

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.



June 29, 2022

Company name: DeNA Co., Ltd.
(TSE Prime Stock Code: 2432)
Name of representative: Shingo Okamura, President & CEO
Contact person: Jun Oi, Member of the Board (CFO)
Tel.: 03-6758-7200

[Abridged Version] Notice on the Conclusion of Capital & Business Alliance Agreement with DATA HORIZON CO., LTD. (Securities Code: 3628), Commencement of Tender Offer for the Common Shares of DATA HORIZON CO., LTD. and Acceptance of Third-Party Allotment

DeNA Co., Ltd. (hereinafter “DeNA”) today decided to acquire the common shares of DATA HORIZON CO., LTD. (hereinafter “DATA HORIZON”), through the tender offer as prescribed under the Financial Instruments and Exchange Act (hereinafter the “Act”), and to accept third-party allotment made by DATA HORIZON. DeNA shall engage in a series of transactions given below based on the intention of turning DATA HORIZON CO., LTD. into its consolidated subsidiary.

(Note) This document is the abridged English version of a timely disclosure release titled “Notice on the Conclusion of Capital & Business Alliance Agreement with DATA HORIZON CO., LTD. (Securities Code: 3628), Commencement of Tender Offer for the Common Shares of DATA HORIZON CO., LTD. and Acceptance of Third-Party Allotment” made available on June 29, 2022 with the goal to support market participants’ understanding. To the extent there is any discrepancy between this English translation and the original Japanese version, please refer to the Japanese version. The full English translation of the original Japanese version is expected to be made available at a later date.

1. Background & objective

DeNA has strengths in providing health promotion support services that customers can use continually in their daily lives enjoyably, which was originally developed through providing healthcare services to customers including the healthcare entertainment app “kencom” as well as in analyzing data therefrom. Meanwhile, DATA HORIZON has strengths in standardizing medical big data from local governments, data analysis, and its severe diabetic nephropathy prevention management business.

DeNA and DATA HORIZON believe that they should, through further strengthening their collaboration thereby promptly building up a smooth relationship between them, be able to accelerate materializing their common objectives, namely the extension of healthy lifespans and the achievement of a zero primary balance for medical costs. The companies came to the conclusion that in order to make the alliance effective, it would be necessary to further enhance the cooperative relationship by making DATA HORIZON a

This press release may not be published, distributed or diffused in the United States of America. This press release is not an extension into the United States of the tender offer mentioned herein. Please see the important notice at the end of this press release.

consolidated subsidiary, and promote the business as one group to increase the corporate value for both companies. The companies continuously considered and discussed detailed measures, including enhancing the capital relationship, and as a result determined on these transactions today.

2. Summary of Data Horizon

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 <ul style="list-style-type: none"> • Data health related services • Generic drug notification services • Health business support systems 		
5)	Stated capital	456,600 thousand yen (as of March 31, 2022)		
6)	Established	March 25, 1982		
7)	Shareholding percentage of major shareholders* (as of December 31, 2021)	Yoshio Utsumi		19.98%
		DeNA Co., Ltd.		12.90%
		MSIP CLIENT SECURITIES (Standing proxy Morgan Stanley MUFG Securities Co., Ltd.)		8.19%
		Benefit One Inc.		7.06%
8)	Relationship between DATA HORIZON and DeNA			
	Capital relationship	DeNA owns 1,370,100 of DATA HORIZON shares (as of March 31, 2022).		
	Personnel relationship	DeNA has dispatched Mr. Sho Segawa as a director to DATA HORIZON. DeNA has also seconded three employees to DATA HORIZON.		
	Transactional relationship	DeNA and DATA HORIZON have concluded a capital & business alliance agreement. Furthermore, DeSC Healthcare Inc., a subsidiary of DeNA, has concluded a business alliance agreement with DATA HORIZON and is conducting transactions related to the outsourcing of data cleansing and other services.		
	Applicability to related parties	No applicable items.		

