

SEPTENI

FY September/2022

Business Results for 4Q

Nov. 10, 2022

SEPTENI HOLDINGS CO., LTD.

01 Consolidated Earnings Overview in FY9/22

02 Quarterly Consolidated Earnings Overview

03 Digital Marketing Business

04 Media Platform Business

05 Medium-term Business Policies

06 Change of Accounting Period and Earnings Estimates

07 Appendix

Since the start of FY9/16, IFRS has been applied instead of the previous J-GAAP.

Conventional "net sales" are voluntarily disclosed as reference information, while "revenue" is disclosed as an indicator based on IFRS.

Revenues from advertising agency sales, which account for the majority of the Digital Marketing Business, are recorded on a net basis only for the margin portion.

"Non-GAAP operating profit" is voluntarily disclosed in order to appropriately express the actual state of the business. It refers to the profit indicator to assess ordinary business conditions after adjustments are made to IFRS-based operating profit pertaining to gains and losses related to acquisition actions such as amortization of acquisition-related intangible assets and M&A expenses, and temporary factors such as stock-based compensation expenses, the impairment losses, and gains or losses on the sales of fixed assets.

Figures in this material are rounded to the nearest unit.

01

**Consolidated Earnings Overview
in FY9/22**

**Record highs for both revenue and
Non-GAAP operating profit.
Despite an increase in the number of shares outstanding,
EPS is well above last year's results.**

Consolidated

Revenue	¥28,819mn (YoY+34.8%)
Non-GAAP Operating Profit	¥5,855mn (YoY +54.2%)
EPS	¥30.54 (YoY +¥9.95)

**Digital
Marketing
Business**

Due to organic growth and the effects of new consolidation, revenue and profit significantly increased.

Revenue **¥25,862mn** (YoY+ **37.1%**) Non-GAAP Operating Profit **¥9,211mn** (YoY+ **31.8%**)

**Media
Platform
Business**

Revenue increased driven by the Manga Content Business, and losses narrowed despite investments in new segments.

Revenue **¥3,297mn** (YoY+ **14.3%**) Non-GAAP Operating Profit **¥-844mn** (Deficit narrowed **¥266mn YoY**)
Including investment in new segments of ¥160mn

06 Consolidated Income Statement (Full Year)



Revenue and Non-GAAP operating profit fell short of the revised estimate, and net income significantly exceeded the estimate due to an increase in equity in earnings of affiliates and financial income.

(unit: ¥mn)	FY2022			FY2021		FY2022 Estimate	Progress rate
	Value	Ratio	YonY	Value	Ratio		
Revenue	28,819	100.0%	+34.8%	21,384	100.0%	30,000	96.1%
Gross profit	22,720	78.8%	+31.4%	17,285	80.8%	—	—
SG&A expenses	17,058	59.2%	+24.1%	13,745	64.3%	—	—
Non-GAAP Operating profit	5,855	20.3%	+54.2%	3,796	17.8%	6,000	97.6%
Operating profit	5,440	18.9%	+49.0%	3,650	17.1%	—	—
Financial income	2,069	7.2%	+723.6%	251	1.2%	—	—
Equity in earnings of affiliates	1,066	3.7%	+1,746.1%	58	0.3%	—	—
Profit for the period attributable to owners of the parent	5,734	19.9%	+120.2%	2,604	12.2%	4,850	118.2%
Basic earnings per share (EPS) (¥)	30.54	—	+9.95	20.59	—	25.71	+4.83
[Reference] Net sales	131,434	—	+34.7%	97,606	—	—	—
[Reference] Dividend per share* (¥)	4.6	—	+1.2	3.4	—	—	—

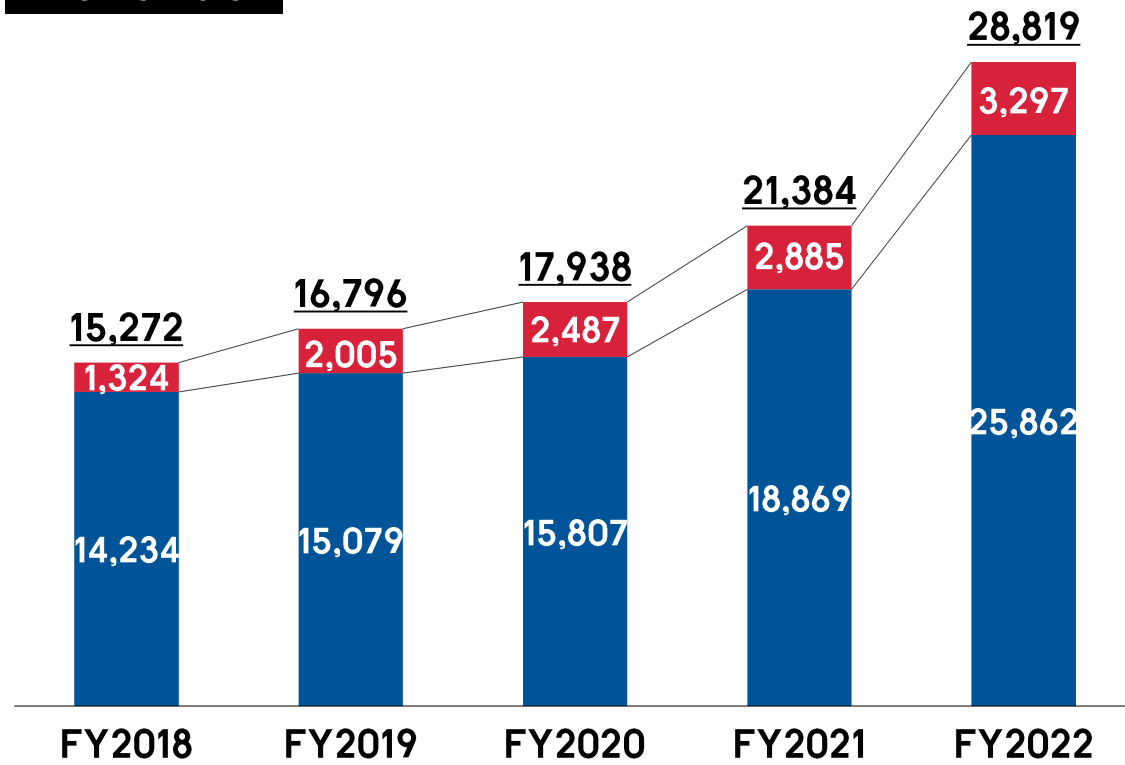
*Dividend per share is an estimation.

07 Earnings Trends by Business Segment (Full Year)

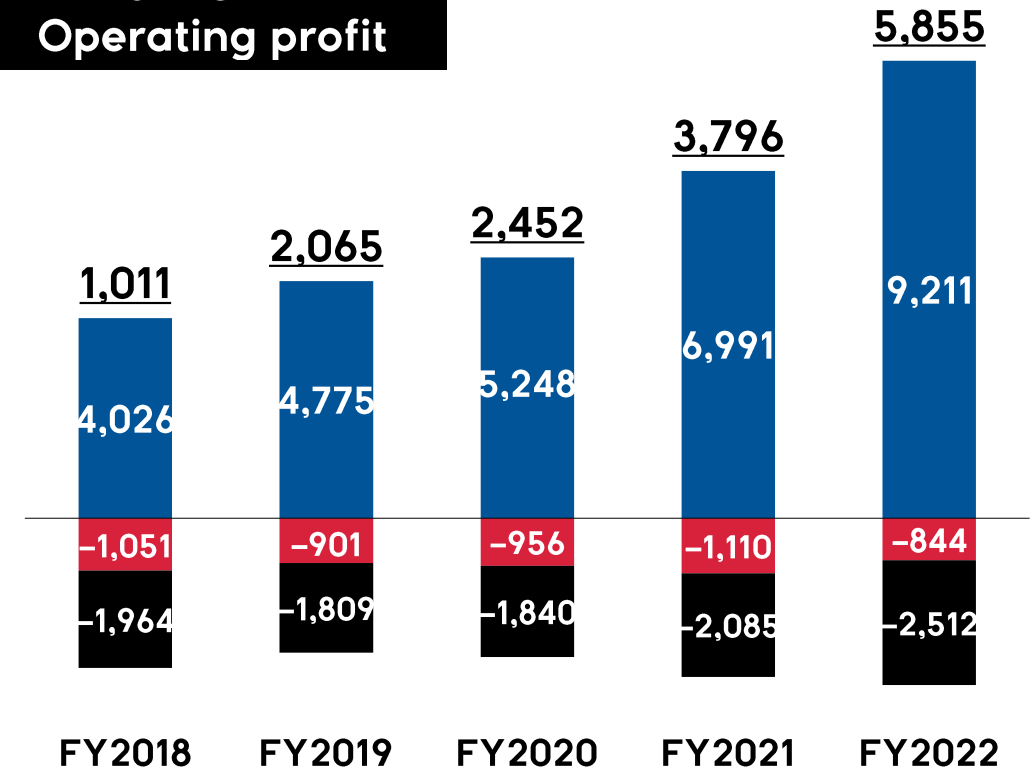
Over the last 5 years, revenue has grown approximately 1.9 times and operating profit has grown approximately 5.8 times.

■ Digital Marketing
 ■ Media Platform
 ■ Adjustments
 (unit: ¥mn)

Revenue



Non-GAAP Operating profit

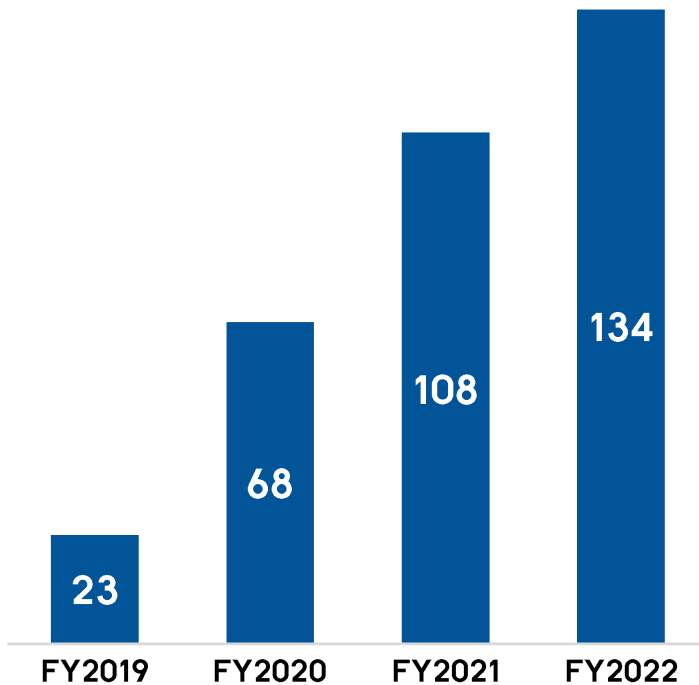


*As the elimination of intersegment revenues is omitted, the total of each business revenues and consolidated revenues (underlined figures) do not coincide.

The collaboration with Dentsu Group expanded steadily, and domestic brand advertising declined YonY due to seasonal factors.

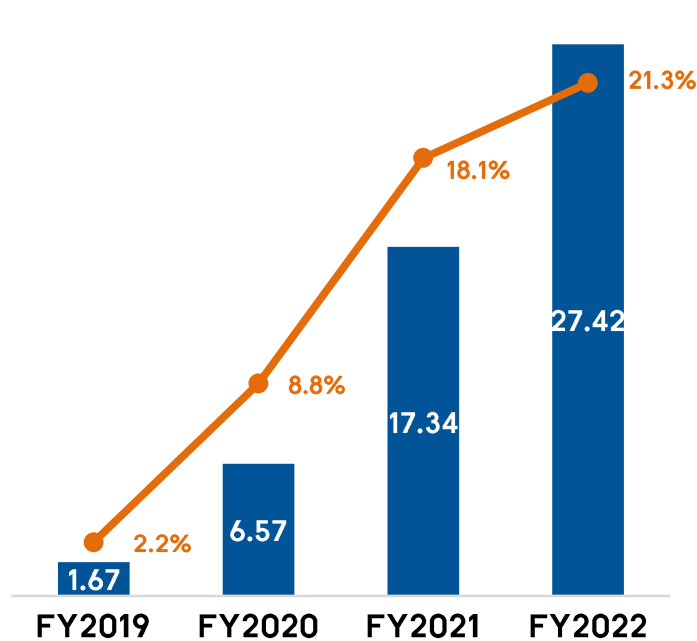
Volume of clients in collaboration with Dentsu Group

■ Volume of clients



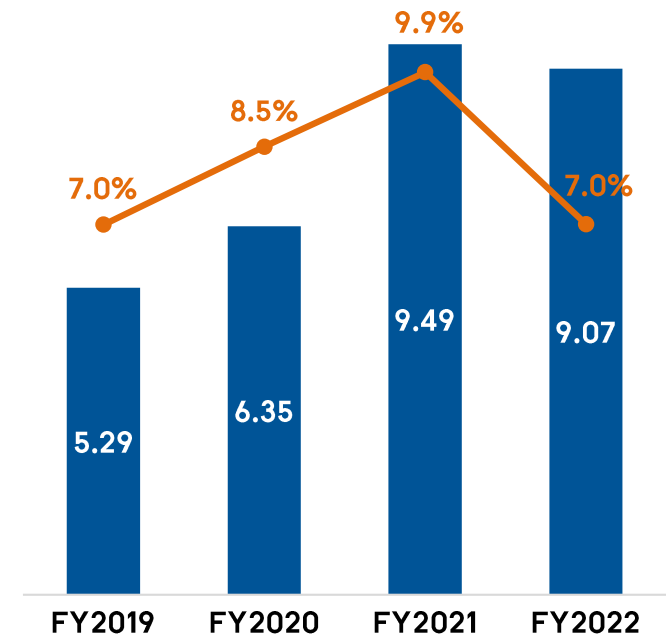
Sales from the collaboration with Dentsu Group

