

## Monthly Business Report in February, 2010

### 【Sales】

		Circle K Sunkus	
		Month	Year-to-date
<b>Existing-stores</b>	Average daily sales per store (thousand yen)	445	476
	Y-on-y (%)	-7.0	-5.6
	Average number of daily customer per store	779	830
	Y-on-y (%)	-4.6	-3.1
	Average purchase per customer (yen)	572	573
	Y-on-y (%)	-2.6	-2.5
<b>Total chain stores</b>	Y-on-y sales (%)	-5.6	-4.3
	Average daily sales per store (thousand yen)	442	472
	Y-on-y (%)	-6.0	-4.6

(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
<b>Stores at Circle K Sunkus (Company-owned and franchised)</b>	opened	41	285
	closed	26	266
	total	4,958	
<b>Stores at 13 area franchisers</b>	opened	11	83
	closed	7	49
	total	1,261	
<b>Stores at Circle K Sunkus (Subtotal)</b>		<b>6,219</b>	
<b>99 ICHIBA stores</b>	opened	0	10
	closed	0	3
	total	68	
<b>Grand total number of stores</b>		<b>6,287</b>	

### 【Overview】

In February 2010, Circle K Sunkus offered *Marukaburi Eho Maki* (Jumbo Eho Sushi Roll) sushi, which is associated with the traditional Japanese *Setsubun* festival, along with a varied selection of boxed lunches, baked goods, processed noodles and desserts with a *Setsubun* connection. Consequently, combined with vigorous advance-order and sales promotion activities, *Setsubun*-related products posted higher sales year on year. However, existing store sales decreased 7% year on year in February, reflecting unfavorable weather conditions such as snowfall together with generally low temperatures during the month. This result notwithstanding, Circle K Sunkus saw positive signs, including a smaller year-on-year decrease in existing store sales —specifically, an improvement of 1 percentage point —compared with January 2010.

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

- In February, Circle K Sunkus reported strong sales of the *Otegoro Bento* series of boxed lunches offered at a value-priced ¥ 398 . The new released *Gyu Karubi Curry Don* (Curry Rice Bowl With Boneless Short Ribs of Beef; ¥550), the third new product in Circle K Sunkus' premium rice-bowl series , also contributed to sales. As a result, boxed-lunch sales generally improved from January 2010. Rice balls and sushi also showed overall improvement. However, with these improvements unable to lift sales over the previous year, overall rice dish sales decreased year on year.
- In February 2010, Circle K Sunkus recorded higher overall delicatessen item sales. In addition to strong processed salad sales continuing from January, soup sales increased 74% year on year due to steady growth in sales of tie-up products with famous restaurants in the Kansai region as well as soups with generous amounts of ingredients. In *Cherie Dolce* original desserts, strong-selling products included tie-up desserts with Hello Kitty , as well as cup-type desserts such as *Kiwami No Cheesecake* (¥198) . In countertop fast foods, sales of Chinese steamed buns and *oden* (stewed meat, fish and vegetables) were lackluster, but sales of food prepared using in-store fryers, which are currently being installed in stores, continued to increase in February. On the other hand, sales of baked goods and processed noodles decreased year on year.
- Sales of the *Cherie Dolce α* (Cherie Dolce Alpha) series of room-temperature baked and semi-fresh (*hannamagashi*) confectionery continued to increase substantially in February in year-on-year terms. In addition, instant noodle sales held firm thanks to strong demand for new offerings that taste like dishes prepared by famous ramen restaurants. Meanwhile, beverage, ice cream, general merchandise and tobacco sales decreased year on year. Elsewhere, overall service category sales increased year on year due to brisk sales from the *Net Preca* service. This was despite weak ticket sales reflecting the absence of strong sales of tickets for various events recorded in the corresponding period of the previous year.

## **【 Please Note 】**

### **February 17, 2010 : Circle K Sunkus Signs Comprehensive Partnership and Cooperation Agreement With Yamagata Prefecture**

⇒ Circle K Sunkus and Yamagata Prefecture signed a Comprehensive Partnership and Cooperation Agreement on February 17.

### **February 25, 2010 : Circle K Sunkus Achieves Milestone of 15 Million Meals Served Through the *Otegoro Bento* Series**

⇒ The *Otegoro Bento* series of boxed lunches offered at a value-priced ¥ 398 reached a key milestone — approximately 15 million meals were served in just 6 months after the series went on sale in September 2009. While the *Otegoro Bento* series is offered as a means for Circle K Sunkus to address the low-price preferences of consumers, the Company also offers premium boxed lunches towards the end of every month, after pay days, in order to respond to the increasingly dual nature of consumer needs.

### **February 26, 2010 : Circle K Sunkus Acquires Sunkus Hokuria Co., Ltd. Shares (for Conversion Into Subsidiary)**

⇒ Circle K Sunkus has converted area franchiser Sunkus Hokuria Co., Ltd. into a wholly owned subsidiary through the acquisition of Sunkus Hokuria shares. From the fiscal year ending February 2011, Sunkus Hokuria is scheduled to become a consolidated subsidiary of Circle K Sunkus.

Circle K Sunkus plans to announce its operating results for the fiscal year ending February 28, 2010 on April 8 at 13:00. Circle K Sunkus will simultaneously post its earnings report (*Kessan Tanshin*) and supplemental financial information on its website.