



Business Results of First Quarter of Fiscal Year September 2012

February 7, 2012

SEPTENI HOLDINGS CO., LTD.

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

Securities Code: 4293

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1 ||| Quarterly Earnings Overview



1Q (Oct-Dec) Consolidated Earnings Highlights

 Sales: ¥9,710mn (**Up 9.9%** year-over-year)

 Operating Income: ¥366mn (**Up 32.9%** year-over-year)

Both figures represent **new quarterly record highs**

 Favorable trends in **social games** contribute to profit growth

 12 SEPTENI Group companies move headquarters in December

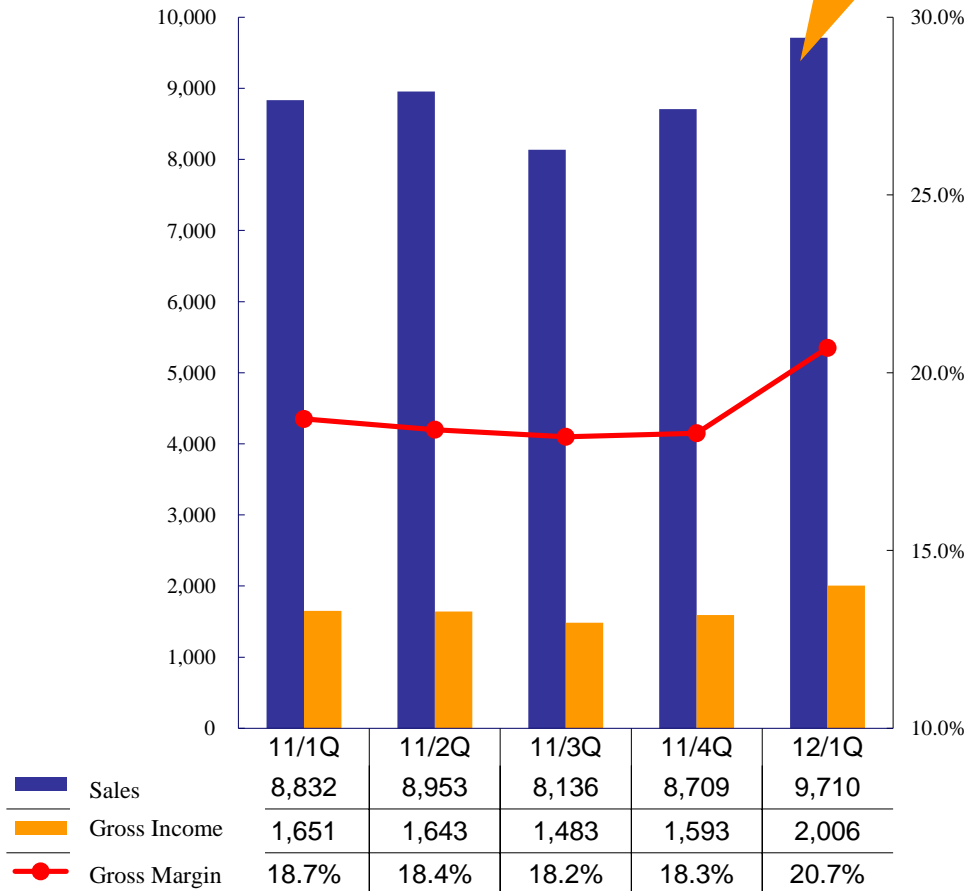
Consolidated Income Statement (Oct-Dec)

| | 1Q FY9/12 | | | | 1Q FY9/11 | | 4Q FY9/11 | |
|------------------|-----------|--------|-----------|-----------|-----------|--------|-----------|--------|
| | Value | Share | YY Change | QQ Change | Value | Share | Value | Share |
| Net Sales | 9,710 | 100.0% | +9.9% | +11.5% | 8,832 | 100.0% | 8,709 | 100.0% |
| Gross Income | 2,006 | 20.7% | +21.5% | +26.0% | 1,651 | 18.7% | 1,593 | 18.3% |
| SG&A | 1,640 | 16.9% | +19.2% | +25.8% | 1,376 | 15.6% | 1,304 | 15.0% |
| Operating Income | 366 | 3.8% | +32.9% | +26.8% | 275 | 3.1% | 288 | 3.3% |
| Ordinary Income | 407 | 4.2% | +53.3% | +27.5% | 265 | 3.0% | 319 | 3.7% |
| Net Income | 128 | 1.3% | +0.9% | +67.2% | 127 | 1.4% | 76 | 0.9% |

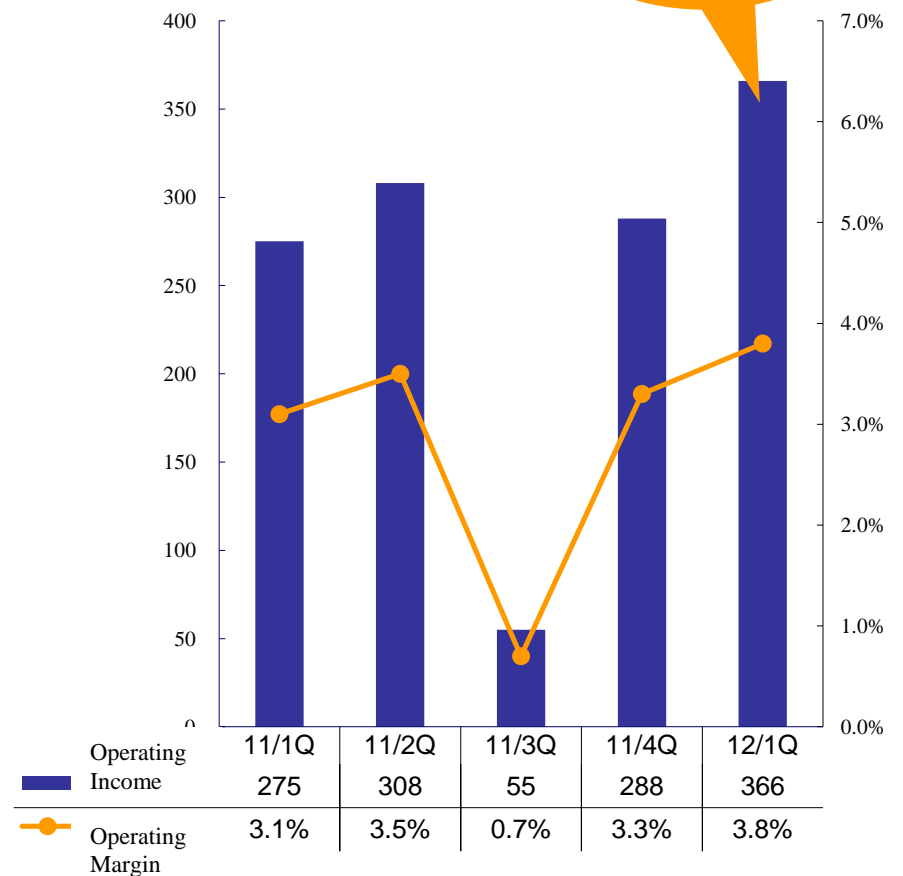
- ||| Contribution from highly profitable social games allowed gross margins to **improve to over 20%**
- ||| Losses from anticipatory investments in new businesses totaled ¥59mn
- ||| Extraordinary loss of ¥161mn recorded (¥154 million of this resulting from staged acquisition of AXEL MARK due to a merger)

