

Corporate Governance Report

The following is an unofficial English translation of the Japanese original text of the Corporate Governance Report of DeNA Co., Ltd., which has been submitted to the Tokyo Stock Exchange. DeNA Co., Ltd. provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

Last Update: April 11, 2018

DeNA Co., Ltd.

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Securities Code: 2432

<http://dena.com/intl/>

The following is an overview of corporate governance at **DeNA Co., Ltd.** (the “Company” or “DeNA”).

I. Basic Approach to Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Approach

Through its products and services, the DeNA Group is committed to bringing delight and enjoyment to people all over the world, thereby making a positive impact on their lives globally. This commitment is embodied in the Company’s mission, “Delight and Impact the World”, and in the Company’s vision, to “as an eternal venture, bring delight to the world using the internet and AI”. The DeNA Group defines eternal venture as continuously challenging ourselves to provide new value, with social responsibility as a key priority. When pursuing all manner of initiatives, the DeNA Group will keep its mission and vision in mind.

The DeNA Group will embody its mission and vision through appropriate dialogue and cooperation with a variety of stakeholders including customers, partners, employees, shareholders, and regional society. The DeNA Group will continue to establish and enhance effective corporate governance and aim to continuously maximize its corporate value.

[Reasons for Not Implementing Certain Principles of Corporate Governance Code] [Updated]

(Principle 5.2)

• Establishing and Disclosing Business Strategy and Business Plan

The Company’s primary focus is to continue to increase its corporate value through business growth. The following two factors are important indicators for the Company in ensuring that it is fulfilling the expectations of its shareholders through continued increase in profits:

- (i) year-over-year growth rate of sales revenue and operating profit; and
- (ii) EPS (earnings per share) and year-over-year growth rate of EPS.

At present, the Company’s business is focused on mobile games and a range of other internet services. As the market conditions and business environment for these services change extremely rapidly, forecasting market changes in the medium-to-long term is difficult. The Company therefore does not set specific target dates or numerical targets for the above indicators, but instead provides updates on material business matters and developments at its annual shareholders’ meetings and in its quarterly financial announcement. In addition, with respect to matters that affect growth in the Company’s corporate value over the medium term, it provides details and disclosure in various IR materials as necessary. For more details, please refer to the IR

[Disclosure Based on Principles of Corporate Governance Code] [Updated]

(Principle 1.4)

• Shareholdings for Policy Purposes

The Company's internal rules require Board of Directors approval or report to the Board in the event the Company acquires shares or other equity interests in another company in excess of a specified amount or voting percentage. In addition, when the Company invests in the share or other equity interests of another company for policy purposes (to build, strengthen or maintain business relations), it considers the following factors:

- business synergy with such other company (the "investment target") and whether the investment will lead to an increase in the Company's corporate value over the medium term;
- whether the investment would adversely affect the financial health of the Company; and
- whether the amount of the investment and its shareholding percentage exceed a level that is reasonably necessary.

In the case of any such investment that is material, the Board of Directors reviews the economic rationale and future prospects of such investment at least annually.

With respect to exercising voting rights arising from such investment, the Company's internal rules require approval of the corporate department and comprehensive review (in light of the above factors) of the business and financial condition of the investment target from the standpoint of increasing the Company's corporate value over the medium term.

(Principle 1.7)

• Related Party Transactions

Pursuant to applicable law and the Company's internal rules, the Company requires approval of its Board of Directors in the case of transactions involving conflict of interest of any director. Transactions with major shareholders must be reported to the Board.

Transactions with related parties require review by the corporate department on the appropriateness of each transaction (including from a legal and tax standpoint) and depending on the amount and nature of such transactions, approval from the appropriate authorized persons. Related party transactions that are material require approval of the Board of Directors. The corporate department reviews the status of each related party transaction at least annually and provides a report to the Company's corporate auditors and external auditor.

(Principle 3.1)

• Full Disclosure

(1) Corporate Mission, Corporate Strategy and Management Plan

The DeNA Group's mission is to "Delight and Impact the World", and the Group's vision is to "as an eternal venture, bring delight to the world using the internet and AI".

At present, the Company's business is focused on mobile games and a range of other internet services. As the markets conditions and business environment for these services change extremely rapidly, DeNA is required flexibly to adapt itself to such changes. The Company provides updates on material business matters and developments at its annual shareholders' meetings, quarterly financial announcement and other relevant occasions. In addition, with respect to matters that affect growth in the Company's corporate value over the medium term, it provides details and disclosure in various IR materials as necessary. For more details, please refer to the IR Library section of the Company's website for investor relations (<http://dena.com/intl/investors/>).

(2) Basic Approach and Guidelines on Corporate Governance

• Basic Approach

Please see Paragraph I-1 (Basic Approach) above.

• Basic Guidelines

Based on its basic approach to corporate governance described above, the Company has implemented the following measures:

- in order to promote fairness in management, the Company's Board of Directors takes into account a range of views provided by multiple independent outside directors;
- in order to facilitate timely decision-making by each business unit, the Company has proactively delegated appropriate decision-making authority to executive officers and heads of business units;
- in order to promote transparency, the Company proactively provides appropriate disclosure of information;
- the Company follows the Group Code of Conduct and fulfills its responsibilities to stakeholders; and
- the Company is committed to its standards of conduct for officers and employees, "DeNA Quality", and aims to embody its mission and vision

DeNA Quality: All Together, in Pursuit Of Delight

- (i) *Focus on substance:* We focus on providing true value;
- (ii) *Stretch ourselves:* We strive to achieve the highest level of professionalism at all times;
- (iii) *Have an elevated perspective:* We are always conscious of the wider context of our work;
- (iv) *Be transparent & honest:* We communicate openly and honestly to achieve results as a team; and
- (v) *Speak up:* We fearlessly share our thoughts.

The Company will continue to pursue the full implementation of the above measures in order to ensure the effectiveness and enhancement of the Company's corporate governance system.

(3) Policies and Procedures in Determining the Remuneration of Senior Management and Directors

- The Company compensates its directors in part on the basis of the Company's performance, so that each director is appropriately motivated to contribute to the overall performance of the Company and increase in its corporate value. This system also helps to raise each such director's awareness of shareholder-oriented management. However, outside directors are exempted from this compensation system. For details of such compensation system, including for senior management, please refer to "II. Overview of Business Management Organization and Other Corporate Governance Systems Related to Managerial Decision-Making, Business Execution and Management Supervision – 1. Items Related to Organizational Structure and Operations, etc. – [Incentives] and [Director's Compensation]" in this Report.
- The Company has established a compensation system wherein a part of the compensation of management, including executive officers, is based on the Company's performance.
- In order to enhance independence and objectivity of the function of the Board of Directors in the compensation of directors and executive officers, and ensure accountability, the Company has established a Compensation Committee (a voluntary advisory body for the Board of Directors).
- The Compensation Committee is made up of a majority of independent directors, and the chairman is an independent director.
- The Board of Directors will determine the individual compensation and evaluation standards for directors and executive officers on the basis of recommendations from the Compensation Committee.

(4) Board Policies and Procedures in the Appointment of the Senior Management and the Nomination of Director and Corporate Auditor Candidates

• Policies

The Company believes that candidates for director and corporate auditor at a minimum must have the sophistication and qualification to satisfy and promote the following objectives:

- continuous increase in the Company's corporate value;
- ensuring transparency and fairness in the Company's management; and
- establishing and maintaining a system of compliance.

In addition to the above, and consistent with the criteria below for the composition of the Board of Directors and Board of Corporate Auditors, candidates for director and corporate auditor must be persons of excellence with sound judgment and insight.

[Board of Directors]

- in order to ensure transparency and fairness, the Board must include outside directors with a high level of independence;
- in order to allow for active discussion and prompt decision-making, the Board should consist of an appropriate number of members; and
- there should be an appropriate balance in the experience and background of outside directors, who should include persons with a wide range of considerable management experience and insight.

[Board of Corporate Auditors]

- in addition to persons with a wide range of considerable management experience, corporate auditors should include persons with background and insight in legal, finance and labor matters; and
- at least one corporate auditor should have considerable experience in finance and accounting.

