

Summary of Consolidated Financial Statements for the First Half of Fiscal 2009, the Year Ending February 28, 2009.

Circle K Sunkus Co., Ltd.

Securities Code Number: 3337

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

Date of dividend payment: November 14, 2008

Prepared in accordance with the financial accounting standards in Japan.

1. Consolidated Results for the First Half of Fiscal 2009 (March 1, 2008 to August 31, 2008)

(1) Consolidated Operating Results

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

	Operating revenue [Total sales]		Operating income		Recurring profit	
	Millions of yen	Change %	Millions of yen	Change %	Millions of yen	Change %
Current interim period	109,017 [476,457]	4.3 [2.8]	13,709	18.5	13,595	22.4
Previous interim period	104,556 [463,490]	5.6 [(1.2)]	11,567	(18.4)	11,108	(18.2)
(Ref.) Last fiscal Year	206,373 [902,423]	-	21,095	-	19,470	-

	Net Income		Net income per share	Diluted net income per share
	Millions of yen	Change %	Yen	Yen
Current interim period	5,871	30.9	70.10	-
Previous interim period	4,486	(19.7)	53.56	-
(Ref.) Last fiscal Year	8,579	-	102,43	-

(Reference) Profit and loss on equity-method (Millions of yen) Current interim period 46 Previous interim period -
Last fiscal year -

(2) Consolidated Financial Position

	Total liabilities and equity	Total equity	Equity ratio	Total equity per share
	Millions of yen	Millions of yen	%	Yen
Current interim period	235,722	128,747	54.6	1,537.16
Previous interim period	221,388	122,404	55.3	1,460.47
(Ref.) Last fiscal Year	218,821	124,631	57.0	1,487.72

(Reference) Shareholders' equity (Millions of yen) Current interim period 128,747 Previous interim period 122,325
Last fiscal year 124,607

(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
Current interim period	26,431	(10,119)	(1,834)	81,240
Previous interim period	16,329	(8,514)	(1,964)	71,309
(Ref.) Last fiscal Year	21,262	(15,791)	(4,168)	66,763

2. Dividends Status

Record date	Dividends per share (yen)		
	Interim period	Fiscal year	Total
2008 fiscal year	20.00	20.00	40.00
2009 fiscal year(Result)	20.00	-	40.00
2009 fiscal year (plan)	-	20.00	

3. Forecast of Consolidated Results for the Year Ending February 28, 2009

	Operating revenue [Total sales]		Operating income		Recurring profit		Net income		Net income per share
	Millions of yen		Millions of yen		Millions of yen		Millions of yen		Yen
2009 fiscal year	213,280	3.3	20,470	(3.0)	19,550	0.4	8,740	1.9	104.35
	[938,980]	4.1							

4. Other

(1) Change in scope of consolidation and equity method

Consolidation : (Inclusion) None (Exclusion) None

(2) Change in accounting policies

None

(3) Shares outstanding

1. Average number of shares end of period (Including treasury stock)	Current interim period	86,183,226 shares
	Previous interim period	86,183,226 shares
	Last fiscal Year	86,183,226 shares
2. Average number of treasury stocks end of period	Current interim period	2,426,336 shares
	Previous interim period	2,425,135 shares
	Last fiscal Year	2,425,708 shares

(Reference)

1. Non-Consolidated Results for the First Half of Fiscal 2009 (March 1, 2008 to August 31, 2008)

(1) Non-Consolidated Operating Results

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

	Operating revenue [Total sales]		Operating income		Recurring profit	
	Millions of yen	Change %	Millions of yen	Change %	Millions of yen	Change %
Current interim period	98,018 [452,066]	1.4 [2.2]	13,750	16.7	13,307	18.1
Previous interim period	96,640 [442,365]	3.3 [(1.5)]	11,783	(14.1)	11,263	(14.5)
(Ref.) Last fiscal Year	189,247 [860,041]	-	21,476	-	19,702	-

	Net Income		Net income per share
	Millions of yen	Change %	Yen
Current interim period	5,010	9.4	59.83
Previous interim period	4,580	(16.2)	54.69
(Ref.) Last fiscal Year	8,648	-	103.25

(2) Non-Consolidated Financial Position

	Total liabilities and equity	Total equity	Equity ratio	Total equity per share
	Millions of yen	Millions of yen	%	Yen
Current interim period	229,981	128,763	56.0	1,537.35
Previous interim period	217,235	123,226	56.7	1,471.22
(Ref.) Last fiscal Year	214,867	125,483	58.4	1,498.18

(Reference) Shareholders' equity (Millions of yen) Current interim period 128,763 Last fiscal Year 125,483 Previous interim period 123,226

2. Forecast of Non-Consolidated Results for the Year Ending February 28, 2009

	Operating revenue [Total sales]		Operating income		Recurring profit		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
2009 fiscal year	190,010	0.4	20,920	(2.6)	19,730	0.1	8,260	(4.5)	98.62
	[889,080]	3.4							

(Note) 1. The forecast of consolidated results for the year ending February 28, 2009 were changed on September 22, 2008.

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. Figures for consolidated total store sales exclude corresponding figures for ZERO NETWORKS Co., Ltd. and non-consolidated area franchisers. Figures for non-consolidated total store sales exclude corresponding figures for area franchisers.

1. Operating Results

1) Overview of First Half of Fiscal 2009 (March 1, 2008 to August 31, 2008)

In the first half of fiscal 2009, the Japanese economy showed signs of a sharper slowdown mainly due to the impact of tumbling financial and stock markets as well as rising energy and raw material prices. This slowdown led to weak employment conditions and personal income levels on the whole. In this context, consumer spending was generally lackluster because of rising gasoline and food prices, among other factors.

In the retail industry, as higher gasoline and food prices force consumers to tighten their belts, overall sales of apparel, luxury goods and other items were lackluster. Meanwhile, food sales grew steadily, reflecting a shift in consumer preferences toward home meal replacement—take-out meals that can be enjoyed at home—as well as weather conditions such as a heat wave. Notably in the convenience store industry, overall sales of summer products were lifted by severe heat in July. Sales of tobacco and incidental purchases also rose as taspo card (age verifying IC card) systems were installed in cigarette vending machines, leading to a significant improvement in earnings on the whole.

