

Q4 FY2008 Operating Results



DeNA Co., Ltd.

Q4 FY2008 Highlights

1. Net sales hit historic high 
 - Net sales surpasses ¥10 billion for first time
 - Net sales ¥10,511 million (+12% YoY)
 - Operating income ¥4,159 million (+4% YoY)

2. Moba-ge-town 
 - Advertising
 - : Major increase in banner ad sales as a result of comprehensive agreements with agencies
 - : resurgence in tie-ups
 - Game portal (item billing) a steady source of revenue and profit
 - Avatar-related sales flat
 - Ongoing efforts to energize the community, daily page views up

3. E-commerce mobile services 
 - Mobaoku: Campaigns to attract new members, television commercials
 - Mobakore and bidders: Progressing steadily
 - Paygent: Moved into the black on full-year basis

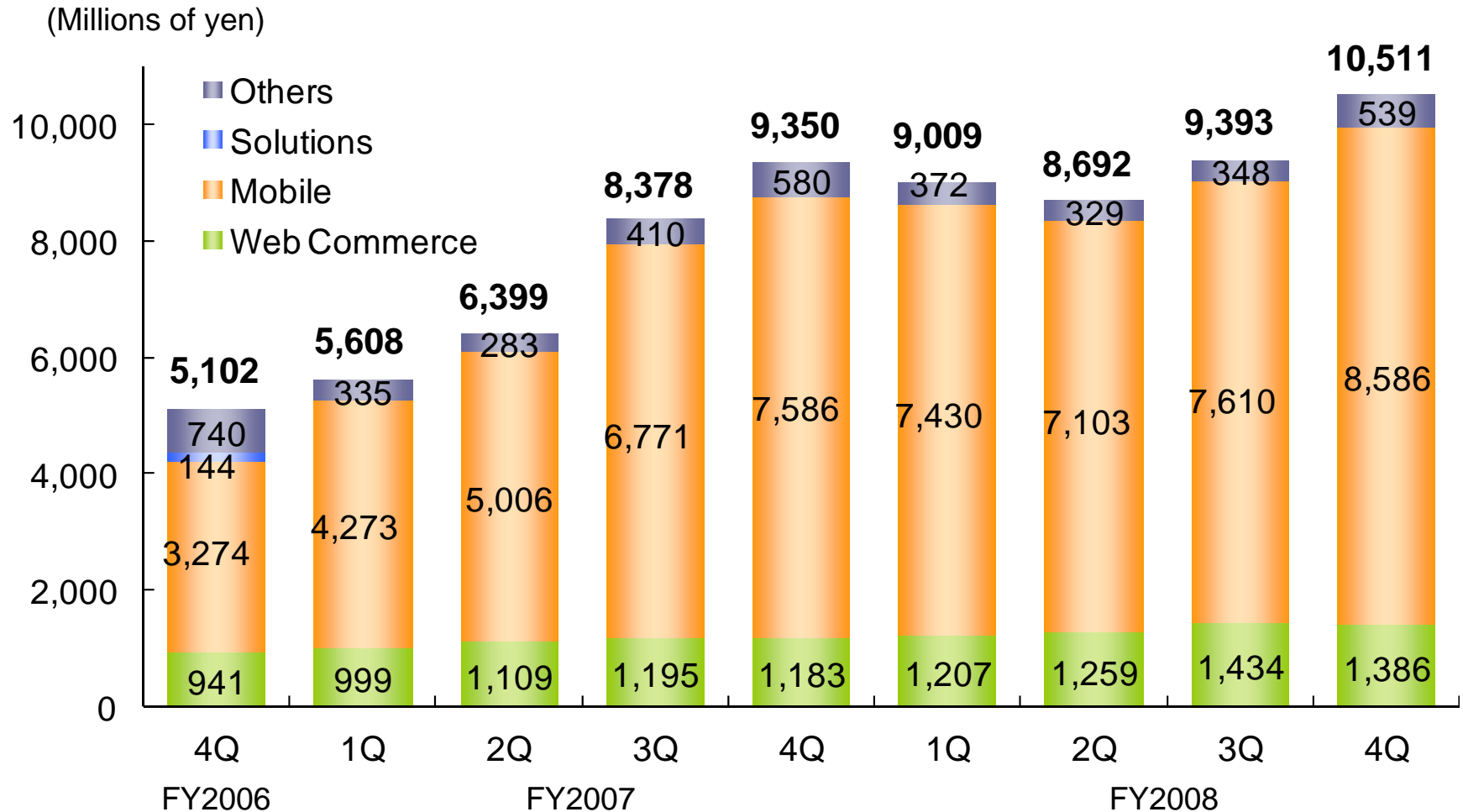
4. Pocket Affiliate 
 - External media sales continued to grow

Overview of Operations for Q4 FY2008

(Millions of yen)

	Q4 FY2008	Q4 FY2007	Change	Q3 FY2008	Change	Contributing Factors
Net sales	10,511	9,350	+12%	9,393	+12%	
Operating income	4,159	3,997	+4%	3,962	+5%	
Ordinary income	4,226	4,044	+5%	4,027	+5%	
Net income	1,431	2,276	-37%	2,220	-36%	Impairment loss of approximately ¥0.92 billion (goodwill, fixed assets related to travel agency business (AirLink))

