



Business Results of First Quarter of Fiscal Year September 2012

February 7, 2012

SEPTENI HOLDINGS CO., LTD.

<http://www.septeni-holdings.co.jp/english/>

Securities Code: 4293



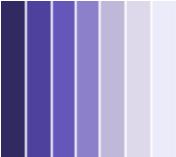
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※ Unless stated otherwise, all figures in this document are based on units of million yen.



1 ||| Quarterly Earnings Overview



1Q (Oct-Dec) Consolidated Earnings Highlights

||| Sales: ¥9,710mn (**Up 9.9%** year-over-year)

||| Operating Income: ¥366mn (**Up 32.9%** year-over-year)

Both figures represent **new quarterly record highs**

||| Favorable trends in **social games** contribute to profit growth

||| 12 SEPTENI Group companies move headquarters in December

Consolidated Income Statement (Oct-Dec)

	1Q FY9/12				1Q FY9/11		4Q FY9/11	
	Value	Share	YY Change	QQ Change	Value	Share	Value	Share
Net Sales	9,710	100.0%	+9.9%	+11.5%	8,832	100.0%	8,709	100.0%
Gross Income	2,006	20.7%	+21.5%	+26.0%	1,651	18.7%	1,593	18.3%
SG&A	1,640	16.9%	+19.2%	+25.8%	1,376	15.6%	1,304	15.0%
Operating Income	366	3.8%	+32.9%	+26.8%	275	3.1%	288	3.3%
Ordinary Income	407	4.2%	+53.3%	+27.5%	265	3.0%	319	3.7%
Net Income	128	1.3%	+0.9%	+67.2%	127	1.4%	76	0.9%

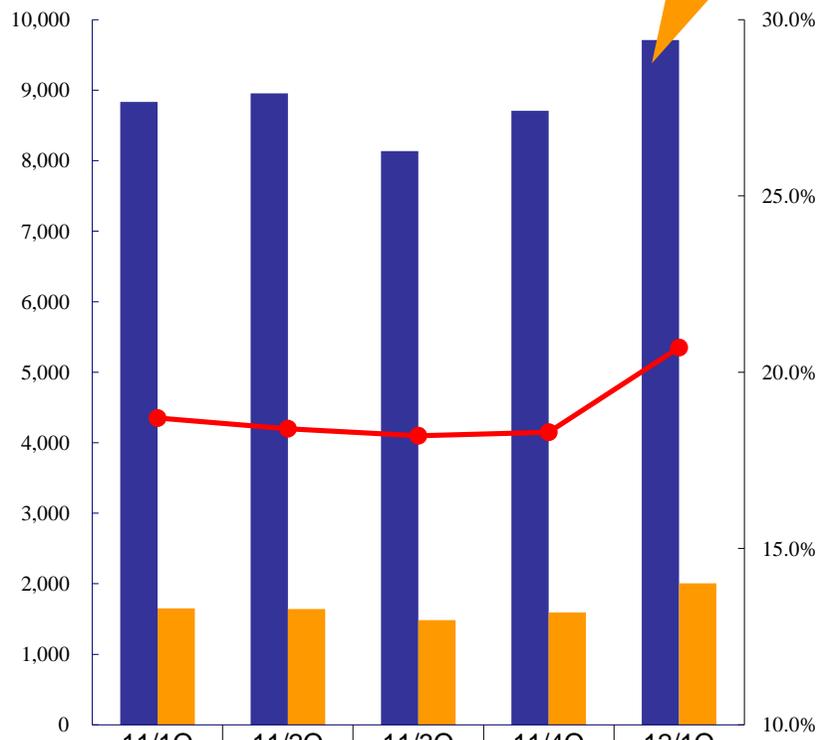
- ||| Contribution from highly profitable social games allowed gross margins to **improve to over 20%**
- ||| Losses from anticipatory investments in new businesses totaled ¥59mn
- ||| Extraordinary loss of ¥161mn recorded (¥154 million of this resulting from staged acquisition of AXEL MARK due to a merger)

Quarterly Consolidated Earnings Trend



Sales, Gross Income

Record High



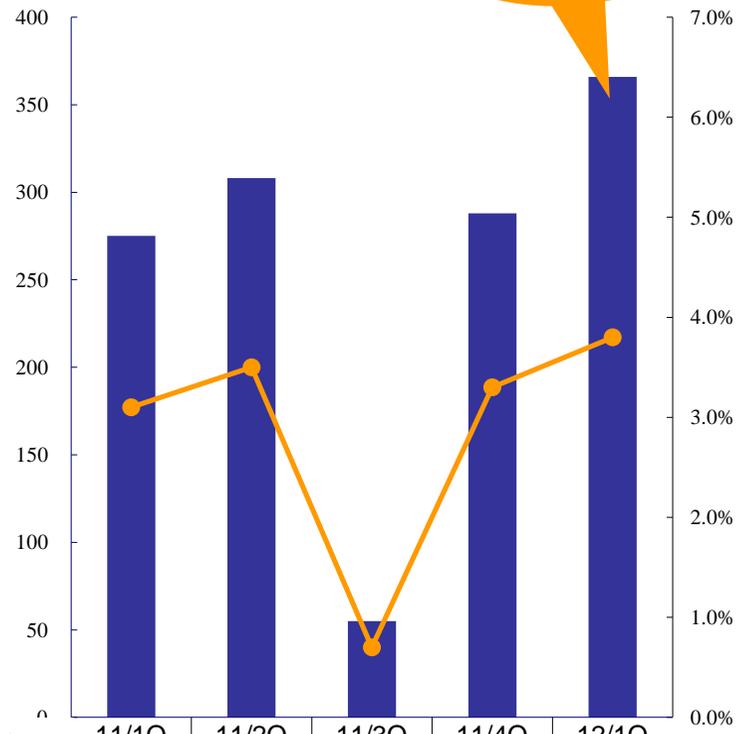
Sales
 Gross Income
 Gross Margin

11/1Q	11/2Q	11/3Q	11/4Q	12/1Q
8,832	8,953	8,136	8,709	9,710
1,651	1,643	1,483	1,593	2,006
18.7%	18.4%	18.2%	18.3%	20.7%



Operating Income

Record High



Operating Income
 Operating Margin

11/1Q	11/2Q	11/3Q	11/4Q	12/1Q
275	308	55	288	366
3.1%	3.5%	0.7%	3.3%	3.8%

Change in Business Segments

Our earnings will be divided into the three segments of **Internet Marketing**, **Media Contents**, and **Others** from the current term.

||| FY9/11

Internet Advertising Business
Internet Advertising Agency
Ad Network
Mobile Media Rep

Technology Business
Cloud CRM Type Services (Tricorn Corporation)
Social Application Development (Cytech, Inc.)

