

Monthly Business Report in March, 2010

【Sales】

		Circle K Sunkus	
		Month	Year-to-date
Existing-stores	Average daily sales per store (thousand yen)	457	457
	Y-on-y (%)	-6.0	-6.0
	Average number of daily customer per store	795	795
	Y-on-y (%)	-3.9	-3.9
	Average purchase per customer (yen)	575	575
	Y-on-y (%)	-2.2	-2.2
Total chain stores	Y-on-y sales (%)	-4.7	-4.7
	Average daily sales per store (thousand yen)	453	453
	Y-on-y (%)	-5.1	-5.1

(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	10	10
	closed	22	22
	total	4,946	
Stores at 13 area franchisers	opened	7	7
	closed	13	13
	total	1,255	
Stores at Circle K Sunkus (Subtotal)		6,201	
99 ICHIBA stores	opened	2	2
	closed	6	6
	total	64	
Grand total number of stores		6,265	

【Overview】

In March 2010, Circle K Sunkus implemented initiatives tied to “The Very Hungry Caterpillar,” a world-famous children’s book. This included the launch of *Harapeko Aomushi Ehon Pan* (“The Very Hungry Caterpillar” Children’s Book Pastry; ¥150), as well as the *Haru no Oishii Pan Seikatsu* (Spring Baked Goods) Campaign tied to “The Very Hungry Caterpillar.” In the rice dish category, Circle K Sunkus conducted a sales campaign offering ¥50 discounts on all boxed lunches priced at ¥450 or more. In March, outdoor recreational demand from cherry blossom viewing and other festivities was generally weak, partly reflecting low temperatures nationwide. Consequently, existing store sales decreased 6% year on year in March. Nevertheless, existing store sales showed an improvement of 1 percentage point compared with February 2010.

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

- In March, Circle K Sunkus conducted a five-day sales campaign offering ¥ 50 discounts on boxed lunches priced at ¥ 450 or more. Overall boxed lunch sales showed improvement. This was largely the result of measures to enhance the high-value-added boxed lunch lineup, including the relaunch of *Butadon* (Pork Rice Bowl; ¥ 550), which coincided with the aforementioned sales campaign. *Butadon* was initially offered as the first new product in Circle K Sunkus' premium rice-bowl series last November, and proved highly popular. However, with weak outdoor recreational demand from cherry blossom viewing and other festivities, there was no change in overall sales of rice balls or sushi. For these and other reasons, overall rice dish sales decreased year on year.
- Salad sales increased 7% year on year, thanks to a positive contribution from measures to enhance best-selling items, as well as a sales campaign offering discounts on combination menus of rice balls and salads. Overall delicatessen sales were also higher year on year, partly due to an 86% increase in soup sales on the back of strong sales of new products such as *Soup Gohan* (Soup & Rice). In the countertop fast food category, overall sales increased 5% year on year, due to sales campaigns spotlighting the weekends. Another factor was continuing growth in food prepared using in-store fryers, which are currently being installed in stores. Furthermore, Circle K Sunkus unveiled a new steamed bread brand called *Musuko to Musume* on March 31. By using in-store steamer machines year-round, Circle K Sunkus will offer a range of products centered on steamed bread, but also including hot dogs.
- Sales of the *Cherie Dolce a (Cherie Dolce Alpha)* series of room-temperature baked and semi-fresh (*hannamagashi*) confectionery continued to increase substantially in March in year-on-year terms. Overall service category sales also increased year on year due to brisk sales from the *Net Preca* service, as well as strong sales of tickets to concerts by popular recording artists and to professional baseball games. On the other hand, beverage, ice cream, general merchandise and tobacco sales decreased year on year.

【 Please Note 】

March 12, 2010 : Circle K Sunkus Launches New Brand *Musuko to Musume*

⇒ Circle K Sunkus has launched a new steamed bread brand called *Musuko to Musume*. Because demand for steamed bread and other products is expected year-round, existing in-store steamer machine fixtures will be able to be used effectively in all seasons. Circle K Sunkus aims to generate new steamed bread sales especially in the spring and summer, when Chinese steamed bun sales usually decrease.

March 19, 2010 : Circle K Sunkus Begins Accepting Payment by Common Prepaid

March 23, 2010 : QUO Cards and by Suica Cards at Stores in JR East's Service Area

⇒ Circle K Sunkus will begin accepting payment via QUO Cards for the first time from July, adding another payment option to the currently accepted electronic money formats of Edy, QUICPay, Visa Touch (SmartPlus) and iD. In addition, customers will be able to use Suica cards to make purchases at Circle K and Sunkus stores in JR East's service area. Going forward, mutual partnerships with one another's membership organizations will also be bolstered through incentive-point exchange programs and other means, with the view to winning new customers and boosting customer footfall at Circle K and Sunkus stores.

March 24, 2010 : Circle K Sunkus Launches New *Cherie Dolce* Series

⇒ Circle K Sunkus has added a new series of cup-type chilled beverages to the *Cherie Dolce* original dessert selection. Together with the current selection of chilled desserts and *Cherie Dolce a* room-temperature baked and semi-fresh (*hannamagashi*) confectionery, Circle K Sunkus will work to enhance *Cherie Dolce*'s brand power. In chilled beverages, the Company will offer "authentic sweets that can be enjoyed as beverages" and

On April 8, 2010, Circle K Sunkus announced operating results for the fiscal year ended February 28, 2010. Circle K Sunkus has posted its earnings report (*Kessan Tanshin*) and supplemental financial information on the IR Library section of its website. Presentation materials used at Circle K Sunkus' earnings presentation conference for analysts, which was held on April 12, 2010, have also been posted.