Summary of Consolidated Business Results for the Fiscal Year Ended September 30, 2013

November 5, 2013

SEPTENI HOLDINGS CO., LTD. Listed Market: TSE
Stock Code: 4293 URL: http://www.septeni-holdings.co.jp/en
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Anticipated General Annual Shareholder Meeting Date: December 20, 2013
Anticipated Dividend Payment Date: December 4, 2013
Anticipated Financial Report Filing Date: December 20, 2013
Supplemental Earnings Presentation Materials: Available
Earnings Presentation Meeting: Held for institutional investors, analysts, media

(All figures of less than 1 million yen are rounded down to the nearest digit)

1. Consolidated Earnings for the Fiscal Year Ended September 2013 (October 1, 2012 – September 30, 2013)

(1) Consolidated Earnings

(% figures represent year-over-year change)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
FY9/13	45,982	11.2	1,593	4.3	1,752	7.0	1,207	78.3
FY9/12	41,358	19.4	1,527	64.5	1,638	67.2	677	57.8

(Note) Comprehensive income: ¥1,251 million in FY9/13 (63.1%); ¥767 million in FY9/12 (83.7%)

	EPS	Fully Diluted EPS	ROE	ROA	Operating Margin
	Yen	Yen	%	%	%
FY9/13	47.90	46.56	17.2	11.5	3.5
FY9/12	26.91	26.22	10.9	12.3	3.7

(Reference) Minority shareholding income: ¥100 million in FY9/13; ¥113 million in FY9/12
(Note) The Company implemented a 200-for-1 stock split for its common stock on October 1, 2013. EPS and fully diluted EPS are calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net Asset Ratio	Book Value per Share
	Million Yen	Million Yen	%	Yen
FY9/13	16,023	8,380	47.3	300.26
FY9/12	14,362	7,246	45.0	256.85

(Reference) Capital: ¥7,574 million in FY9/13; ¥6,467 million in FY9/12
(Note) The Company implemented a 200-for-1 stock split for its common stock on October 1, 2013. Book value per share is calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(3) Consolidated Cash Flow Conditions

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and Equivalents
	Million Yen	Million Yen	Million Yen	Million Yen
FY9/13	1,094	417	-85	6,570
FY9/12	1,183	-401	-242	5,131

2. Dividend Conditions

	Dividends					Total Value of Dividends	Dividend Payout Ratio (Consolidated)	Dividend to Net Asset Ratio (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Term-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
FY9/12	—	—	—	1,000.00	1,000.00	125	18.6	2.0
FY9/13	—	—	—	1,400.00	1,400.00	176	14.6	2.5
FY9/14 Estimate	—	—	—	—	—		—	

(Note) 1. Estimates for dividends in the fiscal year ending September 30, 2014 have yet to be decided. For the dividend policy, please refer to "1. Earnings Performance, Financial Conditions Analysis, (3) Basic Policy Regarding the Distribution of Profits, and Dividends in the Current and Next Terms."
2. The Company implemented a 200-for-1 stock split for its common stock on October 1, 2013. The figures for the fiscal year ended September 30, 2013 are stated based on the number of shares before the stock split.

3. Earnings Estimates for the First Quarter of the Fiscal Year Ending September 30, 2014 (October 1, 2013 – December 31, 2013)

(% figures represent year-over-year change)

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
1st quarter (cumulative)	12,400	13.8	580	99.5	590	74.5	340	82.2	13.48

(Note) Instead of full-year earnings estimates, the Company discloses its earnings estimates for the next quarter. For details, please refer to "1. Earnings Performance, Financial Conditions Analysis, (1) Earnings Performance Analysis" in this document.

* Annotation
(1) Important changes in subsidiaries, including changes in the scope of consolidation: None
(2) Changes in accounting methods, procedures, presentation methods

Changes accompanying revisions in accounting standards:	None
Other changes in accounting methods:	None
Changes in accounting estimates:	None
Redisplay of revisions:	None

(3) Shares issued (common stock)

Shares issued as of term-end (incl. Treasury stock):	FY9/13	27,011,200	FY9/12	26,963,800
Treasury stock as of tem-end:	FY9/13	1,784,600	FY9/12	1,784,600
Average number of shares outstanding:	FY9/13	25,201,633	FY9/12	25,168,700

(Note) The Company implemented a 200-for-1 stock split for its common stock on October 1, 2013. The shares issued (common stock) were calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(Reference) Non-Consolidated Earnings Overview

1. Non-Consolidated Earnings for the Fiscal Year Ended September 2013 (October 1, 2012 – September 30, 2013)

(1) Non-Consolidated Earnings

(% figures represent year-over-year change)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
FY9/13	1,908	24.3	659	61.8	694	80.8	136	-44.4
FY9/12	1,535	5.7	407	-32.7	384	-35.2	246	-45.6

