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## Consolidated Financial Results for the Three Months Ended June 30, 2017 [IFRS]

August 9, 2017

Company name: DeNA Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 2432

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

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Scheduled date of filing quarterly securities report: August 10, 2017

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 Three Months Ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

#### (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	%
Three months ended June 30, 2017	36,455	(4.8)	6,396	(13.0)	8,083	14.8	5,606	5.1
Three months ended June 30, 2016	38,284	1.5	7,354	83.5	7,039	55.8	5,333	140.6

	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
Three months ended June 30, 2017	5,322	3.0	20,102	—	36.67	36.61
Three months ended June 30, 2016	5,168	152.2	273	(98.1)	35.63	35.57

#### (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 June 30, 2017	315,615	251,831	244,793	77.6
As of March 31, 2017	298,260	236,696	229,666	77.0

## 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, 2017	—	0.00	—	32.00	32.00
Fiscal year ending March 31, 2018	—				
Fiscal year ending March 31, 2018 (Forecast)		0.00	—	—	—

(Note) The dividend forecast for the fiscal year ending March 31, 2018 has not been determined at this time.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

(% changes from the previous corresponding period)

	Revenue		Operating profit		Profit for the period attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	72,800	(4.9)	14,200	(6.7)	10,600	(5.6)	73.04
Full year	—	—	—	—	—	—	—

(Note) At the timing of the quarterly financial results disclosure, the Company discloses the financial results forecast for the following quarter.

### \* 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 June 30, 2017	150,810,033 shares
As of March 31, 2017	150,810,033 shares

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

As of June 30, 2017	5,662,622 shares
As of March 31, 2017	5,721,342 shares

3) Average number of shares during the period:

Three months ended June 30, 2017	145,118,051 shares
Three months ended June 30, 2016	145,044,260 shares

(Note) The 366,968 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 June 30, 2017, and the 425,754 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, 2017.

\* This report of quarterly consolidated financial results is outside the scope of quarterly review.

\* 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. For conditions prerequisite to the financial results forecast, etc., please refer to "1. Overview of Operating Results and Financial Position (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" on page 4 of the Appendix.

(2) Dividend Forecast

With regard to the dividend forecast for the fiscal year ending March 31, 2018, as the Company decides the dividend amount taking into consideration the financial results and other factors for each fiscal year, an announcement of the expected dividend amount will be promptly made when it is possible to disclose the full-year financial results forecast. Currently, the Company expects to provide a dividend forecast at the time of the announcement of financial results for the third quarter of the fiscal year ending March 31, 2018.

(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 August 9, 2017. The briefing materials to be distributed at the 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.

\* Definition of Terms

As used in this consolidated financial results, references to "DeNA" and the "DeNA Group" are to DeNA Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group") except as the context otherwise requires or indicates.

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## 1. Overview of Operating Results and Financial Position

### (1) Overview of Operating Results

During the three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017), the Japanese economy continued on a mild recovery track.

Under these conditions, during the fiscal year ending March 31, 2018, the Group is making efforts to enhance corporate value over the mid to long term by continuing to work on strengthening its Game Business, which is the Group's principal business, while in the long term strengthening its business portfolio to develop multiple new business pillars for further mid to long term growth.

During the three months ended June 30, 2017, revenue decreased year-on-year. Despite a year-on-year increase in revenue of the Sports Business, there was a revenue decline in the Game Business and other businesses.

Cost of sales and selling, general and administrative expenses in total decreased on a year-on-year basis. In addition to a decrease in commission fees related to settlement of in-game fees, sales promotion expenses and advertising expenses were used mainly for promising game titles under appropriate control.

Finance income increased year-on-year mainly due to an increase in dividend income. Finance costs decreased year-on-year as exchange losses that were recorded in the three months ended June 30, 2016 as a result of the appreciation of the yen turned into exchange gains during the three months ended June 30, 2017.

