

January 4, 2022

For Immediate Release

Company name: SEPTENI HOLDINGS CO., LTD.
Representative: Representative Director, Group President and Chief Executive Officer
Koki Sato
(JASDAQ Code: 4293)

Notice of: Effectiveness of Share Exchange with Dentsu Direct Inc., Completion of Payment for Issuance of New Shares through Third-Party Allotment to Dentsu Group Inc., Completion of Partial Acquisition of Shares (Conversion into Equity-Method Affiliate) of Dentsu Digital Inc., and Change in Parent Company and in Subsidiaries

As stated in the press release issued on October 28, 2021, “Notice of: Capital and Business Alliance with Dentsu Group Inc.; Acquisition of 100% Ownership of Dentsu Direct Inc. through Share Exchange; Issue of New Shares through Third-Party Allotment to Dentsu Group Inc.; Partial Acquisition of Shares (Conversion into Equity-Method Affiliate) of Dentsu Digital Inc.; and Changes in Parent Company and in Subsidiaries” (hereinafter called the “press release dated October 28,”) at a meeting of the Board of Directors held on October 28, 2021, the Company resolved to conduct a share exchange in which the Company becomes the wholly-owning parent company of the share exchange and Dentsu Direct Inc. (“Dentsu Direct”) becomes a wholly-owned subsidiary (“Share Exchange,”) to issue new shares through a third-party allotment to Dentsu Group Inc. (“Third-Party Allotment,”) and to conclude a share transfer agreement with the Dentsu Group Inc. and to acquire a portion (25.00%) of the common shares of Dentsu Digital Inc. (“Dentsu Digital”) held by Dentsu Group Inc (“Share Transfer.”) With today as the effective date, the Company shall inform that the Share Exchange has been completed as described in "1. Overview of the Share Exchange" later in this document, and with regard to the Third-Party Allotment, as described later in "2. Overview of the Third-Party Allotment", the payment from Dentsu Group Inc. has been completed.

The Company also announce hereby that the Share Exchange and the Third-Party Allotment resulted in Dentsu Group Inc. becoming the Company’s parent company and the Share Exchange resulted in Dentsu Direct becoming its subsidiary.

In addition, the Company acquired a portion (25.00%) of Dentsu Digital's common stock through the Share Transfer today, making Dentsu Digital an equity method affiliate of the Company.

For details of the Share Exchange, the Third-Party Allotment, the Share Transfer and changes in the parent company and in subsidiaries, please refer to the press release dated October 28.

1. Overview of the Share Exchange

The Share Exchange is a share exchange in which the Company is a wholly-owning parent company and Dentsu Direct is a wholly-owned subsidiary, and the details of the allocation in connection with the Share Exchange are as follows.

Company Name	Company (Wholly-owning parent company after the Share Exchange)	Dentsu Direct (Wholly-owned subsidiary through the Share Exchange)
Share Exchange Ratio	1	3,274
Number of shares to be delivered upon the Share Exchange	Company’s common stock: 12,768,600 shares	

(Note 1) Allocation ratio of shares for the Share Exchange (Share Exchange Ratio)

3,274 common shares of the Company were allotted and delivered per share of Dentsu Direct.

(Note 2) Number of new shares of the Company to be issued as a result of the Share Exchange

The Company has allocated 12,768,600 shares of its common stock through the Share Exchange. As for the shares to be delivered, the Company decided to allocate 10,724,240 shares of its treasury stock and issue 2,044,360 new shares of common stock.

2. Overview of the Third-Party Allotment

(1)	Payment date	January 4, 2022
(2)	Number of new shares to be issued	70,118,794 shares
(3)	Issue price	¥465 per common share
(4)	Amount of fund raising	¥32,605,239,210
(5)	Amounts designated as stated capital	¥232.5 per common share
(6)	Total amount designated as stated capital	¥16,302,619,605
(7)	Method of Offering or Allotment (Allottee)	Based on third-party allotment. (Dentsu Group Inc., 70,118,794 shares)

3. Changes in Total Number of Outstanding Shares and Amount of Stated Capital through the Allotment to a Third Party

(1)	Number of shares outstanding before capital increase	138,916,500 shares (Amount of capital before capital increase: ¥2,125,384,229)
(2)	Increase in number of shares due to capital increase	70,118,794 shares (Increase in capital: ¥16,302,619,605)
(3)	Total number of issued shares after capital increase	209,035,294 shares (Amount of capital after capital increase: ¥18,428,003,834)

4. Date of change of parent company, subsidiary, and equity-method affiliate

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