	EPS	Fully Diluted EPS
	Yen	Yen
FY9/13	5.43	5.28
FY9/12	9.78	9.53

(Note) The Company implemented a 200-for-1 stock split for its common stock on October 1, 2013. EPS and fully diluted EPS are calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Net Asset Ratio	Book Value per Share
	Million Yen	Million Yen	%	Yen
FY9/13	6,983	6,267	89.0	246.53
FY9/12	6,989	6,209	88.4	245.45

(Reference) Capital: ¥6,219 million in FY9/13; ¥6,180 million in FY9/12
(Note) The Company implemented a 200-for-1 stock split for its common stock on October 1, 2013. Book value per share is calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

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1. Earnings Performance, Financial Conditions Analysis

(1) Earnings Performance Analysis

(Earnings Performance in the Current Term)

During the current term, the Japanese economy followed an upward trend, albeit a moderate one, as corporate earnings improved, particularly in export-oriented industries, and consumer spending recovered, reflecting a correction in the excessive appreciation of the yen due to expectations for the economic and fiscal policies of the current government, inaugurated in December 2012, and monetary easing policy.

With regard to the Internet business environment in which the SEPTENI Group operates, while Internet use via personal computers has become commonplace, the rapid dissemination of smartphones has increased their presence as a new way to access the Internet, and as a result, the market for smartphone advertising and related services is expanding. Also, due to the rise of social networking services (SNS) and other social media, new business opportunities such as marketing support and social games, which take advantage of these social media, have been increasing.

In this environment, the Group was able to expand its operations and increase profitability in its mainstay Internet Marketing Business by promoting business operations focusing on growth areas, namely “smartphones” and “social media.” In addition, it began making upfront investments in human resources and new businesses, etc. to strengthen its future competitiveness. As a result, the Group achieved growth in both sales and profits, with net sales increasing to ¥45,982 million (up 11.2% year on year) and operating income rising to ¥1,593 million (up 4.3% year on year) on a consolidated basis. Ordinary income came to ¥1,752 million (up 7.0% year on year), partly reflecting an increase in non-operating income due to a rise in gains on the valuation of investment securities, etc. The Group also posted total extraordinary income of ¥313 million from selling two Group companies in the second quarter.

Therefore, net income rose by 78.3% year on year, to ¥1,207 million. All sales and income figures represent new record highs.

We discuss the business performance of each of our business segments below.

Internet Marketing Business

In the Internet Marketing Business, we provide comprehensive marketing support services to customers by leveraging the power of the Internet. Specifically, we engage in sales of Internet advertising and provision of Web solutions (website creation and operation, SEO services) in addition to in-house services including marketing platform operations for ad networks and cloud-based CRM services.

During the current term, the segment was able to steadily expand its operations against the backdrop of improving business confidence and higher demand for performance-based advertising represented by advertisements targeting keywords. Sales rose particularly strongly in smartphone advertising, a growth area, posting an increase of approximately 2.6 times sales from the previous term. In marketing support services using Facebook (the world’s largest SNS), an area the Group is strong in, advertising billings increased substantially, thanks to an increase in the number of users and the launch of advertising materials for mobile phones (smartphones). As such, the Group made considerable progress in its targeted businesses. In addition, local subsidiaries established in the United States (San Francisco) and Singapore in the previous term continued to develop their customer bases, and the Group began creating a business foundation overseas by establishing a local subsidiary in Hanoi, Vietnam, as a development base for the Company’s own services.

As a result of these developments, net sales and operating income rose by 17.4% and 44.5% year on year, to ¥39,458 million and ¥2,016 million, respectively.

Media Content Business

In the Media Content Business, we plan and develop various digital content, including social games, music, publications, streaming video, fortune telling, etc. to provide to individual users of smartphones and feature phones via SNS, mobile phone carriers, and other platforms.

During the current term, we expanded segment operations by releasing some new social game titles, a targeted area. As a result, we maintained a certain presence in browser games on SNS. However, sales in the social game business exhibited sluggish performance, declining 5% year on year, to approximately ¥2.0 billion, partly due to changes in the business environment such as growth in the native applications (game applications for smartphones) market. Given these environmental changes, we strived to improve our earnings and development capabilities by actively engaging in collaboration and commissioned orders from the third quarter. As part of these endeavors, AXEL MARK INC. established the first native application in collaboration with SEGA.

Meanwhile, we made upfront investments to develop new businesses other than games, including the Manga content business.

As a result of the above, net sales came to ¥3,714 million (down 14.3% year on year), and operating loss came to ¥219 million (compared with operating income of ¥227 million in the previous term).

(Earnings Estimates for the Next Term)

For the term ending September 30, 2014, the Group aims to increase its operating income on a consolidated basis by increasing its profits in the Internet Marketing Business, while continuing to aggressively invest in new businesses, with an eye on medium- and long-term growth.

With respect to the Internet Marketing Business, we will seek to expand operations and improve profitability on a sustainable basis by focusing on the three key business areas of “Mobile,” “Social,” and “Global.”

Regarding the mobile game business in the Media Content Business, we plan to mainly focus on the native applications business, where the market is expected to grow, by reallocating our management resources. With respect to new businesses, we plan to make active investments to improve profitability, mainly in the Manga content business.