With respect to executive officers, appointments are made taking into account a candidate's ability in the following areas:

- strong leadership skills and the ability to lead an organization as the person responsible for business execution in his/her business or functional area;
- desire to contribute to the development of the Company, and capability for high-level strategic thinking from a whole-company perspective;
- ability to create appealing organizations based on the Company's mission, vision, as well as passion; and
- deep commitment to compliance, and the ability to make business decisions and operate organizations based on sound principles.

• Procedures

The Company has established a Nomination Committee (a voluntary advisory body for the Board of Directors), to enhance the independence and objectivity of the function of the Board of Directors in nominating directors, executive officers, and others who plan an important role in the Company's business.

The Nomination Committee is made up of a majority of independent directors, and the chairman is an independent director.

The Board of Directors will make determinations regarding the nomination of director and corporate auditor candidates, and regarding the appointment of executive officers, on the basis of recommendations from the Nomination Committee.

(5) Explanations with respect to the Individual Nominations of Director and Corporate Auditor Candidates

The Company's five (5) director candidates and the outside corporate auditor candidate Shinichi Koizumi are discussed in "Notice of the Convocation of the 19th Ordinary General Meeting of Shareholders" (pages 7 to 14, Japanese version) on the Company's website. The Company's outside corporate auditors other than Shinichi Koizumi are discussed in "Notice of the Convocation of the 17th Ordinary General Meeting of Shareholders" (pages 37 and 38, Japanese version) on the Company's website.

Pursuant to the policies and procedures described under (4) above, the Board of Directors appoints the Company's executive officers, whose names are disclosed on the Company's website.

(Supplementary Principle 4.1.1)

• Scope of Matters Delegated to Management

The Company's internal rules set forth that broad authority should be delegated to the management meeting, which is the business execution body, and to executive officers and other officers and employees for items other than those requiring a resolution by the Board of Directors due to their financial scale or importance to management strategy, or due to legal requirements or requirements in the Articles of Incorporation. This should clarify responsibility for business execution and increase flexibility and agility in business execution. Further, the directors and the Board of Directors will focus on establishing the basic policy for internal control systems, to ensure that there is appropriate checking of management's business execution, and monitoring of the operation of those systems.

(Principle 4.9)

• Independence Standards and Qualification for Independent Directors

With respect to the independence of outside directors and outside corporate auditors, in addition to the standards for independence set forth by the Tokyo Stock Exchange, the Company considers the following

factors:

(1) the candidate is not, and has not been for the past three (3) years, an executive officer of a business counterparty that is either:

- a business counterparty the aggregate amount of whose business transactions with the Company in the immediately preceding fiscal year exceeded 2% of the Company's consolidated sales; or
- a business counterparty the aggregate amount of whose business transactions with the Company in the immediately preceding fiscal year exceeded 2% of the consolidated sales of such business counterparty;

(2) if the candidate provides legal, accounting, consulting or other professional services to the Company, he/she does not receive remuneration from the Company (other than in the form of executive compensation) in excess of ¥10 million (or its equivalent) per year; and

(3) the candidate is not a representative or employee of the Company's outside auditor.

(Supplementary Principle 4.11.1)

• Balance between Knowledge, Experience and Skills of the Board of Directors; Diversity and Appropriate Board Size

The Company's policy and procedures for the appointment of candidates for the Board of Directors is set forth under Principle 3-1(4) discussed above. At present, pursuant to such policy, the Board of Directors consists of five (5) directors (out of a maximum of ten (10) directors provided in the Articles of Incorporation), of whom two (2) are outside directors, making the ratio of outside directors relatively high. In addition, the total number of attendees of a Board of Directors meeting is ten (10) (including five (5) corporate auditors), of whom six (6) (two (2) outside directors and four (4) outside corporate auditors) are independent outside officers. The Company believes that this composition facilitates substantive discussion and prompt decision-making by the Board of Directors, while at the same time ensuring transparency and fairness in the process. In the case of outside directors, the Company selects candidates on the basis of their considerable management experience and expertise in a wide range of areas.

(Supplementary Principle 4.11.2)

• Directors' and Corporate Auditors' Concurrent Positions Held at Other Companies

The Company discloses material concurrent positions held at other companies by its directors and corporate auditors (including candidates therefor) in supplementary materials and business reports provided in connection with the notice of convocation of the general shareholders' meeting each year.

(Supplementary Principle 4.11.3)

• Analysis and Evaluation of the Board's Effectiveness as a Whole

The Company analyzed and evaluated the Board's effectiveness as a whole (including the voluntary advisory committees) from January to March 2018.

1. Method for Analysis and Evaluation for Fiscal Year 2017

• Method for Analysis and Evaluation

The Company provided a questionnaire to all its directors and corporate auditors, and based on those responses, the director in charge held individual meetings with all directors and the standing corporate auditor. Based on those results, discussions were held at Board meetings evaluating the effectiveness of the Board and about future issues and measures.

The Chairperson for the Board Meetings was the director in charge of this evaluation of effectiveness. The method for analysis and evaluation and the proposed questionnaire questions were discussed and finalized at Board meetings. The opinion of outside legal counsel was also considered for the method for analysis and evaluation and the questionnaire questions.

• Summary of the Questionnaire Questions

(1) Concerning the progress towards external commitments* to strengthen corporate governance and internal controls, made available in March and May 2017, and concerning whether directors were fulfilling their appropriate roles and functions

(2) Concerning whether the Board meetings were leading the Company's mid to long-term growth

(3) Concerning other matters, such as the structure of the Board meetings and the positioning of the meetings

* These commitments are comprised of strengthening top management, oversight of business execution by the board of directors, strengthening compliance systems and management structure, and corporate culture reform. For more details, please see the disclosure of May 23, 2017, titled “Notice Regarding Strengthening Corporate Governance and Internal Controls” (URL below).

<http://v4.eir-parts.net/v4Contents/View.aspx?template=announcement&sid=36168&code=2432>

In fiscal year 2017, in addition to the measures stated in the above disclosure, the Company pursued the following initiatives to enhance corporate governance and the effectiveness of the Board.

- Organization and review of the agenda for the Board meetings by the Chairperson for the Board Meetings
- Convening of off-site meetings, where all directors and the standing corporate auditor participated in focused discussion on overall company issues
- Convening of executive sessions, comprising solely of the outside directors and corporate auditors, for the purpose of sharing information with independent outside directors

2. Summary of the Results of the Analysis and Evaluation for Fiscal Year 2017

The Company has determined through its analysis and evaluation that the Board is effective.

- The initiatives to strengthen corporate governance and internal controls are on an overall basis functioning effectively or making progress, and the role the Board should fulfill is broadly being fulfilled.

In particular, the initiatives to strengthen compliance and the control structure, changing the Chairperson for the Board Meetings (separating the roles of President & CEO and Chairperson for the Board Meetings), and the convening of offsite meetings have allowed the Board to function effectively in its oversight of business execution

- The establishment of the voluntary Nomination Committee and Compensation Committee, the introduction of which was discussed during the previous evaluation of the effectiveness of the Board, has made oversight of business execution even more effective
- At the Board meetings, substantial discussions, without a pre-determined conclusion, and deeper discussions are now taking place in regards to submitted proposals, and business execution is being checked appropriately
- The executive sessions, convened from fiscal year 2017 and comprising solely of the outside directors and corporate auditors, and other settings allowing the independent outside directors to share information and exchange opinions, are effective in enabling substantial discussions in the Board meetings.

Further, the analysis and evaluation showed that there was scope for further improvement in the following areas.

- Time for discussions concerning achieving mid to long-term growth for the Company is secured at the Board meetings, however, there is likely additional scope to strengthen business management functions, in order to deepen discussions at the Board meetings.
- With regards to the operation of the Board meetings, more time is being allocated to substantial discussions when compared to before, however, there is likely additional scope to improve agenda setting and clarify discussion topics and particular points for discussion

At the Board meetings, in addition to discussion of the above analysis and evaluation, further increasing the effectiveness of the Board meetings was also discussed.

