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DeNA



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Company name:	DeNA Co., Ltd. (TSE Prime Stock Code: 2432)
Name of representative:	Shingo Okamura, President & CEO
Contact person:	Takaaki Otani, Head of the Corporate Unit
Tel.:	03-6758-7200

Notice Regarding Issuance of Stock Options (Stock Acquisition Rights)

DeNA Co., Ltd. would like to announce that in a Board of Directors meeting held today, it passed a resolution to issue stock acquisition rights in the form of stock options to a portion of employees who have important roles in business operations under Article 236, Article 238, and Article 240 of the Companies Act.

I. Reasons for the issuance of stock acquisition rights in the form of stock options

Stock acquisition rights will be issued to DeNA managing executive officers and group executives who are at the center of the Group business operations with the aim of enhancing their motivation and morale to grow DeNA corporate value in the mid to long term.

II. Matters related to the offer of stock acquisition rights

1. Number of newly issued stock acquisition rights

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The total number of shares that can be acquired by exercising these stock acquisition rights shall be 79,300 shares of common stock. If the number of shares to be allotted through these stock acquisition rights is adjusted as per 3. (1) below, then the total number of shares to be allotted shall be the number of shares to be allotted after the adjustment multiplied by the number of stock acquisition rights.

2. Monies to be paid in exchange for the stock acquisition rights

No monies are required to be paid in exchange for these stock acquisition rights.

These stock acquisition rights are allotted as compensation for labor. The lack of requirement for payment of monies does not qualify as favorable issue.

3. Details of the stock acquisition rights

(1) Class and number of shares to be acquired upon exercise of the stock acquisition rights

One hundred shares of common stock will be acquired upon exercise of each stock acquisition right (hereinafter referred to as the "Number of Shares to be Allotted").

If DeNA carries out a share split (including allotments of common stock without compensation, and the same shall apply below) or a share consolidation after the allotment date for the stock acquisition rights, then the Number of Shares to be Allotted shall be adjusted using the following formula. The adjustment shall be made only to the Number of Shares to be Allotted for the stock acquisition rights

that have not yet been exercised at the time of the adjustment. Any amount less than one share arising from the adjustment shall be rounded down.

Number of Shares to be Allotted after the adjustment = Number of Shares to be Allotted before the adjustment x Ratio of split (consolidation)

In the event DeNA carries out a merger, company split, reduction of the amount of stated capital, or another instance where it becomes necessary to adjust the Number of Shares to be Allotted for the stock acquisition rights after the allotment date, this adjustment may be made by DeNA within a reasonable scope.

(2) Amount of assets or calculation method for assets to be contributed upon exercise of the stock acquisition rights

The amount of assets to be contributed upon exercise of the stock acquisition rights shall be the amount calculated by multiplying the amount per share of the assets to be contributed upon exercise of the stock acquisition rights determined in accordance with the following (hereinafter referred to as the "Exercise Price") by the Number of Shares to be Allotted.

The Exercise Price shall be the average of the closing price of DeNA's common stock in regular trading on the Tokyo Stock Exchange, Inc. on each day of the month two months prior to the month in which the stock acquisition rights are allotted (excluding days on which no trading is conducted) multiplied by 1.05 (with any fraction less than one yen being rounded up). However, if such amount is less than the closing price of DeNA's common stock on the day stock acquisition rights are allotted (or the closing price of the most recent trading day prior to the allotment date if no trading has taken place), the Exercise Price shall be the above relevant closing price.

If DeNA carries out a share split or share consolidation after the allotment date, the Exercise Price will be adjusted in accordance with the following formula, and any fraction less than one yen resulting from the adjustment shall be rounded up to the nearest whole yen.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of split (or consolidation)}}$$

If after the allotment date DeNA issues new shares or disposes of treasury shares of DeNA's common stock at a price less than the market value (excluding issuance of new shares and disposal of treasury shares upon exercise of stock acquisition rights, and transfer of treasury shares by means of share exchange), the Exercise Price will be adjusted in accordance with the following formula, and any fraction less than one yen resulting from the adjustment shall be rounded up to the nearest whole yen.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of issued shares} + \frac{\text{Number of newly issued shares} \times \text{Amount to be paid per share}}{\text{Market value per share before new issuance}}}{\text{Number of issued shares} + \text{Number of newly issued shares}}$$

The "Number of issued shares" in the above formula is the total amount of issued shares of DeNA common stock less the number of treasury shares of DeNA common stock. If the treasury shares of DeNA common stock are disposed of, then the "Number of newly issued shares" shall be read as the "Number of treasury shares disposed of," the "Market value per share before new issuance" shall be read as the "Market value per share before disposal," and the "Amount to be paid per share" shall be read as the "Amount to be disposed of per share."

In addition to the above, if after the allotment date, DeNA carries out a merger or company split, or another instance where it becomes necessary to adjust the Exercise Price after the allotment date, this

adjustment may be made by DeNA within a reasonable scope.

(3) Period during which stock acquisition rights may be exercised

The period where stock acquisition rights may be exercised (hereinafter referred to as the “Exercise Period”) shall be June 1, 2025 to May 31, 2030.

