Summary of Consolidated Financial Statement
for the Fiscal Year Ended September 30, 2016 [IFRS]

November 8, 2016

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, 2016

Anticipated Dividend Payment Date: December 1, 2016

Anticipated Financial Report Filing Date: December 20, 2016

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 Financial Results for the Fiscal Year Ended September 30, 2016 (From October 1, 2015 to September 30, 2016)

(1) Consolidated Earnings ((% figures represent year-over-year change)

	Revenue		Operating Income		Profit before tax		Profit for the period		Profit for the period attributable to owners of the parent		Total comprehensive income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
FY9/16	17,060	19.6	3,730	44.6	3,847	29.8	2,252	-2.1	2,519	7.1	2,431	5.3
FY9/15	14,267	—	2,579	—	2,963	—	2,300	—	2,351	—	2,309	—

(Note) 1. Non-GAAP Operating income: ¥3,841 million in FY9/16 (26.8%), ¥3,030 million in FY9/15 (t

2. The group applied the International Financial Reporting Standards (hereinafter referred to as "IFRS") from the fiscal year ended September 30, 2016. Therefore Rate of change of the same period of the previous year of 2015 is not mentioned.

	Basic earnings per share	Diluted earnings per share	ROE	ROA	Revenue Operating Margin
	Yen	Yen	%	%	%
FY9/16	19.43	19.30	19.8	13.8	21.9
FY9/15	18.21	18.04	23.0	12.5	18.1

(2) Consolidated Financial Position

	Total Assets	Total Equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets	Equity attributable to owners of parent per share
	Million Yen	Million Yen	Million Yen	%	Yen
FY9/16	29,981	15,046	14,156	47.2	109.13
FY9/15	25,635	12,292	11,307	44.1	87.26

(3) Consolidated Cash Flow Information

	Cash flows from (used in) operating activities	Cash flows from (used in) investing activities	Cash flows from (used in) financing activities	Cash and cash equivalents at end of year
	Million Yen	Million Yen	Million Yen	Million Yen
FY9/16	3,209	-109	801	15,481
FY9/15	1,874	1,258	-124	11,695

2. Dividend Conditions

	Dividends					Total Value of Dividends (Total)	Dividend Payout Ratio (Consolidated)	Dividend on equity attributable to owners of the parent (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Term-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
FY9/15	—	—	—	14.00	14.00	363	15.4	3.5
FY9/16	—	—	—	16.00	16.00	415	16.5	3.3
FY9/17 Estimate	—	—	—	—	—	—		—

(Note) 1. Estimates for dividends in the fiscal year ending September 30, 2017 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.F

2. The Company implemented a 5-for-1 stock split for its common stock on October 1, 2016. The figures for the fiscal year ended September 30, 2015 and 2016 are stated based on the number of shares before the stock split.

3. Consolidated Financial Results Forecast for the Three Months Ending December 31, 2016(From October 1, 2016 to December 31, 2016)

(% figures represent year-over-year change)

	Revenue		Profit for the period attributable to owners of the parent		Basic earnings per share
	Million Yen	%	Million Yen		Yen
1^{st} quarter	3,700	11.6	1,700	168.7	13.11

・Non-GAAP Operating income: ¥ 980million (0.8% up year on year)

(Note) Instead of full-year earnings estimates, the Company discloses its earnings estimates for the next quarter. In addition, year over year change is calculated based on previous year which Non-Core Business is rearranged to discontinued operation. For details, please refer to “1. Earnings Performance, Financial Conditions Analysis, (1) Earnings Performance Analysisfor the nedocument.

* Annotation
(1) Important changes in subsidiaries, including changes in the scope of consolidation: None

(2) Changes in accounting methods, procedures, presentation methods
Changes in accounting policies required by IFRSs: None
Other changes in accounting methods: None
Changes in accounting estimates: None

(3) Shares issued (common stock)

Shares issued as of term-end (incl. Treasury stock):	FY9/16	138,641,500	FY9/15	138,503,500
Treasury stock as of tem-end:	FY9/16	8,924,155	FY9/15	8,923,000
Average number of shares outstanding:	FY9/16	129,661,912	FY9/15	129,107,708

(Note) The Company implemented a 5-for-1 stock split for its common stock on October 1, 2016. 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 2016 (October 1, 2015 – September 30, 2016)
(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	
FY9/16	2,630	-7.5	1,023	-19.9	964	-35.9	1,094	-46.2
FY9/15	2,842	12.7	1,277	15.5	1,503	29.2	2,034	60.4

	EPS	Fully Diluted EPS
	Yen	Yen
FY9/16	8.44	8.38
FY9/15	15.75	15.61

(Note) The Company implemented a 5-for-1 stock split for its common stock on October 1, 2016. EPS and fully diluted EPS in FY9/16 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
FY9/16	11,068	10,028	90.1	76.88
FY9/15	9,978	9,247	92.3	71.09

(Reference) Capital: Fina972 million in FY9/16; split was implemented a5
(Note) The Company implemented a 5-for-1 stock split for its common stock on October 1, 2016. Book value per share in FY9/16 is calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

* Cautionary note about the use of results forecasts and other special notes

(1) Application of IFRS
From the fiscal year ended September 30, 2016, the Company is applying IFRS. For the difference between IFRS and Japan GAAP in relation to financial data, please refer to 5. Consolidated financial statements, (6) Notes to consolidated financial statements (Initial application of IFRS) on page 16 of the Summary of Consolidated Financial Statement (accompanying materials).

