

Message from the President



Targeting "10X" Accelerating Our Rise to Japan's Largest Digital Marketing Partner

Koki Sato

Representative Director and President,
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The COVID-19 pandemic has fueled accelerating demand for digital-based marketing

Looking back on these past two years, the COVID-19 pandemic has catalyzed significant changes in people's living environments while accelerating the shift to digital lifestyles, consumer behavior, and work styles. DX has generated large waves in companies as well, as digital-based initiatives in structuring business models are now happening everywhere. In marketing activities there is also an increasing need to transition the customer experience to digital, giving rise to a new type of marketing demand that cannot be captured with conventional business structures.

This change is not temporary. The presence of digital platforms in society will continue to grow, as will the importance of digital marketing that uses them.

Deepening our alliance with the Dentsu Group Offering broader, more in-depth, top-caliber solutions

While COVID-19 has accelerated the pace, at some point these changes in the market still would have occurred. In 2018 we entered into a capital and business alliance with the Dentsu Group. Having begun this alliance, we made management decisions based on our aim to generate our own original value in the field of digital marketing and establish an advantageous position before the market grew and competition intensified.

When the alliance began, we advocated a collaborative philosophy of, "Both groups aim to be the largest digital marketing partner to provide our clients the best solutions in an environment where people with various talents assemble with the joy of working," together with the Dentsu Group. We then bolstered our ability to deliver solutions to the diversifying problems our clients face primarily through online and offline integrated marketing proposals that combine our strength in digital marketing with the strength of the Dentsu Group in mass advertising mediums such as television. Through these efforts, our collaborative client base with the Dentsu Group grew to over 100

companies in the fiscal year ended September 2021. Sales per client in our own digital marketing business had increased to 2.5 times what it was when the alliance began.

We have also been able to achieve steady organic growth over these three years by enhancing our brand power and establishing ourselves as an even more trustworthy, credible presence.

Then in October 2021, we announced an even more in-depth alliance with the Dentsu Group. This would strengthen and expand our highly effective marketing proposals to make the customer experience better on both the horizontal axis of expanding the range of services offered, and the vertical axis of being able to leverage data in even greater depth for analysis and insight. In other words, this meant being able to offer even broader, more in-depth, and optimal solutions.

When making this decision, we discussed corporate governance thoroughly in-house and frequently consulted the Dentsu Group on the topic. We established common ground with them on the perspective of protecting minority shareholders as well as the awareness that the human capital and spirit of entrepreneurship at the core of our business value must not be diminished. As such, we will continue to practice management based on corporate governance with a strong emphasis on

