



**Septeni Holdings Co., Ltd.**

Financial Results Briefing for FY2024/12

February 12, 2025

## Event Summary

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[Company Name]	Septeni Holdings Co., Ltd.	
[Listed Market]	TSE	
[Stock Code]	4293	
[Event Language]	JPN	
[Event Type]	Earnings Announcement	
[Event Name]	FY2024 Financial Results Briefing	
[Date]	February 12, 2025	
[Number of Pages]	36	
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[Number of Speakers]	4	
	Yuichi Kouno	Representative Director, Group President and Chief Executive Officer
	Yusuke Shimizu	Director, Group Executive Vice President and Executive Officer
	Kei Hatano	Group Senior Executive Officer
	Tei Go	Group Senior Executive Officer

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## Presentation

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**Moderator:** It is now time to begin the presentation of the financial results briefing of Septeni Holdings Co., Ltd. for the full year 2024.

Thank you very much for taking time out of your busy schedule to participate in our financial results briefing.

At today's meeting, Mr. Kouno, Group President and Chief Executive Officer, will first explain an overview of the financial results, and business topics. We will have a question-and-answer session after that. Please allow up to one hour. If there are any problems during the briefing, please contact the IR department address shown on the slide.

Let me now introduce our attendees. Mr. Yuichi Kouno, Representative Director, Group President and Chief Executive Officer. Mr. Yusuke Shimizu, Director, Group Executive Vice President and Executive Officer. Mr. Kei Hatano, Group Senior Executive Officer. Mr. Tei Go, Group Senior Executive Officer.

Now, Group President and Chief Executive Officer, Kouno, will explain. Please refer to the financial results briefing materials posted on our corporate website. In addition, a fact sheet is available in the IR Library of the corporate website as a supplemental material to the presentation materials. Please go ahead.

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**01 Consolidated Earnings Overview in FY12/2024**

**02 Quarterly Consolidated Earnings Overview**

**03 Digital Marketing Business**

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**05 Mid- to Long-Term Vision**

**06 Policy for FY2025 and Earnings Estimates**

**07 Appendix**

Download the fact sheet [here](#) (in xlsx format)

From FY2023, IP Platform Business has been reclassified as discontinued operations.

As a result, revenue, operating profit, and Non-GAAP operating profit for continuing operations are presented excluding discontinued operations.

Since the start of FY9/16, IFRS has been applied instead of the previous J-GAAP.

Conventional "net sales" are voluntarily disclosed as reference information, while "revenue" is disclosed as an indicator based on IFRS.

Revenue from advertising agency sales, which account for the majority of the Digital Marketing Business, are recorded on a net basis only for the margin portion.

"Non-GAAP operating profit" is voluntarily disclosed in order to appropriately express the actual state of the business. It refers to the profit indicator to assess ordinary business conditions after adjustments are made to IFRS-based operating profit pertaining to gain and loss related to acquisition actions such as amortization of acquisition-related intangible assets and M&A expenses, and temporary factors such as share-based compensation expenses, the impairment loss, and gain or loss on the sales of fixed assets.

Figures in this material are rounded to the nearest unit.

**Kouno:** I am Kouno, Representative Director, Group President and Chief Executive Officer, Septeni Holdings Co., Ltd. I will explain the financial results for the full year 2024.

The second page is the agenda for today.

First, in the executive summary, I will explain the FY2024 results and the policy for FY2025. Next, I will explain the 4Q and full-year results for FY2024, and the status of each segment. After that, I would like to discuss our mid- to long-term vision, and finally, I would like to present my policy and earnings estimates for FY2025.

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### Business Results in FY2024

- Net sales grew by 5.8% YoY, and revenue also rose 2.2%, both setting new record highs\*.
- Non-GAAP operating profit decreased by 20.4% YoY due to delayed revenue conversion in response to personnel increase compared to plan.
- Due to sales of shares of subsidiaries, etc., profit attributable to owners of parent and EPS largely increased and significantly strengthened shareholder returns.
- With organizational restructuring and withdrawal from/divestment of unprofitable businesses, achieving steady progress on “Focus,” a medium-term theme.

### Policy for FY2025

- Given the rapidly changing business environment, which makes three-year outlook difficult, discontinuing the rolling medium-term management policy and the three-year plan announced in February 2024, and setting a mid- to long-term vision.
- Maintaining the medium-term theme of “Focus & Synergy,” reorganizing the business portfolio and updating policies for each business through changes in reportable segments.
- Addressing ongoing challenges in revenue to net sales ratio and productivity through targeted initiatives and committed to returning to profit growth.  
➔ Targeting a V-shaped recovery in 2025 by steadily achieving the annual earnings forecast.

\*Comparison with the aggregated figures for the period of January to December, and those figures prior to FY2023 are before the reclassification of discontinued operations.

Page 3 is an executive summary of this fiscal year's financial results.

This summary covers two key areas: the financial results for FY2024 (highlighted in blue) and the policy for FY2025 (highlighted in orange).

Regarding the full-year results, net sales grew steadily by 5.8% YoY, reaching a record high. Revenue also increased by 2.2% YoY. However, Non-GAAP operating profit decreased by approximately 20% YoY due to slower-than-planned revenue generation and monetization compared to the recent pace of personnel increases.

Profit attributable to owners of parent and EPS increased substantially compared with the previous year, partly due to gain on sales of shares of subsidiaries recorded in 1Q. As a result, we were able to substantially increase shareholder returns in FY2024, which also involved a revised return policy.

Moving on to our policy for FY2025, we are discontinuing our previous practice of disclosing our medium-term management policy on a rolling basis. Accordingly, we are resetting the three-year plan announced in February 2024 and will now present our mid- to long-term vision. A more detailed explanation will follow in the second half of this presentation.

Our medium-term theme of “Focus & Synergy” will continue into 2025. In line with this policy, and as previously disclosed, we will be changing our reporting segments starting in 2025 to facilitate portfolio restructuring and growth investments. With these initiatives in place, we aim to achieve continued revenue growth, a return to profit growth, and a V-shaped recovery in 2025.

Now, let's move on to the details.

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## 05 FY2024 (Jan–Dec) Highlights

(After reclassification of discontinued operations)



- Net sales steadily increased by 5.8% YoY and revenue increased by 2.2% YoY, both record highs.\*1
- Non-GAAP operating profit exceeded revised earnings estimates due to cost control.
- The year-end dividend is ¥31.35 per share and the payout ratio is 117.6%.

	Value	YoY	Compared to revised forecasts
Revenue	¥28,284mn	+2.2%	+0.7%
Non-GAAP operating profit	¥3,197mn	-20.4%	+6.6%
Profit attributable to owners of parent	¥5,526mn	+47.9%	+7.3%
Earnings per share (EPS)*2	¥26.65	+¥8.70	+¥1.81
[Reference] Net sales	¥145,996mn	+5.8%	-0.1%
Revenue to net sales ratio	19.4%	-0.6Pt	+0.2Pt
Dividend per share	¥31.35	+¥26.15	—
Payout ratio	117.6%	+92.5Pt	—

\*1 Comparison with the aggregated figures for the period of January to December, and those figures prior to FY2023 are before the reclassification of discontinued operations.

\*2 EPS in CY2023 is for reference only.

The first agenda is the full-year review for FY2024.

Page 5 is a consolidated financial highlight for the full year 2024. It includes a comparison of the full-year results with the revised forecast and the previous year's results.

The full-year results show revenue of ¥28.3 billion, Non-GAAP operating profit of ¥3.2 billion, and profit attributable to owners of parent of ¥5.5 billion. We met the revised forecasts. Compared to the previous year, operating profit underperformed, but a significant increase in net profit resulted in EPS expanding to ¥26.65, an increase of ¥8.7 YoY.

In addition to the EPS increase, and in line with our FY2024 policy of enhanced shareholder returns to prepare for future growth from FY2025 onwards, we plan a dividend per share of ¥31.35, resulting in a payout ratio of 117.6%.

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## 06 FY2024 (Jan–Dec) Highlights (After reclassification of discontinued operations)



Digital Marketing Business		(unit: ¥mn)	Value	YoY	Compared to revised forecasts
<ul style="list-style-type: none"> <li>Revenue increased driven by the expansion of the Marketing Communication Area.</li> <li>Non-GAAP operating profit decreased due to increased expenses in the Marketing Communication Area.</li> </ul>	Revenue		26,810	+3.5%	+0.8%
	Non-GAAP operating profit		6,357	-6.4%	+4.2%
	[Reference] Net sales		144,740	+5.9%	-

Media Platform Business		(unit: ¥mn)	Value	YoY	Compared to revised forecasts
<ul style="list-style-type: none"> <li>Lower revenue and wider loss compared to the previous fiscal year.</li> <li>Two operating companies were excluded from consolidation in 4Q in accordance with the business continuity criteria.</li> </ul>	Revenue		1,703	-13.0%	+0.2%
	Non-GAAP operating profit		-93	(-15)	(-3)

Page 6 is a financial highlight by segment for the full year 2024.

In the Digital Marketing Business, revenue increased by 3.5% YoY driven by the Marketing Communication Area. While profit decreased because cost absorption remains incomplete, net sales increased by 5.9% YoY, achieving growth in line with market growth.

