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Consolidated Financial Results for the Nine Months Ended December 31, 2021 [IFRS]

February 8, 2022

Company name: DeNA Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 2432

URL: <https://dena.com/intl/>

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Scheduled date of filing quarterly securities report: February 9, 2022

Scheduled date of commencing dividend payments: —

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes (for institutional investors, analysts and the press)

(Amounts are rounded to the nearest million yen.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

(1) Consolidated Operating Results (% changes from the previous corresponding period)

	Revenue		Operating profit		Profit before tax		Profit for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2021	99,130	(3.7)	15,565	(38.5)	32,566	6.7	26,940	17.9
Nine months ended December 31, 2020	102,924	12.9	25,320	—	30,513	—	22,847	—

	Profit for the period attributable to owners of the parent		Total comprehensive income for the period		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Nine months ended December 31, 2021	26,666	21.6	16,987	(67.8)	223.69	223.45
Nine months ended December 31, 2020	21,937	—	52,779	—	177.35	177.11

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent
	Millions of yen	Millions of yen	Millions of yen	%
As of December 31, 2021	321,379	232,913	228,383	71.1
As of March 31, 2021	327,121	228,659	223,711	68.4

2. Dividends

	Dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of year	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	—	0.00	—	32.00	32.00
Fiscal year ending March 31, 2022	—	0.00	—		
Fiscal year ending March 31, 2022 (Forecast)				—	—

(Notes) 1. Revisions to recently announced dividend forecast: No

2. The dividend forecast for the fiscal year ending March 31, 2022 has not been determined at this time.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

The consolidated financial results forecast for the fiscal year ending March 31, 2022 cannot be provided due to the difficulty of reasonably and accurately estimating the figures, but the Company expects its operating profit to decline.

* Notes

(1) Changes in Significant Subsidiaries during the Period under Review (changes in specified subsidiaries accompanying changes in scope of consolidation): No

(2) Changes in Accounting Policies and Changes in Accounting Estimates

1) Changes in accounting policies required by IFRS: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

(3) Number of Shares Issued (common stock)

1) Total number of shares issued at the end of the period (including treasury stock):

As of December 31, 2021	130,210,945 shares
As of March 31, 2021	130,210,945 shares

2) Total number of shares of treasury stock at the end of the period:

As of December 31, 2021	11,674,919 shares
As of March 31, 2021	8,152,593 shares

3) Average number of shares during the period:

Nine months ended December 31, 2021	119,210,503 shares
Nine months ended December 31, 2020	123,694,535 shares

(Note) The 191,158 shares of the Company's stock owned by the Stock Grant ESOP Trust account are included in the "Total number of shares of treasury stock at the end of the period" as of December 31, 2021, and the 199,619 shares of the Company's stock owned by the same trust account are included in the "Total number of shares of treasury stock at the end of the period" as of March 31, 2021.

* This report of quarterly consolidated financial results is outside the scope of quarterly review by a certified public accountant or accounting auditor.

* Explanation of the Proper Use of Financial Results Forecast and Other Notes

(1) Consolidated Financial Results Forecast

The forward-looking statements herein are based on information available to the Company and certain assumptions deemed reasonable as of the date of publication of this document. They are not intended as the Company's commitment to achieve such forecasts, and actual results may differ significantly from these forecasts due to a wide range of factors.

(2) Dividend Forecast

The Company plans to set the cash dividend forecast for the fiscal year ending March 31, 2022 considering the overall progress in performance and other factors, and promptly announce said expected dividend amount.

(3) Method of Obtaining Supplementary Briefing Material on Financial Results

The Company is planning to hold a briefing session for institutional investors, analysts and the press on February 8, 2022. The briefing materials for this session are scheduled to be posted on the Company's website at the appropriate time for disclosure. In addition, videos and primary Q&A of the briefing session are scheduled to be posted on the Company's website at a later date shortly thereafter.

