



Septeni Holdings Co., Ltd.
Business Results of First Quarter of
Fiscal Year ending September 2009

February 6, 2009

Septeni Holdings Co., Ltd.
<http://www.septeni-holdings.co.jp>

Code:4293

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Forecasts, plans and other forward-looking statements contained in this presentation represent the judgment of Septeni as of February 6, 2009. Septeni does not guarantee the accuracy of this information. Actual performance may differ significantly from these forecasts for many reasons.



I . Summary

- ◆ Sales increased 21.0% year on year, due in part to the start of the Commerce Business, and the gross profit margin improved.
- ◆ Earnings decreased because of up-front investments in the Internet-related Business and Commerce Business. Operating income was down 36.1% from one year earlier.
- ◆ Ordinary income was held down by a continuing increase in net non-operating expenses associated with turmoil in financial markets.

Summary Consolidated Income Statement

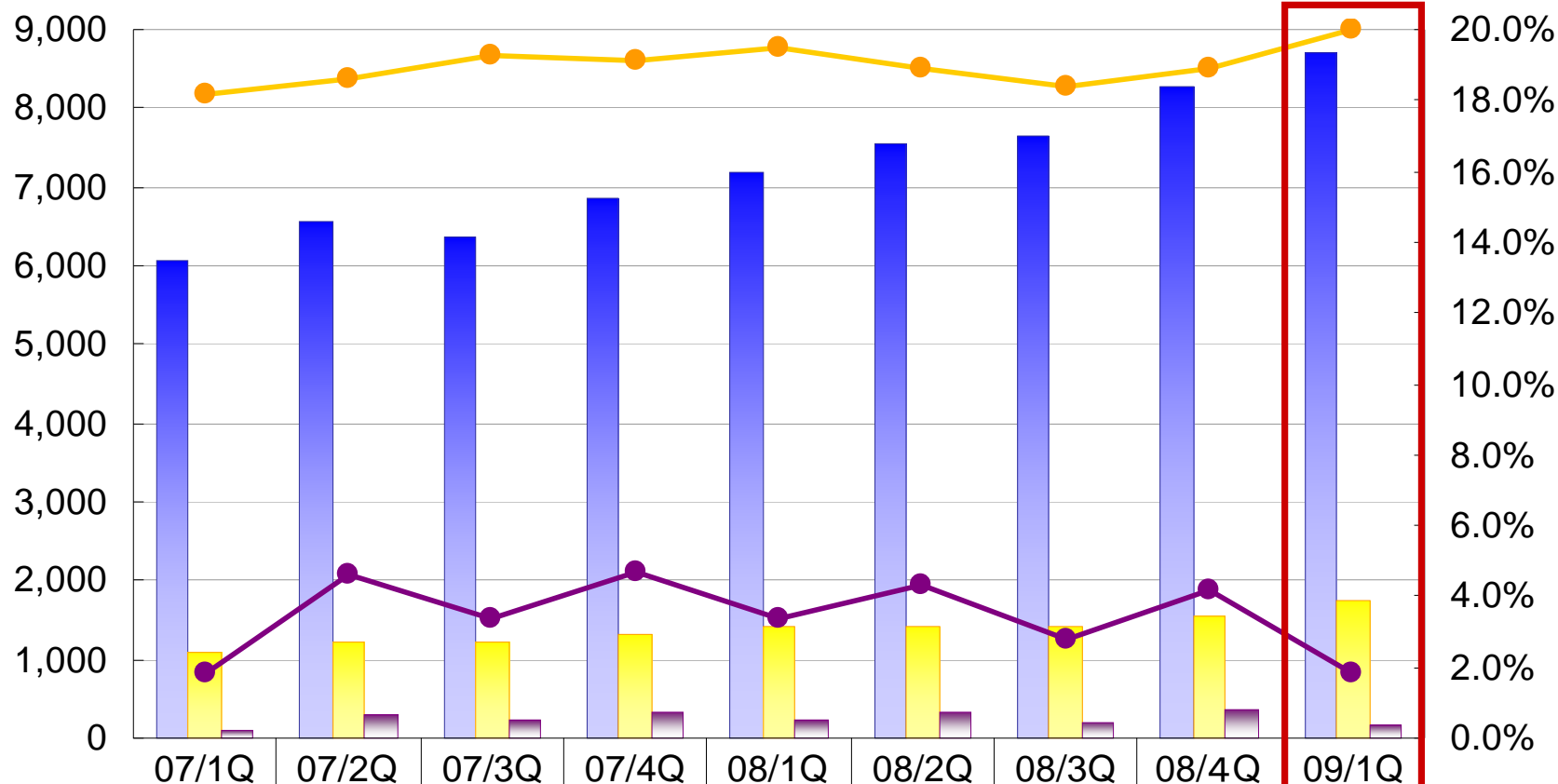


(million yen)

Indicators	1Q FY September 2009			1Q FY September 2008	
	Amount	Pct. Of sales	YoY change	Amount	Pct. Of sales
Net sales	8,707	100.0%	+21.0%	7,195	100.0%
Gross income	1,742	20.0%	+24.2%	1,402	19.5%
SG&A	1,587	18.2%	+36.9%	1,158	16.1%
Operating income	155	1.8%	-36.1%	243	3.4%
Ordinary income	81	0.9%	-68.9%	261	3.6%
Net income	20	0.2%	-84.7%	137	1.9%

Consolidated Quarterly Performance

(million yen)



Net sales	6,064	6,557	6,378	6,862	7,195	7,562	7,657	8,286	8,707
Gross profit	1,100	1,222	1,230	1,311	1,402	1,432	1,407	1,564	1,742
Ordinary income	108	298	215	324	243	322	212	347	155
Gross margin	18.2%	18.6%	19.3%	19.1%	19.5%	18.9%	18.4%	18.9%	20.0%
Ordinary income ratio	1.8%	4.6%	3.4%	4.7%	3.4%	4.3%	2.8%	4.2%	1.8%

Consolidated Balance Sheet



(million yen)

	1Q of FY September 2009	FY September 2008	Change	Remarks
Assets				
Current assets	9,215	10,090	-874	Cash and deposits -832
Fixed assets	3,419	3,392	+27	
Total assets	12,635	13,482	-847	
Liabilities				
Current liabilities	5,608	6,620	-1,012	Debt payable -421、 Account payable -395
Long-term liabilities	367	73	+295	Long-term debt +285
Total liabilities	5,976	6,694	-717	
Net assets				
Total net assets	6,658	6,788	-130	Retained earnings -84 Net unrealized gain on other securities -34
Total liabilities and net assets	12,635	13,482	-847	