Index

1. Earnings Performance, Financial Conditions Analysis

(Adoption of the International Financial Reporting Standards (hereinafter referred to as "IFRS")

The SEPTENI Group has applied IFRS since the fiscal year ended September 30, 2016 in place of previously used Japanese GAAP, aiming for better convenience for all of the Group's stakeholders, including shareholders and investors in and outside Japan, while promoting actively its global business development.

In line with the above, while voluntary providing previously used "net sales" as a reference, the Group discloses "revenue" as an indicator based on IFRS. The recording method of the revenue in the sale by advertising agents, comprising a large part of the Internet Marketing Business, has been changed to record the net amount, indicating only the margin. As a result, the amount of "revenue" has been reduced substantially from the amount of "net sales" previously used when the amounts are compared in the same transaction.

In addition, the SEPTENI Group discloses "non-GAAP operating profit," an indicator that is not defined in IFRS on a voluntary basis. Non-GAAP operating profit (or loss) is a profit indicator of constant business performance determined by adjusting temporary factors such as impairment losses and gains or losses on the sales of non-current assets from the IFRS-based operating profit (or loss). The management of the Group deems that the information is valuable for users of financial statements.

(1)Earnings Performance Analysis

(Earnings for the current ter,m)

Looking at the Internet business environment, in which the SEPTENI Group operates, the rapid proliferation of smartphones has continued, with the household ownership rate as of December 31, 2015 accounting for 72.0% (source: "2015 White Paper on Information and Communications in Japan," Ministry of Internal Affairs and Communications). As such, the smartphone has become a mainstream device for accessing the Internet and the market for smartphone advertising and diverse services and content is expanding. In addition, the power of social media, led by SNS (social networking services), is increasing still further, and this is consequently prompting greater demand for marketing support that makes use of the characteristics of social media. These changes in the operating environment are promoting the global expansion of the Internet business, with overseas business opportunities on the rise.

Under these circumstances, the SEPTENI Group was able to continue both expanding its operations and increasing its profitability in its mainstay Internet Marketing Business by promoting business operations focused on the growth areas of Papbile," "Social," and "Global." In addition, it proactively made upfront investments in human resources and new businesses, etc. to strengthen its future competitiveness. As a result, revenue increased to ¥17,060 million (up 19.6% year on year), non-GAAP operating profit increased to ¥3,841 million (up 26.8% year on year), operating profit rose to ¥3,730 million (up 44.6% year on year) and profit attributable to owners of parent totaled ¥2,519 million (up 7.1% year on year), with profit practically hitting a record high for the fifth straight fiscal year.

Operating results by reporting segment are as follows:

In the consolidated fiscal year under review, a new reporting segment, the Non-core Business, is added to the reporting segments, which also include the Internet Marketing Business and the Media Content Business. For further information, please refer to 5. Consolidated financial statements, (6) Notes to consolidated financial statements (Segment information).

The year-on-year comparison in the description of operating results by segment below is calculated based on results in the previous fiscal year according to the new reporting segments.

1) Internet Marketing Business

The Internet Marketing Business provides comprehensive marketing support services for companies, using the Internet. Specifically, the Group sells Internet advertising and provides Web solutions (including the building and operation of websites and SEO). The Group also operates its own services, including an ad network and other marketing platforms, and cloud-based CRM services.

In the fiscal year under review, against a backdrop of the expanding market of Internet advertising, primarily performance-based advertising for smartphones, the Group focused on growth fields: "Mobile", "Social", and "Global" businesses. As a result, the Group expanded its operations steadily and improved profitability at the same time. Advertising for smartphones continued to achieve high growth, reflecting expanding demand and diversifying advertising products, and advertising volume were approximately 1.4 times the year-ago level. In the Social Business, primarily marketing support services using SNS, where the Group is strong, transactions stood at 1.4 times the year-ago level, reflecting the expansion of the lineup of media to include Instagram and LINE in addition to Facebook, the Group's main medium. In the global business, the Group developed its operating base to enter new markets, establishing two new bases (New York and Beijing). However, transactions declined slightly from a year ago partly due to a decrease in advertising for existing large-scale projects.

Overall, revenue in this segment stood at 13,409 million yen (up 20.8% year on year). Non-GAAP operating income was 5,331 million yen (up 39.7% year on year).

2) Media Content Business

The Manga Content Business engages in the cultivation and production of Manga artists and the Manga distribution service for the purpose of planning and developing the Group's own intellectual property (IP). In addition, the Media Content Business develops new businesses born from intrapreneurship, including the recruiting platform business, social contribution platform business, and medical platform business.

