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## Consolidated Financial Results for the Nine Months Ended December 31, 2023 [IFRS]

February 7, 2024

Company name: DeNA Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 2432

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

Representative: Shingo Okamura, President & CEO

Contact: Takaaki Otani, Head of the Corporate Unit

Phone: +81-3-6758-7200

Scheduled date of filing quarterly securities report: February 8, 2024

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, 2023 (from April 1, 2023 to December 31, 2023)

#### (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, 2023	104,149	2.7	(27,626)	—	(29,795)	—	(32,189)	—
Nine months ended December 31, 2022	101,395	2.3	5,056	(67.5)	11,949	(63.3)	7,282	(73.0)

	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, 2023	(31,233)	—	(18,915)	—	(280.51)	(280.51)
Nine months ended December 31, 2022	7,287	(72.7)	173	(99.0)	62.51	62.45

#### (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, 2023	316,975	212,953	201,677	63.6
As of March 31, 2023	348,942	233,993	221,626	63.5

## 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, 2023	—	0.00	—	20.00	20.00
Fiscal year ending March 31, 2024	—	0.00	—		
Fiscal year ending March 31, 2024 (Forecast)				—	—

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

2. The dividend forecast for the fiscal year ending March 31, 2024 has not been determined at this time.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

The consolidated financial results forecast for the fiscal year ending March 31, 2024 cannot be provided due to the difficulty of reasonably and accurately estimating the figures. However, the Company expects to record an increase in revenue compared to the previous fiscal year. As for profit items, while the Company expects to record losses on all profit levels at the operating profit (loss) level and below, based on the results up to the nine months ended December 31, 2023, etc., it expects to record a profit in operating profit with the exclusion of one-off gains and losses. For details, please refer to “1. Overview of Operating Results and Financial Position, (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information.”

### \* Notes

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

Added: Excluded:

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

1) Changes in accounting policies required by IFRS: Yes

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, 2023	122,145,545 shares
As of March 31, 2023	122,145,545 shares

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

As of December 31, 2023	10,794,938 shares
As of March 31, 2023	10,805,997 shares

3) Average number of shares during the period:

Nine months ended December 31, 2023	111,344,628 shares
Nine months ended December 31, 2022	116,572,424 shares

(Note) The 167,812 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, 2023, and the 178,871 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, 2023.

\* 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, 2024 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 7, 2024. The briefing materials for this session are scheduled to be posted on the Company's website after the timely disclosure of the Consolidated Financial Results for the Nine Months Ended December 31, 2023. 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 kind of tech company, including encouraging synergy between the two approaches. The Group has also been working to establish an even stronger business portfolio.

During the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023), revenue was ¥104,149 million, up 2.7% year-on-year. While revenue decreased year-on-year in the Game Business, revenue in all other business divisions increased.

Cost of sales was ¥57,498 million, up 8.4% year-on-year. Outsourcing expenses increased mainly due to new consolidations conducted in the Healthcare & Medical Business during the fiscal year ended March 31, 2023, while expenses associated with the growth of the Sports Business increased, and amortization also increased due to the release of new game titles in the Game Business.

Selling, general and administrative expenses were ¥46,196 million, up 5.9% year-on-year. While there was an increase in personnel expenses due to new consolidations in the Healthcare & Medical Business, commission fees declined, reflecting the performance of the Game Business.

In terms of other income (expenses), impairment losses on assets including software in the Game Business and goodwill totaling ¥27,693 million were recorded under other expenses. For details, please refer to “2. Condensed Consolidated Financial Statements and Principal Notes, (7) Notes to Condensed Consolidated Financial Statements, 3. Impairment of assets.”

Finance income was ¥3,040 million, down 55.4% year-on-year.

Share of loss of associates accounted for using the equity method was ¥4,434 million, compared with share of profit of associates accounted for using the equity method of ¥231 million in the same period of the previous fiscal year. In addition to the performance trends of Cygames, Inc. and GO Inc., major associates accounted using the equity method, one-time gains and losses were factors of the fluctuations. For details, please refer to “2. Condensed Consolidated Financial Statements and Principal Notes, (7) Notes to Condensed Consolidated Financial Statements, 4. Investments accounted for using the equity method.”