Consolidated Cash Flow Statement



(million yen)

	1Q of FY September 2009	1Q of FY September 2008	
Cash flows from operating activities	-369	-232	Net income before income taxes +45 Decrease in account payable -395
Cash flows from investing activities	-202	22	Acquisition of goodwill -120 Acquisition of intangible fixed assets -35
Cash flows from financing activities	-260	-26	Decrease of debt -136 Dividends paid -105
Net change in cash and cash equivalents	-832	-237	
Cash and cash equivalents at the end of year	3,875	2,871	

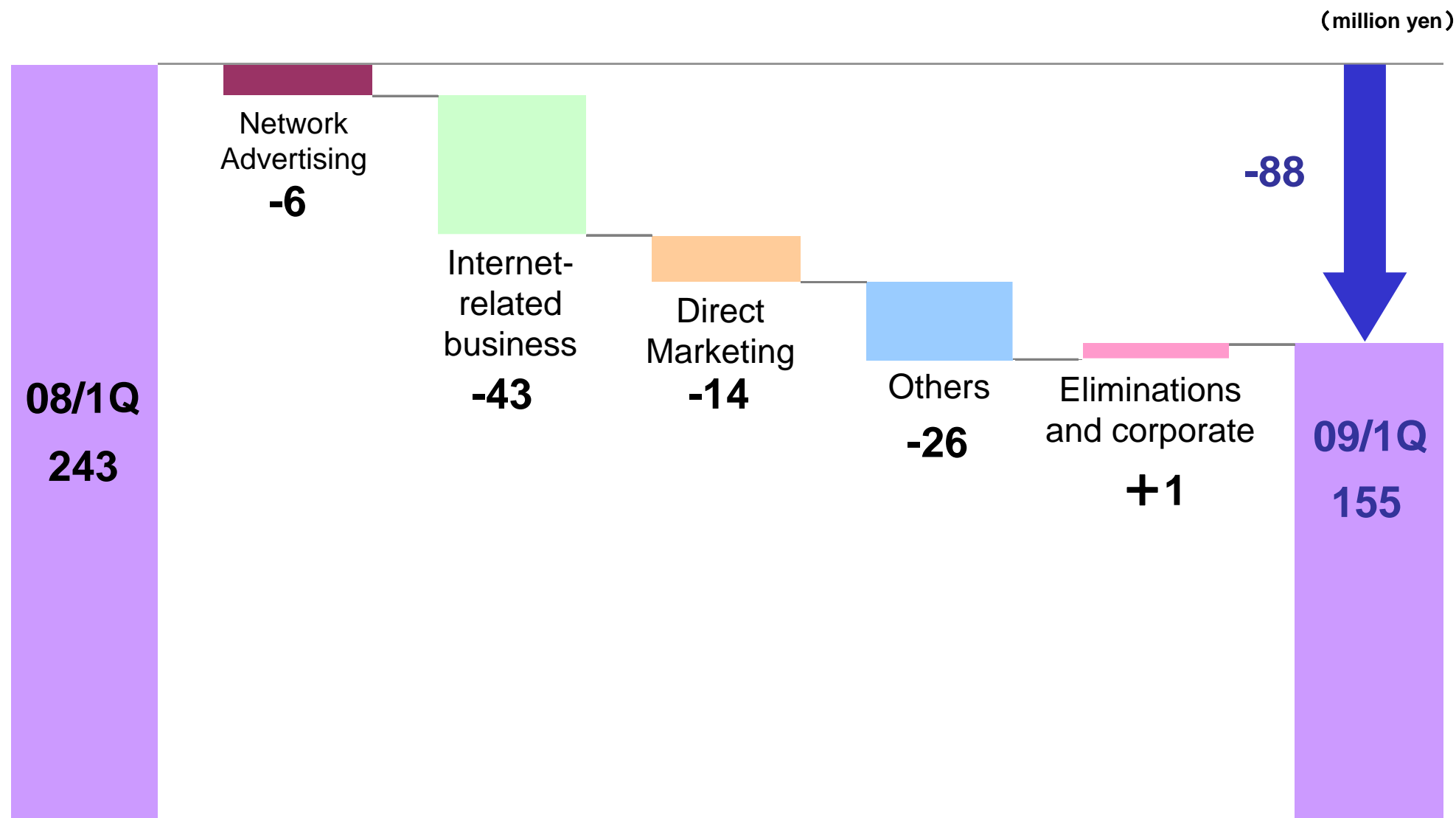
Business Segment Sales and Operating Income



(million yen)

Segment	Net Sales			Operating Income		
	1Q FY9/09	1Q FY9/08	YonY change	1Q FY9/09	1Q FY9/08	YonY change
Network Advertising	6,875	5,813	+18.3%	250	257	-2.5%
Internet-related business	980	904	+8.4%	-23	19	—
Direct Marketing	582	618	-5.7%	58	72	-19.0%
Others	537	—	—	-42	-16	—
Commerce business	537	—	—	-29	—	—
Eliminations and corporate	-269	-140	—	-86	-88	—
Consolidated	8,707	7,195	+21.0%	155	243	-36.1%

