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Notice Regarding Partial Revision of Basic Policy for Internal Control Systems

As described in the disclosure of today titled “Notice Regarding Strengthening Corporate Governance and Internal Controls,” DeNA Co., Ltd. has conducted comprehensive discussions about further enhancing our corporate governance and internal controls. In addition to this, at the Board of Directors meeting held today, DeNA decided upon the “Basic Policy for Internal Control Systems,” as described below.

1. System for Ensuring Compliance by Directors and Employees of the Company and its Subsidiaries with Laws, Regulations and the Articles of Incorporation in Performing Their Duties

- Directors, executive officers and employees of the Company and its consolidated subsidiaries (collectively, the “Group”) shall redefine and seek to embody the Group’s mission, “Delight and Impact the World,” in each of their business areas.
- Directors, executive officers and employees of the Group shall be required to be cognizant of its corporate social responsibility and to engage in their daily duties in accordance with the Group’s code of conduct and the requirements of “DeNA Quality,” in full compliance with applicable laws and regulations and in a manner consistent with social norms and ethical standards. The heads of the various organizational units, such as executive officers, unit heads and general managers, shall operate their respective units to ensure that each member conducts their affairs in a manner consistent with the foregoing.
- The Company shall establish a department responsible for the compliance and risk management of the Group (the “Compliance and Risk Management Unit”). The Compliance and Risk Management Unit shall be responsible for (a) implementing training programs (such as compliance training programs) to ensure that the conduct of individual employees and the organization comply with applicable laws and regulations and conform to social norms and ethical standards, (b) establishing and operating the Group’s compliance program that includes monitoring by internal audit or other control functions and operating a whistleblowing hotline system. The head of the Compliance and Risk Management Unit shall provide periodic updates to the representative directors and Board of Directors regarding the status of the Unit’s activities.
- The internal audit department shall conduct the internal audit of the Group and provide periodic updates to the representative directors and Board of Directors regarding the status of its activities.
- The whistleblowing hotline system shall apply to the Group’s directors, executive officers and employees, as well as those formerly but no longer employed by the Group and employees of its business partners, among others. In addition, in order to ensure that the abovementioned people are appropriately aware of and able to utilize this system, the Company shall appropriately ensure that they are aware of the importance of this system and establish multiple points of contact for reporting purposes (such as corporate auditors, outside legal counsel and other professionals that are independent of management), in addition to an internal contact point for reporting. The Company’s whistleblowing hotline system shall also ensure appropriate confidential treatment to enable any of the abovementioned people to consult or report without fear of retaliation.

- The Corporate Unit shall check and manage the Company's business partners and adopt measures to firmly and systematically deal with any anti-social forces that threaten the order and safety of society or the Company's sound business operations.

2. System for the Storage and Management of Information Related to the Performance by the Directors of Their Duties

- With respect to the storage and management of information relating to the performance by the Company's directors of their duties, the Corporate Unit shall have overall responsibility and, depending on the nature of the information, designate the departments responsible for the storage and management of that information in the Company's internal rules and regulations.
- These responsible departments shall appropriately record, store and manage the abovementioned information for the requisite period of time in a manner consistent with applicable law and the Company's internal rules relating to document management and other relevant internal rules. Depending on the medium of storage, these responsible departments shall ensure that said information is consistently stored safely and in an efficiently searchable way, and respond promptly to requests from directors and corporate auditors to access that information.

3. Regulations and Other Systems Relating to the Management of Risk of Loss in the Group

- Each executive officer, unit head and general manager of organizational units shall be responsible for the analysis, evaluation and management of risks relating to or arising from business operations and the duties of the organizational unit for which they are responsible.
- The Compliance and Risk Management Unit shall be responsible for the following:
 - administration of the Group's risk management processes (including the assessment, management, and monitoring of risk) and risk management support for each department;
 - (a) in coordination with the Corporate Unit, the internal audit department and all risk management committees, (A) comprehensive assessment of the Group's business and operational risks, (B) preparation of a summary of the results of analysis, evaluation and measures against risk and (C) continuous and centralized management and monitoring of risk-related information; (b) periodic reporting of such management and monitoring to the Board of Directors, the corporate auditors and management meetings; and (c) providing the views of the department on the deliberations and resolutions of the Board of Directors and management meetings of the Company and, as necessary, of any consolidated subsidiary of the Company;
 - in addition to the administration of the Company's whistleblowing hotline system, collection of primary risk-related information in coordination with the customer service, public relations and other related departments; establishment and administration of a system for taking into account feedback from customers and business partners to improve the business operations of the Company; and
 - In the case of any unexpected event, follow crisis management procedures to ensure prompt and accurate reporting, communication and handling of the issue.
- If the responsible head of the Compliance and Risk Management Unit has any concerns about the risk awareness and assessment of any representative director or executive officer in their business judgment, they may directly raise those concerns at any meeting of the Board of Directors or management meeting of the Company or, as necessary, at the meeting of the Board of Directors of any consolidated subsidiary of the Company.
- The Company's Board of Directors shall appoint and remove the responsible head of the Compliance and Risk Management Unit through a resolution.
- Security and management of information assets (including personal information) and compliance with related laws and regulations are of critical importance to the business operations of the Group. Accordingly, a committee chaired by the President & CEO of the Company shall have exclusive jurisdiction over matters relating to the foregoing, and the information security department shall manage such matters under the basic policies established by that committee and in coordination with the Compliance and Risk Management Unit.
- If the Compliance and Risk Management Unit becomes aware (through the internal audit department, internal reporting or otherwise) of any material violation of laws, regulations or the Articles of Incorporation, any inappropriate action or any possibility of serious risk of loss on the Company, it shall promptly report to the Company's directors (other than directors who may have a conflict of interest) and corporate auditors.