In this climate, in the first half of fiscal 2009, total operating revenues at Circle K Sunkus rose 4.3% year on year to ¥109,017 million, mainly due to an increase in revenues from franchised stores and a rise in sales at Company-owned stores. Operating income increased 18.5% to ¥13,709 million as a result of a drop in selling, general and administrative expenses, including sales promotion and advertising expenses. Recurring profit rose 22.4% to ¥13,595 million. Despite extraordinary losses of ¥3,317 million, down 0.8% year on year, mainly reflecting a loss on disposal of fixed assets and impairment losses, income before income taxes and minority interests increased 31.4% to ¥10,466 million, and net income increased 30.9% to ¥5,871 million.

The following is an overview of Circle K Sunkus' businesses by segment.

[Convenience Store Business]

In the first half of fiscal 2009, overall sales were weak in March-April due to ongoing decreases in customer footfall. Nevertheless, customer footfall picked up due to higher tobacco sales as taspo card (age verifying IC card) systems were installed in cigarette vending machines from May 2008. Higher tobacco sales led to incidental purchases of canned coffee and other products, driving up sales. Sales of mainstay fast food products, such as baked goods and processed noodles, also improved. In addition, severe heat in July sharply lifted sales of summer products such as chilled noodles, ice cream and soft drinks. Supported by strong sales of original baked goods and original desserts, where the respective brands at Circle K and Sunkus stores were unified in the previous fiscal year, existing store sales increased 2.7% in the first half of fiscal 2009 on a non-consolidated basis.

Consequently, total store sales, including Circle K Sunkus' five consolidated subsidiaries in the convenience store business, increased 2.8% to ¥476,457 million.

The average product markup for Circle K Sunkus in the first half of fiscal 2009 was 28.45%, down

0.65 of a percentage point from the first half of the previous fiscal year, the result of an increase in sales of low-margin tobacco products, which accounted for a much larger share of overall sales. This was despite improvement in product markups on a category-by-category basis, in areas such as fast food, perishable food, and processed food.

Summary of Store Performance (March 1, 2008 to August 31, 2008)

	Non-consolidated	Consolidated subsidiaries		Total
		Four area franchisers total	99 ICHIBA	
Total store sales (¥ million)	452,066	19,849	4,540	476,457
Year-on-year (YoY) change (%)	2.2	4.4	115.3	2.8
YoY change in existing store sales (%)	2.7	-	-	-
Average product markup (%)	28.45	-	-	-
Stores opened	121	9	21	151
Stores closed	118	7	6	131
Total stores at period-end	4,932	259	67	5,258

* The above “four area franchisers total” is the sum of results for four subsidiaries, namely Sunkus Nishi-Saitama Co., Ltd., Sunkus Aomori Co., Ltd., Sunkus Kitakanto Co., Ltd. and Sunkus Nishi-Shikoku Co., Ltd.

In store operations, Circle K Sunkus conducted the *Yume WAKU2* project, a Company-wide drive to bring all Circle K Sunkus employees and franchised stores together to raise customer satisfaction. The Company held customer satisfaction enhancement forums in various locations nationwide with the aim of changing the mindset of franchised storeowners and store staff so as to maximize “true customer value.” In addition, the Company launched a newly designed joint uniform for Circle K and Sunkus stores in June 2008 in order to enhance Circle K Sunkus’ brand image. Furthermore, the Company rolled out the “Operations Management Employee” system as part of efforts to increase sales at Company-owned stores and raise the bar in terms of operations, with the aim of converting them into franchised stores as rapidly as possible.

On the store development front, the Company sought to reestablish a dominant presence in key areas and boost the earnings capabilities of the Circle K and Sunkus chains. To this end, the Company increased investments in opening stores in highly profitable regions, while actively relocating stores. Circle K Sunkus also opened stores with an emphasis on low-cost, ROI-intensive operations as it gave top priority to quality (average daily sales at new stores) and profitability of stores. Additionally, Circle K Sunkus strove to achieve a net increase in the number of stores by signing up, fostering and training outstanding franchisee candidates using the “Venture Employee System” and offering an incentive plan for managing multiple stores.

Furthermore, consolidated subsidiary 99 ICHIBA Co., Ltd. endeavored to cater to customer needs not fully met by conventional convenience stores, such as the needs of women and senior citizens, by opening more stores.

During the first half of fiscal 2009, Circle K Sunkus opened 151 stores (including 21 “99 ICHIBA” stores) and closed 131 stores (including 6 “99 ICHIBA” stores). As a result, Circle K Sunkus had a total of 5,258 stores (including 67 “99 ICHIBA” stores) as of August 31, 2008.

On the product development front, Circle K Sunkus worked to reinforce fast food and other mainstay product categories. As part of these efforts, the Company fully relaunched its baked goods lineup in May 2008, resulting in steady baked goods sales. Aiming to develop better regional products, Circle K Sunkus also expanded the *MOT Project*—a plan to develop “locally produced, locally consumed” products in collaboration with local food producers, governments and other partners—to new regions, namely Nagano Prefecture, Aomori Prefecture, and Shikoku’s four prefectures in April 2008, followed in July by Hokkaido. The Company also rolled out freshly baked bread, fruit juice and other new products on a trial basis with an eye to developing stronger product lineups that better reflect the location characteristics of each store. Additionally, in April 2008, Circle K Sunkus unveiled a joint UNY Group original brand called *UUCS* that taps the UNY Group’s collective product development and procurement capabilities. By offering a balanced product lineup featuring both high-quality, high-value products and affordable, low-priced ones, together with existing original brand products, Circle K Sunkus worked to satisfy the increasingly twin-fold nature of consumer needs. Furthermore, the Company signed a Comprehensive Partnership and Cooperation Agreement with Ishikawa Prefecture in May 2008. This was part of efforts to bolster product development leveraging regional agricultural produce and “locally produced, locally consumed” product initiatives. The agreement also aims to promote close mutual partnership and cooperation in a broad range of fields, from tourism to the environment and disaster readiness.

