

Monthly Business Report in May, 2010

【Sales】

		Circle K Sunkus	
		Month	Year-to-date
Existing-stores	Average daily sales per store (thousand yen)	458	458
	Y-on-y (%)	-5.8	-6.0
	Average number of daily customer per store	815	806
	Y-on-y (%)	-3.4	-4.2
	Average purchase per customer (yen)	562	568
	Y-on-y (%)	-2.3	-1.7
Total chain stores	Y-on-y sales (%)	-4.2	-4.5
	Average daily sales per store (thousand yen)	454	454
	Y-on-y (%)	-4.9	-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	21	58
	closed	13	52
	total	4,964	
Stores at 13 area franchisers	opened	4	19
	closed	6	22
	total	1,258	
Stores at Circle K Sunkus (Subtotal)		6,222	
99 ICHIBA stores	opened	0	2
	closed	0	6
	total	64	
Grand total number of stores		6,286	

【Overview】

Circle K Sunkus posted strong sales during the Golden Week holiday, supported by sales campaigns for rice balls and countertop fast foods addressing increased recreational demand during the holidays. Another positive factor was favorable weather. The Company continued to post brisk sales of a new series of chilled beverages launched at the end of the previous month as a new product line within the *Cherie Dolce* original dessert selection. Another contributor to dessert sales was the *Tenshi* (Angel) series of desserts made from *Tenshi No Cream* (Angel's Cream). Overall, existing store sales in May decreased 5.8% year on year, despite some improvement compared with April.

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

- In May, Circle K Sunkus posted higher sales of rice dishes during the Golden Week holiday, thanks to a ¥100 sales campaign for rice balls spotlighting Golden Week. Additionally, Circle K Sunkus benefited from strong sales of *Shodai Shari No Ginji*, a new series of sushi that was launched, leading to an 11% year-on-year increase in sushi sales. Nevertheless, overall rice dish sales decreased year on year, despite some improvement.
- The *Oishii Pan Seikatsu* original baked goods brand continued to post higher sales year on year, supported by strong sales of new products. Countertop fast food sales saw a substantial 25% increase, partly due to a positive contribution from *Musuko to Musume*, a new steamed-bread brand. In the *Cherie Dolce* dessert selection, the Company posted strong sales of the *Tenshi* (Angel) series, including *Tenshi No Creamy Chiffon* (Angel's Creamy Chiffon Cake; ¥230). In addition, the aforementioned chilled beverage series of desserts sold well, in addition to the *Cherie Dolce a* series of room-temperature baked and semi-fresh (*hannamagashi*) confectionery, which was launched in November 2009 with the aim of increasing brand power. On the other hand, sales of baked goods and processed noodles decreased year on year.
- Overall service category sales also increased year on year due to strong sales of tickets to sports events such as professional baseball games, and to concerts, as well as brisk sales from the *Net Preca* service. On the other hand, Circle K Sunkus reported lower sales of ice cream, beverages, general merchandise and tobacco in year-on-year terms.

【 Please Note 】

May 7, 2010 : Circle K Sunkus Opened Tie-up Store With cocokara fine HOLDINGS

⇒ As part of its tie-up with cocokara fine HOLDINGS Inc., Circle K Sunkus opened the Sunkus SEIJO Drugstore Tama Center Ochiai Store, the two companies' first tie-up store, on May 12. This store combines a convenience store with a drugstore/dispensing pharmacy, and also has a Home-Visiting Nurse Station and Home Nursing Care Assistance Office on site in order to support home medical and nursing care services.

May 26, 2010 : Circle K Sunkus Enhances Delicatessen Item Lineup in Step With Customer Needs

⇒ Circle K Sunkus enhanced its delicatessen item lineup in order to satisfy diversifying customer needs. The Company began sales of meal combinations that give customers a choice of rice and their preferred delicatessen item. In response to demand for products that can be consumed after a period of storage, Circle K Sunkus also launched a lineup of long-life products that can be sold on shelves and stored for extended

May 28, 2010 : Circle K Sunkus Launches Point Service Tie-up with All Nippon Airways

⇒ Circle K Sunkus has joined forces with All Nippon Airways Co., Ltd. to launch a service in which purchases made using Edy electronic money on ANA mileage cards can be used to accumulate *KARUWAZA CLUB* shopping points. In addition to the granting of *KARUWAZA CLUB* points, Circle K Sunkus has also become an "Edy Mile Plus" store, where customers can earn twice the amount of miles compared with ordinary purchases. By strengthening point service tie-ups, Circle K Sunkus aims to increase customer footfall and attract new customers to its stores.

May 31, 2010 : Circle K Sunkus Issues *KARUWAZA* Coupons as a New Service Via *KARUWAZA STATION* In-Store Multimedia Terminals

⇒ As a new service for *KARUWAZA CLUB* members, Circle K Sunkus has launched the *KARUWAZA* Coupon service, where the Company issues its own unique coupons to *KARUWAZA CLUB* members. By issuing coupons via the *KARUWAZA STATION* multimedia terminals installed in its stores, Circle K Sunkus looks to boost sales and increase customer footfall.

Circle K Sunkus plans to announce its operating results for the three months ended May 31, 2010 on July 1. Circle K Sunkus will simultaneously post its earnings report (*Kessan Tanshin*) and supplemental financial information on its website.