

# Q3 FY2010 Operating Results



DeNA Co., Ltd.

## Q3 FY2010 Highlights

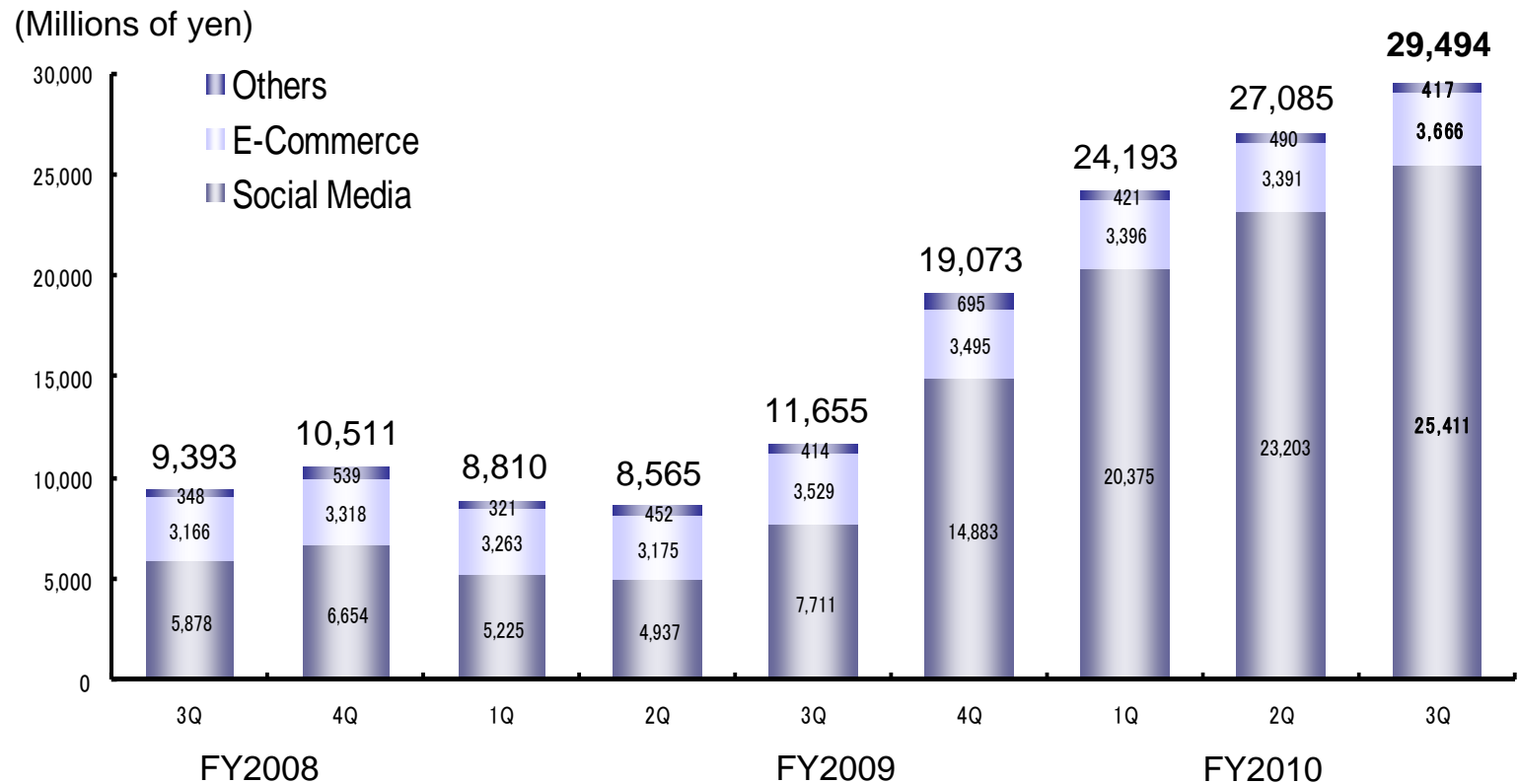
- Net sales and operating income both reached historic highs for the fifth consecutive quarter.
  - Net sales: JPY29,494 million (+153% YoY)
  - Operating income: JPY14,745 million (+182% YoY)
  
- The content of social games provided on Mobage Open Platform became more diverse and business expanded for both in-house and open platform games.
  
