

For immediate Release

CCC Group, Shinseido reach agreement on business and equity alliances: DVD & CD sell-thru chain with 1,100 stores and 150 billion yen in sales

March 22, 2006 (Tokyo, Japan) — Culture Convenience Club Co., Ltd. (“CCC”, President: Muneaki Masuda), in the TSUTAYA franchising business and Shinseido Co., Ltd. (“Shinseido”, President: Masanori Miyazaki), have reached an agreement on business and equity alliances intended to reinforce DVD and CD distribution.

Through this business alliance, **TSUTAYA Co., Ltd., will furnish know-how on store management, IT and marketing, and Shinseido will join the TSUTAYA franchise operation.** Because Shinseido retains distinct know-how in merchandising supported across many age brackets, both companies intend to share mutual know-how through personnel exchanges for the development of an attractive sales floor to a wide cross-section of consumers. In addition, the two companies **will unify product procurement functions in the future** that will reduce indirect costs by promoting efficiency in logistics, and will aim to **achieve an assortment of merchandise that broadly satisfies customers** as a consequence of improvement procurement.

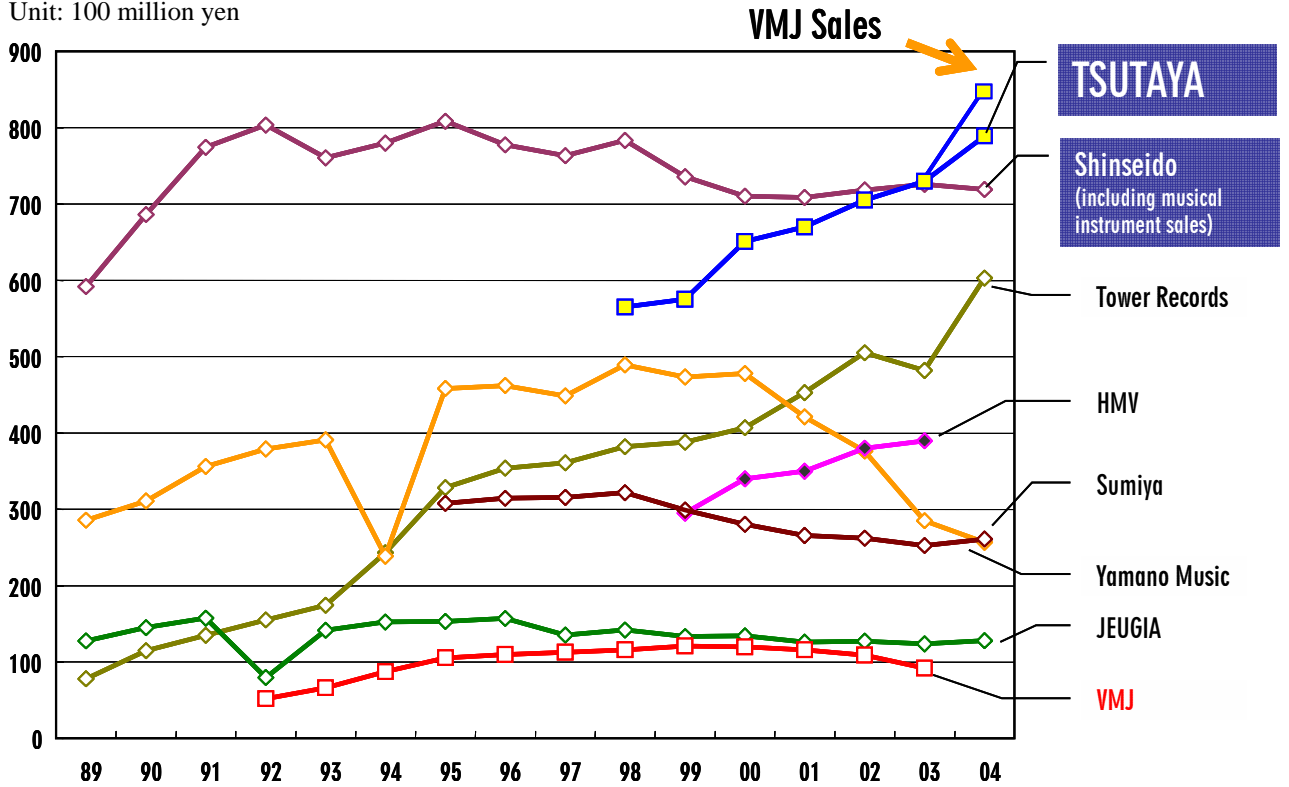
As of the end of February, TSUTAYA has developed 1,251 locations nationwide, of which 878 outlets transact sell-thru DVD and CD products. Annual sales of 78.9 billion yen (fiscal March, 2005) make the chain the largest in the industry. Shinseido operates 270 locations nationwide, with sales of DVD and CD (transacted at 230 locations) totaling 65.6 billion yen (fiscal February, 2005), the second largest in the industry.

