

Summary of Consolidated Financial Statements for the Third Quarter Ended November 30, 2006

Circle K Sunkus Co., Ltd.

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Stock exchange listings: The first section of the Tokyo Stock Exchange and Nagoya Stock Exchange

Securities Code Number: 3337

1. Preparation of Summary of Quarterly Report

(1) Simplified Accounting Policies: The companies adopted a simplified method.

(2) Change in accounting methods: None

(3) Changes in scope of consolidation and application of equity method: Yes (Consolidation: (New) 3 companies)

2. Results for the Third Quarter of Fiscal 2007 (March 1, 2006 to November 30, 2006)

(1) Consolidated Operating Results

Notes: All amounts less than one million yen have been omitted.

	Total operating revenues [Total sales]		Operating income		Recurring profit	
	Millions of yen	Change %	Millions of yen	Change %	Millions of yen	Change %
3rd Quarter ended 11/06	147,404 [694,425]	4.6 [(1.6)]	19,676	(8.5)	18,826	(10.4)
3rd Quarter ended 11/05	140,962 [705,817]	46.5 [43.3]	21,516	53.5	21,013	53.1
(Ref.) Year ended 2/06	184,190 [919,824]		25,785		25,031	

	Net Income		Net income per share	Diluted net income per share
	Millions of yen	Change %	Yen	Yen
3rd Quarter ended 11/06	8,559	(2.9)	99.70	-
3rd Quarter ended 11/05	8,813	17.9	102.30	-
(Ref.) Year ended 2/06	11,498		132.77	-

(Note) Figures for the percent columns indicate percentage changes in total operating revenues, total sales excluding ZERO NETWORKS Co., Ltd. and non-consolidated area franchisers, operating income, recurring profit and net income compared with the same quarter of the previous year.

(2) Consolidated Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
3rd Quarter ended 11/06	213,327	118,621	55.6	1,412.44
3rd Quarter ended 11/05	211,129	115,633	53.8	1,342.24
(Ref.) Year ended 2/06	211,767	118,392	55.9	1,373.59

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
3rd Quarter ended 11/06	17,473	(11,680)	(8,838)	67,277
3rd Quarter ended 11/05	24,535	(10,847)	(3,685)	68,822
(Ref.) Year ended 2/06	27,210	(13,229)	(3,998)	68,803

3. Non-Consolidated Dividends Status of the Third Quarter of Fiscal 2007

	Dividends per share (yen)
Record date	End of the 3rd Quarter
3rd Quarter ended 11/06	-

4. Forecast of Consolidated Results for the Year Ending February 28, 2007

	Total operating revenues [Total sales]	Operating income	Recurring profit	Net income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
For the fiscal year ending Feb. 28, 2007	194,750 [916,500]	25,000	23,650	10,770

(Reference) Projected net income per share for Fiscal Year ending February 28,2007 : JPY128.24

(Note) 1. The forecast of consolidated results for the year ending February 28, 2007 are unchanged from October 10, 2006.

2. The above-mentioned forecast is based on projections and plans derived from assumptions based on current market conditions. Actual results may differ materially from these projections due to changes in a number of factors that could not be foreseen at the time of the projections.

3. Net income per share is based on the number of shares outstanding for the or the third quarter ended November 30, 2006. (83,983,508 shares)

5. Overview of Third-quarter Consolidated Operating Results

(1) Qualitative Information Concerning Consolidated Operating Results

Looking at performance in the third quarter of fiscal 2007, the three months ended November 30, 2006, existing store sales were slow in September, falling 5.3% year on year on a non-consolidated basis due to the landfall of a typhoon and otherwise unfavorable weather. The year-on-year decrease in sales also reflected a surge in demand in the same period a year earlier for prepaid highway toll cards before the termination of sales in September 2005. However, existing store sales subsequently showed signs of improvement in October and November, helped by the fact that the termination of prepaid highway toll cards no longer had an impact on sales in those months. Fair weather and high temperatures nationwide on many days also supported the improvement in sales.

In the nine-month period from March to November 2006, existing store sales declined 4.1% year on year on a non-consolidated basis. Existing store sales on a consolidated basis, a figure encompassing the combined sales of the Circle K Sunkus Group's four consolidated subsidiaries, dropped 4.2% year on year. These subsidiaries are Sunkus Aomori Co., Ltd., Sunkus Nishi-Saitama Co., Ltd., SUNKUS KITAKANTO Co., Ltd. and Sunkus Nishi-Shikoku Co., Ltd.

As a result, total store sales were weak overall, reflecting fewer stores openings than planned. Total store sales on a consolidated basis, including the four subsidiaries, decreased 1.6% year on year to ¥694,425 million.

[Monthly Sales Compared With the Previous Fiscal Year]

	1st half	Sep.	Oct.	Nov.	Nine months total
Existing stores	(4.7)	(5.3)	(0.8)	(2.2)	(4.1)
All stores	(4.1)	(5.2)	(0.5)	(1.9)	(3.6)

Note : The above figures are presented on a non-consolidated basis, excluding consolidated subsidiaries.

