

## Summary of Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending February 29, 2012

### Circle K Sunkus Co., Ltd.

Securities Code Number: 3337

URL: <http://www.circleksunkus.jp>

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Stock exchange listings: The first section of the Tokyo Stock Exchange and Nagoya Stock Exchange

Date of dividend payment: -

### 1. Consolidated Results for the First Quarter of the Fiscal Year Ending February 29, 2012 (March 1, 2011 to May 31, 2011)

#### (1) Consolidated Operating Results

Note: All amounts less than one million yen have been omitted.

|                      | Operating revenue |          | Operating income |          | Recurring profit |          |
|----------------------|-------------------|----------|------------------|----------|------------------|----------|
|                      | ¥ Million         | Change % | ¥ Million        | Change % | ¥ Million        | Change % |
| Current 1st Quarter  | 46,886            | (0.9)    | 4,763            | 29.7     | 4,709            | 29.0     |
| Previous 1st Quarter | 47,333            | (5.8)    | 3,673            | (13.4)   | 3,652            | (13.3)   |

|                      | Net Income |          | Net income per share | Diluted net income per share |
|----------------------|------------|----------|----------------------|------------------------------|
|                      | ¥ Million  | Change % | Yen                  | Yen                          |
| Current 1st Quarter  | (1,733)    | -        | (20.70)              | -                            |
| Previous 1st Quarter | 394        | (26.9)   | 4.70                 | -                            |

(Reference) Total store sales (¥ Million)

|                      |         |                      |
|----------------------|---------|----------------------|
| Current 1st Quarter  | 235,791 | (+5.5% year-on-year) |
| Previous 1st Quarter | 223,476 | (-2.5% year-on-year) |

#### (2) Consolidated Financial Position

|                     | Total liabilities and equity | Total equity | Equity ratio | Total equity per share |
|---------------------|------------------------------|--------------|--------------|------------------------|
|                     | ¥ Million                    | ¥ Million    | %            | Yen                    |
| Current 1st Quarter | 268,211                      | 133,212      | 49.7         | 1,590.55               |
| Last fiscal Year    | 240,027                      | 136,672      | 56.9         | 1,631.86               |

(Reference) Shareholders' equity (¥ Million)

|                     |         |                  |         |
|---------------------|---------|------------------|---------|
| Current 1st Quarter | 132,212 | Last fiscal Year | 136,672 |
|---------------------|---------|------------------|---------|

### 2. Dividends Status

| Record date     | Dividends per share (yen) |             |             |             |        |
|-----------------|---------------------------|-------------|-------------|-------------|--------|
|                 | 1st Quarter               | 2nd Quarter | 3rd Quarter | Fiscal year | Annual |
| FY2011/2        | -                         | 20.00       | -           | 20.00       | 40.00  |
| FY2012/2        | -                         |             |             |             |        |
| FY2012/2 (plan) |                           | 20.00       | -           | 20.00       | 40.00  |

( Note ) Revisions of dividends forecasts in the period under review : None

### 3. Forecast of Consolidated Results for the Year Ending February 29, 2012

|             | Operating revenue |       | Operating income |       | Recurring profit |       | Net income |        | Net income per share |
|-------------|-------------------|-------|------------------|-------|------------------|-------|------------|--------|----------------------|
|             | ¥ Million         | %     | ¥ Million        | %     | ¥ Million        | %     | ¥ Million  | %      | Yen                  |
| 2nd Quarter | 96,740            | (1.6) | 10,320           | (2.0) | 9,960            | (3.9) | 110        | (97.2) | 1.31                 |
| FY2012/2    | 188,210           | (2.1) | 18,000           | (3.1) | 17,100           | (2.2) | 3,750      | (47.7) | 44.77                |

( Note ) Revisions of consolidated business forecasts in the period under review : None

### 4. Other

(1) Significant changes in subsidiaries during the period under review: None

Newly consolidated companies: ( ), Excluded companies: ( )

Note: This indicates the presence or absence of changes in specified subsidiaries resulting in a revised scope of consolidation.

(2) Application of simplified accounting treatment and specific accounting treatment: Yes

Note: This indicates the presence or absence of the application of simplified accounting treatment and specific accounting treatment for the preparation of quarterly consolidated financial statements.