In the Manga Content Business, the Group actively made upfront investments in the fiscal year under review to expand the scale of *GANMA!*, a manga content app. As a result, the number of *GANMA!* users increased significantly, and the cumulative downloads of the app as of September 30, 2016 stood at 3.97 million, about 2.1 times the number at the end of the previous fiscal year. To improve profitability, the Company commenced sales of advertising in *GANMA!* and promoted the commercialization of manga series, its intellectual property. During the fiscal year under review, 27 works were published as books, and a total of 43 books were released.

The medical platform business, a new business, is included in the scope of consolidation from this fiscal year.

As a result, revenue in this segment came to 601 million yen (up 190.7% year on year). The non-GAAP operating loss was 718 million yen (non-GAAP operating loss of 530 million yen in the previous fiscal year).

3) Non-core Business

The Non-core Business is the mobile game business. In the fiscal year under review, new game titles performed well, while advertising expenses increased significantly due to large-scale promotions. Revenue was 3,200 million yen (up 4.2% year on year), and the non-GAAP operating loss was 326 million yen (non-GAAP operating income of 122 million yen in the previous fiscal year).

(Outlook for Next Fiscal Year)

1) Policy

In the fiscal year ending September 30, 2017, the Group aims to increase consolidated operating income through the sustainable growth of the Internet Marketing Business, while at the same time making a large investment in the Manga Content Business to accelerate growth in and after the next fiscal year.

In the Internet Marketing Business, the Group aims to increase market share and improve profitability, proactively promoting global business expansion and focusing on sales of video advertising and in-house media.

In the Media Content Business, the foundation for the monetization of the manga content business has been established, and the Group plans to make large-scale marketing investments in and after the second quarter to expand the user base of *GANMA!*. The Group aims to expand the cumulative number of downloads of applications to more than 10 million by investing an additional 500 million yen to 600 million yen annually.

In the Non-core Business, the Company will sell some of the AXEL MARK shares that it holds in November 2016, and AXEL MARK will be excluded from consolidated financial statements. For further information, please refer to the Notice of Changes in Consolidated Companies (AXEL MARK INC.) published on November 8, 2016.

2) Earnings estimates for the first quarter

When the Company announces quarterly results, it also announces earnings estimates for the next quarter.

In the first quarter of the fiscal year ending September 30, 2017, the Internet Marketing Business, the main business, is expected to achieve an increase in revenue and profit year on year.

In the Media Content Business, revenue is expected to increase significantly year on year, mainly on the back of the Manga Content Business, but the loss will remain unchanged due to the continuation of prior investments.

As described above, the Company will sell shares in AXEL MARK and will post a profit from discontinued operations of 1 billion yen.

Based on the situation above, on November 8, 2016, the Company has announced the earnings estimates for the first quarter of the fiscal year ending September 30, 2017 below.

Earnings estimates for the first quarter of the fiscal year ending September 30, 2017 (from October 1, 2016 to December 31, 2016)

Revenue	3,700 million yen
Non-GAAP operating income	980 million yen
Profit attributable to owners of parent	1,700 million yen

The estimates above are based on information available at the time of publication of this summary and involves uncertain factors. Actual results may differ from them for a variety of reasons.

(2) Analysis of financial position

Total assets at the end of the fiscal year under review increased 4,346 million yen from the end of the previous fiscal year to 29,981 million yen. This was primarily attributable to an increase of 3,786 million yen in cash and cash equivalents and an increase of 179 million yen in other financial assets in non-current assets.

Total liabilities rose 1,592 million yen, to 14,935 million yen chiefly due to increases of 450 million yen in operating payables and of 554 million yen in income tax payables.

Equity rose 2,754 million yen, to 15,046 million yen, chiefly reflecting changes in interests in subsidiaries without loss of control of 645 million yen and a profit of 2,252 million yen, despite cash dividends paid of 363 million yen.

(Cash flows)

Cash and cash equivalents in the fiscal year under review rose 3,786 million yen from the end of the previous fiscal year to 15,481 million yen.
The following is a description of the situation and factors of each category of cash flow in the fiscal year under review.

(Cash flows from (used in) operating activities)

Cash flows from operating activities stood at 3,209 million yen (cash-in of 1,874 million yen in the previous fiscal year). This reflected inflows such as the recovery of working capital of 469 million yen and a profit before tax from continuing operations of 3,847 million yen, offsetting outflows such as income taxes paid of 1,597 million yen.

(Cash flows from (used in) investing activities)

Cash flows used in investing activities came to 109 million yen (cash-in of 1,258 million yen in the previous fiscal year). This result was mainly attributable to outflows of 262 million yen resulting from the acquisition of intangible assets, while there was a net cash inflow of 80 million yen from the purchase of securities and proceeds from the sales of securities (purchase of securities of 197 million yen and proceeds from sales of securities of 277 million yen).

(Cash flows from (used in) financing activities)

Cash flows from financing activities was 801 million yen (cash-out of 124 million yen in the previous fiscal year). This was largely a reflection of a net cash inflows of 514 million yen (repayments of non-current borrowings of 186 million yen and non-current loans received of 700 million yen) and a cash inflow from the sale of shares in subsidiaries without loss of control of 884 million yen, while there were dividends paid of 363 million yen.

