



Business Results for 2nd Quarter of Fiscal Year September 2012

May 7, 2012

SEPTENI HOLDINGS CO., LTD.

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

Securities Code: 4293



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* All data in this document are in units of million yen unless otherwise stated



1 ||| Quarterly Earnings Overview

2Q Consolidated Earnings Highlights (Jan-Mar)

- Sales: ¥10,803 million (Up 20.7 % yy)
Operating Income: ¥498 million (Up 61.6% yy)
Achieved record high profits in 1st and 2nd quarters
- Both Internet Marketing and Media Contents Business saw higher sales and profits
- Facebook related service sales rose by 10 times year-over-year
- Social games related sales continue to grow

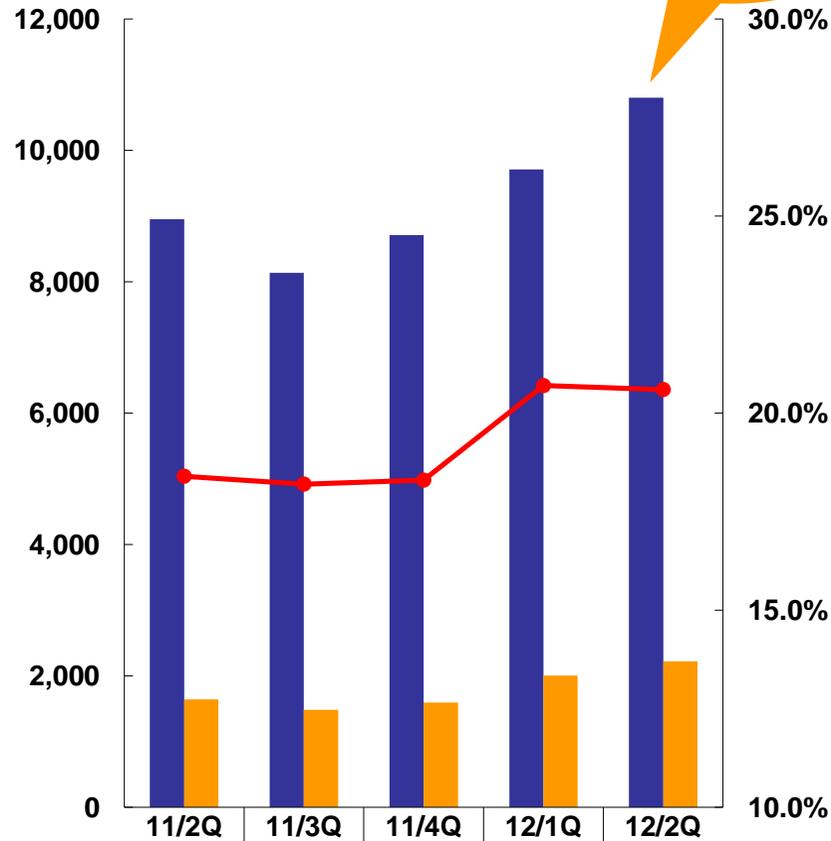
Consolidated Income Statement (Jan-Mar)

| | 2Q FY9/12 | | | | 2Q FY9/11 | | 1Q FY9/12 | |
|------------------|---------------|--------|---------------|---------------|-----------|--------|-----------|--------|
| | Value | Share | YY Change | QQ Change | Value | Share | Value | Share |
| Sales | 10,803 | 100.0% | +20.7% | +11.3% | 8,953 | 100.0% | 9,710 | 100.0% |
| Gross Income | 2,221 | 20.6% | +35.1% | +10.7% | 1,643 | 18.4% | 2,006 | 20.7% |
| SG&A | 1,722 | 16.0% | +29.0% | +5.0% | 1,335 | 14.9% | 1,640 | 16.9% |
| Operating Income | 498 | 4.6% | +61.6% | +36.2% | 308 | 3.5% | 366 | 3.8% |
| Ordinary Income | 524 | 4.9% | +75.9% | +28.6% | 297 | 3.3% | 407 | 4.2% |
| Net Income | 141 | 1.3% | -14.9% | +10.2% | 166 | 1.9% | 128 | 1.3% |

- ||| Sales exceeded ¥10.0 billion for the first time on quarterly basis, gross margins also remained at high levels
- ||| **Operating income rose by large margin** as higher sales was able to absorb increases in SG&A expense due to higher personnel, advertising costs
- ||| ¥59 million loss arising from anticipatory investments for new businesses
- ||| An extraordinary loss of ¥148 million was recorded (Impairment loss of ¥130 million from Commerce Business goodwill)

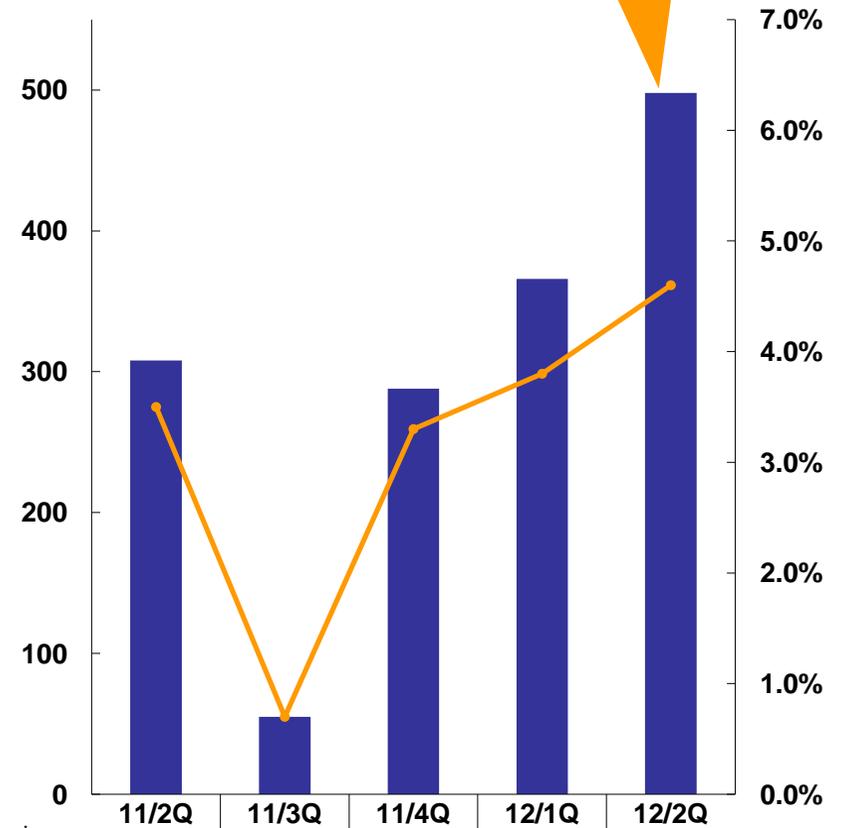
Trend in Consolidated Quarterly Earnings

Sales, Gross Income Record High



■ Sales
■ Gross Income
● Gross Margin

Operating Income Record High



■ Operating Income
● Operating Margin

Change in Business Segments

Our business is divided between three segments of **Internet Marketing**, **Media Contents**, **Others** from the current term

||| FY9/11

| |
|--------------------------------------|
| Internet Advertising Business |
| Internet Advertising Agency |
| Ad Network |
| Mobile Media Rep |

| |
|---|
| Technology Business |
| Cloud Type CRM Services (Tricorn Corporation) |
| Social Application Development (Cytech, Inc.) |

| |
|--------------------------|
| Contents Business |
| Mobile Contents |

| |
|----------------------------------|
| Direct Marketing Business |
| Direct Mail Outsourcing Services |
| In-Ship Advertising |

