

Monthly Business Report in August, 2009

【Sales】

		Circle K Sunkus	
		Month	Year-to-date
Existing-stores	Average daily sales per store (thousand yen)	506	490
	Y-on-y (%)	-8.1	-3.3
	Average number of daily customer per store	878	855
	Y-on-y (%)	-5.1	-0.8
	Average purchase per customer (yen)	576	573
	Y-on-y (%)	-3.2	-2.5
Total chain stores	Y-on-y sales (%)	-7.0	-2.2
	Average daily sales per store (thousand yen)	502	487
	Y-on-y (%)	-7.2	-2.3

(Note) The figures shown in the sales table exclude area franchisers.

【Stores at the end of the month】

		Circle K Sunkus	
		Month	Year-to-date
Stores at Circle K Sunkus (Company-owned and franchised)	opened	42	140
	closed	31	127
	total	4,952	
Stores at 13 area franchisers	opened	5	38
	closed	4	21
	total	1,244	
Stores at Circle K Sunkus (Subtotal)		6,196	
99 ICHIBA stores	opened	1	9
	closed	0	3
	total	67	
Grand total number of stores		6,263	

【Overview】

In August 2009, as in July, Circle K Sunkus conducted sales campaigns for rice balls and countertop fast foods that spotlighted the weekends when more customers visit stores during the vacationing season. In the *Cherie Dolce* original dessert selection also, Circle K Sunkus held a weekly *KARUWAZA Discount* campaign every Friday and Saturday only. The campaign offered a ¥ 20 discount on every purchase of any *Cherie Dolce* brand original dessert using a *KARUWAZA CLUB* card. However, in August, Japan saw a lack of sunshine and many days of below-average temperatures nationwide, leading to weak sales of summer products such as beverages, ice cream, and chilled noodles. Consequently, existing store sales in August decreased 8.1% year on year.

【 Product Details】(Note) Percentage figures in the following paragraphs represent year-on-year comparisons of sales per store.

- In August, Circle K Sunkus posted strong sales of new products such as *Temaki Onigiri (Kokusan Tori Chicken Mayo)* (Hand-rolled Rice Ball (Domestic Chicken and Mayonnaise); ¥105) and *Ebi Furai & Chicken Tatsuta Bento* (Jumbo Shrimp and Tatsuta-style Fried Chicken Boxed Lunch; ¥498). In rice balls, we continued our ¥100 weekend sales campaign for five strong-selling items from the previous month, leading to benefits such as increased rice ball sales over the weekends. However, these efforts were unable to turn around overall rice dish sales. From September, we have been offering the *Otegoro Bento* (Value-Priced Boxed Lunch) series of boxed lunches at a value-priced ¥398 as a means of addressing the low-price preferences of consumers. Four boxed lunch items in this series are offered at all times, with the aim of improving overall rice dish sales.
- In August, the original *rubetta* pasta range sold well, centered on Japanese-style pasta dishes. Soup sales were also higher year on year as new products with generous servings of vegetables contributed to sales growth. In the *Cherie Dolce* original dessert selection, we held the aforementioned *KARUWAZA Discount* campaign on Fridays and Saturdays only and posted brisk sales of new products such as *Nama Caramel Monburan* (Fresh Caramel Mont Blanc Cake; ¥250) made with highly popular fresh caramel. However, these efforts did not lead to a year-on-year increase in overall *Cherie Dolce* dessert sales.
- In August, overall ticket sales grew significantly due to the start of Ticket PIA sales from July 22 via *KARUWAZA STATION* in-store multimedia terminals, for which installation was completed at all stores (except for certain locations) in August, in addition to strong sales of tickets to concerts and professional baseball games. Together with growth in sales from the *Net Preca* service, overall service category sales were higher year on year. On the other hand, as mentioned above, sales of beverages and ice cream, both of which are susceptible to the weather, were lackluster, and daily merchandise sales were also weak. Tobacco sales declined 6% year on year.

【 Please Note 】

August 19, 2009 : Circle K Sunkus Begins Accepting Advance Orders for Beaujolais Nouveau Wine

⇒ Looking ahead to the release of Beaujolais Nouveau in Japan on November 19, Circle K Sunkus began accepting advance orders on August 25 for five different types of Beaujolais Nouveau wine, including two original wines, as well as for a menu of six dishes chosen as the perfect complement to these wines. In addition, Circle K Sunkus will hold the *Petit France Festa* prize campaign for customers purchasing selected merchandise, from the Beaujolais Nouveau release date to December 31.

August 20, 2009 : Circle K Sunkus and Certain Area Franchisers Sign Comprehensive Partnership and Cooperation Agreement With Kochi Prefecture

⇒ On August 25, Circle K Sunkus, Circle K Shikoku Co., Ltd., Sunkus Nishi-Shikoku Co., Ltd. signed a Comprehensive Partnership and Cooperation Agreement with Kochi Prefecture.

August 20, 2009 : Circle K Sunkus Sells Food Products With Pork Raised on Eco Feed

⇒ Circle K Sunkus launched the sale of original food products made with pork raised on certified Eco Feed at stores in the Shikoku area. This feed is made from bread crust scraps from Circle K Sunkus sandwich preparation centers. Daimon Farm, a pig farm operator, received Eco Feed certification for this feed in July 2009 from the Japan Scientific Feeds Association.

The announcement of second quarter results for fiscal 2010 is scheduled to be held at 13:00 on October 2, 2009 (Friday). On the same day, Circle K Sunkus will post its earnings report (*Kessan Tanshin*) and supplementary financial information on its website.