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1. Overview of Operating Results and Financial Position

(1) Overview of Operating Results

The Group has made efforts to enhance corporate value over the mid to long term by working to form an earnings base on the two approaches of working to entertain and to serve and by evolving into a new, unique kind of tech company, encouraging synergy between the two approaches. The Group has also challenged itself to achieve leaps in growth to establish an even stronger business portfolio.

During the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021), revenue decreased year-on-year mainly due to the decrease in revenue in the Game Business, despite the growth of the Live Streaming Business and the recovery of the Sports Business compared to the same period of the previous year.

Cost of sales increased year-on-year due to the increase in commission fees, etc., which fluctuate in line with the performance of the Live Streaming Business and the Game Business and primarily increased in line with the growth of the Live Streaming Business.

Selling, general and administrative expenses were unchanged from the same period of the previous fiscal year.

Other income, net was ¥6,585 million, decreasing from ¥10,000 million in the same period of the previous fiscal year. For the nine months ended December 31, 2021, the Company recorded a gain on step acquisitions of ¥2,273 million as a result of the acquisition of all the shares of IRIAM Inc. and compensation of ¥2,090 million for loss on suspension of operations of the Yokohama DeNA BayStars Baseball Club, and included them in other income. In the same period of the previous fiscal year, the Company recorded a gain on transfer in the amount of ¥2,045 million due to an absorption-type company split of businesses related to taxi dispatch apps, etc., and a gain on sales of shares of subsidiaries of ¥7,889 million following the transfer of a portion of the Company's shares in SHOWROOM Inc.

Share of profit of associates accounted for using the equity method was ¥13,098 million, up 1,032.4% year-on-year. This was due to the performance trends of Cygames, Inc. and Mobility Technologies Co., Ltd., the major associates accounted for using the equity method during the nine months ended December 31, 2021, as well as the recording of a one-time gain from the capital increase of Mobility Technologies Co., Ltd. through a third-party allotment, which was conducted during this period.

As a result, revenue of the DeNA Group was ¥99,130 million, down 3.7% year-on-year, operating profit was ¥15,565 million, down 38.5% year-on-year, profit before tax was ¥32,566 million, up 6.7% year-on-year, and profit for the period attributable to owners of the parent was ¥26,666 million, up 21.6% year-on-year.

Business performance by segment is as follows.

1) Game Business

Revenue of the Game Business was ¥56,003 million, down 18.1% year-on-year, and segment profit was ¥8,531 million, down 41.4% year-on-year.

During the nine months ended December 31, 2021, both revenue and profit decreased as operations became centered on existing titles and virtual currency consumption decreased year-on-year. To strengthen the earnings base, the Company released new titles and continued to strive to make the cost structure more robust and optimize fixed costs.

2) Sports Business

Revenue of the Sports Business was ¥12,264 million, up 12.9% year-on-year, and segment loss was ¥579 million, compared with segment loss of ¥1,495 million for the same period of the previous fiscal year.

Due to the spread of COVID-19, the official professional baseball games in the 2020 season commenced on June 19, 2020, later than a normal season, and first games were held without spectators. The 2021 season, however, began on March 26, 2021 as in a normal year. While some measures still needed to be taken to prevent the spread of COVID-19, such as restrictions on the number of spectators allowed, the performance of the Sports Business recovered from the same period of the previous fiscal year.

3) Live Streaming Business

Revenue of the Live Streaming Business was ¥25,689 million, up 46.8% year-on-year, and segment profit was ¥3,472 million, down 9.4% year-on-year.

During the nine months ended December 31, 2021, Pococha continued to perform solidly in Japan, and the Company made progress in its efforts to expand into new genres with a view to market growth and expansion with genre diversification, including IRIAM, and to develop the global Pococha service. In addition, the Company made proactive investments to capture market growth opportunities in the respective areas.