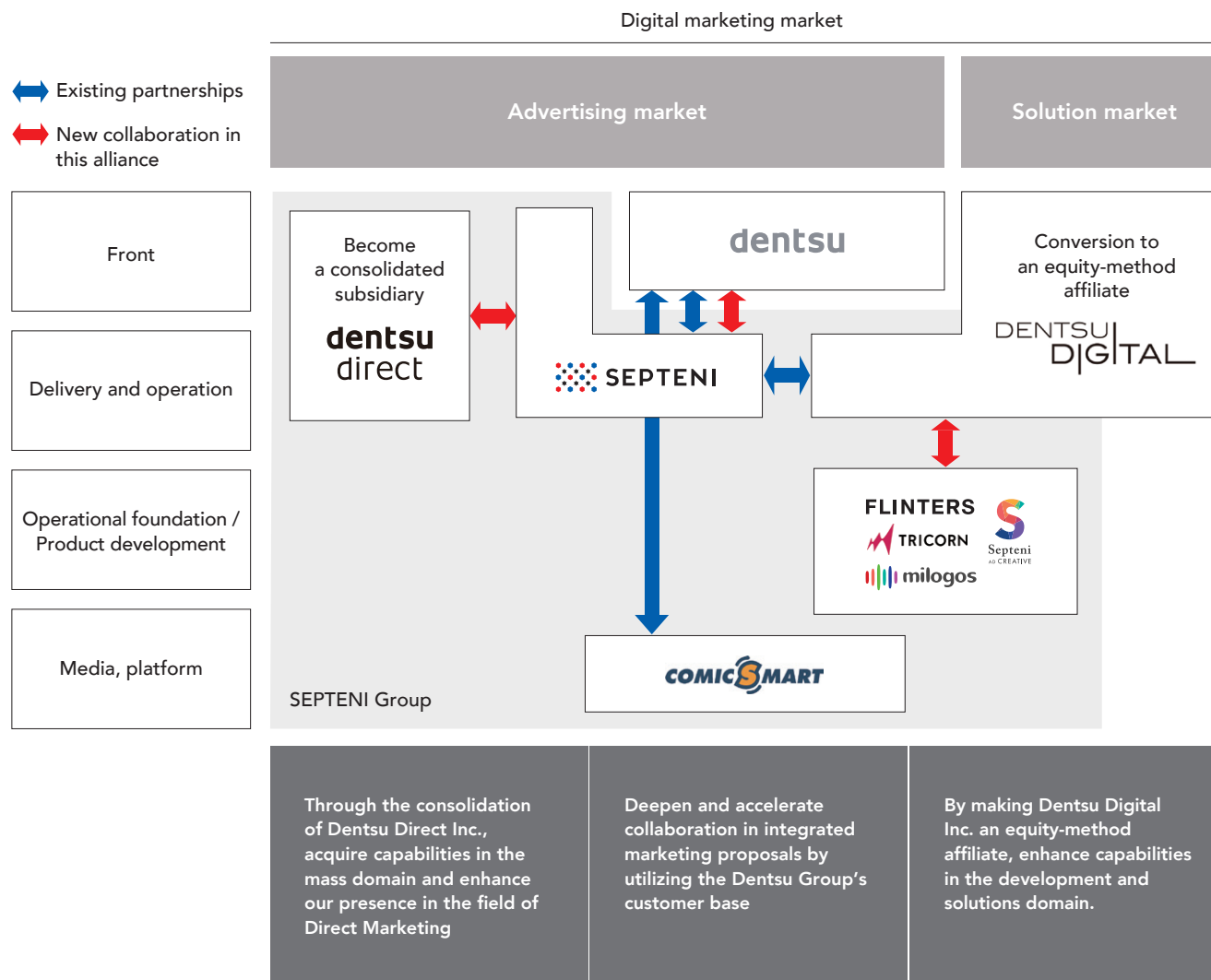
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independence and autonomy, including policies for director nomination and composition as well as maintaining our listed status.

In the medium to long term, we believe this will help us generate corporate and shareholder value in excess of equity diluted via third party allocations of shares. We anticipate that our EPS will roughly double over the next few years through both organic growth and synergies from our deeper alliance.

Based on the collaborative philosophy at the outset of the alliance in 2018, we have been steadily producing results ever since. This has proven to us that the strategy was a sound one. This deeper alliance that we embark upon now is highly meaningful, as it truly represents an accelerated path toward turning our collaborative philosophy into reality through expanded operations and enhanced business capabilities.

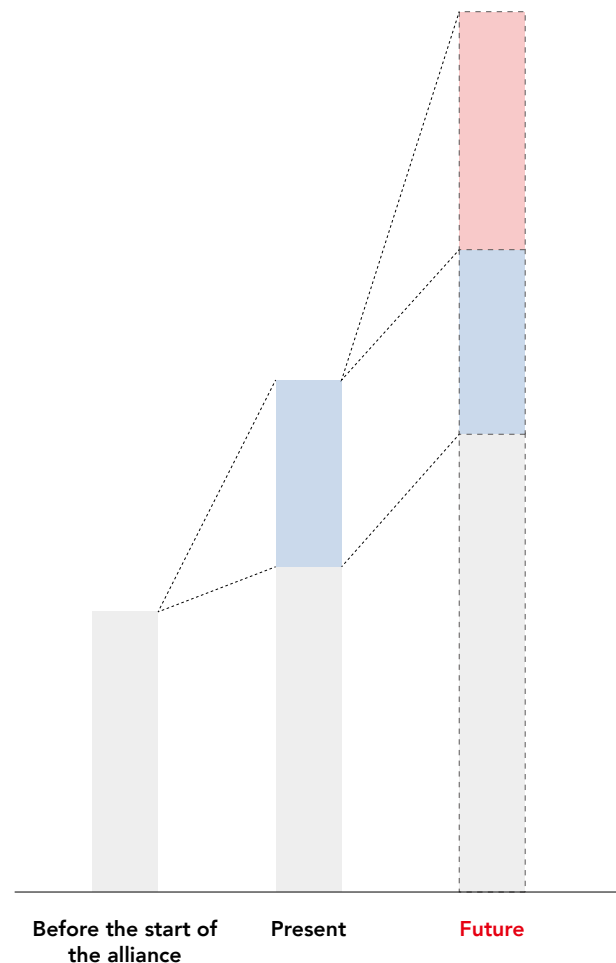
Framework for expanding the scope of the Group's business by deepening alliances