Quarterly Consolidated Earnings Trend

Sales, Gross Income



Operating Income



Change in Business Segments

Our earnings will be divided into the three segments of **Internet Marketing**, **Media Contents**, and **Others** from the current term.

||| FY9/11

| Internet Advertising Business |
|-------------------------------|
| Internet Advertising Agency |
| Ad Network |
| Mobile Media Rep |

| Technology Business |
|---|
| Cloud CRM Type Services (Tricorn Corporation) |
| Social Application Development (Cytech, Inc.) |

| Contents Business |
|-------------------|
| Mobile Contents |

| Direct Marketing Business |
|----------------------------------|
| Direct Mail Outsourcing Services |
| In-Ship Advertising |

| Other Business |
|----------------|
| Commerce |

||| From FY9/12

| Internet Marketing Business |
|-----------------------------|
|-----------------------------|

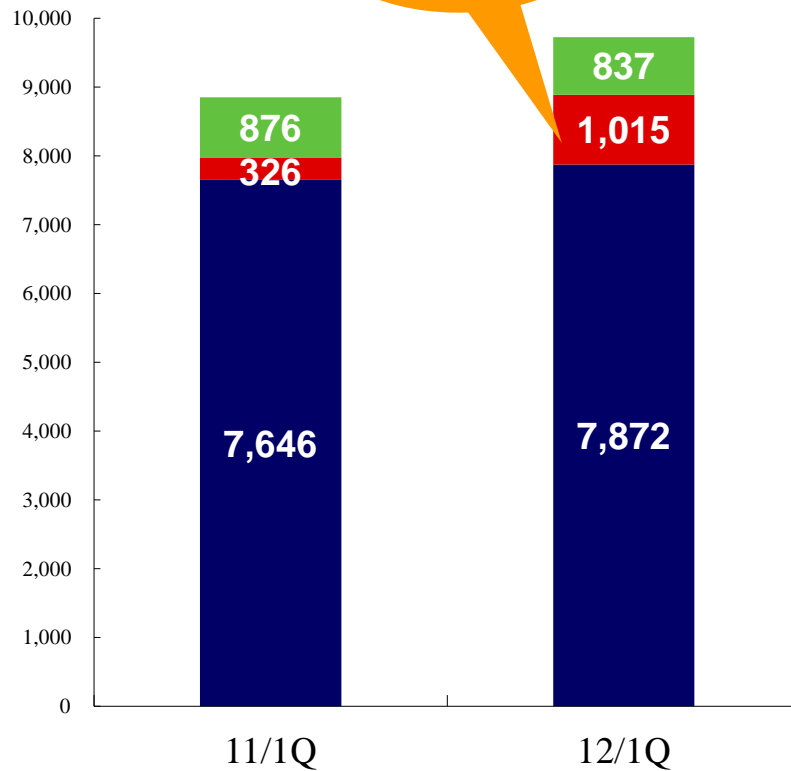
| Media Contents Business |
|-------------------------|
|-------------------------|

| Others |
|--------|
|--------|

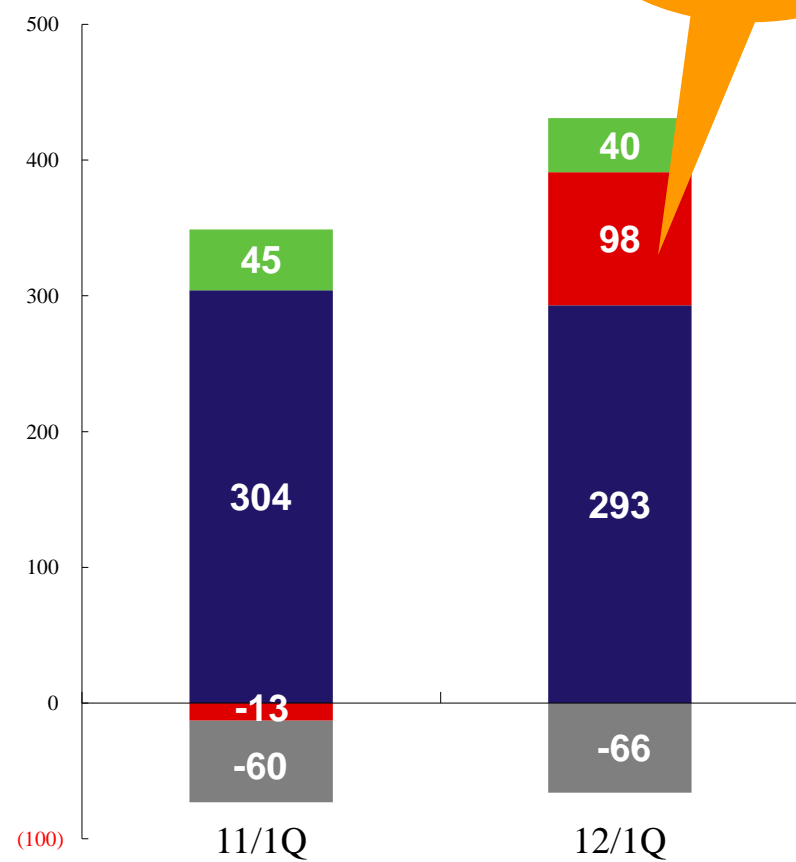
※ Reported business segments will be split between the two segments of Internet Marketing Business and Media Contents Business

Earnings By Business Segments (Oct-Dec)