(First Quarter Earnings Estimates)

The Company publishes its earnings estimates for the next quarter when it announces its quarterly results.

For the first quarter of the term ending September 30, 2014, we expect both sales and profits to increase, given that the business performance of our mainstay Internet Marketing Business remains firm. In this business segment, as temporary factors to boost gross profit are expected to arise only in the first quarter, they are expected to push up operating income, in addition to growth in profits, due to higher sales.

In the Media Content Business, although sales are expected to decline due to a dearth of new mobile game titles for release, operating loss is anticipated to shrink on a year-on-year basis, thanks to a reduction in expenses, among other factors.

Given these circumstances, today the Company announced its earnings estimates for the first quarter of the fiscal year ending September 30, 2014, as follows:

Earnings Estimates for the First Quarter of the Fiscal Year Ending September 30, 2014 (October 1, 2013 – December 31, 2013)

Net Sales	¥12,400 million
Operating Income	¥580 million
Ordinary Income	¥590 million
Net Income	¥340 million

The estimates stated above are our forecasts based on the information currently available, and contain uncertain elements to a large extent. Actual earnings may differ from the above estimates due to various factors.

(2) Financial Condition Analysis

Assets, Liabilities, Net Asset Conditions

(Assets)

Current assets grew by ¥2,121 million from the end of the previous term, to ¥13,502 million at the end of the current term due to increases in cash and deposits and notes and accounts receivable-trade of ¥1,539 million and ¥745 million, respectively.

Non-current assets declined ¥460 million from the end of the previous term, to ¥2,520 million, mainly attributable to a

¥121 million drop in goodwill and a ¥267 million decline in investment securities, despite an increase in software in progress of ¥126 million.

As a result of these changes, total assets rose by ¥1,660 million from the end of the previous term, to ¥16,023 million at the end of the current term.

(Liabilities)

Current liabilities rose by ¥701 million from the end of the previous term, to ¥7,590 million at the end of the current term, partly due to ¥637 million and ¥189 million increases in accounts payable-trade and short-term loans payable, respectively, despite a ¥111 million decrease in accounts payable-other.

Non-current liabilities declined by ¥174 million from the end of the previous term, to ¥52 million, primarily attributable to a ¥126 million decrease in long-term loans payable.

Consequently, total liabilities grew by ¥526 million, to ¥7,643 million over the same period.

(Net Assets)

Net assets grew by ¥1,134 million from the end of the previous term, to ¥8,380 million, partly due to inflow from net income of ¥1,207 million, which offset ¥125 million in dividend payments.

Cash Flow Conditions

During the current fiscal year, cash and equivalents grew by ¥1,439 million from the end of the previous term, to ¥6,570 million.

We provide the details of our various cash flows for the current fiscal year below.

(Cash Flow from Operating Activities)

During the current fiscal year, we saw a net inflow of ¥1,094 million from operating activities, compared with a ¥1,183 million inflow in the previous term.

Factors contributing to this inflow included a ¥753 million increase in receivables, ¥850 million in corporate tax payments, a ¥688 million increase in payables, and the realization of ¥1,999 million in net income before taxes.

(Cash Flow from Investing Activities)

A net cash inflow of ¥417 million was seen in investing activities, compared with an outflow of ¥401 million in the previous term.

The factors contributing to this inflow included ¥617 million in proceeds from the sale of investment securities, which offset ¥100 million in payments into time deposits, ¥59 million in purchases of property, plant and equipment, and ¥160 million in purchases of intangible assets.

(Cash Flow from Financing Activities)

In the current term, a net cash outflow of ¥85 million was recorded in financing activities, compared with an outflow of ¥242 million in the previous term.

This outflow is attributed to a ¥137 million repayment of long-term loans payable and ¥125 million in cash dividends paid, which offset a ¥189 million increase in short-term loans payable, etc.

(Reference) Trends in Cash Flow-Related Indicators

	FY9/09	FY9/10	FY9/11	FY9/12	FY9/13
Net Asset Ratio (%)	44.0	45.3	48.6	45.0	47.3
Capital Adequacy Ratio, Market Capitalization Based (%)	53.7	43.6	42.8	62.0	139.5
Cash Flow to Interest-Bearing Debt Ratio (%)	531.2	122.0	155.5	73.7	77.9
Interest Coverage Ratio	13.5	66.2	46.5	116.6	180.0

Net Asset Ratio: Net Assets / Total Assets
Capital Adequacy Ratio: Market Capitalization / Total Assets
Cash Flow to Interest-Bearing Debt Ratio: Interest-Bearing Debt / Cash Flow from Operating Activities
Interest Coverage Ratio: Cash Flow from Operating Activities / Interest Payments

1. Each indicator is based on consolidated financial data.
2. Market capitalization is based on outstanding shares, excluding treasury stock.
3. Cash flow is based on cash flow from operating activities.
4. Interest-bearing debt includes all liabilities on our consolidated balance sheet that bear interest payments.