*The shareholding percentage stated in “Shareholding percentage of major shareholders (as of December 31, 2021) is the percentage of the number of shares held to the total number of shares issued by DATA HORIZON (rounded to two decimal places).

(Reference)

DATA HORIZON’s consolidated results for the fiscal year ended June 30, 2021

	Revenue	Operating profit	Ordinary income	Net income for the period attributable to owners of the parent	Net income for the period per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Consolidated results (Fiscal year ended June 30, 2021)	3,330	348	363	283	80.20

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3. Summary of the series of transactions

DeNA will carry out a series of transactions ((1) to (3) below) with the objective of turning DATA HORIZON into DeNA's consolidated subsidiary. The transactions would not envisage delisting of DATA HORIZON shares, and DeNA as well as DATA HORIZON intend to maintain the listing of DATA HORIZON shares after the transactions.

(1) The tender offer by DeNA to DATA HORIZON

The maximum and minimum of the tender offer is 3,148,600 shares, the tender offer price is 2,200 yen, and the tender offer period is Thursday, June 30, 2022 to Thursday, July 28, 2022.

The tender offer price is to be set at 2,200 yen, a premium of 30.49% over the closing price of DATA HORIZON's shares on the Growth Market of the Tokyo Stock Exchange on June 28, 2022, the business day prior to the announcement of the tender offer.

The purchase price is expected to be 6,926,920 thousand yen, which is the number of shares to be purchased in the tender offer (3,148,600 shares) multiplied by the tender offer price (2,200 yen).

(Note) If the total number of tendered share certificates, etc. for the tender offer (referring to the share certificates, etc. for which shareholders accepted the tender offer; hereinafter the same) falls short of the lower limit of the scheduled number of shares to be purchased (3,148,600 shares), none the tendered share certificates, etc. shall be purchased. On the other hand, if the total number of the tendered share certificates, etc. exceeds the maximum number of share certificates, etc. to be purchased (3,148,600 shares), the excess will not be purchased in whole or in part, and delivery and other settlement procedures relating to the purchase, etc. of the share certificates, etc. will be conducted through the pro rata method prescribed in Article 27-13, paragraph 5 of the Act, as well as Article 32 of the Cabinet Office Ordinance Regarding Disclosure of Tender Offer for Share Certificates, etc., by Entities Other Than Issuers (Ordinance of Ministry of Finance No. 38 of 1990 as amended).

If DATA HORIZON submits a position statement requesting an extension of the tender offer period pursuant to Article 27-10, paragraph 3 of the Act, the tender offer period will be extended to August 12, 2022 (Friday) (30 business days).

(2) Underwriting of third-party allotment by DATA HORIZON

On the condition that the tender offer is implemented, DeNA will underwrite a third-party allotment of newly issued common shares by DATA HORIZON. DeNA expects to receive 2,016,600 DATA HORIZON shares for 3,399,988 thousand yen.

The paid-in amount of the third-party allotment of 1,686 yen is the closing price of DATA HORIZON's shares on the Growth Market of the Tokyo Stock Exchange on June 28, 2022, the business day prior to the date of the Board of Directors resolution for the Board of Directors meeting held on June 29, 2022 regarding the third-party allotment.

The ownership ratio after reflecting the potentially dilutive shares after capital increase is expected to go from 10.69% to 50.97%.

(3) DATA HORIZON turning DeSC Healthcare, Inc. into its subsidiary

The tender offer and third-party allotment is a condition of the conversion of the DeNA subsidiary DeSC Healthcare into a consolidated subsidiary of DATA HORIZON. To effect this, DeNA plans to transfer all of its held DeSC Healthcare shares (95% of DeSC Healthcare's issued shares) to DATA HORIZON in October 2022 for 3,400,008 thousand yen.

As of today 5% of DeSC Healthcare's issued shares are held by Sumitomo Corporation, and after October 1, 2022 Sumitomo Corporation expects to continue to hold said shares.

