

SEPTENI

**Briefing Material on Growth Strategy
of IP Platform Business
(the former Manga Contents Business)**

Nov. 10, 2022

SEPTENI HOLDINGS CO., LTD.

02 Purpose and Background of Fund Raising



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).

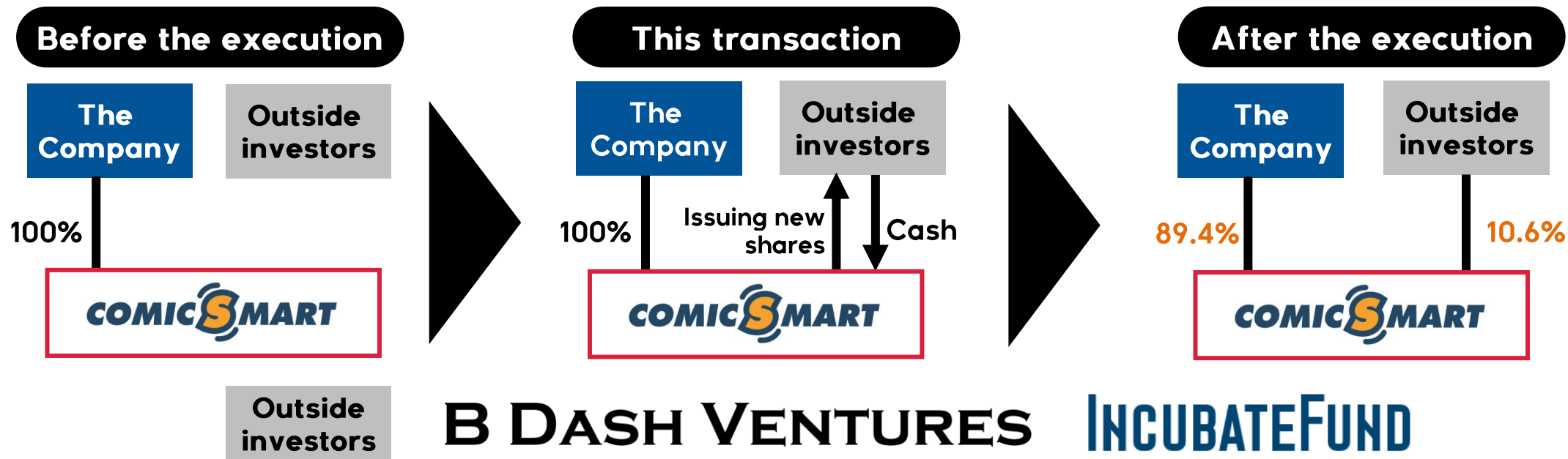
Background

- 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.