| |
|-----------------------|
| Other Business |
| Commerce |

||| From FY9/12

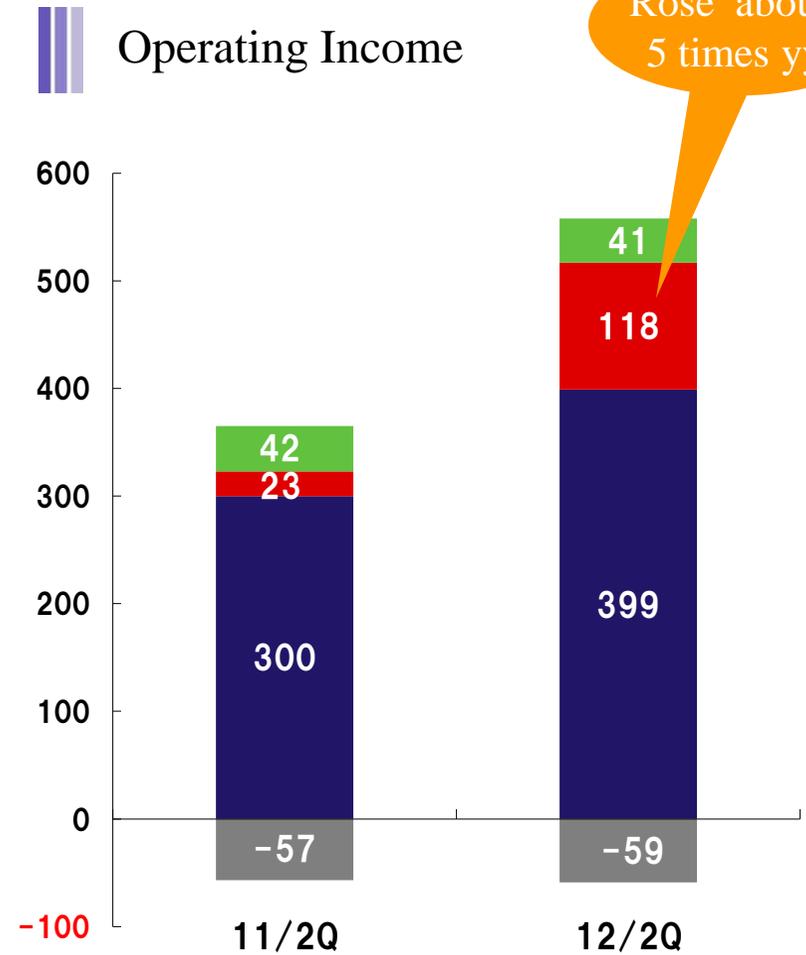
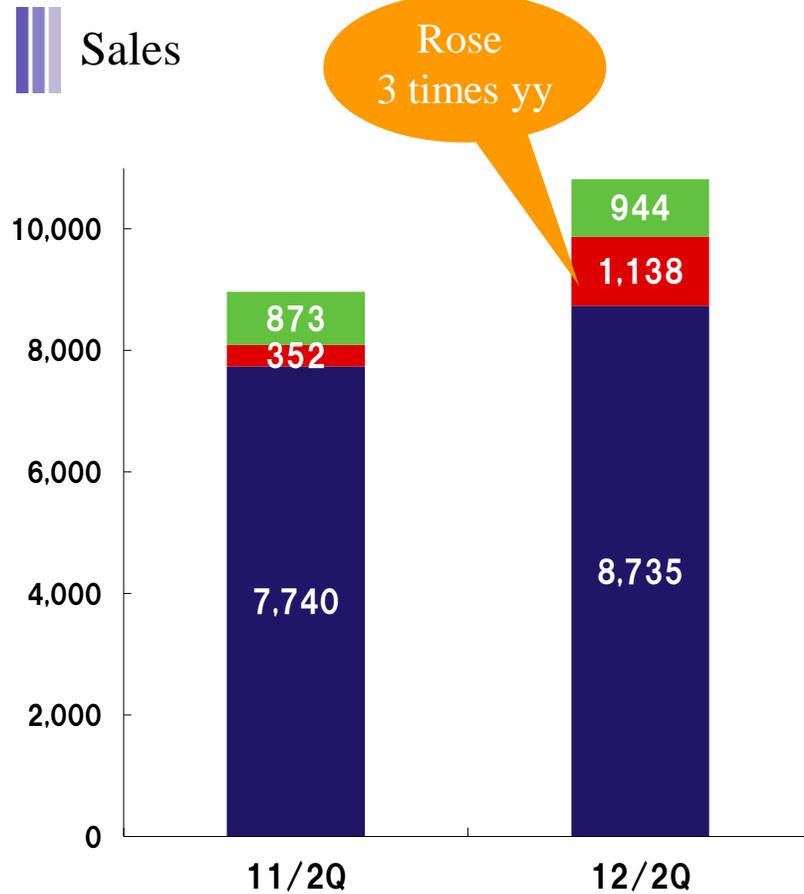
| |
|------------------------------------|
| Internet Marketing Business |
|------------------------------------|

| |
|--------------------------------|
| Media Contents Business |
|--------------------------------|

| |
|---------------|
| Others |
|---------------|

* Reported business segments in this document are the Internet Marketing and Media Contents Businesses

Business Segment Earnings (Jan-Mar)



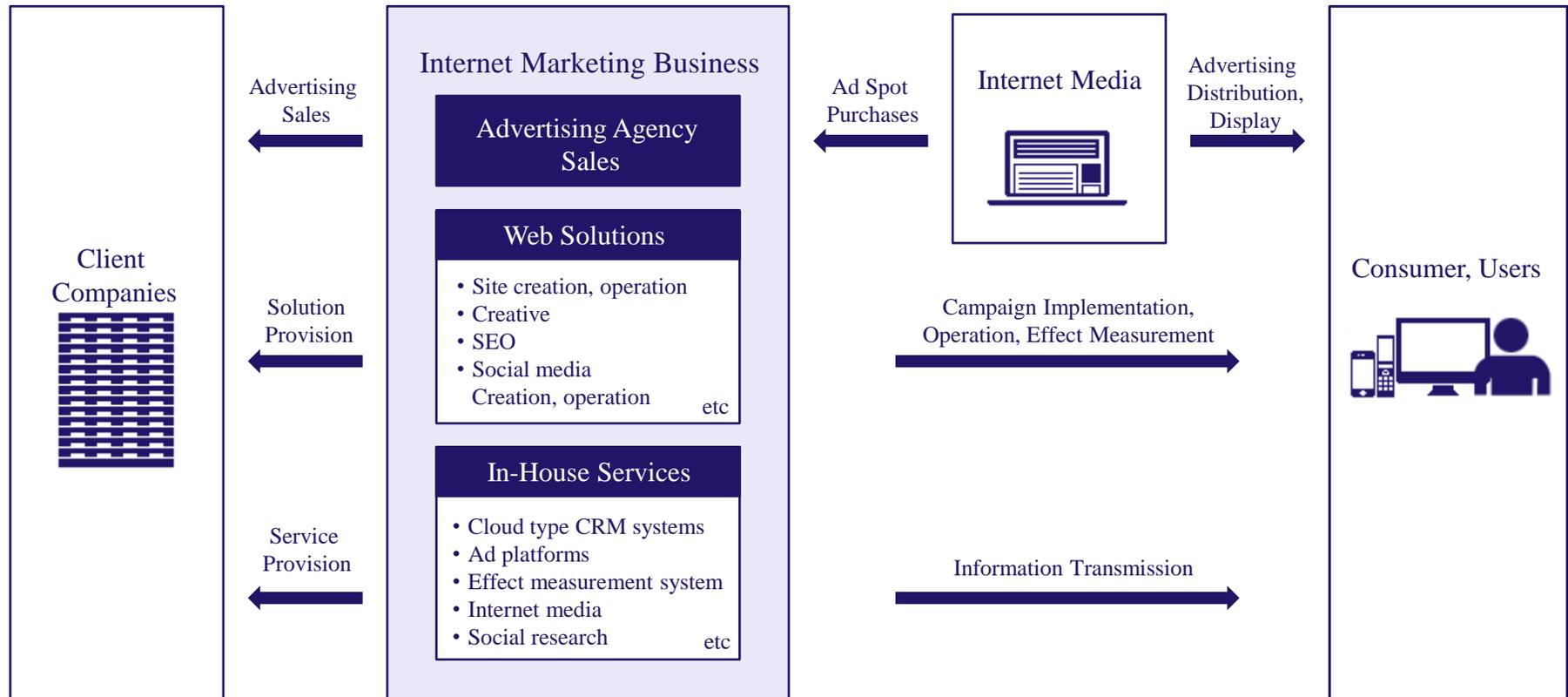
Internet Marketing
 Media Contents
 Others
 Adjustments (Company wide expenses)

* 2Q FY9/11 earnings by business segment have been revised to reflect the new business segments definitions

Internet Marketing Business Overview

Comprehensive **marketing support services** leveraging the Internet provided to corporations