(Reference)Trends in Cash Flow-Related Indicators

	FY9/15	FY9/16
Equity attributable to owners of parent Ratio (%)	44.1	47.2
Equity attributable to owners of parent Ratio, Market Capitalization Based (%)	217.2	194.7
Cash Flow to Interest-Bearing Debt Ratio (%)	67.3	48.1
Interest Coverage Ratio	433.3	330.0

Equity attributable to owners of parent Ratio：Equity attributable to owners of parent／Total assets
Equity attributable to owners of parent Ratio Market Capitalization Based：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
(Notes)

1. Each number above is calculated from consolidated financial data.
2. The market capitalization is the closing stock price at the end of the fiscal year multiplied by the number of shares outstanding (excluding treasury stock).
3. The cash flows are cash flows from (used in) operating activities.
4. Interest-bearing debt is all the debt on which interest is paid that is posted in the statement of financial position.
5. The date of transition to IFRS was October 1, 2014. The Company is applying IFRS from the fiscal year ending September 30, 2016. Data for fiscal years up to the fiscal year ended September 30, 2014 are thus not described.

(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 Groupribution of profits.　30, 2014 are thus not desce same time endeavoring to maintain a dividend payout ratio of around 15%. Furthermore, we have established a minimum full-year dividend target level of ¥5(*) 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 ¥16 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 Company conducted a 5-for-1 stock split on October 1, 2016 and changes the minimum amount to 2 yen from the fiscal year ending September 30, 2017. The minimum annual dividend will effectively be twice as much as before the stock split.

2. Corporate Structure

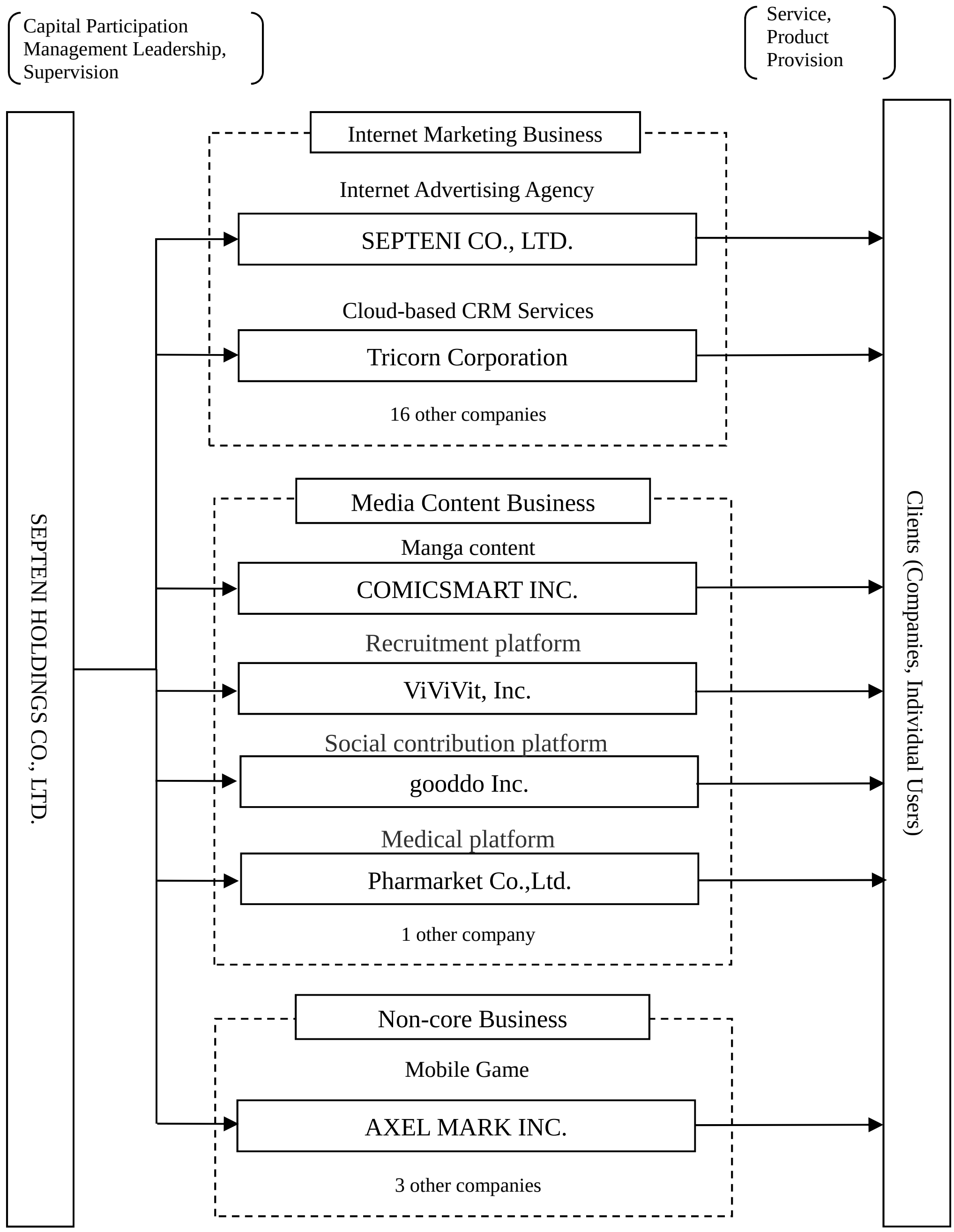
As of September 30, 2016, the SEPTENI Group comprises the holding company SEPTENI HOLDINGS, 27 consolidated subsidiaries, and two equity accounting method held affiliates and is engaged in Internet marketing, media content, and Non-core.

