



JASDAQ

April 28, 2020

For Immediate Release

Company name: SEPTENI HOLDINGS CO., LTD.

Representative: Representative Director, Group President and Chief Executive Officer

Koki Sato

(JASDAQ code: 4293)

SEPTENI HOLDINGS Announces Revision of FY2020 Consolidated Earnings Estimates

In the light of recent earnings trends and other factors, SEPTENI HOLDINGS announces that it has decided to revise the full-year earnings estimates for the fiscal year ending September 30, 2020 (October 1, 2019, to September 30, 2020) disclosed in the announcement of the business results for the full fiscal year ending September 30, 2019. The details are as follows.

1. Fiscal Year September 2020 Consolidated Earnings Estimates (October 1, 2019 to September 30, 2020)

	Revenue	Non-GAAP Operating profit	Profit for the period attributable to owners of the parent	Basic earnings per share
Forecast announced previously (A)	Million Yen 19,000	Million Yen 2,500	Million Yen 1,400	Yen 11.07
Forecast announced this time (B)	17,000	1,250	720	5.69
Increased/decreased amount (B-A)	-2,000	-1,250	-680	—
Increase/decrease rate (%)	-10.5	-50.0	-48.6	—
Results in previous year (Full FY Sep. 2019)	16,796	2,065	-547	—

[Note] Non-GAAP operating profit refers to the profit indicator used to assess ordinary business conditions after adjustments are made to IFRS-based operating profit pertaining to temporary factors such as Share-based compensation expenses, the impairment losses, and gains or losses on the sales of fixed assets.

2. Reasons for the Revision

As there are concerns over economic impact due to the expand of COVID-19 around the world, the Company enforces its employees to work from home, recruit online etc., in the aim of preventing the spread of disease and securing the safety of the employees and anyone related. There are no large-scale problems affecting business operations thus far.

However, due to the continuous restraint of consumption because of self-quarantine as the expand of COVID-19, the demand of advertisements seems to be decreased since March, and the reduction becomes more serious after the declaration of the state of emergency in April. Taking into account that it is unable to make any further predictions of the end of the pandemic, a large influence on the business results in this fiscal year is expected, and the Company revised the full-year earnings estimates disclosed on October 29, 2019, within the range that they can be assumed from the most negative point of view.

Specifically, the Company has defensively decided the earnings estimates based on the supposition below that the influence of COVID-19 will continue until the end of the fiscal year (the end of September 2020).

-The impact is assumed to be approximately -20% of the sales in the second half fiscal year compared to the initial estimates, and the impact on revenues, Non-GAAP operating profit and the net profit due to a decrease in sales is also expected.

(Sales: -¥9.8bn, Revenue: -¥2.0bn, Non-GAAP operating profit: -¥1.4bn, Net profit: -¥0.8bn)

If a recovery in the external environment due to COVID-19 is evident prior to September 2020, the Company expects a corresponding increase in earnings and will disclose information as soon as possible.

3. Future Management Policy

The influence on each business segment is expected as below.

Digital Marketing Business	Media Platform Business
Reduction of ads placement (The advertisers in offline-based industries slacken business activity/ big advertisers decrease advertising costs)	Reduction of revenue from advertisements in Media business
The expand of demand by accelerating digital transformation (DX)	Increase in traffic in news media/entertainment services
The expand of demand due to the quarantine/ accelerating growth in the EC market	Revenue from charges on consumers such as subscription, EC services remains steadily

While affected by such factors, the Company makes great effort to improve operating performances by minimizing the negative impacts, chasing new opportunities to gain profit and managing costs strictly in the short-term view. In the medium term, the Company will quickly build a management model that is compatible with the post COVID-19 society and use this as an opportunity for innovation to recover our business performance.

[Note] The estimates cited above are based on the best information available at the time of their creation, and actual results may differ due to various unforeseen factors.

■Inquiries about this news release

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

*Please contact us by e-mail for any inquiries as the employees work from home in the current situation of COVID-19 as of April 28, 2020.