



Septeni Business Report 2016

For the year ended September 30, 2016



SEPTENI HOLDINGS CO., LTD.

We have doubled profits thanks to strong growth in our areas of focus and the aim to achieve further dramatic growth under a new plan.



SEPTENI HOLDINGS CO.,LTD.
Representative Director

Koki Sato

—What is your view on the recent business environment?

Create foundation for new growth in the Global business by demonstrating presence in the Mobile and Social Media Business.

In the Internet-related market, our main business area, the market size is expanding steadily, associated with an increase in the population of so-called digital natives, and globalization is proceeding rapidly.

In the area of smartphones, the use is expanding, especially in emerging countries, and the quality of use is deepening. The utilization of smartphones is also progressing in new areas such as the sharing economy, AR (augmented reality) and VR (virtual reality). In this environment, the Septeni Group has promoted businesses with a focus on the Mobile, Social and Global domains in its mainstay Internet Marketing Business. As a result, the volume of smartphone advertising, a growth area, expanded steadily, and marketing support services using social media, which we have been working on as an industry pioneer, also grew strongly. In terms of overseas development, we continued to expand operations by making Lion & Lion, a leading digital agency in Southeast Asia, a subsidiary in October 2016.

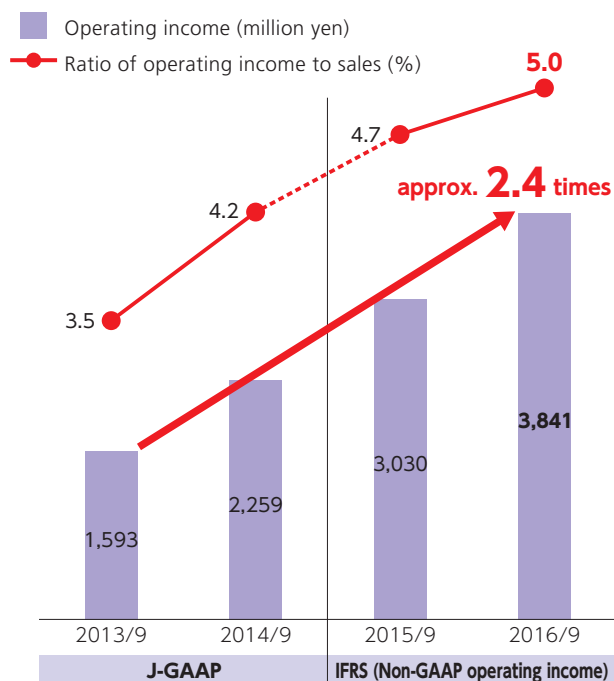
—What initiatives did you take and business results did you record in the fiscal year ended September 30, 2016 under review?

The Internet Marketing Business was a driving force for the significant increase in profits and it offset the losses of prior investments.

Profit growth in our mainstay Internet Marketing Business offset the losses due to prior investments made by the Media Content Business and Non-core business. As a result, revenue stood at 17.1 billion yen, and non-GAAP operating income amounted to 3.84 billion yen. Both substantively marked a record high for the fifth consecutive year. We regard these business results as successful in realizing the Group's management stance of steadily continuing to increase revenue and profits by making investments that will lead to future growth. Profit attributable to owners of parent also increased, overcoming a reactionary fall in profits associated with the sale of the DM business, which was recorded in the previous fiscal year.

By business segment, the Mobile and Social domains

"Double Profits" Operating income increased approximately 2.4 times in three years, and the operating margin also improved.



achieved high growth in the Internet Marketing Business. In this segment, net sales increased 18.8% year on year, to 73.2 billion yen, and non-GAAP operating income rose 39.7%, to 5.33 billion yen. The ratio of operating income to sales was 7.3%, improving for the fifth consecutive year, suggesting that the shift to a more profitable business model is occurring.

In the Mobile and Social domains, which we positioned as areas of focus, the volume of smartphone advertising increased approximately 40% year on year, to 54 billion yen, and its composition ratio was approximately 74%. There was an especially significant increase in the volume of in-feed advertising through expansion of the line-up in media such as Instagram and LINE, and it made a contribution.

Meanwhile, the volume declined approximately 5% year on year, to 9.0 billion yen, in the Global domain due to the impact of declining advertising for large-scale projects. However, in terms of an organizational foundation to support global promotion by establishing a base in New York and Beijing, the groundwork is making steady progress.

In the Media Content Business, revenue increased significantly, particularly in the Manga Content Business

In the Media Content Business, revenue increased significantly, particularly in the Manga Content Business, as a result of making aggressive prior investments to expand the size of "GANMA!", a Manga content app, although operating loss expanded. The cumulative number of downloads in GANMA! as of the end of October 2016, was 3.97 million, approximately twice as many as in the same period of the previous fiscal year, and the number of monthly page views grew to 1.35 billion in October. Monetization is also making progress, and we have commenced the sale of native advertising in the application "GANMA!"

AD.” We are getting a positive response by creating a business model with high growth potential and repeatability. We also promote the commercialization of our intellectual property and have published 27 new works as books and released a total of 43 independent volumes, including sequels.

As for our other new businesses, we have newly consolidated the medical platform business in the fiscal year under review, in addition to platform businesses for recruitment and social contribution. All of the businesses are growing steadily, and we will continue to invest aggressively in new businesses.

—Could you summarize the Midterm Business Policies and describe new plans?

We aim to achieve non-GAAP operating income of 10.0 billion yen under the new policies after three years, in which we will have doubled our profits.

The concept of the Midterm Business Policies starting from the fiscal year ended September 30, 2014 was to “Double Profits.” We have been aiming to increase the composition ratio of highly-profitable businesses by

concentrating our management resources in Mobile, Social and Global as the focused domains, and build a new core business second to advertising. As a result, operating income, which was 1.59 billion yen in the fiscal year ended September 30, 2013, increased approximately 2.4 times in three years, to 3.84 billion yen in the fiscal year ended September 30, 2016, and the operating margin also improved.

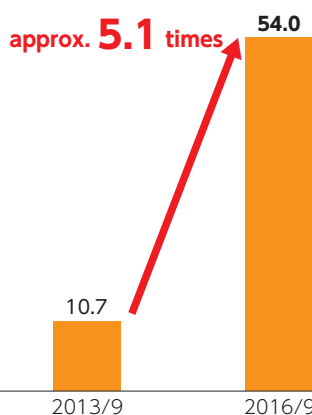
Looking at the domains in focus, we succeeded in increasing the volume of smartphone advertising by approximately 5.1 times in the Mobile business during the same period, increasing the total volume of major media, such as Facebook and Twitter, by approximately 8.3 times. In the Global business, the total of the volume for overseas customers and the volume of distribution of domestic customers for overseas grew approximately 16.5 times. We are very glad that we were able to comfortably achieve our goal of doubling profits overall over three years as a result of steady growth in the focused domains.

In the Midterm Business Policies, starting from the next (27th) fiscal year, we have set non-GAAP operating income of 10.0 billion yen as the performance target.

