

Summary of Consolidated Financial Information for the First Quarter of the Fiscal Year Ending September 2007

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1. Items Concerning Preparation of Quarterly Financial Information

- a) Adoption of simplified accounting methods: Yes
 Depreciation of fixed assets: Portion of estimated annual depreciation expenses applicable to this quarter
- b) Change in accounting method from previous fiscal year: No
- c) Change in scope of consolidation and application of equity-method: Yes
 Newly consolidated subsidiaries: 2
 Consolidated subsidiaries excluded: 0
 New equity-method affiliates: 1
 Equity-method affiliates excluded: 1

*The third quarter financial statements have not been audited.

2. First Quarter Consolidated Financial Information (October 1, 2006 – December 31, 2006)

(1) Results of Operations

	Net sales		Operating income		Ordinary income	
	Million yen	YoY (%)	Million yen	YoY (%)	Million yen	YoY (%)
FY2007 1 st Quarter	6,064	(33.6)	108	(-39.7)	133	(-33.8)
FY2006 1 st Quarter	4,539	(33.2)	179	(14.6)	201	(21.9)
FY ended Sept. 2006	20,910		717		829	

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY (%)	Yen	Yen
FY2007 1 st Quarter	90	(-23.4)	729.57	723.54
FY2006 1 st Quarter	118	(-)	963.62	929.04
FY ended Sept. 2006	480		3,894.51	3,755.80

Notes:

1. All figures are rounded down to the nearest million.
2. Percentages are year-on-year changes.

【Results of Operations (Consolidated)】

In the first quarter, the Septeni Group posted a 33.6% increase in net sales to ¥6,064 million mainly because of continuing growth in the core network advertising segment. Earnings were impacted by a 42.4% year-on-year increase in selling and administrative expenses, chiefly due to higher personnel expenses. The result was a 39.7% decrease in operating income to ¥108 million, a 33.8% decrease in ordinary income to ¥133 million and a 23.4% decrease in net income to ¥90 million.

Results by business segment are presented below. Septeni has revised its business segments beginning with the first quarter.

(Network Advertising Businesses)

In Japan's Internet advertising market, the shift from conventional to Internet advertising continued, although there was a downturn in Internet advertising in some business sectors. Septeni believes that this growth will continue for the time being.

The Septeni Group took many actions to increase its market share and raise profitability. One initiative was focusing on growing categories like affiliate (where fees are based on results), mobile media and moving-image ads. The Group also continued to concentrate on reinforcing value-added services like Web site production and consulting. To support these initiatives, there was a sharp increase in the Group's workforce during the first quarter.

Due to these actions, segment sales increased 41.3% to ¥4,753 million, after adjusting for the revisions in business segments. However, operating income fell 78% to ¥26 million because the higher sales were unable to offset the growth in selling and administrative expenses caused by the larger workforce.

(Internet Businesses)

In the mobile services category, which primarily represents the distribution of content, operating results were solid due to a strong performance in the core music distribution business and the steady growth of the electronic book business that was launched in the previous fiscal year. The technology category also performed well as growth continued in the number of users of the core e-mail distribution ASP.

As a result, segment sales increased 40.7% to ¥553 million and operating income increased 41.2% to ¥50 million.

(Direct Mail Businesses)

Segment sales decreased 10.3% to ¥740 million, due in part to a downturn in the number of employees in this segment. However, an improvement in operating efficiency resulted in a 19.7% increase in operating income to ¥91 million.

(Others)

Segment sales totaled ¥80 million and operating income was ¥13 million, mainly the result of gains on sales of stocks in the investment and incubation business.

(2) Financial Condition (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2006 1 st Quarter	8,283	4,263	49.2	32,792.66
FY2006 1 st Quarter	6,666	3,683	52.4	29,963.63
FY ended Sept. 2006	8,456	4,395	48.6	33,043.93

All figures are rounded down to the nearest million.

