

*August 3, 2009*

**Notice of Revisions to Earnings Forecasts of Septeni  
Subsidiary (Axel Mark Inc.)**

Axel Mark Inc., a consolidated subsidiary of Septeni Holdings Co., Ltd., has revised its forecasts for the year ending September 2009 (October 1, 2008 through September 30, 2009). The supplementary materials attached to this release replace the previous forecasts released on March 13, 2009.

Septeni also made revisions to its consolidated earnings forecasts for the year ending September 2009. For details, please see today's press release titled "Notice of Revisions to Consolidated Earnings Forecasts for the Year Ending September 2009 and Posting of Extraordinary Loss"

## Notice of Posting of Extraordinary Loss and Revisions to Earnings and Dividend Forecasts

Axel Mark Inc. has posted an extraordinary loss as follows in the third quarter of the current fiscal year. In addition, the company has revised its earnings and dividend forecasts for the year ending September 2009 that were announced on March 13, 2009. Details are as follows.

### 1. Posting of extraordinary loss

(1) Addition to allowance for doubtful accounts: 140,002 thousand yen

As was announced today in a press release concerning the inability to collect receivables and delays in the collection of receivables, MasterWork, Inc. has not returned a deposit paid by Axel Mark that amounts to 200,000 thousand yen as of today, which is the deadline for the return of this deposit. After examining the likelihood of receiving this payment, management made the decision to increase the allowance for doubtful accounts by 140,002 thousand yen.

(2) Write down of prepaid expenses and long-term prepaid expenses: 84,968 thousand yen

Axel Mark plans to increase earnings by differentiating itself from other content providers. This involves the selection of artists and categories of moving image content where the company should concentrate its resources. To accomplish this, Axel Mark has been purchasing rights to the works of famous artists, movies and other forms of content and recording these expenditures as prepaid expenses. However, sales of new models of cell phone handsets have been weak and the market for moving image content for cell phones has not expanded significantly. As a result, management has decided that the company is unlikely to earn the initially expected amount of earnings from this content. To reflect the lower profit expectations, Axel Mark has recorded an extraordinary loss of 84,968 thousand yen for the write down of prepaid expenses and long-term prepaid expenses.

(3) Write down of fixed assets: 18,866 thousand yen

As part of measures to start new businesses, Axel Mark has been operating its own media as a business model for generating advertising revenue. However, under current market conditions, this business is no longer expected to produce the initially expected level of revenue. Rather than use promotional expenses to attract more members in order to increase revenue, management has decided that shutting down this media is the best course of action at this time. Taking this action will allow Axel Mark to focus on its core business of distributing content that generates fee income. Consequently, an impairment loss of 18,866 thousand yen has been posted for software and systems for the media operation and recognized as an extraordinary loss.

### 2. Revisions to forecasts

(1) Revisions to consolidated forecast for the year ending September 30, 2009  
(October 1, 2008 through September 30, 2009)

(Yen in millions)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous forecast (A)	3,700	(112)	(126)	(160)	(5,540.74)
Revised forecast (B)	3,700	(56)	(72)	(347)	(12,016.48)
Increase/decrease (B-A)	—	56	54	(187)	(6,475.74)
Percentage change	—	—	—	—	—

(2) Revisions to non-consolidated forecast for the year ending September 30, 2009  
(October 1, 2008 through September 30, 2009)

(Yen in millions)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous forecast (A)	2,700	(112)	(126)	(160)	(5,540.74)
Revised forecast (B)	2,700	(67)	(74)	(348)	(12,051.11)
Increase/decrease (B-A)		45	52	(188)	(6,510.37)
Percentage change	—	—	—	—	—

### 3. Reasons for revisions to forecasts

Competition is becoming increasingly intense in the mobile content market. Although sales of handsets are declining, the entry of new content providers and other developments are making competition more heated.

In the content business, Axel Mark has made up-front investments in order to acquire content that differentiates its services from those of competitors. However, Axel Mark is still unable to recover these investments due to weak growth in the number of members. As a result, these investments have been holding down earnings. In addition, in the first quarter of this fiscal year, some users of the Axel Mark website did not pay utilization fees and these fees could not be collected afterward. Since this problem occurred, Axel Mark has been reducing its advertising and marketing expenses. Afterward, the company has been using listing advertisements to attract customers and using the websites of communication carriers to sign up new members. Although these activities have produced some benefits, there has been no significant increase in the number of members. In the advertising business and solutions business, companies are reducing advertising budgets because of the economic recession. However, demand is still relatively strong for advertising viewed on cell phones and the establishment of mobile websites. Due to these factors, management is making no change to the sales forecast of 3,700 million yen that was announced on March 13, 2009.

To lower selling, general and administrative expenses, Axel Mark has been cutting expenses by lowering directors' compensation, reducing recruiting and training expenses, downsizing offices, and taking other actions. Due to these actions, the operating income and ordinary income forecasts have been increased. In addition, as was explained in "1. Posting of extraordinary loss," Axel Mark forecasts a net loss because of an addition to the allowance for doubtful accounts and write downs of prepaid expenses, long-term prepaid expenses and fixed assets.

### 4. Revisions to dividend

The fundamental policy of Axel Mark is to pay a stable dividend to shareholders.

However, as was explained in "3. Reasons for revisions to forecasts," the company expects a large net loss in the fiscal year ending in September 2009. Because of this outlook, management believes that it would be difficult to pay a dividend (1,000 yen per share) as stated in the previous forecast. Accordingly, management has made the difficult decision to suspend the dividend applicable to the current fiscal year.

There is no change in Axel Mark's policy of placing priority on distributing earnings to shareholders. Management is determined to quickly build a profit structure that will allow resuming dividend payments in subsequent fiscal years. Management will also consider stock repurchases and other ways to distribute earnings to shareholders.

Axel Mark asks for the understanding of shareholders regarding this decision to suspend the dividend.

Consolidated earnings forecasts for the year ending September 2009  
(October 1, 2008 through September 30, 2009)

	Dividend per share (yen)		
	End of first half	Year-end	Annual
Previous forecast (March 13, 2009)	—	1,000.00	1,000.00
Revised forecast	—	00.00	00.00
(Ref.) Previous results (Year ended September 2008)	—	1,000.00	1,000.00

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