- To accelerate our X-border strategy, we acquired ngmoco (United States) and converted it to a wholly owned subsidiary.
  
- Reached agreement on a medium-term strategic alliance with Samsung Electronics to advance the global development of mobage

## Overview of Operations for Q3 FY2010

(Millions of yen)

	Q3 FY2010	Q3 FY2009	Change	Q2 FY2010	Change	Contributing Factors
Net sales	29,494	11,655	+153%	27,085	+9%	Increased sales of virtual goods in social games
Operating income	14,745	5,224	+182%	13,624	+8%	
Ordinary income	14,783	5,276	+180%	13,410	+10%	
Net income	8,162	2,985	+173%	7,638	+7%	

# Net Sales by Segment



- Notes:
1. Segment sales numbers are net sales (sales after consolidation and eliminations).
  2. Segments were revised to those adopted as of FY2009 (Amounts have been retroactively adjusted to Q3 FY2008).
  3. In FY2010, divisions were renamed. "Portal Marketing" became "Social Media," and "Commerce" was renamed "E-Commerce."

# Breakdown of Expenses

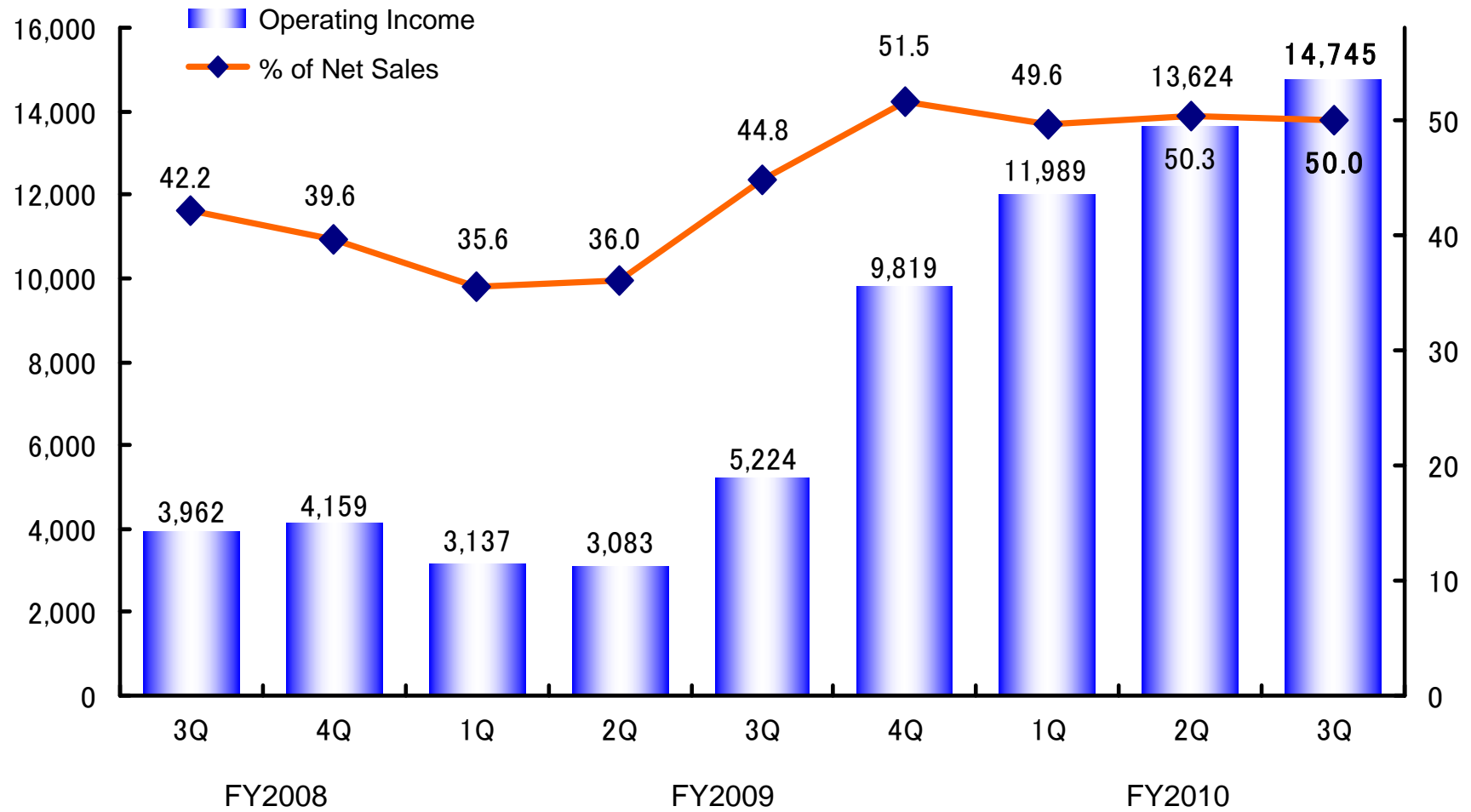


(Millions of yen)

	Q3 FY2010	Q3 FY2009	Change	Q2 FY2010	Change	Contributing Factors