■ Dentsu alliance sales (¥bn)
● Share in Digital Marketing Business



Transaction of domestic brand ad

■ Brand Ad Transaction (¥bn)
● Share in Digital Marketing Business

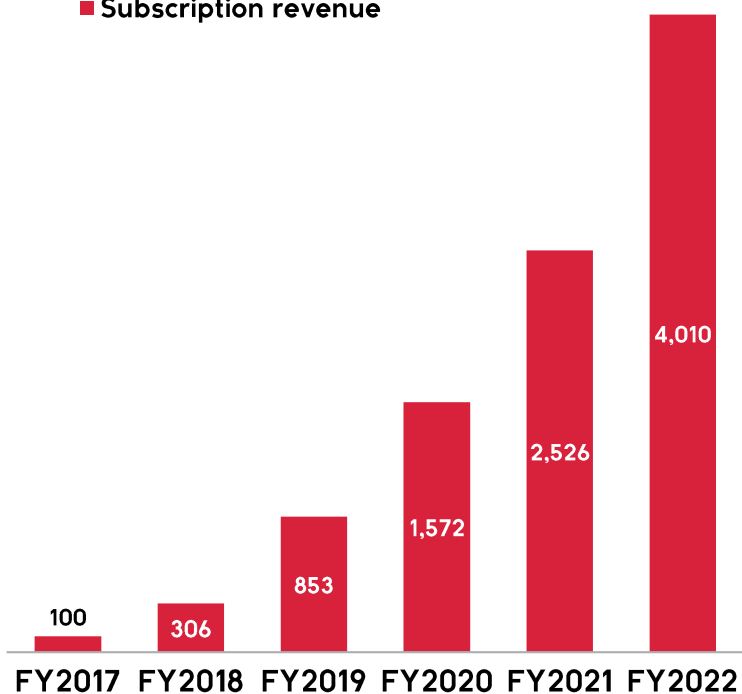


GANMA! revenue items grew steadily, and revenues in D2C businesses declined due to changes in the online consumption environment.

GANMA! subscription revenue

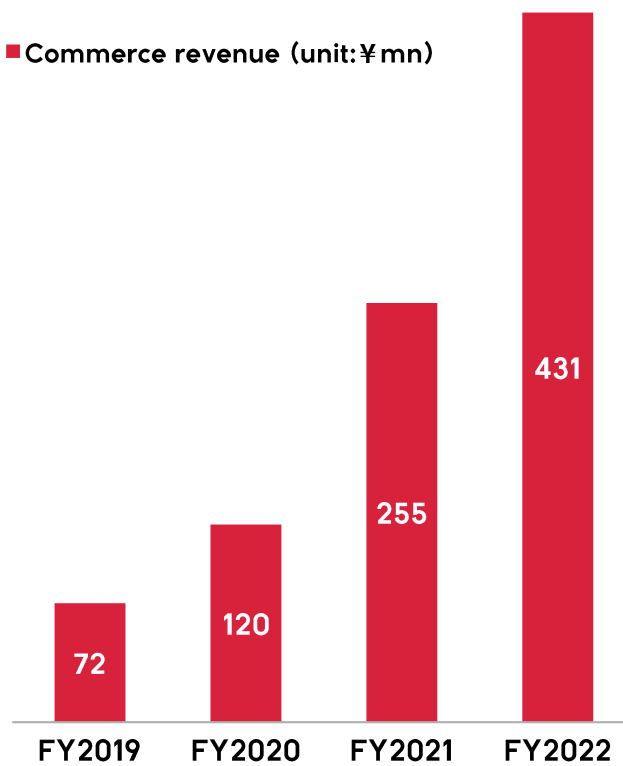
*Volume in 1Q FY2017=100

■ Subscription revenue



GANMA! commerce revenue*

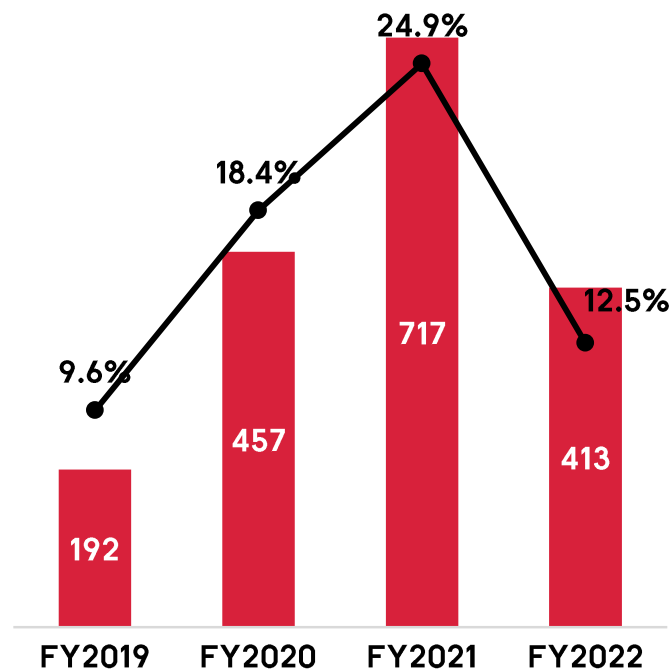
■ Commerce revenue (unit: ¥ mn)



D2C revenue

■ D2C revenue (unit: ¥ mn)

● Ratio of D2C revenue



*Commerce revenue: Revenue from the sales of content, such as e-books and crowdfunding.

HR technology business's product market fit is steadily progressing.

Human Capital Lab

An operating company established with the aim of external sales of systems that realize maximization of human capital through HR technology, which is also our core value.

Develops services and products for the enterprise.

HaKaSe Onboard

HaKaSe Onboard is an employee on-boarding cloud service utilizing AI, supporting for optimization of assignments and promotion of online capabilities in order to realize early force development.

Main clients (in alphabetical order)



02

**Quarterly Consolidated
Earnings Overview**

12 Consolidated Income Statement (Jul-Sep)

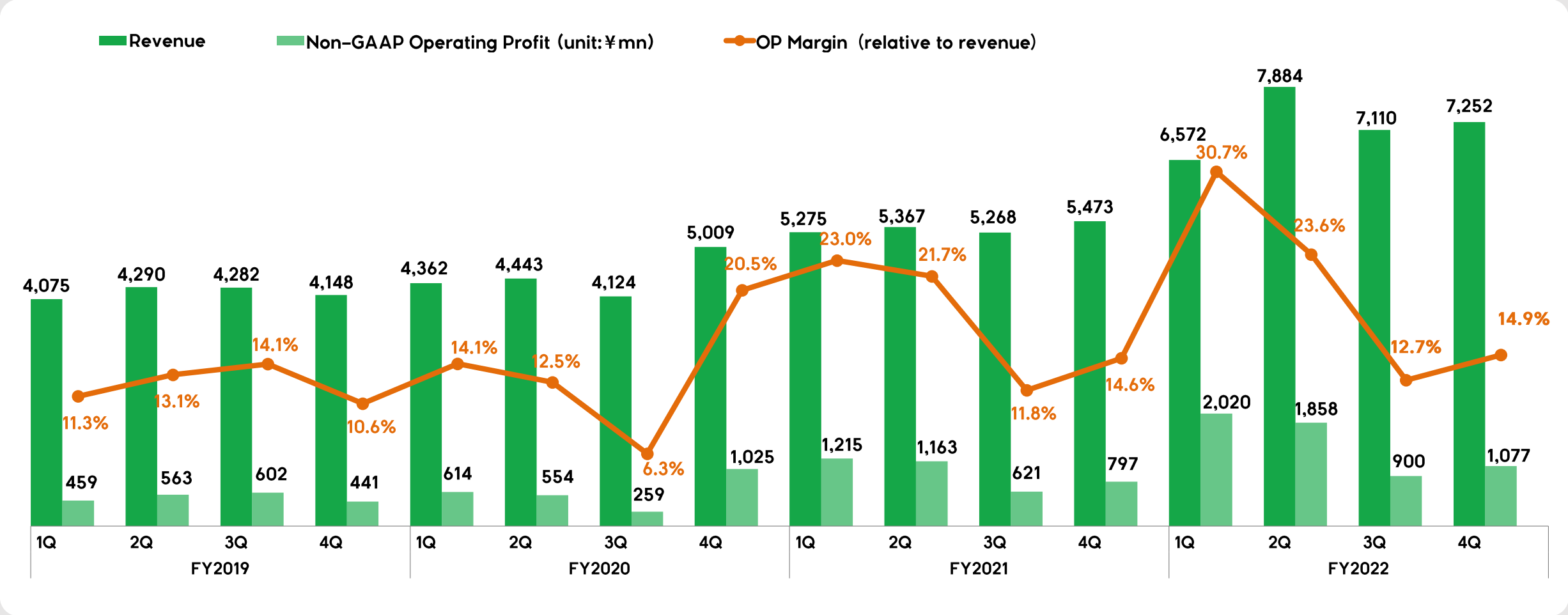


Due to a substantial increase in equity in earnings of affiliates and financial income, net income increased about 4.7 times YoY.

(unit: ¥mn)	4Q FY2022			4Q FY2021	
	Value	Ratio	YoY	Value	Ratio
Revenue	7,252	100.0%	+32.5%	5,473	100.0%
Gross profit	5,558	76.6%	+26.5%	4,394	80.3%
SG&A expenses	4,543	62.6%	+22.4%	3,711	67.8%
Non-GAAP Operating profit	1,077	14.9%	+35.1%	797	14.6%
Operating profit	966	13.3%	+117.2%	445	8.1%
Financial income	824	11.4%	+666.7%	108	2.0%
Equity in earnings of affiliates	282	3.9%	+1,319.5%	20	0.4%
Profit for the period attributable to owners of the parent	1,632	22.5%	+366.1%	350	6.4%
[Reference] Net sales	32,652	—	+23.9%	26,358	—

13 Quarterly Consolidated Earnings Trend

Revenue and profit increased due to organic growth and the effects of new consolidation. Operating profit margin also improved.



14 Constitution of Consolidated Expenses (IFRS)

Significant growth in subcontract costs YonY due to the new consolidation.

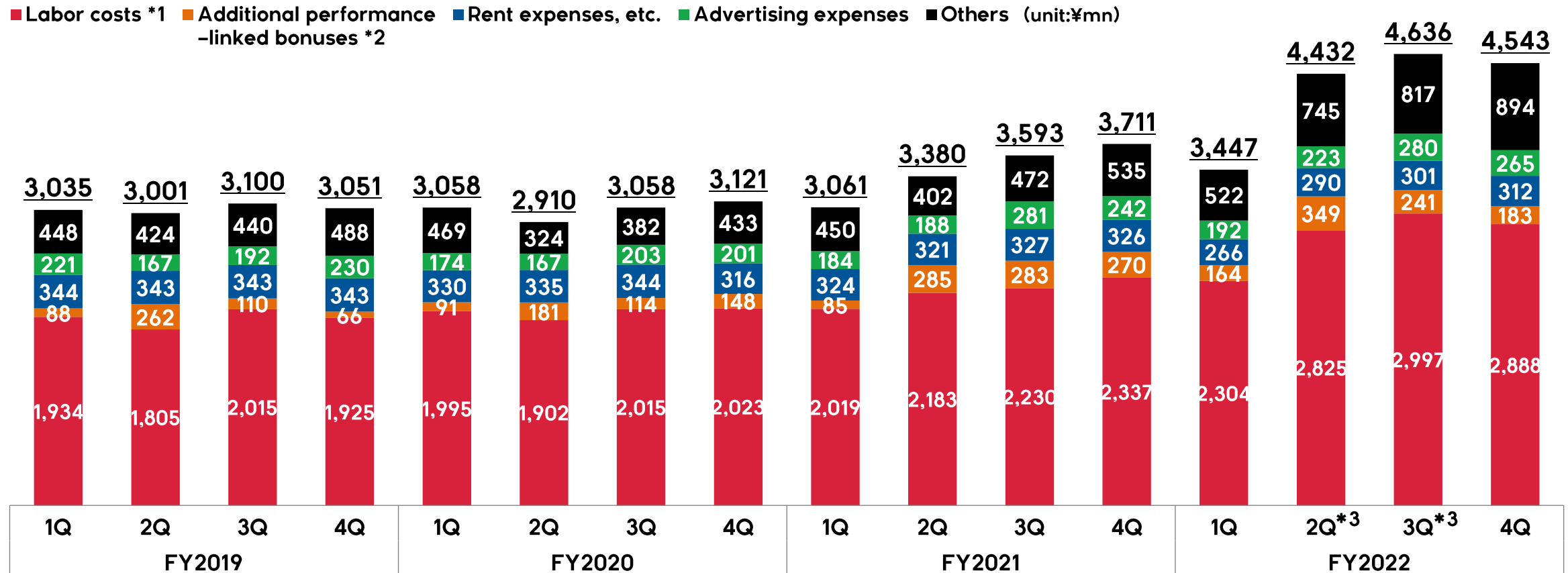
(unit:¥mn)	FY2020		FY2021				FY2022			QonQ	YonY	
	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2Q ^{*3}	3Q ^{*3}			4Q
Total of cost of sales	810	869	1,005	939	1,076	1,079	1,120	1,647	1,637	1,694	+3.5%	+57.0%
Labor costs	268	287	296	321	347	344	364	366	388	379	-2.2%	+10.3%
Subcontract costs	138	84	240	167	204	244	294	779	632	674	+6.7%	+176.3%
Others	404	499	468	451	525	491	462	503	617	641	+3.8%	+30.4%
Total of SG&A	3,058	3,121	3,061	3,380	3,593	3,711	3,447	4,432	4,636	4,543	-2.0%	+22.4%
Labor costs *1	2,015	2,023	2,019	2,183	2,230	2,337	2,304	2,825	2,997	2,888	-3.6%	+23.6%
Employee bonus*2	114	148	85	285	283	270	164	349	241	183	-23.9%	-32.2%
Rent expenses etc.	344	316	324	321	327	326	266	290	301	312	+3.6%	-4.3%
Advertising expenses	203	201	184	188	281	242	192	223	280	265	-5.1%	+9.5%
Others	382	433	450	402	472	535	522	745	817	894	+9.4%	+67.1%

*1 In FY2020/1Q, 2Q and since FY2021/2Q, performance-linked stock compensation (BIP trust), which is a reconciliation to Non-GAAP operating profit, is recognized as labor costs.

