



For Immediate Release

CCC Group consolidated, annual results  
for year ending Mar 31, 2010:

**Net income 9.4 billion yen**

(Up 15.7% over prior year, record high)

**Ordinary income 13.3 billion yen**

(Down 16.9% over prior year)

Full-year forecast for year ending Mar 31, 2011:

Ordinary income 16.2 billion yen, net income 9.5 billion yen

Annual dividend: 11 consecutive annual increases expected

May 11, 2010 (Tokyo, Japan) - Culture Convenience Club Co., Ltd. ("CCC"), has reported its consolidated, annual operating results for the year ending March 31, 2010 as follows. Net sales totaled 189.2 billion yen (down 14.2% from the prior year) as a consequence of the stock transfer of a consolidated subsidiary and of the disposal of unprofitable corporate stores. The impact of price reductions, primarily in video rentals, led to operating income of 12.8 billion yen (down 15.8%) and ordinary income of 13.3 billion yen (down 16.9%).

On the other hand, the membership base and business platforms expanded successfully. With the tax benefit accompanying the consolidation of group companies instituted in the current year to streamline and create synergy among the businesses, net income rose to a record-high 9.4 billion yen (up 15.7% over the prior year).

■ **Membership after Name Consolidation Nears 35 million;  
Membership Base Enlarges Further**

Augmented by participation of The Mainichi Newspapers Co., Ltd., and Point, Inc., the number of card-issuing alliance partners increased from eight in the prior year to 13, and locations for card issuance expanded to 14,000 retail locations. Successful acquisition of members at alliance locations resulted in an increase to the company's membership base of T Members by 2.59 million in 12 months to 34.62 million.

■ **Alliance Consulting Business, Internet-Related Business Maintain Success**

The Alliance Consulting Business added Bausch Lomb Japan Company, Ltd., in March to the T Point Alliance. Working with a manufacturing business in addition to the existing distribution businesses has opened up the possibility of new marketing data utilization. T Point alliance partners increased from 50 companies to 69 companies, comprising 31,659 retail locations as of March 31, 2010.

For the Internet-Related Business, TSUTAYA DISCAS members increased successfully. The total count exceeded planned membership growth and surpassed 900,000 as of March 31, 2010.

■ **TSUTAYA Business Experiences Strong Book and Game Sales**

Even though the number of video rental turns increased, video rental revenues chalked up tough results, sustained from a fall in rental pricing. Separately, book, magazine and game sales rose strongly and outperformed prior year comps for existing store sales for the full year.

■ **Consolidated, Full-Year Performance Forecast for Fiscal March 2011:  
Ordinary Income 16.2 billion yen, Net Income 9.5 billion yen**

With the Alliance Consulting Business and Internet-Related Business driving growth and improvements to the TSUTAYA Business, ordinary income of 16.2 billion yen (up 21.5% over prior year) is expected. Moreover, an annual dividend of 10 yen per share is anticipated, marking 11 consecutive annual dividend increases since the company was listed.

## Full-Year Cumulative Operating Performance for Mar 2010

Full-Year Consolidated Operating Results for the Year Ended March 31, 2010 (million yen)

	Year Ended Mar 31, 2009 Full Year	Year Ended Mar 31, 2010 Full Year	Prior Year Comps
Net Sales	220,688	189,299	85.8%
Operating Income	15,249	12,841	84.2%
Ordinary Income	16,051	13,337	83.1%
Net Income	8,142	9,424	115.7%

Causes of Decrease in Full-Year Net Sales

Stock transfer and being unconsolidated of IMJ, DIGITALSCAPE, Top Partners, and Digital Hollywood.

Sales and close down of direct management stores, and close down of Sumiya Co., Ltd.

Main Factors Affecting Consolidated Operating Income Over Prior Year

### Positive Factors

Increase in the number of TSUTAYA DISCAS members.

Increase in the number of T-members, Point alliance companies, and times of T-card being used.