(4) Matters related to increasing the stated capital and capital reserves

- i. The amount of stated capital to be increased when issuing shares upon the exercise of stock acquisition rights shall be one-half of the maximum amount of stated capital increase calculated in accordance with Article 17, Paragraph 1 of the Regulation on Corporate Accounting, and any amount less than one yen resulting from the calculation will be rounded up to the nearest whole yen.
- ii. The amount of capital reserve to be increased when issuing shares upon the exercise of the stock acquisition rights shall be the amount obtained by subtracting the amount of stated capital to be increased as set out in i. above from the maximum amount of increase of stated capital set out in i. above.

(5) Restrictions on acquiring stock acquisition rights through transfers

Acquiring stock acquisition rights through transfer shall require approval by a resolution from the DeNA Board of Directors.

(6) Conditions for exercising stock acquisition rights

- i. Holders of stock acquisition rights must be a director, corporate auditor, or employee of DeNA or an affiliated company on March 31, 2024. However, this shall not apply to cases where the Board of Directors recognizes that there is a justifiable reason, such as mandatory retirement.
- ii. The exercise of the stock acquisition rights by the heirs of the holders of the stock acquisition rights is not permitted.
- iii. If the exercise of the stock acquisition rights results in the total number of DeNA issued shares exceeding the total number of shares authorized to be issued at that time, then the stock acquisition rights may not be exercised.
- iv. Stock acquisition rights may not be exercised in fractional portions.

4. Allotment date for stock acquisition rights

June 1, 2023

5. Matters related to acquisition of stock acquisition rights

- (1) In the event that the general meeting of shareholders approves (or the Board of Directors resolves if the approval of the general meeting of shareholders is not required) a merger agreement in which DeNA becomes a defunct company, a company split agreement or a company split plan in which DeNA becomes a split company, or a share exchange agreement or a share transfer plan in which DeNA becomes a wholly owned subsidiary, DeNA may acquire all of the stock acquisition rights without compensation on a date separately determined by the Board of Directors.
- (2) If, prior to the exercise of the stock acquisition rights by the holders of the stock acquisition rights, the exercise of the stock acquisition rights becomes impossible pursuant to the provisions set forth in 3. (6) above, DeNA may acquire the stock acquisition rights without compensation from a date separately determined by the Board of Directors.

6. Handling of the stock acquisition rights upon reorganization

In case DeNA carries out a merger (limited to cases where DeNA is to be extinguished as a result of the merger), an absorption-type company split, an incorporation-type company split, a share exchange, or a share transfer (hereafter collectively referred to as “Reorganization”), stock acquisition rights of the companies listed in (a) to (e) of Article 236, Paragraph 1, Item 8, of the Companies Act (hereinafter referred to as the “Reorganized Company”) shall be delivered, in each of the above cases, to the rights holders holding stock acquisition rights at the date the Reorganization goes into effect, under the following conditions. However, this shall be on the condition that the delivery of the stock acquisition rights of the Reorganized Company in accordance with the following conditions is stipulated in the relevant absorption-type merger agreement, consolidation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan.

- (1) Number of Stock Acquisition Rights of the Reorganized Company to be delivered
The identical number of stock acquisition rights to the remaining number held by each rights holder shall be delivered respectively.
- (2) Class of shares of the Reorganized Company to be acquired upon exercise of stock acquisition rights
Shall be shares of common stock of the Reorganized Company.
- (3) Number of shares of the Reorganized Company to be acquired upon exercise of stock acquisition rights
Shall be determined in accordance with 3. (1) above, based on the consideration of conditions for the Reorganization.
- (4) Amount of assets to be contributed upon exercise of stock acquisition rights
The amount of assets to be contributed upon the exercise of stock acquisition rights shall be the post-Reorganization Exercise Price obtained by adjusting the Exercise Price determined in 3. (2) above, multiplied by the number of shares of the Reorganized Company to be issued for the stock acquisition rights determined in accordance with 6. (3) above, after taking into consideration the terms and conditions of the Reorganization.
- (5) Period during which stock acquisition rights may be exercised
Shall be from the start date of the Exercise Period stipulated in 3. (3) above, or the effective date of the Reorganization, whichever is later, to the end date of the Exercise Period stipulated in 3. (3) above.
- (6) Matters concerning the stated capital and capital reserve to be increased when shares are issued upon exercise of stock acquisition rights
Shall be determined in accordance with 3. (4) above.
- (7) Restrictions on the acquisition of stock acquisition rights through transfer
Acquisition of stock acquisition rights through transfer shall require the approval by the Reorganized Company.
- (8) Other conditions for exercising stock acquisition rights
Shall be determined in accordance with 3. (6) above.
- (9) Grounds and conditions for acquisition of stock acquisition rights
Shall be determined in accordance with 5. above.

(10) Other conditions shall be determined in accordance with the conditions of the Reorganized Company.

7. Matters related to stock acquisition rights certificates for stock acquisition rights
DeNA shall not issue stock acquisition rights certificates for stock acquisition rights.

8. Application deadline
May 23, 2023

9. Persons to be allotted stock acquisition rights and the number of stock acquisition rights to be allotted
DeNA employees: 14 people, 793 units

The above amount of stock acquisition rights to be allotted represent the maximum amount, and the actual amount may be less depending on applications, etc.

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