Contents Business
Mobile Contents

Direct Marketing Business
Direct Mail Outsourcing Services
In-Ship Advertising

Other Business
Commerce

||| From FY9/12

Internet Marketing Business

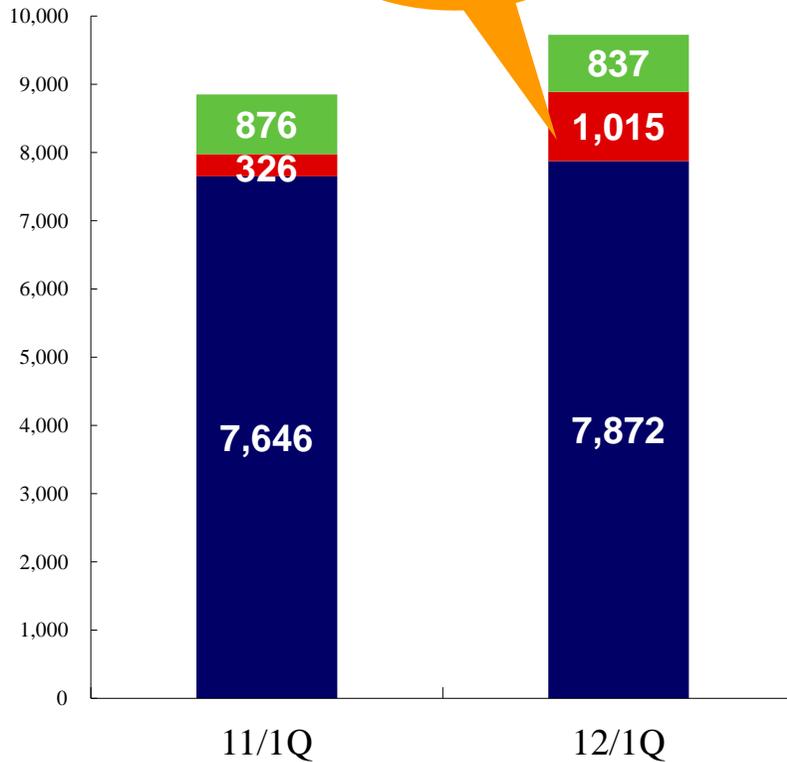
Media Contents Business

Others

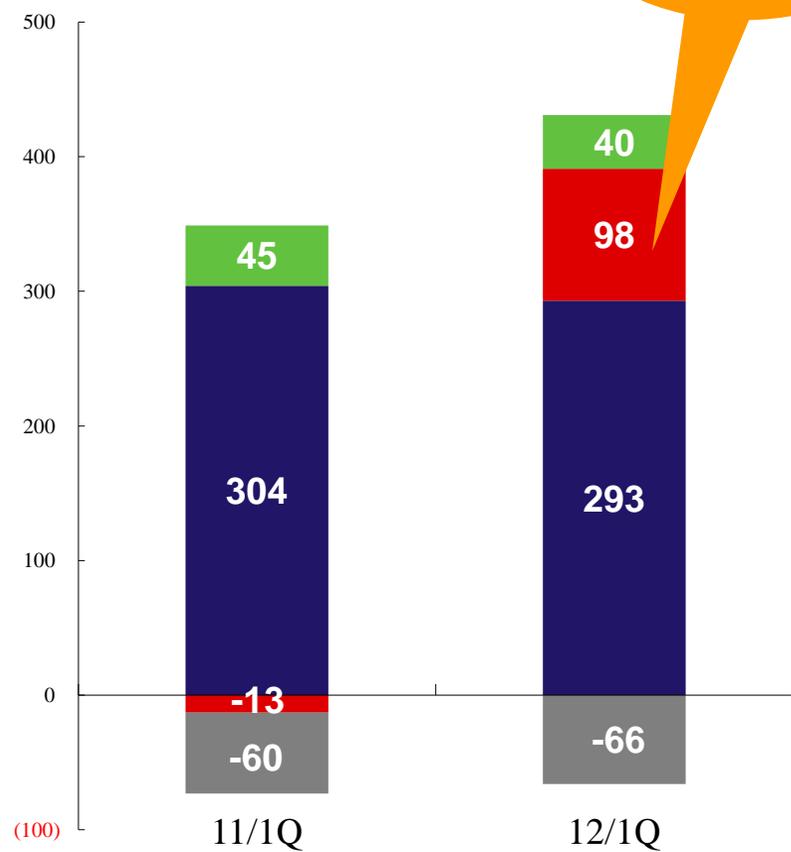
※ Reported business segments will be split between the two segments of Internet Marketing Business and Media Contents Business

Earnings By Business Segments (Oct-Dec)

