



**STANDARD
TOKYO**

December 19, 2023

For Immediate Release

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

Notice of Changes in Consolidated Subsidiary (Share Transfer) and Recognition of Gain on Sale

SEPTENI HOLDINGS CO., LTD. (the “Company”) hereby announces that it has resolved, at a meeting of the Board of Directors held today, to transfer 56.8% of the outstanding shares of COMICSMART INC. (“COMICSMART,”) a consolidated subsidiary of the Company, operating the IP Platform Business (“Share Transfer.”)

As a result of the Share Transfer, COMICSMART and its wholly-owned subsidiary Qzil.la, Inc. will be excluded from the scope of consolidation of the Company and will become its equity-method affiliates.

Along with this, the Company also announces that it expects to recognize the gain on the sale of its subsidiary in 1Q of the fiscal year ending December 2024.

1. Purpose and Reason of Share Transfer

Until today, the Company Group has continued to grow while reviewing its business portfolio appropriately. It is engaged in two business segments: the Digital Marketing Business, which is its current mainstay business, and the Media Platform Business, which is expected to have high growth and profitability in the future. In the Media Platform Business, the Company has aimed to make the IP Platform Business the next core of the Group and has thus far continued to invest and operate within the Group.

COMICSMART, which operates the IP Platform Business, raised funds from outside the Group in October 2022 to accelerate further growth in response to the tailwind of the market environment in the manga and anime industry to which COMICSMART belongs. This momentum was supported by the surge in the domestic e-book market, which has captured demand in recent COVID-19 pandemic, the growing global popularity of anime titles originating in Japan, and the anticipated growth in Webtoon market in the next few years.

On the other hand, as announced in “Notice Concerning Changes of Representative Director and Director and Next-Term Management Structure” on December 11, 2023, the Company will reform its management structure for the next fiscal year and aim to achieve sustained and dramatic discontinuous growth in the future by further focusing on the Digital Marketing Business, which is its core business in a business portfolio. In light of these changes in the business environment, the Company has decided the Share Transfer as it believes that managing and raising funds outside the Group will enable COMICSMART of the IP Platform Business to invest in and operate businesses more boldly and flexibly than ever, which will lead to the sustained growth of COMICSMART and the maximization of its business value, and in turn will lead to the enhancement of the Company’s corporate value.

The Company will continue to hold a portion of shares of COMICSMART as an equity-method affiliate to support the further growth of COMICSMART as a shareholder.

2. Overview of Consolidated Subsidiary to be Transferred (as of September 30, 2023)

(1)	Company Name	COMICSMART INC.	
(2)	Address	17-1, Nishi-Shinjuku 8-chome, Shinjuku-ku, Tokyo	
(3)	Name and Title of Representative	Koki Sato, Representative Director	
(4)	Business Overview	IP Platform Business	
(5)	Capital	¥357,994 thousand	
(6)	Established	February 2013	
(7)	Major Shareholder & Shareholding Ratio	SEPTENI HOLDINGS CO., LTD., 89.4%	
(8)	Relationship between the Listed Company and the Said Company	Capital relationship	The Company's consolidated subsidiary in which it owns 89.4% of shares.
		Personal relationship	One of the Company's directors serves as the representative director, and two Group Executive Officers serve as the directors of the said company. (Note 1)
		Business relationship	The Company is entrusted with business management and other operations of the said company.
(9)	Business Results and Financial Position for the Past Three Years	Not disclosed upon the request by the transferees.	

(Note 1) Koki Sato, Representative Director of COMICSMART, is scheduled to resign as a director of the Company at the time of conclusion of the Ordinary General Meeting of Shareholders to be held in March 2024, and as the Group President and Chief Executive Officer of the Company on March 31, 2024. Kana Setoguchi and Yuki Fukunishi, Directors of COMICSMART, are also scheduled to resign as the Group Executive Officers of the Company on March 31, 2024, and the aforementioned personal relationships between the Company and COMICSMART are all scheduled to be terminated by March 31, 2024.

3. Outline of Transferee of Shares

The Company will refrain from disclosing the information due to the arrangement with the transferees. The transferees are three venture capital firms. However, there are no matters that should be noted as capital relationships, personal relationships, business relationships, or related parties with the Company.

4. Number of Shares to be Transferred, Transfer Price, and Status of Shareholding Ratios Before and After Transfer

(1)	Number of Shares Held Before Transfer	116,400 shares (Percentage of voting rights: 89.4%)
(2)	Number of Shares to be Transferred	74,000 shares
(3)	Transfer Price	The transfer price is not disclosed based on the confidentiality obligation in the share transfer agreement, but is determined through negotiations following a fair process, and is recognized as the fair value.
(4)	Number of Shares Held After Transfer	42,400 shares (Percentage of voting rights: 32.6%)

5. Schedule

(1)	Date of Board of Directors Resolution	December 19, 2023
(2)	Date of Share Transfer Agreement	By December 29, 2023 (scheduled)
(3)	Effective Date of Share Transfer	By March 31, 2024 (scheduled)

6. Future Outlook

The Share Transfer has no material impact on its consolidated financial results for the year ending December 31, 2023.

In addition, as of the effective date of the Share Transfer, COMICSMART will be excluded from the Company's consolidation and will become an equity-method affiliate, and the impact of the Share Transfer on its consolidated results is expected to be recognized in the consolidated statement of profit or loss for the 1Q of December 2024. Consolidated earnings forecasts for the fiscal year ending December 2024 based on the impact of the Share Transfer are scheduled to be announced in the summary of consolidated financial statements for the fiscal year ending December 2023 in early February 2024.

■Contact Information

IR Division, Corporate Planning Department

E-mail: ir@septeni-holdings.co.jp