*2 Including estimation amount for additional performance-linked bonus.

*3 Adjustments are made retrospectively to total SG&A and others in FY2022/2Q, 3Q results.

Other expenses increased due to expansion of business and organizational scale.



*1 In FY2020/1Q, 2Q and since FY2021/2Q, performance-linked stock compensation (BIP trust), which is a reconciliation to Non-GAAP operating profit, is recognized as labor costs.

*2 Including estimation for additional performance-linked bonus.

*3 Adjustments are made retrospectively to total SG&A and others in FY2022/2Q, 3Q results.

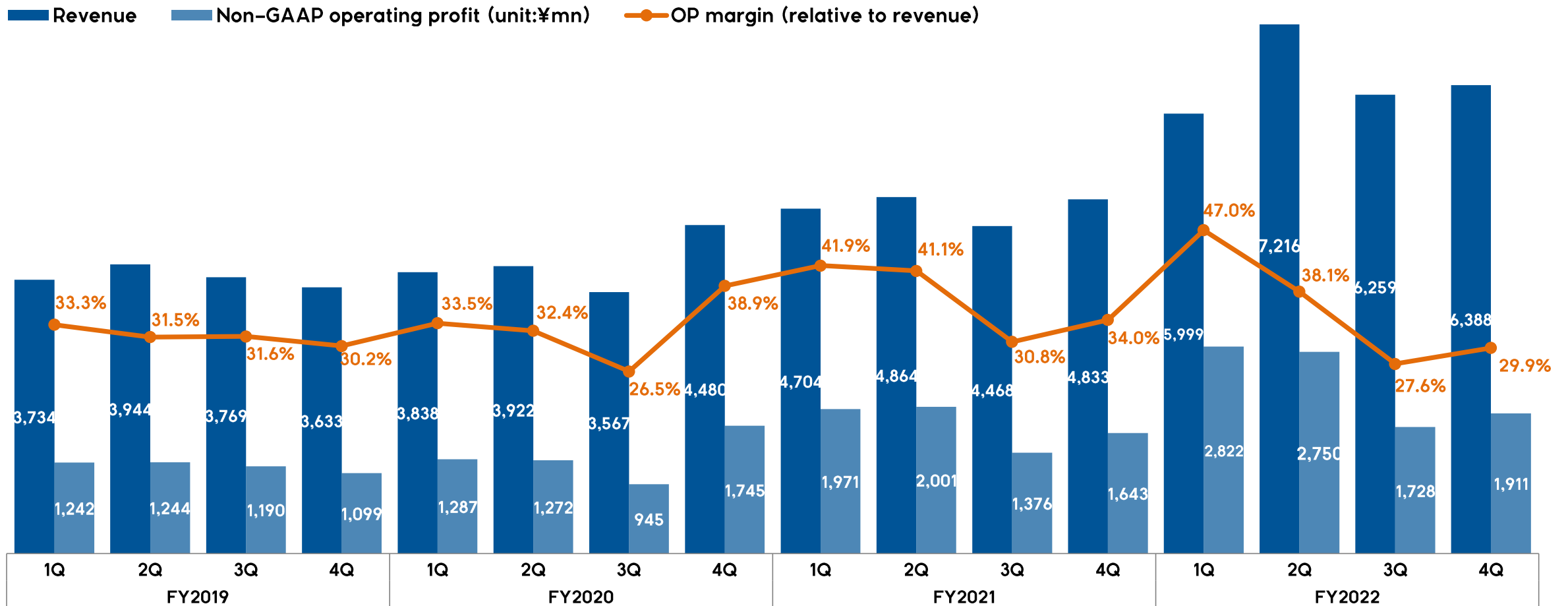
03

Digital Marketing Business

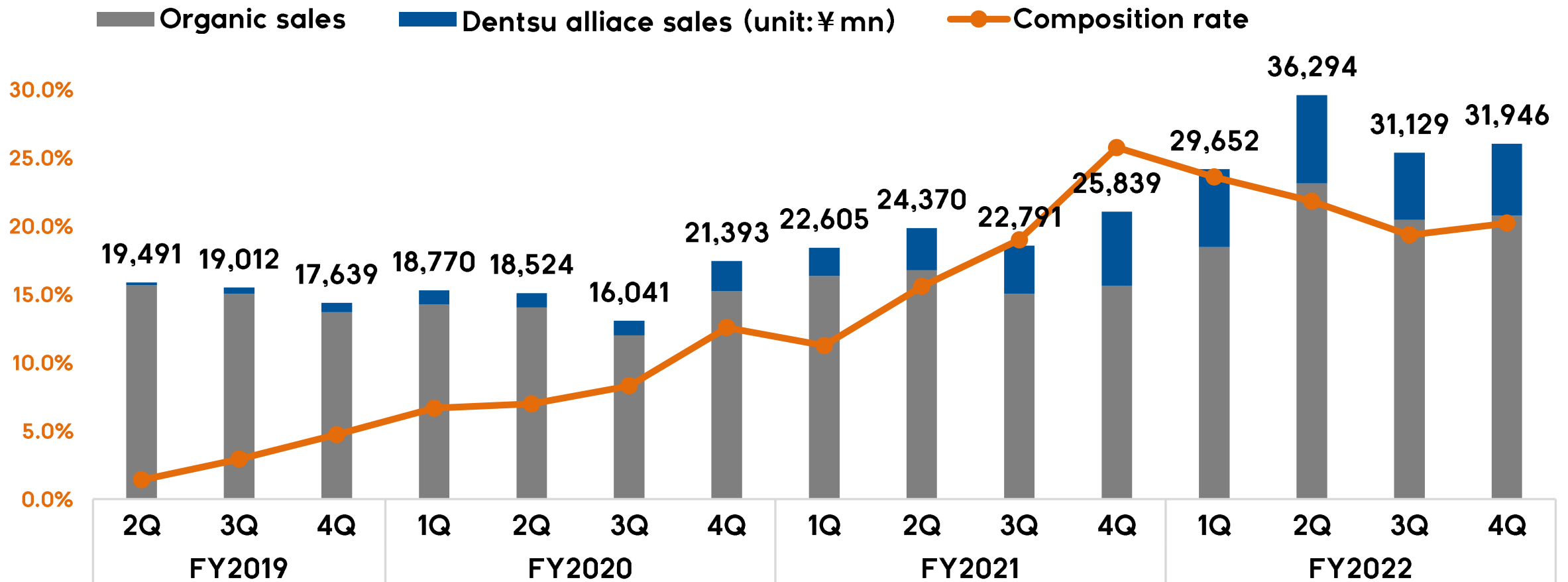
Revenue and Non-GAAP operating profit increased YonY but missed the revised earnings estimates.

(unit:¥mn)	4Q FY2022			4Q FY2021		FY2022 Estimates	Progress rate
	Value	Ratio	YonY	Value	Ratio		
Revenue	6,388	100.0%	+ 32.2%	4,833	100.0%	26,500	97.6%
Gross profit	5,129	80.3%	+ 25.2%	4,097	84.8%	—	—
SG&A	3,273	51.2%	+ 27.8%	2,562	53.0%	—	—
Non-GAAP Operating profit	1,911	29.9%	+ 16.3%	1,643	34.0%	9,400	98.0%
[Reference] Net Sales	31,946	—	+ 23.6%	25,839	—	—	—

Steady growth in top-line and progress in recruiting human resources for future growth can be seen.



Dentsu alliance sales remained almost unchanged YonY due to seasonal factors in Q4 of the previous fiscal year, and **current orders received steady progress.**



*Since FY2022/2Q, organic sales include the effects of new consolidation.

04

Media Platform Business

21 Media Platform Business Earnings Overview

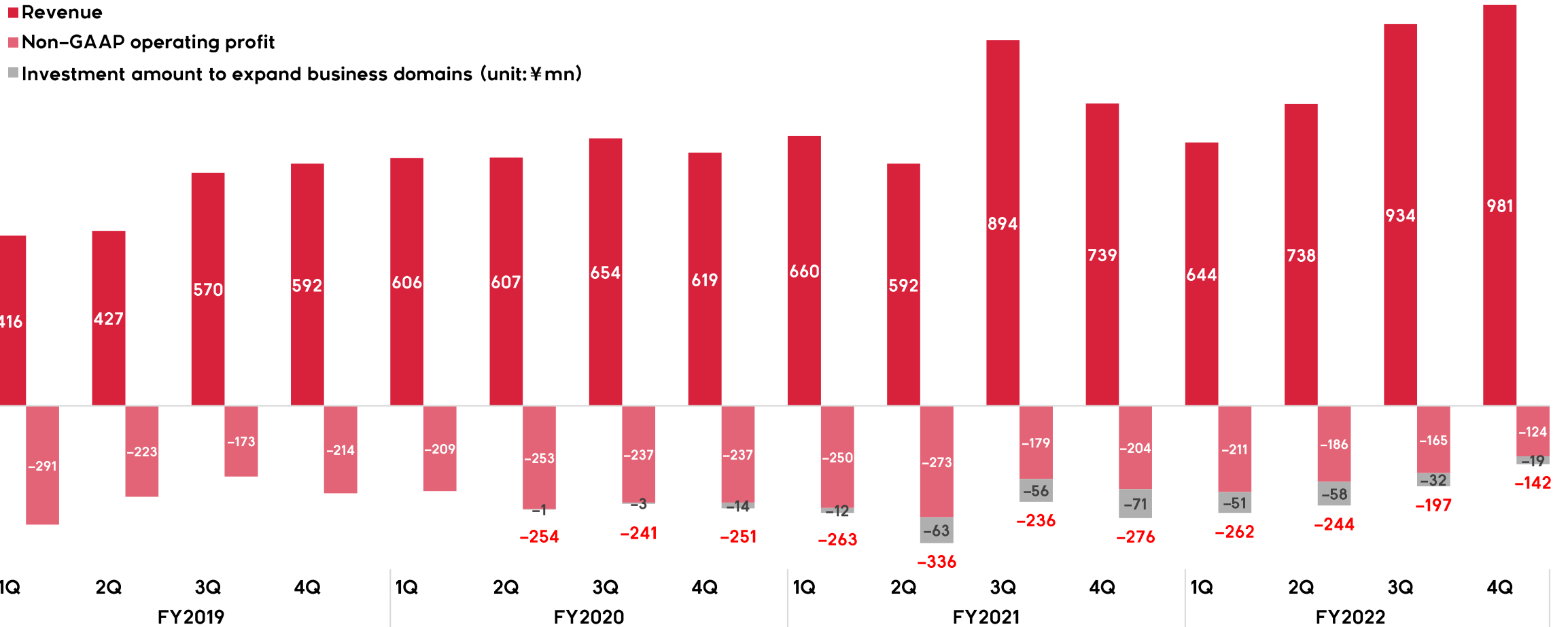


Revenue reached a record high due to the expansion of the Manga Content Business but fell short of forecast due to slowdown in D2C business.

(unit:¥mn)	4Q FY2022			4Q FY2021		FY2022 Estimates	Progress rate
	Value	Ratio	YoNY	Value	Ratio		
Revenue	981	100.0%	+32.8%	739	100.0%	3,800	86.8%
Gross profit	543	55.4%	+37.0%	397	53.7%	—	—
SG&A	701	71.4%	+1.8%	688	93.2%	—	—
Non-GAAP Operating profit	-142	—	+134	-276	—	-800	—
Investment amount to expand business domains*	-19	—	+52	-71	—	—	—

*Total operating profit (loss) from businesses positioned as expansion into new business segments.

Losses narrowed significantly due to top-line growth.