The Media Platform Business experienced a YoY decrease in revenue and a widening of losses. To restructure our portfolio in line with the business continuity criteria implemented in FY2024, we deconsolidated two subsidiaries during the October-December period.

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## 07 FY2024 (Jan–Dec) Consolidated Income Statement (After reclassification of discontinued operations)



Profit attributable to owners of parent increased substantially due to a boost from gains on sales of shares associated with the partial share transfer of COMISMA INC.\*<sup>1</sup> and an increase in equity in earnings of affiliates, etc.

(unit: ¥mn)	FY2024 (Jan–Dec)			Jan–Dec 2023	
	Value	Ratio	YoY	Value	Ratio
<b>Revenue</b>	<b>28,284</b>	100.0%	+2.2%	27,674	100.0%
Gross profit	22,203	78.5%	+0.4%	22,106	79.9%
SG&A expenses	19,096	67.5%	+5.1%	18,171	65.7%
<b>Non-GAAP operating profit</b>	<b>3,197</b>	11.3%	-20.4%	4,016	14.5%
Operating profit	3,129	11.1%	-20.2%	3,922	14.2%
Equity in earnings of affiliates, etc.	1,603	5.7%	+32.8%	1,207	4.4%
Profit from continuing operations	3,309	11.7%	-20.9%	4,182	15.1%
Profit from discontinued operations	2,210	7.8%	—	-483	—
<b>Profit attributable to owners of parent</b>	<b>5,526</b>	19.5%	+47.9%	3,736	13.5%
[Reference] Net sales	145,996	—	+5.8%	138,036	—

\*1 Former COMICSMART INC. \*The performance of the IP Platform Business have been reclassified as discontinued operations in January–December 2023 and FY2024/1Q results. From FY2024/2Q onwards, it is recorded in equity in earnings of affiliates based on the Company's equity as of the end of each quarter.

Next, page 7 shows the consolidated income statement for the full year 2024. In the above highlights, I explained revenue and operating profit. I would like to supplement the items below operating profit here as well.

Equity in earnings of affiliates totaled approximately ¥1.6 billion, a YoY increase of roughly 30%. Furthermore, a gain on sales of a portion of COMISMA INC.'s shares contributed ¥2.2 billion in profit from discontinued operations. Consequently, profit attributable to owners of parent reached ¥5.5 billion, representing a YoY increase of nearly 1.5 times.

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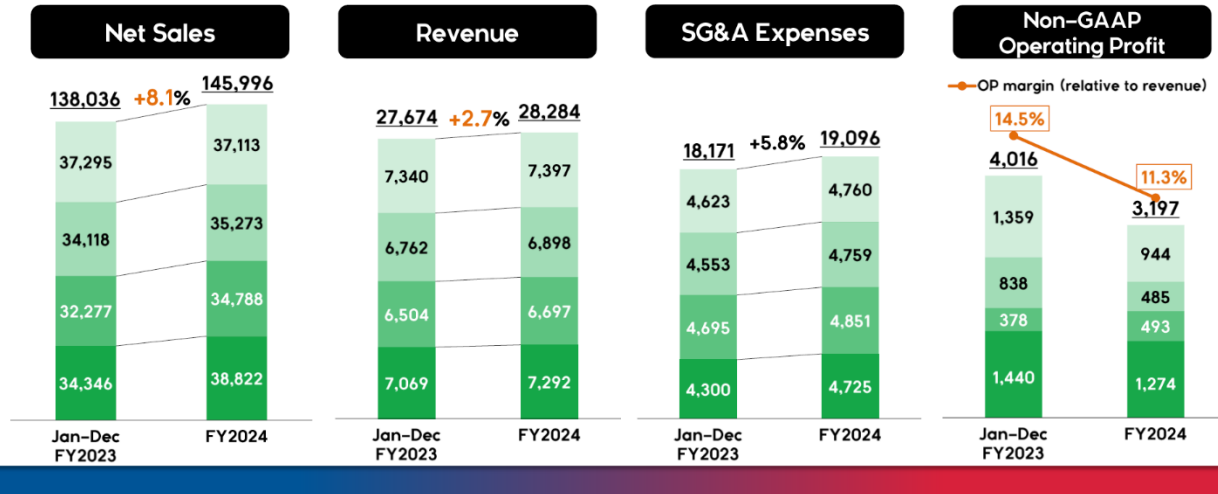
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## 08 FY2024 (Jan–Dec) Consolidated Earnings Trends

Net sales and revenue increased driven by the Marketing Communication Area, while the expected return to profit driven by increased headcount underperformed, resulting in a decline in Non-GAAP operating profit.

1Q 2Q 3Q 4Q (unit: ¥mn)



Page 8 shows the full-year consolidated performance trend in graph form, reflecting the results from each quarter.

Overall, as previously explained, net sales and revenue growth has not yet fully offset the increase in SG&A expenses.

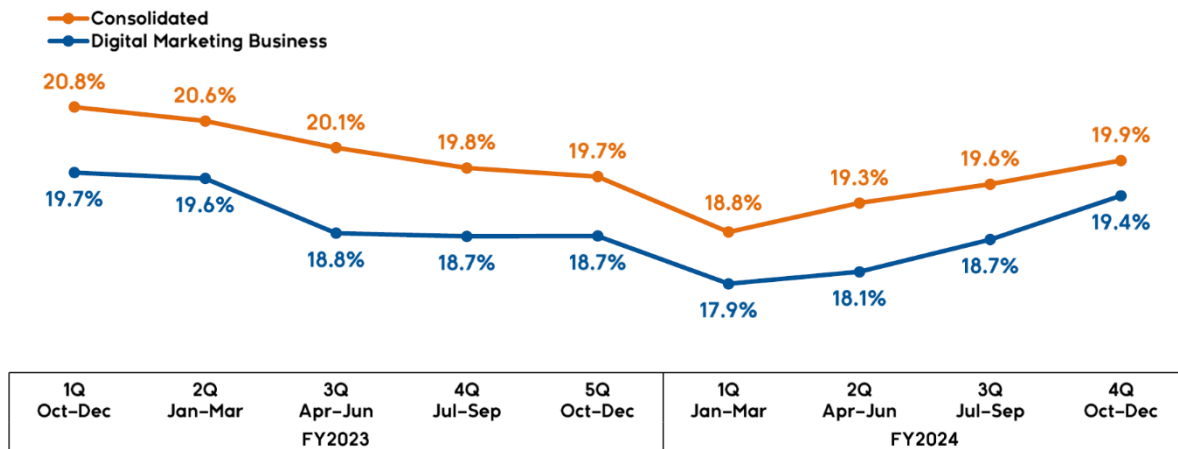
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## 09 Revenue to Net Sales Ratio

Initiatives aimed at increasing the revenue to net sales ratio have resulted in quarterly improvement, with consolidated results bottoming out in FY2024/1Q and rising 1.1Pt by 4Q. Efforts will continue to expand sales of high-margin solutions.



\*Solutions: Marketing solutions without ad sales, etc.

Page 9 is the trend in revenue to net sales ratio, for both the consolidated business and the Digital Marketing Business.

Following the results of the first quarter of FY2024, we addressed this as a short-term challenge. Thanks to the dedicated efforts of management and staff, we made significant quarterly improvements, resulting in a 1.1 percentage point increase from the low point in 1Q to nearly 20%.

We will continue to aggressively pursue improvements in the revenue to net sales ratio in FY2025.

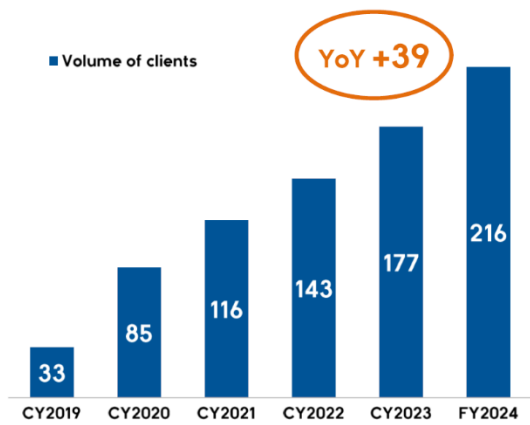
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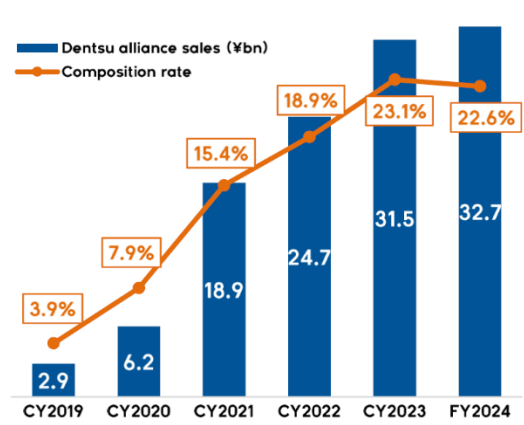
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Despite a decrease in spending from large-scale clients, collaborative sales reached a record high, driven by steady growth in the number of collaborative clients.