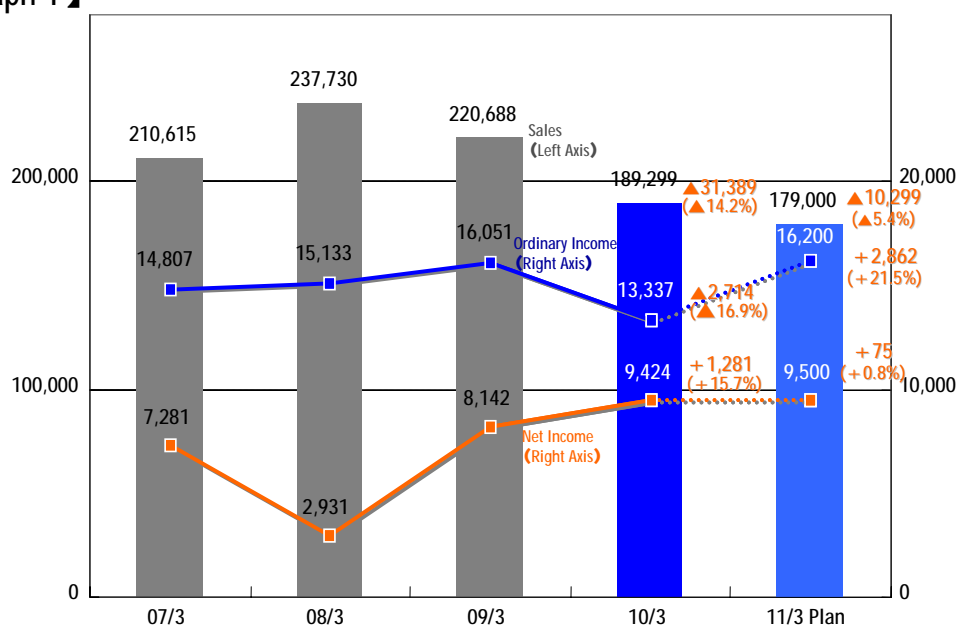
### Negative Factors

Not much growth in Sales of Rentals, mainly DVD rentals.

Not much growth in Sales of CD/DVD Sales in Sumiya Co., Ltd. and direct management stores.

Increase in the cost of advertisement and sales promotion of TSUTAYA business.

【 graph 1 】



## Full-Year Estimate of Operating Performance, Main Parameter, and Estimate of Dividend of Mar 2011

### Full-Year Estimate of Operating Performance of Mar, 2011

	Year Ended Mar 31, 2009 Results	Year Ended Mar 31, 2010 Results	Year Ended Mar 31, 2011 Plan	Increase and Decrease Plan	Prior Year Comps Plan
Net Sales	220,688	189,299	179,000	10,299	94.6%
Operating Income	15,249	12,841	15,400	2,558	119.9%
Ordinary Income	16,051	13,337	16,200	2,862	121.5%
Net Income	8,142	9,424	9,500	75	100.8%

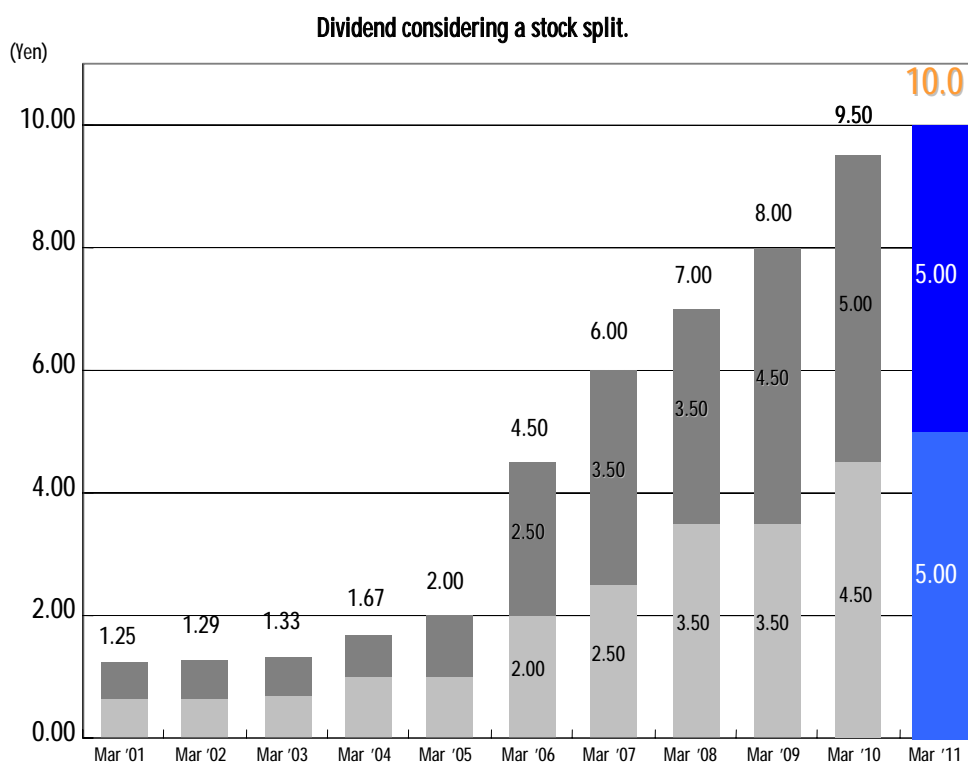
The cause of decrease in Net Sales of the Year-Ended Mar 31, 2011 is transfers and close downs of direct stores.

### Plan of Main Parameter of Mar, 2011

	Mar, 2010 Results	Previous term GAP	Mar, 2011 Plan	Current term GAP
T-Members	34.62million	up 2.59 million	38.4 million	up 3.78 million
Dual Function (Credit) Card Members	5.70million	Up 0.42 million	5.82 million	up 0.12 million
Alliance Companies	69 companies	Up 19 companies	93 companies	Up 24 companies
T-POINT associated Net Sales	¥1trillion 4,500billion	Up ¥1,824 billion	¥1trillion 8,000 billion	Up ¥3,500 billion
TSUTAYA DISCAS Members	0.901million	Up 0.251 million	1.25 million	Up 0.35 million
TSUTAYA Locations	1,390 locations	Up 18 locations	1,440 locations	Up 50 locations

### 【 graph 2 】

Revised the plan of the end of term dividend from ¥4.5 to ¥5 (an increased dividend).  
Expecting continuous increased dividend though 11 terms.