Mobile

Volumes of smartphone advertising

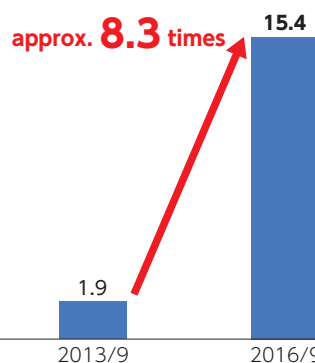
(units: ¥bn)



Social

Sum of volumes for Facebook, Twitter, LINE and Instagram

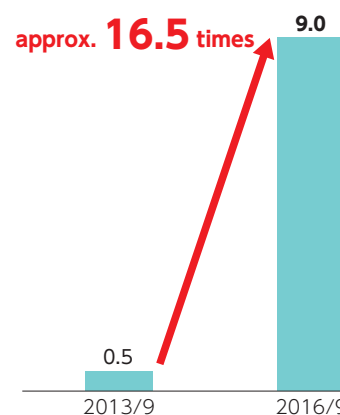
(units: ¥bn)



Global

Sum of volumes for overseas customers and volumes of distribution of domestic customers for overseas

(units: ¥bn)



※The volumes in each area include an overlapped portion.

As the basic policy toward that goal, as our first initiative, we will expand the advertising business globally. We will seek to expand shares and profitability by strengthening our established position in the field of smartphones and social media, and promote organic business growth and M&A as future engines for growth in the global market, where smartphone users continue to increase. We aim to achieve further growth in the Internet Marketing Business by implementing strategies that suit the market environments in Japan and overseas.

In the Media Content Business, we will focus on enhancing our own media. We will seek to create synergies between the segments with the Internet Marketing Business by developing GANMA! as our own media that constitutes a primary revenue source of the Group.

—What is your message for shareholders?

Dividends increased for the fourth consecutive year in the year ended September 2016.
We aim for dramatic and sustainable growth under our new policies.

Midterm Business Policies (FY9/2017~)

Earnings target

Non-GAAP Operating Income:
¥10bn

Basic policies

Expand advertising business **globally**

Enhance our own **media**

Invest in what comes **after** the smartphone



With respect to profit distribution for shareholders, we have set roughly 15% of profit attributable to owners of parent as a benchmark. Given an increase in profit, we have decided to distribute a dividend per share of 16 yen, up 2 yen from a year ago, for the fiscal year under review. We have raised dividends for the fourth consecutive year. Our basic policy continues to be appropriate profit distribution based on business performance, while paying attention to maintaining stable dividends.

From the next fiscal year, we will aim to achieve sustainable and dramatic growth under the new Midterm Business Policies that have set non-GAPP operating income of 10.0 billion yen as a target.

—Finally, would you describe the CSR activities that you are working on in earnest from the fiscal year under review?

Aiming for further growth and social contribution.

Driven by the fact that October 2016 was a milestone for celebrating the 10th anniversary of our shifting to a holding company, we have started our CSR activities

in earnest, aiming for further growth and social contribution. At the start of the activities, we organized our corporate philosophy and the code of conduct.

What do we aim to achieve and what do we want to be? What does society expect from us and how can we contribute to it? After holding a series of discussions, the Septeni Group has decided to work on business activities based on the corporate philosophy and the code of conduct as described below.

The Group conducts CSR activities by setting

up a cross-sectoral CSR Committee chaired by the president. The Group has grown by collaborating with many different stakeholders. In the future, the CSR Committee will serve as a hub that connects people inside the group with those on the outside. We will continue our activities to ensure that every single employee embraces the spirit of entrepreneurship and contributes to society.

I humbly ask for your continued understanding and cooperation.

Corporate Philosophy

Mission

Inspiring the world with entrepreneurship

Vision

To create a strong and great company

Creed

ひねらんかい

"Hinerankai" in Kansai dialect means, "Think outside the box."

Code of Conduct: Septeni Way

Speed

Speed is preferred—even if it comes with a little bit of roughness—over sophisticated but slow.

We place speed first and follow a process of repeated trial and error in an effort to achieve a higher level of completion.

Stretch

Setting challenging targets

We believe it is important to make innovations that meet challenging targets. The steady accumulation of day-to-day changes ultimately leads to remarkable growth.

Partnership

Achieving mutual growth

We all work hard, in competition and in cooperation, from the perspective of the management team to build a better company.

Fair&Open

Make things simple and easy for anybody to understand.

We ensure fairness and openness in constructing an environment and relations.

Diversity

Using diversity as a competitive edge

We respect all human rights and mutually recognize diversity. We work to realize working styles in which individuals can exhibit and apply their respective strengths.

Passion

Remaining passionate

We believe that passion will help us increase our capacity and consistently produce positive results. We continue our own personal development to stimulate corporate growth and contribute to society.

Free&Rule

Freedom within discipline

The decisions we make are not dictated by whether something is beneficial, but whether it is right. We comply with the corresponding regulations and ordinance and with the spirit of law, while concentrating on doing our jobs seriously yet happily.







CSR Policy and Priority Challenges

The Septeni Group and CSR

We believe that helping to resolve social issues through business is our unique way of fulfilling the corporate social responsibility (CSR) placed upon us by society and stakeholders. This contribution aims to realize a sustainable society and Septeni Group's mission of "Inspiring the world with entrepreneurship." Inspired by this notion, we will continue moving forward with our activities.

The Septeni Group's priority challenges in CSR

After examining many different social issues by adopting the ISO 26000 guidelines, we have specified six priority challenges that take into account the stakeholders' expectations for the Septeni Group and the importance of these issues to the Group's business. We will advance CSR activities in line with these challenges.

Priority challenges CSR targets		Major actions in the 26th period	Actions planned in the 27th period
 Development of high quality human resources	Studying the development of high-quality human resources	<ul style="list-style-type: none"> ● Launch of the Human Capital Lab ● Publication of research reports to people inside and outside the Group ● Lectures at outside workshops 	<ul style="list-style-type: none"> ● Expansion of the scope of use of the engine for the development of human resources ● Additions to and updates of research reports ● Lectures at outside workshops
 Implement information security	Reinforcing the information security infrastructure	<ul style="list-style-type: none"> ● Operation of the information security management system ● Review of security issues and study on preventive measures and other measures to address these issues 	<ul style="list-style-type: none"> ● Operation of the information security management system ● Review of security issues and studies on preventive measures and other measures to address these issues at overseas bases
 Support the sound development of the Internet advertising industry	Supporting the sound development of the Internet advertising industry	<ul style="list-style-type: none"> ● Information sharing throughout the entire group ● Preparation for group-wide training 	<ul style="list-style-type: none"> ● Adopting and dissemination of "Policies for the sound development of the Internet advertising industry"
 Take action against discrimination and harassment	Ensuring the integrity of the workplace environment	<ul style="list-style-type: none"> ● Considering the introduction of human rights training 	<ul style="list-style-type: none"> ● Response to LGBT ● Consideration and implementation of human rights education
 Implementing measures for Health and Productivity Management	Implementing measures for Health and Productivity Management	<ul style="list-style-type: none"> ● Implementing measures for Health and Productivity Management 	<ul style="list-style-type: none"> ● Promotion and examination of measures for Health and Productivity Management
 Encourage the active participation of women	Encouraging the active participation of women	<ul style="list-style-type: none"> ● Running of female leader development workshop throughout the entire group ● Devising of active female participation goals for the entire group 	<ul style="list-style-type: none"> ● Holding of female leader development workshops throughout the entire group ● Setting of medium- to long-term numerical targets for active female participation for the entire group and the consideration of measures

※ We will regularly review the priority challenges.

