



FY December/2023

Business Results for 5Q

Feb. 8, 2024

SEPTENI HOLDINGS CO., LTD.

- 01 Summary of FY2023**
- 02 Consolidated Earnings Overview in FY12/23**
- 03 Quarterly Consolidated Earnings Overview**
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- 07 Medium-term Business Policies**
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From FY2023, IP Platform Business has been classified as discontinued operations.

The following figures are used for each chapter in this document.

01 - 05 Figures prior to reclassification of the IP Platform Business as discontinued operations (15 months, prior to reclassification of a discontinued operation)

07 - 08 Figures after reclassification of the IP Platform Business as discontinued operations (calendar year basis)

Since the start of FY9/16, IFRS has been applied instead of the previous J-GAAP.

Conventional "net sales" are voluntarily disclosed as reference information, while "revenue" is disclosed as an indicator based on IFRS.

Revenue from advertising agency sales, which account for the majority of the Digital Marketing Business, are recorded on a net basis only for the margin portion.

"Non-GAAP operating profit" is voluntarily disclosed in order to appropriately express the actual state of the business. It refers to the profit indicator to assess ordinary business conditions after adjustments are made to IFRS-based operating profit pertaining to gain and loss related to acquisition actions such as amortization of acquisition-related intangible assets and M&A expenses, and temporary factors such as stock-based compensation expenses, the impairment loss, and gain or loss on the sales of fixed assets.

Figures in this material are rounded to the nearest unit.

01

Summary of FY2023

04 Figures in This Document

Disclosure of changes in fiscal year end and reclassification of discontinued operations

| | 2021 | 2022 | | | | 2023 | | | | 2024 | | | | Corresponding documents |
|---|---|---|-------|-------|---|--|-------|-------|---------|---|-------|-------|---------|--|
| | 10 – 12 | 1 – 3 | 4 – 6 | 7 – 9 | 10 – 12 | 1 – 3 | 4 – 6 | 7 – 9 | 10 – 12 | 1 – 3 | 4 – 6 | 7 – 9 | 10 – 12 | |
| 15 months, before reclassification of discontinued operations | FY September/2022 (before reclassification of discontinued operations) | | | | FY December/2023 (15 months, before reclassification of discontinued operations) | | | | | — | | | | Financial results briefing material P4~32 |
| Calendar year basis | | CY2022 (After reclassification of discontinued operations) | | | | CY2023 (12 months, after reclassification of discontinued operations) | | | | CY2024 (After reclassification of discontinued operations) | | | | Financial results briefing material P37~50 |
| Financial reporting basis | FY September/2022 (After reclassification of discontinued operations) | | | | FY December/2023 (15 months, after reclassification of discontinued operations) | | | | | FY December/2024 (After reclassification of discontinued operations) | | | | Financial statements |

The Company changed its fiscal year–end, and FY12/23 was an irregular accounting period of 15 months.

In addition, following the resolution of the share transfer of COMICSMART INC., which operates the IP Platform Business, the Company has classified this business as discontinued operations.

In this material, figures for FY12/23 review are 15 months and before reclassification of the IP Platform Business as discontinued operations, based on the consistency with the previous company policies and business strategies.

FY2023 Review

- Due to changes in the external environment, the growth rate of the digital advertising market fell short of the initial forecast.
- Invested in human capital with a view to achieving sustainable growth over the medium to long term.
- Achieved **revenue turnaround** in 4Q and **profit turnaround** in 5Q after bottoming out in 3Q.
- Raised the year-end dividend estimate to **¥5.2**.

FY2024 Forecasts

- Under the new management structure, the Company aims to achieve growth that **outperforms the market average**, mainly in the Digital Marketing Business.
- Forecasts year-end dividends of **¥7.9** due to growth centered on the Digital Marketing Business and the impact of the sale of the IP Platform Business boosting profit attributable to owners of parent.

Management Structure Change

- **Generational change** and transition to a **collective leadership structure**.
- Build a structure that aims for sustainable and discontinuous growth, centered on the Digital Marketing Business.
- Further strengthen the advanced governance system.

Share Transfer of COMICSMART INC.

- COMICSMART INC., which operates the IP Platform Business, will be removed from the scope of consolidation after the share transfer and become an equity-method affiliate from April 2024 onward.

**In line with the outlook, revenue turned positive in 4Q.
Continuing to aim for profit turnaround in 5Q.**

Trends and Outlook of YoY Changes in Each Item (Consolidated)

 Timing of reversal

| | FY2023 | | | | | FY2024 |
|---------------------------|--------|--------|--------|--------|------------------------------|----------------------------|
| | 1Q | 2Q | 3Q | 4Q | 5Q | |
| Net sales | +6.5% | -5.4% | +3.3% | +6.7% | Double-digit growth | Revenue growth |
| Revenue | +6.1% | -4.0% | -0.2% | +3.0% | Double-digit growth | |
| SG&A expenses | +32.2% | +2.0% | +7.8% | +6.1% | Decline in the increase pace | Increase at cruising speed |
| Non-GAAP operating profit | -55.6% | -29.7% | -77.0% | -30.0% | Profit turnaround | Substantial profit growth |

*Comparison based on results and outlook prior to reclassification of the IP Platform Business as discontinued operations.

07 FY2023 Results and FY2024 Forecasts



FY2023 achieved a profit turnaround in 5Q in line with the outlook. FY2024 expects higher revenue and profit, mainly in the Digital Marketing Business.

Trends and Outlook of YoY Changes in Each Item (Consolidated)

Timing of reversal

| | FY2023 | | | | | FY2024* (Forecasts) |
|---------------------------|--------|--------|--------|--------|---------------------------------------|----------------------------|
| | 1Q | 2Q | 3Q | 4Q | 5Q | |
| Net sales | +6.5% | -5.4% | +3.3% | +6.7% | Double-digit growth +18.9% | growth |
| Revenue | +6.1% | -4.0% | -0.2% | +3.0% | Double-digit growth +17.2% | growth |
| SG&A expenses | +32.2% | +2.0% | +7.8% | +6.1% | Decline in the increase pace +7.7% | Increase at cruising speed |
| Non-GAAP operating profit | -55.6% | -29.7% | -77.0% | -30.0% | Profit turnaround +40.9% | Substantial profit growth |

*Comparison based on forecasts after reclassification of the IP Platform Business as discontinued operations and FY2023 results (prior to reclassification).

02

Consolidated Earnings Overview in FY12/23

Both revenue and Non-GAAP operating profit exceeded the revised forecasts.

Consolidated

| | | | Compared to forecasts |
|------------------------------|-----------|--|-----------------------|
| Revenue | ¥37,281mn | | 101.6% |
| Non-GAAP Operating Profit | ¥4,426mn | | 105.4% |
| EPS | ¥20.74 | | +¥3.21 |

*YoY changes are not shown because FY2023 is an irregular 15-month accounting period.

Digital Marketing Business

Acquisition of new clients and expansion of existing projects resulted in exceeding the revised forecasts.

| | Compared to forecasts | | | Compared to forecasts | |
|---------|-----------------------|--------|---------------------------|-----------------------|--------|
| Revenue | ¥32,112mn | 103.3% | Non-GAAP Operating Profit | ¥8,527mn | 103.4% |

Media Platform Business

IP Platform Business grew significantly, yet other areas underperformed, leading to results below the forecasts.

| | Compared to forecasts | | | Compared to forecasts | |
|---------|-----------------------|-------|--|-----------------------|---------|
| Revenue | ¥5,839mn | 92.7% | Non-GAAP Operating Profit | ¥-656mn | ¥-106mn |
| | | | Including investment in new segments of ¥-58mn | | |

Profitability improved in 5Q due to the top line growth and appropriate control of SG&A expenses.

| | 1-4 Q | | 5 Q | | Full year | |
|--|---------|--------|--------|--------|-----------|--------|
| | Value | Ratio | Value | Ratio | Value | Ratio |
| | | | | | | |
| Revenue | 29,108 | 100.0% | 8,173 | 100.0% | 37,281 | 100.0% |
| Gross Profit | 21,960 | 75.4% | 6,154 | 75.3% | 28,115 | 75.4% |
| SG&A expenses | 18,899 | 64.9% | 4,907 | 60.0% | 23,806 | 63.9% |
| Non-GAAP operating profit | 3,163 | 10.9% | 1,264 | 15.5% | 4,426 | 11.9% |
| Operating profit | 3,023 | 10.4% | 1,261 | 15.4% | 4,284 | 11.5% |
| Financial income | 5 | 0.0% | 70 | 0.9% | 75 | 0.2% |
| Financial expenses | 209 | 0.7% | 14 | 0.2% | 224 | 0.6% |
| Equity in earnings of affiliates | 1,356 | 4.7% | 495 | 6.1% | 1,851 | 5.0% |
| Profit for the period attributable to owners of parent | 2,769 | 9.5% | 1,550 | 19.0% | 4,319 | 11.6% |
| Basic earnings per share (EPS) (¥) | 13.28 | — | 7.48 | — | 20.74 | — |
| [Reference] Net sales | 134,605 | — | 38,129 | — | 172,733 | — |

*YoY changes are not shown because FY2023 is an irregular 15-month accounting period.

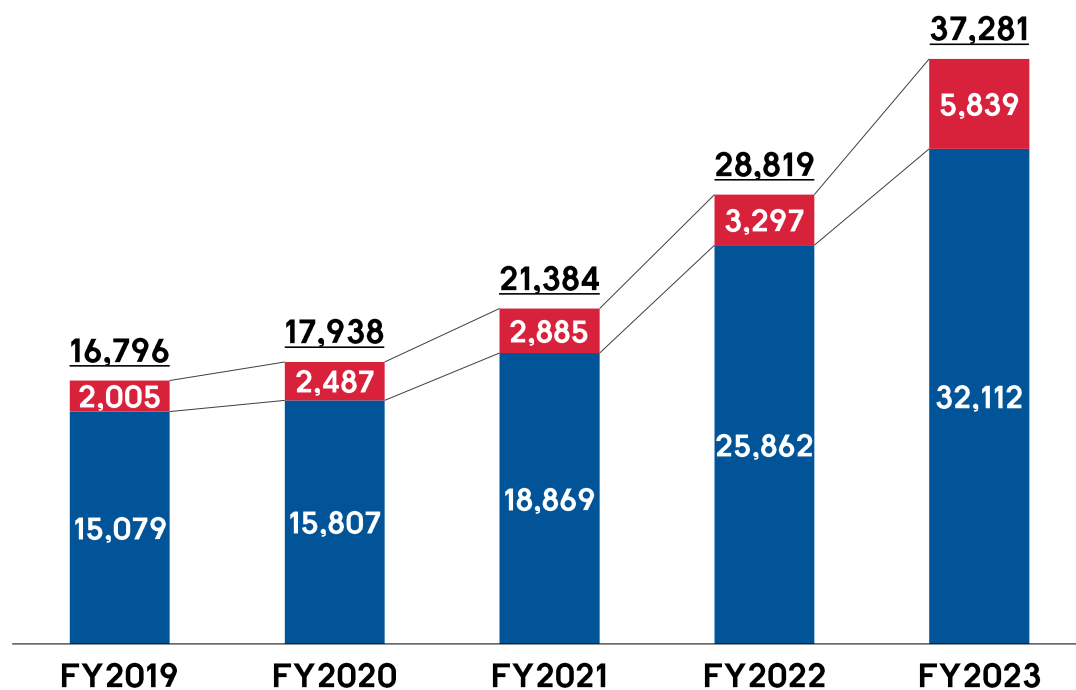
12 Earnings Trend by Business Segment

(15 months, before reclassification of discontinued operations)

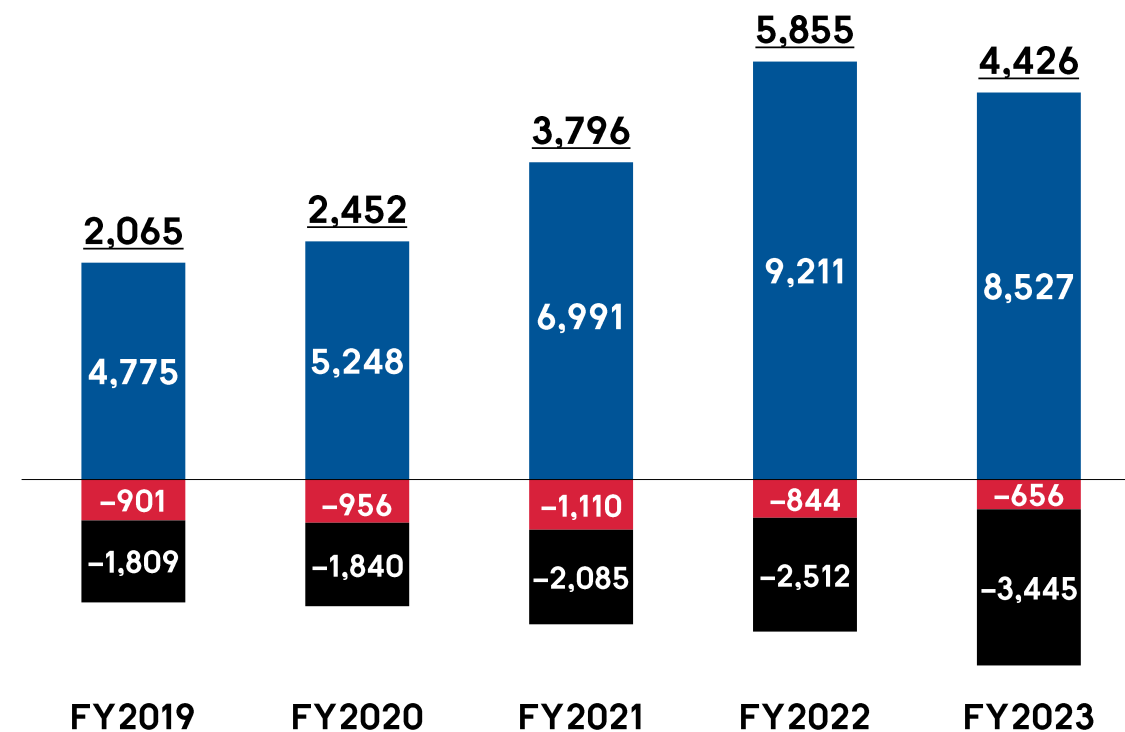
Although the performance fell short of the initial forecasts due to changes in the external environment, it exceeded the revised forecasts.