Below is description of businesses and a breakdown of the companies that belong to each of the Groupnet marketing, media

Business Segment	Business Description	Main Consolidated Subsidiaries
Internet Marketing Business	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 Business	The digital media content distribution business segment and platform business segment, including the manga content business, recruitment platform business, social contribution platform business, and medical platform business	COMICSMART, Inc.
Non-core Business	The business whose value the highest decision-maker believes to be maximized if it is managed independently and flexibly, among the businesses the Group invests in, in consideration of the appropriate distribution of the Group's management resources and the maximization of the Group's enterprise value.	AXEL MARK INC. (*)

(*) As described in Earnings Performance, Financial Conditions Analysis, (2) Earnings Performance Analysis (Outlook for Next Fiscal Year), if the transfer of some of the Axel Mark shares held by the Company is completed in November 2016, the Group will lose its control over Axel Mark.

SEPTENI's Corporate Structure



3. Management Policy

(1) The Company's basic business policy

The Group has been flexibly expanding its operations mainly in its Internet Marketing Business, the focus of which is Internet advertising, and its Media Content Business, in response to changes in the external environment. As of September 30, 2016, the Group has more than 20 Group companies, 14 bases in seven countries, and more than 1,000 employees. To further enhance its corporate value, the Group is promoting innovation and launching new operations to create new core operations in the advertising business.

Against this backdrop, the holding company marked its 10th anniversary in October 2016 and devised the Group's corporate philosophy and code of conduct. The Group is developing business activities in accordance with the following corporate philosophy and code of conduct:

Corporate philosophy
Mission: Inspiring the world with entrepreneurship
Vision: To create a strong and great company
Creed: *Hinerankai* (Think outside the box)

Code of conduct: Septeni Way
Speed, Stretch, Partnership, Fair & Open, Diversity, Passion, Free & Rule

(2) The Company's medium- to long-term management strategy and Issues to be addressed

Since November 2013, the Group has been implementing its medium-term business policies, whose concept is "Double profits." In the fiscal year ended September 30, 2016, non-GAAP operating income stood at 3.84 billion yen, approximately 2.4 times more than operating income (Japan GAAP) of 1.59 billion yen in the fiscal year ended September 30, 2013, and profitability improved. The Group achieved dramatic growth in the "Mobile", "Social", and "Global" businesses, which are positioned as key businesses.

To achieve further income growth and improve corporate value, the Company has formulated new medium-term business policies for the fiscal years from the year ending September 30, 2017. The following is an outline of these policies.

■Earnings target
Non-GAAP operating income: **10 billion yen**

■Basic policies
◆Expand advertising business **globally**

◆Enhance our own **media**

◆Invest in what **comes after** the smartphone

The Company expects that the market for smartphone advertisements, where the Group has expanded its share, will mature gradually in Japan, but that strong growth will continue globally with an improved ecosystem. In this environment, in the mainstay Internet Marketing Business, the Group aims to expand its share and increase profitability in Japan by strengthening the position established in the field of smartphones and social media. Meanwhile, the Group will accelerate the development of global operations to make them a growth driver through organic business growth and M&A.

In the Media Content Business, the Group will develop *GANMA!*, a manga content app, as its own medium and its primary revenue source. The Group will expand the scale of its own media to generate powerful inter-segment synergy with the Internet Marketing Business and improve profitability of the Group.

4. Basic Stance on the Choice of Accounting Standards

The Group promotes the development of global operations and is applying IFRS from the fiscal year ended September 30, 2016 to improve the quality of business administration through the unification of accounting procedures within the Group and to improve the convenience of stakeholders, including shareholders and investors in Japan and overseas, by increasing the international comparability of financial information in capital markets.

5. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

（Thousand yen）

	Date of Transition (Ended September 30,2014)	Previous Term (Ended September 30,2015)	Current Term （Ended September 30, 2016）
Assets			
Current assets			
Cash and cash equivalents	8,417,028	11,694,507	15,480,970
Operating receivables	7,904,294	9,818,035	9,982,708
Inventories	51,580	8,601	118,517
Other financial assets	702,866	532,901	443,788
Other current assets	227,951	221,006	242,480
Subtotal	17,303,719	22,275,050	26,268,463
Asset classified as held for sale	634,196	—	—
Total current assets	17,937,915	22,275,050	26,268,463
Non-current assets			
Property, plant and equipment	290,450	328,527	363,519
Goodwill	601,206	147,491	147,491
Intangible assets	296,393	247,403	232,261
Investments accounted for using equity method	463,795	530,722	611,991
Other financial assets	1,341,000	1,493,895	1,673,251
Other non-current assets	43,575	52,742	3,743
Deferred tax assets	799,602	559,215	680,225
Total non-current assets	3,836,021	3,359,995	3,712,481
Total assets	21,773,936	25,635,045	29,980,944