Volume of clients in collaboration with Dentsu Group



Sales from the collaboration with Dentsu Group



Page 10 describes our collaboration with the Dentsu Group in the Digital Marketing Business.

The number of clients increased by 39 YoY to 216, demonstrating strong growth.

Despite reductions from some large clients, collaborative sales increased YoY to ¥32.7 billion, setting a new record high.

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## 11 Digital Marketing Business Initiatives in Generative AI



Delight Tube Inc., which promoting AI-driven marketing, established “FUKURO AI STUDIO” to support companies and brands by utilizing the generative AI.

Provides “FUKURO AI AVATAR,” a service that creates original still images and video avatars using the generative AI, and a service that develops **banner creation agents** capable of mass-producing banner ads and predicting their performance.

Created apparel creative images for sportswear brand *DESCENTE*'s EC website using “FUKURO AI AVATAR”



Created AI models for *Nanboya*, a luxury brand reseller, using “FUKURO AI AVATAR”



Created original avatar chefs, promotional videos, and a concept video for *Hilton Tokyo*'s autumn sweets buffet



Page 11 presents an overview of our initiatives utilizing generative AI within the Digital Marketing Business.

While we've already been promoting internal use of generative AI, we are also expanding our offerings of generative AI products to clients.

This includes several new products developed and operated by Delight Tube, which use data to generate creative materials like avatars and banners and maximize advertising effectiveness. Since creative materials are crucial for maximizing advertising results, we will continue to integrate generative AI into our creative team to enhance our clients' advertising performance.

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## 13 FY2024/4Q (Oct-Dec) Consolidated Income Statement (After reclassification of discontinued operations)



Improved revenue to net sales ratio offset the impact of reduced demand from some clients compared to the previous year, resulting in increased revenue.

(unit: ¥mn)	4Q/2024 (Oct-Dec)			5Q/2023 (Oct-Dec)	
	Value	Ratio	YoY	Value	Ratio
<b>Revenue</b>	7,397	100.0%	+0.8%	7,340	100.0%
Gross profit	5,685	76.9%	-4.7%	5,966	81.3%
SG&A expenses	4,760	64.4%	+3.0%	4,623	63.0%
<b>Non-GAAP operating profit</b>	944	12.8%	-30.5%	1,359	18.5%
Operating profit	937	12.7%	-31.2%	1,363	18.6%
Equity in earnings of affiliates	688	9.3%	+38.9%	495	6.7%
Profit from continuing operations	1,259	17.0%	-23.5%	1,646	22.4%
Profit from discontinued operations	—	—	—	-103	—
<b>Profit attributable to owners of parent</b>	1,254	17.0%	-19.1%	1,550	21.1%
[Reference] Net sales	37,113	—	-0.5%	37,295	—

The performance of the IP Platform Business have been reclassified as discontinued operations in FY2023/5Q results. In FY2024/4Q, it is recorded in equity in earnings of affiliates based on the Company's equity as of the end of the quarter.

Next, I move on to the second item on the agenda, a financial summary for 4Q alone.

Page 13 shows a summary of the consolidated financial results for the October-December period.

Revenue increased by 0.8% YoY to ¥7.4 billion and Non-GAAP operating profit decreased to ¥0.94 billion.

While last year's same period saw double-digit growth in both net sales and revenue, setting a high bar, we achieved near-flat net sales growth this year. Improved revenue to net sales ratio ensured revenue growth.

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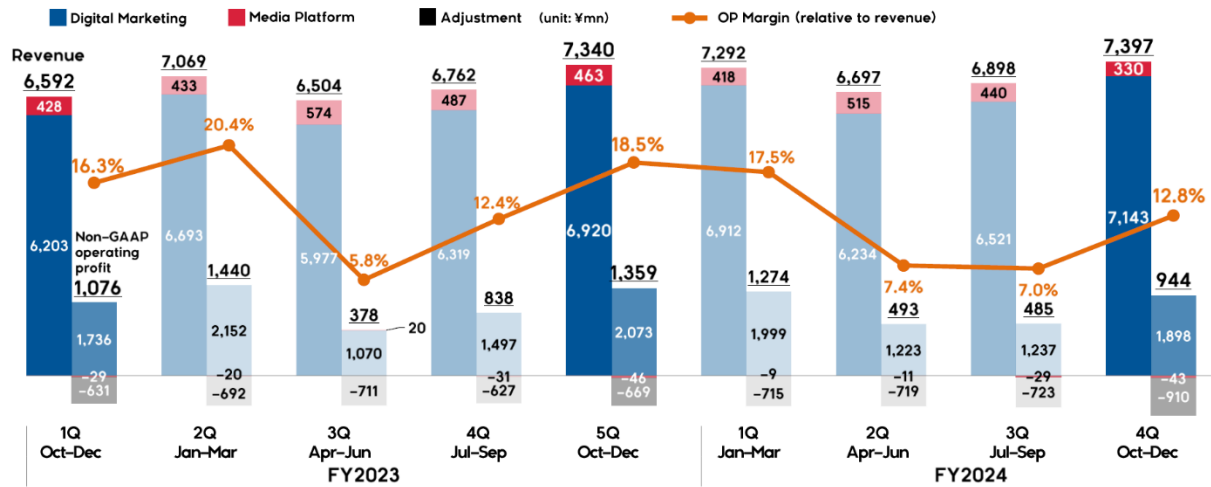
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# 14 Quarterly Trend of Earnings by Business Segment (After reclassification of discontinued operations)



Revenue increased due to the expansion of the Digital Marketing Business, and operating profit margin is also improving QoQ.



\*As the elimination of intersegment revenue is omitted, the total of each business revenue and consolidated revenue (underlined figures) do not coincide.

Page 14 shows the quarterly performance trend by segment.

While revenue increased YoY and QoQ driven by the Digital Marketing Business, Non-GAAP operating profit decreased YoY, and the operating margin declined by approximately 6pt.

However, thanks to recent efforts to control mid-career hiring, etc., the operating margin improved from 7% in 3Q to 12.8% in 4Q.

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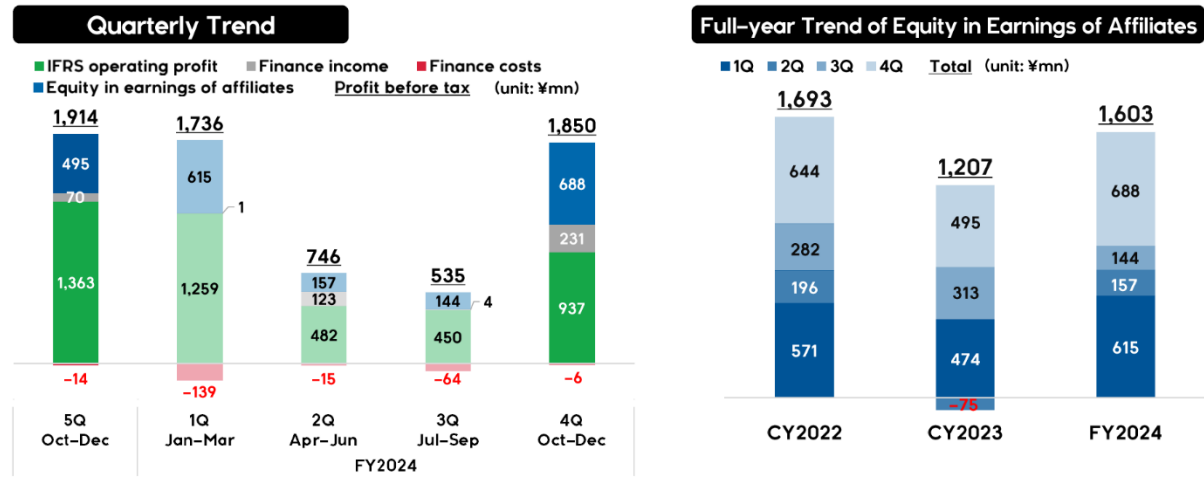
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# 15 Quarterly Trend of Consolidated Profit Before Tax (After reclassification of discontinued operations)



Equity in earnings of affiliates, primarily from Dentsu Digital, saw a steady increase of approximately ¥400 million YoY.



Page 15 is the trend in consolidated profit before tax.

Equity in earnings of affiliates steadily increased to ¥1.6 billion in FY2024, a ¥0.4 billion increase YoY, significantly boosting net profit.

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## 16 Constitution of Consolidated Expenses (IFRS, After reclassification of discontinued operations)



Subcontract costs for creative production in the Direct Business Area increased.

