

For Immediate Release

CCC Group consolidated interim results for the year ending March 31, 2007

Ordinary income 7.2 billion yen (Prior Year Comp up 8%)

Net Income 4.9 billion yen (prior year comp up 49%)

November 21, 2006 (Tokyo, Japan) —Culture Convenience Club Co., Ltd. (“CCC”, President: Muneaki Masuda), has reported its consolidated operating results for the interim period of the year ending Mar. 31, 2007 as follows: Net sales were 92,557 million yen (7.9% down compared to the period for the prior year), affected by the transfer of 51% ownership in Nihon Soft Service Co., Ltd., to Nippon Shuppan Hanbai, Inc., at the end of March 2006; however, ordinary income improved to 7,203 million yen (up 8.6% over the prior year) and net income increased markedly to 4,891 million yen (up 49.2% over the prior year). Seeing these results, the Company has approved a dividend increase for the second half of the fiscal year from 2.5 yen to 3.5 yen per share (6.0 yen per share for annual dividend).

TSUTAYA Business

Store locations: 1,577; TSUTAYA members: 19.3 million.

The total number of locations for the TSUTAYA business consisted of 1,577 stores through the extension of banners resulting from M&A activities (TSUTAYA: 1,277, Virgin Megastores: 18, Shinseido: 226, and Sumiya: 56).

Next, TSUTAYA (the main banner) grew its active members after membership card consolidation to 19.3 million (an increase of 1.36 million since the period ended last year). Existing store sales across all categories rose 0.3% compared to the same period last year, and system-wide sales, the basis for royalties, rose strongly by 11.1% in aggregate over the prior year’s interim period.

Internet Business

TSUTAYA online members surpassed 10 million!

On October 10, 2006, the CCC Group’s Internet entertainment portal TSUTAYA online (TOL) surpassed 10 million members. In addition, TSUTAYA DISCAS, the home-delivery DVD rental business managed via Internet website, doubled its growth since last year and attained 174,000 members—an increase of 82,000 since the interim period last year. DISCAS will assume the base of video streaming operations within the CCC Group announced today.

Card & Point Business

Dual-function membership cards issued: 3.88 million; T Point alliance locations: 27,880 outlets.

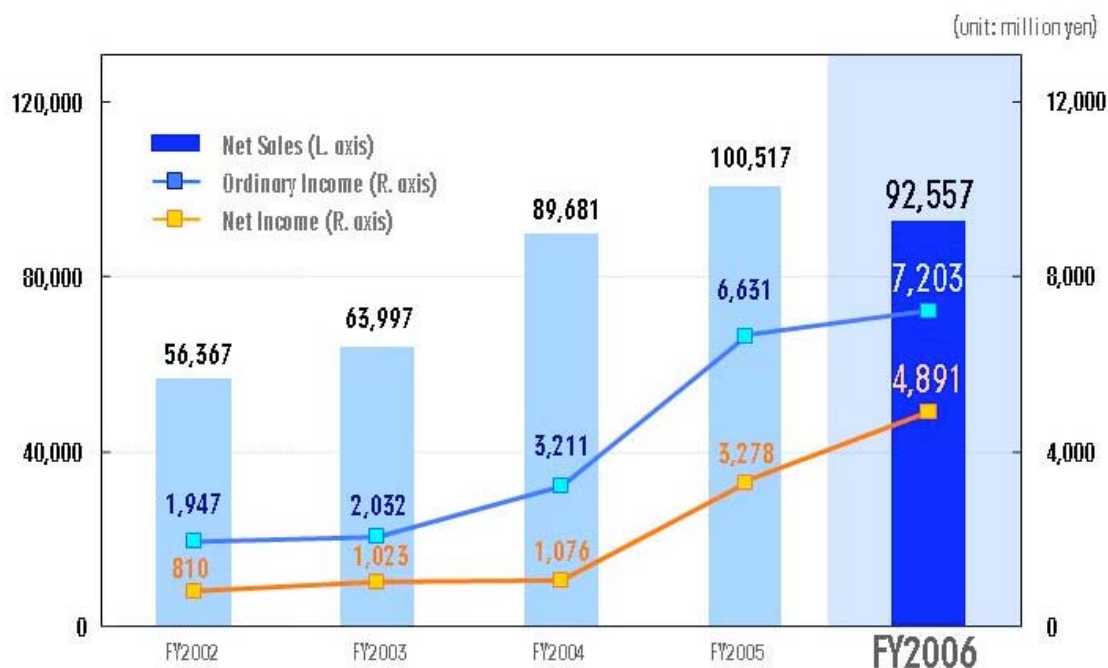
With the growth in dual-function membership cards issued and the rise in T Points awarded, interim operating income for T Card & Marketing Co., Ltd., a subsidiary that promotes the Card & Point business, increased significantly to 762 million yen, which is 3.7 times more than last year.