Turning to services, from April 2008, Circle K Sunkus rolled out multi-use copy machines (Multifunction Peripherals; “MFPs”) featuring a diverse range of service functions, such as printing of digital photos. Separately, store pickup services for books purchased from Rakuten Books, which began in February 2008, have been performing well. Going forward, the Company will reinforce such initiatives as a means of attracting more customers to its stores. In regard to ATM services, Circle K Sunkus has begun offering an original ATM service called “Bank Time,” with Resona Bank as the principal bank. Installation of “Bank Time” ATMs was completed in the Kansai region in July 2008, and began in August at certain stores in Kagoshima and Kumamoto prefectures. In regards to electronic money, as of August 31, 2008, Circle K Sunkus had sold more than 1 million *KARUWAZA CLUB* house cards with Edy electronic money functionality, and the number of *KARUWAZA CLUB* members eligible to receive incentive points had reached approximately 380,000. From April 2008, Circle K Sunkus began accepting iD post-payment electronic money offered by NTT DOCOMO, INC. at all stores. Together with formats already accepted at Circle K and Sunkus stores, namely Edy, QUICPay and Visa Touch (Smartplus), the Company now accepts payment via a total of five electronic money formats at all Circle K and Sunkus stores.

In terms of social contribution activities, Circle K Sunkus conducts Safety Station activities at all stores based on the two themes of helping to build safe and secure neighborhoods and creating environments conducive to the sound development of youth. Safety Station activities are conducted by

the Japan Franchise Association's 12 member companies. Separate from these activities, Circle K Sunkus conducts its own social contribution activities, including store fundraising activities, emergency relief activities in response to major disasters, and NPO support activities.

In terms of store fundraising activities, the Company divides the fiscal year into three collection periods and raises funds for the "Nationwide Guide Dog Campaign," the "Environmental Preservation Fund" and Japan UNICEF in each respective collection period.

Examples of emergency relief activities in response to major disasters in the first half of fiscal 2009 included an emergency fundraising drive conducted at all stores in response to China's Sichuan Province Earthquake in May 2008. In addition, Circle K Sunkus conducted an emergency fundraising drive in response to the Iwate-Miyagi Inland Earthquake in June 2008, and delivered rice balls, water and other emergency relief supplies to the affected areas. In July 2008, Circle K Sunkus signed an agreement with Nagano Prefecture on providing assistance for people experiencing difficulties returning home in the event of a natural disaster.

In regard to NPO support activities, Circle K Sunkus made a donation to the Japan Team of Young Human Power (JHP), an NPO that builds and renovates schools mainly in Cambodia, and which offers educational support and other volunteer-based activities. Circle K Sunkus has continuously supported JHP since fiscal 2003, and has assisted in the construction of 11 buildings for 6 elementary and junior high schools through the first half of fiscal 2009. Currently, more than 3,000 students are studying at these schools. Circle K Sunkus also made a donation to NPO Family House, which provides affordable lodging for families of children from all over Japan who are battling serious illnesses such as cancer.

Circle K Sunkus continuously strives to improve its environmental activities, focusing on waste recycling, energy conservation (reduction of CO₂ emissions) and reducing the usage of plastic shopping bags available at stores. In June-July 2008, Circle K and Sunkus stores took part in the "Carbon Dioxide (CO₂) Reduction/Light-Down Campaign" led by Japan's Ministry of the Environment. In August 2008, Circle K Sunkus began field testing a pole sign equipped with a light-emitting diode (LED). Furthermore, from July 2008, Circle K Sunkus began participating in a joint campaign by all 12 member companies of the Japan Franchise Association to reduce store shopping bag usage. This campaign involves setting up point-of-purchase advertisements close to POS registers at all stores that encourage customers to reduce their plastic shopping bag usage.

[Other Businesses]

In other businesses, ZERO NETWORKS Co., Ltd. has been contracted to conduct "Zero Bank" ATM operations. ZERO NETWORKS has formed an alliance with the Ogaki Kyoritsu Bank, Ltd. to offer "Zero Bank" ATM services, and is installing ATMs at Circle K and Sunkus stores in Aichi and Gifu prefectures. It has also formed an alliance with The Mie Bank, Ltd. and has installed ATMs at stores in Mie Prefecture. ZERO NETWORKS has also teamed up with The Tokyo Star Bank, Ltd. to begin installing these ATMs at stores in the Kanto region (Tokyo, and Kanagawa, Chiba and Saitama

prefectures). As a result, the company had installed a total of 2,508 “Zero Bank” ATMs as of August 31, 2008. Furthermore, Circle K Sunkus offers an original ATM service called “Bank Time,” with Resona Bank as the principal bank, at stores in the Kansai region (Kyoto and Osaka, as well as Nara, Hyogo, Shiga and Wakayama prefectures) and in Kagoshima and Kumamoto prefectures. The company had installed a total of 809 “Bank Time” ATMs at these stores as of August 31, 2008. As a result, ZERO NETWORKS recorded total operating revenues of ¥2,666 million in the first half of fiscal 2009.

Note: Figures in the above segment information include inter-segment transactions.

[Outlook for Fiscal 2009]

For fiscal 2009, the outlook for the Japanese economy is for a continuation of weak corporate earnings and consumer spending, as material prices and general consumer price levels remain high, despite falling crude oil prices. Furthermore, global unease about the credit situation, triggered by the bankruptcy and shakeout of certain major U.S. securities firms, is spreading turmoil in financial and securities markets worldwide. The impact of this market turmoil on the real economy is a concern going forward. In this context, Japan’s convenience store industry faces a business environment characterized by intensifying competition. To surmount the competition, Circle K Sunkus must embrace the challenges of developing new products, developing sales methods and achieving other innovations, while changing past ways of thinking about things and doing business.

In terms of store operations, as part of the *Yume WAKU2* project, Circle K Sunkus will conduct a “Friendly Competition” that engages franchised Circle K and Sunkus store staff across Japan in an effort to raise customer satisfaction and customer footfall. Circle K Sunkus also aims to increase average purchase per customer by offering product lineups that better reflect the location characteristics of each store and by developing product lineups for specific days of the week, as well as by selecting and fostering product categories to be strengthened on a store-by-store basis. Furthermore, the Company is striving to convert Company-owned stores into franchised stores by leveraging the “Operations Management Employee” system and the incentive plan for managing multiple stores. In addition, from September 2008, Circle K Sunkus has begun installing new Store Communications Servers (SCSs), which lie at the heart of the Eighth Generation Store Information System, as part of efforts to enhance the precision of ordering and single-item inventory management at stores.