Sales



Operating Income



Internet Marketing

Media Contents

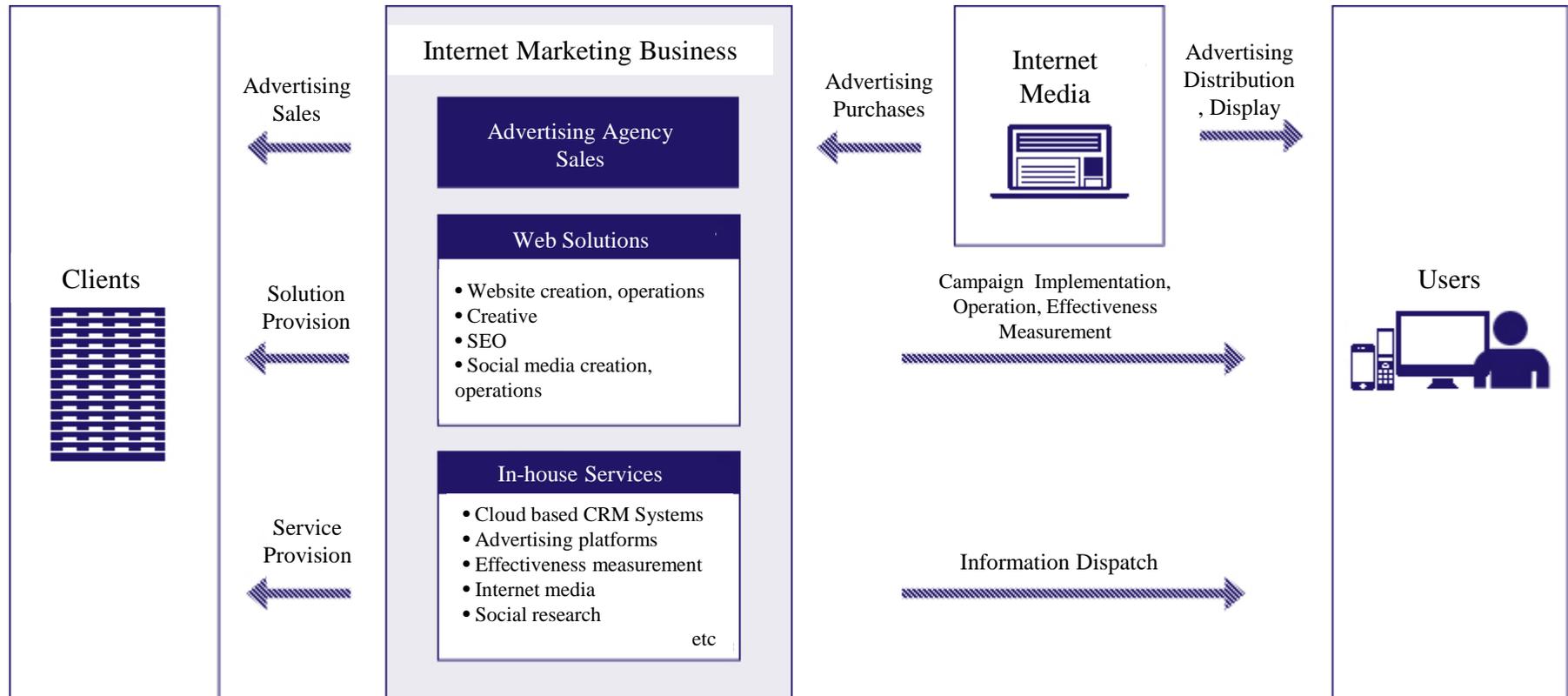
Others

Adjustments (Group wide expenses)

※ 1Q FY9/11 business segment earnings have been revised to reflect the new business segment definitions

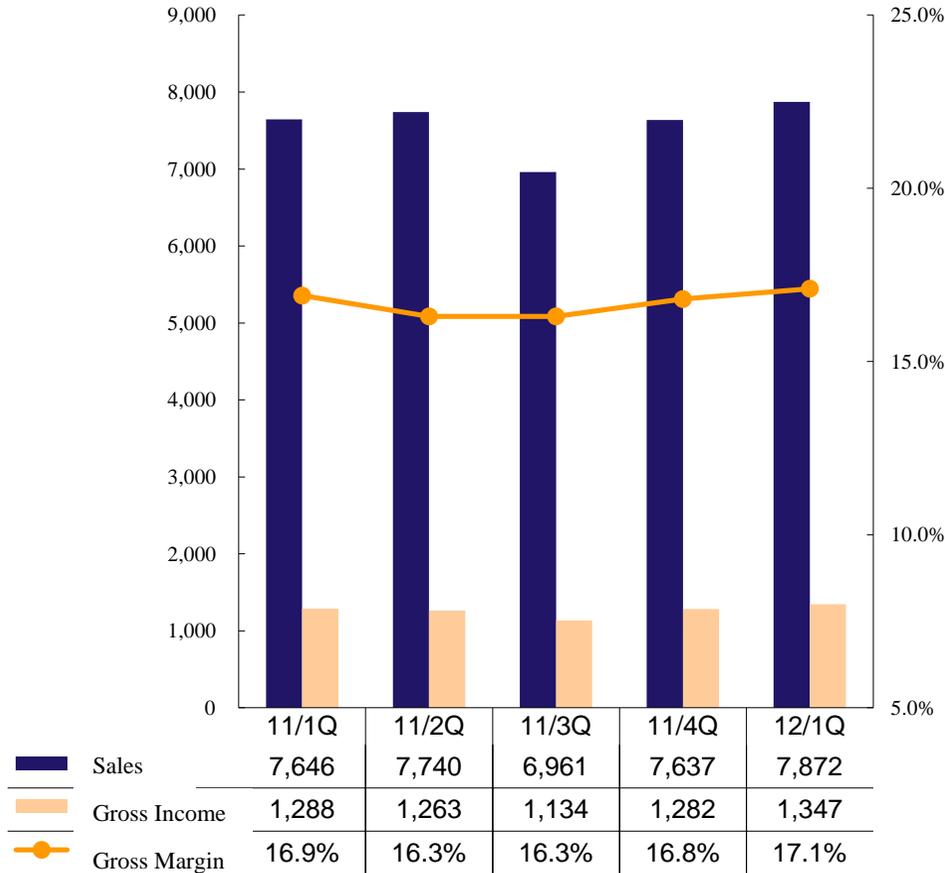
Internet Marketing Business Overview

Comprehensive **Marketing Support Services** for corporations leveraging the Internet. In addition to Internet advertising sales and provision of various web solutions, SEPTENI provides **In-house Services** such as marketing platforms including ad network, and cloud based CRM services.

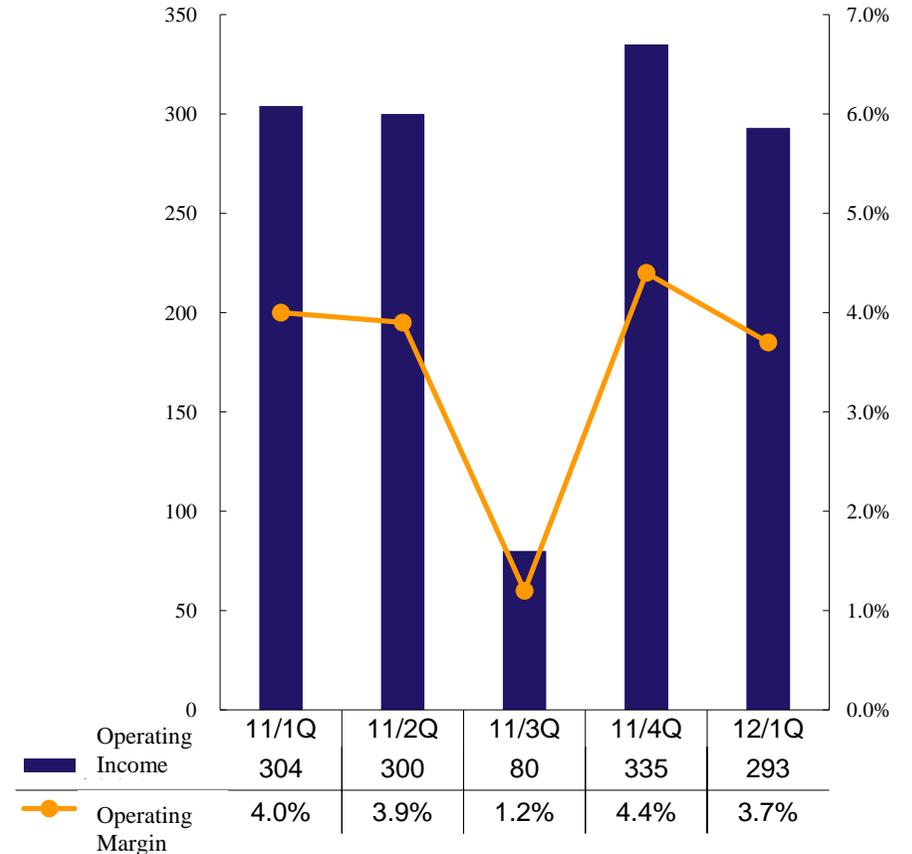


Internet Marketing Business Quarterly Earnings Trend

Sales, Gross Income



Operating Income



※ 1Q FY9/11 to 4Q FY9/11 business segment earnings have been revised to reflect the new business segment definitions