(3) Changes in Accounting Principles and Procedures or Presentation Method: Yes

1) Changes due to revision of accounting standards: Yes

2) Changes other than 1) : None

Note: Quarterly consolidated financial affairs recorded as significant changes in the basis of presenting quarterly consolidated financial statements.

This indicates the presence or absence of changes in accounting principles, procedures, methods of presentation associated with the preparation of quarterly consolidated financial statements

(4) Shares outstanding

|  |                      |                   |
|--|----------------------|-------------------|
| 1. Number of shares outstanding at end of period<br>(Including treasury stock) | Current 1st Quarter  | 86,183,226 shares |
|  | Last fiscal Year     | 86,183,226 shares |
| 2. Number of shares of treasury stock at end of period                         | Current 1st Quarter  | 2,430,977 shares  |
|  | Last fiscal Year     | 2,430,976 shares  |
| 3. Average number of shares outstanding during period                          | Current 1st Quarter  | 83,752,271 shares |
|  | Previous 1st Quarter | 83,753,799 shares |

\* Statement on the applicability of quarterly review procedures

- This quarterly summary of consolidated financial statements is not subject to quarterly review procedures as provided in the Financial Instruments and Exchange Law. The quarterly review procedures as provided in the Financial Instruments and Exchange Law had yet to be completed as of the disclosure date of this quarterly summary of consolidated financial statements.

\* Statement regarding appropriate use of business outlook and other special remarks

- The above forecasts of business results are based on information available to management and certain assumptions deemed reasonable at the present time. Actual results may differ from the above

forecasts due to changes in performance and various other factors. For the assumptions underlying the earnings projections and forward-looking statements with regard to the use of earnings projections in this report, refer to the Qualitative Information Concerning Consolidated Earnings Projections on page 4 of the Supplemental Information to the Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending February 29, 2012.

With regard to other special matters, sales of ZERO NETWORKS Co., Ltd and non-consolidated area franchisers are excluded from total store sales.

## **[1. Qualitative Information and Financial Statements]**

### **(1) Qualitative Information Concerning Consolidated Operating Results**

(Operating Results for the First Quarter of the Fiscal Year Ending February 29, 2012)

In the first quarter of the fiscal year ending February 29, 2012, the Japanese economy saw an abrupt contraction in output resulting from supply chain disruptions and power shortages in the wake of the Great East Japan Earthquake on March 11, 2011. Since then corporate manufacturing activity has gradually been returning to normal and a moderate recovery in personal consumption, stimulated in part by demand in mainly the Tohoku region arising from the recovery effort. That said the speed and momentum of this recovery has been clouded by the specter of a shortage in power supply during the summer and political destabilization.

Amid this backdrop, Circle K Sunkus saw total consolidated operating revenues for the first quarter decrease 0.9% year on year, to ¥46,886 million. This result reflected mainly a decrease in sales from Company-owned stores due to a reduction in their number, despite higher franchise commissions from franchised stores. Operating income, on the other hand, increased 29.5% year on year, to ¥4,756 million, thanks to an increase operating gross profit, as well as a drop in selling, general and administrative expenses resulting from reduced costs related to Company-owned stores, among other expenses. Recurring profit increased 29.0%, to ¥4,709 million. Because of ¥7,397 million in extraordinary losses mainly reflecting impairment losses and loss on asset retirement obligations, Circle K Sunkus posted a net loss of ¥1,733 million, compared with net income of ¥394 million in the corresponding period of the previous fiscal year.

On a different note, Sunkus Higashi-Saitama Co., Ltd., an area franchiser of a chain of Sunkus stores in Saitama Prefecture, became a consolidated subsidiary of Circle K Sunkus Co., Ltd. in the first quarter of the fiscal year ending February 29, 2012

During the first quarter, sales in the Tohoku region fell sharply in the immediate aftermath of the earthquake and tsunami. This was in part because some stores affected by the disaster either closed temporarily or cut their business hours, and in part because of stock outages, delayed deliveries and other impacts resulting from certain distribution centers and product processing plants that were affected as well.

Thereafter, sales began trending toward recovery as the product supply network was restored and the affected stores began reopening for normal business hours. Existing Circle K and Sunkus stores in the affected Tohoku region saw a significant increase in sales year on year, partly because the recovery effort began bolstering demand. Nationwide, the positive sales impact of higher tobacco prices following a tax hike last October continued beyond March, while brisk sales of mainstay original products in the fast food and dessert categories contributed to a further recovery in overall sales.