As a result, revenue of the DeNA Group was ¥36,455 million, down 4.8% year-on-year, operating profit was ¥6,396 million, down 13.0% year-on-year, profit before tax was ¥8,083 million, up 14.8% year-on-year, and profit for the period attributable to owners of the parent was ¥5,322 million, up 3.0% year-on-year.

Business performance by segment is as follows.

Starting from the three months ended June 30, 2017, changes have been made to the method of calculating segment profit (loss). In association with this change, segment profit (loss) for the three months ended June 30, 2016 has also been compared and analyzed after the restatement.

For details, please refer to "2. Condensed Consolidated Financial Statements and Principal Notes (7) Notes to Condensed Consolidated Financial Statements 1. Segment information" of the Appendix.

#### 1) Game Business

Revenue of the Game Business was ¥24,294 million, down 7.1% year-on-year, and segment profit was ¥7,349 million, up 7.0% year-on-year.

While virtual currency consumption for browser titles declined year-on-year, virtual currency consumption for native app titles increased year-on-year both domestically and internationally thanks to the release of collaborative titles with Nintendo Co., Ltd. in the fiscal year ended March 31, 2017, as well as the strong performance of existing titles in the domestic market.

#### 2) E-commerce Business

Revenue of the E-commerce Business was ¥3,954 million, down 14.7% year-on-year, and segment loss was ¥534 million, compared with segment profit of ¥422 million for the same period of the previous fiscal year.

While the transaction volumes of travel agency services and processing settlement services grew steadily, revenue decreased year-on-year mainly due to a decline in usage of auction services, as well as the transfer of the businesses which had been operating under the names "DeNA Shopping" and "au Shopping Mall" in December 2016.

Further, the Company recorded ¥872 million in cost of sales for the three months ended June 30, 2017 as corrections of costs attributed to the Company's subsidiary DeNA Travel before March 31, 2017.

#### 3) Sports Business

Revenue of the Sports Business was ¥6,320 million, up 15.8% year-on-year, and segment profit was ¥2,247 million, up 25.5% year-on-year. Yokohama DeNA Baystars Baseball Club, Inc. performed strongly, with an increase in attendance at home games.

#### 4) New Businesses and Others

Revenue of the New Businesses and Others was ¥2,112 million, down 7.9% year-on-year, and segment loss was ¥1,368 million, compared with segment loss of ¥1,183 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 such as the IP-generating platform business, healthcare business, automotive business and net service incubation business, as well as the media business (Note).

While revenue from this section declined year-on-year due to a decline in revenue from the media business, the Group worked to ensure proper costs and an appropriate organizational structure of this business.

(Note) From the fiscal year ending March 31, 2018, the business which had operated under the name of the curation platform business has been renamed the media business. All articles from the curation platform services operated by the former curation platform business have been withdrawn on and after December 7, 2016.

## (2) Overview of Financial Position and Cash Flows

### 1) Financial Position

Total assets at the end of the three months ended June 30, 2017 were ¥315,615 million, an increase of ¥17,355 million compared to the end of the previous fiscal year.

Current assets were ¥147,692 million, an increase of ¥2,065 million compared to the end of the previous fiscal year. This was due mainly to an increase in cash and cash equivalents by ¥2,625 million.

Non-current assets were ¥167,923 million, representing an increase of ¥15,290 million compared to the end of the previous fiscal year. This was due mainly to an increase in other non-current financial assets by ¥19,262 million.

Total liabilities at the end of the three months ended June 30, 2017 amounted to ¥63,783 million, an increase of ¥2,220 million compared to the end of the previous fiscal year.

Current liabilities were ¥55,891 million, an increase of ¥1,913 million compared to the end of the previous fiscal year. This was due primarily to an increase in other current liabilities by ¥2,958 million.

Non-current liabilities stood at ¥7,893 million, representing an increase of ¥307 million compared to the end of the previous fiscal year. This was due mainly to an increase of ¥1,231 million in deferred tax liabilities.