Net Sales by Segment



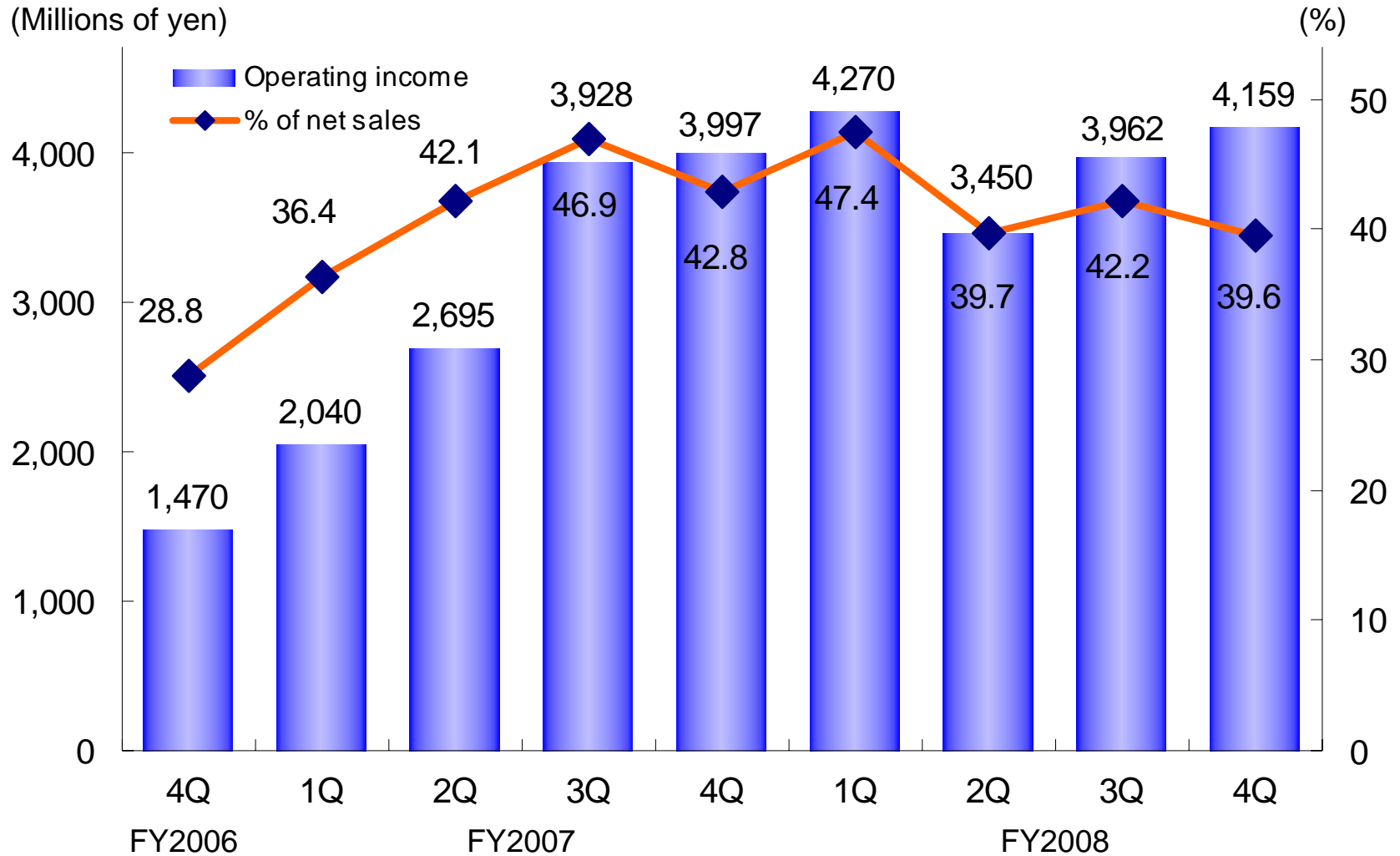
- Notes: 1. The net sales or amount after cancellation of transfer is indicated in the segment bands.
 2. Solutions is included in Others from FY2008.
 Amounts have been retroactively adjusted to Q1 FY2007.

Breakdown of Expenses

(Millions of yen)

	Q4 FY2008	Q4 FY2007	Change	Q3 FY2008	Change	Contributing Factors
Cost of sales	2,758	1,950	+41%	2,256	+22%	
Labor costs	77	56	+38%	73	+5%	
Depreciation and amortization	312	226	+38%	294	+6%	Increased system investments
Advertising media costs	934	640	+46%	813	+15%	Expansion of Pocket Affiliate external media sales
Others	1,434	1,027	+40%	1,075	+33%	Increased Mobakore purchase costs, expenses related to 3D avatars, Paygent settlement costs and higher share of game revenues
Selling, general and administrative expenses	3,593	3,401	+6%	3,174	+13%	
Employee salaries	1,254	946	+33%	1,157	+8%	Personnel increase in line with business expansion: 574 employees as of March 31 (up from 561 as of December 31)
Sales promotion and advertising	1,180	1,225	-4%	910	+30%	Television commercials run during the quarter (Moba-ge-town, Mobaoku)
Others	1,158	1,229	-6%	1,106	+5%	

Operating Income



Cash Flows

(Millions of yen)

	Q4 FY2008	Q4 FY2007	Change	Q3 FY2008	Change	Contributing factors
Cash flows from operating activities	4,464	4,331	+133	1,164	+3,299	Interim corporate tax and other payments in Q3
Cash flows from investing activities	(762)	(803)	+41	(1,064)	+302	
Cash flows from financing activities	(0)	(0)	-0	(3,000)	+3,000	¥3.0 billion acquisition of own shares in Q3
Cash and cash equivalents at end of quarter	23,435	21,780	+1,655	19,734	+3,701	

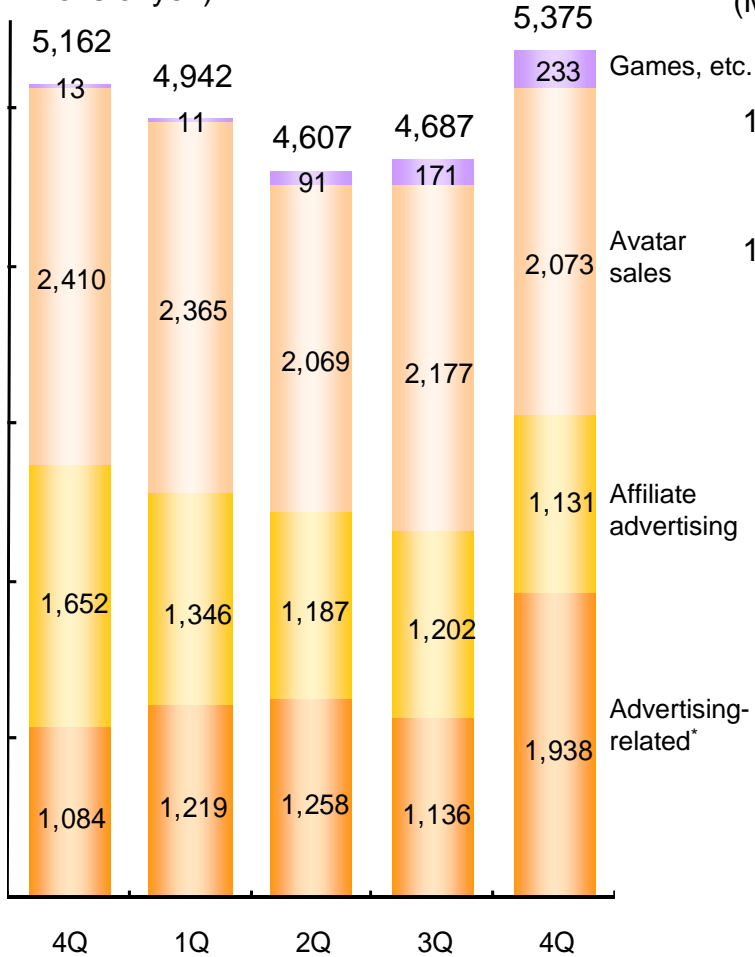
Breakdown of Q4 Sales by Segment

	(Millions of yen)
■ Mobile	8,586
- Moba-ge-town	5,375
- Pocket Affiliate	2,326
- Mobaoku	963
- Mobakore	682
- Paygent	352
- Others	140
- Consolidation and eliminations	(1,255)
■ Web Commerce	1,386
■ Others	539
<hr/>	
■ Total	10,511