On August 2, 2021, IRIAM Inc., which operates the anime character live streaming service IRIAM, became a wholly owned subsidiary of the Company. Due to the transfer of a portion of the Company's shares in SHOWROOM Inc., effective June 30, 2020, the said company has become an associate accounted for using the equity method. As a result, starting from the second quarter ended September 30, 2020, the business performance of SHOWROOM Inc. has been excluded from the business performance by segment.

4) Healthcare Business

Revenue of the Healthcare Businesses was ¥2,134 million, up 41.4% year-on-year, and segment loss was ¥421 million, compared with segment loss of ¥943 million for the same period of the previous fiscal year.

The performance of "kencom" and other related businesses in the healthcare service field was solid. While the Company made prior investments for the future, this segment recorded a profit in the third quarter ended December 31, 2021.

"Aruite Otoku" ended its services as of April 30, 2021. On September 1, 2021, Nippontect Systems Co., Ltd., a provider of dementia-related services, became a wholly owned subsidiary of the Company through a share exchange.

5) New Businesses and Others

Revenue of the New Businesses and Others was ¥3,090 million, down 37.6% year-on-year, and segment loss was ¥116 million, compared with segment loss of ¥187 million for the same period of the previous fiscal year.

This section comprises various initiatives that aim to reinforce the Group's business portfolio over the mid to long term as well as services of the E-commerce Business, etc.

(2) Overview of Financial Position and Cash Flows

1) Financial Position

Total assets at the end of the nine months ended December 31, 2021 were ¥321,379 million, a decrease of ¥5,742 million compared to the end of the previous fiscal year.

Current assets were ¥102,446 million, a decrease of ¥27,441 million compared to the end of the previous fiscal year. This was due mainly to a decrease in cash and cash equivalents by ¥19,940 million.

Non-current assets were ¥218,933 million, representing an increase of ¥21,699 million compared to the end of the previous fiscal year. This was due mainly to increases in goodwill by ¥11,568 million and in investments accounted for using the equity method by ¥13,608 million.

Total liabilities at the end of the nine months ended December 31, 2021 amounted to ¥88,466 million, a decrease of ¥9,996 million compared to the end of the previous fiscal year.

Current liabilities were ¥28,287 million, representing a decrease of ¥12,688 million compared to the end of the previous fiscal year. This was due mainly to a decrease in other current liabilities by ¥6,504 million.

Non-current liabilities stood at ¥60,179 million, representing an increase of ¥2,692 million compared to the end of the previous fiscal year. This was due mainly to an increase of ¥2,378 million in lease liabilities.

Total equity at the end of the nine months ended December 31, 2021 was ¥232,913 million, representing an increase of ¥4,254 million compared to the end of the previous fiscal year. This was primarily attributable to an increase of ¥22,384 million in retained earnings.

In terms of liquidity, the liquidity ratio and ratio of equity attributable to owners of the parent were 362.2% and 71.1%, respectively, at the end of the nine months ended December 31, 2021.

2) Cash Flows

Cash and cash equivalents (collectively, "cash") at the end of the nine months ended December 31, 2021 decreased by ¥19,940 million to ¥77,362 million compared to the end of the previous fiscal year. Cash flows in each area of activity and their respective contributing factors are as follows.

(Operating activities)

Net cash provided by operating activities for the nine months ended December 31, 2021 was ¥14,780 million, compared to a cash inflow of ¥22,421 million in the same period of the previous fiscal year. The principal cash inflow factor was ¥32,566 million in profit before tax.

(Investing activities)

Net cash used in investing activities for the nine months ended December 31, 2021 was ¥16,670 million, compared to a cash outflow of ¥6,996 million in the same period of the previous fiscal year. The principal cash outflow factor was ¥11,526 million in acquisition of subsidiaries or other businesses, net of cash acquired.

(Financing activities)

Net cash used in financing activities for the nine months ended December 31, 2021 was ¥18,378 million, compared to a cash inflow of ¥10,216 million in the same period of the previous fiscal year. The principal cash outflow factor was ¥10,868 million in purchase of treasury stock.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The consolidated financial results forecast for the fiscal year ending March 31, 2022 has not been provided due to the difficulty of reasonably and accurately estimating the figures. However, the Company expects to record a decrease in operating profit.