As a result, the Company will work to identify in advance points for discussion at the Board meetings and pursue initiatives to set early opportunities to reflect on the Company’s performance for each quarter. In addition, the Company will establish time for free debate during regular Board meetings to solve mid to long-term issues, as well as discuss other initiatives.

The Company will continue to consider ways to improve the method for evaluating the effectiveness of the Board, and by continually implementing the evaluation of effectiveness for the Board overall, aim to improve the effectiveness of the Board meetings.

(Supplementary Principle 4.14.2)

- Training Policy for Directors and Corporate Auditors

The Company strives to ensure that each of its outside officers understands the Company's business environment and challenges through explanatory sessions on the Company's business and management strategy at the time of his/her election. The Company also provides its directors and corporate auditors with various opportunities to attend third-party training sessions at the Company's expense. The Company evaluates ways to strengthen training for its directors and corporate auditors from time to time as necessary.

(Principle 5.1)

- Policy for Constructive Dialogue with Shareholders

The Company strives to promote constructive dialogue with its shareholders and investors through the following measures:

- the executive officer in charge of this area has overall responsibility for dialogue with the Company's shareholders and investors. Any request for dialogue with the Company from a shareholder or investor is handled primarily through such executive officer and the investor relations department. The Company's representative director also strives to engage proactively in dialogue with investors;
- the executive officers in charge of the corporate department and the investor relations department and each division head of such department meet every other week to share information and to exchange views, and provide support on any dialogue with shareholders and investors as necessary;
- The Company holds explanatory meetings concerning financial results every quarter, meets with shareholders and investors, including those overseas, and engages in other IR activities;
- with respect to any views and concerns expressed by shareholders and investors, the Investor Relations Department provides feedback to the relevant departments, the relevant management executives and the Board of Directors as necessary. Analysis of such views and concerns, and consideration of measure that the Company should take to address them, are handled primarily by the executive officer in charge of this area and the investor relations department and discussed at the Board of Directors meetings as necessary; and
- in relation to any dialogue with shareholders and investors, the Company takes care to prevent disclosure of insider information and to ensure that there are no disparities among shareholders and investors in terms of access to information. During any so-called "quiet period", the Company does not accept requests for dialogue with shareholders or investors and seeks thoroughly to manage disclosure of information.

2. Capital Structure

Foreign Shareholding Ratio [Updated]	More than 30%
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[Status of Major Shareholders] [Updated]

Name / Company Name	Number of Shares Owned	Percentage (%)
Tomoko Namba	19,769,780	13.11
Japan Trustee Services Bank, Ltd.	17,570,600	11.65
Nintendo Co., Ltd.	15,081,000	10.00
The Master Trust Bank of Japan, Ltd.	9,853,300	6.53
STATE STREET BANK AND TRUST COMPANY	4,185,321	2.78
Shogo Kawada	4,035,651	2.68
BBH FOR VANGUARD INTERNATIONAL VALUE FUND -ARGA	2,726,500	1.81
MSCO CUSTOMER SECURITIES	2,306,285	1.53
GOLDMAN, SACHS & CO.REG	2,290,404	1.52
EUROCLEAR BANK S.A./N.V.	2,044,432	1.36

Controlling Shareholder (except for Parent Company)	-
Parent Company	None

Supplementary Explanation [Updated]

* The above information concerning the foreign shareholding ratio, status of major shareholders, and the below supplementary explanation is all as of September 30, 2017.

1. The Company owns 5,661,389 shares (3.75%) (including 365,718 shares of Company stock held through the trust for the Company's employee stock option plan (ESOP)) of treasury stock, but this has been omitted from the major shareholders list above.
2. In a large shareholding report made available on July 21, 2017, it was stated that Sumitomo Mitsui Trust Bank and its joint holders held the following amount of shares as of July 14, 2017. However, the Company was not able to confirm the real holding size of Sumitomo Mitsui Trust Bank as of the end of the second quarter of fiscal year 2017, so did not list Sumitomo Mitsui Trust Bank in the above list of major shareholders.
[Major Shareholder / Number of Shares Owned / Percentage]
Sumitomo Mitsui Trust Bank and two other companies / 10,021,200 / 6.64%

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange First Section
Fiscal Year-End	March
Type of Business	Service Business
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than ¥100 billion and less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	More than 10 and less than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances that May Have a Material Impact on Corporate Governance

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II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with Corporate Auditors (<i>Kansayaku</i>)
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	Ten (10)
Term of Office Stipulated in Articles of Incorporation	One (1) year
Chairperson for the Board Meetings	Executive Chairman (excluding if also serving as President & CEO)
Number of Directors	Five (5)
Election of Outside Directors	Elected
Number of Outside Directors	Two (2)
Number of Independent Directors	Two (2)

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Hiroyuki Otsuka	From another company											
Nobuo Domae	From another company											

* Relationship with the Company

○ indicates that the item is/became applicable to the outside director either at present or recently

△ indicates that the item was applicable to the outside director in the past

● indicates that the item is/became applicable to a close relative of the outside director at present or recently

▲ indicates that the item was applicable to a close relative of the outside director in the past

a. Executive of the Company or any of its subsidiaries

b. Non-executive director or executive of a parent company of the Company

c. Executive of an affiliate (subsidiary of the Company's parent company) of the Company

d. A party whose major client or supplier is the Company or an executive thereof

e. A major client or supplier of the Company or an executive thereof

- f. A consultant, accountant or legal professional who receives significant remuneration or other assets from the Company other than remuneration as a director/corporate auditor
- g. Major shareholder of the Company (or an executive of such major shareholder if the shareholder is a legal entity)
- h. Executive of a client or supplier company of the Company (does not fall under any of d, e, or f) (the director himself/herself only)
- i. Executive of a company that has an outside director or corporate auditor who is also an outside director or corporate auditor of the Company (the director himself/herself only)
- j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
- k. Others

Outside Directors' Relationship with the Company (2)

Name	Independent Director	Supplementary Information on the Relationship	Reasons of Appointment
Hiroyuki Otsuka	○	-	<p>Mr. Hiroyuki Otsuka has extensive experience in corporate management as an executive at a major international private equity fund, as well as experience in serving as an outside director of a number of business companies. He has provided valuable advice regarding the mid to long-term strategy of the Company, global development strategy and other matters since he assumed the position of Outside Director in June 2015. In addition, based on his experience and independent objective position, he has given various comments for the improvement and strengthening of corporate governance and internal controls, and considering that Mr. Otsuka can be expected to continue to give appropriate advice in the decision-making of the Board of Directors, the Company believes that Mr. Otsuka will perform his duties as outside director properly.</p> <p>Mr. Otsuka previously worked at Sumitomo Mitsui Banking Corporation, with which the company has banking transactions. However, Mr. Otsuka never held a position as a director, executive officer, or any other position that directly participates in the management of the bank. Mr. Otsuka left the bank in April 2001, 16 years ago, and since that time he has had no special relationship with the bank, other than ordinary financial transactions, such as making deposits. Therefore, the</p>

			<p>Company has determined that Mr. Otsuka's independence as an Outside Director has been sufficiently established.</p> <p>The Company does conduct transactions with the bank, including making deposits and transferring money. However, the Company has no borrowings from the bank or any personnel relationships, and therefore the Company has no relationship with the bank that could impact the Company's decisions for management or financial strategy.</p>
Nobuo Domae	○	-	<p>Mr. Nobuo Domae has extensive management experience in overseas business development, ecommerce, marketing, etc. at a major clothing retailer, and has provided valuable advice regarding the mid to long-term strategy of the Company, global development strategy and other matters since he assumed the position of Outside Director in June 2016. In addition, based on his experience and independent objective position, he has given various comments for the improvement and strengthening of the corporate governance and internal controls, and considering that he can be expected to continue to give appropriate advice in the decision-making of the Board of Directors, the Company believes that that Mr. Domae will perform his duties as an outside director properly.</p>

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Compensation Committee	Established
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Establishment of Voluntary Committee(s), Committee Members, Affiliation of Committee Head (Chair)

	Committee Name	Members	Standing Members	Internal Directors	Outside Directors	Outside Experts	Other	Committee Head (Chair)
Voluntary Committee Equivalent to Nomination Committee	Nomination Committee	3	3	1	2	0	0	Outside Director
Voluntary Committee Equivalent to Compensation Committee	Compensation Committee	3	3	1	2	0	0	Outside Director

Supplementary Explanation

[Advisory Committees]

The Company has established a Nomination Committee and a Compensation Committee, which are voluntary advisory bodies for the Board of Directors. This is in order to ensure transparency and objectivity, including the appropriate participation of outside directors, in matters regarding personnel selection and compensation, which are key factors for the Board of Directors to fulfill its oversight function.