Moba-ge-town

Sales

(Millions of yen)

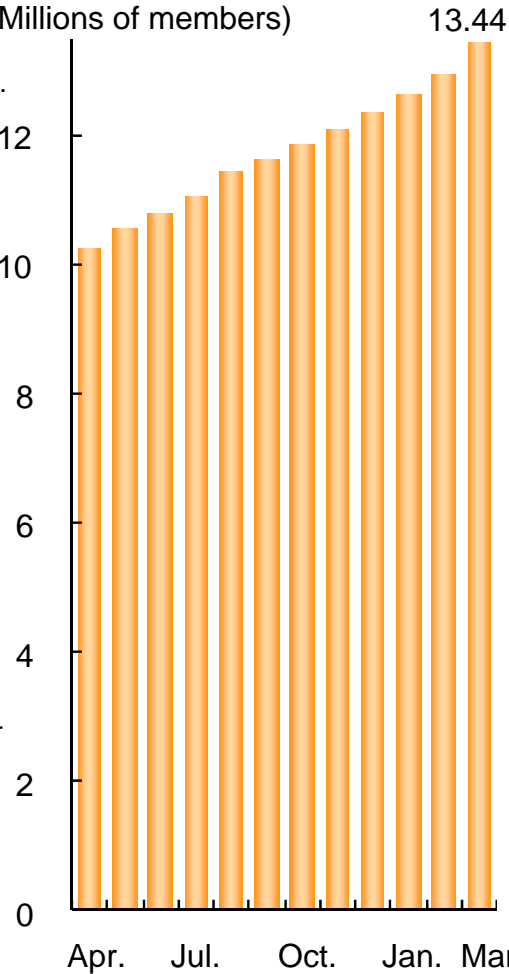


FY2007

FY2008

Members

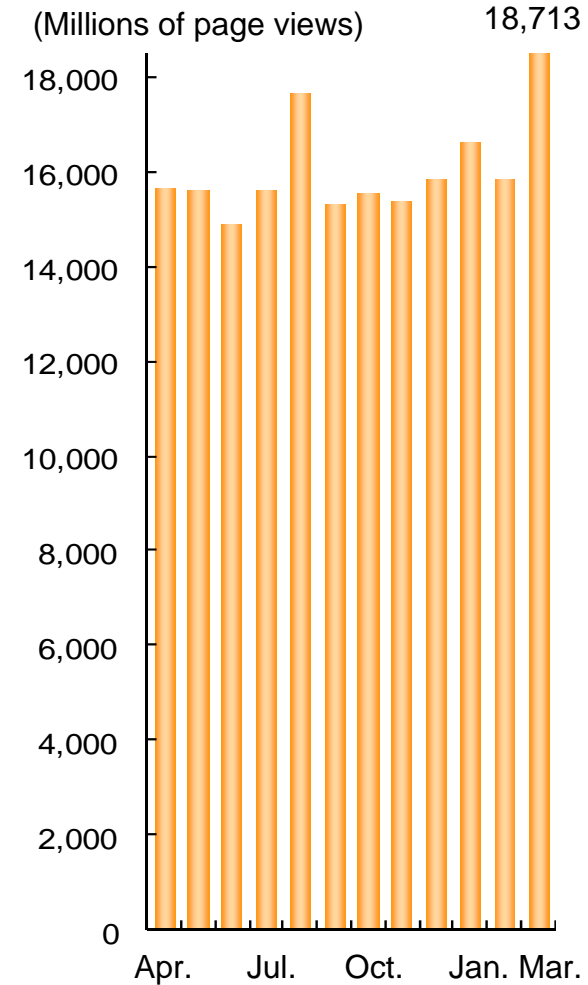
(Millions of members)



FY2008

Page Views per Month

(Millions of page views)



FY2008

*Advertising-related : banner ads, tie-up ads, ads matched to contents/search

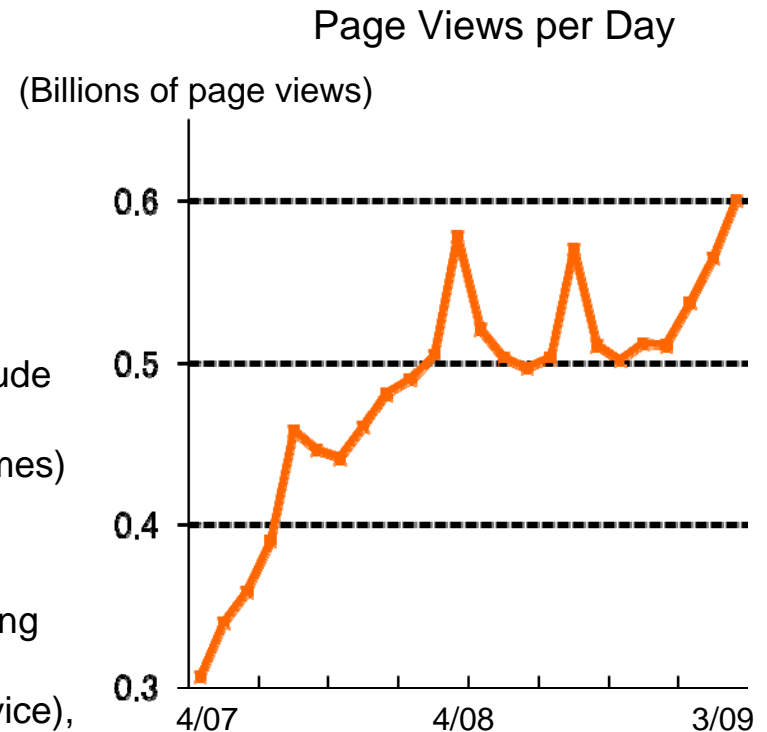
Moba-ge-town Q4 Highlights

■ Advertising-related business hit historic high

- Banner ads: Major sales growth thanks to representation through comprehensive agency agreements with D2 Communications Inc. and cyber communications inc. (Activity in Q3 and Q4)
- Tie-ups: Recovery owing to reforms in operating structure
- Sponsored-search, content match ads: Flat performance