<b>Cost of sales</b>	<b>4,069</b>	<b>2,605</b>	<b>+56%</b>	<b>3,314</b>	<b>+23%</b>	
Labor costs	224	98	+129%	175	+28%	Increased number of personnel for Mobage-town
Depreciation and amortization	440	336	+31%	409	+8%	
Advertising media costs	584	634	-8%	643	-9%	Linked to Pocket Affiliate sales
Cost of goods sold	257	430	-40%	314	-18%	Linked to Mobakore sales
Business consignment expenses	646	394	+64%	553	+17%	Increase in social game related expenses
Commission fees	1,582	464	+241%	907	+74%	Increase in game royalty revenue shares
Others	333	246	+35%	311	+7%	
<b>Selling, general and administrative expenses</b>	<b>10,679</b>	<b>3,825</b>	<b>+179%</b>	<b>10,146</b>	<b>+5%</b>	
Employee salaries	1,617	1,348	+20%	1,522	+6%	839 employees, as of December 31 (down from 873 as of September 30, 2010)—from reduction of employees at foreign subsidiaries
Sales promotion and advertising	5,223	1,096	+377%	5,077	+3%	Increased promotion costs for TV commercials
Commission fees and business consignment	2,863	761	+276%	2,614	+10%	Increased commission fees for agency settlement of item billings with Moba-coins
Other	974	618	+57%	931	+5%	

# Operating Income

(Millions of yen) (%)