As a result, revenue of the DeNA Group was ¥104,149 million, up 2.7% year-on-year, operating loss was ¥27,626 million, compared with operating profit of ¥5,056 million in the same period of the previous fiscal year, loss before tax was ¥29,795 million, compared with profit before tax of ¥11,949 million in the same period of the previous fiscal year, and loss for the period attributable to owners of the parent was ¥31,233 million, compared with profit for the period attributable to owners of the parent of ¥7,287 million in the same period of the previous fiscal year.

Business performance by segment is as follows.

#### 1) Game Business

Revenue of the Game Business was ¥39,095 million, down 16.5% year-on-year, and segment profit was ¥256 million, down 95.5% year-on-year.

Despite the release of new titles, operations were centered on existing titles. Both revenue and profit decreased year-on-year, due to the year-on-year decrease in virtual currency consumption and the effects of amortization associated with the release of new game titles, as well as marketing and other related expenses.

#### 2) Live Streaming Business

Revenue of the Live Streaming Business was ¥32,600 million, up 9.3% year-on-year, and segment profit was ¥369 million, compared with segment loss of ¥487 million for the same period of the previous fiscal year.

During the nine months ended December 31, 2023, the Live Streaming Business continued to grow thanks to Pococha in Japan and IRIAM. In the global Pococha service, the Group examined the appropriate methods of management of each region, while optimizing its investments.

### 3) Sports Business

Revenue of the Sports Business was ¥23,661 million, up 25.6% year-on-year, and segment profit was ¥4,405 million, up 58.4% year-on-year.

The performance of the Sports Business continued to grow relative to the fiscal year ended March 31, 2020, which was before the number of spectators, etc., were restricted due to COVID-19.

### 4) Healthcare & Medical Business

Revenue of the Healthcare & Medical Business was ¥6,592 million, up 73.2% year-on-year, and segment loss was ¥3,128 million, compared with segment loss of ¥1,831 million for the same period of the previous fiscal year.

In order to actively take advantage of medium to long-term growth opportunities, the Company has promoted M&A and other activities aimed at new growth and challenges. In the Healthcare & Medical Business, significant progress was made toward strengthening the business portfolio during the fiscal year ended March 31, 2023. DATA HORIZON CO., LTD. and Allm Inc. became consolidated subsidiaries of the Company on August 3, 2022 and on October 3, 2022, respectively. From those points onward, the results of each company are included in the results of the Business.

### 5) New Businesses and Others

Revenue of the New Businesses and Others was ¥2,303 million, up 6.7% year-on-year, and segment loss was ¥909 million, compared with segment loss of ¥601 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, 2023 decreased by ¥31,968 million compared to the end of the previous fiscal year to ¥316,975 million.

Total current assets decreased by ¥26,149 million compared to the end of the previous fiscal year to ¥107,192 million. This was due mainly to a decrease in cash and cash equivalents by ¥21,820 million.

Total non-current assets decreased by ¥5,818 million compared to the end of the previous fiscal year to ¥209,783 million. This was due mainly to an increase in other non-current financial assets by ¥19,323 million, despite a decrease in goodwill by ¥15,525 million and a decrease in intangible assets by ¥5,826 million.

Total liabilities at the end of the nine months ended December 31, 2023 decreased by ¥10,927 million compared to the end of the previous fiscal year to ¥104,022 million.

Total current liabilities decreased by ¥16,415 million compared to the end of the previous fiscal year to ¥34,233 million. This was due mainly to a decrease in income tax payables by ¥9,799 million.

Total non-current liabilities increased by ¥5,488 million compared to the end of the previous fiscal year to ¥69,789 million. This was due mainly to an increase in deferred tax liabilities by ¥6,774 million.

Total equity at the end of the nine months ended December 31, 2023 decreased by ¥21,040 million compared to the end of the previous fiscal year to ¥212,953 million. This was primarily attributable to a decrease in retained earnings by ¥33,559 million.