Pick out CSR activities(1) Encourage the active participation of women

We implement various programs and support systems for the active participation of women as part of our diversity enhancement efforts.

Capacity development program for women

We offer two courses intended to develop female leaders in the next generation and enable women to take more active roles. One of these courses is the female leader training workshop, which trains successful applicants who are selected through a screening process. The other is the more advanced Women Innovative Leaders (WIL) workshop. Both of these are designed to help highly motivated female trainees learn practical skills and build their careers as women, who experience a number of different life events.

Those who complete the workshops take more active roles in the Group in various ways. Some apply the skills they acquired to help solve the problems facing their divisions. There are also those who offer guidance to junior personnel, while there are others who are promoted to managerial posts.



WOMAN awards

This is an internal award program that recognizes and honors female employees in an effort to encourage them to take a more active role.

It is organized and run by the cross-divisional hug-kumi Committee.



Outside honors and awards



Working Women's Empowerment Award
Honorable Mention



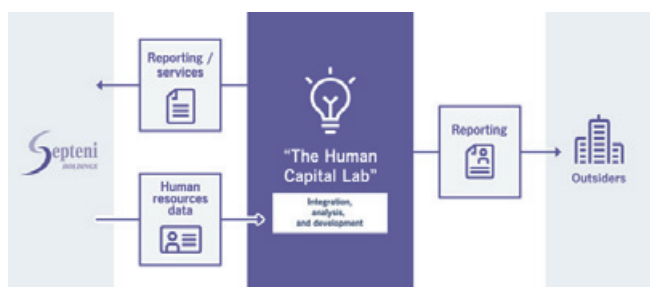
IKUBOSS AWARD
Grand Prix

Pick out CSR activities(2) Development of high quality human resources

The Septeni Group has set up "The Human Capital Lab", which exclusively studies human resources data, in order to maximize the performance of each and every employee. Its findings are used in the making of management decisions and the development of human resources.

Purpose of research and structure

"The Human Capital Lab" integrates and analyzes the large amount of data on human resources that we have accumulated as our group has expanded over the years. It continues its research activities in an effort to clarify the structure of human resources development in the growth industry from a scientific perspective and broadly share its findings.



Activities outside the Company

The Human Capital Lab actively discloses research reports and holds lectures to help hire and cultivate human resources.



Outside recognition



**HR TECHNOLOGY
AWARDS Excellent prize
of the learning section**



**JAPAN HR CHALLENGE
AWARDS
Honorable mention award**

Research subjects

(1) Applicants' forecasts of their future

To find human resources that will contribute to the Company's growth at limited costs, we conduct research to numerically estimate the probability of an applicant joining the Company, probability of contributing to an effective workforce, and probability of remaining at the Company. We are establishing the Company's own criteria and is building a structure for assessing human resources that will contribute to the workforce.

(2) Helping newcomers with adjustment

We provide thorough assistance for new employees to adapt to the environment for one year after they join the Company. The assistance includes an environment that fits the personality of the new employees and guidance about how to behave at their assigned section, studying and developing methods for measuring the level of adaptation (evaluation of adaptation) and making adjustments, and conducting operation tests.

(3) Maximizing performance

While providing the best timing and environment for each employee based on historical data on human resources, we conduct research on human resources development management to retain developed human resources and to help human resources that have not grown as expected.

Internet Marketing Business

Points for understanding business performance

Both business expansion and improvement profitability were achieved.

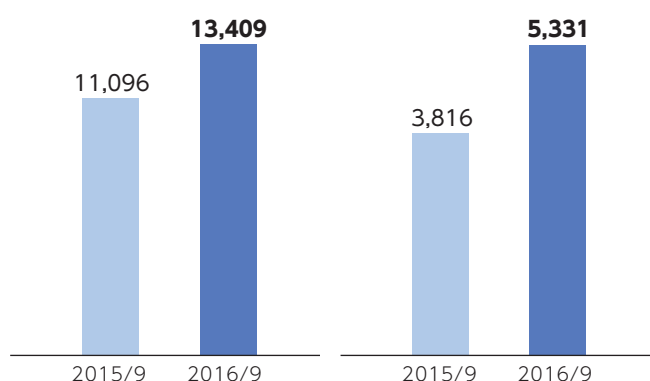
Main content of business :

General all-embracing marketing support services using the Internet

Revenue

(units: ¥mn)

Non-GAAP Operating Income (units:¥mn)



Summary

- High-level growth was achieved in both the Mobile and Social media businesses.
- Net sales increased to ¥73.2 billion, raising the operating margin for sales for the fifth straight year to 7.3%.

Mobile

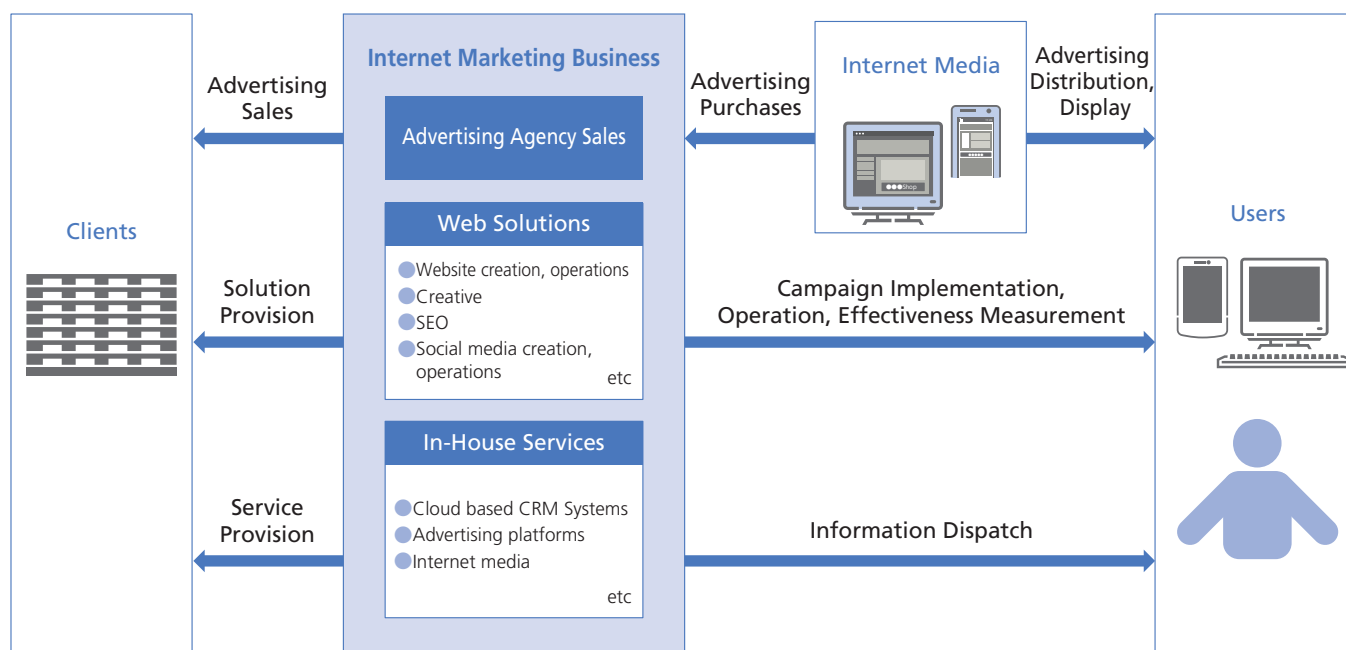
- Earnings from the transactions of smartphone advertising grew approximately 40% year on year to ¥54.0 billion, accounting for approximately 74%.
- The market share rose, driven by the business of in-feed advertising.