■ Enhanced game content and energized communities

- Game portal: By enhancing lineup and upgrading functions, achieved monthly sales (March) of approximately ¥100 million
- Game target development: Expanded lineup to include adult-oriented games, such as “Moba Casino,” and “Otonage” (mah-jongg and other adult-focused games) as well as titles targeting women (casual and educational content)
- Community: Introduction of new services and ongoing developments, including albums, bookmarks, bulletin board, “Otakebi” (a real-time comment service), reviews and illustrations; page views per day up in Q4



Moba-ge-town (Introduction of 3D Avatars)



■ Avatars with fresh features

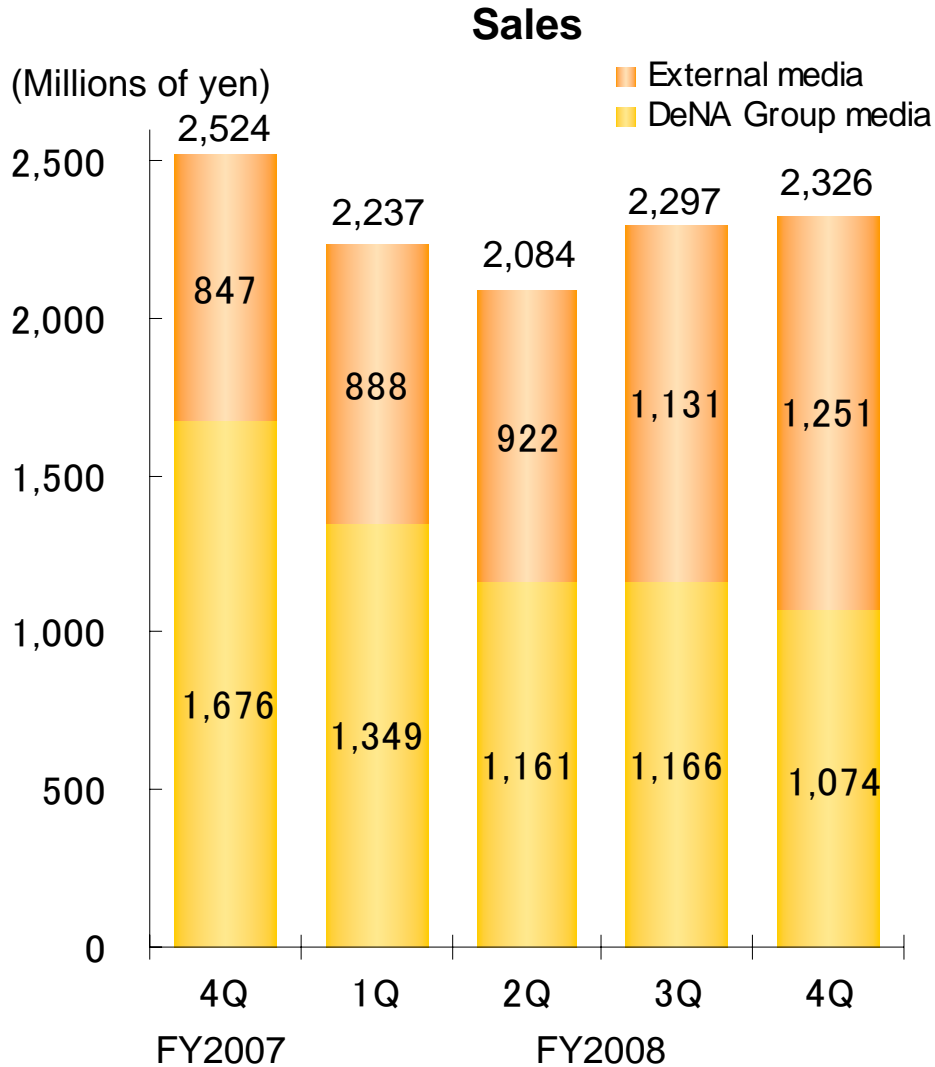
- Qualitative improvement, from conventional 2D to 3D
- Successfully drove user demand with introduction of motion 2D avatars
- Trial service launched in late April



■ Expanded occasions for use

- In the past, primarily used within SNS
- Promoted collaboration with games and expanded occasions for avatar usage to include games and other services

Pocket Affiliate



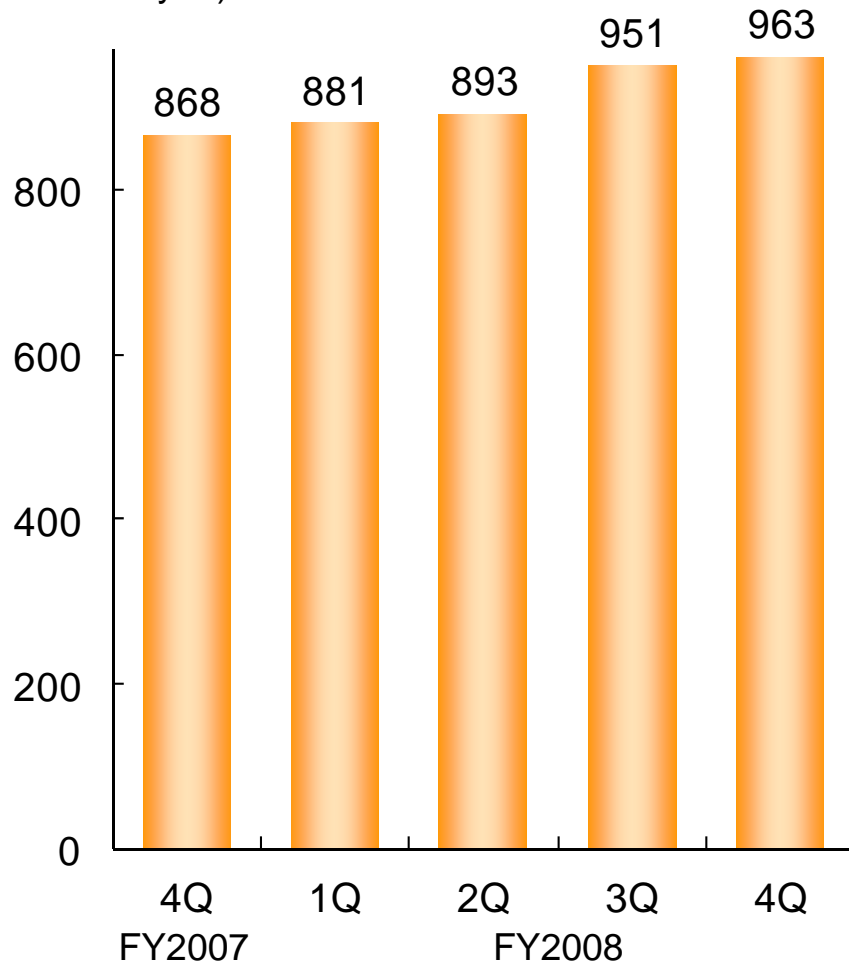
Q4 Highlights

- Number of participating media holders: 560,000 (as of March 31)
- External media continued to grow through expansion of “Pocket Match,” a CPC-based mobile pay-for-performance (P4P) ad network service