On the product front, Circle K Sunkus offered *Torosanma Aburi Yakizushi* in September, continuing on from the previous year, and garnered a strong response from customers. This product was developed in conjunction with popular sushi restaurant Midori Sushi. In addition, as part of the THINK BODY campaign rolled out in November, Circle K Sunkus launched *Hatusgamai-iri Gohan Bento (Iwashi Shoga-ni to Tofu-katsu)* (Germinated Rice with Ginger-boiled Sardines and Fried Tofu Cutlet), a volume-packed boxed lunch in the *Balance Shokudo* series that has proven popular mainly among women so far. The goal was to expand the target customer base to health-conscious male customers. Furthermore, vendor and logistics integration in the fast food and perishable food categories is proceeding as planned, with integration completed in various areas in the Chugoku, Shikoku, Hokuriku and Kansai regions as of November 30, 2006. By integrating vendor and logistics networks ahead of schedule, we aim to continue reducing purchasing costs and improving product quality.

Turning to services, Circle K Sunkus strove to boost customer footfall by implementing sales promotion initiatives based on its Edy electronic money-enabled *KARUWAZA CLUB* house cards. These included discount services and electronic stamp services for customers using these cards. Furthermore, the purchase point system to *KARUWAZA CLUB* members helped to attract more customers, driving substantial growth in both card membership and transaction volumes. Another highlight was "Zero Bank" ATMs, an original Circle K Sunkus ATM service that allows users to make withdrawals free of charge during certain operating hours on weekdays. Circle K Sunkus has begun installing these ATMs in the Kanto region (Tokyo and Kanagawa, Chiba and Saitama prefectures), after completing an installation program in the Chukyo region (Aichi, Gifu and Mie prefectures). Through these and other efforts, Circle K Sunkus worked to deliver even greater customer convenience.

In store development, Circle K Sunkus clarified its regional strategy by working to reestablish a dominant presence in Chukyo, Kanto and other regions designated as priority areas. Efforts also focused on closing mainly unprofitable stores to mitigate future risks, while actively relocating stores to improve quality. In addition, a new employment format called the “Venture Employee System” was unveiled to employ prospective franchisees on contracts for a limited period under the assumption that they will eventually become franchisees. The goal of this employment format is to sign on talented franchisee candidates. Circle K Sunkus also rolled out a new location assessment system to develop stores with profitability as the highest priority. Consequently, Circle K Sunkus opened 218 stores and closed 312 stores on a consolidated basis in the first three quarters of fiscal 2007, resulting in a total of 5,333 stores as of November 30, 2006 (includes 1 new-concept store). The number of stores on a Group-wide basis, including stores operated by non-consolidated area franchisers, was 6,291.

For the first three quarters of fiscal 2007, the Company reported a year-on-year rise of 4.6% in total consolidated operating revenues to ¥147,404 million, mainly due to the increase in consolidated subsidiaries. Operating income dropped 8.5% year on year to ¥19,676 million, reflecting falling revenues from franchised stores and other factors. Recurring profit was ¥18,826 million, down 10.4% year on year, mainly due to higher other expenses such as loss on cancellation of lease contracts arising from the closure of stores, primarily Company-owned and unprofitable stores. Furthermore, although impairment losses decreased ¥2,404 million, net income decreased 2.9% year on year to ¥8,559 million.

(2) Qualitative Information Concerning Changes in Consolidated Financial Position

[1] Changes in Consolidated Financial Position

As of November 30, 2006, total assets were ¥213,327 million, a decrease of ¥1,801 million from a year earlier. Net assets were ¥118,621 million, up ¥2,987 million from a year ago. As a result, the equity ratio was 55.6% as of November 30, 2006.

[2] Cash Flows

As of November 30, 2006, cash and cash equivalents were ¥67,277 million, down ¥1,526 million, or 2.2%, from the previous fiscal year-end.

Net cash provided by operating activities was ¥17,473 million, 28.8% less than the same period a year earlier. The main contributing factors were income before income taxes and minority interests of ¥15,376 million; an impairment loss of ¥2,580 million, which was 48.2% lower than in the same period a year earlier; an increase in trade and due to franchised stores of ¥2,705 million; and an increase of ¥1,731 million in money held as agent for payments of utility and other bills that are accepted at convenience stores.

Net cash used in investing activities was ¥11,680 million, 7.7% more than the same period a year earlier. The main components were payments of ¥8,200 million for property and equipment; ¥4,803 million for long-term leasehold deposits; and ¥2,736 million for the acquisition of intangible fixed assets and long-term prepaid expenses.

Net cash used in financing activities was ¥8,838 million, 139.8% more than the same period a year ago. This mainly reflected dividends paid of ¥3,274 million, and a payment of ¥4,530 million for the purchase of treasury stock by resolution of the Board of Directors on October 10, 2006.

(3) Qualitative Information Concerning Forecasts for Fiscal 2007

As of the date of release of this report, Circle K Sunkus has not revised its forecasts for fiscal 2007 announced on October 10, 2006, as operating results are largely in line with forecasts.