Both committees will be made up of a majority of independent directors, and the chairman will also be an independent director.

The Nomination Committee will provide recommendations regarding the initial proposals and basic approach to nomination policy for directors, corporate auditors, and executive officers, and will provide recommendations on advice regarding initial proposals for the succession plan and the approach for training management and executive officer candidates.

The Compensation Committee will provide a report regarding the recommendations concerning initial proposals for the compensation structure for directors and individual allocation, as well as the compensation structure, incentive plans, and evaluation criteria for executive officers.

[Corporate Auditors]

Establishment of the Board of Corporate Auditors	Established
Maximum Number of Corporate Auditors Stipulated in Articles of Incorporation	Five (5)
Number of Corporate Auditors [Updated]	Five (5)

Cooperation between Corporate Auditors, Independent Outside Auditor and the Internal Audit Department

The Company's corporate auditors hold meetings, quarterly and at other times as necessary, with the Company's independent outside auditor, Ernst & Young ShinNihon LLC ("ShinNihon"), to exchange views and information on the Company's audit system, audit plan and status of audits, in order to maintain a mutually collaborative relationship. In addition, the Company's corporate auditors hold meetings, periodically and at other times as necessary, with the Company's internal audit department to exchange views and information on the Company's audit system, audit plan and status of audits, in order to maintain a mutually collaborative relationship.

The Company's corporate auditors monitor and verify the status of the Company's internal control system and provide advice and guidance to the compliance and risk management department, which is responsible for the establishment and maintenance of the internal control system, and the corporate department as necessary. The Company's internal audit department verifies the Company's internal control system and reports its findings to the compliance and risk management department. The compliance and risk management department then takes steps as necessary to make improvements in the internal control system on the basis of those findings. The compliance and risk management department also works with ShinNihon as appropriate to further strengthen the Company's internal control system.

Election of Outside Corporate Auditor	Elected
Number of Outside Corporate Auditors [Updated]	Four (4)
Number of Independent Corporate Auditors [Updated]	Four (4)

Outside Corporate Auditor's Relationship with the Company (1) [Updated]

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Shinichi Koizumi	From another company													
Taketsune Watanabe	From another company													
Masaru Iida	Attorney-at-Law													
Hisaaki Fujikawa	Attorney-at-Law													

Relationship with the Company

- indicates that the item is/became applicable to the outside corporate auditor either at present or recently
- △ indicates that the item was applicable to the outside corporate auditor in the past
- indicates that the item is/became applicable to a close relative of the outside corporate auditor at present or recently
- ▲ indicates that the item was applicable to a close relative of the outside corporate auditor in the past

- a. Executive of the Company or any of its subsidiaries
- b. Non-executive director or accounting advisor of the Company or its subsidiaries
- c. Non-executive director or executive of a parent company of the Company
- d. Corporate auditor of a parent company of the Company
- e. Executive of an affiliate (subsidiary of the Company's parent company) of the Company
- f. A party whose major client or supplier is the Company or an executive thereof
- g. A major client or supplier of the Company or an executive thereof
- h. A consultant, accountant or legal professional who receives significant remuneration or other assets from the Company other than remuneration as a corporate auditor
- i. Major shareholder of the Company (or an executive of such major shareholder if the shareholder is a legal entity)

- j. Executive of a client or supplier company of the Company (does not fall under any of d, e, or f) (the corporate auditor himself/herself only)
- k. Executive of a company that has an outside director or corporate auditor who is also an outside director or corporate auditor of the Company (the corporate himself/herself only)
- l. Executive of a company or organization that receives a donation from the Company (the corporate auditor himself/herself only)
- m. Others

Outside Corporate Auditor's Relationship with the Company (2) [Updated]

Name	Independent Corporate Auditor	Supplementary Information on the Relationship	Reasons of Appointment
Shinichi Koizumi	○	-	<p>Mr. Shinichi Koizumi has abundant management experience and wide-ranging knowledge from large-scale global corporations. The Company believes that Mr. Koizumi will perform his duties as an outside corporate auditor properly, considering his ability to supervise overall management and provide valuable advice from the viewpoint of considering the greater picture of how the DeNA Group ought to be in the future.</p> <p>The Company had transactions relating to construction work for the office of one of its subsidiaries with OBAYASHI CORPORATION, in which Mr. Shinichi Koizumi serves as Outside Director. Mr. Koizumi has never been appointed as an inside director for OBAYASHI CORPORATION. Also the total transaction amount between the companies was neither 2% or more of the consolidated net sales of the DeNA Group nor 2% or more of the consolidated net sales of OBAYASHI CORPORATION. Since he fulfills the Company's Independence Standards for Independent Board Members, the Company judges that he is independent. Although the Company conducted business with OBAYASHI CORPORATION such as the outsourcing of construction work on the office of one of the Company's subsidiaries, no personnel relationship exists between the companies, and there are no such relationships in which OBAYASHI CORPORATION can influence the management, setting of policies for financial strategy or other decision-making of the Company.</p> <p>The Company entered into an advisory contract with Mr. Shinichi Koizumi from April 2017 to June 2017, and received advice on compliance and other matters from him during this period. Based on the</p>

			contract, the total amount of compensation paid by the Company to Mr. Koizumi was not in excess of ¥3 million, and since he meets the Independence Standards set by the Company, the Company believes that he is sufficiently independent as an Outside Corporate Auditor. There are no such relationships in which Mr. Koizumi can influence the Company's management or decisions etc., on policies regarding its financial strategies.
Taketsune Watanabe	○	-	The Company believes that Mr. Taketsune Watanabe will perform his duties as an outside corporate auditor properly, considering his extensive management experience in internet-based services.
Masaru Iida	○	-	The Company believes that Mr. Masaharu Iida will perform his duties as an outside corporate auditor properly, considering his considerable knowledge of finance and accounting from his long tenure at a financial institution, as well as extensive knowledge of the law from his experience as an attorney.
Hisaaki Fujikawa	○	-	The Company believes that Mr. Hisaaki Fujikawa will perform his duties as an outside corporate auditor properly, considering his abundant experience in and profound knowledge of the field of employment and labor, as well as extensive knowledge of the law from his experience as an attorney.

[Independent Directors/Corporate Auditors]

Number of Independent Directors/Corporate Auditors	Six (6)
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Matters relating to Independent Directors/Corporate Auditors

All of the Company's outside directors and outside corporate auditors who qualify as an independent director/corporate auditor are designated as independent directors/corporate auditors.

[Incentives]

Status of Implementation of Measures to Grant Incentives to Directors	Stock Options / Other
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Supplementary Explanation

The compensation of the Company's directors consists of cash compensation and compensation in the form of stock options. Cash compensation for directors other than outside directors includes a fixed portion and a variable portion based on the Company's performance in the previous fiscal year. Cash compensation for outside directors consists of a fixed portion only. The upper limit on stock option compensation for directors, which is separate from cash compensation, was approved by the resolution of the 15th Ordinary

General Meeting of shareholders held on June 22, 2013. For directors other than outside directors, this was set at an amount equal to 1.0% of the amount of the Company's profit for the year attributable to owners of the parent as set forth in the consolidated income statement for the previous fiscal year. However, such amount may not exceed 1.0% of such profit when added to the cash compensation (for the year) for such directors. In addition, the upper limit for the number of stock acquisition rights to be issued as stock options per year was set at 160,000 units. For outside directors, in consideration of the nature of their duties and services, the amount of stock option compensation is limited to ¥20 million per year and the upper limit for stock acquisition rights to be issued as stock option was set at 15,000 units per year.

