



Entrepreneurship Shapes the Future

Integrated Report 2025



Who we are

Septeni Group Mission

To inspire the world with entrepreneurship

We recognize each other's personality, leverage synergies of individuality and expertise, continue enjoying and pursuing greater opportunities, and will empower people and industries through our business.

Septeni Group Vision

To be a place where people are empowered to create a new era

It expresses our desire to position the Group as a place where people with a high sense of ownership and a strong entrepreneurial spirit grow through business and create a new era.

To open the door to a "nameraka*" future with creativity and technology

Through creativity and technology, the source of the Group's business value, we aim to create a better future, broaden the door to the future, pass through the door together with stakeholders, and coexist and prosper together.

To make a complex world bright and simple through the power of digital

It represents our stance to take on challenges in response to social issues while valuing the distinctive qualities of Septeni.

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

We have established a mission that defines our purpose and calling, as well as a vision that articulates our medium- to long-term goals and desired social contributions. As our ideal vision for 2030, we have formulated VALUE MAXIMIZER, which aims to maximize corporate value for our clients. Using our evolution toward VISION 2030 as a powerful stepping stone, we will move forward to achieve the vision and realize our mission that lie beyond.

History of Septeni Group

The 35-year journey of the Septeni Group is a history of "change" and "challenge."

Under the spirit of our corporate creed, "Hinerankai" (Think outside the box), we will continue to create new value for society.

2026 -

Announcement of VISION 2030

Under our ideal vision, VALUE MAXIMIZER, we are focusing on strengthening existing businesses and exploring new value propositions to maximize corporate value for our clients. We aim to become a corporate entity that achieves both high growth and high shareholder returns, creating 10 billion yen in profit by 2030.

1990 -

Foundation

Founded by seven members, including founder Mamoru Nanamura, the company launched a recruitment consulting service business. However, the economic bubble burst shortly thereafter. Companies cut back on recruitment costs, causing a sharp decline in demand.

1993 -

Business pivot

Launched the DM (direct mail) delivery agency business to establish a solid business foundation.

2000 -

Launched the Internet Advertising Business

Sought out a new core business to serve as a pillar of revenue, aiming for further business expansion.

2019 -

Entered a capital and business alliance with the Dentsu Group

In January 2019, the Group entered a capital and business alliance with the Dentsu Group. This milestone prompted a strategic focus on integrated online-and-offline marketing.

2012 -

Focusing on growth sectors

Focused on high-growth sectors, such as smartphone advertising and social media-related services like Facebook. Global expansion also began in 2012. This strategic focus on growth areas proved highly successful, driving rapid growth for the Group. From 2012 to 2017, revenue hit record highs for six consecutive fiscal periods.

2010 -

Expansion of the Internet Advertising Business

Net sales from the internet advertising business grew approximately 110-fold over a 10-year period, positioning the company as one of Japan's leading internet marketing enterprises.

2022 -

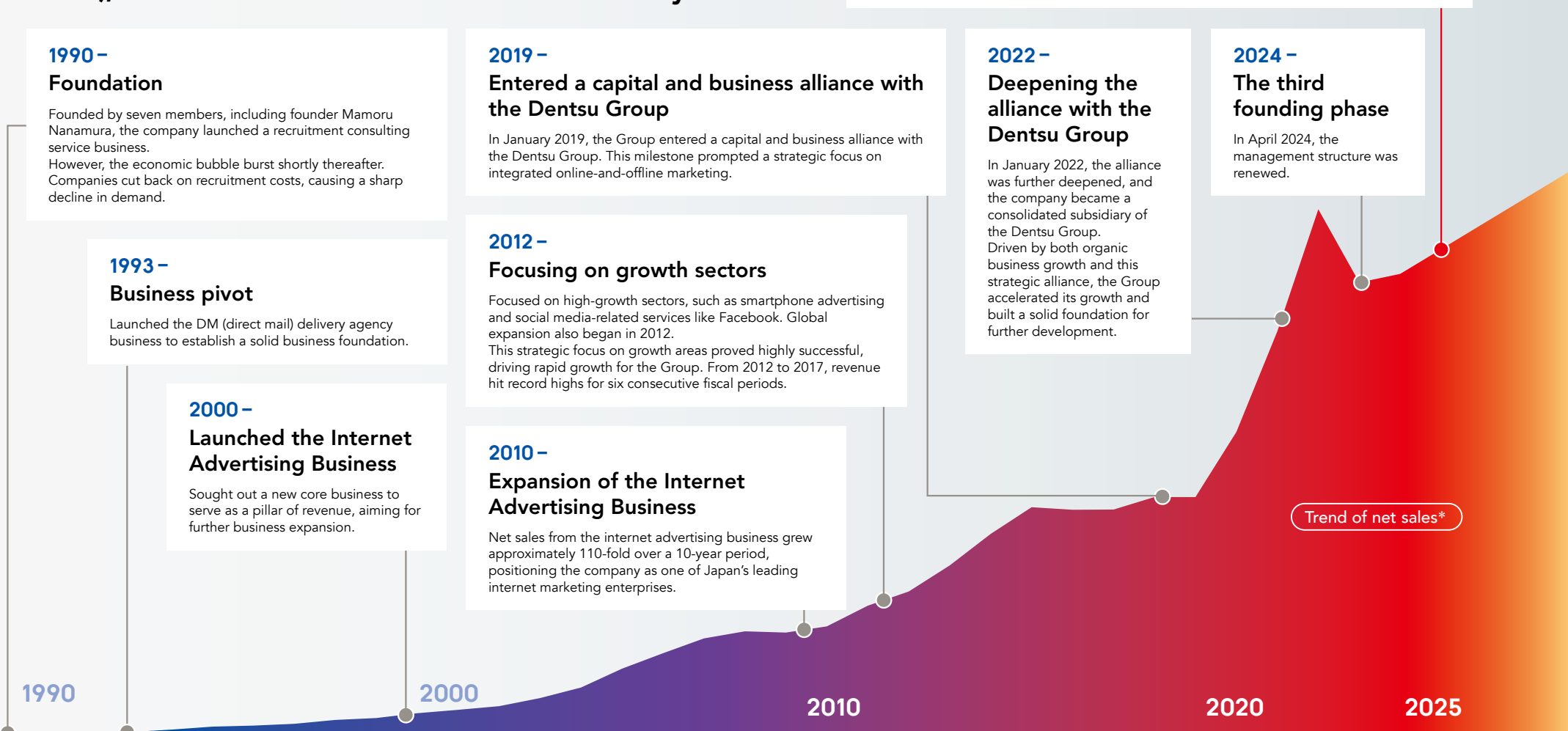
Deepening the alliance with the Dentsu Group

In January 2022, the alliance was further deepened, and the company became a consolidated subsidiary of the Dentsu Group. Driven by both organic business growth and this strategic alliance, the Group accelerated its growth and built a solid foundation for further development.

2024 -

The third founding phase

In April 2024, the management structure was renewed.



*FY2023 is 15 months from October 1, 2022 to December 31, 2023 due to a change in the fiscal year-end.

At a Glance

Founded in

1990

Consolidated subsidiaries

35

Consolidated workforce

1,941

Average age

31.9

FY2025 consolidated earnings

Revenue

¥30,309 million

Profit attributable to owners of parent

¥3,491 million

Basic earnings per share (EPS)

¥16.83

Non-GAAP operating profit

¥4,414 million

Net sales (reference)

¥148,783 million

Annual dividend per share

¥18.00

Dividend payout ratio

106.9%

Improvement of profitability and productivity in FY2025

Ratio of revenue to net sales

20.4%

YoY **+1.0 Pt**

Revenue per employee

¥15.0 million

YoY **+9.9%**

Ratio of non-GAAP operating profit to revenue

14.6%

YoY **+3.3 Pt**

Non-GAAP operating profit per employee

¥2.2 million

YoY **+41.5%**

Business overview

Marketing Communication Segment

It provides comprehensive DX support through integrated marketing services centered on digital advertising sales and operations.

SEPTENI

71.1%

SEPTENI GLOBAL

¥21,550 million

Data & Solutions Segment

It develops and provides solutions that leverage data and AI, while also providing client development support and engineering talent dispatch services.

10.1%

¥3,069 million

FLINTERS **TRICORN**

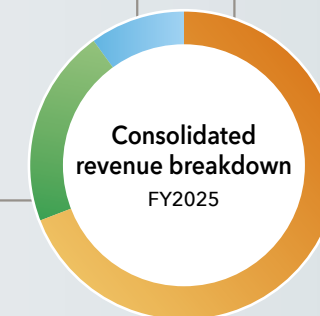
Direct Business Segment

It provides client support that integrates offline media and digital in both BtoC and BtoB areas.

21.2%

¥6,439 million

dentsu direct



Notes: 1. IFRS
2. Figures for Other Business and elimination/corporate are not shown.

Highlights from 2025

Consolidated earnings results

In our consolidated financial results for fiscal year 2025, revenue increased by 7.2% year-on-year to approximately 30.3 billion yen, hitting a record high. Non-GAAP operating profit rose by 38.1% to approximately 4.41 billion yen, achieving a sharp V-shaped recovery.

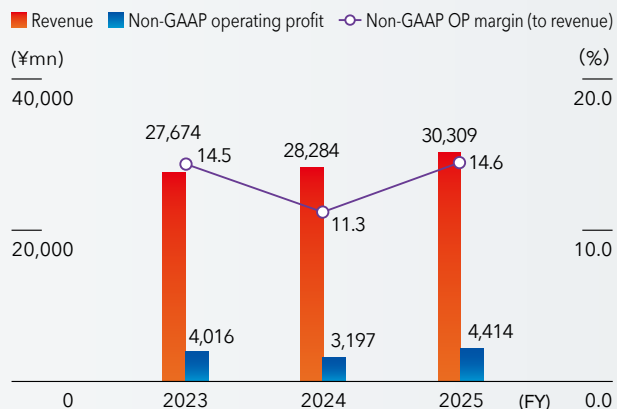
Despite the impact of certain client-related factors that arose in the second quarter, this performance was driven by the acquisition of new clients and the expansion of transactions with existing ones. Furthermore, our ongoing initiatives to improve profitability and productivity proved successful, advancing the construction of a lean and resilient management foundation.

In addition, under the medium-term theme of Focus & Synergy, we have worked on business concentration and synergy creation through reorganization. Through the promotion of business portfolio management, we newly established/integrated three companies and sold/liquidated two companies. Along with generating intra- and inter-business synergies, we also made progress in forging alliances with external partners outside the Group.

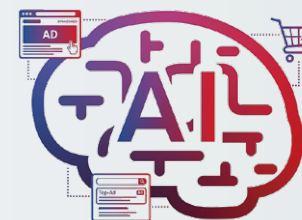
Looking ahead to fiscal year 2026, we will continue to drive top-line growth and improve profitability by expanding existing projects and acquiring new clients, aiming to renew our record-high revenue. Furthermore, by managing SG&A expenses and improving productivity, including through the utilization of AI, we project an increase in both revenue and profit on a consolidated basis.



Consolidated Financial Trends



Progress in utilizing generative AI



Since implementing generative AI group-wide, the Group has been broadly advancing its utilization across various areas, including embedding it into ad operations processes, providing new solutions to clients, and improving overall operational efficiency.

The utilization of generative AI has driven improvements in advertising effectiveness and enhanced profitability. At the same time, we have implemented generative AI utilization support and training—services we provide to external clients—internally within the Group, leading to improved productivity.

Please refer to P. 36 for our future AI strategy promotion.

Building delivery systems for emerging media and services

The Group is quickly responding to client needs by building delivery systems for new media and services. In the vertical video domain, we have established specialized organizations to produce short-form dramas and began providing store-opening support for TikTok Shop. Having also won various industry awards, we have established a support framework and market advantage in next-generation media.



There is a future that can only be reached because we are a team.
 To maximize our clients' corporate value and inspire the world, we will lead the transformation with this team.



Group President and Group Senior Executive Officers

- 1 Yuichi Kouno**
CEO / Chief Executive Officer
- 2 Yusuke Shimizu**
CPO / Chief Product Officer
- 3 Masayuki Muto**
CCO / Chief Corporate Officer
- 4 Tei Go**
CSO / Chief Strategy Officer
- 5 Kei Hatano**
CFO / Chief Financial Officer
- 6 Daisuke Suefuji**
CGO / Chief Growth Officer

Group Executive Officers

- 7 Kazunari Kondo**
CAO / Chief Alliance Officer
- 8 Masayuki Takano**
CAIO / Chief AI Officer
- 9 Ryo Okubo**
MC Segment
- 10 Takahiro Yamasaki**
MC Segment
- 11 Norihisa Ashida**
MC Segment

Group Principal Executive Officers

- 12 Teruyuki Noguchi**
CLO / Chief Legal Officer
- 13 Shuhei Ezaki**
CHRO / Chief Human Resources Officer
- 14 Yoko Miyazaki**
CDO / Chief Diversity Officer
- 15 Takashi Kawachi**
CTO / Chief Technology Officer



The key to prevailing in this rapidly changing era lies in the ability to embrace change without fear and convert it into an engine for growth. As a VALUE MAXIMIZER, we are committed to maximizing corporate value for our clients. By also maximizing our own corporate value through these cumulative challenges, we aim to inspire “the world” that comprises all of our stakeholders. To shape the future we envision, we will bring together the entrepreneurship of each individual alongside this management team, continuing our transformation toward the sustainable growth of the Group.

Contents

01 Who we are

- 02 History of Septeni Group
- 03 At a Glance
- 04 Highlights from 2025
- 05 VALUE MAXIMIZER

07 Message from Management

11 Value Creation by the Septeni Group

- 12 Value Creation by the Septeni Group
- 13 VISION 2030
- 14 Our Strength
- 15 Promotion of Sustainability Management
- 16 Materiality of the Septeni Group

18 Value Creation in Practice

- 19 Overview of the Medium-Term Management Plan (FY2026–2028)
- 20 Business Strategies
 - 26 **Feature** Shaping the Future Through Synergy & Collaboration
- 29 Exploring Businesses: HR Technology Area
- 30 Human Capital Management
- 35 Strengthening Governance
- 36 Promoting AI Strategy
- 37 Capital Allocation

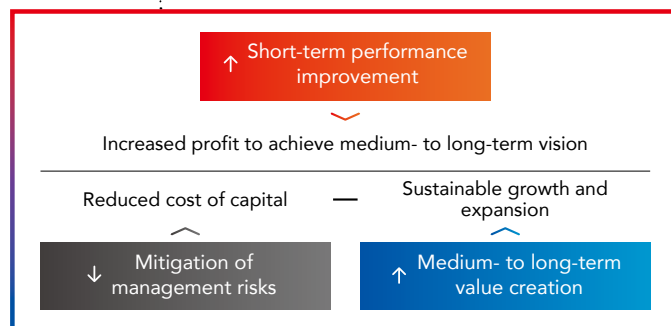
38 Management Foundation to Enable Value Creation

- 39 Respect for Human Rights
- 40 Response to Climate Change
- 41 Corporate Governance

50 Corporate Data

- 50 Financial & Non-Financial Data
- 51 Corporate Profile / Stock Information

Enhanced corporate value



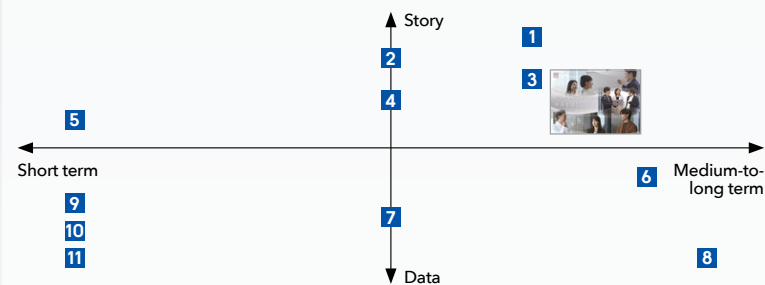
Editorial Policy

The Group aims to help realize a sustainable society by working to resolve social issues through its businesses. We publish an integrated report to give our stakeholders an overall understanding of the Group's progress and value creation through its business activities. This report presents management policies and business strategies from a medium- to long-term perspective, as well as financial and non-financial information, using as reference the International Integrated Reporting Framework recommended by the IFRS Foundation and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation compiled by the Ministry of Economy, Trade and Industry of Japan.

Forward-Looking Statements

Statements other than historical facts contained in this report are forward-looking statements that have been prepared on the basis of certain assumptions and the judgments of the Company's management derived from currently available information. Therefore, information such as actual business results announced in the future may differ depending on various factors, and the Company is not responsible for any damages resulting from the use of the information in this report.

Information Disclosure Framework



- 1 SEPTENI STORY (Japanese only)
<https://story.septeni-holdings.co.jp/>
- 2 Septeni Group's Official "note" (Japanese only)
https://note.com/septeni_group
- 3 Integrated Reports
<https://www.septeni-holdings.co.jp/en/ir/library/integrated-report/>
- 4 Medium-Term Management Plan
<https://www.septeni-holdings.co.jp/en/ir/medium-term.html>
- 5 Financial Results Briefing
<https://www.septeni-holdings.co.jp/en/ir/library/briefing/>
- 6 Sustainability
<https://www.septeni-holdings.co.jp/en/csr/>
- 7 Investor Relations
<https://www.septeni-holdings.co.jp/en/ir/>
- 8 Sustainability Information
<https://www.septeni-holdings.co.jp/en/csr/data.html>
- 9 General Meetings of Shareholders
<https://www.septeni-holdings.co.jp/en/ir/stock/shareholders/index.html>
- 10 Securities Reports
<https://www.septeni-holdings.co.jp/en/ir/library/securities-report/>
- 11 Financial Statements
<https://www.septeni-holdings.co.jp/en/ir/library/summary/>

Message from Management

Leveraging the full capabilities of the group to maximize client corporate value as a VALUE MAXIMIZER

Key messages

- 01** Over the two years leading up to 2025, under the theme of Focus & Synergy, we concentrated our management resources and fostered internal and external collaborations to accelerate value creation.
- 02** Moving forward, we aim to achieve our VISION 2030 and VALUE MAXIMIZER by transcending organizational and business boundaries to directly address our clients' management indicators and support the maximization of their corporate value.
- 03** We will continue to be a company where entrepreneurship burns brightly, while actively promoting the development of next-generation talent and their participation in management to intentionally encourage organizational renewal.
- 04** We aim to be an enterprise that constantly evolves with the times and continues to further inspire all our stakeholders.

Yuichi Kouno

Representative Director, Group
President and Chief Executive Officer

Message from Management

Reviewing our growth direction to elevate the quality of group management

Over the past two years since I assumed the role of group president, I have managed our group under the medium-term theme of Focus & Synergy. Historically, our group has expanded by respecting individual challenges under our mission: To inspire the world with entrepreneurship. However, in today's environment where market and competitive shifts are further accelerating, I believe we can enhance our competitive edge by shifting toward management that exercises entrepreneurship through teamwork with a strong sense of unity. To this end, I have steered the company in this new direction. "Focus" means organizing and consolidating the entire group's human resources, assets, and capabilities, and clarifying the areas where

all employees should collaborate and concentrate their efforts while strategically allocating management resources. "Synergy," on the other hand, is the concept of creating synergistic effects on top of this consolidated foundation—not only between businesses but also through internal and external collaborations—with the aim of generating greater value. Specifically, starting from 2025, we classified our core Digital Marketing Business into three reportable segments to strengthen each business, while outlining a direction to generate new business opportunities across the entire group in adjacent domains.

Moving into 2025, our efforts in cross-business synergy and partnerships with external stakeholders began to bear fruit, producing tangible results and seeds for future growth. Consequently, we achieved record-high consolidated revenue and a V-shaped recovery in non-GAAP operating profit.

Transforming organization and mindset to make synergies work

In embedding Focus & Synergy as our management core, what I have prioritized most is how to shift the mindset of each individual. I believed it was essential to continuously demonstrate which perspective should take priority in daily communication and decision-making scenarios.

As part of this effort, I have intentionally made frequent use of the word "everyone" in my own messages. By thoroughly shifting the subject from one's own department or the individual to the entire group, and repeatedly emphasizing a management perspective aimed at enhancing our group's corporate value rather than local optimization, the decision-making focus of executives and division heads is broadening toward a higher perspective: providing value that originates from the group.

Furthermore, positive changes in communication and teamwork are emerging on the front lines of business operations. Our group conducts a semi-annual multi-survey where employees evaluate each other regardless of hierarchy. Recently, the number of evaluators and evaluatees per employee, which had been on a downward trend since the COVID-19 pandemic, has begun to increase. By executing initiatives such as promoting a return to the office and increasing internal talent mobility, the growth in connections among members has been visualized. I believe that an increasing number of employees are truly feeling the importance of strengthening collaborative relationships to realize Focus & Synergy.

