

Tough, gentle and fun. We will leverage these strengths as we look past change to create new value as we lead the way to a new era

Koki Sato

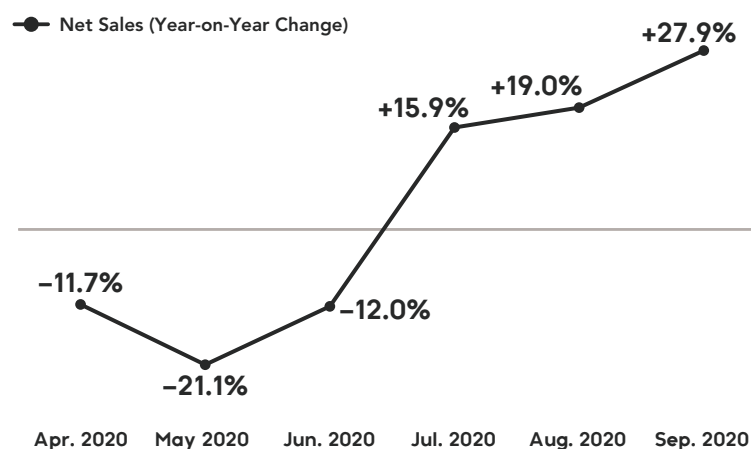
Representative Director and President,
SEPTENI HOLDINGS CO., LTD.
Group President and Chief Executive Officer



Record-High Revenue in the Fiscal Year Ended September 2020 Attests to the Septeni Group's Strengths during the COVID-19 Pandemic

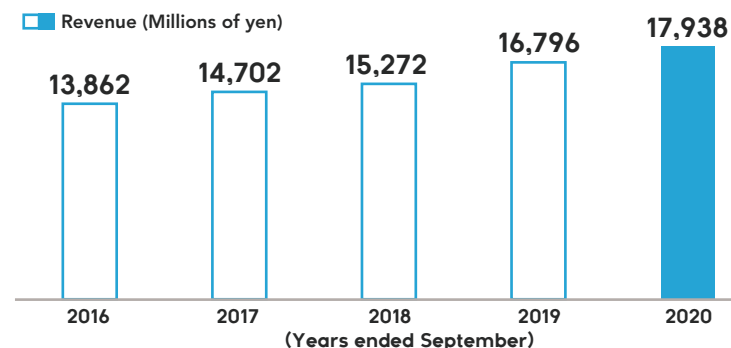
The global COVID-19 pandemic that started in early 2020 has also had an impact on the Septeni Group's management. We experienced a substantial negative impact, including a drop in demand for digital advertising, particularly from March through May. The Group transitioned to remote work as a rule from late February 2020, and our adaptation to this new lifestyle proceeded smoothly as we fine-tuned our measures in each business and shifted personnel to fields where we can expect growth despite the "new

normal" created by COVID-19. Consequently, our business results have been on a clear growth track since bottoming out in May. There has been no apparent downside to remote work, and revenue reached a record high in the fiscal year ended September 2020. This result has reaffirmed for me the resilience of the Septeni Group's businesses. It is evidence that our core value of functioning as an "operating system" has resulted in management that is highly resilient, even to an unprecedented pandemic.



Consolidated Results

Revenue	Non-GAAP Operating Profit
¥17,938 million	¥2,452 million
(Up 6.8% year on year)	(Up 18.8% year on year)



Looking at changes in the market, spurred by the Japanese government's announcement of a state of emergency, growth in stay-at-home demand was pronounced, with greater-than-expected growth of the Septeni Group's online subscription-based content and online sales. However, this change was already emerging in various fields, even before the COVID-19 pandemic. I think that the pandemic accelerated change in the market, which had previously been

restrained by factors such as customs and regulations. By staying just slightly ahead of social change—a feature of the Septeni Group—we will pick up hints from seemingly trivial social indicators, enabling us to create and market new products and services. I trust you can see how this business style has been reflected as an even greater strength in our consolidated financial results for the fiscal year ended September 2020.