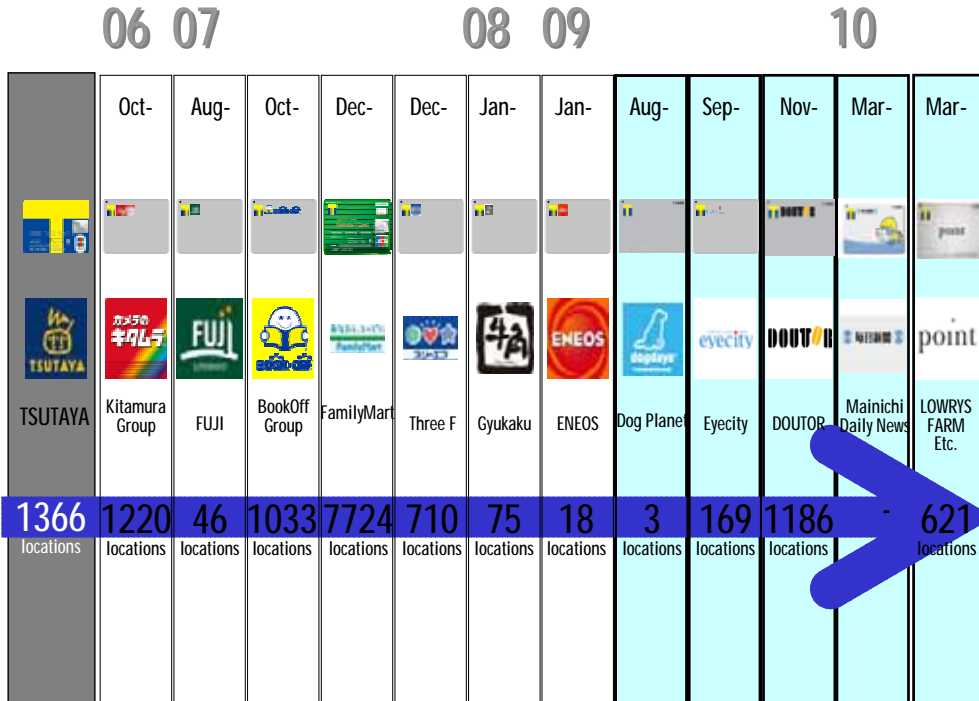


## Membership Base

### Increase of T-Card Issuing Locations

【 graph 3 】

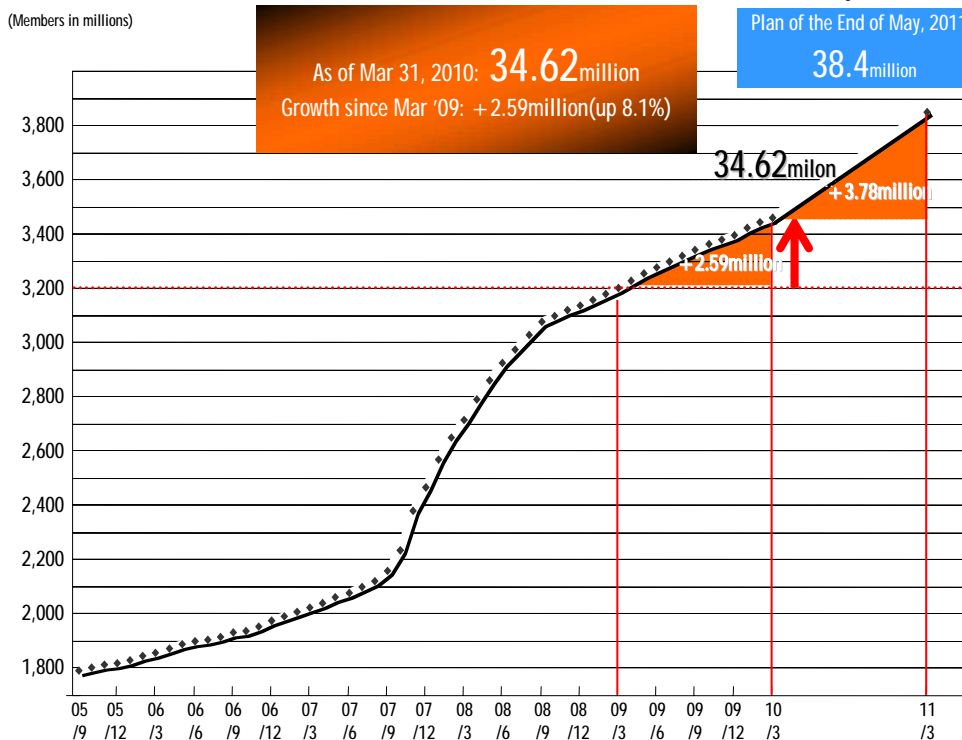
Started issuing at THE MAINICHI NEWSPAPERS, and POINT INC. in Mar  
Issuing locations increased to more than 14,000 locations, including 13 companies.



