

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 Nine Months Ended December 31, 2016 [IFRS]

February 8, 2017

Company name: DeNA Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 2432

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

Representative: Isao Moriyasu, President & CEO

Contact: Kenji Kobayashi, Executive Officer, Head of Corporate Planning

Phone: +81-3-6758-7200

Scheduled date of filing quarterly securities report: February 9, 2017

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 Nine Months Ended December 31, 2016 (from April 1, 2016 to December 31, 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	%
Nine months ended December 31, 2016	108,720	0.0	18,663	27.1	20,980	29.9	30,219	246.2
Nine months ended December 31, 2015	108,705	2.3	14,689	(27.1)	16,146	(27.9)	8,728	(34.4)

	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
Nine months ended December 31, 2016	28,803	244.5	41,127	216.7	198.55	198.23
Nine months ended December 31, 2015	8,361	(33.2)	12,986	(25.2)	58.30	58.18

(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 December 31, 2016	295,940	234,437	227,116	76.7
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	—	0.00	—		
Fiscal year ending March 31, 2017 (Forecast)				30.00	30.00

(Note) The dividend forecast for the fiscal year ending March 31, 2017 has 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
Full year	140,000	(2.6)	20,900	5.5	28,400	195.77

(Note) The full-year financial result forecast has been determined at this time.

* 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 December 31, 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 December 31, 2016	5,722,967 shares
As of March 31, 2016	5,790,665 shares

3) Average number of shares during the period:

Nine months ended December 31, 2016	145,064,844 shares
Nine months ended December 31, 2015	143,425,614 shares

(Note) The 427,379 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 December 31, 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) 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 February 8, 2017. 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	3
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information	4
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

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

(1) Explanation of Operating Results

During the nine months ended December 31, 2016 (from April 1, 2016 to December 31, 2016), the Japanese economy continued on a mild recovery track. Concerning the future outlook, while the economy is expected to head towards moderate recovery thanks to various government policies, attention must be paid to the uncertainty of the international economies and the impact of the fluctuations of the financial and capital markets.

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 nine months ended December 31, 2016, revenue remained largely unchanged year-on-year. Despite a year-on-year decline in revenue of the Game Business, there was revenue growth in New Businesses and Others and the Sports Business.

Cost of sales and selling, general and administrative expenses in total decreased slightly on a year-on-year basis. This was due mainly to the decreases in commission fees related to the utilization of IP (intellectual property) and advertising expenses.

Other income amounted to ¥6,336 million, up 302.3% year-on-year, mainly as a result of reporting a gain on transfer of the businesses which had been operating under the names "DeNA Shopping" and "au Shopping Mall" to KDDI Corporation effective December 28, 2016.

Other expenses came to ¥6,523 million, up 63.5% year-on-year. As announced on December 5, 2016*1, the Group withdrew all articles from its curation platform services, which are part of the New Businesses and Others segment. Business plans, etc., for this business have not been determined at this time and related impairment loss on goodwill and other assets related to this business, has therefore been recorded under other expenses. In addition, in conjunction with the dissolution and liquidation of DeNA Global, Inc. and other overseas subsidiaries that were engaged in the Game Business in the U.S. and Europe*2, various expenses were incurred as a result of retiring related software and closing physical locations.

Profit for the period attributable to owners of the parent was ¥28,803 million, up 244.5% year-on-year. As described above, the Group decided to dissolve and liquidate the overseas subsidiaries engaged in the Game Business in the U.S. and Europe, and as a result, recognized an income tax benefit due to deferred tax assets related to the loss on the valuation of shares of related subsidiaries, which was already written off on Japanese standalone financial statements in the past. This benefit boosted profit for the period attributable to owners of the parent.

As a result, revenue of the DeNA Group was ¥108,720 million, up 0.0% year-on-year, operating profit was ¥18,663 million, up 27.1% year-on-year, profit before tax was ¥20,980 million, up 29.9% year-on-year, and profit for the period attributable to owners of the parent was ¥28,803 million, up 244.5% year-on-year.

- (Notes)
- 1 Disclosure of December 5, 2016, titled "Notice Regarding Establishment of Third-Party Investigative Committee and Withdrawal of All Articles from Entire Curation Platform Services"
 - 2 Disclosure of October 18, 2016, titled "Notice Regarding the Dissolution and Liquidation of Overseas Subsidiaries"

Business performance by segment is as follows.

