

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.



July 2, 2021

Company name: DeNA Co., Ltd.
(TSE First Section Stock Code: 2432)
Name of representative: Shingo Okamura, President & CEO
Contact person: Jun Oi, CFO, Head of Corporate Unit
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Notice Regarding Acquisition of IRIAM Inc. Shares (Newly Consolidated Subsidiary)

DeNA Co., Ltd. would like to announce that during a Board of Directors meeting held today, it decided to acquire additional shares of its equity-method affiliate IRIAM Inc. Following this additional share acquisition, IRIAM Inc. is expected to become a 100% consolidated subsidiary of DeNA.

As this matter does not fall under the timely disclosure standards of the Tokyo Stock Exchange, some disclosure items and content have been omitted.

1. Reason for share acquisition

DeNA views the Live Streaming Business as a business in the growth phase, and is working to capture market growth opportunities and proactively investing to grow by 1. Further growing and enhancing Pococha Japan, 2. Expanding into new genres with a view to market growth and expansion with genre diversification, and 3. Developing the global Pococha service.

As a part of the initiatives in 2. above to expand into new genres, in August 2020 DeNA invested in IRIAM Inc., which operates the anime character live streaming service IRIAM, making IRIAM Inc. an equity-method affiliate of DeNA. Subsequently, IRIAM continued to see steady growth in the number of users and revenue, etc.

Both companies have built a cooperative relationship, including sharing service operations knowhow and fostering exchange between personnel, etc. With IRIAM Inc. becoming a 100% consolidated subsidiary of DeNA, DeNA expects to be able to further promote the sharing & utilization of both sides' live streaming service operations knowhow & management resources, and aims to further grow the business and business value.

2. Overview of the changing subsidiary (IRIAM Inc.)

(1) Company name	IRIAM Inc.
(2) Address	Daiwa Shibuya Square 3F 16-28 Nanpeidaicho, Shibuya-ku, Tokyo, Japan
(3) Name and title of representative	Daichi Tsukamoto, Representative Director & CEO
(4) Description of business	Live streaming business
(5) Stated capital	385 million yen
(6) Established	May 1, 2020

(7) Shareholding percentage of major shareholders	ZIZAI Inc.	80.00%
	DeNA Co., Ltd.	20.00%
(8) Relationship between listed company and this company	Capital relationship	Own 2,000 shares of Type A preferred stock.
	Personnel relationship	One DeNA employee is seconded as a director.
	Transactional relationship	No applicable items.
(9) Consolidated operating results and financial position of this company for the previous three fiscal years*		
Fiscal year-end	Fiscal year ended August 31, 2020	
Net assets	987 million yen	
Total assets	1,103 million yen	
Net assets per share	98,682.82 yen	
Revenue	164 million yen	
Operating loss	82 million yen	
Ordinary loss	82 million yen	
Net loss	82 million yen	
Net loss per share	8,208.15 yen	

*IRIAM Inc. was established on May 1, 2020 through an incorporation-type company split from ZIZAI Inc., so only one fiscal year of operating results are shown. The results for IRIAM Inc. in the period ended August 31, 2020 are only for the four months after incorporation.

3. Overview of the other party in the share acquisition

(1) Company name	ZIZAI Inc.	
(2) Address	Daiwa Shibuya Square 3F 16-28 Nanpeidaicho, Shibuya-ku, Tokyo, Japan	
(3) Name and title of representative	Daichi Tsukamoto, Representative Director & CEO	
(4) Description of business	Video related business	
(5) Stated capital	13 million yen	
(6) Established	September 16, 2015	
(7) Net assets	Not disclosed*	
(8) Total assets		
(9) Shareholding percentage of major shareholders		
(10) Relationship between listed company and this company	Capital relationship	No applicable items.
	Personnel relationship	No applicable items.
	Transactional relationship	No applicable items.
	Circumstances relevant to related parties	No applicable items.

*Due to the request of the other party, the net assets, total assets, and shareholding percentage of major shareholders is not disclosed.

4. Number of shares to be transferred, transfer price, and the number of shares held before and after the transfer

(1) No. of shares held before the change	2,000 shares of Type A preferred stock (Number of voting rights held: 2,000) (Percentage of voting rights held: 20.0%)
(2) No. of shares to be transferred	8,000 shares of common stock (Number of voting rights held: 8,000)
(3) Transfer price	IRIAM Inc. common stock 12,000 million yen Advisory fee, etc. (estimate) 26 million yen Total (estimate) 12,026 million yen
(4) No. of shares held after the change	2,000 shares of Type A preferred stock; 8,000 shares of common stock (Number of voting rights held: 10,000) (Percentage of voting rights held: 100.0%)

5. Schedule

(1) Date of the Board of Directors resolution	July 2, 2021
(2) Date of conclusion of the agreement	July 2, 2021
(3) Date of the share transfer	August 1, 2021 (Scheduled)

6. Future outlook

The expected impact of this matter on the DeNA Group's financial performance is under review, but approximately 2.3 billion yen is expected to be recognized as a one-time gain in Other income during the second quarter of the fiscal year ending March 31, 2022. Going forward, with consideration for the progress of the business, other potential impacts of this matter will be reflected in the Outlook, etc. in the Consolidated Financial Results as necessary. Refer to 2. Overview of the changing subsidiary (IRIAM Inc.) for the operating results of IRIAM Inc.

In conjunction with this matter, DeNA expects to recognize approximately 14.2 billion yen of goodwill.

(Reference) Consolidated financial results for the fiscal year ended March 31, 2021

	Revenue	Operating profit	Profit before tax	Profit for the period	Profit attributable to owners of the parent	Basic earnings per share
Fiscal year ended March 31, 2021	Millions of yen 136,971	Millions of yen 22,495	Millions of yen 31,259	Millions of yen 26,354	Millions of yen 25,630	Yen 207.54

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