(unit: ¥mn)	FY2023					FY2024				QonQ	YoY
	1Q	2Q	3Q	4Q	5Q	1Q	2Q	3Q	4Q		
	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec		
<b>Total of cost of sales</b>	1,232	1,370	1,424	1,400	1,374	1,310	1,392	1,668	1,712	+2.7%	+24.6%
Labor costs	393	408	453	442	439	422	443	430	472	+9.7%	+7.5%
Subcontract costs	545	659	623	650	596	592	606	932	960	+3.0%	+61.2%
Others	294	303	349	308	339	296	343	305	280	-8.3%	-17.5%
<b>Total of SG&amp;A expenses</b>	<b>4,329</b>	<b>4,300</b>	<b>4,695</b>	<b>4,553</b>	<b>4,623</b>	<b>4,725</b>	<b>4,851</b>	<b>4,759</b>	<b>4,760</b>	+0.0%	+3.0%
Labor costs <sup>*1</sup>	2,878	2,892	3,248	3,154	3,149	3,227	3,334	3,236	3,171	-2.0%	+0.7%
Employee bonuses <sup>*2</sup>	147	155	148	195	204	177	130	156	174	+11.4%	-14.5%
Rent expenses etc.	293	284	297	294	295	266	266	267	271	+1.6%	-8.1%
Advertising expenses	160	124	154	164	157	180	198	193	140	-27.6%	-11.2%
Taxes and dues	105	105	97	61	97	104	102	102	92	-9.4%	-4.4%
Others	747	740	751	685	721	772	820	804	912	+13.3%	+26.5%

\*1 Performance-linked share compensation (BIP trust), which is a reconciliation to Non-GAAP operating profit, is recognized as labor costs. \*2 Including estimation amount for additional performance-linked bonus.

Page 16 shows trends in consolidated cost of sales and SG&A expenses.

With regard to cost of sales, subcontract costs for creative production increased mainly in the Direct Business Area.

As we strengthen our in-house capabilities group-wide, we plan to appropriately manage cost of sales in line with revenue growth from FY2025 onward.

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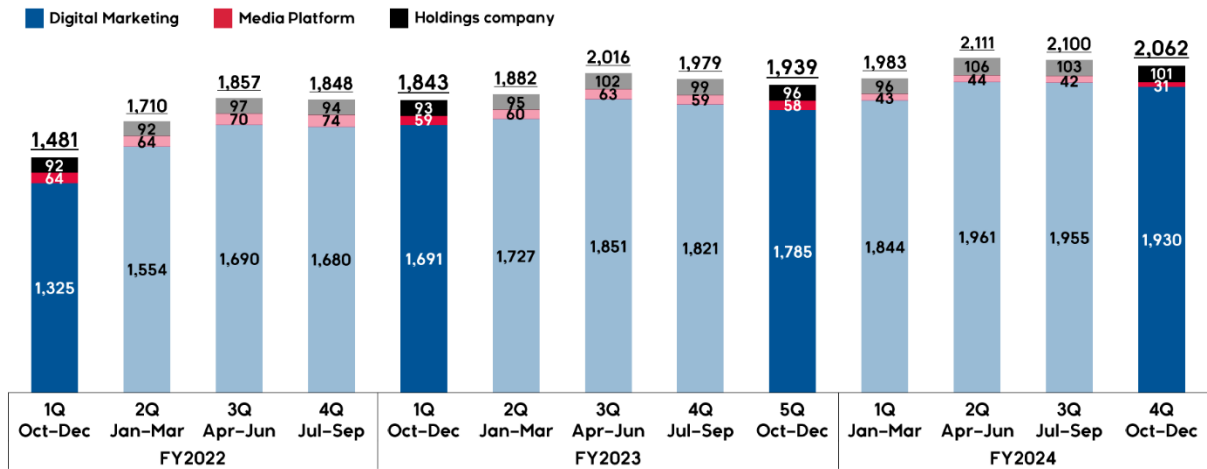
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## 17 Workforce Size Trend



The number of personnel in the Media Platform Business decreased due to the business portfolio review.  
Aiming to improve productivity by enhancing personnel mobility within the Group in 2025.



\*Employees in the IP Platform business have been excluded from the number of employees on a consolidated basis due to the reclassification of discontinued operations.

Page 17 shows the trend in the number of consolidated employees.

Given high employee retention rates following the 2023 base pay increase, we have begun adjusting our mid-career hiring. Additionally, 4Q saw a decrease in headcount due to the deconsolidation of subsidiaries.

In FY2025, we will focus on improving productivity by optimizing internal resource allocation and enhancing workforce mobility, while simultaneously managing hiring levels across our group.

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## 18 Initiatives to Improve Productivity

Promoting company-wide productivity improvement measures, including office attendance policies and the utilization of generative AI in business operations.

### FUKURO AI

The diverse features of FUKURO AI are now available thanks to the development and operational framework that combines multiple LLMs and other technologies for business improvement and marketing problem-solving. This framework enables the utilization of our own data within a highly secure and privacy-protected environment.

**FUKUROAI**  
CHAT

- Chat Assistant
  - Audio file transcription
  - Image generation and recognition
  - Data analysis and chart creation, etc.

**FUKUROAI**  
COLLECTIVE INTELLIGENCE

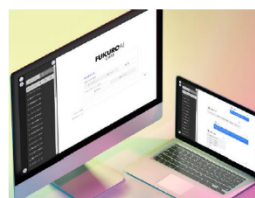
- Chatbot
  - Source learning
  - Model configuration, etc.

### Utilization of generative AI

Adopting “FUKURO AI” throughout all Japanese operations to improve operational efficiency and productivity.

<Use Cases>

- Creative and report analysis
- Image/LP error and regulation checks
- Knowledge sharing via chatbot



Company-wide (in Japan)  
average MAU

Approx. **51%**  
(as of December 2024)

Estimated reduction in work hours\*  
**8 hours** per person per month

\*Based on internal simulations, projected as of March 2025

Page 18 outlines our initiatives to improve productivity.

To address the short-term challenge of productivity improvement, we have increased the number of in-office workdays and implemented company-wide use of generative AI chat.

Specifically, we've introduced "FUKURO AI Chat," developed by Delight Tube (as previously mentioned), achieving over 50% average MAU by year-end. While the full impact on productivity will be seen later, initial estimates indicate significant time savings.

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## 20 Digital Marketing Business Earnings Overview



While revenue increased and revenue to net sales ratio **improved by 0.7Pt**, operating profit decreased, leading to ongoing planning and implementation of hiring adjustments and personnel reassignments, etc.

(unit: ¥mn)	4Q/FY2024 (Oct-Dec)			5Q/FY2023 (Oct-Dec)	
	Value	Ratio	YoY	Value	Ratio
<b>Revenue</b>	7,143	100.0%	+3.2%	6,920	100.0%
<b>Gross profit</b>	5,484	76.8%	-3.1%	5,662	81.8%
<b>SG&amp;A expenses</b>	3,602	50.4%	-0.1%	3,605	52.1%
<b>Non-GAAP operating profit</b>	1,898	26.6%	-8.5%	2,073	30.0%
<b>Net sales</b>	36,896	—	-0.2%	36,974	—
[Reference] <b>Revenue to net sales ratio</b>	—	19.4%	+0.7Pt	—	18.7%
<b>OP margin (relative to net sales)</b>	—	5.1%	-0.5Pt	—	5.6%

I move on to the third agenda item. The following pages provide an overview of our performance by business segment.

First is the Digital Marketing Business.

Page 20 is an overview of the results of the Digital Marketing Business.

Revenue increased by 3.2% to ¥7.1 billion and Non-GAAP operating profit decreased by 8.5% to ¥1.9 billion. Net sales were ¥36.9 billion, remaining virtually flat YoY. However, we improved the revenue to net sales ratio by 0.7pt, addressing it as a key challenge from FY2024.

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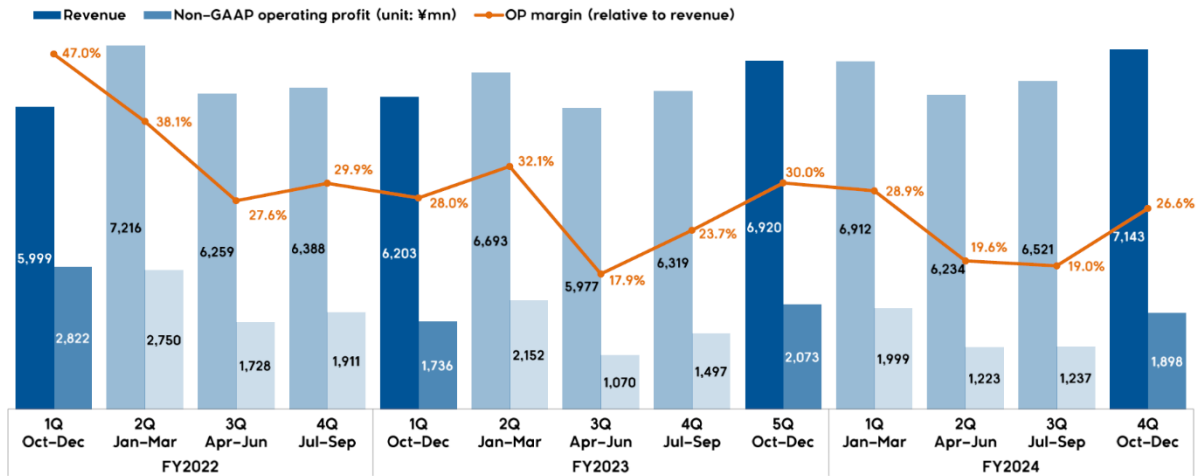
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## 21 Digital Marketing Business Quarterly Earnings Trend



Revenue for the October–December period reached a record high, resulting in increased revenue but decreased profit; however, the operating profit margin is showing signs of recovery.