Changing factor of consolidated operating income

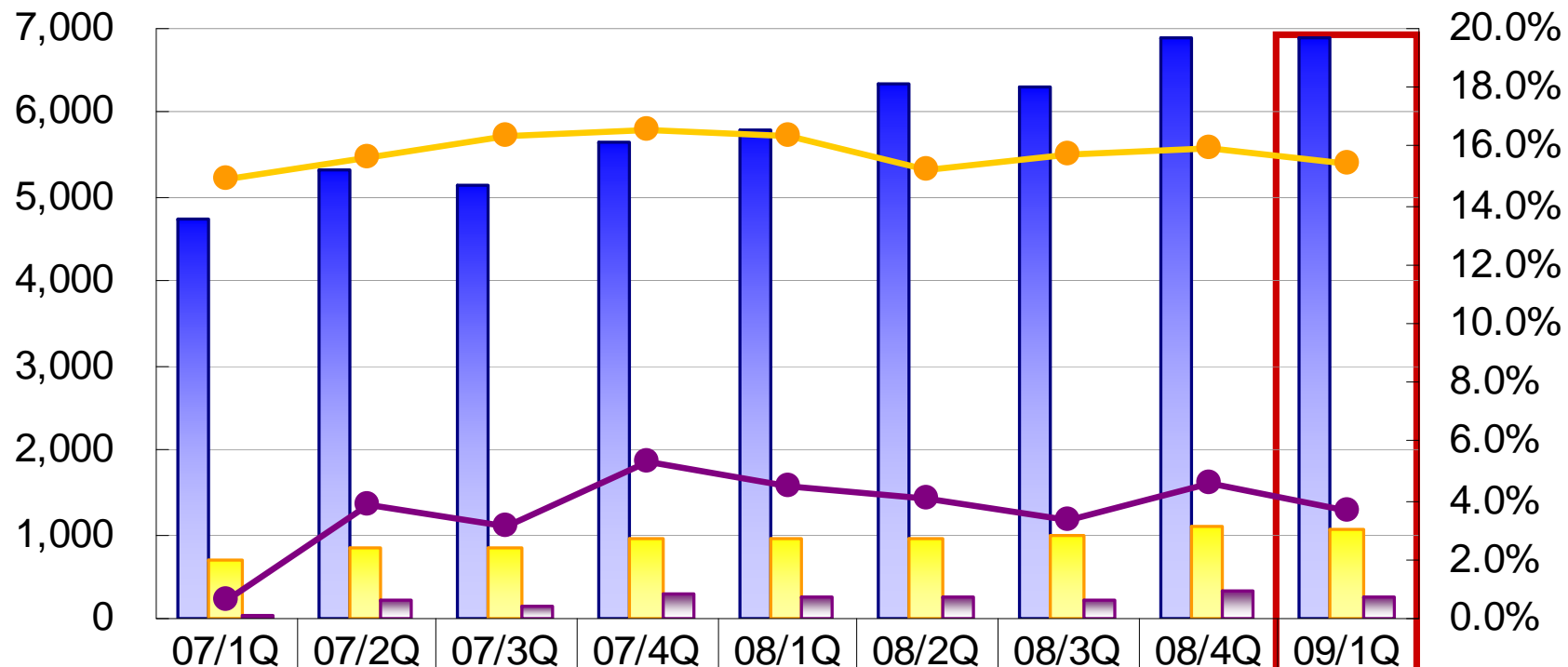


<h2>Network Advertising</h2>	<ul style="list-style-type: none">• Performance was strong as sales increased 18.3% year on year due to the success at capturing client companies' sales promotion expenditures despite difficult market conditions created by the economic downturn.
<h2>Internet-related business</h2>	<ul style="list-style-type: none">• Lower gross profit because of up-front investments to acquire rights to content and an increase in payment delinquencies by customers. Higher SG&A expenses produced an operating loss.• Sharp drop in sales from the prior quarter in the Mobile Rep Business due to termination of sales for some media
<h2>Direct Marketing</h2>	<ul style="list-style-type: none">• Sales and earnings were higher than in the prior quarter
<h2>Commerce business</h2>	<ul style="list-style-type: none">• Sales were as expected but there was an operating loss mainly because of expenses for attracting new customers

Performance of Network advertising business by Quarter



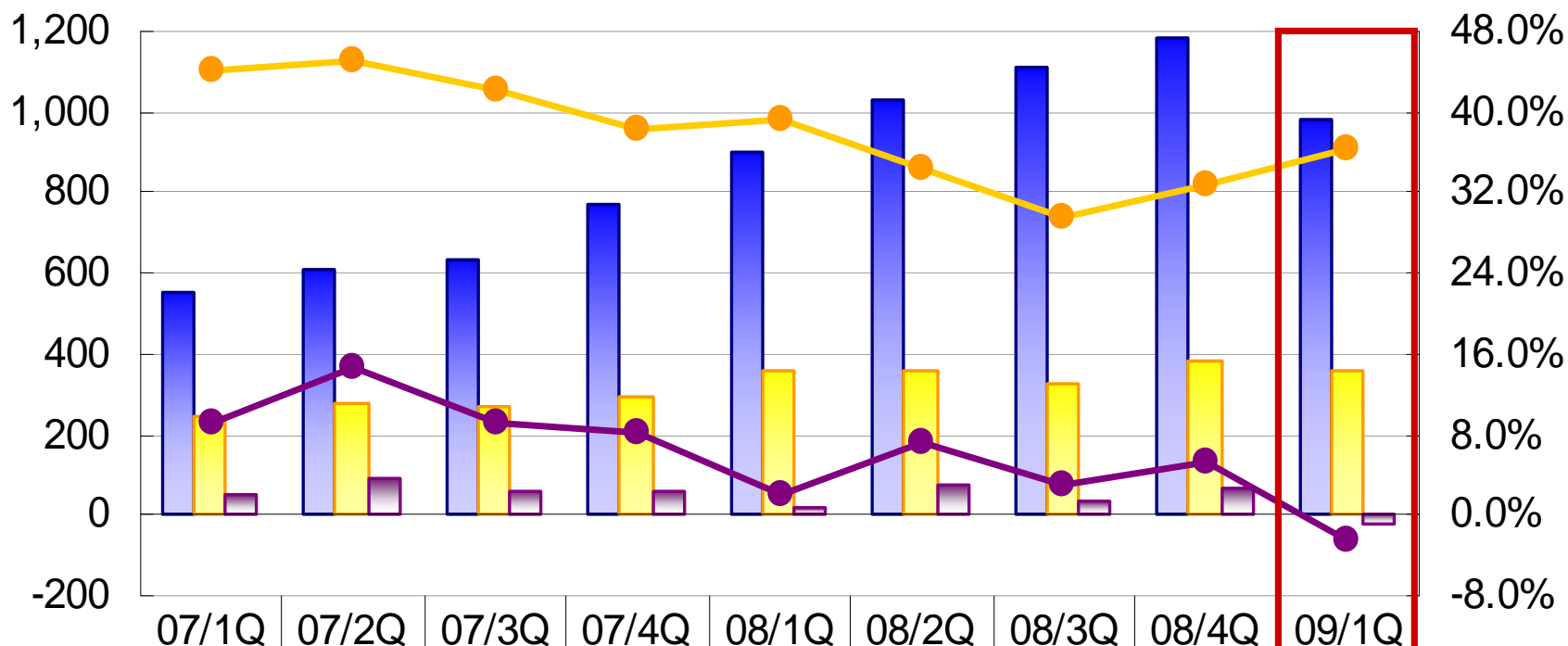
(million yen)



Net sales	4,753	5,333	5,146	5,650	5,813	6,327	6,290	6,900	6,875
Gross profit	710	835	841	938	948	963	987	1,099	1,059
Ordinary income	26	208	161	301	257	256	209	314	250
Gross margin	14.9%	15.7%	16.3%	16.6%	16.3%	15.2%	15.7%	15.9%	15.4%
Ordinary income ratio	0.6%	3.9%	3.1%	5.3%	4.5%	4.1%	3.3%	4.6%	3.6%