Through this alliance, the combined operations deliver **a sell-thru chain for DVD and CD of 1,100 stores with annual sales revenue of approximately 150 billion.** The **biggest chain in Japan** will continue to create incremental customer value by furnishing packaged software merchandise filled culture of music and film.

Moreover, through this business alliance TSUTAYA Co., Ltd. will accept a private placement of shares issued by Shinseido in June, and become its largest shareholder at 14.9% equity. Subject to Shinseido’s approval of a general stockholder resolution in May, TSUTAYA Co. also expects to acquire a warrant with an exercise period of three (3) years from the acquisition date. When this warrant is exercised, TSUTAYA’s equity share in Shinseido will rise to 48.7%.

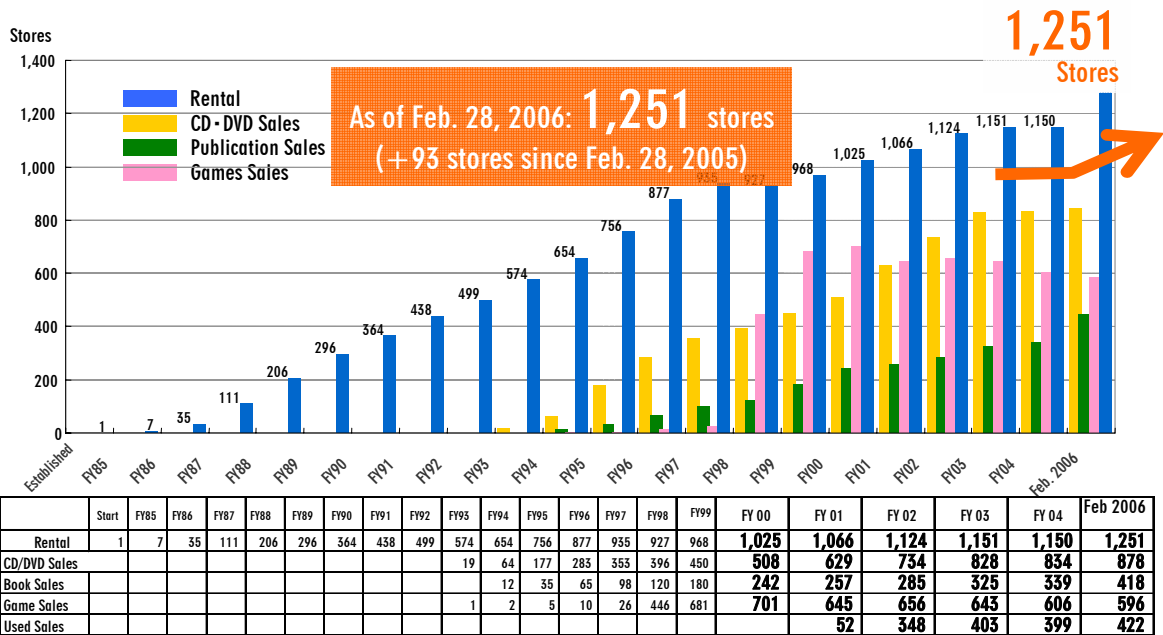
Market Size of DVD & CD Sales

Unit: 100 million yen



Source: Nikkei MJ "Specialty Shop Survey," Teikoku Databank, partially DIR estimates

TSUTAYA Stores Growth



About Culture Convenience Club, Co., Ltd.

Headquarters: Yebisu Garden Place 21st Floor, 4-20-3 Ebisu, Shibuya-ku, Tokyo

Representative: Muneaki Masuda, President

Lines of Business: Lifestyle navigation business through TSUTAYA stores, TSUTAYA online (Internet), and T-Card (membership). The franchise chain of 1,251 TSUTAYA stores has a combined membership of 18.44 million members (as of February, 2006). TSUTAYA online membership consists of 8.53 million members.

About Shinseido Co., Ltd.

Headquarters: 1-23-17 Kamiogi, Suginami-ku, Tokyo

Representative: Masanori Miyazaki, President

Lines of Business: Distribution of music and video entertainment software (principally DVD & CD titles), musical instruments, and sporting goods and publications.



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