

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



February 28, 2019

Company name: DeNA Co., Ltd.
(TSE First Section Stock Code: 2432)
Name of representative: Isao Moriyasu, President & CEO
Contact person: Jun Oi, Executive Officer, Head of
Corporate Unit
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Notice Regarding Establishment of Subsidiary and Company Split (Simple Absorption-Type Company Split)

DeNA Co., Ltd. would like to announce that during a board of directors meeting held today, February 28, 2019, it decided to [i] newly establish DeNA SOMPO Mobility Co., Ltd. (hereinafter referred to as “DeNA SOMPO Mobility”) and [ii] have DeNA SOMPO Mobility succeed DeNA to DeNA’s business operating under the name “Anyca” through an absorption-type company split.

As one of DeNA’s wholly-owned subsidiaries is expected to succeed to a DeNA business department in this company split, DeNA has omitted some items in this disclosure.

1. Purpose of the establishment of subsidiary & company split

DeNA began the peer-to-peer car sharing service Anyca in September 2015. Since then, this service has grown along with the growth of the overall sharing economy. To facilitate further expansion of this business, DeNA decided to establish DeNA SOMPO Mobility and have it succeed to this business.

After its establishment, DeNA SOMPO Mobility expects to allocate shares to SOMPO Holdings, Inc. (hereinafter referred to as “SOMPO Holdings”) by means of a third-party allotment. Under the expected new structure, we will create an environment where people can use Anyca in greater safety and comfort. In addition, we expect that DeNA SOMPO Mobility will establish a subsidiary that will engage in business in areas with synergies with Anyca and where Anyca knowhow will be useful, such as services utilizing car leases.

2. Summary of the company split

(1) Company split schedule

Date of board of directors resolution on absorption-type company split agreement	February 28, 2019
Date of conclusion of the company split agreement	March 1, 2019 (Scheduled)
Split date (effective date)	April 12, 2019 (Scheduled)

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

(2) Company split method

Absorption-type company split, where DeNA is the splitting company, and DeNA SOMPO Mobility is the succeeding company.

(3) Allotment in this company split

As compensation for this company split, DeNA expects to receive from DeNA SOMPO Mobility 500,000 shares of DeNA SOMPO Mobility stock.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights accompanying the company split

There are no applicable items.

(5) Changes to capital due to the company split

There are no changes in capital for DeNA.

(6) Rights and obligations to be succeeded by the succeeding company

DeNA SOMPO Mobility will succeed to assets, liabilities and the accompanying rights and obligations held by DeNA relating to the business subject to the company split as of the effective date of the split, excluding those which are otherwise noted in the company split agreement. The assumption of liabilities by DeNA SOMPO Mobility will be undertaken without recourse to DeNA.

(7) Prospect of fulfillment of obligations

DeNA as well as DeNA SOMPO Mobility are judged to be capable of fulfilling the obligations to be borne after the effective date of the company split.

3. Overview of the parties of the company split

(1) Summary of newly established subsidiary (at time of establishment)

(1)	Company name	DeNA SOMPO Mobility Co., Ltd.
(2)	Address	2-21-1 Shibuya, Shibuya-ku, Tokyo, Japan
(3)	Name and title of representative	Hiroshi Nakajima, Representative Director & President
(4)	Description of business	Operation of peer-to-peer car sharing service Anyca
(5)	Stated capital	50 million yen*
(6)	Establishment date	March 1, 2019 (Scheduled)
(7)	Number of shares to be issued	10,000 shares
(8)	Fiscal year-end	March 31
(9)	Shareholding percentage of major shareholders	DeNA Co., Ltd. 100.0%
(10)	Financial position and operating results as of the previous fiscal year	
	Fiscal year-end	-
	Net assets	-
	Total assets	-
	Net assets per share	-
	Revenue	-
	Operating profit	-
	Ordinary income	-
	Net income	-
	Net income per share	-

*After the receipt of the absorption-type split compensation, on April 15, 2019 (scheduled) the stated capital is expected to become 2.5 billion yen following the third-party allotment to SOMPO Holdings. At that time, the shareholding percentages of DeNA SOMPO Mobility are expected to become DeNA 51%, SOMPO Holdings 49%, making DeNA SOMPO Mobility a consolidated subsidiary of DeNA.

