



November 5, 2015

For Immediate Release

Company name: SEPTENI HOLDINGS CO., LTD.
Representative: President and Representative Director
Koki Sato
(JASDAQ code: 4293)

**Notice of Change of Mobile Game Business (AXEL MARK)
to a Non-Core Business and Change in Subsidiaries (Share Transfer)
Without a Change in the Scope of Consolidation**

SEPTENI HOLDINGS announces that a meeting of Board of Directors held on November 5, 2015 resolved to change the position of the Mobile Game Business in the Group to a non-core business and transfer some of the shares of AXEL MARK INC. (“AXEL MARK”), a subsidiary that engages in the business. Details are as described below.

Although AXEL MARK will no longer be a subsidiary of SEPTENI HOLDINGS (the “Company”) as a result of the change, it will continue to be subject to consolidation in the consolidated settlement of accounts based on the International Financial Reporting Standards (IFRS) which the Company has voluntarily adopted for the settlement of accounts in the first quarter of the fiscal year ending September 30, 2016.

1. Reasons for the change

The Group has continue to grow, while reviewing its business portfolio as necessary. Currently the Group engages in two businesses, namely the mainstay Internet Marketing Business, the primary source of its revenues, and the Media Content Business, which has the prospect of high growth and profitability in the future. The Media Content Business consists of two areas with different business characteristics: the Mobile Game Business operated by AXEL MARK and the Manga Content Business conducted by COMICSMART INC., a wholly owned subsidiary of the Company. Of these two businesses, as the Manga Content Business, which the Company started as a new business in the fiscal year ended September 30, 2014, has been steadily developing its business, the Company is making prior investments to enable it to be profitable in the future. With respect to the Mobile Game Business, however, as the business environment is changing rapidly and drastically, a more agile management setup is required to keep growing by creating blockbuster titles.

As a result of examining the most suitable business portfolio for the present Group in this environment, the Company has concluded that it will help maximize the corporate values of both the Company and AXEL MARK in the future if the Company concentrates its management resources on the Internet Marketing Business and the Manga Content Business and reviews its capital and human relationships with AXEL MARK in the Mobile Game Business so that AXEL MARK will enjoy greater independence and freedom to enable the Mobile Game Business to be managed with greater flexibility. Based on this judgment, the Company has decided to position the Mobile Game Business as a non-core business from

the fiscal year ending September 30, 2016.

Going forward, the Company will pay maximum respect to the management decisions of AXEL MARK in accordance with the business environment and business risks and fulfill its stewardship responsibility for AXEL MARK as a responsible investor through its engagement in the Mobile Game Business, evaluating its performance as a non-core business.

2. Specific procedures

To make the Mobile Game Business a non-core business, the Company will sell some of the shares of AXEL MARK the Company holds and reduce the percentage of voting rights to less than 50%. All the officers of AXEL MARK (three directors and one corporate auditor) who concurrently serve as the officers of the Company will resign from their office at the time the 23rd ordinary general meeting of shareholders of AXEL MARK, which is due to be held on December 16, 2015, has concluded and will not take up subsequent appointments as officers.

Although AXEL MARK will no longer be a subsidiary of the Company as a result of this change, it will continue to be subject to consolidation in the consolidated settlement of accounts based on the International Financial Reporting Standards (IFRS), which the Company has voluntarily adopted for the settlement of accounts in the first quarter of the fiscal year ending September 30, 2016.

3. Profile of the changing subsidiary (as of September 30, 2015)

(1)	Name	AXEL MARK INC.		
(2)	Address	1-32-2 Honcho, Nakano-ku, Tokyo, Japan		
(3)	Name and Title of Representative	Junji Oshita, President and CEO		
(4)	Business	• Mobile Game Business • Content Business • Advertising Business		
(5)	Capital	¥563 million		
(6)	Established	March 1994		
(7)	Major Shareholders and Their Shareholding Ratio	SEPTENI HOLDINGS CO., LTD. 54.93% Matsui Securities Co., Ltd. 4.23% Junji Oshita 3.78%		
(8)	Relationship between the listed company and AXEL MARK	Capital relationship	The Company holds 54.93% of shares outstanding of AXEL MARK.	
		Human relationship	Three directors and one corporate auditor of the Company concurrently serve as directors and a corporate auditor of AXEL MARK, respectively.	
		Business relationship	No specific items to report.	
(9)	Consolidated business results and consolidated financial standing of AXEL MARK for the most recent three years			
	Fiscal year	FY9/13	FY9/14	FY9/15
	Consolidated net assets	¥1,564 million	¥1,585 million	¥1,503 million
	Consolidated total assets	¥1,957 million	¥2,029 million	¥1,894 million
	Consolidated net assets per share	¥357.86	¥362.66	¥332.83
	Consolidated net sales	¥3,523 million	¥3,391 million	¥3,072 million
	Consolidated operating income	¥69 million	¥55 million	¥4 million
	Consolidated ordinary income	¥79 million	¥53 million	－ ¥1 million
	Consolidated net income	¥69 million	¥20 million	－ ¥130 million
	Consolidated net income per share	¥15.89	¥4.80	－ ¥29.83
	Dividend per share	¥－	¥－	¥－

4. Transferee of the shares

We are refraining from making disclosure based on an arrangement with the transferee.

The transferee is a Japanese corporation, but there are no specific items to report about capital, human or business relationships as a related party with the Company.

5. Number of shares to be transferred, transfer price and shares owned before and after the transfer

(1) Number of shares owned before the change	2,401,000 shares (percentage of voting rights: 54.94%)
(2) Number of shares to be transferred	217,500 shares
(3) Transfer price	We are refraining from making disclosure based on an arrangement with the transferee. The transfer price is decided by discussion between the Company and the transferee, and it is planned to be discounted within a reasonable range based on the market price in the Tokyo Stock Exchange on the date of transfer, taking into comprehensive consideration the liquidity and the volatility, etc.
(4) Number of shares owned after the change	2,183,500 shares (percentage of voting rights: 49.96%)

6. Schedule

(1) Date of resolution at the Board of Directors meeting	November 5, 2015
(2) Date of share transfer	November 9, 2015 (planned to be transferred after the market close)

7. Future outlook

As this change does not entail a change in the scope of consolidation, its impact on the consolidated financial results for the fiscal year ending September 30, 2016 of the Company is minor.

- Inquiries about this news release
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