Performance of Internet related business by Quarter

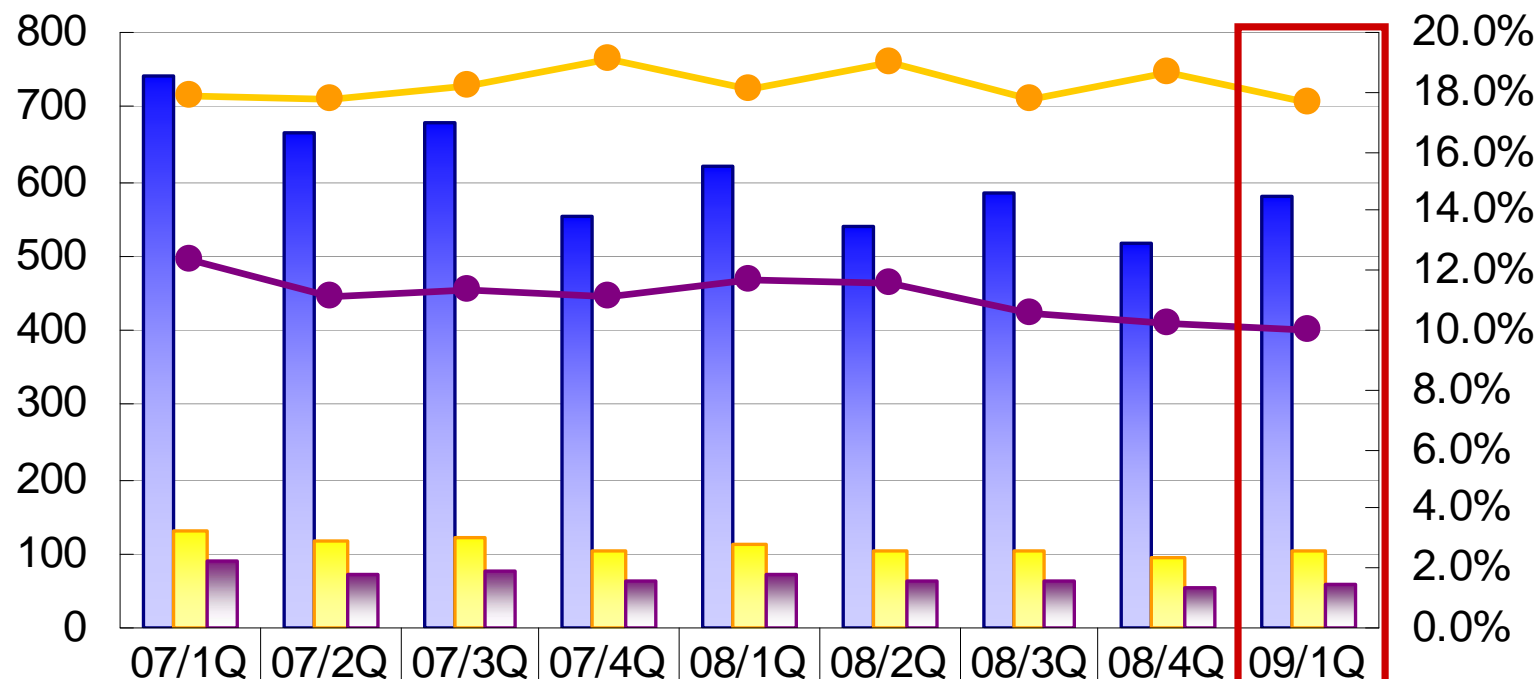
(million yen)



	07/1Q	07/2Q	07/3Q	07/4Q	08/1Q	08/2Q	08/3Q	08/4Q	09/1Q
Net sales	553	613	637	769	904	1,034	1,111	1,183	980
Gross profit	243	276	269	293	356	356	327	386	357
Ordinary income	50	89	57	62	19	73	35	64	-23
Gross margin	44.0%	45.0%	42.3%	38.2%	39.4%	34.5%	29.4%	32.6%	36.4%
Ordinary income ratio	9.1%	14.6%	9.1%	8.1%	2.1%	7.1%	3.2%	5.4%	-2.4%

Performance of Direct marketing business by Quarter

(million yen)



Net sales	740	665	680	552	618	540	585	515	582
Gross profit	132	117	123	105	111	102	103	96	102
Ordinary income	91	73	76	61	72	62	62	52	58
Gross margin	17.9%	17.7%	18.2%	19.1%	18.1%	19.0%	17.7%	18.7%	17.6%
Ordinary income ratio	12.4%	11.1%	11.3%	11.1%	11.7%	11.6%	10.6%	10.2%	10.0%



II . Major Business Units

Network advertising business	Focus on expanding share
Internet related business	Promotion of content and technology domains
Commerce business	Establishment of basis and strategic move toward EC

Network advertising business

Focus on expanding share

Promotion of account sales system

Strengthen relationship with powerful media

Continue aggressive investment in mobile advertising

Increase productivity by strengthening operations

Development of small-and-medium sized network advertising market through the advertising marketplace

◆ The share of mobile advertisements is rising and will soon exceed 20% of all network advertising sales

➤ Strong performance by mobile SNS

◆ Effect of economic downturn

➤ Companies in some industries are cutting back on advertising activity

➤ Performance-based media (listings and affiliates) are performing well but display advertisements are declining

