

## **Basic Accord Reached for Establishing a New Net Advertising Company**

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Culture Convenience Club Co., Ltd. (“CCC”; Headquarters: Shibuya-ku, Tokyo, President: Muneaki Masuda) and IMJ Corporation (“IMJ”, Headquarters: Shinagawa-ku, Tokyo, President: Takahito Kashino) announced today that the companies have reached an agreement regarding the joint establishment of a new company. The details are as follows:

### **1. Purpose of the basic accord**

Next to television, newspapers, and magazines, the Internet advertising market has grown to 181.4 billion yen as the fourth largest medium in 2004, bypassing radio advertising. The market foresees current growth at up to 230 billion yen for 2005, while even further growth is expected in the future.

In order to seize this promising market actively, CCC and IMJ have reached a basic agreement to form an operating company jointly for an online advertising business targeting the growing numbers of PC and mobile phone users. CCC offers the following strengths: 18 million members, marketing know-how as the No. 1 rental and sales retailer of CDs and DVDs through 1,150 stores, and from TSUTAYA online 6.68 million members. IMJ, the largest web integration company in Japan, brings its base of stellar clients and relationships, and IT solutions know-how.

At the same time, both companies have already agreed to an equity tie-up. IMJ will increase its capital with a private placement from CCC Investment Co., Ltd., a wholly owned subsidiary of CCC. Through this transaction, CCC will acquire 10% of the outstanding stock, and become the second largest stockholder of IMJ (post capital increase). Details are available in an IMG press release regarding the resolution of issuing new stock.

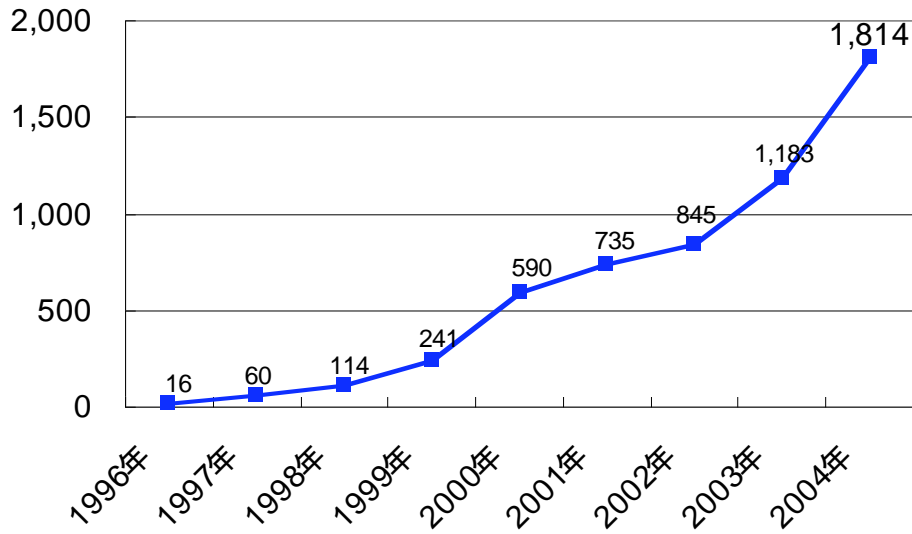
CCC and IMJ also expect to send board members to each other’s board in the future.

### **2. Outline of basic accord**

The two companies intend to establish a new internet advertisement company by July, 2005. Both companies will decide on a business name, chief representative, location, and amount of capital for the new company upon future discussions. These details will be released, once they are decided upon.