As a result of the foregoing, in the first quarter of the fiscal year ending February 29, 2012, existing store sales increased 3.0% year on year on a non-consolidated basis. Total store sales, which combines Circle K Sunkus Co., Ltd., six consolidated area franchisers and the 99 ICHIBA Co., Ltd., rose 5.5%, to ¥235,791 million.

The average product markup for Circle K Sunkus in the first quarter of the fiscal year was 27.12% on a non-consolidated basis, down 0.51 of a percentage point from the same period the year before. This was the result of a nominal increase in tobacco sales with low markups, which overshadowed what major margin improvements there were in each of the other product categories, including fast food and processed food.

**[Monthly Sales Compared With the Previous Fiscal Year]**

|                 | March | April | May  | Three Months Total |
|-----------------|-------|-------|------|--------------------|
| Existing stores | +5.5  | -0.5  | +4.0 | +3.0               |
| All stores      | +5.9  | +1.0  | +5.4 | +4.1               |

Note: The above figures are presented on a non-consolidated basis, excluding consolidated subsidiaries.

The Company delayed the launch of new products and narrowed the focus of merchandising on existing, best-selling products in response to a supply chain that was destabilized for the first month or so following the earthquake and tsunami. It also cancelled various sales promotions and campaigns in deference of the self-restraint the public had shown in mourning the disaster.

Active sales promotions were resumed in April when the Company introduced television commercials spotlighting the launch of *Tenshi no Pudding* (Angel's Pudding) in the *Cherie Dolce* series of desserts. This was followed in May with the nationwide broadcast of television commercials for the actively promoted *Korea Fair WITH SUPER JUNIOR*, the chain's sales campaign in association with the Korean popular music group *SUPER JUNIOR*.

Meanwhile, Circle K Sunkus tapped the sales and merchandising activity of its stores to provide assistance in the recovery effort of the affected regions. This included a disaster relief campaign to donate a portion of sales proceeds as monetary aid, and the active development of food products using ingredients from the Tohoku region.

On the product development front, to further strengthen its *Cherie Dolce* line of original desserts, the Group developed and launched *Tenshi no Pudding* (Angel's Pudding), a hit product that went on to sell over a million servings in the first 15 days. The *rubetta* series of pasta dishes was utilized to buttress sales of the entire processed noodles category, with new dishes launched under the supervision of Kentaro, a famous chef and food critic. Brisk sales of the *Naruhodo! Bento* boxed lunch series in the intermediary price range of around ¥500 per serving led to improvement in both unit sales price and gross profit margin in the rice dish category. Expanded installation of in-store fryers and freshly brewed coffee dispensers, in tandem with the *Yoruwari* nighttime discounts taking hold, resulted in a solid uptrend in countertop fast food sales.

On the service development front, Circle K Sunkus launched its proprietary online shopping service, *Karuwaza Online*, in April. By linking the service with the incentive points of the *Karuwaza Club*, the chain's in-house membership club, and providing storefront delivery of the merchandise, this new service will serve as the interface with stores on the ground for Circle K Sunkus to deliver a product and service lineup exceeding the space and category constraints of conventional convenience stores. In another new service, Circle K Sunkus began providing access to the nursing care product lineup of Toyota Tsusho Corporation via *Omise de Tsuhan*, a direct shopping service on the *Karuwaza Station* in-store multimedia terminals. In this way, Circle K Sunkus has expanded its product lineup for senior citizens.

As of May 31, 2011, there were a total of 2,626 "Zero Bank" ATMs and 1,600 ATMs "Bank Time" ATMs.

For a net sales breakdown by product category, refer to Net Sales by Product Category in the Convenience Store Business Segment on page 11.

On the store development front, Circle K Sunkus developed and opened its first mini-store. By minimizing the capital investment and operating costs and narrowing down product lineups, we will

proceed with opening small stores serving limited-access markets within stations, factories and office buildings.

On the whole, Circle K Sunkus opened 59 stores (including 1 “Minna no Ichiba” stores) and closed 59 stores (including 1 Minna no Ichiba stores) during the first quarter, bringing the total number of stores as of May 31, 2011 to 5,515 (including 61 “Minna no Ichiba” stores) In addition, the total number of stores for the entire Circle K Sunkus Group, including non-consolidated area franchisers, was 6,326.

