revenue	37,721	38,284
Cost of sales	(16,105)	(14,893)
Gross profit	21,615	23,391
Selling, general and administrative expenses	(14,839)	(16,154)
Other income	120	144
Other expenses	(2,888)	(27)
Operating profit	4,008	7,354
Finance income	314	258
Finance costs	(10)	(1,450)
Share of profit (loss) of associates accounted for using the equity method	206	878
Profit before tax	4,519	7,039
Income tax expense	(2,302)	(1,706)
Profit for the period	2,217	5,333
Attributable to:		
Owners of the parent	2,049	5,168
Non-controlling interests	168	166
Profit for the period	2,217	5,333
		(Yen)
Earnings per share attributable to owners of the parent:		
Basic earnings per share	14.53	35.63
Diluted earnings per share	14.48	35.57

(3) Condensed Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Three months ended June 30, 2015	Three months ended June 30, 2016
Profit for the period	2,217	5,333
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	11,517	(1,960)
Other	(0)	1
Total other comprehensive income that will not be reclassified to profit or loss, net of tax	11,517	(1,959)
Components of other comprehensive income that may be reclassified to profit or loss, net of tax		
Foreign currency translation adjustments, net of tax	920	(3,090)
Other	4	(12)
Total other comprehensive income that may be reclassified to profit or loss, net of tax	924	(3,101)
Other comprehensive income, net of tax	12,441	(5,060)
Total comprehensive income for the period	14,658	273
Attributable to:		
Owners of the parent	14,254	133
Non-controlling interests	404	141
Total comprehensive income for the period	14,658	273

(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, 2015	10,397	9,650	163,229	(43,918)	17,851	157,210	7,293	164,502
Profit for the period	-	-	2,049	-	-	2,049	168	2,217
Other comprehensive income	-	-	-	-	12,205	12,205	236	12,441
Total comprehensive income for the period	-	-	2,049	-	12,205	14,254	404	14,658
Dividends recognized as distributions to owners	-	-	(2,593)	-	-	(2,593)	(188)	(2,782)
Increase (decrease) through treasury stock transactions	-	(9,084)	-	31,362	(284)	21,994	-	21,994
Increase (decrease) through share-based payment transactions	-	149	-	-	78	227	-	227
Transfer to capital surplus from retained earnings	-	8,811	(8,811)	-	-	-	-	-
Acquisition, disposal and other changes of non-controlling interests	-	-	-	-	-	-	234	234
Increase (decrease) through transfers and other changes	-	-	572	-	(572)	-	-	-
As of June 30, 2015	10,397	9,525	154,445	(12,556)	29,278	191,091	7,742	198,833

(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, 2016	10,397	10,250	163,711	(12,456)	17,306	189,208	7,120	196,328
Profit for the period	-	-	5,168	-	-	5,168	166	5,333
Other comprehensive income	-	-	-	-	(5,035)	(5,035)	(25)	(5,060)
Total comprehensive income for the period	-	-	5,168	-	(5,035)	133	141	273
Dividends recognized as distributions to owners	-	-	(2,900)	-	-	(2,900)	(1,994)	(4,894)
Increase (decrease) through treasury stock transactions	-	(196)	-	166	-	(30)	-	(30)
Increase (decrease) through share-based payment transactions	-	86	-	-	24	109	-	109
Transfer to capital surplus from retained earnings	-	35	(35)	-	-	-	-	-
Acquisition, disposal and other changes of non-controlling interests	-	-	-	-	-	-	577	577
Increase (decrease) through transfers and other changes	-	20	-	-	-	20	1,396	1,416
As of June 30, 2016	10,397	10,194	165,944	(12,290)	12,295	186,540	7,239	193,779