03 Overview of Fund 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.

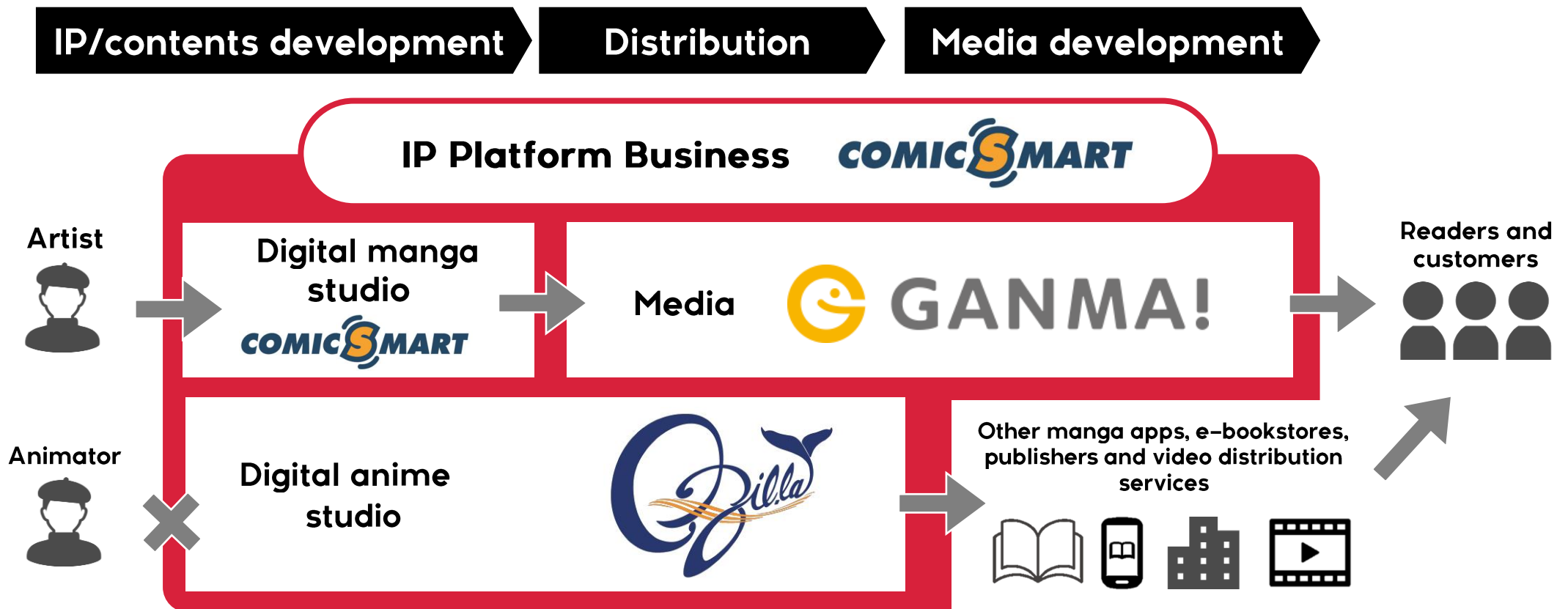


Major uses of funds

- 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.

04 About IP Platform Business

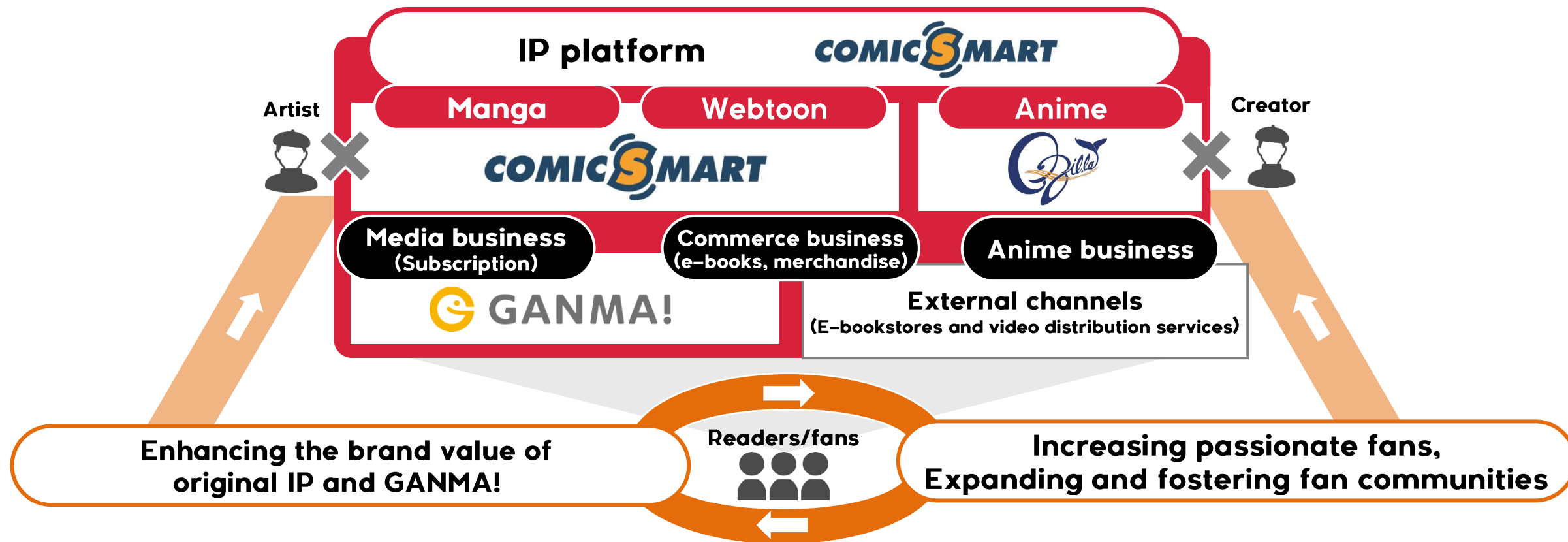
Building a vertical integrated model that encompasses all stages from developing, distributing, and expansion into media of original IP, centered on manga and anime.