On the store development front, Circle K Sunkus continues to open stores with an emphasis on low-cost, ROI-intensive operations as it gives top priority to quality (average daily sales at new stores) and profitability of stores. At the same time, Circle K Sunkus aims to maintain net increases in stores by securing “volume” growth. This will be done by raising the productivity of store developers and encouraging everyone to take part in various activities. In addition, since September 2008, the Company has established an organization called the “New Project” under the direct leadership of the president. This organization is studying the feasibility of opening stores in new regions, while examining new store formats that better reflect regional characteristics and product ranges.

Furthermore, Circle K Sunkus plans to unify franchise agreements for Circle K and Sunkus stores beginning with new stores from November 2008. Previously, franchise agreements were different for Circle K and Sunkus stores. This move will allow the Company to structure operations so that the same store developers can take responsibility for both store brands, leading to greater operating efficiency.

In terms of product development, Circle K Sunkus is trying to reinforce fast food and other product categories. As part of these efforts, the Company will work to enhance quality and product lineups through the launch of an original pasta brand called *rubetta* in October 2008, while pursuing cross-merchandising and sales promotions that encourage customers to purchase salads, desserts and other products together with pasta. In addition, Circle K Sunkus will continue expanding deployment regions for the *MOT Project*, a plan to develop “locally produced, locally consumed” products, in order to step up the development of distinctive regional products. The Company has also decided to install fryers in certain stores for the first time as a means of offering stronger product lineups that better reflect the location characteristics of each store. Plans call for installing fryers at approximately 2,000 stores by fiscal 2010 in an effort to reinforce countertop fast food products and improve sales. Leveraging the UNY Group’s collective product development and procurement capabilities, Circle K Sunkus will also begin offering UNY’s e-price lineup of appealingly low priced original products from October 2008.

On the service development front, Circle K Sunkus has been successively installing KARUWAZA STATION in-store multimedia terminals from September 2008. Installation is planned for approximately 2,500 stores in the Kanto and Chukyo regions by February 2009. In addition, the Company plans to complete the installation of multi-use copy machines (Multifunction Peripherals; “MFPs”) at all stores by February 2009. In regards to ATM services, Circle K Sunkus began installing “Bank Time” ATMs, with Resona Bank as the principal bank, at certain stores in Ehime and Kochi prefectures from September 2008, with the aim of enhancing convenience for customers.

Store Operating Performance Forecasts (March 1, 2008 to February 28, 2009)

	Non-consolidated	Consolidated subsidiaries		Total
		Four area franchisers total	99 ICHIBA	
Total store sales (¥ million)	889,080	39,482	10,418	938,980
Year-on-year (YoY) change (%)	3.4	7.1	89.2	4.1
YoY change in existing store sales (%)	3.8	-	-	-
Average product markup (%)	28.08	-	-	-
Stores opened	280	25	33	338
Stores closed	260	13	10	283
Total stores at period-end	4,949	269	75	5,293

* The above “four area franchisers total” is the sum of results for four subsidiaries, namely Sunkus Nishi-Saitama Co., Ltd., Sunkus Aomori Co., Ltd., Sunkus Kitakanto Co., Ltd. and Sunkus Nishi-Shikoku Co., Ltd.

For fiscal 2009, Circle K Sunkus is forecasting total operating revenues of ¥213,280 million on a consolidated basis, an increase of 3.3% year on year. On the earnings front, Circle K Sunkus is projecting consolidated operating income of ¥20,470 million, down 3.0% year on year, recurring profit of ¥19,550 million, up 0.4% year on year, and net income of ¥8,740 million, an increase of 1.9%.

2) Financial Position

(Assets, Liabilities and Net Assets)

As of August 31, 2008, total assets were ¥235,722 million on a consolidated basis, ¥14,333 million higher than at the end of the interim period of the previous fiscal year. Total liabilities stood at ¥106,974 million, up ¥7,990 million from August 31, 2007. Meanwhile, net assets increased ¥6,342 million to ¥128,747 million from the end of the fiscal 2008 interim period. As a result, the equity ratio was 54.6% as of August 31, 2008.

(Cash Flows)

In the first half of fiscal 2009, operating activities provided net cash of ¥26,431 million, 61.9% more than in the same period of the previous fiscal year. The main components were income before income taxes and minority interest of ¥10,466 million, a 31.4% year-on-year increase; loss on impairment of fixed assets of ¥2,902 million, up 12.9%; an increase of ¥2,103 million in money held as agent for payment of utility and other bills that are accepted at convenience stores, 154.9% more than in the previous fiscal year.

Net cash used in investing activities was ¥10,119 million, 18.9% more than in the same period of the previous fiscal year. Cash was used mainly for payments of ¥5,530 million, up 5.2% year on year, for property and equipment, chiefly to open new stores and improve the functions of existing ones. Other components included ¥4,452 million for acquisition of intangible fixed assets and long-term prepaid expenses, 81.1% more year on year, mainly stemming from the introduction of new POS registers and software development needed for new Store Communication Servers (SCSs); and payments of ¥2,887 million for the payment of long-term leasehold deposits, down 18.0% year on year.

Net cash used in financing activities was ¥1,834 million, 6.6% less than in the same period of the previous fiscal year. This reflected an increase in dividends paid of ¥1,675 million, 5.3% less, and a decrease in guarantee deposits received of ¥636 million mainly due to store closures, 23.2% less than in the first half of the previous year.

As a result of the above, as of August 31, 2008, cash and cash equivalents were ¥81,240 million, an increase of ¥14,477 million, or 21.7%, from the end of the previous fiscal year.

(Reference: Cash Flow-related Indices)

	First Half of Fiscal 2007	First Half of Fiscal 2008	First Half of Fiscal 2009	Fiscal 2007	Fiscal 2008
Equity ratio (%)	53.6	55.3	54.6	56.4	57.0
Equity ratio using fair value (%)	89.9	70.6	63.9	86.6	60.2
Ratio of cash flow to interest-bearing debt (%)	3.8	10.0	3.2	8.1	7.9
Interest coverage ratio (times)	15,248.6	20,539.6	3,1940.0	6,013.2	8,062.0

(Notes) Equity ratio = Shareholders' equity / Total assets

Equity ratio using fair value = Market capitalization / Total assets

Ratio of cash flow to interest-bearing debt = Interest-bearing debt / Operating cash flow

(Interim operating cash flow is doubled to calculate an annualized ratio of cash flow to interest-bearing debt for interim periods.)

Interest coverage ratio = Operating cash flow / Interest payments

*Each index is calculated using consolidated figures.