Social

- Transactions increased approximately 37% year on year to ¥15.4 billion.
- Transactions of products related LINE surged.

Global

- Transactions declined approximately 5%, to ¥9.0 billion, due to the impact of a decrease in advertising for large-scale projects.
- New bases were established in New York and Beijing.



Media Content Business

Points for understanding business performance

Revenue expanded centering Manga Content Business

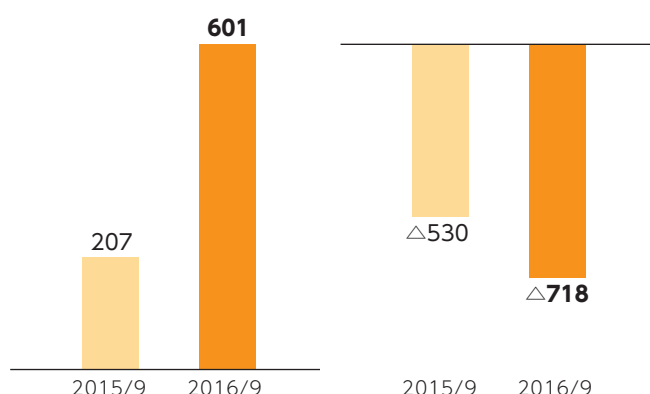
Main content of business :

Production of Manga artists for the purpose of planning and supporting our own intellectual property (IP) and the operation of the Manga distribution service

Revenue

(units: ¥mn)

Non-GAAP Operating Income (units: ¥mn)

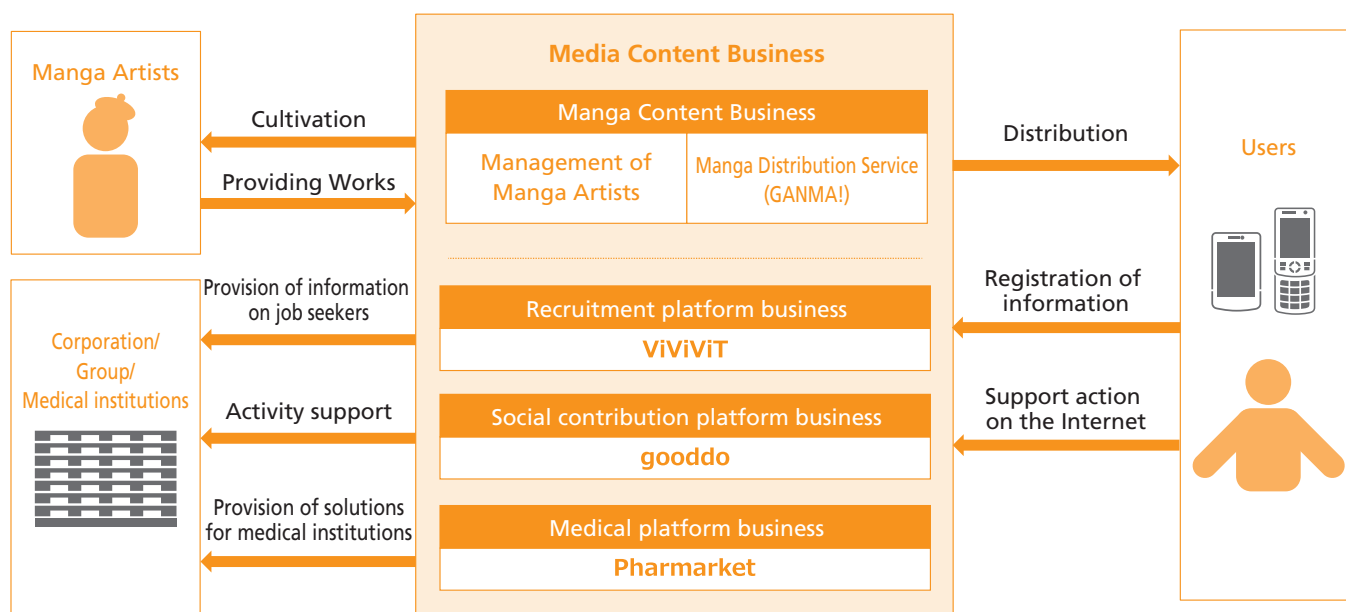


■ Manga Content Business

- GANMA!, a manga content app., is spreading rapidly. The latest cumulative downloads are 3,970,000 DLs, an increase of approximately two times year on year. Monthly page views grew to as many as 1.35 billion PVs.
- Sales of "GANMA! AD", a native advertisement in the application, commenced.
- Initiatives to commercialize the Company's intellectual property. Twenty-seven new works were published as books. A total of 43 independent volumes were released, including sequels.