Revenue

Digital Marketing Media Platform Adjustments (Unit: ¥mn)



Non-GAAP Operating Profit



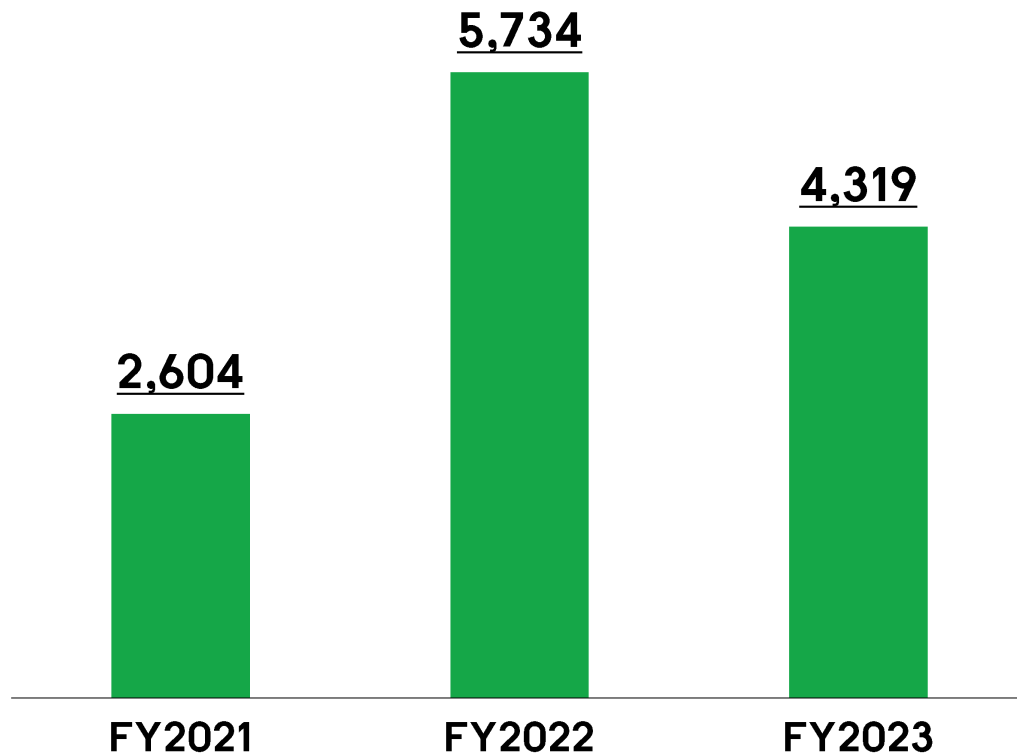
*As the elimination of intersegment revenue is omitted, the total of each business revenue and consolidated revenue (underlined figures) do not coincide.

13 Revision of Dividend Forecast

As profit attributable to owners of parent exceeded the revised forecasts, the Company raised the year-end dividend forecast to ¥5.2 per share.

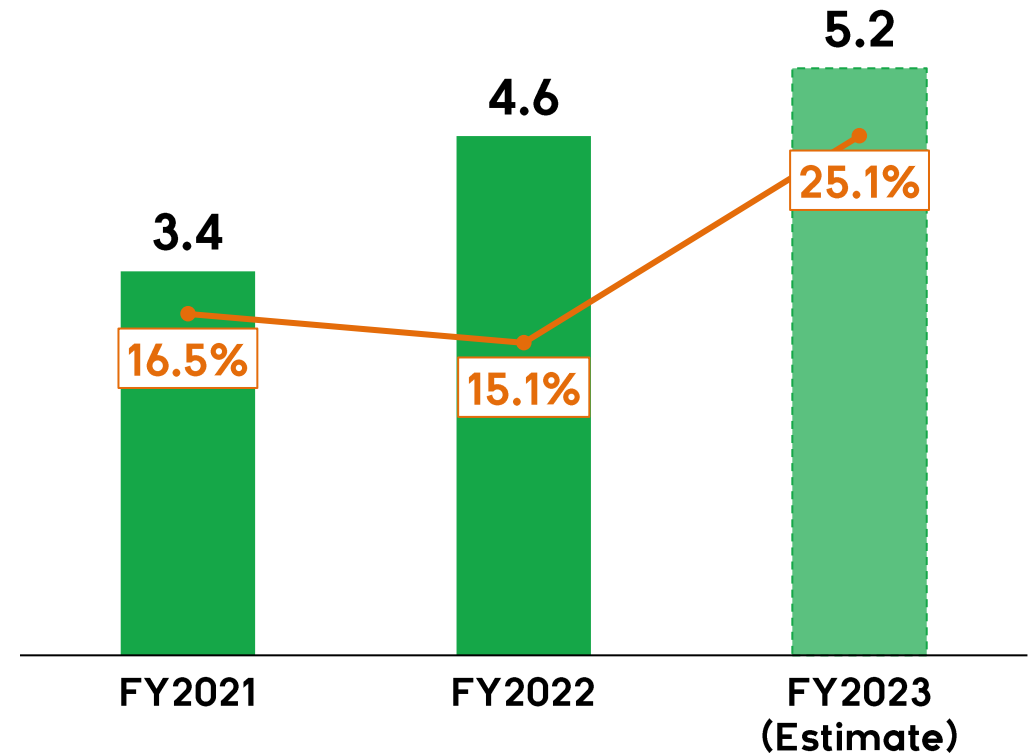
Profit Attributable to Owners of Parent

(Unit: ¥mn)



Dividend and Dividend Payout Ratio

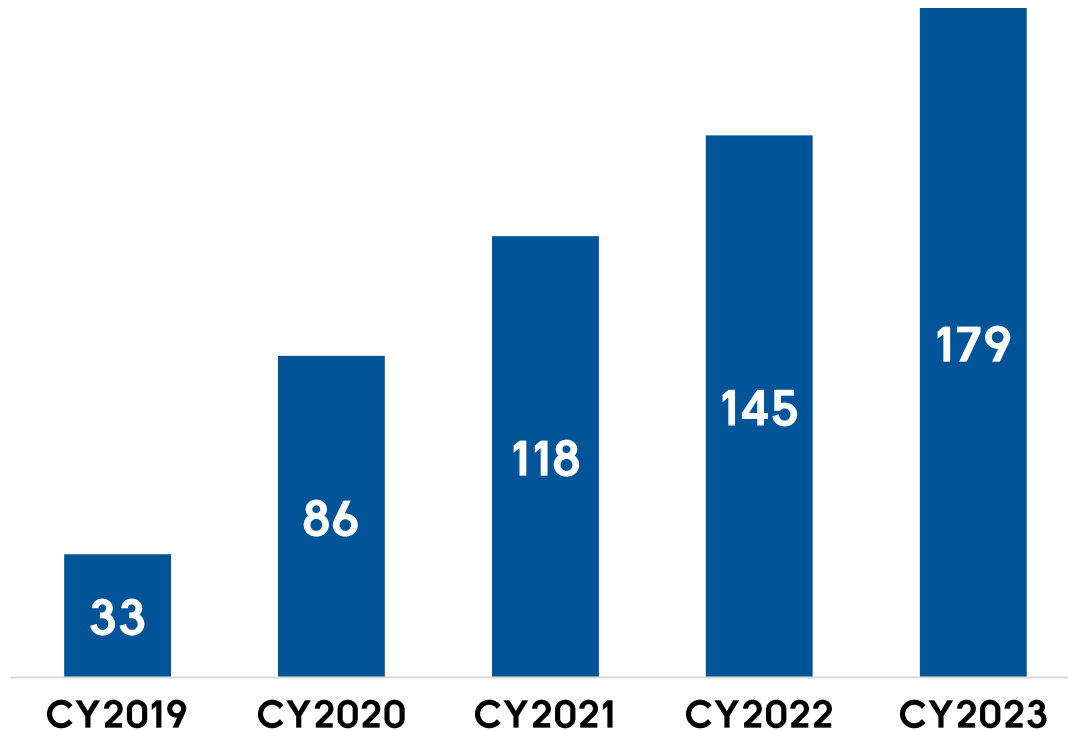
■ Dividend per share (¥)
—○— Dividend payout ratio



Number of Dentsu alliance clients and sales steadily expanded.

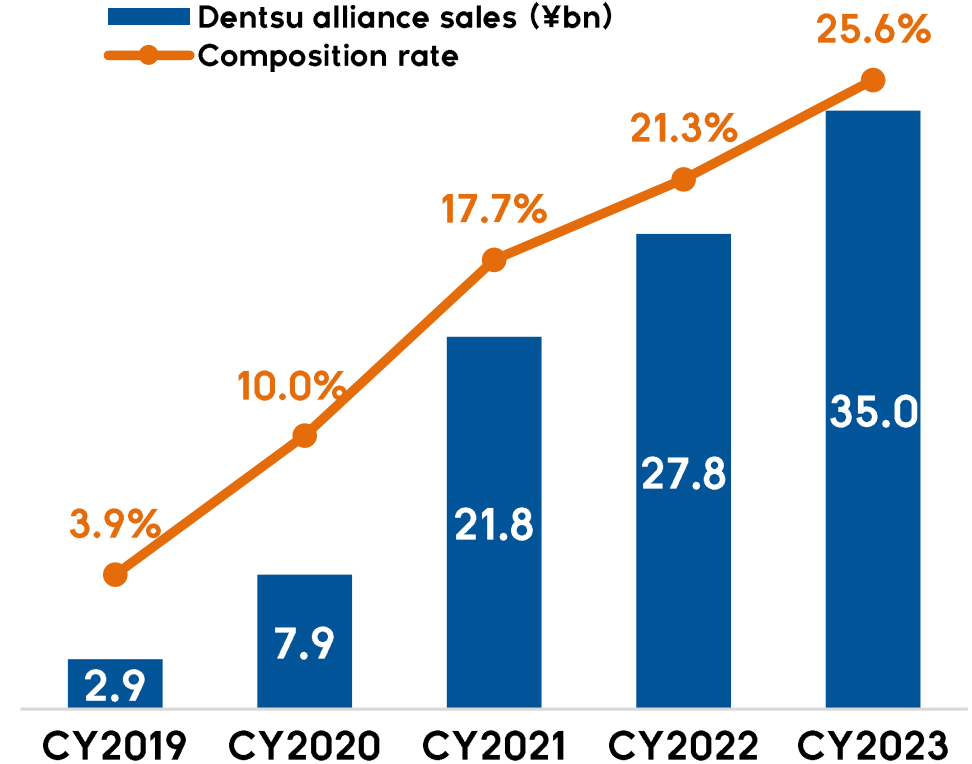
Volume of clients in collaboration with Dentsu Group

■ Volume of clients



Sales from the collaboration with Dentsu Group

■ Dentsu alliance sales (¥bn)
● Composition rate

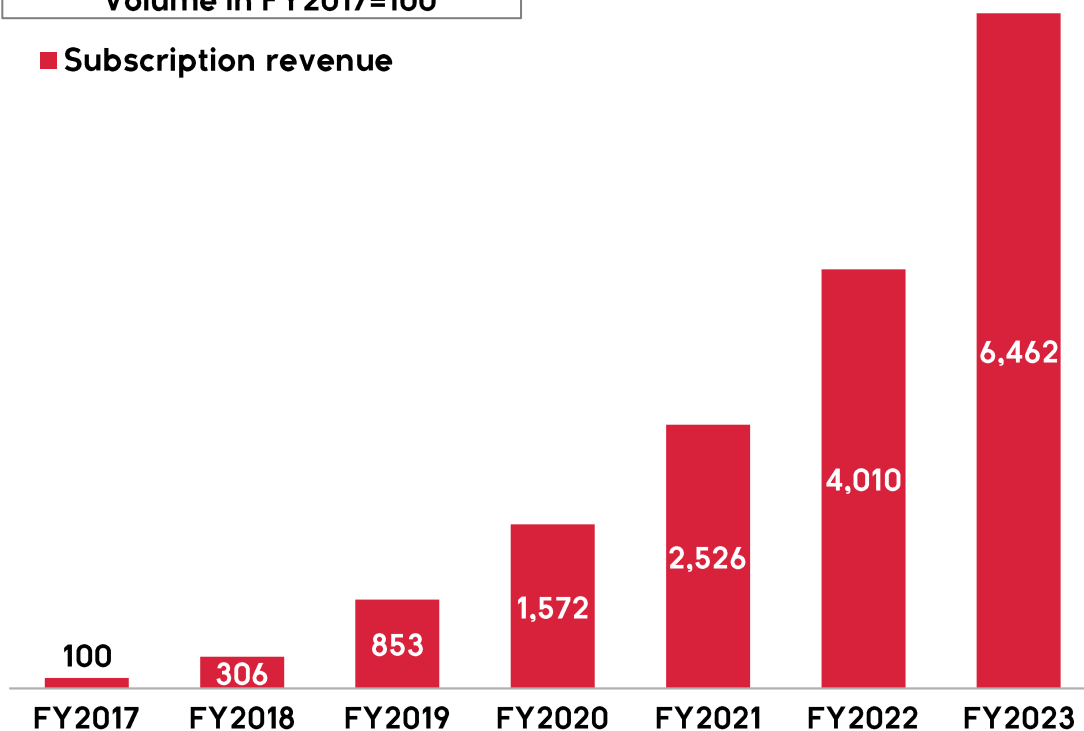


GANMA! Subscription revenue and commerce revenue increased significantly due to the impact of anime broadcast and multi-title hits.

GANMA! Subscription Revenue

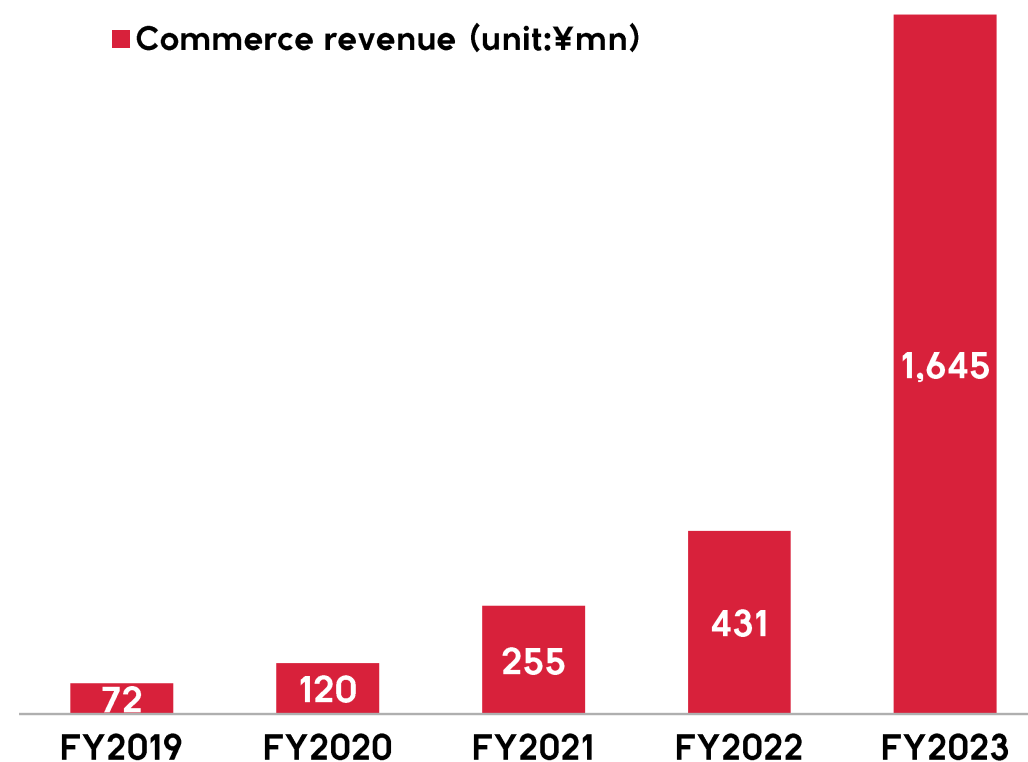
*Volume in FY2017=100

■ Subscription revenue



GANMA! Commerce Revenue*

■ Commerce revenue (unit:¥mn)



*Commerce revenue: Revenue from the sales of content, such as e-books and crowdfunding.