For details on store numbers as of May 31, 2011, refer to The Number of Stores in the Convenience Store Business Segment on page 14.

## **(2) Qualitative Information Concerning Consolidated Financial Position**

### **(Assets)**

Current assets amounted to ¥128,242 million, an increase of 21.5% from the previous fiscal year-end, mainly due to an increase in cash and cash equivalents.

Fixed assets amounted to ¥139,968 million, an increase of 4.1% from February 28, 2011, mainly due to an increase in leased assets.

As a result, total assets amounted to ¥268,211 million, an increase of 11.7% from the end of the previous fiscal year.

### **(Liabilities)**

Current liabilities amounted to ¥105,232 million, an increase of 29.1% from February 28, 2011, mainly due to an increase in money held as agent.

Long-term liabilities amounted to ¥29,766 million, an increase of 36.4% from February 28, 2011, mainly due to the recording of asset retirement obligations in line with the application of the “Accounting Standard for Asset Retirement Obligations. As a result, total liabilities amounted to ¥134,998 million, an increase of 30.6% from the end of the previous fiscal year.

### **(Net Assets)**

Net assets amounted to ¥133,212 million, a decrease of 2.5% from the end of the previous fiscal year.

### **(Note)**

From the first quarter of the fiscal year ending February 29, 2012, Circle K Sunkus has included Sunkus Higashi-Saitama Co., Ltd. within the scope of consolidation through an acquisition of shares.

## **(3) Qualitative Information Concerning Consolidated Earnings Projections**

There have been no changes to our earnings projections released on May 13, 2011 for the first two quarters of the fiscal year ending February 29, 2012 and for the fiscal year ending February 29, 2012.

## **[2. Other Information]**

### **(1) Changes in the status of important subsidiaries during the quarter (changes in the status of specified subsidiaries resulting in changes in the scope of consolidation):**

None

### **(2) Application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements**

#### 1) Simplified accounting methods

##### [Calculation of Depreciation of Property and Equipment]

For assets depreciated by the declining balance method, depreciation is calculated based on a method in which the amount of depreciation for the full fiscal year is proportionately allocated to the fiscal period under review.

##### [Calculation of income taxes, deferred tax assets and deferred tax liabilities]

Corporation taxes and other income taxes are calculated based on a method that only takes into account material adjustment items and tax-deducted items as significant.

The collectability of deferred tax assets is determined by a method based on the future earnings projections and tax planning used in the previous fiscal year, as the business environment and temporary differences were not considered to have changed significantly from the end of the previous fiscal year.

#### 2) Special accounting methods in the preparation of quarterly consolidated financial statements: None

### **(3) Changes in accounting principles, procedures and presentation methods in the preparation of quarterly consolidated financial statements:**

#### 1) Application of Accounting Standard for Asset Retirement Obligations

Effective from the first quarter of the year ending February 29, 2012, Circle K Sunkus applied the “Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan Statement No. 18, March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan Guidance No. 21, March 31, 2008).

The effect of this change was to decrease operating income by ¥99 million, to decrease recurring profit each by ¥94 million, and to decrease income before income taxes by ¥4,253 million. The change in asset retirement obligations upon application of these accounting standards and others was ¥6,636 million.

#### 2) Application of Accounting Standard for Business Combinations and Other Accounting Standards

Effective from the first quarter of the year ending February 29, 2012, Circle K Sunkus applied the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan Statement No. 21, December 26, 2008), the “Accounting Standard for Consolidated Financial Statements” (Accounting Standards Board of Japan Statement No. 22, December 26, 2008), and the “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (Accounting Standards Board of Japan Guidance No. 10, December 26, 2008).

### 3) Changes in Presentation Methods

#### (Quarterly Consolidated Statements of Income)

Circle K Sunkus has applied the “Cabinet Office Ordinance Regarding Partial Amendment of the Regulation for Terminology, Forms and Preparation of Financial Statements” (Cabinet Office Ordinance No. 5 of March 24, 2009) based on the “Accounting Standard for Consolidated Financial Statements” (Accounting Standards Board of Japan Statement No. 22, December 16 , 2008). As a result, loss before minority interests is shown separately for the first quarter of the fiscal year ending February 29, 2012. There were no relevant matters to disclose

### **(4) Note Concerning Going Concern Assumption**

Not applicable

### [3. Consolidated Financial Statements]

#### (1) Consolidated Balance Sheets

Note: All amounts less than one million yen have been omitted.