Total equity at the end of the three months ended June 30, 2017 was ¥251,831 million, representing an increase of ¥15,135 million compared to the end of the previous fiscal year. This was primarily attributable to an increase of ¥14,488 million in other components of equity.

In terms of liquidity, the liquidity ratio and ratio of equity attributable to owners of the parent were 264.3% and 77.6%, respectively, at the end of the three months ended June 30, 2017.

### 2) Cash Flows

Cash and cash equivalents (collectively, "cash") at the end of the three months ended June 30, 2017 increased by ¥2,625 million to ¥90,778 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 three months ended June 30, 2017 was ¥11,726 million, compared to a cash inflow of ¥5,794 million in the same period of the previous fiscal year. The principal cash inflow factors were ¥8,083 million in profit before tax, ¥3,129 million in decrease in trade and other current receivables and ¥2,588 million in depreciation and amortization, which offset the effect of ¥2,093 million in income tax paid.

(Investing activities)

Net cash used in investing activities for the three months ended June 30, 2017 was ¥3,136 million, compared to a cash outflow of ¥2,151 million in the same period of the previous fiscal year. The principal cash outflow factor was ¥3,340 million in acquisition of intangible assets.

(Financing activities)

Net cash used in financing activities for the three months ended June 30, 2017 was ¥5,924 million, compared to a cash outflow of ¥4,803 million in the same period of the previous fiscal year. The principal cash outflow factor was ¥4,460 million in cash dividends paid.

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

With regard to the consolidated financial results forecast, it is difficult to estimate the trend of the market in the Game Business, which is the Group's principal business, both in Japan and internationally. In addition, revenue is substantially affected by various uncertainties, such as user preferences and the existence of popular titles. Owing to these and other factors, the Group announces the financial results forecast for the following quarter at the time of each quarterly results announcement since it is not feasible to prepare highly reliable financial forecasts for the full year and half year.

As for the financial results forecast for the six months ending September 30, 2017, the Group expects revenue of ¥72,800 million, down 4.9% year-on-year, and operating profit of ¥14,200 million, down 6.7% year-on-year.

In the Game Business, the Group will work to strengthen the existing key titles and continue with efforts to launch new titles in Japan. For the global market, the Group will continue to develop titles through its business and capital alliance with Nintendo Co., Ltd, and the Group will also advance initiatives focused on titles in collaboration with external partners, including the development and operation of applications that utilize leading IP in China.

In the E-commerce Business, the Group will seek to expand transactions in the areas of travel agency services and processing settlement services.

In the Sports Business, the Group continues to aim to reach a higher level of attendance at the home games of the Yokohama DeNA Baystars for the 2017 season.

In the New Businesses and Others, the Group will promote initiatives for turning each business profitable through assessing their growth phase while ensuring thorough cost management and assessing investments appropriately.

Further, in the media business, SHOGAKUKAN Inc. and the Company established the joint venture MERY Co., Ltd., on August 8, 2017, with the aim of jointly operating a digital media business mainly focused on women's fashion. MERY Co., Ltd. is an equity method affiliate company. As of today, August 9, 2017, the Company does not plan to operate any media independently.

The forward-looking statements are based on information available and certain assumptions deemed reasonable as of the date of publication of this document, and contain many uncertain factors. Actual results may differ from the forecasts above due to a wide range of uncertain factors.