Internet Marketing Business Overview

1Q FY9/12 Earnings

	Value	YY Change	QQ Change
Sales	7,872	+2.9%	+3.1%
Gross Income	1,347	+4.6%	+5.1%
Gross Margin	17.1%	+0.2pt	+0.3pt
SG&A	1,054	+7.1%	+11.3%
Operating Income	293	-3.7%	-12.4%
Operating Margin	3.7%	-0.3pt	-0.7pt

Comments

- Internet advertising achieved **record high** sales
- Shift in demand to **smart phone advertising** continues, sales rose **1.4 times** quarter-over-quarter
- Strong demand for **Facebook** related services

Internet Marketing Business Growth Conditions, Efforts ①

Social Media

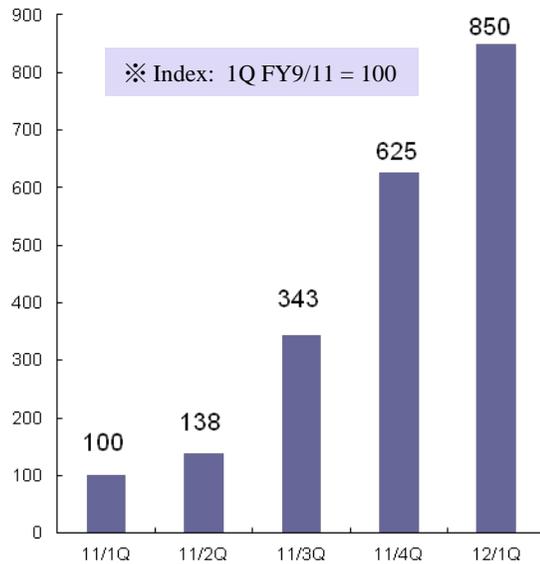
Facebook

Twitter

- Facebook related services volume grew 1.4 times qoq
- Facebook social gift application “BIRTHDAY CLAPPER” provision started