In terms of liquidity, the liquidity ratio and ratio of equity attributable to owners of the parent were 313.1% and 63.6%, respectively, at the end of the nine months ended December 31, 2023.

## 2) Cash Flows

Cash and cash equivalents (collectively, “cash”) at the end of the nine months ended December 31, 2023 decreased by ¥21,820 million to ¥75,912 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 used in operating activities for the nine months ended December 31, 2023 was ¥9,661 million, compared to a cash inflow of ¥9,875 million in the same period of the previous fiscal year. The principal cash inflow factor was ¥7,300 million in decrease in trade and other current receivables. The principal cash outflow factor was ¥17,821 million in income tax paid.

### (Investing activities)

Net cash used in investing activities for the nine months ended December 31, 2023 was ¥8,849 million, compared to a cash inflow of ¥16,309 million in the same period of the previous fiscal year. The principal cash outflow factor was ¥4,940 million in acquisition of intangible assets.

### (Financing activities)

Net cash used in financing activities for the nine months ended December 31, 2023 was ¥3,996 million, compared to a cash outflow of ¥2,725 million in the same period of the previous fiscal year. The principal cash outflow factor was ¥2,229 million in cash dividends paid.

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

The consolidated financial results forecast for the fiscal year ending March 31, 2024 cannot be provided due to the difficulty of reasonably and accurately estimating the figures. However, the Company expects to record an increase in revenue compared to the previous fiscal year, in conjunction with changes to and strengthening of the business portfolio. As for profit items, while the Company expects to record losses on all profit levels at the operating profit (loss) level and below, based on the results up to the nine months ended December 31, 2023, etc., it expects to record a profit in operating profit with the exclusion of one-off gains and losses.

As for business performance by segment, the Company expects to record year-on-year decreases in both revenue and profit in the Game Business, based on the results up to the nine months ended December 31, 2023. However, in all other businesses, there are no changes to the major factors related to performance that are expected to impact the trends of each business stated in “1. Overview of Operating Results and Financial Position, (1) Overview of Operating Results for Fiscal 2022 (Outlook for Fiscal 2023),” in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 [IFRS],” announced on May 10, 2023.

For the consolidated financial results for the fiscal year ending March 31, 2024, please also refer to “2. Condensed Consolidated Financial Statements and Principal Notes.”

## 2. Condensed Consolidated Financial Statements and Principal Notes

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

	(Millions of yen)	
	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	97,732	75,912
Trade and other current receivables	27,566	20,767
Income taxes receivable	3	5,787
Other current financial assets	277	731
Other current assets	7,763	3,994
Total current assets	133,341	107,192
Non-current assets		
Property and equipment	3,163	5,458
Right-of-use assets	17,034	15,762
Goodwill	49,088	33,562
Intangible assets	23,036	17,210
Investments accounted for using the equity method	57,954	54,796
Other non-current financial assets	63,162	82,484
Deferred tax assets	517	435
Other non-current assets	1,647	74
Total non-current assets	215,601	209,783
Total assets	348,942	316,975



	(Millions of yen)	
	As of March 31, 2023	As of December 31, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other current payables	19,397	18,193
Borrowings	2,715	3,048
Lease liabilities	1,465	1,638
Income tax payables	11,169	1,370
Provisions	2,434	1,997
Other current financial liabilities	795	1,148
Other current liabilities	12,673	6,839
Total current liabilities	50,648	34,233
Non-current liabilities		
Borrowings	35,040	34,368
Lease liabilities	5,937	5,291
Provisions	215	272
Other non-current financial liabilities	462	416
Deferred tax liabilities	22,331	29,105
Other non-current liabilities	317	337
Total non-current liabilities	64,301	69,789
Total liabilities	114,949	104,022
Equity		
Common stock	10,397	10,397
Capital surplus	15,591	15,733
Retained earnings	193,586	160,027
Treasury stock	(20,794)	(20,757)
Other components of equity	22,846	36,278
Total equity attributable to owners of the parent	221,626	201,677
Non-controlling interests	12,367	11,275
Total equity	233,993	212,953
Total liabilities and equity	348,942	316,975