Recipients of Stock Options [Updated]	Inside Directors, Outside Directors, employees
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Supplementary Explanation [Updated]

The stock option incentive system ensures that directors share with the Company's shareholders the benefits of rising stock prices as well as the risks of falling stock prices, giving the directors an incentive to contribute to the overall performance of the Company and increase its corporate value. This system also helps to raise the directors' awareness of shareholder-oriented management.

The Company also provides stock options to executive officers and specialist officers, who hold core roles in business operations for the Group, in order to better align the goals and interests of these individuals with those of the Company to grow mid to long-term corporate value.

[Directors' Compensation]

Disclosure of Compensation of Individual Directors	Disclosure of Compensation of Certain Directors
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Supplementary Explanation

Compensation paid to the Company's directors for the fiscal year ended March 2017 has been disclosed in the Company's 19th Business Report and Securities Report. In addition, there is no director whose aggregate amount of annual compensation was ¥100 million or more in the fiscal year ended March 2017. This information is also disclosed on the Company's website. For details, please refer to the Company's Securities Report (in Japanese) at <http://dena.com/jp/ir/library/report.html>.

Policy for Determining Amounts and Calculation Method of Compensation	Established
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Disclosure of Policy for Determining Amounts and Calculation Method of Compensation

The compensation of the Company's directors consists of cash compensation and compensation in the form of stock options. Cash compensation for directors other than outside directors includes a fixed portion and a variable portion based on the Company's performance in the previous fiscal year. Cash compensation for outside directors consists of a fixed portion only.

The stock option incentive system ensures that directors share with the Company's shareholders the benefits of rising stock prices as well as the risks of falling stock prices, giving the directors an incentive to contribute to the overall performance of the Company and increase its corporate value. This system also helps to raise the directors' awareness of shareholder-oriented management.

The upper limit on cash compensation for directors was set at the 15th Ordinary General Meeting of Shareholders held on June 22, 2013, and the 19th Ordinary General Meeting of Shareholders held on June 24, 2017. For the fixed portion, the upper limit was set at ¥320 million per year (of which the amount allocable to outside directors was set at ¥60 million per year), while the limit for the performance-linked portion was set at an amount equal to 1.0% of the amount of the Company's profit for the year attributable to owners of the parent as set forth in the consolidated income statement for the previous fiscal year. Such amount may not

exceed 1.0% of such profit when such performance-linked portion is added to the compensation derived from stock options (for the year). Outside directors are not eligible for performance-linked compensation due to the nature of their duties and services.

The upper limit on stock option compensation for directors, which is separate from cash compensation, was approved by the resolution of the 15th Ordinary General Meeting of Shareholders held on June 22, 2013. For directors other than outside directors, this was set at an amount equal to 1.0% of the amount of the Company's profit for the year attributable to owners of the parent as set forth in the consolidated income statement for the previous fiscal year. However, such amount may not exceed 1.0% of such profit when added to the cash compensation (for the year) for such directors. In addition, the upper limit for the number of stock acquisition rights to be issued as stock options per year was set at 160,000 units. For outside directors, in consideration of the nature of their duties and services, the amount of stock option compensation is limited to ¥20 million per year and the upper limit for stock acquisition rights to be issued as stock option was set at 15,000 units per year.

The Company determines the compensation of individual directors (subject to the limitations described above) following discussion with and proposals by the Compensation Committee, on the basis of the Company's performance on a consolidated basis and the contribution by individual directors.

[Support System for Outside Directors and/or Outside Corporate Auditors]

The Company provides its outside directors and outside corporate auditors with materials and prior briefings on items on the agenda of the meetings of the Board of Directors as necessary. In addition, members of the corporate department (in the case of outside directors) and members of the Corporate Auditors Office (in the case of outside corporate auditors) have primary responsibility for sharing information and providing other necessary support to outside directors/outside corporate auditors in fulfilling their duties.

2. Matters Related to Functions of Business Execution, Audit and Supervision, Nomination and Decisions on Compensation (Overview of Current Corporate Governance System) [Updated]

The following is a summary of the Company's corporate governance system as of the date of this Report:

1. Board of Directors

The Board of Directors is composed of five (5) directors, two (2) of whom are independent directors. In addition to regular monthly Board meetings, the Board convenes special meetings when necessary. The Board of Directors makes important management decisions and performs an oversight function for overall business execution under the executive officer system, which is centered on the President & CEO.

The Chairperson for the Board Meetings will be selected at the meeting of the Board of Directors every year, and will be the director in the Board of Directors most appropriate to serve an oversight function. The Chairperson for the Board Meetings will officiate the approval and denial of agenda items and the setting of the agenda, including deliberation and resolution items for the Board of Directors, and reports on business execution.

The term for directors is one (1) year.

The Board of Directors will delegate decision-making authority on specific business execution issues to executive officers. By doing so, the Company will aim to enhance oversight of business execution, as well as place greater focus on discussions from a mid to long-term perspective as well as a big picture perspective.

[Advisory Committee]

The Company has established a Nomination Committee and a Compensation Committee, which are voluntary advisory bodies for the Board of Directors. This is in order to ensure transparency and objectivity, including the appropriate participation of outside directors, in matters regarding personnel selection and compensation, which are key factors for the Board of Directors to fulfill its oversight function.

Both committees will be made up of a majority of independent directors, and the chairman will also be an independent director.

The Nomination Committee will provide recommendations regarding the initial proposals and basic approach to nomination policy for directors, corporate auditors, and executive officers, and will provide recommendations on advice regarding initial proposals for the succession plan and the approach for training management and executive officer candidates.

The Compensation Committee will provide a report regarding the recommendations concerning initial

proposals for the compensation structure for directors and individual allocation, as well as the compensation structure, incentive plans, and evaluation criteria for executive officers.

2. Executive Officer System

The Company has introduced an executive officer system in order to clarify roles and responsibilities for oversight and execution, and with the aim to enhance the oversight function of the Board of Directors while also improving the efficiency of business execution.

Executive officers will be placed in each business or functional area, and be responsible for business execution related to proposing and carrying out strategy and plans for each business or functional area, on the basis of the authority bestowed by the Board of Directors.

The representative directors shall be responsible for and oversee the executive officers.

3. Management Meeting

The Management Meeting in principle is held weekly and is made up of inside directors. The Management Meeting's chairman is the President & CEO, and the Management Meeting makes decisions regarding important business execution matters. Also, in order to ensure consistency in execution approach and improve efficiency, report and deliberations about each area shall be conducted by the respective executive officer.

Further, resolutions made by the Management Meeting will in principle require the agreement of both the President & CEO and the Executive Chairman, and if they are unable to come to an agreement, the unresolved matters will be brought to the Board of Directors meetings. By doing so, the Company aims to improve the ability of the representative directors to work together in their business execution, checking and complementing each other.

4. Corporate Auditors / Board of Corporate Auditors

The Company has five (5) corporate auditors including four (4) outside corporate auditors. The standing corporate auditor was selected from among the outside corporate auditors. One of the outside corporate auditors worked for a financial institution for many years and has considerable expertise in finance and accounting.

Each corporate auditor attends meetings of the Board of Directors and the Management Meetings, interviews employees, reviews materials relating to important decisions and authorizations and broadly monitors the management of the Company in general. Each corporate auditor conducts appropriate monitoring of management from an independent standpoint while also sharing information with the other corporate auditors at meetings of the Board of Corporate Auditors, and strives to perform his/her audit duties efficiently and with a high degree of effectiveness.

5. Internal Audit Department

Members of the internal audit department conduct internal audit of the Company. Based on the Company's rules for internal audit and an audit plan approved by the Company's representative director, the internal audit department conducts audits of each relevant department or division (including subsidiaries of the Company). The internal audit department reports on the results of each audit to the Company's representative director. The department/division subject to such audit also receives notice of the results of such audit and thereafter, the internal audit department follows up on improvements made based on recommendations from such audit.

6. Outside Auditor

The Company has engaged ShinNihon as its outside auditor. Two (2) certified public accountants of Shin Nihon have overall responsibility for the Company's audit and they are supported by 31 assistants (16 certified public accountants and 15 others).