(Thousand yen)

	Date of Transition (Ended September 30,2014)	Previous Term (Ended September 30,2015)	Current Term (Ended September 30, 2016)
Liabilities and Equity			
Liabilities			
Current liabilities			
Operating payables	7,453,602	9,203,035	9,652,601
Other financial liabilities	1,438,979	1,793,417	1,728,525
Current income taxes payable	891,629	682,575	1,236,846
Other current liabilities	1,235,959	1,417,687	1,573,264
Subtotal	11,020,169	13,096,714	14,191,236
Liabilities directly associated with assets classified as held for sale	187,522	—	—
Total current liabilities	11,207,691	13,096,714	14,191,236
Non-current liabilities			
Other financial liabilities	348,336	157,949	654,867
Provisions	82,905	85,520	88,454
Other non-current liabilities	3,846	2,426	518
Deferred tax liabilities	2,104	664	—
Total non-current liabilities	437,191	246,559	743,839
Total liabilities	11,644,882	13,343,273	14,935,075
Equity			
Equity attributable to owners of parent			
Share capital	2,053,011	2,070,160	2,085,004
Share premium	3,148,095	3,160,951	3,617,269
Treasury shares	-485,012	-485,012	-485,685
Retained earnings	4,306,242	6,495,103	8,815,259
Other components of equity	112,631	65,966	123,875
Total equity attributable to owners of parent	9,134,967	11,307,168	14,155,722
Non-controlling interests	994,087	984,604	890,147
Total equity	10,129,054	12,291,772	15,045,869
Total liabilities and equity	21,773,936	25,635,045	29,980,944

(2) Consolidated Statement of Profit or Loss

(Thousand yen)

	Previous Term (Ended September 30,2015)	Current Term (Ended September 30, 2016)
Continuing operations		
Revenue	14,266,710	17,060,182
Cost of sales	2,805,567	3,436,710
Gross profit	11,461,143	13,623,472
Selling, general and administrative expense	8,457,030	9,803,390
Other income	49,756	106,712
Other expense	474,445	196,576
Operating profit	2,579,424	3,730,218
Finance income	316,048	111,955
Finance costs	20,878	104,973
Share of profit from investments accounted for using equity method	88,878	109,755
Profit before tax	2,963,472	3,846,955
Income tax expense	1,341,075	1,594,946
Profit from continuing operations	1,622,397	2,252,009
Discontinued operations		
Profit from discontinued operations	677,894	—
Profit	2,300,291	2,252,009
Profit attributable to:		
Owners of parent	2,351,121	2,519,007
Non-controlling interests	-50,830	-266,998
Total	2,300,291	2,252,009
Earnings per share		
Basic earnings per share (Yen)		
Continuing operations	12.96	19.43
Discontinued operations	5.25	—
Total	18.21	19.43
Diluted earnings per share (Yen)		
Continuing operations	12.84	19.30
Discontinued operations	5.20	—
Total	18.04	19.30
Net sales	64,547,685	76,401,356

Reconciliation from operating profit to non-GAAP operating profit (Reference) (Thousand yen)

	Previous Term (Ended September 30,2015)	Current Term (Ended September 30, 2016)
Operating profit	2,579,424	3,730,218
Other income	17,555	78,515
Other expense	467,808	188,967
Non-GAAP operating profit	3,029,677	3,840,670

(3) Consolidated Statement of Comprehensive Income

(Thousand yen)

	Previous Term (Ended September 30,2015)	Current Term (Ended September 30, 2016)
Profit	2,300,291	2,252,009
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net changes in financial assets measured at fair value through other comprehensive income	32,031	298,883
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	-23,435	-114,119
Cash flow hedges	—	-5,511
Total other comprehensive income, net of tax	8,596	179,253
Total comprehensive income	2,308,887	2,431,262
Comprehensive income attributable to:		
Owners of parent	2,364,713	2,734,220
Non-controlling interests	-55,826	-302,958
Comprehensive income	2,308,887	2,431,262

(4) Consolidated Statement of Changes in Equity

(Thousand yen)

	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Retained earnings	Other components of equity	Total		
Balance at October 1, 2014	2,053,011	3,148,095	-485,012	4,306,242	112,631	9,134,967	994,087	10,129,054
Profit	—	—	—	2,351,121	—	2,351,121	-50,830	2,300,291
Other comprehensive income	—	—	—	—	13,592	13,592	-4,996	8,596
Total comprehensive income	—	—	—	2,351,121	13,592	2,364,713	-55,826	2,308,887
Issue of new shares	17,149	12,856	—	—	-26,129	3,876	—	3,876
Dividends of surplus	—	—	—	-228,262	—	-228,262	—	-228,262
Purchase and disposal of treasury shares	—	—	—	—	—	—	—	—
Changes in ownership interests in subsidiaries that do not result in loss of control	—	—	—	—	—	—	—	—
Other	—	—	—	66,002	-34,128	31,874	46,343	78,217
Total amount of transactions with owners	17,149	12,856	—	-162,260	-60,257	-192,512	46,343	-146,169
Balance at September 30, 2015	2,070,160	3,160,951	-485,012	6,495,103	65,966	11,307,168	984,604	12,291,772