- New Twitter advertising service called Promoted Products sales started

Facebook Related Services Sales Trend

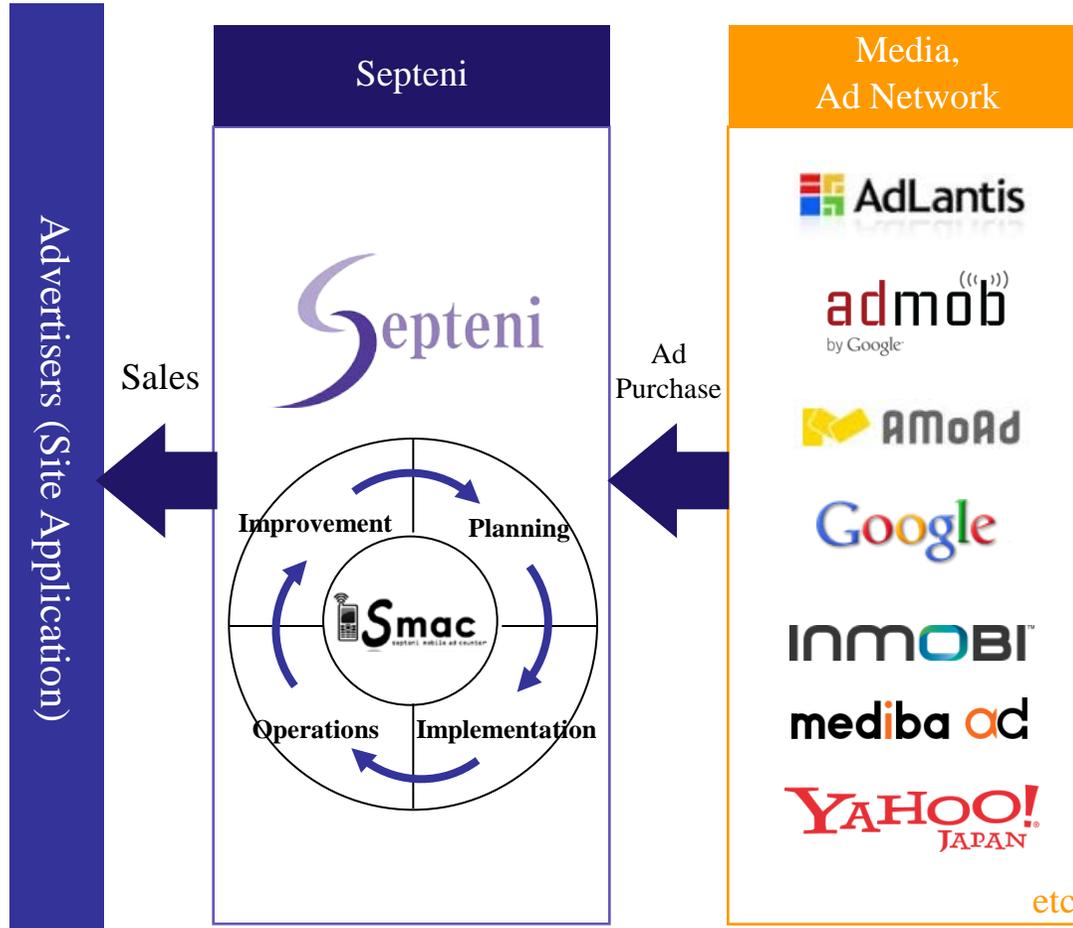


BIRTHDAY CLAPPER

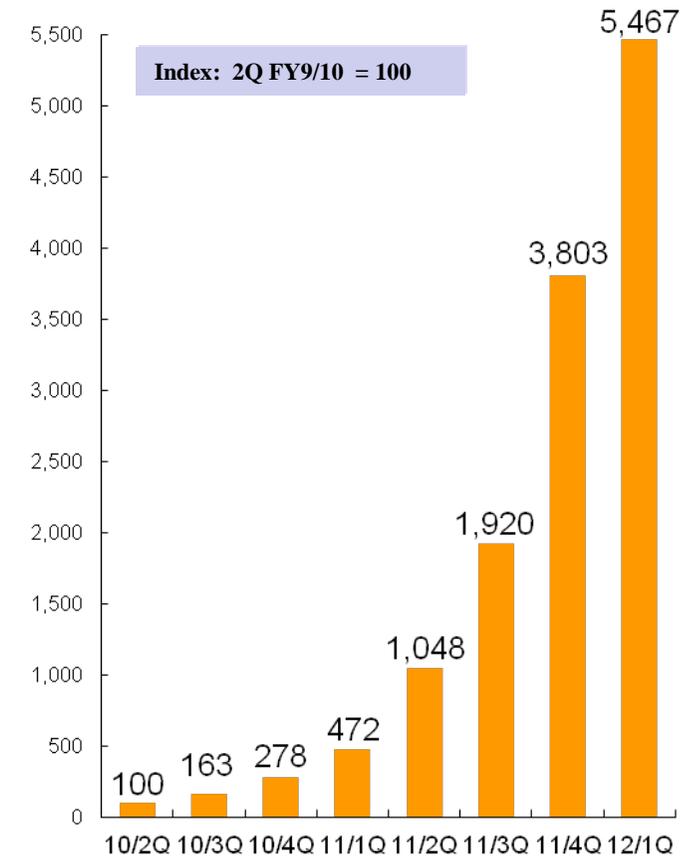


Internet Marketing Business Growth Conditions, Efforts ②

Smartphone Advertising



Smartphone Advertising Sales Trend



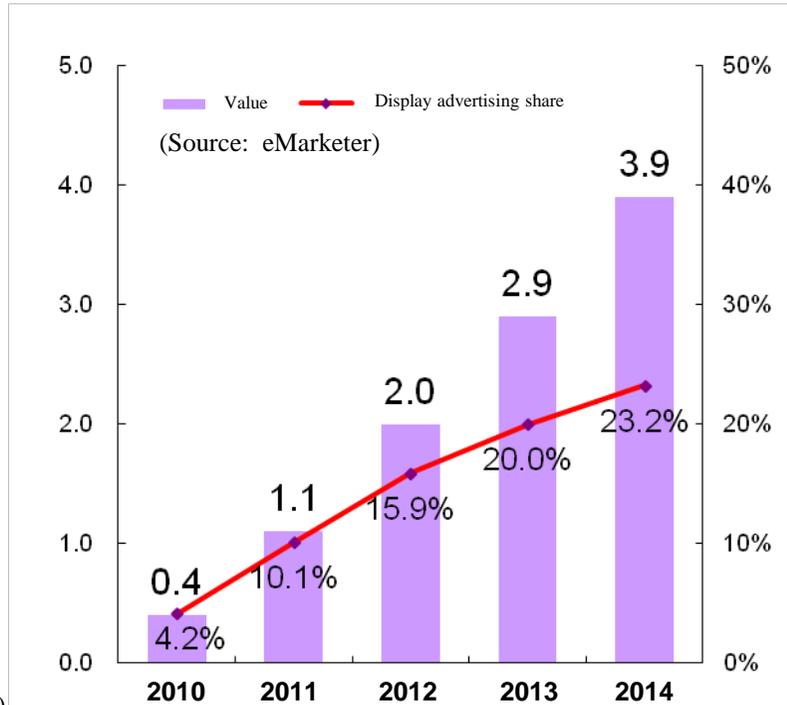
Internet Marketing Business Growth Conditions, Efforts ③

Ad Network

Ad network business segment spun off and established as “EAGLE i”, fortify display advertising business by leveraging ad technology

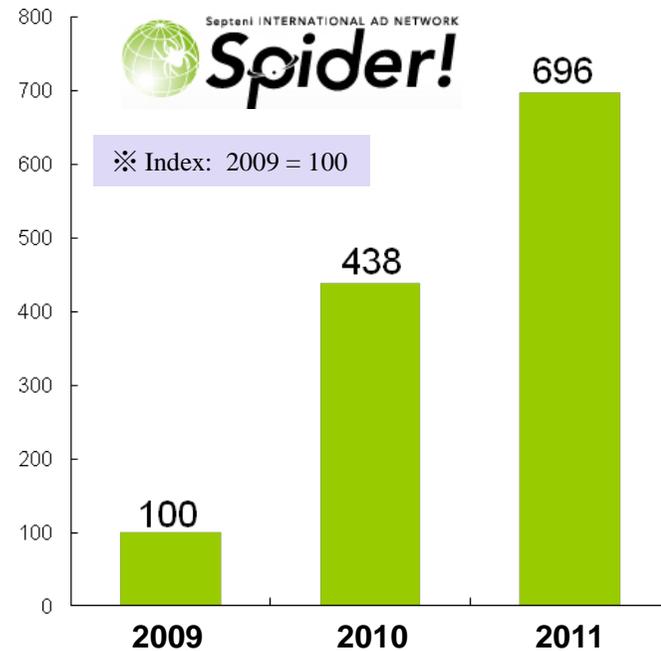


■ US RTB Exchange Market Scale Forecast



(\$1 billion)

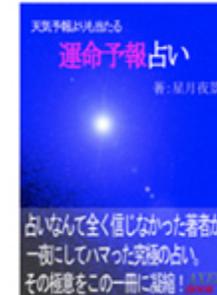
■ “Spider!” In-house Ad Network Sales Trend



※ Real Time Bidding (RTB) is the bidding process that determines the distribution of advertising and competitive bidding whenever an advertising impression arises

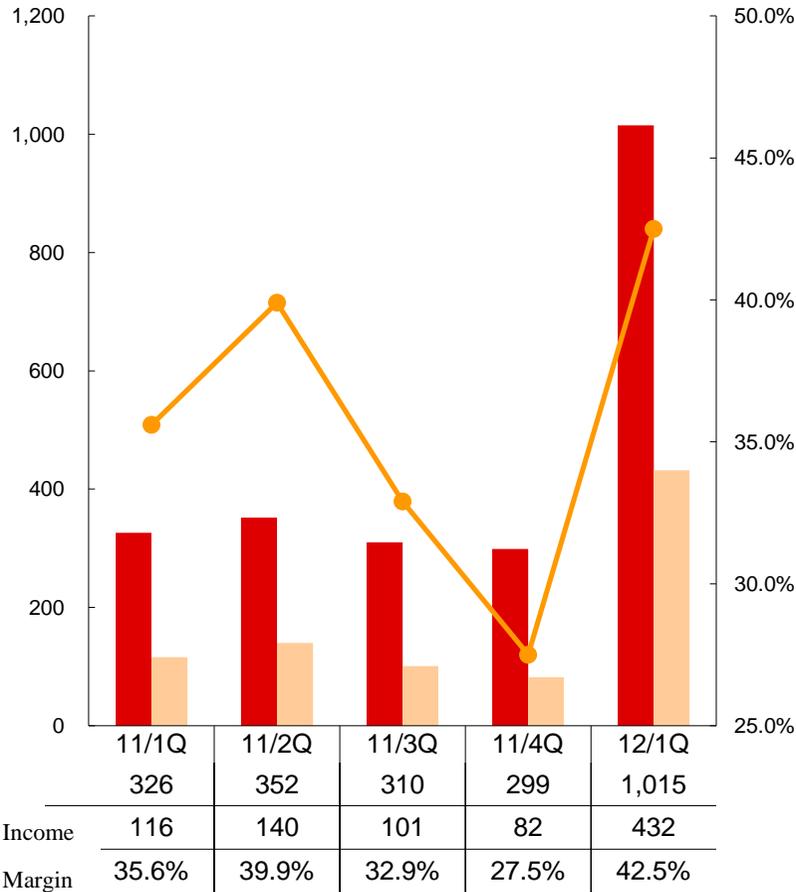
Media Contents Business Overview

Various digital contents planning and development including social games for smartphones and traditional cellular telephones provided to users across various platforms including SNS and cellular telephone service carriers. Also conduct other mobile media operations.