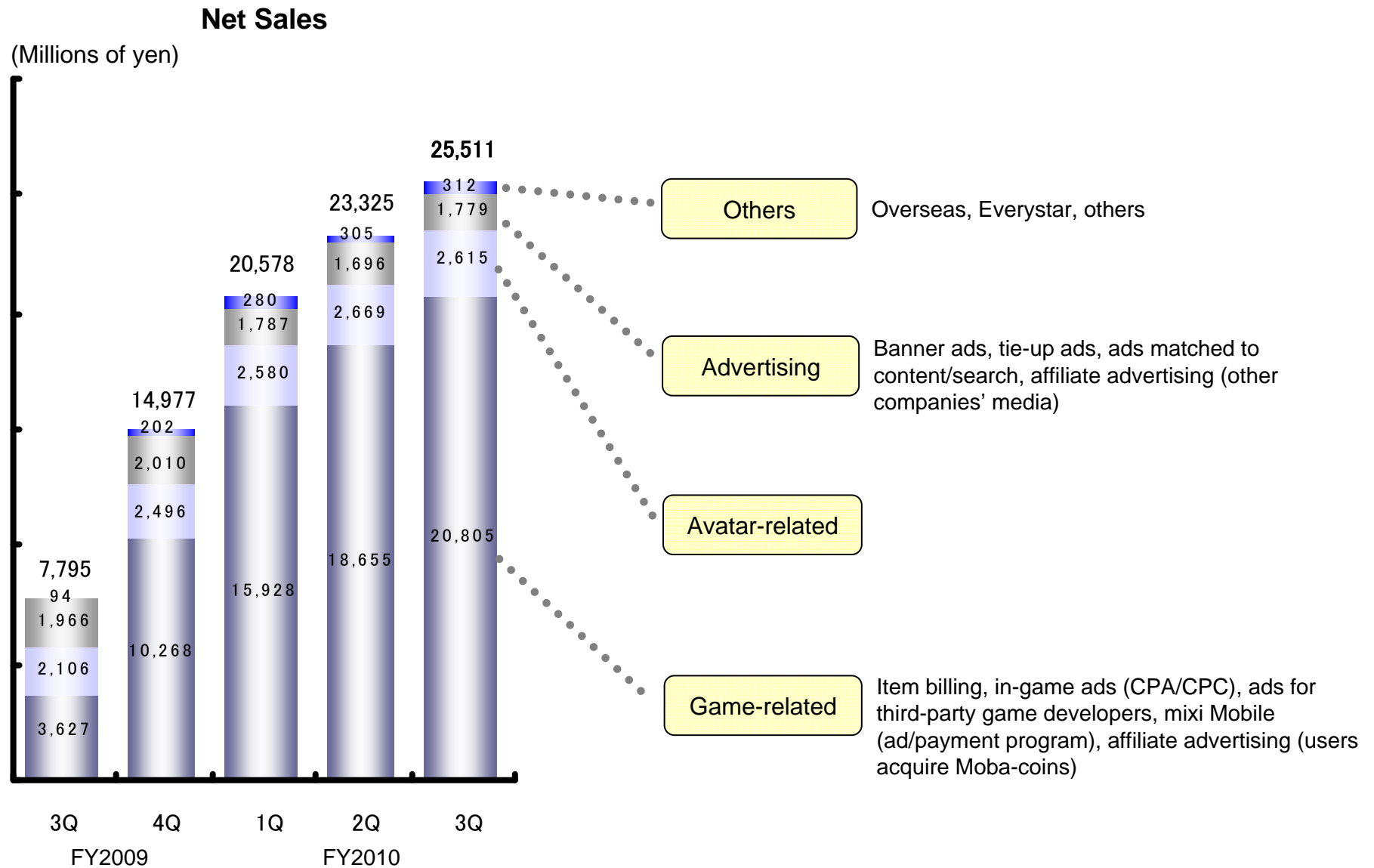
# Cash Flows



(Millions of yen)

	Q3 FY2010	Q3 FY2009	Change	Q2 FY2010	Change	Contributing Factors
Cash flows from operating activities	10,922	795	+10,127	14,292	-3,369	Payment of corporate taxes during the quarter, etc.
Cash flows from investing activities	-13,233	-449	-12,784	-4,095	-9,138	Acquisition of subsidiary stocks during the quarter, etc.
Cash flows from financing activities	0	0	0	-1	+1	
Cash and cash equivalents at end of quarter	44,351	24,577	+19,773	46,472	-2,120	