(Thousand yen)

	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Retained earnings	Other components of equity	Total		
Balance at October 1, 2015	2,070,160	3,160,951	-485,012	6,495,103	65,966	11,307,168	984,604	12,291,772
Profit	—	—	—	2,519,007	—	2,519,007	-266,998	2,252,009
Other comprehensive income	—	—	—	—	215,213	215,213	-35,960	179,253
Total comprehensive income	—	—	—	2,519,007	215,213	2,734,220	-302,958	2,431,262
Issue of new shares	14,844	14,844	—	—	-29,495	193	—	193
Dividends of surplus	—	—	—	-362,825	—	-362,825	—	-362,825
Purchase and disposal of treasury shares	—	—	-673	—	—	-673	—	-673
Changes in ownership interests in subsidiaries that do not result in loss of control	—	441,060	—	—	—	441,060	204,114	645,174
Other	—	414	—	163,974	-127,809	36,579	4,387	40,966
Total amount of transactions with owners	14,844	456,318	-673	-198,851	-157,304	114,334	208,501	322,835
Balance at September 30, 2016	2,085,004	3,617,269	-485,685	8,815,259	123,875	14,155,722	890,147	15,045,869

(5) Consolidated cash flow statement

(Thousand yen)

	Previous Term (Ended September 30,2015)	Current Term (Ended September 30, 2016)
Cash flows from (used in) operating activities		
Profit before tax from continuing operations	2,963,472	3,846,955
Profit before tax from discontinued operations	1,053,285	—
Adjustments:		
Depreciation and amortization expense	163,045	221,164
Impairment loss	442,904	—
Interest income and dividend income	-57,591	-7,313
Interest expenses	5,319	9,863
Share of (profit) loss of entities accounted for using equity method	-66,926	-81,269
Other	-1,195,750	310,755
Increase or decrease in working capital		
Decrease (increase) in operating receivables	-1,913,741	-164,672
Decrease (increase) in inventories	42,979	-109,916
Increase (decrease) in operating payables	1,749,433	449,566
Other	254,847	293,739
Subtotal	3,441,276	4,768,872
Interest and dividend income received	57,591	7,313
Interest expenses paid	-4,325	-9,723
Income taxes refund	82,601	39,258
Income taxes paid	-1,703,120	-1,596,915
Cash flows from (used in) operating activities	1,874,023	3,208,805
Cash flows from (used in) investing activities		
Proceeds from sales of securities	138,596	276,630
Purchase of securities	-55,125	-196,762
Purchase of property, plant and equipment	-118,025	-153,148
Purchase of intangible assets	-61,075	-262,189
Proceeds from disposal of discontinued operations (less cash of discontinued operations)	1,249,062	—
Other	104,113	226,332
Cash flows from (used in) investing activities	1,257,546	-109,137
Cash flows from (used in) financing activities		
Net increase (decrease) in current borrowings	226,468	-244,068
Proceeds from non-current borrowings	—	700,000
Repayments of non-current borrowings	-175,001	-185,906
Cash dividends paid	-228,262	-362,825
Proceeds from changes in interests in subsidiaries without loss of control	—	884,064
Dividends paid to non-controlling interests	-2,720	-2,456
Purchase of treasury shares	—	-673
Other	55,620	12,778
Cash flows from (used in) financing activities	-123,895	800,914
Effect of exchange rate change on cash and cash equivalents	-1,133	-114,119
Increase (decrease) in cash and cash equivalents	3,006,541	3,786,463
Cash and cash equivalents at beginning of period	8,687,966	11,694,507
Cash and cash equivalents at end of period	11,694,507	15,480,970

(Segment information)

1. Overview of reportable segments

The Group has a holding company structure where the Company is a holding company and its subsidiaries (or their groups) are business units. Activities directly related to revenue generation are conducted solely by business units, which consist of the Company's subsidiaries (or their groups).

The Group's reportable segments are based on business segments for which separate financial information is available and that the highest decision-maker examines on a regular basis to determine the distribution of management resources and evaluate the results. In consideration of similarities among the economic characteristics of each business segment and their quantitative importance and for the purpose of enabling the users of the financial statements to appropriately evaluate the Group's businesses and the economic circumstances for the businesses and their effects on the businesses, the Group discloses information on three reportable segments: the Internet Marketing Business, the Media Content Business, and the Non-core Business.

Internet Marketing Business

The Internet Marketing Business is a single business segment engaging in comprehensive Internet marketing support services for corporations, including sales of Internet advertising and the provision of web solutions (website creation and operations, SEO, etc.), ad networks, and cloud-based CRM services.

Media Content Business

The Media Content Business consists of the digital media content distribution business segment and platform business segment, including the manga content business, recruitment platform business, social contribution platform business, and medical platform business. The Media Content Business includes business units that have commenced operation in recent years and have not made a profit due to prior investment for revenue generation. The highest decision-maker makes decisions on the distribution of management resources to those business units and evaluates their results, assuming risks and economic value that allow the Group to recover the investment costs through future revenue generation.