## (2) Condensed Consolidated Income Statement

	(Millions of yen)	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Revenue	101,395	104,149
Cost of sales	(53,057)	(57,498)
Gross profit	48,338	46,652
Selling, general and administrative expenses	(43,626)	(46,196)
Other income	813	416
Other expenses	(470)	(28,498)
Operating profit (loss)	5,056	(27,626)
Finance income	6,810	3,040
Finance costs	(148)	(775)
Share of profit (loss) of associates accounted for using the equity method	231	(4,434)
Profit (loss) before tax	11,949	(29,795)
Income tax expense	(4,667)	(2,394)
Profit (loss) for the period	7,282	(32,189)
Attributable to:		
Owners of the parent	7,287	(31,233)
Non-controlling interests	(4)	(956)
Profit (loss) for the period	7,282	(32,189)
		(Yen)
Earnings (loss) per share attributable to owners of the parent:		
Basic earnings (loss) per share	62.51	(280.51)
Diluted earnings (loss) per share	62.45	(280.51)

## (3) Condensed Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit (loss) for the period	7,282	(32,189)
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	(7,240)	13,486
Total other comprehensive income that will not be reclassified to profit or loss, net of tax	(7,240)	13,486
Components of other comprehensive income that may be reclassified to profit or loss, net of tax		
Foreign currency translation adjustments, net of tax	16	(350)
Cash flow hedges	115	137
Other	0	0
Total other comprehensive income that may be reclassified to profit or loss, net of tax	132	(212)
Other comprehensive income, net of tax	(7,109)	13,274
Total comprehensive income for the period	173	(18,915)
Attributable to:		
Owners of the parent	159	(17,934)
Non-controlling interests	14	(982)
Total comprehensive income for the period	173	(18,915)

## (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, 2022	10,397	16,077	177,997	(22,819)	58,975	240,626	4,280	244,907
Profit (loss) for the period	-	-	7,287	-	-	7,287	(4)	7,282
Other comprehensive income	-	-	-	-	(7,128)	(7,128)	19	(7,109)
Total comprehensive income for the period	-	-	7,287	-	(7,128)	159	14	173
Dividends recognized as distributions to owners	-	-	(4,623)	-	-	(4,623)	(186)	(4,809)
Increase (decrease) through treasury stock transactions	-	(59)	-	(13,002)	(4)	(13,065)	-	(13,065)
Changes resulting from share delivery	-	(84)	-	1,638	-	1,554	-	1,554
Increase (decrease) through share-based payment transactions	-	34	-	-	98	132	-	132
Transfer to capital surplus from retained earnings	-	102	(102)	-	-	-	-	-
Acquisition, disposal and other changes of non-controlling interests	-	(314)	-	-	-	(314)	889	575
Changes resulting from obtaining of control of subsidiaries	-	-	-	-	54	54	5,221	5,275
Increase (decrease) through transfers and other changes	-	(107)	26,724	-	(26,740)	(123)	41	(82)
As of December 31, 2022	10,397	15,649	207,282	(34,183)	25,255	224,400	10,261	234,661

(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, 2023	10,397	15,591	193,586	(20,794)	22,846	221,626	12,367	233,993
Profit (loss) for the period	-	-	(31,233)	-	-	(31,233)	(956)	(32,189)
Other comprehensive income	-	-	-	-	13,299	13,299	(25)	13,274
Total comprehensive income for the period	-	-	(31,233)	-	13,299	(17,934)	(982)	(18,915)
Dividends recognized as distributions to owners	-	-	(2,227)	-	-	(2,227)	(192)	(2,419)
Increase (decrease) through treasury stock transactions	-	(45)	-	37	-	(8)	-	(8)
Increase (decrease) through share-based payment transactions	-	(12)	-	-	51	39	-	39
Transfer to capital surplus from retained earnings	-	17	(17)	-	-	-	-	-
Acquisition, disposal and other changes of non-controlling interests	-	198	-	-	-	198	11	209
Increase (decrease) through transfers and other changes	-	(16)	(83)	-	81	(18)	71	54
As of December 31, 2023	10,397	15,733	160,027	(20,757)	36,278	201,677	11,275	212,953