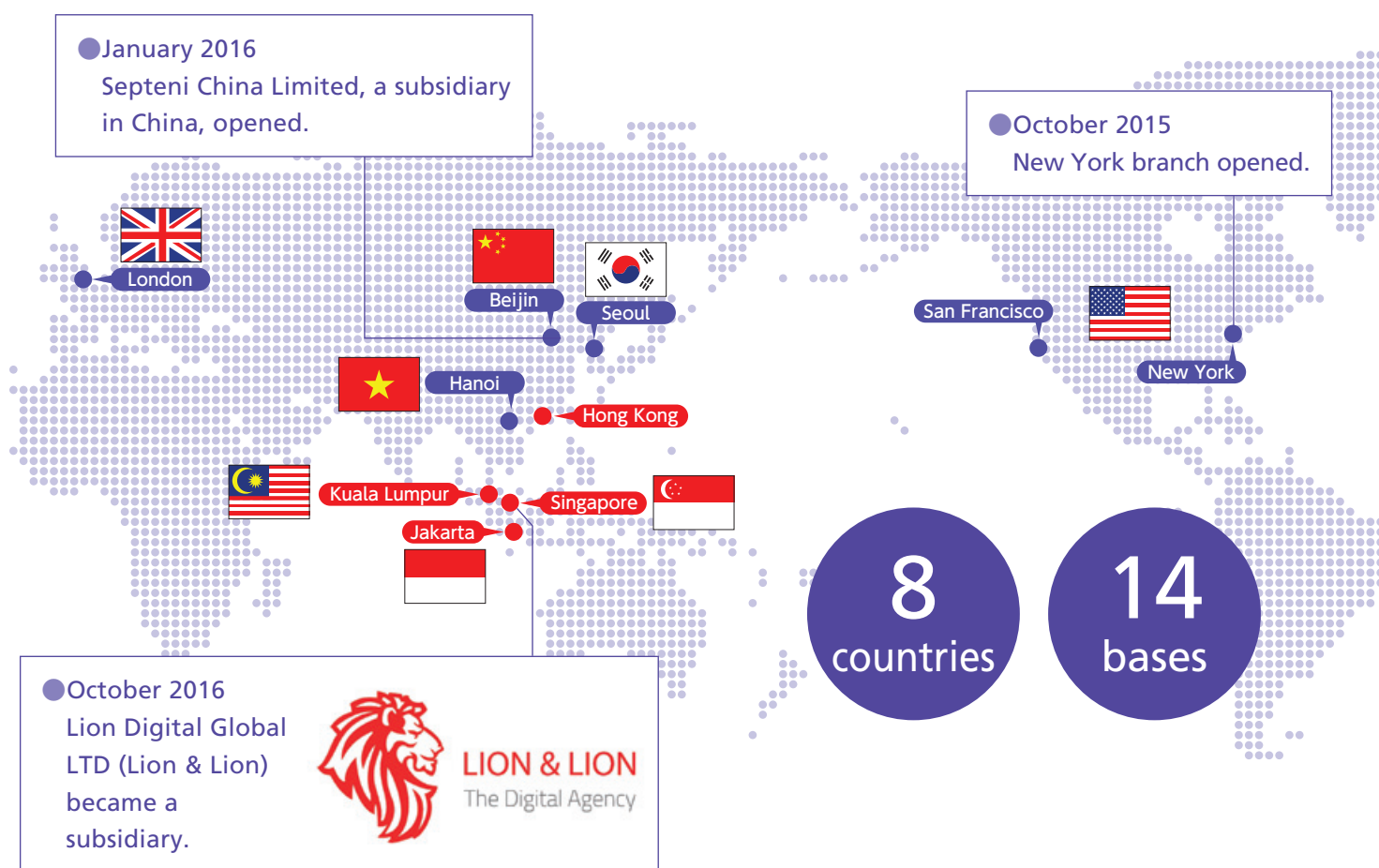
■ Other New Businesses

- The medical platform business was included in the consolidated results from this fiscal year, in addition to the platform businesses for recruitment and social contribution. Each business grew steadily.



FOCUS: Global operations

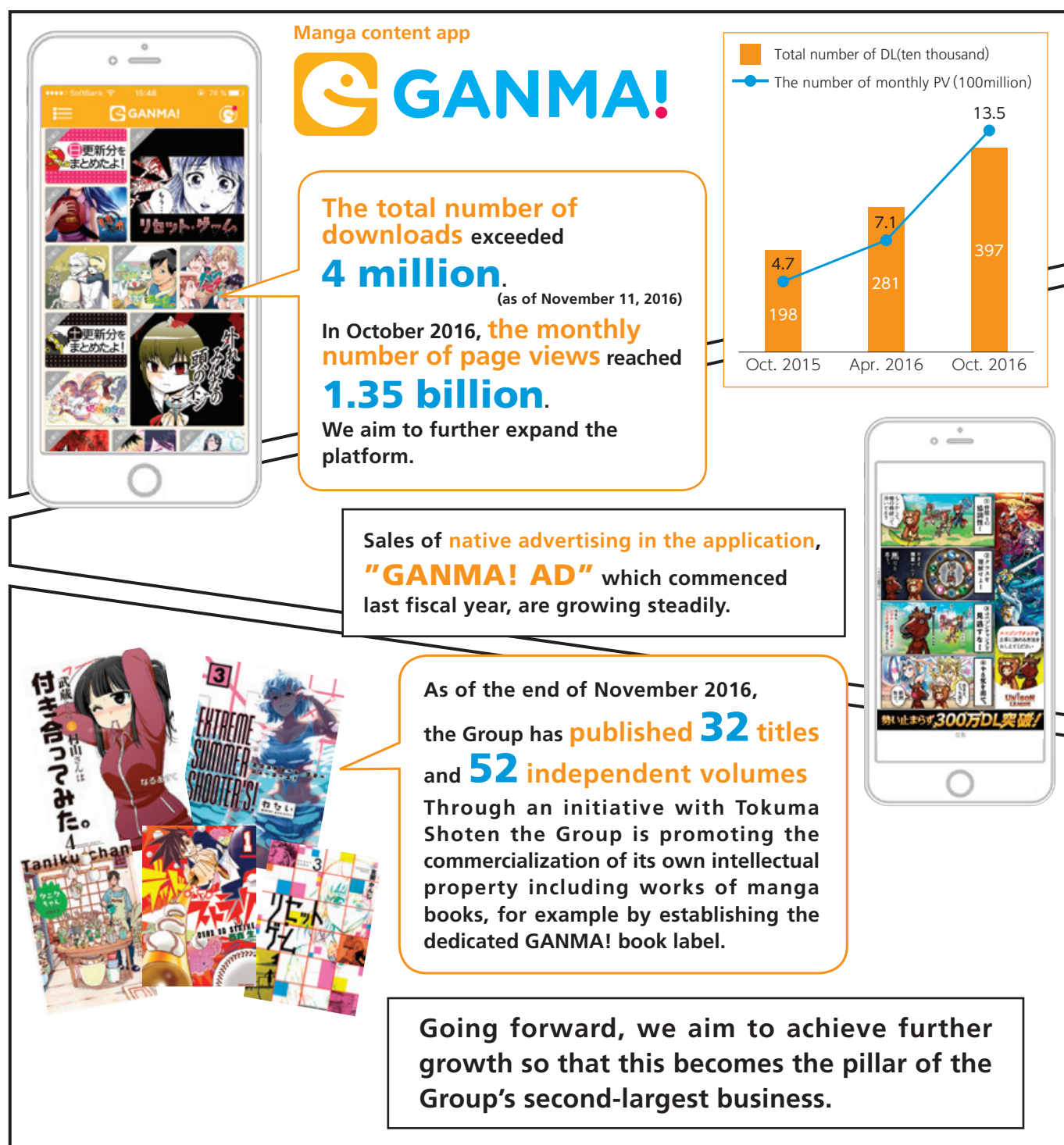
In the fiscal year ended September 30, 2016, the Company established two new entities. In October 2016, the Company made Lion Digital Global LTD, a leading digital agency in Southeast Asia, its subsidiary. The Company now has 14 overseas bases in eight countries. Assuming that the Internet advertising market overseas will maintain high growth with an improved ecosystem, the Company will make overseas Internet advertising the next driver of growth through organic growth and M&A.