Provision of *HaKaSe Onboard*, a DX service that supports on-boarding of employees, expanded.

Key KPIs

No. of clients

50

Retention rate

90%

Main Clients



KOKUYO

SUNTORY



 土屋鞆製造所



YAHOO!
JAPAN

1-グレート 

03

Quarterly Consolidated Earnings Overview

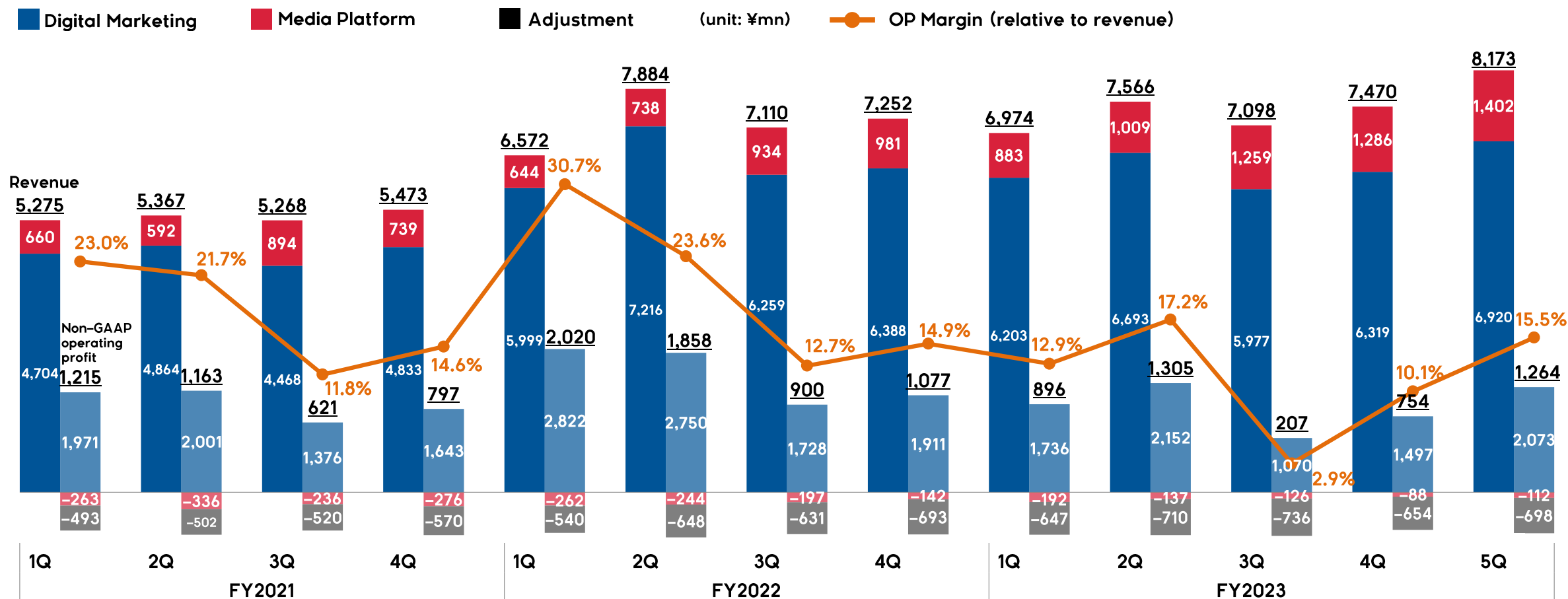
**Revenue and profit increased substantially,
mainly due to the turnaround of the Digital Marketing Business.**

| (unit: ¥mn) | 5Q/2023 | | | 1Q/FY2023 | |
|--|---------|--------|------------|-----------|--------|
| | Value | Ratio | YoY | Value | Ratio |
| Revenue | 8,173 | 100.0% | +17.2% | 6,974 | 100.0% |
| Gross Profit | 6,154 | 75.3% | +13.9% | 5,405 | 77.5% |
| SG&A expenses | 4,907 | 60.0% | +7.7% | 4,557 | 65.3% |
| Non-GAAP operating profit | 1,264 | 15.5% | +40.9% | 896 | 12.9% |
| Operating profit | 1,261 | 15.4% | +49.6% | 843 | 12.1% |
| Financial income | 70 | 0.9% | +14,780.8% | 0 | 0.0% |
| Financial expenses | 14 | 0.2% | -97.9% | 680 | 9.8% |
| Equity in earnings of affiliates | 495 | 6.1% | -23.2% | 644 | 9.2% |
| Profit for the period attributable to owners of parent | 1,550 | 19.0% | +166.0% | 583 | 8.4% |
| [Reference] Net sales | 38,129 | — | +18.9% | 32,064 | — |

Quarterly Trend of Earnings by Business Segment

(Before reclassification of discontinued operations)

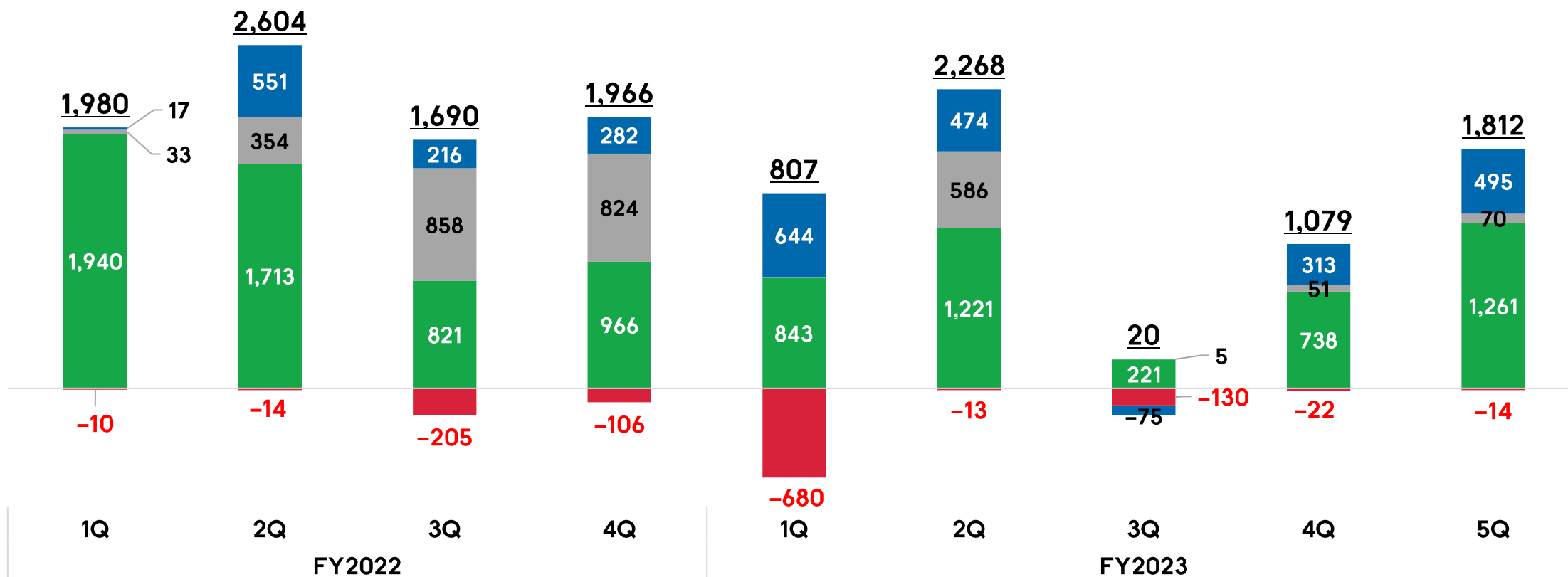
Although personnel expenses increased from 3Q due to the strengthening of human capital investment, the impact was reversed within the period and profit increased.



*As the elimination of intersegment revenue is omitted, the total of each business revenue and consolidated revenue (underlined figures) do not coincide.

Equity in earnings of affiliates recovered after bottoming out in 3Q and increased QoQ.

■ IFRS operating profit ■ Financial income ■ Financial expenses ■ Equity in earnings of affiliates Profit before tax (unit: ¥mn)



Cost of sales increased YoY due to increased sales of e-books in the IP Platform Business.

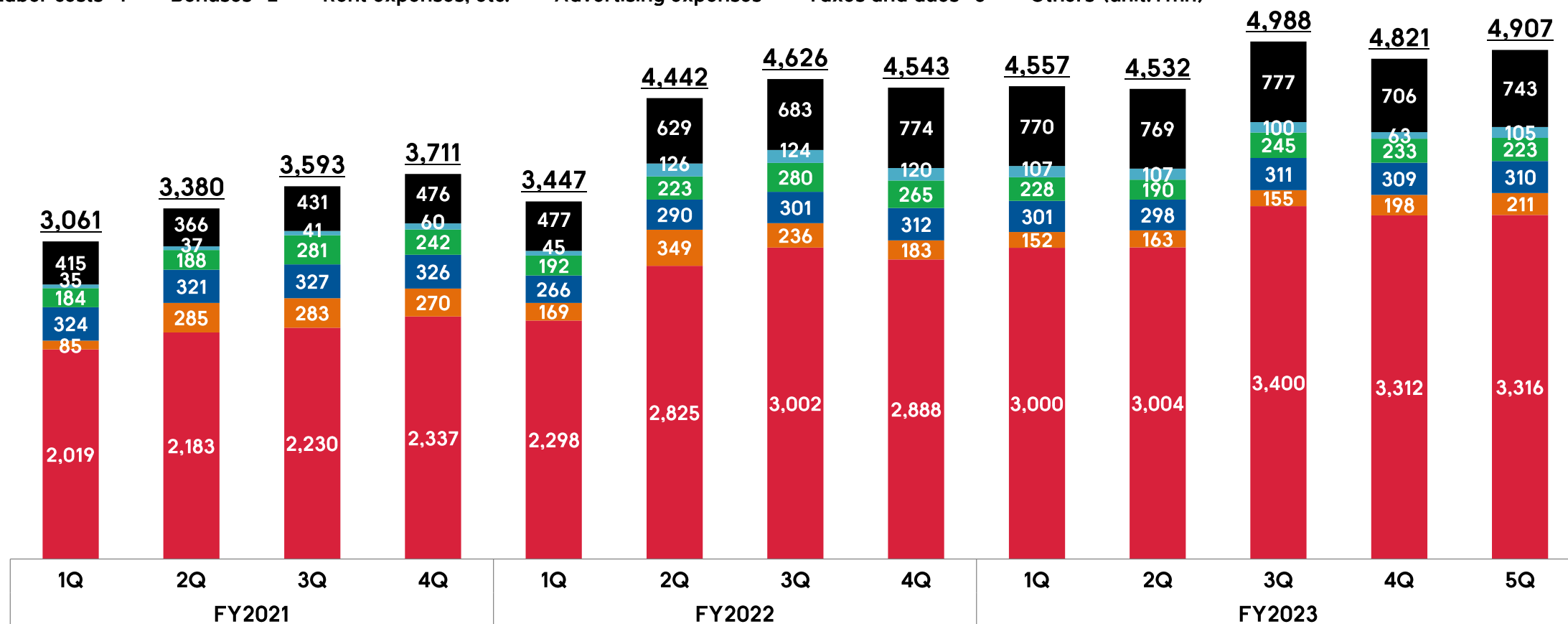
| (unit: ¥mn) | FY2021 | | | | FY2022 | | | | FY2023 | | | | | QonQ | YonY |
|-----------------------------------|--------|-------|-------|-------|--------|-------|-------|-------|--------|-------|-------|-------|-------|--------|--------|
| | 1 Q | 2 Q | 3 Q | 4 Q | 1 Q | 2 Q | 3 Q | 4 Q | 1 Q | 2 Q | 3 Q | 4 Q | 5 Q | | |
| Total of cost of sales | 1,005 | 939 | 1,076 | 1,079 | 1,120 | 1,647 | 1,637 | 1,694 | 1,568 | 1,762 | 1,894 | 1,923 | 2,019 | +5.0% | +28.7% |
| Labor costs | 296 | 321 | 347 | 344 | 364 | 366 | 388 | 379 | 393 | 408 | 453 | 442 | 439 | -0.6% | +11.9% |
| Subcontract costs | 240 | 167 | 204 | 244 | 294 | 779 | 632 | 674 | 545 | 659 | 623 | 650 | 596 | -8.3% | +9.4% |
| Others | 468 | 451 | 525 | 491 | 462 | 503 | 617 | 641 | 631 | 695 | 819 | 832 | 984 | +18.3% | +55.9% |
| Total of SG&A expenses | 3,061 | 3,380 | 3,593 | 3,711 | 3,447 | 4,442 | 4,626 | 4,543 | 4,557 | 4,532 | 4,988 | 4,821 | 4,907 | +1.8% | +7.7% |
| Labor costs ^{*1} | 2,019 | 2,183 | 2,230 | 2,337 | 2,298 | 2,825 | 3,002 | 2,888 | 3,000 | 3,004 | 3,400 | 3,312 | 3,316 | +0.1% | +10.6% |
| Employee bonuses ^{*2} | 85 | 285 | 283 | 270 | 169 | 349 | 236 | 183 | 152 | 163 | 155 | 198 | 211 | +6.4% | +38.3% |
| Rent expenses etc. | 324 | 321 | 327 | 326 | 266 | 290 | 301 | 312 | 301 | 298 | 311 | 309 | 310 | +0.2% | +3.0% |
| Advertising expenses | 184 | 188 | 281 | 242 | 192 | 223 | 280 | 265 | 228 | 190 | 245 | 233 | 223 | -4.2% | -2.1% |
| Taxes and dues ^{*3} | 35 | 37 | 41 | 60 | 45 | 126 | 124 | 120 | 107 | 107 | 100 | 63 | 105 | -66.0% | -2.1% |
| Others | 415 | 366 | 431 | 476 | 477 | 629 | 683 | 774 | 770 | 769 | 777 | 706 | 743 | +5.2% | -3.5% |

*1 Performance-linked stock compensation (BIP trust), which is a reconciliation to Non-GAAP operating profit, is recognized as labor costs since FY2021/2Q.