## (5) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
<b>Operating activities</b>		
Profit (loss) before tax	11,949	(29,795)
Depreciation and amortization	3,965	5,289
Impairment loss	-	27,693
Loss (gain) on investments in securities	(3,067)	245
Interest and dividend income	(3,146)	(1,924)
Interest expenses	108	96
Share of loss (profit) of associates accounted for using the equity method	(231)	4,434
Loss (gain) on step acquisitions	335	-
Decrease (increase) in trade and other current receivables	7,558	7,300
Increase (decrease) in trade and other current payables	(6,176)	(1,852)
Increase (decrease) in advances received	(5,569)	(5,610)
Other, net	1,480	283
Subtotal	7,206	6,159
Dividends received	3,140	1,917
Interest paid	(80)	(103)
Interest received	44	137
Income tax paid	(1,428)	(17,821)
Income tax refund	993	50
Net cash flows from (used in) operating activities	9,875	(9,661)
<b>Investing activities</b>		
Acquisition of subsidiaries or other businesses, net of cash acquired	(25,416)	-
Purchase of shares of associates	(1,590)	(538)
Proceeds from sales and redemption of investment securities	50,090	304
Purchases of investment securities	(1,783)	(1,030)
Acquisition of property and equipment	(351)	(3,034)
Acquisition of intangible assets	(4,603)	(4,940)
Payments for asset retirement obligations	(104)	(68)
Proceeds from refund of leasehold and guarantee deposits	236	140
Other, net	(171)	316
Net cash flows from (used in) investing activities	16,309	(8,849)
<b>Financing activities</b>		
Net increase (decrease) in short-term borrowings	15,600	106
Proceeds from long-term borrowings	600	-
Repayments of long-term borrowings	(26)	(454)
Repayments of lease liabilities	(1,564)	(1,472)
Cash dividends paid	(4,623)	(2,229)
Proceeds from share issuance to non-controlling interests	500	325
Cash dividends paid to non-controlling interests	(188)	(192)
Proceeds from disposition of treasury stock	34	37
Purchase of treasury stock	(13,057)	-
Other, net	-	(117)
Net cash flows from (used in) financing activities	(2,725)	(3,996)
Net increase (decrease) in cash and cash equivalents	23,459	(22,506)
Cash and cash equivalents at beginning of period	78,296	97,732
Effect of exchange rate changes on cash and cash equivalents	970	686
Cash and cash equivalents at end of period	102,726	75,912

(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 four reportable segments of the Group are classified as the “Game Business,” “Live Streaming Business,” “Sports Business” and “Healthcare & Medical 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.
Live Streaming Business	Live streaming-related services (provided in Japan and internationally) Principal services: POCOCHA, IRIAM, etc.
Sports Business	Sports-related services (provided in Japan) Principal services: Yokohama DeNA BayStars Baseball Club, operation of the Yokohama Stadium, Kawasaki Brave Thunders, S.C. Sagami-hara, etc.
Healthcare & Medical Business	Healthcare and medical-related services (provided in Japan and internationally) Principal services: Provision of health big data-related services, Join and other medical digital transformation-related services, etc.
New Businesses and Others	New businesses and other services (provided in Japan) Principal business domains: E-commerce business, other new businesses, etc.

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, 2023.