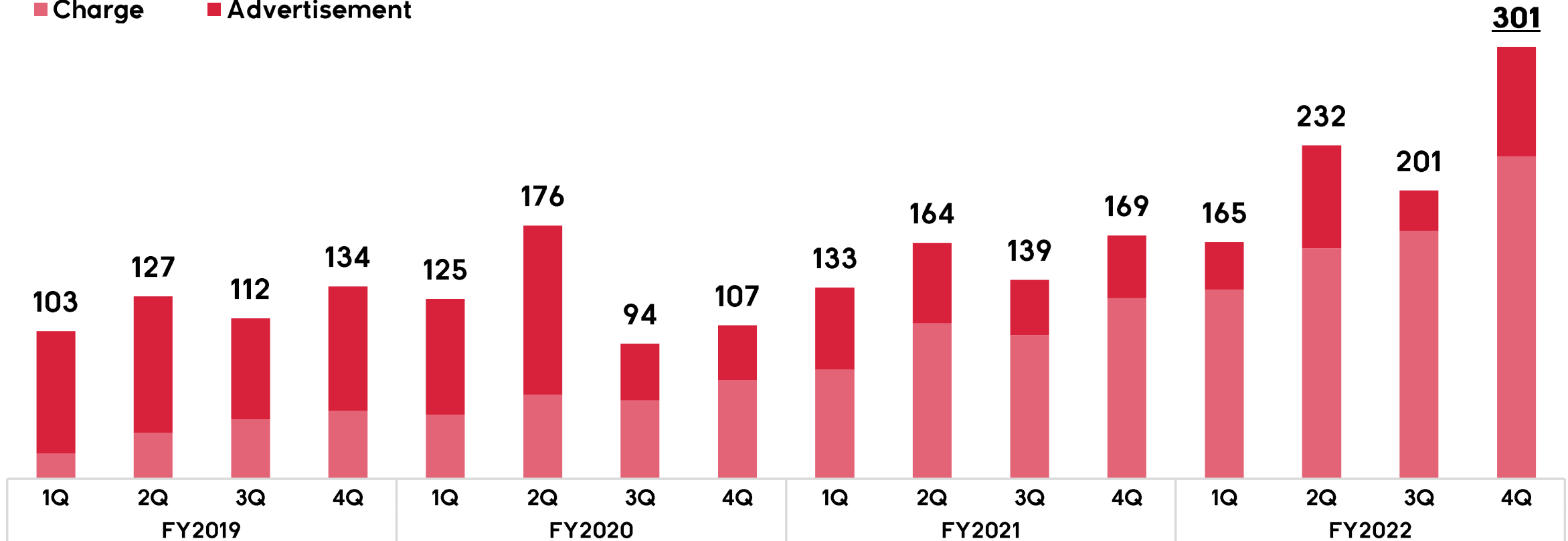


23 Manga Content Business Revenue Trend

Charge revenue **grew significantly**, centered on commerce revenue, and advertising revenue also expanded due to delivery of anime projects.

*Volume in 1Q FY2018= 100

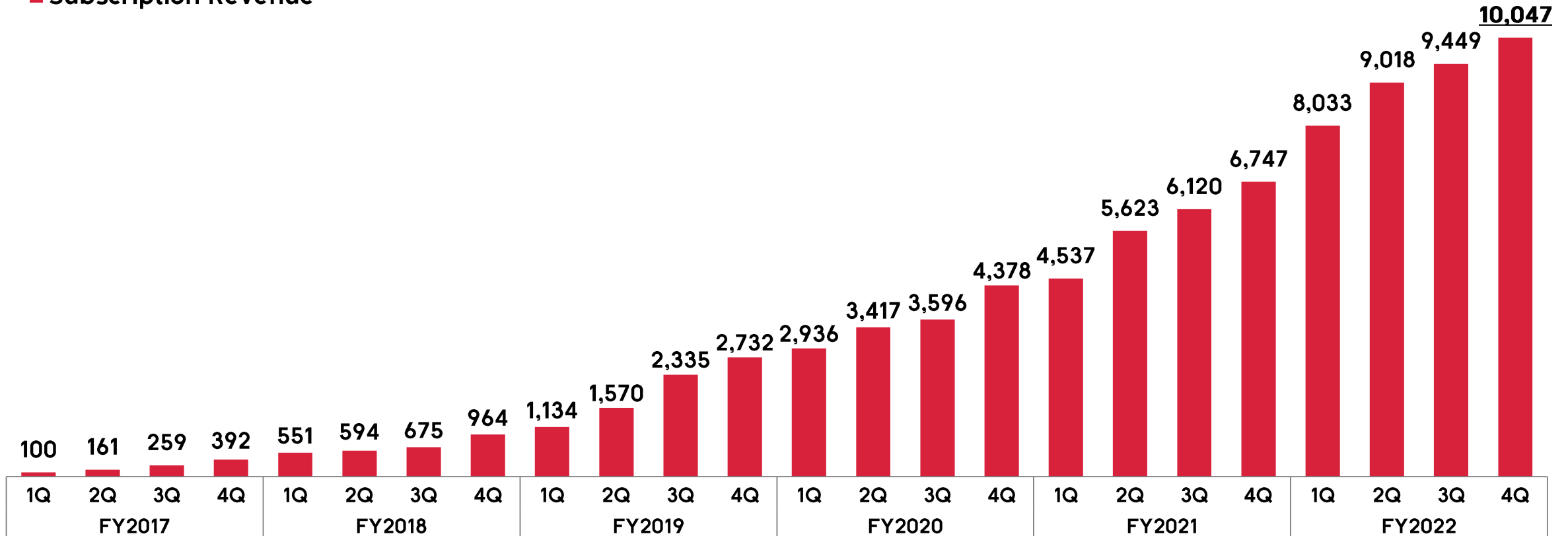
■ Charge ■ Advertisement



Maintained a growth pace of **approximately 1.5 times** YoY and the number of users is increasing steadily.

*Volume in 1Q FY2017=100

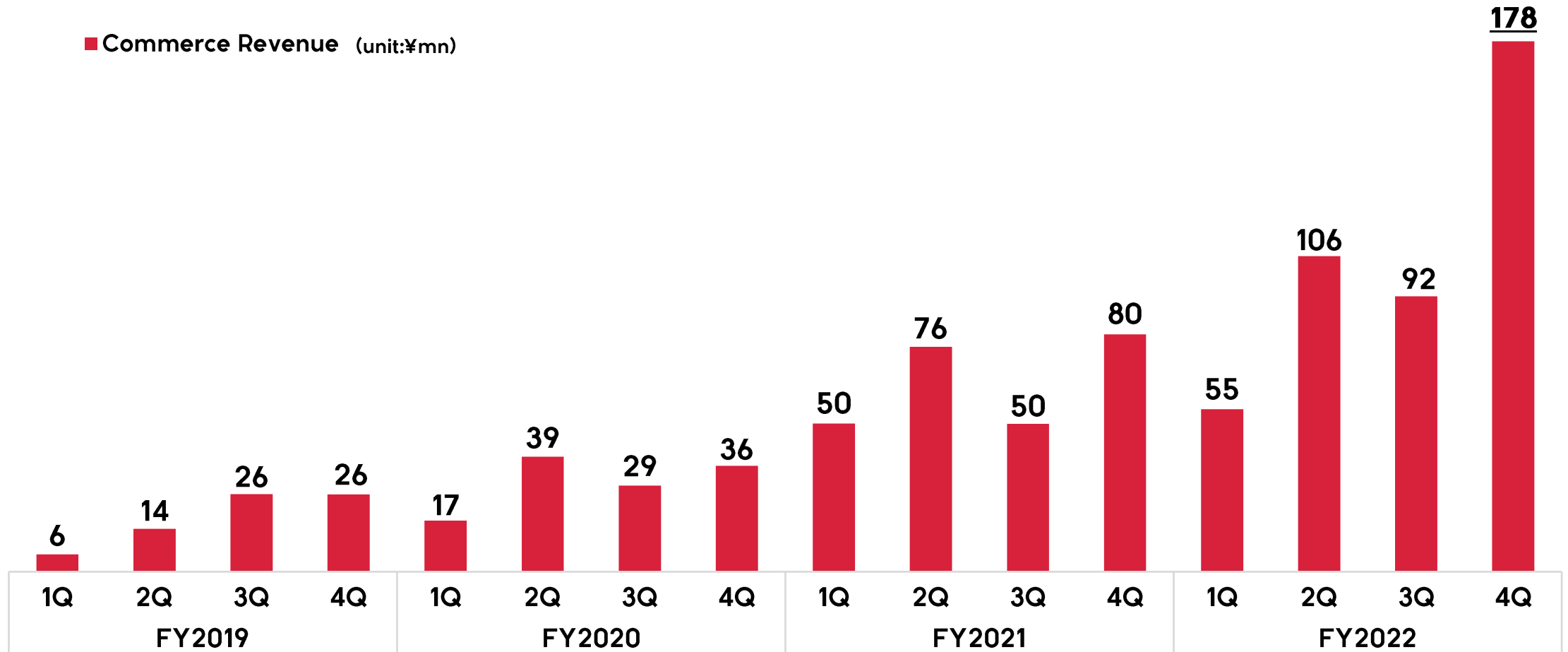
■ Subscription Revenue



25 Manga Content Business Commerce Revenue* Trend



Increase in IP value of popular GANMA! titles led to an increase in sales of e-books, and commerce revenue grew significantly by **approximately 2.2 times YonY**.



*Commerce revenue: Revenue from the sales of content, such as e-books and crowdfunding.

GANMA!'s popular title *“My Love Story with Yamada-kun at Lv.999”* will be made into **TV anime** and expects to contribute to earnings by further raising awareness.



© MASHIRO/COMICSMART INC./Production Committee with Yamada-kun at Lv999

■ About the anime

- Scheduled for broadcast in 2023
- Planning and production: Aniplex
Animation production: Madhouse
Cast: Inori Minase, Koki Uchiyama, etc.

■ About *“My Love Story with Yamada-kun at Lv.999”*

- Total PVs on GANMA!: more than **4.5bn times**
- Cumulative circulation*: more than **1.60mn**
- *“The 6th TSUTAYA Comic Awards”* **Grand Prize**

*As of October 2022, with 6 volumes including e-books (published by KADOKAWA)

05

Medium-term Business Policies

Expands the existing domain 

Expands into the new domain 

Digital Marketing Business

- Strengthening development of e-commerce ad domain
- Enhancing the Group system of data & solutions domain
- Deepening capital and business alliance with the Dentsu Group

Media Platform Business

- Focusing on revenue from charge on users
- Strengthening business development of D2C

New Business Segment

- Absorbing demand for DX focusing on selected industries
- Commercialization of HR technology domain

Medium-term theme since FY2020 is “Domain Expansion”

Digital Marketing Business: Strengthening DX supporting area

Expansion of on-off integrated services by deepening the alliance with the Dentsu Group

Strengthening development of AI products and data & solutions services

Media Platform Business: Growth acceleration of IP Platform Business*

Enhancing IP values

Strengthening webtoon production system

Expansion into New Business Segment

Business growth in HR technology domain

Promoting business development in the entertainment and sports domain

Reinforcing management foundation

Revision of Corporate Philosophy

Improving human capital value by updating the human resources systems

*Manga Content Business is renamed to IP Platform Business from FY2023.

From April 2023, with the aim of increasing human capital value, human resource investment will be strengthened including raising salary levels.

Increase in fixed salary

Summary

Starting in April 2023, a pay increase will be implemented for the full-time employees of 9 Group companies. For all qualifications, the annual salary will be increased by about ¥0.8 million (about ¥1 million for some qualifications.)



**Aiming to maximize human capital value
by strengthening competitiveness in the recruitment market**

In addition, the Company plans to increase the incentive subsidy rate for the Employee Stock Ownership Plan and invest in new ways of working and office equipment.

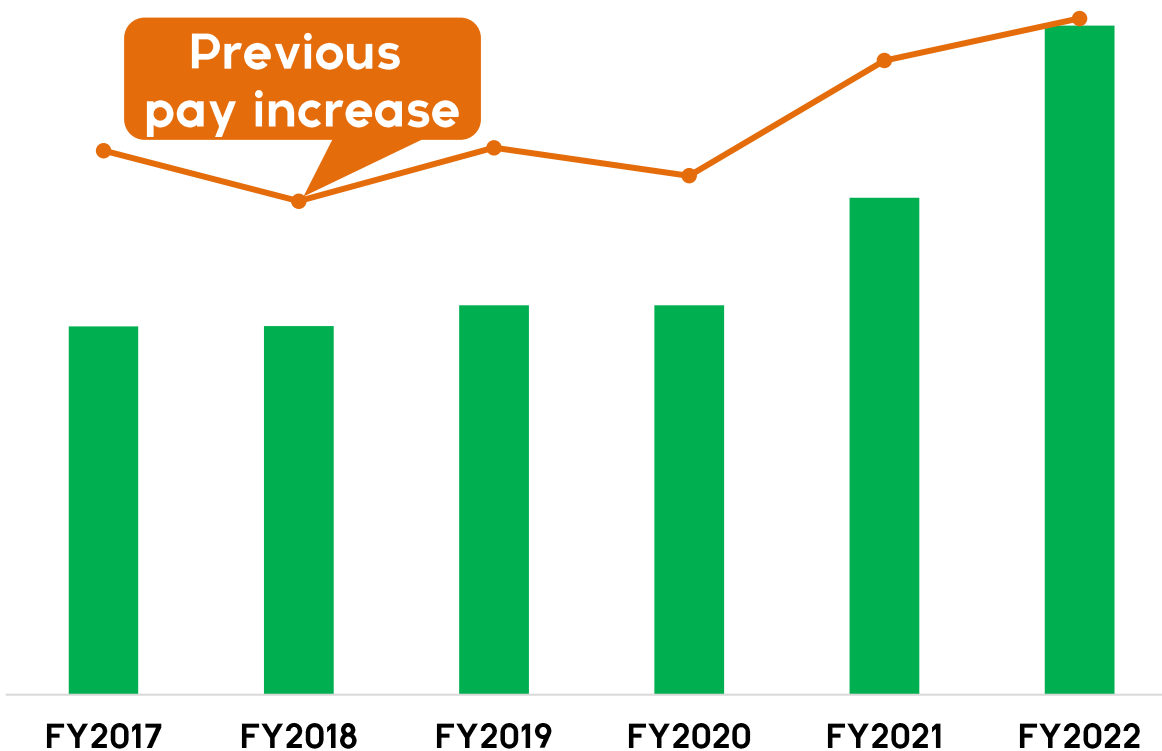
Planning to invest approximately ¥230 mn per quarter from FY2023/3Q onward and a total of about ¥680 mn for FY2023 in human resources.

31 Update on HR system

By maximizing human capital value and enhancing the value provided to its clients, the Company aims to achieve sustainable growth and enhance corporate value over the medium to long term.

Progress of productivity

Net sales Sales per employee



The Company will further promote the human capital management that it has been working on to date, which will lead to an increase in corporate value over the medium to long term.

After the pay increases in FY2018, while expanding both sales and organizational size, the group-wide sales per employee rose by about 35% in 5 years.