*2 Including estimation amount for additional performance-linked bonus. *3 Taxes and dues, originally accounted as others, were extracted and calculated.

**Personnel expenses increased YoY
due to the strengthening of human capital investment.**

■ Labor costs *1 ■ Bonuses *2 ■ Rent expenses, etc. ■ Advertising expenses ■ Taxes and dues *3 ■ Others (unit:¥mn)



*1 Performance-linked stock compensation (BIP trust), which is a reconciliation to Non-GAAP operating profit, is recognized as labor costs since FY2021/2Q.

*2 Including estimation amount for additional performance-linked bonus. *3 Taxes and dues, originally accounted as others, were extracted and calculated.

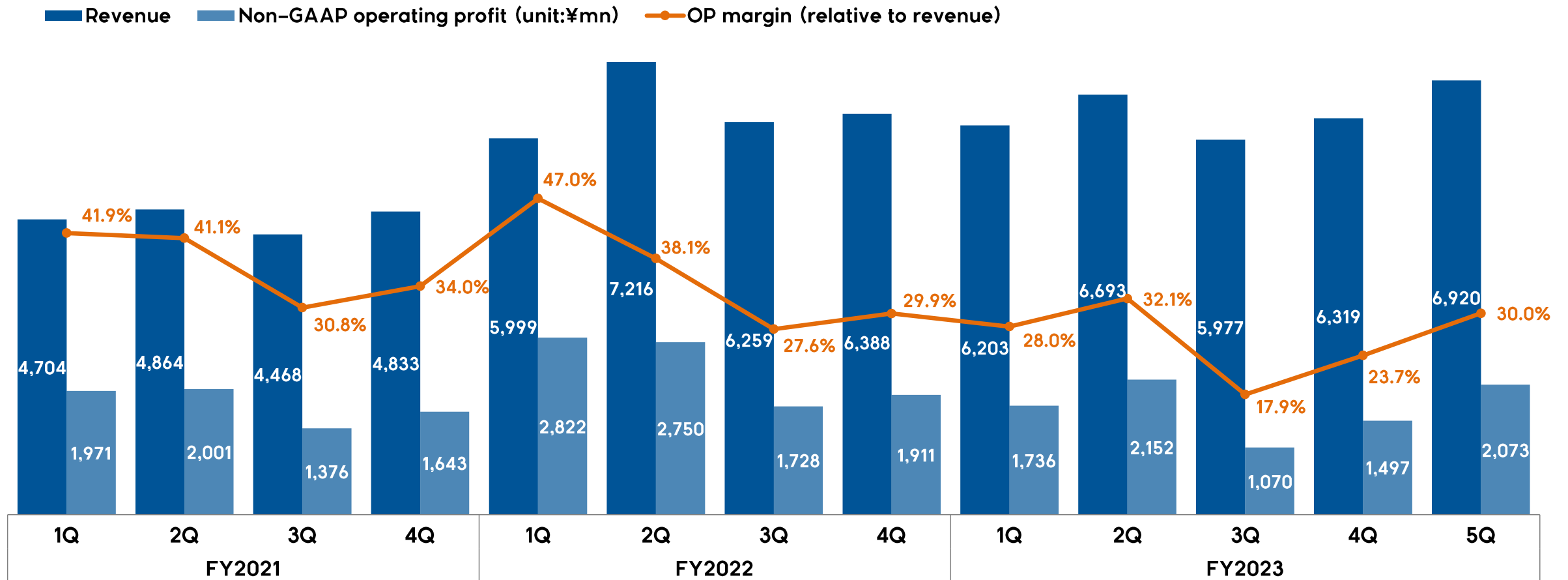
04

Digital Marketing Business

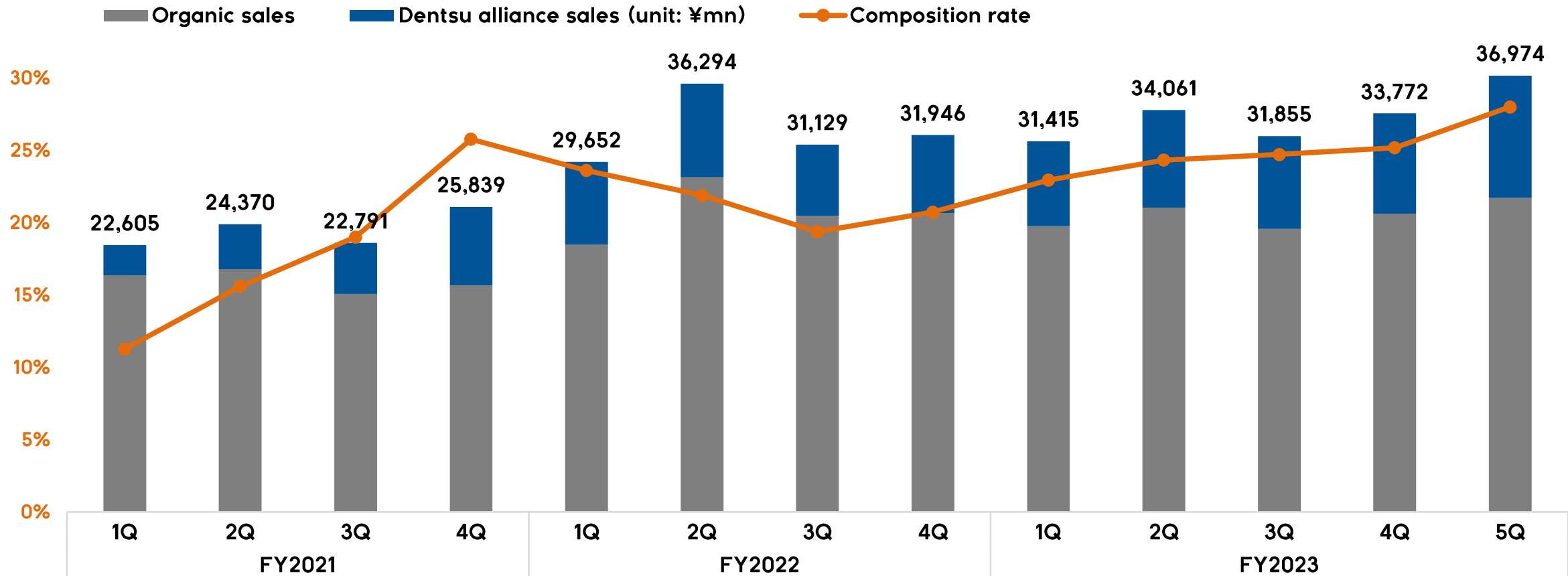
Revenue and profit increased YoY, exceeding the revised forecasts.

| (unit: ¥mn) | 5Q/2023 | | | 1Q/2023 | | FY12/23 | Full-year forecasts | Compared to forecasts |
|---------------------------|---------|--------|---------|---------|--------|---------|---------------------|-----------------------|
| | Value | Ratio | YoY | Value | Ratio | | | |
| Revenue | 6,920 | 100.0% | + 11.6% | 6,203 | 100.0% | 32,112 | 31,100 | 103.3% |
| Gross profit | 5,662 | 81.8% | + 12.0% | 5,054 | 81.5% | 25,810 | — | — |
| SG&A expenses | 3,605 | 52.1% | + 8.0% | 3,337 | 53.8% | 17,364 | — | — |
| Non-GAAP operating profit | 2,073 | 30.0% | + 19.5% | 1,736 | 28.0% | 8,527 | 8,250 | 103.4% |
| [Reference] Net Sales | 36,974 | — | + 17.7% | 31,415 | — | 168,076 | — | — |

**While strengthening investment in human capital,
operating profit margin improved during the period.**



Dentsu alliance sales increased YoY due to the steady progress of the alliance.



*Since FY2022/2Q, organic sales include the effects of new consolidation.

05

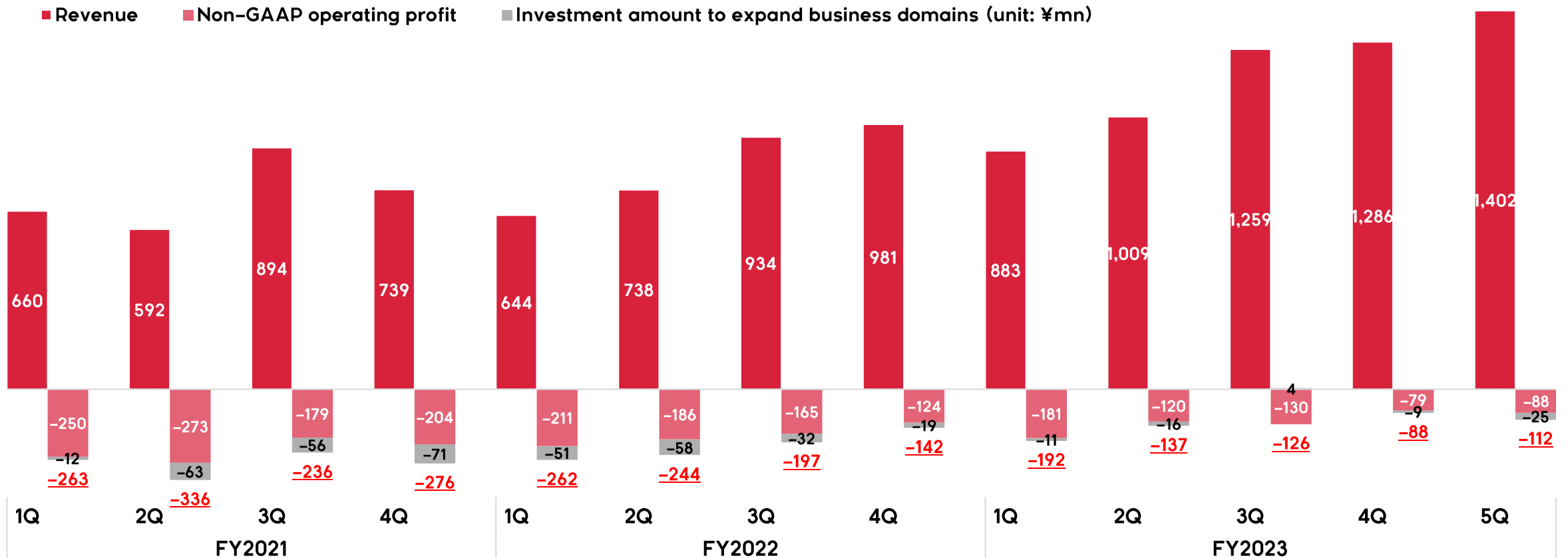
Media Platform Business

Revenue increased and loss narrowed due to growth in the IP Platform Business.

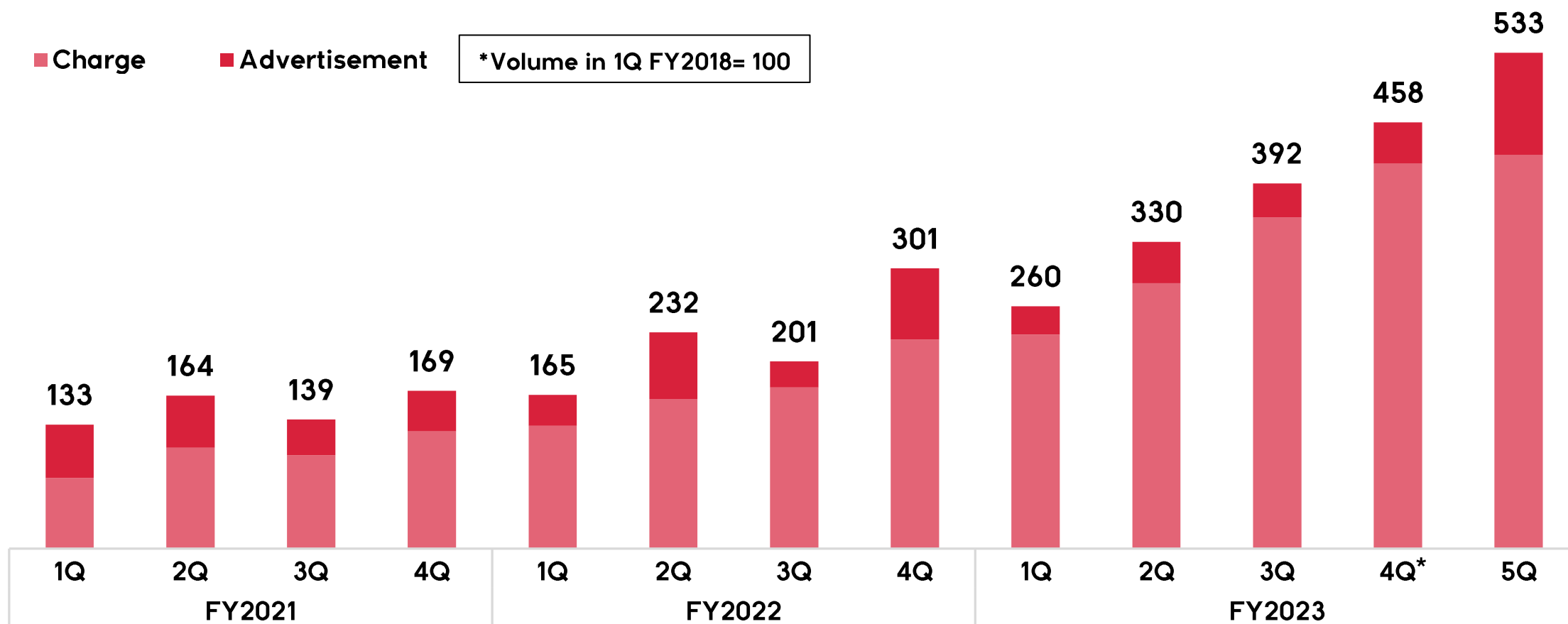
| (unit:¥mn) | 5Q/2023 | | | 1Q/2023 | | FY12/23 | Full-year forecasts | Compared to forecasts |
|---|---------|--------|--------|---------|--------|---------|---------------------|-----------------------|
| | Value | Ratio | YoY | Value | Ratio | | | |
| Revenue | 1,402 | 100.0% | +58.8% | 883 | 100.0% | 5,839 | 6,300 | 92.7% |
| Gross profit | 639 | 45.6% | +37.4% | 465 | 52.7% | 2,967 | — | — |
| SG&A expenses | 751 | 53.5% | +13.4% | 662 | 75.0% | 3,616 | — | — |
| Non-GAAP operating profit | -112 | — | +80 | -192 | — | -656 | -550 | -106 |
| Investment amount to expand business domains* | -25 | — | -14 | -11 | — | -58 | — | — |

*Total operating profit (loss) from businesses positioned as expansion into new business segments.

