



Business Results For 4Q and Full Fiscal Year September 2011

November 4, 2011

SEPTENI HOLDINGS CO., LTD.

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

Securities Code: 4293

I. Quarterly Earnings Overview

P3~P14

II. Review of Fiscal Year September 2011

P15~P25

III. Midterm Business Plan and New Businesses

P26~P30

IV. Fiscal Year September 2012 Policies

P31~P34

V. Appendix

P35~P46

All forward looking forecasts, opinions, and plans presented in this document are based on the best information available at the time of its creation on November 4, 2011, and their accuracy cannot be guaranteed. Our earnings may diverge from the estimates and projections denoted in this document due to risks arising from changes in global market conditions and various other unforeseen factors.



I. Quarterly Earnings Overview

- ◆ Contribution from recovery in Internet Advertising Business boosted sales by 7.0% quarter-over-quarter
- ◆ Higher sales and cost controls allowed operating income to record a “V” shaped recovery and grow 5.2 times quarter-over-quarter
- ◆ Costs associated with move of our headquarters and other factors led to ¥158 million in extraordinary loss

Consolidated Income Statement (Jul-Sep)

(Units: Million Yen)

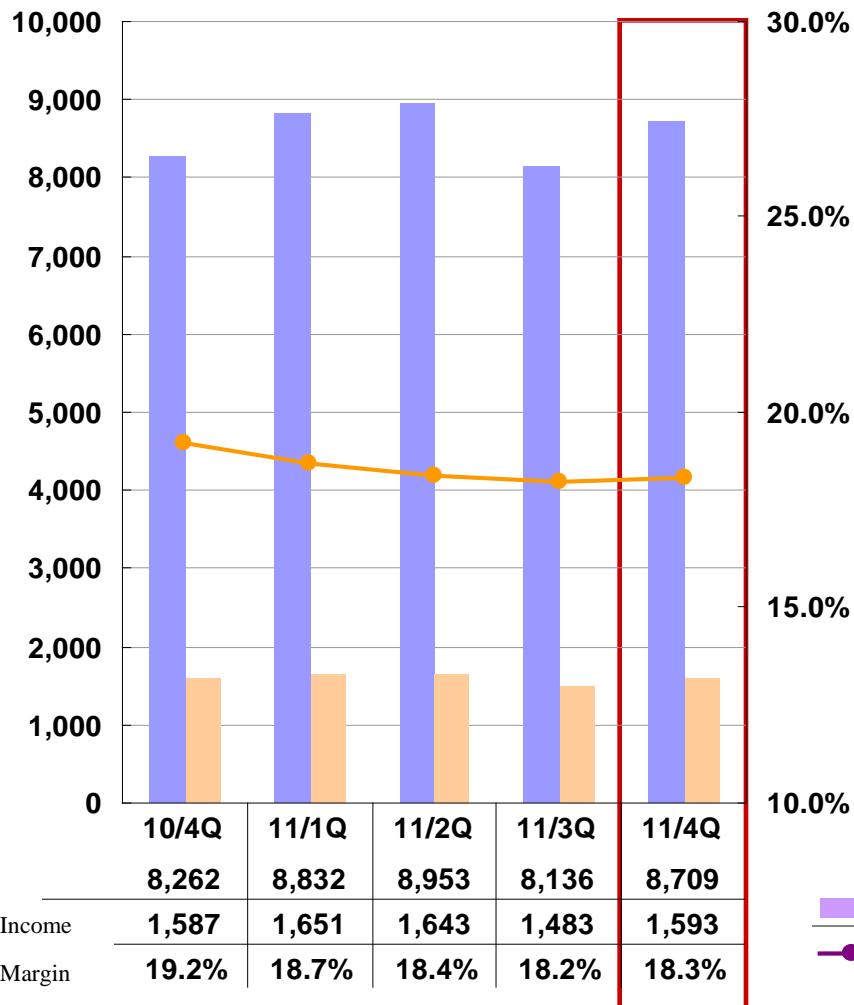
Income Statement	4Q FY9/11				4Q FY9/10		3Q FY9/11	
	Value	Share	YY Change	QQ Change	Value	Share	Value	Share
Net Sales	8,709	100.0%	+5.4%	+7.0%	8,262	100.0%	8,136	100.0%
Gross Income	1,593	18.3%	+0.3%	+7.4%	1,587	19.2%	1,483	18.2%
SG&A	1,304	15.0%	+0.4%	-8.7%	1,299	15.7%	1,428	17.6%
Operating Income	288	3.3%	+0.0%	+421.2%	288	3.5%	55	0.7%
Ordinary Income	319	3.7%	+11.7%	+230.4%	285	3.5%	96	1.2%
Net Income	76	0.9%	-66.5%	+31.2%	229	2.8%	58	0.7%

- ◆ Success of cost controls in reducing primarily labor costs helped to lower SG&A by ¥123mn qoq
- ◆ Anticipatory investment in new businesses led to a loss of ¥39mn
- ◆ Extraordinary loss of ¥158mn incurred (¥67mn for headquarter move, ¥52mn for valuation loss on marketable securities)

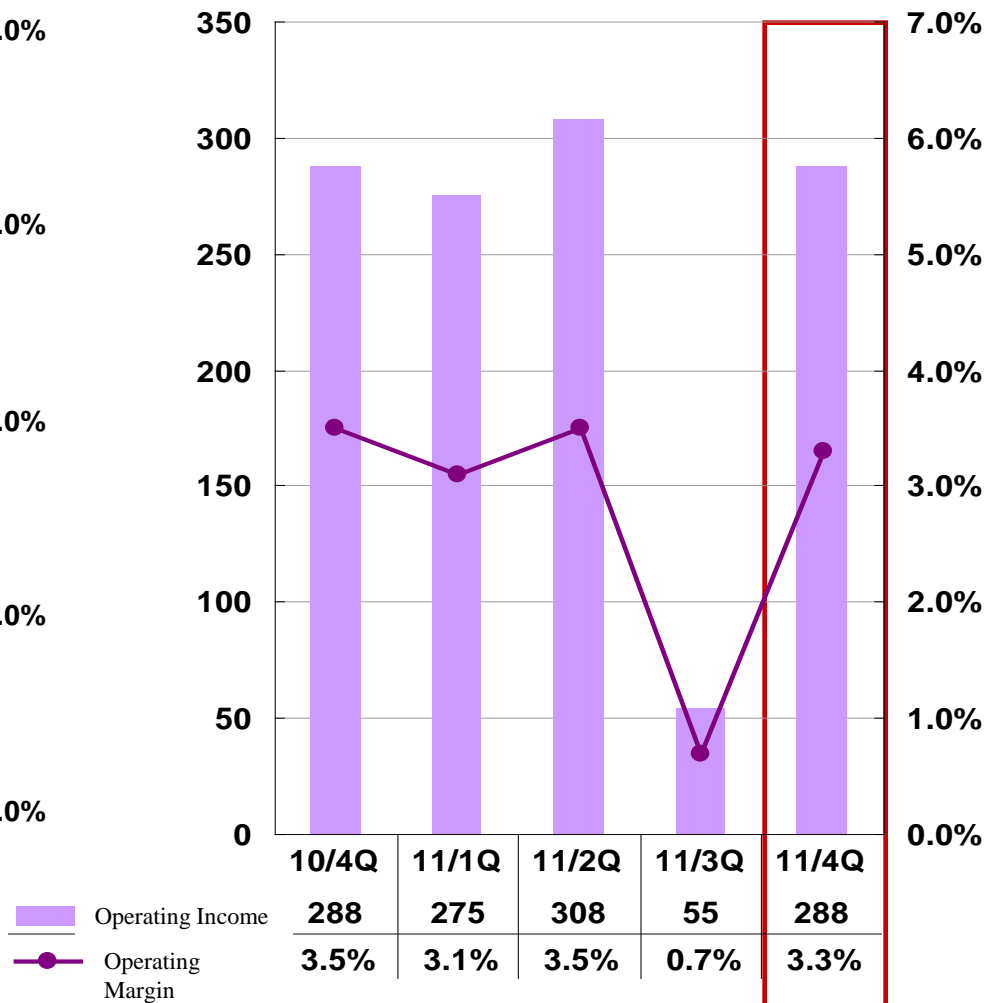
Trends in Quarterly Consolidated Earnings

(Units: Million Yen)

【 Sales • Gross Income 】



【 Operating Income 】



Changes in Business Segments

Internet Related Business Split Into Technology and Contents Businesses

【 FY9/10 】

Internet Advertising
Internet Advertising Agency
Ad Network
Mobile Media Rep

Internet Related Business
Technology
Mobile Contents

Direct Marketing
Direct Mail Outsourcing Services
In-Ship Advertising

Other Business
Commerce

【 From FY9/11 】

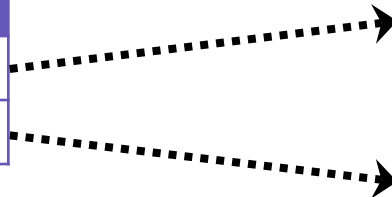
Internet Advertising
Internet Advertising Agency
Ad Network
Mobile Media Rep

Technology Business
Technology

Contents Business
Mobile Contents

Direct Marketing
Direct Mail Outsourcing Services
In-Ship Advertising

Other Business
Commerce



Main Business Segment Earnings (Jul-Sep)

(Units: Million Yen)