Outline of Lion & Lion

Date of establishment	June 2012
Operation bases	<ul style="list-style-type: none"> ● Kuala Lumpur, Malaysia ● Jakarta, Indonesia ● Hong Kong ● Singapore
Sales	Approx. 23 million US dollars (estimate for FY12/16)
Number of employees	Approx. 170
Composition of shareholders	<ul style="list-style-type: none"> ● The Company group: 96.01% (acquisition at a price of approx. ¥1.4 billion) ● Management: 3.99%

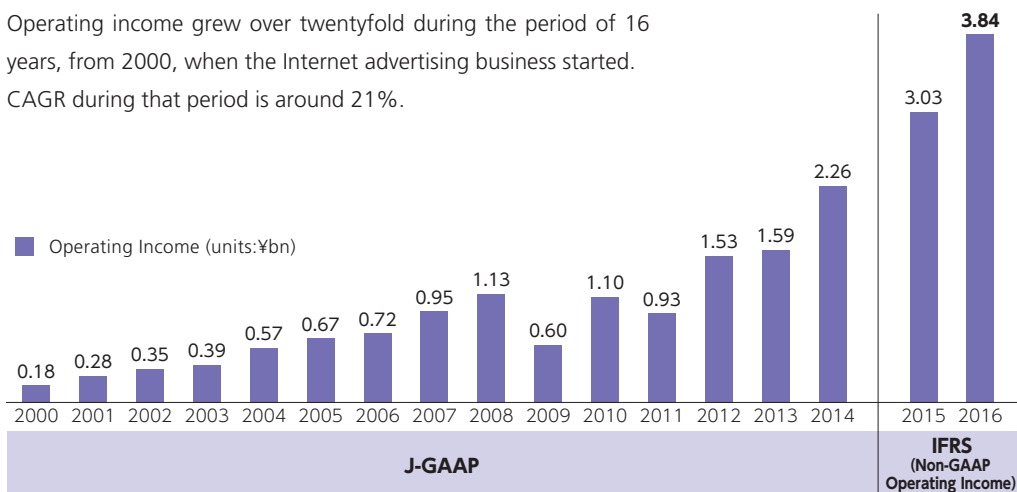
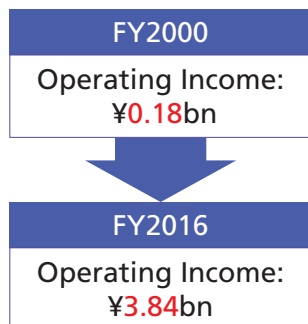
In the Manga Content Business, the Company cultivates and assists manga artists and operates a manga distribution service, aiming to make GANMA!, a manga content app, the main source of revenue as its own medium. The Company will continue to actively make upfront investments to expand the platform. The Company aims to create quality manga works through the Internet and improve the Group's profitability.



21%

CAGR (compound annual growth rate) of operating income from 2000, when Internet business started.

Operating income grew over twentyfold during the period of 16 years, from 2000, when the Internet advertising business started. CAGR during that period is around 21%.



1,159

Number of employees (as of September 30, 2016)

The most important assets of the Septeni Group are entrepreneurial human resources with a sense of ownership. Over 1,000 staff members with entrepreneurship work to achieve the sustainable growth of the Group according to the Group's vision: to create a strong and great company.



Number of bases (in Japan and overseas)

9
countries

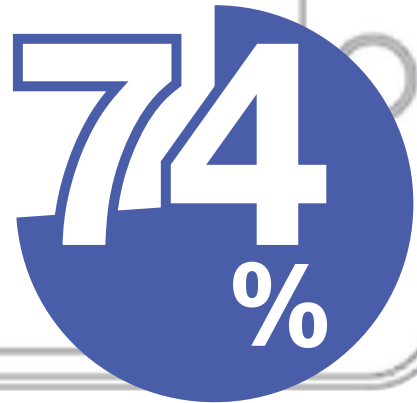
20
bases

The Septeni Group has developed its operations globally. It has six bases in Japan, and 14 bases in 8 countries.



Percentage of advertising for smartphones by volume in the Internet Marketing Business

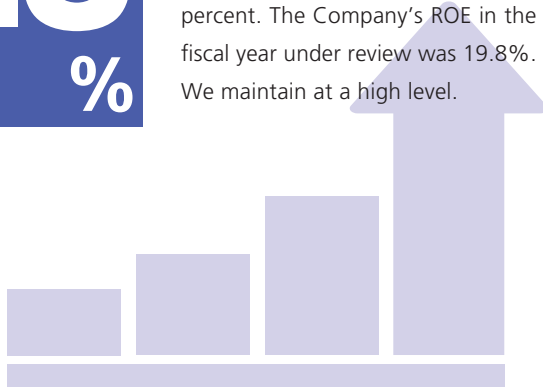
In the Midterm Business Policies announced in November 2013, the mobile business was placed as a priority field. The Company's growth was driven by the mobile business. The percentage of advertising for smartphones by volume in the Internet Marketing Business rose to 74% in the fiscal year under review, from 33%, in November 2013.



19.8%

ROE

The average ROE of Japanese companies is said to be six to eight percent. The Company's ROE in the fiscal year under review was 19.8%. We maintain at a high level.



Number of manga books

32 titles

Since the fiscal year ended September 30, 2015, the Group has been promoting the commercialization of its own intellectual property in the Manga Content Business. By the end of November 2016, the Group published 32 titles of manga in GANMA! as books.



Great Place to Work

5th

GREAT PLACE TO WORK® Best Workplaces 2016 Japan



The Septeni Group (nine companies) was ranked fifth in the 2016 Great Place to Work rankings of Great Place to Work® Institute Japan. The Group was listed in the rankings for the fifth consecutive year.

Financial Highlights

(The Company is applying IFRS from the fiscal year ended September 30, 2016. The figures for the fiscal year ended September 30, 2015 have been changed in accordance with IFRS.)

Consolidated Statement of Profit or Loss (units:¥mn)

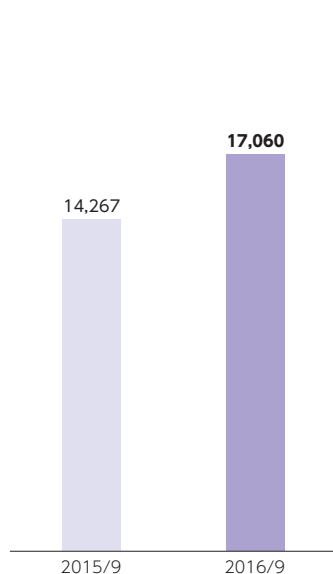
- Operating income increased significantly, reflecting the growth in profit in the Internet Marketing Business, which more than offset losses due to upfront investments in the Media Content Business and the Non-core Business.
- Profit attributable to owners of the parent rose, offsetting a backlash to the income (¥653mn) posted in the previous year as a result of the sale of the DM business, effectively recording a record high for the fifth consecutive year.