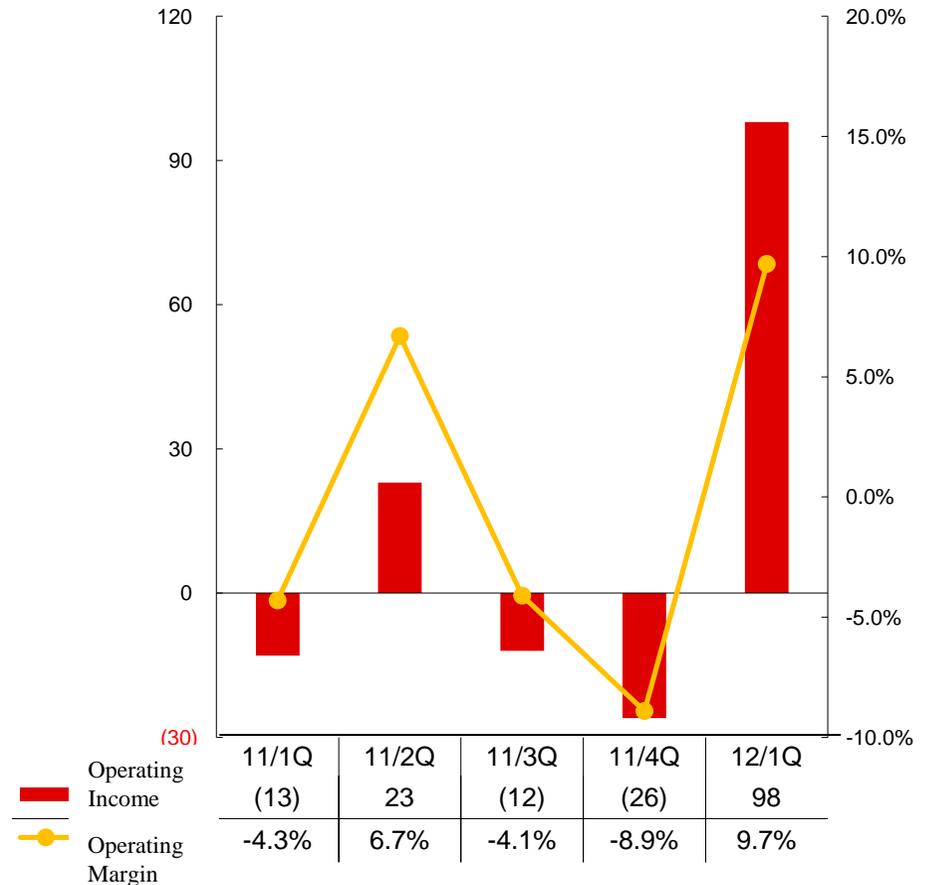


Media Contents Business Quarterly Earnings Trend

Sales, Gross Income



Operating Income



※ 1Q FY9/11 to 4Q FY9/11 business segment earnings have been revised to reflect the new business segment definitions

Media Contents Business Overview

1Q FY9/12 Earnings

	Value	YY Change	QQ Change
Sales	1,015	+210.8%	+239.6%
Gross Income	432	+271.6%	+425.8%
Gross Margin	42.5%	+6.9pt	+15.0pt
SG&A	333	+156.0%	+206.6%
Operating Income	98	(+112)	(+125)
Operating Margin	9.7%	+14.0pt	+18.6pt

Comments

- Business expansion resulting from merger of AXEL MARK and FROUTE
- Profits grew by a large margin due to large growth of social games sales to ¥350mn
- Fortified the social game business by reallocating personnel from other businesses

Media Contents Business Overview

Social Games Currently Being Provided to Users

<p>Providing Company</p>	 <p>AXELMARK AXEL MARK INC. (froute rex)</p>	 <p>CYTECH Cytech, Inc.</p>	
<p>Platforms</p>	<p>mobage</p>		
<p>Titles</p>	 <p>Kingdom Chronicle</p>	 <p>Ousama Game (King Game)</p>	 <p>Legend of Grimoire Maiden Incarnation</p>
<p>Categories</p>	<p>Card Battle Games</p>		
<p>Registered Users (As of January 31, 2012)</p>	<p>About 830,000 (Combined Total)</p>		<p>About 200,000</p>

First Half FY9/12 Consolidated Earnings Estimates

Considering changes in our business environment, we will announce earnings estimates for only the **quarter** immediately following the period for which results are announced from the current term

(First Half FY9/12 earnings estimates announced at the time of the announcement of our 1Q FY9/12 earnings results)

	1H FY9/11	1Q	2Q Estimates	1H FY9/12 Estimates	YY Change
Sales	17,786	9,710	9,900	19,610	+10.3%
Operating Income	584	366	400	766	+31.1%
Ordinary Income	563	407	420	827	+46.7%
Net Income	293	128	240	368	+25.3%

- Internet marketing business and media contents business expected to see growth in both sales and profits during 2Q (Jan-Mar)

Midterm Business Plan Overview

Concept

”SEPTENI Original”

Converting **in-house services** into new businesses through aggressive investments in growth fields

Create **high growth, high profitability** business models

Business Focus

Mobile

Social

Platforms

Earnings Targets (FY9/13)

Sales: **¥50.0bn**

Operating Income: **¥3.0bn**

Thank you very much for your interest!



Contact Information

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All estimates, opinions and plans provided in this document are based on the best information available at the time of the creation of this document on February 7, 2012 and we do not guarantee their accuracy. Therefore our actual results may differ due to various unforeseen risk factors and changes in global economies.