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Image of Growth after Deepening the Alliancesa

■ Organic ■ Benefits of previous alliances ■ Effects of the alliance



- Acquisition of new collaborations and large-scale clients through expansion of commercial distribution
- Strengthen the direct marketing domain through acquisitions and development and solutions domains through investment.
- Synergies in multiple domains by promoting the integration of business foundations

- Advertising management support for digital marketing projects handled by the Dentsu Group
- Online/offline integrated marketing proposals by leveraging the client bases of both companies' groups, etc.

- Enhancing our presence in growing markets through alliances
- Strengthen organizational foundation through collaboration (human resources and product development)
- Increase in per capita productivity due to increase in unit price per client

Provide greater multi-stakeholder value and be the engine that drives social transformation

In addition to boosting shareholder value, expanding the size of our business also creates sizable multi-stakeholder value and involves playing a significant role in society. That is our purpose as a company.

We provide digital marketing services to large companies in every industry, primarily for the products and services of major platform operators who have large social impact. With the intention of serving an essential role in the advancement of digital society for years and decades to come, we proudly refer to what we do as "Essential Work."

In the Septeni Group, we bring together people with entrepreneurial spirit, based on our mission of "Inspiring the world with entrepreneurship," and our culture is fertile soil for developing digital marketing professionals. To fill our ranks with more of such talent, I want to refer to what we do as "Essential Work" for digital society and increase job satisfaction, while at the same time bringing aboard more and more people who seek interesting work that has a large impact on society. With professional personnel who provide even higher quality services and create new business, we

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will advance DX in various industries, business fields, and communities, and create new change.

We will bolster our core value of the human assets and turn them into an engine for societal growth. This is truly the role that the company plays, and we at Septeni have strong determination and conviction to become a major presence with significant social impact.

As indicated by the discontinuous curved growth line, we aim to swiftly achieve the top market share with "10X" the scale

The discontinuous curved growth line is a representation of our envisioned future growth.

Until now, we have had a two-step structure composed of new business added to the growth of our existing business, but the newly deeper alliance has added a third step. The first of these steps represents greater organic competitive strength of our digital marketing business, while the second step is an addition resulting from the newly expanded business alliance. The third step is generating an even broader array of innovations and bolstering the expansion of our media platform business and business in new domains, based on business infrastructure expanded through

steps one and two. Imagine it to be like adding new branches and leaves one after another to an already thick tree trunk and yielding huge volumes of fruit.

We see this point in time as the starting line, from which we cannot at all see what the final form

of our company will be. As a group of companies with a startup mentality, we will go on changing and evolving from here. The keyword is "10X." Rather than stopping with quantitative growth represented by the size of our sales numbers, we will also raise the multi-stakeholder value we



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provide such as the quality of services for our client, job satisfaction in our workplaces, and the value of our human capital to ten times current levels. Through this process, we will aim to achieve the top share of Japan's internet advertising market. This is the type of business value that we will strive to swiftly achieve.

The Septeni Group has set off on a new journey, and we hope you share our excitement for the future.

Koki Sato

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Discontinuous curved growth line: The path to 10X