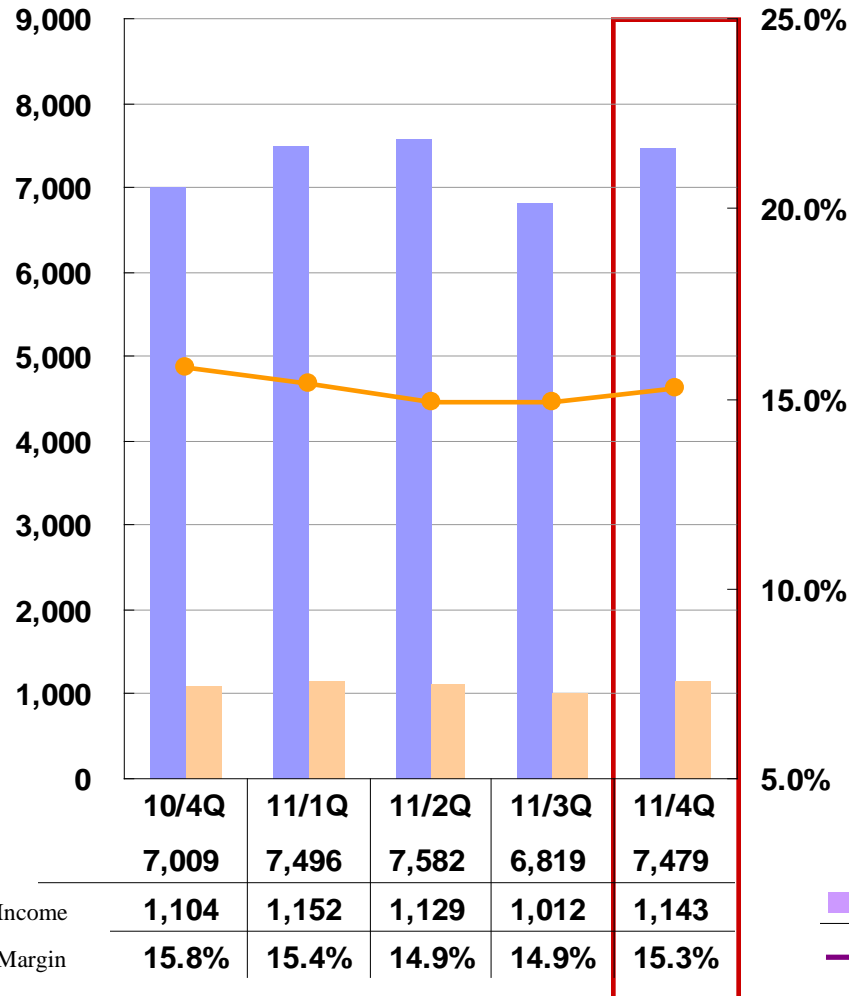
Business Segments	Sales			Operating Income		
	4Q FY9/11	4Q FY9/10	YY Change	4Q FY9/11	4Q FY9/10	YY Change
Internet Advertising	7,479	7,009	+6.7%	301	303	-0.6%
Technology	175	182	-3.7%	41	47	-12.1%
Contents	288	301	-4.5%	-17	-1	(-15)
Direct Marketing	523	524	-0.2%	32	36	-8.5%
Other Business (Commerce)	266	277	-3.8%	8	-13	(+21)
Segment Eliminations	-23	-33	—	-77	-82	—
Consolidated Accounts	8,709	8,262	+5.4%	288	288	+0.0%

※ FY9/10 business segment earnings adjusted to reflect new business division definitions

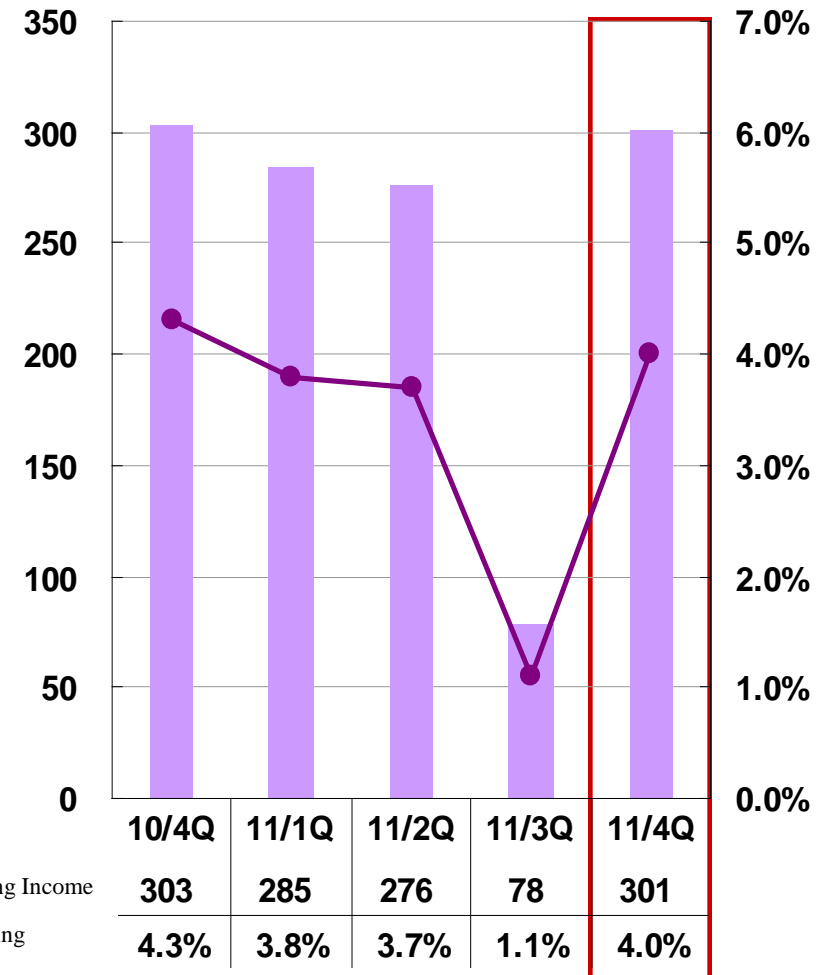
Internet Advertising Business Quarterly Earnings Trend

【Sales • Gross Income】

(Units: Million Yen)



【Operating Income】



4Q FY9/11

	Value	YY Change	QQ Change
Sales	7,479	+6.7%	+9.7%
Gross Income	1,143	+3.6%	+12.9%
Gross Margin	15.3%	-0.5pt	+0.4pt
SG&A	842	+5.2%	-9.9%
Operating Income	301	-0.6%	+286.0%
Operating Margin	4.0%	-0.3pt	+2.9pt

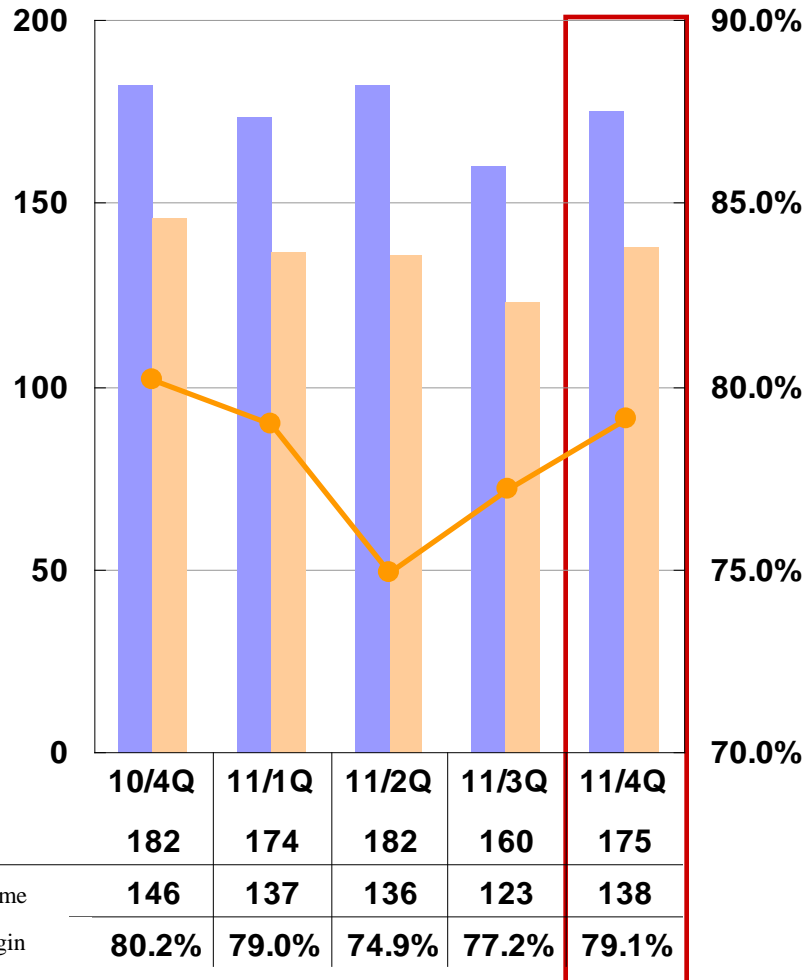
Overview

- ◆ Earnings recovered to pre-earthquake levels on earnings improvement measures implemented from July and recovery in advertising demand
- ◆ Shift in advertising demand from feature phone to smartphone contributed to 13.6% yoy increase in mobile advertising sales
- ◆ Favorable trend in web solutions contribute to improvement in gross margins