Mobaoku

Sales

(Millions of yen)



Q4 Highlights

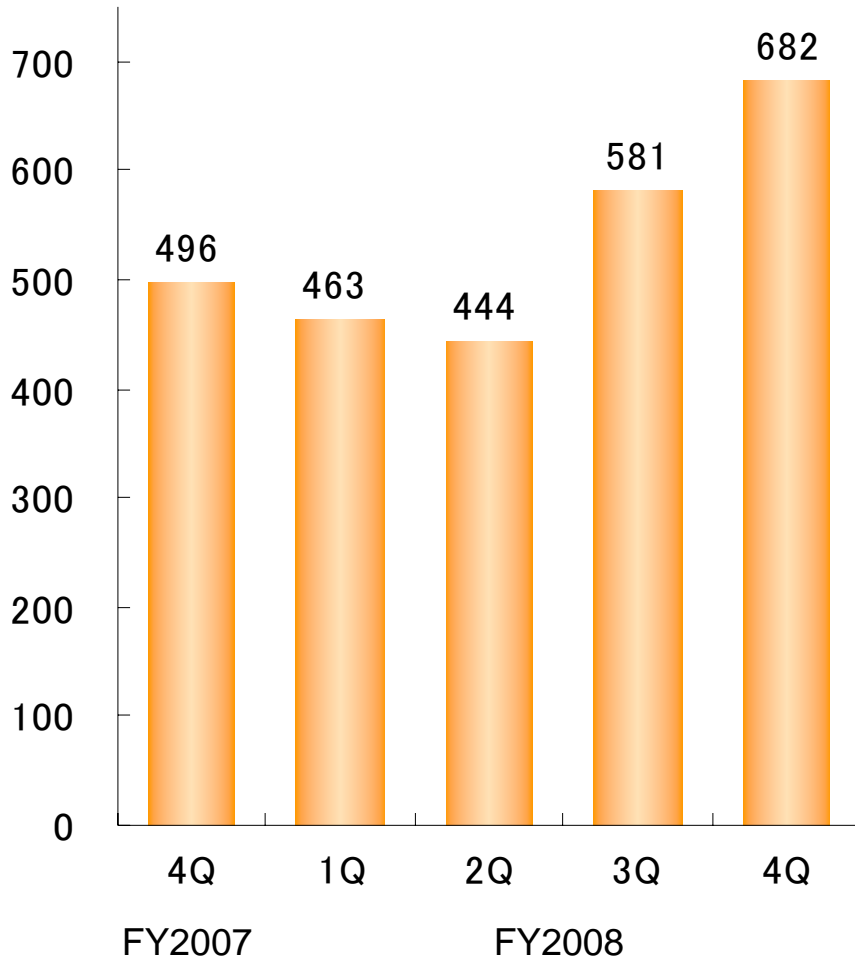
- Key quarterly indexes
 - Number of registered users: 1.18 million (as of March 31)
 - Gross merchandise sales: ¥20,649 million
 - Auction items: 3.71 million (March average)
- Introduced free campaign to attract new members (February) and ran television commercials (February and March)



Mobakore

Sales

(Millions of yen)



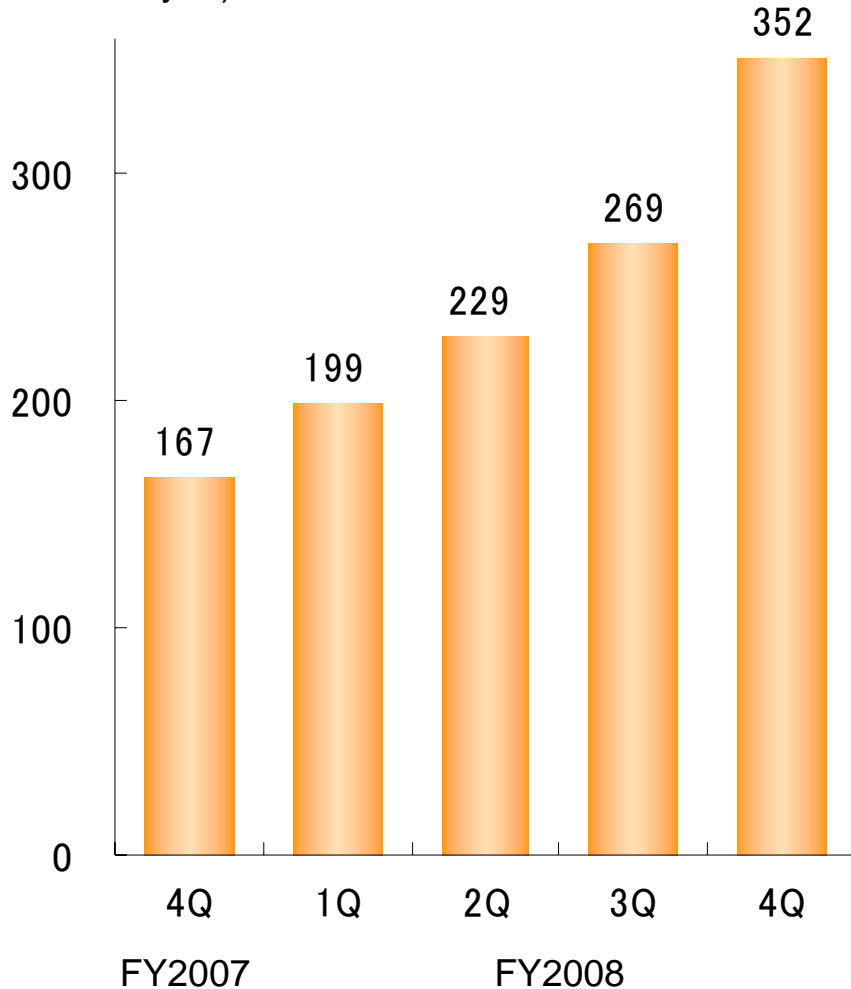
Q4 Highlights

- New Year's special products prompted sales expansion
- Developed fashion clothing product plan featuring popular animated character (Evangelion)
- Strengthened efforts to cultivate site-specific brands

Paygent

Sales

(Millions of yen)