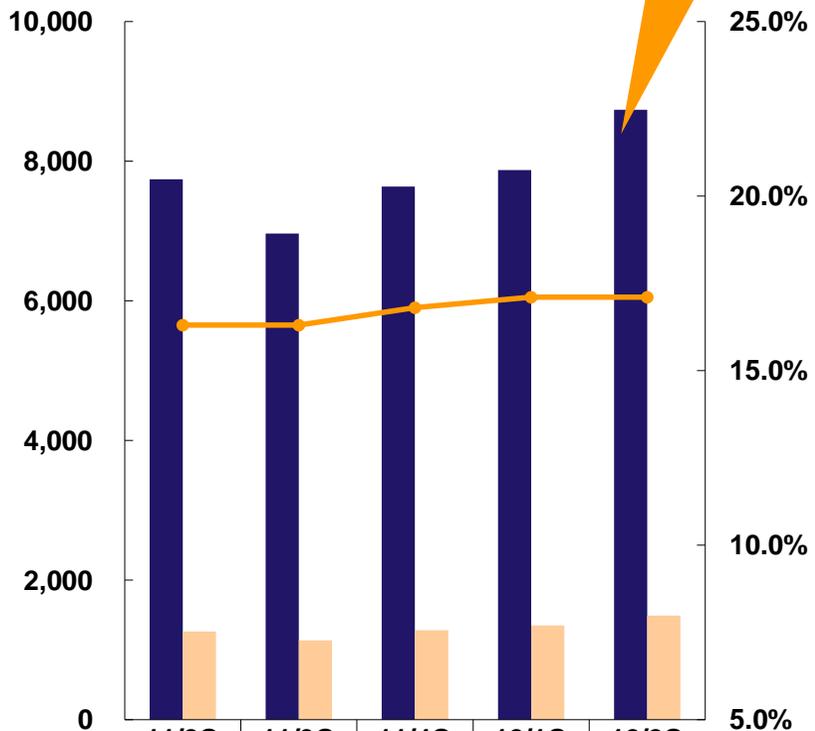
Providing a wide range of web solutions including sales of Internet advertising, and **in-house services** including marketing platforms for ad network and operation of cloud type CRM services



Internet Marketing Business Quarterly Earnings Trend

Sales, Gross Income

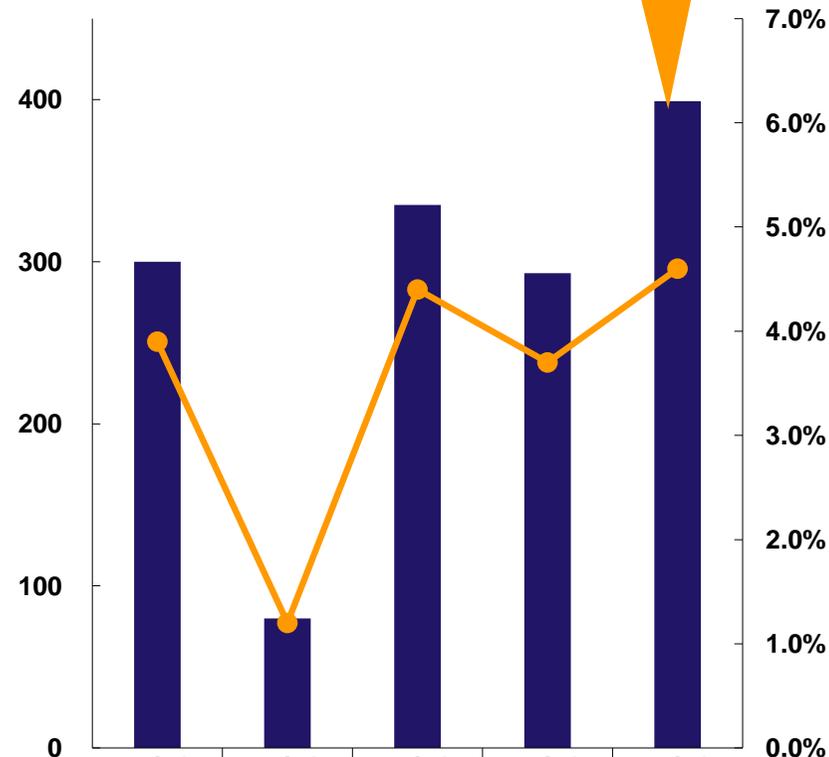
Record High



| | 11/2Q | 11/3Q | 11/4Q | 12/1Q | 12/2Q |
|--------------|-------|-------|-------|-------|-------|
| Sales | 7,740 | 6,961 | 7,637 | 7,872 | 8,735 |
| Gross Income | 1,263 | 1,134 | 1,282 | 1,347 | 1,491 |
| Gross Margin | 16.3% | 16.3% | 16.8% | 17.1% | 17.1% |

Operating Income

Record High



| | 11/2Q | 11/3Q | 11/4Q | 12/1Q | 12/2Q |
|------------------|-------|-------|-------|-------|-------|
| Operating Income | 300 | 80 | 335 | 293 | 399 |
| Operating Margin | 3.9% | 1.2% | 4.4% | 3.7% | 4.6% |

* 2Q FY9/11 to 4Q FY9/11 earnings data have been revised to reflect the new business segments definitions

Internet Marketing Business Conditions

2Q FY9/12 Earnings

| | Value | YY Change | QQ Change |
|------------------|--------------|----------------|----------------|
| Sales | 8,735 | +12.8% | +11.0% |
| Gross Income | 1,491 | +18.0% | +10.6% |
| Gross Margin | 17.1% | +0.8%pt | +0.0%pt |
| SG&A | 1,091 | +13.3% | +3.5% |
| Operating Income | 399 | +33.1% | +36.0% |
| Operating Margin | 4.6% | +0.7%pt | +0.9%pt |

Comments

- Increase in large projects, endeavors to capture term end demand led to **double digit sales growth**
- Increases in SG&A arising from higher personnel costs absorbed by higher sales, allowing operating income to grow by large margin
- Facebook** related services and **smartphone advertising** continue to grow strongly

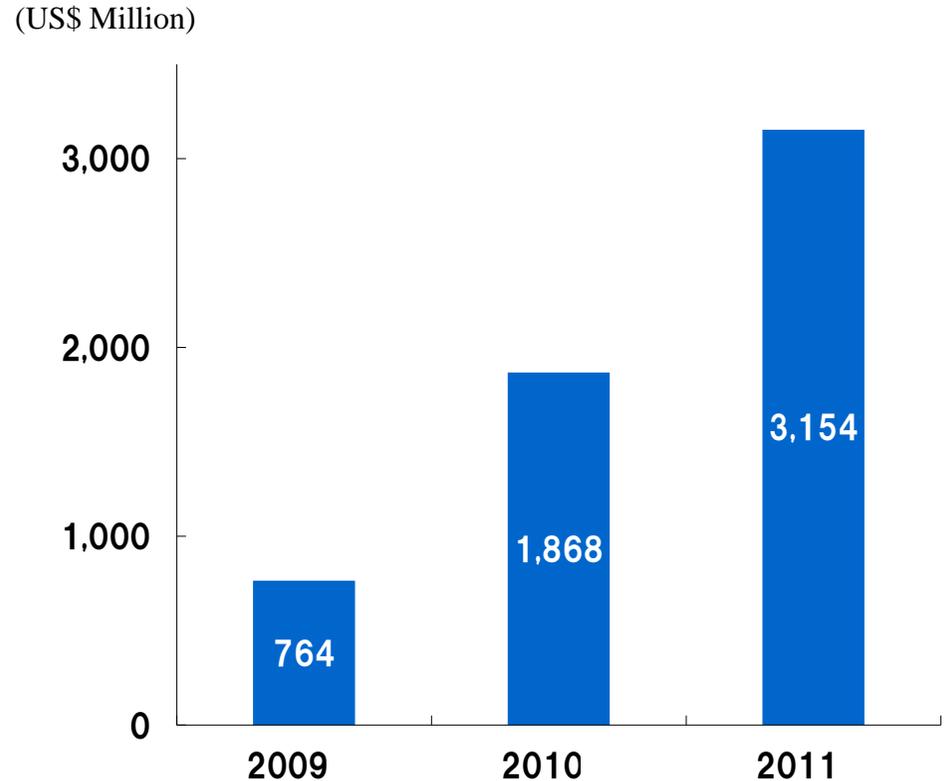
Facebook Related Services – Macro Environment

Facebook Active Monthly User Numbers

| | User Numbers (millions) | Relative to Population |
|-----------|----------------------------|---------------------------|
| Worldwide | 901 | About 13% |
| US | 169 | About 55% |
| Japan | 10 | About 8% |