Kitamura Co., Ltd., began issuing T Cards in October, and issued 210,000 cards in approximately 40 days (20% of all T Cards issued during the period). An agreement between Bookoff Corporation has also been reached to integrate its point-card membership at 854 stores with T Card in the autumn of 2007. CCC expects to supply 5 million Bookoff members successively with T Cards at that time. The promotion to integrate membership management functions at participating T Point alliance companies will continue with the aim of forging a powerful membership base.

Interim Period Consolidated Operating Results for the Year Ending March 31, 2007

■ Interim Period Consolidated Operating Results for Year Ending March 31, 2007 (million yen)

	FY2006 Interim Period	FY2007 Interim Period	Prior Year Comp
Net Sales	100,517	92,557	92.1%
Operating Income	6,588	6,996	106.2%
Ordinary Income	6,630	7,203	108.6%
Net Income	3,278	4,891	149.2%



■ Factors Affecting Consolidated Ordinary Income

Positives

Improved revenues with Card business membership growth

Increased income from MPD proxy handling

Increase in royalties and proxy handling income (excluding MPD)

Increased income from consolidation of IMJ, DIGITALSCAPE and Digital Hollywood

Improved TSUTAYA DISCAS revenues with membership growth

Negatives

Reduced income with non-consolidation of NSS

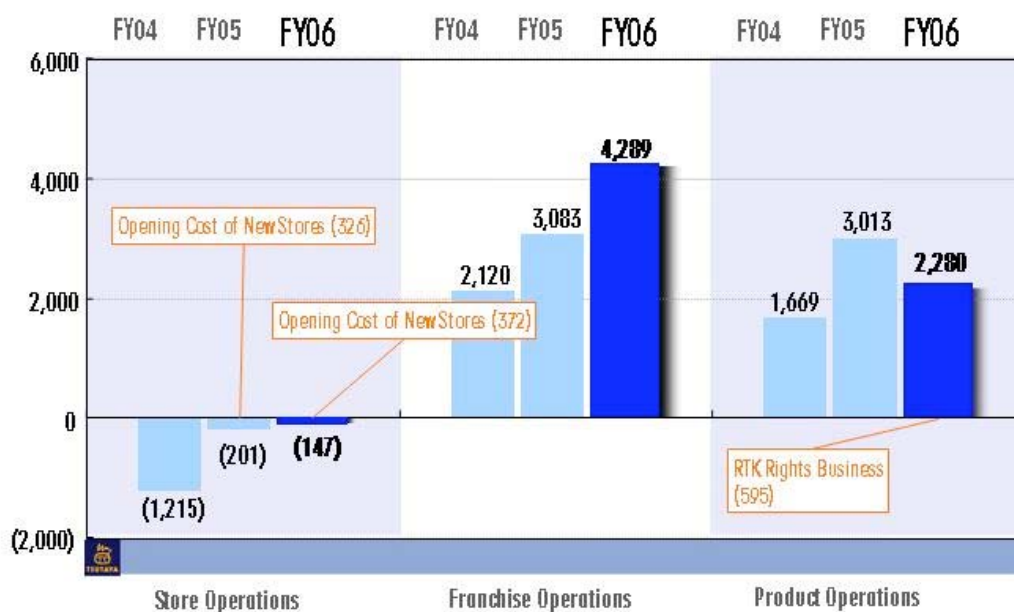
Income drop in Rentrak Japan's rights investment business

Increase in systems development (including software amortization)