*Market capitalization is calculated by multiplying the share price at the fiscal term-end by the number of shares issued and outstanding at the fiscal term-end, excluding treasury stock.

*Operating cash flow represents net cash provided by (used in) operating activities as presented on the consolidated statement of cash flows. Interest-bearing debt represents liabilities shown on the balance sheet for which interest is paid by the Company. Interest payments represent interest paid as shown on the consolidated statements of cash flows.

(3) Basic Earnings Distribution Policy and Dividends for Fiscal 2009

Circle K Sunkus regards dividends as the most important means of returning earnings to shareholders. Circle K Sunkus' basic policy is to return profits to shareholders based on earnings growth, while building up retained earnings to bolster the operating base as necessary to sustain business growth into the future. More specifically, Circle K Sunkus considers the maintenance of stable dividends its first priority, as it return earnings to shareholders while carefully monitoring our medium-term earnings outlook, capital expenditure plans and financial position, with the aim of paying out at least 30% of net income as dividends.

In accordance with the above basic policy, Circle K Sunkus has decided to pay an interim and year-end dividend of ¥20 per share each. The Company, therefore, plans to pay an annual dividend of ¥40 per share for fiscal 2009.

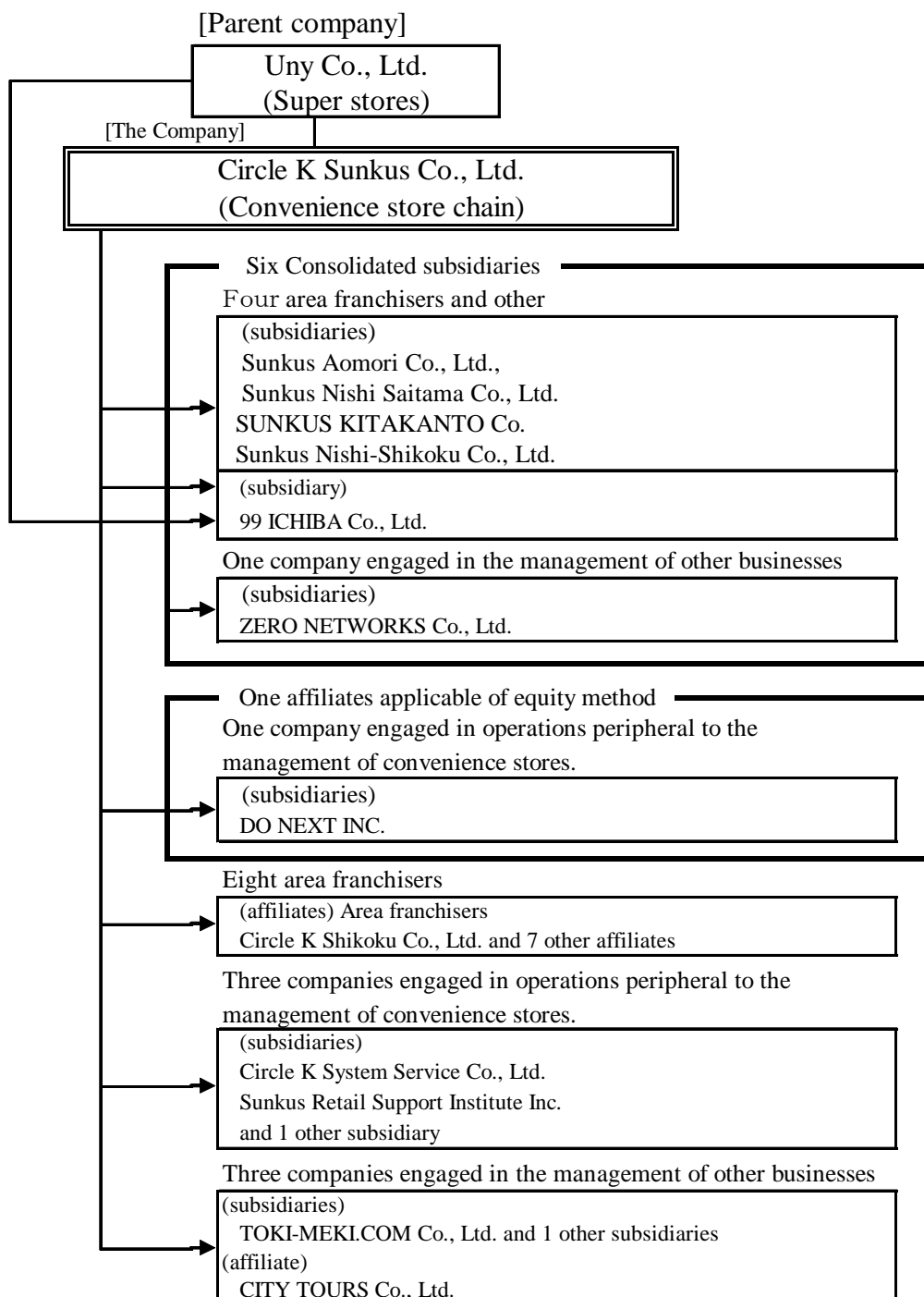
Retained earnings will be earmarked for investments related to store information systems, and for investments in developing new stores, revitalizing existing ones, and procuring product displays and other equipment for new products.

(4) Business Risks

As there have been no significant changes from the information disclosed in Circle K Sunkus' most recent securities report (filed on May 22, 2008), business risk information has been omitted.

2. Group Organization

The Circle K Sunkus Group is a member of the UNY Group, an operator of several major superstore chains, and comprises a total of 22 companies: Circle K Sunkus Co., Ltd. and six consolidated subsidiaries—Sunkus Aomori Co., Ltd., Sunkus Nishi-Saitama Co., Ltd., SUNKUS KITAKANTO Co., Ltd., Sunkus Nishi-Shikoku Co., Ltd., 99 ICHIBA Co., Ltd. and ZERO NETWORKS Co., Ltd. We also have 6 other subsidiaries, 8 affiliates and 1 equity-method subsidiary. The latter is DO NEXT INC., which became a subsidiary accounted for by the equity method in the first half of fiscal 2009. The Circle K Sunkus Group is primarily engaged in the development of convenience store franchises. With a store network extending from Hokkaido to Kagoshima, the Circle K Sunkus Group, including area franchisers, had a presence in 37 prefectures as of August 31, 2008. The following chart depicts the Circle K Sunkus Group.