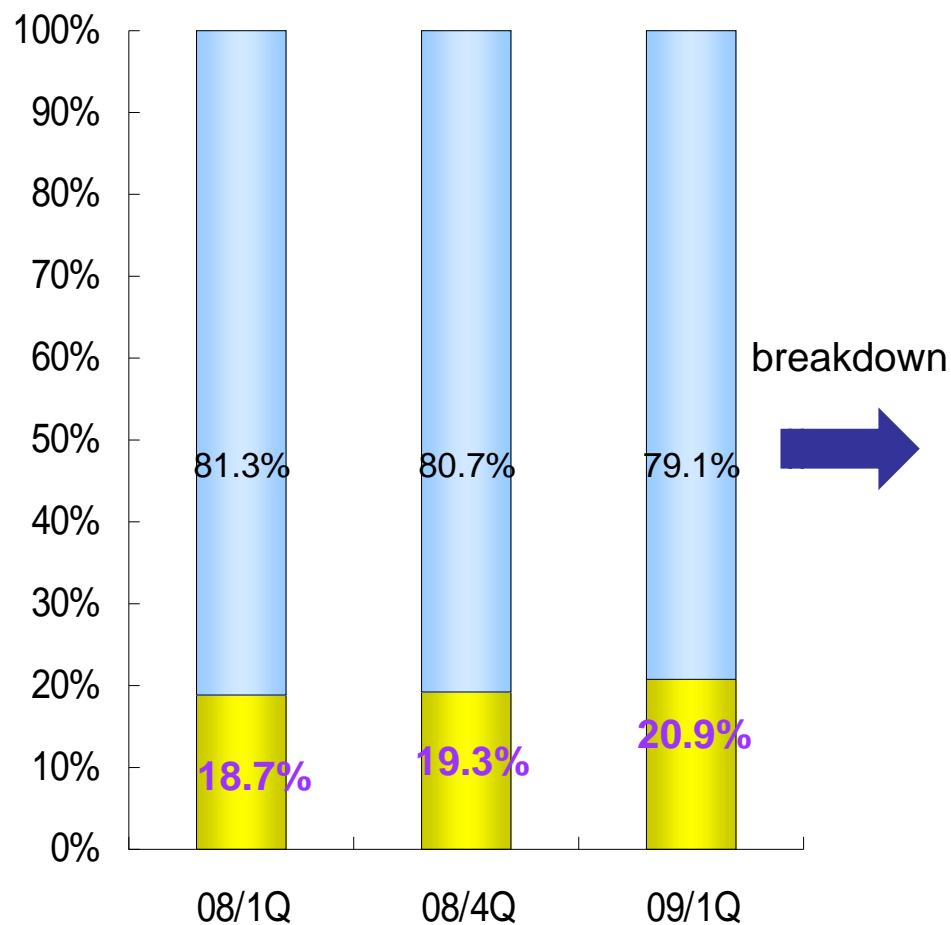
➤ Although the weak economy is affecting the network advertising market as a whole, there are still solid needs in the sales promotion category where the Septeni Group is strongest.

→ Septeni believes its market share is still increasing

Business Unit Review -Network advertising business

【Changes in sales by product】

■ Mobile ■ PC



※Behavior targeting, Interest-match etc.

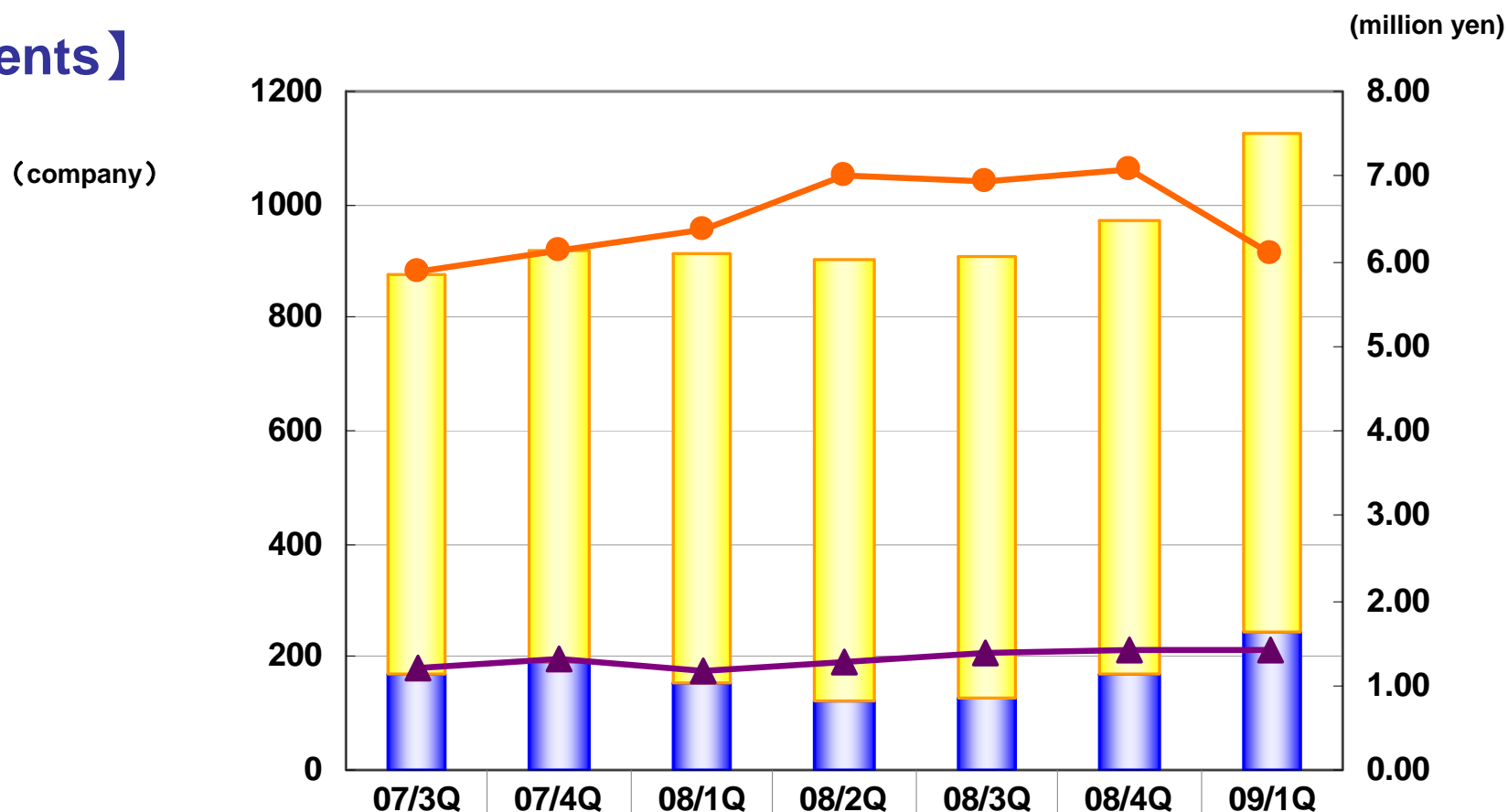
By service		08/1Q	08/4Q	09/1Q
PC	Portal etc	24.7%	21.3%	19.3%
	CGM	2.8%	2.3%	2.0%
	Mail	5.0%	3.8%	2.5%
	Listing	31.2%	34.1%	35.4%
	Affiliate	10.0%	9.9%	10.0%
	Targeting(※)	2.2%	4.0%	5.1%
	SEO	2.3%	2.2%	2.4%
	Production/ others	3.0%	3.0%	2.5%
		81.3%	80.7%	79.1%
Mobile	Portal etc	4.1%	5.1%	4.8%
	CGM	2.4%	4.3%	5.4%
	Mail	2.6%	2.5%	2.0%
	Listing	4.5%	4.2%	4.0%
	Affiliate	4.9%	3.2%	4.7%
	SEO	0.2%	0.1%	0.1%
			18.7%	19.3%
Total		100.0%	100.0%	100.0%

