

*Date: June 29, 2007*

## **Notice of Merger of Two Consolidated Subsidiaries**

Septeni Co., Ltd. and CANOW Corporation, both consolidated subsidiaries of Septeni Holdings Co., Ltd., will merge on October 1, 2007. The directors of both subsidiaries today approved resolutions to combine the two companies, and the Septeni Holdings directors approved this merger on the same day.

### **1. Purpose of merger**

CANOW is responsible for the financial services sector of the Internet advertising business, which is the core business of the Septeni Group. This company has been growing steadily since its establishment in February 2005. As a result, management believes that this company has achieved its initial objective of increasing advertising revenues from financial service companies and gaining expertise in the Internet marketing of financial services. However, CANOW's operating environment is currently much different than when the company began operations because of numerous changes in Japan's financial services market.

Septeni believes that combining CANOW and Septeni, which is the nucleus of the group's Internet advertising business, will make this business even more competitive. One reason is expected improvements in operating efficiency. The merger is also expected to facilitate the more efficient use of employees and other resources along with the more effective use of expertise involving Internet advertising

### **2. Details of merger**

(Merger schedule)

June 29, 2007	Approval of resolution by Septeni Holdings Board of Directors
June 29, 2007	Signing of merger agreement
June 29, 2007	Shareholders meeting
October 1, 2007	Expected date of merger (effective date)
October 1, 2007	Merger registration (tentative)

(2) Merger method

Septeni will be the surviving company and CANOW will be dissolved through merger absorption.

(3) Merger ratio

Since Septeni and CANOW are both Septeni Holdings' wholly owned subsidiaries, there is no merger ratio agreement. Also, the shares will not be issued.

### **3. Outline of the merging companies**

(As of March 31, 2007)

Company name	Septeni Co., Ltd. (Surviving company)	CANOW Corporation (Expired company)
Major business	Internet advertising business	Internet marketing of financial services
Established	October 2, 2006	February 28, 2005
Head office	Shinjuku-ku, Tokyo	Shinjuku-ku, Tokyo
Representative	Koki Sato, Representative director and president	Masako Takeuchi, Representative director and president
Capital	300 million yen	100 million yen
Shares outstanding	6,000 shares	2,000 shares
Net assets	643 million yen	243 million yen
Total assets	3,898 million yen	770 million yen
Fiscal year ends	September 30	September 30
Employees (full-time)	150	26
Major shareholders and ownership ratio	Septeni Holdings Co., Ltd. 100%	Septeni Holdings Co., Ltd. 100%

### **4. Status after the merger**

- (1) Company name: Septeni Co., Ltd.
- (2) Business activity: Internet advertising business
- (3) Head office: 24 Daikyo-cho, Shinjuku-ku, Tokyo
- (4) Representative: Koki Sato, Representative director and president
- (5) Capital: 300 million yen
- (6) Total assets: Not yet determined
- (7) Fiscal year ends: September 30

### **5. Impact on operating results**

Since this is a merger of Septeni Holdings' wholly owned subsidiaries, the merger has no effect on the Company's consolidated and non-consolidated operating results for the current fiscal year.