

Monthly Business Report in June, 2010

【Sales】

		Circle K Sunkus	
		Month	Year-to-date
Existing-stores	Average daily sales per store (thousand yen)	471	461
	Y-on-y (%)	-4.3	-5.6
	Average number of daily customer per store	848	817
	Y-on-y (%)	-3.1	-3.9
	Average purchase per customer (yen)	555	564
	Y-on-y (%)	-1.4	-1.7
Total chain stores	Y-on-y sales (%)	-2.8	-4.1
	Average daily sales per store (thousand yen)	467	457
	Y-on-y (%)	-3.4	-4.7

(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	68
	closed	20	72
	total	4,954	
Stores at 13 area franchisers	opened	7	26
	closed	3	25
	total	1,262	
Stores at Circle K Sunkus (Subtotal)		6,216	
99 ICHIBA stores	opened	0	2
	closed	0	6
	total	64	
Grand total number of stores		6,280	

【Overview】

In June 2010, Circle K Sunkus conducted sales promotion campaigns based on the issuance of *KARUWAZA Coupons*, which refer to the Company's unique discount coupons, in addition to offering "bonus points" as a new service for *KARUWAZA CLUB* members. In addition, Circle K Sunkus strengthened its lineup of meal combinations that give customers a choice of rice and their preferred delicatessen item. To address demand for products that can be stored for a certain period before consumption, Circle K Sunkus launched long-life delicatessen items that can be sold and stored for extended periods. Overall, existing store sales in June decreased 4.3% year on year, although the decrease was 1.5 percentage point smaller than in May, maintaining an improvement in sales from the previous month.

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

- In June, *Shodai Shari No Ginji*, a new series of sushi that was launched in May, continued to perform well, leading to higher sushi sales year on year. In boxed lunches, Circle K Sunkus continued to post strong sales of the *Otegoro Bento* series of boxed lunches addressing low-price preferences, but this was unable to push up overall boxed lunch sales year on year. Consequently, overall rice dish sales decreased year on year.
- Circle K Sunkus conducted a discount campaign for meal combinations featuring a ¥50 discount on purchases of combinations of rice and delicatessen items, in addition to strengthening its range of delicatessen items, as mentioned above. These and other factors led to a 5% year on year increase in delicatessen item sales. Meanwhile, countertop fast food sales continued to increase substantially, partly due to a positive contribution from *Musuko to Musume*, a new steamed-bread brand, in addition to growth in in-store fryer products that are currently being rolled out. The *Oishii Pan Seikatsu* original baked goods brand posted firm sales, supported by a positive boost from the fully revamped Doughnut series. On the other hand, sales of baked goods and processed noodles decreased year on year.
- In June, ice cream sales rose 8% year on year, mainly due to favorable new product sales, in addition to high temperatures nationwide. Overall service category sales increased substantially 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 beverages, general merchandise and tobacco in year-on-year terms.

【 Please Note 】

June 22, 2010 : Point Service Tie-up Formed Between Toyota Finance Corporation's QUICKPay™ and KARUWAZA CLUB

June 29, 2010 : Suica Enters Service at Circle K and Sunkus Stores Within JR East's Service Area

⇒ On July 14, Suica will enter service at Circle K and Sunkus stores within JR East's service area. From September 1, *KARUWAZA CLUB* shopping point services will be available to customers making purchases using Suica. In addition, Circle K Sunkus formed a tie-up with Toyota Finance Corporation. Under this tie-up, *KARUWAZA CLUB* shopping point services will be available to users of Toyota Finance-issued QUICKPay™ from September 1. Circle K Sunkus has already commenced a tie-up with the ANA mileage cards of All Nippon Airways Co., Ltd. By strengthening point-service tie-ups, Circle K Sunkus aims to increase customer footfall and attract new customers to its stores.

June 22, 2010 : Circle K Sunkus to Launch Omusubi Dou Series of Rice Balls

⇒ Circle K Sunkus fully revamped its series of rice balls, renaming the former series of rice balls as *Omusubi Dou*. The Company revised the content and volume of rice-ball fillings, along with prices. *Omusubi Dou* features high-quality food ingredients such as Miyagi Prefecture's Hitomebore rice and Seto sea salt.

June 23, 2010 : Circle K Sunkus Launches First Discount Service Tied to Specific Time Period: Morning Discount Service

⇒ Circle K Sunkus launched the Morning Discount Service, its first discount service tied to a specific time period. This service provides discounts on purchases of eligible product combinations only during limited time periods of the day. Looking ahead, Circle K Sunkus will strengthen sales promotion measures that address customer needs in different time periods, including through a planned time-specific discount service targeting nighttime hours.