Account	2015/9	2016/9	Rate of change
Revenue	14,267	17,060	+19.6%
Non-GAAP Operating Income	3,030	3,841	+26.8%
Operating Income (※)	2,579	3,730	+44.6%
Profit from continuing operations	1,622	2,252	+38.8%
Profit for the period attributable to owners of the parent	2,351	2,519	+7.1%
Net Sales (Reference)	64,548	76,401	+18.4%

※A profit indicator of constant business performance determined by adjusting temporary factors such as impairment loss and gains and loss on the sales of non-current assets from the IFRS-based operating income (or loss)

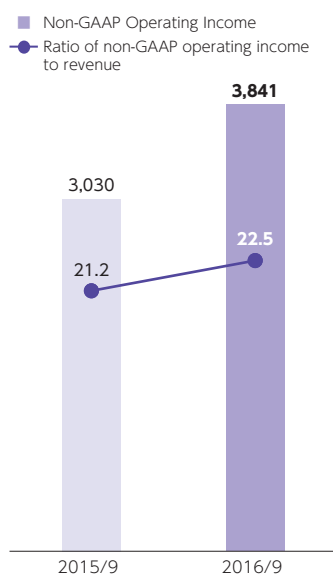
Revenue

(units: ¥mn)



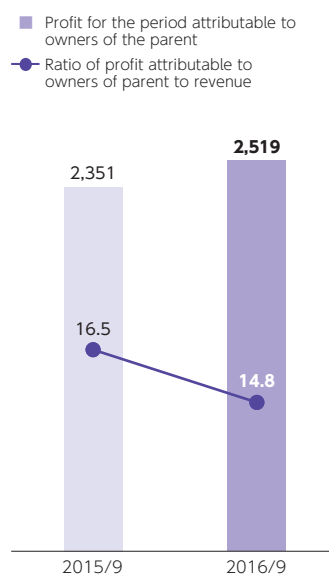
Non-GAAP Operating Income (units:¥mn)

Ratio of non-GAAP operating income to revenue (units:%)



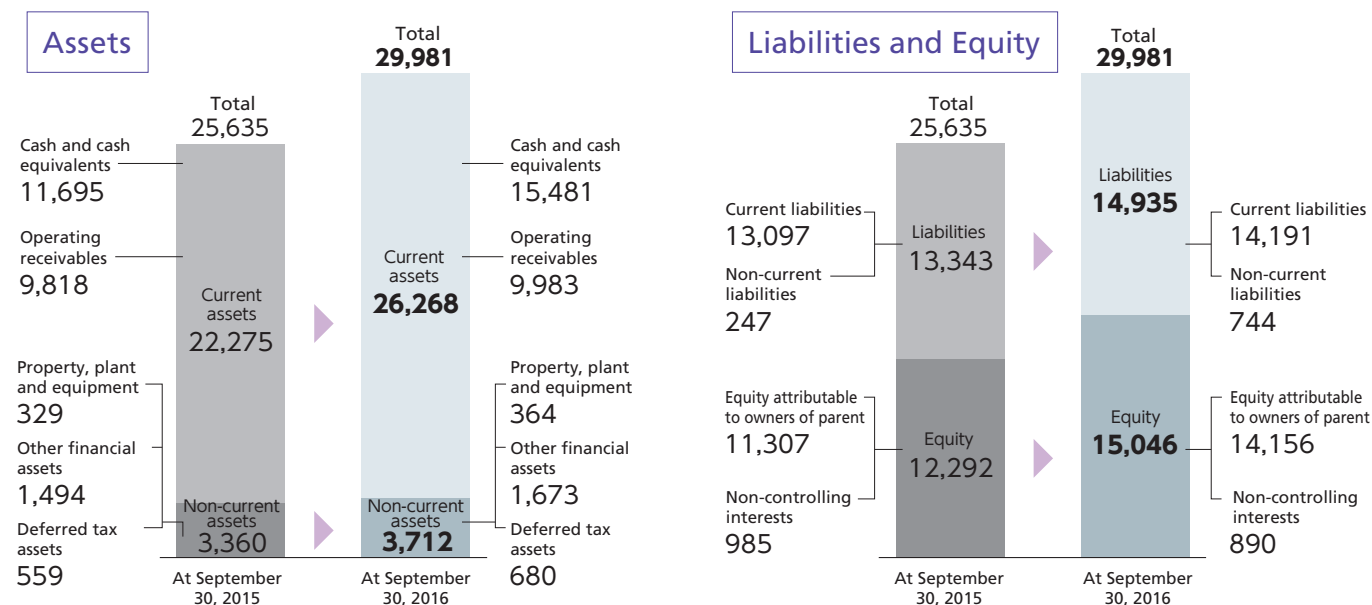
Profit for the period attributable to owners of the parent (units:¥mn)

Ratio of profit attributable to owners of parent to revenue (units:%)

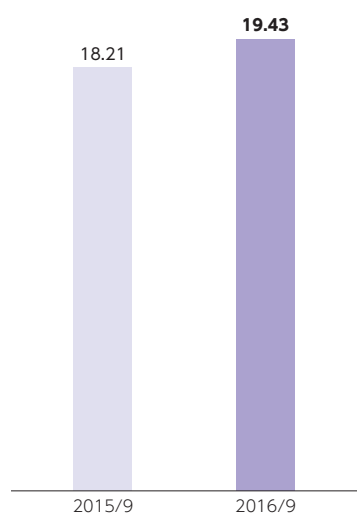


Consolidated Statement of Financial Position (units:¥mn)

- Assets: Increased 4,346 million yen from the end of the previous fiscal year, chiefly reflecting increases in cash and cash equivalents and operating receivables.
- Liabilities: Increased 1,592 million yen from the end of the previous fiscal year mainly due to increases in operating payables and income taxes payable.
- Capital: Increased 2,754 million yen from the end of the previous fiscal year chiefly due to an increase in retained earnings as a result of the posting of a profit.