For the background thereof and the trends of each business, etc., please refer to the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 [IFRS],” announced on May 7, 2021.

2. Condensed Consolidated Financial Statements and Principal Notes

(1) Condensed Consolidated Statement of Financial Position

	(Millions of yen)	
	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	97,301	77,362
Trade and other current receivables	27,174	19,419
Other current financial assets	1,011	1,093
Other current assets	4,400	4,572
Total current assets	129,887	102,446
Non-current assets		
Property and equipment	2,301	2,217
Right-of-use assets	16,747	19,065
Goodwill	5,883	17,451
Intangible assets	6,055	15,903
Investments accounted for using the equity method	41,024	54,632
Other non-current financial assets	124,003	108,492
Deferred tax assets	986	767
Other non-current assets	236	406
Total non-current assets	197,235	218,933
Total assets	327,121	321,379

	(Millions of yen)	
	As of March 31, 2021	As of December 31, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other current payables	20,044	16,262
Lease liabilities	2,653	1,644
Income tax payables	1,364	2,364
Provisions	4,449	1,714
Other current financial liabilities	526	868
Other current liabilities	11,940	5,436
Total current liabilities	40,976	28,287
Non-current liabilities		
Borrowings	20,000	20,158
Lease liabilities	4,485	6,863
Provisions	72	158
Other non-current financial liabilities	401	329
Deferred tax liabilities	32,174	32,259
Other non-current liabilities	354	412
Total non-current liabilities	57,487	60,179
Total liabilities	98,463	88,466
Equity		
Common stock	10,397	10,397
Capital surplus	16,282	16,074
Retained earnings	151,747	174,131
Treasury stock	(15,061)	(22,819)
Other components of equity	60,346	50,600
Total equity attributable to owners of the parent	223,711	228,383
Non-controlling interests	4,948	4,530
Total equity	228,659	232,913
Total liabilities and equity	327,121	321,379

(2) Condensed Consolidated Income Statement

	(Millions of yen)	
	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Revenue	102,924	99,130
Cost of sales	(45,778)	(48,359)
Gross profit	57,145	50,770
Selling, general and administrative expenses	(41,826)	(41,790)
Other income	11,080	7,014
Other expenses	(1,080)	(429)
Operating profit	25,320	15,565
Finance income	4,152	4,562
Finance costs	(115)	(660)
Share of profit of associates accounted for using the equity method	1,157	13,098
Profit before tax	30,513	32,566
Income tax expense	(7,666)	(5,625)
Profit (loss) for the period	22,847	26,940
Attributable to:		
Owners of the parent	21,937	26,666
Non-controlling interests	910	274
Profit for the period	22,847	26,940
		(Yen)
Earnings per share attributable to owners of the parent:		
Basic earnings per share	177.35	223.69
Diluted earnings per share	177.11	223.45

(3) Condensed Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit for the period	22,847	26,940
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss, net of tax		
Gains (losses) from investments in equity instruments, net of tax	30,014	(9,798)
Total other comprehensive income that will not be reclassified to profit or loss, net of tax	30,014	(9,798)
Components of other comprehensive income that may be reclassified to profit or loss, net of tax		
Foreign currency translation adjustments, net of tax	(82)	(65)
Other	0	(89)
Total other comprehensive income that may be reclassified to profit or loss, net of tax	(82)	(155)
Other comprehensive income, net of tax	29,932	(9,953)
Total comprehensive income for the period	52,779	16,987
Attributable to:		
Owners of the parent	51,553	16,714
Non-controlling interests	1,226	274
Total comprehensive income for the period	52,779	16,987

