

*June 27, 2008*

**Notice of Newly Issued Shares by Third-party Allotment**

The Board of Directors of Septeni Holdings Co., Ltd. approved a resolution on June 27, 2008 to conduct a third-party allotment as follows.

Details of issuance

- |   |   |
|---|---|
| (1) Number of shares to be issued   | 7,000 shares of common stock  |
| (2) Issue price   | 140,000 yen per share   |
| (3) Aggregate issue price   | 980,000,000 yen   |
| (4) Amount credited in stated capital of issue price  | 70,000 yen per share  |
| (5) Total amount credited in stated capital issue price   | 490,000,000 yen   |
| (6) Offering or allocation method   | Through third-party allotment   |
| (7) Application period  | July 11, 2008 (Friday)  |
| (8) Payment date  | July 14, 2008 (Monday)  |
| (9) Delivery of new shares  | No plans to issue stock certificates for newly issued shares sold in this offering because the purchaser has asked that stock not be held as certificates |
| (10) Purchaser and number of shares to be allocated   | Yahoo Japan Corporation 7,000 shares  |
| (11) The above is subject to approval of the registration statement filed pursuant to the Financial Instruments and Exchange Law. |   |

1. Objectives and reasons for offering

Since trading of its shares began on JASDAQ in August 2001, the Septeni Group has consistently expanded its operations with a primary focus on the Internet advertising business, and particularly the Internet advertising agency business. In the fiscal year that ended in September 2007, our sales were 25,863 million yen and ordinary income was 1,196 million yen. Both figures are about four times higher than in the fiscal year when shares were first listed (year ended September 2001).

To provide a basis for more growth, we announced a 7-year Medium-term Management Plan in November 2004. By the fiscal year ending in September 2011, we are aiming for the consolidated performance goals of an "operating margin of 10%" and "total group sales of 100 billion yen". At that time, the group plans to generate 50 billion yen in sales from the Internet advertising business, 30 billion yen from the e-commerce business and 20 billion yen from other businesses.

The Septeni Group is dedicated to fulfilling these targets three years from now while sustaining rapid growth and consistently increasing corporate value. To accomplish these goals, the most important issue at this time is increasing market share and improving profitability in the core Internet advertising business. We believe that two actions will be needed. First is using mergers and acquisitions to efficiently acquire capabilities that have considerable added value and would require a long time to develop internally. Technology is one example. Second is taking many timely actions that will make the group more competitive. This will involve fostering the development of employees with outstanding skills and developing unique advertising products. Improving profitability of the entire Septeni Group is another goal. As one way to accomplish this, the medium-term management plan calls for developing the e-commerce business, which is not yet operating on a commercial basis, into the second core business alongside Internet advertising. We must move quickly to develop this business by using mergers, acquisitions and other means to add companies with significant e-commerce operations to the Septeni Group. Furthermore, we need to create new businesses by developing internal entrepreneurs and using mergers and acquisitions.

Due to these strategic goals, there is a need to procure funds quickly by selling newly issued stock. Procuring these funds will make it possible to expand business operations steadily by quickly executing the various growth initiatives outlined above. We also believe that selling stock

will lead to more growth in corporate value. For these reasons, the decision was made to conduct this private offering.

Yahoo Japan Corporation, which will purchase all shares of this private offering, is a prominent Internet media firm that operates Yahoo! JAPAN, the largest portal site in Japan. By building a stronger relationship with this company, we expect to capture many synergies between the business activities of the Yahoo Japan and Septeni groups. For example, we plan to develop new advertising services. Therefore, we are convinced that this private offering of stock will produce not only financial benefits, but also help increase the Septeni Group's corporate value by deepening our relationships with Yahoo Japan. For these reasons, we believe that this is the best way for the Septeni Group to procure funds at this time.

## 2. Funding amount and its usage

### (1) Amount of fund to be procured (estimate of net proceeds)

973,000,000 yen

### (2) Specific usage

The above estimate net amount of 973 million yen will be used for strategic investment fund to expand Septeni Group's operation and business field.

We plan to use the proceeds as follows. Approximately 500 million yen will be used to make the Internet advertising business more competitive. We will use these funds for mergers and acquisitions involving technology and other fields related to this business. Approximately 200 million yen will be used in the network advertising business to train employees and acquire the IT systems needed to develop new products. Finally, approximately 300 million yen will be used for mergers and acquisitions needed to enter new fields of business, including e-commerce.

No decisions have been made at this time concerning specific mergers, acquisitions or new businesses. Announcements will be made when decisions are reached.