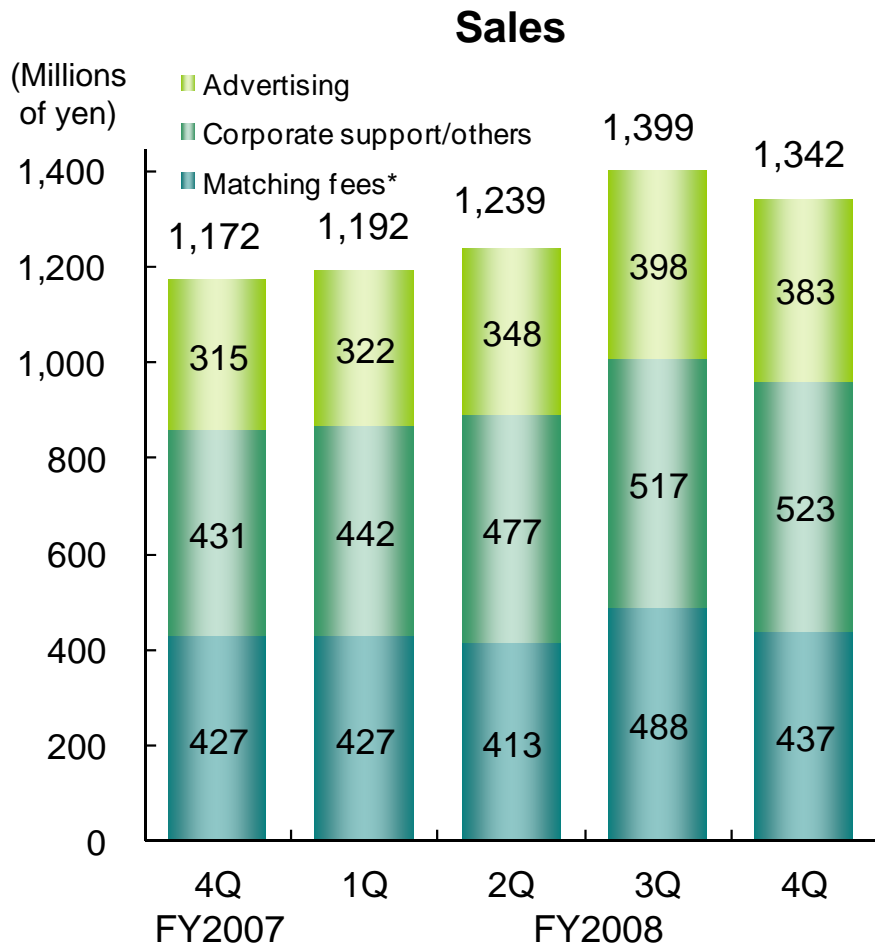
Q4 Highlights

- Steady expansion in settlement volume via Mobapay* and at general-member shops (such as e-commerce shops)

* Mobapay: A settlement escrow service for Mobaoku

- Developed profit structure; moved into the black on annual operating basis

bidders



Note: Quarterly totals reflect consolidations and eliminations, whereas segment sales do not.

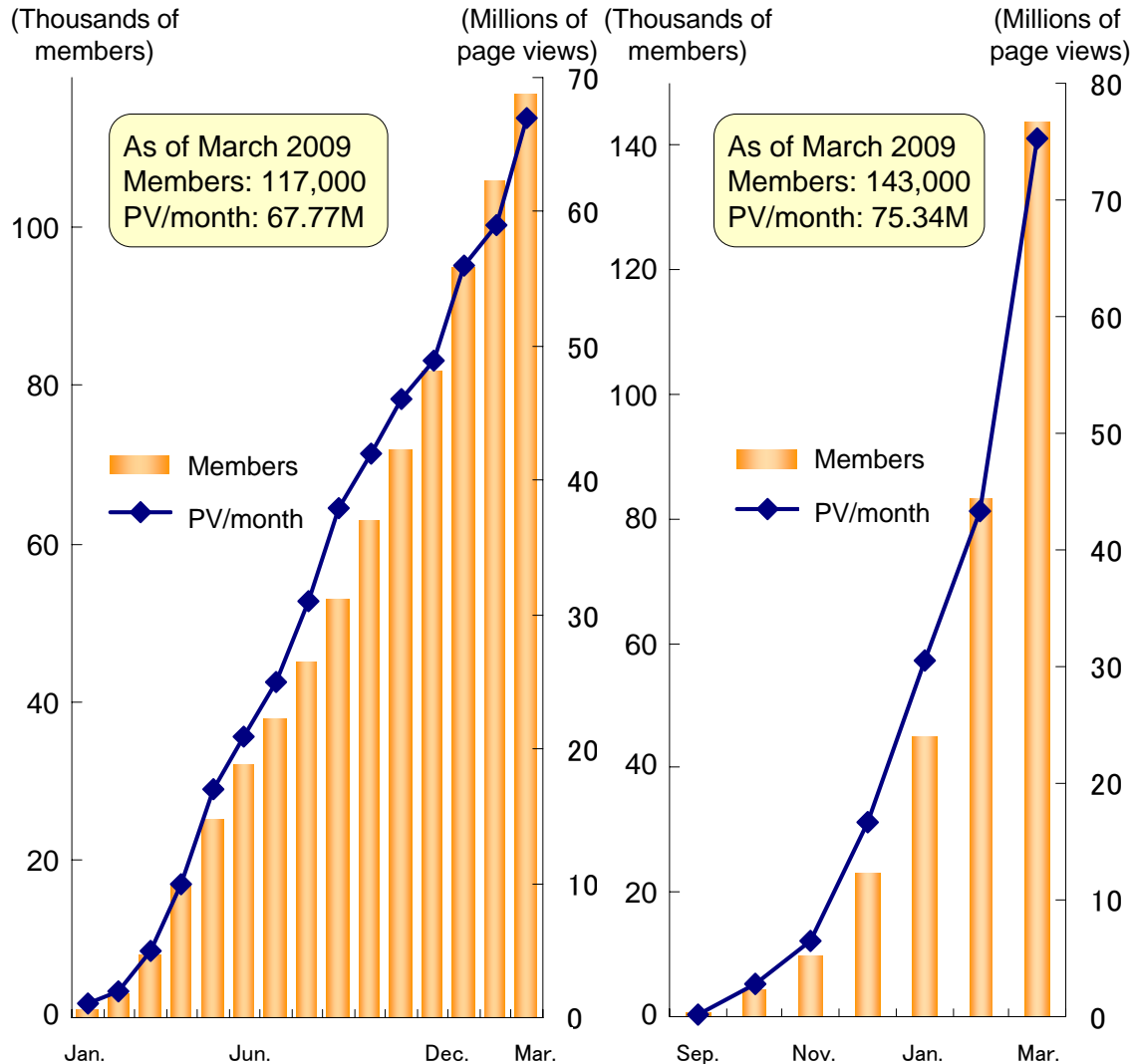
* Matching fees (shopping mall plan)
 Percentage of purchase/hammer price: 2.5%–4% for PC bids, 5%–6% for mobile phone bids

