

Japan Catalyst, Inc.

Report on Engagement with SEPTENI HOLDINGS CO.,LTD.

TOKYO, March 25, 2022– Japan Catalyst, Inc. (hereinafter referred to as "JCI") carries out an engagement investment strategy towards Japanese companies through the Monex Activist Mother Fund (hereinafter referred to as "MAMF"), for which JCI provides investment advice.

We would like to report on engagement with one of MAMF's the most significant investments, SEPTENI HOLDINGS CO.,LTD. (hereinafter referred to as "SEPTENI").

SEPTENI's digital marketing business has been a mainstay of its revenue and has increased its enterprise value over the years. While SEPTENI owns businesses that will be indispensable in the future of the digital society, we felt that the importance and growth potential of these businesses had not been fully communicated to the stock market during several dialogue with SEPTENI. Based on our hypothesis, we have executed an engagement with SEPTENI.

Immediately after we started investing, we had multiple discussions with Mr. Koki Sato, SEPTENI's Representative Director, Group President and Chief Executive Officer, and outside directors. We also exchanged opinions with the Corporate Planning Department, and engaged to realize its enterprise value at fair value. We discussed in depth SEPTENI's competitive advantages and future prospects, and shared our concerns about the company from the capital market perspective as well as approach for communication with the capital market.

In the light of the dialogue with JCI, SEPTENI announced a strong medium-term management policy advocating growth that outperforms the market, centered on deepening the alliance with Dentsu Group Inc., which is in its financial results materials for the first quarter of the fiscal year ending September 30, 2022, released on February 10, 2022. This has led to a significant reassessment of SEPTENI 's valuation by the capital market, and the stock price has moved upwards in line with this reassessment, indicating that investors' perspectives are useful in revealing enterprise value.

We would like to pay a great respect to SEPTENI's progressive management stance of proactively incorporating shareholder dialogue as set forth in the Japan's Corporate Governance Code. At the same time, we would like to express our deep appreciation to SEPTENI for accepting JCI as a dialogue partner.

JCI intends to continued creation of desirable transformation through constructive engagement with companies and provide values to various stakeholders, keeping in mind of our engagement philosophy of "Sottaku-Doji *" (啐啄同時).

Message from Mr. Koki Sato

Representative Director, Group President and Chief Executive Officer

- SEPTENI HOLDINGS CO.,LTD.

In our newly announced mid-term management policy, we aim to become the best digital marketing partner for our clients and advocate significant growth that exceeds market growth. We believe that through the dialogue with Japan Catalyst, Inc., we have gained many insights into our own management and have been able to brush up on our corporate strategy and policies for interacting with the capital markets. We will continue to enhance our corporate value through constructive dialogue with JCI and other shareholders.



SEPTENI

* Sottaku-Doji “啐啄同時” : 啐(Sotsu) is a sound made by the chick trying to break the eggshell from the inside to hatch. 啄(Taku) is a sound made by the mother bird trying to break the eggshell from the outside. 同時(Douji) means simultaneously. Hence, the Zen saying “Sottaku-Doji” implies that the chick can hatch if pecking from both sides works simultaneously.

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