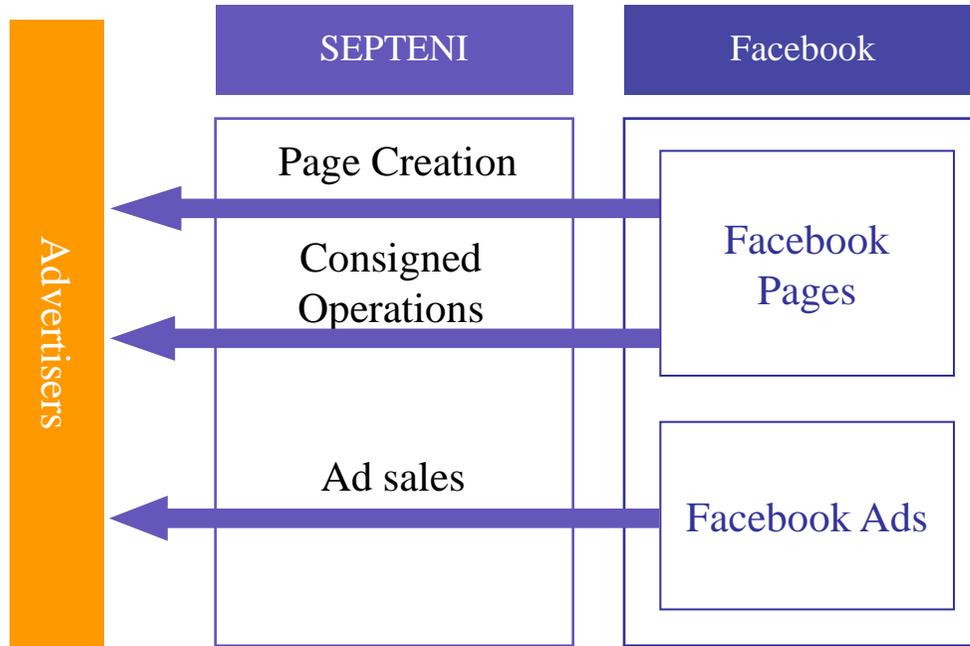
(Source: Compiled from Facebook data)

Facebook Advertising Sales Trend

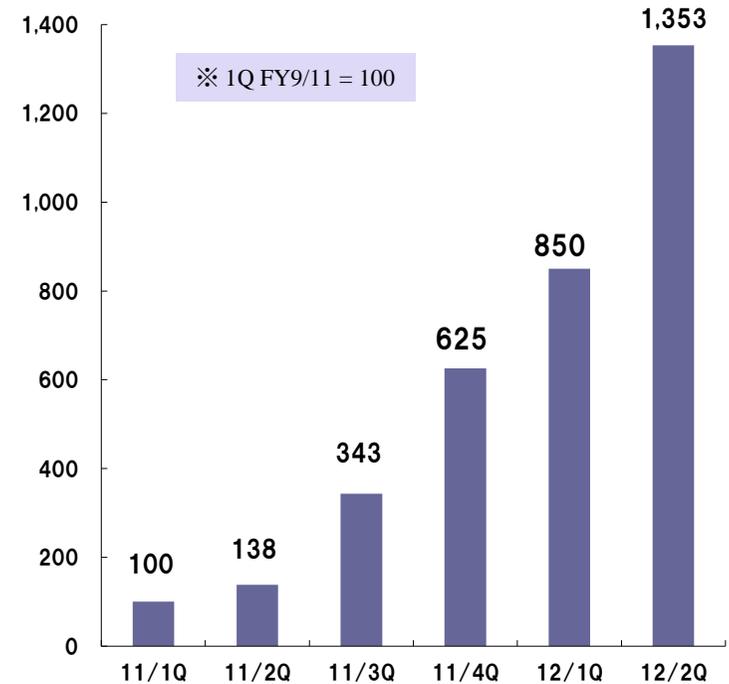


(Source: Facebook application for listing)

Facebook Related Services – Our Endeavors and Superiority



Facebook Related Sales Trend



- Provide one-stop services ranging from Facebook page creation to consigned operation, and foot traffic accumulation (Ads)
- Advantage of knowhow accumulation from specialized social media division through early market entry (July 2010)
- Currently transactions with over 100 companies
- Develop in-house services such as “BIRTHDAY CLAPPER” (Social Commerce)

Facebook Related Services – Case Study

Campaigns Leveraging Facebook Applications

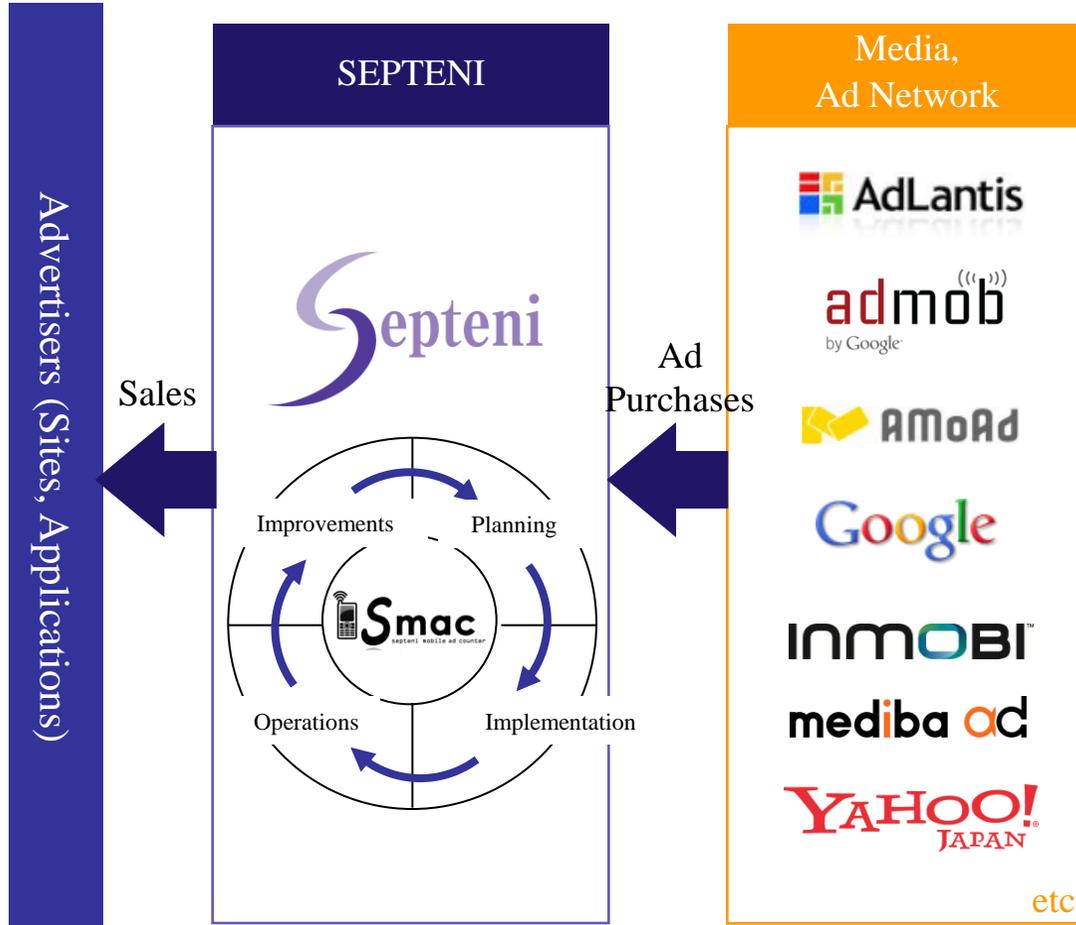
SAPPORO BREWERIES LTD. “Kanpai Challenge”

The screenshot shows the Facebook page for the 'Kanpai Challenge' (カンパイチャレンジ) by Sapporo Breweries Ltd. The page features a green and gold color scheme. At the top, there are navigation tabs for 'ホーム' (Home), '貯める' (Save), and 'ギフトに応募' (Apply for Gift). The main content area is divided into several sections: 'みんなのアクティブレベル' (Everyone's Activity Level) showing a grid of user avatars, '獲得したバッジ' (Badges Earned) with two circular icons, and 'あなたのアクティビティ' (Your Activity) listing recent visits and badge acquisitions. The page is powered by FanGager and includes a '友達を招待する' (Invite Friends) button.