05 Value Creation Process for IP Platform Business

Aim to maximize the value of owned IP assets by building a passionate fan community through an integrated model of studios that develop original IP and digital platform and increasing the experience value of customers through diverse media development.

○ Value to be created ● Business development and monetization points



Build a studio system to develop original IP that is the source of competitive advantage and create hit IP through co-creation with promising artists and creators.

Studio system that creates IP

No. of creators
belong to/
contracted with
the studios



About **280** creators

No. of works
created to date

About **300** works

Examples of creating hit IP

Representative work 1
“My Love Story with Yamada-kun at Lv999”



- No. of units sold*: 1.6 million copies (cumulative total of 6 volumes)
- Grand Prize for “The 6th TSUTAYA Comic Awards”
- Adapted into anime in 2023

Representative work 2
“Ultra-Fem Shishihara-kun”



- No. of units sold*: 0.6 million copies (cumulative total of 4 volumes)
- 8th prize for “The 6th TSUTAYA Comic Awards”
- YouTube channel subscribers exceeded 0.7 million
Total number of views is more than 480 million

*Sum of paper and e-books.

Started full-scale provision of *GANMA! Premium* in December 2018, and recurring-type subscription revenue steadily expanded.

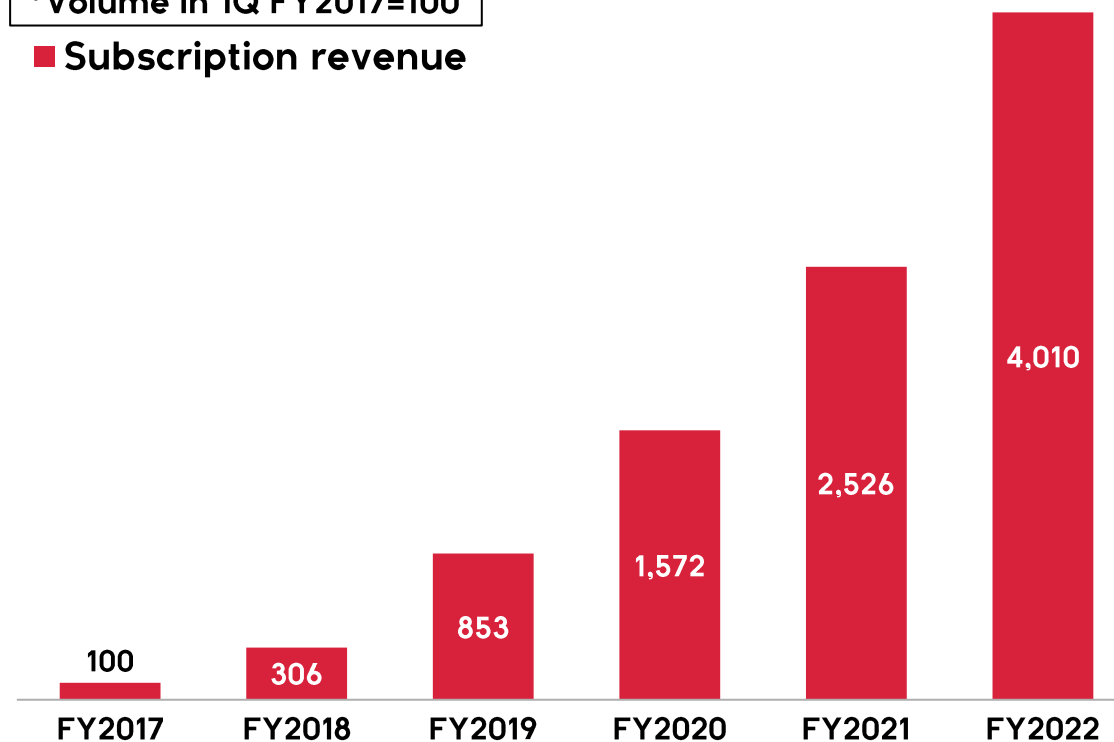
Service overview

	General users	GANMA! Premium
Price	Free	¥680 per month
No. of available titles	About 100 titles in the series	About 300 titles including completed titles
Ad-free	×	○ No commercial
Availability of the latest story	×	○ 2 weeks ahead
Original titles (completed)	△	○ Unlimited reading
Other publishers' titles	Can be read until the middle	○ Unlimited reading