Interim Period Operating Results for the Year Ending March 31, 2007

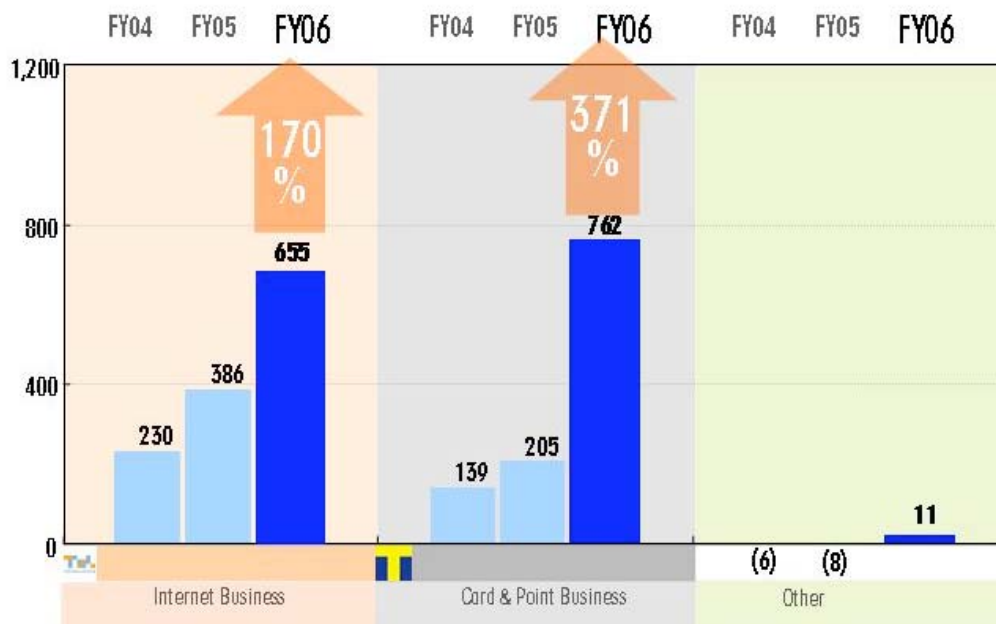
Operating Income Trends by Segment (consolidated): TSUTAYA Business

(unit: million yen)



Operating Income Trends by Segment (consolidated): Internet, Card & Point, Other

(unit: million yen)





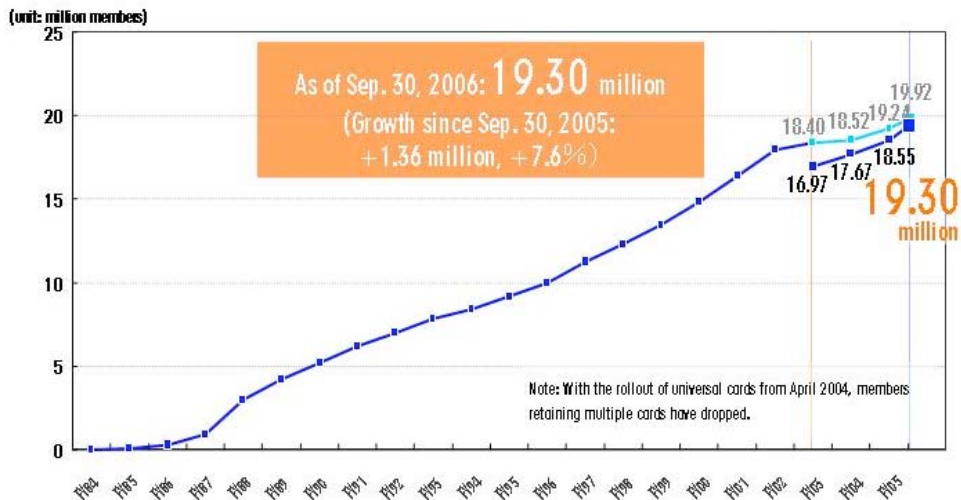
■ Number of Store Locations (As of September 30, 2006)



■ TSUTAYA Store Growth (Store Counts)



■ TSUTAYA Membership Growth: Active Members after Card Name Consolidation



■ TSUTAYA Existing Store Revenue Prior Year Comps (%)