### T-Member Growth

【 graph 4 】

Number of T-Members almost reach 35million. Plan to reach 38.4 million by Mar 31, 2011.

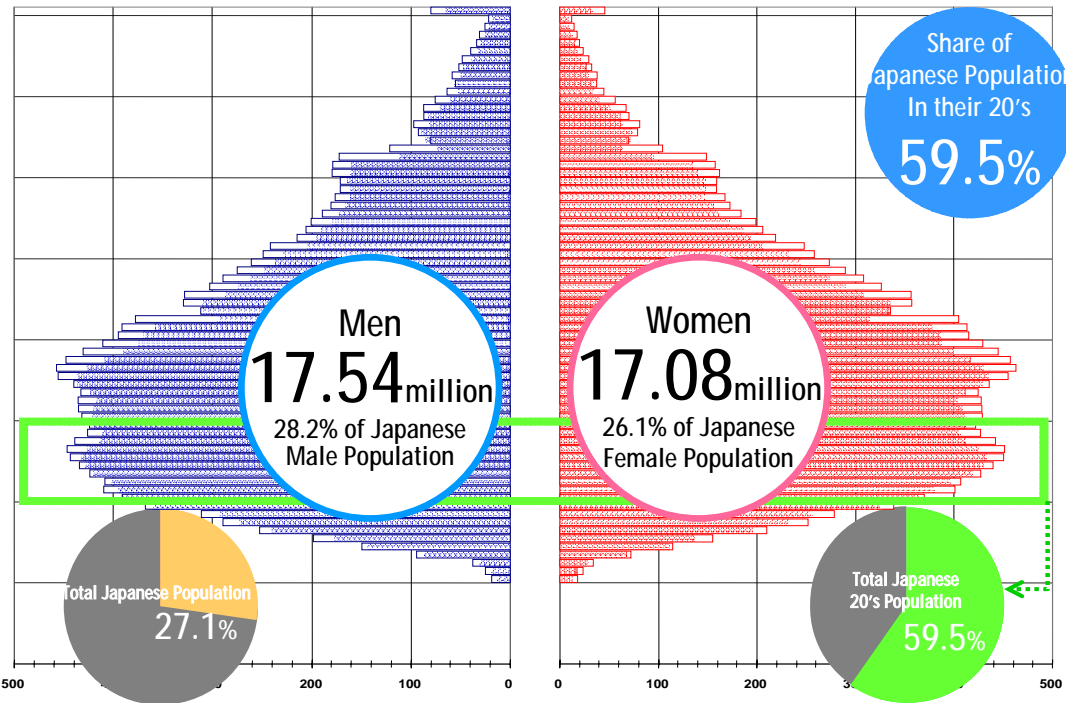


# Membership Base

## T Member Demographics

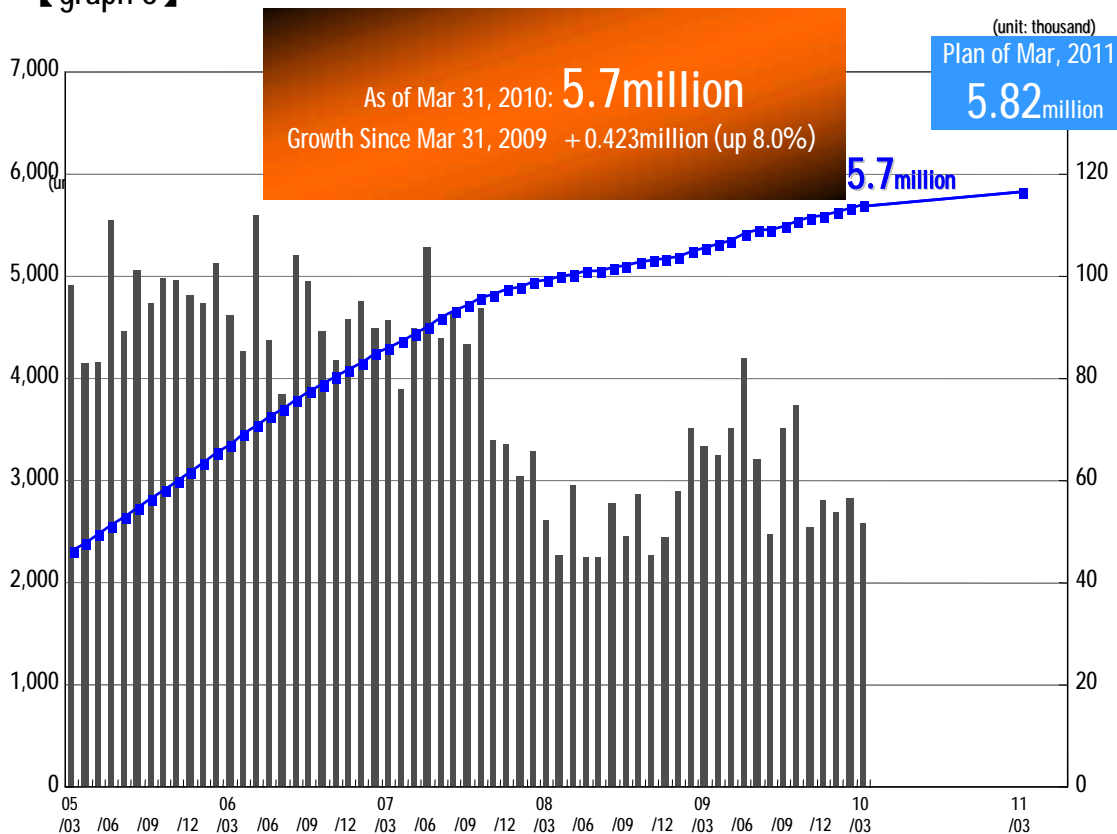
~ More than 1/4 of Total Japanese Population, 59.5% of Population in Their 20's Own a T Card ~