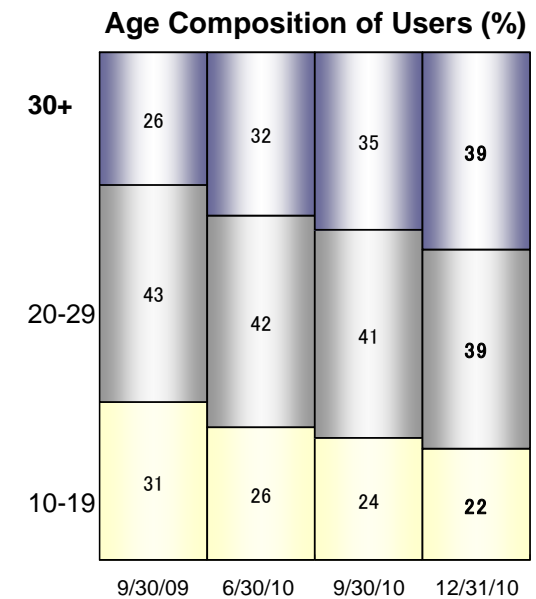
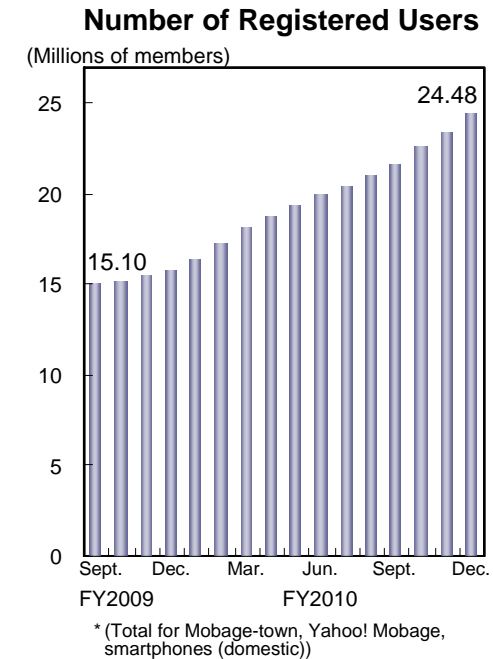
# Social Media Business



\*Segment sales figures are prior to consolidation and eliminations.

# Mobage-town User Trends

- Number of registered users continue to expand from implementation of X-device strategy
- Users in the 30+ age-group continue to increase from positive impact of game content and TV commercials targeting mature audiences.
- Accelerate demands for sales of virtual goods through additions of popular titles and promotions
- The number of registered users who can use Yahoo! Mobage is steadily increasing.
  - Age composition of registered users (as of January 3, 2011)
    - 10-19: 17%
    - 20-29: 26%
    - 30+: 57%
  - Number of registered users: 2.01 million (as of January 3, 2011)
  - Number of third-party developers: 88 companies; number of titles: 149 (as of January 19, 2011)



## Social Games

- Open platform games and in-house games both expanded from the previous quarter.
- Content lineup expanded substantially through additional games provided by over 300 partner companies: 309 third-party developers, 764 game titles (as of January 25, 2011)
- Well-known titles released/to be released during this winter and spring

### [Already released]

- Hajime no Ippo
- EVANGELION TOSHITOSHITO
- Lupin The Third ~Another Accomplice~
- Shenmue-gai
- Monster Rancher for Everyone
- GUNDAM Royale