2 ||| Appendix

Company Overview

As of December 31, 2011

Company Name	SEPTENI HOLDINGS CO., LTD.
Representative	President and Representative Director Koki Sato
Headquarters	Sumitomo Fudosan Shinjuku Grand Tower 28 th Floor, 8-17-1 Nishishinjuku, Shinjuku-ku, Tokyo
Stock Code	4293 (JASDAQ)
Business Realm	The holding company for a group of companies conducting Internet advertising and other businesses
Established	October 29, 1990
Capitalization	¥2,007 million
Shares Issued	134,749 shares (Including 8,923 treasury shares)
Consolidated Workforce	675 Full time employees, 744 Full time and contracted employees

Main Group Companies by Business Segment

Holding Company

SEPTENI HOLDINGS CO., LTD.

As of February 7, 2012

Internet Marketing Business

SEPTENI CO., LTD.	Internet Advertising
mume, Inc	Mobile Advertising
MANGO, Inc.	SEM Operation
Vasara Inc.	Internet Advertising
HighScore, Inc.	Social Media Marketing Support
GRP Co., Ltd.	Television Advertising
EAGLE i Co., Ltd.	Ad Network
SETPENI CROSSGATE CO., LTD.	Affiliate Network
ASP CO., LTD.	e-Marketing Solutions
Tricorn Corporation	CRM Services
TRIGGER INC.	Social Research

Media Contents Business

AXEL MARK INC.	Mobile Contents
Cytech, Inc.	Social Applications

Other Business

SEPTENI DIRECTMARKETING CO., LTD.	Direct Mail
ACRESS	Mail-order

New Business Development

SEPTENI VENTURES Co., Ltd.

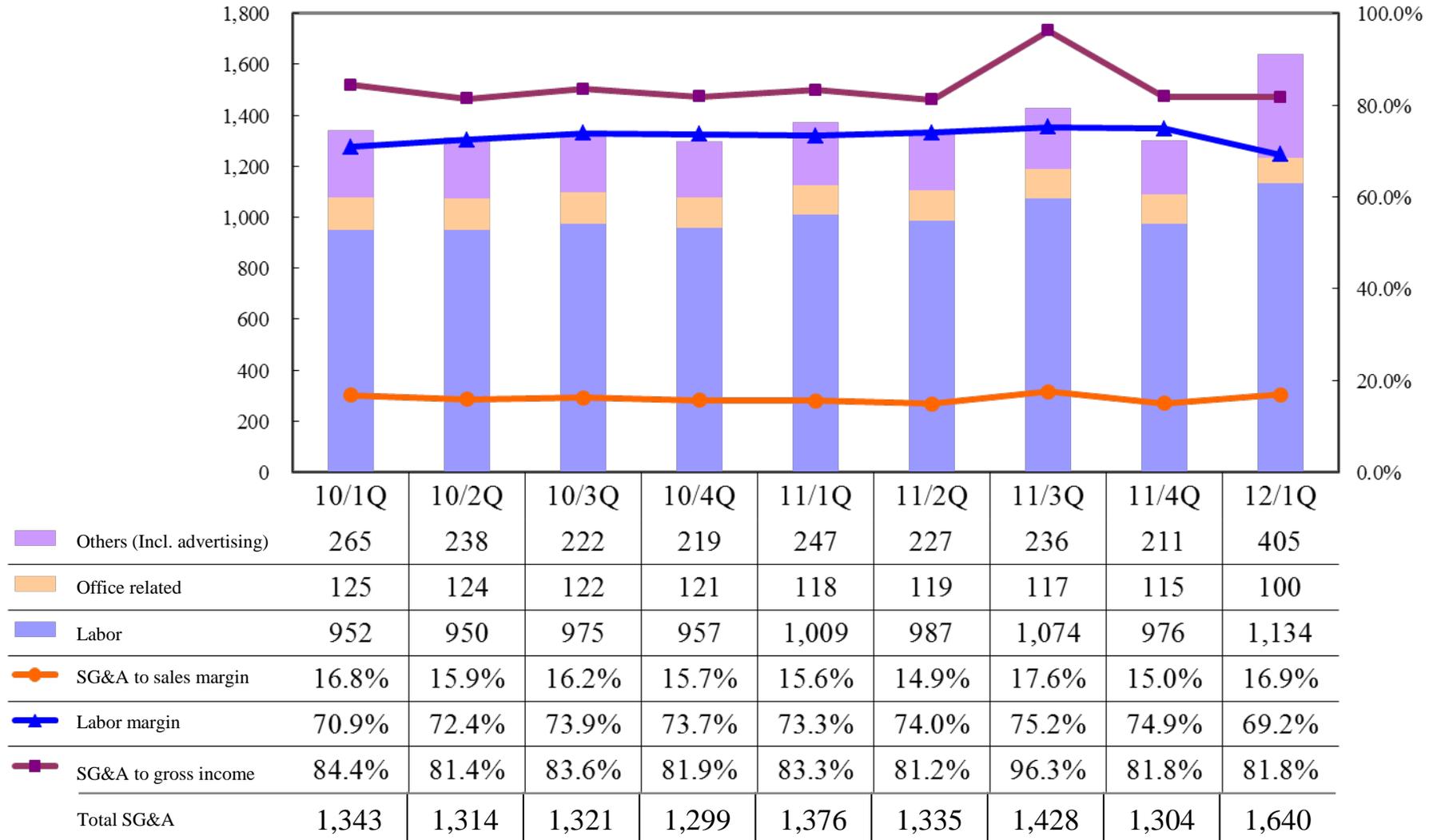
Consolidated Balance Sheet

	End 1Q FY9/12	End FY9/11	Change	Main Changes
Current Assets	10,119	9,362	+756	Cash, equivalents: +99 Notes, accounts receivables: +546
Fixed Assets	3,127	2,819	+308	Structures: +242, Goodwill: +278 Marketable securities: -347
Total Assets	13,247	12,182	+1,065	
Current Liabilities	6,277	5,711	+565	Short term debt: +118, Payables: +515 Unpaid taxes: -156
Fixed Liabilities	296	127	+168	Long term debt: +183
Total Liabilities	6,574	5,839	+734	
Total Net Assets	6,673	6,342	+330	Minority interests: +327
Total Liabilities, Net Assets	13,247	12,182	+1,065	