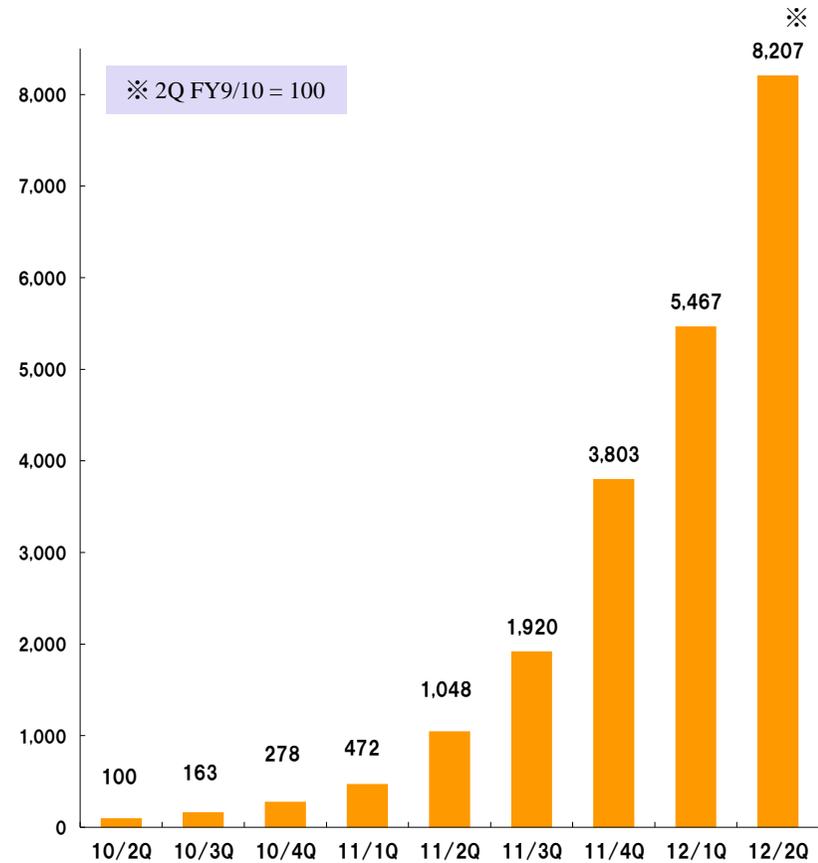
JTB Corp. “First Time Visits, Deciding on Experience in Each Prefecture”

The screenshot shows the Facebook page for JTB Corp. featuring a travel challenge. The page has a light blue and green color scheme. At the top, there are navigation tabs for 'JTB 経路地で決める、初体県の旅' (JTB Route-based Decision, First-time Prefecture Travel). The main content area is a large graphic with the text '王道旅行の食わず嫌い' (Classic Travel, Don't Try and Dislike) and 'あなたの「経路地」タイプは...' (Your 'Route Area' Type is...). A progress bar shows '[旅の達人度] 45/47' and five stars. Below this, there is a section for 'おすすめスポット 函館の夜景' (Recommended Spot: Night View of函館) with a photo of the city at night and a description: '1年で1番夜景がキレイに見えると言われる函館夜景の日(8月13日)には市内13ヶ所から絶景花火も打ち上げられます!' (On the day of the most beautiful night view in the country (August 13th), you can see spectacular fireworks from 13 spots in the city!). At the bottom, there is a red button that says '初体県スポットのカバー画像をゲットする!' (Get the cover image of the first-time prefecture spot!).

Smartphone Advertising



Smartphone Ad Sales Trend



※ Scope of listing advertisements expanded from 2Q FY9/12

Operate Facilities Within and Outside of Japan



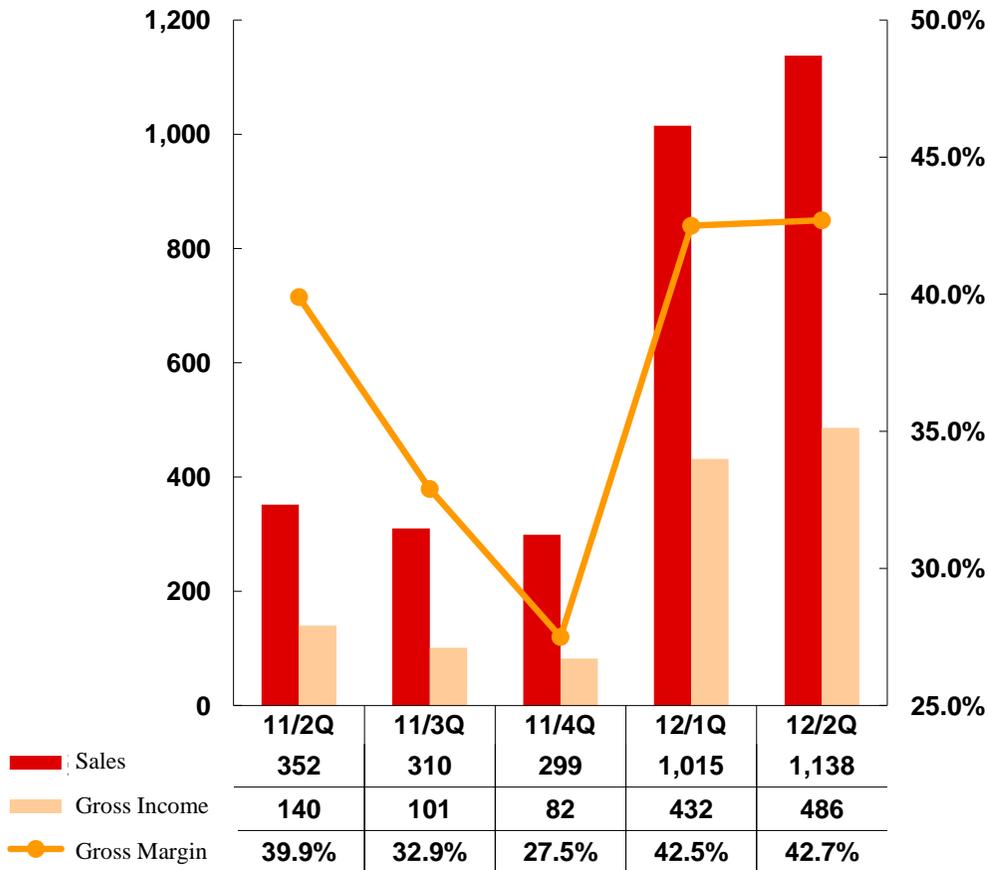
Media Contents Business Overview

Planning, development of various digital contents including social games for smartphones and conventional feature phones, provision of various platforms to users including SNS and cellular service carriers. Also operations for mobile media.

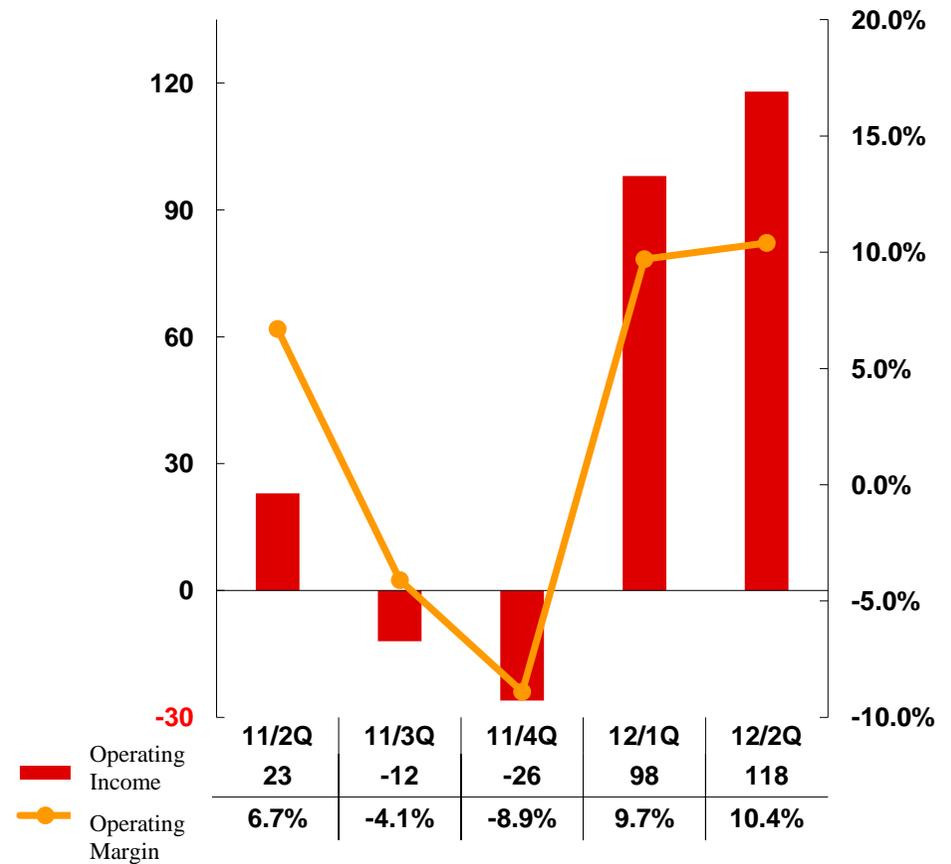


Media Contents Business Quarterly Earnings Trends

Sales, Gross Income



Operating Income



※ 2Q to 4Q FY9/11 earnings data have been revised to reflect new business segment definitions

Media Contents Business Overview

2Q FY9/12 Earnings

| | Value | YY Change | QQ Change |
|------------------|-------|-----------|-----------|
| Sales | 1,138 | +222.6% | +12.1% |
| Gross Income | 486 | +245.4% | +12.5% |
| Gross Margin | 42.7% | +2.8%pt | +0.2%pt |
| SG&A | 367 | +214.2% | +10.4% |
| Operating Income | 118 | +399.5% | +19.8% |
| Operating Margin | 10.4% | +3.7%pt | +0.7%pt |

Comments

- Social game sales rose 1.6 times quarter-over-quarter to **¥563 million** to account for about half of total segment sales
- Promoted fortification of social game division staffing
- Total registered social games users of AXEL MARK exceeded 1.0 million

Social Games

Aggressive Introduction of New Titles

Providing 6 Titles in Total Including Existing Titles

| | | | |
|--------------------|--|--|---|
| Providing Company |  AXEL MARK AXEL MARK INC. | |  CYTECH Cytech, Inc. |
| Platform | mobage | | GREE |
| Title |  Adventure Chronicle |  Legions of the sky※ |  War Maidens from Ruined Countries |
| Start of Provision | March 2, 2012 | Mid-May 2012 (Anticipated) | April 13, 2012 |
| Genre | Card Battle Games | | |

※ Additions: This title has been changed from “Ogre Battle Chronicle” to “Legion in the sky” on May 11, 2012.