Rollout of Our DX Support Business and Other Initiatives to Promote Domain Expansion, the Theme of Our Midterm Business Policies

The Group's Midterm Business Policies for the three-year period from 2020 to 2022 employ a rolling method in which we review the overall business plan every year, backcasting from a long-term strategy after taking into account changes in the social environment. We have updated the Midterm Business Policies for 2021 to map out strategies for mid-to-long-term growth in response to accelerating digital transformation (DX), capitalizing on changes in people's values, consumption and society amid the environmental changes caused by COVID-19 as new growth opportunities.

In the Digital Marketing Business, we aim to expand our market share by increasing transactions in the e-commerce advertising domain and

generating stronger results from our integrated online/offline marketing proposals through our alliance with the Dentsu Group. In addition, the new company we established in January 2021 will develop the data and solutions domain as a growth driver.

In the Media Platform Business, we aim to return to profitability within three years by increasing revenue and reducing operating losses through growth in each business area. We expect a stable increase in revenue by focusing on user charges based on growth in sales to individuals. We will also strengthen business development of the direct-to-consumer (D2C) domain, where we aim to increase revenue by creating new businesses.

We are also looking into rolling out



Years ended September	2020	2021	2022	2023	2024
Midterm Business Policies (Year ended September 2019)		Update			
Midterm Business Policies (Year ended September 2020)		Update			
Midterm Business Policies (Year ending September 2021)			Update		

multiple businesses to support DX in each industry. First, we expect to start new businesses in industries including sports and entertainment. We are steadily conducting domain expansion, which is the theme of our Midterm Business Policies, by considering the

characteristics of each industry to support the evolution of marketing methods and model innovations centered on DX.

Tough, Gentle and Fun: Mapping Out the Future with a Balanced and Agile Sensibility

The concept behind the design of the corporate logo the Septeni Group has been using since 2018 is “tough, gentle and fun.” This concept expresses the way we conduct management and what we want to be.

First, the word “tough” means getting results and continuing to grow by always choosing the more substantial change with an entrepreneurial spirit in various aspects of business. However, simply building up business results

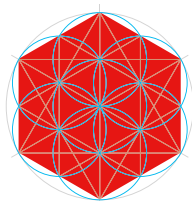
is by no means enough to make employees happy. I think a company should essentially be a mechanism for amplifying happiness. This mechanism should systematically offer experiences of success and growth opportunities, and it must also have the gentleness to accept the diversity of each individual. This is the concept behind the second word, “gentle.” The third word, “fun,” expresses in a straightforward way the idea that when people gather in the

same workplace and work together, it’s a matter of good fortune, so every day should be fun. We build teams where these three elements are balanced just like an equilateral triangle, with no single element standing out, in a blend that is one-third each of toughness, gentleness and fun. This approach permeates the Group as a value we constantly return to, not only when business results are good, but also when facing various organizational issues. With these three strengths as the core values of the Septeni Group, we will continue to generate change for society to fulfill our Mission of “Inspiring the world with entrepreneurship.”

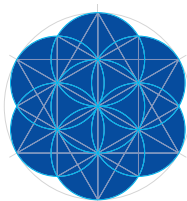
With the COVID-19 pandemic, the pressures of convention that existed throughout society are now weakening. For companies, this also presents an opportunity to create an environment where individuals can more easily demonstrate their potential. For our Mission of “Inspiring the world with entrepreneurship,” I feel that it is becoming more important for individuals

to squarely confront the projects they are working on and the communities they are involved with in order to generate results. For example, if you slightly reword our Mission to read “Inspiring you with my entrepreneurship,” each of us should feel greater engagement. I believe that the positive energy that comes from inspiring those close to us will create new norms for the coming era and ultimately provide value to society.

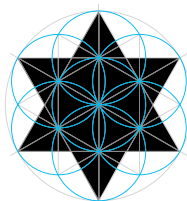
As a manager of a corporate group that creates new industries in tandem with social changes and makes them the norms of the future, I will steadfastly guide a sustainable business. You can continue to expect great things from the Septeni Group.



Tough



Gentle



Fun