Consolidated Cash Flow

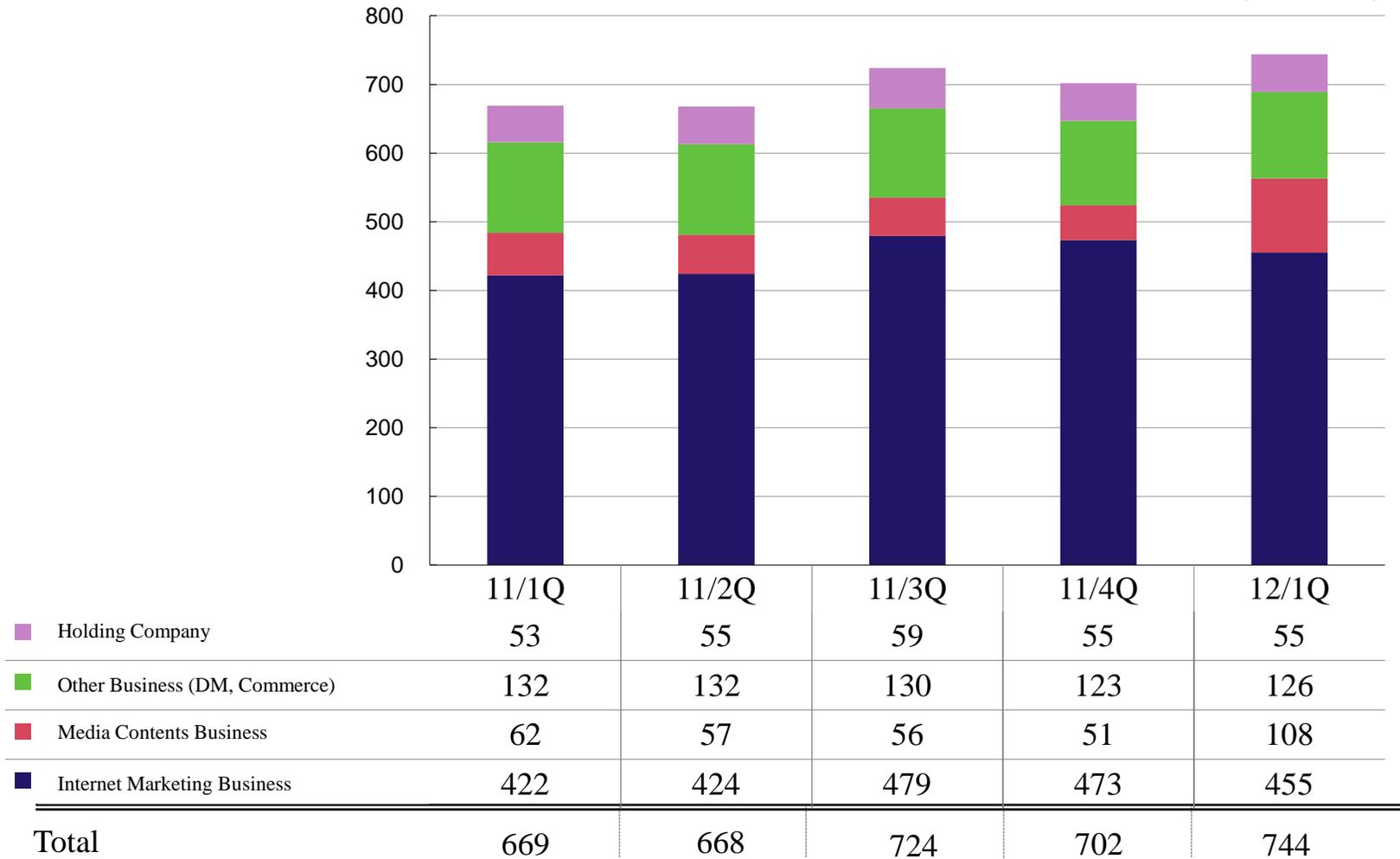
	1Q FY9/12	Main Changes	1Q FY9/11
Cash Flow from Operating Activities	-76	Net income before taxes, adjustments: +256 Corporate tax payment: -231	-70
Cash Flow from Investing Activities	-41	Acquisition of tangible fixed assets: -20	0
Cash Flow from Financing Activities	76	Increase in debt: +209 Dividend payment: -125	-394
Change in Cash and Equivalents	-41		-464
Changes in Cash and Equivalents Resulting from Merger of Consolidated Subsidiaries	140		—
Cash and Equivalents at Term End	4,552		5,111

Consolidated SG&A Expense Trend



SEPTENI Group Work Force Number Trend

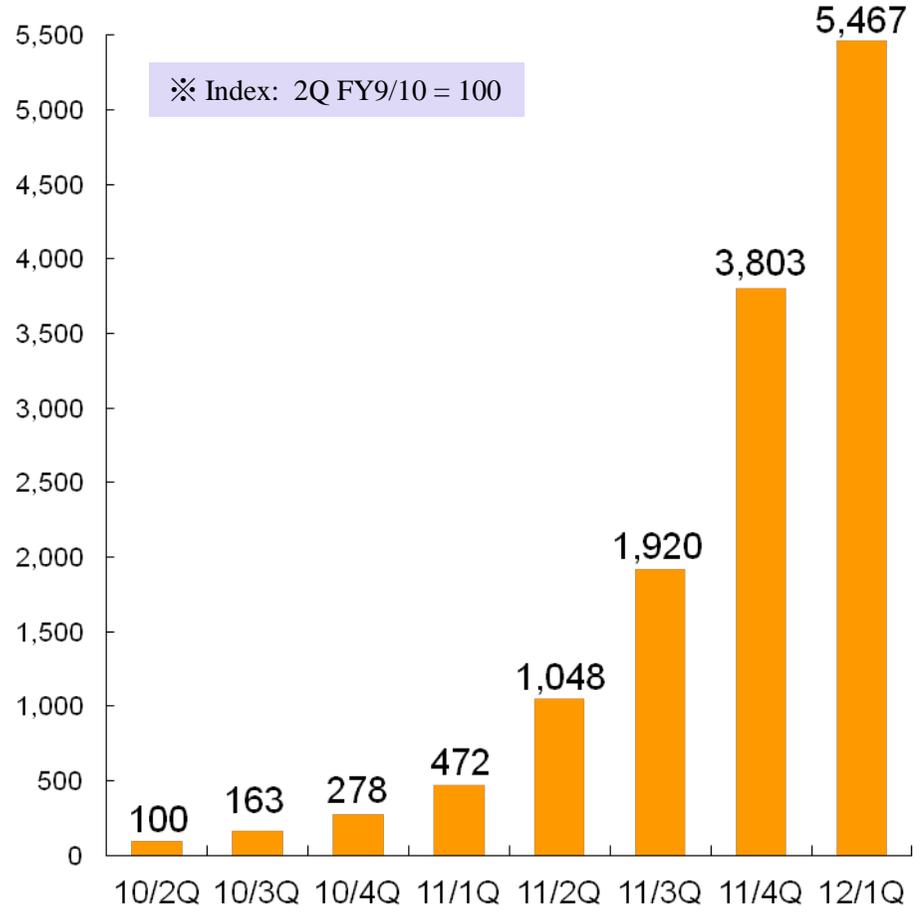
(Units: Persons)



※ 1Q FY9/11 to 4Q FY9/11 business division data adjusted to reflect new business division definitions.

Internet Marketing Business Focus

Smartphone Advertising Sales Trend



Facebook Related Sales Trend

