

For Immediate Release

## CCC Group

# Starting Electronic Video Delivery Services

### In Spring 2007 - TSUTAYA DISCAS First

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November 21, 2006 (Tokyo, Japan) — The CCC Group, whose holding company is Culture Convenience Club Co., Ltd. (“CCC”, President: Muneaki Masuda), will begin electronic video delivery services next year in the spring.

CCC subsidiary TSUTAYA BB Co., Ltd. (President: Takaaki Kusaka), established on July 21 this year, has been reviewing these services towards the development of an operational business, and has **formally decided to launch VOD (Video on Demand) and EST (Electronic Sell-through) services via streaming and downloading.**

TSUTAYA BB will handle procurement of video content, video processing, video data management, and video data delivery system management. TSUTAYA DISCAS Co. Ltd. (President: Hiroshi Yamaji), which operates the online DVD/CD rental service TSUTAYA DISCAS (174,000 members as of Sep. 30), will offer the electronic delivery service from its TSUTAYA DISCAS website. The VOD service for PC viewing will launch first with a library of approximately 1,000 titles of popular movies to be made available over time.

Following a launch on TSUTAYA DISCAS, the aforementioned services will be delivered from TSUTAYA online, the comprehensive entertainment information portal operated by TSUTAYA online Corporation (President: Tatsuya Hattori), and examined for offering through TSUTAYA and other retail locations. The CCC Group will also begin preparations for implementing EST services and delivery via streaming.

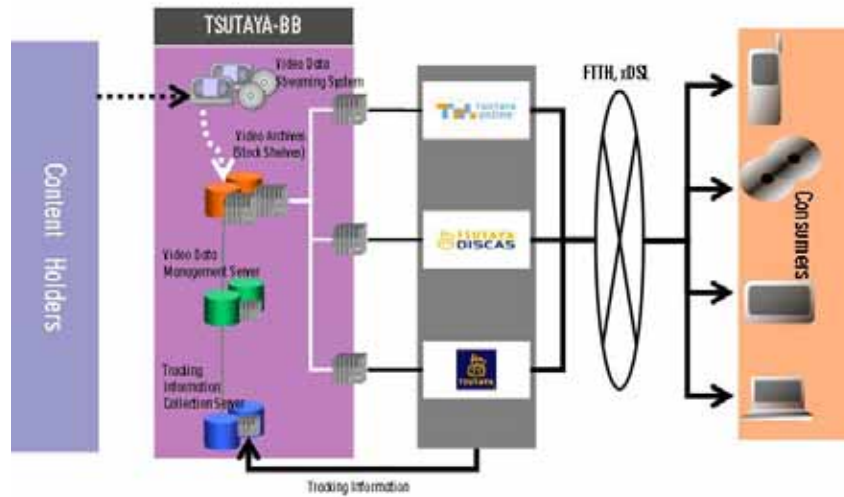
The CCC Group has transacted the rental and sell-through of packaged video content through physical retail locations and the Internet up until now. With the launch of electronic video delivery services over the Internet, the CCC Group believes that it can offer new customer value, such as **providing “long tail” content that cannot be stocked as inventory in stores, and enjoying video content without leaving the home.”**

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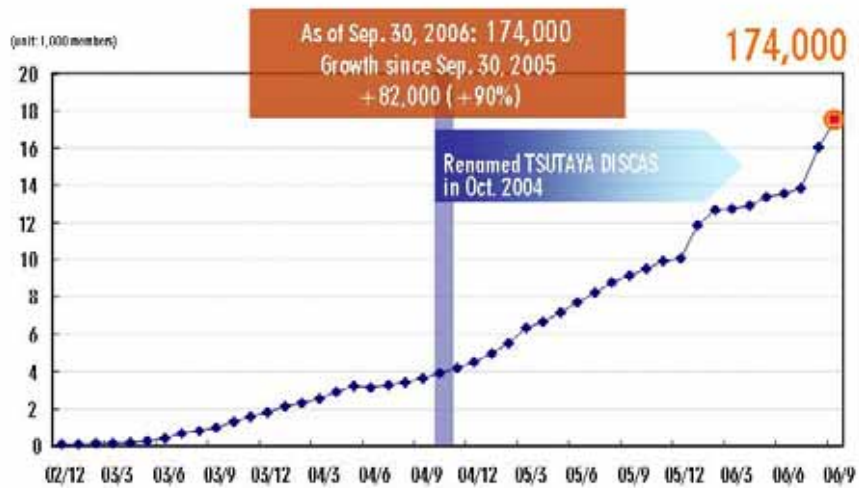
#### About TSUTAYA BB Co., Ltd.