I believe that an "affectionate human relationship" is the prerequisite for people with different expertise



Message from Management

and positions to collaborate and enhance their collective value creation capabilities as a team. It is precisely within a relationship of mutual understanding and support—rather than a mere transactional business cooperation—that individuals can passionately act for their colleagues and clients. As a result, entrepreneurship is manifested even more powerfully, leading to sustainable value creation that cannot be achieved by individual strength alone. Now, the entire group is gradually feeling the efficacy of this policy, which has strengthened our cohesion, and the shift in awareness driven by a clear organizational direction is steadily accelerating. In 2026, we intend to stack further initiatives to spread this change across the entire group.

Becoming a company that focuses on client profit structures to create value beyond business boundaries

Through these Focus & Synergy initiatives, our business and organizational foundations are coming together even faster than I had anticipated. Given this progress, I felt it was necessary to define what kind of value the Septeni Group aims to provide over the medium to long term. Therefore, we have established VISION 2030—a common pillar for the entire group—defining our ideal state by the year 2030 as a VALUE MAXIMIZER.

While there is no single correct interpretation of “entrepreneurship” within our group mission, the concept itself is deeply and widely ingrained in our corporate culture. However, I recognized a challenge: terms like “the world” and “inspire” remained highly abstract, lacking a concrete image for our employees to rally around. Therefore, in establishing ourselves as a

VALUE MAXIMIZER, I felt it was essential to redefine these terms to ensure our strategic alignment. To us, “the world” is not a distant, abstract entity; it represents the immediate stakeholders we engage with daily through our business—our clients and partners. Furthermore, while there are various ways to “inspire” stakeholders depending on their unique positions, we believe our primary focus must be on enhancing the corporate value of our clients. We believe that by driving client sales and profits to increase their corporate value, we inherently enhance our own. This creates a virtuous cycle that ultimately inspires a broad range of stakeholders, including our employees, shareholders, and partners, by delivering meaningful value back to them. Becoming an organization that realizes this chain of value is precisely what we aim for as a VALUE MAXIMIZER.

Historically, each of our business units has operated by leveraging its specific expertise to address individual client issues, such as improving advertising effectiveness or streamlining system development. However, what clients truly seek is not just a collection of these local optimizations, but a sustainable improvement in their overall management indicators, such as revenue and profit. Moving forward, we will elevate our perspective to focus on our clients’ profit structures. We will evolve our approach to value creation by determining which combination of capabilities can best enhance a client’s corporate value. Mobilizing the collective capabilities of the entire group, we aim to contribute to the maximization of corporate value by providing comprehensive solutions to our clients’ core business challenges.

To achieve this, we have incorporated our basic policies and key initiatives for the three-year period from 2026 to 2028 into our Medium-Term Management Plan.

The first basic policy is “Deepening Businesses.” Building on the foundations for synergy established over the past two years, we will evolve our efforts into Synergy & Collaboration. Beyond mere mutual complementation between businesses, we intend to transcend business boundaries to develop new products and solutions, thereby accelerating value creation across our group. Our second basic policy is “Exploring Businesses,” through which we aim to expand into areas that will become our next pillars of revenue.

Specifically, we are looking at the HR sector as an area for proactive investment. While recruitment is a critical factor driving growth for many companies, it is becoming increasingly challenging due to a shrinking labor workforce and the diversifying work values of job seekers. Over the past 20 years, the group has built its own unique, in-house recruitment and training model, utilizing our accumulated talent database and the technology to leverage it. The know-how we have developed by identifying and acquiring talent ourselves represents practical wisdom gathered through years of trial and error, and it stands as one of our unique capabilities. Through our support services for the in-housing of HR departments, where companies acquire talent independently, we will drive a value creation model that directly contributes to improving our clients’ revenues and profits.

Finally, our options for growth are not limited to internal business creation. Collaborating with external companies that complement our existing businesses and expanding our capabilities through M&A are also vital options. By prioritizing affinity with our vision and the potential for creating synergy, we will connect adjacent business domains, broadening the scope of value we offer and increasing the certainty of our growth.

Message from Management

Evolving human capital and governance to sustain entrepreneurship

The fountainhead of our value creation lies in our people, who continue to embody entrepreneurship. Conversely, I believe our greatest risk is the erosion of this spirit—that is, a cultural shift toward a mindset where “not changing” or “avoiding failure” is deemed acceptable.

To ensure we continue to cultivate this entrepreneurship and transform it into organizational strength, we have established “Strengthening Management Foundation” as the third basic policy of our Medium-Term Management Plan. As part of our efforts to strengthen human capital, we have launched the Human Resource Development Committee, starting in 2026. Since our founding, the group has achieved growth driven primarily by young talent unleashing their entrepreneurship. However, as the organization has scaled, opportunities for individuals in their early 30s to gain executive and management experience have been declining. To create an ecosystem where talent with the agility to adapt can continuously lead group management in this fast-changing era and industry, we newly appointed approximately 20 executives, focusing on subsidiary officers, thereby establishing a system to provide management experience at an early stage. Going beyond classroom learning and OJT, we have built a framework where senior executives serve as mentors to support their journey. Looking ahead, we plan to transition roles so that the younger generation forms the core of management, while the current management team supports their decision-making and gives back by sharing their insights and experience.

Furthermore, for the Strengthening Management Foundation, sophisticated governance to ensure disciplined decision-making is indispensable. On the executive side, we have introduced a CxO system. Under

this structure, group senior executive officers will be empowered to swiftly execute cross-functional initiatives and actions based on our group’s overall performance. Furthermore, to enhance our succession planning, we will ensure healthy turnover among the management team through close collaboration between the Human Resource Development Committee and the Nomination and Remuneration Advisory Committee.

We have consistently evolved our people, our organization, and our management style, starting with entrepreneurship as our foundation. By maintaining a Keep Young mindset, we will harmonize a highly fluid management structure premised on generational change with a disciplined decision-making framework. This ensures an organization where entrepreneurship is continuously unleashed.

Connecting the power to constantly change to next-generation value creation

Our vision of becoming a VALUE MAXIMIZER by 2030 is a milestone to measure how much value we provide to our

clients and society in pursuit of our group mission. It is, ultimately, just one point in our journey.

For over 30 years since our founding, we have turned market and social shifts into engines for our own growth, updating our business and organizational models through constant challenges. At the core of this history is “entrepreneurship.” We view this spirit not merely as an individual trait, but as a universal value that transcends generations and organizational boundaries to become the driving force of the entire group. We will continue to be a Keep Young organization that powerfully manifests entrepreneurship, striving to be a presence that constantly inspires the people and companies we engage with. By adhering to a management style that embraces evolution in step with the times, we will commit to long-term value creation as a partner capable of maximizing client corporate value.

In the Integrated Report 2025, we have edited the initiatives of our group as we take on these challenges of value creation in a way that helps deepen the understanding of all our stakeholders. We hope this report will aid in your understanding of our group. Please look forward to the Septeni Group as we continue to embrace new challenges.



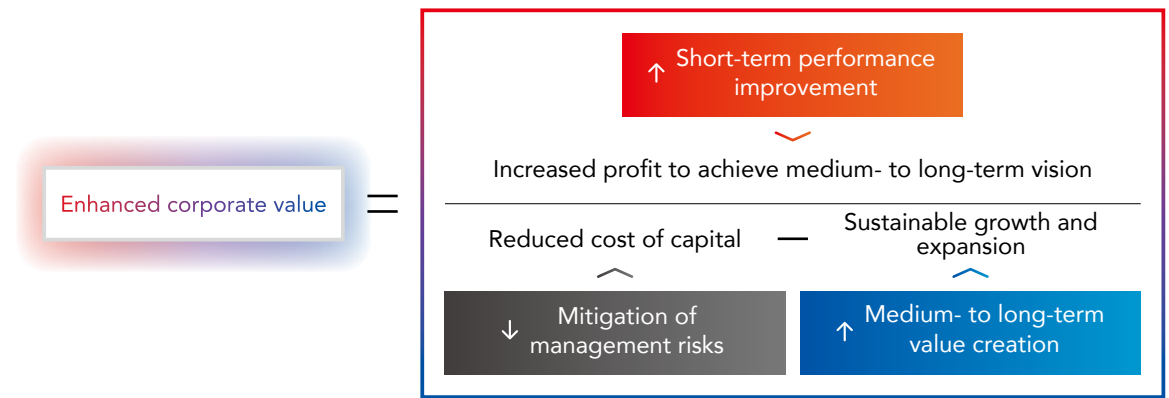
Value Creation by the Septeni Group

In an era of rapid change, what kind of future do we envision, and how will we inspire the world more? This section unpacks our value creation process, which is rooted in our unique strengths, while outlining our medium- to long-term journey toward fulfilling our mission and achieving sustainable growth.



Envisioning our value

Value Creation by the Septeni Group	12
VISION 2030	13
Our Strength	14
Promotion of Sustainability Management	15
Materiality of the Septeni Group	16



Value Creation by the Septeni Group

The source of our value creation lies in our people filled with a strong sense of ownership and entrepreneurial spirit. While continuously optimizing our materiality and Medium-Term Management Plan in response to changes in the external environment, our human capital—which forms our core value—expands and maximizes the value delivered to clients through our business activities. In doing so, we continue to make steady progress toward achieving VISION 2030, our vision, and fulfilling our mission.

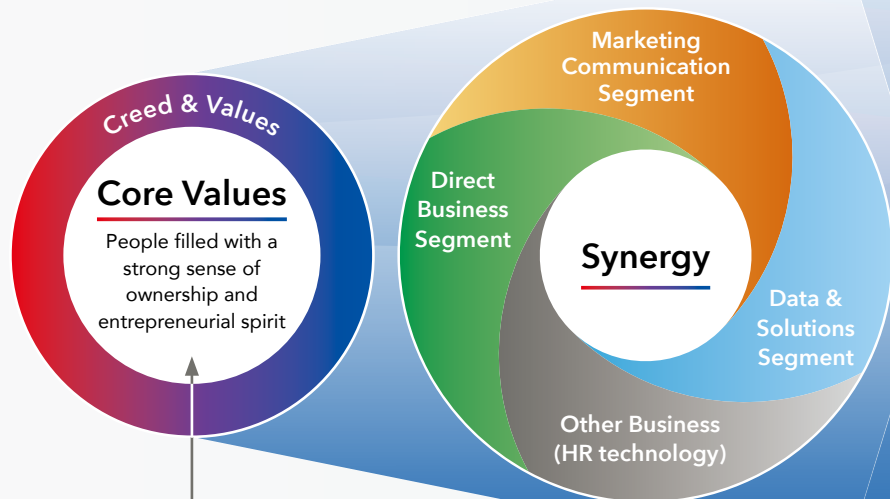
Changes in the External Environment & Market Needs

Materiality P. 17

- Enhancement of Corporate Value by Empowering People Who Create a New Era
- Realization of a “Nameraka” Society Through Creativity and Technology
- Response to Climate Change
- Building an Advanced Governance System to Support Discontinuous Growth

Medium-Term Management Plan (FY2026-2028) P. 19

1. Deepening Businesses
2. Exploring Businesses
3. Strengthening Management Foundation
4. Capital Allocation



Strengthening core values

Value Delivered to Clients

Economic value

Enhancing profitability

Accelerating growth

Driving efficiency

Social value

Strengthening human capital

Cultivating social capital

Fulfilling the Group Mission

To inspire the world with entrepreneurship

Achieving the Group Vision

VISION 2030



Maximizing Clients' Corporate Value

Non-GAAP operating profit **¥10 billion**

Profit **¥10 billion**

VISION 2030

The Septeni Group has established VISION 2030 as a steppingstone toward fulfilling our mission. Looking ahead to 2030, even as society and the times continue to change, the entire Group is committed to delivering comprehensive business results that maximize our clients' corporate value. To become a corporate entity that "inspires the world" more, we declare our identity as a VALUE MAXIMIZER.

Market Environment and Current Recognition

Amid a shrinking workforce and the rapid evolution of technologies, most notably AI, the digital marketing domain—the core business area of our Group—is experiencing a continuous shift toward digital shift as companies seek growth and sustainable revenue generation. Concurrently, diversification in consumer behavior is expected to drive client needs to become even more sophisticated and complex than ever before.

 Labor Population	<p>Opportunities Empowerment of a diverse workforce</p> <p>Threats Aggravating labor shortages</p>
 Technology	<p>Opportunities Evolution & proliferation of AI</p> <p>Threats Rapid proliferation of IoT*</p>
 Customer & Consumer Needs / Market Trends	<p>Opportunities Digital shift in advertising budgets</p> <p>Threats Increasing sophistication & complexity of needs</p>

*Short for "Internet of Everything," referring to a state where all people, data, processes, and things are connected to the internet.

Under this business environment, our respective business segments have leveraged their specialized expertise and competitive advantages to help clients resolve their challenges. Furthermore, we have reinforced the foundations of the Group's management by executing organizational restructurings and segment realignments to refine existing businesses, enforcing rigorous portfolio management, and enhancing synergy creation.

VISION 2030



We will maximize client corporate value and inspire the world more by transforming social and generational shifts into an engine for growth.

Aiming to become a high-growth, high-return company by 2030, achieving profit of ¥10 billion.

Amid the ongoing changes in the external environment, we have further conceptualized and articulated the direction our Group should take and the corporate entity we aspire to become to realize the medium- to long-term vision announced in February 2025, and established this as VISION 2030. Looking ahead to 2030, we aim to become a corporate entity capable of delivering comprehensive value—offering a broader range of services and value to our clients, while working as a unified Group to drive business results that maximize our clients' corporate value. This desired state of our organization is embodied in the phrase VALUE MAXIMIZER. We strive to be a partner that realizes the maximization of our clients' corporate value, while aiming to generate 10 billion yen in both non-GAAP operating profit and profit by 2030, thereby becoming a corporate entity that achieves both high growth and high returns.

High Growth

By 2030

- Non-GAAP operating profit ¥10 billion
- Profit ¥10 billion

High Returns

- Policy on total annual dividends per share
Whichever is higher ¥18 min. or 50% payout ratio
- Dividend record dates
Interim dividend: June 30
Year-end dividend: December 31
- Introduction of a shareholder benefit program
Initial record date: December 31, 2026

Our Strength

Entrepreneurship—the source of our strength

Entrepreneurship is generally translated as entrepreneurial spirit, but our Group is unique in that it encourages each individual to interpret the term in their own way. One interpretation widely accepted within the Company is “the pursuit of opportunity beyond resources currently controlled” as defined by Harvard Business School. Based on the value that it is not the company that shapes people, but people shape the company, each individual discovers and practices their own form of entrepreneurship daily; this brought about positive behavioral changes, such as offering solutions rather than criticizing, choosing the option of greater change, and viewing adversity as an opportunity.

It precisely constitutes the source of our Group’s strength that each individual’s entrepreneurial spirit is aligned with the organization’s vision, transforming societal and generational changes into an engine of growth.

The SEPTENI STORY, published on website in April 2026, is a chronicle of 35 years. It is an accumulation of individual challenges that have restructured our organization. Discover how the source of our strength has been fostered. We invite you to experience the story behind it through this content.

 Please visit the SEPTENI STORY archive site (Japanese only).
<https://story.septeni-holdings.co.jp/>



Capabilities we have developed

Keep Young

Placing our trust in people will shape a new era for the next generation

“Keep Young” is a mindset characterized by a passion for constant challenge and a sense of ownership in which one drives things forward. Guided by the founder’s pledge not to run a family business, we have navigated the changing times by placing our trust in the potential of each next generation, regardless of their position or experience. Those who place their trust in youth believe in the future and provide opportunities, while those entrusted live up to their trust by creating new value. This virtuous cycle of trust helps our people and the organization grow together, and has become a motive in shaping our Group’s future.

Viewing adversity as an opportunity

Choose the option of greater change

The spirit of our creed, “Hinerankai” (think outside the box), has built a corporate culture that views change as an opportunity as opposed to a risk. For us, adversity is an opportunity, and it is precisely under rapidly changing market conditions that we have an excellent opportunity to set ourselves apart in the market. Our guiding principle in these situations is to choose the option leading to greater change when in doubt. We have never rested on our laurels, and have consciously chosen to keep changing, making us able to harness social and epochal changes as an engine of growth that drives our Group’s discontinuous evolution.

What you do is not as important as who you do it with

Trust among colleagues maximizes performance

Our Group places more value on the colleagues we work with than what we work on. This is because we believe that we can overcome any situation, no matter how difficult, with teammates that we trust, helping each other grow. “With this team, I’m sure we can achieve something exciting.” Sharing this belief, people with diverse personalities respect each other’s uniqueness and count on one another to weather hard times. This bond of trust is truly an asset that maximizes our Group’s performance in this era of uncertainty.

Promotion of Sustainability Management

Sustainability policy

We believe that contributing to the resolution of social issues through our corporate activities is what is required of us by our stakeholders in order to realize our mission “to inspire the world with entrepreneurship” and our Group vision, and we are promoting sustainability activities. In our sustainability activities, we have set our Group’s mission and vision as our basic policy, and we are actively promoting activities with the aim of achieving sustainable growth of the Group, improving corporate value, and realizing a sustainable society.

Sustainability promotion structure

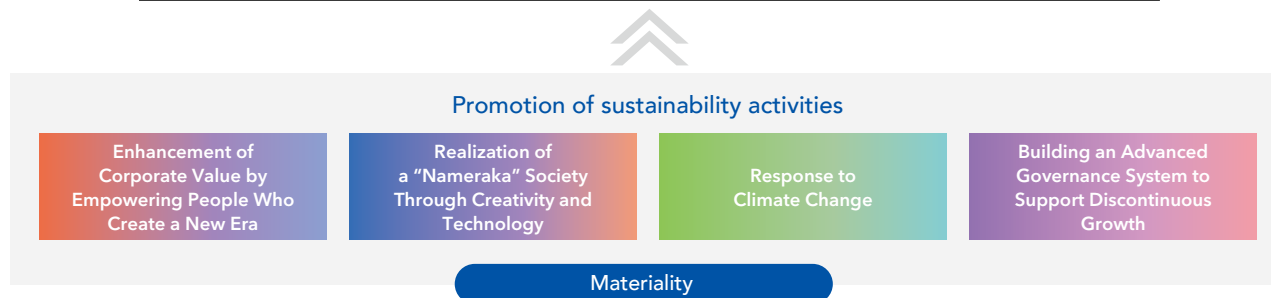
At the heart of our Group’s sustainability initiatives is the Sustainability Committee, an advisory body to the board of directors. With the CEO serving as the chairperson and the CCO as the vice chairperson, we are strengthening the alignment between our management strategy and sustainability promotion.

Furthermore, to advance initiatives and disclosures related to human capital—our greatest asset—the Committee’s membership includes the CSO, CHRO, CDO, the corporate branding manager, and external advisors.

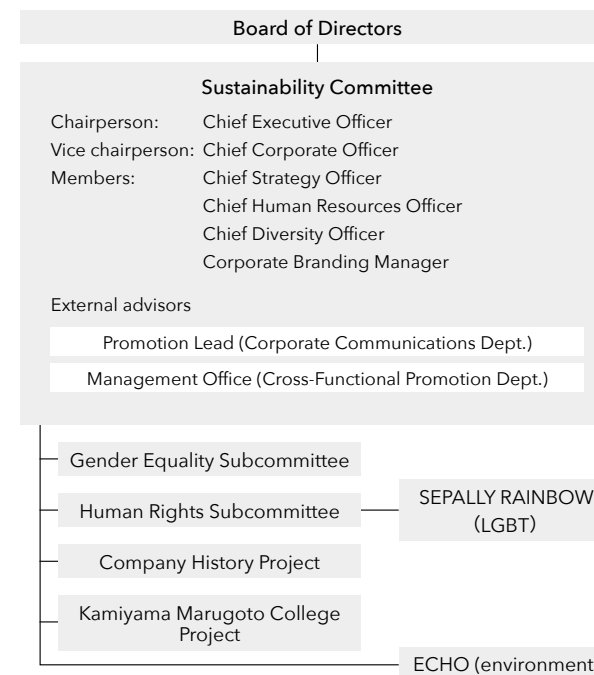
Under the Sustainability Committee, we have established the Gender Equality Subcommittee to address the gender gap, the Human Rights Subcommittee to tackle human rights issues, the Company History Project to uncover our Group’s DNA by tracing our past as we mark our 35th anniversary and pass it on to the future, and the Kamiyama Marugoto College Project to lead initiatives with the college where we participate as a scholarship partner.

Through these organizational changes, we aim to enhance the effectiveness of the Committee while further promoting sustainability activities both within and outside the Group.

Overview of Sustainability Activities



Sustainability Committee Organizational Chart



Materiality of the Septeni Group

Progress on materiality

Since redefining our materiality in tandem with the revision of our group philosophy in October 2022, our Group has been advancing initiatives centered around four material issues.

In fiscal year 2025, we implemented updates to survey items aimed at the democratization of entrepreneurship, and conducted a group-wide human rights due diligence as a foundation for respecting human rights.