(1) Changes in Major Group Companies

1) Other Businesses

In the first half of fiscal 2009, Circle K Sunkus converted DO NEXT INC., a planner, developer and operator of logistics, production and information systems for convenience stores and subsidiary of Sunkus Retail Support Institute Inc., into a subsidiary accounted for by the equity method, following the purchase of a 100% equity interest in this company on March 1, 2008.

(2) Status of Group Companies

Effective from the first half of fiscal 2009, the company below has become an equity-method subsidiary.

Name	Address	Capital or Investment	Main Business Activities	Percentage of Voting Rights, etc. Held	Remarks
(Equity-method subsidiary) DO NEXT INC.	Koto-ku, Tokyo	20 million yen	Other businesses	100%	1 concurrent director

3. Management Policies

(1) Basic Management Policies

(2) Management Targets

(3) Medium-term Management Strategy

(4) Issues to Be Addressed

In regards to the above items (1)-(4), as there have been no significant changes from the information disclosed in Circle K Sunkus' earnings report (*kessan tanshin*) for the fiscal year ended February 29, 2008 (released April 10, 2008), this information has been omitted.

This earnings report is available at the following two URLs:

(Circle K Sunkus website)

<http://www.circleksunkus.jp>

(Tokyo Stock Exchange website (Listed Company Information Search Page))

<http://www.tse.or.jp/listing/compsearch/index.html>

4. 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 interim period (As of August 31, 2007)		Current interim period (As of August 31, 2008)		Last fiscal year (As of February 29, 2008)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
		%		%		%
(ASSETS)						
1. Current assets						
Cash and cash equivalents	48,289		61,188		52,736	
Due from franchised stores	2,617		2,410		3,208	
Marketable securities	23,019		23,051		17,026	
Inventories	2,667		2,779		2,542	
Deferred tax assets	958		1,131		1,050	
Other accounts receivable	11,287		9,222		9,697	
Other current assets	8,420		8,740		8,331	
Allowance for doubtful accounts	(434)		(411)		(348)	
Total current assets	96,826	43.7	108,113	45.9	94,243	43.1
2. Fixed assets						
(1)Property and equipment						
Buildings and structures	32,726		33,008		33,648	
Furniture and fixtures	4,014		3,709		3,864	
Land	8,638		8,592		8,816	
Other property and equipment	822		1,800		1,025	
Total property and equipment	46,201	20.9	47,110	20.0	47,355	21.6
(2)Intangible fixed assets						
System Software	3,706		4,457		3,844	
Software development in progress	1,335		3,653		1,511	
Goodwill	96		-		58	
Other intangible fixed assets	2,731		3,098		2,988	
Total intangible fixed assets	7,869	3.6	11,210	4.7	8,402	3.8
(3)Investments and other assets						
Investment securities	5,025		4,769		4,798	
Deferred tax assets	4,092		4,596		4,159	
Long-term leasehold deposits	53,725		52,634		52,781	
Other investments	9,000		8,704		8,567	
Allowance for doubtful accounts	(1,353)		(1,419)		(1,488)	
Total investments and other assets	70,490	31.8	69,287	29.4	68,819	31.5
Total fixed assets	124,561	56.3	127,608	54.1	124,577	56.9
Total assets	221,388	100.0	235,722	100.0	218,821	100.0

(Millions of yen)

Fiscal period Account item	Previous interim period (As of August 31, 2007)		Current interim period (As of August 31, 2008)		Last fiscal year (As of February 29, 2008)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
		%		%		%
(LIABILITIES)						
1. Current liabilities						
Trade payables	45,324		42,725		36,088	
Due to franchised stores	4,084		4,210		2,496	
Other accounts payable	4,983		6,132		5,862	
Income taxes payable	4,056		5,235		3,304	
Money held as agent	19,772		28,715		26,630	
Accrued employees' bonuses	773		798		771	
Accrued directors' bonuses	28		20		47	
Allowance for incentive points	70		80		80	
Other current liabilities	3,662		3,548		3,169	
Total current liabilities	82,755	37.4	91,468	38.8	78,451	35.8
2. Long-term liabilities						
Employee retirement benefit liability	2,516		547		708	
Allowance for debt guarantees	-		136		136	
Guarantee deposits received	11,459		11,013		11,096	
Allowance for impairment loss on leased property	1,312		1,176		914	
Other long-term liabilities	940		2,632		2,882	
Total long-term liabilities	16,228	7.3	15,506	6.6	15,738	7.2
Total liabilities	98,983	44.7	106,974	45.4	94,189	43.0
(Equity)						
1. Shareholder's equity						
Common stock	8,380		8,380		8,380	
Capital surplus	36,093		36,093		36,093	
Retained earnings	82,218		88,832		84,636	
Less, treasury stock, at cost	(5,025)		(5,026)		(5,025)	
Total shareholders' equity	121,667	55.0	128,279	54.4	124,084	56.7
2. Unrealized gains or losses and translation differences, etc.						
Net unrealized gains on available-for-sale securities	658		467		523	
Total unrealized gains or losses and translation differences, etc.	658	0.3	467	0.2	523	0.3
3. Minority Interests	78	0.0	-	-	24	0.0
Total equity	122,404	55.3	128,747	54.6	124,631	57.0
Total liabilities and net assets	221,388	100.0	235,722	100.0	218,821	100.0

(2) Consolidated Statements of Income

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

(Millions of yen)

Account item	Fiscal period		Previous interim period (From March 1, 2007 to August 31, 2007)		Current interim period (From March 1, 2008 to August 31, 2008)		Last fiscal year (From March 1, 2007 to February 29, 2008)		
	Amount		Composition ratio	Amount		Composition ratio	Amount		Composition ratio
			%			%			%
1. Operating revenues									
Franchise commissions from franchised stores	52,461			53,225			101,388		
Net sales reported by Franchised Stores (Figures for excluding non-consolidated area franchised stores.)									
Previous interim period ¥ 419,810 million									
Current interim period ¥ 429,044 million									
Last fiscal year ¥ 814,406 million									
Total net sales of franchised and company-owned stores (Figures for exclude non-Consolidated area franchised stores.)									
Previous interim period ¥ 463,490 million									
Current interim period ¥ 476,457 million									
Last fiscal year ¥ 902,423 million									
Other revenues	6,219	58,681	56.1	6,015	59,241	54.3	12,510	113,898	55.2
2. Net sales of company-owned stores	[45,875]	45,875	[100.0] 43.9	[49,775]	49,775	[100.0] 45.7	[92,474]	92,474	[100.0] 44.8
Total operating revenues		104,556	100.0		109,017	100.0		206,373	100.0
3. Cost of goods sold	[34,931]	34,931	[76.1] 33.4	[38,051]	38,051	[76.4] 34.9	[70,614]	70,614	[76.4] 34.2
Gross profit on sales	[10,944]		[23.9]	[11,724]		[23.6]	[21,859]		[23.6]
Operating gross profit		69,625	66.6		70,965	65.1		135,758	65.8
4. Selling, general and administrative Expenses		58,058	55.5		57,256	52.5		114,662	55.6
Operating income		11,567	11.1		13,709	12.6		21,095	10.2