3. Reasons for Adoption of Current Corporate Governance System

The Company is a company with corporate auditors. The Company believes that it can vigorously pursue its business strategy through prompt and effective decision-making regarding important management issues by the Board of Directors consisting of directors who are familiar with the Company's business. At the same time, the Company aims to ensure oversight and supervision through the double system of supervision, with monitoring by the Board of Directors, which includes multiple outside directors with a high degree of independence, and auditing by the Board of Corporate Auditors.

III. Implementation of Measures Related to Shareholders and Other Stakeholders

1. Measures to Revitalize the General Meeting of Shareholder and Facilitate Exercise of Voting Rights

	Supplementary Explanations
Setting Date of General Meeting of Shareholders to Avoid Being Held on the Same Day as That of Many Other Companies	The Company seeks to set the date of its General Meeting of Shareholders on a day other than the day on which a large number of other companies hold their meetings.
Allowing Electronic Exercise of Voting Rights	In order to promote the exercise of voting rights by its shareholders, the Company allows the exercise of voting rights by electronic means (including personal computers and mobile phones).
Participation in Electronic Voting Platform	The Company participates in the “Voting Rights Electronic Exercise Platform” operated by ICJ Co., Ltd. The resulting convenience provides institutional investors sufficient time to consider proposals from the date of the convocation notice.
Providing Convocation Notice in English	The Company prepares and posts on its website an English version of the convocation notice as of the date of such notice, as a convenience to our non-Japanese shareholders in exercising their voting rights.
Other	Currently, the Company does not provide early delivery of the “Notice of the Convocation of the Ordinary General Meeting of Shareholders”, but for the 2017 Ordinary General Meeting of Shareholders, the “Notice of the Convocation of the Ordinary General Meeting of Shareholders” was made available on TDnet, provided by the Tokyo Stock Exchange, Inc., and on the Company’s website, four weeks prior (May 26) to the event date (June 24).

2. Investor Relations Activities [Updated]

	Supplementary Explanations	Explanation by Representative
Regular Investor Briefings for Individual Investors	The Company held three (3) investor briefings for individual investors during fiscal year 2017. The documents are available on the Company’s investor relations page (in Japanese).	Yes
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds meetings with analysts and institutional investors on a quarterly basis.	Yes
Regular Investor Briefings for Overseas Investors	The Company holds meetings by telephone with overseas investors on a quarterly basis. In addition, the Company meets with various overseas investors several times a year to explain the Company’s business condition generally. The Company also participates in conferences hosted by various securities companies for the benefit of overseas investors.	Yes
Posting of Investor Relations Materials on Website	The Company posts on its website (under “Investor Relations and Investor Information”) financial statements, materials used in explanatory meetings, convocation notices for the General Meeting of Shareholders, notices of resolution of the General Meeting of Shareholders, other periodic reports and disclosure materials and annual securities reports. In addition, the Company posts English versions of various reports and disclosure materials on its English language website for the benefit of overseas investors. http://dena.com/intl/investors/	

Establishment of Department and/or Manager in Charge of Investor Relations	The Company has established the Investor Relations Department as a department specializing in investor relations with full-time employees in charge.	
Other	The Company sends the “IR news mail” that provides periodic reports and notices to registered users.	

3. Measures that Consider the Interests of Stakeholders

	Supplementary Explanations
Internal Rules and Other Provisions Made in Consideration of Stakeholders' Interests	In order to ensure the trust of its stakeholders in the conduct of its business, the Company strives to promote social responsibility and ethical conduct by adopting and implementing its Ethics Charter and Group Code of Conduct, promoting awareness of its corporate social responsibility and requiring compliance with laws and regulations in its daily business activities.
Promotion of Environmental Protection, Corporate Social Responsibility (CSR) and Other Activities	The Company strongly supports and participates in activities that promote regional and social good through its services and efforts of its employees and staff, including activities to contribute in the areas of sports and technology education support for the next generation. For details of the Company's CSR activities, please refer to our website (in Japanese): http://dena.com/jp/csr/
Other	<p>(Initiatives to Promote Employee Wellness)</p> <p>The Company created the CHO (Chief Health Officer) Office in 2016, dedicated to promoting the health of fellow employees, and to ensuring that everyone is healthy.</p> <p>In order to enable all employees to find their own unique wellness style, the Company conducts regular employee surveys, and based on the results and requests therein conducts support activities related to food, exercise, sleep, and mental health.</p> <p>In FY2016, the Company held close to 100 health seminars, covering topics such as yoga, mindfulness, and improvement of dietary and sleep habits. In FY2017, the Company has narrowed its focus, placing priority on projects such as the back pain elimination project, as the Company determined many employees suffer from back pain, and the food project, aiming to help people change their bodies by changing their food.</p> <p>In addition to these internal initiatives, the Company has also started regional (Shibuya) cooperative initiatives, in cooperation with the government and other companies. For example, the Ministry of Economy, Trade, and Industry (METI) honored an app developed and operated by the Company (Wellmeshi) as a project in the Shibuya Wellness City Consortium, which was created by companies and groups in Shibuya. These initiatives are steadily growing.</p> <p>The Company was recognized for these activities under the 2017 Certified Health and Productivity Management Organization Recognition Program*, which is jointly organized by METI and the Nippon Kenko Kaigi.</p> <p>*Certified Health and Productivity Management Organization Recognition Program: this program endeavors to highlight outstanding large enterprises and SMEs engaging in initiatives for overcoming health-related challenges in regional communities or for promoting health-conscious activities led by the Nippon Kenko Kaigi. In 2017, the first year of the program, 330 organizations were recognized by METI.</p> <p>(Initiatives to Promote the Success of Women)</p> <p>The Company is proactively pursuing initiatives that support employees in balancing both work and life events. The Company is promoting the creation of an environment where employees who must temporarily change their work style, for example due to pregnancy, childbirth, childcare,</p>

	<p>caregiving, or personal or family health, are enabled to achieve results and maximize the use of limited available time.</p> <p>In particular, the Company has implemented numerous initiatives to support women who want to continue working, as life events particular to women, including pregnancy, childbirth, and childcare, can be difficult to balance with work, and ensure that these life events are not a limitation on women's careers.</p> <p>The Company offers a variety of support initiatives, in particular programs and benefits such as shortened working hours, babysitter aid, financial support for those who return to work early, and work-from-home in accordance with circumstances. In addition, the Company established an internal organization called the "DWC" (DeNA Women's Council), which provides comprehensive support, from pregnancy through the return to work, including workshops for employees returning from maternity leave. As a result, approximately 25% of the Company's female employees are currently balancing work and childcare.</p> <p>(The Company was certified under the Act on Advancement of Measures to Support Raising Next-Generation Children, and granted the right to use the kurumin mark, a symbol of a company supporting childcare.)</p>
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IV. Matters Related to the Internal Control System

1. Basic Approach to and Status of Development and Operation of Internal Control System

In accordance with the Companies Act and Order for Enforcement of the Companies Act, the Company has adopted the following basic policy for the establishment of internal control system:

1. System to Ensure Compliance by Directors and Employees of the Company and its Subsidiaries with Laws, Regulations and the Articles of Incorporation

- Directors, executive officers and employees of the Company and its consolidated subsidiaries (collectively, the "Group") shall redefine and seek to embody the Group's mission, "Delight and Impact the World," in each of their business areas.
- Directors, executive officers and employees of the Group shall be required to be cognizant of its corporate social responsibility and to engage in their daily duties in accordance with the Group's code of conduct and the requirements of "DeNA Quality," in full compliance with applicable laws and regulations and in a manner consistent with social norms and ethical standards. The heads of the various organizational units, such as executive officers, unit heads and general managers, shall operate their respective units to ensure that each member conducts their affairs in a manner consistent with the foregoing.
- The Company shall establish a department responsible for the compliance and risk management of the Group (the "Compliance and Risk Management Unit"). The Compliance and Risk Management Unit shall be responsible for (a) implementing training programs (such as compliance training programs) to ensure that the conduct of individual employees and the organization comply with applicable laws and regulations and conform to social norms and ethical standards, (b) establishing and operating the Group's compliance program that includes monitoring by internal audit or other control functions and operating a whistleblowing hotline system. The head of the Compliance and Risk Management Unit shall provide periodic updates to the representative directors and Board of Directors regarding the status of the Unit's activities.
- The internal audit department shall conduct the internal audit of the Group and provide periodic updates to the representative directors and Board of Directors regarding the status of its activities.
- The whistleblowing hotline system shall apply to the Group's directors, executive officers and employees, as well as those formerly but no longer employed by the Group and employees of its business partners, among others. In addition, in order to ensure that the abovementioned people are appropriately aware of and able to utilize this system, the Company shall appropriately ensure that they are aware of the importance of this system and establish multiple points of contact for reporting

purposes (such as corporate auditors, outside legal counsel and other professionals that are independent of management), in addition to an internal contact point for reporting. The Company's whistleblowing hotline system shall also ensure appropriate confidential treatment to enable any of the abovementioned people to consult or report without fear of retaliation.