Interim Existing Store Revenues Across All Items: Prior Year Comp 100.3%

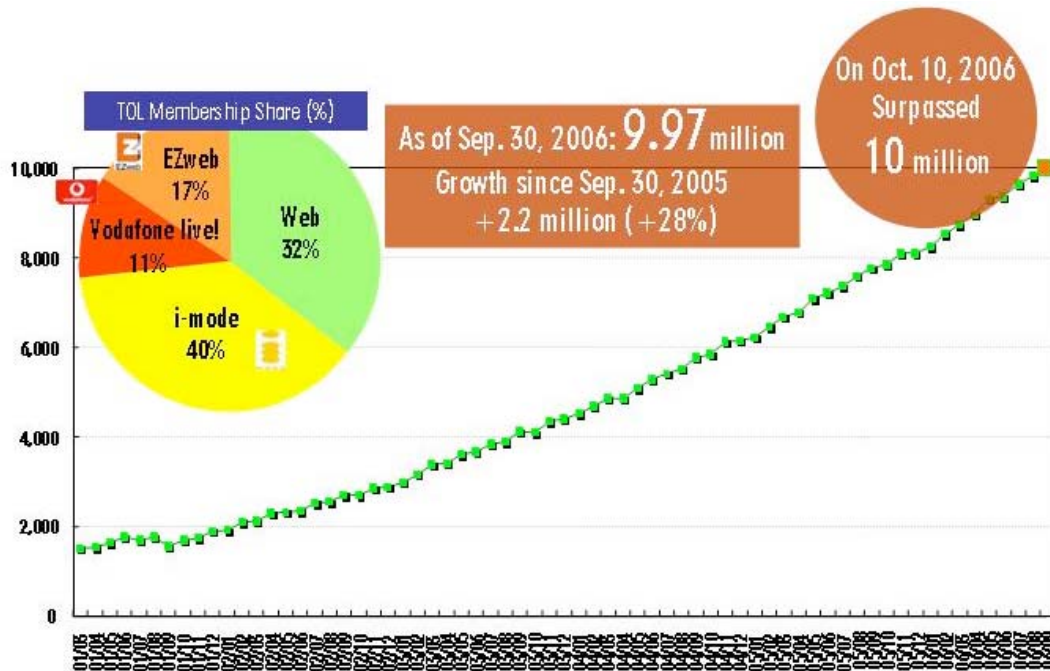
		2006					
		Q1	Jul	Aug	Sep	Q2	Interim Period
Rental		101.6	102.4	105.1	100.0	102.6	102.1
	Video	102.7	103.8	106.1	101.6	103.8	103.3
	DVD	133.7	132.0	133.4	125.0	130.0	131.7
	Music	100.1	100.1	103.8	96.4	100.2	100.1
CD & DVD Sales		95.2	86.2	96.3	81.8	88.0	91.3
	Video	93.4	84.4	90.5	81.5	85.6	89.3
	DVD	93.5	84.4	90.6	81.5	85.6	89.4
	Music	96.3	87.3	100.1	81.9	89.4	92.5
Publication Sales	106.5	103.2	98.2	101.4	100.9	103.6	
Game Sales	139.9	102.8	81.9	129.6	101.5	117.1	
Total	102.4	98.2	100.3	96.7	98.4	100.3	

■ TSUTAYA System-wide Revenue Prior Year Comps (%)

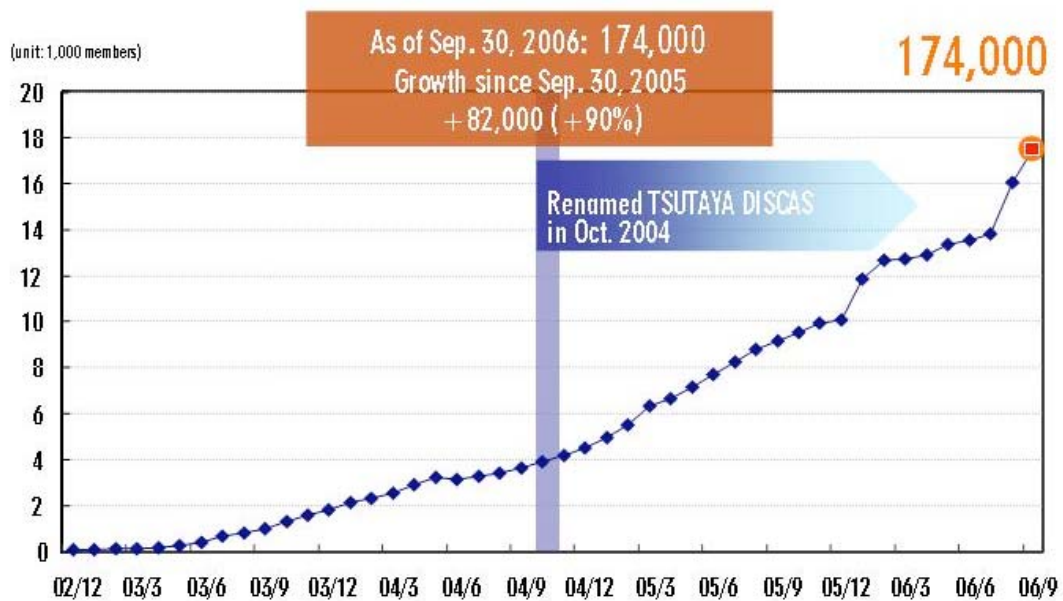
Interim System-wide Revenues Across All Items: Prior Year Comp 111.1%