(4) Condensed Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Total		
As of April 1, 2020	10,397	15,237	163,564	(45,139)	36,428	180,486	6,833	187,319
Profit for the period	-	-	21,937	-	-	21,937	910	22,847
Other comprehensive income	-	-	-	-	29,616	29,616	316	29,932
Total comprehensive income for the period	-	-	21,937	-	29,616	51,553	1,226	52,779
Dividends recognized as distributions to owners	-	-	(2,510)	-	-	(2,510)	(1,076)	(3,586)
Increase (decrease) through treasury stock transactions	-	(57)	-	(2,405)	-	(2,462)	-	(2,462)
Cancellation of treasury stock	-	(35,616)	-	35,616	-	-	-	-
Increase (decrease) through share-based payment transactions	-	31	-	-	40	71	-	71
Transfer to capital surplus from retained earnings	-	35,634	(35,634)	-	-	-	-	-
Acquisition, disposal and other changes of non-controlling interests	-	617	-	-	-	617	665	1,282
Changes resulting from loss of control of subsidiaries	-	-	-	-	(52)	(52)	(2,925)	(2,977)
Increase (decrease) through transfers and other changes	-	416	698	-	(941)	173	352	525
As of December 31, 2020	10,397	16,263	148,054	(11,928)	65,091	227,876	5,074	232,950

(Millions of yen)

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Total		
As of April 1, 2021	10,397	16,282	151,747	(15,061)	60,346	223,711	4,948	228,659
Profit for the period	-	-	26,666	-	-	26,666	274	26,940
Other comprehensive income	-	-	-	-	(9,953)	(9,953)	(1)	(9,953)
Total comprehensive income for the period	-	-	26,666	-	(9,953)	16,714	274	16,987
Dividends recognized as distributions to owners	-	-	(3,906)	-	-	(3,906)	(661)	(4,567)
Increase (decrease) through treasury stock transactions	-	(90)	-	(10,589)	(201)	(10,880)	-	(10,880)
Changes resulting from share exchanges	-	6	-	2,831	-	2,837	-	2,837
Increase (decrease) through share-based payment transactions	-	27	-	-	104	131	-	131
Transfer to capital surplus from retained earnings	-	57	(57)	-	-	-	-	-
Acquisition, disposal and other changes of non-controlling interests	-	(208)	-	-	-	(208)	512	304
Changes resulting from loss of control of subsidiaries	-	-	-	-	-	-	(615)	(615)
Increase (decrease) through transfers and other changes	-	0	(319)	-	304	(16)	72	56
As of December 31, 2021	10,397	16,074	174,131	(22,819)	50,600	228,383	4,530	232,913

(5) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Operating activities		
Profit before tax	30,513	32,566
Depreciation and amortization	4,096	4,148
Profit for transfer from business divestitures	(2,045)	(197)
Gain on sales of shares of subsidiaries and associates	(7,889)	(1,286)
Impairment loss	904	299
Interest and dividend income	(2,918)	(3,717)
Interest expenses	56	65
Share of loss (profit) of associates accounted for using the equity method	(1,157)	(13,098)
Loss (gain) on step acquisitions	-	(2,273)
Decrease (increase) in trade and other current receivables	1,113	7,809
Increase (decrease) in trade and other current payables	(313)	(4,094)
Increase (decrease) in advances received	(1,288)	(5,576)
Other, net	(1,445)	(1,764)
Subtotal	19,627	12,881
Dividends received	2,899	3,697
Interest paid	(54)	(51)
Interest received	21	22
Income tax paid	(837)	(1,922)
Income tax refund	765	153
Net cash flows from (used in) operating activities	22,421	14,780
Investing activities		
Proceeds from acquisition of subsidiaries or other businesses, net of cash disposed of	-	232
Acquisition of subsidiaries or other businesses, net of cash acquired	-	(11,526)
Proceeds from sales of subsidiaries or other businesses, net of cash disposed of	45	1,074
Sales of subsidiaries or other businesses, net of cash acquired	(191)	(1,037)
Purchase of shares of associates	(950)	(309)
Proceeds from sales and redemption of investment securities	4,581	72
Purchases of investment securities	(2,944)	(3,226)
Acquisition of property and equipment	(3,397)	(330)
Acquisition of intangible assets	(4,127)	(4,233)
Payments for asset retirement obligations	-	(1,818)
Proceeds from refund of leasehold and guarantee deposits	19	4,207
Other, net	(33)	225
Net cash flows from (used in) investing activities	(6,996)	(16,670)
Financing activities		
Proceeds from borrowings	20,000	-
Repayments of borrowings	(3,000)	(9)
Repayments of lease liabilities	(2,144)	(2,953)
Cash dividends paid	(2,511)	(3,906)
Proceeds from share issuance to non-controlling interests	1,282	-
Cash dividends paid to non-controlling shareholders	(979)	(661)
Proceeds from disposition of treasury stock	13	20
Purchase of treasury stock	(2,445)	(10,868)
Net cash flows from (used in) financing activities	10,216	(18,378)
Net increase (decrease) in cash and cash equivalents	25,640	(20,268)
Cash and cash equivalents at beginning of period	73,536	97,301
Effect of exchange rate changes on cash and cash equivalents	(514)	328
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(4,374)	-
Cash and cash equivalents at end of period	94,288	77,362

