

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 5, 2020

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Notice Regarding Recognition of Impairment Loss, Etc.

DeNA Co., Ltd. would like to announce that it recognized an impairment loss, etc. in the consolidated financial results for the nine months ended December 31, 2019.

1. Content of the impairment loss, etc.

(1) Impact on consolidated financial results (IFRS)

In light of the latest result trends of the Game Business and the business environment, during the nine months ended December 31, 2019, DeNA carried out an IFRS impairment test based on conservative assumptions. This resulted in recording a total impairment loss of 49,371 million yen in Other expenses. The primary breakdown of this impairment loss is 40,164 million yen impairment loss on goodwill related to the Game Business, and 8,135 million yen in impairment loss on software.

In addition, as a result of carefully considering the collectability of deferred tax assets, certain deferred tax assets were reversed, and income taxes - deferred of 7,639 million yen (included in "Income tax expense" in the Condensed Consolidated Income Statement) were recorded.

For more information, see the "FY2019Q3 Consolidated Financial Results" also made available on February 5, 2020.

(2) Impact on non-consolidated financial results (Japanese GAAP)

DeNA did not recognize an impairment loss in the non-consolidated financial results for the nine months ended December 31, 2019, but due to the above-mentioned factors, DeNA reversed certain deferred tax assets and recognized income taxes - deferred of 7,639 million yen on a non-consolidated basis.

2. Future outlook

The consolidated financial results forecast for the fiscal year ending March 31, 2020 cannot be provided due to the difficulty of reasonably & accurately estimating the figures. However, based on the impact of the impairment loss, the results through the nine months ended December 31, 2019, and that during the fourth quarter the Sports Business will be in the off-season and growth investment is expected to continue in the new business area, for consolidated financial performance for the full fiscal year ending March 31, 2020, DeNA expects to record a loss on all profit levels at the operating profit (loss) level and below. For more information, see the "FY2019Q3

Consolidated Financial Results” also made available on February 5, 2020.

If there are any matters to be disclosed regarding the non-consolidated financial results then DeNA will disclose them in a timely manner.

(Reference) Previous consolidated financial results

	Revenue	Operating profit	Profit before tax	Profit for the period	Profit for the period attributable to owners of the parent	Basic earnings per share
Previous financial results (fiscal year ended March 31, 2019)	Millions of yen 124,116	Millions of yen 13,512	Millions of yen 18,069	Millions of yen 13,177	Millions of yen 12,709	Yen 87.47

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