

Septeni's Value Creation

The Septeni Group's Value Creation Model

The Septeni Group has grown as a result of two factors. First, it has a corporate culture of hiring and cultivating individuals who possess a sense of ownership, who then create new businesses. Second, unbiased by previous experience or common practice, the Group picks up on signs of social change to provide those new businesses as services to clients. By establishing an environment and organization that make it easy for individuals who possess a good sense of ownership and a strong entrepreneurial spirit to create new services, we aim to fulfill our mission of "Inspiring the world with entrepreneurship," and thus to contribute to society.

The Key Source of Our Value

Human resources who possess a good sense of ownership and a strong entrepreneurial spirit

The Septeni Group's mission, "Inspiring the world with entrepreneurship," expresses our reason for existence and our purpose in society. To us, entrepreneurship means individuals who possess a good sense of ownership and a strong entrepreneurial spirit, and we believe that such individuals are the key source of the Company's value.

The Septeni Group's Growth Engine

Corporate culture and measures that cultivate human resources

We have created a unique model in which we use our original methods for hiring and cultivating individuals who have the potential to develop a good sense of ownership and a strong entrepreneurial spirit, and proactively invest in a working environment and measures to instill our corporate philosophy and code of conduct. These individuals then develop and cultivate businesses and services. Through this model, the Septeni Group is achieving sustainable growth.

Inspiring the world with entrepreneurship

Empowering people and industry through our businesses

Becoming a group that can take the lead in social change

STRENGTH

Measures to instill and pass on our unique philosophy

► Pages 7-8

- Vigorous measures by top management to instill and promote the corporate philosophy and code of conduct
- 7th Code Project programs to establish the corporate philosophy and code of conduct

STRENGTH

An organizational culture of taking on challenges

► Pages 9-10

- Average age of 29
- Human resources with enthusiasm, speed and flexibility
- A culture of empowering young employees

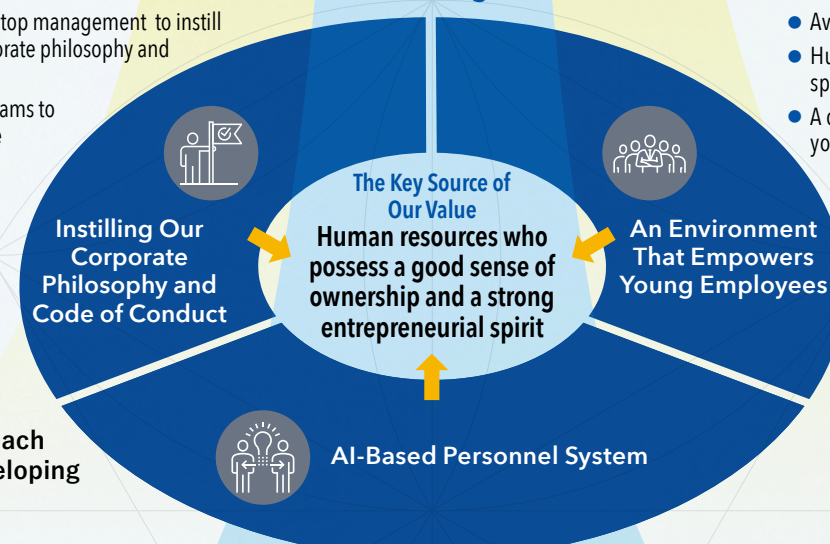
STRENGTH

A scientific approach to hiring and developing human resources

► Pages 11-12

- Combining AI with personnel programs (Human Capital Lab)
- Online recruiting
- Human Capital Lab, etc.

The Septeni Group's Growth Engine



Code of Conduct: The Septeni Way

Strengths

Measures to Instill and Pass on Our Unique Philosophy

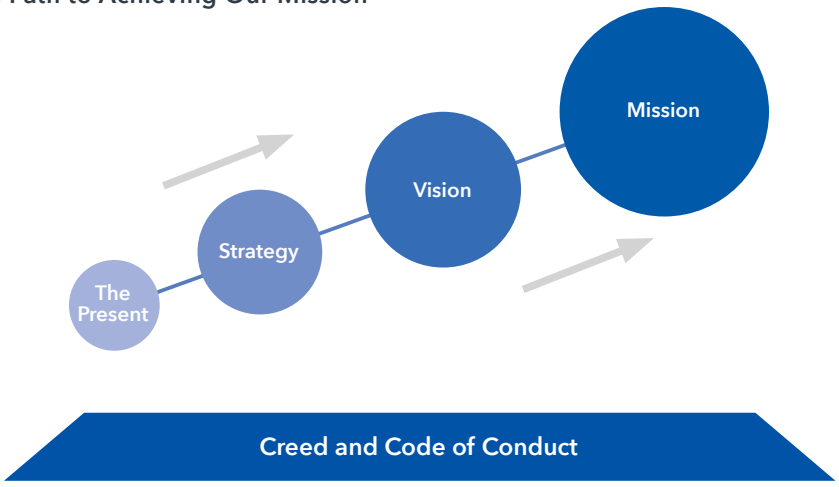


Instilling Our Corporate Philosophy and Code of Conduct

Approach to Corporate Philosophy and Code of Conduct

Since its founding, the Septeni Group has responded flexibly to changing client needs amid the rapid transformation that society has undergone in recent years due to technological innovation and the diversification of values. As it conducts business on a global scale, the Septeni Group must constantly evolve while responding accurately to change in order to continue meeting the expectations of clients and society. At the same time, we will remain committed to our unwavering corporate philosophy, which comprises the fundamental concepts behind our aims and the kind of value the Group creates.