*Forecasts for the full fiscal year are based on the outlook, plans, assumptions and forecasts of management as of the date of release of this report. Actual results could differ materially from forecasts due to a variety of factors.

6. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Notes: All amounts less than one million yen have been omitted.

(Millions of yen)

Fiscal period Account item	Previous 3rd Quarter (As of November 30, 2005)		Current 3rd Quarter (As of November 30, 2006)		Last fiscal year (As of February 28, 2006)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
(ASSETS)		%		%		%
1. Current assets						
Cash and cash equivalents	46,919		53,256		54,800	
Due from franchised stores	3,941		4,154		3,337	
Marketable securities	22,703		14,020		14,704	
Inventories	2,869		2,717		2,122	
Deferred tax assets	1,429		1,163		1,137	
Other current assets	18,044		16,743		16,404	
Allowance for doubtful accounts	(469)		(551)		(460)	
Total current assets	95,439	44.4	91,504	42.9	92,044	43.5
2. Fixed assets						
Property and equipment						
Buildings and equipment	27,828		31,148		29,375	
Furniture and fixtures	3,603		3,900		3,726	
Land	8,864		8,916		8,864	
Other property and equipment	542		851		484	
Total property and equipment	40,838	19.0	44,817	21.0	42,451	20.0
Intangible fixed assets						
System software	3,764		2,527		3,202	
System software development in progress	8		1,275		8	
Excess of cost investments over equity in net assets acquired	348		-		218	
Goodwill	-		168		-	
Other intangible fixed assets	2,280	2.9	2,449		2,406	
Total intangible fixed assets	6,401		6,420	3.0	5,836	2.8
Investment and other assets						
Investment in securities	7,165		6,108		7,318	
Deferred tax assets	4,418		3,611		3,371	
Long-term leasehold deposits	54,040		53,375		54,104	
Other investment	8,375		8,890		8,110	
Allowance for doubtful accounts	(1,549)		(1,400)		(1,469)	
Total investment and other assets	72,450	33.7	70,585	33.1	71,435	33.7
Total fixed assets	119,690	55.6	121,823	57.1	119,722	56.5
Total assets	215,129	100.0	213,327	100.0	211,767	100.0

(Millions of yen)

Fiscal period Account item	Previous 3rd Quarter (As of November 30, 2005)		Current 3rd Quarter (As of November 30, 2006)		Last fiscal year (As of February 28, 2006)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
		%		%		%
(LIABILITIES)						
1. Current liabilities						
Trade payable	42,418		41,187		36,551	
Due to franchised stores	2,321		2,018		3,054	
Short-term borrowings	184		122		114	
Current portion of long-term debt	-		33		-	
Other accounts payable	4,588		4,294		5,488	
Income taxes payable	5,041		2,424		6,075	
Money held as agent	21,173		23,280		21,335	
Allowance for bonuses to employees	1,467		1,462		768	
Allowance for bonuses to directors	-		53		-	
Other current liabilities	3,472		3,327		3,316	
Total current liabilities	80,668	37.5	78,204	36.7	76,704	36.2
2. Long-term liabilities						
Long-term borrowings	31		27		28	
Allowance for employees' retirement benefits liability	4,589		2,263		2,399	
Leasehold deposits received	12,541		12,058		12,386	
Long-term income in advance	288		1,061		1,086	
Allowance for impairment loss on leased property	701		941		615	
Other long-term liabilities	174		148		153	
Total long-term liabilities	18,827	8.7	16,501	7.7	16,669	7.9
Total liabilities	99,495	46.2	94,706	44.4	93,374	44.1
(MINORITY INTEREST)						
Minority Interest	0	0.0	-	-	0	0.0
(SHAREHOLDERS' EQUITY)						
1. Common stock	8,380	3.9	-	-	8,380	4.0
2. Capital surplus	36,093	16.8	-	-	36,093	17.0
3. Retained earnings	70,222	32.7	-	-	72,907	34.4
4. Net unrealized gains on available-for-sale securities	948	0.4	-	-	1,026	0.5
5. Less, treasury stock	(11)	(0.0)	-	-	(14)	(0.0)
Shareholders' equity	115,633	53.8	-	-	118,392	55.9
Total Liabilities, Minority Interest and Shareholders' Equity	215,129	100.0	-	-	211,767	100.0

(Millions of yen)

Fiscal period Account item	Previous 3rd Quarter (As of November 30, 2005)		Current 3rd Quarter (As of November 30, 2006)		Last fiscal year (As of February 28, 2006)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
(NET ASSETS)		%		%		%
1. Shareholder's equity						
Common stock	-		8,380		-	
Capital surplus	-		36,094		-	
Retained earnings	-		77,940		-	
Less, treasury stock	-		(4,545)		-	
Total shareholders' equity	-	-	117,869	55.3	-	-
2. Unrealized gains or losses and translation differences, etc.						
Net unrealized gains on available-for-sale securities	-		752		-	
Total unrealized gains or losses and translation differences, etc.	-	-	752	0.3	-	-
3. Minority Interest	-	-	0	0.0	-	-
Net Assets	-	-	118,621	55.6	-	-
Total Liabilities and Net Assets	-	-	213,327	100.0	-	-

(2) Consolidated Statements of Income

Notes: All amounts less than one million yen have been omitted.