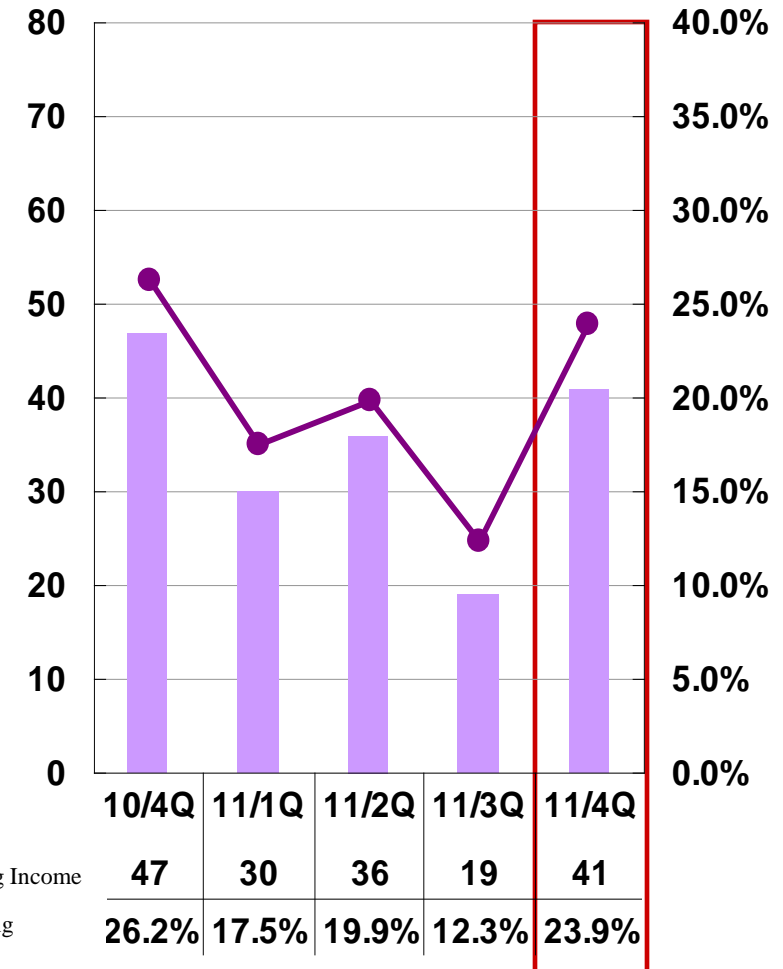
Technology Business Quarterly Earnings Trend

(Units: Million Yen)

【 Sales • Gross Income 】



【 Operating Income 】



※ 4Q FY9/10 earnings data adjusted to reflect new business segment definitions

4Q FY9/11

	Value	YY Change	QQ Change
Sales	175	-3.7%	+9.6%
Gross Income	138	-5.1%	+12.2%
Gross Margin	79.1%	-1.1pt	+1.9pt
SG&A	96	-1.7%	-6.9%
Operating Income	41	-12.1%	+113.8%
Operating Margin	23.9%	-2.3pt	+11.6pt

Overview

【 Tricorn Corporation 】

- ◆ Achieved year-over-year and quarter-over-quarter growth in both sales and profits
- ◆ Introduced installed server CRM system at major financial institutions

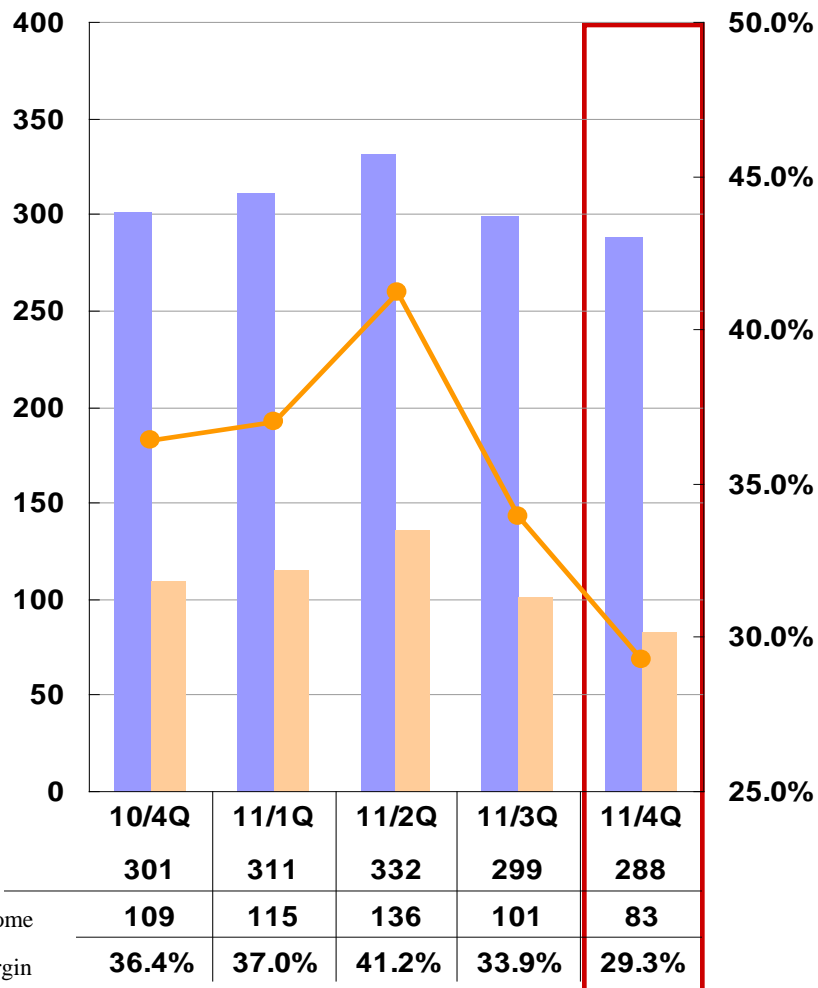
【 Cytech, Inc. 】

- ◆ New social game “Legend of Grimoire Maiden Incarnation” released on September 28

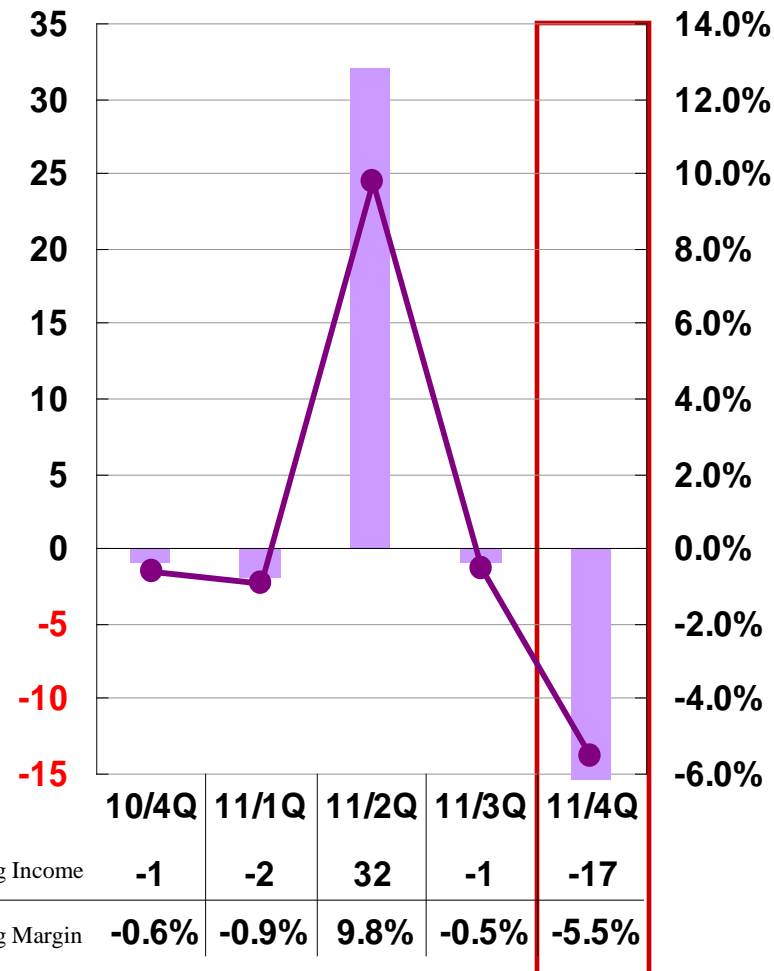
Contents Business Quarterly Earnings Trends

(Units: Million Yen)

【 Sales • Gross Income 】



【 Operating Income 】



※ 4Q FY9/10 earnings data adjusted to reflect new business segment definitions

4Q FY9/11

	Value	YY Change	QQ Change
Sales	288	-4.5%	-3.7%
Gross Income	83	-24.3%	-17.9%
Gross Margin	28.9%	-7.5pt	-5.0pt
SG&A	100	-9.8%	-1.9%
Operating Income	-17	(-15)	(-16)
Operating Margin	-6.1%	-5.5pt	-5.6pt

Overview

- ◆ Continued high growth with number of charges for smartphone applications rising 76% quarter-over-quarter
- ◆ Management structure renewed after merger of AXEL MARK and FROUTE (Implemented October 1, 2011)
- ◆ Social game “Kingdom Chronicle” released in September by FROUTE sees strong registrations of over 100,000 users