(3) Basic Policy Regarding the Distribution of Profits, and Dividends in the Current and Next Terms

We recognize that returning profits to our shareholders is a key management issue, and will flexibly implement the policy outlined below regarding the appropriate distribution of profits.

With regard to the distribution of retained earnings, we will consider our consolidated earnings performance, the need to fortify our financial position, and the Group’s forward-looking business strategy while at the same time endeavoring to maintain a dividend payout ratio of around 15%. Furthermore, we have established a minimum full-year dividend target level of 1,000 yen per share,* and seek to strike a balance between stable dividends and an appropriate level of profit distribution to allow us to grow our earnings. In addition, we will endeavor to utilize our retained earnings for investments in training personnel, optimizing and reinvigorating our existing businesses, and capturing new business areas that have the potential for high growth and profitability.

Based on these policies, we expect to pay a ¥1,400 dividend per share during the current fiscal year.

Furthermore, with regard to dividends in the next term, we expect to implement a dividend in accordance with the abovementioned policy, and will announce the specific value for our dividend estimate as soon as we announce earnings estimates for the full year.

* The minimum full-year dividend target level will be ¥5 from the fiscal year ending September 30, 2014, due to the 200-for-1 stock split implemented on October 1, 2013.

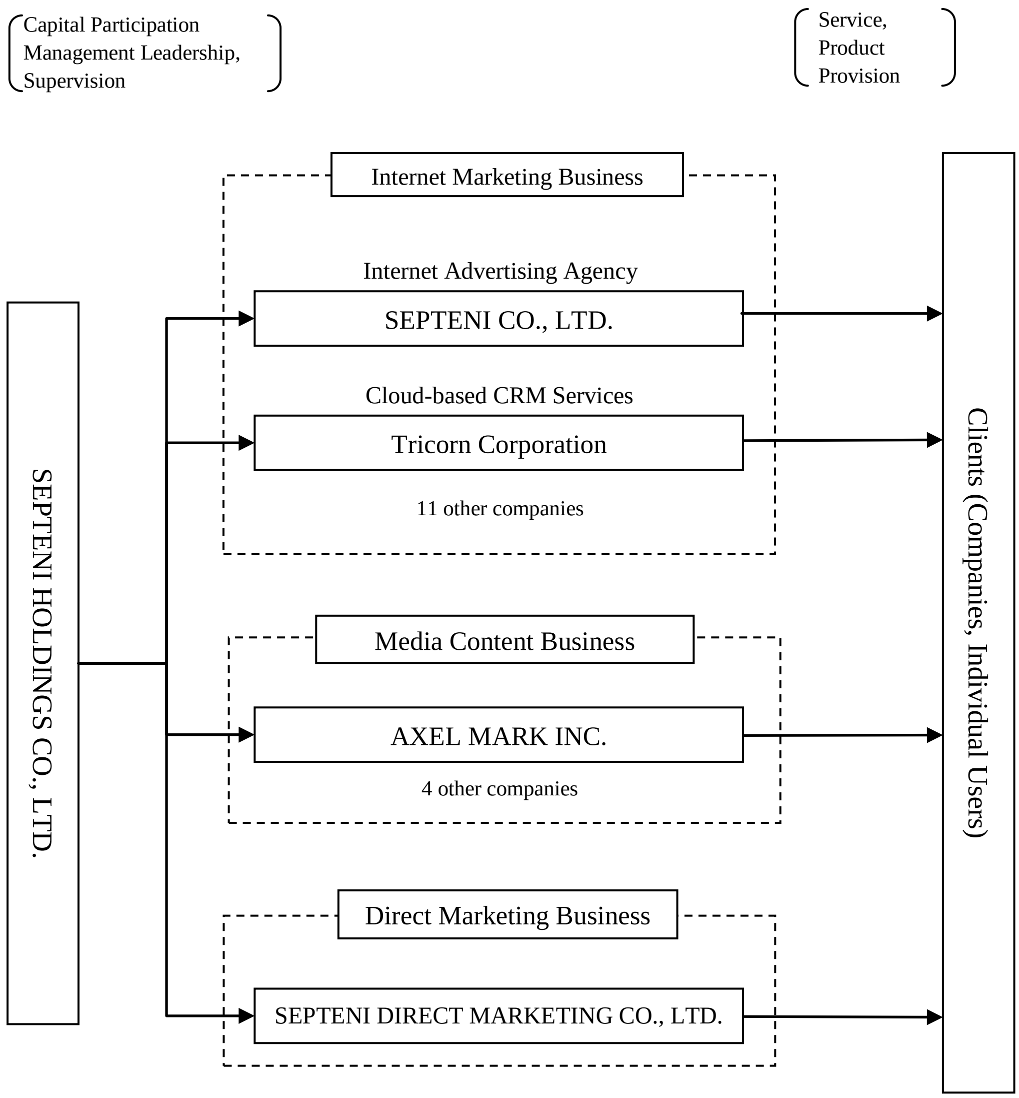
2. Corporate Structure

As of September 30, 2013, the SEPTENI Group comprises the holding company SEPTENI HOLDINGS, 19 consolidated subsidiaries, and two equity accounting method held affiliates and is engaged in Internet marketing, media content, and direct marketing businesses.