【Sales composition ratio by customer's industry】

	08/1Q	08/4Q	09/1Q
Finance	16.9%	13.7%	16.2%
Education • Human resource	13.2%	8.8%	8.6%
Retail • Mail-order	7.2%	7.2%	7.1%
Real estate	12.6%	13.1%	11.8%
Food • Cosmetic	14.8%	18.3%	15.6%
Automobile	4.6%	4.9%	4.8%
IT	22.4%	24.3%	26.0%
Others (Service etc)	8.3%	9.7%	9.8%

Business Unit Review -Network advertising business

【Number of clients】



	Total No. of clients	876	920	911	905	906	973	1,127
	No. of new clients	171	192	154	122	127	170	243
	Average price per clients	5.87	6.14	6.38	6.99	6.94	7.09	6.10
	No. of clients (over 5 million yen sales)	178	197	176	192	208	210	215

(note) Figure of "Mobile MAX" business, mobile affiliate system, was accounted from 09/1Q, due to the transfer of business.

Internet related business

Promotion of content and technology domains

【Content domain】

Promote differentiation strategy by enhancing content including popular artist websites and streaming video services

【Technology domain】

Strengthen WEB marketing function

Develop from e-mail distribution ASP to CRM tool

(1) Content domain

◆ Started the “Best Hits Hollywood +” service

- Streaming distribution of Warner Brothers movies and the Jackie Chen movies of Toho-Towa

The Last Samurai



(C) 2004 Warner Bros. Entertainment Inc.
All rights reserved.

iMenu = Menu list = Movies/Music = Movies/Video clips
= TV/Drama/Movies = Best Hits Hollywood +

◆ Handling of sites of artists

- Primary distributor of X JAPAN.TV year-end live countdown tickets

X JAPAN.TV



iMenu = Menu list = Movies/Music =
Movies/Music/Artists = Male artists/Singers = X
JAPAN.TV

(2) Technology domain

◆ Strong performance by TRICORN

- Operating income up 32% year on year

◆ Launched new corporate identity

- Started corporate branding to set the stage for long-term growth in sales and earnings

◆ Received “Young Executive Award”

(given by Nikkan Kogyo Shimbun)

メール配信もCRMも もっとやわらかく
TRICORN

トップ 会社概要 トライコーンの取得認証 お問い合わせ English

ト ラ イ

メール配信も CRMも もっとやわらかく

そんなことも、でキ〜ル？
あんなことまで、たのメール？

とかく面倒くさい、難しいと思われがちな
メール配信や、CRMを
トライコーンは、モ〜っと、カンタンにします。

トライコーン
やわらかナビゲーター
根本美緒

WEBマーケティング
コンシェルジュ

私たちまで、どうぞ、お気軽に
相談ください。すぐ対応します。
【プロフィールを見る】

まずはお電話で！
03-5919-0041

資料請求はこちら
【資料請求】

サービスから探す

目的から探す

トライコーンに TRY !

@AUTOBAHN 【アウトバーン】
フォーム作成+メール配信の「シンプルASP」

KREISEL 【クライセル】
やりたいことが実現できる「WEB用CRMツール」

IMOSS 【アイモス】
デザインから事務局代行まで「マルごとお任せサービス」

わらわら
空メールに特化した便利な「モバイルサービス」

こんなフォームできます
こんな携帯・メール配信できます
こんなデータベースできます
データ連携・マイページ・API
1回・短期間だけ
こんなことも頼める？
あんなCRMもできる？
防災・不審者・事業継続メール
セールスフォース

メール配信・CRMが、
3分ちょっとで、スッキリ
早わかりムービー！
今すぐクリック！

根本美緒のトライコーンにTRY!
♪ 音が出ますのでご注意ください

クライセルでカンタンCRMを体験しませんか？
モ〜っとやわらかく
キャンペーンやってます！
今すぐクリック！

>> まだまだあります。

Commerce business

Establishment of basis and strategic move toward EC

Obtain a new customer through an aggressive advertisement

Establishment of EC

◆ Advertising activities

- Conducted high-profile advertising activities, mainly using **newspapers and radio**, to attract new customers



Succeeded in adding about
10,000 new customers



III. Improvement plan from 2Q

Business Forecast of FY September 2009

Consolidated	1Q Results FY 9/2009	Interim forecast FY 9/2009	Progress	Full-term Forecast FY 9/2009
Net sales	8,700	18,000	48%	38,000
Operating income	160	700	22%	1,500
Ordinary income	80	700	12%	1,500
Net income	20	350	6%	800

Network advertising business

- ◆ Reexamined profitability for each contract (improved gross profit margin)
- ◆ Held down recruiting of experienced workers (raised productivity)
- ◆ Tightly controlled all types of expenses (reduced fixed expenses)

Internet related business (Content domain)

- ◆ Increase members by enhancing own content
 - 「Best Hits Hollywood +」
 - Negotiating with movie producers other than Warner Brothers and Toho-Towa
 - 「Miliyah Kato」
 - Increasing the retention rate by using user-participation programs

- ◆ Hold down advertising expenses and use efficient methods to attract customers
 - Listing advertisements
 - Distribution of fliers at concerts

Commerce business

- ◆ Capture repeat business from new first quarter customers
 - Use outbound marketing activities to increase sales of core products (highly profitable items)

Thank you for Today

Contact Us

Septeni Holdings Co., Ltd.