II. Review of Fiscal Year September 2011

Full Year Consolidated Earnings Highlights

- ◆ Record high sales achieved for the first time in two years, Internet Advertising Business driver of growth despite negative impact of earthquake
- ◆ Aggressive investments in new businesses compounded loss of sales from earthquake to reduce operating income
- ◆ Increase in tax expense from previous term impacted net income

Consolidated Income Statement (Full Year)

(Units: Million Yen)

	FY9/11			FY9/10	
	Value	Share	YY Change	Value	Share
Net Sales	34,632	100.0%	+6.1%	32,648	100.0%
Gross Income	6,372	18.4%	-0.1%	6,376	19.5%
SG&A	5,443	15.7%	+3.1%	5,278	16.2%
Operating Income	928	2.7%	-15.4%	1,098	3.4%
Ordinary Income	980	2.8%	-4.3%	1,024	3.1%
Net Income	429	1.2%	-21.4%	545	1.7%

- ◆ Non-operating income and expense improved by ¥125mn year-over-year on back of income from equity in earning of affiliates
- ◆ Extraordinary loss of ¥197mn incurred (Headquarter move: ¥98mn, Marketable securities valuation loss: ¥53mn)
- ◆ Corporate tax rate rose to 50.0% (31.0% in previous term)

Earnings by Business Segment (Full Year)

(Units: Million Yen)

Business Segments	Sales			Operating Income		
	FY9/11	FY9/10	YY Change	FY9/11	FY9/10	YY Change
Internet Advertising	29,377	27,387	+7.3%	941	1,146	-17.9%
Technology	692	711	-2.7%	128	178	-27.8%
Contents	1,231	1,342	-8.3%	10	36	-70.4%
Direct Marketing	2,310	2,242	+3.0%	154	184	-16.1%
Other Business (Commerce)	1,101	1,097	+0.4%	22	-60	(+82)
Segment Eliminations	-80	-131	—	-328	-386	—
Consolidated Accounts	34,632	32,648	+6.1%	928	1,098	-15.4%

※ FY9/10 business segment earnings adjusted to reflect new business division definitions.

Development of **New Opportunities**

- ◆ Mass production of new businesses, development of new business realms
- ◆ Achieve organic growth (Growth sales and profits)
- ◆ Improve the technological strengths of SEPTENI Group

Internet Advertising Business

- Fortify the mobile advertising business structure to increase the pace of growth
- Expand scope of investments in the realm of social media
- Develop small to medium sized company market using regional offices, new companies

Technology Business

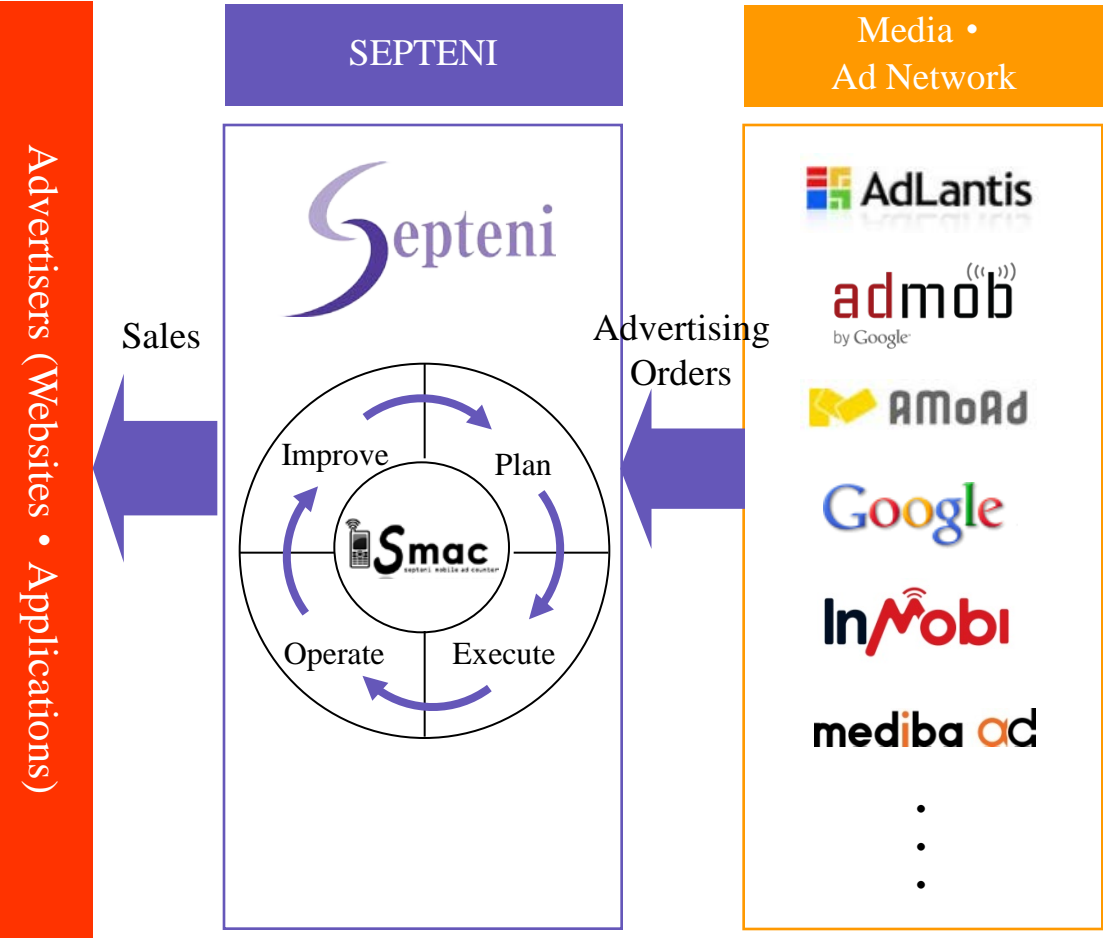
- Fortify web marketing realm

Contents Business

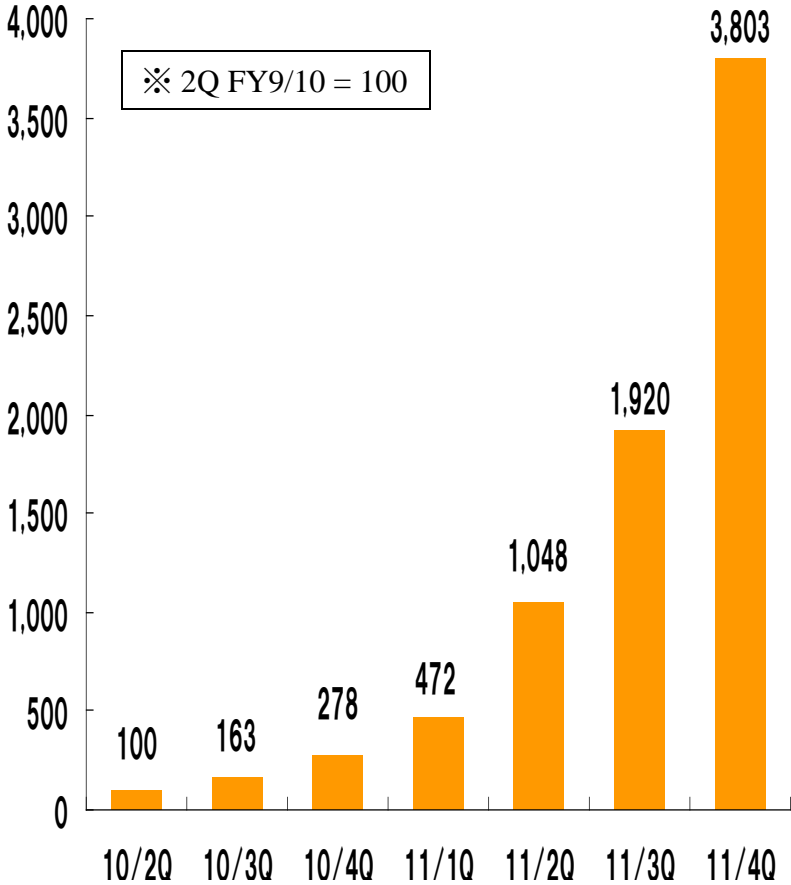
- Promote strategy adapted to multiple platforms, increase distribution to smartphones, tablet PCs