Sales



Operating Income

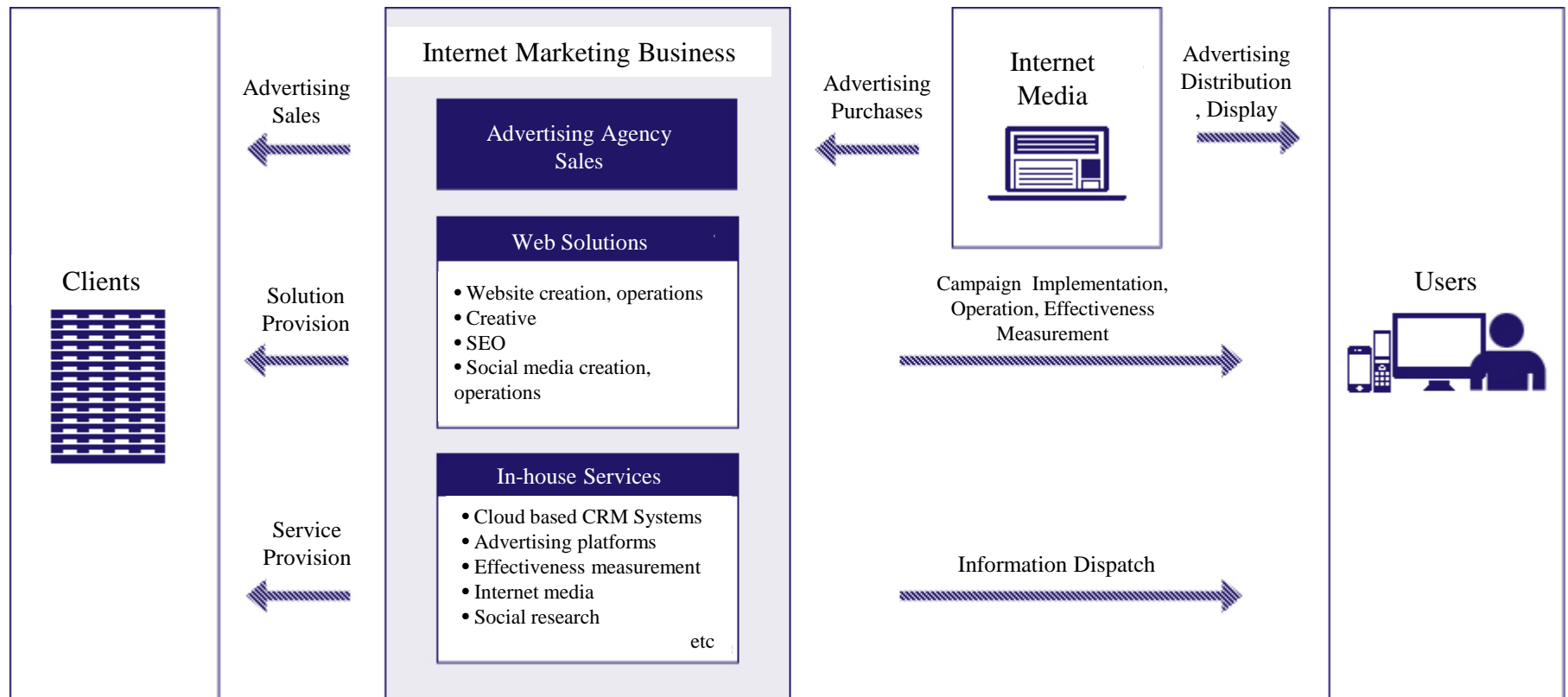


Internet Marketing
 Media Contents
 Others
 Adjustments (Group wide expenses)

※ 1Q FY9/11 business segment earnings have been revised to reflect the new business segment definitions

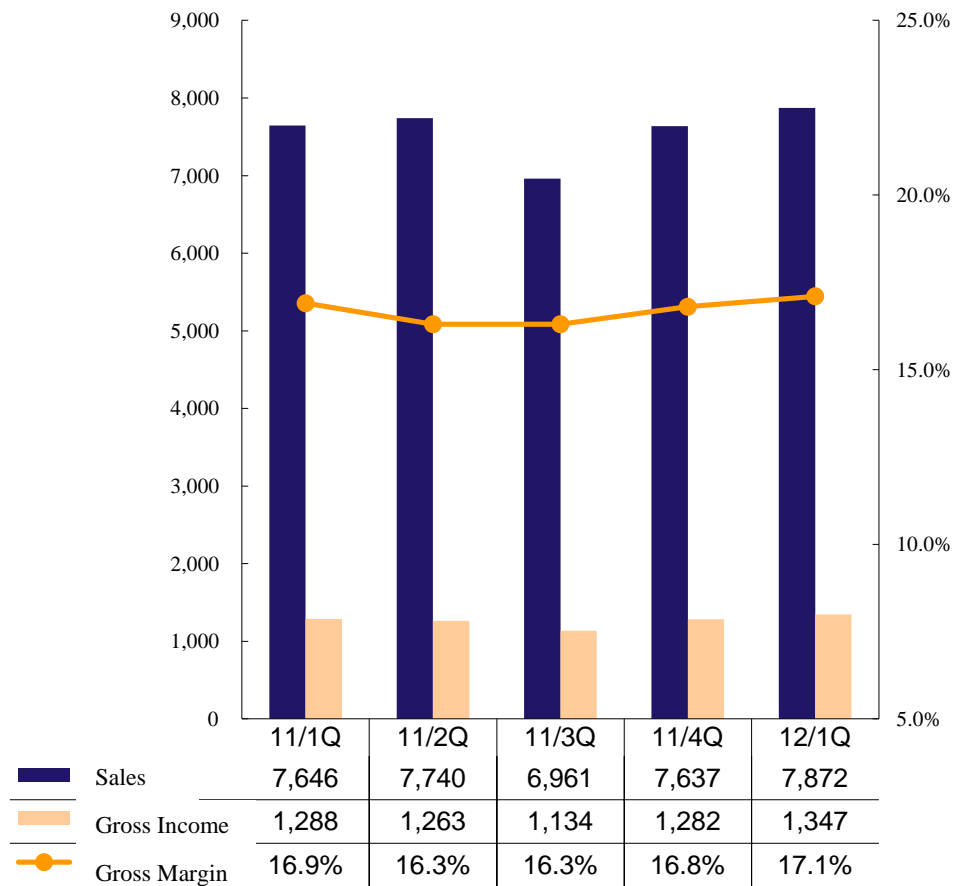
Internet Marketing Business Overview

Comprehensive **Marketing Support Services** for corporations leveraging the Internet.
In addition to Internet advertising sales and provision of various web solutions, SEPTENI provides **In-house Services** such as marketing platforms including ad network, and cloud based CRM services.