1) Game Business

Revenue of the Game Business was ¥74,039 million, down 10.8% year-on-year, and segment profit was ¥18,747 million, down 2.7% year on year.

The Group has been reexamining its business strategy since the start of the second half of the fiscal year ending March 31, 2017 mainly in terms of its policy on the allocation of resources and regional offices in anticipation of greater success in the application market. Initiatives taken by the Group towards the growth of its application business include commencing sales of *Super Mario™ Run*, a collaborative title with Nintendo Co., Ltd., on December 15, 2016 (Pacific Standard Time) in Japan and internationally.

Additionally, consumption of in-game virtual currency coins in native app games, other than collaborative titles with Nintendo Co., Ltd., also increased steadily to ¥59.2 billion, up 22.3% year-on-year (¥47.0 billion in Japan and ¥12.2 billion in the international market). In Japan, total coin consumption was ¥105.3 billion, down 4.8% year-on-year. While coin consumption performed steadily in the application market, coin consumption declined in the highly profitable browser market.

2) E-commerce Business

Revenue of the E-commerce Business was ¥14,698 million, up 0.2% year-on-year, and segment profit was ¥1,394 million, down 27.0% year-on-year.

While travel agency services and processing settlement services with growing transaction volumes performed steadily, revenue from auction services decreased year-on-year mainly due to decline in usage.

As stated above, shopping service businesses which had been operating under the names “DeNA Shopping” and “au Shopping Mall” were transferred to KDDI Corporation as of December 28, 2016.

3) Sports Business

Revenue of the Sports Business was ¥12,349 million, up 46.9% year-on-year, and segment profit was ¥2,404 million, up 3,041.0% 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 ¥8,371 million, up 121.3% year-on-year, and segment loss was ¥3,614 million, compared with segment loss of ¥3,678 million for the same period of the previous fiscal year.

This section comprises businesses, such as the curation platform business*1, the IP-generating platform business, the healthcare business and the automotive business*2.

Of these, revenue from the curation platform business during the nine months ended December 31, 2016 was ¥3,689 million and operating loss was ¥1,687 million*3. All articles from the curation platform services have been withdrawn as of December 7, 2016.

- (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 that use autonomous driving technology.
 - 3 These figures represent the results of the entity on an administrative accounting basis, i.e. after allocation of common expenses, etc., and have not undergone audit procedures under the Financial Instruments and Exchange Act.

(2) Explanation of Financial Position

1) Financial Position

Total assets at the end of the nine months ended December 31, 2016 were ¥295,940 million, an increase of ¥41,079 million compared to the end of the previous fiscal year.

Current assets were ¥131,310 million, an increase of ¥11,488 million compared to the end of the previous fiscal year. This was due primarily to an increase in cash and cash equivalents by ¥7,555 million and a decrease in other current financial assets by ¥1,174 million.

Non-current assets were ¥164,631 million, representing an increase of ¥29,592 million compared to the end of the previous fiscal year. This was due mainly to an increase in deferred tax assets by ¥15,844 million.

Total liabilities at the end of the nine months ended December 31, 2016 amounted to ¥61,503 million, an increase of ¥2,970 million compared to the end of the previous fiscal year.

Current liabilities were ¥49,327 million, a decrease of ¥2,996 million compared to the end of the previous fiscal year. This was due primarily to a decrease in income tax payables by ¥3,432 million and an increase in trade and other current payables by ¥968 million.

Non-current liabilities stood at ¥12,176 million, representing an increase of ¥5,966 million compared to the end of the previous fiscal year. This was due mainly to an increase of ¥4,461 million in other non-current liabilities.

Total equity at the end of the nine months ended December 31, 2016 was ¥234,437 million, representing an increase of ¥38,109 million compared to the end of the previous fiscal year. This was primarily attributable to an increase of ¥25,857 million in retained earnings.

In terms of liquidity, the liquidity ratio and ratio of equity attributable to owners of the parent were 266.2% and 76.7%, respectively, at the end of the nine months ended December 31, 2016.

2) Cash Flows

Cash and cash equivalents (collectively, “cash”) at the end of the nine months ended December 31, 2016 increased by ¥7,555 million to ¥82,724 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 nine months ended December 31, 2016 was ¥15,017 million, compared to a cash inflow of ¥18,432 million in the same period of the previous fiscal year. The principal cash inflow factors were ¥20,980 million in profit before tax and ¥8,362 million in depreciation and amortization, which offset the effect of ¥9,725 million in income tax paid.