Below is description of businesses and a breakdown of the companies that belong to each of the Group's business segments.

Business Segment	Business Description	Main Consolidated Subsidiaries
Internet Marketing	Internet advertising sales, Web solutions (website creation, operation, SEO services), marketing platform operations for ad networks, cloud-based CRM services, Internet marketing support services for corporations	SEPTENI CO., LTD. Tricorn Corporation
Media Content	Various kinds of digital content for smartphones and feature phones (social games, music, publications, streaming video, fortune telling, etc.), mobile media operations	AXEL MARK INC.
Direct Marketing	Consigned sales promotion direct mailing, paper media mailings	SEPTENI DIRECT MARKETING CO., LTD.

SEPTENI's Corporate Structure



3. Management Policy

(1) Basic Corporate Management Policy

As no important revisions have been made since the announcement of earnings for the fiscal year ended September 30, 2011, released on November 4, 2011, we have omitted our comments here. To review the earlier announcement, please visit our home page: http://www.septeni-holdings.co.jp/en/.

(2) Medium- to Long-Term Corporate Strategy and Issues to Be Addressed

(Summary of our midterm business plan)

The Group has been implementing the three-year midterm business plan it created, with the fiscal year ended September 30, 2013 as the final year, for the purpose of improving its corporate value on a sustainable basis by creating and fostering the next high-growth businesses.

During this three-year period, although the performance of existing businesses centering on the Internet Marketing Business remained almost as forecast, the speed of growth of new businesses centering on our own B-to-C services was slower than expected, mainly due to environmental changes in the social game market. As a result, consolidated earnings for the fiscal year ended September 30, 2013 consisted of net sales of ¥45.9 billion and operating income of ¥1.59 billion.

Meanwhile, as the development of new businesses has accelerated since we formulated our midterm business plan, we launched 11 new businesses during the three-year period, eight of which are currently continuing, which are expected to contribute to the future growth of the Group.

(Midterm business policies from the fiscal year ending September 30, 2014)

The Group intends to continue to accelerate its profit growth going forward, and has established a concept of “double profits” in the midterm business policies that it has formulated recently for the years from the fiscal year ending September 30, 2014. The aim of these midterm business policies is to further increase profits and improve the corporate value of the Group by creating a second mainstay business along with Internet advertising, as well as by increasing the share of highly profitable businesses, whether these are existing or new businesses. To that end, it regards “Mobile,” “Social,” and “Global” as its three business focuses, and will work to further expand the Group’s operations and improve its profitability by strengthening its existing businesses and promoting the development of new businesses mainly in these areas.

4. Consolidated Financial Statements
(1) Consolidated Balance Sheet

(Unit: Thousand Yen)

	Previous Term (Ended September 30, 2012)	Current Term (Ended September 30, 2013)
Assets		
Current assets		
Cash and deposits	5,131,651	6,670,715
Notes and accounts receivable-trade	5,624,447	6,370,263
Products	50,455	–
Unfinished products	21,193	16,933
Stored goods	6,908	5,436
Deferred tax assets	175,692	135,495
Other	388,962	324,375
Doubtful account reserves	-18,044	-20,769
Total current assets	11,381,265	13,502,450
Non-current assets		
Property, plant and equipment		
Buildings, structures (net)	227,072	156,720
Tools, furniture and fixtures (net)	100,294	99,317
Other (net)	5,180	1,631
Total property, plant and equipment	332,547	257,670
Intangible assets		
Goodwill	527,839	406,243
Software	59,383	47,660
Software in progress	95,687	222,413
Lease assets	63,602	–
Other	5,428	1,335
Total intangible assets	751,940	677,652
Investments and other assets		
Investment securities	1,231,692	964,609
Deposits and security deposits	585,030	569,625
Deferred tax assets	49,435	20,283
Other	30,840	31,316
Doubtful account reserves	-94	-278
Total investments and other assets	1,896,905	1,585,556
Total non-current assets	2,981,393	2,520,879
Total assets	14,362,659	16,023,329

(Unit: Thousand Yen)