## 2. Condensed Consolidated Financial Statements and Principal Notes

### (1) Condensed Consolidated Statement of Financial Position

	(Millions of yen)	
	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and cash equivalents	88,152	90,778
Trade and other current receivables	42,361	39,238
Other current financial assets	1,643	3,051
Other current assets	13,470	14,626
Total current assets	145,627	147,692
Non-current assets		
Property and equipment	2,144	2,116
Goodwill	46,778	46,775
Intangible assets	17,529	18,071
Investments accounted for using the equity method	13,698	14,456
Other non-current financial assets	65,664	84,925
Deferred tax assets	6,793	1,551
Other non-current assets	28	28
Total non-current assets	152,633	167,923
Total assets	298,260	315,615



	(Millions of yen)	
	As of March 31, 2017	As of June 30, 2017
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other current payables	20,425	19,107
Income tax payables	1,556	1,873
Other current financial liabilities	16,501	16,456
Other current liabilities	15,496	18,454
<b>Total current liabilities</b>	<b>53,978</b>	<b>55,891</b>
<b>Non-current liabilities</b>		
Non-current provisions	838	838
Other non-current financial liabilities	4,164	3,252
Deferred tax liabilities	2,338	3,569
Other non-current liabilities	246	234
<b>Total non-current liabilities</b>	<b>7,586</b>	<b>7,893</b>
<b>Total liabilities</b>	<b>61,564</b>	<b>63,783</b>
<b>Equity</b>		
Common stock	10,397	10,397
Capital surplus	11,215	11,013
Retained earnings	191,870	192,516
Treasury stock	(12,225)	(12,029)
Other components of equity	28,409	42,897
<b>Total equity attributable to owners of the parent</b>	<b>229,666</b>	<b>244,793</b>
Non-controlling interests	7,030	7,038
<b>Total equity</b>	<b>236,696</b>	<b>251,831</b>
<b>Total liabilities and equity</b>	<b>298,260</b>	<b>315,615</b>

## (2) Condensed Consolidated Income Statement

	(Millions of yen)	
	Three months ended June 30, 2016	Three months ended June 30, 2017
Revenue	38,284	36,455
Cost of sales	(14,893)	(14,984)
Gross profit	23,391	21,471
Selling, general and administrative expenses	(16,154)	(14,988)
Other income	144	282
Other expenses	(27)	(368)
Operating profit	7,354	6,396
Finance income	258	992
Finance costs	(1,450)	(62)
Share of profit (loss) of associates accounted for using the equity method	878	758
Profit before tax	7,039	8,083
Income tax expense	(1,706)	(2,478)
Profit for the period	5,333	5,606
Attributable to:		
Owners of the parent	5,168	5,322
Non-controlling interests	166	284
Profit for the period	5,333	5,606
		(Yen)
Earnings per share attributable to owners of the parent:		
Basic earnings per share	35.63	36.67
Diluted earnings per share	35.57	36.61

## (3) Condensed Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit for the period	5,333	5,606
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	(1,960)	14,548
Other	1	-
Total other comprehensive income that will not be reclassified to profit or loss, net of tax	(1,959)	14,548
Components of other comprehensive income that may be reclassified to profit or loss, net of tax		
Foreign currency translation adjustments, net of tax	(3,090)	(52)
Other	(12)	0
Total other comprehensive income that may be reclassified to profit or loss, net of tax	(3,101)	(52)
Other comprehensive income, net of tax	(5,060)	14,496
Total comprehensive income for the period	273	20,102
Attributable to:		
Owners of the parent	133	19,809
Non-controlling interests	141	292
Total comprehensive income for the period	273	20,102

(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, 2016	10,397	10,250	163,711	(12,456)	17,306	189,208	7,120	196,328
Profit for the period	-	-	5,168	-	-	5,168	166	5,333
Other comprehensive income	-	-	-	-	(5,035)	(5,035)	(25)	(5,060)
Total comprehensive income for the period	-	-	5,168	-	(5,035)	133	141	273
Dividends recognized as distributions to owners	-	-	(2,900)	-	-	(2,900)	(1,994)	(4,894)
Increase (decrease) through treasury stock transactions	-	(196)	-	166	-	(30)	-	(30)
Increase (decrease) through share-based payment transactions	-	86	-	-	24	109	-	109
Transfer to capital surplus from retained earnings	-	35	(35)	-	-	-	-	-
Acquisition, disposal and other changes of non-controlling interests	-	-	-	-	-	-	577	577
Increase (decrease) through transfers and other changes	-	20	-	-	-	20	1,396	1,416
As of June 30, 2016	10,397	10,194	165,944	(12,290)	12,295	186,540	7,239	193,779