Page 21 shows the quarterly performance of the Digital Marketing Business.

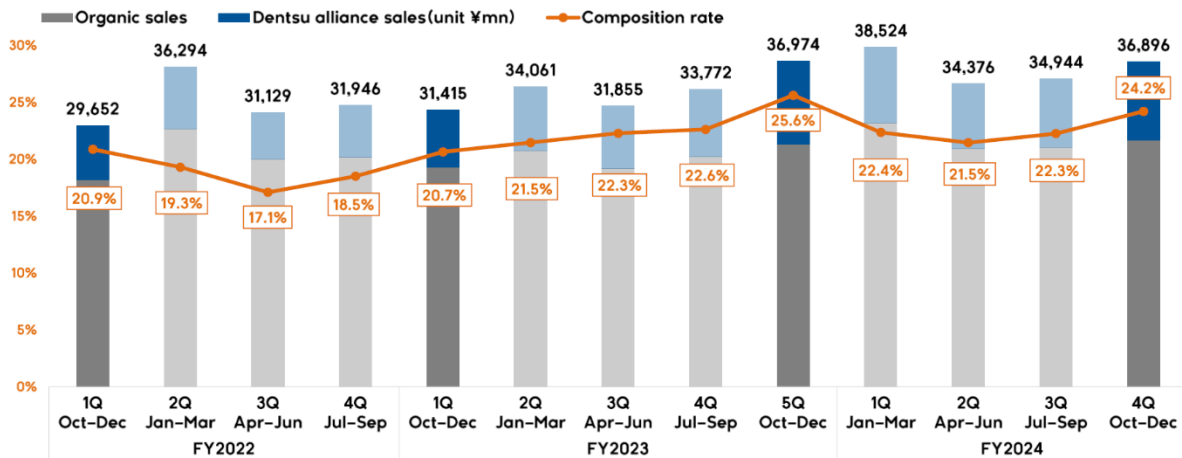
The dark blue bars represent previous periods comparable to this 4Q. Revenue growth continued, and the operating margin recovered to the 20% range this quarter.

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Projects for which delivery commenced this fiscal year have been steadily expanding.



\*Since FY2022/2Q, organic sales include the effects of new consolidation.

Page 22 shows the progress of collaboration with the Dentsu Group.

While the number of clients increased this quarter, collaborative sales decreased. However, revenue from projects launched in FY2024 is steadily growing.

Despite some impact from market conditions, the overall economic climate, and the circumstances of a few large clients, sales from the collaboration with the Dentsu Group has steadily increased over the past several years.

As we'll discuss further in our policy for FY2025, in addition to providing our capabilities to the Dentsu Group's clients, we aim to further expand this collaboration by offering the Dentsu Group's extensive capabilities to our clients.

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## 24 Media Platform Business Earnings Overview (After reclassification of discontinued operations)



Revenue decreased due to the deconsolidation of the Men's Cosmetics Business and the Childcare Platform Business, while cost reductions narrowed the loss.

(unit:¥mn)	4Q/FY2024 (Oct-Dec)			5Q/FY2023 (Oct-Dec)	
	Value	Ratio	YoY	Value	Ratio
<b>Revenue</b>	<b>330</b>	100.0%	-28.7%	463	100.0%
<b>Gross profit</b>	<b>268</b>	81.2%	-22.4%	345	74.6%
<b>SG&amp;A expenses</b>	<b>311</b>	94.3%	-20.3%	391	84.3%
<b>Non-GAAP operating profit</b>	<b>-43</b>	—	+2	-46	—

\*Men's Cosmetics Business : ALPHABLE, Childcare Platform Business: TowaStela

Next is the fourth agenda item, the explanation of the Media Platform Business.

Page 26 shows an overview of the results of the Media Platform Business.

Revenue decreased this quarter due to the deconsolidation of the Men's Cosmetics Business and Childcare Platform Business. Despite this revenue reduction, a review of SG&A expenses resulted in a modest reduction in losses.

### Contact Information

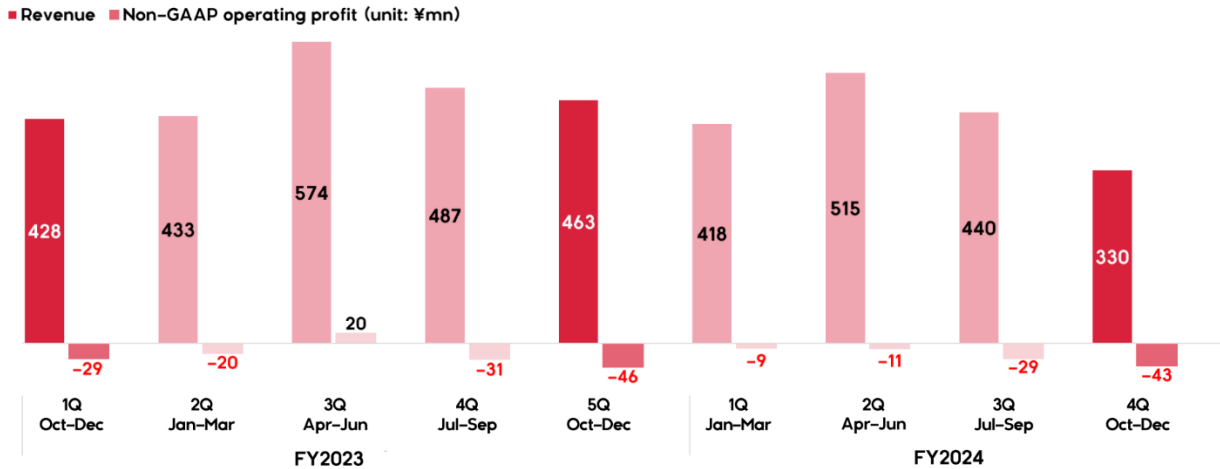
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## 25 Media Platform Business Quarterly Earnings Trend (After reclassification of discontinued operations)



Made significant progress in this fiscal year's business portfolio review, continuing to rigorously manage businesses in accordance with business continuity criteria.



Page 27 shows the quarterly performance of the Media Platform Business.

Following the implementation of business continuity standards in FY2024, we undertook a portfolio review. As previously disclosed, we will be changing our reportable segments from FY2025, making this the final disclosure for the Media Platform Business.

We will continue to maintain strict portfolio management discipline in FY2025 and beyond.

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### Mid- to Long-Term Vision

- Continuing to pursue our medium-term theme of “Focus & Synergy” to achieve our long-term vision.
- Further enhancing the existing businesses (=Focus) through ongoing organizational restructuring and thorough portfolio management, while simultaneously pursuing further synergy creation across four layers: within businesses, between businesses, in collaboration with Dentsu, and with external partners.
- ➔ Aiming to generate a net profit of ¥10 billion by 2030 and establish a corporate structure that achieves both high growth and high shareholder returns, through acquisition and strengthening of capabilities, and promotion of alliances, in areas adjacent to digital marketing.

### Policy for FY2025 Based on the Mid- to Long-Term Vision

- Shifting to a three-segment structure by changing the reportable segments from FY2025 to promote medium-term theme.
- Aiming for continuous revenue growth through the growth of each business while tackling short-term challenges such as improving profitability and productivity and targeting a V-shaped recovery by returning to operating profit growth.
- The year-end dividend forecast is currently undetermined as various measures for growth investments and shareholder returns are under consideration.

Next, this is the fifth agenda item. I will explain the Septeni Group’s mid- to long-term vision.

Page 27 outlines our mid- to long-term vision, and our policy for FY2025 based on the vision.

Our vision is to become a high-growth, high-return company by 2030, achieving net profit of ¥10 billion, through acquisition and strengthening of capabilities in areas adjacent to digital marketing, and promotion of alliances in each segment.

To realize this, we will continue our medium-term theme of “Focus & Synergy,” restructuring our organization, rigorously managing our portfolio, enhancing existing businesses, and actively pursuing synergies across four key areas: intra-business collaboration, inter-business collaboration within our group, expanded collaboration with the Dentsu Group, and external partnerships including investments and M&A.

Next, I will discuss our policy for FY2025 in pursuit of our 2030 vision.

First, we will change the reportable segments to a three-business unit structure. This is to focus on actions aligned with each business's strategy, strengthening each business while building a foundation for synergies.

Second, while addressing short-term challenges in profitability and productivity, we aim for continued revenue growth driven by growth in each business and a V-shaped recovery through increased operating profit.

Third, as growth investments and shareholder returns remain important priorities, we will continue to consider various initiatives in these areas. While maintaining our dividend payout ratio policy of 50% or more, we will announce the year-end dividend forecast later, considering performance and the progress of growth investments.