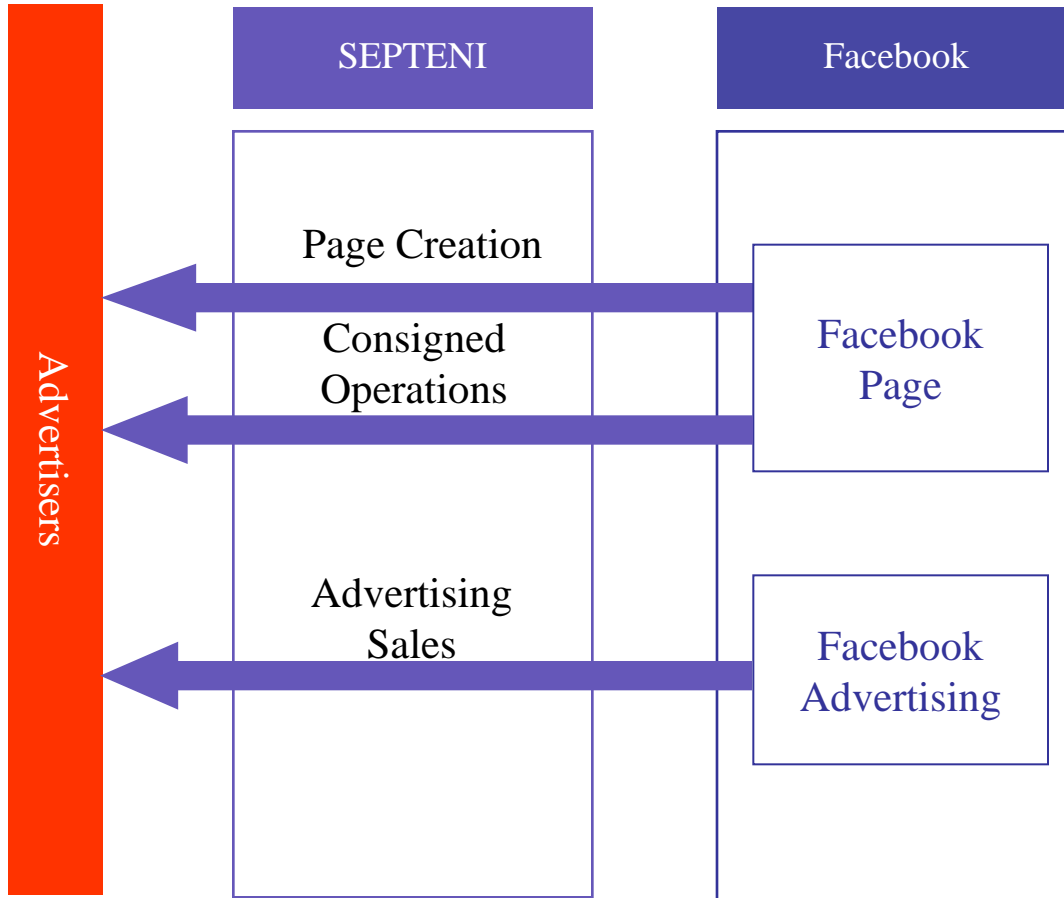
Internet Advertising Business

- While sales growth was achieved, inability to achieve targeted level of sales due to earthquake disaster led to decline in profit
- Sales rose by 12 times year-over-year on efforts to expand smartphone advertising, expanded to 28.1% share of total mobile advertising
- Facebook related services started (webpage creation, operational support, advertising), sales grew by 6 times in 4Q compared with 1Q
- Establishment of sales offices in Sendai, Niigata, and Kanazawa Cities, bringing total number of regional offices to 8 and will contribute acceleration in regional expansion

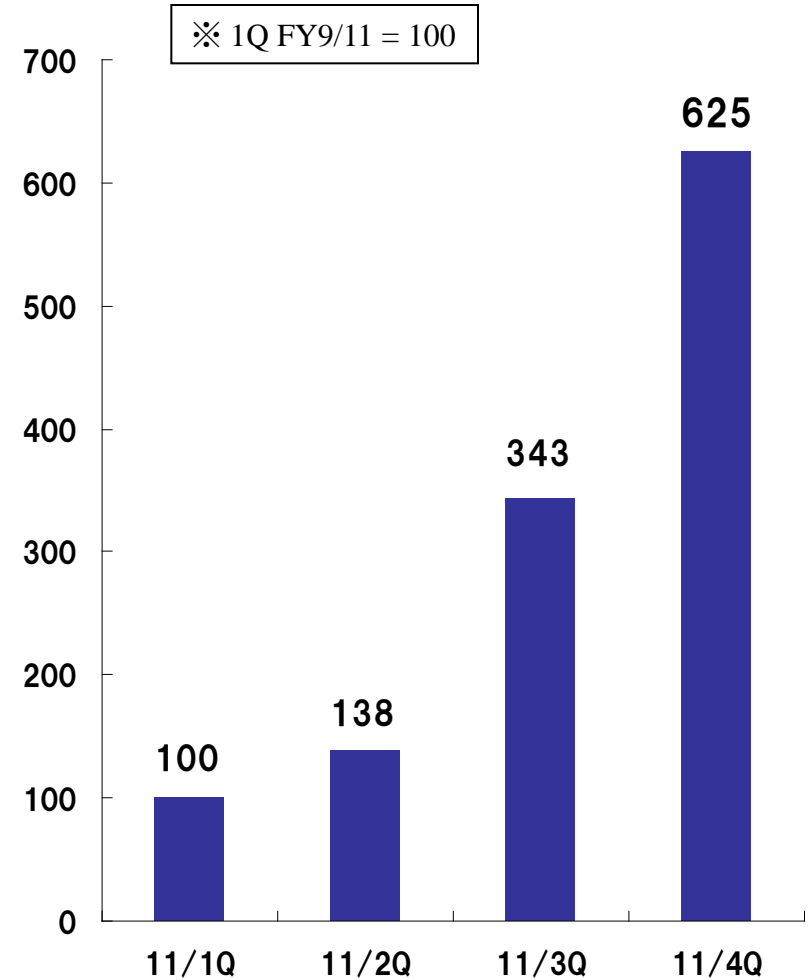


Smartphone Advertising Sales Trend





Facebook Related Sales Trend



Technology Business

【Tricorn】

- Record high sales, profits achieved
- Projects in web marketing realm increase, pricing per client also on the rise
- Services linked to salesforce expand

【Cytech】

- Business model shifted from consigned system development to social game development, but profitability not yet to be achieved

Contents Business

- Smartphone applications, primarily electronic books, sales grow, 520,000 downloads achieved
- Large decline in feature phone contents lead to declines in sales, profits
- AXEL MARK and FROUTE merged and renewed management structure decided (Implemented from October 1, 2011) to strengthen social media realm



III. Midterm Business Plan and New Businesses

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 Media

Platforms

Earnings Targets (FY9/13)

Net Sales

¥50.0bn

Operating
Income

¥3.0bn

Review of FY9/11, First Year of Midterm Business Plan

<p>Anticipatory Investments</p>	<p>Anticipatory investments in new business result in losses of ¥138mn</p>
<p>Main New Businesses</p>	<p>Social monitor platform “LIKE!” (HighScore) Television advertising business (GRP) Insight research business (TRIGGER)</p>
<p>New Business Results</p>	<p>“LIKE!” achieved profitability on a monthly basis in September Has grown into a social monitor platform with 1,200 registered companies, over 40,000 individual members</p>
<p>M&A</p>	<p>To fortify mobile, social media realms AXEL MARK and FROUTE merged (As of October 1, 2011)</p>

New Company “TRIGGER” Established

- ◆ New business development department “Hineran-Ka” turned into a company
- ◆ A new research service leveraging social media to extract consumer insight (real opinions, true needs)
- ◆ Support for improvement of product development and services of corporations

Name	TRIGGER Inc.
Business	Insight research business
Capital	¥30 million
Shareholder	SEPTENI HOLDINGS CO., LTD. (100% ownership)
President	Tadashi Kuge
Established	September 1, 2011

TRIGGER 

INSIGHTFEED

トリガー社はインサイト・コミュニティに特化したリサーチシステムを開発しました。
モニターを動機付ける仕組みが特徴なので、モニター同士の会話を促進。貴社にとってより魅力的な消費者インサイトの発見をお手伝いいたします。



New Company “SEPTENI VENTURES” Established

- ◆ In order to promote smooth development, cultivation of new businesses, a new company focusing upon business development for venture support and startups created
- ◆ New business development department “Hineran-Ka” to be established within the new company
- ◆ 2 new businesses expected to be launched at the start of 2012

Name	SEPTENI VENTURES Co., Ltd.
Business	New business development
Capital	¥50 million
Shareholder	SEPTENI HOLDINGS CO., LTD. (100% ownership)
President	Koki Sato
Established	October 13, 2011





IV. Fiscal Year September 2012 Policies

Corporate Motto: **Play to Win !**

- ◆ Grow sales, profits
- ◆ Win in the realm of smartphones, make money in the realm of social media
- ◆ Cultivate new businesses to become cornerstones
- ◆ Expand business overseas

Internet Advertising Business

- Fortify sales of advertising for smartphones
- Strengthening the roots of our social media realm business to turn it into a cornerstone of our earnings
- Expansion of our ad network business

Technology Business

- Prepare for regional, overseas expansion of offices, expand sales channels for cloud services

Contents Business

- Aggressive development of social games
- Fortify services for smartphones

FY9/12 Consolidated Earnings Estimates

Taking operating environment changes into consideration, we will shorten our earnings estimates to the next quarter from the next year

(Earnings estimates for the next quarter will be announced with each quarterly earnings announcement)

(Units: Million Yen)

Income Statement	1Q FY9/11	1Q FY9/12 Est.	YY Change
Sales	8,832	9,200	+4.2%
Operating Income	275	240	-12.9%
Ordinary Income	265	250	-6.0%
Net Income	127	130	+2.1%

- ◆ Given current earnings trends, project growth in sales
- ◆ Taking one-off costs associated with the move of our headquarters in December, we project declines in operating income



V. Appendix

As of September 30, 2011

Company Name	SEPTENI HOLDINGS CO., LTD.
Representative	President and Representative Director: Koki Sato
Headquarters	Septeni Gaien Building, 24 Daikyo-cho, Shinjuku-ku, Tokyo
Stock Code	4293 (JASDAQ)
Business Realm	The holding company for a group of companies conducting Internet advertising and other Internet related services
Established	October 29, 1990
Capitalization	¥2,007 million
Shares Issued	134,749 shares (Including 8,923 treasury shares)
Consolidated Workforce	656 Full time employees, 702 Full time and contracted employees