Going forward, the Sustainability Committee will continue to monitor the progress of each KPI tied to the four material issues on a quarterly basis, confirming and reviewing target settings in line with changes in the business environment, while driving the formulation and execution of initiatives to achieve these KPIs.

Sustainability Committee Performance in FY2025

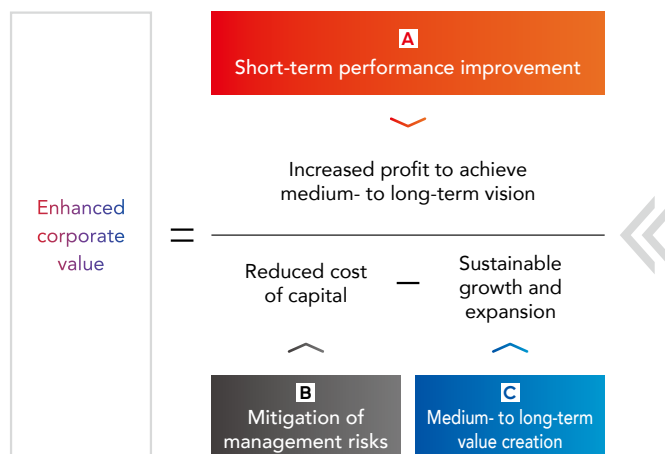
Months Held	Key Agenda Items
Held quarterly (January, April, August, and October)	<ul style="list-style-type: none"> Report on changes to the committee structure Revision of materiality-related KPIs and report on additional items Deliberations on the production of the SEPTENI STORY (corporate history) and the holding of workshops Internal communication and deliberations on engagement measures for sustainability activities Report on ESG evaluation results and deliberations on corresponding actions Progress report on materiality-related initiatives and relevant KPIs

For key agenda items and discussions from past Sustainability Committee meetings, please refer to the corporate website. <https://www.septeni-holdings.co.jp/en/csr/policy.html>

Link between materiality and corporate value

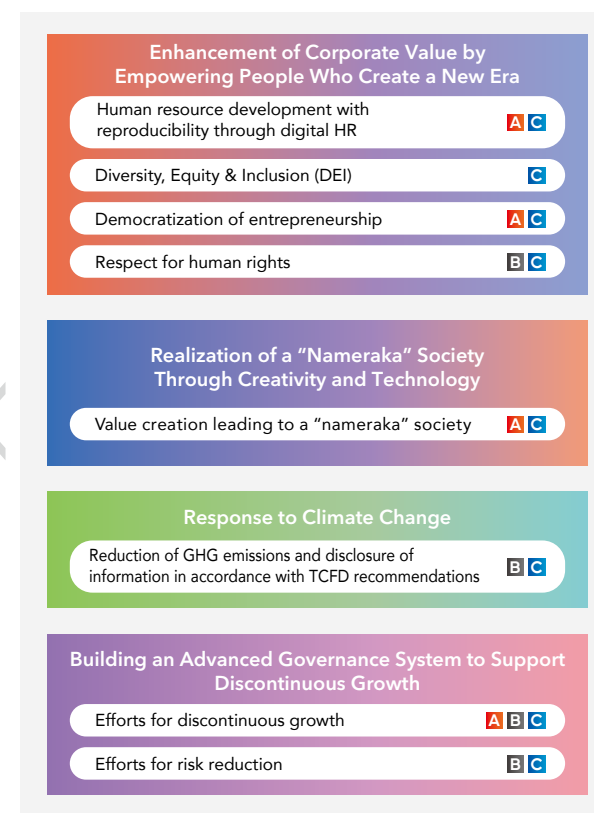
The following diagram illustrates how each materiality and its subcategories relate to our Group's corporate value. We believe that the enhancement of our Group's corporate value can be expressed by a formula: with "increased profit to achieve medium- to long-term

Link Between Materiality and Corporate Value



vision" as the numerator, and "reduced cost of capital" minus "sustainable growth and expansion" as the denominator. The four material issues serve as drivers to maximize corporate value by actively influencing each component of this equation.

By continuing to address these four materialities, we aim to achieve our Group's vision and realize our mission "to inspire the world with entrepreneurship."



Materiality of the Septeni Group

Materiality and KPIs

Materiality	Subcategory of Materiality	KPI	Target	Target Achievement Timing	Progress	
<p>Enhancement of Corporate Value by Empowering People Who Create a New Era</p> <p>As stated in the first clause of our vision, "To be a place where people are empowered to create a new era," we at the Septeni Group believe that our most valuable asset is our people. In our commitment to nurturing those who will shape the future, we are actively pursuing four themes.</p> <p>The first is enhancing the value of each individual through reproducible talent acquisition, placement, and development using HR technology. The second is creating an environment where each individual can play an active role in their own way by promoting Diversity, Equity, and Inclusion (DEI). The third is democratizing entrepreneurship by nurturing and establishing the entrepreneurship of each individual. The fourth is promoting respect for human rights, which is essential as a foundation for fostering people and rooted in social responsibility.</p> <p>Through these efforts, we aim to enhance human capital value, empower people who create a new era, and improve corporate value.</p> <p>In addition, within DEI efforts, we focus on initiatives related to women, who represent a majority among minorities, as we believe that addressing gender equity and inclusion leads to the realization of equity and inclusion for other attributes. Therefore, we aim to close the gender gap and have set the ratio of female managers as a KPI.</p>	Human resource development with reproducibility through digital HR	Operation and accuracy improvement of HR value chain	Continuous implementation	Annually	Expanding disclosures	
	Diversity, Equity & Inclusion (DEI)	Ratio of female managers	30%	2030	28.3% (as of December 31, 2025)	
	Democratization of entrepreneurship	Cultivating an environment where employees can readily demonstrate entrepreneurship	Creating opportunities for employees to demonstrate entrepreneurship		2025	Introduced "entrepreneurship" as a survey item
		Number of employee stock ownership plan participants	Year-on-year increase		Annually	662 (as of December 31, 2025)
Respect for human rights	Appropriate response to human rights risks	Establishing a human rights due diligence system		2025	Conducted the identification, analysis, and assessment of adverse impacts (risks) within our Group	
<p>Realization of a "Nameraka" Society Through Creativity and Technology</p> <p>In the second part of our vision, we express our commitment "To open the door to a 'nameraka' future with creativity and technology." Our goal is to realize a "nameraka" future by harnessing each employee's creativity, utilizing technology to create new value in the form of new businesses, services, and IP, and expanding opportunities for both industries and individuals.</p>	Value creation leading to a "nameraka" society	Providing value and opportunities to society through business and services	Increase in recipients of value	2030	Produced and released DEI awareness content for internal and external audiences	
<p>Response to Climate Change</p> <p>Climate change is threatening the future of our planet. Given that a sustainable and sound Earth and society are prerequisites for business operations, addressing climate change is of high importance and is also widely demanded by society and stakeholders. By continuously taking action against climate change, we aim to achieve a decarbonized society.</p>	Reduction of GHG emissions and disclosure of information in accordance with TCFD recommendations	Scope 1 & 2 emissions	70% reduction	2030	Reduced by 82%	
<p>Building an Advanced Governance System to Support Discontinuous Growth</p> <p>By promoting both offensive corporate governance to pursue discontinuous growth and defensive corporate governance to pursue risk reduction, we aim to build advanced corporate governance system to create a new era and become a place to realize a "nameraka" future.</p>	Efforts for discontinuous growth	Fostering a healthy cycle of business creation and exit through the consistent application of business continuity standards	Improving management indicators through business portfolio management	Annually	<ul style="list-style-type: none"> Established two new companies Merged two companies to maximize Group synergies and consolidate management resources Liquidated and divested two companies based on business continuity criteria 	
	Efforts for risk reduction	Implementation of appropriate risk management and thorough compliance	100% training participation rate	Annually	Achieved 100%	
		Ensuring and improving the effectiveness of the board of directors	<ul style="list-style-type: none"> Continuous implementation of executive sessions Continuous implementation of effectiveness evaluations 	Annually	Implemented	
Discussion of succession planning	Continuous implementation	Annually	Established a new executive management structure by actively appointing next-generation leaders			

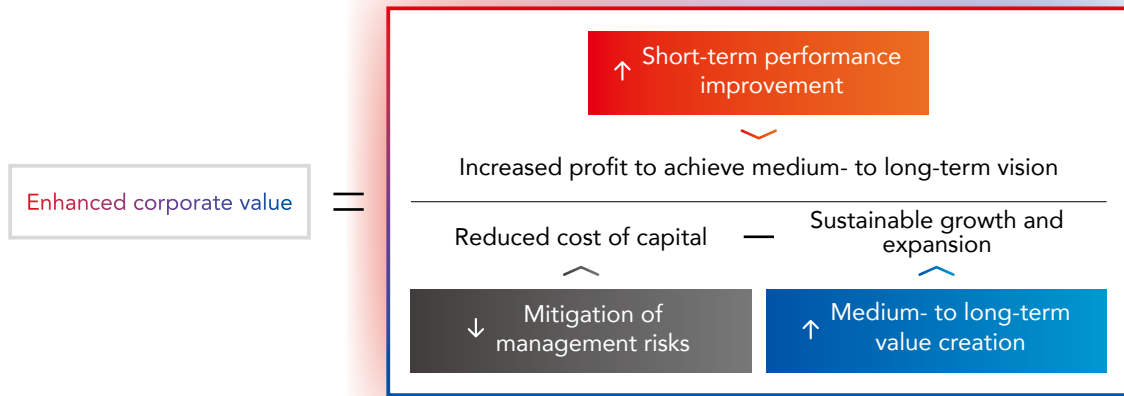
Value Creation in Practice

How will we materialize our challenge “to inspire the world” more? Based on the four basic policies outlined in our Medium-Term Management Plan, this section explains our key initiatives across deepening and exploring businesses, strengthening our management foundation, and capital allocation. Through messages from the executives in charge of each business segment and highlights of symbolic achievements, we present a detailed view of our track record of steady execution and our future outlook for accelerating value creation.



Accelerating our value

Overview of the Medium-Term Management Plan (FY2026–2028)	19
Business Strategies	20
Feature Shaping the Future Through Synergy & Collaboration	26
Exploring Businesses: HR Technology Domain	29
Human Capital Management	30
Strengthening Governance	35
Promoting AI Strategy	36
Capital Allocation	37



Overview of the Medium-Term Management Plan (FY2026-2028)

Basic policies and key initiatives

We have formulated our Medium-Term Management Plan for FY2026-2028, which marks the first three years toward achieving VISION 2030, and have established four basic policies alongside their respective key initiatives.

First, regarding “Deepening Businesses,” as we have observed solid results from our Focus & Synergy initiatives up to fiscal year 2025, we will now drive further deepening through “Synergy & Collaboration” to foster co-creation across company and business boundaries. Second, under “Exploring Businesses,” we aim to accelerate investments into future revenue pillars, building a business portfolio that strengthens our contribution to enhancing our clients’ corporate value. Third, to “Strengthen Management Foundation,” we will commit to strengthening human capital, enhancing governance, and promoting our AI strategy. Finally, under our policy for “Capital Allocation,” we plan to achieve a balance between high growth and high shareholder returns.

Basic Policies	Key Initiatives
1. Deepening Businesses	Synergy & Collaboration <ul style="list-style-type: none"> Generate synergies within and across businesses, through Dentsu collaborations, and with external partnerships Improve productivity through the utilization of AI Promote organizational restructuring and portfolio management
2. Exploring Businesses	Accelerating investment in future revenue pillars <ul style="list-style-type: none"> Explore opportunities to expand value in areas such as HR Technology, Sports, Entertainment, Consulting, and IP (Intellectual Property) Actively invest in areas capable of creating synergies with the HaKaSe brand
3. Strengthening Management Foundation	Strengthening human capital <ul style="list-style-type: none"> Launch HR Development Committee for the next generation of talent Strengthening governance <ul style="list-style-type: none"> Introduce a CxO system to clarify roles and enhance synergies Promoting AI strategy <ul style="list-style-type: none"> Build an AI promotion structure and strategy
4. Capital Allocation	Balancing growth investment and high shareholder returns <ul style="list-style-type: none"> Set an investment budget of approximately 25 billion yen over three years, covering existing businesses and the HR technology domain Set a minimum annual dividend floor of 18 yen per share

Quantitative targets up to FY2028

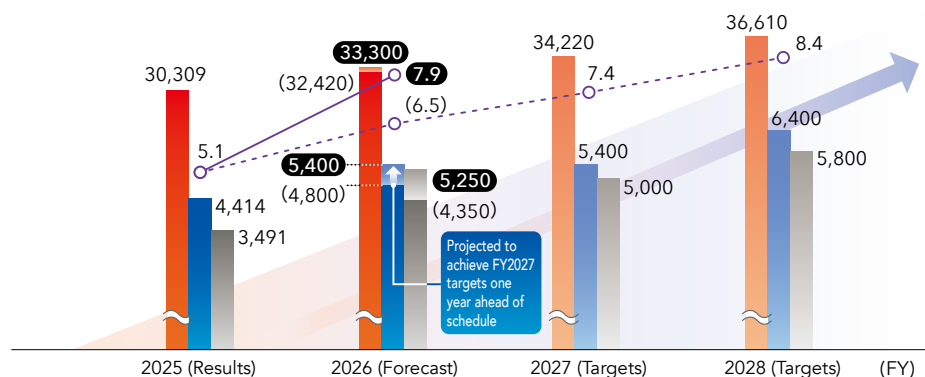
To achieve our targets of 10 billion yen in both non-GAAP operating profit and profit by 2030, we have established quantitative targets for the next three years, predicated on the organic growth of our existing businesses. For fiscal year 2026, the inaugural year of this plan, we have revised our full-year earnings forecast upward, reflecting strong performance in the first quarter and current business momentum. Regarding profit items, we now expect to achieve our fiscal year 2027 target metrics one year ahead of schedule. By continuously implementing the profitability and productivity improvement measures we have driven thus far, we will accelerate organic growth and continue to rewrite our record-high earnings.

Furthermore, by injecting inorganic growth through growth investments such as M&A over the next three years, we aim to achieve an early improvement to a double-digit ROE and secure the realization of our quantitative targets for 2030.

FY2025-2028 CAGR

Revenue	+6.5%	Non-GAAP operating profit	+13.2%
Profit attributable to owners of parent	+18.4%	ROE	+3.3pt

Revenue (¥ million) Non-GAAP operating profit (¥ million) Profit attributable to owners of parent (¥ million) ROE (%) *FY2026 (0000): Initial forecast 0000: Revised forecast (ROE is an approximate value)



*Please refer to our timely disclosure materials for the full-year FY2026 forecast.

Notice Regarding Revision of Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2026
https://www.septeni-holdings.co.jp/en/ir/news/Re_260513_en.pdf

Business Strategies

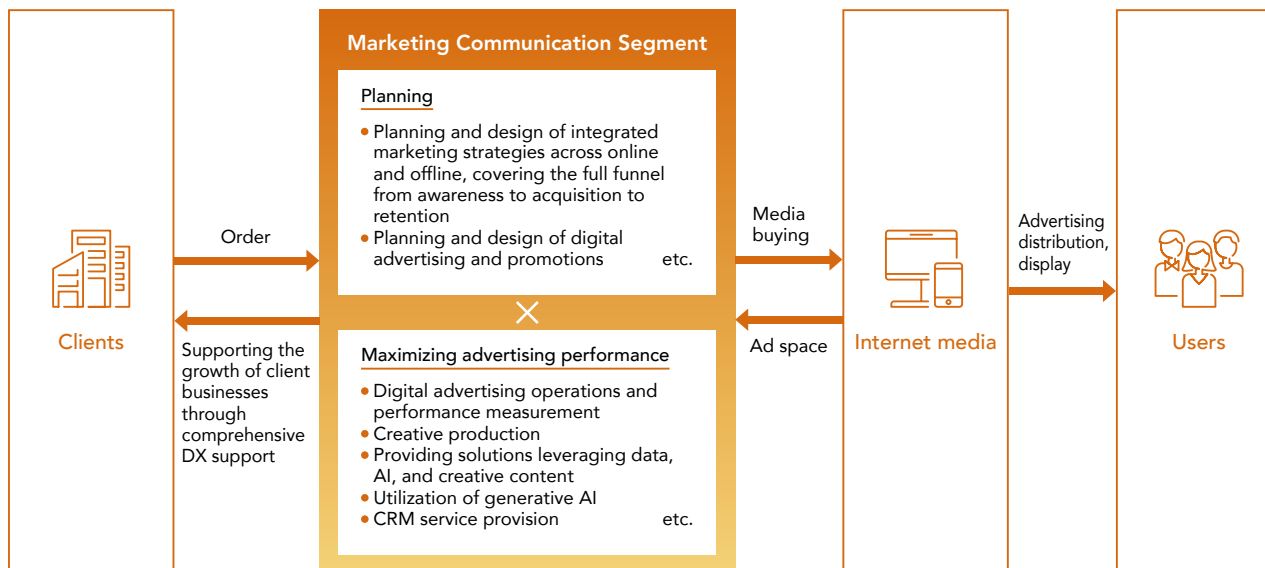
Marketing Communication Segment

The Marketing Communication Segment provides comprehensive DX support through integrated marketing services centered on digital advertising sales and operations.

Group Companies



Business Model



Strategies in the Medium-Term Management Plan (FY2026–2028)

Applicable Basic Policy: 1. Deepening Businesses

Theme

We drive client profitability and growth by achieving "Integrated Marketing," which combines overwhelming digital ad execution with strategic partner synergies to eliminate organizational and data silos.

Business Strategies

- 01 Provide "MXONE," our proprietary integrated marketing concept.
- 02 Strengthen talent capable of providing and implementing integrated marketing.
- 03 Strengthen high-margin solution areas.
- 04 Expand capabilities in adjacent areas to provide a broader range of solutions for client challenges.
- 05 Curb operational costs through the utilization of AI solutions.



For VALUE MAXIMIZER

Synergy with other segments

- Maximizing client assets and connecting them to other businesses.
- Collaborating within the Group to optimize AI usage.
- Strengthening solutions that support Customer Experience (CX) transformation.

Results for clients

- Maximizing conversions (CV)*1
- Maximizing lifetime value (LTV)*2

Value provided to clients

- Improving profitability
- Enhancing growth potential

*1 Final conversions on the website, such as product purchases or user registrations. *2 The total profit a client generates for a company over their entire relationship.

Message from the Responsible Director

Yusuke Shimizu

Director
Group Senior Executive Officer
Chief Product Officer



While the internet advertising market continues to grow steadily, the challenges faced by our clients are becoming more complex than ever before. On the frontline, we strongly feel that there are various “silos” within a company. I have witnessed many instances where maximizing corporate value for our clients has been compromised. A time lag may occur between the formulated strategy and its on-site execution, resulting

in a lost opportunity, or interdepartmental barriers can impede the delivery of an ideal user experience. Many companies strive to achieve overall optimization, but the reality is that efforts often stop at dashboard implementation and measure management. I am convinced that what is required of us now is “integration capability” to bridge these divides and connect all fragmented marketing activities.

MXONE, our unique integrated marketing concept, is a central pillar of our Medium-Term Management Plan. MXONE is not merely the name of an advertising technique; it is a comprehensive framework designed to connect all the divides that exist across corporate marketing activities through co-creation by humans and AI with the goal of growing business to its maximum potential. The name embodies the will to maximize marketing results and make fragmented elements into one.

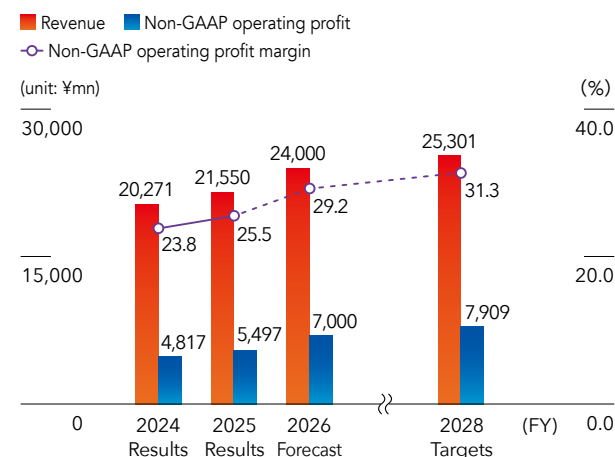
This concept is brought to life through three phases: Strategy, Execution, and Integration, as well as six components that underpin them. Deploying various solutions with feasibility and execution power across all phases, from marketing strategy formulation to

customer acquisition and nurturing, supports the sustainable business growth of client companies through our unique approach. Ultimately, this can embody our vision of being a VALUE MAXIMIZER.

The market is currently saturated with overly AI-driven solutions without human intervention, some of which result in confusion for clients and stagnation in marketing activities. It is true that massive leaps in generative AI have lowered the barriers to entry for ad operations and production, with the relevance of advertising agencies being questioned. However, we define AI not as a replacement for humans, but as a tool that co-creates with humans. Using AI, we will thoroughly streamline and automate routine operations, freeing up and redirecting resources toward strategic decision-making and integration of complex issues that only humans can accomplish.