The Company has participated in a “scholarship partners” of the “Kamiyama Marugoto College” with the aim of supporting the creation of an environment to nurture and produce entrepreneurial talent.

About Kamiyama Marugoto College

A 5-year private technical college to open in April 2023 in Kamiyama-cho, Tokushima Prefecture, with “Technology × Design × Entrepreneurial Spirit” as the foundation of education.



Significance and purpose of contributing funds

- Resonance of our mission, vision, and values and the founding philosophy of “Kamiyama Marugoto College.”
- Four scholarships are given to students each year and work on joint research and the creation of new businesses with them.
- Plan to provide support in the areas of business and human resources, mainly in HR area, to the “Kamiyama Marugoto College.”

Financial impact

- Contribute ¥1 bn per unit to the Scholarship Fund as a scholarship partner.
- No direct impact on P/L is expected.

With the aim of strengthening DX supporting area, the Company concluded a capital and business alliance with and factory,inc.

Purpose of the capital and business alliance

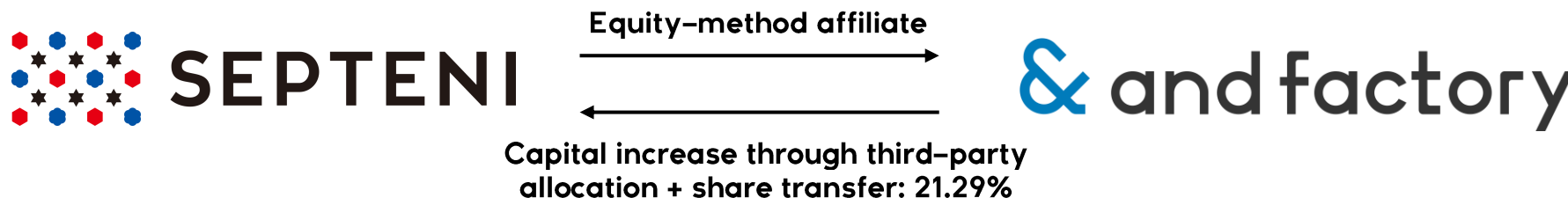
- Strengthen the Digital Marketing Business and DX area by strengthening collaboration in the promotion of manga apps operated by and factory,inc.
- Contribute to the expansion of the value and distribution volume of existing IP of each publisher

Overview of business alliance

- Strengthen business collaboration in the advertising field in and factory,inc's existing manga business
- Send outside directors to and factory,inc by the Company
- Consider collaboration in new business areas, centered on DX field

Overview of capital alliance

Acquired a total of 21.29% of voting rights through the underwriting of a third-party allocation of new shares and the transfer of shares from the founder.



Purpose

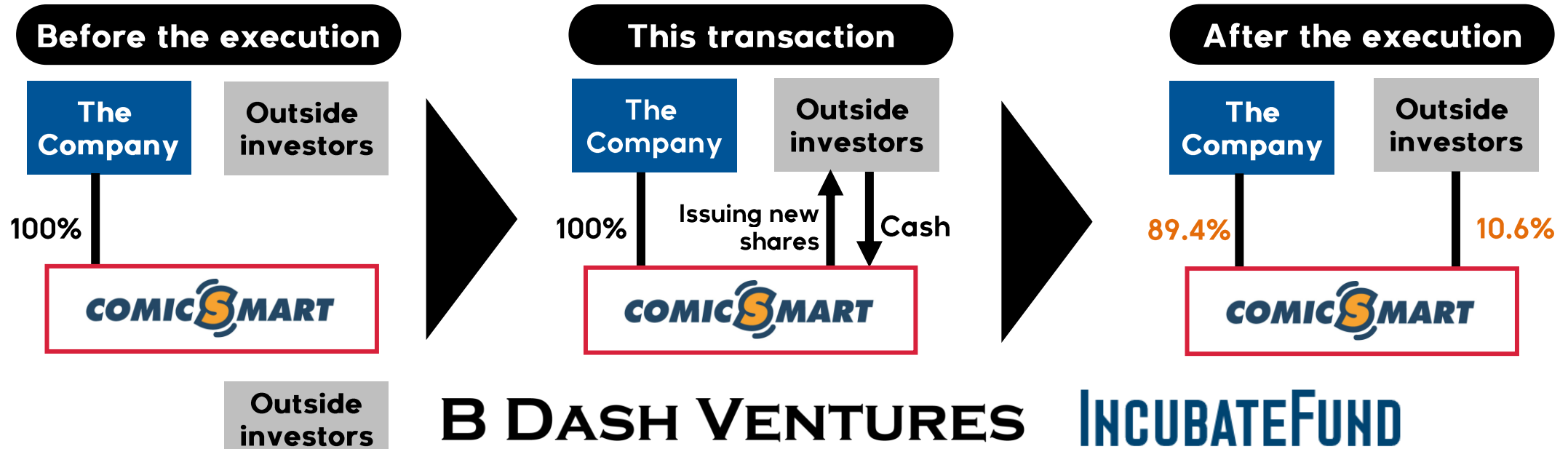
As a corporate action that contributes to enhancing the corporate value of Septeni Holdings (the Company), the Company will procure funds from external sources to strengthen the growth potential of its IP Platform Business (formerly the Manga Contents Business).

Background

- Over the 10 years since the launch of GANMA!, the Company has invested upfront to establish and strengthen products, IP/contents, and client bases through intra-group financing.
- As the period of prior investment has passed through previous initiatives and business models and growth strategies are developed, options for further strengthening growth potential has expanded.
- With the growing interest in the vertically integrated business structure of **“IP/contents development + digital platforms,”** the business environment is changing dramatically.
- The policy is shifted to strengthen the implementation structure of its growth strategy through the participation of outside investors, thereby enhancing business value and its corporate value.

The Company concluded that IP Platform Business* has reached the stage of accepting growth-oriented investments from outside, and then reached this funding raising.

The Company's consolidated subsidiary Comicsmart, Inc. will implement a third-party allocation of new shares totaling ¥710 mn to external investors, aiming to maximize corporate value in the future, and proceed with capital policy and carve-out measures.



Major uses of funds

- Developing IP/contents with the aim of improving the quality of manga production and strengthening the development of webtoon titles.
- Marketing and sales promotion investment
- Recruitment, etc.

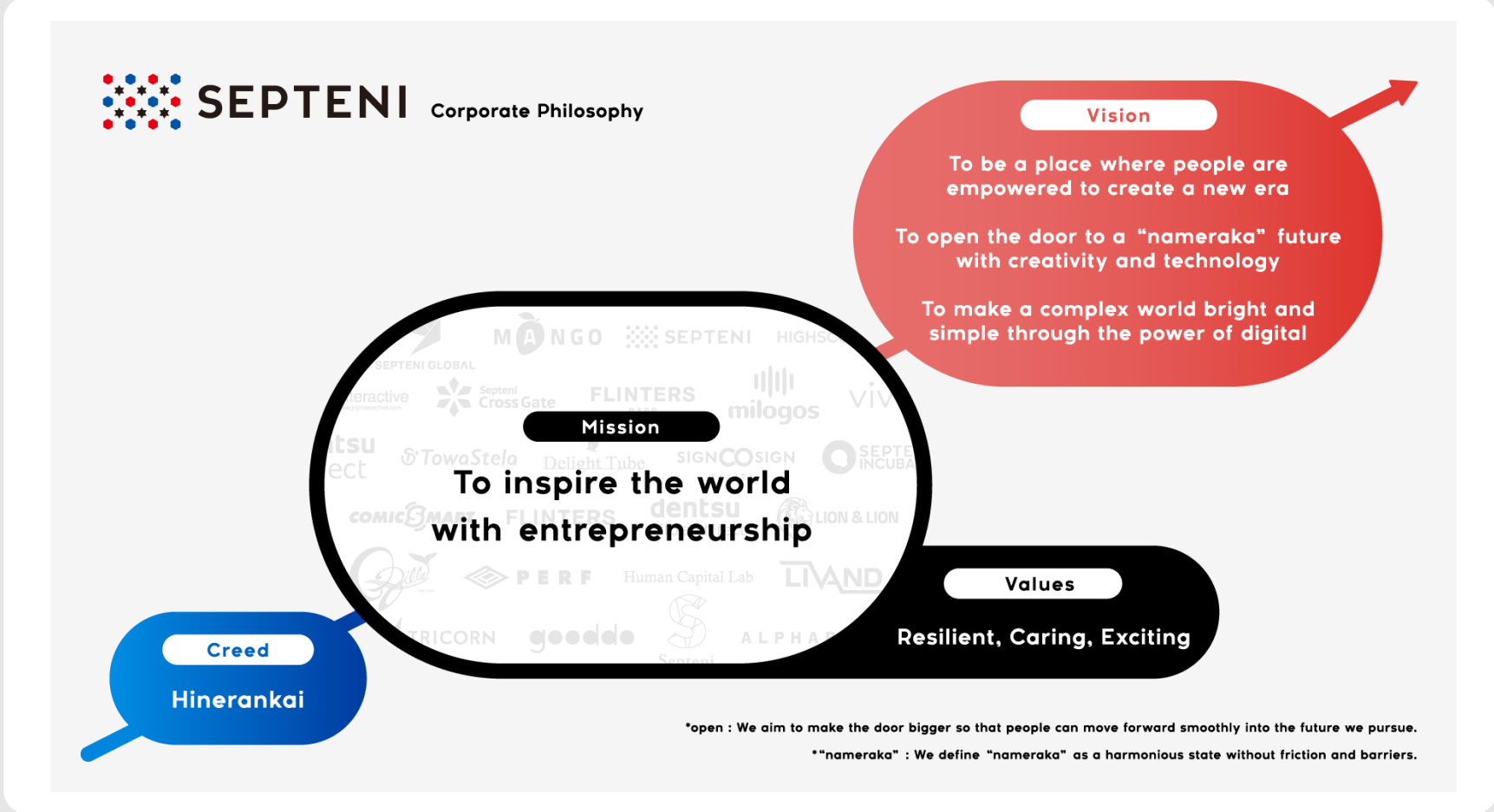
*Please refer to the briefing material of IP Platform Business released on the same day. *Manga Content Business is renamed to IP Platform Business from FY2023.

36 Revision of Corporate Philosophy

In order to increase corporate value amid changes in the Group's and society's environment, the Corporate Philosophy is revised including the new vision.

Overview

The mission and creed, which is an identity since its foundation, remained unchanged, and the concept of corporate logo is regarded as the values. New vision is formulated to strengthen connection between the mission and the business.



The Company has verbalized what it aspires to be and the contribution to society that it wants to fulfill in the medium to long term and set it as a new vision.

New Group Vision

To be a place where people are empowered to create a new era

To open the door to a “nameraka” future with creativity and technology

To make a complex world bright and simple through the power of digital



*open: We aim to make the door bigger so that people can move forward smoothly into the future we pursue.

*“nameraka”: We define “nameraka” as a harmonious state without friction and barriers.

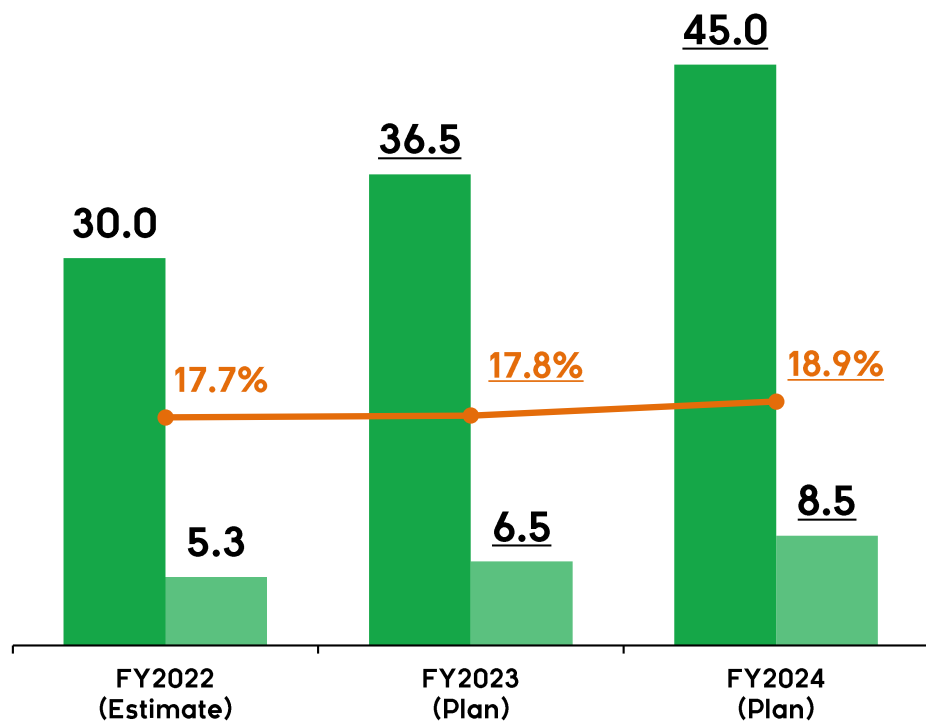
38 Medium-term Business Policies (3-Year Plan)



Enhance the effectiveness of long-term business growth through aggressive investment in human capital, leading to increased shareholder value and corporate value.