### (3) Schedule disbursement date for procured funds

From July 2008 to around March 2009

### (4) Justification for use of funds procured

We believe that this use of proceeds from the third-party allotment is reasonable and will contribute to growth in the group's corporate value by making it possible to efficiently expand business operations.

## 3. Recent three-year financial results and status of equity financing

### (1) Recent three-year financial results (consolidated) (Yen in millions)

Fiscal year ends	September 2005	September 2006	September 2007
Net sales	14,789	20,910	25,863
Operating income	671	717	946
Ordinary income	709	829	1,196
Net income	590	480	529
Net income per share (yen)	5,018.85	3,894.51	4,257.80
Dividend per share (yen)	500	700	700
Net assets per share (yen)	27,983.50	33,043.93	35,926.59

### (2) Current number of shares outstanding and potential shares

Type	Number of shares	Pct. of shares outstanding
Number of shares outstanding	127,047.80 shares	100%
Number of potential shares based on the current conversion price (exercise price)	10,584 shares	8.33%

Number of potential shares based on minimum conversion price (exercise price)	share	%
Number of potential shares based on maximum conversion price (exercise price)	share	%

(3) Status of recent share price

Status over the last three years

	September 2005	September 2006	September 2007
Opening price	257,000 yen	187,000 yen	144,000 yen
High price	508,000 yen *389,000 yen	266,000 yen	172,000 yen
Low price	207,000 yen *172,000 yen	109,000 yen	85,000 yen
Closing price	180,000 yen	148,000 yen	133,000 yen

(Note) The Company conducted a 2-for-1 stock split on May 20, 2005. Asterisk (\*) denote ex-right prices due to the stock split.

Status over the past six months

	December	January	February	March	April	May
Opening price	141,000 yen	149,000 yen	180,000 yen	195,000 yen	173,000 yen	168,000 yen
High price	173,000 yen	187,000 yen	215,000 yen	204,000 yen	186,000 yen	177,000 yen
Low price	134,000 yen	146,000 yen	170,000 yen	151,000 yen	161,000 yen	145,000 yen
Closing price	155,000 yen	179,000 yen	200,000 yen	179,000 yen	170,000 yen	146,000 yen

Share price on the preceding business day of the resolution date of issue

	As of June 26, 2008
Opening price	137,000 yen
High price	140,000 yen
Low price	136,000 yen
Closing price	139,000 yen

(4) Status of the equity financing

• Third-party allotment

Issue date	July 14, 2008
Amount of procurement funds	980,000,000 yen
Number of outstanding shares at the time of offering	127,047.8 shares
Number of shares increased	7,000 shares
Number of outstanding shares following the offering	134,047.8 shares
Purchaser	Yahoo Japan Corporation

(5) Status of recent three-year equity financing

Sale of treasury stock

Date of sale	June 2, 2006
Amount of procurement funds	406,800,000 yen (sale price: 180,000 yen per share)
Number of shares outstanding at the time of disposal	126,474.8 shares
Purchaser	Softcreate Co., Ltd. (shares sold: 2,260 shares)
Initial use of funds	Business fund, etc.
Date of payment	From June 2008 as needed
Current appropriation	All funds have been appropriated to the initial usage of funds

#### 4. Major shareholders and percentage of shares held following the offering

Before the offering (as of March 31, 2008)		Following the offering (potential shares are not being reflected)	
Village Seven Co., Ltd.	16.13%	Village Seven Co., Ltd.	15.29%
Japan Trustee Services Bank, Ltd. (trust account)	13.97%	Japan Trustee Services Bank, Ltd. (trust account)	13.27%
Mamoru Nanamura	12.99%	Mamoru Nanamura	12.32%
The Master Trust Bank of Japan, Ltd. (trust account)	4.89%	Yahoo Japan Corporation	5.22%
HSBC Fund Services Account 006 JF	2.00%	The Master Trust Bank of Japan, Ltd. (trust account)	4.63%
Hiroshi Shimizu	1.95%	HSBC Fund Services Account 006 JF	1.90%
Suguru Hakii	1.89%	Hiroshi Shimizu	1.85%
Softcreate Co., Ltd.	1.77%	Suguru Hakii	1.80%
Septeni Holdings Co., Ltd.	1.76%	Softcreate Co., Ltd.	1.69%
Mizuho Trust & Banking Co., Ltd. (trust account)	1.71%	Septeni Holdings Co., Ltd.	1.67%

#### 5. Outlook for effect on operating results

The effect of the third-party allotment on the Company's consolidated operating results for the year ending September 2008 is insignificant. From the year ending September 2009 onwards, the Company's operation is expected to expand due mainly to the use of procured funds. However, the specific effect, etc. have not yet been determined. The Company will make an announcement as soon as details have been finalized.