(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, 2017	10,397	11,215	191,870	(12,225)	28,409	229,666	7,030	236,696
Profit for the period	-	-	5,322	-	-	5,322	284	5,606
Other comprehensive income	-	-	-	-	14,488	14,488	8	14,496
Total comprehensive income for the period	-	-	5,322	-	14,488	19,809	292	20,102
Dividends recognized as distributions to owners	-	-	(4,643)	-	-	(4,643)	(1,177)	(5,820)
Increase (decrease) through treasury stock transactions	-	(247)	-	196	-	(51)	-	(51)
Increase (decrease) through share-based payment transactions	-	(30)	-	-	-	(30)	-	(30)
Transfer to capital surplus from retained earnings	-	56	(56)	-	-	-	-	-
Increase (decrease) through transfers and other changes	-	19	23	-	-	42	893	935
As of June 30, 2017	10,397	11,013	192,516	(12,029)	42,897	244,793	7,038	251,831

## (5) Condensed Consolidated Statement of Cash Flows

	(Millions of yen)	
	Three months ended June 30, 2016	Three months ended June 30, 2017
Operating activities		
Profit before tax	7,039	8,083
Depreciation and amortization	2,705	2,588
Interest and dividend income	(258)	(825)
Interest expenses	4	4
Decrease (increase) in trade and other current receivables	(151)	3,129
Increase (decrease) in trade and other current payables	652	(1,770)
Increase (decrease) in deposits received	(90)	355
Other, net	(415)	1,435
Subtotal	9,486	12,999
Dividends received	215	788
Interest paid	(4)	(4)
Interest received	43	37
Income tax paid	(3,946)	(2,093)
Net cash flows from (used in) operating activities	5,794	11,726
Investing activities		
Proceeds from sales and redemption of investment securities	1,705	554
Purchases of investment securities	(217)	(144)
Acquisition of property and equipment	(154)	(141)
Acquisition of intangible assets	(3,273)	(3,340)
Other, net	(212)	(66)
Net cash flows from (used in) investing activities	(2,151)	(3,136)
Financing activities		
Repayments of borrowings	(640)	(400)
Cash dividends paid	(2,827)	(4,460)
Proceeds from share issuance to non-controlling interests	561	-
Cash dividends paid to non-controlling shareholders	(1,994)	(1,154)
Proceeds from disposition of treasury stock	96	91
Net cash flows from (used in) financing activities	(4,803)	(5,924)
Net increase (decrease) in cash and cash equivalents	(1,160)	2,666
Cash and cash equivalents at beginning of period	75,169	88,152
Effect of exchange rate changes on cash and cash equivalents	(289)	(41)
Cash and cash equivalents at end of period	73,720	90,778

(6) Notes on Going Concern Assumption

Not applicable.

(7) Notes to Condensed Consolidated Financial Statements

1. 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 three reportable segments of the Group are classified as the “Game Business,” “E-commerce Business” and “Sports 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: Mobage, etc.
E-commerce Business	E-commerce-related services (provided in Japan and internationally) Principal services: DeNA Travel, Mobaoku, and processing settlement services, etc.
Sports Business	Sports-related services (provided in Japan) Principal services: Yokohama DeNA Baystars Baseball Club, operation of the Yokohama Stadium, Yokohama DeNA Running Club, etc.
New Businesses and Others	New businesses and other services (provided in Japan and internationally) Principal business domains (Note): IP-generating platform business, healthcare business, automotive business, net service incubation business, media business, etc.