(2) Summary of the parties of the company split

		Splitting company (DeNA)	Succeeding company
(1)	Company name	DeNA Co., Ltd.	DeNA SOMPO Mobility Co., Ltd.
(2)	Address	2-21-1 Shibuya, Shibuya-ku, Tokyo, Japan	2-21-1 Shibuya, Shibuya-ku, Tokyo, Japan
(3)	Name and title of representative	Isao Moriyasu, President & CEO	Hiroshi Nakajima, Representative Director & President
(4)	Description of business	Game business, e-commerce business, sports business, new businesses & others	Operation of peer-to-peer car sharing service Anyca
(5)	Stated capital	10,397 million yen	50 million yen**
(6)	Established / establishment date	March 4, 1999	March 1, 2019 (Scheduled)
(7)	Number of shares issued / to be issued	150,810,033 shares	510,000 shares***
(8)	Fiscal year-end	March 31	March 31
(9)	Shareholding percentage of major shareholders (as of the end of September 2018)	Tomoko Namba 13.61% Nintendo Co., Ltd. 10.38% Japan Trustee Services Bank, Ltd. 9.24%	DeNA Co., Ltd. 100%
(10)	Financial position and operating results as of the previous fiscal year*		
	Fiscal year-end	Fiscal year ended March 31, 2018 (consolidated)	-
	Total equity	271,150 million yen	-
	Total assets	344,609 million yen	-
	Equity per share attributable to owners of the parent	1,810.25 yen	-
	Revenue	139,390 million yen	-
	Operating profit	27,503 million yen	-
	Profit before tax	30,390 million yen	-
	Profit for the period	23,616 million yen	-
	Profit attributable to owners of the parent	22,981 million yen	-
	Basic earnings per share attributable to owners of the parent	158.34 yen	-

*The DeNA Group's consolidated financial statements are prepared in accordance with IFRS.

**After the receipt of the absorption-type split compensation, on April 15, 2019 (scheduled) the stated capital is expected to become 2.5 billion yen following the third-party allotment to SOMPO Holdings. At that time, the shareholding percentages of DeNA SOMPO Mobility are expected to become DeNA 51%,

SOMPO Holdings 49%, making DeNA SOMPO Mobility a consolidated subsidiary of DeNA.

***The number of shares stated includes the 500,000 shares of DeNA SOMPO Mobility that DeNA expects to receive as compensation for the company split.

4. Overview of the business department to be split

(1) Description of business of the department to be split

Operation of peer-to-peer car sharing service Anyca

(2) Operating results for the department to be split (Fiscal year ended March 31, 2018)

	Operating results of the business (a)	Operating results of DeNA (consolidated) (b)	Ratio (a/b)
Revenue	35 million yen	139,390 million yen	0.0%

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

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	40 million yen	Current liabilities	47 million yen
Non-current assets	-	Non-current liabilities	-
Total	40 million yen	Total	47 million yen

*The amounts of assets and liabilities to be split are based on the balance sheets as of March 31, 2018.

The actual amounts of assets and liabilities to be split will be determined by adjusting the above amounts to reflect changes to the assets and liabilities up to the effective date of the split.

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

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

For DeNA SOMPO Mobility, no changes are expected in the company name, address, name and titles of representative, or fiscal year-end as a result of this company split. After the receipt of the absorption-type split compensation, on April 15, 2019 (scheduled) the stated capital is expected to become 2.5 billion yen following the third-party allotment to SOMPO Holdings. At that time, the shareholding percentages of DeNA SOMPO Mobility are expected to become DeNA 51%, SOMPO Holdings 49%, making DeNA SOMPO Mobility a consolidated subsidiary of DeNA.

6. Future outlook

This company split is scheduled to take place on April 12, 2019. The impact of this company split on the operating results forecast for the fiscal year ending March 31, 2019 is expected to be minimal. The impact of this company split on operating results for the fiscal year ending March 31, 2020 onwards will be reflected into future financial guidance with consideration for the progress of this business.

(Reference) Consolidated financial results forecast for the fiscal year ending March 31, 2019 (as of February 5, 2019) and previous consolidated financial results

	Revenue	Operating profit	Profit for the period attributable to owners of the parent	Basic earnings per share
Financial results forecast (fiscal year ending March 31, 2019)	Millions of yen 125,800	Millions of yen 13,600	Millions of yen 10,500	Yen 72.26
Previous financial results (fiscal year ended March 31, 2018)	139,390	27,503	22,981	158.34

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