Revenue reached a record high for the third consecutive quarter.

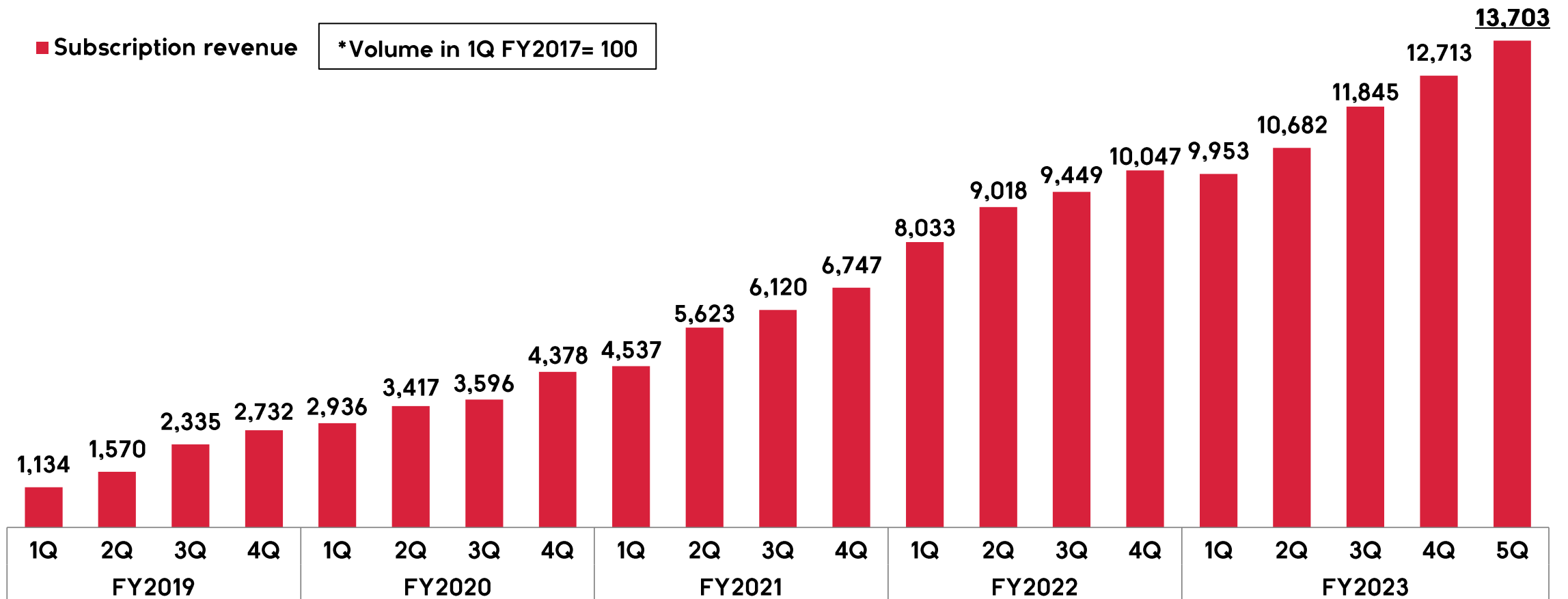


Advertising revenue increased due to growth in anime projects.

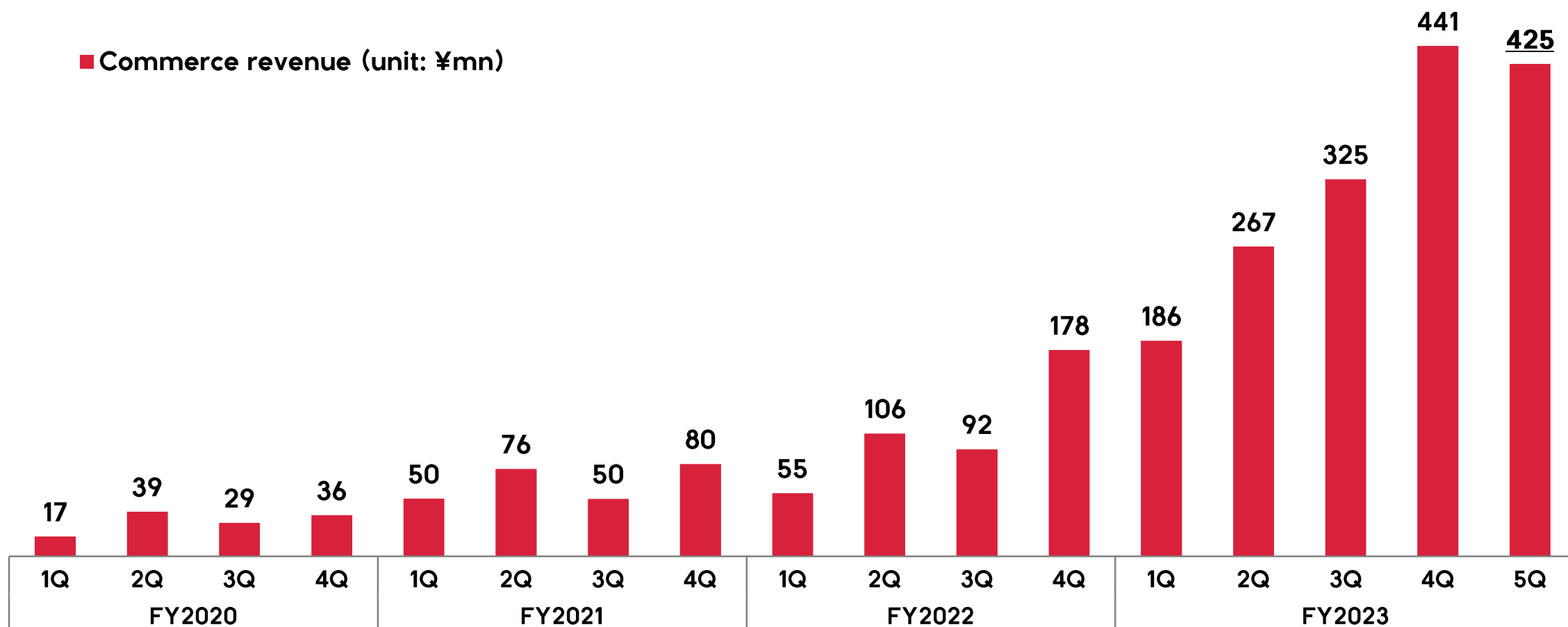


*Retrospective corrections were made to FY2023/4Q values.

Subscription revenue achieved **growth of +37.7% YoY** due to a steady increase in the number of subscribers.



Commerce revenue **grew by approximately 2.3 times YoY**
due to strong e-book sales.



*Commerce revenue: Revenue from the sales of content, such as e-books and crowdfunding.

06

Changes in Management Structure

34 Changes in Management Structure

Following discussions in the Nomination and Remuneration Advisory Committee, the Company decided to change its management structure to transition to a new generation and to focus on growth centered on the Digital Marketing Business.

Composition of the Nomination and Remuneration Advisory Committee



Outside Director, Chairperson
Etsuko Okajima



Outside Director
Yusuke Asakura



Outside Director
Yoshiki Ishikawa



Outside Director
Akie Iriyama



Outside Director
Mio Takaoka



Representative Director
Koki Sato

Comments from the chairperson of the Committee

Since the establishment of the Nomination and Remuneration Committee in July 2023, we have deliberated on the renewal of the management system.

Through a process of candidate interviews and committee dialogues, we have comprehensively evaluated the need for leadership that can accelerate growth while focusing on the digital marketing business, with the perspective of transitioning to a generation that “**creates a new era**” and achieving discontinuous growth. As a result, two individuals have been selected.

We have great expectations that these two will demonstrate strong leadership and we will support the new team in their endeavors.

Etsuko Okajima,
Chair of the Nomination and Remuneration Advisory Committee

The Company aims to achieve the vision and sustainable growth and increase corporate value by establishing and promoting a new collective leadership system.

Newly appointed director*1

Yuichi Kouno

New Representative Director,
Group President and Chief Executive Officer

Joined the Company as a new graduate.
Appointed as Representative Director of SEPTENI CO., LTD.
and Septeni Japan, Inc in 2018.

In addition to leading the Digital Marketing Business,
Kouno has recently contributed to the creation and
expansion of collaborative results as the head of the
Dentsu alliance.



Yusuke Shimizu

New Director, Group Executive Vice
President and Executive Officer

Joined the Company as a new graduate.
Appointed as Representative Director of SEPTENI CO., LTD.
and Septeni Japan, Inc in 2018.

In addition to leading the Digital Marketing
Business, Shimizu has been in charge of
the Corporate Planning Division.



Group Executive Officer Structure after April 1, 2024

| Name | Position |
|-------------------|--|
| Yuichi Kouno*2 | Group President and Chief Executive Officer |
| Yusuke Shimizu*2 | Group Executive Vice President and Executive Officer*3 |
| Isamu Ueno*2 | Group Executive Vice President and Executive Officer*3 |
| Kei Hatano | Group Senior Executive Officer |
| Tei Go*2 | Group Senior Executive Officer |
| Kazunari Kondo*2 | Group Senior Executive Officer |
| Daisuke Suefuji*2 | Group Senior Executive Officer |
| Masayuki Takano*2 | Group Senior Executive Officer |

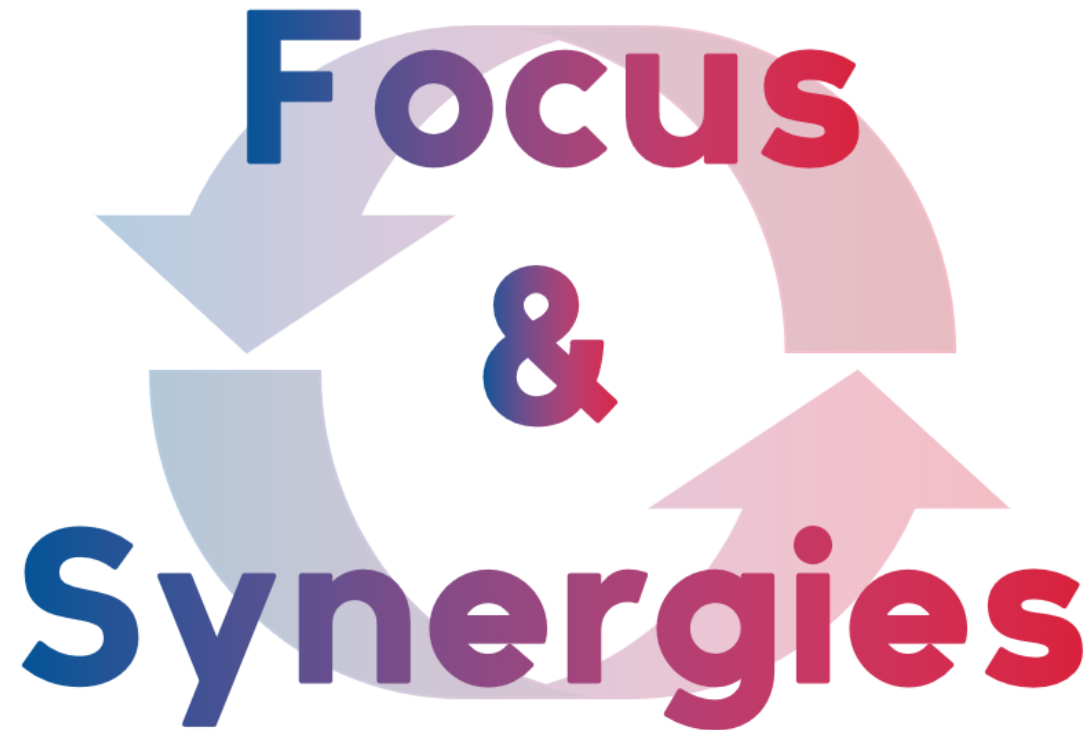
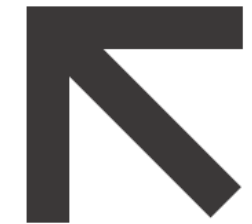
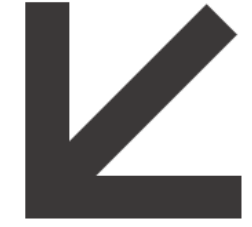
| Name | Position |
|---------------------|-------------------------|
| Teruyuki Noguchi | Group Executive Officer |
| Shuhei Ezaki | Group Executive Officer |
| Yoko Miyazaki*2 | Group Executive Officer |
| Masayuki Muto | Group Executive Officer |
| Yusuke Fukuhara | Group Executive Officer |
| Yuta Suzuki | Group Executive Officer |
| Takahiro Yamasaki*2 | Group Executive Officer |
| Ryo Okubo*2 | Group Executive Officer |

*1 Scheduled to assume the position of director after the Ordinary general Meeting of Shareholders to be held in March 2024 *2 Newly appointed *3 New position

*For details, please refer to the timely disclosure "Notice Concerning Changes of Representative Director and Director and Next-Term Management Structure" disclosed on December 11, 2023.

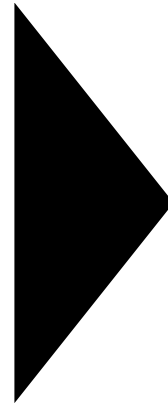
07

Medium-term Business Policies



From the “Domain Expansion” to the “Going Deeper” phase.