	Previous Term (Ended September 30, 2012)	Current Term (Ended September 30, 2013)
Liabilities		
Current liabilities		
Accounts payable-trade	4,432,307	5,069,836
Short-term loans payable	553,338	742,588
Portion of long-term loans payable due within one year	110,371	99,996
Lease liabilities	30,783	1,488
Accounts payable-other	355,983	244,563
Unpaid taxes	414,495	413,355
Bonus reserves	275,063	305,737
Product return adjustment reserves	720	–
Office moving expense reserves	23,172	–
Other	693,100	712,835
Total current liabilities	6,889,336	7,590,401
Non-current liabilities		
Long-term loans payable	135,295	8,345
Lease liabilities	42,282	245
Other	49,440	44,026
Total non-current liabilities	227,017	52,617
Total liabilities	7,116,354	7,643,019
Net assets		
Shareholders' equity		
Capital	2,009,979	2,025,310
Capital reserves	3,110,912	3,120,395
Retained earnings	1,847,644	2,911,589
Treasury stock	-485,011	-485,011
Total shareholders' equity	6,483,525	7,572,284
Accumulated other comprehensive income		
Valuation difference on marketable securities	-14,626	-10,875
Foreign currency translation adjustment	-1,680	13,208
Total accumulated other comprehensive income	-16,307	2,332
Stock options	28,830	48,614
Minority interests	750,257	757,078
Total net assets	7,246,304	8,380,310
Total liabilities and net assets	14,362,659	16,023,329

(2) Consolidated Income Statement, Comprehensive Income Statement
(Consolidated Income Statement)

(Unit: Thousand Yen)

	Previous Term (October 1, 2011– September 30, 2012)	Current Term (October 1, 2012– September 30, 2013)
Net Sales	41,358,333	45,982,078
CGS	32,724,980	37,106,891
Gross income	8,633,352	8,875,186
Reversal of provision for sales returns	822	720
Provision for sales returns	720	920
Adjusted gross income	8,633,454	8,874,986
SG&A	7,105,679	7,281,685
Operating income	1,527,775	1,593,301
Non-operating income		
Interest income	1,487	5,841
Dividend income	1,309	1,704
Gain on valuation of investment securities	8,102	52,658
Minority shareholding income	113,524	100,428
Other	22,470	40,304
Total non-operating income	146,894	200,936
Non-operating expenses		
Interest payment	10,148	6,077
Share listing related expenses	14,559	13,354
Limited liability partnership liquidation loss	5,031	–
Commission fee	–	20,000
Other	6,693	2,152
Non-operating expenses	36,433	41,584
Ordinary income	1,638,236	1,752,653
Extraordinary income		
Gain on sales of investment securities	9,281	209,879
Gain on sales of subsidiaries' stocks	–	103,197
Gain on change in minority shareholdings	5,873	–
Total extraordinary income	15,155	313,076
Extraordinary loss		
Impairment accounting losses	137,578	8,747
Loss on valuation of investment securities	–	9,758
Settlement package	–	43,890
Staggered acquisition loss	154,945	–
Other	49,930	4,137
Total extraordinary losses	342,454	66,534
Net income before taxes	1,310,936	1,999,195
Corporate, residence, enterprise taxes	609,900	705,296
Corporate tax adjustment	-69,251	61,370
Total taxes	540,648	766,667
Income before minority interests	770,287	1,232,528
Minority interest losses	93,105	25,332
Net income	677,182	1,207,196

(Consolidated Comprehensive Income Statement)

(Unit: Thousand Yen)

	Previous Term (October 1, 2011– September 30, 2012)	Current Term (October 1, 2012– September 30, 2013)
Income before minority interests	770,287	1,232,528
Other comprehensive income		
Valuation difference on marketable securities	-1,306	3,532
Foreign currency translation adjustment	-1,680	14,889
Minority shareholdings in affiliates	-219	219
Total other comprehensive income	-3,206	18,640
Comprehensive income	767,081	1,251,168
(Details)		
Comprehensive income attributable to parent shareholding	673,976	1,225,836
Comprehensive income attributable to minority interests	93,105	25,332

(3) Changes in Consolidated Shareholders' Equity Statement

(Unit: Thousand Yen)

	Previous Term (October 1 2011– September 30, 2012)	Current Term (October 1, 2012– September 30, 2013)
Shareholders' equity		
Capital		
Total at previous term end	2,007,848	2,009,979
Change in current term		
New stock issued	2,131	15,331
Total change in current term	2,131	15,331
Total at current term end	2,009,979	2,025,310
Capital reserves		
Total at previous term end	3,108,781	3,110,912
Change in current term		
New stock issued	2,131	9,482
Total change in current term	2,131	9,482
Total at current term end	3,110,912	3,120,395
Retained earnings		
Total at previous term end	1,296,288	1,847,644
Change in current term		
Dividends from retained earnings	-125,826	-125,896
Net income	677,182	1,207,196
Change in scope of consolidation	–	-17,355
Total change in current term	551,356	1,063,945
Total at current term end	1,847,644	2,911,589
Treasury stock		
Total at previous term end	-485,011	-485,011
Total at current term end	-485,011	-485,011
Total shareholders' equity		
Total at previous term end	5,927,906	6,483,525
Change in current term		
New stock issued	4,262	24,814
Dividends from retained earnings	-125,826	-125,896
Net income	677,182	1,207,196
Change in scope of consolidation	–	-17,355
Total change in current term	555,618	1,088,759
Total at current term end	6,483,525	7,572,284

(Unit: Thousand Yen)