(Millions of yen)

|                                    | Current 1st Quarter<br>(As of May 31, 2011) | Last fiscal year<br>(As of February 28, 2011) |
|------------------------------------|---|---|
| <b>(ASSETS)</b>                    |   |   |
| Current assets                     |   |   |
| Cash and cash equivalents          | 85,961                                      | 68,932  |
| Due from franchised stores         | 2,378                                       | 3,037   |
| Marketable securities              | 15,001                                      | 7,027   |
| Inventories                        | 1,746                                       | 1,843   |
| Deferred tax assets                | 1,070                                       | 1,327   |
| Other accounts receivable          | 9,701                                       | 11,345  |
| Other current assets               | 12,588                                      | 12,249  |
| Allowance for doubtful accounts    | (205)                                       | (191)   |
| Total current assets               | 128,242                                     | 105,571                                       |
| Fixed assets                       |   |   |
| Property and equipment             |   |   |
| Buildings and structures, net      | 38,331                                      | 37,207  |
| Furniture and fixtures, net        | 3,266                                       | 3,611   |
| Land                               | 8,259                                       | 8,295   |
| Leased assets, net                 | 21,103                                      | 18,892  |
| Other fixed assets                 | 235   | 125   |
| Total property and equipment       | 71,196                                      | 68,133  |
| Intangible fixed assets            |   |   |
| Software                           | 6,666                                       | 6,643   |
| Software development in progress   | 9   | 279   |
| Goodwill                           | 2,506                                       | 769   |
| Other intangible fixed assets      | 3,464                                       | 3,531   |
| Total intangible fixed assets      | 12,646                                      | 11,223  |
| Investments and other assets       |   |   |
| Investment securities              | 2,214                                       | 2,523   |
| Deferred tax assets                | 5,044                                       | 3,148   |
| Long-term leasehold deposits       | 43,122                                      | 43,569  |
| Other investments                  | 6,664                                       | 6,796   |
| Allowance for doubtful accounts    | (920)                                       | (939)   |
| Total investments and other assets | 56,125                                      | 55,099  |
| Total fixed assets                 | 139,968                                     | 134,455                                       |
| Total assets                       | 268,211                                     | 240,027                                       |

(Millions of yen)

|  | Current 1st Quarter<br>(As of May 31, 2011) | Last fiscal year<br>(As of February 28, 2011) |
|--|---|---|
| <b>(LIABILITIES)</b>   |   |   |
| Current liabilities  |   |   |
| Trade payables   | 38,320                                      | 33,706  |
| Due to franchised stores   | 3,442                                       | 2,244   |
| Other accounts payable   | 5,263                                       | 6,464   |
| Income taxes payable   | 1,164                                       | 4,342   |
| Money held as agent  | 49,154                                      | 27,561  |
| Accrued employees' bonuses   | 1,307                                       | 1,448   |
| Other current liabilities  | 6,581                                       | 5,764   |
| Total current liabilities  | 105,232                                     | 81,533  |
| Long-term liabilities  |   |   |
| Lease obligations  | 10,332                                      | 9,030   |
| Allowance for employees' retirement benefit liability              | 116   | 70  |
| Asset retirement obligation  | 6,530                                       | -   |
| Long-term guarantee deposits received                              | 10,019                                      | 10,160  |
| Long-term allowance for impairment loss on leased assets           | 1,253                                       | 995   |
| Other long-term liabilities  | 1,513                                       | 1,564   |
| Total long-term liabilities  | 29,766                                      | 21,821  |
| Total liabilities  | 134,998                                     | 103,355                                       |
| <b>(NET ASSETS)</b>  |   |   |
| Shareholder's equity   |   |   |
| Common stock   | 8,380                                       | 8,380   |
| Capital surplus  | 36,087                                      | 36,092  |
| Retained earnings  | 93,330                                      | 96,738  |
| Less, treasury stock, at cost                                      | (5,032)                                     | (5,032)                                       |
| Total shareholders' equity   | 132,766                                     | 136,179                                       |
| Unrealized gains or losses and translation differences, etc.       |   |   |
| Net unrealized gains on available-for-sale securities              | 446   | 493   |
| Total unrealized gains or losses and translation differences, etc. | 446   | 493   |
| Total equity   | 132,212                                     | 136,672                                       |
| Total liabilities and net assets                                   | 268,211                                     | 240,027                                       |

## (2) Consolidated Statements of Income

Note: All amounts less than one million yen have been omitted.