4. System for Ensuring Efficient Performance by the Directors of the Group of Their Duties

- With a view to promoting efficiency in the performance of duties and the delegation of authority related to the business execution, in addition to the Company's executive officer system, the Company will appoint an executive officer, commissioned by the Board of Directors or by a representative director, to be responsible for each business unit.
- The representative directors shall administer and supervise the Company's executive officers.
- From the standpoint of supervising the Company's business execution, the Board of Directors shall review the matters to be resolved at the meeting of the Board of Directors and arrange appropriate delegation of duties.
- The Corporate Unit, in coordination with the executive officers or any director or corporate auditor dispatched from the Company, shall monitor and support the business execution of each consolidated subsidiary to ensure efficient operation in accordance with the rules of its board of directors and other applicable rules and regulations established by each subsidiary.
- The authority and responsibilities of the directors of the Group in their roles shall be set forth in the rules of the Board of Directors, the rules concerning delegation of authority, the rules concerning duties and responsibilities and other internal rules of each company of the Group, which shall be reviewed in a timely and appropriate manner.
- With respect to managing the performance of its business operations, each Group company shall prepare an annual budget and business plan and in measuring each company's performance thereunder, manage its budget on a monthly basis, monitor on a weekly or daily basis any important operating ratios or figures and report in a timely and appropriate manner to the Board of Directors any information necessary for business management.

5. Other Systems for Ensuring Sound Business Operations in the Group

- The Company shall dispatch directors and/or corporate auditors to its main subsidiaries, monitor, supervise and audit the performance by the directors of their duties at those subsidiaries and receive reports on the business execution of those subsidiaries from the dispatched directors and/or auditors.
- Each subsidiary, in accordance with the Company's rules and regulations relating to the management of subsidiaries, periodically shall report to and (on important matters) engage in prior consultation with the executive officer responsible for the relevant business area (in the case of each subsidiary's business operations) and the Corporate Unit (in the case of each subsidiary's business management).
- The internal audit department shall audit the Company's management of its subsidiaries and the business operations of those subsidiaries and verify the effectiveness of the Group's internal controls.

6. Matters Relating to Providing Personnel Support to Corporate Auditors

- The Company shall establish an office responsible for providing support to its corporate auditors (the "Corporate Auditors Office"), appoint full-time members of that office and assign an additional number of employees to that office as may be appropriate to respond to requests for assistance from its corporate auditors.

7. Matters Relating to Independence of Personnel Providing Support to Corporate Auditors and Ensuring Effective Instruction to Said Personnel

- With respect to any matter that is being handled at the request of a corporate auditor, no member of the Corporate Auditors Office shall receive orders or instructions from any director, executive officer or their superior. In addition, any appointment, transfer or evaluation of those members shall be subject to the approval of the standing corporate auditor.

8. System for Reporting by Directors and Employees of the Group to Corporate Auditors and Other Systems for Reporting to Corporate Auditors

- The Corporate Auditors Office shall establish an appropriate setting for the corporate auditors to effectively perform their duties by facilitating their participation in Board of Directors meetings, management meetings and other important meetings of the Company and their review of documents and related materials relating to resolutions.

- At important meetings such as the Board of Directors meetings and management meetings, directors responsible for business execution and executive officers shall report on the operating status of the businesses for which they are responsible.
- Each of the Compliance and Risk Management Unit and the internal audit department shall report on its activities to the representative directors and the Board of Directors as well as to the corporate auditors.
- Directors and employees of the Group, promptly upon becoming aware thereof, must notify the corporate auditors of any material violation of laws and regulations or the Articles of Incorporation, any inappropriate activity and any matter that may result in serious loss or damage to the Group. In addition, the corporate auditors shall be entitled at any time as necessary to seek information from directors and employees of the Group.
- The Group shall establish a system to ensure that a person who reports to a corporate auditor or makes a report under the whistleblowing hotline system is not treated disadvantageously by virtue of having made that report.

9. Other Systems to Ensure Effective Oversight by Corporate Auditors

- The Company, primarily through the Corporate Auditors Office, shall establish a system to enable corporate auditors to perform an effective audit of the Company. That system shall provide for meetings between corporate auditors and outside (accounting) auditors to exchange views and information, as well as liaising with outside directors and periodic meetings with inside directors in response to any request from the corporate auditors.
- A corporate auditor at their discretion may consult with legal advisors other than the Company's regular legal advisors and other outside professionals on matters that they deem such consultation to be necessary in the performance of their oversight duties.
- In the event a corporate auditor seeks up-front payment or reimbursement of any costs relating to the performance of their duties, the Company shall promptly make that payment or reimbursement unless it is determined that said payment or reimbursement is not necessary for the corporate auditor's performance of their duties.

10. System for Ensuring Accuracy of Financial Reporting

- With the Compliance and Risk Management Unit as the responsible department, and pursuant to this basic policy and the "Basic Policy Regarding Internal Controls Relating to Financial Reporting" to be separately established, a representative director shall implement and administrate the Company's internal controls relating to financial reporting.
- The Board of Directors shall supervise as appropriate the Company's internal controls relating to financial reporting as administered by a representative director.

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