Q4 Highlights

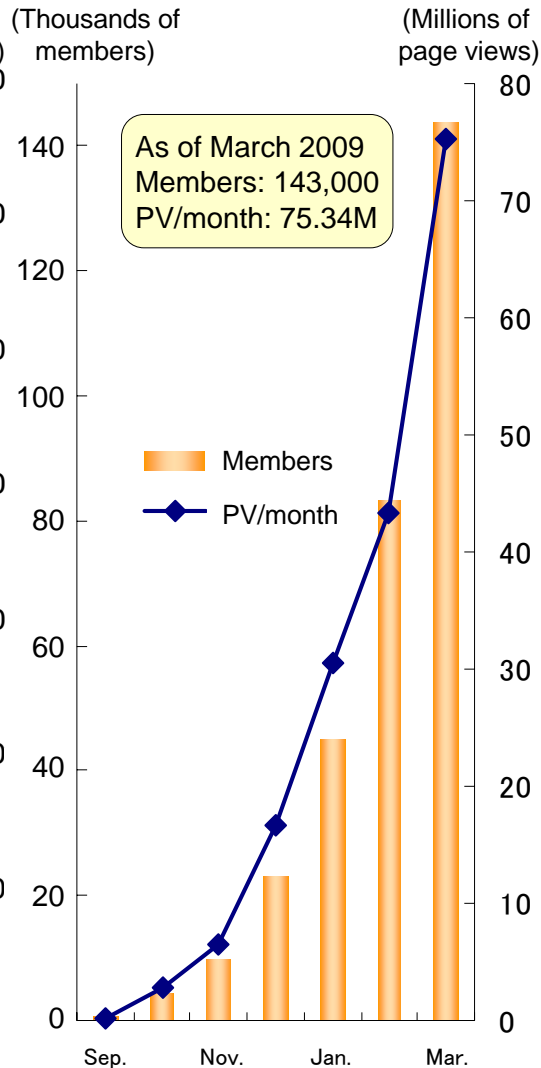
- Increasing focus on cultivating mobile service transactions (Nearly 80% of GMS via mobile)
- Key quarterly indexes
 - Gross merchandise sales: ¥9,869 million
 - Stores: 4,777 (As of March 31)

New Business

Shumee-to Club



MobaMingle



- Steady increase in user activity at SNS Shumee-to Club for middle-aged users
- Currently expanding scale of B2B marketplace NETSEA
- Studying usage patterns for MobaMingle mobile content site for English speakers, implementing improvements

FY2008 Operating Results

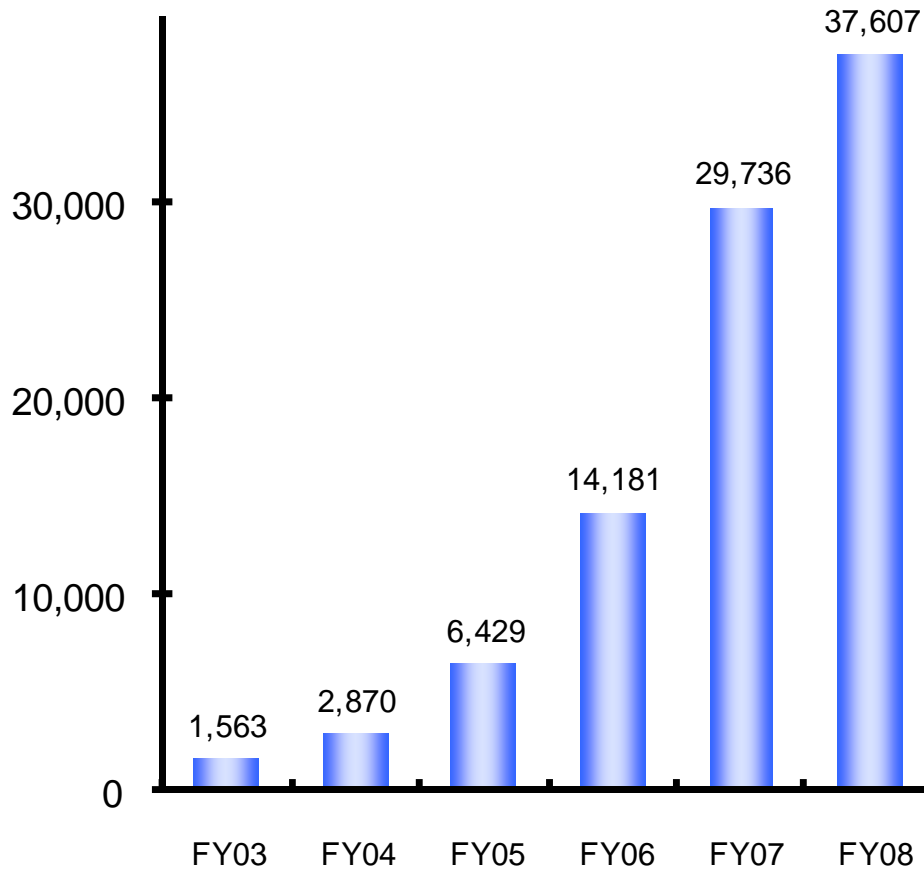


DeNA Co., Ltd.