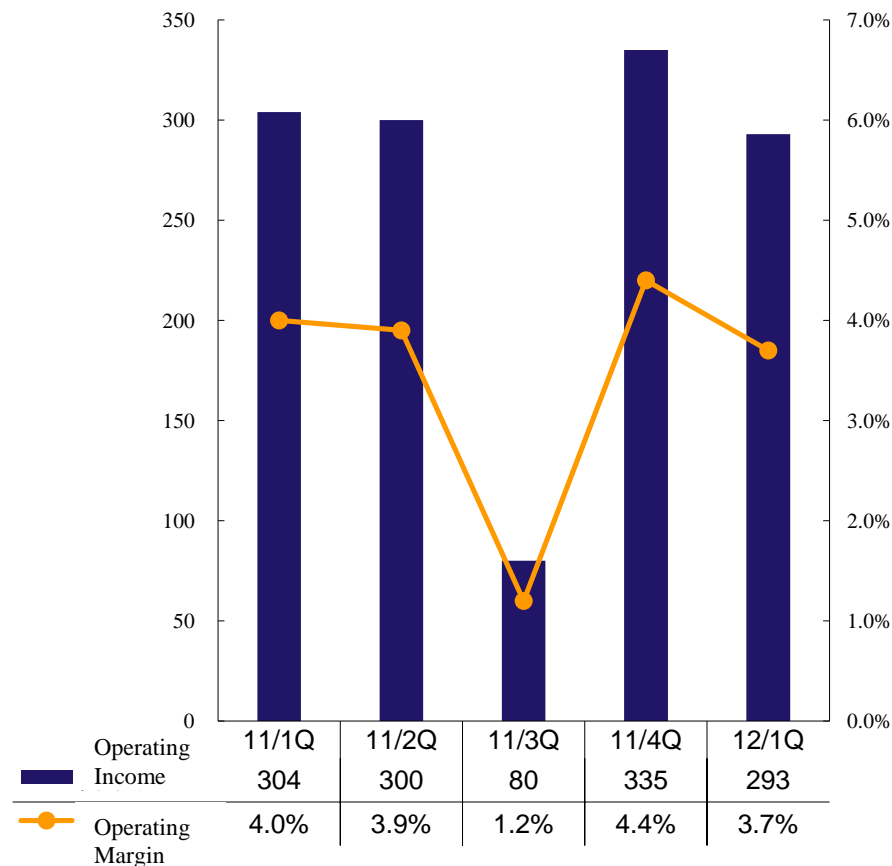


Internet Marketing Business Quarterly Earnings Trend

Sales, Gross Income



Operating Income



※ 1Q FY9/11 to 4Q FY9/11 business segment earnings have been revised to reflect the new business segment definitions

Internet Marketing Business Overview

1Q FY9/12 Earnings

| | Value | YY Change | QQ Change |
|------------------|-------|-----------|-----------|
| Sales | 7,872 | +2.9% | +3.1% |
| Gross Income | 1,347 | +4.6% | +5.1% |
| Gross Margin | 17.1% | +0.2pt | +0.3pt |
| SG&A | 1,054 | +7.1% | +11.3% |
| Operating Income | 293 | -3.7% | -12.4% |
| Operating Margin | 3.7% | -0.3pt | -0.7pt |

Comments

- Internet advertising achieved **record high** sales
- Shift in demand to **smart phone advertising** continues, sales rose **1.4 times** quarter-over-quarter
- Strong demand for **Facebook** related services

