

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.



August 14, 2020

Company name:	DeNA Co., Ltd. (TSE First Section Stock Code: 2432)
Name of representative:	Isao Moriyasu, President & CEO
Contact person:	Jun Oi, Managing Executive Officer, CFO, Head of Corporate Unit
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Notice Regarding Capital & Business Alliance with DATA HORIZON CO., LTD.

DeNA Co., Ltd. would like to announce that during a board of directors meeting held today, it decided to enter into a capital & business alliance with DATA HORIZON CO., LTD. as follows.

DeNA also announces that the acquisition of shares by DeNA qualifies as buying up as defined in Article 167 of the Financial Instruments and Exchange Act and Article 31 of the Order for Enforcement of the Financial Instruments and Exchange Act.

1. Purpose of the capital & business alliance

The aim of the capital & business alliance concluded between DeNA and DATA HORIZON is to extend healthy lifespans and achieve a zero primary balance* for medical costs. Previously, DeSC Healthcare, Inc., a subsidiary of DeNA, and DATA HORIZON concluded a business alliance** on April 2, 2020. Through this capital & business alliance, DeNA and DATA HORIZON aim to further advance the business alliance and leverage their strengths. The companies aim to support health promotion for people by accelerating their health business for local municipalities and health insurance societies. The companies will also work together on a business to make use of data, and significantly contribute to the primary balance for medical costs.

*Zero primary balance refers to the state where the national medical insurance and social security is sustainable, with national medical costs in line with the economic situation.

**Refer to the press release of April 2, 2020 (Japanese only) titled “DeNA & DATA HORIZON Business Alliance in Healthcare Business for Local Municipalities Throughout Japan: Aim to Make Use of Service Live Operation and Data Analytics Technology and Reduce Medical Costs.”

2. Content, etc. of the capital & business alliance

(1) Content of the capital & business alliance

DeNA provides healthcare services for people, including its healthcare entertainment app kencom. DeNA has developed strengths in the live operations of services like these that encourage people to enjoy using them every day and support health promotion in people’s daily lives. DeNA also has strength in data analytics based on those services.

DATA HORIZON has strengths in standardizing medical big data from local municipalities, data analysis, and in its severe diabetic nephropathy prevention management business. DATA HORIZON

makes use of its high analytical ability to run the PDCA cycle in the severe diabetic nephropathy prevention management business, and has significantly contributed to reducing medical costs. Specific planned initiatives include not only doing business with local municipalities, such as the national health insurance health-up business,* but also engaging in a health business for health insurance societies. The companies plan to engage in business that makes use of these insights and contributes to the primary balance for medical costs.

*This is a business promoted by the Ministry of Health, Labour and Welfare, where the PDCA cycle is efficiently and effectively run based on data analysis with the goal of promoting health preservation and improvement, preventing illness, and increasing quality of life, etc. for national health insurance members.

(2) Acquisition price of shares or holdings of other party newly acquired

DeNA expects to acquire 306,700 common shares (8.60% of the total issued common shares) for 1,534 million yen on August 21, 2020. DeNA has also concluded a shareholder agreement with DATA HORIZON Representative Director & President Yoshio Utsumi on restrictions on transferring DeNA and his held shares, and concerning acquiring or selling his held shares, etc. On July 1, 2023 or later it is possible the above shareholding percentage may increase. If there are any matters to be disclosed then DeNA will disclose them in a timely manner.

3. Summary of the capital & business alliance partner

(1)	Company name	DATA HORIZON CO., LTD.	
(2)	Address	Hiroshima Mikushisu Building, 1-21-35 Kusatsushinmachi, Nishi-ku, City of Hiroshima, Hiroshima	
(3)	Name and title of representative	Yoshio Utsumi, Representative Director & President	
(4)	Description of business	Development & provision of medical-related information services • Data health related services • Generic drug notification services • Health business support systems	
(5)	Stated capital	456,600,000 yen	
(6)	Established	March 25, 1982	
(7)	Shareholding percentage of major shareholders*	Yoshio Utsumi 27.17% MSIP CLIENT SECURITIES (Standing proxy Morgan Stanley MUFG Securities Co., Ltd.) 7.20% Benefit One Inc. 7.06%	
(8)	Relationship between listed company and this company	Capital relationship	No applicable items.
		Personnel relationship	No applicable items.
		Transactional relationship	No transactional relationships to disclose.**
		Applicability to related parties	No applicable items.
(9)	Consolidated results of operations and consolidated financial position of the three previous fiscal years		
Fiscal year-end		Fiscal year ended June 30, 2017	Fiscal year ended June 30, 2018
			Fiscal year ended June 30, 2019
Net assets		914 million yen	1,131 million yen
			1,122 million yen
Total assets		1,319 million yen	1,783 million yen
			1,575 million yen

Net assets per share	258.22 yen	319.71 yen	317.21 yen
Revenue	1,828 million yen	2,544 million yen	2,256 million yen
Operating profit	105 million yen	289 million yen	36 million yen
Ordinary income	110 million yen	287 million yen	37 million yen
Net income for the period attributable to owners of the parent	101 million yen	210 million yen	21 million yen
Consolidated net income for the period per share	29.12 yen	59.97 yen	6.02 yen
Dividend per share	5 yen	8 yen	8 yen

*The shareholding percentages of major shareholders are as of December 31, 2019. The shareholding percentage of major shareholders is calculated from the total issued shares excluding treasury shares.

**DeSC Healthcare, Inc., a subsidiary of DeNA, concluded a business alliance contract on April 2, 2020 with DATA HORIZON.

4. Schedule

(1)	Date of board of directors resolution	August 14, 2020
(2)	Date of conclusion of agreement	August 14, 2020
(3)	Date to receive share transfer	August 21, 2020 (Scheduled)

5. Future outlook

The expected impact of this matter on the DeNA Group's financial performance for the fiscal year ending March 31, 2021 is minimal. If there are any matters to be disclosed then DeNA will disclose them in a timely manner.

(Reference) Previous consolidated results

	Revenue	Operating profit (loss)	Profit (loss) before tax	Profit (loss) for the period	Profit (loss) for the period attributable to owners of the parent	Basic earnings (loss) per share
Previous results (Fiscal year ended March 31, 2020)	Millions of yen 121,387	Millions of yen (45,676)	Millions of yen (40,235)	Millions of yen (49,847)	Millions of yen (49,166)	Yen (352.49)

For inquiries please contact:

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