Trends in GANMA! Subscription rate

*Volume in 1Q FY2017=100

■ Subscription revenue



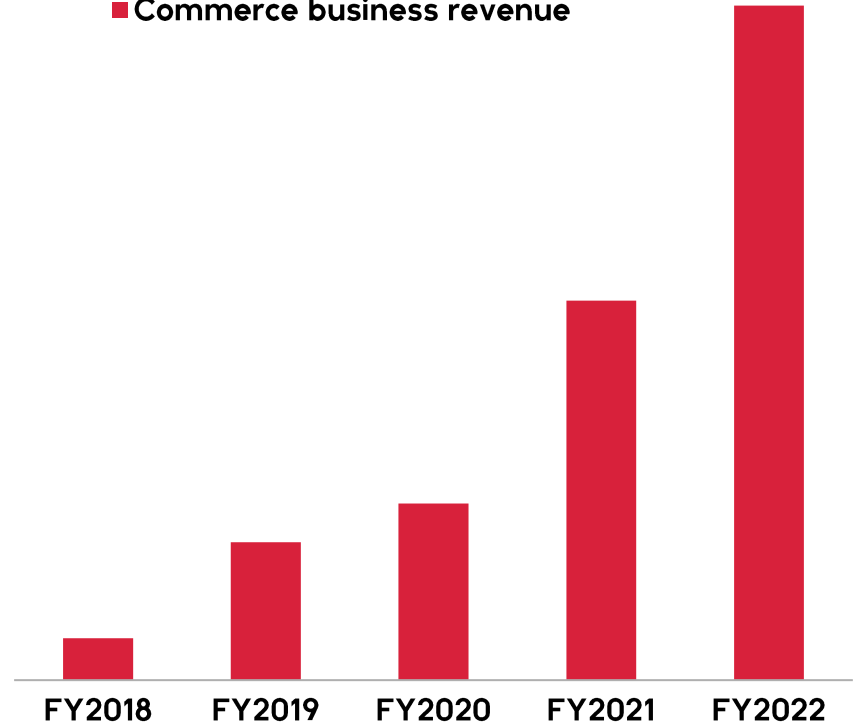
Revenues have continued to grow due to the progress of media development of in-house IP centered on e-book sales.

Examples of original IP x commerce



Commerce business revenue trends

■ Commerce business revenue



Established Qzil.la, a digital anime studio, in 2021, which creates high-end animated video contents through co-creation with partner companies in each area and creators.

- Value to be created
- Monetization point



YouTube channel
"Ultra-Fem Shishihara-kun"



MV for VTuber Watame Tsunomaki's
"My song"



Anti-System's Animation MV
- GABULI



Tateyoko MV for Tokyo Incidents' "3 min."
- NTT DOCOMO

Strengthen the structure of IP Platform Business by adding Webtoon as a new area to the growth of existing areas.

Existing focus areas

Media business

Increase in billing centered on subscription and increase in customer spend due to new service rollouts

Commerce business

Strengthen sales in diverse distribution platforms and develop new IP through collaborative creation with partners

Anime business

Expand both high-quality anime and casual anime by strengthening the studio system

New area

Webtoon

Full-scale entry into Webtoon area

FY9/2020

Year of 202X



Appendix

Mission

Enhance the occupational value of manga artists and make it children's dream job.

Vision

By fostering and producing future star manga artists through the Internet and maximizing contact time with manga through products, we will create a new ecosystem for the Japanese content industry.

Core Value

- **Make common sense in the future**
- **Move your heart, move my heart**
- **Face "interesting!" with seriousness**

13 Company Overview and History

Company Name

Comicsmart, Inc.

Date of the founding

February 1, 2013

Address

8-17-1, Nishi-Shinjuku,
Shinjuku-ku, Tokyo

Management Structure

Representative Director: Koki Sato
Director, COO: Takefumi Okada
Director: Yuki Fukunishi
Outside Director: Toru Akaura*

*Scheduled to be appointed as a candidate at Comicsmart, Inc.'s General Meeting of Shareholders to be held in December 2022