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### Contact Information

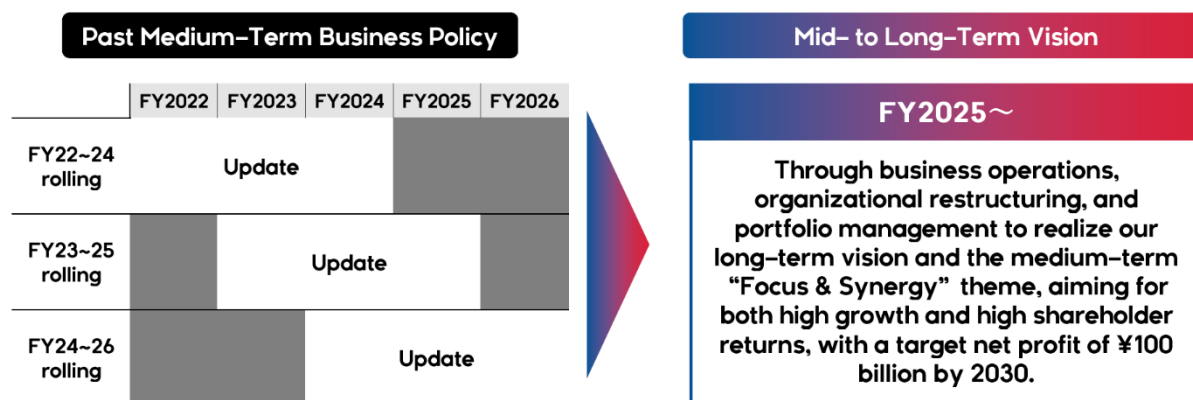
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## 28 Medium-term Business Policy

Given the rapidly changing business environment, which makes three-year outlook difficult, discontinuing the rolling medium-term management policy and maintaining the mid- to long-term theme of “Focus & Synergy.”



Page 28 explains the changes to our approach to the medium-term business policy.

Previously, we presented our medium-term business policy on a rolling three-year basis. However, given the rapidly changing business environment and the resulting uncertainty in making three-year outlook, we have decided to discontinue this rolling approach.

Instead, we are presenting our mid- to long-term vision of achieving ¥10 billion in net profit by 2030.

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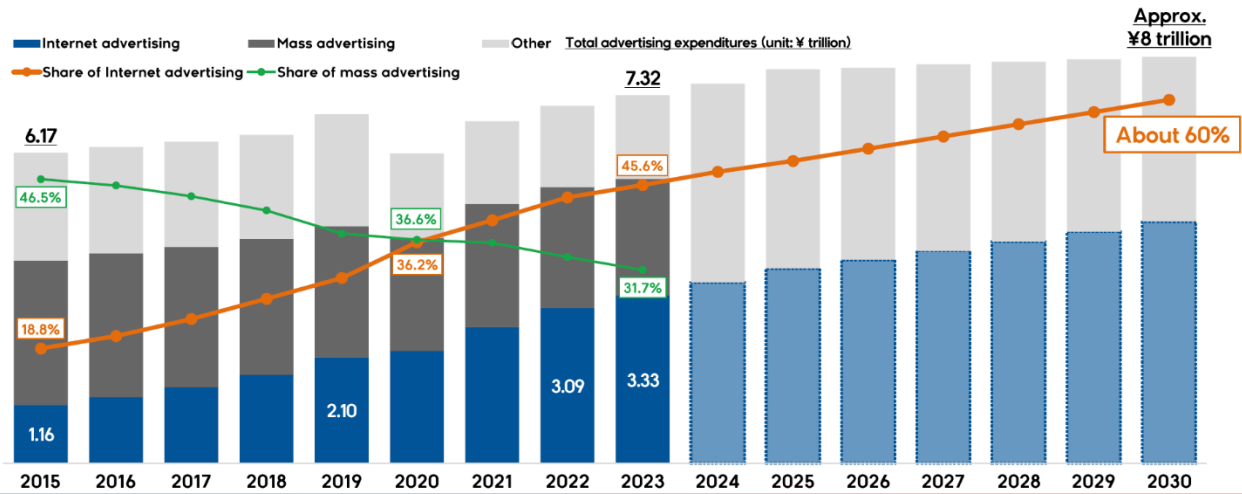
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## 29 Market Environment Outlook



By around 2030, Japan's total advertising expenditure is projected to expand to ¥8 trillion, even under conservative estimates, with internet advertising expected to grow to approximately 60% of that total.



\*Source: Dentsu Inc., "2023 Advertising Expenditures in Japan." Figures for 2024 onward are the Company's projections based on CAGR.

Page 29 begins with an overview of the market outlook before discussing our mid- to long-term vision.

Japan's internet advertising market, exceeding ¥1 trillion in 2015, has continued to grow steadily, surpassing ¥2 trillion in 2019 and reaching ¥3.3 trillion in 2023 and approximately ¥3.5 trillion in 2024, representing nearly 50% of the total advertising market.

We project the total Japanese advertising market to reach around ¥8 trillion by 2030. At that point, the internet advertising market is expected to account for approximately 60% of the total market, reaching ¥4.5 to ¥5 trillion. This represents over ¥1 trillion in growth from current levels. Therefore, we believe the internet advertising market remains a significant growth opportunity.

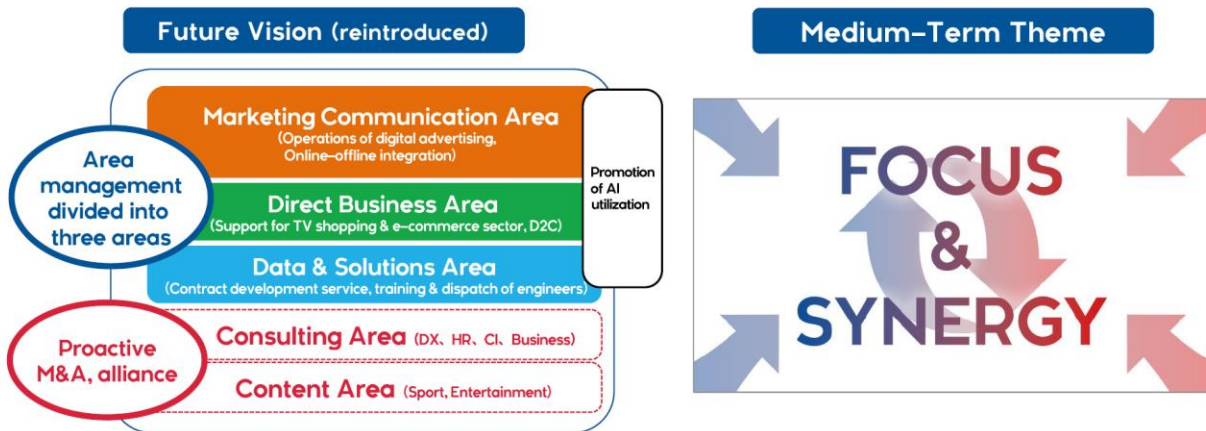
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### 30 Mid- to Long-Term Vision

Aiming to form a business portfolio that provides comprehensive support, from strategy planning to execution, centered on digital marketing to solve client challenges, by creating business synergies through the combination of high-growth and high-profit areas.



Page 30 revisits our mid- to long-term vision within the context of future market growth.

As shown on the left side of the page, we aim to expand our capabilities as a group by implementing area management across these three core areas, Marketing Communication, Direct Business, and Data & Solutions, while actively pursuing M&A and alliances in the consulting and content areas.

#### Contact Information

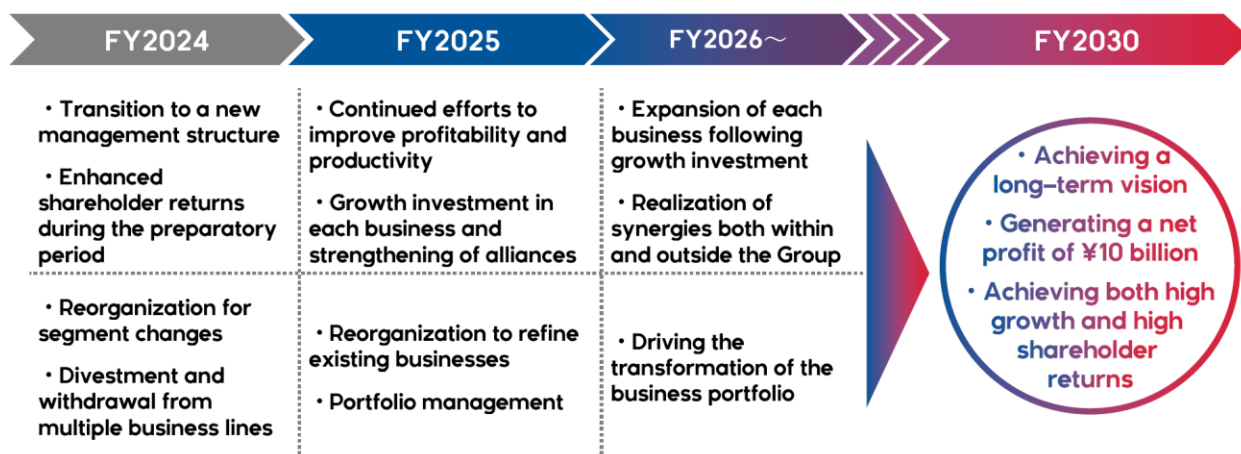
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### 31 Milestones Toward Achieving Mid- to Long-Term Vision



Building upon the FY2024 initiatives into FY2025, driving focus and creating synergies.



Page 31 details the milestones toward achieving our mid- to long-term vision.