Non-core Business

The Non-core Business is the business whose business value the highest decision-maker believes to be maximized if the business is managed independently and flexibly, among the businesses the Group invests in, in consideration of the appropriate distribution of the Group's management resources and the maximization of the Group's enterprise value. The highest decision-maker fully respects the management decisions of the management of the Non-core Business. From the standpoint of a responsible investor (with stewardship responsibility), the highest decision-maker determines the distribution of management resources and evaluates performance through dialogue in engagement for constructive purposes.

On October 1, 2014, the Group sold its DM business segment. The disposal group consisting of the assets of the DM business segment and the liabilities directly related to them was classified as held for sale on the date of transition, and the results of the segment were presented as discontinued operations in the previous consolidated fiscal year. The disclosure requirements of IFRS 8 (operating segments) therefore do not apply.

From the consolidated fiscal year under review, the mobile game business that previously belonged to the Media Content Business is classified under the Non-core Business. In association with this change, the segment information for the previous consolidated fiscal year has been revised retroactively.

2. Measurement of reportable segments' profits and losses

Segment profit is non-GAAP operating income, which is the sum of operating income in compliance with IFRS and temporary factors, including impairment losses and gains (losses) on sales of property, plant and equipment.

The prices of inter-segment transactions are determined based on the prices of transactions with external customers.

The Group voluntarily discloses the total amount of all transactions as net sales. The disclosure of net sales is not disclosure in accordance with IFRS. The management believes, however, that sales are useful information for users of the financial statements, and voluntarily discloses sales in its consolidated net profit-and-loss statement and segment information as reference information.

3. Information on reportable segments' profits and losses

Previous consolidated fiscal year (from October 1, 2014 to September 30, 2015)

(Thousand yen)

	Internet Marketing	Media Content	Non-core	Total	Adjustment	Consolidated
Segment revenue	11,096,488	206,686	3,072,304	14,375,478	-108,768	14,266,710
Segment profit (loss)	3,815,621	-530,122	122,363	3,407,862	-378,185	3,029,677
Segment sales	61,563,838	206,686	3,072,304	64,842,828	-295,143	64,547,685

(Note) The segment profit is non-GAAP operating income.

Fiscal Year Ended September 30, 2016 (October 1, 2015 l September 30, 2016)

(Thousand yen)

	Internet Marketing	Media Content	Non-core	Total	Adjustment	Consolidated
Segment revenue	13,408,863	600,835	3,200,472	17,210,170	-149,988	17,060,182
Segment profit (loss)	5,331,011	-717,535	-325,994	4,287,482	-446,812	3,840,670
Segment sales	73,158,755	600,835	3,200,472	76,960,062	-558,706	76,401,356

(Note) The segment profit is non-GAAP operating income.

Reconciliation of segment profit (loss) and profit before tax

(Thousand yen)

	Previous Term (Ended September 30,2015)	Current Term (Ended September 30, 2016)
Segment profit (non-GAAP operating income)	3,029,677	3,840,670
Other profit (loss) (net)	-450,253	-110,453
Financial profit (loss) (net)	295,170	6,983
Share of profit of entities accounted for using equity method	88,878	109,755
Profit before tax	2,963,472	3,846,955

(Per-share information)

The basis of the calculation of earnings per share is shown in the table below.

	Previous Term (Ended September 30,2015)	Current Term (Ended September 30, 2016)
Profit attributable to owners of parent (thousand yen)		
Continuing operations	1,673,227	2,519,007
Discontinued operations	677,894	—
Total	2,351,121	2,519,007
Average number of ordinary shares outstanding during the fiscal year (thousand shares)	129,108	129,662
Number of potential shares with dilutive effects		
Number of warrants (thousand shares)	1,206	841
Average number of shares outstanding in consideration of the number of potential shares with dilutive effects (thousand shares)	130,314	130,503
Basic earnings per share (yen)		
Continuing operations	12.96	19.43
Discontinued operations	5.25	—
Total	18.21	19.43
Diluted earnings per share (yen)		
Continuing operations	12.84	19.30
Discontinued operations	5.20	—
Total	18.04	19.30

(First-time adoption of IFRS)

1. Transition to IFRS

   The Group's consolidated financial statements are prepared in compliance with IFRS. The Group's consolidated financial statements for the fiscal year ended September 30, 2016 are its first consolidated financial statements in compliance with IFRS. The Group's last consolidated financial statements prepared in compliance with the generally accepted accounting principles in Japan are those for the consolidated fiscal year ended September 30, 2015. The date of transition from Japan GAAP to IFRS is October 1, 2014.

2. Adoption of exemptions set out in IFRS 1

   IFRS 1 requires the entity that adopts IFRS for the first time to apply IFRS retroactively, but grants certain exemptions. The Group adopts the following exemptions:

- Chooses to adopt IFRS 3 (business combinations) from the date of transition and does not retroactively apply IFRS to business combinations before the date of transition.
- Deems the cumulative exchange differences on the translation of foreign operations on the date of transition to be zero.
- Makes decisions on the classification of IFRS 9 (financial instruments) based on the facts and situation on the date of transition.

6. Other

Not applicable