(Royalty Rate)	Interim Sales Breakdown	Q1	Jul	Aug	Sep	Q2	Interim	FY05 Interim
Rental (5%)	50.4	109.2	109.4	112.4	106.6	109.5	109.3	106.7
Video		110.2	110.8	113.3	108.2	110.8	110.5	107.7
DVD		143.6	141.1	142.5	133.1	138.8	141.0	173.8
Music		107.0	106.3	110.5	102.2	106.4	106.7	103.5
CD & DVD Sales (2%)	22.5	104.1	93.5	104.7	87.8	95.2	99.3	99.4
Video		100.0	89.6	96.4	86.9	91.1	95.4	98.0
DVD		100.1	89.7	96.5	87.0	91.2	95.4	98.8
Music		106.8	95.7	110.1	90.1	98.2	102.1	100.3
Publication Sales (1%)	19.8	133.7	131.3	125.0	128.6	128.2	130.9	104.1
Game Sales (2%)	5.6	151.8	106.8	86.1	136.2	106.2	124.6	101.2
Used Sales (5%)	1.7	105.4	108.2	106.4	106.7	107.1	106.3	122.9
Total		100.0	113.9	108.6	110.8	106.7	108.7	111.1

TSUTAYA online Membership Growth (unit: 1,000)



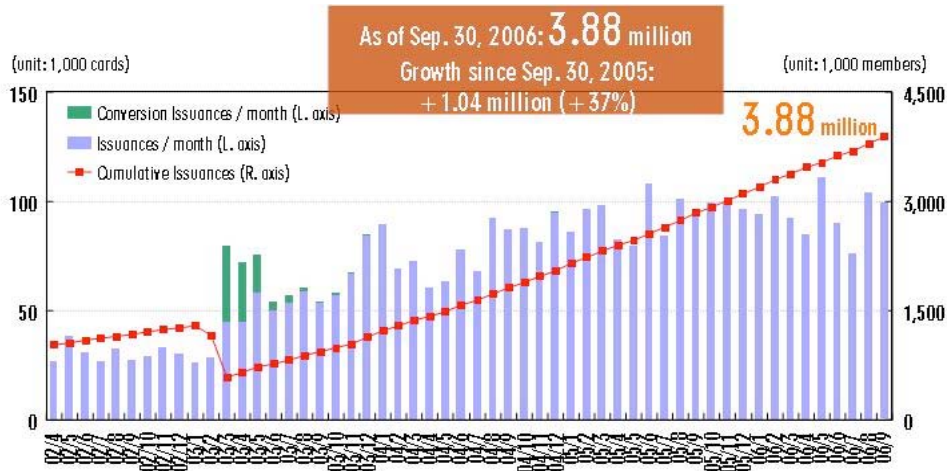
TSUTAYA DISCAS Membership Growth



Entry into Video Streaming Business (Refer to Announcement Material of Nov. 21)