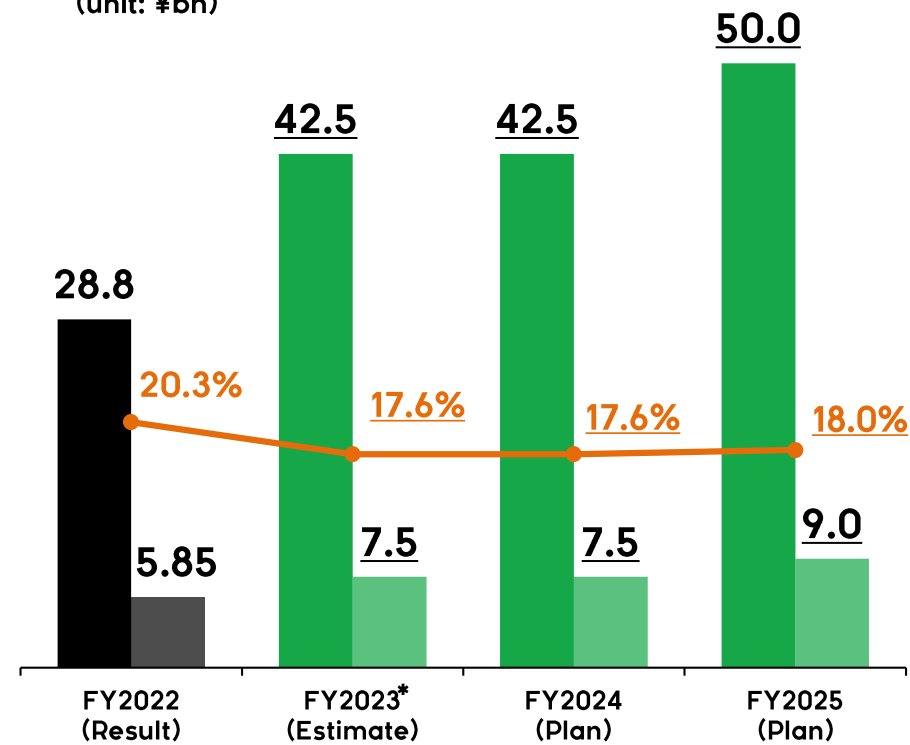
Consolidated (before update)

Revenue Non-GAAP operating profit OP margin
(unit: ¥bn)



Consolidated (after update)

Revenue Non-GAAP operating profit OP margin
(unit: ¥bn)



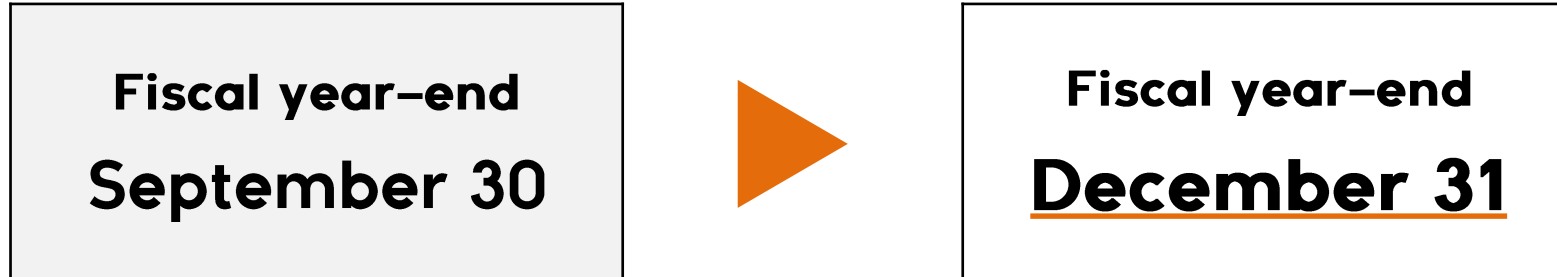
*FY2023 will be an irregular period and the estimate is for 15-month period.

06

**Change of Accounting Period and
Earnings Estimates**

40 Change of Fiscal Year-end

A change in the accounting period shall be implemented on the premise that the amendment to the Articles of Incorporation shall be approved at the Ordinary General Meeting of Shareholders.



<Reason for the change>

By unifying the accounting periods with the Dentsu Group Inc., the Company will improve management transparency through the timely and accurate disclosure of management information, and promote the efficiency of management and business operations, such as the formulation of business plans and performance management.

41 Change of Fiscal Year–end

As a transitional measure for the change in the fiscal year–end to December, FY2023 will be an irregular **15–month period.**

	In 2022		In 2023			
	Jul to Sep	Oct to Dec	Jan to Mar	Apr to Jun	Jul to Sep	Oct to Dec
FY end in Sep. (Before change)	FY9/2022	FY9/2023				FY9/2024
FY end in Dec. (After Change)	FY9/2022	FY12/2023 (15–month period)				

General Meeting of Shareholders	Ordinary General Meeting of Shareholders in FY12/2023 is scheduled to change in March.
Publication of Financial Results/ Results Meeting	The 2Q of FY12/2023 is scheduled for May 2023 and the end of the fiscal year is scheduled for February 2024.

42 Full Year Consolidated Earnings Estimates for FY12/2023



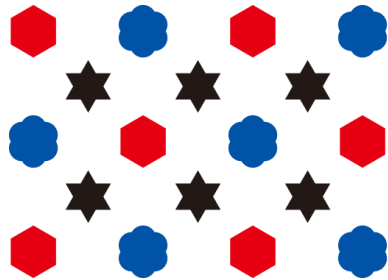
	In 2022	In 2023			
	Oct to Dec (1Q)	Jan to Mar (2Q)	Apr to Jun (3Q)	Jul to Sep (4Q)	Oct to Dec (5Q)
FY12/2023 (15-month period)					
(Millions of yen)	Results in FY9/2022		FY12/2023 Forecast (15 months)	Expected Growth Rate (YoY)	
Revenue	28,819		42,500	+47.5%	
Non-GAAP operating profit	5,855		7,500	+28.1%	
Profit attributable to the owners of the parent	5,734		5,950	+3.8%	
Earnings per share (¥) (EPS)	30.54		28.42	-2.12	
[Reference] Net sales	131,434		180,000	+37.0%	

43 Full Year Earnings Estimates by Business Segment



	Revenue			Non-GAAP operating profit		
	Results In FY9/2022	Earnings estimates for FY12/2023	Expected growth rate	Results In FY9/2022	Earnings estimates for FY12/2023	Expected growth rate
Digital Marketing	25,862	36,250	+40.2%	9,211	11,500	+24.9%
Media Platform	3,297	6,800	+106.3%	-844	-500	-
Elimination or corporate	-370	-550	-	-2,512	-3,500	-
Consolidated	28,819	42,500	+47.5%	5,855	7,500	+28.1%

Thank you for your interest!



SEPTENI

Contact Information

SEPTENI HOLDINGS CO., LTD. Corporate Planning, IR Division

www.septeni-holdings.co.jp/en/

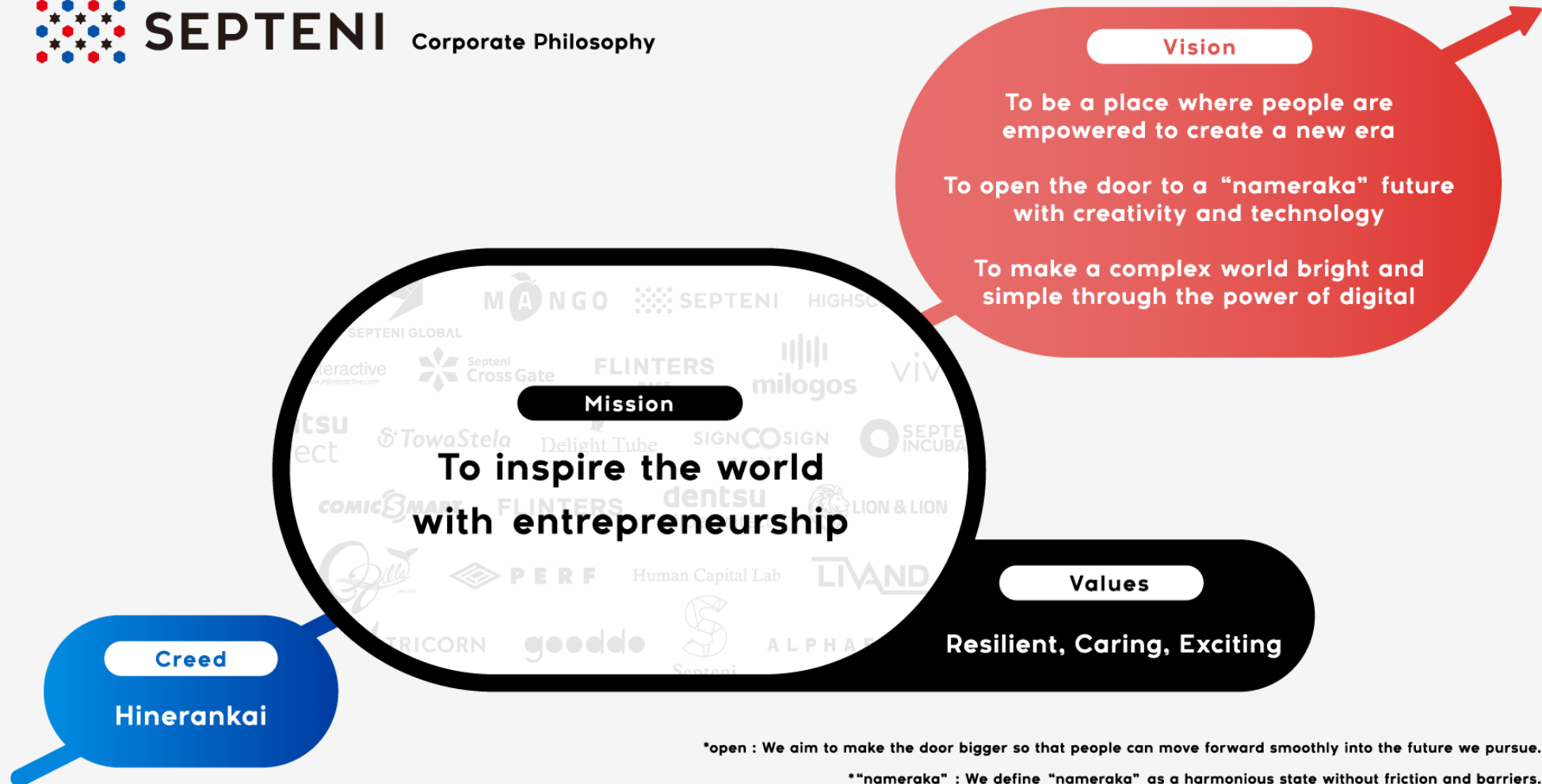
E-mail: ir@septeni-holdings.co.jp

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 Nov 10, 2022 and we do not guarantee their accuracy. Therefore, our actual results may differ due to various unforeseen risk factors and changes in global economies.

07

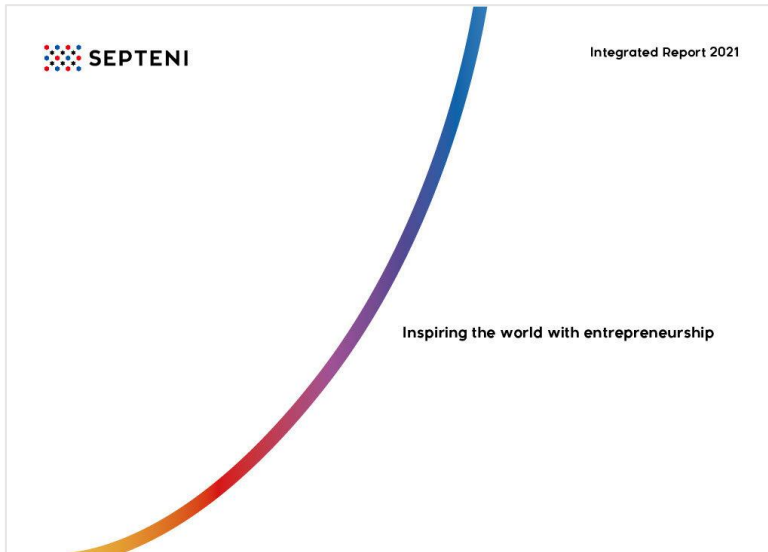
Appendix

46 Group Corporate Philosophy



*open : We aim to make the door bigger so that people can move forward smoothly into the future we pursue.

**"nameraka" : We define "nameraka" as a harmonious state without friction and barriers.



Integrated Report 2021

The Integrated Report 2021 is available on the website, discussing medium-to-long-term management policy, business strategy, and the framework of value creation in the businesses.

Please check the details from the link or the code.

https://www.septeni-holdings.co.jp/en/ir/library/integrated-report/integratedreport2021_en.pdf



Septeni Group official “note”

Septeni Group official blog on “note” started in December 2019, introducing various approaches around its people and culture that cannot be talked enough on other materials.

*only available in Japanese.

Please check the details from the link or the code.

https://note.com/septeni_group



To realize a sustainable society and the Company's mission, continue activities that contribute to solving social issues through business operations.