By connecting fragmented marketing efforts through true human-AI co-creation, we will evolve into a one-of-a-kind VALUE MAXIMIZER that provides a major boost to the growth of our clients’ businesses.

Revenue and Non-GAAP Operating Profit As of May 13, 2026



3 Phases | **6** Components

Strategy Phase

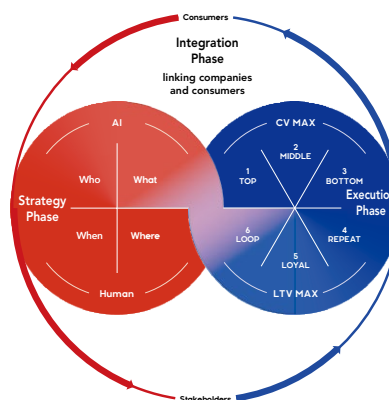
Strategy design solutions that balance speed and precision to maximize marketing results

Execution Phase

CV/LTV maximization solutions that achieve customer acquisition and nurturing across every funnel

Integration Phase

Co-creative design solutions that support the connection between businesses and consumers, as well as strategies and organizations.



For more information about MXONE, please refer to our service website (Japanese only).
<https://mxone-ai.com/>

Direct Business Segment

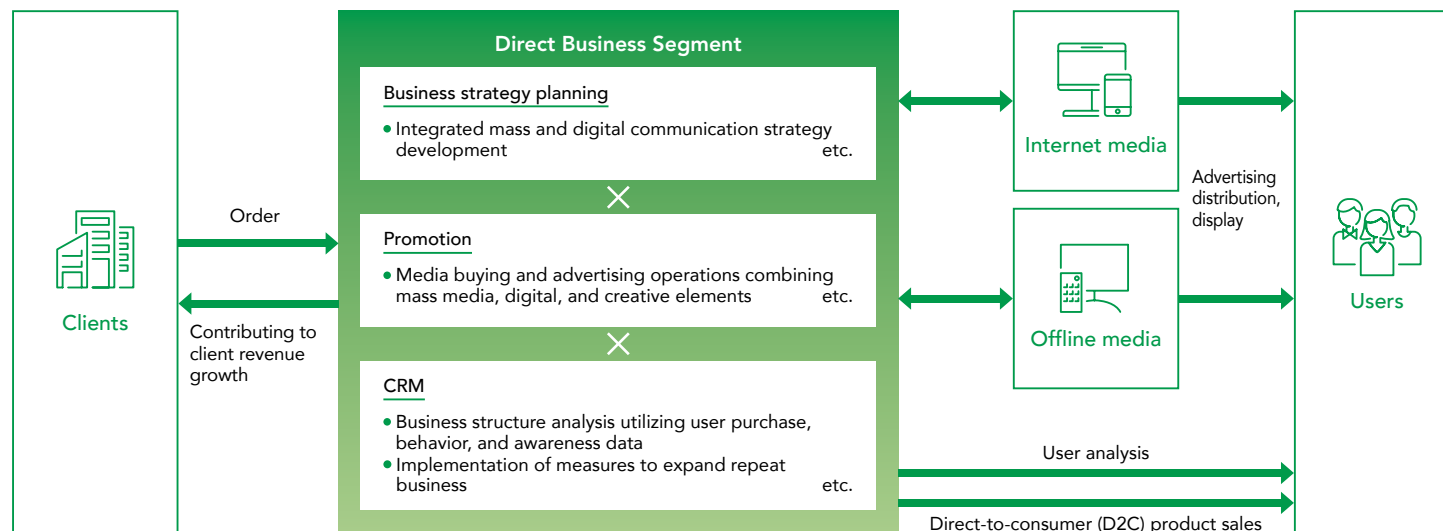
The Direct Business Segment provides integrated client support by seamlessly executing everything from business strategy planning to direct response promotions and CRM in both B2C and B2B areas, thereby unifying offline media and digital strategies.

Group Companies

dentsu
direct

dentsu
elfto architect

Business Model



Strategies in the Medium-Term Management Plan (FY2026–2028)

Applicable Basic Policy: 1. Deepening Businesses



Theme

We directly drive client revenue expansion and business growth by fusing integrated offline and digital expertise with internal and external co-creation synergies to build and execute “new revenue models” beyond existing advertising frameworks.

Business Strategies

- 01 Strengthen sales and digital areas through collaboration with the Marketing Communication Segment and the Dentsu Group.
- 02 Make new approaches to growth industries focused on senior market sectors.
- 03 Enhance creative in the middle and bottom funnel areas using AI.
- 04 Strengthen non-advertising regional revenue sources by entering the corporate version of the Furusato Nozei business.
- 05 Strengthen the D2C area, including through M&A.

For VALUE MAXIMIZER

Synergy with other segments

- Strengthening solutions in the digital area.
- Building new revenue models beyond existing advertising models.

Results for clients

- Maximizing conversions (CV)*1
- Maximizing lifetime value (LTV)*2

Value provided to clients

- Improving profitability
- Enhancing growth potential

*1 Final conversions on the website, such as product purchases or user registrations. *2 The total profit a client generates for a company over their entire relationship.

Business Strategies

Message from the Responsible Director



While the e-commerce and mail-order market that our Direct Business Segment serves has room for growth through a shift toward digital, it is entering a mature phase when compared to the internet advertising market. Now, however, in this environment, our expertise and advantages built up to date in the area of direct business will truly shine. Direct business clients strongly express demand not only for conversions directly leading to sales and one-time user acquisition, but also for support for developing products with user appeal, as well as maximizing LTV generated through the continued use of their products by acquired users. To satisfy these needs, we aim to become a VALUE MAXIMIZER, leveraging our integrated insights across offline and digital platforms to directly drive client revenue expansion and business growth.

Even as the market matures, Japan's aging society holds significant opportunities as a key growth area comprising a senior demographic, which is compatible with direct marketing. In addition, through the use of AI, we will expand our creative efforts from the bottom

funnel (the final stage before conversion) up to the middle funnel (the comparison and consideration stage in the buyer's journey), thereby improving the accuracy of our business results.

On top of these initiatives, an important role we should play under our Medium-Term Management Plan is to raise the level of our integrated offline and digital solution capabilities by fusing co-creation synergies within and outside the group. In the offline area, our relationship with the Dentsu Group is already broadening options such as TV advertising, which our group was previously unable to propose. We will also further strengthen our digital solutions through synergy creation with other business segments. By establishing a support system that covers the full funnel, from awareness to acquisition and ultimately to converting users into fans, we will fulfill our vision of maximizing the value we deliver to clients as a comprehensive group.

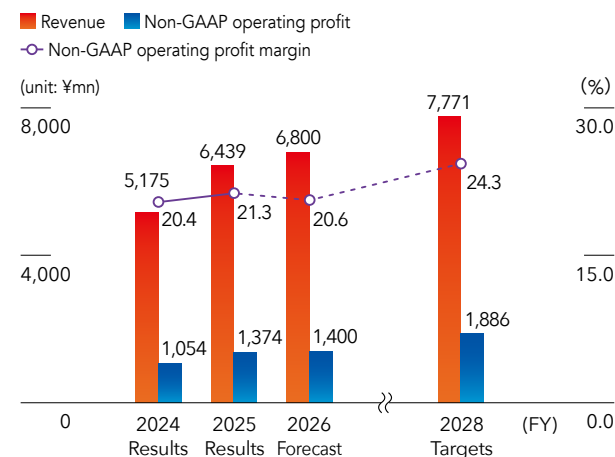
We will also accelerate the development of new revenue models beyond existing advertising frameworks and strengthen D2C, the area in which we can best utilize our advantages while exploring alliances, including M&A. Our approach is to take risks from a position close to a business entity and to apply our own proven expertise to our clients' marketing activities. Dentsu Direct Inc, our subsidiary doing a significant amount of business with locally-based clients, noted recent years' high interest in regional contribution through business activities. In that context, jointly with Cyber Records Co., Ltd, which has expertise in managing networks of municipalities and operating e-commerce businesses, Dentsu Direct has established REGIRISE, Inc., a joint venture specializing in the corporate version of the Furusato Nozei program (Regional Revitalization Support Tax System) as a

revenue source different from advertising. These new revenue models may require upfront investments, but we will continue to take on new challenges, not resting on our laurels, thereby achieving sustainable growth in corporate value and creating new value for society.



By integrating our Group's extensive client base with CYBER RECORDS' network of municipalities and operational expertise, the joint venture supports both contribution to local communities and the realization of sustainable local societies through hands-on support for projects that promote sustainable co-creation relationships between businesses and municipalities.

Revenue and Non-GAAP Operating Profit As of May 13, 2026



Business Strategies

Data & Solutions Segment

The Data & Solutions Segment leverages long-standing expertise in digital marketing to provide data collection, integration, and utilization services, develop and deliver data- and AI-driven solutions, support client development, and dispatch engineering personnel.

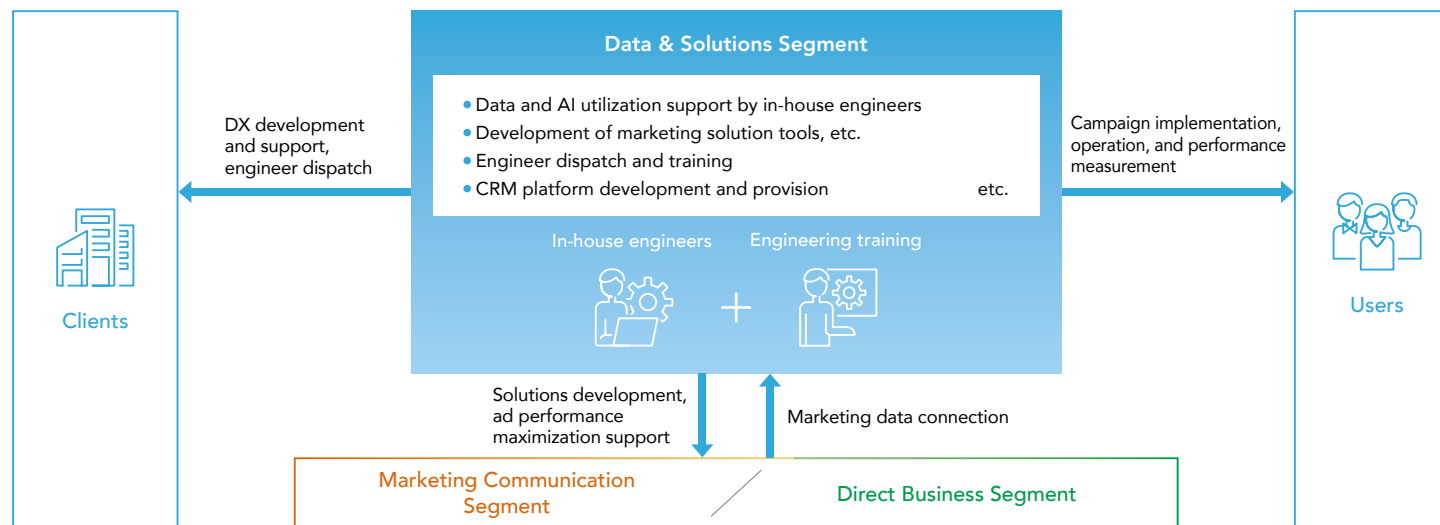
Group Companies

FLINTERS

TRICORN

Septeni Cross Gate

Business Model



Strategies in the Medium-Term Management Plan (FY2026–2028)

Applicable Basic Policy: 1. Deepening Businesses



We strengthen collaboration across our distributed engineering organizations to consolidate technical expertise and know-how. By developing proprietary DX solutions and promoting collaboration with external partners, we optimize marketing operational efficiency and contribute to improving clients' business productivity.

Business Strategies

- 01 Build a new development process premised on AI utilization.
- 02 Strengthen AI-centric product development and restructuring the organization.
- 03 Cultivate large-scale development projects in collaboration and expand System Integration (SI) projects with the Dentsu Group.
- 04 Expand sales of operation automation and marketing BI*1 agents for clients with in-house operations.

*1 An abbreviation for "Business Intelligence," referring to data-driven information analysis and decision-making support. *2 The total profit a client generates for a company over their entire relationship.

For VALUE MAXIMIZER

Synergy with other segments

- Strengthening company-wide AI utilization.
- Supporting clients with needs for bringing marketing in-house.

Results for clients

- Improving operational efficiency
- Maximizing lifetime value (LTV)*2

Value provided to clients

- Increasing efficiency
- Improving profitability

Business Strategies

Message from the Responsible Director



With the exponential evolution of AI technology, the importance of data in the field of marketing is now greater than ever before. From within a wide range of companies in the market as a whole, including SMEs, the necessity of solidifying marketing infrastructure has been coming to the surface. Viewing this change as a significant business opportunity, we will streamline multi-site engineering organization and pool the technical capabilities and expertise we have accumulated into growing our business.

Specifically, there is a growing demand for the development of proprietary AI-driven DX solutions. In particular, clients seeking self-driven digital transformation pin their hopes on operational automation and marketing Business Intelligence (BI) agents that support advanced decision-making. Aiming to be a partner of choice that directly contributes to

improving our clients' business productivity, we are committed to strengthening our organizational capabilities and promoting collaboration with external partners.

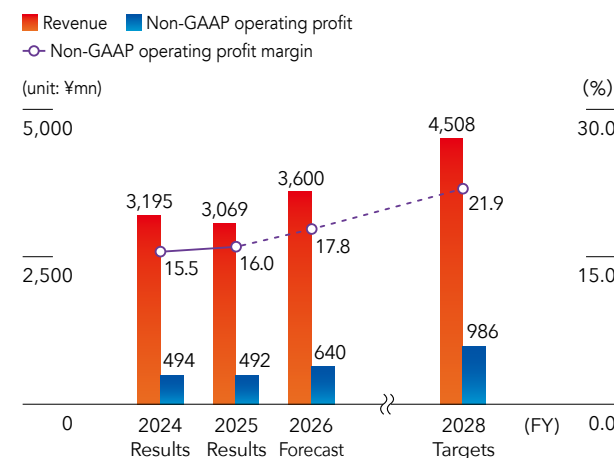
Amid the group's evolution into a VALUE MAXIMIZER, this business segment will lead transformation in terms of infrastructure, such as technology and data. First, it is strategically essential to build a new AI-driven development process in line with the changing times. By strengthening AI-centered product development along with transforming our organizational structure to one optimized for this approach, we will work to enhance the quality and speed of the value our group delivers. Secondly, through our strong partnership with the Dentsu Group, we will speed up large-scale system development projects and strategic SI projects in the marketing sector. Challenges here lie in securing engineers with AI-assisted development skills and implementing AI governance. We will steadily advance these initiatives and establish an organizational structure committed to improving profitability beyond mere efficiency.

Keeping pace with AI advancements is crucial for the entire group. As we launch initiatives to improve operational efficiency alongside the use of generative AI in our advertising business, we will provide robust technical support to further promote the use of AI across the company through the generative AI training sessions offered by this business. While generative AI training sessions have already started for our employees and clients, we are planning to offer solutions beyond the engineering domain to include

training programs that help develop AI talent and AI consulting services focused on the use of various forms of groupware.

We will also work closely with other business segments to expedite synergy creation. Expectations are highest for developing products that sales representatives from other business segments can sell to clients. We believe that by applying our engineering expertise in the marketing sector long-cultivated within our group to the integration of advertising operation data and AI technology, we can drive the development of products that appeal to our clients. We will make every effort to achieve sustainable growth by making the most of AI, a powerful engine, as a VALUE MAXIMIZER that elevates efficiency and profitability for the entire group and our clients.

Revenue and Non-GAAP Operating Profit As of May 13, 2026



Feature

Shaping the Future Through Synergy & Collaboration

As stated in the first key measure of the Medium-Term Management Plan, we are working for Deepening Businesses through Synergy & Collaboration. Here we introduce the synergies we have created to date within the Group, through Dentsu collaborations, and with external partnerships and clients, as well as new collaborations launched across business lines.

Synergy 01

Four companies have collaborated to launch the latest generative AI-powered video advertising campaign

Making advertisement more effective through a hybrid strategy combining mass advertising and digital advertising

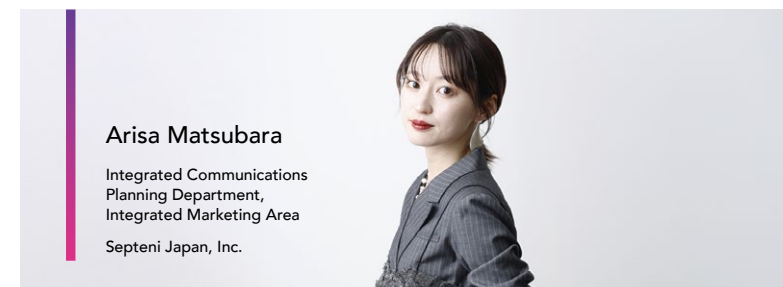
In October 2024, dip Corporation launched “Spot Baitoru,” a spot work or short-term part-time job matching service, and rolled out a mass and digital advertising campaign centered on TV commercials. This brought dip a certain level of success in raising awareness of the service name. However, awareness remained low among certain target groups, requiring the company to come up with a new campaign to increase brand awareness. To address this, Septeni Co., Ltd., Dentsu Inc. and aicrew inc., a generative AI video production company, proposed a strategy to produce and broadcast Over the Top or OTT ads (streaming TV ads) optimized by creatives for each target audience. Building on the broad awareness established through TV commercials, this strategy aims to achieve deeper recognition and acquire empathy through OTT ads.

In running the campaign, we first conducted in-depth interviews with four target groups: students,

homemakers, working professionals, and part-time workers. This allowed us to thoroughly extract group-specific insights that quantitative surveys cannot visualize. The interview revealed true feelings that

Results of In-depth Interviews with Target Groups

Targets	Background of service use	Key considerations
Students	I want to occupy my spare time.	Time efficiency (short hours on duty)
Homemakers	I want to connect more with society.	Finding value in extrafamilial time as well
Part-time workers	I need to earn money quickly to buy something I want.	Instant cash
Working professionals	I want a new change of pace doing a different job.	Motives other than money



Arisa Matsubara

Integrated Communications Planning Department, Integrated Marketing Area
Septeni Japan, Inc.

significantly varied depending on the target group.

Based on the insights obtained, we produced and delivered four generative AI-powered target-specific videos in about two weeks. Conventional production can take three to five months per video, so AI saved us a lot of time. We were also able to reduce production costs to about one-sixth of the conventional cost (approximately 2 million yen per video).

As a result, AI-generated videos increased brand lift (awareness) by 2.4 percentage points. Service awareness also improved significantly, by 5.8 percentage points compared to pre-campaign levels, driven by synergy with existing TV commercials featuring celebrities.

We remain committed to supporting marketing efforts by companies facing similar challenges through our hybrid strategy that combines the strengths of mass advertising with digital advertising.

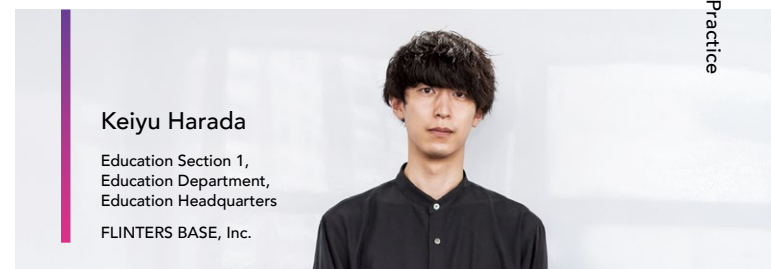
Feature **Shaping the Future Through Synergy & Collaboration**

Synergy 02

Harnessing “AI-empowered, self-propelled culture” honed through our own business practices for the group’s driving force and for transformative societal shifts

Flinters, Inc. offers AI training services that utilize the profound knowledge gained from practical experience using AI within the company. Since 2024, our employees, including engineers, have been accumulating hands-on experience making full use of the Dify to pursue operational efficiency. The highly effective expertise that is truly useful on-site generated from this trial-and-error process is our core strength and the groundwork supporting the quality of our AI training programs. To disseminate this expertise group-wide, we have launched PJ1000, a project aimed at improving back-office productivity in a three-way collaboration of Septeni Holdings Co., Ltd., Flinters, Inc. and Delight Tube, Inc. We provide Dify training to approximately 100 non-engineers in the corporate divisions with subsequent support for their use of generative AI, including Dify. Our goal is to reduce the time required for daily routine tasks by 1,000 hours per month across Septeni Holdings, enabling employees to transition toward more creative and high-value-added operations.

By using AI as a partner to help our thinking and promoting its adoption by employees who understand on-the-ground issues, the project substantially reduced monthly working hours by approximately 820 hours* just four months after launch. Nearly 96% of training participants said it helped them concretely understand how to utilize AI, and as many as 241 use cases were generated after the training. This perfectly demonstrates what happened when AI was integrated into practical on-site work, and it was highly rewarding to establish AI-empowered, self-propelled culture as a common language within the group.



