

**Summary of Consolidated Financial Information for the First Quarter of  
the Fiscal Year Ending September 2008**

February 4, 2008

Company name: Septeni Holdings Co., Ltd.

JASDAQ (Code 4293)

URL: <http://www.septeni-holdings.co.jp/>

Representative: Muneyoshi Nomura, Representative Director and President

Contact: Kazumi Shimizu, Director

Tel: +81-3-5363-7340

*( Rounded down to million yen )*

**1. First Quarter Consolidated Financial Results for Fiscal Year ending September 2008 (October 1, 2007 to December 31, 2007)**

(1) Consolidated Results of Operations

*( The pct. indicates YoY changes )*

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2008 1 <sup>st</sup> Quarter	7,195	(18.6)	243	(124.9)	261	(95.7)	137	(51.2)
FY2007 1 <sup>st</sup> Quarter	6,064	(33.6)	108	(-39.7)	133	(-33.8)	90	(-23.4)
FY Sept. 2007	25,863		946		1,196		529	

	Net income per share	Diluted net Income per share
	Yen	Yen
FY2008 1 <sup>st</sup> Quarter	1,099.19	1,068.62
FY2007 1 <sup>st</sup> Quarter	729.57	723.54
FY Sept. 2007	4,257.80	4,122.57

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2008 1 <sup>st</sup> Quarter	9,296	4,771	48.5	36,159.68
FY2007 1 <sup>st</sup> Quarter	8,283	4,263	49.2	32,792.66
FY Sept. 2007	9,483	4,743	47.3	35,926.59

(3) Consolidated Results of Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Balance of cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
FY2008 1 <sup>st</sup> Quarter	-232	22	-26	2,871
FY2007 1 <sup>st</sup> Quarter	-93	-70	-1	2,720
FY Sept. 2007	563	-204	-136	3,109

**2. Dividends**

(Record date)	Dividend per share	
	Year-end	Annual
	Yen	Yen
FY Sept. 2007	700.00	700.00
FY Sept. 2008 (forecast)	800.00	800.00

**3. Consolidated Forecasts for Fiscal Year ending September 2008 (October 1, 2007 to September 30, 2008) 【Reference】**

*( The pct. indicates YoY changes )*

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Interim	14,500	(14.9)	500	(22.8)	500	(7.4)	280	(10.6)	2,244.50
FY September 2008	31,100	(20.2)	1,200	(26.8)	1,300	(8.6)	700	(32.1)	5,611.26

#### 4. Others

- (1) Change in important subsidiary during the period (changes in specified subsidiary due to change in the scope of consolidation): None
- (2) Adoption of simplified accounting method: Yes
- (3) Change in accounting treatment compared to the most recent fiscal year: Yes

#### \* Explanation regarding appropriate use of business forecasts and other special instructions

Above forecasts regarding future performance are based on information available at the time this report was prepared. Actual results may differ from these forecasts due to changes in economic situation and business operations.

### **【Results of Operations and Financial Condition】**

#### **1. Consolidated Results of Operations**

In the first quarter of the fiscal year, Septeni Group posted a 18.6% increase in net sales to ¥7,195 million mainly because of continuing growth in the core network advertising business. Furthermore, improved profitability in the ongoing network advertising business since the second quarter of the previous period contributed significantly to earnings. Consequently, the Company achieved drastic increase in profit; operating income increased 124.9% year-on-year to ¥243 million, ordinary income increased 95.7% year-on-year to ¥261 million and net income increased 51.2% year-on-year to ¥137 million.

A summary of business segment performance is presented below.

(Network advertising business)

In the first quarter of the fiscal year, Septeni Group continued to expand sales of fast-growing mobile phone ads since the previous period to increase share and raise profitability in the Internet advertising market while boosting sales in the value-added fields such as website production and SEO (search engine optimization). As a result, net sales increased 22.3% year-on-year to ¥5,813 million and gross profit margin also showed great improvement compared to the same period a year earlier. Moreover, dealing cautiously with the expansion of workforce from a productivity improvement standpoint curbed selling and administrative expenses, focusing on personnel expenses.

(Internet-related business)

In the mobile service category, which primarily represents the distribution of content, the Company substantially increased the number of paid members in the core music distribution business such as by actively implementing an advertising campaign in the current first quarter. In the technology sector, the Company expanded its service lineup focusing on the core e-mail distribution ASP services. Consequently, net sales increased 63.3% year-on-year to ¥904 million. On the other hand, because selling and administrative expenses focusing on advertising expenses substantially increased in obtaining the aforementioned mobile content members, operating income decreased 61.9% year-on-year to ¥19 million.

(Direct mail business)

Due to a severe operating climate with weekend demand and other factors, first quarter net sales was ¥618

million (down 16.5% year-on-year) and operating income was ¥72 million (down 21.3% year-on-year).

(Other businesses)

Although sales did not incur in the first quarter, the Company booked ordinary expenses including personnel expenses. As a result, operating loss was ¥16 million (¥13 million in operating income in the same period a year earlier).

#### (4) (Summary) 【Business Segment Information】

[Segment information by business category]

Previous first quarter (October 1, 2006 to December 31, 2006)

(Thousand yen)

	Network advertising	Internet-related businesses	Direct mail	Others	Total	Eliminations or corporate	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	5,946,155	10,042	5,956,197
Operating income	26,516	50,207	91,550	13,161	181,435	(73,008)	108,426

Current first quarter (October 1, 2007 to December 31, 2007)

(Thousand yen)

	Network advertising	Internet-related businesses	Direct mail	Others	Total	Eliminations or corporate	Consolidated
Net sales	5,813,013	904,207	618,204		7,335,425	(140,316)	7,195,108
Operating expenses	5,555,750	885,068	546,165	16,382	7,003,365	(52,151)	6,951,214
Operating income	257,263	19,139	72,039	-16,382	332,059	(88,165)	243,894

Notes:

1. All figures are rounded down to the nearest thousand.
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-related 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 distribution of other sales promotion materials
  - (4) Others  
Investment and incubation, new businesses