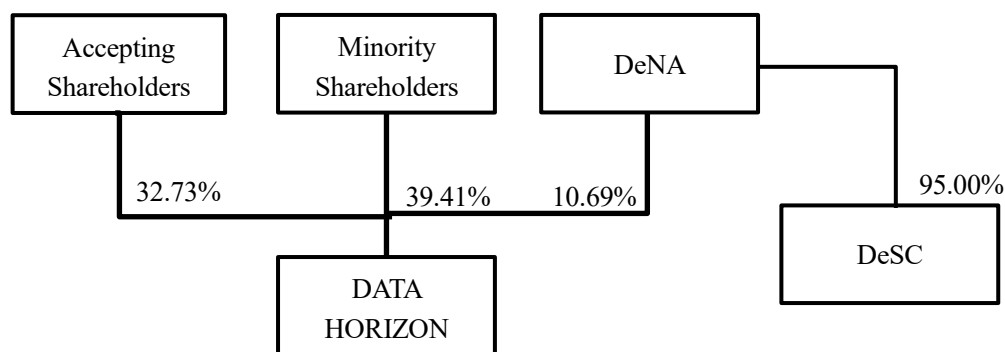
DeSC Healthcare and DATA HORIZON concluded a business alliance agreement on April 2, 2020 to support health promotion for people and initiatives to rationalize national medical costs in Japan. As DeSC Healthcare and DATA HORIZON enhanced their alliance, they claimed that it would be possible to integrate the DATA HORIZON and DeSC Healthcare databases, create a database of the insured throughout Japan that covers health insurance societies through local governments, and accelerate initiatives in the data use business, which is in the public interest. For this reason, as a part of the transactions DeSC Healthcare is planned to be converted into subsidiary of DATA HORIZON (hereinafter the “DeSC Subsidiary Conversion”).

The funds raised through the third-party allotment are expected to be used as the purchase funds required to acquire all DeSC Healthcare shares held by DeNA (95% of DeSC Healthcare’s issued shares).

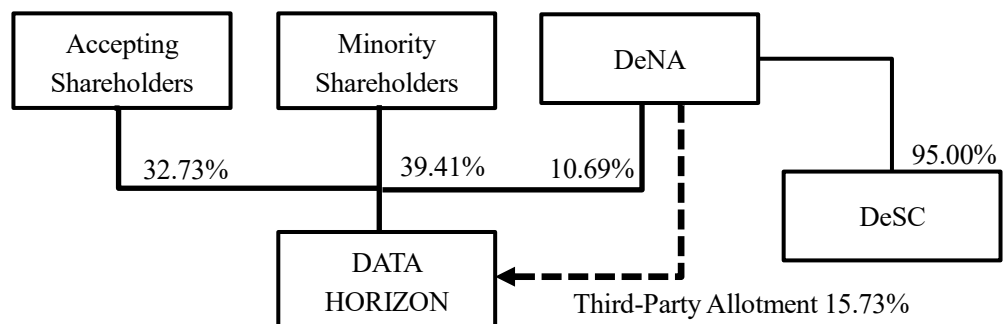
Diagrams of the Transactions Scheme

(Note) The ownership ratios for DATA HORIZON shares shown in diagrams I. to V. below are after reflecting the potentially dilutive shares after capital increase, and do not include 1.44% equivalent to 184,500 shares to be delivered upon exercise of 615 stock acquisition rights issued today by DATA HORIZON.

