

Monthly Business Report in January, 2010

【Sales】

		Circle K Sunkus	
		Month	Year-to-date
Existing-stores	Average daily sales per store (thousand yen)	432	478
	Y-on-y (%)	-8.0	-5.5
	Average number of daily customer per store	750	834
	Y-on-y (%)	-4.7	-3.0
	Average purchase per customer (yen)	576	573
	Y-on-y (%)	-3.5	-2.5
Total chain stores	Y-on-y sales (%)	-6.4	-4.2
	Average daily sales per store (thousand yen)	428	475
	Y-on-y (%)	-7.1	-4.5

(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	22	244
	closed	37	240
	total	4,943	
Stores at 13 area franchisers	opened	5	72
	closed	2	42
	total	1,257	
Stores at Circle K Sunkus (Subtotal)		6,200	
99 ICHIBA stores	opened	0	10
	closed	0	3
	total	68	
Grand total number of stores		6,268	

【Overview】

In January 2010, Circle K Sunkus held the *Lotte Ghana Fair*, featuring Lotte Co., Ltd. 's popular *Lotte Ghana Milk Chocolate*. In addition, the Company held a sales campaign offering ¥50 discounts on boxed lunches priced at ¥450 or more, among other initiatives. In January, while customer footfall improved slightly year on year, there were no major changes in overall sales. Existing store sales decreased 8% year on year in January, remaining roughly on a par with the previous month.

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

- In January, Circle K Sunkus recorded strong sales of *Sumibiyaki Yakitori Don* (Charcoal-grilled Chicken Skewer Rice Bowl; ¥550), featuring chicken skewers grilled slowly over a charcoal fire. *Sumibiyaki Yakitori Don* was the second new product in Circle K Sunkus' premium rice-bowl series. In addition, Circle K Sunkus held a four-day sales campaign offering ¥50 discounts on boxed lunches priced at ¥450 or more. The campaign produced several benefits, including sustained improvement in overall sales even after the campaign period, but this did not lead to an overall increase in boxed-lunch sales. Combined with weak rice ball and sushi sales, overall rice dish sales decreased year on year.
- In *Cherie Dolce* original desserts, Circle K Sunkus conducted a *KARUWAZA* discount campaign (¥20 discount on all purchases using a *KARUWAZA Club* card, every week on Thursdays, Fridays and Saturdays only). Circle K Sunkus also recorded strong sales of cup-type desserts, underpinned by the release of *Fuyu No Noukou Chocola Cake* (Winter Creamy Chocolate Cake; ¥280), a tie-up with the above-mentioned *Lotte Ghana Milk Chocolate*, as well as strong sales of the newly released *Junsei Nama Cheese Cake* (Fresh Cheese Cake; ¥190), which is made from fresh dairy cream with a milk-fat concentration of 45%. Soup sales increased by a substantial 65% year on year, thanks to a boost from soups with generous ingredients, including stew-type soups and *Curry Soup Gohan* (Curry Soup & Rice; ¥348). Meanwhile, sales of baked goods, processed noodles and countertop fast foods were weak, declining 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 from the previous year, as in December. This was mainly due to contributions from new products such as *Ghana Choco Pound* (Ghana Chocolate Pound Cake; ¥120), which is made using the above-mentioned *Lotte Ghana Milk Chocolate*, as well as continued strong sales of best-selling products. In other categories, service category sales increased year on year supported by higher sales from new multi-use copy machines (Multifunction Peripherals "MFPs") as well as the *Net Preca* service. Another factor was strong sales of tickets, which remained mostly the same as the previous fiscal year. Meanwhile, beverage, general merchandise, and tobacco sales decreased year on year.

【 Please Note 】

January 12, 2010 : Circle K Sunkus Signs Comprehensive Partnership and Cooperation Agreement With Osaka Prefecture

⇒ On January 12, Circle K Sunkus and Osaka Prefecture signed a Comprehensive Partnership and Cooperation Agreement.

January 12, 2010 : Circle K Sunkus Rolls Out Car Sharing Service

⇒ Circle K Sunkus has begun offering the "i-share" car sharing service from its convenience stores in partnership with Japan Car Sharing Inc. Circle K Sunkus will begin offering the service at four convenience stores in Tokyo, with plans to expand the service to approximately 200 Tokyo-area stores by the end of December 2010.

January 15, 2010 : Circle K Sunkus Awarded the Food Action Nippon Award 2009

⇒ Circle K Sunkus' MOT Project was awarded the Grand Prize in the "Communication/Awareness Raising" Category of the Food Action Nippon Award 2009, in recognition of the program's contribution to improving Japan's food self-sufficiency rate. The MOT Project is Circle K Sunkus' "locally produced, locally consumed" product initiative.

January 29, 2010 : Circle K Sunkus Announces Personnel Changes

⇒ Circle K Sunkus has announced organizational and personnel changes for the fiscal year ending February 28, 2011. The Company has integrated the Store Operations Division and the Store Development Division into the Store Development & Operations Division to bolster sales capabilities and speed up operations. Circle K Sunkus will also further break down the coverage areas of its regional divisions from four to six areas to implement sales strategies tied even more closely to each region.

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.