~FY2023



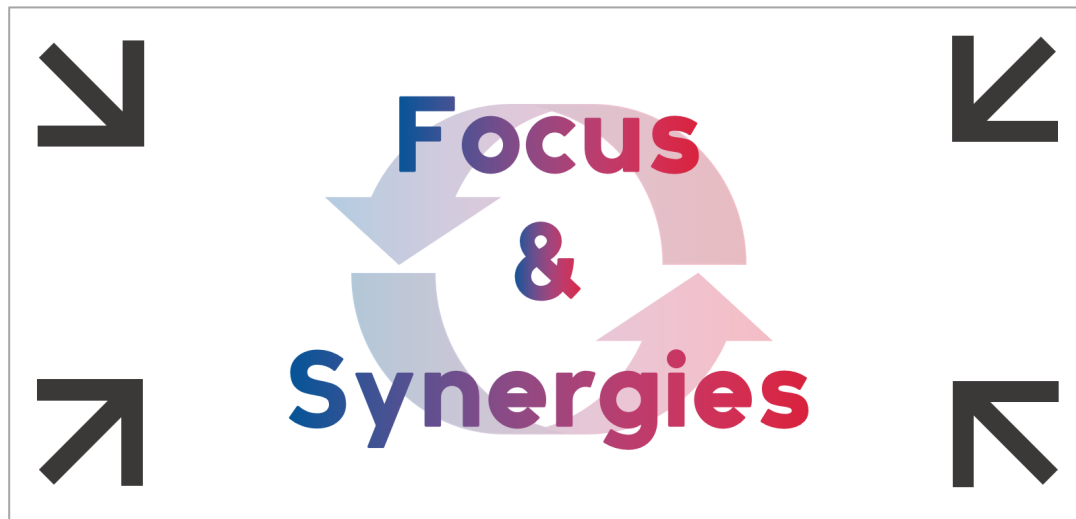
FY2024~



39 Update on Medium-term Business Policies (FY2024 to FY2026)

The Company started preparations to evolve into a corporate entity with multiple strong businesses by further strengthening the mainstay Digital Marketing Business

Medium-term Theme



Medium-term Focus Point

Reorganization and strengthening of the Digital Marketing Business

Group synergies utilizing the Digital Marketing Business assets

Creation of businesses from within each area

The Company classifies the Digital Marketing Business into each area and shift to area management under a new executive structure

Digital Marketing Business

Marketing Communication Area

- Strengthen Dentsu alliance and integrated marketing
- Consolidate functions within the Group and strengthen the combination of human resources × know-how × assets

Direct Business Area

- Further strengthen the strength of digital × offline media
- Develops new business in sales of own products (D2C business) by leveraging the Group's know-how

Data Solution Area

- Strengthen customer development support by leveraging the technological capabilities cultivated to date
- Develops into peripheral areas to further strengthen the development organization

Media Platform Business

- Fully utilize existing assets to maintain profitability



Investments for business growth

- Consider M&A as appropriate for business growth in each area

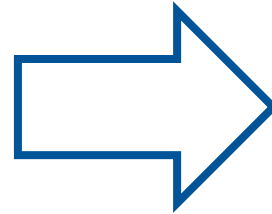
41 Focus and Synergies within Each Area

Marketing Communication Area

Provides marketing support through online and offline integration in full funnels, from branding to CRM, centered on sales and operation of digital advertising for domestic and overseas clients

Focus

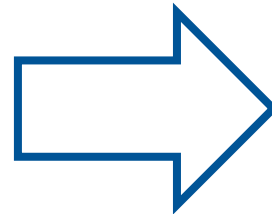
- Promote Dentsu alliance
- Strengthen integrated marketing



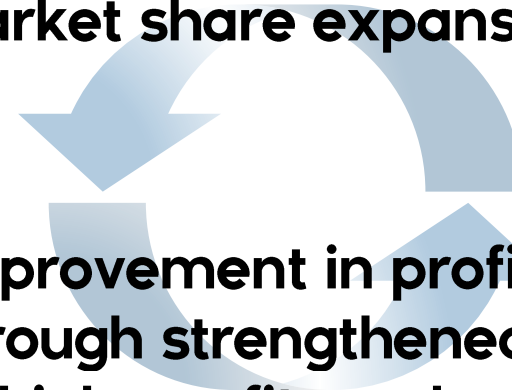
- Top line growth
- Market share expansion

Synergy

- Strengthen solutions to support Customer Experience Transformation, such as generative AI and CRM, by consolidating functions within the Group



- Improvement in profitability through strengthened sales of high-profit products
- Improvement in productivity



42 Focus and Synergies within Each Area

Direct Business Area

Solves clients' issues by integrating offline media and digital, specializing in the direct marketing area

Focus

Further strengthen the strengths of digital × offline media

Synergy

Develops new business in sales of own products (D2C business) by leveraging the Group's know-how

Future Roadmap



Data Solution Area

Collects, integrates and utilizes data, and develops and provides solutions utilizing AI.

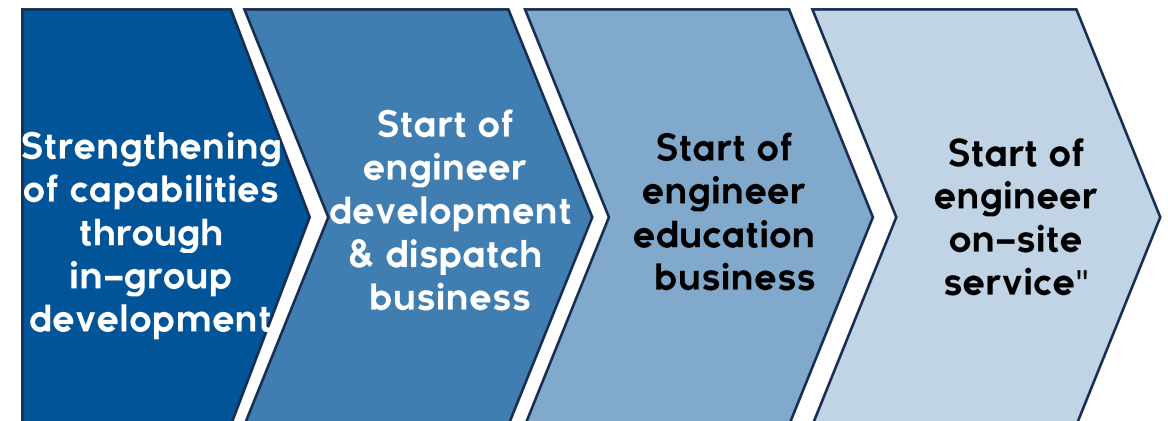
Focus

Strengthen customer development support by leveraging the technological capabilities cultivated to date.

Synergy

Develops into peripheral areas to further strengthen the development organization

Future Roadmap

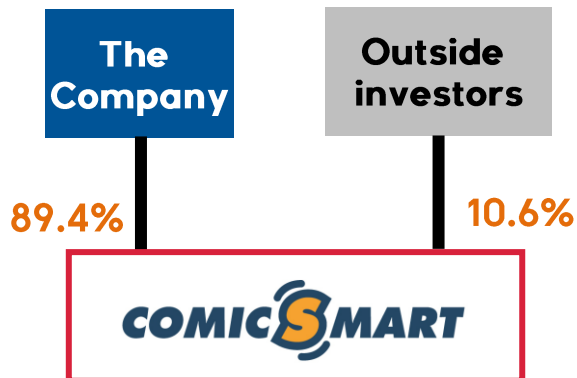


*1 A business that guarantees sell-out of clients' products leveraging marketing capabilities

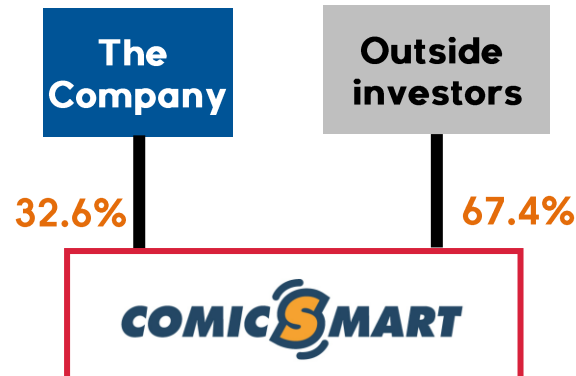
Purpose

- After its management structure reform, the Company will further focus on the Digital Marketing Business, the core business of its business portfolio, with the aim of achieving sustainable and dramatic discontinuous growth.
- The IP Platform Business will be able to engage in bolder and more agile business investments and operations than before, by conducting business operations and fundraising outside of the Group. This will lead to the sustainable growth and maximization of corporate value for COMICSMART Inc., and ultimately contribute to the enhancement of the Company's corporate value.

Before the Share Transfer



After the Share Transfer



Outlook

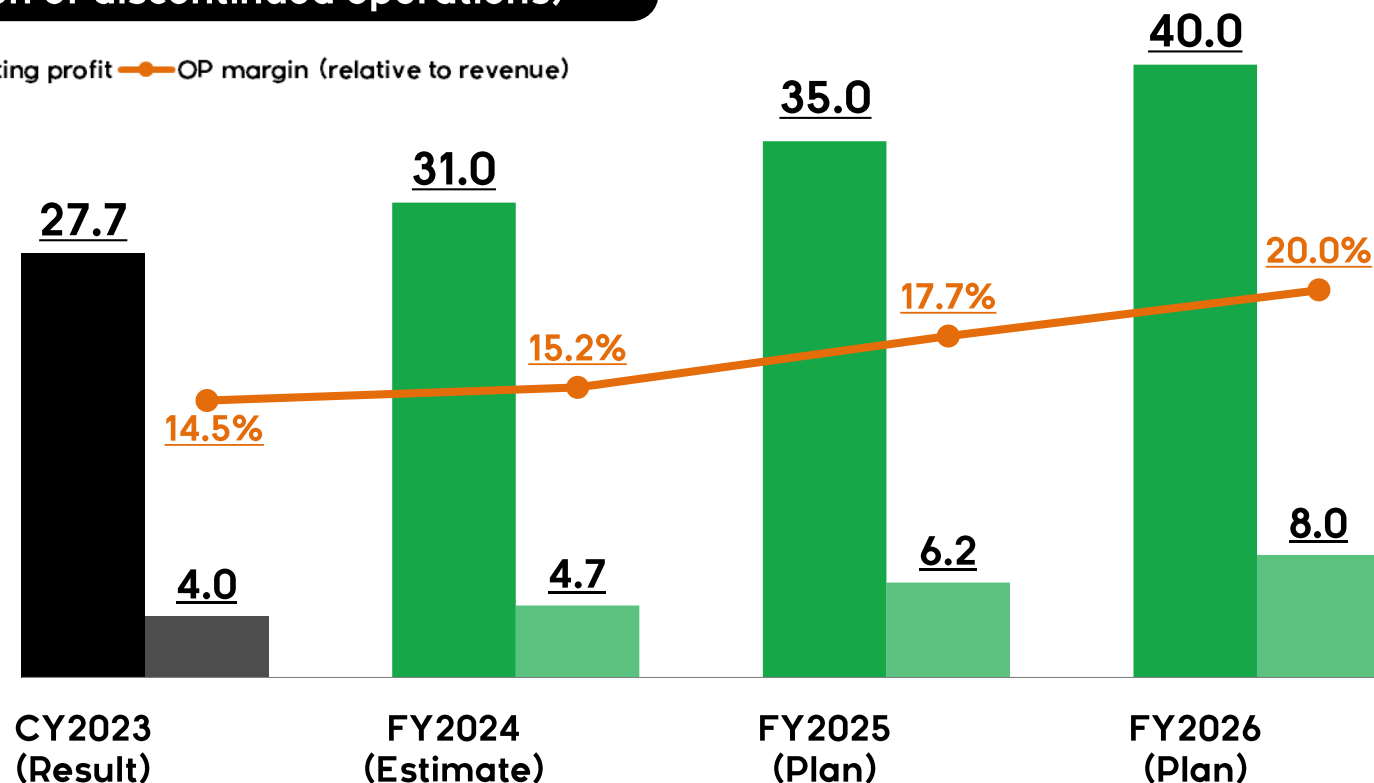
On the date of the share transfer (scheduled in March 2024), COMICSMART Inc. will become an equity-method affiliate, and FY2024/1Q is expected to record a gain of approximately ¥2.2 billion associated with the share transfer.

Growth centered on the Digital Marketing Business is expected to lead to increases in revenue and profit and higher operating margins.

Consolidated 3-Year Plan
(After reclassification of discontinued operations)

(unit: ¥bn)

Revenue Non-GAAP operating profit OP margin (relative to revenue)



The Company provides appropriate shareholder returns while considering and executing investments for business growth in each area as appropriate.

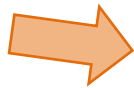
Future Capital Allocation Approach

Operating CF
during the
medium-term
plan period

Cash and
deposits at
the end of
FY2023



Investments for
Business Growth



Shareholder
Return



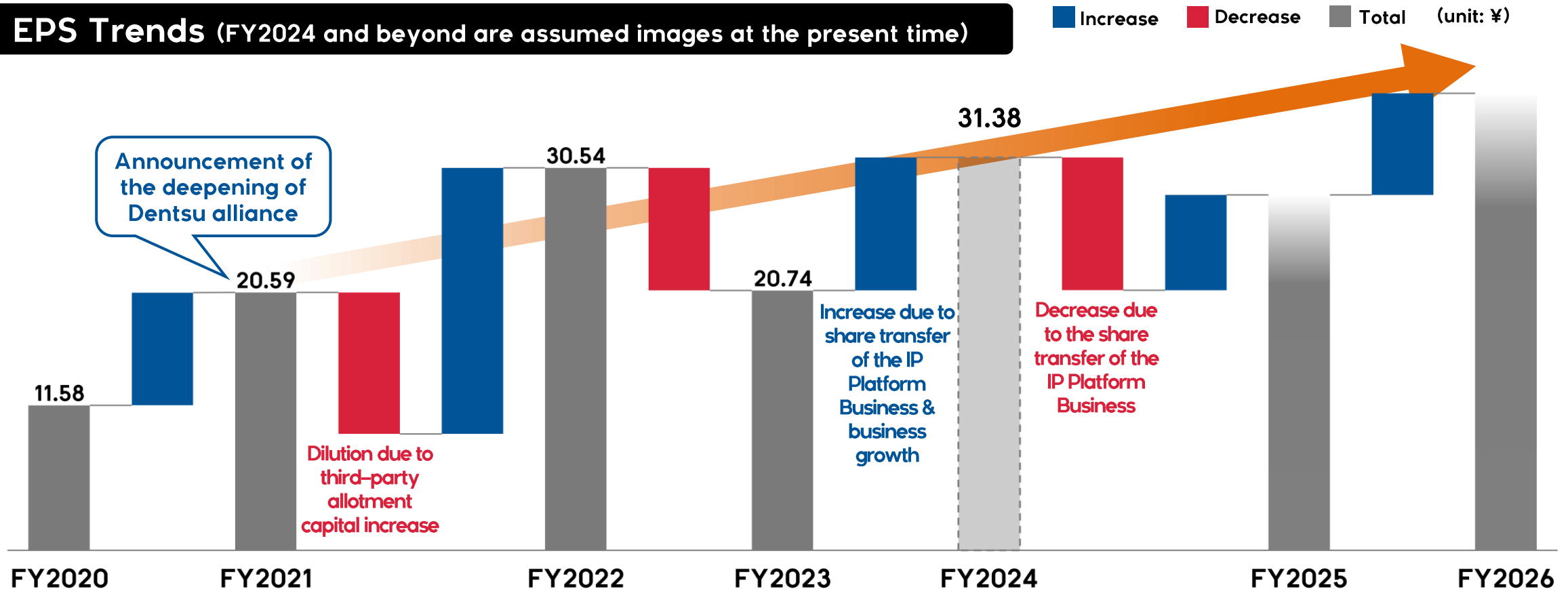
Cash on Hand

- Investment for organic growth and new business creation
- Consider M&A as appropriate for growth in each area of digital marketing business
- Stable payment of dividend
- Continuous consideration to increase dividend payout ratio
- Implementation of flexible share repurchases
- Securing appropriate working capital

46 EPS Trends and Outlook

During this mid-term management plan period, the Company aims to achieve approximately double the growth in EPS from the level announced at the time of the FY2021 when the Company declared the deepening of Dentsu alliance.