(5) Condensed Consolidated Statement of Cash Flows

	(Millions of yen)	
	Three months ended June 30, 2015	Three months ended June 30, 2016
Operating activities		
Profit before tax	4,519	7,039
Depreciation and amortization	3,156	2,705
Interest and dividend income	(14)	(258)
Interest expenses	3	4
Decrease (increase) in trade and other current receivables	3,880	(151)
Increase (decrease) in trade and other current payables	(919)	652
Increase (decrease) in deposits received	(203)	(90)
Other, net	(639)	(415)
Subtotal	9,784	9,486
Dividends received	11	215
Interest paid	(3)	(4)
Interest received	3	43
Income tax paid	(2,450)	(3,946)
Net cash flows from (used in) operating activities	7,344	5,794
Investing activities		
Proceeds from sales and redemption of investment securities	1,823	1,705
Purchases of investment securities	(22,229)	(217)
Acquisition of property and equipment	(379)	(154)
Acquisition of intangible assets	(3,089)	(3,273)
Other, net	(32)	(212)
Net cash flows from (used in) investing activities	(23,906)	(2,151)
Financing activities		
Proceeds from borrowings	50	—
Repayments of borrowings	(50)	(640)
Cash dividends paid	(2,453)	(2,827)
Cash dividends paid to non-controlling interests	(188)	(1,994)
Proceeds from share issuance to non-controlling shareholders	—	561
Proceeds from disposition of treasury stock	22,105	96
Other, net	3	—
Net cash flows from (used in) financing activities	19,467	(4,803)
Net increase (decrease) in cash and cash equivalents	2,906	(1,160)
Cash and cash equivalents at beginning of period	68,724	75,169
Effect of exchange rate changes on cash and cash equivalents	220	(289)
Cash and cash equivalents at end of period	71,850	73,720

(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 principally provides Internet services for mobile and PC users and organizes business divisions by type of service. Each of these business divisions 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. The three reportable segments of the Group are classified as the “Game Business,” “E-commerce Business” and “Sports Business.”

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

Segment classification	Type of service
Game Business	Game for mobile devices-related services (provided in Japan and internationally) Principal services: Mobage, etc.
E-commerce Business	E-commerce-related services (provided in Japan and internationally) Principal services: DeNA Shopping, DeNA Travel, Mobaoku, and processing settlement services, etc.
Sports Business	Sports-related services (provided in Japan) Principal services: Yokohama DeNA Baystars Baseball Club, operation of the Yokohama Stadium, DeNA Running Club, etc.
New Businesses and Others	New businesses and other services (provided in Japan and internationally) Principal business domains: IP-generating platform business, curation platform business, healthcare business, automotive business, mobile social incubation business, etc.

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

Accounting policies for reportable segments are identical to accounting policies adopted by the Group as stated in the consolidated financial statements for the fiscal year ended March 31, 2016.

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, 2015

(From April 1, 2015 to June 30, 2015)

	(Millions of yen)					
	Game Business	E-commerce Business	Sports Business	New Businesses and Others *2	Adjustments*3	Total
Revenue						
Revenue from external customers	28,207	4,711	3,736	1,066	—	37,721
Intersegment revenue	107	270	0	59	(436)	—
Total	28,315	4,981	3,736	1,125	(436)	37,721
Segment profit (loss) *1	6,812	574	854	(1,119)	(344)	6,776
Other income (expenses), net						(2,768)
Operating profit						4,008
Finance income (costs), net						304
Share of profit (loss) of associates accounted for using the equity method						206
Profit before tax						4,519

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

2. "New Businesses and Others" refer to operating segments that do not fall into any of the reportable segments, including IP-generating platform business, curation platform business, healthcare business and automotive business.

3. Adjustments in segment profit (loss) 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, 2016
(From April 1, 2016 to June 30, 2016)

	(Millions of yen)					
	Game Business	E-commerce Business	Sports Business	New Businesses and Others*2	Adjustments *3	Total
Revenue						
Revenue from external customers	26,105	4,429	5,455	2,294	—	38,284
Intersegment revenue	39	207	4	0	(251)	—
Total	26,144	4,636	5,460	2,294	(251)	38,284
Segment profit (loss)*1	6,652	382	1,786	(1,272)	(311)	7,237
Other income (expenses), net						117
Operating profit						7,354
Finance income (costs), net						(1,192)
Share of profit (loss) of associates accounted for using the equity method						878
Profit before tax						7,039

- (Notes) 1 Segment profit (loss) is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.
- 2 “New Businesses and Others” refer to operating segments that do not fall into any of the reportable segments, including IP-generating platform business, curation platform business, healthcare business, automotive business and mobile social incubation business.
- 3 Adjustments in segment profit (loss) 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, 2015 and 2016 are as follows:

	Three months ended June 30, 2015 (From April 1, 2015 to June 30, 2015)	Three months ended June 30, 2016 (From April 1, 2016 to June 30, 2016)
Profit for the period attributable to owners of the parent (Millions of yen)	2,049	5,168
Weighted average number of common shares outstanding during the period —basic (Shares)	141,058,742	145,044,260
Effect of dilutive potential common shares: Stock options, etc. (Shares)	407,888	235,823
Weighted average number of common shares outstanding during the period —diluted (Shares)	141,466,630	145,280,083
Earnings per share attributable to owners of the parent (Yen)		
Basic earnings per share	14.53	35.63
Diluted earnings per share	14.48	35.57

(8) Notes on Significant Subsequent Events

Not applicable.