(Millions of yen)

Fiscal period Account item	Previous 3rd Quarter (From March 1,2005 to November 30, 2005)		Current 3rd Quarter (From March 1,2006 to November 30, 2006)		Last fiscal year (From March 1,2005 to February 28, 2006)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
1. Operating revenues		%		%		%
Franchise commissions from franchised stores	80,408		78,925		104,415	
<p>Net sales reported by franchised Stores (Figures for excluding non- consolidated area franchised stores.)</p> <p>Previous 3rd Quarter ¥ 654,581 million</p> <p>Current 3rd Quarter ¥ 638,185 million</p> <p>Last fiscal year ¥ 852,456 million</p> <p>Total net sales of franchised and company-owned stores (Figures for exclude non- consolidated area franchised stores.)</p> <p>Previous 3rd Quarter ¥ 705,817 million</p> <p>Current 3rd Quarter ¥ 694,425 million</p> <p>Last fiscal year ¥ 919,824 million</p>						
Other revenues	9,317		9,359		12,406	
2. Net sales of company-owned stores	51,236	[100.0]	59,119	[100.0]	67,368	[100.0]
Total operating revenues	140,962	100.0	147,404	100.0	184,190	100.0
3. Cost of goods sold	38,643	[75.4] 27.4	44,694	[75.6] 30.3	50,931	[75.6] 27.7
Gross profit on sales	[12,593]	[24.6]	[14,425]	[24.4]	[16,436]	[24.4]
Operating gross profit	102,318	72.6	102,710	69.7	133,259	72.3
4. Selling, general and administrative Expenses	80,802	57.3	83,033	56.3	107,473	58.3
Operating income	21,516	15.3	19,676	13.4	25,785	14.0

(Millions of yen)

Fiscal period Account item	Previous 3rd Quarter (From March 1,2005 to November 30, 2005)		Current 3rd Quarter (From March 1,2006 to November 30, 2006)		Last fiscal year (From March 1,2005 to February 28, 2006)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
5.Non-operating income		%		%		%
Interest income	218		269		355	
Dividend income	79		88		87	
Compensation income	445		361		497	
Other non-operating income	86		88		119	
Total non-operating income	830	0.5	807	0.5	1,059	0.6
6.Non-operating expenses						
Interest expense	20		30		28	
Loss on cancellation of lease Contracts	1,210		1,513		1,657	
Loss on allowance for doubtful accounts	70		43		51	
Other non-operating expenses	31		70		76	
Total non-operating expenses	1,333	0.9	1,658	1.1	1,813	1.0
Recurring profit	21,013	14.9	18,826	12.8	25,031	13.6
7.Extraordinary gains						
Gain on sales of fixed asset	37		129		48	
Gain on sales of securities	61		-		61	
Gain on sales of investments in securities	-		-		0	
Gain on returning of substitutional portion of Employee Pension Fund	-		-		2,152	
Gain on collection of receivables	167		66		167	
Other extraordinary gains	1		24		3	
Total extraordinary gains	266	0.2	220	0.1	2,432	1.3
8.Extraordinary losses						
Loss on disposal of fixed assets	497		650		892	
Loss on write-down of investment securities	-		228		127	
Loss on cancellation of lease contracts	100		131		154	
Loss on the impairment of fixed assets	4,985		2,580		4,985	
Other extraordinary losses	763		78		1,447	
Total extraordinary losses	6,346	4.5	3,670	2.5	7,606	4.1
Income before income taxes	14,932	10.6	15,376	10.4	19,857	10.8
Income taxes-current	8,108	5.8	6,822	4.6	9,061	4.9
Income taxes-deferred	(1,988)	(1.5)	(5)	(0.0)	(701)	(0.3)
Minority interest in earnings of consolidated subsidiaries	0	0.0	(0)	(0.0)	0	0.0
Net Income	8,813	6.3	8,559	5.8	11,498	6.2

(3) Consolidated Statements of Retained Earnings

Notes: All amounts less than one million yen have been omitted.

(Millions of yen)

Account item	Fiscal period		Previous 3rd Quarter (From March 1,2005 to November 30, 2005)		Current 3rd Quarter (From March 1,2006 to November 30, 2006)		Last fiscal year (From March 1,2005 to February 28, 2006)	
	Amount		Amount		Amount		Amount	
(Capital surplus)								
1. Balance of capital surplus at beginning of year		36,091		-		36,091		
2. Increase in capital surplus								
Surplus from transaction in treasury stock	1	1	-	-	1	1		
3. Balance of capital surplus at end of the 3rd Quarter (year)		36,093		-		36,093		
(Retained earnings)								
1. Balance of retained earnings at beginning of year		64,829		-		64,829		
2. Increase in retained earnings								
Net income	8,813	8,813	-	-	11,498	11,498		
3. Decrease in retained earnings								
Dividends	3,359		-		3,359			
Directors' bonuses	60	3,419	-	-	60	3,419		
4. Balance of retained earnings at end of the 3rd Quarter (year)		70,222		-		72,907		