Keiyu Harada

Education Section 1,
Education Department,
Education Headquarters
FLINTERS BASE, Inc.

The value proposition we have developed through our own business practices is now being applied to client companies beyond our group. In March 2026, we launched Self-Propelled AI Talent Development Training for Young Employees, targeting new graduates and young employees in their second year after joining the company. This training supports the development of self-propelled AI talent who do not accept AI output results at face value, judging the appropriateness of results in light of business objectives and proactively collaborating with AI.

With AI on our side, the group has acquired the new strength that each individual can now update business operations on their own. By sharing our own cases of success as value within society and walking side-by-side with our clients as they undergo transformations, we seek to realize an AI-empowered society for everyone.

*As of March 2026

For details on our initiatives, please refer to our Group’s “note” (Japanese only).
https://note.com/septeni_group/n/n937b4f7f9553

Feature Shaping the Future Through Synergy & Collaboration

Collaboration

Established the new company "AI CRE8ION LAB" to promote the fusion of AI and creativity

AI CRE8ION LAB, Inc. was established in March 2026 as a joint venture between Septeni Co., Ltd., which provides digital marketing support, and Dentsu Direct Inc., which provides direct marketing support.

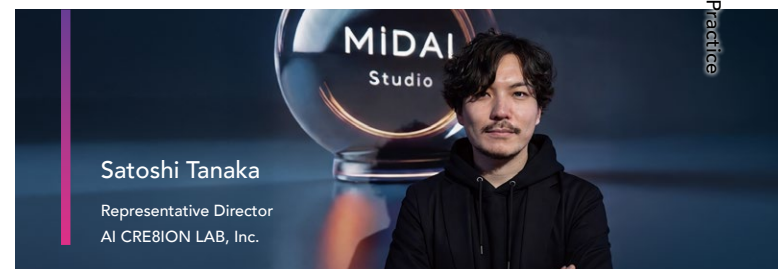
With the main focus on organizing AI-Centric Creative Directors (CDs), talent who possess both traditional creative expertise in brand advertising and the latest generative AI implementation capabilities, we will design and move forward with next-generation creative strategies.



Centered on these AI-Centric CDs and utilizing proprietary products such as MiD AI Studio and Sokko-Generative, we will produce high-quality creative content quickly and in large volumes, offering them at mid-range prices. While carefully considering risks related to copyright and quality, we will promote the practical application of AI, starting with brand awareness advertising for TVCMs and Connected TV.

AI is not an enemy that will take our jobs; it's the best partner for us and provides us freedom.

The AI CRE8ION LAB is not just a creative hub; it's a lab where technology and expertise are fused to explore the unlimited scalability of our ideas and output.



In a space where AI and human creativity resonate with each other, we will produce next-generation creatives and strive for further evolution in the creative domain.



Half the time and cost. Twice the expressive power.

MiD AI Studio

A high-quality, low-cost, short-turnaround video production scheme for brand awareness, combining Virtual Production (VP) with generative AI.



Incredibly fast, remarkably versatile.

Sokko-Generative

Rapid production without the need for shooting. Generating storyboards, video animatics, narration, characters, music, and sound logos through AI.

Exploring Businesses: HR Technology Area

Applicable Basic Policy: 2. Exploring Businesses

Under the second basic policy of our Medium-Term Management Plan, “Exploring Businesses,” the Group will accelerate investments in future pillars of revenue. Specifically, in the HR technology area, we aim to build a new recruitment and training model by combining our unique operational capabilities with a scientific approach.

Changes in the recruitment and talent market and our desired vision

In recent years, the HR market has reached a major turning point due to a shrinking labor workforce and the diversifying values of talent. Historically, a marketing-driven model focused on selection from a large pool of candidates was the mainstream. However, while the working-age population is projected to decrease by approximately 30% toward 2050, digitalization and shifts in values are accelerating, with the spread of AI and IoT, as well as the emphasis on individuality and empathy by Generation Z and Alpha. Responding to these market shifts by leveraging our accumulated insights in the HR technology field, we aim to transition into a “produce-driven” model that maximizes the potential of a limited talent pool, thereby establishing a sustainable recruitment model.

Septeni’s unique value proposition

We are driving business launch in the HR technology area by fusing our power to acquire talent—based on the operational capabilities of our core advertising business—with our power to “leverage” talent, which was acquired through our long-

standing internal talent database and the development of technologies to utilize it.

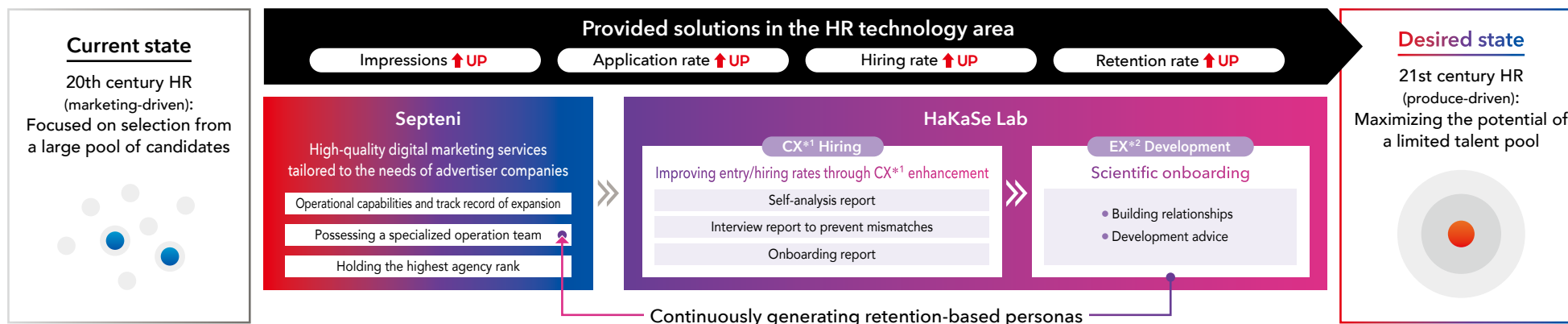
Beyond individual initiatives aimed at achieving specific KPIs—such as job impressions, application rates, hiring rates, and retention rates—we support the strengthening of our clients’ human capital and, by extension, the maximization of their corporate value by providing end-to-end solutions that cover the entire HR value chain.

Acquisition: Indeed Platinum Plus Partner

Centered on Septeni Co., Ltd., we have formed an operational team specializing in recruitment advertising. By leveraging the abundant track record and know-how accumulated through advertising operations, including Indeed job advertisements, we provide high-quality digital marketing services tailored to the needs of enterprises.

Leverage: HaKaSe Lab

In 2021, we established Human Capital Lab, Inc. with the aim of providing our clients with the insights we have cultivated internally for over 20 years through the utilization of our HR database. By leveraging services such as recruitment, training, and consulting—which are already being provided to external clients—we enhance the recruitment and development experience (CX/EX) through the power of technology. Using the accumulated data, we deliver customized HR transformation (HR DX) for our clients.



*1 Candidate Experience. *2 Employee Experience.

Among the four basic policies of our Medium-Term Management Plan, we have identified “strengthening human capital” as a key measure for strengthening our management foundation.

Based on our three core initiatives of human capital management: democratization of entrepreneurship, human resource development with reproducibility through digital HR, and DEI, our overall policy for strengthening human capital combines these with measures adapted to changes in the external environment.

In addition, in fiscal year 2026, we formed a Human Resource Development Committee to enhance the development and appointment of talent who will lead future group management.

As is Current situation and challenges

• Changes in the external environment

Since starting the internet advertising business in 2000, our Group has continued to expand business along with the development of the market. However, in growth industries like our business sector, the competition for recruiting skilled talent capable of making an immediate contribution has been extremely fierce. In such a business environment, we believe how we recruit, develop, and retain high-potential human resources is a critical factor that significantly influences corporate competitiveness.

• Current situation

Positioning entrepreneurship as the source of our value creation, our Group is focused on executing initiatives that encourage each individual to demonstrate their entrepreneurship.

The COVID-19 pandemic highlighted a decline in per-capita productivity and a decrease in per-capita volume of internal networks. With these issues in consideration, we have reviewed our initiatives aimed at demonstrating entrepreneurship for everyone and have been working to improve productivity and foster a sense of unity across the Group.

Our specific actions include enhancing our internal communication and networks in line with increased office attendance, establishing a flexible recruitment system not solely reliant on new graduate hiring, and increasing inter-group transfers and secondments.

These efforts have not only improved productivity metrics, but have also developed a work environment that facilitates each employee’s skill development and building strong relationships.

Action (Close the GAP)

To be Our ideal profile for human resources

- Continuing to grow in a rapidly changing industry
- Keep Young
- Maximizing the demonstration of entrepreneurship

Policy for Strengthening Human Capital in the Medium-Term Management Plan (FY2026–2028)

Short term

Building on our Focus & Synergy initiative, we aim to improve profitability through inter-group personnel exchanges and strengthened recruitment management, outstripping the increase in headcount and personnel costs.

Furthermore, by combining our talent database accumulated over more than 20 years with technology to analyze it, we will provide continuous support that helps each employee maximize their abilities and take initiative in exercising entrepreneurship.

Medium term

Guided by the Synergy & Collaboration as we move toward VISION 2030, cross-functional networking will become increasingly important. We will therefore focus on establishing a group-wide structure that contributes to maximizing our clients’ corporate value.

Revitalizing communication across business sections, we will foster synergy and collaboration both within and outside teams. For a broader scope of collaboration, we will also recruit and develop talent with diverse experiences and skills, from young to mid-career and senior level recruits, thereby reinforcing our human capital.

In addition, through more active investment in building a talent pool to lead the Group’s future management, we will establish internal systems for sourcing, developing, and appointing talent. Specifically, with the Human Resource Development Committee launched in fiscal year 2026, we will promote talent development for the entire Group.

Human Capital Management

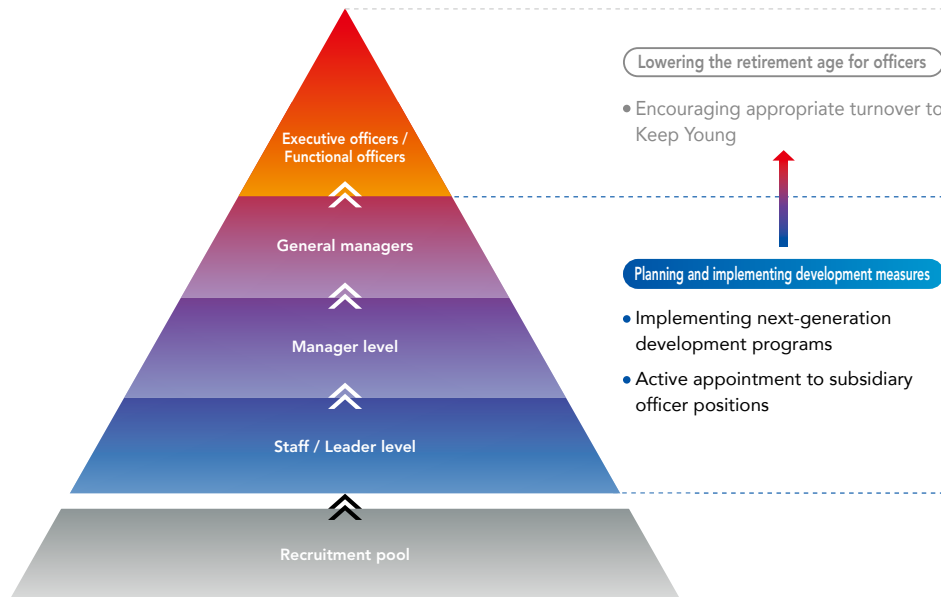
Human Resource Development Committee

Background and objectives

To sustain our growth in a rapidly changing industry, the Septeni Group has developed an environment where young talent can thrive and be promoted to leadership roles early on, based on our Keep Young philosophy for management and organization. This has become a key factor in making entrepreneurship the source of our value creation.

Going forward, we will work to continuously enhance corporate value by ensuring generational change in management through appropriate turnover that empowers next-generation leaders in maximizing their entrepreneurship. To this end, we have established the Human Resource Development Committee with the goal of increasing the number of individuals who gained management experience through opportunities actively provided by the Company.

HR Development Framework



Lowering the retirement age for officers

- Encouraging appropriate turnover to Keep Young

Planning and implementing development measures

- Implementing next-generation development programs
- Active appointment to subsidiary officer positions

Committee overview

The Human Resource Development Committee, chaired by the Group President and Chief Executive Officer, discusses the qualifications and development policies required for next-generation management, as well as the methods for selection, monitoring, and assignment of the candidates.

In selecting and developing next-generation candidates, we utilize digital HR assessment to enhance the effectiveness of various initiatives.

Regarding the status of development of next-generation candidates, we have established a system aligned with the Group's succession plan while regularly reporting to the Nomination and Remuneration Advisory Committee.

In conjunction with the launch of the Human Resource Development Committee, we also plan to lower the retirement age for officers in our management team in the interest of Keep Young, which will promote a healthy turnover of leadership and create opportunities for younger generations.

Development measures

For next-generation candidates, we will conduct a one-year rotational selection-based training program. Through the input and output of management knowledge, we offer a program designed to cultivate managerial perspectives.

Moreover, we actively appoint managers to executive positions at our Group companies, expecting their management experience will improve the effectiveness of our talent development programs. In fiscal year 2026, we actively appointed next-generation leaders, including 21 with no prior board positions, aiming to raise the overall level of our next-generation executive talent across the Group and to boost synergy. In building a new executive structure, we will continue to provide opportunities to gain more experience.

Human Capital Management

Optimal talent allocation

Under the banner of Human Resource Development with Reproducibility Through Digital HR, our Group has been implementing optimal HR development initiatives to accelerate individual growth by utilizing our talent database, which has been built up over more than 20 years, combined with the technology to analyze it.

These initiatives have been highly acclaimed by external organizations, and we received the Excellence Award in HR Management at the 10th HR Technology Awards announced in August 2025, in recognition of creating synergy through group-wide talent mobility using AI matching.

Going forward, we will continue to strengthen our management built on these systems and empower employees. Alongside this, through our Group company, Human Capital Lab, Inc., we intend to offer technology-driven solutions to clients and external partners, enhancing our competitive edge and contributing to the sustainable growth of every enterprise we work with.

Initiative details

As part of corporate initiatives such as organizational restructuring and business portfolio optimization, the Group developed a matching technology for optimal talent allocation using AI. By leveraging this technology to promote intra-group talent mobility, we aim to create synergies and maximize human capital through knowledge sharing and new collaborations between organizations. We have actively utilized technology in the HR field for many years. Building on this expertise, we developed a new AI model that predicts employee performance after a transfer.

Reason for award

We developed a system to promote strategic talent mobility (optimal talent allocation) with the goals of creating cross-group synergies and maximizing human capital. Its proprietary AI model analyzes both organizational fit and individual growth potential to propose optimal placements. The initiative was highly praised as an outstanding system with the potential to create synergies. It achieves this by fusing quantitative, AI-driven talent selection with qualitative, human-led support, thereby promoting efficient talent mobility within the Group.



Holding town hall meetings

Our Group has established nearshore offices across Japan, with SEPTENI CORE, Inc. operating in Fukuoka, Miyazaki, and Okinawa, and Septeni Ad Creative, Inc. in Sapporo.

In fiscal year 2025, we held town hall meetings to ensure that employees at these nearshore offices are imbued with our overall policy and improve their engagement. The four in-person events featured Q&A sessions where our group executive officers answered questions from employees along with panel discussions centered on business managers, providing an opportunity to incorporate challenges unique to the nearshore offices and real on-the-ground voices into management.



Town hall meeting held in July 2025
Sapporo Office, Septeni Ad Creative, Inc.

Feedback from participants from different locations

It was a good opportunity to hear directly from executives about the future they envision from a medium- to long-term perspective, giving a clearer picture of our company's future direction than ever before.



Through a multifaceted discussion covering both the entire group and each operating company, it is now clearer what our roles are and what challenges we should take on.



Hearing thoughts and comments directed at each company from executives with whom we have little contact showed how deeply they value each operating company.



Their passion came across in person as opposed to online. It was very inspiring.



VOICE

Democratization of entrepreneurship

Cultivating an environment where employees can readily demonstrate entrepreneurship

Our Group aims to democratize entrepreneurship by creating an environment where each and every employee can demonstrate their entrepreneurial spirit and take on challenges of all sizes, rather than simply participating in events and initiatives organized by the Group companies.

In fiscal year 2025, we reviewed the evaluation criteria for the 360-degree feedback survey used in our performance appraisal and added “demonstration of entrepreneurship.” We will track these scores and apply them to further enhance our human capital value.

Group Kickoff: Introduction of MVV Category to Annual MVP Award

In fiscal year 2025, we significantly revamped the Annual MVP Award system, which recognizes outstanding projects throughout the year, with a new MVV Category added.

While maintaining the Business Category award to recognize contributions to current-period business performance in terms of sales and profits, the newly added MVV Category weighs the process of taking on challenges and the embodiment of Mission, Vision, and Value (MVV) more than quantifiable results, based on the principle that all employees work as one to enhance corporate value.

Each of us, with our inner resolve, demonstrates entrepreneurship to bring about positive change within the organization. The new category was established to appreciate this mindset that creates “future value,” not just tangible results, and to further foster a culture of embracing challenge throughout the Group.



Company kickoff event:
Annual MVP Award Ceremony
for MVV Category

Fostering a sense of ownership

Our Group is committed to creating an environment in which employees have a sense of ownership and are committed to business activities, with the aim of enhancing corporate value. As one of our initiatives to foster a sense of ownership, we have introduced an employee stock ownership plan. In fiscal year 2025, we held webinars that provided a comprehensive overview of this plan, primarily targeting new graduates, and those designed to improve the financial literacy of a wider range of employees. We will make continuous efforts to foster a sense of ownership in all of our employees and enhance their sense of togetherness in improving corporate value.

MVV Category Entrepreneurship Award: Winner's comments



Yuma Takeuchi
Section 4,
Data Management
Department,
Operations Technology
Area
Septeni Japan, Inc.

I received this award for developing a product that automates the creation of advertising performance review materials for clients in just one minute.

When I was working in the frontline as a sales representative, I felt that the enormous amount of time spent on data aggregation and the inconsistent quality of materials were hindering us from delivering the next-step proposals for clients, which we should be focusing on. To solve this problem, I pivoted to engineering and began developing a prototype myself. Going beyond simply providing a tool, I pitched directly to specialists to form a team with a view toward company-wide deployment. By immediately reflecting on-site feedback, we have achieved operational reforms that are expected to reduce man-hours by approximately 700 hours per month.

The process I handled from start to finish—translating the sense of ownership I developed as a sales rep into tangible solutions with engineering skills and pushing it forward until it became widespread involving the organization—this is how I put my entrepreneurship into action. As a project that contributes to operating profit, I look forward to developing it further to enhance the group's corporate value.

VOICE

Diversity, Equity & Inclusion (DEI)

Initiatives for DEI

The Group is working to create an environment where every individual can thrive in their own unique way by promoting DEI.

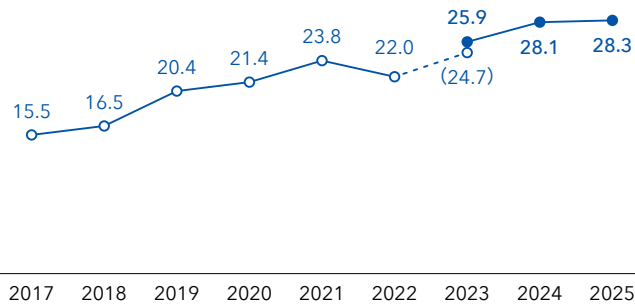
In particular, we are focusing on closing the gender gap, as prioritizing initiatives for women—who represent the majority within minority groups—will lead to the realization of equity and inclusion for other attributes. We have set the female manager ratio as a KPI, with a target of “30% female manager ratio by December 2030 (Target: Group companies in Japan),” and are conducting training and upgrading the work environment toward its achievement.

Regarding SOGI and LGBT issues, we have established a group-wide LGBT & Ally network called SEPALLY RAINBOW and are conducting various initiatives. As a result, we have received “Gold,” the highest rating, for eight consecutive years in the PRIDE Index—an indicator for sexual minority initiatives in the workplace developed by the work with Pride association.



Female Manager Ratio*

○ Our major companies in Japan (%) ● All Group companies in Japan (%)



*Data compiled as of the end of September for major companies in Japan until 2022. From 2023 onward, data compiled as of the end of December for Group companies in Japan. The data has been updated based on the aggregation as of February 2026.

Production and release of short dramas to recognize unconscious bias (Only in Japanese)



Document Presentation
<https://www.youtube.com/shorts/TtM4UikiwJc>

In the Meeting
<https://www.youtube.com/shorts/v5w9C4pnF1Y>

Over Lunch
<https://www.youtube.com/shorts/l9QWgDTiIMA>



Haruko Tanaka
Corporate Communications Dept., CEO Office
SEPTENI HOLDINGS CO., LTD.