The Path to Achieving Our Mission



Specific Initiatives

The spirit of the Septeni Group’s creed of “Hinerankai” (Think outside the box) and the Septeni Way, its code of conduct, summarize the ideas and values we cherish, and serve as guidelines for all the actions of Group employees. Regarding the Septeni Way, which was revised in 2016, we have been conducting the 7th Code Project (programs to instill the corporate philosophy and code of conduct), chaired by President Koki Sato and comprising volunteer members from throughout the Group.

Main Programs of the 7th Code Project

Program	Overview
7th Code Awards	All employees vote to choose and honor employees and a team that embody the corporate philosophy and code of conduct.
Email Relay	A program in which employees take turns sharing examples of how they have embodied the code of conduct via Company-wide email, in the form of a relay.
7th Code Training	Training for understanding and practicing the corporate philosophy and code of conduct. Employee volunteers are invited to share experiences that embody the corporate philosophy and code of conduct, and President Sato and other Company officers present their personal experiences.

Learn about the Septeni Group through Its People!

Employees Who Embody Septeni’s Standards

Koki Kaku

President and CEO, SIGNCOSIGN, INC.
Head of Corporate Design Office,
SEPTENI HOLDINGS CO., LTD.
2006 Entered SEPTENI CO., LTD. after graduating from university
April 2018 Established SIGNCOSIGN, INC. and took office as President and CEO

Ever since entering the Septeni Group, I have been working with an awareness of the creed of “Hinerankai” (Think outside the box) and mission of “Inspiring the world with entrepreneurship.” I support the view that “entrepreneurship is the pursuit of opportunity beyond resources currently controlled.” In rapidly changing markets and an era of great uncertainty, we must come up with ways to get things done, not reasons for why we cannot. In the creative field, I believe that human resources with a firm footing in this philosophy grow by continuing to take on unprecedented challenges. If each of us in every company and division continues to pursue and create mechanisms for change, the Septeni Group is sure to overcome all adversities and continue to grow.



An Organizational Culture of Taking on Challenges

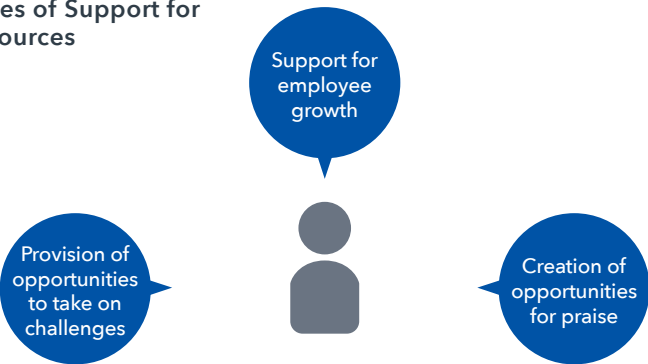


An Environment That Empowers Young Employees

Approach to Organizational Culture

To fulfill its mission of “Inspiring the world with entrepreneurship,” the Septeni Group intends to use its human resources as the basis for developing its businesses, with each employee fully demonstrating his/her capabilities. We have set up a variety of environments that encourage employees to take on challenges so they can demonstrate entrepreneurship, and we are also focusing on expanding our system to create opportunities to take on challenges.

Various Types of Support for Human Resources



Specific Initiatives

With the Septeni Group’s history of ongoing transformation due to the strong will of its young employees, we believe that an environment that fosters youthful passion and potential is essential for the Group’s evolution. We conduct various programs and events that include opportunities for employees to take on challenges and to talk directly with management.

Main Programs

	Program	Overview
Support for employee growth	Self-Development Support System	Introduced to create opportunities for developing capabilities outside the Company, this system provides subsidies covering 70% of the total cost (¥70,000 maximum) of study at external seminars, business schools and elsewhere.
	Job Rock Festival	Aimed at cultivating human resources and vitalizing the organization through job rotation, this is an event where employees can consult with Company officers about their personal career plans.
	BLP Management	A development program specializing in management to train future senior management candidates. Applicants who are selected attend an external business school for two years free of charge.
Provision of opportunities to take on challenges	Gen-ten	An in-house contest for new business plans held once a year for the past eight years. Applicants whose plans are highly rated and who show strong enthusiasm for developing their proposed businesses are given an opportunity to pursue their commercialization at SEPTENI VENTURES Co., Ltd.
	Proposals to Management	Once a year, regardless of department or length of employment, employees have an opportunity to make proposals to management.
	Essay Contest	Each year, a theme related to the Company’s future is chosen, and entrants submit essays on what they can and should do.
Creation of opportunities for praise	Seven Star Awards	Outstanding employees, regardless of job title or years of employment, are chosen twice yearly for honors by a vote of all employees.