FY2024 focused on strengthening our foundation, refining our portfolio, updating our shareholder return policy, and preparing for future growth investments onwards following changes to our management structure.

FY2025 marks a shift to a more aggressive strategy, serving as a crucial first step toward realizing our mid- to long-term vision.

Our immediate priorities are a V-shaped recovery driven by improved profitability and productivity, and the execution of our previously planned business investments and collaborations. Beyond short-term recovery, we will aggressively pursue further growth investments and strategic alliances in each business.

From FY2026 onward, along with leveraging the groundwork laid in FY2024 and FY2025 to drive growth and expansion across our business units, we will focus on demonstrably creating synergistic market impact and further unlocking synergies both within and outside the group, while actively transforming our business portfolio.

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### Marketing Communication Segment

#### Focus

- Enhancing value provided by maximizing advertising performance
- Refining competitiveness through the utilization of specialized personnel and technology to realize integrated marketing

#### Synergy

- Promoting capability expansion in adjacent areas, both through vertical development within the Group and alliances outside the Group, to establish a position that enables the provision of a wide range of solutions to client challenges

### Direct Business Segment

#### Focus

- Establishing a foundation for sustainable growth

#### Synergy

- Refining new revenue models independent of existing advertising models and promoting collaboration with external companies



### Data & Solutions Segment

#### Focus

- Strengthening external sales by expanding the front team
- Strengthening collaboration within the engineering team

#### Synergy

- Promoting business development through collaboration with external partners

Page 32 outlines our strategies for each business segment.

While detailed financial forecasts for each segment will be presented later, let's first outline our strategies.

Our core business, the Marketing & Communication Segment, will focus on enhancing the value we deliver by maximizing advertising performance and efficiency.

Our strategy is to acquire and offer a wider range of solution capabilities, going beyond advertising products. To that end, we will strongly promote sales enhancement and infrastructure development, both within and outside the group.

For the Direct Business Segment, focusing on the direct commerce market, we will strengthen promotional support, co-develop products with clients, act as a sales agent, and launch businesses with partners. In FY2024, we began proof-of-concept (POC) projects for product development and sales agency services with several partners through capital and business alliances.

Finally, the Data & Solutions Segment, initially an internal product and solution development organization, has developed strong sales capabilities over the past few years. This will allow us to strengthen external sales from FY2025 onward. In addition to selling our existing development resources, we are also developing packaged training and educational programs in collaboration with partners.

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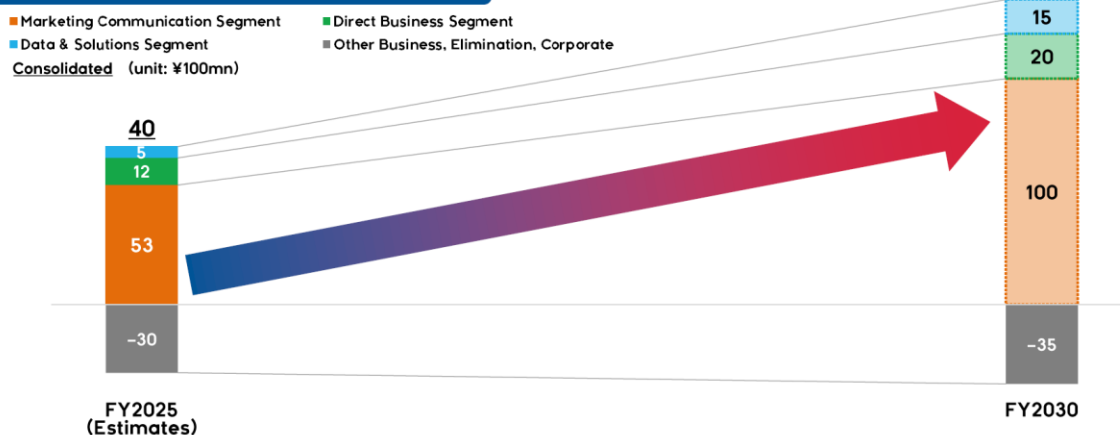
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### 33 Projected Growth by Segment

Continuing to strengthen growth investments to drive the growth of each business and transform our business portfolio, while aiming to outperform market growth.

#### Segment Profit Trend (projected image)



Page 33 presents our growth vision for each segment.

By 2030, we will implement a growth strategy that combines organic growth –enhancing our strengths and creating synergies– and growth investments –alliances and M&A with external partners– to consistently outperform market growth and achieve our mid- to long-term vision through the growth of each business segment. .

Our specific targets for 2030 are ¥10 billion in profit for the Marketing & Communication Segment, ¥2 billion for the Direct Business Segment, and ¥1.5 billion for the Data & Solutions Segment.

We aim to achieve an operating profit of ¥10 billion for the group by 2030, and net profit of ¥10 billion taking into account equity in earnings of affiliates and other factors.

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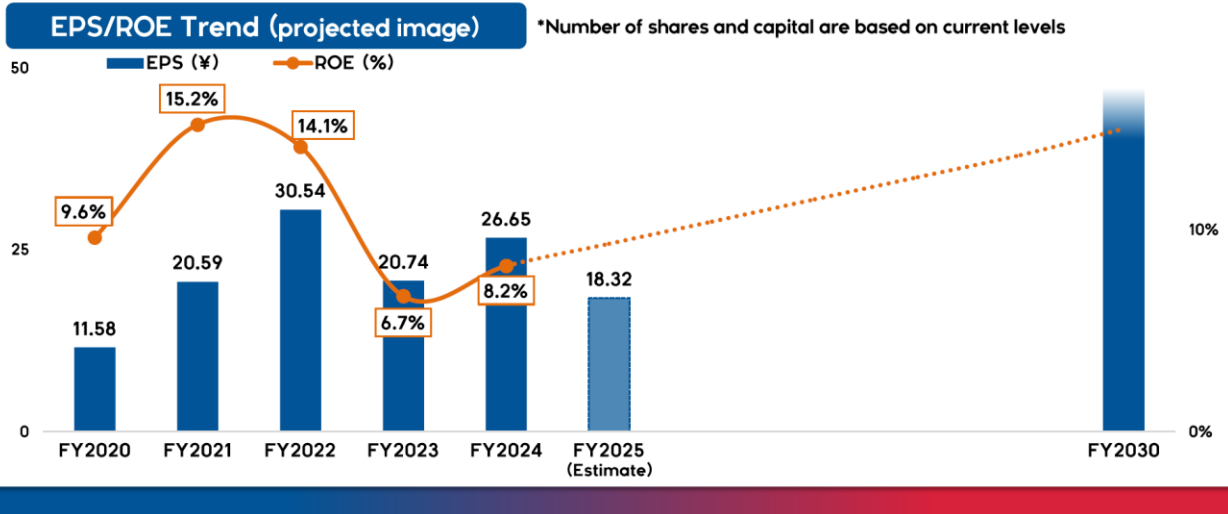
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### 34 Mid- to Long-Term Vision



**Aiming to achieve a net profit of ¥10 billion by 2030, increase EPS, and improve ROE by realizing both high growth and high shareholder returns.**



Page 34 illustrates our projected EPS and ROE trends, aligned with our mid- to long-term vision.

Our long-term goal is to become a company generating ¥10 billion in net profit. Based on our current share count and capital structure, this page shows the projected EPS and ROE levels associated with achieving this ¥10 billion net profit target.

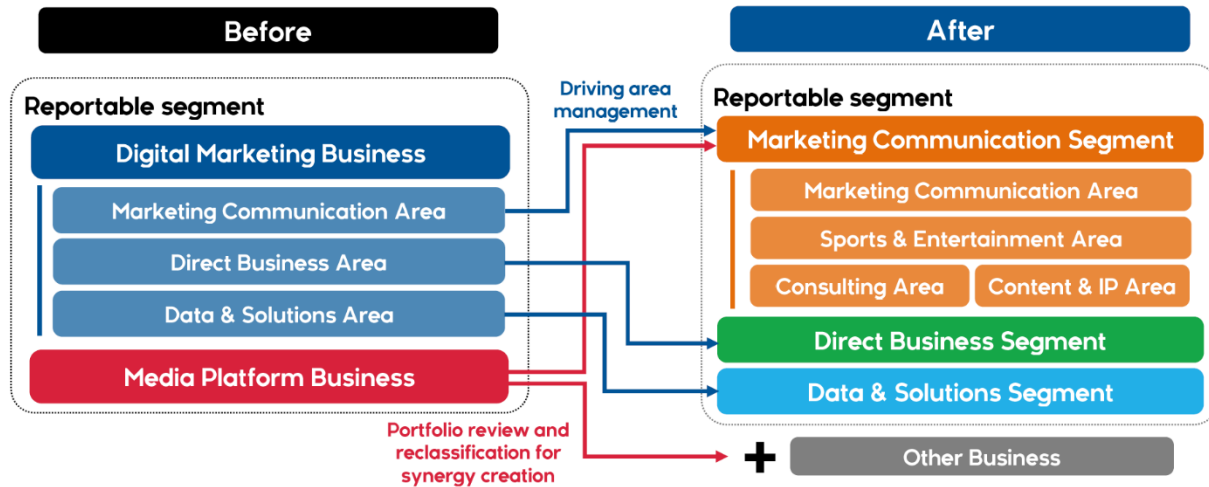
EPS has fluctuated between ¥11 and ¥30 in recent years. Looking toward 2030, we aim to ensure sustainable growth that steadily increase EPS, targeting levels above ¥20, then ¥30, and ultimately ¥40.