<http://www.septeni-holdings.co.jp>

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IV. APPENDIX

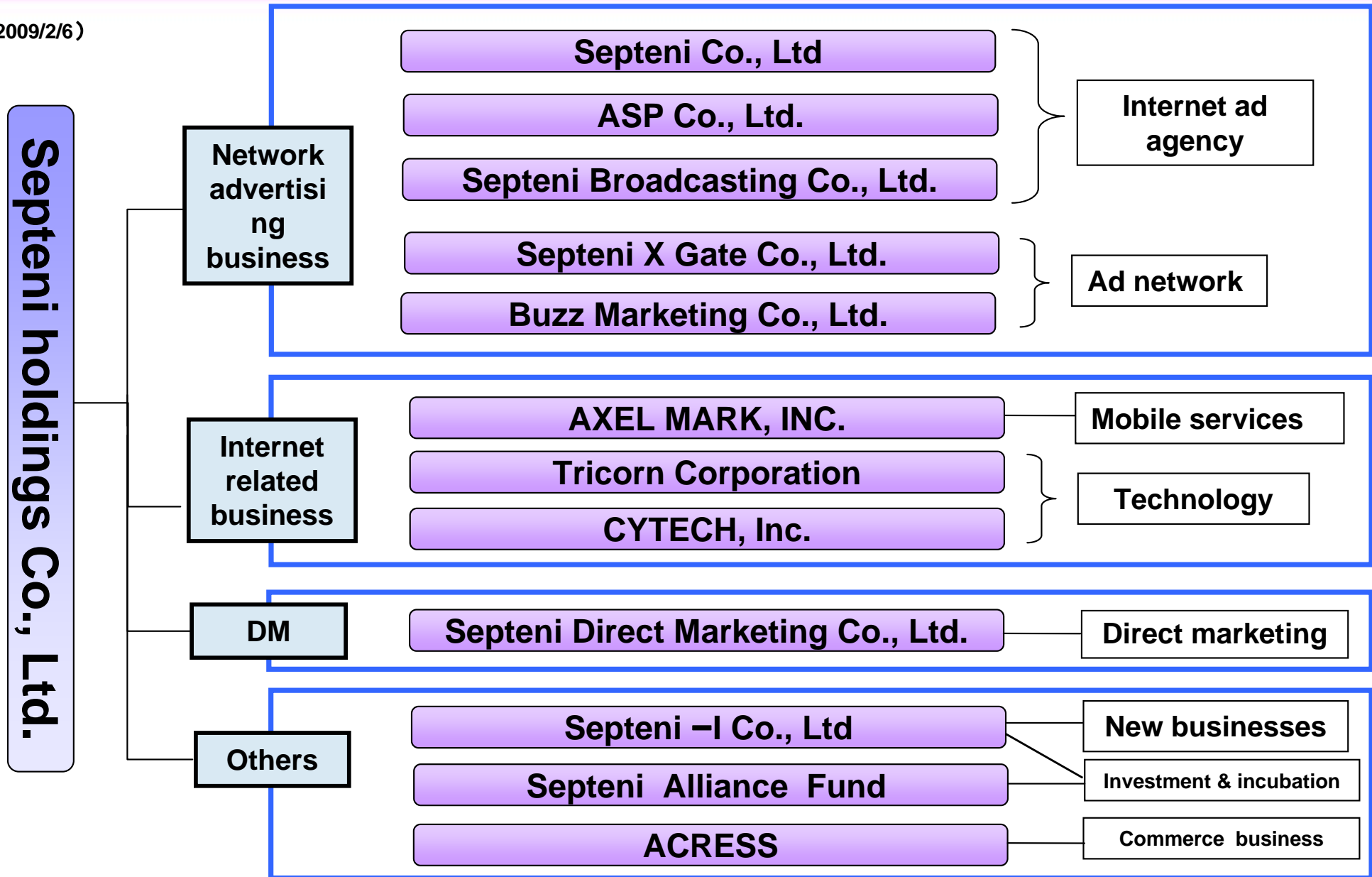
As of December 31, 2008

Company name	SEPTENI HOLDINGS CO., LTD.
Representative	Representative director Muneyoshi Nomura
Head office	24 Daikyo-cyo, Shinjuku, Tokyo
Stock code	4293 (JASDAQ, J-Stock)
Business activity	Management of Group firms, engaged mainly in Internet-related businesses, as a holding company
Establishment	October 29, 1990
Capital	1,992 million yen
Outstanding shares	134,347 shares
Number of employees (consolidated)	564(Full-time)、696(Part-time)

As of February 6, 2009

Company name		Business line
Septeni holdings Co., Ltd.		Holding company
Septeni Co., Ltd.	Consolidated subsidiary 100.0%	Internet Ad agency
ASP Co., Ltd.	Consolidated subsidiary 60.0%	e-Marketing Solution
Septeni Broadcasting Co., Ltd.	Consolidated subsidiary 70.0%	Internet moving ad
Septeni X Gate co., Ltd.	Consolidated subsidiary 95.0%	Ad network
Buzz Marketing Co., Ltd.	Consolidated subsidiary 50.3%	Buzz marketing
AXEL MARK, INC.	Consolidated subsidiary 55.0%	Media contents
Tricorn corporation	Consolidated subsidiary 100.0%	Mail marketing
CYTECH, Inc.	Consolidated subsidiary 63.6%	System Integration
Septeni Direct Marketing Co., Ltd.	Consolidated subsidiary 100.0%	Direct marketing
Septeni-I Co., Ltd.	Consolidated subsidiary 100.0%	Incubation, Development of new business
Septeni Alliance Fund	Consolidated subsidiary 99.0% (Indirect investment)	Incubation
ACRESS	Consolidated subsidiary 100.0%	Mail-order business
Prime X co., Ltd.	Equity method affiliate 40.0%	Internet marketing for real estate companies
Open Smile, Inc.	Equity method affiliate 33.3%	Internet media
colab inc.	Equity method affiliate 44.0%	WEB creator
Power Technology, Inc	Equity method affiliate 22.8%	SEO Business