EPS Trends (FY2024 and beyond are assumed images at the present time)



*FY2023 figures are for 15 months and after reclassification of discontinued operations.

08

Earnings Estimates

48 Figures in Earnings Estimates

Disclosure of changes in fiscal year end and reclassification of discontinued operations

| | 2021 | 2022 | | | | 2023 | | | | 2024 | | | | Corresponding documents |
|---|---|---|-------|-------|---|--|-------|-------|---|---|-------|-------|---|--|
| | 10 – 12 | 1 – 3 | 4 – 6 | 7 – 9 | 10 – 12 | 1 – 3 | 4 – 6 | 7 – 9 | 10 – 12 | 1 – 3 | 4 – 6 | 7 – 9 | 10 – 12 | |
| 15 months, before reclassification of discontinued operations | FY September/2022 (before reclassification of discontinued operations) | | | | FY December/2023 (15 months, before reclassification of discontinued operations) | | | | — | | | | Financial results briefing material P4~32 | |
| Calendar year basis | | CY2022 (After reclassification of discontinued operations) | | | | CY2023 (12 months, after reclassification of discontinued operations) | | | | CY2024 (After reclassification of discontinued operations) | | | | Financial results briefing material P37~50 |
| Financial reporting basis | FY September/2022 (After reclassification of discontinued operations) | | | | FY December/2023 (15 months, after reclassification of discontinued operations) | | | | FY December/2024 (After reclassification of discontinued operations) | | | | Financial statements | |

The Company changed its fiscal year–end, and FY12/23 was an irregular accounting period of 15 months.

In addition, following the resolution of the share transfer of COMICSMART INC., which operates the IP Platform Business, the Company has classified this business as discontinued operations.

In earnings estimates, the Company has simply aggregated the consolidated P/L for January to December 2023 for comparison purposes and are presenting figures on a 'calendar year basis,' after reclassifying the IP Platform Business as discontinued operations.

Steady growth centered on the Digital Marketing Business, and a boost to profit attributable to owners of parent due to the sale of the IP Platform Business, and a significant increase in EPS are expected.

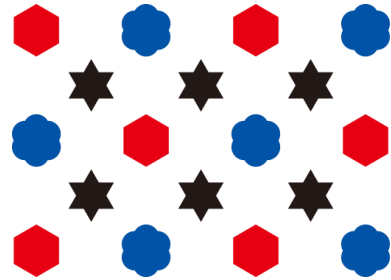
| (unit: ¥mn) | Jan to Dec 2023 (Calendar year basis) | Earnings estimates for FY12/2024 | Expected growth rate |
|--|--|-------------------------------------|----------------------|
| Revenue | 27,674 | 31,000 | +12.0% |
| Non-GAAP operating profit | 4,016 | 4,700 | +17.0% |
| Profit attributable to owners of parent | 3,736 | 6,500 | +74.0% |
| Earnings per share (¥) (EPS) | 17.97* | 31.38 | +13.41 |
| [Reference] Net sales | 138,036 | 150,000 | +8.7% |
| Dividend per share (¥) | — | 7.9 | — |
| Dividend payout ratio (%) | — | 25.2 | — |

*Calendar year EPS is for reference only.

The Company aims for growth above the market growth rate,
centered on the Digital Marketing Business.

| (unit: ¥mn) | Revenue | | | Non-GAAP operating profit | | |
|--------------------------|--|----------------------------------|----------------------|--|----------------------------------|----------------------|
| | Results in Jan-Dec 2023 (calendar year basis) | Earnings estimates for FY12/2024 | Expected growth rate | Results in Jan-Dec 2023 (calendar year basis) | Earnings estimates for FY12/2024 | Expected growth rate |
| Digital Marketing | 25,908 | 28,900 | +11.5% | 6,791 | 7,500 | +10.4% |
| Media Platform | 1,958 | 2,300 | +17.5% | 22 | 10 | -55.1% |
| Elimination or corporate | -192 | -200 | - | -2,798 | -2,810 | - |
| Consolidated | 27,674 | 31,000 | +12.0% | 4,016 | 4,700 | +17.0% |

Thank you for your interest!



SEPTENI

Contact Information

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E-mail: ir@septeni-holdings.co.jp**

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 Feb. 8, 2024 and we do not guarantee their accuracy. Therefore, our actual results may differ due to various unforeseen risk factors and changes in global economies.

09

Appendix

| (unit: ¥mn) | FY2023 | | FY2022 | |
|--|---------|--------|---------|--------|
| | Value | Ratio | Value | Ratio |
| Revenue | 34,267 | 100.0% | 27,589 | 100.0% |
| Gross Profit | 27,467 | 80.2% | 22,565 | 81.8% |
| SG&A expenses | 22,500 | 65.7% | 16,177 | 58.6% |
| Non-GAAP operating profit | 5,091 | 14.9% | 6,565 | 23.8% |
| Operating profit | 4,949 | 14.4% | 6,166 | 22.3% |
| Equity in earnings of affiliates | 1,851 | 5.4% | 1,066 | 3.9% |
| Profit for the period attributable to owners of parent | 4,319 | 12.6% | 5,734 | 20.8% |
| Earnings per share (EPS) (¥) | 20.74 | — | 30.40 | — |
| [Reference] Net sales | 169,719 | — | 130,205 | — |

FY2023 Consolidated Consolidated Income Statement (Jan-Dec, calendar year basis)

| (unit: ¥mn) | Jan-Dec 2023 | | | Jan- Dec 2022 | |
|--|--------------|--------|--------|---------------|--------|
| | Value | Ratio | Change | Value | Ratio |
| Revenue | 27,674 | 100.0% | -0.6% | 27,835 | 100.0% |
| Gross Profit | 22,106 | 79.9% | -1.7% | 22,485 | 80.8% |
| SG&A expenses | 18,171 | 65.7% | +5.2% | 17,271 | 62.0% |
| Non-GAAP operating profit | 4,016 | 14.5% | -25.9% | 5,419 | 19.5% |
| Operating profit | 3,922 | 14.2% | -22.3% | 5,051 | 18.1% |
| Equity in earnings of affiliates | 1,207 | 4.4% | -28.7% | 1,693 | 6.1% |
| Profit for the period attributable to owners of parent | 3,736 | 13.5% | -25.9% | 5,042 | 18.1% |
| [Reference] Net sales | 138,036 | — | +4.6% | 132,003 | — |



*open : We aim to make the door bigger so that people can move forward smoothly into the future we pursue.

**“nameraka” : We define “nameraka” as a harmonious state without friction and barriers.



Integrated Report 2022

The Integrated Report 2022 is available on our website, discussing medium-to-long-term management policy, business strategy, and the framework of value creation in the businesses.

Please check the details from the link or the code.

(https://www.septeni-holdings.co.jp/en/ir/library/integrated-report/integratedreport2022_en.pdf)



Septeni Group official “note”

Septeni Group official blog on “note” started in December 2019, introducing various approaches around its people and culture that cannot be talked enough on other materials.

*only available in Japanese.

Please check the details from the link or the code.

(https://note.com/septeni_group)



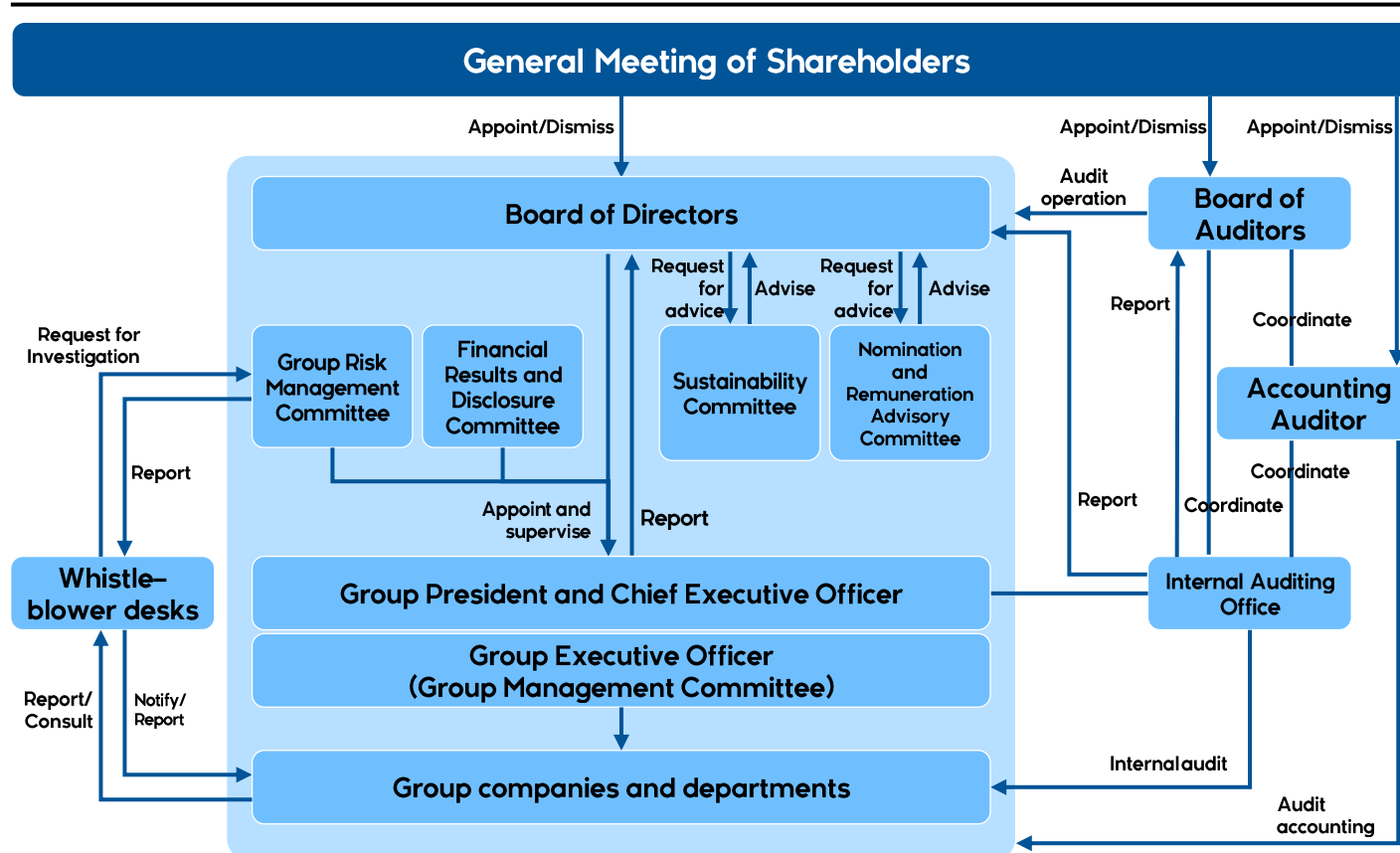
Identified four new materialities to realize a sustainable society and the Group's mission and vision

| | Materiality | Subcategory of Materiality | Key KPIs |
|---|---|--|--|
| E | <ul style="list-style-type: none"> Response to Climate Change | <ul style="list-style-type: none"> Reduction of GHG emissions and disclosure of information in accordance with TCFD recommendations | <ul style="list-style-type: none"> 70% Reduction of scope 1 and 2 emissions by 2030 |
| S | <ul style="list-style-type: none"> Enhancement of Corporate Value by Empowering People Who Create a New Era Realization of a "Nameraka" Society Through Creativity and Technology | <ul style="list-style-type: none"> Human resource development with reproducibility through digital HR DEI (Diversity, Equity & Inclusion) Democratization of entrepreneurship Value creation leading to a "nameraka" society | <ul style="list-style-type: none"> Increase of the female managers ratio to 30% by 2030 Increase of the membership rate of employee stock ownership plan each year over the previous year |
| G | <ul style="list-style-type: none"> Building an Advanced Governance System to Support Discontinuous Growth | <ul style="list-style-type: none"> Efforts for discontinuous growth Efforts for risk reduction | <ul style="list-style-type: none"> Realization of Innovation Board by 2024 Continuous implementation of executive sessions Continuous implementation of effectiveness evaluations |

58 Enhancing Corporate Governance

In addition to conducting business in accordance with our Corporate Philosophy and making fair and efficient decisions, the Company focuses on establishing and operating a system to ensure compliance with laws and regulations and appropriate supervision of corporate performance.