	Previous Term (October 1, 2011– September 30, 2012)	Current Term (October 1, 2012– September 30, 2013)
Accumulated other comprehensive income		
Valuation difference on marketable securities		
Total at previous term end	-13,100	-14,626
Change in current term		
Net change in items other than shareholders' equity	-1,526	3,751
Total change in current term	-1,526	3,751
Total at current term end	-14,626	-10,875
Foreign currency translation adjustment		
Total at previous term end	–	-1,680
Change in current term		
Net change in items other than shareholders' equity	-1,680	14,889
Total change in current term	-1,680	14,889
Total at current term end	-1,680	13,208
Accumulated other comprehensive income		
Total at previous term end	-13,100	-16,307
Change in current term		
Net change in items other than shareholders' equity	-3,206	18,640
Total change in current term	-3,206	18,640
Total at current term end	-16,307	2,332
Stock option		
Total at previous term end	33,082	28,830
Change in current term		
Net change in items other than shareholders' equity	-4,251	19,784
Total change in current term	-4,251	19,784
Total at current term end	28,830	48,614
Minority interests		
Total at previous term end	394,979	750,257
Change in current term		
Net change in items other than shareholders' equity	355,278	6,821
Total change in current term	355,278	6,821
Total at current term end	750,257	757,078
Total net assets		
Total at previous term end	6,342,866	7,246,304
Change in current term		
New stock issued	4,262	24,814
Dividends from retained earnings	-125,826	-125,896
Net income	677,182	1,207,196
Change in scope of consolidation	–	-17,355
Net change in items other than shareholders' equity	347,819	45,246
Total change in current term	903,438	1,134,005
Total at current term end	7,246,304	8,380,310

(4) Consolidated Cash Flow Statement

(Unit: Thousand Yen)

	Previous Term (October 1, 2011– September 30, 2012)	Current Term (October 1, 2012– September 30, 2013)
Cash flow from operating activities		
Net income before taxes	1,310,936	1,999,195
Depreciation and amortization	174,318	149,920
Impairment accounting loss	137,578	8,747
Amortization of goodwill	114,791	150,500
Increase (decrease) in doubtful account reserves	-11,347	2,909
Increase (decrease) in bonus reserves	120,548	30,674
Increase (decrease) in provision for loss on business	-59	–
Gain (loss) on valuation of investment securities (gain)	-8,102	-42,899
Gain (loss) on sales of investment securities (-: gain)	-9,281	-209,879
Interest and dividends income	-2,796	-7,545
Interest payment	10,148	-6,077
Gain (loss) on minority shareholding	-111,408	-97,741
Gain (loss) on change in minority shareholding income	-4,934	–
Gain (loss) on staggered acquisition translation	154,945	–
Gain (loss) on sales of subsidiaries' stocks	–	-103,197
Increase (decrease) in receivables	-824,260	-753,507
Increase (decrease) in inventories	17,592	-643
Increase (decrease) in payables	251,582	688,782
Other	314,198	25,566
Subtotal	1,634,451	1,846,960
Interest and dividends received	2,796	7,545
Interest paid	-10,197	-5,809
Tax claims payment	90,907	95,838
Corporate and other taxes	-534,899	-850,409
Net cash provided by operating activities	1,183,058	1,094,125
Cash flow from investing activities		
Payments into time deposits	–	-100,000
Purchase of property, plant and equipment	-351,259	-59,773
Purchase of intangible assets	-115,902	-160,092
Purchase of investment securities	-82,900	-30,049
Proceeds from sale of investment securities	14,773	617,500
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-120,467	–
Purchase of investments in subsidiaries	-41,590	-19,030
Payments for the sale of investments in subsidiaries resulting in a change in the scope of consolidation	–	-30,614
Collection of loans receivable	1,436	207,090
Deposits and security deposits payment	-72,899	-63,187
Income from the collection of deposits and security deposits	361,796	43,870
Other	5,344	11,802
Net cash provided by (used in) investing activities	-401,668	417,514

(Unit: Thousand Yen)

	Previous Term (October 1, 2011– September 30, 2012)	Current Term (October 1, 2012– September 30, 2013)
Cash flow from financing activities		
Increase (decrease) in short-term loans payable	-175,000	189,250
Income from long-term loans payable	300,000	–
Repayment of long-term loans payable	-220,558	-137,325
Income from minority shareholdings	11,023	–
Cash dividends paid	-125,826	125,896
Cash dividends paid to minority shareholders	-1,440	-3,280
Other	-30,244	-8,711
Net cash used in financing activities	-242,045	-85,962
Effect of exchange rate change on cash and cash equivalents	-1,680	14,889
Net increase (decrease) in cash and equivalents	537,663	1,440,567
Increase (decrease) in receivables in cash and cash equivalents resulting from merger of subsidiaries	140,678	–
Increase in cash and cash equivalents resulting from mergers with unconsolidated subsidiaries	–	2,444
Decrease in cash and cash equivalents resulting from the exclusion of subsidiaries from consolidation	–	-3,946
Cash and equivalents at term start	4,453,309	5,131,651
Cash and equivalents at term end	5,131,651	6,570,715

(5) Notes to Consolidated Financial Statements

(Notes Regarding Going Concern Assumptions)

Not applicable

[Business Segment Information]

1. Business Segment Overview

Our Group's reported segments are the individual units for which independent financial information can be derived, and are considered on a regular basis by our Board of Directors for the purpose of determining the allocation of management resources and the evaluation of earnings.