(4) Consolidated Statement of Changes in Shareholders' Equity

For the Third Quarter of Fiscal 2007 (From March 1, 2006 to November 30, 2006)

(Millions of yen)

	Shareholder's equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at February 28, 2006	8,380	36,093	72,907	(14)	117,366
Changes during the period					
Dividends on retained earnings			(3,273)		(3,273)
Directors' bonuses			(59)		(59)
Net income			8,559		8,559
Acquisition of treasury stock				(4,530)	(4,530)
Cancellation of treasury stock		0		0	0
Increase in consolidated subsidiaries			(194)		(194)
Changes in items other than shareholders' equity (net)					-
Total	-	0	5,032	(4,530)	502
Balance at November 30, 2006	8,380	36,094	77,940	(4,545)	117,869

(Millions of yen)

	Unrealized gains or losses and translation differences, etc.		Minority Interest	Net assets
	Net unrealized gains on available-for-sale securities	Total unrealized gains or losses and translation differences, etc.		
Balance at February 28, 2006	1,026	1,026	0	118,392
Changes during the period				
Dividends on retained earnings				(3,273)
Directors' bonuses				(59)
Net income				8,559
Acquisition of treasury stock				(4,530)
Cancellation of treasury stock				0
Increase in consolidated subsidiaries				(194)
Changes in items other than shareholders' equity (net)	(273)	(273)	(0)	(273)
Total	(273)	(273)	(0)	228
Balance at November 30, 2006	752	752	0	118,621

(5) Consolidated Statements of Cash Flow

Notes: All Amounts less than one million yen have been omitted.

(millions of yen)

	Previous 3rd Quarter (From March 1,2005 to November 30, 2005)	Current 3rd Quarter (From March 1,2006 to November 30, 2006)	Last fiscal year (From March 1,2005 to February 28, 2006)
	Amount	Amount	Amount
1. Cash flows from operating activities:			
Income before income taxes	14,932	15,376	19,857
Depreciation and amortization	6,392	5,716	8,387
Loss on impairment of fixed assets	4,985	2,580	4,985
Amortization of excess of cost of investments over equity in net assets acquired	80	-	90
Amortization of goodwill	-	102	-
Loss on write-down of investment securities	-	228	127
Gain on sales of investment securities	(43)	-	(43)
Loss on sale of fixed assets	459	521	844
(Decrease) increase in allowance for doubtful receivables	48	(45)	(39)
Increase in accrued bonuses to employees	745	679	46
Increase in accrued bonuses to directors	-	53	-
(Decrease) increase in allowance for employees' retirement benefits	35	(136)	(2,154)
Decrease in allowance for directors' and corporate auditors' severance benefits	(21)	-	(21)
Interest and cash dividends income	(297)	(357)	(442)
Interest expenses	20	30	28
Increase in trade receivables	(2,547)	(224)	(394)
(Decrease) increase in inventories	(655)	(532)	91
(Decrease) increase in trade and due to franchised stores payable	2,521	2,705	(2,612)
Decrease in other accounts payable and accrued expenses	(200)	(760)	(322)
Increase in money held as agent	3,639	1,731	3,862
Directors' and corporate auditors' bonuses payments	(60)	(59)	(60)
Loss on cancellation of lease contracts	603	780	897
Other	(112)	(595)	22
Sub-total	30,527	27,794	33,150
Interest and dividends received	214	256	268
Interest paid	(1)	(2)	(2)
Income taxes paid	(6,205)	(10,575)	(6,206)
Net cash provided by operating activities	24,535	17,473	27,210

(millions of yen)

	Previous 3rd Quarter (From March 1,2005 to November 30, 2005)	Current 3rd Quarter (From March 1,2006 to November 30, 2006)	Last fiscal year (From March 1,2005 to February 28, 2006)
	Amount	Amount	Amount
2. Cash flows from investing activities:			
Decrease in marketable securities	700	700	700
Increase in property and equipment	(6,256)	(8,200)	(8,067)
Decrease in property and equipment	270	345	321
Increase in intangible fixed assets and long-term prepaid expenses	(2,349)	(2,736)	(2,991)
Increase in investment securities	(1,719)	(1,146)	(1,869)
Decrease in investment securities	25	4	25
Payments for the acquisition of newly consolidated subsidiaries	-	115	-
Proceeds from long-term advances received	6	147	412
Increase in loans receivable	(1,948)	(2,395)	(2,649)
Correction of loans receivable	2,061	2,471	2,755
Increase in long-term leasehold deposits	(5,009)	(4,803)	(6,691)
Collection of fixed leasehold deposits	3,342	4,083	4,780
Other	31	(264)	43
Net cash used in investing activities	(10,847)	(11,680)	(13,229)
3. Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	15	(96)	(55)
Repayments of long-term debt	(10)	(165)	(14)
Payment for acquisition of treasury stock	-	(4,530)	-
Dividends paid	(3,361)	(3,274)	(3,359)
Increase in guarantee deposits received	974	600	1,188
Decrease in guarantee deposits received	(1,298)	(1,368)	(1,750)
Other	(3)	(3)	(7)
Net cash used in financing activities	(3,685)	(8,838)	(3,998)
4. Net change in cash and cash equivalents	10,002	(3,045)	9,983
5. Cash and cash equivalents at beginning of year	58,820	68,803	58,820
6. Net change in cash and cash equivalents by consolidation of newly subsidiaries	-	1,518	-
7. Cash and cash equivalents, end of the 3rd Quarter (year)	68,822	67,277	68,803

Summary of Non-Consolidated Financial Statements for the Third Quarter Ended November 30, 2006

Circle K Sunkus Co., Ltd.