Net Sales by Segment / Ordinary Income

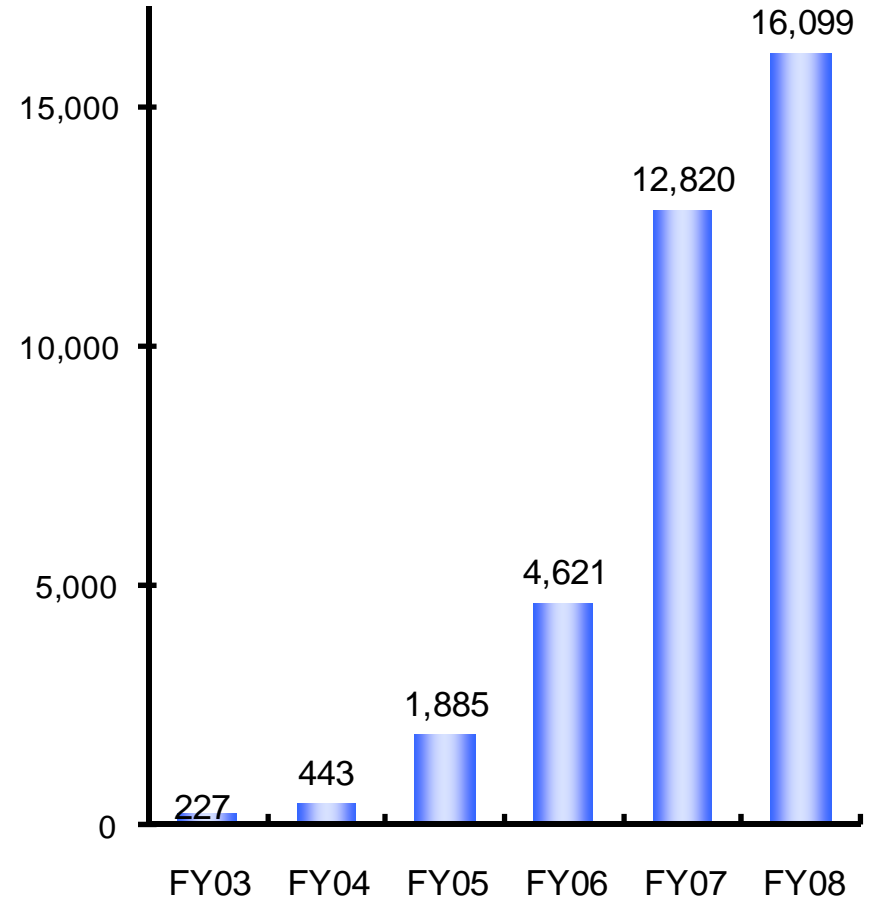
Net Sales

(Millions of yen)



Ordinary Income

(Millions of yen)



Note: Figures from FY03 to FY04 are on a non-consolidated basis.

Overview of Operations for FY2008

(Millions of yen)

	FY2008	FY2007	Change	Contributing Factors
Net sales	37,607	29,736	+26%	Expansion of mobile business
Operating income	15,843	12,662	+25%	
Ordinary income	16,099	12,820	+26%	
Net income	7,956	6,776	+17%	Impairment loss of approximately ¥0.92 billion (goodwill, fixed assets related to travel agency business (AirLink))

Breakdown of Expenses (FY2008)

(Millions of yen)

	FY2008	FY2007	Change	Contributing Factors
Cost of sales	8,796	5,967	+47%	
Labor costs	281	193	+45%	
Depreciation and amortization	1,146	770	+49%	Increased system investments
Advertising media costs	3,140	2,210	+42%	Expansion of Pocket Affiliate external media sales
Others	4,228	2,792	+51%	Increased Moba-ge-town content costs, Mobakore purchase costs, Paygent settlement costs and higher share of game portal revenues
Selling, general and administrative expenses	12,967	11,106	+17%	
Employee salaries	4,594	3,428	+34%	Personnel increase in line with business expansion: 574 employees as of March 31 (up from 446 as of March 31, 2008)
Sales promotion and advertising	3,930	4,141	-5%	Increased sales promotion expenses owing to solid e-commerce performance, reduction in television commercials
Others	4,441	3,536	+26%	Increase in fees charged for digital item (Moba-ge-town) , relocation and rent increases

Cash Flows (FY2008)

(Millions of yen)

	FY2008	FY2007	Change	Contributing Factors
Cash flows from operating activities	9,471	9,207	+263	
Cash flows from investing activities	(3,752)	(2,682)	-1,070	Payments for purchase of short term and long term investment securities
Cash flows from financing activities	(4,020)	(390)	-3,630	¥3.0 billion acquisition of own shares in Q3
Cash and cash equivalents at end of year	23,435	21,780	+1,655	

Breakdown of Sales by Segment/Service

(Millions of yen)

	FY2008	FY2007	Change
Mobile Business	30,729	23,637	+30%
Moba-ge-town	19,614	15,433	+27%
Pocket Affiliate	8,946	9,189	-3%
Mobaoku	3,690	3,152	+17%
Mobakore	2,171	1,454	+49%
Paygent	1,051	438	+140%
Others	694	707	-2%
Consolidation and eliminations	(5,439)	(6,739)	-19%
Web Commerce Business	5,287	4,488	+18%
Others	1,590	1,610	-1%
Total	37,607	29,736	+26%

Forecast for FY2009

(Millions of yen)

	FY2009 (Forecast)	FY2008	Change
Net sales	43,000	37,607	+14%
Operating income	16,000	15,843	+1%
Ordinary income	16,200	16,099	+1%
Net income	8,500	7,956	+7%

- Expected increase in sales related to games (Moba-ge-town) and e-commerce
- Taking a conservative stance toward ad-related revenues, owing to impacts of the economic downturn and restructuring of the sales structure
- Conservative forecast for avatar-related sales (Moba-ge-town), as facing full-fledged rollout of 3D avatars, and user demand and other factors remain uncertain
- Although sales are expected to grow, owing to conservative forecast of sales in highly profitable segments (avatar-related/advertising-related), forecast increase in income is small

Outlook for FY2009 (1)

- Moba-ge-town
 - Promote measures to energize communities, focusing on the keywords “social” and “entertainment”
 - Establish game portal as key source of revenue
 - Foster steady growth in 2D avatars and aim to invigorate community through introduction of 3D avatars
 - Continue efforts to maintain soundness. Conduct educational activities to encourage appropriate use of the mobile Internet
- Advertising
 - Reorganize our advertising sales structure to cultivate the mobile advertising market
 - Expand Pocket Affiliate/Pocket Match into one of Japan’s leading advertising distribution networks (cultivate media, develop products)
- E-commerce
 - Expand e-commerce operations, which are relatively impervious to economic downturns
 - Build collective strengths by fostering synergies between services (BtoC, CtoC, and BtoB through shopping, auction, commerce, wholesale, settlement)
- New business
 - Invest aggressively in new businesses that will become major sources of future growth
 - To make effective use of abundant cash, continue to consider management strategies that involve aggressive M&A activities
- International extension
 - Focus on China and English-speaking markets (mainly the United States)

Outlook for FY2009 (2)

■ Structural enhancements

- Headquarters system: Promote flexible decision-making and operational autonomy
- Managing Director system: Clarifying divisional responsibilities and accelerate decision-making by delegating authority

■ Shareholder return

- Steady dividend payout equal to 10% of consolidated net income
- Year-end dividend for FY2008 (planned): ¥1,800/share
- Year-end dividend for FY2009 (forecast): ¥1,800/share

The forecasts in this document represent management's assumptions and beliefs based on the information currently available. Readers are cautioned that these forecasts are subject to a number of risks and uncertainties and may differ materially from actual results.



DeNA Co., Ltd.