Our Efforts

SDGs

Environment

- Reduction of printing paper
- Promotion of green purchasing
- Implementation of resource and energy conservation measures and promotion of recycling



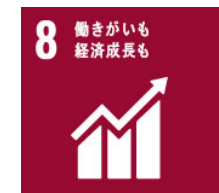
Support for culture/sports/entertainment industry

- Recruitment of top athletes and supporting athlete promotion and athletic competition promotion
- Support of professional soccer team and professional dance team
- Support for the development of manga artists



Diversity & Inclusion

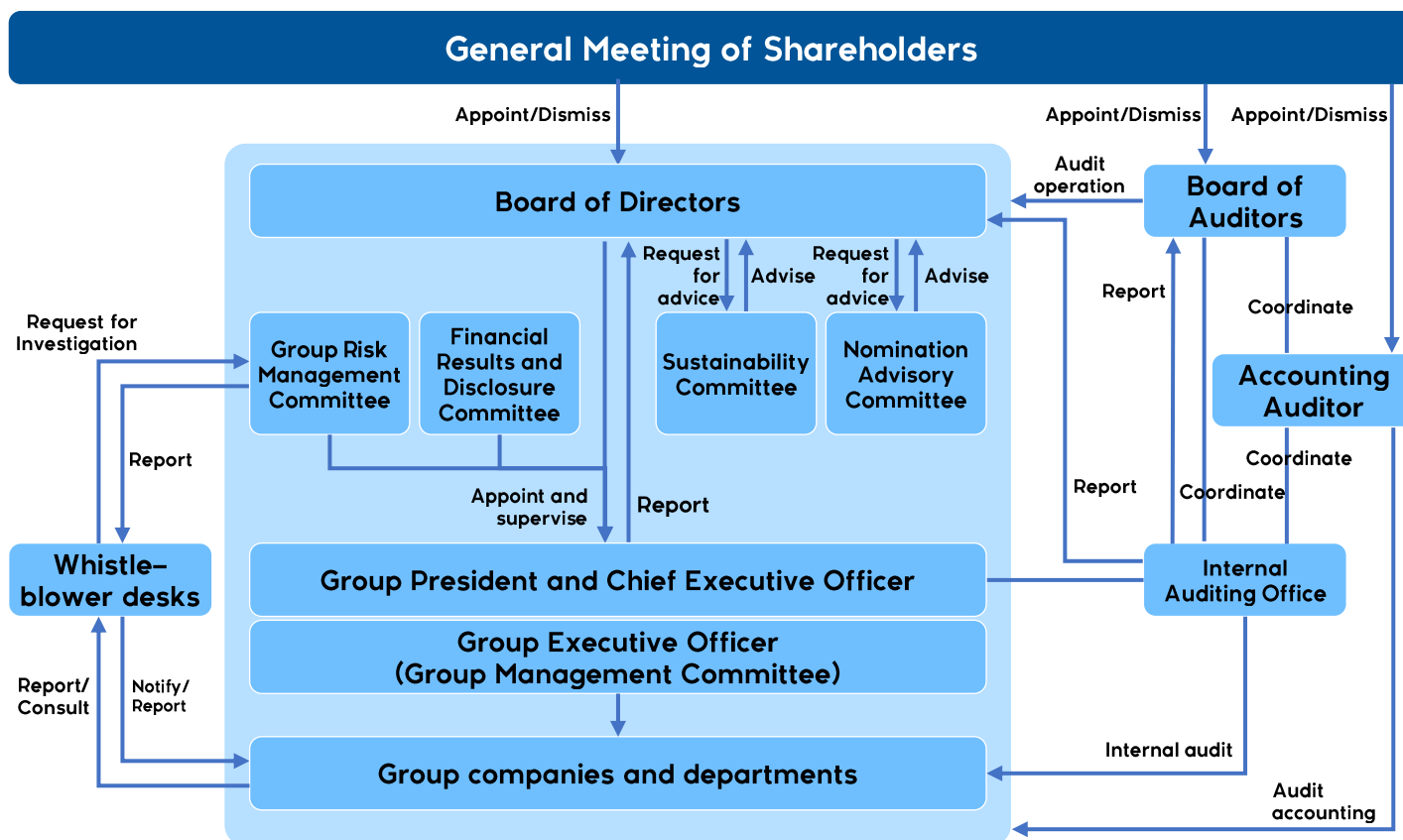
- [28.6%] of the Board of Directors is composed of women
- Revised target ratio of female managers: 25% by October 2023 (Previous target: 17% by October 2020)
- Support for employees raising children and introduction of diverse work styles



49 Enhancing Corporate Governance

In addition to conducting business in accordance with our Corporate Philosophy and Code of Conduct and making fair and efficient decisions, the Company focuses on establishing and operating a system to ensure compliance with laws and regulations and appropriate supervision of corporate performance.

Coporate Management Structure



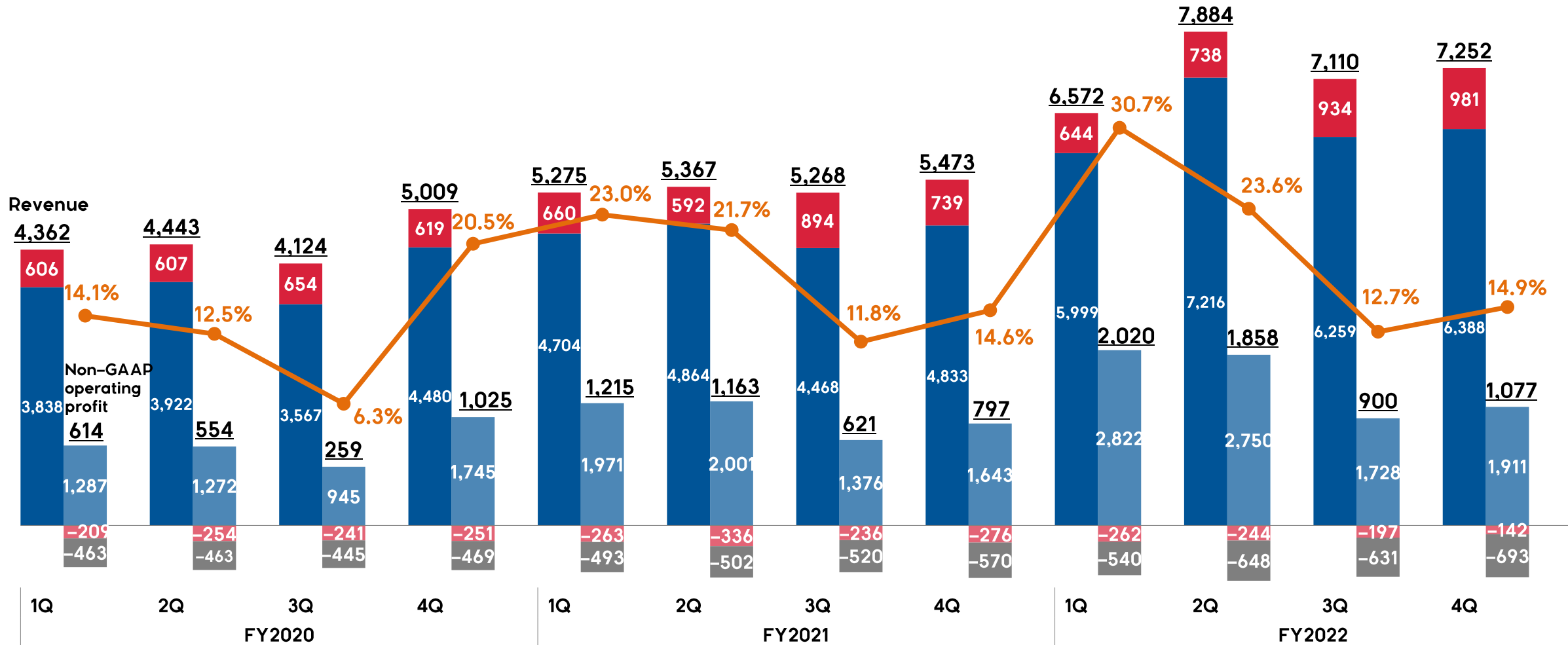
Transition of Governance Reform

- **FY2015:**
 - Appointed outside directors
- **FY2016:**
 - Introduced an evaluation of the effectiveness of the Board of Directors
 - Strengthen checking functions by establishing various committees
 - Withdrawal of anti-takeover defense measures
- **FY2017:**
 - Introduction of a performance-linked stock compensation system for officers
 - Introduction of a delegated executive officer system
 - Separation of executive and supervisory functions
- **FY2022:**
 - Establishment of the Sustainability Committee and enhancement of awareness of ESG
 - Further Strengthening Representative director Independence and Diversity (Ratio of Outside Directors: 71.4%, Ratio of Female Directors: 28.6%)

50 Quarterly Consolidated Earnings Trend (by Business Segments)



■ Digital Marketing
 ■ Media Platform
 ■ Adjustment
 —●— OP Margin (relative to revenue) (unit: ¥mn)



*The Statement of intersegment revenue elimination is omitted, so the sum of revenues in each business does not match consolidated revenue (underlined numbers).

51 Digital Marketing Business Quarterly Trend



(unit:¥mn)	FY2020				FY2021				FY2022			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net Sales	18,770	18,524	16,041	21,393	22,605	24,370	22,791	25,839	29,652	36,294	31,129	31,946
Revenue	3,838	3,922	3,567	4,480	4,704	4,864	4,468	4,833	5,999	7,216	6,259	6,388
Domestic Revenue	3,468	3,702	3,380	4,293	4,429	4,607	4,182	4,536	5,575	6,923	5,863	6,097
Overseas Revenue	370	220	187	187	275	257	285	297	424	293	397	290
Ratio of Overseas Revenue	9.6%	5.6%	5.2%	4.2%	5.8%	5.3%	6.4%	6.1%	7.1%	4.1%	6.3%	4.5%
Ratio of Revenue to Net Sales	20.4%	21.2%	22.2%	20.9%	20.8%	20.0%	19.6%	18.7%	20.2%	19.9%	20.1%	20.0%
Non-GAAP Operating Profit	1,287	1,272	945	1,745	1,971	2,001	1,376	1,643	2,822	2,750	1,728	1,911
Operating Margin to Revenue	33.5%	32.4%	26.5%	38.9%	41.9%	41.1%	30.8%	34.0%	47.0%	38.1%	27.6%	29.9%
Domestic Brand Advertising Transaction (¥bn)	1.50	1.69	1.30	1.86	2.29	2.08	2.31	2.81	2.39	2.41	2.11	2.16
Share in Digital Marketing Business	8.0%	9.1%	8.1%	8.7%	10.1%	8.6%	10.1%	10.9%	8.1%	6.6%	6.8%	6.8%
Volume of Clients in Collaboration with Dentsu	24	35	47	54	57	66	76	80	85	88	88	91
Ratio of Net Sales from the Collaboration with Dentsu	6.7%	7.0%	8.3%	12.6%	11.3%	15.6%	19.0%	25.8%	23.6%	21.8%	19.4%	20.2%

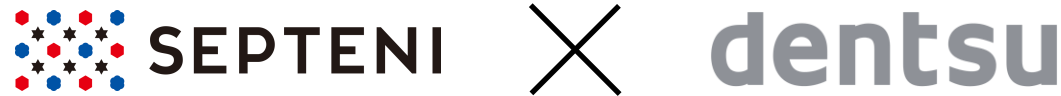
52 Media Platform Business Quarterly Trend



	FY2020				FY2021				FY2022			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Manga Content Business Revenue (Volume in 1Q FY2018=100)	125	176	94	107	133	164	139	169	165	232	201	301
Subscription Revenue (Volume in 1Q FY2017=100)	2,936	3,417	3,596	4,378	4,537	5,627	6,120	6,747	8,033	9,018	9,449	10,047
GANMA! ARPU (¥)*	51.3	39.8	31.9	29.9	44.0	75.6	67.7	94.1	63.8	65.5	85.3	167.4
Manga Content Business Commerce Revenue (¥mn)	17	39	29	36	50	76	50	80	55	106	92	178
Investment amount to expand business domains (¥mn)	—	-1	-3	-14	-12	-63	-56	-71	-51	-58	-32	-19

*Numbers from the last months of every quarter.

Proposal of Integrated Marketing of online/offline advertising through the utilization of the two companies' client bases (conceptual image)



Build online and offline integrated proposal-making systems by sharing and utilizing all of the two companies' assets, including strategies, creative production, media buying and tools/solutions.

Septeni

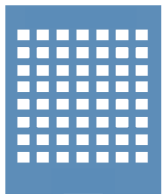
- Digital planning including complementary measures to increase the reach of TV commercials.
 - Customization of creatives in sync with TV commercials.
 - Implementation of digital advertisements by leveraging linkage with data for the mass media area.
- etc.

Close collaboration

Dentsu Group

- Planning of mass marketing based on the results of the validation of digital advertisements and digital data such as those available from search patterns and access to social media.
 - Utilization of original solutions.
- etc.