【 graph 5 】



## Dual Function (Credit) T Card Issuance

【 graph 6 】



## Alliance Consulting Business

### Brands and Locations that Transact T Points

Started Point Alliance with Makers.

Plan to have 93 companies (up 24) by Mar 31, 2011.

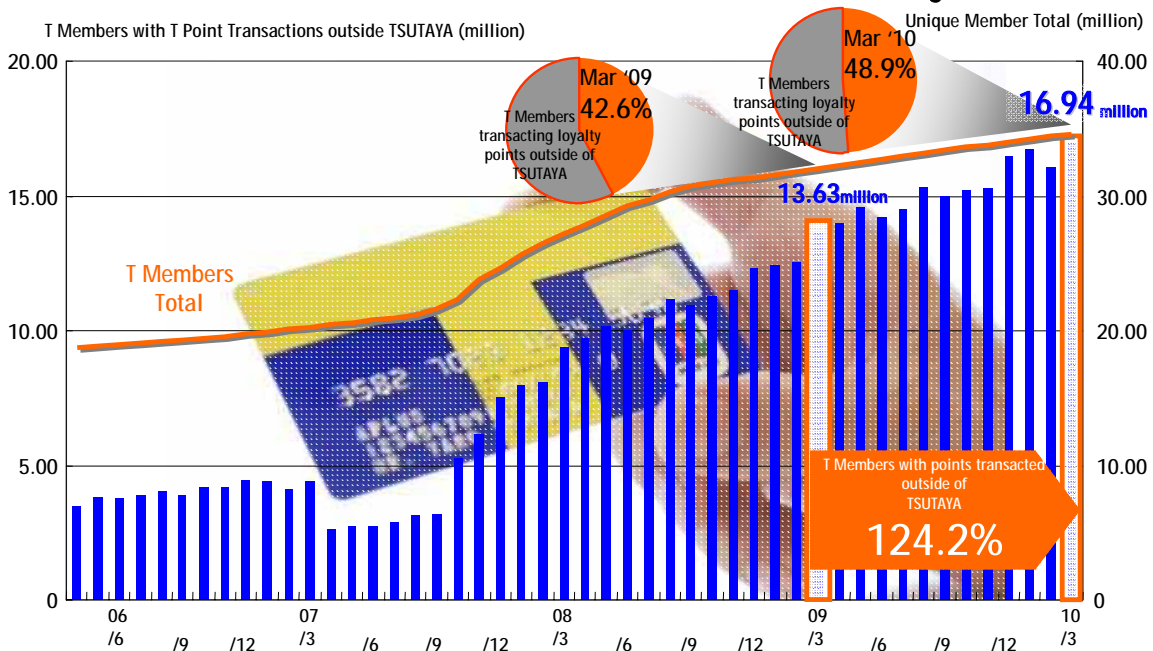
【graph 7】



【graph 8】

### T Card Members Transacting Loyalty Points Outside TSUTAYA:

1.2 Times Same Month Prior Year, 50% of T Members Transacting Points



\* T Members = Unique Members with T Point transactions (accumulation or redemption)