Main Companies of SEPTENI Group

As of November 4, 2011

Company Name	Relation	Business Description
SEPTENI HOLDINGS CO., LTD.		Holding company
SEPTENI CO., LTD.	Consolidated, 100%	Internet advertising
mume Inc.	Consolidated, 100% indirect ownership	Mobile advertising
MANGO Inc.	Consolidated, 100% indirect ownership	SEM operation
Vasara Inc.	Consolidated, 100% indirect ownership	Internet advertising
HighScore, Inc.	Consolidated, 100% indirect ownership	Small business support
GRP Co., Ltd.	Consolidated, 100% indirect ownership	Television advertising
SEPTENI CROSSGATE CO., LTD.	Consolidated, 95.0% ownership	Ad network
ASP CO., LTD.	Consolidated, 60.0% ownership	e-Commerce marketing solutions
AXEL MARK INC.	Consolidated, 52.4% ownership	Mobile service
Tricorn Corporation	Consolidated, 100.0% ownership	CRM service
Cytech, Inc.	Consolidated, 100.0% ownership	Social applications
SEPTENI DIRECTMARKETING CO., LTD.	Consolidated, 100.0% ownership	Direct mail
ACRESS	Consolidated, 100.0% ownership	Catalog sales
TRIGGER Inc.	Consolidated, 100.0% ownership	Insight research
SEPTENI VENTURES Co., Ltd.	Consolidated, 100.0% ownership	New business development
PRIME X Co., Ltd.	Equity Accounting Affiliate, 40.0% ownership	Online real estate marketing
Power Technology	Equity Accounting Affiliate, 22.8% ownership	SEO operation

Main Group Companies by Business Segment

As of November 4, 2011

Holding Company

SEPTENI HOLDINGS CO., LTD.

Internet Advertising Business

SEPTENI CO., LTD.

Internet Advertising

mume, Inc.

Mobile Advertising

MANGO, Inc.

SEM Operation

Vasara Inc.

Internet Advertising

HighScore, Inc.

Small Business Support

GRP Co., Ltd.

Television Advertising

SETPENI CROSSGATE CO., LTD.

Ad Market Place

ASP CO., LTD.

e-Marketing Solutions

Technology Business

Tricorn Corporation

Mail Distribution • CRM

Cytech, Inc.

Social Applications

Contents Business

AXEL MARK INC.

Mobile Contents

Direct Marketing Business

SEPTENI DIRECTMARKETING CO., LTD

Mailing Outsourcing, Inship

Other Business (Commerce)

ACRESS

Catalog Sales • e-Commerce

Consolidated Balance Sheet

(Units: Million Yen)

	End FY9/11	End FY9/10	YY Change	Main Changes
Current Assets	9,362	10,176	-813	Cash, equivalents: -1,122 Notes, accounts receivable: +355
Fixed Assets	2,819	2,195	+623	Marketable securities: +428 Deposits: +378
Total Assets	12,182	12,371	-189	
Current Liabilities	5,711	6,090	-378	Accounts payable: +194 Short term debt: -549
Fixed Liabilities	127	201	-73	
Total Liabilities	5,839	6,291	-452	
Net Assets	6,342	6,079	+263	Retained earnings: +303
Total Liabilities, Net Assets	12,182	12,371	-189	

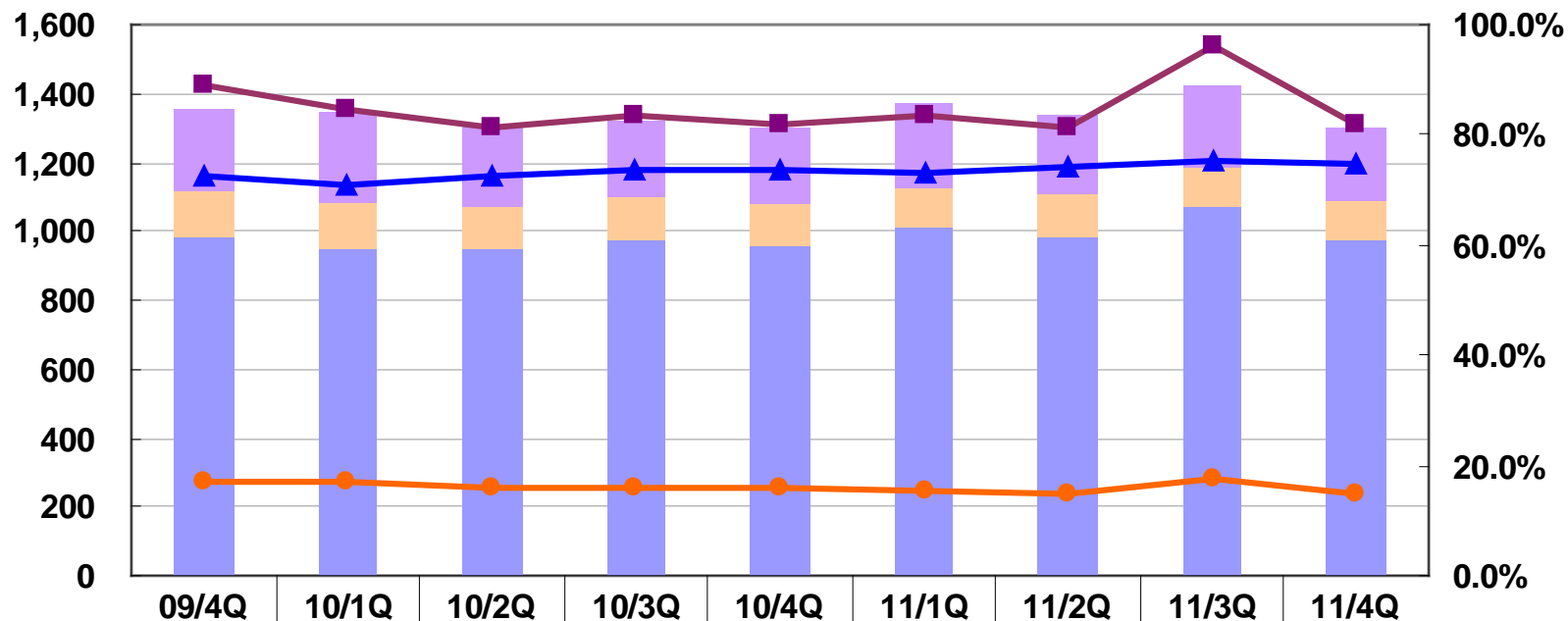
Consolidated Cash Flow

(Units: Million Yen)

	FY9/11	Main Changes	FY9/10
Cash Flow from Operating Activities	548	Net income before taxes: +839 Corporate tax payments: -404	1,195
Cash Flow from Investing Activities	-932	Acquisition of affiliate company shares: -398 Deposits, security deposits: -411	-58
Cash Flow from Financing Activities	-738	Decline in short term debt: -576 Dividend payment: -125	-280
Change in Cash and Equivalents	-1,122		856
Cash and Equivalents at Term End	4,453		5,575

Consolidated SG&A Expense Trend

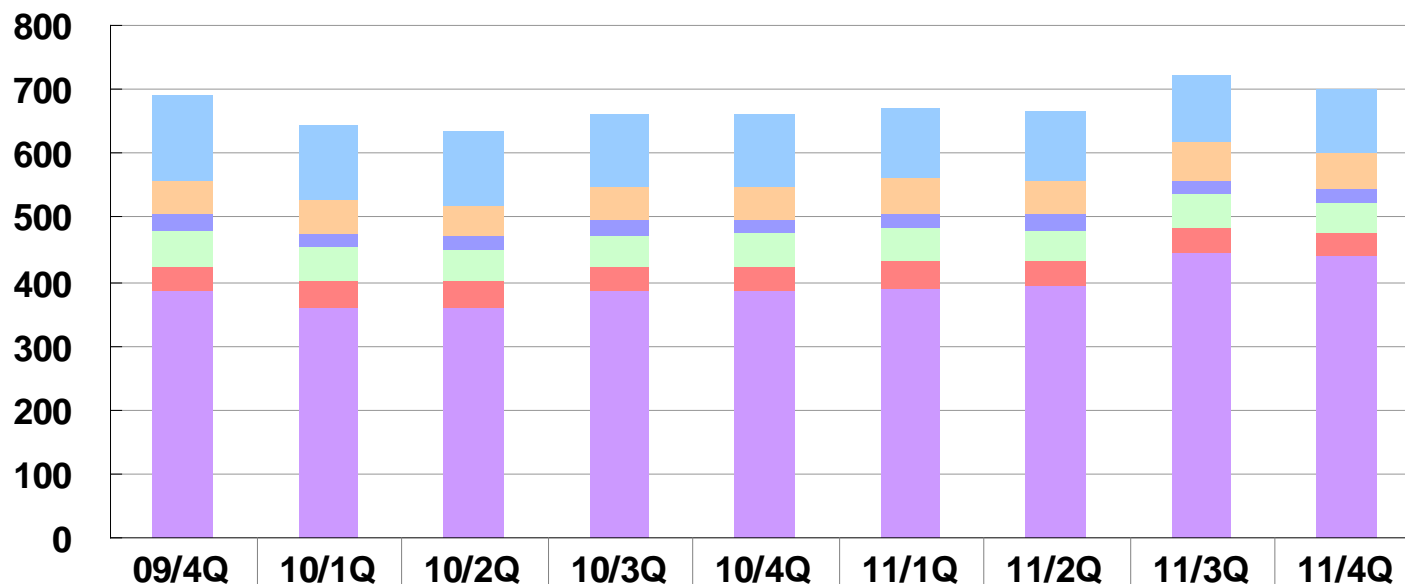
(Units: Million Yen)