Client company



Joint proposal

Submission of manuscripts/Operation

Measurement of effects by integrating online/offline data

Delivery of solutions

Digital media

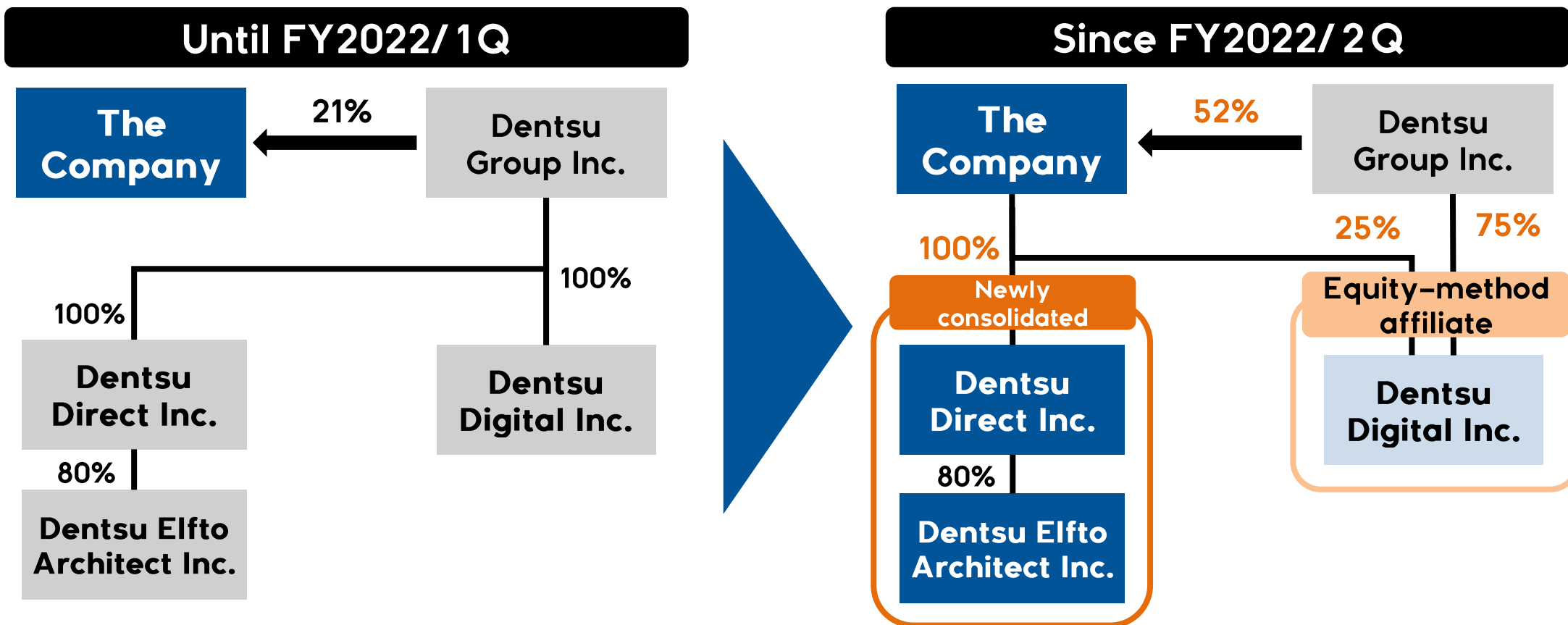


Mass media



54 Group Structure from January 2022 onward

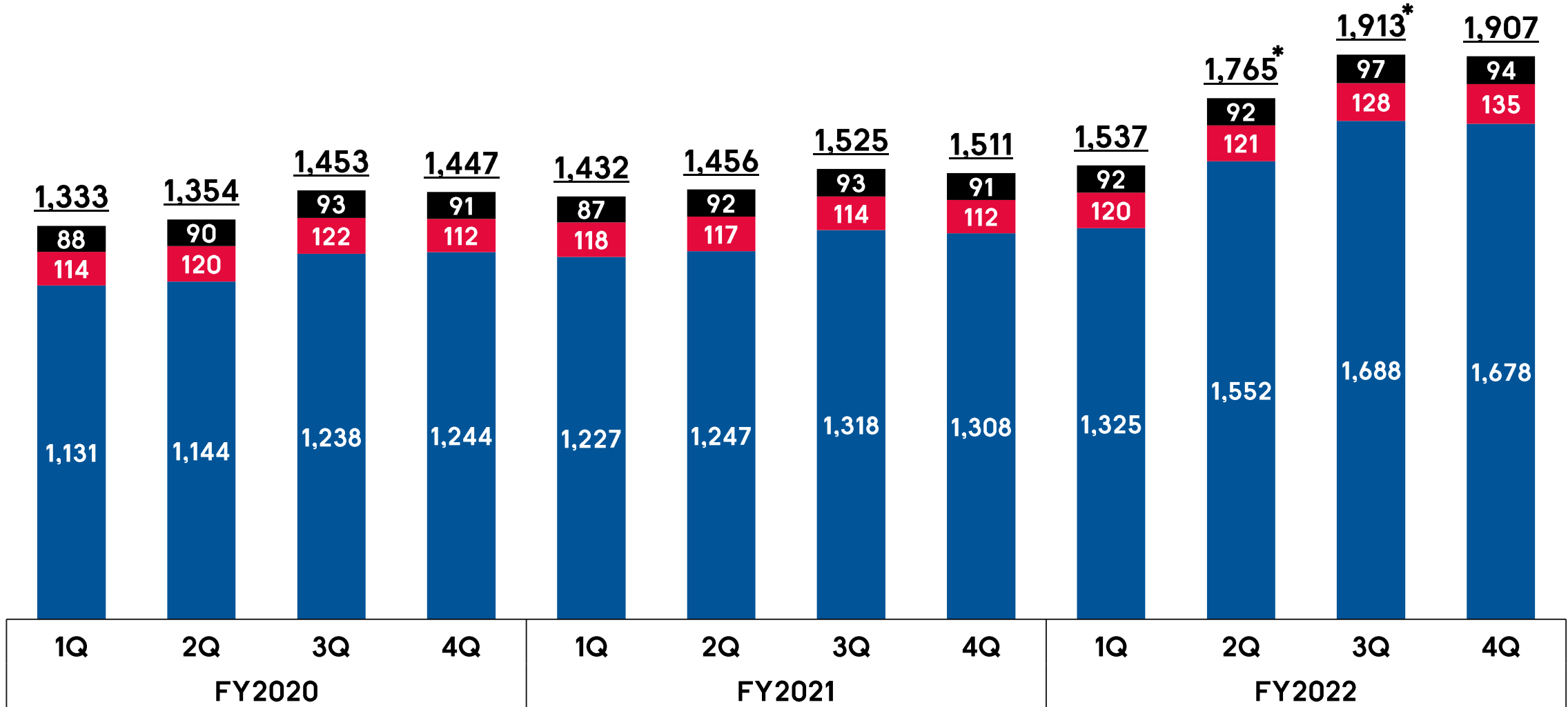
Dentsu Direct Inc. and Dentsu Elfto Architect Inc. are incorporated into our results by newly consolidating them. Equity in earnings of affiliates is recorded as a result of the conversion of Dentsu Digital Inc. into an equity-method affiliate.



55 Septeni Group Workforce Number Trend



■ Digital Marketing
 ■ Media Platform
 ■ Holdings Company



*The numbers of FY2022/2Q, 3Q are revised due to the recount of new consolidated workforce.

56 Main Group Companies by Business Segment as of Nov 10, 2022



Digital Marketing Business

Domestic advertising



Data & solutions

FLINTERS

Oversea advertising



Media Platform Business



vivivit



TowaStela



Others

Human Capital Lab

New business development

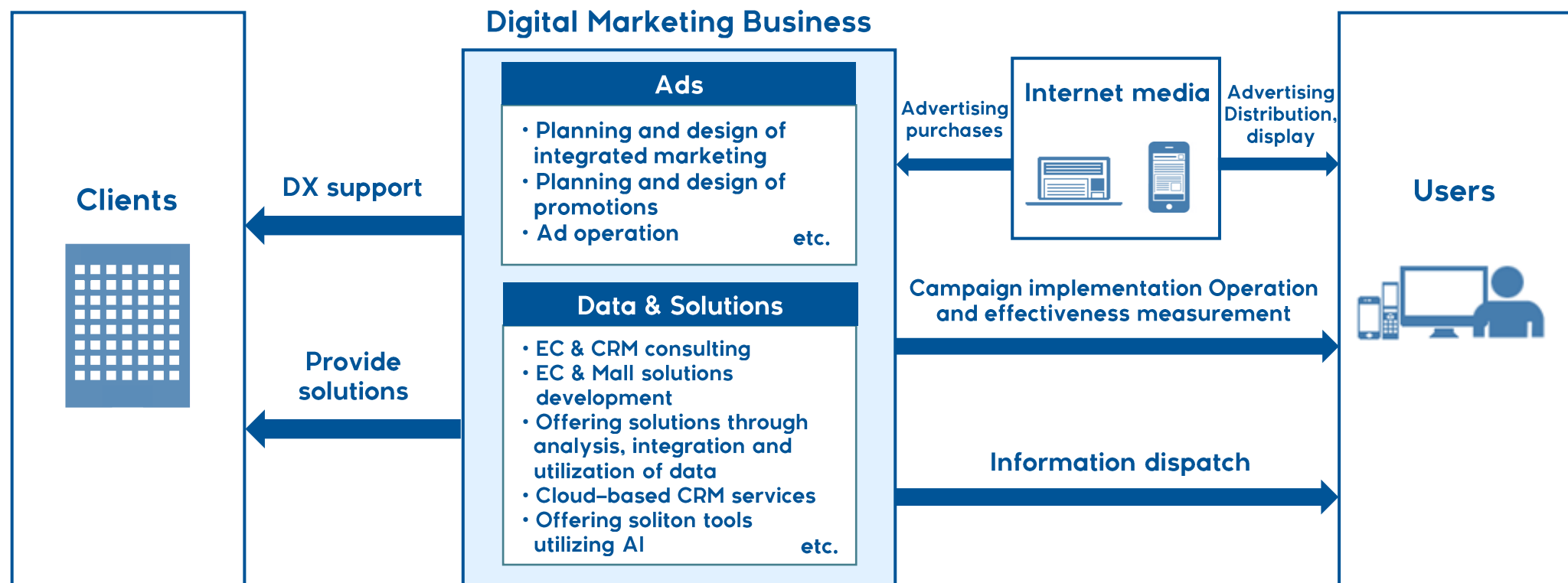


Equity-method affiliates



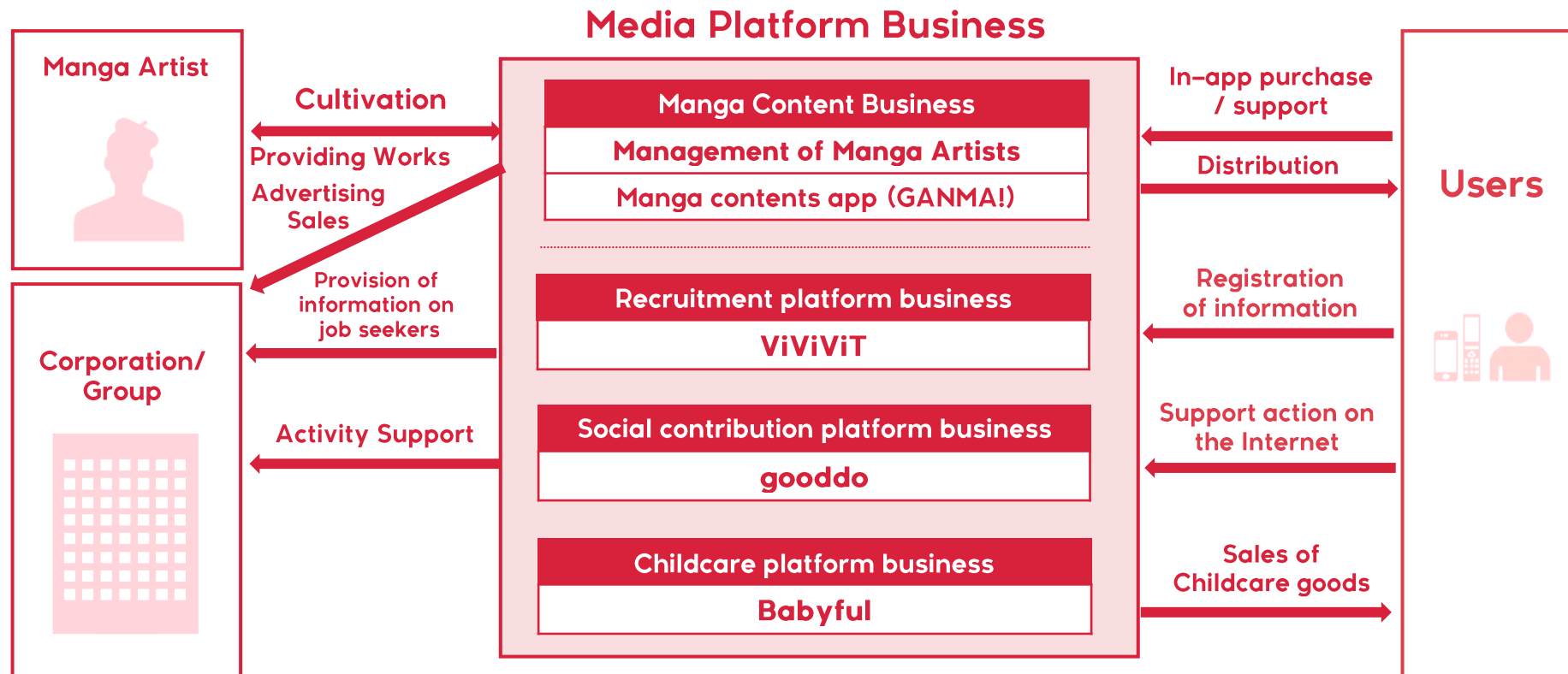
SEPTENI HOLDINGS CO., LTD. (Holding company)

We engage in **the overall support of digital transformation (DX) of companies**, focusing on digital marketing such as the sale and operation of digital advertisements, offering solutions through the utilization of data and AI, and supporting marketing activities through the integration of online and offline advertisements in collaboration with the Dentsu Group.



58 Business Model for the Media Platform Business

In the Manga Content Business, efforts are being made to nurture and support manga artists for the purpose of **planning and developing the Company's own intellectual property (IP)**.
At the same time, **GANMA!** manga application, which consists of original products by dedicated artists, is operated as the **Company's own media**.
In addition, the Company develops platform-type businesses related to "recruitment," "social contribution" and "childcare" as new businesses born from intrapreneurship.



59 Consolidated Statement of Financial Position



(unit:¥mn)	End of FY2022	End of FY2021	Change
Current Assets	40,585	33,452	+7,134
Non-Current Assets*1	48,146	8,560	+39,586*1
Total Assets	88,731	42,011	+46,720
Current Liabilities	25,206	20,329	+4,878
Non-Current Liabilities	771	3,237	-2,467
Total Liabilities	25,977	23,566	+2,411
Total Capital	62,754	18,445	+44,309*2
Total Liabilities and Capital	88,731	42,011	+46,720

*1 Investments accounted for using the equity method increased by ¥32,256 million due to the conversion of Dentsu Digital into an equity-method affiliate following the acquisition of shares of Dentsu Digital.

*2 Capital increased by ¥16,303 million and capital surplus increased by ¥21,321 million due to capital increase through third-party allotment and the share exchange.