

## Q4 FY2009 Results Briefing Q&A Summary

DeNA held a meeting on April 30, 2010, to brief participants on the Company's performance during the fourth quarter of the fiscal year ended March 31, 2010. Following is a summary of major questions that were raised, along with their responses.

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Q1 Consolidated performance for the year ended March 31, 2010, was approximately ¥1 billion higher than indicated in the revised earnings forecast you announced on March 16. What factors contributed to these results?

A1 This improvement was due to social game sales and income. Based on our experience in other billing services, we kept sales forecast through the end of the month somewhat conservative. However, sales were better than expected, and this is reflected in these results.

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Q2 What proportion of sales of Moba-ge-town's "games, etc." category is from social games created in-house versus open-platform games developed by outside game developers?

A2 We don't disclose this information, but at present social games created in-house make up the larger portion of sales. That being said, open-platform game sales are on track and growing. We are developing the open platform as an important pillar of our operations to ensure a win-win situation for DeNA and game developers.

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Q3 What led to the recovery of avatar-related sales in the fourth quarter? Were the Moba-ge Open Platform and social games created in-house contributing factors?

A3 We think the avatar sales recovery had a lot to do with the introduction of features that made Settlerin and other social games more enjoyable. Also, we planned lineups that included added functionality and special editions to promote 3D avatars. We think the transition to 3D avatars and the promotion of extra clothes for avatars were contributing factors to the recovery in sales.

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Q4 On page 10 of the results presentation materials under Moba-ge-town usage trends, the activity of users over 30 is higher than that of users in their 20s. What is the reason for this trend?

A4 We think the increase in social game users is the main reason. If you look at social games throughout the world, there are many users over 30 who enjoy this service.

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Q5 In terms of developing Moba-ge-town for the PC, if attracting users over 30 is the goal, I think you could easily achieve that objective on your own. What is your intention with regard to the Yahoo! Moba-ge (provisional name) business alliance in the social game area with the Yahoo Japan Corporation?

A5 We do not have a PC user base, so the business alliance with Yahoo! JAPAN is very important to us in terms of increasing our appeal to users over 30.

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Q6 Looking at your first quarter earnings forecast for fiscal 2010, why is it that, compared to the fourth quarter of fiscal 2009, sales are up ¥4 billion but income only ¥1 billion?

A6 The biggest factor is the increased investment in new business, including mobile UGC site EVERYSTAR and international operations, which affect consolidated earnings this term.

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Q7 Please discuss the activity of open game and in-house social game users since February.

A7 We significantly increased the number of open-platform game titles, and in terms of activity, the increase in open game user activity was higher than the growth of in-house social game user activity.

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Q8 The success of Moba-ge-town social games can be attributed to the large number of users who love games. In terms of the Yahoo! Mobage business alliance with Yahoo! JAPAN, why do you expect social games to grow?

A8 Yahoo! Games is a huge site with a solid user base. In Japan, for a variety of factors, the social game market arose in the mobile arena before the PC. Social games have a wide range of users and a broad variety of services. We think that many of these users will also enjoy Yahoo! Mobage.

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Q9 Won't the business alliance with the Yahoo! JAPAN hinder your developments for smart phones?

A9 The business alliance is intended to expand our business as well as that of Yahoo! JAPAN, but it is not intended to bind us together in terms of growth. We don't believe you have anything to worry about.

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Q10 In the event that you were to launch your platform overseas, would you consider the same level of investment as Moba-ge-town in Japan? Or do you have plans to launch an overseas business more efficiently?

A10 In terms of international development, we believe that analyzing user demand trends and potential needs gleaned from the operation of Moba-ge-town and making use of our accumulated expertise will make us much more efficient. However, in terms of constructing a system and user platform, we would be starting from scratch. We plan on conducting user acquisition through alliances with other companies, advertising and other promotion.

As current performance is strong and track, we will make investments and launch international operations on a by-service basis once we have confirmed the business potential of each.

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Q11 Will your development of in-house social games for Facebook be for mobile devices or PCs?

A11 We are developing them for PCs.

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Q12 The rent expense and employee salaries in your cost of sales are very low compared to other companies. How are you able to achieve this?

A12 Stable processing of low-cost, high-volume traffic is our company's hidden strength. We believe we lead the industry in terms of our infrastructure skills.

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Q13 You had capital expenditures of about ¥2 billion in fiscal 2009, and about ¥1.6 billion in fiscal 2010. Compared to your business scale expansion, the increase in capital expenditure is extremely small. What is your capital expenditure forecast for this fiscal year?

A13 The amount of capital expenditure will increase in proportion to our business expansion; there will be no sudden or significant increases.

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Q14 How do you promote demand for avatars for different social games?

A14 As in Sengoku Royale, where individual user avatars appear as main characters in the game, we motivate users to create impressive avatars. We encourage players to use our Moba-gold virtual currency to purchase avatar items, which in turn is linked to an increase in avatar-related sales.

In April 2010, we launched an avatar service designed to provide an edge in advancement within the game. This involves the purchase of Moba-coins, a virtual currency created specifically for this game, which we plan on including in the calculation of "games, etc." sales. For avatars sold within open games, we have a profit sharing system that provides a fixed portion of our avatar sales to game developers who create and sell avatars.

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Q15 Game developers place advertisements to promote sales of their own open games; how do you categorize these sales in your earnings calculations?

A15 They are included in the sales of "games, etc."

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Q16 Regarding "Deluxe Games," am I correct in understanding that sales are a gross calculation, and that the profits shared with game developers are reflected as an expense within the cost of sales?

A16 As in the past, profit sharing of "Deluxe Game" game sales planned and produced with game developers are calculated as an expense under "commission fees" within the cost of sales. Although it is not mentioned in the presentation materials, as sales increase, so do "commission fees."

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Q17 What are the assumptions behind your earnings forecast for the first quarter of fiscal 2010, and game-related forecasts in particular?

A17 Budgets are created based on the predicted number of users and ARPU. The forecast figures are calculated by combining this prediction with actual results.

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Q18 What do you expect sales promotion and advertising expenses to be during the first quarter of fiscal 2010?

A18 Sales promotion and advertising expenses will be about the same as in the fourth quarter of fiscal 2009, although we expect to be slightly more proactive this quarter.

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Q19 Am I correct in assuming that (considering earnings in the fourth quarter of fiscal 2009), the earnings forecast for the first quarter of fiscal 2010 reflects a slower pace of growth focused on maintaining your current position?

A19 The earnings forecast for the first quarter of fiscal 2010 does not reflect the rapid expansion in sales from a zero starting point in businesses such as social games. Starting in the second quarter, expansion of our business domain in the form of international developments, developments for the PC and the launch of mobile UGC site EVERYSTAR will be the driving force behind new growth, and we expect this to result in increased sales.

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Q20 What are your personnel plans in fiscal 2010?

A20 With the rapid expansion of our business domain, we expect to hire about 200 new employees, primarily engineers. At the same time, we are extremely particular about the quality of our employees, so the actual number of new hires may be less.

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Q21      What kind of expenses on a consolidated basis do you anticipate going forward, given your international and new business development plans?

A21      In terms of international business, we expect investments to continue for some time. We will monitor progress closely and make investments as they are deemed appropriate and necessary.

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Q22      Can you tell us about game-related monthly sales and page view trends?

A22      We do not disclose that information.

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