Internet Marketing Business Growth Conditions, Efforts ①

Social Media

Facebook

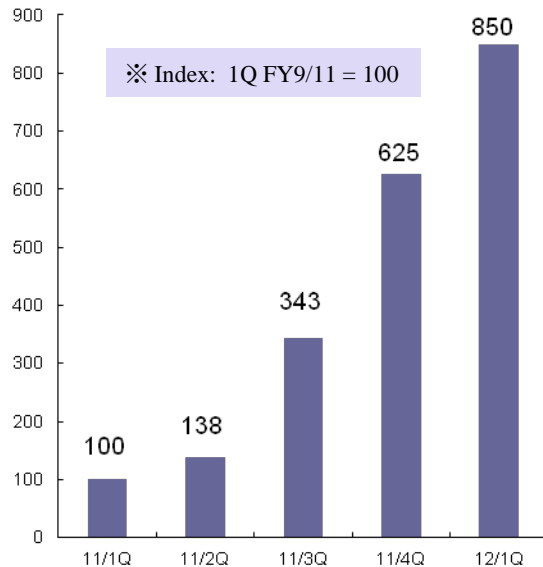
Twitter

Facebook related services volume grew 1.4 times qoq

Facebook social gift application “BIRTHDAY CLAPPER” provision started

New Twitter advertising service called Promoted Products sales started

Facebook Related Services Sales Trend

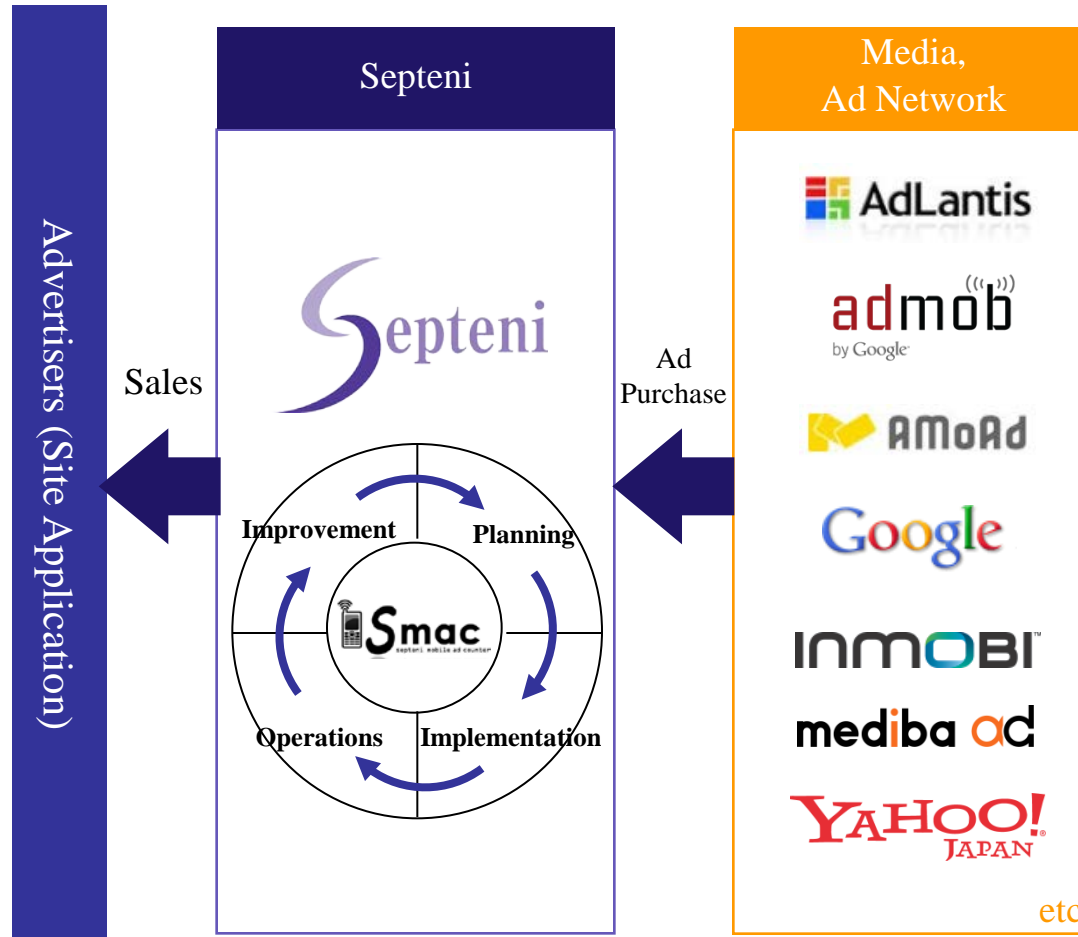


BIRTHDAY CLAPPER

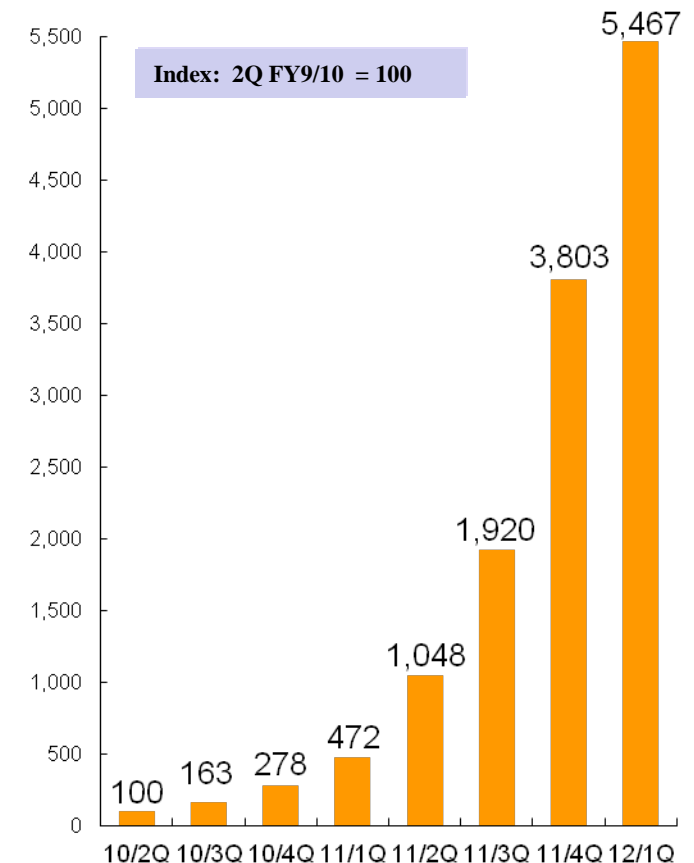


Internet Marketing Business Growth Conditions, Efforts ②

Smartphone Advertising



Smartphone Advertising Sales Trend



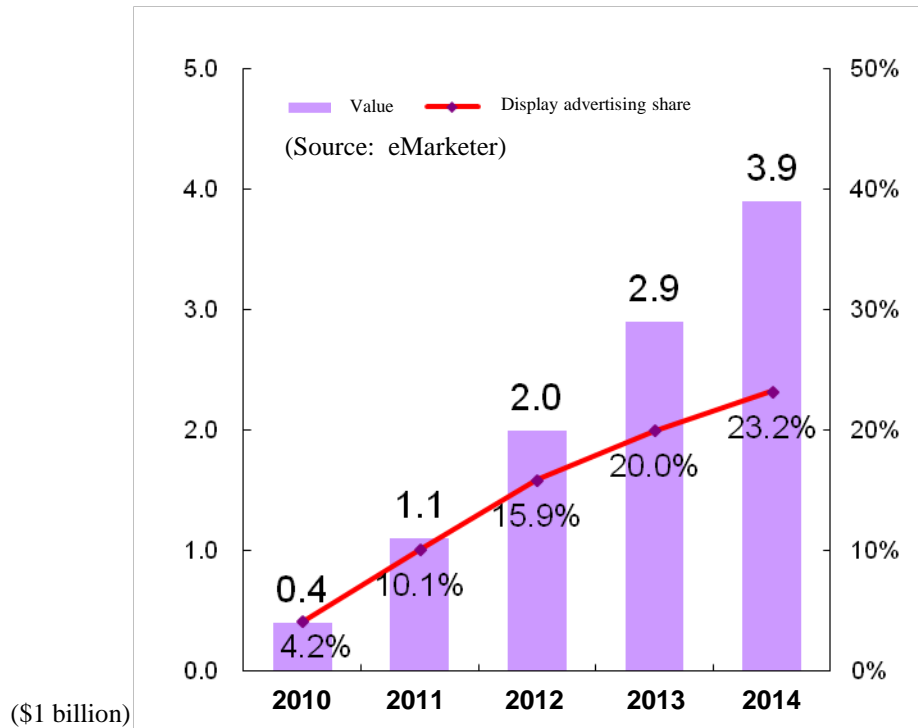
Internet Marketing Business Growth Conditions, Efforts ③

Ad Network

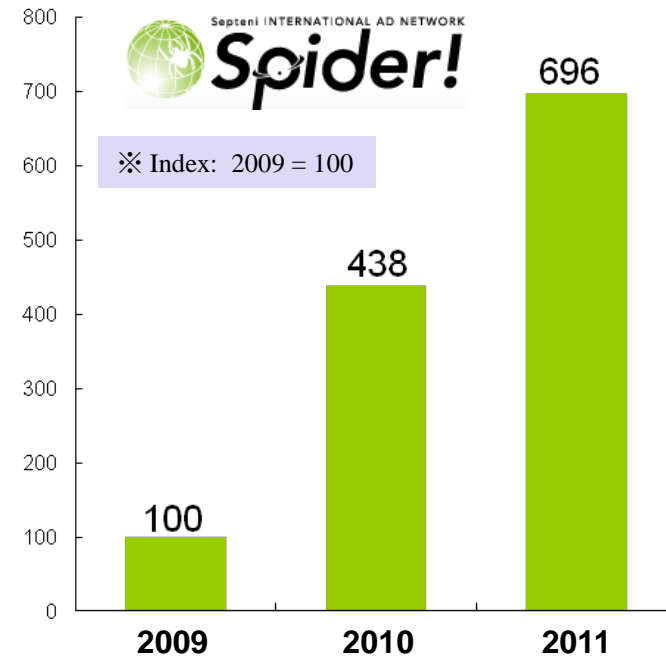
Ad network business segment spun off and established as “EAGLE i”, fortify display advertising business by leveraging ad technology



■ US RTB Exchange Market Scale Forecast



■ “Spider!” In-house Ad Network Sales Trend



※ Real Time Bidding (RTB) is the bidding process that determines the distribution of advertising and competitive bidding whenever an advertising impression arises