Card & Point Business

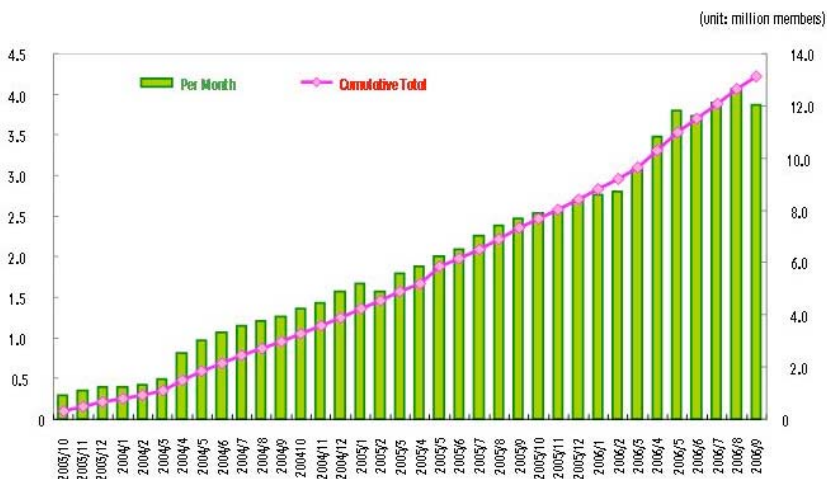
Dual-Function Membership Card Issuances



Brands and Outlets Transacting T Points

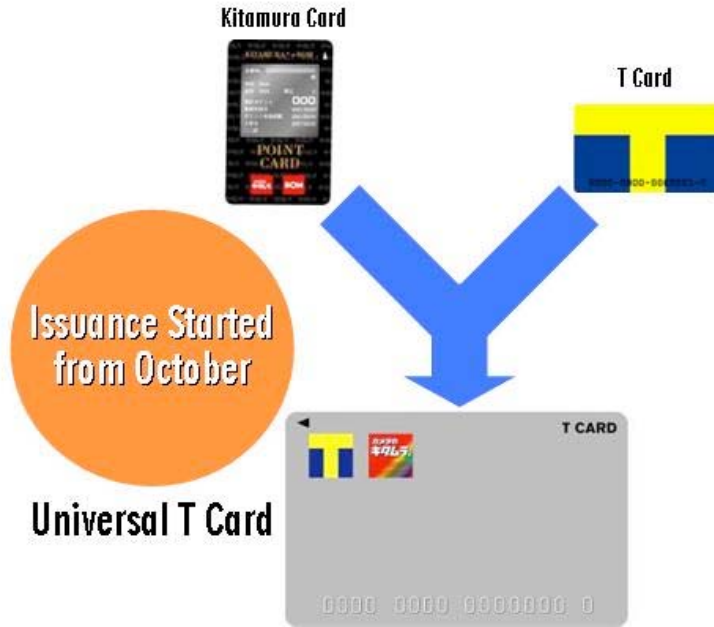


T Point Transacting User Growth

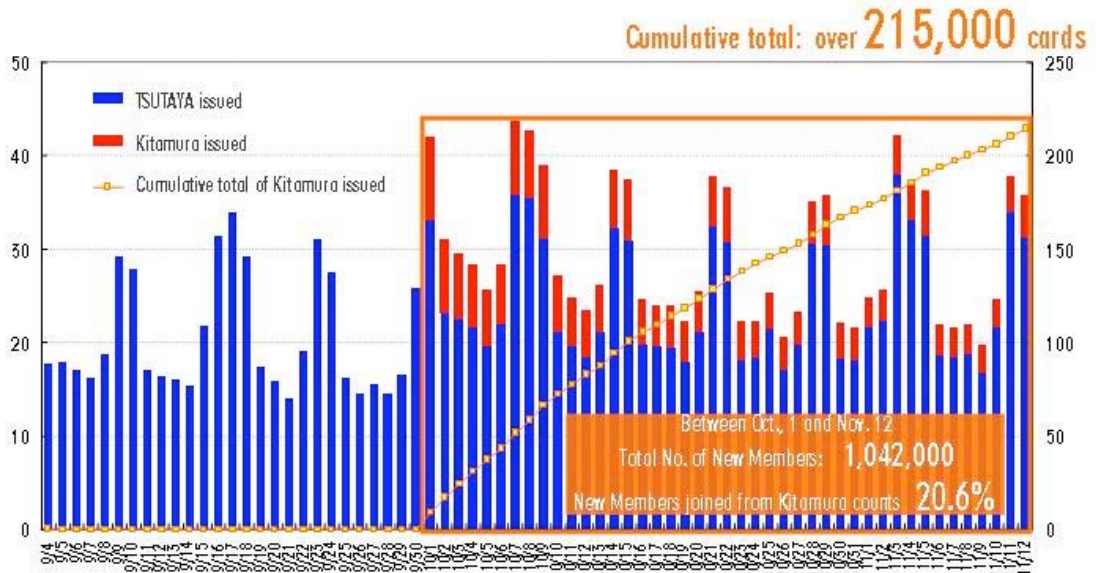




Kitamura integrates membership management function with T Card



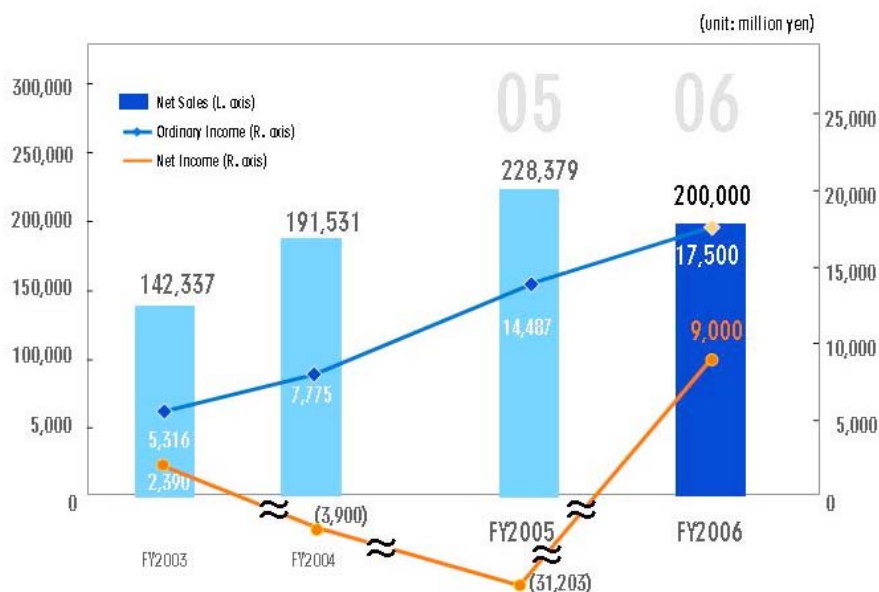
Daily T Card issuance trends by issued banner (unit: 1,000)



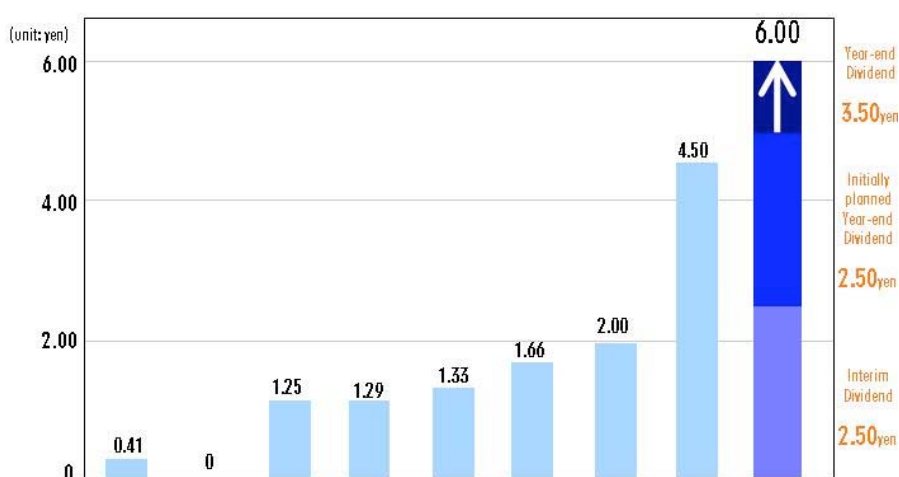
Consolidated Full-Year Operations Forecast for the Year Ending March 31, 2007

■ CCC Group Full-Year Consolidated Operating Results Forecast (unit: million yen)

	Full-Year Ended March 31, 2006	Forecast Full-Year Ending March 31, 2007	Prior Year Comp
Net Sales	228,379	200,000	87.6%
Ordinary Income	14,487	17,500	121.5%
Net Income	(31,203)	9,000	-



■ Year-End Dividend Increased to 3.5 yen, up 1 yen from 2.5 yen



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