(Millions of yen)

|  | Previous 1st Quarter<br>(From March 1, 2010<br>to May 31, 2010) | Current 1st Quarter<br>(From March 1, 2011<br>to May 31, 2011) |
|--|---|--|
| Operating revenues                                       | 27,516  | 28,571   |
| Franchise commissions from franchised stores             | 24,450  | 3,022  |
| Other revenues   | 3,066   | 25,549   |
| Net sales of company-owned stores                        | 19,816  | 18,314   |
| Total operating revenues                                 | 47,333  | 46,886   |
| Cost of goods sold                                       | 15,289  | 14,042   |
| Operating gross profit                                   | 32,044  | 32,843   |
| Selling, general and administrative expenses             | 28,370  | 28,086   |
| Employees' salaries and bonuses                          | 3,837   | 3,858  |
| Provision for bonuses                                    | 465   | 620  |
| Provision of allowance for employees' retirement benefit | 214   | 209  |
| Store leasing expenses                                   | 12,704  | 12,687   |
| Depreciation and amortization                            | 2,696   | 2,953  |
| Provision to allowance for doubtful accounts             | 59  | -  |
| Other Selling, general and administrative expenses       | 8,392   | 7,758  |
| Operating income   | 3,673   | 4,756  |
| Non-operating income                                     | 287   | 209  |
| Interest income  | 117   | 96   |
| Dividend income  | 60  | 35   |
| Compensation income                                      | 70  | 28   |
| Other non-operating income                               | 39  | 48   |
| Non-operating expenses                                   | 309   | 256  |
| Interest expenses  | 61  | 83   |
| Lease contract cancellation expenses                     | 228   | 167  |
| Other non-operating expenses                             | 19  | 4  |
| Recurring profit   | 3,652   | 4,709  |
| Extraordinary gains                                      | 12  | 384  |
| Gain on sales of property and equipment                  | 12  | 76   |
| Reversal of allowance for doubtful accounts              | -   | 34   |
| Gain on step acquisitions                                | -   | 258  |
| Other extraordinary gains                                | 0   | 14   |
| Extraordinary losses                                     | 2,515   | 7,397  |
| Loss on disposal of property and equipment               | 55  | 38   |
| Impairment loss on fixed assets                          | 2,405   | 2,508  |
| Asset retirement obligation                              | -   | 4,028  |
| Loss due to disaster                                     | -   | 807  |
| Other extraordinary losses                               | 54  | 14   |
| Income before income taxes                               | 1,149   | (2,302)  |
| Income taxes-current                                     | 1,505   | 1,038  |
| Income taxes-deferred                                    | (749)   | (1,607)  |
| Total Income taxes                                       | 755   | (569)  |
| Loss before minority interests                           | -   | (1,733)  |
| Net income   | 394   | (1,733)  |

**(3) Note Concerning Going Concern Assumption**

The First Quarter of the Fiscal Year Ending February 29, 2012.

Not applicable.

**(4) Business Segment Information**

The First Quarter of the Fiscal Year Ending February 29, 2012.

**[ Business Segment Information ]**

The Convenience Store Business accounts for more than 90% of total operating revenues and operating income for all segments. Accordingly, business segment information has been omitted.

**[ Geographical Segment Information ]**

No information is shown since Circle K Sunkus does not have any overseas consolidated subsidiaries or overseas branch offices.

**[ Overseas Sales ]**

No information is shown since Circle K Sunkus has no overseas sales.

**[ Segment Information ]**

(Additional Information)

Effective from the first quarter of the year ending February 29, 2012, Circle K Sunkus began applying the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (Accounting Standards Board of Japan Statement No. 17, March 27, 2009) and the “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (Accounting Standards Board of Japan Guidance No. 20, March 21, 2008).

First Quarter of the Fiscal Year Ending February 29, 2012 (March 1, 2011 - May 31, 2011)

No information is shown because the Circle K Sunkus Group has only a single Convenience Store Business segment.