Media Contents Business Overview

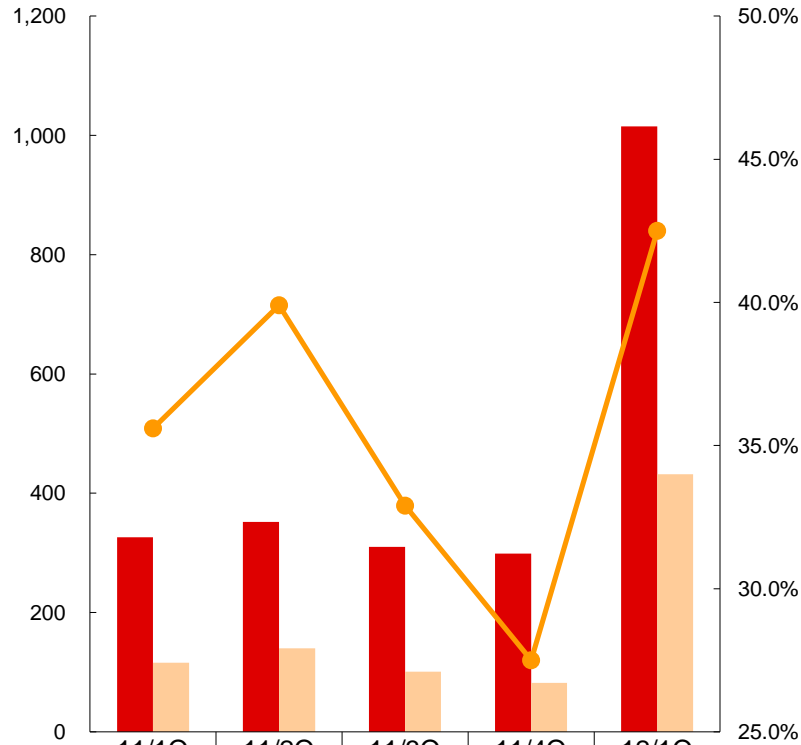
Various digital contents planning and development including social games for smartphones and traditional cellular telephones provided to users across various platforms including SNS and cellular telephone service carriers. Also conduct other mobile media operations.



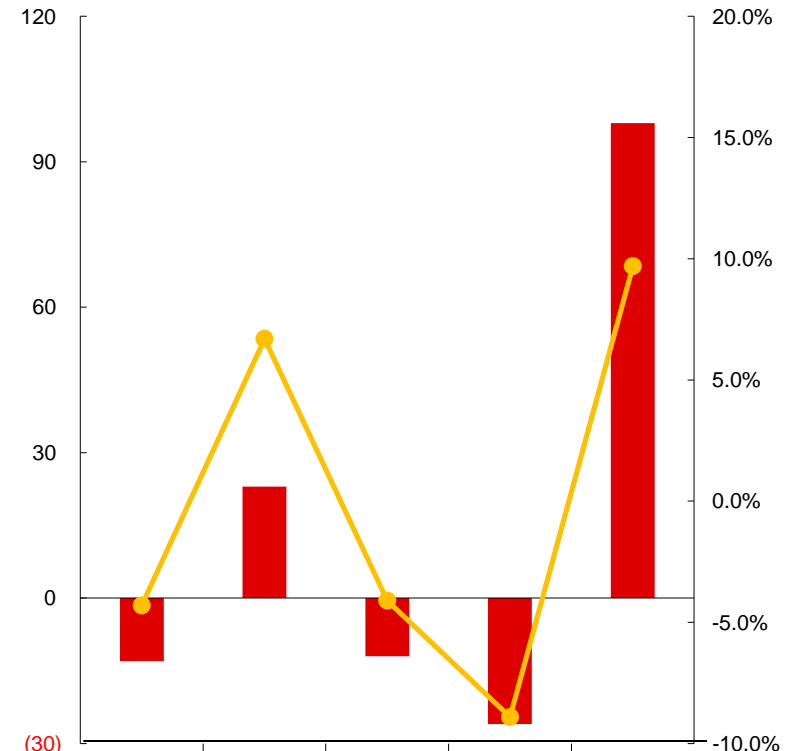
Media Contents Business Quarterly Earnings Trend



Sales, Gross Income



Operating Income



| | |
|---------------------------------------|--------------|
| ■ | Sales |
| ■ | Gross Income |
| ● | Gross Margin |

| | |
|---------------------------------------|------------------|
| ■ | Operating Income |
| ● | Operating Margin |

※ 1Q FY9/11 to 4Q FY9/11 business segment earnings have been revised to reflect the new business segment definitions

Media Contents Business Overview

1Q FY9/12 Earnings

| | Value | YY Change | QQ Change |
|------------------|-------|-----------|-----------|
| Sales | 1,015 | +210.8% | +239.6% |
| Gross Income | 432 | +271.6% | +425.8% |
| Gross Margin | 42.5% | +6.9pt | +15.0pt |
| SG&A | 333 | +156.0% | +206.6% |
| Operating Income | 98 | (+112) | (+125) |
| Operating Margin | 9.7% | +14.0pt | +18.6pt |

Comments

- Business expansion resulting from merger of AXEL MARK and FROUTE
- Profits grew by a large margin due to large growth of social games sales to ¥350mn
- Fortified the social game business by reallocating personnel from other businesses

Media Contents Business Overview

Social Games Currently Being Provided to Users

| | | | |
|--|--|--|--|
| Providing Company |  AXEL MARK AXEL MARK INC. (froute rex) | |  CYTECH Cytech, Inc. |
| Platforms | mobage | | GREE |
| Titles |  Kingdom Chronicle |  Ousama Game (King Game) |  Legend of Grimoire Maiden Incarnation |
| Categories | Card Battle Games | | |
| Registered Users (As of January 31, 2012) | About 830,000 (Combined Total) | | About 200,000 |

First Half FY9/12 Consolidated Earnings Estimates

Considering changes in our business environment, we will announce earnings estimates for only the **quarter** immediately following the period for which results are announced from the current term

(First Half FY9/12 earnings estimates announced at the time of the announcement of our 1Q FY9/12 earnings results)

| | 1H FY9/11 | 1Q | 2Q Estimates | 1H FY9/12 Estimates | YY Change |
|------------------|-----------|-------|--------------|---------------------|---------------|
| Sales | 17,786 | 9,710 | 9,900 | 19,610 | +10.3% |
| Operating Income | 584 | 366 | 400 | 766 | +31.1% |
| Ordinary Income | 563 | 407 | 420 | 827 | +46.7% |
| Net Income | 293 | 128 | 240 | 368 | +25.3% |

- Internet marketing business and media contents business expected to see growth in both sales and profits during 2Q (Jan-Mar)



Midterm Business Plan Overview



Concept

”SEPTENI Original”

Converting **in-house services** into new businesses
through aggressive investments in growth fields

Create **high growth, high profitability** business models



Business Focus



Mobile



Social



Platforms



Earnings Targets (FY9/13)



Sales: **¥50.0bn**



Operating Income: **¥3.0bn**

Thank you very much for your interest!



Contact Information

SEPTENI HOLDINGS CO., LTD.

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

Corporate Planning, Communications, IR Division

TEL : +813-6857-7258 E-mail : ir@septeni-holdings.co.jp

All estimates, opinions and plans provided in this document are based on the best information available at the time of the creation of this document on February 7, 2012 and we do not guarantee their accuracy. Therefore our actual results may differ due to various unforeseen risk factors and changes in global economies.



2 ||| Appendix

Company Overview

As of December 31, 2011

| | |
|------------------------|--|
| Company Name | SEPTENI HOLDINGS CO., LTD. |
| Representative | President and Representative Director Koki Sato |
| Headquarters | Sumitomo Fudosan Shinjuku Grand Tower 28 th Floor, 8-17-1 Nishishinjuku, Shinjuku-ku, Tokyo |
| Stock Code | 4293 (JASDAQ) |
| Business Realm | The holding company for a group of companies conducting Internet advertising and other businesses |
| Established | October 29, 1990 |
| Capitalization | ¥2,007 million |
| Shares Issued | 134,749 shares (Including 8,923 treasury shares) |
| Consolidated Workforce | 675 Full time employees, 744 Full time and contracted employees |

Main Group Companies by Business Segment

Holding Company

SEPTENI HOLDINGS CO., LTD.