(Investing activities)

Net cash used in investing activities for the nine months ended December 31, 2016 was ¥4,034 million, compared to a cash outflow of ¥30,555 million in the same period of the previous fiscal year. The principal cash outflow factor was ¥9,950 million in acquisition of intangible assets.

(Financing activities)

Net cash used in financing activities for the nine months ended December 31, 2016 was ¥3,749 million, compared to a cash inflow of ¥19,256 million in the same period of the previous fiscal year. The principal cash outflow factor was ¥2,906 million in cash dividends paid.

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

In the Game Business, the Group will work to further strengthen the existing key titles and continue with efforts to launch new titles in Japan. In China, the Group will continue with the development and operation of applications that utilize leading IP. At the same time, in order to approach the global market including the U.S. and Europe, the Group will also focus on titles in collaboration with external partners, including through its business and capital alliance with Nintendo Co., Ltd. However, the consolidated financial results forecast for the fiscal year ending March 31, 2017 only accounts for the titles developed in the business and capital alliance with Nintendo Co., Ltd. that can be reliably predicted and does not include titles to be launched after January 31, 2017.

In the E-commerce Business, the Group will focus on expanding transactions in the areas of travel agency services and processing settlement services, and on the areas of groceries and daily consumables.

In the Sports Business, revenue will be limited because the fourth quarter of the fiscal year ending March 31, 2017 falls under the off-season of professional baseball.

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.

All articles provided by the services under the curation platform business have been withdrawn as of now, and no plans have been determined for this business, so revenue from this service is not expected in the consolidated financial results forecast for the fourth quarter of the fiscal year ending March 31, 2017.

In light of the above as well as the results for the nine months ended December 31, 2016 stated in “1. Qualitative Information on Consolidated Financial Results for the Period under Review (1) Explanation of Operating Results,” the Group expects in its consolidated financial results forecast for the fiscal year ending March 31, 2017 revenue of ¥140,000 million, down 2.6% year-on-year, operating profit of ¥20,900 million, up 5.5% year-on-year, and profit for the period attributable to owners of the parent of ¥28,400 million, up 150.8% year-on-year.

With respect to allocating profit to shareholders through dividends, while considering performance of each fiscal year, the Company, as a basic principle, sets as a minimum whichever is higher, a consolidated payout ratio of 15% or an annual dividend of ¥20 per share of the Company’s common stock, and plans to continue paying a dividend with the aim of a consolidated payout ratio of 30% in the future.

For the fiscal year ending March 31, 2017, taking into consideration the full-year financial results forecast, dividends per share are planned at ¥30 (consolidated payout ratio of 15.3%) as compared to ¥20 paid for the previous fiscal year (consolidated payout ratio of 25.4%).

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 December 31, 2016
Assets		
Current assets		
Cash and cash equivalents	75,169	82,724
Trade and other current receivables	30,982	36,111
Other current financial assets	2,971	1,797
Other current assets	10,701	10,678
Total current assets	119,822	131,310
Non-current assets		
Property and equipment	2,756	2,440
Goodwill	50,825	49,345
Intangible assets	16,860	16,756
Investments accounted for using the equity method	10,775	12,768
Other non-current financial assets	50,701	64,345
Deferred tax assets	3,075	18,919
Other non-current assets	47	58
Total non-current assets	135,039	164,631
Total assets	254,861	295,940

	(Millions of yen)	
	As of March 31, 2016	As of December 31, 2016
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other current payables	20,275	21,243
Income tax payables	4,091	658
Other current financial liabilities	15,514	14,861
Other current liabilities	12,443	12,565
Total current liabilities	52,323	49,327
Non-current liabilities		
Non-current provisions	837	837
Other non-current financial liabilities	2,719	4,224
Other non-current liabilities	2,653	7,115
Total non-current liabilities	6,210	12,176
Total liabilities	58,533	61,503
Equity		
Common stock	10,397	10,397
Capital surplus	10,250	11,042
Retained earnings	163,711	189,568
Treasury stock	(12,456)	(12,230)
Other components of equity	17,306	28,340
Total equity attributable to owners of the parent	189,208	227,116
Non-controlling interests	7,120	7,322
Total equity	196,328	234,437
Total liabilities and equity	254,861	295,940