	Others (Incl. advertising)	240	265	238	222	219	247	227	236	211
	Office related	135	125	124	122	121	118	119	117	115
	Labor	983	952	950	975	957	1,009	987	1,074	976
	Gross income to SG&A	88.9%	84.4%	81.4%	83.6%	81.9%	83.3%	81.2%	96.3%	81.8%
	Labor margin	72.3%	70.9%	72.4%	73.9%	73.7%	73.3%	74.0%	75.2%	74.9%
	SG&A margin	17.1%	16.8%	15.9%	16.2%	15.7%	15.6%	14.9%	17.6%	15.0%
	Total SG&A	1,359	1,343	1,314	1,321	1,299	1,376	1,335	1,428	1,304

SEPTENI Group Work Force Number Trend

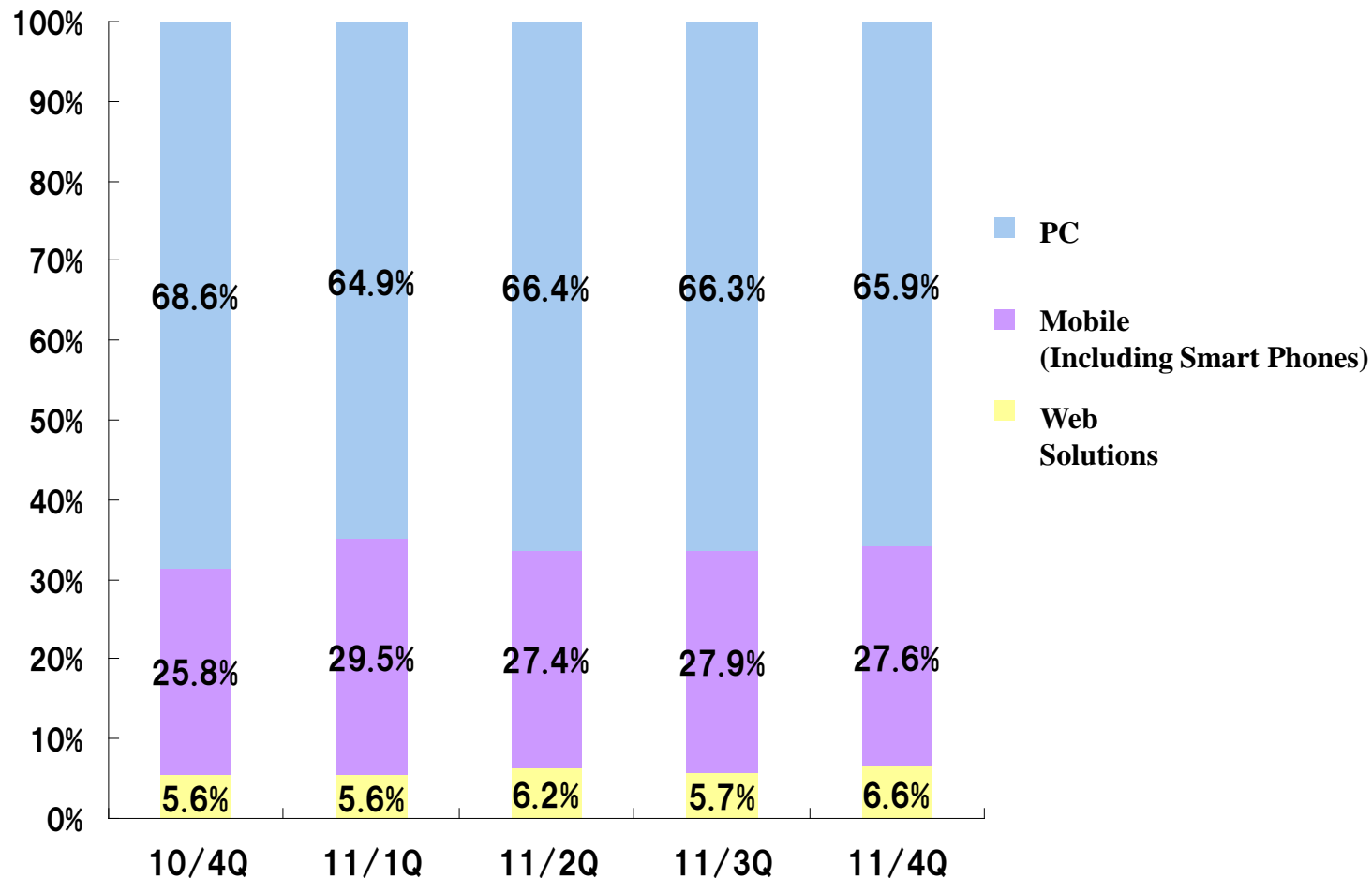
(Units: Persons)



	09/4Q	10/1Q	10/2Q	10/3Q	10/4Q	11/1Q	11/2Q	11/3Q	11/4Q
Commerce	136	118	115	113	113	108	109	105	101
Staff, Others	50	51	49	53	50	53	55	59	55
Direct Marketing	26	22	21	24	24	24	23	25	22
Contents	56	52	47	49	52	53	50	50	47
Technology	41	42	41	39	38	42	39	41	38
Internet Advertising	383	361	361	385	385	389	392	444	439
Total Workforce	692	646	634	663	662	669	668	724	702

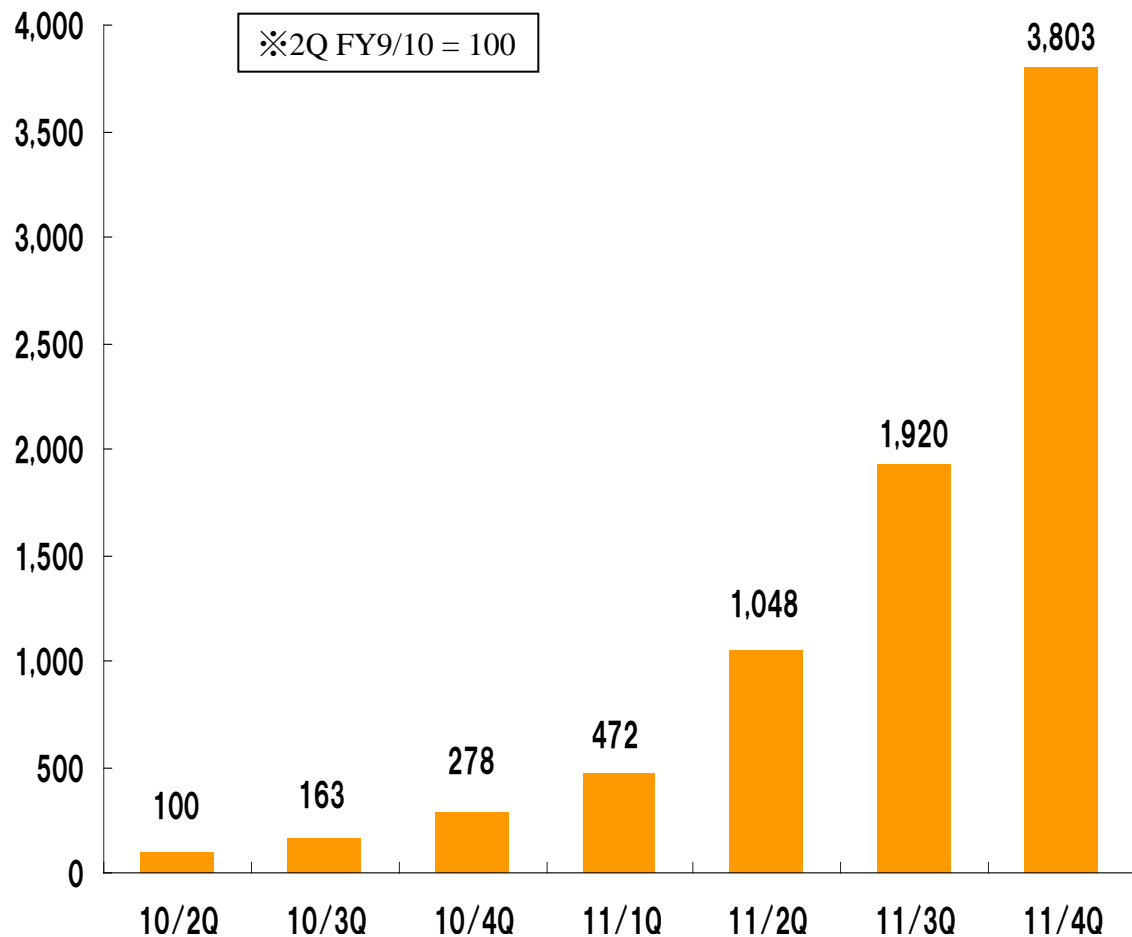
※ 4Q FY9/09 to 4Q FY9/10 business division data adjusted to reflect new business division definitions.