URL: <http://www.circleksunkus.jp>

Representative: Kiyoshi Hijikata, President

Contact: Toshitaka Yamaguchi, Executive Officer, Head of Finance and Accounting Division

Phone: +81-3-6220-9005

Stock exchange listings: The first section of the Tokyo Stock Exchange and Nagoya Stock Exchange

Securities Code Number: 3337

1. Preparation of Summary of Quarterly Report

(1)Simplified Accounting Policies: The companies adopted a simplified method.

(2)Change in accounting methods: None

2. Results for the Third Quarter of Fiscal 2007 (March 1, 2006 to November 30, 2006)

(1) Non-Consolidated Operating Results Notes: All amounts less than one million yen have been omitted.

	Total operating revenues [Total sales]		Operating income		Recurring profit	
	Millions of yen	Change %	Millions of yen	Change %	Millions of yen	Change %
3rd Quarter ended 11/06	139,194 [665,001]	0.7 [(3.6)]	19,203	(10.3)	18,384	(12.0)
3rd Quarter ended 11/05	138,227 [689,659]	48.2 [42.9]	21,409	50.2	20,899	49.6
(Ref.) Year ended 2/06	180,613 [898,741]		25,699		24,944	

	Net Income		Net income per share	Diluted net income per share
	Millions of yen	Change %	Yen	Yen
3rd Quarter ended 11/06	8,446	(5.6)	98.38	-
3rd Quarter ended 11/05	8,943	16.9	103.81	-
(Ref.) Year ended 2/06	11,665		134.72	-

(Note) Figures for the percent columns indicate percentage changes in total operating revenues, total sales excluding area franchisers, operating income, recurring profit and net income compared with the same quarter of the previous year.

(2) Non-Consolidated Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
3rd Quarter ended 11/06	208,748	118,854	56.9	1,415.22
3rd Quarter ended 11/05	212,820	115,746	54.4	1,343.54
(Ref.) Year ended 2/06	209,753	118,542	56.5	1,375.32

3. Forecast of Consolidated Results for the Year Ending February 28, 2007

	Total operating revenues [Total sales]	Operating income	Recurring profit	Net income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
For the fiscal year ending Feb. 28, 2007	183,770 [877,800]	25,100	23,830	11,290

(Reference) Projected net income per share for Fiscal Year ending February 28,2007 : JPY134.43

(Note) 1. The forecast of consolidated results for the year ending February 28, 2007 are unchanged from October 10, 2006.

2. The above-mentioned forecast is based on projections and plans derived from assumptions based on current market conditions. Actual results may differ materially from these projections due to changes in a number of factors that could not be foreseen at the time of the projections.

3. Projected net income per share is based on the number of shares outstanding for the or the third quarter ended November 30, 2006. (83,983,508 shares)

4. Dividends Status

Record date	Dividends per share (yen)					
	1st Quarter	Interim period	3rd Quarter	Fiscal year	Other	Total
2006 fiscal year	-	19.00	-	19.00	-	38.00
2007 fiscal year (actual result)	-	19.00	-	-	-	38.00
2007 fiscal year (plan)	-	-	-	19.00	-	

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

Notes: All amounts less than one million yen have been omitted.

(Millions of yen)

Fiscal period Account item	Previous 3rd Quarter (As of November 30, 2005)		Current 3rd Quarter (As of November 30, 2006)		Last fiscal year (As of February 28, 2006)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
		%		%		%
(ASSETS)						
1. Current assets						
Cash and cash equivalents	46,653		50,358		54,312	
Due from franchised stores	3,804		3,907		3,218	
Marketable securities	22,703		14,020		14,704	
Inventories	2,810		2,594		2,070	
Deferred tax assets	1,420		1,156		1,135	
Short-term loans receivable for subsidiaries	310		1,070		740	
Other accounts receivable	11,178		9,387		9,514	
Other current assets	6,892		7,243		6,858	
Allowance for doubtful accounts	(457)		(549)		(464)	
Total current assets	95,315	44.8	89,189	42.7	92,089	43.9
2. Fixed assets						
Property and equipment						
Buildings	21,410		22,688		22,445	
Furniture and fixtures	3,586		3,828		3,703	
Land	8,864		8,916		8,864	
Other property and equipment	5,681		6,748		6,098	
Total property and equipment	39,542	18.6	42,181	20.2	41,111	19.6
Intangible fixed assets						
System software	3,764		2,508		3,202	
System software development in progress	8		1,275		8	
Other intangible fixed assets	2,263		2,503		2,389	
Total intangible fixed assets	6,036	2.8	6,286	3.0	5,600	2.7
Investment and other assets						
Investment in securities	4,790		4,442		4,900	
Investment in subsidiaries and affiliated company	2,975		4,179		3,099	
Long-term loans receivable for subsidiaries	165		50		61	
Deferred tax assets	4,304		3,609		3,271	
Long-term leasehold deposits	53,164		51,517		53,145	
Other investment	7,857		8,484		7,718	
Allowance for doubtful accounts	(1,330)		(1,192)		(1,245)	
Total investment and other assets	71,926	33.8	71,091	34.1	70,951	33.8
Total fixed assets	117,504	55.2	119,559	57.3	117,664	56.1
Total assets	212,820	100.0	208,748	100.0	209,753	100.0