(Millions of yen)

Account item	Fiscal period			Previous interim period (From March 1, 2007 to August 31, 2007)			Current interim period (From March 1, 2008 to August 31, 2008)			Last fiscal year (From March 1, 2007 to February 29, 2008)		
	Amount		Composition ratio	Amount		Composition ratio	Amount		Composition ratio			
5.Non-operating income			%			%						
Interest income	288			330			575					
Dividend income	85			102			99					
Compensation income	246			157			515					
Gain on sale of investments in securities	85			-			85					
Equity-method investment income	-			46			-					
Other non-operating income	94	801	0.7	60	698	0.6	161	1,438	0.7			
6.Non-operating expenses												
Interest expense	22			21			43					
Loss on cancellation of lease Contracts	1,175			741			2,878					
Other non-operating expenses	61	1,260	1.2	50	812	0.7	141	3,063	1.5			
Recurring profit		11,108	10.6		13,595	12.5		19,470	9.4			
7.Extraordinary gains												
Gain on sales of fixed asset	67			87			107					
Gain on collection of receivables	-			100			-					
Gain on returning of substitutional portion of Employee Pension Fund	-			-			1,339					
Other extraordinary gains	81	148	0.1	-	187	0.2	101	1,548	0.8			
Total extraordinary gains												
8.Extraordinary losses												
Loss on disposal of fixed assets	436			318			1,950					
Loss on write-down of investment securities	18			-			18					
Loss on cancellation of lease contracts	86			32			506					
Loss on the impairment of fixed assets	2,570			2,902			2,715					
Provision to allowance for debt guarantees	-			-			136					
Other extraordinary losses	178	3,291	3.1	64	3,317	3.1	452	5,779	2.8			
Income before income taxes		7,965	7.6		10,466	9.6		15,239	7.4			
Income taxes-current	3,961			5,098			7,265					
Income taxes-deferred	(435)	3,526	3.3	(480)	4,618	4.2	(503)	6,761	3.3			
Minority interest in earnings of consolidated subsidiaries		(46)	(0.0)		(24)	(0.0)		(101)	(0.1)			
Net Income		4,486	4.3		5,871	5.4		8,579	4.2			

(3) Consolidated Statement of Changes in Shareholders' Equity

Previous First Half of Fiscal 2008 (From March 1, 2007 to August 31, 2007)

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

(Millions of yen)

	Shareholder's equity					Unrealized gains or losses and translation differences, etc.		Minority Interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on available-for-sale securities	Total unrealized gains or losses and translation differences, etc.		
Balance at February 28, 2007	8,380	36,093	79,617	(5,021)	119,070	812	812	0	119,883
Changes during the period									
Cash dividends			(1,591)		(1,591)				(1,591)
Net income			4,486		4,486				4,486
Acquisition of treasury stock				(3)	(3)				(3)
Cancellation of treasury stock		(0)		0	0				0
Increase in consolidated subsidiaries			(294)		(294)				(294)
Changes in items other than shareholders' equity						(154)	(154)	78	(75)
Total	-	(0)	2,600	(3)	2,596	(154)	(154)	78	2,521
Balance at August 31, 2007	8,380	36,093	82,218	(5,025)	121,667	658	658	78	122,404

Current First Half of Fiscal 2009 (From March 1, 2008 to August 31, 2008)

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

(Millions of yen)

	Shareholder's equity					Unrealized gains or losses and translation differences, etc.		Minority Interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on available-for-sale securities	Total unrealized gains or losses and translation differences, etc.		
Balance at February 29, 2008	8,380	36,093	84,636	(5,025)	124,084	523	523	24	124,631
Changes during the period									
Cash dividends			(1,675)		(1,675)				(1,675)
Net income			5,871		5,871				5,871
Acquisition of treasury stock				(1)	(1)				(1)
Cancellation of treasury stock		(0)		0	0				0
Changes in items other than shareholders' equity						(55)	(55)	(24)	(79)
Total	-	(0)	4,196	(1)	4,195	(55)	(55)	(24)	4,115
Balance at August 31, 2008	8,380	36,093	88,832	(5,026)	128,279	467	467	-	128,747

For the Fiscal year 2008 (From March 1, 2007 to February 29, 2008)

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

(Millions of yen)

	Shareholder's equity					Unrealized gains or losses and translation differences, etc.		Minority Interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on available-for-sale securities	Total unrealized gains or losses and translation differences, etc.		
Balance at February 28, 2007	8,380	36,093	79,617	(5,021)	119,070	812	812	0	119,883
Changes during the period									
Cash dividends			(3,266)		(3,266)				(3,266)
Net income			8,579		8,579				8,579
Acquisition of treasury stock				(5)	(5)				(5)
Cancellation of treasury stock		(0)		1	1				1
Increase in consolidated subsidiaries			(294)		(294)				(294)
Changes in items other than shareholders' equity						(289)	(289)	23	(265)
Total	-	(0)	5,018	(4)	5,014	(289)	(289)	23	4,748
Balance at February 29, 2008	8,380	36,093	84,636	(5,025)	124,084	523	523	24	124,631

(4) Consolidated Statements of Cash Flows

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

(millions of yen)