As of February 7, 2012

Internet Marketing Business

| | |
|-----------------------------|--------------------------------|
| SEPTENI CO., LTD. | Internet Advertising |
| mume, Inc | Mobile Advertising |
| MANGO, Inc. | SEM Operation |
| Vasara Inc. | Internet Advertising |
| HighScore, Inc. | Social Media Marketing Support |
| GRP Co., Ltd. | Television Advertising |
| EAGLE i Co., Ltd. | Ad Network |
| SETPENI CROSSGATE CO., LTD. | Affiliate Network |
| ASP CO., LTD. | e-Marketing Solutions |
| Tricorn Corporation | CRM Services |
| TRIGGER INC. | Social Research |

Media Contents Business

| | |
|----------------|---------------------|
| AXEL MARK INC. | Mobile Contents |
| Cytech, Inc. | Social Applications |

Other Business

| | |
|-----------------------------------|-------------|
| SEPTENI DIRECTMARKETING CO., LTD. | Direct Mail |
| ACRESS | Mail-order |

New Business Development

SEPTENI VENTURES Co., Ltd.

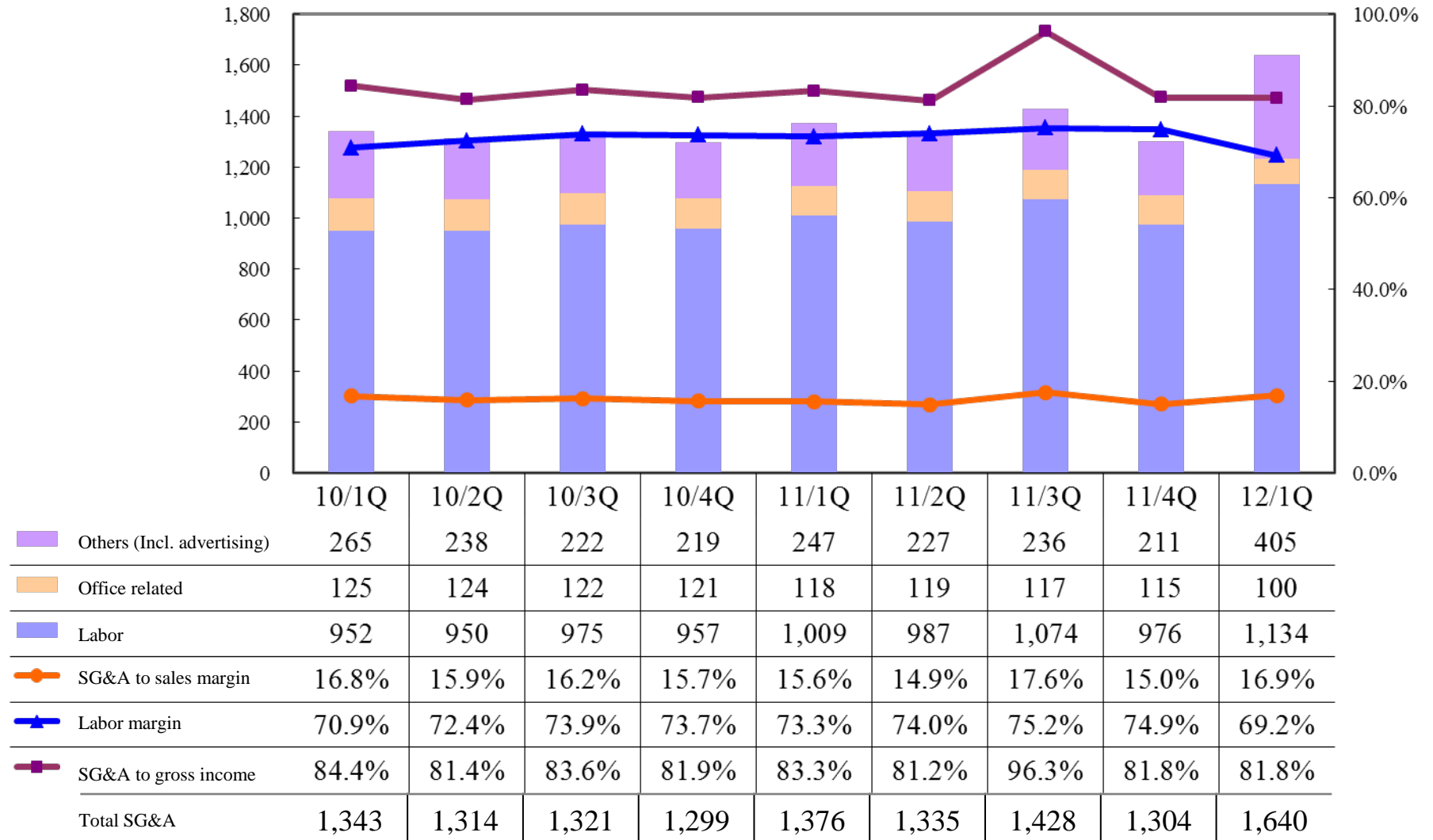
Consolidated Balance Sheet

| | End 1Q FY9/12 | End FY9/11 | Change | Main Changes |
|----------------------------------|---------------|------------|---------------|---|
| Current Assets | 10,119 | 9,362 | +756 | Cash, equivalents: +99 Notes, accounts receivables: +546 |
| Fixed Assets | 3,127 | 2,819 | +308 | Structures: +242, Goodwill: +278 Marketable securities: -347 |
| Total Assets | 13,247 | 12,182 | +1,065 | |
| Current Liabilities | 6,277 | 5,711 | +565 | Short term debt: +118, Payables: +515 Unpaid taxes: -156 |
| Fixed Liabilities | 296 | 127 | +168 | Long term debt: +183 |
| Total Liabilities | 6,574 | 5,839 | +734 | |
| Total Net Assets | 6,673 | 6,342 | +330 | Minority interests: +327 |
| Total Liabilities, Net Assets | 13,247 | 12,182 | +1,065 | |