(Millions of yen)

Fiscal period Account item	Previous 3rd Quarter (As of November 30, 2005)		Current 3rd Quarter (As of November 30, 2006)		Last fiscal year (As of February 28, 2006)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
		%		%		%
(LIABILITIES)						
1.Current liabilities						
Trade payable	41,445		39,244		35,622	
Due to franchised stores	2,172		1,818		2,898	
Other accounts payable	4,379		3,507		5,361	
Income taxes payable	5,018		2,259		6,062	
Money held as agent	20,738		22,427		20,904	
Allowance for bonuses to employees	1,439		1,413		754	
Allowance for bonuses to directors	-		44		-	
Other current liabilities	3,396		3,179		3,239	
Total current liabilities	78,589	36.9	73,894	35.4	74,844	35.7
2.Long-term liabilities						
Allowance for employees' retirement benefits liability	4,571		2,243		2,379	
Leasehold deposits received	12,426		11,767		12,275	
Long-term income in advance	788		1,061		1,086	
Allowance for impairment loss on leased property	643		871		570	
Other long-term liabilities	54		54		54	
Total long-term liabilities	18,484	8.7	15,999	7.7	16,366	7.8
Total liabilities	97,073	45.6	89,894	43.1	91,211	43.5
(SHAREHOLDERS' EQUITY)						
1.Common stock						
	8,380	3.9	-	-	8,380	4.0
2.Capital surplus						
Additional paid-in capital	36,090		-		36,090	
Other capital surplus	2		-		2	
Total capital surplus	36,093	17.0	-	-	36,093	17.2
3.Retained earnings						
Legal reserve	687		-		687	
Voluntary reserve	60,421		-		60,421	
Unappropriated retained earnings	9,226		-		11,948	
Total retained earnings	70,335	33.0	-	-	73,057	34.8
4.Net unrealized gains on available-for-sale securities						
	948	0.5	-	-	1,026	0.5
5.Less, treasury stock						
	(11)	(0.0)	-	-	(14)	(0.0)
Shareholders' equity	115,746	54.4	-	-	118,542	56.5
Total Liabilities, Minority Interest and Shareholders' Equity	212,820	100.0	-	-	209,753	100.0

(Millions of yen)

Fiscal period Account item	Previous 3rd Quarter (As of November 30, 2005)		Current 3rd Quarter (As of November 30, 2006)		Last fiscal year (As of February 28, 2006)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
(NET ASSETS)		%		%		%
1. Shareholder's equity						
Common stock	-	-	8,380	4.0	-	-
Capital surplus						
Additional paid-in capital	-		36,090		-	
Other capital surplus	-		3		-	
Total Capital surplus	-	-	36,094	17.3	-	-
Retained earnings						
Legal reserve	-		687		-	
Other retained earnings						
General reserve	-		68,921		-	
Retained earnings carried forward	-		8,561		-	
Total Retained earnings	-	-	78,170	37.4	-	-
Treasury stock	-	-	(4,545)	(2.2)	-	-
Total shareholders' equity	-	-	118,099	56.5	-	-
2. Unrealized gains or losses and translation differences, etc.						
Net unrealized gains on available-for-sale securities	-		754		-	
Total unrealized gains or losses and translation differences, etc.	-	-	754	0.4	-	-
Net Assets	-	-	118,854	56.9	-	-
Total Liabilities and Net Assets	-	-	208,748	100.0	-	-

(2) Non-Consolidated Statements of Income

Notes: All amounts less than one million yen have been omitted.