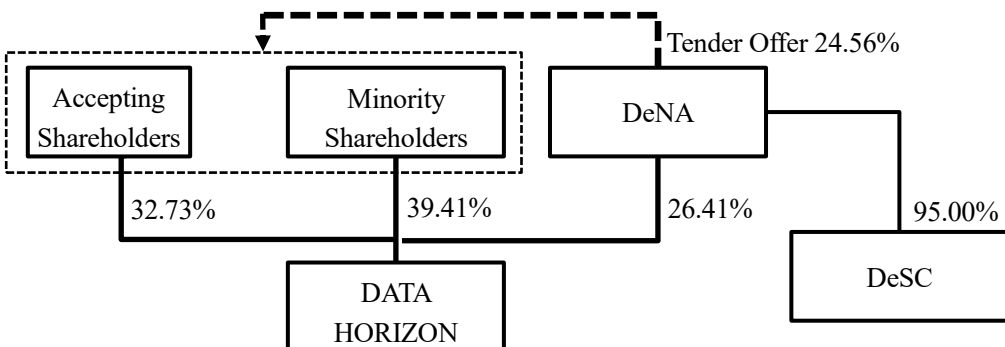
I. Present



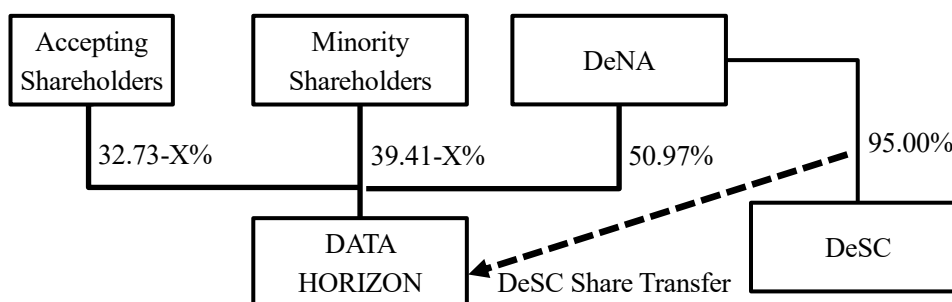
II. Third-Party Allotment (Payment date: August 3, 2022, Payment period: July 29, 2022 – August 28, 2022)



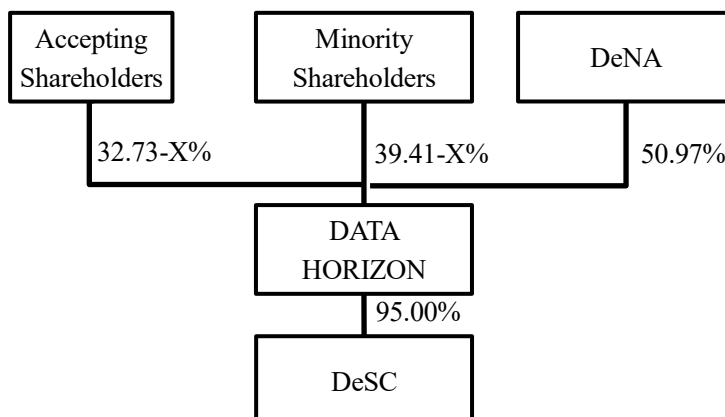
III. Tender Offer (Offer period: June 30, 2022 – July 28, 2022, Settlement commencement date: August 4, 2022)



IV. DeSC Subsidiary Conversion (Implementation date: October 1, 2022)



V. After Transactions Complete



(Note) In the capital & business alliance agreement, DATA HORIZON and DeNA have agreed to discuss and consider in good faith the possibility of merging the DATA HORIZON and DeSC Healthcare at an appropriate time after the implementation of the transactions, including the implementation of an absorption-type merger in which DATA HORIZON will be the surviving company and DeSC Healthcare will be the absorbed company. DeNA intends to explore the appropriateness of completely merging DATA HORIZON and DeSC Healthcare into one legal entity, including the impact on the operations of each company, etc.

(Note) In the capital & business alliance agreement DATA HORIZON and DeNA have agreed that at an appropriate time after the implementation of the transactions, DATA HORIZON will change its name to DeHORIZON Co., Ltd.

Transactions Schedule (planned)

Summary	Schedule
Board of Director's meeting resolution (DeNA) Start tender offer, conclude capital & business alliance agreement Underwrite third-party allotment, conclude DeSC Healthcare share transfer agreement (DATA HORIZON) Opinion on the tender offer and execution of the capital & business alliance agreement Implement third-party allotment, conclude DeSC Healthcare share transfer agreement	June 29, 2022
Tender offer period (planned)	June 30, 2022 – July 28, 2022 (20 business days)

Payment period for third-party allotment (planned)	July 29, 2022 - August 28, 2022
Tender offer settlement commencement date (planned)	August 4, 2022
DeSC Healthcare share transfer date (planned)	October 1, 2022

4. Synergy from the transactions

DeNA shall aim to implement the following specific measures while materializing synergy, with a view to further enhancing corporate value of both the DeNA and DATA HORIZON Groups (hereinafter referred to as “Both Groups”).