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, 2022

(From April 1, 2022 to December 31, 2022)

(Millions of yen)

	Game Business	Live Streaming Business	Sports Business	Healthcare & Medical Business *2	New Businesses and Others *3	Adjustments *4	Total
Revenue							
Revenue from external customers	46,800	29,823	18,819	3,805	2,149	–	101,395
Intersegment revenue	25	–	17	2	9	(53)	–
Total	46,825	29,823	18,836	3,807	2,158	(53)	101,395
Segment profit (loss)*1	5,620	(487)	2,780	(1,831)	(601)	(768)	4,712
Other income (expenses), net							343
Operating profit							5,056
Finance income (costs), net							6,661
Share of profit (loss) of associates accounted for using the equity method							231
Profit before tax							11,949

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

2 Effective August 3, 2022, DATA HORIZON CO., LTD. became a consolidated subsidiary of the Company. As a result, the company's results have been included in the "Healthcare & Medical Business" segment from the six months ended September 30, 2022.

Effective October 3, 2022, Allm Inc. became a consolidated subsidiary of the Company. As a result, the company's results have been included in the "Healthcare & Medical Business" segment from the nine months ended December 31, 2022.

3 "New Businesses and Others" refer to operating segments that do not fall into any of the reportable segments, including 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, 2023  
(From April 1, 2023 to December 31, 2023)

(Millions of yen)

	Game Business	Live Streaming Business	Sports Business	Healthcare & Medical Business	New Businesses and Others *2	Adjustments *3	Total
<b>Revenue</b>							
Revenue from external customers	39,018	32,600	23,657	6,592	2,282	–	104,149
Intersegment revenue	78	–	4	–	21	(102)	–
<b>Total</b>	<b>39,095</b>	<b>32,600</b>	<b>23,661</b>	<b>6,592</b>	<b>2,303</b>	<b>(102)</b>	<b>104,149</b>
Segment profit (loss)* 1	256	369	4,405	(3,128)	(909)	(538)	455
Other income (expenses), net							(28,082)
Operating loss							(27,626)
Finance income (costs), net							2,265
Share of profit (loss) of associates accounted for using the equity method							(4,434)
Loss before tax							(29,795)

(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 E-commerce business and other new businesses.

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 (loss) per share attributable to owners of the parent for the nine months ended December 31, 2022 and 2023 are as follows:

	Nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)	Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)
Profit (loss) for the period attributable to owners of the parent (Millions of yen)	7,287	(31,233)
Profit for the period adjustments Adjustments for dilutive shares issued by subsidiaries	—	—
Profit (loss) for the period used to calculate diluted earnings per share	7,287	(31,233)
Weighted average number of common shares outstanding during the period—basic (Shares)	116,572,424	111,344,628
Effect of dilutive potential common shares: Stock options, etc. (Shares)	109,140	—
Weighted average number of common shares outstanding during the period—diluted (Shares)	116,681,564	111,344,628
Earnings (loss) per share attributable to owners of the parent (Yen)		
Basic earnings (loss) per share	62.51	(280.51)
Diluted earnings (loss) per share	62.45	(280.51)
Summary of dilutive shares not included in the calculation of diluted earnings (loss) per share due to their anti-dilutive effect	Stock options issued by consolidated subsidiaries (number of subsidiary shares to be issued upon exercise of stock options: 171,900)	Stock options issued by the Company (number of shares to be issued upon exercise of stock options: 198,096)  Stock options issued by consolidated subsidiaries (number of subsidiary shares to be issued upon exercise of stock options: 132,000)

### 3. Impairment of assets

The Group recognized impairment losses, which are recorded under “other expenses” in the condensed consolidated income statement.

The breakdown of the impairment losses is as follows:

(Millions of yen)

	Nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)	Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)
Other current assets		
Advance payments to suppliers	—	(2,643)
Property and equipment		
Buildings and structures	—	(245)
Tools, furniture and fixtures	—	(272)
Other	—	(1)
Right-of-use assets	—	(724)
Goodwill	—	(15,526)
Intangible assets		
Software	—	(6,702)
Trademarks	—	(391)
Other	—	(59)
Other non-current assets		
Long-term prepaid expenses	—	(1,070)
Other	—	(60)
Total	—	(27,693)

The Group organizes its assets into the smallest group of assets that generates identifiable independent cash flows. Idle assets are organized individually. Future cash flow is estimated on the basis of past results and management evaluation of future forecasts, using external and internal information.