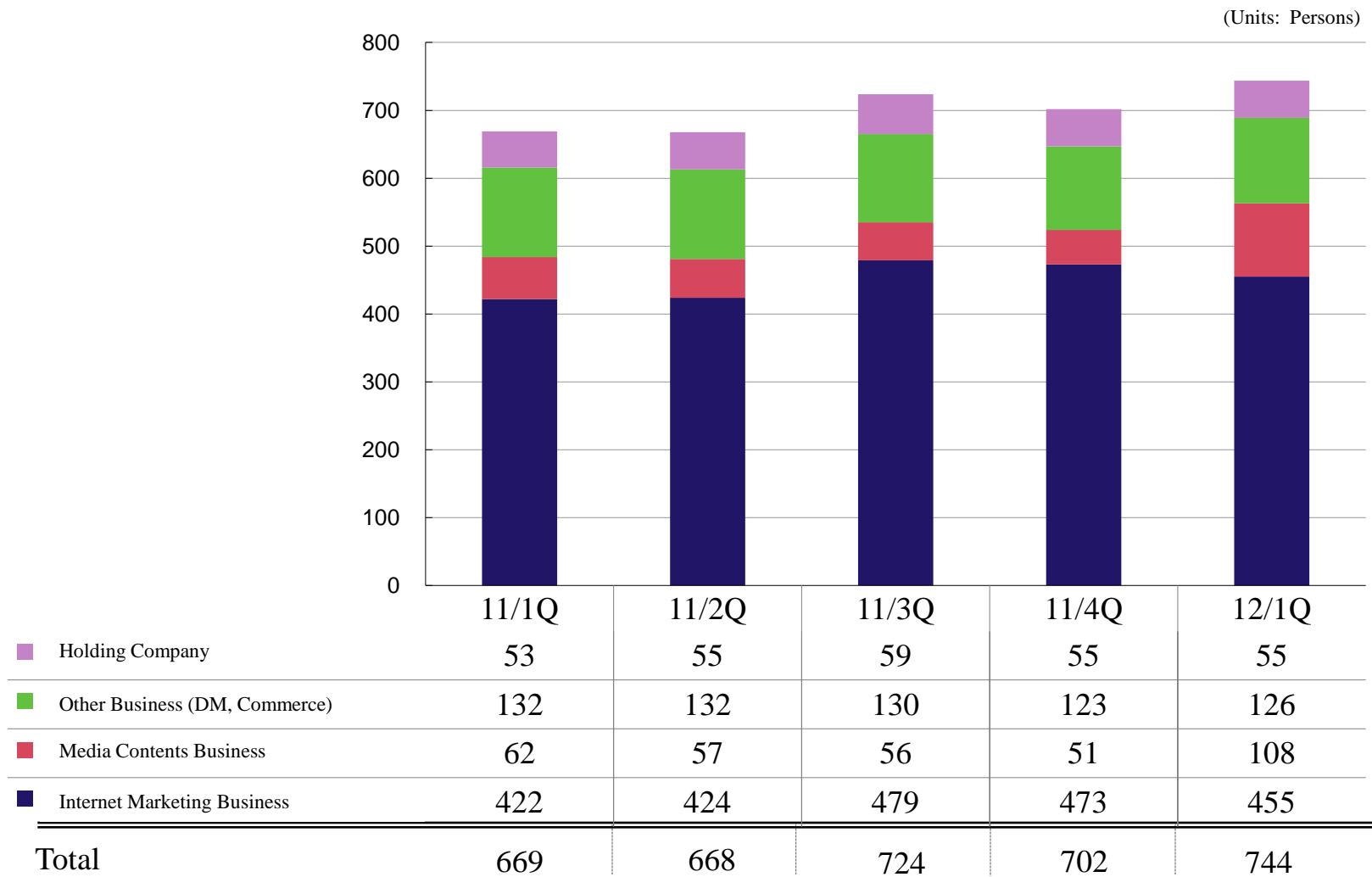
Consolidated Cash Flow

| | 1Q FY9/12 | Main Changes | 1Q FY9/11 |
|--|--------------|---|-----------|
| Cash Flow from Operating Activities | -76 | Net income before taxes, adjustments: +256 Corporate tax payment: -231 | -70 |
| Cash Flow from Investing Activities | -41 | Acquisition of tangible fixed assets: -20 | 0 |
| Cash Flow from Financing Activities | 76 | Increase in debt: +209 Dividend payment: -125 | -394 |
| Change in Cash and Equivalents | -41 | | -464 |
| Changes in Cash and Equivalents Resulting from Merger of Consolidated Subsidiaries | 140 | | — |
| Cash and Equivalents at Term End | 4,552 | | 5,111 |

Consolidated SG&A Expense Trend



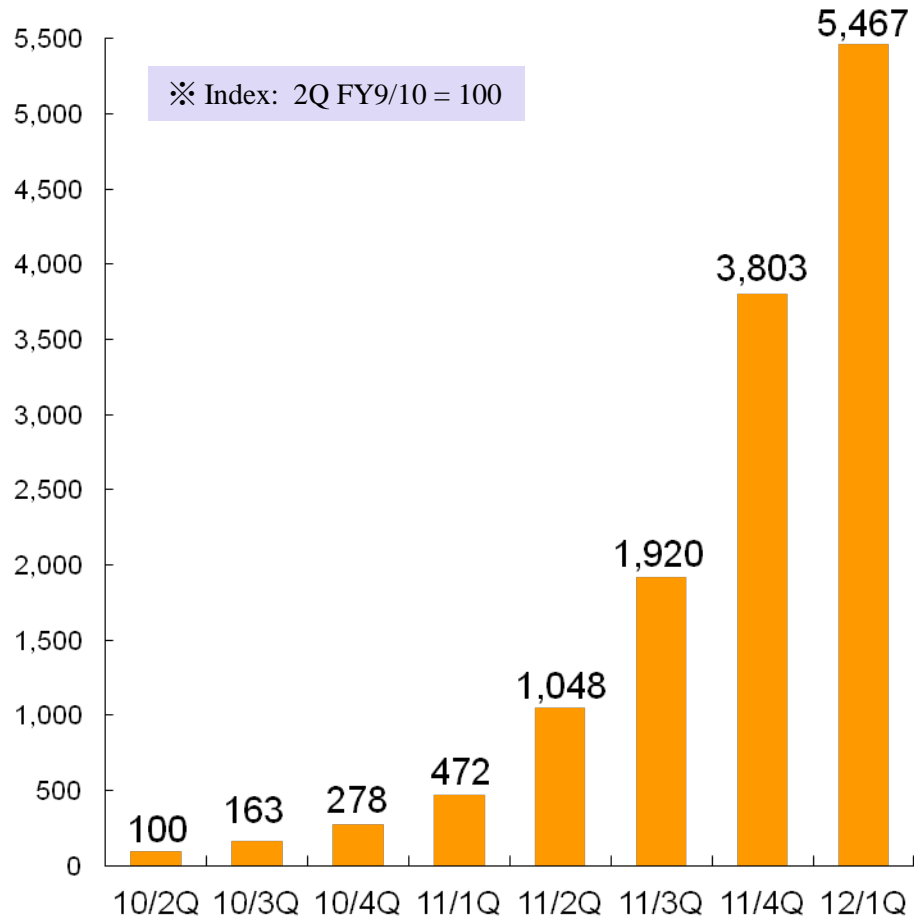
SEPTENI Group Work Force Number Trend



※ 1Q FY9/11 to 4Q FY9/11 business division data adjusted to reflect new business division definitions.

Internet Marketing Business Focus

Smartphone Advertising Sales Trend



Facebook Related Sales Trend

