



May 14, 2004

Listed Company Name: Plaza Create Co., Ltd.
Representative: Yasuhiro Oshima, President
Code Number: 7502 (JASDAQ)
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Notification Concerning Merger

At the Board of Directors' meeting held on May 14, 2004, the Board of Directors of Plaza Create Co., Ltd. approved a resolution to merge with reCre, Inc., a wholly owned subsidiary of Plaza Create, to be effective on August 1, 2004. The details of the merger are explained below.

1. Purpose of the Merger

Plaza Create established reCre, Inc. in March 2002 as one component of the Group's strategy. New alternatives such as the transmission and preservation of digital images, information delivery, and interactive services to link users (consumers) and providers (corporations and other organizations) by utilizing the Internet are expanding rapidly, for PCs as well as cellphones. Given this environment, reCre, Inc. has made its main business territory the non-PC sector (communication terminals other than PCs, particularly cellphones), which is experiencing a growth phase, by planning and developing software for cellphones and developing an integrated support business related to corporate sales promotions and public relations activities. Through this sales promotion support business, corporate customers have begun to evaluate very positively the joint corporate planning using Plaza Create's nationwide network of chain shops frequented by customers and the functions of the Company's business, particularly during the most recent year. The Board of Directors determined that Plaza Create's consolidated management efficiency would be enhanced and grow more effective through a merger of the two companies and integration of their functions, and accordingly approved a resolution to absorb and merge with the subsidiary concerned.

2. Summary of the Merger

(1) Merger Schedule (planned)

Board of Directors' meeting to	
approve the merger agreement	June 7, 2004
Signing of the merger agreement	June 7, 2004
General shareholders' meeting to	Plaza Create will not hold a shareholders' meeting,
approve the merger agreement	because the transaction is a simple merger.

	reCre, Inc.	June 22, 2004
Merger date	August 1, 2004	
Merger registration	August 5, 2004	

(2) Merger Procedure

Plaza Create will complete the merger through an absorption and merger, with Plaza Create Co., Ltd. being the surviving company. reCre, Inc. will be dissolved upon completion of the merger. By adopting the simple merger method based on Article 413-3 of the Commercial Code, the merger will be completed without having to obtain approval at a general shareholders' meeting as set forth in Article 408, Paragraph 1 of the Commercial Code.

(3) Merger Ratio

The merger is a merger with a wholly owned subsidiary, and Plaza Create will not issue new shares for the merger.

(4) Amount of Money Delivered Due to Merger

No money will be delivered due to the merger.

3. Summary of the Companies Party to the Merger (As of March 31, 2004)

(1) Business Name	Plaza Create Co., Ltd. (Merger corporation)	ReCre, Inc. (Predecessor company)
(2) Business	DPE shop franchise business	Planning and development of software for non-PC applications, and integrated sales promotion support activities
(3) Date Established	March 11, 1988	March 19, 2002
(4) Head Office	1 Goban-cho, Chiyoda-ku, Tokyo, Japan	3-3-1, Misakicho, Chiyoda-ku, Tokyo
(5) Representative	Yasuhiro Oshima, President	Sayuri Nakayama, President
(6) Capital	¥1,003 million	¥200 million
(7) Total Shares Issued	6,084,982 shares	4,000 shares
(8) Total Assets	¥12,513 million (Note)	¥75 million
(9) Fiscal Year-End	March 31	March 31
(10) Employees	237	5
(11) Main Customer	Fujicolor Service Co., Ltd.	Plaza Create Co., Ltd.
(12) Major Shareholders (Percent of Shares Held)	Yasuhiro Oshima 29.93% Fuji Photo Film Co., Ltd. 22.62% Chubu Shashin Co., Ltd. 12.46%	Plaza Create Co., Ltd. 100.00%
(13) Main Banks	Mizuho Bank, Ltd. UFJ Bank Limited	Mizuho Bank, Ltd.
(14) Company Relationships	Capital relationship	Plaza Create owns all of the predecessor company's issued shares.
	Personnel relationship	Fumiya Imamura, Managing Director of Plaza Create, concurrently serves as president of the predecessor company.
	Transaction relationship	Plaza Create does business with the predecessor company for sales promotion activities utilizing Plaza Create's chain stores.

(Note) The amount of the merger company's total assets is as of September 30, 2003.

(15) Results for the Three Most Recent Fiscal Years

Plaza Create Co., Ltd. (Merger company)

(Millions of yen, except where noted)

Fiscal year	FY ended March 2001	FY ended March 2002	FY ended March 2003
Revenues	17,705	16,420	15,288
Operating income (loss)	1,021	-34	33
Ordinary income	1,208	54	57
Net loss	-1,168	-3,581	-2,145
Net loss per share (Yen)	-192.10	-588.63	-352.62
Dividend per share (Yen)	10.00	-	-
Shareholders' equity per share (Yen)	1,135.34	481.31	97.38

reCre, Inc. (Predecessor company)

(Millions of yen)

Fiscal year	FY ended March 2003	FY ended March 2004 (Note)
Revenues	77	91
Operating loss	-102	-80
Ordinary loss	-102	-79
Net loss	-103	-86
Shareholders' equity	-27	-114
Total assets	87	75

(Note) Figures for the fiscal year ended March 2004 are unaudited.

4. Conditions after the Merger

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|---------------------------------|---|
| (1) Business Name | Plaza Create Co., Ltd. |
| (2) Business | DPE shop franchise business, leasing business |
| (3) Head Office Location | 1 Goban-cho, Chiyoda-ku, Tokyo, Japan |
| (4) Representative | Yasuhiro Oshima, President |
| (5) Capital | The merger will not have any effect on capital. |
| (6) Total Assets | The merger will increase total assets by approximately ¥56 million. |
| (7) Fiscal Year-End | March 31 |
| (8) Effect on Operating Results | |

The Company will incur an extraordinary loss of ¥335 million for the fiscal year ended March 31, 2004. There is no material effect on the Company's consolidated operating results.

The Company incorporated the effect of the merger on operating results and announced the results in the "Notification Regarding Extraordinary Loss and Revision of Forecast of Results" dated May 14, 2004.

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