#### For the nine months ended December 31, 2023

(From April 1, 2023 to December 31, 2023)

In the Game Business, individual game titles are recognized as cash generating units.

During the nine months ended December 31, 2023, in light of the latest result trends and the business environment, the Group reviewed the business plan of each game title. In the impairment test, future cash flows were estimated based on the business plan for the next five years approved by management during the nine months ended December 31, 2023. The primary assumptions used in estimating future cash flows were future revenue forecasts and operating expenses forecasts for individual game titles that form the foundation of the business plan. The recoverable amount is based on value in use, discounted to present value at a pre-tax discount rate of 10.0%, calculated based on the weighted average cost of capital.

As a result of the impairment test, the Group identified game titles whose recoverable amounts had fallen below the book value of fixed assets including software, and recorded an impairment loss of ¥11,526 million (including ¥6,550 million in software).

In addition, the Group carried out impairment tests, because it identified signs of impairment losses on goodwill in the following cash generating units.

#### (a) IRIAM Inc. included in the Live Streaming Business

During the nine months ended December 31, 2023, the Group carried out an impairment test based on the revised future cash flow forecast, as it could no longer expect to generate the initially anticipated revenue

from the unit. In the impairment test, future cash flows were estimated based on the business plan for the next five years approved by management during the nine months ended December 31, 2023. The primary assumptions used in estimating future cash flows were the number of users linked to revenue in the future business plan, the growth rate after the period of the future business plan, and the discount rate.

The recoverable amount is based on value in use, discounted to present value at a pre-tax discount rate of 14.5%, calculated based on the weighted average cost of capital.

As a result of the impairment test, the Group recorded an impairment loss of ¥9,346 million (including ¥8,912 million in goodwill), as the recoverable amount fell below the book value of fixed assets including goodwill.

(b) DATA HORIZON CO., LTD. included in the Healthcare & Medical Business

During the nine months ended December 31, 2023, the Group carried out an impairment test, upon identifying signs of impairment losses following the fall in stock prices.

The recoverable amount is calculated based on fair value less costs of disposal. Fair value is measured based on quoted prices in active markets.

As a result of the impairment test, the Group recorded an impairment loss of ¥3,612 million (goodwill), as the recoverable amount fell below the book value of goodwill.

(c) Nippontect Systems Co., Ltd. included in the Healthcare & Medical Business

During the nine months ended December 31, 2023, the Group carried out an impairment test based on the revised future cash flow forecast, as it could no longer expect to generate the initially anticipated revenue from the unit. In the impairment test, future cash flows were estimated based on the business plan for the next five years approved by management during the nine months ended December 31, 2023.

The recoverable amount is based on value in use, discounted to present value at a pre-tax discount rate of 18.2%, calculated based on the weighted average cost of capital.

As a result of the impairment test, the Group recorded an impairment loss of ¥1,978 million (goodwill), as the recoverable amount fell below the book value of goodwill.

(d) Individually insignificant cash generating units included in the Sports Business

The Group recognized an impairment loss of ¥1,230 million (including ¥1,023 million in goodwill), as the recoverable amount fell below the book value of fixed assets including goodwill, due to a decline in profitability.

4. Investments accounted for using the equity method

GO Inc. (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 to one financial investor and others.

As a result, the shareholding of the Company in GO Inc. was 25.8% (28.1% as of March 31, 2023), and a one-time gain in earnings from the change in equity of ¥2,548 million was recorded under “share of profit (loss) of associates accounted for using the equity method” in the condensed consolidated income statement for the nine months ended December 31, 2023.

In addition, during the nine months ended December 31, 2023, the Group carried out an impairment test, because signs of impairment losses were identified, as a result of comprehensively reviewing the current situation regarding the investments in SHOWROOM Inc., an associate accounted for using the equity method. As a result of the impairment test, the book value was decreased to the recoverable amount and ¥5,943 million in share of loss of associates accounted for using the equity method was recorded. The recoverable amount is calculated based on value in use, and the pre-tax discount rate of 14.5% is based on the weighted average cost of capital.

5. Significant subsequent events

Not applicable.