(2) Condensed Consolidated Income Statement

	(Millions of yen)	
	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Revenue	108,705	108,720
Cost of sales	(45,314)	(42,628)
Gross profit	63,391	66,092
Selling, general and administrative expenses	(46,287)	(47,242)
Other income	1,575	6,336
Other expenses	(3,990)	(6,523)
Operating profit	14,689	18,663
Finance income	190	523
Finance costs	(182)	(177)
Share of profit (loss) of associates accounted for using the equity method	1,449	1,971
Profit before tax	16,146	20,980
Income tax expense	(7,418)	9,239
Profit for the period	8,728	30,219
Attributable to:		
Owners of the parent	8,361	28,803
Non-controlling interests	367	1,416
Profit for the period	8,728	30,219
		(Yen)
Earnings per share attributable to owners of the parent:		
Basic earnings per share	58.30	198.55
Diluted earnings per share	58.18	198.23

(3) Condensed Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit for the period	8,728	30,219
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	4,044	9,640
Other	1	11
Total other comprehensive income that will not be reclassified to profit or loss, net of tax	4,045	9,650
Components of other comprehensive income that may be reclassified to profit or loss, net of tax		
Foreign currency translation adjustments, net of tax	220	1,265
Other	(7)	(7)
Total other comprehensive income that may be reclassified to profit or loss, net of tax	213	1,258
Other comprehensive income, net of tax	4,258	10,908
Total comprehensive income for the period	12,986	41,127
Attributable to:		
Owners of the parent	12,746	39,814
Non-controlling interests	240	1,313
Total comprehensive income for the period	12,986	41,127

(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	-	-	8,361	-	-	8,361	367	8,728
Other comprehensive income	-	-	-	-	4,385	4,385	(127)	4,258
Total comprehensive income for the period	-	-	8,361	-	4,385	12,746	240	12,986
Dividends recognized as distributions to owners	-	-	(2,593)	-	-	(2,593)	(188)	(2,782)
Increase (decrease) through treasury stock transactions	-	(9,168)	-	31,443	(287)	21,989	-	21,989
Increase (decrease) through share-based payment transactions	-	333	-	-	56	389	-	389
Transfer to capital surplus from retained earnings	-	8,818	(8,818)	-	-	-	-	-
Acquisition, disposal and other changes of non-controlling interests	-	64	-	-	-	64	270	334
Increase (decrease) through transfers and other changes	-	-	572	-	(572)	-	-	-
As of December 31, 2015	10,397	9,697	160,750	(12,474)	21,434	189,804	7,614	197,418

(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	-	-	28,803	-	-	28,803	1,416	30,219
Other comprehensive income	-	-	-	-	11,011	11,011	(103)	10,908
Total comprehensive income for the period	-	-	28,803	-	11,011	39,814	1,313	41,127
Dividends recognized as distributions to owners	-	-	(2,900)	-	-	(2,900)	(2,026)	(4,926)
Increase (decrease) through treasury stock transactions	-	(266)	-	225	-	(40)	-	(40)
Increase (decrease) through share-based payment transactions	-	253	-	-	22	275	-	275
Transfer to capital surplus from retained earnings	-	46	(46)	-	-	-	-	-
Acquisition, disposal and other changes of non-controlling interests	-	70	-	-	-	70	607	676
Increase (decrease) through transfers and other changes	-	689	-	-	-	689	308	997
As of December 31, 2016	10,397	11,042	189,568	(12,230)	28,340	227,116	7,322	234,437

(5) Condensed Consolidated Statement of Cash Flows

	(Millions of yen)	
	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Operating activities		
Profit before tax	16,146	20,980
Depreciation and amortization	8,661	8,362
Gain on transfer of business	(1,186)	(5,953)
Impairment loss	—	3,859
Interest and dividend income	(87)	(317)
Interest expenses	19	16
Decrease (increase) in trade and other current receivables	1,919	(5,593)
Increase (decrease) in trade and other current payables	16	656
Increase (decrease) in deposits received	1,216	1,654
Other, net	(600)	776
Subtotal	26,104	24,441
Dividends received	63	272
Interest paid	(19)	(16)
Interest received	24	45
Income tax paid	(7,739)	(9,725)
Net cash flows from (used in) operating activities	18,432	15,017
Investing activities		
Proceeds from sales of subsidiaries or other businesses, net of cash disposed of	1,250	5,990
Acquisition of subsidiaries or other businesses, net of cash acquired	(812)	(435)
Proceeds from sales and redemption of investment securities	1,994	2,116
Purchases of investment securities	(22,911)	(603)
Acquisition of property and equipment	(626)	(769)
Acquisition of intangible assets	(9,390)	(9,950)
Other, net	(61)	(384)
Net cash flows from (used in) investing activities	(30,555)	(4,034)
Financing activities		
Proceeds from borrowings	650	2,750
Repayments of borrowings	(850)	(2,540)
Cash dividends paid	(2,598)	(2,906)
Proceeds from share issuance to non-controlling interests	—	676
Cash dividends paid to non-controlling shareholders	(188)	(2,007)
Proceeds from disposition of treasury stock	22,143	267
Other, net	100	11
Net cash flows from (used in) financing activities	19,256	(3,749)
Net increase (decrease) in cash and cash equivalents	7,133	7,234
Cash and cash equivalents at beginning of period	68,724	75,169
Effect of exchange rate changes on cash and cash equivalents	41	321
Cash and cash equivalents at end of period	75,898	82,724