Overview

Operation of IP platform business

History

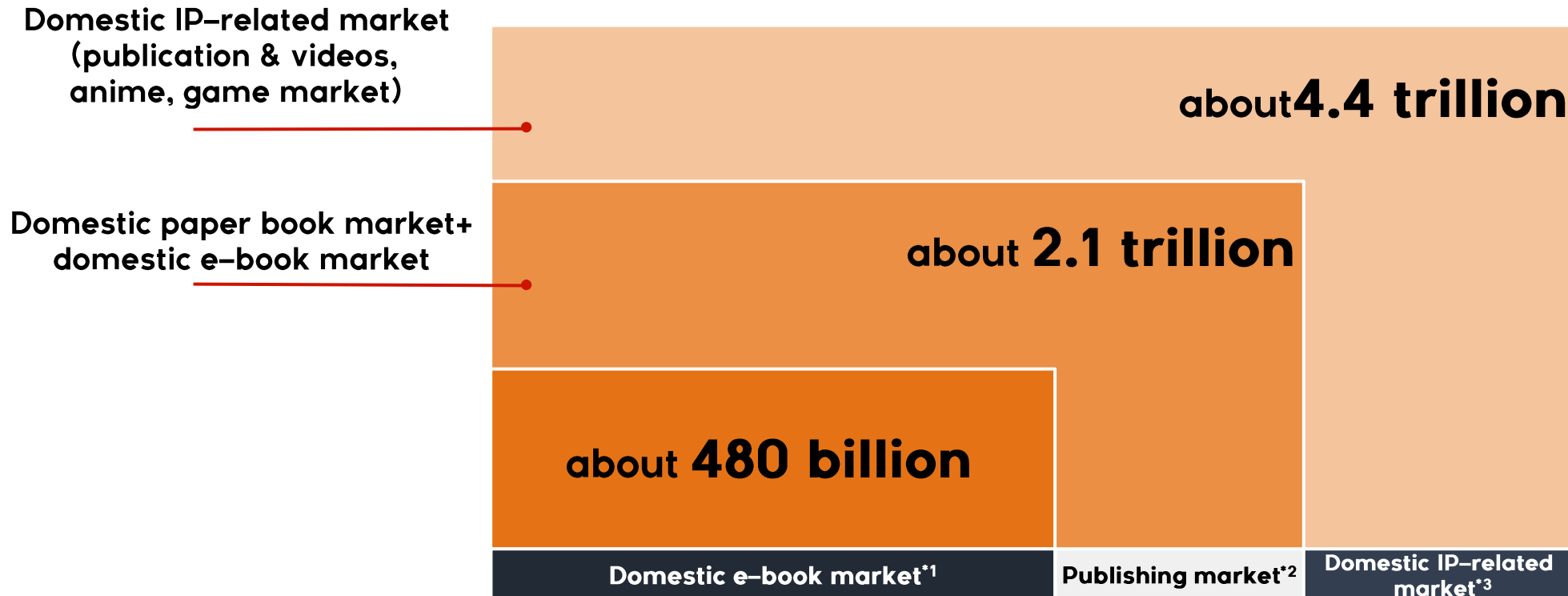
- 2013 February Establishment of the company
- 2013 June Full-scale launch of *RouteM*, an artist support service
- 2013 December Release of an app *GANMA!*
- 2015 April Started publishing in book form
- 2016 October Started crowdfunding
- 2018 May Started publishing in-house e-books
- 2018 December Release of *GANMA! Premium*
- 2020 October Opened YouTube channel by titles
- 2021 February Established Qzil.la, Inc.
- 2021 October Release of *GANMA! Community*
- 2022 May Launched *G!TOON*, "an original Webtoon service"

14 Representative Works of GANMA! (in alphabetical order)



15 Domestic TAM / SAM of IP Platform Business

The current domestic IP market is approximately ¥4.4 trillion, and in particular, the e-book market is expected to expand by approximately 140% by 2025.



Sources: *1 INPRES Research Institute, "E-book business survey report 2021"; *2 Ministry of Internal Affairs and Communications, "Survey of the Economic Structure"; *3 Marketing Data Bank, "Industry trend report: film"; Teikoku Databank, "Anime production industry trend survey"; Euromonitor "Video Games in Japan."