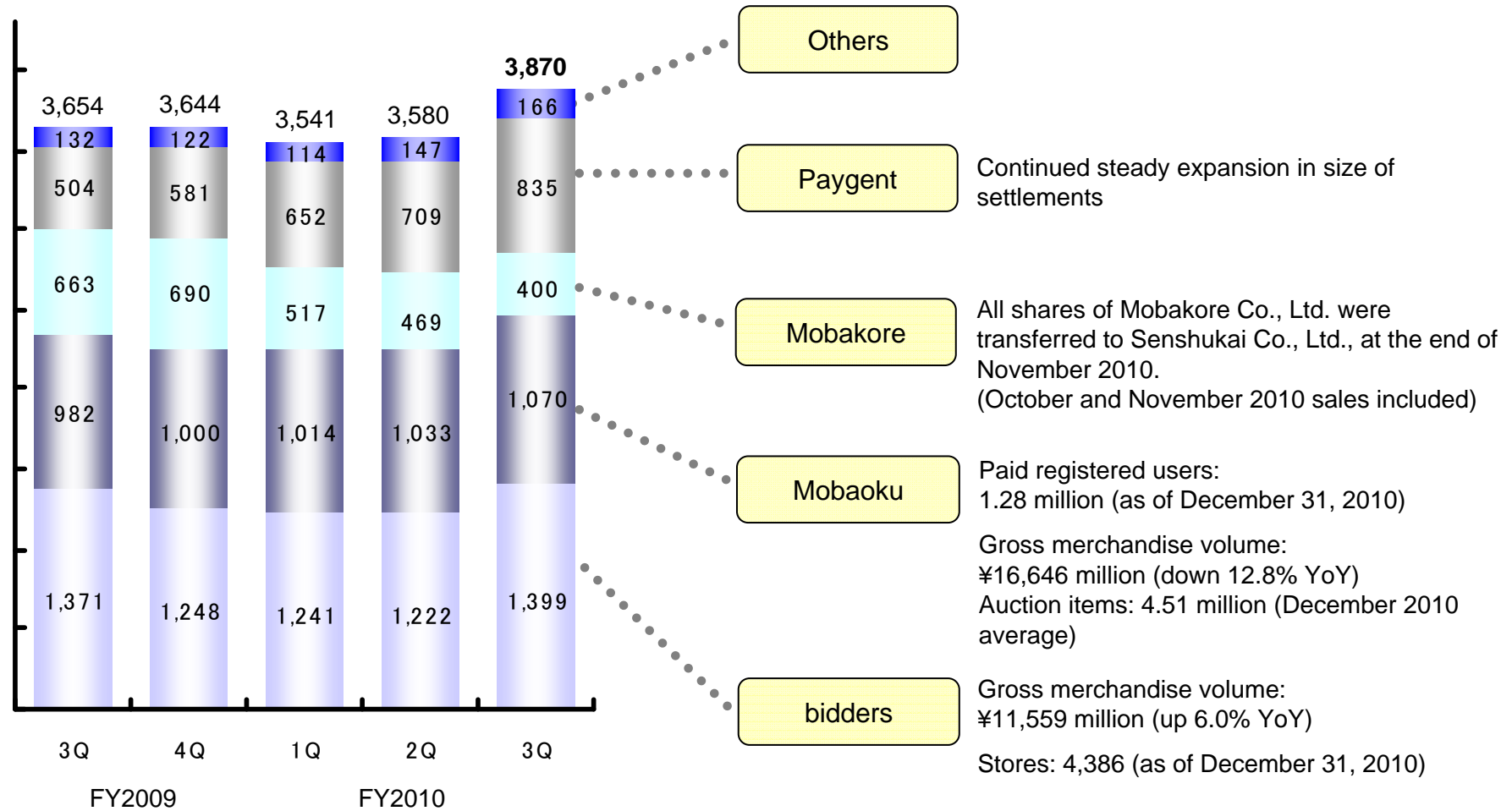
### [Scheduled to be released]

- PHANTASY STAR Eternal Hunters
- EXIT Escape from behind closed doors to win!
- OH-OKU (Tentative name)

# E-Commerce Business

## Sales

(Millions of yen)



\*Segment sales figures are prior to consolidation and eliminations.

## Q3 FY2010 Accomplishments and Initiatives for Q4

### Maximum focus on strengthening Mobage-town as a social game platform

#### ■ Promote X-border (international business development)

- Preparations for development of “mobage” as a unified global platform through ngmoco
- Medium-term strategic alliance with Samsung Electronics

#### ■ Promote X-device

- PC: Yahoo! Mobage launched in October 2010
- Smartphones: Launched browser-type “Mobage-town for smartphone” in December.  
Will start full-scale deployment as part of global strategy - highest priority initiative for 2011

#### ■ Further strengthening of existing businesses

- Content diversification: Promote development of new genres through media alliances
- Diversify methods of monetization: In addition to micro-transactions, commenced offering a monthly membership fee service in January 2011

## Smartphone Initiatives

### ■ Domestic Platforms

- Launched browser version (iOS, Android) on December 15, 2010
- Currently offering the popular “Kaito Royale.” Average revenue per user (ARPU) is about the same as for feature phone users. In-house titles scheduled to launch from February.
- Launch schedule for open platform: Browser version in February and application version (ngCore based) in April



### ■ Overseas Platforms

- Preparations under way for development of “mobage” as a unified global platform through ngmoco
- Games will be launched on ngCore after March.

### ■ Medium-term strategic alliance with Samsung Electronics

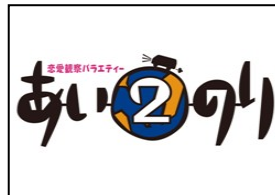
- Working to expand the user base by pre-installing “mobage” on Samsung’s Android handsets, which are being developed and marketed as a global product (excluding the Japanese market), beginning this spring



# Offering More-Diverse Content

Series of social games incorporating well-known IPs are being launched by many partners to contribute to further expand the user base. Media events are also being planned.