2 ||| 1H Earnings and 3Q Estimates

Consolidated Income Statement (Oct to Mar)

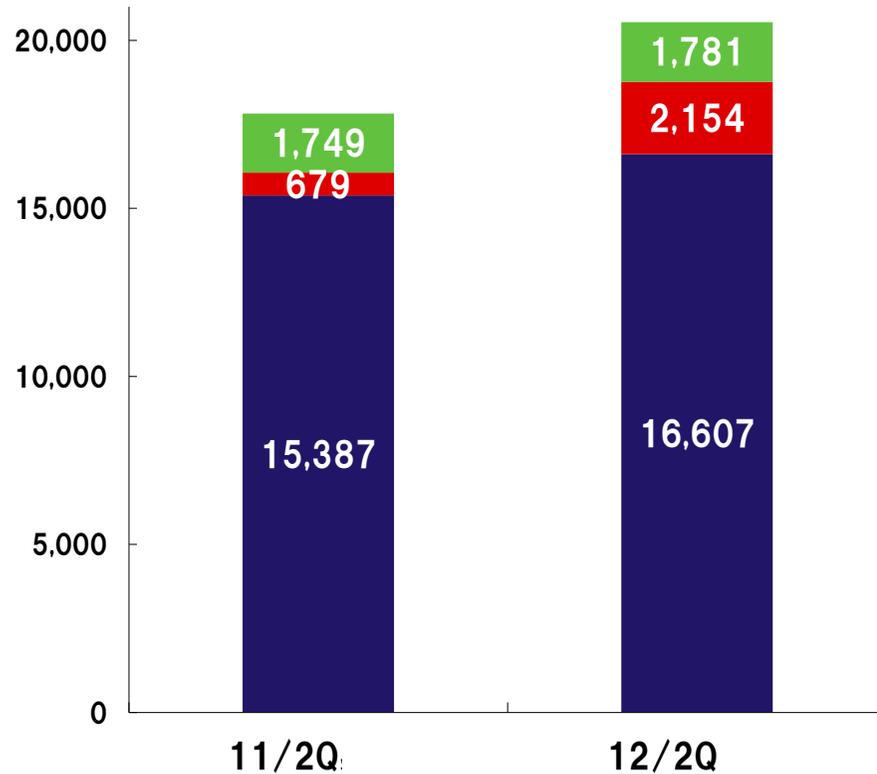
| | 1H FY9/12 | | | 1H FY9/11 | |
|------------------|---------------|--------|---------------|-----------|--------|
| | Value | Share | YY Change | Value | Share |
| Sales | 20,514 | 100.0% | +15.3% | 17,786 | 100.0% |
| Gross Income | 4,228 | 20.6% | +28.3% | 3,295 | 18.5% |
| SG&A | 3,363 | 16.4% | +24.0% | 2,711 | 15.2% |
| Operating Income | 865 | 4.2% | +48.1% | 584 | 3.3% |
| Ordinary Income | 931 | 4.5% | +65.2% | 563 | 3.2% |
| Net Income | 270 | 1.3% | -8.0% | 293 | 1.7% |

||| Sales, and operating and ordinary incomes all achieved new record highs by exceeding previous records by large margins

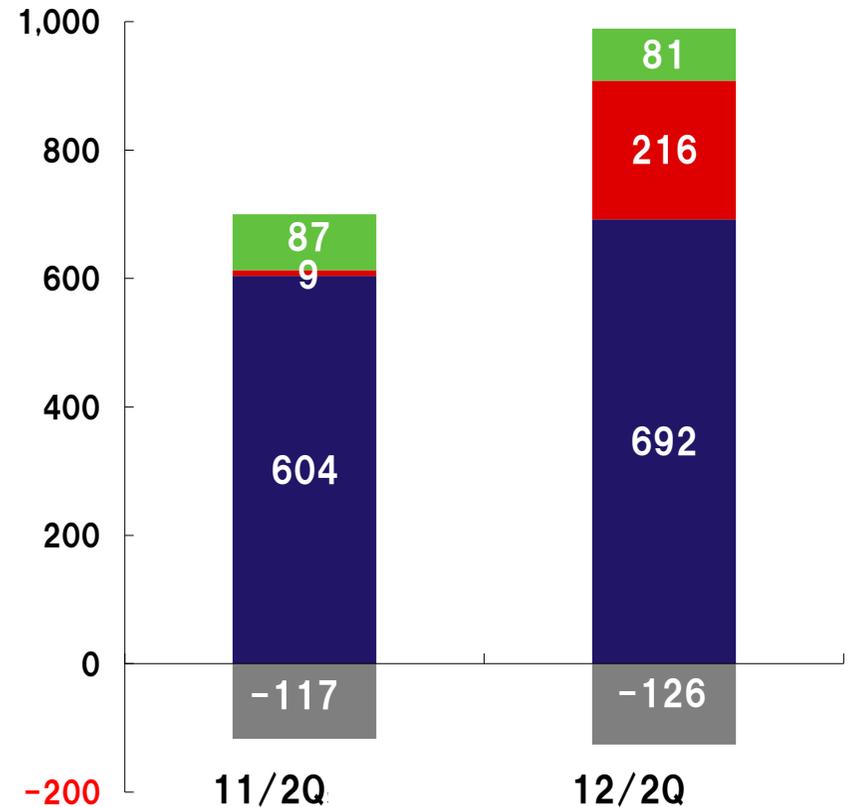
||| Extraordinary loss of ¥310 million recorded (Valuation loss resulting from staged acquisition was ¥154 million, impairment loss from goodwill was ¥130 million)

Business Segments Earnings (Oct to Mar)

Sales



Operating Income



■ Internet Marketing
 ■ Media Contents
 ■ Others
 ■ Adjustments (Company wide expenses)

※ 2Q FY9/11 earnings data have been revised to reflect new business segment definitions

3Q FY9/12 Consolidated Earnings Estimates

In consideration of changes in the business environment, **earnings estimates** for only the quarter immediately following the term for which results have been released will be issued

(Aggregated subsequent quarterly earnings estimates announced at the quarterly earnings announcement)

| | 1-3Q FY9/11 | First Half FY9/11 | 3Q FY9/11 Est. | 1-3Q FY9/12 Est. | YY Change |
|------------------|-------------|-------------------|----------------|------------------|---------------|
| Sales | 25,922 | 20,514 | 10,200 | 30,714 | +18.5% |
| Operating Income | 639 | 865 | 240 | 1,105 | +72.7% |
| Ordinary Income | 660 | 931 | 260 | 1,191 | +80.4% |
| Net Income | 352 | 270 | 140 | 410 | +16.4% |

- ||| Aggressive anticipatory investments in human resources (77 new employees hired in April, mid-career hires in the social game division)
- ||| Advertising expenses are expected to trend at high levels in order to expand social game sales

Midterm Business Plan Overview

Concept

“Septeni Original”

Converting **in-house services** into new businesses through aggressive investments in growth fields
Create **high growth, high profitability** business models

Business Focus

Mobile

Social

Platforms

Earnings Targets (FY9/13)

Sales: **¥ 50.0bn**

Operating Profit: **¥3.0bn**

Thank you for your interest!

Contact Information:

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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 May 7, 2012 and we do not guarantee their accuracy. Therefore our actual results may differ due to various unforeseen risk factors and changes in global economies.