- The corporate department shall check and manage the Company's business partners and adopt measures to firmly and systematically deal with any anti-social forces that threaten the order and safety of society or the Company's sound business operations.

2. System for the Storage and Preservation of Information Related to Director Duties

- With respect to the storage and management of information relating to the performance by the Company's directors of their duties, the corporate department shall have overall responsibility and, depending on the nature of the information, designate the departments responsible for the storage and management of that information in the Company's internal rules and regulations.
- These responsible departments shall appropriately record, store and manage the abovementioned information for the requisite period of time in a manner consistent with applicable law and the Company's internal rules relating to document management and other relevant internal rules. Depending on the medium of storage, these responsible departments shall ensure that said information is consistently stored safely and in an efficiently searchable way, and respond promptly to requests from directors and corporate auditors to access that information.

3. Regulations Relating to the Management of Risk of Loss and Other Relevant Risk Management System of the DeNA Group

- Each executive officer, unit head and general manager of organizational units shall be responsible for the analysis, evaluation and management of risks relating to or arising from business operations and the duties of the organizational unit for which they are responsible.
- The Compliance and Risk Management Unit shall be responsible for the following:
 - administration of the Group's risk management processes (including the assessment, management, and monitoring of risk) and risk management support for each department;
 - (a) in coordination with the corporate department, the internal audit department and all risk management committees, (A) comprehensive assessment of the Group's business and operational risks, (B) preparation of a summary of the results of analysis, evaluation and measures against risk and (C) continuous and centralized management and monitoring of risk-related information; (b) periodic reporting of such management and monitoring to the Board of Directors, the corporate auditors and management meetings; and (c) providing the views of the department on the deliberations and resolutions of the Board of Directors and management meetings of the Company and, as necessary, of any consolidated subsidiary of the Company;
 - in addition to the administration of the Company's whistleblowing hotline system, collection of primary risk-related information in coordination with the customer service, public relations and other related departments; establishment and administration of a system for taking into account feedback from customers and business partners to improve the business operations of the Company; and
 - In the case of any unexpected event, follow crisis management procedures to ensure prompt and accurate reporting, communication and handling of the issue.
- If the responsible head of the Compliance and Risk Management Unit has any concerns about the risk awareness and assessment of any representative director or executive officer in their business judgment, they may directly raise those concerns at any meeting of the Board of Directors or management meeting of the Company or, as necessary, at the meeting of the Board of Directors of any consolidated subsidiary of the Company.
- The Company's Board of Directors shall appoint and remove the responsible head of the Compliance and Risk Management Unit through a resolution.
- Security and management of information assets (including personal information) and compliance with related laws and regulations are of critical importance to the business operations of the Group. Accordingly, a committee chaired by the President & CEO of the Company shall have exclusive

jurisdiction over matters relating to the foregoing, and the information security department shall manage such matters under the basic policies established by that committee and in coordination with the Compliance and Risk Management Unit.

- If the Compliance and Risk Management Unit becomes aware (through the internal audit department, internal reporting or otherwise) of any material violation of laws, regulations or the Articles of Incorporation, any inappropriate action or any possibility of serious risk of loss on the Company, it shall promptly report to the Company's directors (other than directors who may have a conflict of interest) and corporate auditors.

4. System to Ensure Efficient Performance of Duties by Directors of the DeNA Group

- With a view to promoting efficiency in the performance of duties and the delegation of authority related to the business execution, in addition to the Company's executive officer system, the Company will appoint an executive officer, commissioned by the Board of Directors or by a representative director, to be responsible for each business unit.
- The representative directors shall administer and supervise the Company's executive officers.
- From the standpoint of supervising the Company's business execution, the Board of Directors shall review the matters to be resolved at the meeting of the Board of Directors and arrange appropriate delegation of duties.
- The corporate department, in coordination with the executive officers or any director or corporate auditor dispatched from the Company, shall monitor and support the business execution of each consolidated subsidiary to ensure efficient operation in accordance with the rules of its board of directors and other applicable rules and regulations established by each subsidiary.
- The authority and responsibilities of the directors of the Group in their roles shall be set forth in the rules of the Board of Directors, the rules concerning delegation of authority, the rules concerning duties and responsibilities and other internal rules of each company of the Group, which shall be reviewed in a timely and appropriate manner.
- With respect to managing the performance of its business operations, each Group company shall prepare an annual budget and business plan and in measuring each company's performance thereunder, manage its budget on a monthly basis, monitor on a weekly or daily basis any important operating ratios or figures and report in a timely and appropriate manner to the Board of Directors any information necessary for business management.

5. System to Ensure Adequacy of Operations

- The Company shall dispatch directors and/or corporate auditors to its main subsidiaries, monitor, supervise and audit the performance by the directors of their duties at those subsidiaries and receive reports on the business execution of those subsidiaries from the dispatched directors and/or auditors.
- Each subsidiary, in accordance with the Company's rules and regulations relating to the management of subsidiaries, periodically shall report to and (on important matters) engage in prior consultation with the executive officer responsible for the relevant business area (in the case of each subsidiary's business operations) and the corporate department (in the case of each subsidiary's business management).
- The internal audit department shall audit the Company's management of its subsidiaries and the business operations of those subsidiaries and verify the effectiveness of the Group's internal controls.

6. Matters Relating to Providing Personnel Support to Corporate Auditors

- The Company shall establish an office responsible for providing support to its corporate auditors (the "Corporate Auditors Office"), appoint full-time members of that office and assign an additional number of employees to that office as may be appropriate to respond to requests for assistance from its corporate auditors.

7. Matters Relating to Independence of Personnel Providing Support to Corporate Auditors and Ensuring Effective Instruction to Such Personnel

- With respect to any matter that is being handled at the request of a corporate auditor, no member of the Corporate Auditors Office shall receive orders or instructions from any director, executive officer or their superior. In addition, any appointment, transfer or evaluation of those members shall be subject to the approval of the standing corporate auditor.

8. System of Reporting by Directors and Employees of the DeNA Group to Corporate Auditors

- The Corporate Auditors Office shall establish an appropriate setting for the corporate auditors to effectively perform their duties by facilitating their participation in Board of Directors meetings, management meetings and other important meetings of the Company and their review of documents and related materials relating to resolutions.
- At important meetings such as the Board of Directors meetings and management meetings, directors responsible for business execution and executive officers shall report on the operating status of the businesses for which they are responsible.
- Each of the Compliance and Risk Management Unit and the internal audit department shall report on its activities to the representative directors and the Board of Directors as well as to the corporate auditors.
- Directors and employees of the Group, promptly upon becoming aware thereof, must notify the corporate auditors of any material violation of laws and regulations or the Articles of Incorporation, any inappropriate activity and any matter that may result in serious loss or damage to the Group. In addition, the corporate auditors shall be entitled at any time as necessary to seek information from directors and employees of the Group.
- The Group shall establish a system to ensure that a person who reports to a corporate auditor or makes a report under the whistleblowing hotline system is not treated disadvantageously by virtue of having made that report.