## Well-Known TV Programs



©Fuji Television/  
DeNA/DigiDock  
“The Love Bus2”



©NTV ©DeNA ©Dropwave  
“EXIT Escape from behind closed doors to win!”



©Fuji Television-TOEI ©DeNA  
“OH-OKU (Tentative name)”  
\*Introduction scheduled for this spring

## Well-Known Characters



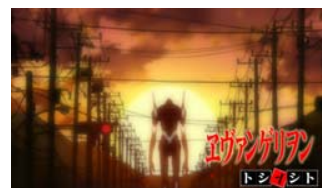
©CROOZ ©Million Co., Ltd.  
“Kunio Battle”



©JM/K  
©DL/K  
“Hajime no Ippo”



©MP/T-N ©DeNA ©Butterfly  
“Lupin The Third  
~Another Accomplish~”



©khara/©COPRO  
©DeNA/©POKELABO  
“EVANGELION TOSHITOSHITO”

## Well-Known Games



©TECMO KOEI GAMES CO., LTD.  
“Nobunaga's Ambition for Everyone”



©SEGA ©YS NET  
Published by SUNSOFT  
“Shenmue-gai”



©SOTSU-SUNRISE  
NAMCO BANDAI GAMES Inc.  
“GUNDAM Royale”



©TECMO KOEI GAMES CO., LTD.  
“Monster Rancher for Everyone”



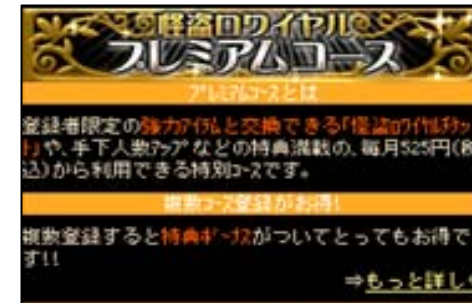
©SEGA  
“PHANTASY STAR  
Eternal Hunters”  
\*Introduction scheduled for this winter

## Diversifying Monetizing Mechanisms

In addition to micro-transactions, a fixed rate monthly membership service (docomo, au) is being offered to respond to expanding user needs.

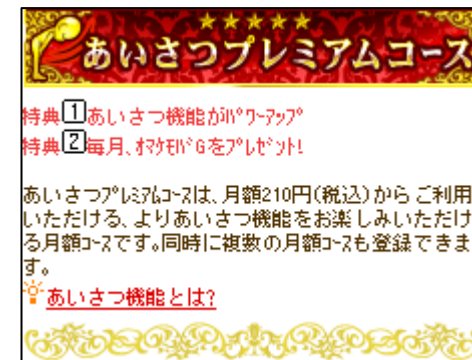
### ■ Kaito Royale Premium Course

- Selection of four courses (Battle, Mission, etc.), to enable various upgrades
- Includes Royale Ticket that is exchangeable for powerful items



### ■ Greet Premium Course

- Selection of six courses that expand the function settings of popular Avatar greetings
- Includes Moba-Gold as a special premium for enrolling in the courses



#### Notes:

1. Softbank mobile phone users cannot register for the Premium Course; however, they may use an alternative service with the same-level functions.
2. Users cannot register for the Premium Course through smartphones.

# FY2010 Consolidated Performance Forecast and Cash Dividend



(Millions of yen)

	FY2009 (Actual)	FY2010 Q1-3 (Actual)	FY2010 (Forecast)
Net sales	48,105	80,772	113,000
Operating income	21,265	40,359	55,500
Ordinary income	21,518	40,147	55,300
Net income	11,371	22,328	30,700
Cash dividend per share (Yen)	12	—	34

- Effective June 1, 2010, the Company announced a 300-for-1 stock split of the Company's outstanding common shares. The figures in the table above indicate the cash dividend per common share under the assumption that the stock split was conducted at the beginning of FY2009.

The forecasts in these presentation materials 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.