【Cash Flows】

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents
	Million yen	Million yen	Million yen	Million yen
FY2006 1 st Quarter	-93	-70	-1	2,720
FY2006 1 st Quarter	100	29	-72	2,732
FY ended Sept. 2006	697	-831	345	2,886

All figures are rounded down to the nearest million.

【Financial Condition (Consolidated)】

Assets totaled ¥8,283 million at the end of the first quarter, ¥172 million less than at the end of the previous fiscal year mainly because of a decline in investment securities. Liabilities declined ¥41 million to ¥4,019 million mainly because of decreases in accounts payable and accrued income taxes. Net assets declined ¥131 million to ¥4,263 million mainly because of a decline in minority interests resulting from an increase in investments in consolidated subsidiaries.

[Cash Flows]

Cash and cash equivalents decreased ¥166 million during the first quarter to ¥2,720 million. (Operating activities)

Net cash used in operating activities was ¥93 million. Income before income taxes and minority interests was ¥175 million, but cash was used by a decline in receivables, income taxes and other items.

(Investing activities)

Net cash used in investing activities was ¥70 million. Cash was used mainly for additional investments in subsidiaries.

(Financing activities)

Net cash used in financing activities was ¥1 million. Cash was provided by short-term borrowings and used for the payment of dividends.

<Reference>

**Consolidated Forecasts for Fiscal Year Ending September 2007 (October 1, 2006
September 30, 2007)**

	Net sales	Operating income	Ordinary income	Net income
	Million yen	Million yen	Million yen	Million yen
Interim Term	12,000	450	450	225
Full Term	27,500	1,100	1,100	550

Reference: Estimated net income per share for the fiscal year: ¥4,345.67

【Consolidated Forecasts】

There are no revisions to the first half and fiscal year forecasts that were announced on November 15, 2006 with the results of operations for fiscal year that ended in September 2006.

These forecasts are based on estimates made in accordance with information currently available. Actual results may differ from these forecasts due to changes in economic trends and in many factors that affect the Group's business operations.

<Summary Business Segment Information>

【Business Segment Information】

Previous First Quarter (October 1, 2005 – December 31, 2005)

(Thousand yen)

	Internet advertising	Internet businesses	Direct mail	Others	Total	Eliminations	Consolidated
Net sales	3,363,195	393,555	825,249	-	4,582,001	(42,984)	4,539,016
Operating expenses	3,242,722	358,008	748,753	-	4,349,484	9,652	4,359,136
Operating income	120,473	35,546	76,496	-	232,516	(52,637)	179,879

Current First Quarter (October 1, 2006 – December 31, 2006)

(Thousand yen)

	Internet advertising	Internet businesses	Direct mail	Others	Total	Eliminations	Consolidated
Net sales	4,753,194	553,858	740,053	80,483	6,127,590	(62,965)	6,064,624
Operating expenses	4,726,678	503,650	648,503	67,322	5,496,155	10,042	5,956,197
Operating income	26,516	50,207	91,550	13,161	181,435	(73,008)	108,426

Notes:

1. All figures are rounded down to the nearest million.

2. Method for determination of business segments

Businesses are categorized based on similarities of markets served.

3. Descriptions of business segments

(1) Network advertising

Internet advertising agency, ad network

(2) Internet businesses

Mobile services (operation of media, distribution of content)

Technology (e-mail distribution ASP, system integration)

(3) Direct mail

Outsourcing services for direct mail and other sales promotion materials

(4) Others

Investment and incubation, new businesses

(Changes in business segments)

The following changes in business segments have been made beginning with the first quarter of the fiscal year ending in September 2007.

The Network Advertising segment was created by combining the Internet advertising agency operations of the former Internet segment and the merchandise-inclusive advertising operations of the former Others segment. The remaining operations of these two segments are the new Internet Businesses segment.

The new Others segment is the investment and incubation business and new businesses.

First quarter results in the previous fiscal year have been restated to facilitate year-on-year comparisons.