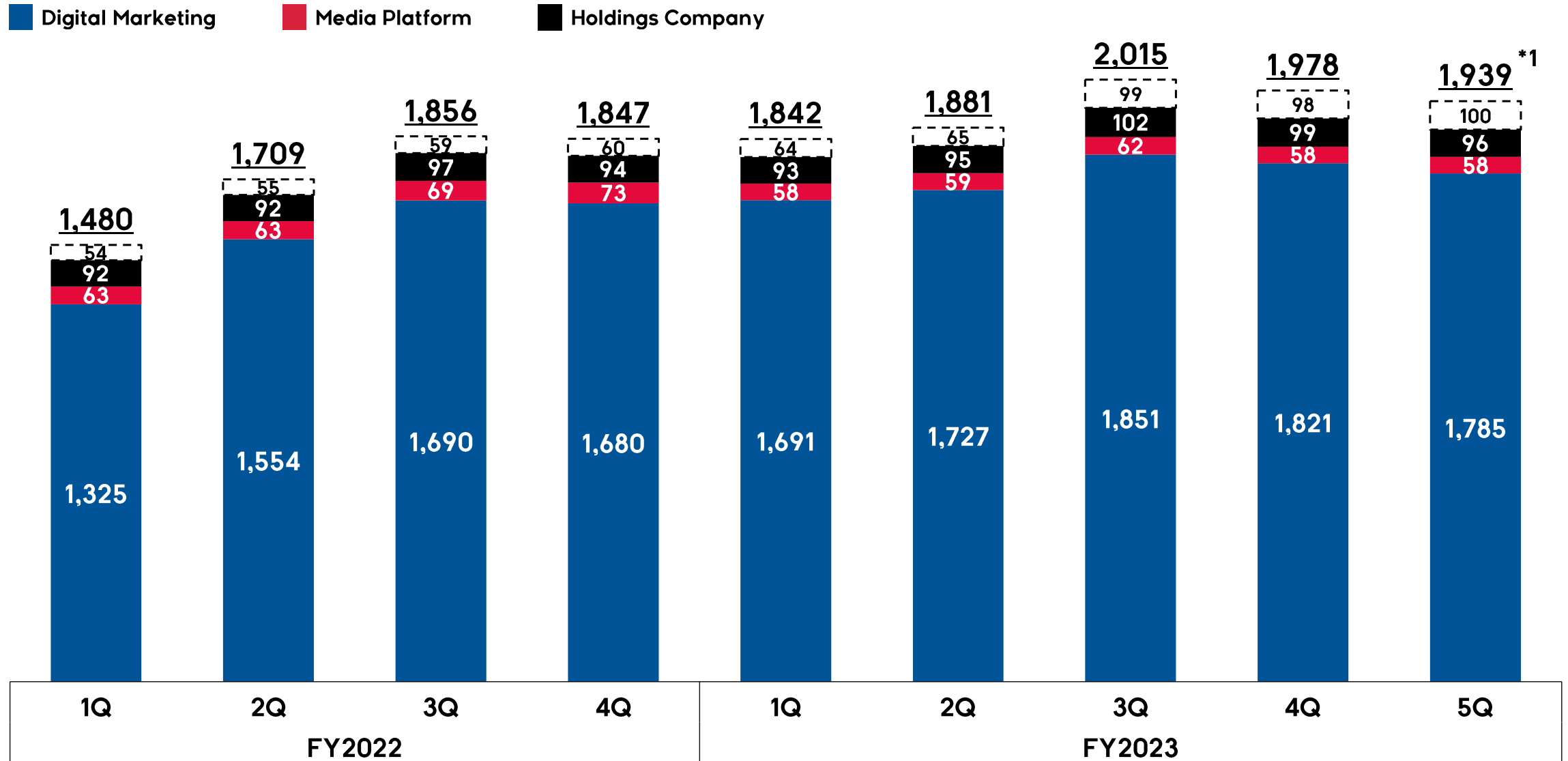
Coporate Management Structure



Transition of Governance Reform

| | |
|--------|---|
| FY2015 | - Appointed outside directors |
| FY2016 | - Introduced an evaluation of the effectiveness of the Board of Directors - Strengthen checking functions by establishing various committees - Withdrawal of anti-takeover defense measures |
| FY2017 | - Introduction of a performance-linked stock compensation system for officers - Introduction of a delegated executive officer system → Separation of executive and supervisory functions |
| FY2022 | - Establishment of the Sustainability Committee and enhancement of awareness of ESG - Further strengthen independence and diversity of representative directors (Ratio of Outside Directors: 71.4%, Ratio of female Directors: 28.6%) |
| FY2023 | - Establishment of Nomination and Remuneration Advisory Committee |

59 Septeni Group Workforce Number Trend



*Number of employees in the IP Platform Business is indicated by dotted lines and excluded from the consolidated number of employees.

*1 The figure of FY2023 (1,938→1,939) is revised due to the recount of workforce.

60 Main Group Companies by Business Segment

as of February 8, 2024



Digital Marketing Business

Domestic advertising



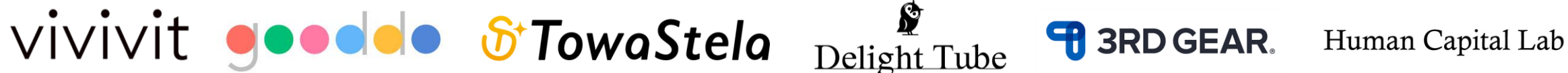
Data & solutions

FLINTERS

Oversea advertising



Media Platform Business



New business
development



Discontinued operations

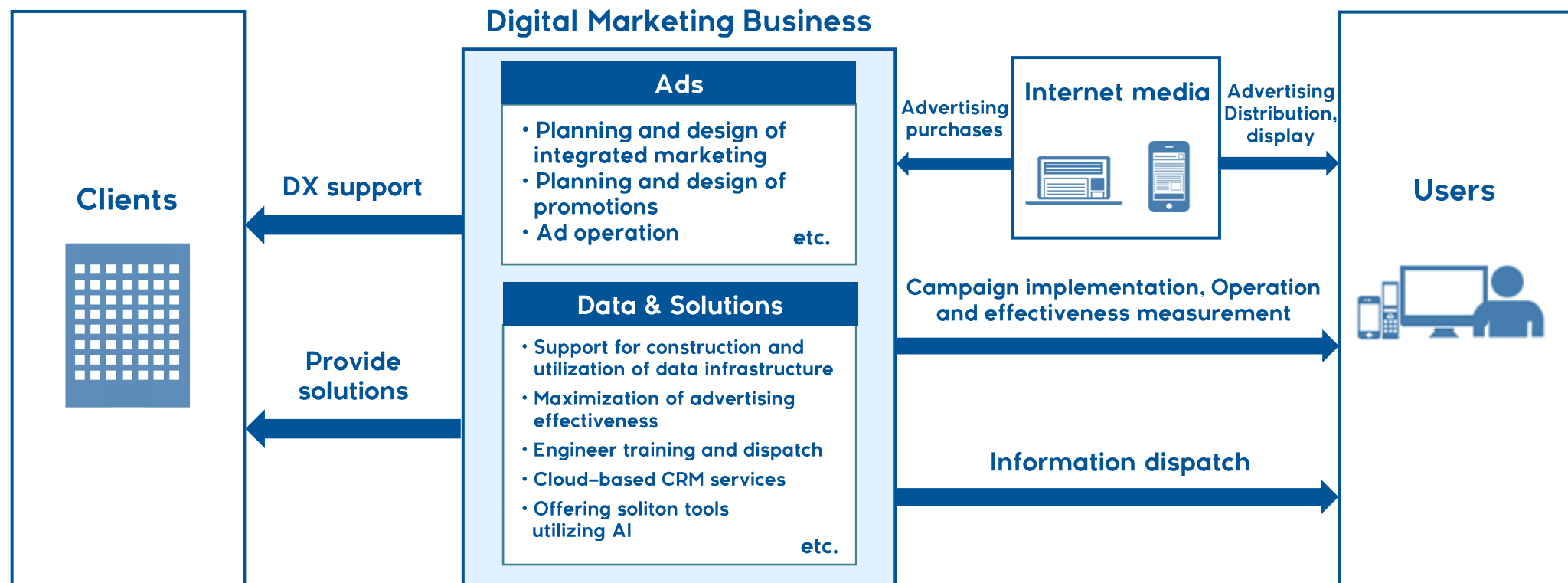


Equity-method affiliates

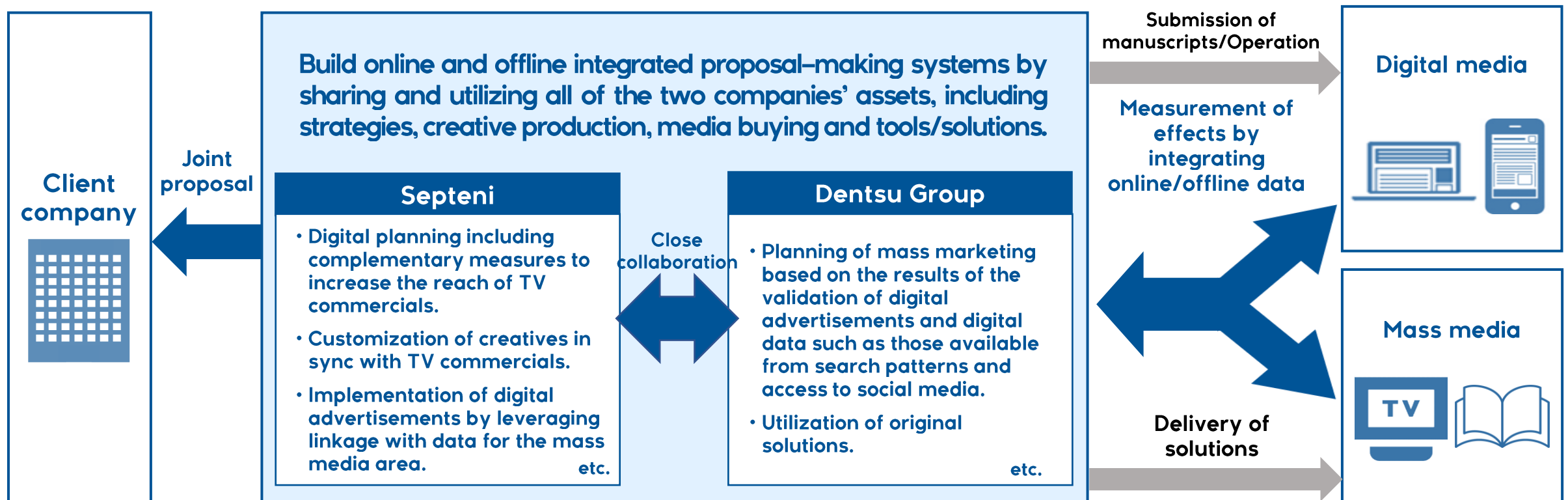
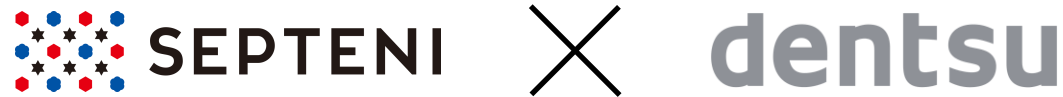


SEPTENI HOLDINGS CO., LTD. (Holding company)

The Digital Marketing Business consists of businesses that provide comprehensive DX support, mainly in the marketing domain, such as marketing support through online–offline integration centered on the sales and operation of digital advertising, and the development and provision of solutions utilizing data and AI.

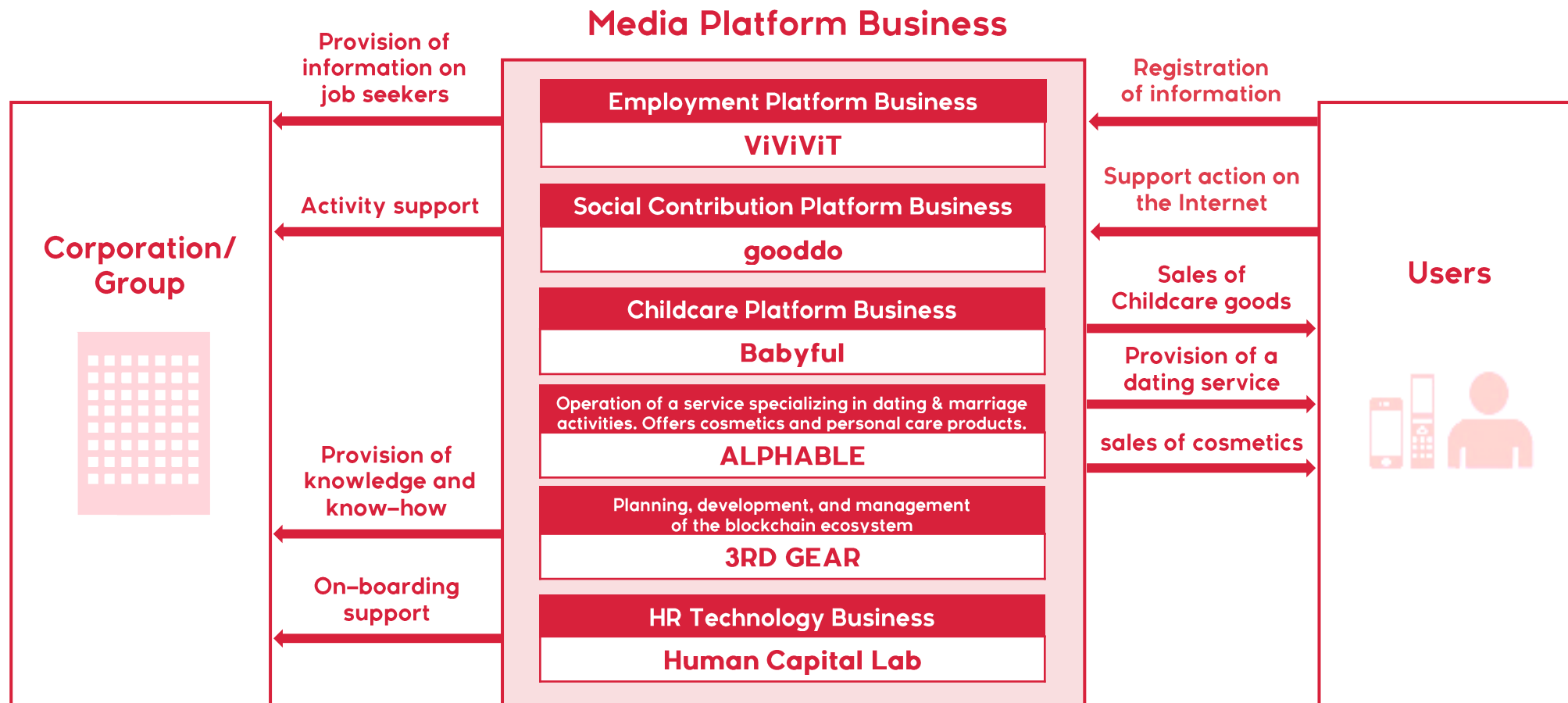


Proposal of Integrated Marketing of online/offline advertising through the utilization of the two companies' client bases (conceptual image)



63 Business Model for the Media Platform Business

The Media Platform Business develops platform-type businesses related to “recruitment,” “social contribution” and “childcare,” and businesses that utilize the Group assets in industries other than the Internet industry, focusing on areas of potential growth in the near future and social issues.



64 Consolidated Statement of Financial Position



| (unit: ¥mn) | End of FY2023 | End of 2022 | Change |
|-------------------------------|---------------|-------------|--------|
| Current Assets | 43,683 | 40,585 | +3,098 |
| Non-Current Assets | 49,923 | 48,146 | +1,777 |
| Total Assets | 93,606 | 88,731 | +4,875 |
| Current Liabilities | 26,333 | 25,206 | +1,126 |
| Non-Current Liabilities | 1,569 | 771 | +798 |
| Total Liabilities | 27,901 | 25,977 | +1,924 |
| Total Capital* | 65,705 | 62,754 | +2,951 |
| Total Liabilities and Capital | 93,606 | 88,731 | +4,875 |

*Treasury shares in capital decreased by ¥745mn due to the acquisition of treasury shares conducted from February 17, 2023 to March 17, 2023.