\* Number of T Members transacting T Points in March '10 is OE

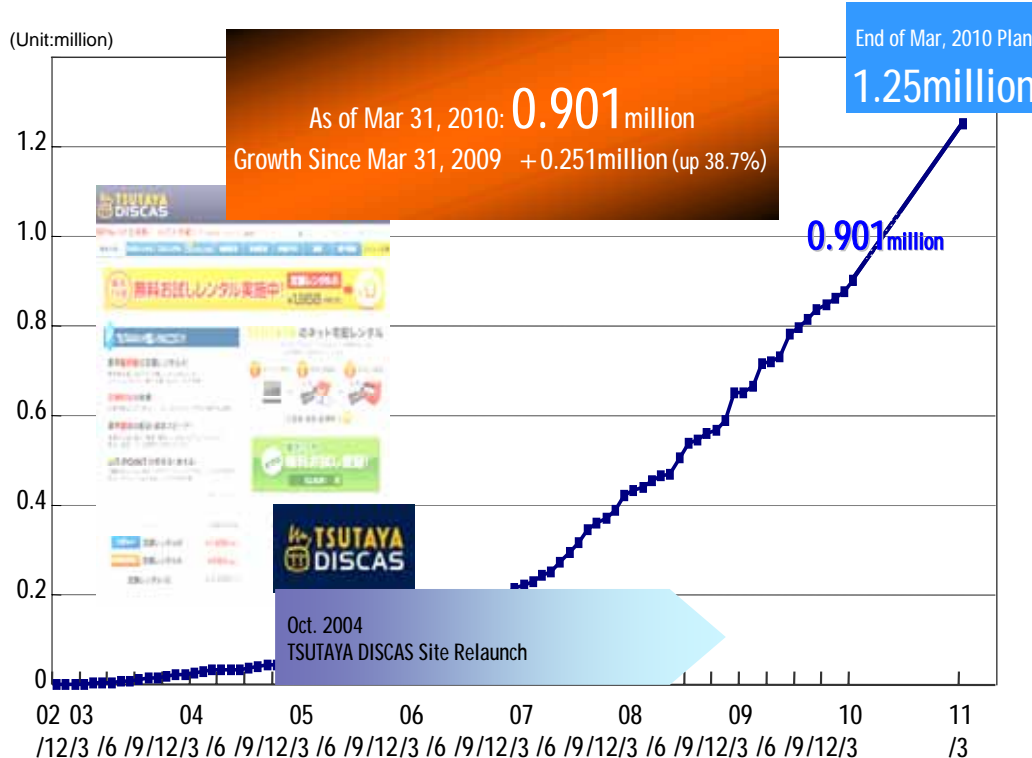
## T-Member Service Business

### TSUTAYA DISCAS Membership Growth



【 graph 9 】

~ Exceeded 0.9million at Mar 31, 2010, Aiming at 1.25million by Mar 31, 2011 ~



### TSUTAYA online Membership Growth

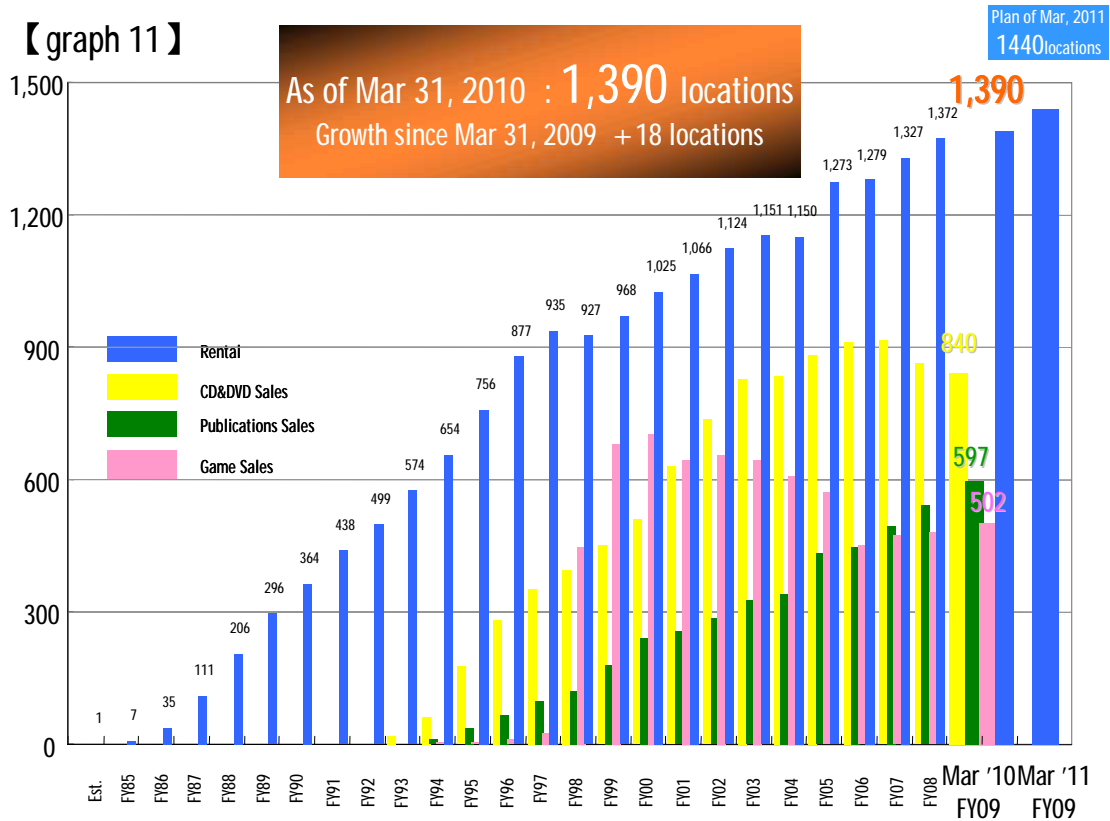
【 graph 10 】





TSUTAYA Store Counts (No. of Stores)