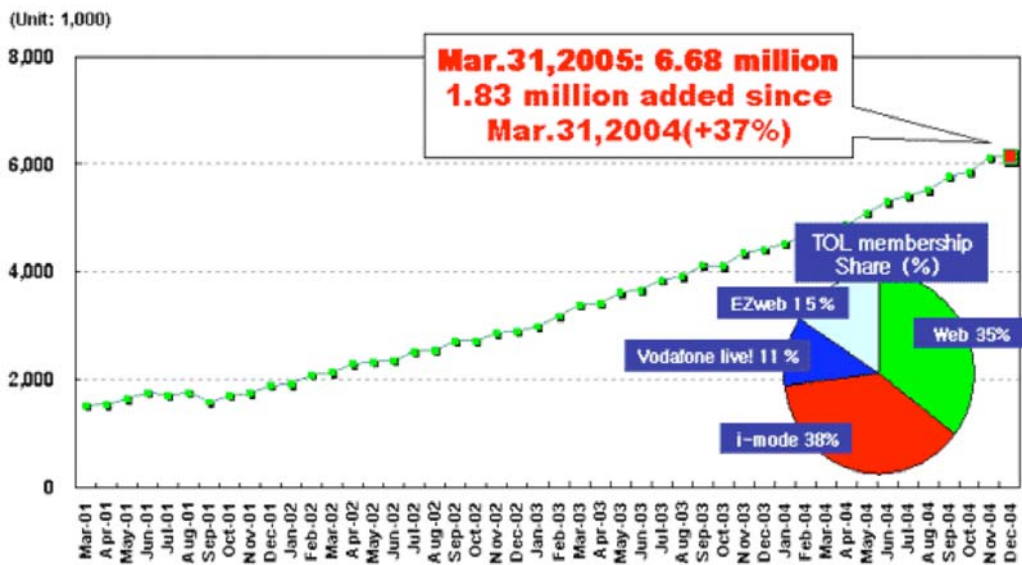
■ Internet Advertisement Market Size

Source: Dentsu  
(Unit: 100 million yen)

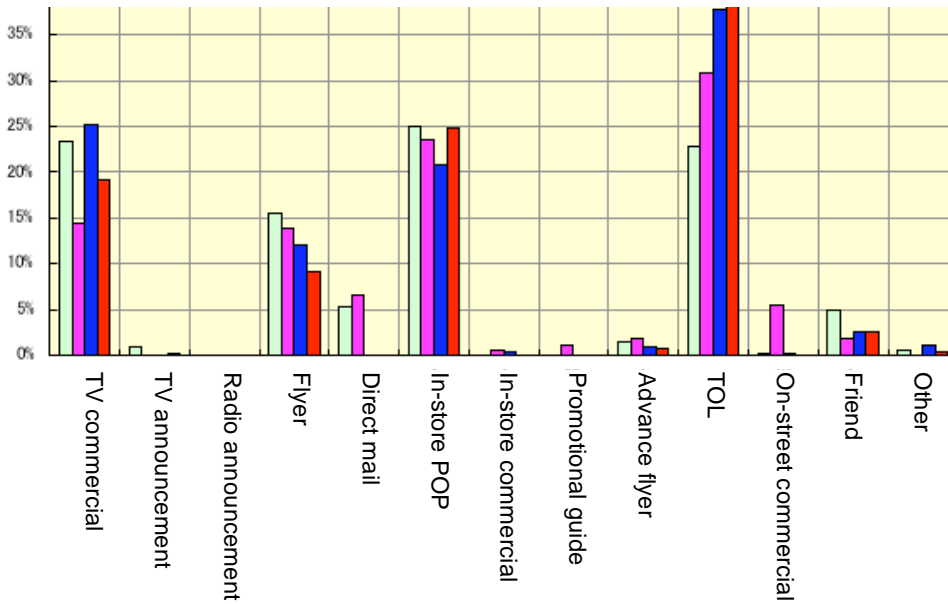


■ TSUTAYA online Membership Growth

(Unit: 1,000 members)



■ TSUTAYA Awareness Rates Through Campaigns: 2002 - 2004 (by media)



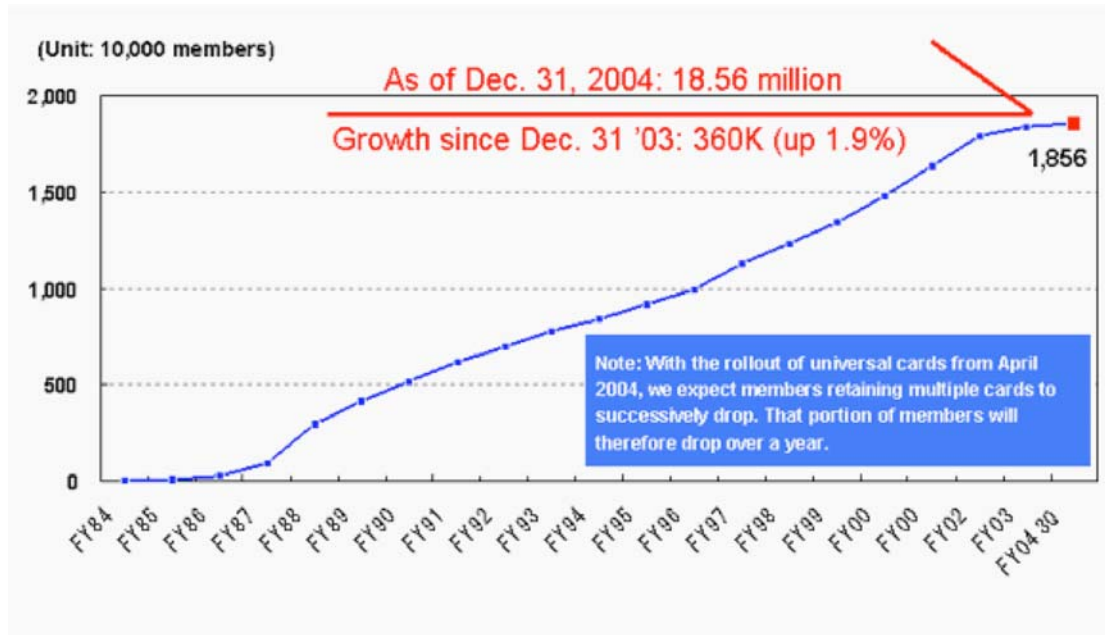
About Culture Convenience Club, Co., Ltd.