3 ||| Appendix

Company Overview

As of March 31, 2012

| | |
|------------------------|--|
| Company Name | SEPTENI HOLDINGS CO., LTD. |
| Representative | President and Representative Director Koki Sato |
| Headquarters | Sumitomo Fudosan Shinjuku Grand Tower 28 th Floor, 8-17-1 Nishishinjuku, Shinjuku-ku, Tokyo |
| Stock Code | 4293 (JASDAQ) |
| Business Realm | The holding company for a group of companies conducting Internet advertising and other businesses |
| Established | October 29, 1990 |
| Capitalization | ¥2,007 million |
| Shares Issued | 134,749 shares (Including 8,923 treasury shares) |
| Consolidated Workforce | 668 Full time employees, 749 Full time and contracted employees |

Main Group Companies by Business Segment

Holding Company

SEPTENI HOLDINGS CO., LTD.

As of May 7, 2012

Internet Marketing Business

| | |
|--------------------------------|--|
| SEPTENI CO., LTD. | Internet Advertising |
| mume, Inc | Mobile Advertising |
| MANGO, Inc. | SEM Operation |
| Vasara Inc. | Internet Advertising |
| HighScore, Inc. | Social Media, Marketing Support |
| GRP Co., Ltd. | Television Advertising |
| EAGLE i Co., Ltd. | Ad Network |
| Septeni Asia Pacific Pte. Ltd. | Internet Advertising for the Asia Pacific Region |
| SETPENICROSSGATE CO., LTD. | Affiliate Network |
| ASP CO., LTD. | e-Marketing Solutions |
| Tricorn Corporation | CRM Services |
| TRIGGER INC. | Social Research |

Media Contents Business

| | |
|----------------|---------------------|
| AXEL MARK INC. | Mobile Contents |
| Cytech, Inc. | Social Applications |

Others

| | |
|-----------------------------------|-------------|
| SEPTENI DIRECTMARKETING CO., LTD. | Direct Mail |
| ACRESS | Mail-order |

New Business Development

SEPTENI VENTURES Co., Ltd.

Consolidated Balance Sheet

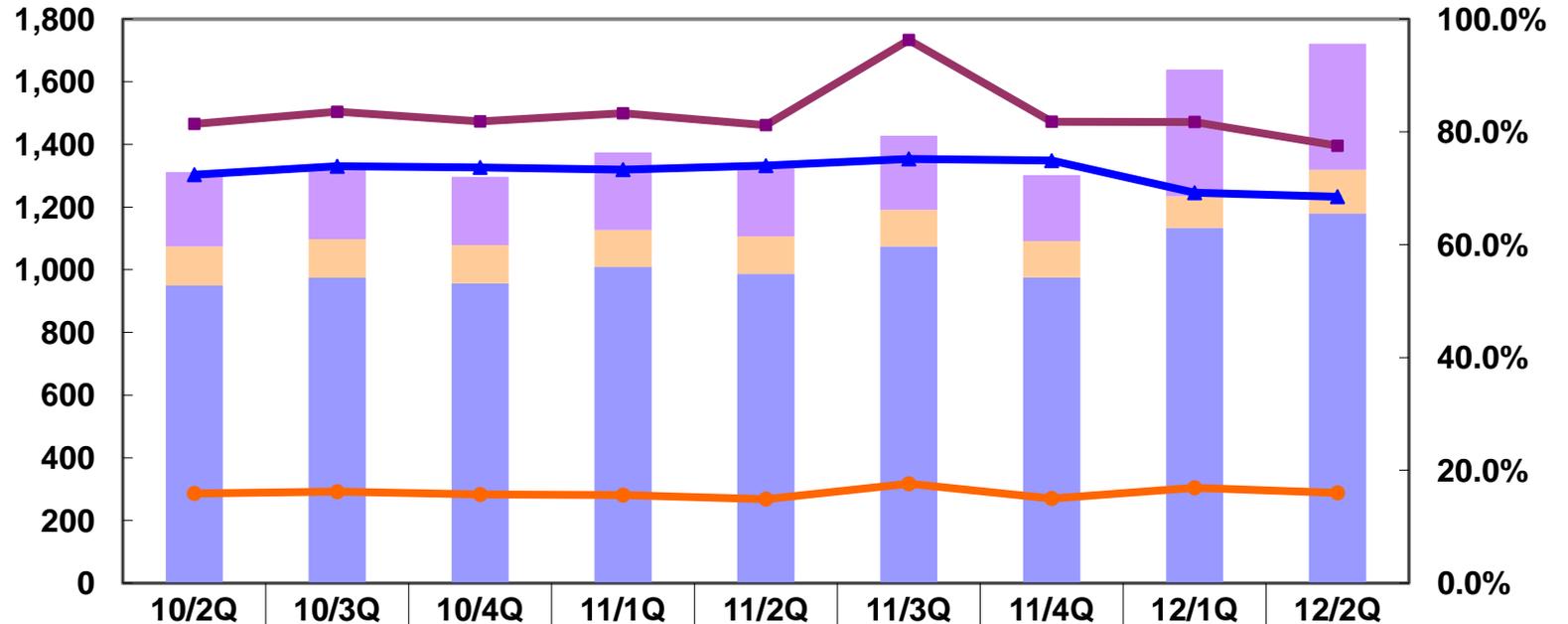
(Units: Million Yen)

| | End 2Q FY9/12 | End 1Q FY9/12 | Change | Main Changes |
|--|---------------|---------------|---------------|--|
| Current Assets | 11,596 | 10,119 | +1,477 | Cash, equivalents: +596 Notes, accounts receivables: +865 |
| Fixed Assets | 2,618 | 3,127 | -509 | Security deposits, deposits: -485 Goodwill: -158 |
| Total Assets | 14,214 | 13,247 | +967 | |
| Current Liabilities | 7,105 | 6,277 | +827 | Accounts payables: +705 Unpaid taxes: +254 |
| Fixed Liabilities | 264 | 296 | -32 | |
| Total Liabilities | 7,369 | 6,574 | +795 | |
| Total Net Assets | 6,845 | 6,673 | +172 | Retained earnings: +141 |
| Total Liabilities, Net Assets | 14,214 | 13,247 | +967 | |

Consolidated Cash Flow

| | 2Q FY9/12 (Jan-Mar) | Main Changes | 2Q FY9/11 (Jan-Mar) |
|-------------------------------------|------------------------|---|------------------------|
| Cash Flow from Operating Activities | 594 | Net income before taxes, adjustments: +378 Bonus reserves: +136 Impairment loss: +130 | 88 |
| Cash Flow from Investing Activities | 39 | Deposit Returns: +356 Tangible fixed asset acquisition: -305 | -252 |
| Cash Flow from Financing Activities | - 37 | Decline in debt: -30 | -175 |
| Change in Cash and Equivalents | 596 | | -339 |
| Cash and Equivalents at Term End | 5,149 | | 4,772 |