To raise awareness of unconscious bias, we produced a short drama series titled “No Offense Intended: Short Dramas for Collective Reflections.” The theme of DEI is all too often perceived as “someone else’s business.” We brainstormed how to encourage employees to approach it as their own business, and considered what kind of content would inspire them to want to watch and learn out of genuine interest rather than a sense of obligation. Ultimately, we arrived at short dramas, which also leverage one of our business strengths.

When pre-released internally, the videos were viewed over 900 times within two months. Employees who watched them shared feedback such as, “It gave me a chance to reflect and realize that I do that too,” and “Now I see that the scene in the video was an example of unconscious bias.” This made us feel that the project successfully fostered the intended “awareness” and “dialogue.” The short dramas have been made available to the general public so that they can be widely utilized by companies and organizations working to promote DEI.



To earn the trust of stakeholders, and to aim for sustainable corporate value improvement while ensuring management transparency and fairness, we promote governance enhancement from both “offensive” and “defensive” perspectives.

“Offensive” governance

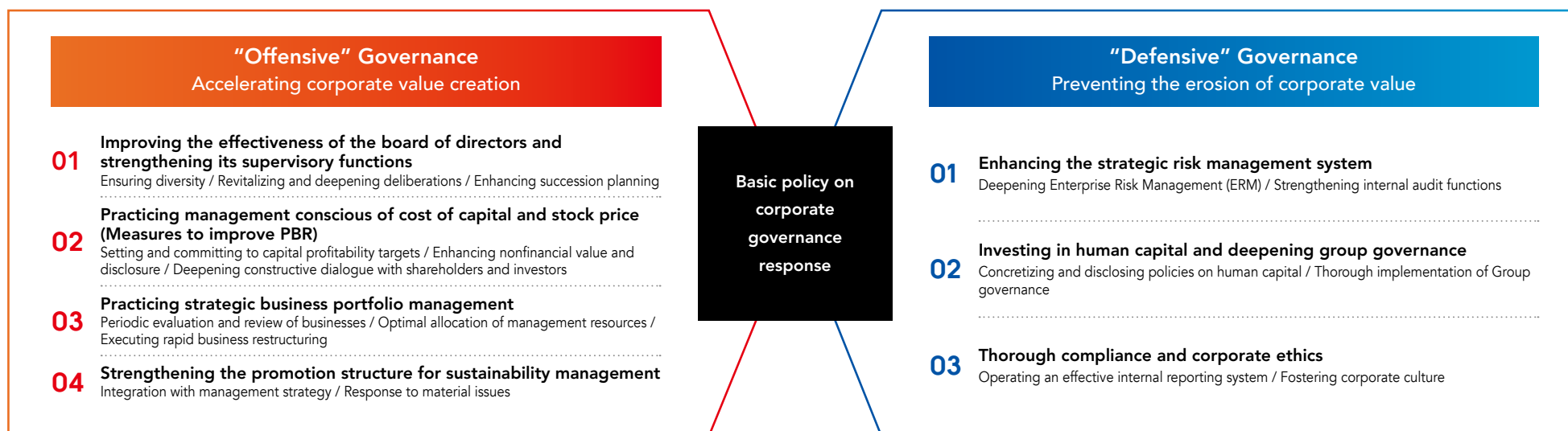
We have outlined four initiatives to accelerate corporate value creation. In particular, we will address “practicing management conscious of cost of capital and stock price” and “practicing strategic business portfolio management” at a higher level than ever before in our group management. Based on the belief that sustainably generating returns exceeding the cost of capital is crucial for enhancing corporate value, the Company establishes budget planning policies focused on profit levels that achieve a return on invested capital (ROIC) greater than its weighted average cost of capital (WACC) and monitors its performance against the target. To achieve this, during the period of this Medium-Term Management Plan, we have set a target to raise our ROE to double digits at an early stage, while also working on business portfolio management through the application of internally defined business continuity criteria.

“Defensive” governance

To prevent the erosion of corporate value, we will advance three major initiatives. Our Group has approximately 2,000 officers and employees, and it is indispensable for each of them to implement compliance even more thoroughly. While operating our internal reporting system with high effectiveness, we are executing various measures aimed at fostering a corporate culture that encourages strict adherence to corporate ethics and instilling integrity. Furthermore, we will promote the strengthening of human capital and, through this, ensure the thorough implementation of group governance.

Separation of supervision and execution

The Group adopts a holding company structure, separating the group-wide management control functions of the holding company from the executive functions of individual businesses. Through this, we aim to balance faster decision-making by delegating authority to operating companies with objective business evaluation and optimal capital allocation by the holding company. In addition, the board of directors aspires to a monitoring-style board, with outside directors making up the majority to ensure independence, objectivity, and accountability. Furthermore, we have introduced a “CxO system” for group executive officers with the aim of clarifying roles and strengthening synergy creation.



Promoting AI Strategy

Applicable Basic Policy: 3. Strengthening Management Foundation

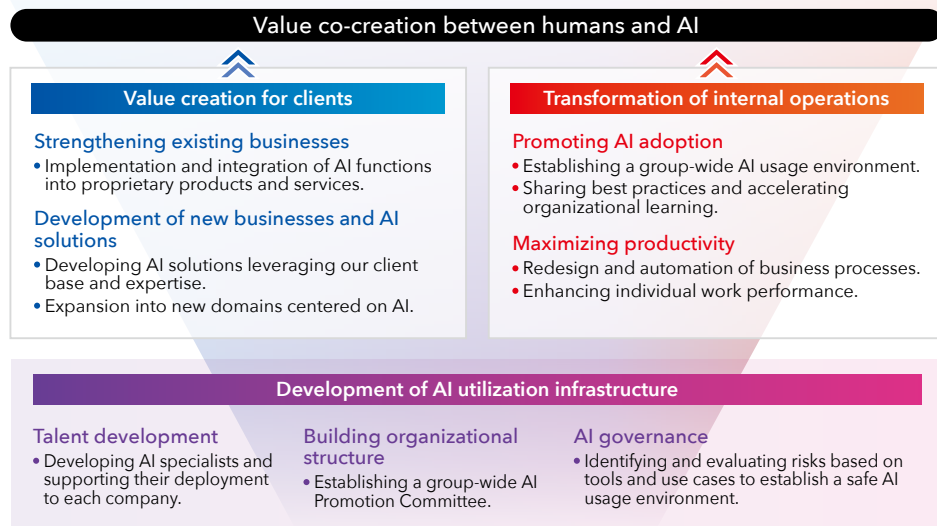
While working toward “value co-creation through human-AI collaboration” by focusing on “value creation for clients” and “internal operational transformation,” the Group is strengthening three foundational pillars: talent development, organizational structure building, and AI governance.

Overall policy

Since the group-wide introduction of generative AI tools in 2024, the Group has actively advanced the utilization of generative AI across a wide range of areas, including integrating it into advertising operations, providing new solutions to clients, and improving operational efficiency. Based on the belief that value co-creation through the collaboration of people and AI—rather than AI replacing humans—will help maximize the value provided to our clients, our goal over the next three years is to transition from a phase of using AI as “a mere tool” to reconstructing our operations with AI usage premised as a core business foundation.

Specifically, we will promote AI utilization across three pillars. In “value creation for clients,” along with implementing and integrating AI functions into proprietary products and services within existing businesses, we will advance the development of new businesses and AI solutions. In “transformation of internal operations,” we will work to accelerate AI adoption and thereby raise the level of productivity per employee. Furthermore, through the “development of AI utilization infrastructure,” we aim to upgrade our internal environment and strengthen the delivery of solutions to our clients.

VISION 2030 | VALUE MAXIMIZER



Establishing the AI Promotion Committee

To foster talent capable of leading operational and organizational transformations premised on the AI era, while balancing speedy decision-making with risk reduction, we established a group-wide AI Promotion Committee dedicated to driving AI initiatives. Our policy is to first cultivate the foundation for talent development by promoting the operation of guidelines, company-wide education, and the thorough utilization of various solutions in line with our four action steps.

Furthermore, we have defined the requirements for AI talent across four levels, set monitoring indicators for each level, and will track the progress of talent development. By raising the AI literacy of our entire Group to the highest standard in the industry, we will achieve group-wide AI transformation, connecting it to the enhancement of business and corporate value.

Action Steps

- STEP 1** Establishing governance and AI guardrails
- STEP 2** Accelerating implementation and verification processes
- STEP 3** Creating domain-specific use cases
- STEP 4** Group-wide deployment and systematization of success models

AI Talent Requirements

- LEVEL 1** Master conversational AI for daily tasks to streamline individual work like documentation and summarization.
- LEVEL 2** Utilize simple agents (e.g., Gems) and proprietary data to promote semi-automation of specific tasks spanning multiple steps.
- LEVEL 3** Build AI workflows independently to realize automation of complex tasks and optimization of entire processes.
- LEVEL 4** Drive AI-native business transformation beyond existing frameworks by highly integrating business data with AI.

Capital Allocation

Applicable Basic Policy: 4. Capital Allocation 

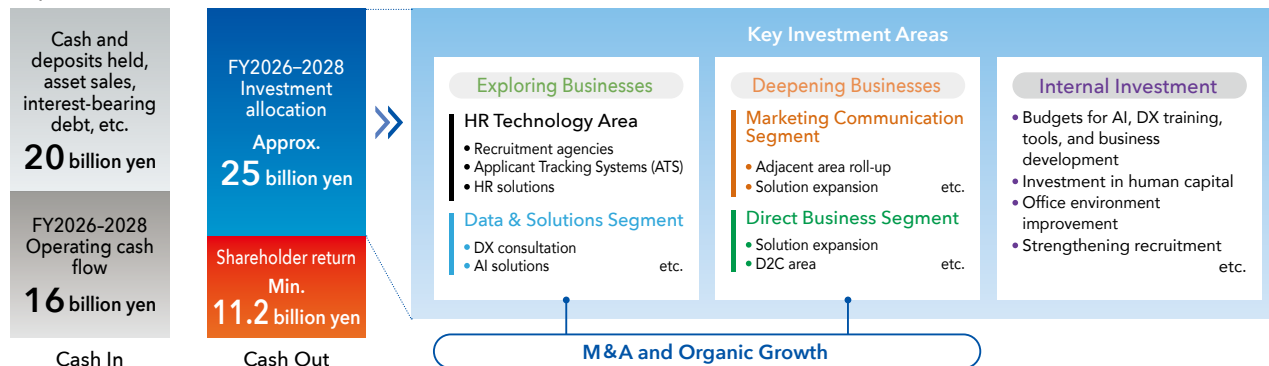
Balancing growth investment and high shareholder returns

With the goal of becoming a corporate entity that generates 10 billion yen in profit by 2030 while achieving both high growth and high shareholder returns, we have formulated a three-year capital allocation policy. Based on this policy, we aim to reach double-digit ROE at an early date by simultaneously strengthening our earning power through active growth investments and enhancing sustainable shareholder returns.

Cash in

Over the next three years, we expect to secure approximately 36 billion yen of funds for capital allocation. In terms of operating cash flow, we are working to maximize our earning power through profitability improvement by "Deepening Businesses," coupled with accelerated growth investments for "Exploring Businesses." We will also strategically combine the efficient use of cash and deposits, the sale of assets, and the use of interest-bearing debt without compromising our optimal capital structure, in order to ensure sufficient liquidity so as not to miss out on any growth investment opportunities.

Capital Allocation



Growth investment

We have allocated approximately 25 billion yen out of the secured funds for growth investments and internal investment aimed at strengthening our medium- to long-term earning power. While rigorously managing our business portfolio, we will actively identify investment opportunities and deploy capital.

Exploring Businesses	Investments to expand our capabilities that contribute to enhancing clients' corporate value
Deepening Businesses	Investments to strengthen the competitiveness of existing businesses
Internal Investment	AI, human capital, corporate environment improvements, etc.

Enhancing shareholder returns

The Company recognizes returning profits to its shareholders as one of the highest management priorities. Under the current medium-term management plan, we have set a minimum cumulative dividend payout of 11.2 billion yen.

Dividend policy

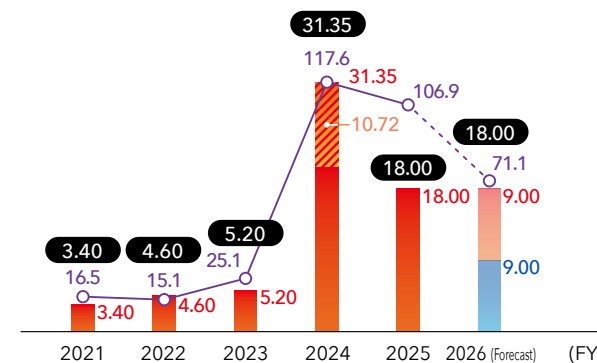
The minimum annual dividend per share will be 18 yen. If 50% of the profit attributable to owners of parent per share exceeds this 18 yen minimum, a dividend will be paid based on 50% of the profit attributable to owners of parent per share. This approach prioritizes dividend consistency and stability while ensuring profit distribution remains within our distributable earnings.

Enhancing flexibility and expanding opportunities for shareholder return

Starting in fiscal year 2026, we will pay dividends from surplus twice a year, including newly introduced interim dividends. Alongside this, we will establish a new shareholder benefits program to enhance the attractiveness of our stock to promote medium- to long-term ownership. Share buybacks will be implemented flexibly, comprehensively considering market and business conditions.

Annual Dividend per Share As of May 13, 2026

■ Interim dividend per share (yen) ■ Year-end dividend per share (yen)
 ▨ Gain on sales of shares of subsidiaries (yen) ○ Dividend payout ratio (%)
 ● Annual dividend per share (yen)



For details on shareholder return, please refer to the corporate website. Shareholder Return
<https://www.septeni-holdings.co.jp/en/ir/stock/dividend.html>

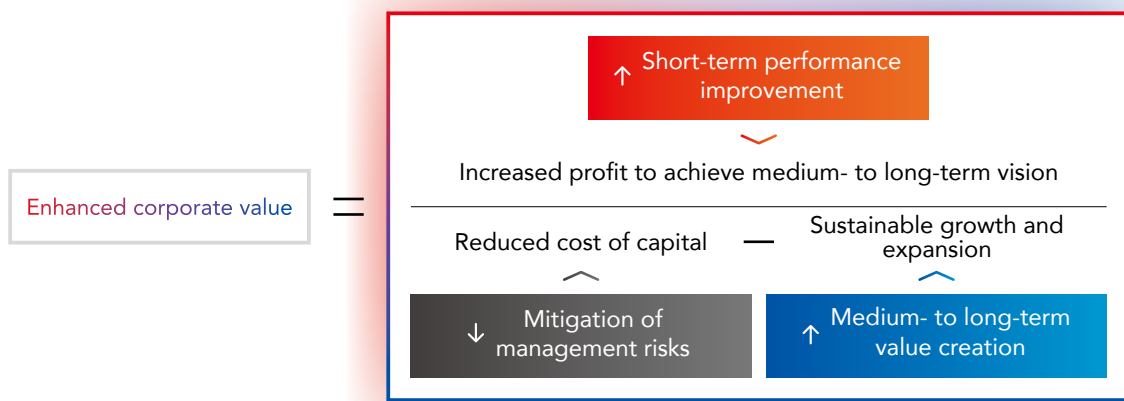
Management Foundation to Enable Value Creation

This section introduces the management foundation that serves as a sound platform for continuing to “inspire the world more.” We report on our initiatives to further deepen this foundation—including respect for human rights, responses to climate change, and advanced corporate governance—in order to meet society’s trust and support sustainable value creation.

Securing our value




Respect for Human Rights	39
Response to Climate Change	40
Corporate Governance	41



Respect for Human Rights

Basic philosophy and policy

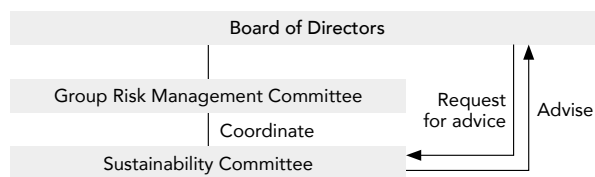
To achieve our Group mission, we recognize that respecting human rights is a vital social responsibility and are actively promoting initiatives in this area. Respecting international standards such as the UN Guiding Principles on Business and Human Rights and the International Bill of Human Rights, we formulated and published our Human Rights Policy in December 2024. This policy has been disseminated throughout the Group, both domestically and internationally.

 For the Human Rights Policy, please refer to the corporate website. https://www.septeni-holdings.co.jp/en/csr/pdf/hrp_en.pdf


Governance structure

The Sustainability Committee—an advisory body to the board of directors chaired by the Group President and Chief Executive Officer—discusses and reviews sustainability activities and human rights issues. Regarding human rights issues, the Committee collaborates with the Group Risk Management Committee, which manages risks across the entire Group. The details of the discussions and reviews held by these committees are reported periodically to the board of directors, and decisions on particularly important themes are subject to a resolution by the board of directors.

Governance structure for the human rights issues



Note: The above is an excerpt from the corporate governance system diagram.

 For the complete governance structure, please refer to the corporate website. <https://www.septeni-holdings.co.jp/en/company/governance.html>

Human rights due diligence

Our Group is committed to human rights due diligence as required by the UN Guiding Principles on Business and Human Rights. In 2025, we identified and assessed human rights risks through the following three steps, based on the Government of Japan's Guidelines on Respecting Human Rights in Responsible Supply Chains and other relevant standards. Moving forward, we will continue our activities by implementing the PDCA cycle to mitigate these risks.

Identification process

STEP 1

Extraction of Potential Risks

Extracting a wide range of potential risks anticipated in the Group's businesses, based on major international human rights standards and rules.

STEP 2

Impact Assessment

Conducting interview surveys with each Group company and department. The impact of potential risks is assessed along two axes: severity of human rights impacts and likelihood of occurrence.

STEP 3

Identification of Salient Risks

Identifying salient risks that should be prioritized, following discussions by the Sustainability Committee and the board of directors, and reporting to the Group Management Meeting.

Priority ● High priority ▲ Medium-high priority ■ Priority

Human Rights Issues	Septeni Group Employees	Suppliers / Business Partners	Consumers / Users
Prevention of Harassment	●	▲	
Responsible Use of Technology and AI	●	●	●
Privacy Protection	▲	▲	▲
Responsible Creative Expression	●	●	●
Prevention of Discrimination	■	■	
Appropriate Working Hours	▲	▲	
Occupational Health and Safety	■		

Related materiality:
Enhancement of Corporate Value by Empowering People
Who Create a New Era

Initiatives

We respect the human rights of all individuals and are committed to fostering a workplace environment that enhances job satisfaction and motivation for everyone.

As part of these efforts, we are implementing the following initiatives.

Human rights training

Following the formulation and publication of our Human Rights Policy, we conducted video-based training for Group officers and full-time employees to learn the importance of considering human rights in business activities (Participation rate for FY2025: 100%). We will also provide regular training for future new graduates and mid-career hires. By continuously updating each individual's human rights awareness, we mitigate risks, driving our sustainable growth and enhancing corporate value.

Call for Human Rights Slogans

We participate in the annual "Call for Human Rights Slogans" initiative organized by dentsu Japan, inviting slogan submissions from our employees and their families. This initiative offers an opportunity to gain new perspectives on social issues and foster a deeper awareness of respect for human rights.



Response to Climate Change

Disclosure of information in accordance with TCFD recommendations

Given that a sustainable and sound Earth and society are prerequisites for business operations, we recognize the high importance of addressing climate change and have identified it as one of our material issues.

We endorsed the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in October 2023 and have disclosed information based on the TCFD framework regarding the risks and opportunities brought by climate change, as well as their impacts on our financial and business activities.

Among the main assumed risks, we believe that a carbon tax and surging electricity prices could directly impact our profitability due to the nature of our business.