Note: The Job Rock Festival, BLP Management, Proposals to Management and Seven Star Awards programs are implemented at main Group companies only.

Learn about the Septeni Group through Its People!

Daichi Komiya

President and Representative Director, Vivivit, Inc.
2010 Entered SEPTENI HOLDINGS CO., LTD. after graduating from university
2013 Established Vivivit, Inc.

I believe that in the Septeni Group a culture has taken root that provides venues and environments where employees can play an active role regardless of age or length of service, prioritizing each person’s enthusiasm for taking on challenges. Until the end of my third year in the Company, I conducted recruiting in the Human Resources and General Affairs Department. At that time, I had no experience and no track record to take pride in. However, I entered the Group’s new business plan contest, which any member can take part in. Thanks to the high evaluation of my enthusiasm and my plan, I was given the opportunity to put my ideas to the test. Today, I am entrusted with great authority as president and representative director of Vivivit, Inc., which conducts a recruiting platform business.

Vivivit is now entering its sixth year, and I feel that I have grown significantly over that time because the Septeni Group provides an environment in which we are all individually responsible. I intend to continue to grow by taking on challenges that I enjoy, without fear of failure, in order to play a central role in the Septeni Group’s Media Content Business. You can look forward to it.



A Scientific Approach to Hiring and Developing Human Resources



AI-Based Personnel System

Approach to Human Resource Development

The Septeni Group’s concept of human resource development is not to bring people up but to allow them to grow by building upon high-quality experiences in the workplace. The Group conducts development based on its theoretical “Formula of Development” derived from that concept. The formula expresses the principle by which the interaction between an individual’s innate personality and the surrounding environment has an impact on his/her growth. The workplace environment (E) is defined as team (T) and work (W) in this formula; the stronger the compatibility between T and W with the individual’s personality (P), the higher the potential for significant growth (G).
⇒ For details, see “The Septeni Group’s CSR” on page 23.

Formula of Development

$$\begin{matrix} \text{Growth} \\ \mathbf{G} \end{matrix} = \begin{matrix} \text{Personality} \\ \mathbf{P} \end{matrix} \times \begin{matrix} \text{Environment} \\ \mathbf{E} \end{matrix} \left(\begin{matrix} \text{Team} \\ \mathbf{T} \end{matrix} + \begin{matrix} \text{Work} \\ \mathbf{W} \end{matrix} \right)$$

Specific Initiatives

For about seven years, the Septeni Group has been researching human resource development with the aim of maximizing each employee’s performance. Since the fiscal year ended September 2014, we have been using the techniques obtained from this research in our recruiting, and in 2016 we established the Human Capital Lab.

Application in Recruiting

The Septeni Group has been working to quantify compatibility using its unique human resource development formula. To roll out this theory to recruiting activities, we have used data on approximately 6,000 individuals compiled since 2009 to build a model for predicting each person’s degree of success in future employment. Therefore, in recruiting, we acquire information mainly on the personality, surrounding environment, and behavior of job applicants to predict their degree of success. Specifically, we use about 100 items of information from sources including a personality diagnosis test, a questionnaire at the time of job application, career history and evaluation during the selection process.
By combining these techniques with the power of technology, we provide information and a selection process that is unbiased by conventional ideas about job searching.

Human Capital Lab

In 2016, the Septeni Group established the Human Capital Lab, which specializes in human resource data research focusing on the four fields of recruitment, adaptation, development and alumni networks. Based on the lab’s research findings, we develop and conduct science-based personnel programs for use in management decision-making and human resource development, in addition to publicizing those findings once they have been verified.

Learn about the Septeni Group through Its People!

Tatsuya Shindo

Director, Human Capital Lab
SEPTENI HOLDINGS CO., LTD.

2011 Entered SEPTENI HOLDINGS CO., LTD. after graduating from university. Provided technical support for analytics to the fields of recruiting, development and placement. Currently devotes his time exclusively to research in those fields.

As shown in its mission of “Inspiring the world with entrepreneurship,” the Company has a culture of providing each employee with ample opportunities to take on challenges for growth, regardless of length of service. Moreover, rather than adopting a specified style of achieving growth, the Company offers support that makes the most of each employee’s own personality and strengths. One mechanism that has arisen from the Company’s commitment to its human resources is its AI-based personnel system for optimizing individual development. At the Human Capital Lab, we aim to realize a system for consistently achieving high-quality recruitment and development by studying and using our aggregated data on people’s growth in different environments.