(6) Notes on Going Concern Assumption

Not applicable.

(7) Notes to Condensed Consolidated Financial Statements

1. Additional information

(Important accounting estimates)

There are no major changes to the assumptions related to the impact of the spread of COVID-19 on the professional baseball business stated in “Notes to Consolidated Financial Statements 10. Goodwill” in the Securities Report from the fiscal year ended March 31, 2021.

2. Segment information

1) Outline of reportable segments

The Group principally provides Internet services for mobile and PC users and organizes business divisions by type of service. Each of these business divisions formulates comprehensive business strategies for the services it provides, and undertakes related business activities.

Therefore, the Group is composed of operating segments classified by the types of services provided. The four reportable segments of the Group are classified as the “Game Business,” “Sports Business,” “Live Streaming Business” and “Healthcare Business.”

The types of services provided by each segment classification are shown in the table below:

Segment classification	Type of service
Game Business	Game for mobile devices-related services (provided in Japan and internationally) Principal services: Distribution of game apps, Mobage, etc.
Sports Business	Sports-related services (provided in Japan) Principal services: Yokohama DeNA BayStars Baseball Club, operation of the Yokohama Stadium, Kawasaki Brave Thunders, etc.
Live Streaming Business	Live streaming-related services (provided in Japan and internationally) Principal services: Pococha, IRIAM, etc.
Healthcare Business	Healthcare-related services (provided in Japan) Principal services: kencom, MYCODE, etc.
New Businesses and Others	New businesses and other services (provided in Japan) Principal business domains: E-commerce business, IP-generating platform business*, other new businesses, etc.

(Note) The Company transferred all its shares in Everystar Co., Ltd., a company operating the EVERYSTAR novel posting website as part of the Company’s IP-generating platform business, to MEDIA DO Co., Ltd. on December 14, 2021.

2) Revenue, profit or loss, and other items by reportable segment

Accounting policies for reportable segments are identical to those of the Group in the consolidated financial statements for the fiscal year ended March 31, 2021.

Intersegment revenue is calculated based on external market prices.

Revenue, profit or loss, and other items of the Group's reportable segments are as follows:

For the nine months ended December 31, 2020

(From April 1, 2020 to December 31, 2020)

(Millions of yen)

	Game Business	Sports Business	Live Streaming Business *2	Healthcare Business	New Businesses and Others *3	Adjustments *4	Total
Revenue							
Revenue from external customers	68,342	10,762	17,499	1,510	4,811	—	102,924
Intersegment revenue	7	99	—	0	143	(249)	—
Total	68,350	10,861	17,499	1,510	4,954	(249)	102,924
Segment profit (loss)*1	14,549	(1,495)	3,833	(943)	(187)	(438)	15,319
Other income (expenses), net							10,000
Operating profit							25,320
Finance income (costs), net							4,037
Share of profit of associates accounted for using the equity method							1,157
Profit before tax							30,513

(Notes) 1 Segment profit (loss) is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.