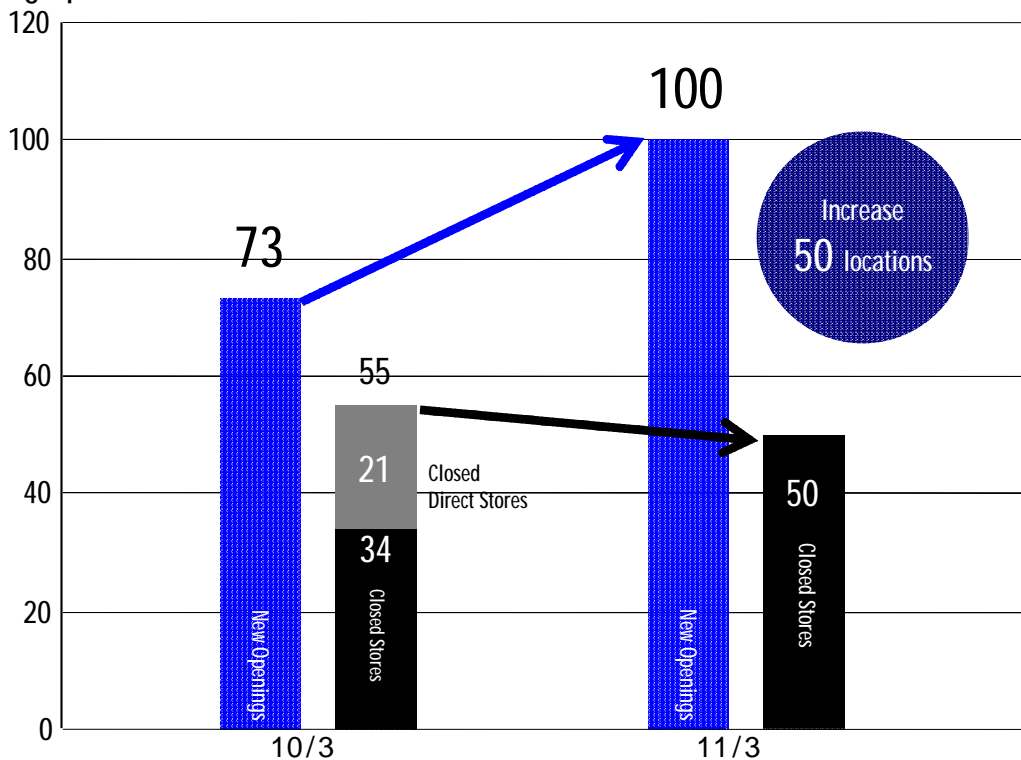
【graph 11】



Numbers of TSUTAYA Stores and Plan of Opening

~ Plan to Open 100 Stores, and increase of 50 Stores by Mar, 2011 ~

【graph 12】





**Existing-Store Sales Prior Year Comps (%)**

【graph 13】

FY2008						FY2009 (%)								
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	Jan	Feb	Mar	4Q	Full Year	Apr
Rentals	98.3	95.6	98.6	97.8	97.5	97.9	98.0	96.7	93.4	92.1	94.3	93.3	96.5	95.7
Video	98.3	96.0	98.8	98.3	97.8	98.9	97.4	96.2	89.5	88.6	92.3	90.2	95.7	94.2
Music	95.2	91.4	95.3	93.1	93.7	91.8	98.5	96.7	106.9	105.8	99.9	104.1	97.8	99.6
CD/DVD Sales	103.6	94.6	88.5	86.8	92.9	71.1	83.6	92.4	95.8	101.8	60.4	82.6	82.4	94.9
Video	100.9	86.4	87.0	95.7	92.0	68.9	87.8	97.2	99.9	83.5	62.3	81.3	83.9	117.8
Music	105.2	99.6	89.5	81.7	93.5	72.3	81.3	89.4	92.4	113.7	59.0	83.4	81.5	80.4
Publications Sales	99.2	100.8	99.9	98.3	99.6	98.6	97.0	101.3	105.6	99.9	103.1	103.0	100.0	106.5
Game Sales	87.0	85.9	91.4	89.6	88.8	79.2	133.0	127.3	131.5	96.2	106.8	113.4	114.7	108.6
Used Sales						101.7	98.1	96.6	101.2	103.0	95.8	99.9	99.0	97.1
<b>Total</b>	<b>98.9</b>	<b>95.8</b>	<b>95.9</b>	<b>94.8</b>	<b>96.3</b>	<b>91.2</b>	<b>96.7</b>	<b>99.1</b>	<b>99.8</b>	<b>96.1</b>	<b>89.5</b>	<b>95.0</b>	<b>95.6</b>	<b>99.0</b>