Headquarters: Yebisu Garden Place 21<sup>st</sup> Floor, 4-20-3 Ebisu, Shibuya-ku, Tokyo  
 Representative: Muneaki Masuda, President  
 Lines of Business: Sales and rentals of videos, DVDs, CDs, books, magazines, game software and other entertainment content through the franchise chain operation of 1,158 TSUTAYA stores with a combined membership of 18.57 million members (as of February 28). Operator of TSUTAYA online Internet service, entertainment portal site, since July 1999.

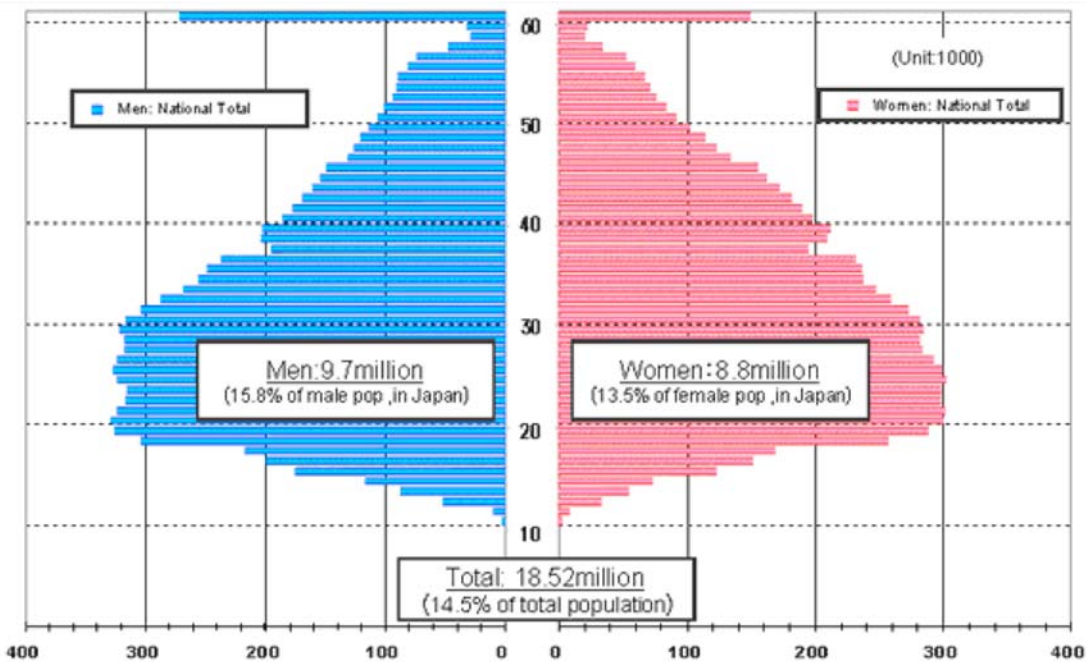
■ TSUTAYA Store Growth



## ■ TSUTAYA Membership Growth



## ■ TSUTAYA Membership Demographics



## About IMJ Corporation (<http://www.imjp.co.jp>)

Headquarters: Sumitomo Gotanda Building, 7-1-1 Nishigotanda, Shinagawa-ku, Tokyo

Paid-in capital: 1,304.91 million yen (as of March 2005)

Employees: IMJ alone, 280; IMJ Group, 643

Representative: Takahito Kashino, President

Lines of Business:

- Web integration  
Total support consists of consulting, website architecting, operations and updates, as one of the largest web integrators in concert with ten IMJ group companies.
- Mobile integration  
Designing corporate mobile phone websites for content delivery, e-commerce, and promotion in concert with four IMJ group companies.
- Entertainment  
Production of theatrical movies and games, vocational training, and publishing books and magazines together with six group companies including IMJ Entertainment, which is the largest domestic producer of theatrical movies.  
VOD content aggregation business BBB was established together with seven companies including CCC.  
Entertainment content production in Korea will launch in May, 2005 upon becoming the largest shareholder in Korean commercial production company, Yellow Productions.
- Advertising  
The IMJ Advertisement Media Division produces not only Internet advertising, but also mobile advertisements through Pavement, a joint-venture with Opt. Establishing the new company at this time aims to strengthen this line of business.