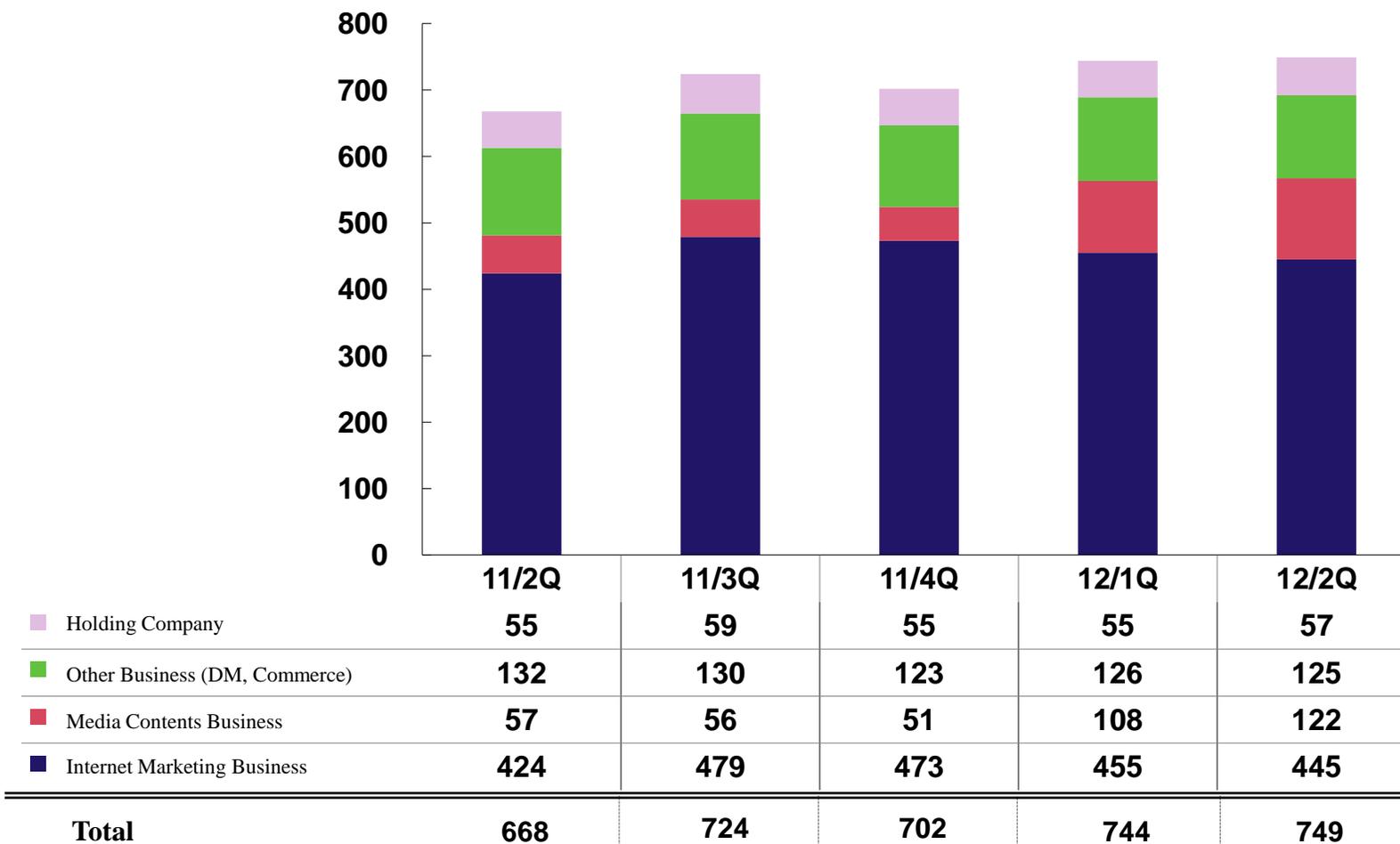
Consolidated SG&A Expense Trend



| | | | | | | | | | |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Others (Incl. advertising) | 238 | 222 | 219 | 247 | 227 | 236 | 211 | 405 | 402 |
| Office related | 124 | 122 | 121 | 118 | 119 | 117 | 115 | 100 | 140 |
| Labor | 950 | 975 | 957 | 1,009 | 987 | 1,074 | 976 | 1,134 | 1,179 |
| SG&A to sales margin | 15.9% | 16.2% | 15.7% | 15.6% | 14.9% | 17.6% | 15.0% | 16.9% | 16.0% |
| Labor margin | 72.4% | 73.9% | 73.7% | 73.3% | 74.0% | 75.2% | 74.9% | 69.2% | 68.5% |
| SG&A to gross income | 81.4% | 83.6% | 81.9% | 83.3% | 81.2% | 96.3% | 81.8% | 81.8% | 77.5% |
| Total SG&A | 1,314 | 1,321 | 1,299 | 1,376 | 1,335 | 1,428 | 1,304 | 1,640 | 1,722 |

SEPTENI Group Work Force Number Trend

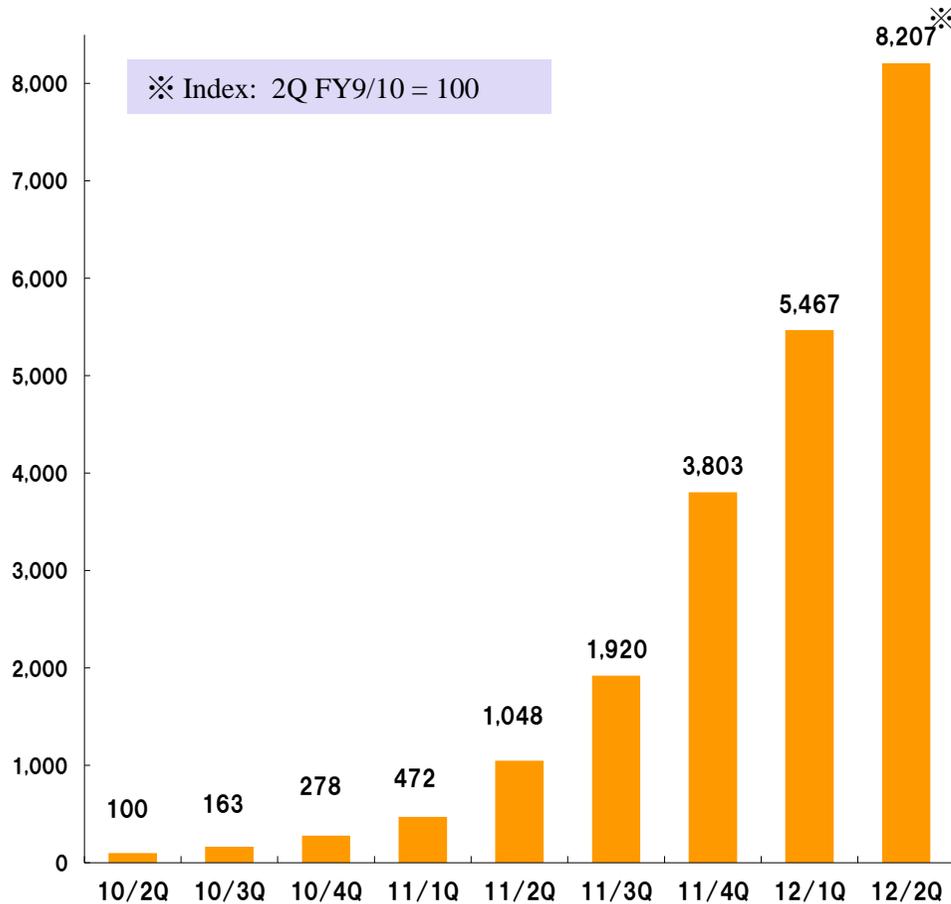
(Units: Persons)



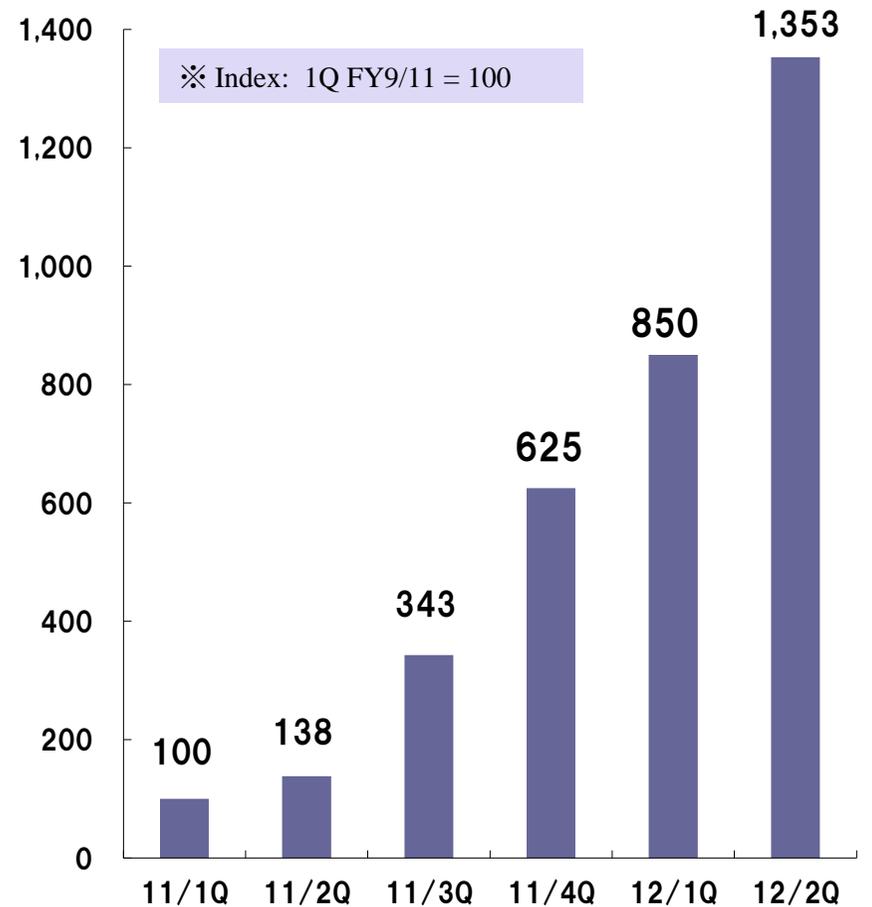
※ 2Q FY9/11 to 4Q FY9/11 data have been revised to reflect new business segment definitions.

Focus of the Internet Marketing Business

Smartphone Advertising Sales Trend



Facebook Related Sales Trend



* From 2Q FY9/12 the scope of listing advertising was expanded