(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 (Note): 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: curation platform business, IP-generating platform business, healthcare business, automotive business, mobile social incubation business, etc.

(Note) “DeNA Shopping”, etc. were transferred to KDDI Corporation as of December 28, 2016.

(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 nine months ended December 31, 2015

(From April 1, 2015 to December 31, 2015)

	(Millions of yen)					
	Game Business	E-commerce Business	Sports Business	New Businesses and Others*2	Adjustments*3	Total
Revenue						
Revenue from external customers	82,703	13,891	8,407	3,704	—	108,705
Intersegment revenue	344	783	1	78	(1,206)	—
Total	83,047	14,674	8,408	3,782	(1,206)	108,705
Segment profit (loss)*1	19,261	1,909	77	(3,678)	(465)	17,104
Other income (expenses), net						(2,415)
Operating profit						14,689
Finance income (costs), net						8
Share of profit (loss) of associates accounted for using the equity method						1,449
Profit before tax						16,146

(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 nine months ended December 31, 2016
(From April 1, 2016 to December 31, 2016)

	(Millions of yen)					
	Game Business	E-commerce Business	Sports Business	New Businesses and Others*2	Adjustments *3	Total
Revenue						
Revenue from external customers	73,940	14,096	12,318	8,366	—	108,720
Intersegment revenue	100	601	31	5	(738)	—
Total	74,039	14,698	12,349	8,371	(738)	108,720
Segment profit (loss)*1	18,747	1,394	2,404	(3,614)	(81)	18,850
Other income (expenses), net						(187)
Operating profit						18,663
Finance income (costs), net						346
Share of profit (loss) of associates accounted for using the equity method						1,971
Profit before tax						20,980

- (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 curation platform business, IP-generating 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 nine months ended December 31, 2015 and 2016 are as follows:

	Nine months ended December 31, 2015 (From April 1, 2015 to December 31, 2015)	Nine months ended December 31, 2016 (From April 1, 2016 to December 31, 2016)
Profit for the period attributable to owners of the parent (Millions of yen)	8,361	28,803
Weighted average number of common shares outstanding during the period —basic (Shares)	143,425,614	145,064,844
Effect of dilutive potential common stock: Stock options, etc. (Shares)	288,325	239,300
Weighted average number of common shares outstanding during the period —diluted (Shares)	143,713,939	145,304,144
Earnings per share attributable to owners of the parent (Yen)		
Basic earnings per share	58.30	198.55
Diluted earnings per share	58.18	198.23

3. Impairment of assets

The breakdown of the impairment loss is as follows:

(Millions of yen)

	Nine months ended December 31, 2016 (From April 1, 2016 to December 31, 2016)
Property and equipment	
Buildings and structures	△98
Tools, furniture and fixtures	△35
Goodwill	△3,576
Intangible assets	
Software	△149
Other	△1
Total	△3,859

Impairment loss is recorded under “other expenses” in the condensed consolidated income statement.

The Group organizes its assets into the smallest group of assets that generates identifiable independent cash flows organizes its assets into the smallest group of assets that generates identifiable independent cash flows.

In the nine months ended December 31, 2016 all articles were withdrawn from the curation platform services in order to conduct an investigation of the operating structure and approach for this business. The future of this business is currently under discussion, but at this point nothing has been decided. Since no

plans have been determined for this business, value in use is viewed as zero, and an impairment loss of ¥3,859 million has been recorded as an impairment loss.

The curation platform services are part of the New Businesses and Others segment.

(8) Notes on Significant Subsequent Events

Not applicable.