(Millions of yen)

Fiscal period Account item	Previous 3rd Quarter (From March 1, 2005 to November 30, 2005)		Current 3rd Quarter (From March 1, 2006 to November 30, 2006)		Last fiscal year (From March 1, 2005 to February 28, 2006)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
1. Operating revenues		%		%		%
Franchise commissions from franchised stores	78,953		76,275		102,517	
Net sales reported by franchised Stores (Figures for excluding non- consolidated area franchised stores.)						
Previous 3rd Quarter ¥ 639,673 million						
Current 3rd Quarter ¥ 611,386 million						
Last fiscal year ¥ 833,009 million						
Total net sales of franchised and company-owned stores (Figures for exclude non- consolidated area franchised stores.)						
Previous 3rd Quarter ¥ 689,659 million						
Current 3rd Quarter ¥ 665,001 million						
Last fiscal year ¥ 898,741 million						
Other revenues	9,288		9,304		12,364	
2. Net sales of company-owned stores	49,985	[100.0]	53,614	[100.0]	65,732	[100.0]
Total operating revenues	138,227	100.0	139,194	100.0	180,613	100.0
3. Cost of goods sold	37,698	[75.4] 27.3	40,357	[75.3] 29.0	49,693	[75.6] 27.5
Gross profit on sales	[12,287]	[24.6]	[13,257]	[24.7]	[16,038]	[24.4]
Operating gross profit	100,528	72.7	98,837	71.0	130,919	72.5
4. Selling, general and administrative expenses	79,118	57.2	79,633	57.2	105,220	58.3
Operating income	21,409	15.5	19,203	13.8	25,699	14.2

(Millions of yen)

Fiscal period Account item	Previous 3rd Quarter (From March 1,2005 to November 30, 2005)		Current 3rd Quarter (From March 1,2006 to November 30, 2006)		Last fiscal year (From March 1,2005 to February 28, 2006)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
5.Non-operating income		%		%		%
Interest income	213		262		348	
Dividend income	79		87		87	
Compensation income	443		353		495	
Other non-operating income	66		78		96	
Total non-operating income	803	0.6	782	0.6	1,028	0.6
6.Non-operating expenses						
Interest expense	15		25		21	
Loss on cancellation of lease contracts	1,199		1,465		1,637	
Loss on allowance for doubtful accounts	70		43		51	
Other non-operating expenses	28		67		72	
Total non-operating expenses	1,313	1.0	1,601	1.2	1,782	1.0
Recurring profit	20,899	15.1	18,384	13.2	24,944	13.8
7.Extraordinary gains						
Gain on sales of fixed asset	34		129		44	
Gain on sales of securities	61		-		61	
Gain on sales of investments in securities	-		-		0	
Gain on returning of substitutional portion of Employee Pension Fund	-		-		2,152	
Gain on collection of receivables	167		66		167	
Other extraordinary gains	1		15		3	
Total extraordinary gains	263	0.2	211	0.2	2,429	1.3
8.Extraordinary losses						
Loss on disposal of fixed assets	496		619		891	
Loss on write-down of investment securities	-		669		244	
Loss on cancellation of lease contracts	98		121		151	
Loss on the impairment of fixed assets	4,683		2,216		4,683	
Other extraordinary losses	761		78		1,324	
Total extraordinary losses	6,039	4.3	3,705	2.7	7,296	4.0
Income before income taxes	15,122	11.0	14,890	10.7	20,077	11.1
Income taxes-current	8,087	5.9	6,618	4.7	9,054	5.0
Income taxes-deferred	(1,908)	(1.4)	(175)	(0.1)	(642)	(0.4)
Net Income	8,943	6.5	8,446	6.1	11,665	6.5
Unappropriated retained earnings- carried forward	1,919		-		1,919	
Interim cash dividends	1,636		-		1,636	
Unappropriated retained earnings- at end of the 3rd Quarter (year)	9,226		-		11,948	

(3) Non-Consolidated Statement of Changes in Shareholders' Equity

For the Third Quarter of Fiscal 2007 (From March 1, 2006 to November 30, 2006)

(Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus			Legal reserve	Retained earnings			Treasury stock	Total share-holders' equity
		Additional paid-in capital	Other capital surplus	Total		Other retained earnings		Total		
						General reserve	Retained earnings carried forward			
Balance at February 28, 2006	8,380	36,090	2	36,093	687	60,421	11,948	73,057	(14)	117,516
Changes during the period										
Dividends on retained earnings							(3,273)	(3,273)		(3,273)
Directors' bonuses							(59)	(59)		(59)
Net income							8,446	8,446		8,446
Acquisition of treasury stock									(4,530)	(4,530)
Cancellation of treasury stock			0	0					0	0
Transfers between reserves						8,500	(8,500)	-		-
Changes in items other than share-holders' equity (net)										-
Total	-	-	0	0	-	8,500	(3,386)	5,113	(4,530)	583
Balance at November 30, 2006	8,380	36,090	3	36,094	687	68,921	8,561	78,170	(4,545)	118,099

(Millions of yen)

	Unrealized gains or losses and translation differences, etc.		Net assets
	Net unrealized gains on available-for-sale securities	Total unrealized gains or losses and translation differences, etc.	
Balance at February 28, 2006	1,026	1,026	118,542
Changes during the period			
Dividends on retained earnings			(3,273)
Directors' bonuses			(59)
Net income			8,446
Acquisition of treasury stock			(4,530)
Cancellation of treasury stock			0
Transfers between reserves			-
Changes in items other than shareholders' equity (net)	(271)	(271)	(271)
Total	(271)	(271)	(312)
Balance at November 30, 2006	754	754	118,854