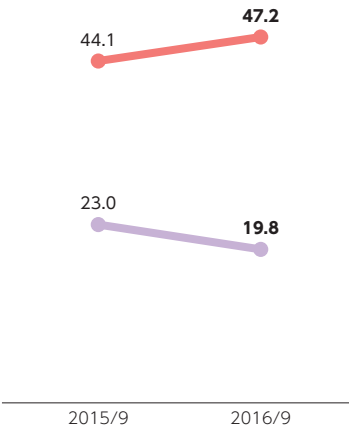
Basic earnings per share (units:¥)



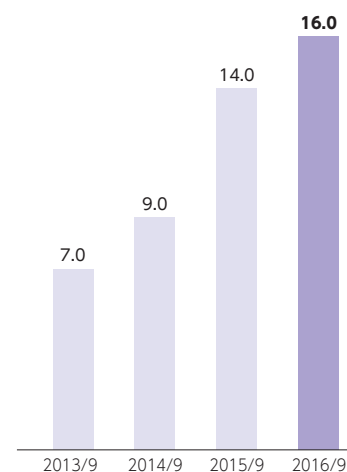
※ The Company conducted a five-for-one stock split on October 1, 2016. The figures above are calculated as though the stock split had been conducted at the beginning of the fiscal year ended September 30, 2015.

Ratio of equity attributable to owners of the parent to total assets ROE (units:%)

Ratio of equity attributable to owners of the parent to total assets
ROE



Dividend per share (units:¥)



※ The Company implemented a 200-for-1 stock split for its common stock on October 1, 2013. The figures here are calculated on the assumption that the stock split was implemented at the beginning of 2012/9.

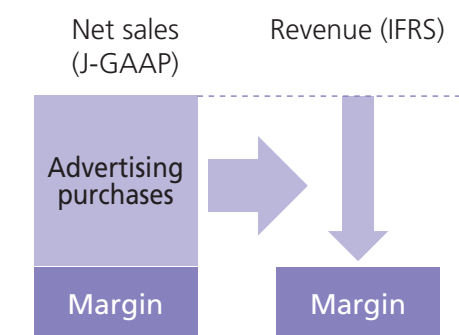
Adoption of the IFRS

From the fiscal year ending September 30, 2016, the Septeni Group has applied the International Financial Reporting Standards (IFRS).

What will change by IFRS?

1. Revenue has changed.

How to record earnings (Top Line)



The conventional recording of the total amount (gross) will be changed to **recording of net amounts** in the sale by advertising agents, which comprises a large part of the Internet Marketing Business.

2. The treatment of goodwill has changed.

While straight-line amortization was applied to goodwill based on the Japanese standards, goodwill is not amortized on IFRS but requires an impairment test every year. This creates an impairment risk.

3. Non-GAAP operating income has been disclosed voluntarily.

Non-GAAP operating income is **a profit indicator of constant business performance** determined by adjusting temporary factors, such as an impairment loss and gain or loss on the sales of fixed assets from the IFRS-based operating income.

Adoption of Entrusted Executive Officers' System

To strengthen corporate governance and clarify the division of the management decision-making function and the business execution function, the executive officers' system for business execution according to the management policy, etc. decided on by the Board of Directors will be introduced from January 2017. In addition, upon the adoption of the executive officers' system, the executive directors' system will be abolished.

Executive Officers' System scheduled as of January 1, 2017

Name	Title	Major responsible
Koki Sato	Group President and Chief Executive Officer	Control of the entire group Media Content Business
Isamu Ueno	Group Senior Executive Officer	Personnel and administration division
Kazumi Shimizu	Group Senior Executive Officer	Accounting, financial and legal affairs division
Tadahiro Matsuda	Group Executive Officer	Internet marketing business
Shintaro Karaki	Group Executive Officer	Corporate planning /PR division
Kana Setoguchi	Group Executive Officer	Internet marketing business
Masayuki Muto	Group Executive Officer	Internet marketing business
Hiroki Aikawa	Group Executive Officer	Internet marketing business

■ Corporate Profile As of September 30, 2016

Trade Name	SEPTENI HOLDINGS CO.,LTD.
Headquarters	Sumitomo Fudosan Shinjuku Grand Tower, 8-17-1 Nishishinjuku, Shinjuku-ku, Tokyo
Tel	+81-03-6863-5623 Fax +81-03-6863-5624
Business Overview	Corporate management and overall control of group companies through ownership of shares and other forms of equity.
Foundation	October 1990
Capital	2,085 million yen
No.of Employees	930 permanent staff 1,159 employees

■ Officers As of December 20, 2016

Representative Director	Koki Sato (front row, center)
Director	Isamu Ueno (front row, left)
Director	Kazumi Shimizu (front row, right)
Director	Tadahiro Matsuda (back row, center)
Director	Shintaro Karaki (back row, left)
Director	Kana Setoguchi (back row, second from right)
External Director	Tatsuya Kimura (back row, right)
External Director	Etsuko Okajima (back row, second from left)
Internal Auditor	Muneyoshi Nomura
External Auditor	Katsuhisa Yanagi
External Auditor	Yoshihide Hirowatari
External Auditor	Mamoru Furushima



■ Ownership Structure updated on September 30, 2016

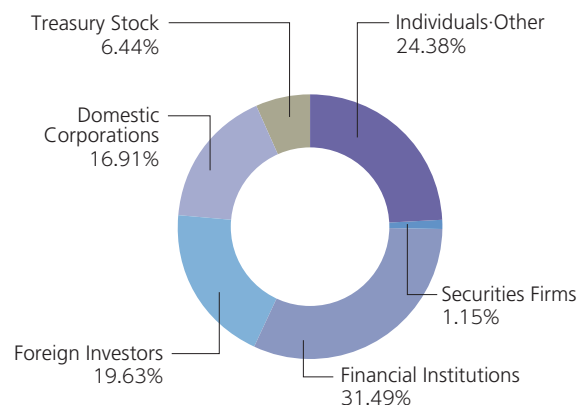
Number of shares authorized	74,016,000units
Number of shares issued	27,728,300units
Number of shareholders	4,673

Major Stockholders

Major shareholders	Number of shares	Shareholding
1. Japan Trustee Services Bank, Ltd. (Trust Account)	4,461,200	17.20%
2. Village seven Co., Ltd.	3,243,800	12.50%
3. Mamoru Nanamura	2,790,100	10.75%
4. The Master Trust Bank of Japan, Ltd. (Trust Account)	1,841,100	7.10%
5. Yahoo Japan Corporation	1,400,000	5.40%
6. Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	1,170,000	4.51%
7. BBH FOR MATTHEWS JAPAN FUND	907,100	3.50%
8. GOLDMAN SACHS INTERNATIONAL	847,169	3.27%
9. STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST, BOSTON SSBTC A/C UK LONDON BRANCH CLIENTS - UNITED KINGDOM	550,000	2.12%
10. Hiroshi Shimizu	404,000	1.56%

(Note) Excluding our major stockholders above, our company reserve 1,784,831 units of stock in our treasury. The above shareholding ratios exclude treasury stock.

Breakdown by the Number of Holdings Shares



※The Company conducted a five-for-one common stock split on October 1, 2016. The number of shares above is from before the stock split.



SEPTENI HOLDINGS CO., LTD.

<https://www.septeni-holdings.co.jp/en/>

- Results forecasts and other forward-looking statements contained in this report were prepared based on information available at the time of the report was prepared, and actual results may differ from projected figures due to various factors in the future.
- The company names and service names in this report are their trademark or registered trademark.