9. System to Ensure Efficient Oversight by Corporate Auditors

- The Company, primarily through the Corporate Auditors Office, shall establish a system to enable corporate auditors to perform an effective audit of the Company. That system shall provide for meetings between corporate auditors and outside (accounting) auditors to exchange views and information, as well as liaising with outside directors and periodic meetings with inside directors in response to any request from the corporate auditors.
- A corporate auditor at their discretion may consult with legal advisors other than the Company's regular legal advisors and other outside professionals on matters that they deem such consultation to be necessary in the performance of their oversight duties.
- In the event a corporate auditor seeks up-front payment or reimbursement of any costs relating to the performance of their duties, the Company shall promptly make that payment or reimbursement unless it is determined that said payment or reimbursement is not necessary for the corporate auditor's performance of their duties.

10. System for Ensuring Accuracy of Financial Reports

- With the compliance and risk management department as the responsible department, and pursuant to this basic policy and the "Basic Policy Regarding Internal Controls Relating to Financial Reporting" to be separately established, a representative director shall implement and administrate the Company's internal controls relating to financial reporting.
- The Board of Directors shall supervise as appropriate the Company's internal controls relating to financial reporting as administered by a representative director.

2. Basic Policy and Efforts to Counteract Anti-Social Groups and Organizations

1. Basic Policy

From the standpoint of social responsibility and corporate protection, the Company shall forcefully respond to contacts and demands from anti-social groups and organizations that threaten the order and safety of society and resolutely eliminate any relationship or transaction with such anti-social groups and organizations.

2. Internal System to Handle Anti-Social Groups and Organizations

The Company's general affairs department has overall responsibility for the Company's internal system to handle and eradicate any relationship with anti-social groups and organizations. When the Company considers transacting with a new business partner or counterparty, it conducts background checks pursuant to prescribed internal rules.

3. Cooperation with Outside Specialized Agencies

The Company participates in the "Tokubouren" (an association established by the National Policy Agency to combat anti-social groups and organizations) and members of the relevant departments attend workshops organized by the association. The Company has established a collaborative relationship and maintains close communication with the association, the police, outside legal advisors and other professional organizations. The general manager of the general affairs department has overall responsibility for the actual handling of anti-social groups and organizations in close coordination with the police, outside legal advisors and outside professional organizations, so as to enable the Company to address any issues promptly.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation

The Company's Basic Policy Regarding Control of the Financial and Business Policies of the Company (matters set forth in Article 118, Item 3 the Ordinance for Enforcement of the Companies Act) is as follows: The Company believes that the "person who controls the financial and business policies of the Company" must have broad knowledge and considerable experience in the DeNA Group's business (including internet service for mobile phones and personal computers), as well as profound understanding of the Company's relationship of trust with its shareholders, employees, users, business counterparties and various stakeholders. Through such knowledge, experience and understanding, such person should have the ability to maximize the Company's corporate value and profit over the medium- and long-term.

As a listed company, the Company believes that the decision to allow a party to seek ownership of a large number of Company shares should ultimately be left to the Company's shareholders, assuming that such acquisition will be made through free market transactions. At the same time, attempts to take over a company may in some cases clearly damage the target company's corporate value or the common benefit of its shareholders, or may not provide appropriate time or information necessary for proper consideration of the takeover proposal, and such cases cannot always be said to further the corporate value or the common benefit of the shareholders of the target company.

The Company believes that in such case, the party who seeks to acquire a large amount of Company shares is not suited to control the financial and business policies of the Company. Accordingly, in such case, to the extent permitted by applicable law and the Articles of Incorporation, the Company intends to take measures to protect and increase the DeNA Group's corporate value and common benefit with shareholders.

2. Other Matters Concerning Corporate Governance System [Updated]

The Company's internal system for periodic disclosure of information is as follows:

1. Policy on Periodic Disclosure

The Company has implemented a system to facilitate the appropriate disclosure of information relating to the Company and its affiliated companies. This system is intended to satisfy the Company's responsibilities to its shareholders and investors promptly to disclose appropriate information in accordance with applicable law and the listing requirements of the Tokyo Stock Exchange.

2. Internal System Relating to Timely Disclosure by the DeNA Group

In order to prevent insider trading, the Company has implemented the "Rules and Regulations for the Prevention of Insider Trading". Pursuant to these rules and regulations, the head of the corporate department has overall responsibility to manage information relating to the Company and to be aware of any information that requires timely disclosure. In addition, the responsible person for each department, in his/her capacity as the person with overall responsibility to manage information in such department, coordinates with the head of the corporate department in the management of such information. Such responsible person is also charged with instilling awareness in the Company's employees of the importance of information management and to be well versed in the Company's rules and regulations relating thereto. In the case of affiliated companies, pursuant to the "Rules and Regulations for the Management of Subsidiaries" the responsible business unit or the responsible executive officer manages information relating to business operation. Any other information relating to business operation is handled by the corporate department.

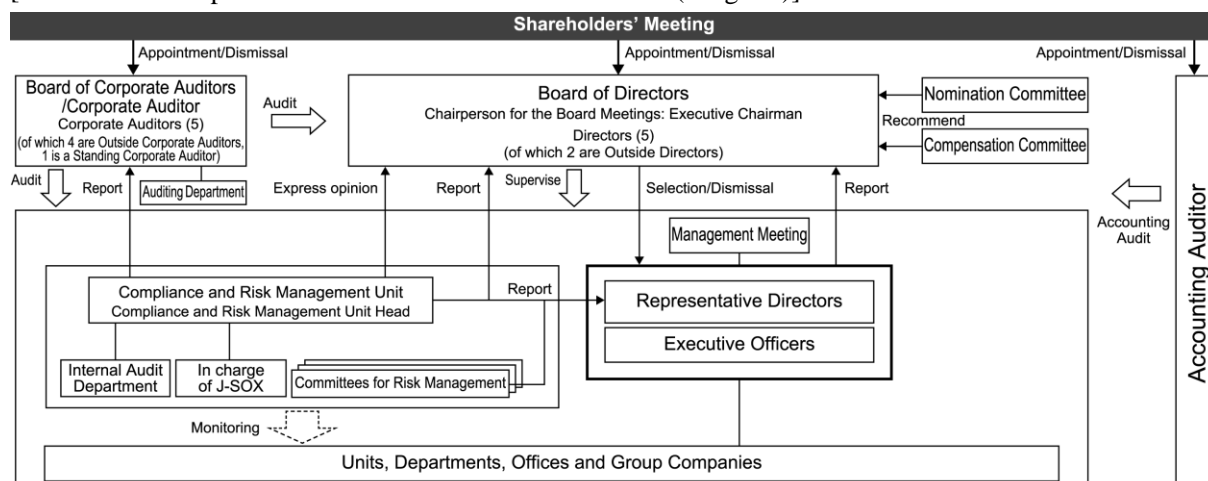
With respect to important matters, the head of the corporate department coordinates with the person responsible for information management of the department involved and the department responsible for investor relations, and consults with relevant departments and outside legal advisors as necessary, and determines the need for disclosure as well as the timing and content of disclosure. A decision on financial information that is deemed to warrant disclosure in principle is determined at a management meeting or Board of Directors meeting attended by the full-time directors, full-time corporate auditors and executive officers. After obtaining final approval of the head of the corporate department, the department responsible for investor relations will proceed promptly to disclose relevant information.

3. Audit of the Internal System Relating to Timely Disclosure

From the standpoint of compliance with law and efficient conduct of business that reflects the Company's business strategy, the department in charge of internal audit conducts internal audits pursuant to the annual audit plan. The purpose of such audits is to examine, evaluate and improve the system of management and operation relating to the Company's business. With respect to timely disclosure of financial information, the Company has implemented a system of timely disclosure pursuant to an internal reporting system based on the Financial Instruments and Exchange Law.

The Board of Corporate Auditors lead by the full-time corporate auditors also provide an oversight function in relation to the Company's timely disclosure system by attending Board of Directors meetings and seeking information and reports from each relevant department and related company.

[Structure for Corporate Governance and Internal Controls (Diagram)]



[Overview of System for Timely Disclosure (Diagram)]

