

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.



March 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 Company Split (Simple Absorption-Type Company Split)

DeNA Co., Ltd. would like to announce that during a Board of Directors meeting held today, it passed a resolution to undertake a simple absorption-type company split of a part of its business (hereinafter referred to as “company split”), and have Ostance, Inc. succeed DeNA to this business.

Please note that because this company split is expected to result in a change in DeNA’s total assets that is less than 10% of DeNA’s net assets as of the last day of the most recent fiscal year, and a less than 3% change in DeNA’s revenue from the most recent fiscal year, DeNA has omitted some items in this disclosure.

1. Purpose of the company split

DeNA has operated the social networking website for hobby-based social exchange among senior citizens called Shumee-to Club since December 2007. Recently, Ostance, Inc. made a proposal to acquire Shumee-to Club, and DeNA decided to agree to this proposal in order to facilitate the future growth of this business.

2. Summary of the company split

(1) Schedule

Date of board of directors resolution	March 28, 2019
Date of conclusion of the company split agreement	March 28, 2019
Implementation date (effective date)	May 15, 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 Ostance is the succeeding company.

(3) Allotment in this company split

As compensation for this company split, DeNA expects to receive approx. 11 million yen in monies from Ostance, which is the difference between 1) trade receivable, prepaid expenses, other current assets, and 2) accounts payable, prepayments received, and other current liabilities on the balance sheet as of April 30, 2019. The details of the assets and liability items and monetary amounts to be split are as described below, and no significant change is expected before the abovementioned date.

(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.

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

Ostance 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 Ostance will be undertaken without recourse to DeNA.

(7) Prospect of fulfillment of obligations

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

3. Allotment in this company split and calculation approach

In calculating the amount of monies to be delivered to DeNA for this company split, DeNA and Ostance have reached a decision based on discussion and negotiation, with consideration for the assets and liabilities included in the succession.

4. Overview of the parties of the company split

Splitting company (DeNA)

(1)	Company name	DeNA Co., Ltd.
(2)	Address	2-21-1 Shibuya, Shibuya-ku, Tokyo, Japan
(3)	Name and title of representative	Isao Moriyasu, President & CEO
(4)	Description of business	Game business, e-commerce business, sports business, new businesses & others
(5)	Stated capital	10,397 million yen
(6)	Established	March 4, 1999
(7)	Number of shares issued	150,810,033 shares
(8)	Fiscal year-end	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%
(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.

Succeeding company (Ostance)

(1)	Company name	Ostance, Inc.
(2)	Address	1-12-12 Shinjuku, Shinjuku-ku, Tokyo, Japan
(3)	Name and title of representative	Ryoto Kikukawa, Representative Director & President
(4)	Description of business	Wedding business, advertising business, senior citizen business, production business
(5)	Stated capital	3 million yen
(6)	Established	January 9, 2015
(7)	Number of shares issued	300 shares
(8)	Fiscal year-end	March 31
(9)	Shareholding percentage of major shareholders	Ryoto Kikukawa 100.0%
(10)	Financial position and operating results as of the previous fiscal year*	
	Fiscal year-end	Fiscal year ended March 31, 2018 (non-consolidated)
	Net assets	220 thousand yen
	Total assets	24,428 thousand yen
	Net assets per share	735.52 yen
	Revenue	24,314 thousand yen
	Operating profit	(2,892 thousand yen)
	Ordinary income	(2,891 thousand yen)
	Net income	(2,938 thousand yen)
	Net income per share	(9,794.01 yen)

5. Overview of the business department to be split

(1) Business description of the department to be split

Planning and operation of Shumee-to Club, a social networking website for hobby-based social exchange among senior citizens in Japan.

(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	58 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	20 million yen	Current liabilities	1 million yen
Non-current assets	26 million yen	Non-current liabilities	-
Total	46 million yen	Total	1 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.

6. 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 or Ostance as a result of this company split.

7. Future outlook

The impact of this company split on the operating results forecast for the fiscal year ending March 31, 2019 and future operating results is expected to be minimal.

(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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