Head Office: Yebisu Garden Place Tower, 4-20-3 Ebisu, Shibuya-ku, Tokyo, JAPAN  
Representative: Takaaki Kusaka, President  
Established: July 21, 2006  
Paid-in Capital: 100 million yen (wholly owned by CCC)

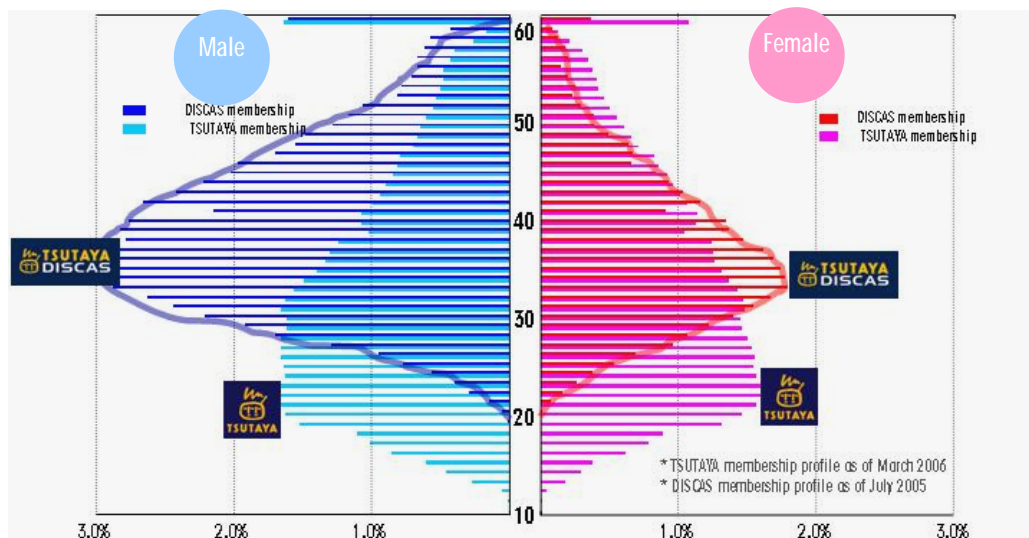
## TSUTAYA BB Positioning



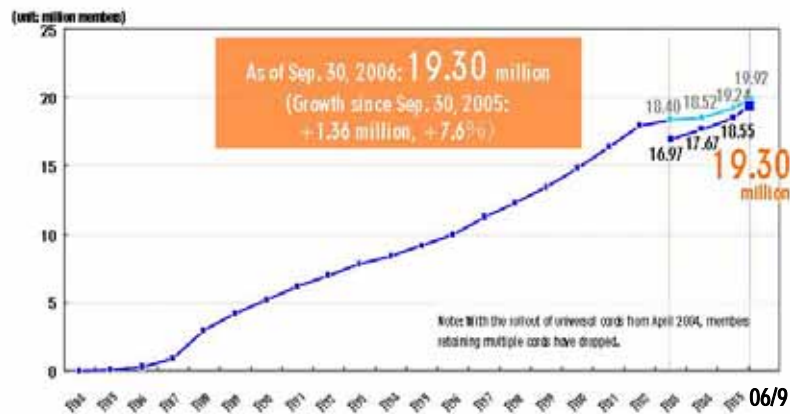
## TSUTAYA DISCAS Membership Growth



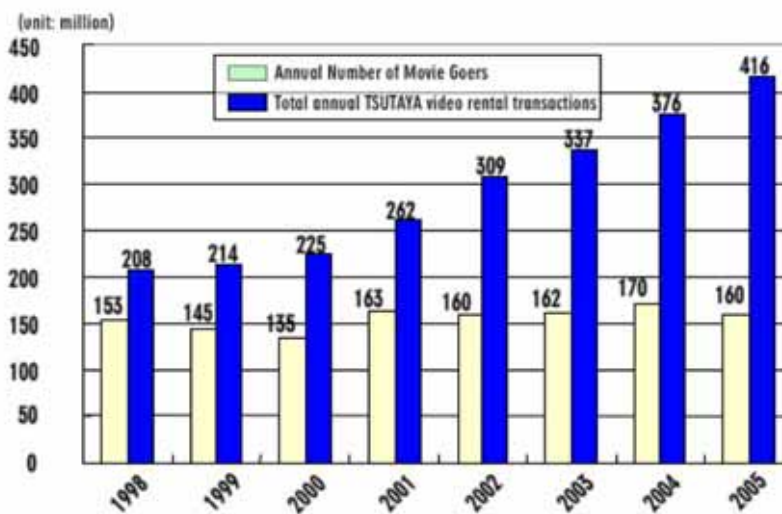
## TSUTAYA DISCAS Membership Demographics vs. TSUTAYA Membership



## TSUTAYA Membership Growth: Active Members after Card Name Consolidation



## Number of Video Rentals at TSUTAYA



## TSUTAYA online Membership Growth



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