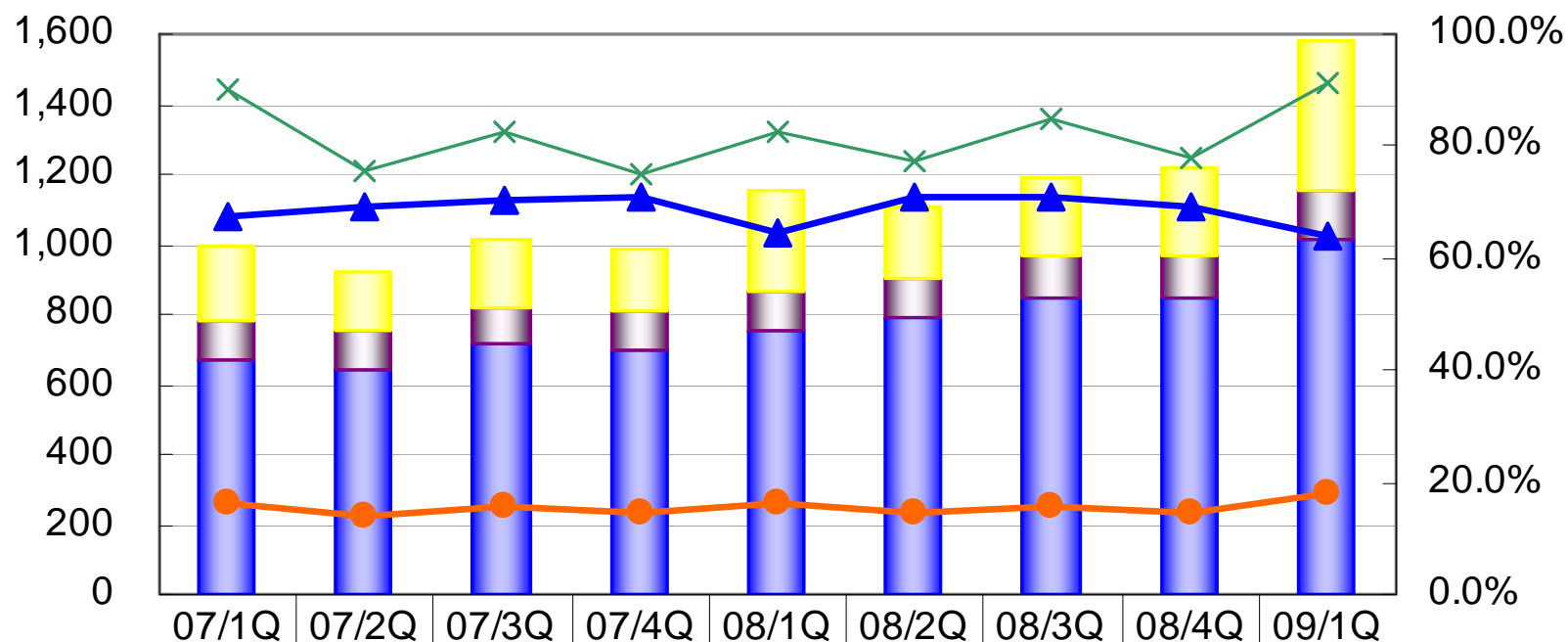
(2009/2/6)



※Affiliates accounted for under the equity method: Prime X Co., Ltd., Open Smile, Inc., colab inc., Power Technology, Inc.

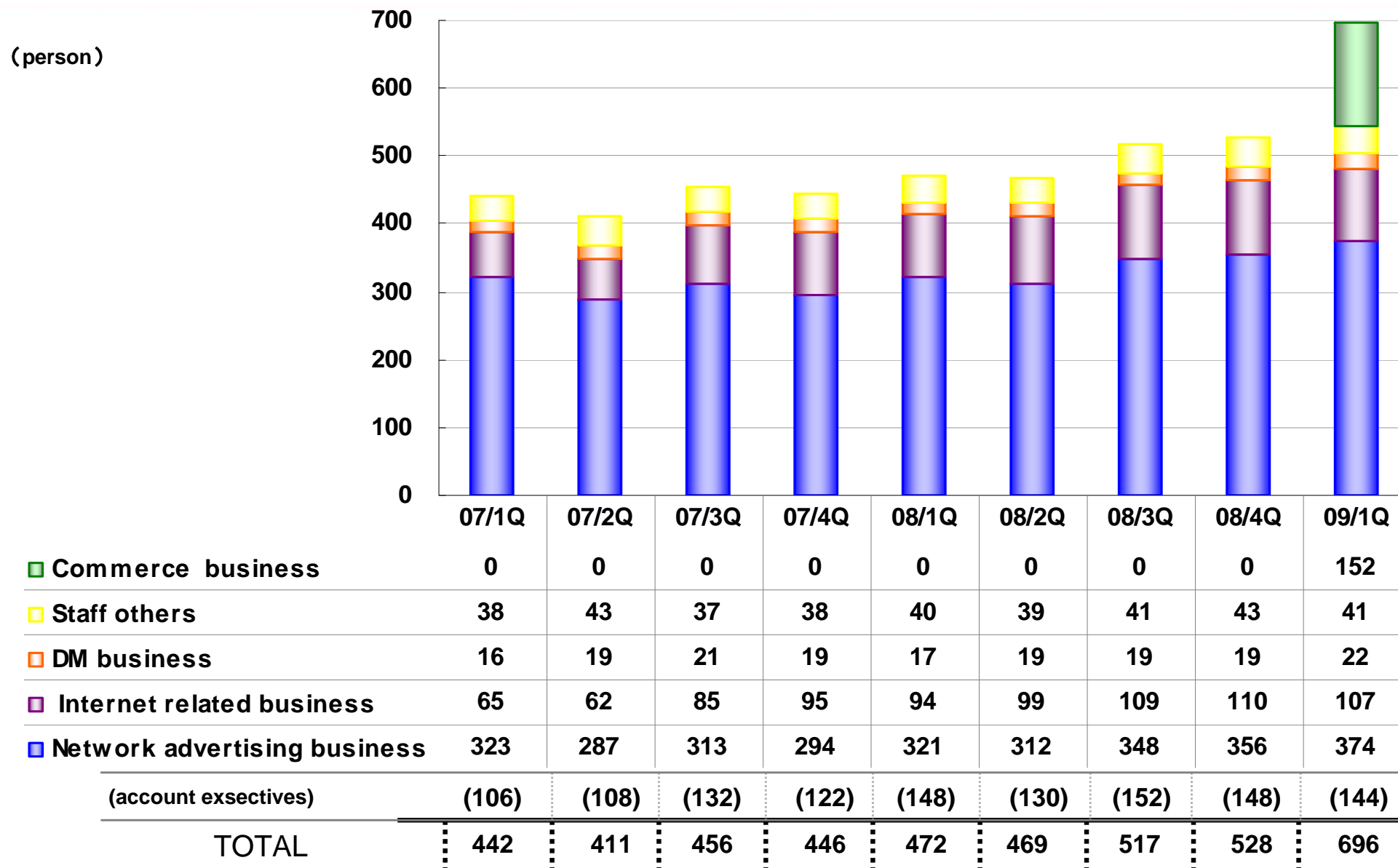
Consolidated SG&A

(million yen)



Others	210	174	193	173	288	203	226	249	432
Office expense	114	109	110	114	118	117	119	123	140
Labor cost	668	641	713	700	751	789	849	844	1,014
SG&A ratio to Gros margin	90.2%	75.6%	82.5%	75.3%	82.6%	77.5%	84.9%	77.8%	91.1%
Labor cost ratio to SG&A	67.3%	69.4%	70.2%	70.9%	64.8%	71.1%	71.1%	69.3%	63.9%
SG&A ratio to Net sales	16.4%	14.1%	15.9%	14.4%	16.1%	14.7%	15.6%	14.7%	18.2%
Total SG & A	992	924	1,015	986	1,158	1,110	1,195	1,217	1,587

Septeni Group Number of employees



※ From now on, the number of personnel as of the end of each quarter is being presented.