**(5) Note in the Event of a Marked Change in the Amount of Shareholders' Equity**

Not applicable.

#### [4. Additional Information]

##### (1) Net Sales by Product Category in the Convenience Store Business Segment

| By product                   | Previous 1st Quarter<br>(From March 1, 2010<br>to May 31, 2010) |                          |                           | Current 1st Quarter<br>(From March 1, 2011<br>to May 31, 2011) |                          |                           | Last fiscal Year<br>(From March 1, 2010<br>to February 28, 2011) |                          |                           |
|------------------------------|---|--------------------------|---------------------------|--|--------------------------|---------------------------|--|--------------------------|---------------------------|
|                              | Amount  | Compo<br>sition<br>ratio | Change<br>year on<br>year | Amount   | Compo<br>sition<br>ratio | Change<br>year on<br>year | Amount   | Compo<br>sition<br>ratio | Change<br>year on<br>year |
| <Circle K Sunkus and others> | ¥ Million   | %                        | %                         | ¥ Million  | %                        | %                         | ¥ Million  | %                        | %                         |
| Fast food                    | 34,900  | 16.9                     | 94.8                      | 34,820   | 16.2                     | 99.8                      | 144,726  | 16.9                     | 99.5                      |
| Perishable food              | 26,737  | 12.9                     | 94.4                      | 25,832   | 12.0                     | 96.6                      | 107,387  | 12.6                     | 98.7                      |
| Processed food               | 60,057  | 29.0                     | 93.4                      | 59,139   | 27.4                     | 98.5                      | 244,315  | 28.6                     | 98.1                      |
| Food sub-total               | 121,695   | 58.8                     | 94.0                      | 119,792  | 55.6                     | 98.4                      | 496,429  | 58.1                     | 98.7                      |
| Non-food products            | 71,991  | 34.8                     | 96.1                      | 82,828   | 38.4                     | 115.1                     | 302,647  | 35.4                     | 101.3                     |
| Services                     | 13,344  | 6.4                      | 108.0                     | 12,971   | 6.0                      | 97.2                      | 55,932   | 6.5                      | 111.3                     |
| Total                        | 207,030   | 100.0                    | 95.5                      | 215,593  | 100.0                    | 104.1                     | 855,010  | 100.0                    | 100.3                     |
| <Area franchiser and others> |   |                          |                           |  |                          |                           |  |                          |                           |
| Fast food                    | 2,630   | 16.0                     | 134.8                     | 3,060  | 15.2                     | 116.3                     | 10,903   | 16.0                     | 138.8                     |
| Perishable food              | 2,475   | 15.1                     | 125.7                     | 2,733  | 13.5                     | 110.4                     | 9,909  | 14.5                     | 126.8                     |
| Processed food               | 5,138   | 31.2                     | 125.9                     | 5,736  | 28.4                     | 111.6                     | 21,013   | 30.8                     | 129.8                     |
| Food sub-total               | 10,244  | 62.3                     | 128.0                     | 11,530   | 57.1                     | 112.6                     | 41,826   | 61.3                     | 131.3                     |
| Non-food products            | 5,508   | 33.5                     | 134.4                     | 7,771  | 38.5                     | 141.1                     | 23,366   | 34.3                     | 141.8                     |
| Services                     | 691   | 4.2                      | 169.5                     | 895  | 4.4                      | 129.5                     | 2,982  | 4.4                      | 163.2                     |
| Total                        | 16,445  | 100.0                    | 131.5                     | 20,198   | 100.0                    | 122.8                     | 68,174   | 100.0                    | 135.9                     |
| Grand total                  | 223,476   | -                        | 97.5                      | 235,791  | -                        | 105.5                     | 923,185  | -                        | 102.3                     |

1. Sales volumes are omitted from disclosure, as they span a vast array of items and are both difficult and inappropriate to record.
2. Area franchiser and others exclude non-consolidated area franchisers, but include the sales by product category of 99 ICHIBA Co., Ltd.
3. Consumption and other taxes are excluded from the figures above.