**Total System-Wide Sales Prior Year Comps (%)**

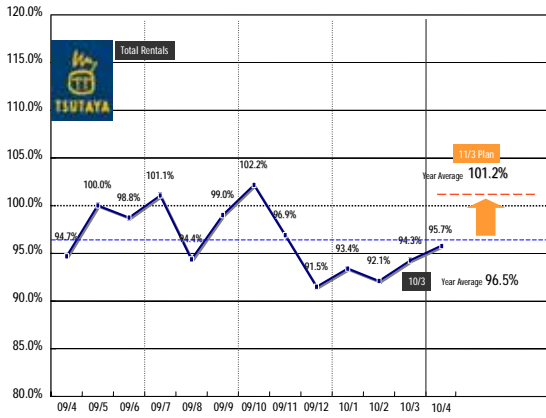
【graph 14】

FY2008						FY2009 (%)									
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	Jan	Feb	Mar	4Q	Full Year	Ratio	Apr
Rentals (5%)	101.7	99.1	101.7	100.9	100.8	100.7	100.1	98.6	95.3	93.6	95.7	94.9	98.6	48.0	97.4
Video	101.5	99.3	101.8	101.3	100.9	101.6	99.4	98.0	91.3	90.0	93.7	91.7	97.7		95.7
Music	98.6	94.8	98.3	96.0	96.9	94.5	100.6	98.6	109.1	107.6	101.6	106.0	99.9		101.5
CD/DVD Sales (2%)	109.9	95.3	88.2	86.6	94.3	70.4	83.1	91.0	94.4	97.4	57.4	79.6	81.1	17.3	89.7
Video	106.6	86.3	86.0	95.0	92.8	68.2	87.5	96.0	98.6	79.3	59.1	78.2	82.6		110.8
Music	112.0	100.8	89.7	81.8	95.4	71.9	81.0	88.2	91.1	109.3	56.3	80.5	80.4		76.3
Publications Sales (1%)	117.1	115.2	112.2	108.2	113.0	103.4	101.2	110.2	114.9	108.5	111.6	111.8	106.7	24.2	115.6
Game Sales (2%)	95.8	91.8	95.2	92.3	93.8	83.9	139.9	135.1	141.5	104.8	116.0	122.7	121.9	7.8	110.7
Used Sales (3%)	129.0	116.5	105.1	96.7	110.0	115.4	110.8	110.6	117.3	119.1	109.8	115.3	113.0	2.7	101.0
<b>Total</b>	<b>106.7</b>	<b>101.3</b>	<b>100.2</b>	<b>98.5</b>	<b>101.5</b>	<b>94.0</b>	<b>99.2</b>	<b>102.6</b>	<b>103.7</b>	<b>99.1</b>	<b>91.9</b>	<b>98.1</b>	<b>98.5</b>	<b>100.0</b>	<b>101.3</b>

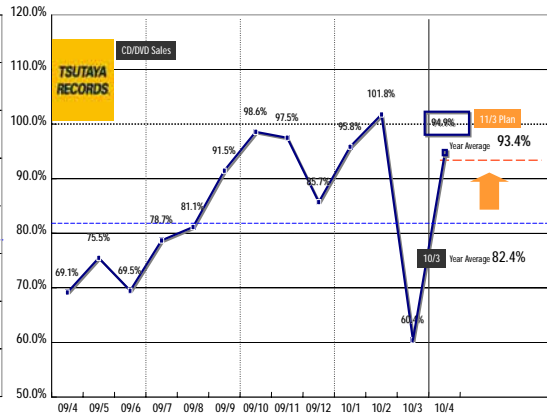
Existing-Store Prior Year Comps

【 graph 15 】

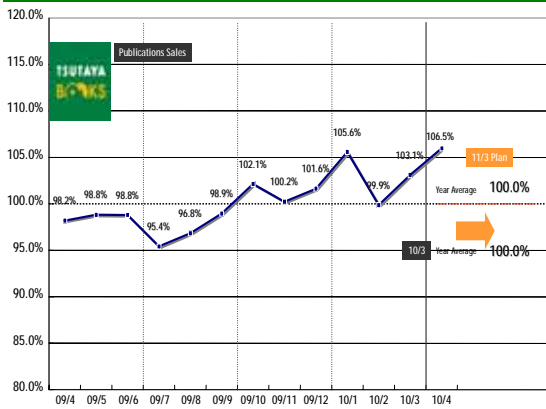
【 Rentals 】



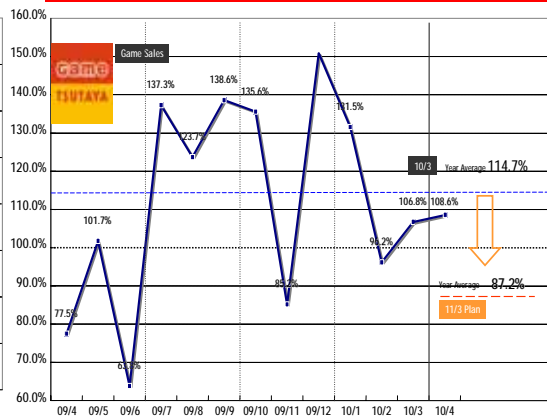
【 CD/DVD Sales 】



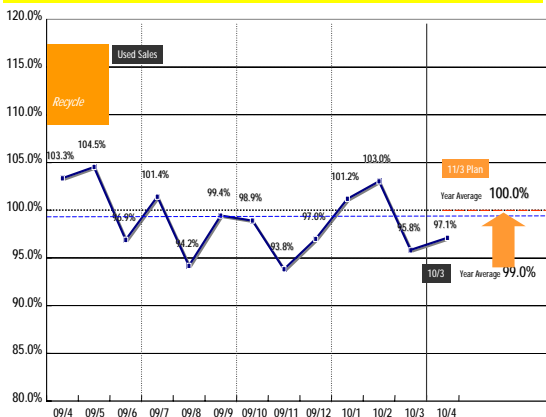
【 Publications Sales 】



【 Game Sales 】



【 Used Sales 】



TSUTAYA Total



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