(Note) Businesses stated as mobile social incubation business and curation platform business until the fiscal year ended March 31, 2017 were renamed to net service incubation business and media business from the three months ended June 30, 2017, respectively.

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

Accounting policies for reportable segments are identical to accounting policies adopted by the Group as stated in the consolidated financial statements for the fiscal year ended March 31, 2017.

Intersegment revenue is calculated based on external market prices.

Starting from the three months ended June 30, 2017, in order to more appropriately evaluate and manage the performance of each reportable segment, the basis of allocation of the Company’s common expenses was revised, and the method of calculating profit or loss of operating segments was changed.

Segment information for the three months ended June 30, 2016 was prepared based on the changed calculation method.

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

For the three months ended June 30, 2016  
(From April 1, 2016 to June 30, 2016)

(Millions of yen)

	Game Business	E-commerce Business*2	Sports Business	New Businesses and Others*3	Adjustments*4	Total
<b>Revenue</b>						
Revenue from external customers	26,105	4,429	5,455	2,294	—	38,284
Intersegment revenue	39	207	4	0	(251)	—
<b>Total</b>	<b>26,144</b>	<b>4,636</b>	<b>5,460</b>	<b>2,294</b>	<b>(251)</b>	<b>38,284</b>
Segment profit (loss)*1	6,870	422	1,791	(1,183)	(663)	7,237
Other income (expenses), net						117
Operating profit						7,354
Finance income (costs), net						(1,192)
Share of profit (loss) of associates accounted for using the equity method						878
Profit before tax						7,039

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

2 The shopping business was transferred effective December 28, 2016.

3 “New Businesses and Others” refer to operating segments that do not fall into any of the reportable segments, including IP-generating platform business, curation platform business, healthcare business, automotive business and mobile social incubation business.

Services in the curation platform business have been discontinued since December 7, 2016.

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 three months ended June 30, 2017  
(From April 1, 2017 to June 30, 2017)

(Millions of yen)

	Game Business	E-commerce Business	Sports Business	New Businesses and Others*2	Adjustments *3	Total
<b>Revenue</b>						
Revenue from external customers	24,286	3,778	6,278	2,112	—	36,455
Intersegment revenue	7	176	42	0	(226)	—
<b>Total</b>	<b>24,294</b>	<b>3,954</b>	<b>6,320</b>	<b>2,112</b>	<b>(226)</b>	<b>36,455</b>
Segment profit (loss)*1	7,349	(534)	2,247	(1,368)	(1,211)	6,482
Other income (expenses), net						(87)
Operating profit						6,396
Finance income (costs), net						929
Share of profit (loss) of associates accounted for using the equity method						758
Profit before tax						8,083

- (Notes) 1 Segment profit (loss) is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.
- 2 “New Businesses and Others” refer to operating segments that do not fall into any of the reportable segments, including IP-generating platform business, healthcare business, automotive business, net service incubation business and media business.
- 3 Adjustments in segment profit (loss) represent corporate expenses, which primarily include general and administrative expenses not attributable to any of the reportable segments.



## 2. Earnings per share

The basis for calculating earnings per share attributable to owners of the parent for the three months ended June 30, 2016 and 2017 are as follows:

	Three months ended June 30, 2016 (From April 1, 2016 to June 30, 2016)	Three months ended June 30, 2017 (From April 1, 2017 to June 30, 2017)
Profit for the period attributable to owners of the parent (Millions of yen)	5,168	5,322
Weighted average number of common shares outstanding during the period—basic (Shares)	145,044,260	145,118,051
Effect of dilutive potential common shares: Stock options, etc. (Shares)	235,823	239,474
Weighted average number of common shares outstanding during the period—diluted (Shares)	145,280,083	145,357,525
Earnings per share attributable to owners of the parent (Yen)		
Basic earnings per share	35.63	36.67
Diluted earnings per share	35.57	36.61

## 3. Significant Subsequent Events

Not applicable.