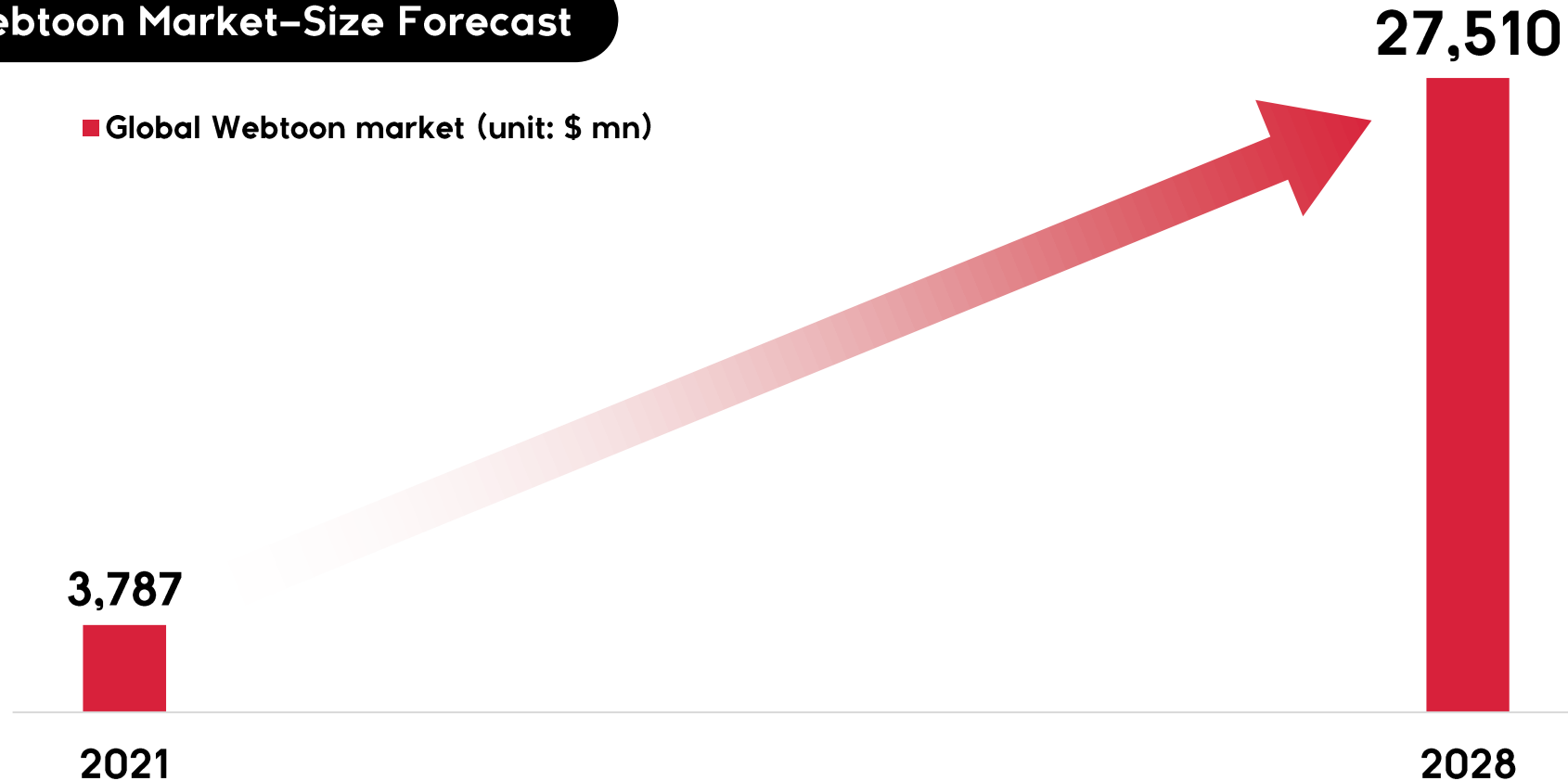
Note: *1 Total purchase amount of e-books (text, e-comics, photo collections, e-magazines, etc.) in Japan from April 2020 to March 2021.

*2 Total sales of companies in the publishing industry from January to December 2019.

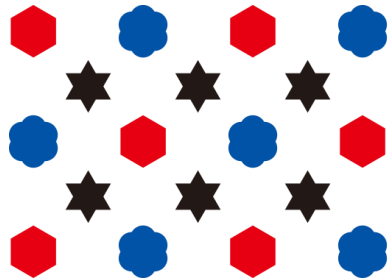
*3 Calculated by adding the film market (box office revenue from January to December 2019), the anime market (total operator sales from January to December 2020), and the game market (total sales from January to December 2020) to the publishing market.

Globally, Webtoon market is expected to grow by about 7.7 times in the next 7 years.

Global Webtoon Market-Size Forecast



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

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