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### 36 Changes to Reportable Segments

Changed the reportable segments to align with the organizational structure and segment classifications used for information disclosure, aiming to further promote area management.



\*For details, please refer to the timely disclosure published on December 24, 2024.

Finally, our sixth agenda item is the FY2025 policy and earnings estimates.

Page 36 provides further details on the changes to our reportable segments, effective FY2025.

As announced last December, we are revising our reportable segments starting in FY2025.

Previously, we reported on two segments: Digital Marketing and Media Platform. However, from FY2025 onward, we will report on three segments: Marketing & Communication, Direct Business, and Data & Solutions. These three segments correspond to the previously existing sub-segments within the Digital Marketing Business.

The Media Platform Business will be reclassified into the Marketing & Communication Segment and Other Business, considering synergy creation with existing businesses.

Our focus areas for expansion—sports and entertainment, consulting, and content & IP—will leverage the assets of the Marketing & Communication Segment to enhance capabilities.

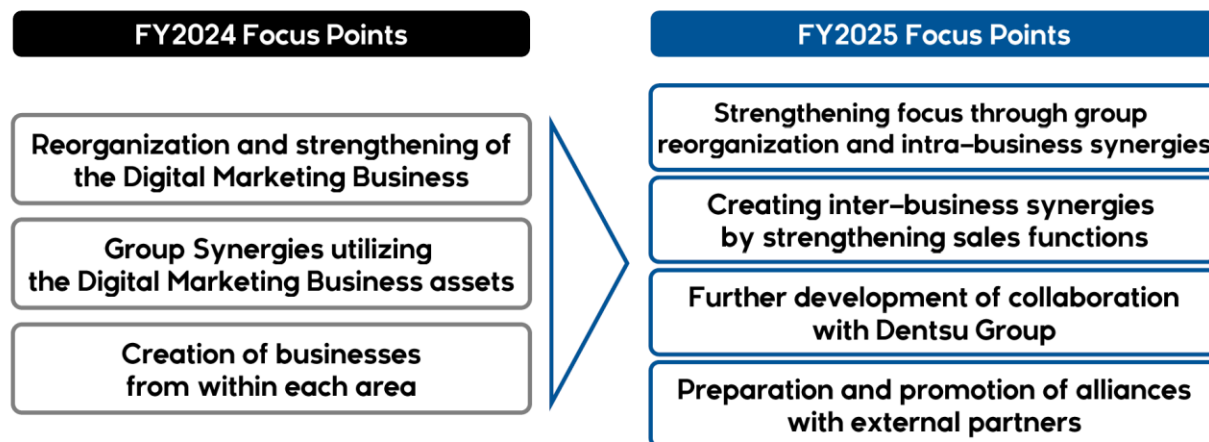
This restructuring will align our organizational structure with our reportable segments, enabling us to more effectively manage individual businesses and promote stronger inter-business collaboration.

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Under the medium-term theme of “Focus & Synergy,” working to create synergies within and between businesses and across the Group, while also advancing preparations for strengthening collaborations with external partners.



Page 37 outlines our management policy for FY2025.

Building on the restructuring and streamlining initiatives undertaken in FY 2024, which have enabled us to achieve a stable operating pace, our FY2025 policy focuses on accelerating growth. Our key initiatives are strengthening focus through group reorganization and intra-business synergies, creating inter-business synergies by strengthening sales function, further development of collaboration with the Dentsu Group, and Preparation and promotion of alliances with external partners.

These four points represent the core pillars of our group management strategy.

The following pages will highlight two new initiatives aligned with these key points.

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Entered into a capital and business alliance agreement with beBit, Inc. to strengthen the consulting area within the Marketing Communication Segment.

**Purpose of the alliance** To deliver innovative marketing solutions by effectively combining the management resources and strengths of both companies, with the ultimate aim of maximizing client value.



Page 38 details a new initiative in the consulting area of the Marketing & Communication Segment. As announced today, we have entered into a strategic capital and business alliance with beBit, Inc.

beBit occupies a unique and attractive position in the market, helping clients maximize customer lifetime value (LTV) by enhancing the digital customer experience (UX). Leveraging extensive expertise and experience in UX improvement based on user behavior data, they provide comprehensive services of UX consulting, design, operations, and technology, partnering with clients to drive growth.

Given the increasing complexity of solutions and sophistication of challenges within the digital marketing landscape, this alliance will combine beBit's strengths in UX with our digital marketing expertise to deliver more advanced and specialized consulting services to our clients.

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Established SEPTENI SPORTS&ENTERTAINMENT, Inc. to provide comprehensive support for digital initiatives in the sports & entertainment area.

**Past initiatives**

Supporting the operations of sports clubs and the growth of teams through assistance in the digital domain, leveraging the expertise cultivated in the digital marketing business.



Established in January 2025

 **SEPTENI SPORTS&ENTERTAINMENT**

**Future initiatives**

Strengthening support for various sports organizations and professional sports clubs through digital initiatives and operational support.

➔Providing support for activities such as attracting attendees to games and events and building CRM system infrastructure to enhance fan engagement.

Page 39 details our activities in the sports & entertainment area within the Marketing & Communication Segment.

Through investments in multiple professional sports clubs, we have been supporting the operations and growth of several professional sports clubs, leveraging our digital marketing expertise to provide digital-centric support.

To further expand these initiatives, we established SEPTENI SPORTS & ENTERTAINMENT, Inc. in January of this year. We believe this venture, particularly in collaboration with the Dentsu Group, presents significant growth opportunities for expanding client bases and capabilities. We intend to further strengthen our business collaboration with the Dentsu Group.

We have presented two new initiatives within the Marketing & Communication Segment that will contribute to our mid- to long-term vision. We are pursuing numerous other initiatives to achieve our "Focus & Synergy" goal and support the growth of each business unit, and will announce these as they become public.

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## 40 Full Year Earnings Estimates for FY12/2025 (Consolidated)



Aiming for a V-shaped recovery by achieving increased revenue and a return to profit growth through improved profitability and productivity.

(unit: ¥mn)	FY2024 results	FY2025 estimates	Projected growth rate (YoY)
Revenue	28,284	30,300	+7.1%
Non-GAAP operating profit	3,197	4,000	+25.1%
Profit attributable to owners of parent	5,526	3,800	-31.2%
Continuing operations only	3,303		+15.0%
Earnings per share (EPS) (¥)*	26.65	18.32	-8.33
Continuing operations only	15.93		+2.39
[Reference] Net sales	145,996	153,000	+4.8%
Revenue to net sales ratio	19.4%	19.8%	+0.4pt

\*EPS (continuing operations only) is for reference only.

Finally, page 40 presents our full-year consolidated earnings estimate for FY2025.

We project revenue of ¥30.3 billion, a 7.1% YoY increase, and Non-GAAP operating profit of ¥4.0 billion, a 25% YoY increase. Profit attributable to owners of parent is projected at ¥3.8 billion, representing a 15% YoY increase excluding one-time gains from the previous year.

FY2025 will aim for a V-shaped recovery by addressing short-term challenges in profitability and productivity and achieving a return to profit growth.

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## 41 Full Year Earnings Estimates for FY12/2025 (By business segment)

Aiming to achieve increased revenue and profit through growth centered on the Marketing Communication Segment, momentum recovery in the Direct Business Segment, and steady growth in the Data & Solutions Segment.

(unit: ¥mn)	Revenue			Non-GAAP operating profit			
	FY2024 results	FY2025 estimates	YoY	FY2024 results	FY2025 estimates	Operating profit margin (to revenue)	YoY
Marketing Communication	20,271	21,600	+6.6%	4,817	5,300	24.5%	+10.0%
Direct Business	5,175	5,800	+12.1%	1,054	1,200	20.7%	+13.8%
Data & Solutions	3,195	3,400	+6.4%	494	500	14.7%	+1.3%
Other Business	832	500	-39.9%	-59	0	-	(+59)
Elimination, Corporate	-1,188	-1,000	-	-3,109	-3,000	-	-
<b>Consolidated</b>	<b>28,284</b>	<b>30,300</b>	<b>+7.1%</b>	<b>3,197</b>	<b>4,000</b>	<b>13.2%</b>	<b>+25.1%</b>

\*FY2024 results for each business are for reference only.

Page 41 presents the full-year earnings estimate by segment for FY2025.

The projected figures for each of our three reportable segments are shown on this page. Following this financial results announcement, we will report on our progress using these segment breakdowns.

Our goal for FY2025 is to achieve continued revenue growth and a return to profit growth through the growth of all our business segments.

This concludes my presentation on the full year 2024 results.

We will strive for a V-shaped recovery in FY2025, pursuing the mid- to long-term vision presented today through our "Focus & Synergy" policy and by embodying our mission, "To inspire the world with entrepreneurship."

We appreciate your continued support for our group. Thank you for your time today.

[END]

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