2 The Company transferred a portion of its shares in SHOWROOM, Inc., which operates SHOWROOM in the "Live Streaming Business," on June 30, 2020, and lost control in the said company. Accordingly, SHOWROOM, Inc. has become the Company's associate accounted for using the equity method.

3 "New Businesses and Others" refer to operating segments that do not fall into any of the reportable segments, including IP-generating platform business, E-commerce business, and other new businesses.

4 Adjustments in segment profit (loss) represent corporate expenses, which primarily include general and administrative expenses not attributable to any of the reportable segments.

For the nine months ended December 31, 2021
(From April 1, 2021 to December 31, 2021)

(Millions of yen)

	Game Business	Sports Business	Live Streaming Business*2	Healthcare Business	New Businesses and Others *3	Adjustments *4	Total
Revenue							
Revenue from external customers	55,991	12,238	25,689	2,134	3,077	—	99,130
Intersegment revenue	13	26	—	—	13	(51)	—
Total	56,003	12,264	25,689	2,134	3,090	(51)	99,130
Segment profit (loss)*1	8,531	(579)	3,472	(421)	(116)	(1,907)	8,981
Other income (expenses), net							6,585
Operating profit							15,565
Finance income (costs), net							3,902
Share of profit of associates accounted for using the equity method							13,098
Profit before tax							32,566

(Notes) 1 Segment profit (loss) is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.

2 The Company acquired all the shares of IRIAM Inc., which operates IRIAM, on August 2, 2021, to make it a consolidated subsidiary of the Company. Accordingly, IRIAM has been included in the “Live Streaming Business” from the six months ended September 30, 2021.

3 “New Businesses and Others” refer to operating segments that do not fall into any of the reportable segments, including IP-generating platform business, E-commerce business, and other new businesses. The Company transferred all its shares in Everystar Co., Ltd., a company operating the EVERYSTAR novel posting website as part of the Company’s IP-generating platform business, to MEDIA DO Co., Ltd. on December 14, 2021.

4 Adjustments in segment profit (loss) represent corporate expenses, which primarily include general and administrative expenses not attributable to any of the reportable segments.

3. Earnings per share

The basis for calculating earnings per share attributable to owners of the parent for the nine months ended December 31, 2020 and 2021 are as follows:

	Nine months ended December 31, 2020 (From April 1, 2020 to December 31, 2020)	Nine months ended December 31, 2021 (From April 1, 2021 to December 31, 2021)
Profit for the period attributable to owners of the parent (Millions of yen)	21,937	26,666
Weighted average number of common shares outstanding during the period—basic (Shares)	123,694,535	119,210,503
Effect of dilutive potential common shares: Stock options, etc. (Shares)	170,180	128,617
Weighted average number of common shares outstanding during the period—diluted (Shares)	123,864,715	119,339,120
Earnings per share attributable to owners of the parent (Yen)		
Basic earnings per share	177.35	223.69
Diluted earnings per share	177.11	223.45

4. Other income

During the nine months ended December 31, 2021, the Group received compensation for loss on suspension of operations of the Yokohama DeNA BayStars Baseball Club. As a result of the compensation and other factors, ¥2,090 million was recorded in other income in the condensed consolidated income statement.

5. Investments accounted for using the equity method

Mobility Technologies Co., Ltd. (Headquarters: Minato-ku, Tokyo; Representative Director & President: Hiroshi Nakajima), an associate of the Company accounted for using the equity method, conducted a capital increase through a third-party allotment during the three months ended June 30, 2021. As a result, share of profit of associates accounted for using the equity method of ¥4,368 million was recorded in the condensed consolidated income statement during the nine months ended December 31, 2021.

6. Significant subsequent events

Not applicable.