【 Sales Trend by Product 】

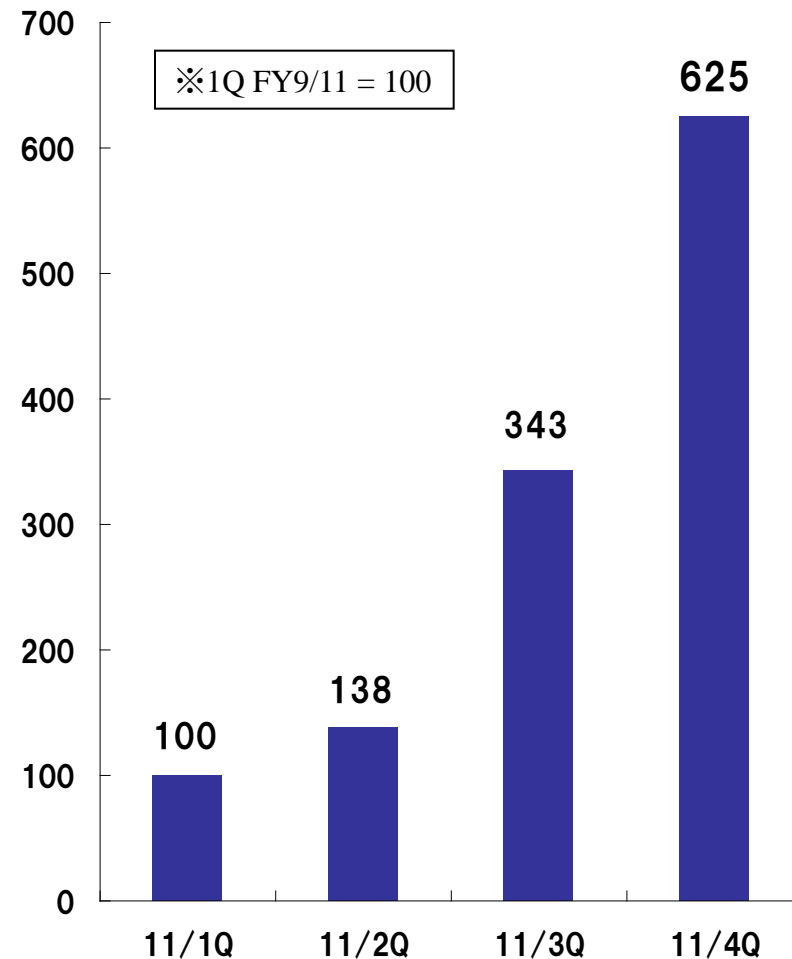


※ Web Solutions: SEO, website creation, site operation support, others

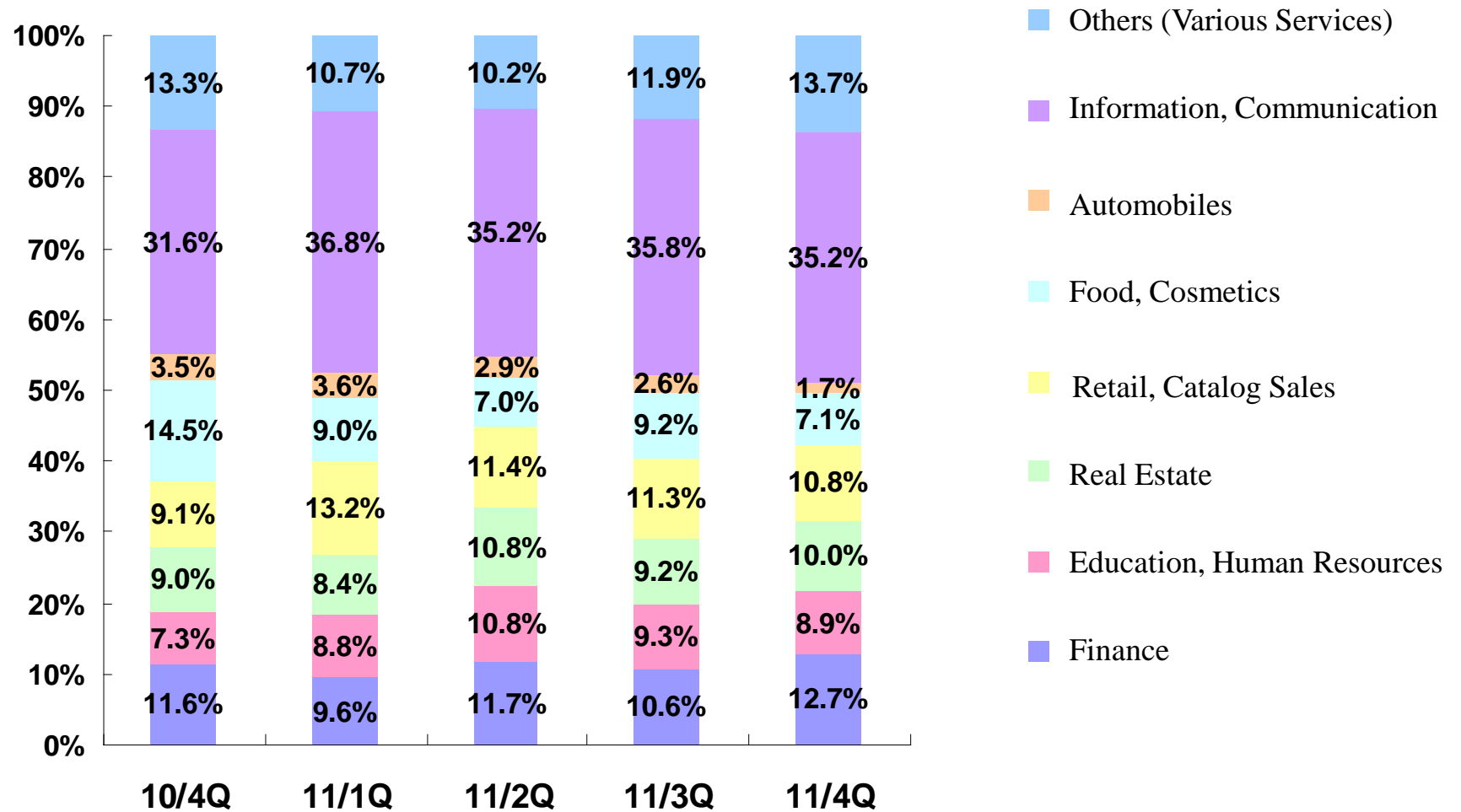
Smartphone Advertising Sales Trend



Facebook Related Sales Trend



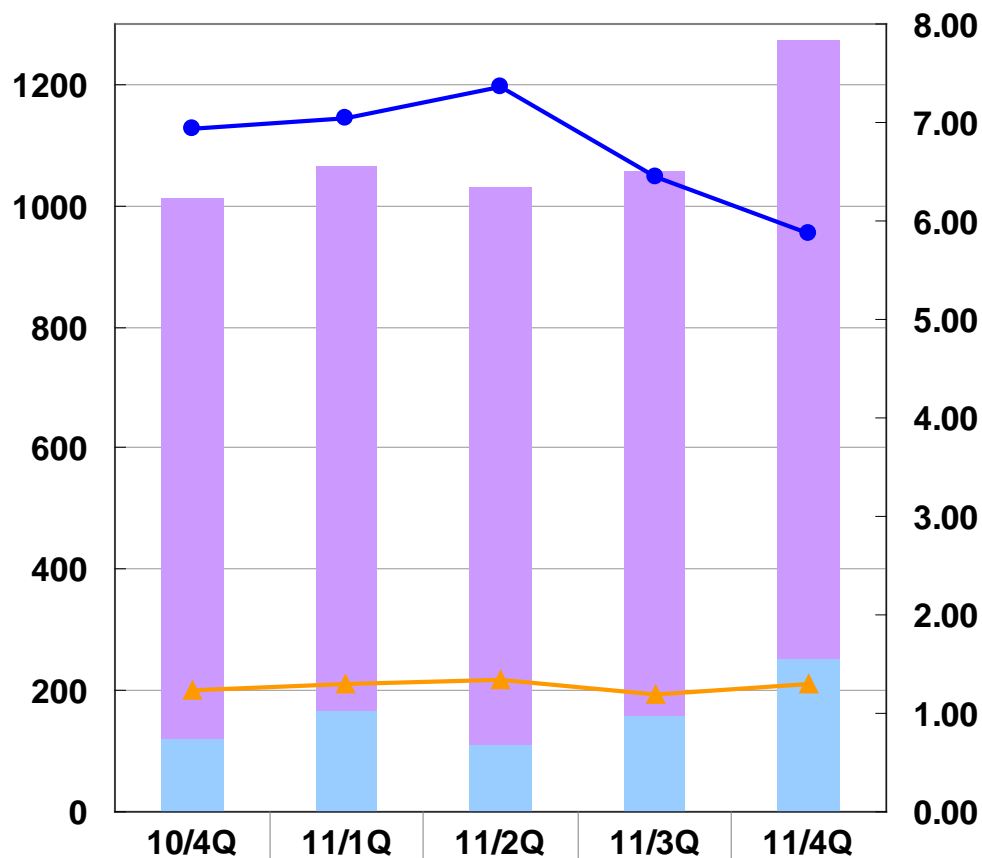
Internet Advertising Business Client Data



Internet Advertising Business Client Number Data

(Companies)

(Million Yen)



	Total Clients	1,012	1,064	1,029	1,059	1,273
	New Clients	120	165	112	160	253
	Pricing Per Client (¥mn)	6.93	7.05	7.37	6.44	5.88
	Clients Purchasing Over ¥5mn	199	210	217	193	210