(1) Further enhancement of collaboration and synergy creation between the DeNA’s healthcare business, DATA HORIZON and DeSC Healthcare

DeNA shall be working together with Both Groups to provide solutions to a variety of public health management businesses, handling a range of people from healthy individuals to high-risk individuals, such as the elderly and those with preexisting conditions, with a view to further expanding their market shares in the public health management sector, targeting primarily local governments across the country. Specifically, Both Groups shall endeavor to strengthen sales capabilities, expand distribution channels, and develop new products through mutual collaboration. Meanwhile, through the transactions DATA HORIZON will become a consolidated subsidiary of the DeNA, and DeSC Healthcare will become a subsidiary of DATA HORIZON, and as Both Groups, promptly after the DeSC Subsidiary Conversion, DATA HORIZON and DeSC Healthcare shall integrate their databases to create a database that serves a wide range of health insurance providers from health insurance societies and local governments, thereby covering all ages of population, thereby accelerating the progress in the data utilization business that serves public interest, thus enhancing the share in this market.

(2) Synergy creation through collaboration between DATA HORIZON and DeNA’s businesses other than the healthcare business, along with the utilization of DeNA’s assets

By strengthening collaboration with DeNA’s businesses other than the healthcare business, such as the sports business and the smart city business, DATA HORIZON expects to be able to endeavor to achieve expansion of its existing distribution channels including local municipalities, as well as enhancement of sales and marketing capabilities, while strengthening new DATA HORIZON product development and data analysis techniques through further utilizing the technological capabilities of the DeNA Group, not least in the areas of AI.

5. Management policy after the transactions

The shares of DATA HORIZON will remain listed on the Growth Market of the Tokyo Stock Exchange after the transactions, and DATA HORIZON will continue its management as a listed company.

Pursuant to the capital & business alliance agreement, DATA HORIZON plans to submit a proposal for the election of directors to the effect that DATA HORIZON will appoint three (3) persons proposed by DeNA as directors of DATA HORIZON at the ordinary general meeting of shareholders of DATA HORIZON for the fiscal year ending June 30, 2022. Additionally, pursuant to the capital & business alliance agreement, the number of representative directors of DATA HORIZON will be two, and DATA HORIZON plans to select the person proposed by DeNA as one of them at the first meeting of its Board of Directors to be held after the conclusion of this ordinary general meeting of shareholders.

The tender offer is not directly or indirectly conducted within the United States or aimed at the United States, does not use the United States Postal Service or any methods or means of interstate commerce or international

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commerce (including but not limited to telephone, telex, facsimile, e-mail and Internet communication), and is not conducted through securities exchange facilities within the United States.

Under the tender offer, shares may not be tendered using the above methods and means, through the above facilities, or from within the United States. Any purported acceptance of the tender offer resulting directly or indirectly from a violation of these restrictions will not be accepted. No securities or other consideration is being solicited in the United States and if sent in response by a resident of the United States of America will not be accepted. No indications of interest in the tender offer are sought by this press release.

Furthermore, the tender offer notice and other related purchase documents concerning the tender offer may not be sent or distributed to the United States, nor sent or distributed using postal or other methods within, to, or from the United States. Any tenders under the tender offer which violate the above restrictions directly or indirectly shall not be accepted.

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.

This press release may not be published, distributed, diffused or otherwise sent into the United States of America (including its territories and possessions, every State in the United States and the District of Columbia). This press release does not constitute an extension into the United States of the tender offer mentioned in this press release.

<p><u>For inquiries please contact:</u> IR Department (ir@dena.com) DeNA Co., Ltd. (https://dena.com)</p>