	FY2024 Results	FY2025 Results
Scope1	0.0	0.0
Scope 2 (Market-based method)	513.3	173.9
Scope 2 (Location-based method)	595.5	566.9
Scope 3*	7,555.0	8,490.1
Total	8,068.3	8,664.0

Results of Scenario Analysis

Classification based on TCFD Recommendations		Assumed Main Risks and Opportunities	Response	Impact Level	Occurrence Time*
Transition Risks	Policy / Regulation	Costs arising from carbon taxes, etc.	Transition to renewable energy	Medium	Short — Medium
	Technology	Increased costs due to delays in adapting to low-carbon technologies	Rapid conversion to energy-efficient equipment	Small	Medium — Long
	Market	Increased costs due to rising electricity prices	Promotion of energy conservation through educational activities for employees	Small	Short — Long
	Reputation	Loss of trust from clients, investors, and employees and decrease in corporate value due to delays in climate change measures	Disclosure through TCFD, CDP, etc.	Medium	Medium — Long
Physical Risks	Acute	Operational stoppage of services and impact on internal infrastructure due to intensification of abnormal weather and frequent natural disasters	Maintenance and enhancement of BCP and crisis management systems	Large	Long
		Self-restraint/reduction in advertising due to disasters	Promotion of proactive initiatives to realize a decarbonized society	Large	Long
	Chronic	Increased costs for air conditioning, etc. due to changes in weather patterns	Implementation of ongoing energy conservation measures in offices	Small	Medium — Long
Opportunities	Products/Services	Acquisition of new business opportunities due to major changes in industry and society	Acquisition of new clients emerging from the promotion of decarbonization	Small	Medium — Long
	Market	Increase in advertising due to expanding demand for environmentally friendly products/services		Small	Medium — Long
	Resilience	Changes in work styles due to dispersion of residences accompanying changes in weather patterns	Promotion of diverse work styles through remote work	Medium	Short — Long

*Short term: to 2025, Medium term: 2025 to 2030, Long term: 2030 to 2050

To mitigate these risks, we have implemented measures such as switching to LED lighting at our head office and introducing virtually 100% renewable energy at our head office and group company locations. These initiatives enable us to directly reduce taxable emissions while simultaneously enhancing our financial resilience against future energy price volatility.

Metrics and targets

At Septeni Group, we have set a goal to reduce the GHG emissions of Scope 1+2 by 70% by fiscal year 2030 compared to fiscal year 2023. In fiscal year 2025, our Scope 2 emissions decreased due to the introduction of virtually 100% renewable energy at our headquarters. Conversely, our Scope 3 emissions increased, driven by office updates and a rise in business travel. Additionally, due to the nature of our business operations, our Scope 1 emissions remained at zero.

* Category 1 (Purchased goods & services), Category 2 (Capital goods), Category 3 (Fuel & energy-related activities), Category 6 (Business travel), Category 7 (Employee commuting), Category 8 (Leased assets (upstream))

For more details of GHG emissions, please refer to the corporate website. Sustainability Information
<https://www.septeni-holdings.co.jp/en/csr/data.html>

Related materiality:
Response to Climate Change

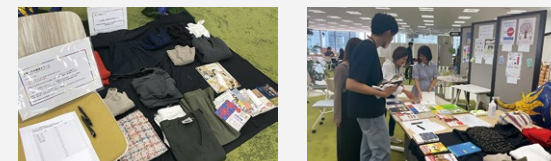
Environmental initiatives

Building the foundation for decarbonization in the advertising industry Participated in the joint development of a "Carbon Calculator"

Septeni Co., Ltd. is participating in the development of an emissions visualization tool for advertising production and events, an initiative promoted by three organizations including the Japan Advertising Agencies Association (JAAA). By establishing industry-wide calculation standards, we aim to contribute to building the foundation for achieving carbon neutrality in the marketing domain.

One Day for Change

We participate in "One Day for Change," an event hosted by dentsu Japan that deepens each individual's awareness and understanding of social issues, with the goal of generating future ideas to solve difficult social challenges through business. In fiscal year 2025, we held an in-office clothing and book swap event. This initiative has raised environmental awareness while also fostering deeper connections and communication across the Group.



For details on our initiatives, please refer to our Group's official "note" (Japanese only).
https://note.com/septeni_group/n/n4d126dada9b0

For other environmental initiatives, please refer to the corporate website.
<https://www.septeni-holdings.co.jp/en/csr/activity/environment.html>

Corporate Governance

Roundtable Talk with the Outside Directors

At the Company, outside directors comprise the majority of board members and demonstrate their expertise in lively discussions at board meetings to strengthen our corporate governance. Here, our four outside directors talk about our governance structure, current status, and future outlook in light of the current business environment.



Yoshiki Ishikawa
Outside Director

Mio Takaoka
Outside Director

Akie Iriyama
Outside Director

Makoto Shiono
Outside Director

— Summary of FY2025: Accelerated decision-making and organizational transformation

Q. How do you view business execution within the management structure for 2025?

Ishikawa: The shift from business expansion driven by individual entrepreneurship to a strategy focused on high-growth, high-return businesses as a team for creating synergy marked a major turning point. Over the past two years, decision-making aimed at prompting our Focus &

Synergy initiative has been remarkably fast, steadily translating into tangible results. Furthermore, I sense great potential in young talent, seeing them brimming with vitality and guided by the Keep Young spirit.

Takaoka: It was a year in which the current management team's leadership firmly took root. The executive team took swift action on matters requiring judgment on their own initiative, while the board of directors focused on discussing medium- to long-term strategies and capital policies. This division of roles is now functioning more

naturally. In particular, the process of securing gross and profit margins by focusing on the fronts of productivity and value-added growth, not merely cost reduction, was crucially important in maintaining our competitive edge over the medium to long term.

Iriyama: In addition to the division of roles that Ms. Takaoka mentioned, I think highly of not only the president but also the executive officers for their decision-making with greater awareness and responsibility. Furthermore, seeing that the next-generation leaders, including group executive officers, have begun to speak up actively at board meetings, I feel the organization is rejuvenating in a healthy way.

Shiono: In that regard, Mr. Kouno and Mr. Shimizu serve as a bridge with their understanding at the front lines, enabling realistic discussions between the supervisory side and the executive side. Moving forward, the executive team's challenge will be how to lead "discontinuous growth" by utilizing external capabilities to reach our 2030 profit targets.

— VISION 2030: Strategic dialogue to support sustainable growth

Q. What was discussed during the process of formulating VISION 2030?

Takaoka: It wasn't just about setting numerical targets. It was a process of rethinking "what kind of organization we want to become in 2030" from the ground up. Amid the torrent of the rise of AI and shifts in platform structures, we went back to our mission and engaged in serious discussions about where growth could be obtained. None

Roundtable Talk with the Outside Directors

of this is set in stone; it is something we must continually monitor and re-examine in response to changing circumstances.

Iriyama: What is expected of our company is medium- to long-term growth after fulfilling our social responsibilities, along with appropriate capital allocation. Based on our capital structure, the executive team and outside directors took a deep dive into matters requiring greater consideration with our diversifying stakeholders.

Shiono: The board of directors pays constant attention to capital structure and minority shareholder protection. Especially from a capital allocation perspective, we have been making recommendations on how we allocate the necessary investments to keep up with technological advancements, including generative AI, and on how we can utilize our strong relationships with clients to expand into HR and other new areas to make strategic moves for future growth.

Ishikawa: Fiscal 2025 was also a year for laying the groundwork to amplify stakeholder confidence. For this reason, VISION 2030 has set forth the key theme of achieving a high-level balance between growth and shareholder return. We delved into discussions with the executive team on how we can capitalize on our strengths to create synergistic businesses.

— Board effectiveness: Ensuring transparency and enhancing governance

Q. A triennial effectiveness evaluation was conducted; what is your take on the current state of the board of directors?

Ishikawa: Our board has a majority of outside directors with a broad range of skills, and their background information is shared appropriately. We engage in frank,

fair, and objective discussions, and feedback from external evaluations indicates that the board is functioning properly. Looking ahead toward changing our listing to the TSE Prime Market, we need to strengthen our corporate governance and further enhance our innovation capabilities.

Shiono: Our company's strength lies in a culture that allows open and honest exchange of opinions and recommendations. Effectively communicating this to our stakeholders will be important from now on. At the Nomination and Remuneration Advisory Committee, we have discussed the design of incentive mechanisms, such as stock grants to management. Going forward, we must carefully monitor how the implementation of the plans to contribute to fostering next-generation leaders.

Takaoka: The fact that constructive dialogue with the executive team and capital market-oriented discussions have become fundamental prerequisites is a significant step forward. To further enhance the effectiveness of the board of directors, I believe there are two key points. The first is deepening discussions of medium- to long-term strategies by getting further ahead of macro trends, including AI. The second is going beyond ensuring diversity in attributes; it is the creation of innovation through DEI promotion while incorporating diverse external insights, along with the provision of support to the continuous strengthening of the organizational capabilities needed to implement these initiatives.

Iriyama: The current board of directors is quite open and flat. We can say that it is a highly effective organization where both Mr. Kouno and Mr. Shimizu speak their minds freely, and our experienced outside directors are conducting discussions on equal footing. Meanwhile, our key challenge moving forward will be formulating a board succession plan step-by-step.

— Commitment to value creation: The role and mission of outside directors

Q. Lastly, please share your commitment to sustainably enhancing corporate value.

Ishikawa: I will continue to supervise with a strong awareness of the perspective of minority shareholders. As a chairperson of the Nomination and Remuneration Advisory Committee, I intend to develop a human resources strategy aligned with VISION 2030. At the Sustainability Committee, I am prepared to support our company's long-term leap forward by identifying and monitoring material issues in anticipation of the times.

Iriyama: In addition to regular supervisory duties, I am thinking of providing direct support for enhancing corporate value by introducing external talent and empowering employees, including the development of next-generation management. I will work closely with management and do my best to help raise our overall level.

Takaoka: I will stick to ensuring a good atmosphere that allows us to say things that may be hard to say. It is precisely because of the trust established with management that we can pose sharp but constructive questions. Drawing on our distinctive corporate culture, best described as "Resilient, Caring, Exciting," I will embrace change and keep voicing my opinion from an independent standpoint.

Shiono: I will closely watch the impact of technological breakthroughs on business operations and support offensive growth strategies while strictly observing compliance, including AI ethics. At the same time, by leading discussions to enhance transparency in our capital structure, I will be committed to delivering management that satisfies all stakeholders.

Executives As of April 1, 2026

Directors



Yuichi Kouno

Representative Director
Group President and Chief Executive Officer

Joined the Company in 2006. Engaged in Marketing Communication Segment and new business development, demonstrating strong leadership in expanding the Group's business and enhancing collaboration with the Dentsu Group. Appointed as a representative director, group president and chief executive officer in 2024.



Yusuke Shimizu

Director
Group Senior Executive Officer

Joined the Company in 2006. Engaged in Marketing Communication Segment and corporate planning, driving the expansion of the Group's business and management. Appointed as a director, group executive vice president in 2024 (currently a director, group senior executive officer).



Yoshiki Ishikawa

Outside Director

Appointed as an outside director in 2019. Possesses professional, extensive experience and results, and considerable insight as both a preventive medicine researcher and as a founder of a company using methods based on behavioral science, providing valuable advice on all aspects of the Group's management.



Akie Iriyama

Outside Director

Appointed as an outside director in 2020. Possesses operational experience as a consultant, along with professional, extensive experience and results and considerable insight as a researcher specialized in the management strategies and the global management fields, providing valuable advice on all aspects of the Group's management.



Mio Takaoka

Outside Director

Appointed as an outside director in 2020. Possesses professional, extensive experience and results, and considerable insight of strategic investment, new business development and finance, providing valuable advice on all aspects of the Group's management.



Makoto Shiono

Outside Director

Appointed as an outside director in 2024. Possesses extensive experience and results, and considerable insight in strategic planning and implementation consulting and M&A advisory services for domestic and foreign companies and government agencies, providing valuable advice on all aspects of the Group's management.



Mitsuyuki Nakamura

Director

Appointed as a director in 2026. Held key positions in the media, international, and sales divisions at Dentsu Inc. (currently Dentsu Group Inc.). Currently serves as President of Media/Sports & Entertainment at dentsu Japan, overseeing the media business, including digital advertising.

Corporate Auditors



Tadahiro Mouri

Outside Corporate Auditor (Full-time)

Appointed as an outside corporate auditor (full-time) in 2020. Possesses considerable insight and extensive operational experience of auditing, providing useful advice and conducting auditing from an independent position.



Mamoru Furushima

Outside Corporate Auditor

Appointed as an outside corporate auditor in 2015. Possesses extensive experience and specialist knowledge as a certified public accountant and a lawyer and in-depth knowledge and experience of auditing, providing useful advice and conducting auditing from an independent position.



Takeshi Okuyama

Outside Corporate Auditor

Appointed as an outside corporate auditor in 2019. Possesses extensive experience and specialist knowledge as an attorney and in-depth knowledge of corporate governance, corporate legal affairs, and auditing, providing useful advice and conducting auditing from an independent position.



Hideo Hatano

Corporate Auditor

Appointed as a corporate auditor in 2024. Possesses considerable insight and extensive operational experience of auditing, and conducts auditing by leveraging experience and expertise in internal auditing at multiple companies.

Executive Officers (effective April 1, 2026)

Group President and Chief Executive Officer

Yuichi Kouno

Group Senior Executive Officers

Yusuke Shimizu
Chief Product Officer (CPO)

Kei Hatano
Chief Financial Officer (CFO)

Masayuki Takano
Chief AI Officer (CAIO)

Masayuki Muto
Chief Corporate Officer (CCO)

Daisuke Suefuji
Chief Growth Officer (CGO)

Tei Go
Chief Strategy Officer (CSO)

Kazunari Kondo
Chief Alliance Officer (CAO)

Group Executive Officers

Ryo Okubo

Takahiro Yamasaki

Norihisa Ashida

Group Principal Executive Officers

Teruyuki Noguchi
Chief Legal Officer (CLO)

Shuhei Ezaki
Chief Human Resources Officer (CHRO)

Yoko Miyazaki
Chief Diversity Officer (CDO)

Takashi Kawachi
Chief Technology Officer (CTO)

Skills matrix

To achieve medium- to long-term enhancement of corporate value, we have defined the skills required of our directors and corporate auditors, and disclose them in the form of a skills matrix. We aim to strengthen our supervisory function from multifaceted perspectives by appropriately ensuring the diversity of the board of directors and the board of corporate auditors.

As of March 31, 2026	Tenure	Attendance		Committees		Expected Skills					
		Board of Directors	Board of Corporate Auditors	Sustainability Committee	Nomination and Remuneration Advisory Committee	Corporate Management	Integrated Marketing	Human Capital / Talent Development	Financial Accounting / Finance	Corporate Governance	Sustainability
Directors											
Yuichi Kouno	2 years	14/14		Chairperson	Vice-chairperson	●	●	●		●	●
Yusuke Shimizu	2 years	14/14				●	●	●			
■ Yoshiki Ishikawa	6 years and 3 months	14/14		Vice-chairperson	Chairperson	●		●			●
■ Akie Iriyama	5 years and 3 months	14/14			Vice-chairperson	●	●	●			
■ Mio Takaoka	5 years and 3 months	14/14			Vice-chairperson	●			●		●
■ Makoto Shiono	2 years	14/14			Vice-chairperson	●			●	●	
Mitsuyuki Nakamura	—	—				●	●			●	
Corporate Auditors											
■ Tadahiro Mouri	5 years and 3 months	14/14	14/14			●			●	●	
■ Mamoru Furushima	10 years and 3 months	14/14	14/14			●			●	●	
■ Takeshi Okuyama	6 years and 3 months	13/14	13/14			●				●	●
Hideo Hatano	2 years	14/14	14/14			●			●	●	

Notes: 1. Indicates skills and experience particularly expected from each director. 2. ■ Outside directors and corporate auditors. 3. Ratio of female directors: 14%, Ratio of outside directors: 57%, Ratio of outside corporate auditors: 75% (As of March 31, 2026)

Definitions of skill items and reasons for selection

We have identified the skills required of the board of directors as follows.

Skill item	Definition	Reason for selection
Corporate Management	Expertise in discussing and evaluating growth strategies, including key themes such as generative AI, as well as business portfolio management, with the aim of sustainably enhancing Group corporate value.	Accurately evaluating the validity of the Group's growth strategy and overseeing business portfolio management are required to achieve medium- to long-term corporate value enhancement.
Integrated Marketing	Expertise in overseeing business strategies that support client challenges by integrating online and offline channels with digital methods as the starting point, including the use of data and AI and the promotion of digital transformation (DX).	As client challenges become more advanced and complex, an appropriate understanding of integrated marketing beyond the digital domain, along with evaluation and oversight of its execution, is required.
Human Capital / Talent Development	Expertise in fostering entrepreneurship and organizational development toward the mission of "To inspire the world with entrepreneurship."	Maximizing human capital, which is the source of the Company's value creation, and overseeing organizational strategies that contribute to achieving the mission are required.
Financial Accounting / Finance	Specialized expertise in understanding financial statements based on International Financial Reporting Standards (IFRS), and in formulating, evaluating, and executing capital policies, including shareholder returns, growth investments, and M&A, that balance high growth and high returns.	A deep understanding of IFRS-based financial conditions and the expertise to judge, evaluate, and execute the optimal balance of shareholder returns, growth investments, and M&A as capital policy are necessary to achieve both high growth and high returns.
Corporate Governance	Expertise in strengthening the board of directors' oversight of business execution, with due consideration given to legal compliance, compliance frameworks, and the protection of minority shareholders.	In particular, as a listed company with a parent company, building and overseeing a highly robust governance framework that gives due consideration to the protection of minority shareholders are required.
Sustainability	Expertise in overseeing responses to material issues and the practice of social responsibility that contributes to enhancing corporate value.	Addressing material issues and practicing social responsibility are essential to medium- to long-term corporate value enhancement.

Corporate Governance

We have identified the efforts in corporate governance as a materiality, recognizing the need for an advanced governance structure to fulfill our obligations as a listed company and to aim for the pursuit of discontinuous growth and the realization of a “nameraka” future.

Basic approach

The corporate governance of the Company is based on the development and operation of a system to ensure that actions are based on the Company’s corporate philosophy and decisions are made in a transparent, fair, and efficient manner, and compliance with laws and regulations and appropriate supervision (monitoring) of corporate performance are carried out under the mission “to inspire the world with entrepreneurship.”

Progress of governance reforms

We have been advancing governance reforms since around 2015. During the initial three years, we appointed outside directors and promoted gender diversity, while simultaneously executing various measures to enhance governance and introducing new systems.


Since 2018, we have been striving to establish an effective governance structure that goes beyond mere formality and focusing on improving the application and operation of the introduced systems

FY2016	<ul style="list-style-type: none"> • Introduction of effectiveness evaluation to enhance the functioning of the board of directors • Establishment of the Financial Results and Disclosures Committee and the CSR Committee • Abolition of anti-takeover measures
FY2017	<ul style="list-style-type: none"> • Introduction of a performance-linked share-based remuneration plan for officers • Separation of execution and monitoring through the introduction of a delegated executive officer system
FY2022	<ul style="list-style-type: none"> • Establishment of the Sustainability Committee • Further enhancement of board independence and diversity
FY2023	<ul style="list-style-type: none"> • Establishment of the Nomination and Remuneration Advisory Committee
FY2026	<ul style="list-style-type: none"> • Expansion of the performance-linked share-based remuneration plan to include outside directors

Percentage of Outside Directors

57% 

Percentage of Outside Corporate Auditors

75% 

Gender Diversity of the Board of Directors
Percentage of Female Directors

14% 

Commitment to a monitoring board model

The board of directors shall consist of at least a majority of highly independent outside directors; as of March 31, 2026, the board consists of seven directors, four of whom are outside directors. Furthermore, under the delegated executive officer system, authority for decision-making and the execution of business operation is delegated to group executive officers to the extent permitted by relevant laws and regulations, allowing the board to mainly focus on the oversight (monitoring) of the group executive officers responsible for business execution.

The role of independent outside directors

Independent outside directors with extensive executive experience and deep insight actively participate in discussions and express their opinions at board of directors meetings. This establishes a framework that ensures the board’s decision-making on fundamental management policies and its oversight of business execution function effectively and efficiently.

Moreover, meetings attended only by the outside directors (Executive Session) are held once a month in principle, thereby securing a place for information exchange and shared awareness from objective standpoints. Outside corporate auditors, external accounting auditors and other independent outside persons may attend such meetings, thereby providing a place for promoting cooperation among independent outside persons.

The role of the board of corporate auditors

We have adopted a corporate auditor system. As of March 31, 2026, there are currently four corporate auditors including three highly independent outside corporate auditors. Each corporate auditor audits the execution of business by the directors, in accordance with the auditing policy, audit plans and so forth determined by the board of corporate auditors.

Operational status of the board of directors

The Board of Directors Regulations clearly defines matters to be resolved by the board, matters for which authority is delegated to group executive officers, and matters to be reported by group executive officers to the board.

In fiscal year 2025, toward the formulation of VISION 2030, active and vibrant discussions were held on how to achieve both high growth and high shareholder returns by leveraging our Group's strengths, ultimately leading to enhanced corporate value.

Board of Directors			Board of Corporate Auditors	
Meetings Held	Average Attendance Rate of Directors	Average Attendance Rate of Corporate Auditors	Meetings Held	Average Attendance Rate of Corporate Auditors
14	99%	98%	14	98%

Major agenda items at the board of directors meetings in FY2025

(January-December 2025; excluding regular agenda items and resolutions)

- Underwriting of shares in beBit, Inc. through a third-party allotment of new shares
- Dissolution and liquidation of LIVAND, Inc.
- Partial revision of the group executive remuneration determination policy
- Revision of the shareholder return policy
- Revision of the year-end dividend forecast for FY2025
- Execution of a share transfer agreement regarding PERF, Inc.
- Acquisition of shares and execution of a capital and business alliance agreement with Sports IT Solution, Inc.
- Agenda for the executive retreat
- Adoption of the social media policy
- Adoption of AI principles
- Adoption of intellectual property principles
- Partial revision of the Group Executive Officer Regulations

Initiatives to ensure effectiveness

With the aim of enhancing the function of the board of directors, we conduct analysis, evaluation and follow-up examinations of issues on the effectiveness of the board of directors once a year in principle. We also conduct large-scale and detailed surveys by external third-party institutions once every three years.