#### 6. Justification for stock issuing terms

##### (1) Basis for calculation of issue price

The issue price of 140,000 yen per share is based on the average closing price of 146,658.54 yen Septeni Holdings common stock (with a discount of 4.5%) using prices announced by JASDAQ for the two-month period (April 28, 2008 through June 26, 2008) ending immediately prior to the day that the Septeni Holdings board of directors approved the resolution to conduct this private offering.

There are two reasons for the decision to use this two-month period to calculate an average closing price. First, due to the recent volatility of stock markets, using an average for a certain period, rather than the closing price immediately before the day of the board of directors meeting where the resolution was approved, yields a more representative figure. This provides a highly objective basis for calculating the issue price. Second, we believe that the two-month period yields a stock price that fully reflects our recent performance and other factors. The discount ratio was determined through discussions with Yahoo Japan.

##### (2) Basis for deciding the number of shares issued and dilution of existing stock are suitable

Stock issued for this third-party allotment will dilute existing shares by 5.5%. However, this use of proceeds from the third-party allotment will contribute to growth in the group's corporate value by making it possible to efficiently expand business operations. Therefore, Septeni believes that the number of shares issued and the amount of dilution are reasonable.

#### 7. Reasons for selection purchaser

##### (1) Profile of purchaser

(As of March 31, 2008)

Name	Yahoo Japan Corporation
Number of shares allocated	7,000 shares
Business activities	Internet Advertising business e-commerce business Membership services business Other businesses
Established	January 31, 1996

Head office	6-10-1 Roppongi, Minato-ku, Tokyo		
Name and title of representative	Masahiro Inoue, President and CEO		
Capital	7,366 million yen		
Shares outstanding	60,502,022 shares		
Net assets	250,672 million yen (consolidated)		
Total assets	369,660 million yen (consolidated)		
Fiscal year ends	March 31		
Employees	3,780 (consolidated)		
Major customers	General corporation and Individuals		
Major shareholders and pct. of shares	SOFTBANK Corp. 40.16% Yahoo Inc. 33.41% Japan Trustee Services Bank, Ltd. (trust account) 2.19% The Master Trust Bank of Japan, Ltd. (trust account) 2.08% Bank of New York GCM Client Account JPRDISGFEAC 1.29% Chase Manhattan Bank GTS Clients Account Escrow 1.16%		
Major banks	Mizuho Corporate Bank, Ltd.; Japan Net Bank, Limited; Mizuho Trust & Banking Co., Ltd.; The Bank of Tokyo Mitsubishi UFJ, Ltd.; Sumitomo Mitsui Banking Corporation		
Relationship with Septeni	Capital	Not applicable	
	Business	Not applicable	
	Personnel	Not applicable	
	Related parties	Not applicable	
Recent three-year financial results	(Consolidated, Yen in millions)		
Fiscal year ends	March 2006	March 2007	March 2008
Net sales	173,695	212,552	262,027
Operating income	82,133	106,232	124,807
Ordinary income	79,867	102,824	121,511
Net income	47,090	57,963	62,617
Net income per share (yen)	1,536.40	958.66	1,035.27
Dividend per share (yen)	156.00	96.00	104.00
Net assets per share (yen)	4,707.60	3,153.24	4,100.94

(2) Reason for selecting Yahoo Japan

Yahoo Japan is a prominent Internet media company that operates Yahoo! JAPAN. This is the largest portal site in Japan and a primary media used by the Septeni Group's Internet advertising business. We believe this third-party allotment will reinforce our relationship with Yahoo Japan. We foresee many synergies with Yahoo Japan involving business activities, including the development of services in the ad technology domain. We further believe that selling stock to Yahoo Japan will help strengthen our Internet advertising business and our activities in peripheral business domains.

(3) Yahoo Japan's plans as a Septeni Holdings shareholder

Yahoo Japan has stated its intent of becoming a long-term holder of Septeni Holdings stock. Furthermore, if Yahoo Japan decides to sell all or part of the stock acquired through this private placement within two years of the stock issue date, this company has agreed to notify us immediately in writing. This notification will include the name and address of the buyer(s) of this stock, the number of shares sold, the date of sale, the price, the reason for the sale, the method of sale, and other applicable information.