**(2) The Number of Stores in the Convenience Store Business Segment**

(stores)

| Prefecture                 | Total number of stores in the entire chain   |   |               |   |
|----------------------------|--|---|---------------|---|
|                            | Previous 1st Quarter<br>(As of May 31, 2010) | Current 1st Quarter<br>(As of May 31, 2011) | Change<br>+/- | Last fiscal Year<br>(As of February 28, 2011) |
| <Circle K Sunkus Co., Ltd> |  |   |               |   |
| Hokkaido                   | 193  | 191   | -2            | 191   |
| Aomori                     | 106  | 106   | -             | 108   |
| Iwate                      | 88   | 90  | +2            | 90  |
| Akita                      | 103  | 95  | -8            | 95  |
| Miyagi                     | 110  | 102   | -8            | 110   |
| Yamagata                   | 49   | 49  | -             | 49  |
| Fukushima                  | 22   | 20  | -2            | 21  |
| Ibaraki                    | 52   | 51  | -1            | 53  |
| Gunma                      | 14   | 14  | -             | 14  |
| Chiba                      | 134  | 133   | -1            | 132   |
| Saitama                    | 31   | 29  | -2            | 30  |
| Tokyo                      | 588  | 591   | +3            | 590   |
| Kanagawa                   | 329  | 334   | +5            | 334   |
| Niigata                    | 96   | 98  | +2            | 98  |
| Toyama                     | 68   | 67  | -1            | 68  |
| Ishikawa                   | 105  | 110   | +5            | 110   |
| Fukui                      | 46   | 43  | -3            | 43  |
| Nagano                     | 126  | 132   | +6            | 132   |
| Gifu                       | 253  | 260   | +7            | 258   |
| Shizuoka                   | 282  | 293   | +11           | 290   |
| Aichi                      | 957  | 969   | +12           | 973   |
| Mie                        | 222  | 225   | +3            | 223   |
| Shiga                      | 48   | 46  | -2            | 46  |
| Kyoto                      | 106  | 109   | +3            | 107   |
| Osaka                      | 403  | 400   | -3            | 400   |
| Hyogo                      | 175  | 171   | -4            | 170   |
| Nara                       | 45   | 46  | +1            | 47  |
| Wakayama                   | 21   | 21  | -             | 22  |
| Okayama                    | 132  | 128   | -4            | 126   |
| Hiroshima                  | 47   | 48  | +1            | 48  |
| Fukuoka                    | 13   | 24  | +11           | 23  |
| Total                      | 4,964  | 4,995                                       | +31           | 5,001   |

(stores)

| By region                                       | Total number of stores in the entire chain   |   |               |   |
|---|--|---|---------------|---|
|   | Previous 1st Quarter<br>(As of May 31, 2010) | Current 1st Quarter<br>(As of May 31, 2011) | Change<br>+/- | Last fiscal Year<br>(As of February 28, 2011) |
| <Area franchiser and others>                    |  |   |               |   |
| Circle K Shikoku Co., Ltd.                      | 165  | 169   | +4            | 168   |
| Sunkus Aomori Co., Ltd.                         | 68   | 71  | +3            | 70  |
| Sunkus Nishi-Saitama Co., Ltd.                  | 85   | 90  | +5            | 88  |
| Sunkus Higashi-Saitama Co., Ltd.                | 69   | 70  | +1            | 70  |
| Sunkus Tokai Co., Ltd.                          | 112  | 118   | +6            | 118   |
| Sukus Keihanna Co., Ltd.                        | 104  | 103   | -1            | 102   |
| Sunkus Nishi-Shikoku Co., Ltd.                  | 82   | 82  | -             | 81  |
| Sunkus and Associates Higashi-Shikoku Co., Ltd. | 122  | 121   | -1            | 122   |
| Sunkus Hokuria Co., Ltd.                        | 100  | 100   | -             | 100   |
| Sunkus and Associates Toyama Co., Ltd.          | 76   | 66  | -10           | 75  |
| SUKUS KITAKANTO Co., Ltd.                       | 41   | 46  | +5            | 44  |
| Minami-Kyushu Sunkus Co., Ltd.                  | 106  | 107   | +1            | 108   |
| CVS Bay Area Inc.                               | 128  | 127   | -1            | 127   |
| 99 ICHIBA Co., Ltd.                             | 64   | 61  | -3            | 61  |
| Total   | 1,322  | 1,331                                       | +9            | 1,334   |
| Circle K Sunkus Group Total                     | 6,286  | 6,326                                       | +40           | 6,335   |