In fiscal year 2025, we conducted a questionnaire for all directors and corporate auditors, supplemented by interviews with directors, based on advice from an external third-party organization.

As a result, the board of directors confirmed that it maintains a high level of effectiveness, characterized by the following strengths:

1	Engaging in merit-based discussions in a flat, interactive and positive atmosphere while maintaining a balance of mutual trust and constructive tension.
2	Operating the board effectively through sufficient communication and proactive improvements.
3	Sharing a common understanding of the board of directors' mission.
4	Maintaining high standards of professionalism expected of all directors.

Conversely, regarding board succession, the following areas for improvement were identified: the need for planned renewal (refreshment) of the board; the importance of discussing the long-term vision for the board's ideal state; determining the optimal composition to realize that vision; and proceeding with the selection and recruitment of new candidates.

Going forward, we will maintain the identified strengths as both the culture and the foundation that support board effectiveness. Simultaneously, by addressing the identified challenges—specifically “realizing planned and strategic board succession over a long-term horizon”—we will continue to further enhance the effectiveness of the board of directors.

Nomination and Remuneration Advisory Committee

With regard to management personnel matters (the appointment and dismissal of directors at the Company, group executive officers, etc.) and remuneration (individual remuneration for the directors at the Company, group executive officers, etc. for the fiscal year), we have established a Nomination and Remuneration Advisory Committee, a voluntary committee with a majority of outside directors set up under the board of directors, to ensure independence, objectivity, and accountability in the deliberation process.



Yoshiki Ishikawa

Outside Director
Chairperson of Nomination and
Remuneration Advisory Committee

The Nomination and Remuneration Advisory Committee is a cornerstone of our governance. It is composed of a majority of outside directors and is operated through objective data and logic-driven discussions, without any deference to the executive team. Due to our group's capital structure of parent-subsidary listing, we should implement governance measures to protect our minority shareholders' interests. Furthermore, with an eye on transitioning to the TSE Prime Market, now we must also meet higher standards of discipline and transparency.

Given this business environment, during fiscal 2025, we discussed topics such as the share-based compensation plan, the disclosure of the skills matrix, and the overhaul of the group's management structure toward our VISION 2030. Concerning the share-based compensation plan, in particular, we have decided to grant share-based compensation to outside directors aimed at further enhancing the effectiveness of the board of directors, as well as to increase the proportion of performance-linked compensation. The performance metrics for this plan mainly use medium- to long-term profit and profitability indicators, and we believe the plan works as the right incentive for the group's exponential and sustainable growth.

We have also disclosed a skills matrix to demonstrate that the composition of the board of directors is aligned with our management strategy, as well as to increase transparency in the nomination process. Detailed profiling has been used in the process for a while now, but we will continue to refine it to be more convincing both internally and externally.

While continuing to fulfill accountability in the appointment of management, succession planning, development of future leaders, and compensation structure design, the Committee will spearhead the qualitative evolution of governance toward the realization of VISION 2030.

Major agenda items at the Nomination and Remuneration Advisory Committee meetings in fiscal 2025 are as follows.

Revision of the share-based compensation plan*

We deliberated on the continuation and revision of our current share-based compensation plan in order to establish a clearer relationship between compensation for directors, etc. and the group's medium- to long-term performance and shareholder value. Major changes in the revision are the inclusion of outside directors in our (fixed) share-based compensation plan and an increase in the proportion of share-based compensation, thereby redesigning the compensation structure for executive directors and outside directors into one that provides stronger yet sound incentives for improving medium- to long-term performance and enhancing corporate value.

Group management structure: Introduction of CxO system

With the aim of creating group-wide synergy and collaboration, as well as establishing a robust but flexible management structure capable of responding to external changes, we have decided to introduce a CxO system in which officers are appointed to oversee key themes and areas in our Group's business management. Alongside this, to put in place a framework for C-level officers to collaborate in making and executing decisions swiftly, we have set up a CxO Meeting as a body where resolutions are made on a monthly basis.

Next-generation succession plan: Launch of the Human Resource Development Committee

In light of the challenge posed by declining opportunities for younger employees to gain management experience as the organization expands, we discussed the formation of the Human Resource Development Committee. Comprising the CEO, CHRO, and other employees, the Committee provides consistent management across the entire process—from discussing talent requirements and development policies to monitoring and personnel assignments. With opportunities for management experience provided by the company and talent development, our goal is to realize the Keep Young theme, where our fresh and forward-looking executive team consistently demonstrates entrepreneurship from a group-wide perspective.

*For additional information regarding our share-based compensation plan, please refer to our timely disclosure section.



Notice on the Continuation and Partial Revision of the Performance-Linked Share-Based Compensation Plan for Directors and Officers

https://www.septeni-holdings.co.jp/en/ir/news/BIP_260224_en.pdf

Corporate Governance

Officer remuneration plan

We have revised the performance-linked share-based remuneration plan for executives, which was initially introduced in fiscal year 2017, following a resolution at the General Meeting of Shareholders held in March 2026. This revision is designed to strengthen commitment toward achieving the Medium-Term Management Plan (FY2026–2028). Furthermore, by including outside directors in this plan, we aim to align their interests with those of shareholders ('same-boat' incentive) for outside directors who play roles in protecting minority shareholders and offering objective management advice, thereby further enhancing the effectiveness of the board of directors.

Revision of the officer remuneration plan

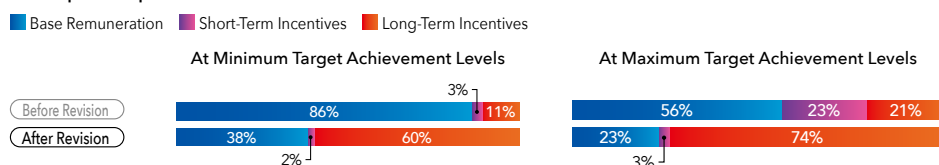
This revision reduces the proportion of cash remuneration within total remuneration and increases the ratio of share-based remuneration as a long-term incentive. Targets linked to "Performance-linked Points" are set at high levels that surpass the Medium-Term Management Plan. Furthermore, the allocation ratio of these points is designed to be significantly higher than that of "Basic Points," ensuring the system serves as a powerful incentive to achieve superior business results.

Officer Remuneration System

Remuneration Components		Eligible Persons	
		Directors*	Outside Directors
Cash Remuneration	Fixed remuneration (Monthly)	●	●
	Short-term performance-linked remuneration	●	
Share-based Remuneration	Share-based remuneration (Fixed)	●	●
	Mid- to long-term performance-linked remuneration	●	

* Directors concurrently serving as delegated executive officers

Example: Representative Director Remuneration Mix



For details on the remuneration of directors and corporate auditors, please refer to the corporate website. <https://www.septeni-holdings.co.jp/en/company/governance.html#directors-compensation>

Minority shareholder protection initiatives

Dentsu Group Inc. is our parent company and holds 52.49% of the voting rights. We recognize that ensuring a robust governance system is a top management priority to enhance corporate value and protect minority shareholders. Decisions concerning the Company's management are made by the board of directors after thorough deliberations from the perspective of protecting minority shareholders. Furthermore, whether autonomy and independence are maintained in the Company's decision-making process is monitored and supervised by independent outside directors.

Ensuring independence

We have a contractual agreement with Dentsu Group Inc. to maintain our autonomy and independence. Specifically, while we are required to report proposed resolutions for the General Meeting of Shareholders to Dentsu Group Inc. in advance, our day-to-day business operations are conducted based on our own independent management decisions. We anticipate that this autonomous management, tailored to the specific characteristics of our business, and the discipline imposed by the capital markets will enhance the quality of management, driving sustainable growth.

Nomination of candidates for directors and corporate auditors

The Nomination and Remuneration Advisory Committee—established as a voluntary advisory body to the board of directors—is composed solely of all outside directors and the Group President and Chief Executive Officer. The Committee's rules stipulate that the chairperson shall be elected from among the outside directors, ensuring there is no involvement by the parent company in the nomination of independent outside director candidates.

Under the agreement with the parent company, the parent company holds the right to propose one candidate for director and one for corporate auditor. However, the agreement also stipulates that, upon receiving a proposal for candidates from Dentsu Group Inc., and prior to the board of directors' resolution on the agenda for the General Meeting of Shareholders regarding the election of officers, we shall have the Nomination and Remuneration Advisory Committee deliberate on the director candidate and obtain the consent of the board of corporate auditors regarding the corporate auditor candidate.

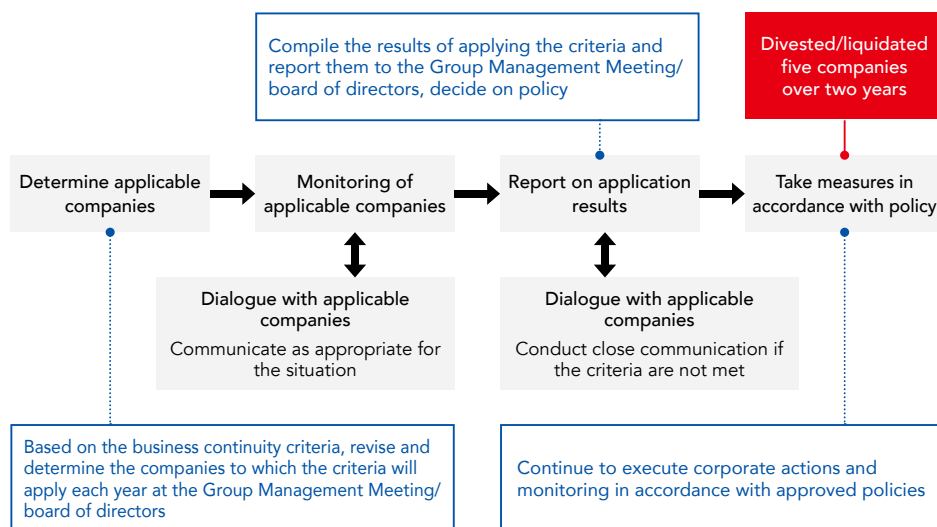
Efforts for discontinuous growth

In order to continue growing while adapting to changes in the external environment, we have determined that it is necessary to transform our business portfolio, and as such, we continue using the business continuity criteria established during fiscal year 2024 with strict enforcement in the continuation and exit for all Group businesses.

At the beginning of each fiscal year, we select and review the companies to which the criteria apply, and after approval by the Group Management Meeting, we divide them into three phases according to their number of years since establishment and monitor them based on quantitative criteria appropriate to each phase. If the criteria are not met, we will consider measures such as setting conditions for continuation, or alternatively sale, merger, or dissolution, and make a decision at the Group Management Meeting or the board of directors. As a result, in fiscal year 2025, we divested and liquidated two companies and consolidated two others.

As for the establishment of new companies, we are identifying investment areas in line with our capital allocation policy. This will promote a healthy cycle of business creation, enhance accountability both within and outside the Group, and enable us to flexibly reallocate our business portfolio. We aim to improve profits and ROE by allocating business resources to growth areas as appropriate. Ultimately, we will link this to the enhancement of corporate value and the realization of our mission.

Operational Process for the Business Continuity Criteria



Efforts for risk reduction

Risk management

We have established Group Risk Management Regulations and set up the Group Risk Management Committee, a body that oversees and manages risks in an integrated and effective manner to promote risk management across the entire Group.

In fiscal year 2025, considering broader societal trends, we identified and addressed the following priority risks from among those common to the entire Group.

Priority risks
Risk of data breaches, including client information, due to information security deficiencies
Risks associated with the inappropriate use of generative AI, such as personal data leaks, data tampering, intellectual property infringement, spread of misinformation, and perpetuation of unintended bias
Risk of natural disasters and other incidents impacting executives and employees, as well as business operations

The use of generative AI, which has been evolving at an accelerated pace in recent years, entails risks such as personal data leaks, data tampering, intellectual property infringement, spread of misinformation, and perpetuation of unintended bias. To avoid or mitigate these risks, we are working to develop, operate, and continuously review guidelines for the use of generative AI, as well as to raise awareness and implement technical measures.

Strengthening compliance

The Group Risk Management Committee and relevant departments work together to promote compliance initiatives across the entire Group. In particular, strengthening the compliance awareness of our executives is a cornerstone of our reinforced governance structure. To this end, we have implemented measures such as providing re-training to reinforce compliance and enhancing our internal audit system.

As an initiative to enhance knowledge and awareness of compliance, we also provide a variety of training programs, including harassment prevention, LGBT issues, and unconscious bias for all newly appointed managers; compliance sessions for all new graduates; and compliance tests for all Group executives and employees.

Financial & Non-Financial Data

Financial data*1

(Millions of yen)

	International Financial Reporting Standards (IFRS)			
	2022	2023*2	2024	2025
Consolidated financial result*3				
Revenue	28,819	34,267	28,284	30,309
Gross profit	22,720	27,467	22,203	23,164
SG&A	17,058	22,500	19,096	18,833
Non-GAAP operating profit	5,855	5,091	3,197	4,414
Operating profit	5,440	4,949	3,129	4,239
Profit attributable to owners of parent	5,734	4,319	5,526	3,491
Consolidated financial position				
Total assets	88,731	93,606	97,637	96,345
Equity attributable to owners of parent	62,705	65,594	69,880	66,549
Ratio of equity attributable to owners of parent to total assets	70.7%	70.1%	71.6%	69.1%
Cash flow				
Cash flows from operating activities	3,650	3,785	3,677	3,374
Cash flows from investing activities	(30,553)	(2,020)	336	(3,099)
Cash flows from financing activities	31,229	(1,835)	(1,632)	(6,044)
Cash and cash equivalents at the end of period	21,340	20,874	23,730	17,945
Indicators				
Return on equity (ROE)	14.1%	6.7%	8.2%	5.1%
Basic earnings per share (EPS) (¥)	30.54	20.74	26.65	16.83
Equity attributable to owners of parent per share (BPS) (¥)	299.54	316.70	336.89	320.83
Total dividend per share (¥)	4.60	5.20	31.35	18.00
Payout ratio (%)	15.1%	25.1%	117.6%	106.9%

*1 Numbers are rounded to the respective nearest unit.

*2 Due to the change in fiscal year-end, FY2023 is an irregular 15-month period.

*3 Revenue, gross profit, SG&A, non-GAAP operating profit and operating profit for FY2022 and FY2023 are presented based on the amounts after the reclassification of the performance of COMISMA INC. (formerly COMICSMART INC.), its subsidiaries, etc., as discontinued operations.

*4 As of the end of General Meetings of Shareholders. The numbers include the directors and corporate auditors who resigned during the term.

*5 Until 2022, as of September 30 and include the numbers of IP Platform Business. From 2023, as of December 31.

*6 Include salaries, bonuses, benefits, training and hiring costs.


*7 Total or period average for the fiscal year. Until 2022, include the numbers of IP Platform Business.


*8 (Women's average salary)/(Men's average salary) × 100

*9 Calculated based on revenues of each company to be counted.

*10 Scope 2 emissions are calculated using the market-based method.

For detailed data, please visit our corporate website.

 Financial Position and Performance
<https://www.septeni-holdings.co.jp/en/ir/finance/>

 Sustainability Information
<https://www.septeni-holdings.co.jp/en/csr/data.html>

Non-financial data*1

Governance

	2022	2023	2024	2025
No. of directors*4	7	8	7	7
No. of outside directors	5	5	4	4
No. of female directors*4	2	2	1	1
No. of corporate auditors*4	4	4	4	4
No. of outside corporate auditors	3	3	3	3

Social

Group	2022	2023	2024	2025
No. of consolidated workforce*5	1,907	1,950	2,049	1,941
No. of full-time / regular employees	1,600	1,675	1,800	1,674
No. of temporary employees	307	264	262	267
Employee-related expenses (¥mn)*2 *6	10,563	14,352	12,196	12,020

Group companies in Japan	2022	2023	2024	2025
Coverage of full-time employees (%)*5	86.5	88.7	88.7	92.0
Female employees (%)*5	—	41.8	43.0	44.7
Female managers (%)*5	—	25.9	28.1	28.3
No. of new hires*7	—	290	243	142
Female employees among new hires (%)*5	—	41.7	43.6	47.2
Average age*5	—	—	31.9	32.8
Voluntary turnover rate (%)*7	11.8	8.9	9.7	12.0
Gender pay gap (%)*7 *8	—	—	82.9	80.1
Average overtime hours per employee*7	15	18	17	18

Environment <Greenhouse gas emissions (t-CO₂)>

	2022	2023*3	2024	2025
Coverage (%)*9	98.2	98.7	99.0	100.0
Scope 1	7.3	7.0	0.0	0.0
Scope 2*10	817.0	940.6	513.3	173.9
Scope 3	5,548.6	9,386.9	7,555.0	8,490.1

Corporate Profile As of December 31, 2025

Trade name	SEPTENI HOLDINGS CO., LTD.
Established	October 1990
Capital	¥18,430 million
Business overview	Corporate management and overall control of Group companies through ownership of shares and other forms of equity.
Business establishment	Sumitomo Fudosan Shinjuku Grand Tower 30th Floor, 8-17-1, Nishishinjuku, Shinjuku-ku, Tokyo 160-6130 Tel: +81-3-6863-5623 (Representative) Fax: +81-3-6863-5624
Representative Director	Yuichi Kouno
No. of employees	Group consolidated as of December 31, 2025 1,674 full-time employees / 1,941 employees
Annual fiscal term	Last day of December
Accounting auditor	KPMG AZSA LLC
Securities code	4293
Listing market	Tokyo Stock Exchange Standard Market
Annual shareholders meeting	Every March

Links

Corporate Profile
<https://www.septeni-holdings.co.jp/en/company/overview.html>

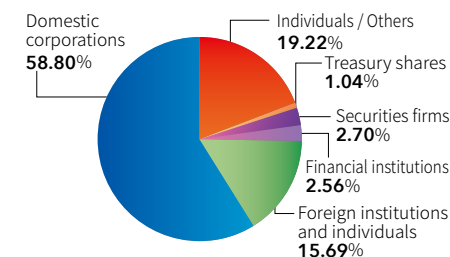
Business Segments & Group Companies
<https://www.septeni-holdings.co.jp/en/business/>

Executives
<https://www.septeni-holdings.co.jp/en/company/boardmembers/>

Stock Information As of December 31, 2025

No. of shares authorized	370,080,000 shares
No. of shares issued	211,389,654 shares
No. of shareholders	17,011
Trading unit	100 shares
Transfer agent	Mitsubishi UFJ Trust and Banking Corporation

Breakdown by the Number of Holdings Shares (%)



* Pie chart values are rounded off. Therefore, the total may not equal 100%.

Major Shareholders

Name of shareholders	No. of shares	Shareholding ratio
DENTSU GROUP INC.	109,782,395	52.48%
Village seven Co., Ltd.	12,783,500	5.94%
Mamoru Nanamura	9,489,400	5.00%
BNP PARIBAS LONDON BRANCH FOR PRIME BROKERAGE CLEARANCE ACC FOR THIRD PARTY	4,063,652	2.68%
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	3,101,950	2.41%
BNYMSANV RE GCLB RE JP RD LMGC	2,825,513	1.89%
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	2,544,198	1.72%
Custody Bank of Japan, Ltd. (Trust Account)	2,440,100	1.55%
NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	2,200,043	1.40%
Hiroshi Shimizu	1,900,000	0.91%

Note: The shareholding ratios exclude treasury shares (2,200,043 shares).

Links

Stock Price Information
<https://www.septeni-holdings.co.jp/en/ir/stock/price.html>

Shareholder Return
<https://www.septeni-holdings.co.jp/en/ir/stock/dividend.html>

Analyst Coverage
<https://www.septeni-holdings.co.jp/en/ir/stock/analyst.html>

General Stock Information
<https://www.septeni-holdings.co.jp/en/ir/stock/information.html>

General Meetings of Shareholders
<https://www.septeni-holdings.co.jp/en/ir/stock/shareholders/index.html>



SEPTENI HOLDINGS CO., LTD.

<https://www.septeni-holdings.co.jp/en/>

Address: Sumitomo Fudosan Shinjuku Grand Tower 30th Floor, 8-17-1, Nishishinjuku, Shinjuku-ku,
Tokyo 160-6130

Contact: Corporate Communication Dept., CEO Office

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

Company names and services in this report are trademarks or registered trademarks of their respective companies.

Integrated Report Survey

Thank you for reading our Integrated Report 2025. We would appreciate it if you could share your feedback or suggestions, which will help us improve our future reports.

 https://krs.bz/irsep/m/septeni-integratedreport2025_en
