

(Translation)

April 30, 2014

Dear Sirs:

Company name: **Fuji Media Holdings, Inc.**
Representative: Hideaki Ohta, President and Representative
Director
(Code No. 4676, 1st section of Tokyo Stock Exchange)
Person to contact: Osamu Kanemitsu, Senior Executive
Managing Director
Telephone: +81-3-3570-8000 (key)

Notice of Decision to Merge Consolidated Subsidiaries

Fuji Media Holdings, Inc., at the meeting of its Board of Directors held on April 30, 2014, decided to merge its consolidated subsidiary Quaras Inc. ("Quaras") and Quaras's wholly-owned subsidiary Kyodo Advertising Co., Ltd. ("Kyodo Advertising"), effective October 1, 2014. Details are as follows.

1. Purpose and Objective of the Merger

Fuji Media Holdings' advertising-group subsidiary Quaras, with the aim of strengthening its advertising business, in April 2009, acquired 100% of the shares in Kyodo Advertising to make it a wholly-owned subsidiary.

Since that time, the two companies have achieved a certain degree of synergy through exchange of skills and expertise to strengthen marketing capabilities and make joint proposals, as well as through enhanced efficiency by consolidating media buying. Five years have passed since Kyodo Advertising was made a wholly-owned subsidiary, and in consideration of the changes in the business environment for the advertising industry, Fuji Media Holdings decided that to achieve further growth with a sense of urgency, it would, by means of a merger, enhance proposal capabilities and responsiveness to customer needs through effective utilization of personnel and other assets, and further strengthen the earnings foundation through greater efficiency in administration and other operations.

2. Outline of the Merger

(1) Merger Schedule (Planned)

Board of Directors meetings to approve merger	(Merging companies)	April 30, 2014
Date of conclusion of merger contract	(Merging companies)	April 30, 2014
General Meetings of Shareholders to approve merger contract	(Merging companies)	June 18, 2014
Effective date of merger		October 1, 2014

(2) Merger Method

This will be an absorption-type merger, with Quaras as a surviving company, and Kyodo Advertising as a dissolving company.

3. Overview of the Merging Companies (as of December 31, 2013)

	Surviving Company	Dissolving Company
1. Corporate name	Quaras Inc.	Kyodo Advertising Co., Ltd.
2. Businesses	Advertising agency business	Advertising agency business
3. Head office	1-1, Osaki 2-chome, Shinagawa-ku, Tokyo	6-28, Osaki 3-chome, Shinagawa-ku, Tokyo
4. Representative	President & Representative Director Masami Kato	President & Representative Director Wataru Onuma
5. Paid-in capital	¥359 million	¥229 million
6. Number of shares issued	2,435,928 shares	2,469,137 shares
7. Net assets	¥2,479 million	¥381 million
8. Total assets	¥9,776 million	¥3,425 million
9. Year-end	March 31	March 31
10. Major shareholder and ownership ratio	Fuji Media Holdings, Inc. 68.91%	Quaras Inc. 100%
11. Results for the most recent fiscal year (ended March 31, 2013, non-consolidated)		
Net sales	¥38,491 million	¥5,045 million
Operating income	¥170 million	¥(39) million
Recurring profit	¥200 million	¥55 million
Net income	¥30 million	¥64 million

4. Status after the Merger

1. Corporate name	Quaras Inc.
2. Businesses	Advertising agency business
3. Head office	1-1, Osaki 2-chome, Shinagawa-ku, Tokyo
4. Representative	Not yet decided
5. Paid-in capital	¥359 million
6. Year-end	March 31

5. Outlook

Because this is a merger between the consolidated subsidiaries, the effect on business results is expected to be minimal.

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