Furthermore, the Group has categorized its business segments in accordance with market categorizations, and has determined three business segments, namely the "Internet Marketing Business," "Media Content Business," and "Direct Marketing Business." Because of their relative importance in terms of business volume, we have divided our reported business segments into two, which are the "Internet Marketing Business" and the "Media Content Business."

Further descriptions of our reported business segments are provided below.

Business Segment	Business Description
Internet Marketing	Internet advertising sales, Web solutions (website creation, operation, SEO services), marketing platform operations for ad networks, cloud-based CRM services, Internet marketing support services for corporations
Media Content	Various digital content for smartphones and feature phones (social games, music, publications, streaming video, fortune telling, etc.), mobile media operations

2. Method of Calculation Relating to Reported Business Segment Sales, Income, Assets, and Other Items

The accounting methods used for our reported business segments are the same as those mentioned in the section titled "Important basic items used in the creation of consolidated financial statements."

Income in the reported business segment information is based on operating income.

Internal earnings and the amounts transferred between business segments are based on actual market pricing.

3. Information Relating to Reported Business Segment Sales, Income, Assets, and Other Items
Fiscal Year Ended September 30, 2012 (October 1, 2011 – September 30, 2012)

(Unit: Thousand Yen)

	Reported Business Segments			Other (Note 1)	Total	Adjustment (Note 2, 3)	Consolidated Account (Note 4)
	Internet Marketing	Media Content	Subtotal				
Sales							
External sales	33,552,894	4,333,118	37,886,013	3,471,716	41,357,729	604	41,358,333
Internal sales, transfers	46,817	1,959	48,776	14,717	63,494	-63,494	–
Total	33,599,711	4,335,077	37,934,789	3,486,434	41,421,223	-62,890	41,358,333
Operating income	1,396,226	227,941	1,624,167	154,091	1,778,258	-250,483	1,527,775
Assets	8,996,993	2,182,489	11,179,482	929,514	12,108,997	2,253,662	14,362,659
Other items							
Depreciation	94,853	17,067	111,920	41,259	153,180	21,137	174,318
Change in property, plant and equipment and intangible assets	323,594	28,760	352,354	21,177	373,532	124,137	497,669

1. "Other" includes the Direct Marketing Business and Commerce Business, which are not included in the reported segments.
2. The operating income in the adjustment category of -¥250.483 million includes ¥8.201 million in intersegment cancellations and ¥0.604 million in companywide income that cannot be allocated to each segment, and -¥259.288 million in companywide expenses. Companywide income mainly consists of management fees for non-consolidated subsidiaries, while companywide expenses include operating costs for the holding company that cannot be allocated to specific segments.
3. Assets in the adjustment category of ¥2,253.662 million mainly consist of cash and deposits, investment securities, and assets associated with operations of the holding company.
4. Segment income is based on an adjustment of operating income in the consolidated financial statements.

Fiscal Year Ended September 30, 2013 (October 1, 2012 – September 30, 2013)

(Unit: Thousand Yen)

	Reported Business Segments			Other (Note 1)	Total	Adjustment (Note 2, 3)	Consolidated Account (Note 4)
	Internet Marketing	Media Content	Subtotal				
Sales							
External sales	39,354,580	3,708,890	43,063,471	2,917,956	45,981,428	650	45,982,078
Internal sales, transfers	104,123	5,286	109,410	5,037	114,447	-114,447	–
Total	39,458,704	3,714,176	43,172,881	2,922,994	46,095,875	-113,797	45,982,078
Operating income/loss	2,016,919	-219,469	1,797,449	160,552	1,958,001	-364,700	1,593,301
Assets	10,203,427	2,229,501	12,432,929	728,555	13,161,485	2,861,844	16,023,329
Other items							
Depreciation	91,615	17,987	109,603	13,883	123,486	26,433	149,920
Change in property, plant and equipment and intangible assets	142,615	16,588	159,203	5,909	165,113	49,568	214,681

1. “Other” includes the Direct Marketing Business and other businesses, which are not included in the reported segments.
2. The operating income/loss in the adjustment category of -¥364.700 million includes ¥7.025 million in intersegment cancellations and ¥0.650 million in companywide income that cannot be allocated to each segment, and -¥372.376 million in companywide expenses. Companywide income mainly consists of management fees for non-consolidated subsidiaries, while companywide expenses include the operating costs for the holding company that cannot be allocated to specific segments.
3. The assets in the adjustment category of ¥2,861.844 million mainly consist of cash and deposits, investment securities, and assets associated with operations of the holding company.
4. Segment income/loss is based on an adjustment of operating income in the consolidated financial statements.