	Previous interim period	Current interim period	Last fiscal year
	(From March 1, 2007 to August 31, 2007)	(From March 1, 2008 to August 31, 2008)	(From March 1, 2007 to February 29, 2008)
	Amount	Amount	Amount
1. Cash flows from operating activities:			
Income before income taxes	7,965	10,466	15,239
Depreciation and amortization	3,695	3,773	7,260
Impairment loss on fixed assets	2,570	2,902	2,715
Amortization of goodwill	38	-	75
Loss on write-down of investment securities	18	-	18
Gain on sale of investments in securities	(85)	(100)	(85)
Loss on sale or disposal of property and equipment	369	230	1,842
(Decrease) increase in allowance for doubtful accounts	(62)	(6)	(13)
Increase (decrease) in accrued bonuses to employees	0	27	(1)
Increase in accrued bonuses to directors	(20)	(26)	(1)
(Decrease) increase in employee retirement benefit liability	(48)	(161)	(1,557)
Interest and cash dividends income	(374)	(433)	(674)
Interest expenses	22	21	43
Equity-method investment income	-	(46)	-
(Increase) decrease in trade receivable	(863)	1,612	178
Decrease (increase) in inventories	(107)	(237)	18
(Decrease) increase in trade and due to franchised stores payable	10,109	8,351	(714)
Decrease in other accounts payable and accrued expenses	(24)	765	45
(Decrease) increase in money held as agent	(3,831)	2,103	3,131
Lease contract cancellation expenses	694	275	1,511
Other	(434)	(179)	(600)
Sub-total	19,633	29,338	28,432
Interest and dividends received	248	289	417
Interest paid	(1)	(0)	(2)
Income taxes paid	(3,551)	(3,195)	(7,584)
Net cash provided by operating activities	16,329	26,431	21,262

(millions of yen)

	Previous interim period (From March 1, 2007 to August 31, 2007)	Current interim period (From March 1, 2008 to August 31, 2008)	Last fiscal year (From March 1, 2007 to February 29, 2008)
	Amount	Amount	Amount
2. Cash flows from investing activities:			
Payments for time deposits	(800)	(800)	(1,600)
Proceeds from repayment of time deposits	800	800	1,600
Decrease in marketable securities	-	(6,000)	(3,000)
Increase in marketable securities	-	6,000	-
Increase in property and equipment	(5,255)	(5,530)	(9,614)
Decrease in property and equipment	194	402	346
Increase in intangible fixed assets and long-term prepaid expenses	(2,459)	(4,452)	(5,125)
Increase in investment securities	(300)	(57)	(300)
Decrease in investment securities	115	139	115
Proceeds from long-term advances received	4	43	2,505
Increase in loans receivable	(609)	(282)	(646)
Collection of loans receivable	652	258	708
Increase in long-term leasehold deposits	(3,519)	(2,887)	(6,271)
Collection of fixed leasehold deposits	2,637	2,215	5,461
Other	23	30	29
Net cash used in investing activities	(8,514)	(10,119)	(15,791)
3. Cash flows from financing activities:			
Increase in treasury stock	(3)	(1)	(5)
Dividends paid	(1,591)	(1,675)	(3,263)
Increase in guarantee deposits received	459	478	713
Decrease in guarantee deposits received	(829)	(636)	(1,613)
Other	0	0	1
Net cash used in financing activities	(1,964)	(1,834)	(4,168)
4. Net (decrease) increase in cash and cash equivalents	5,849	14,477	1,303
5. Cash and cash equivalents at beginning of year	64,957	66,763	64,957
6. Increase in cash and cash equivalents upon inclusion of additional subsidiaries on consolidation	502	-	502
7. Cash and cash equivalents, end of the 1st Half (year)	71,309	81,240	66,763

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 interim period (As of August 31, 2007)		Current interim period (As of August 31, 2008)		Last fiscal year (As of February 29, 2008)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
		%		%		%
(ASSETS)						
1. Current assets						
Cash and cash equivalents	45,612		57,516		49,885	
Due from franchised stores	2,444		2,230		3,025	
Marketable securities	23,019		23,051		17,026	
Inventories	2,440		2,415		2,245	
Deferred tax assets	1,037		1,293		1,168	
Other accounts receivable	12,424		10,142		10,534	
Other current assets	8,788		9,985		9,580	
Allowance for doubtful accounts	(606)		(793)		(617)	
Total current assets	95,160	43.8	105,842	46.0	92,848	43.2
2. Fixed assets						
Property and equipment						
Buildings	23,679		23,953		24,326	
Furniture and fixtures	3,904		3,551		3,727	
Land	8,605		8,559		8,783	
Other property and equipment	7,012		8,091		7,442	
Total property and equipment	43,202	19.9	44,156	19.2	44,279	20.6
Intangible fixed assets						
System software	3,678		4,428		3,810	
System software development in progress	1,335		3,653		1,511	
Other intangible fixed assets	2,714		3,030		2,936	
Total intangible fixed assets	7,728	3.6	11,112	4.8	8,258	3.9
Investment and other assets						
Investment in securities	4,251		3,893		4,025	
Investment in subsidiaries and affiliated company	3,750		2,396		3,610	
Deferred tax assets	4,092		4,689		4,159	
Long-term leasehold deposits	51,650		50,173		50,504	
Other investment	8,566		9,189		8,495	
Allowance for doubtful accounts	(1,168)		(1,472)		(1,315)	
Total investment and other assets	71,143	32.7	68,869	30.0	69,480	32.3
Total fixed assets	122,074	56.2	124,138	54.0	122,018	56.8
Total assets	217,235	100.0	229,981	100.0	214,867	100.0

(Millions of yen)

Fiscal period Account item	Previous interim period (As of August 31, 2007)		Current interim period (As of August 31, 2008)		Last fiscal year (As of February 29, 2008)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
		%		%		%
(LIABILITIES)						
1. Current liabilities						
Trade payable	42,886		40,259		33,995	
Due to franchised stores	3,800		3,980		2,280	
Other accounts payable	4,018		4,928		5,070	
Income taxes payable	4,036		5,163		3,187	
Money held as agent	19,151		27,710		25,718	
Allowance for bonuses to employees	737		756		733	
Allowance for bonuses to directors	20		20		41	
Allowance for incentive points	70		80		80	
Other current liabilities	3,497		3,293		2,973	
Total current liabilities	78,219	36.0	86,193	37.5	74,080	34.5
2. Long-term liabilities						
Allowance for employees' retirement benefits liability	2,496		521		686	
Allowance for debt guarantees	-		136		136	
Leasehold deposits received	11,207		10,742		10,849	
Long-term income in advance	869		2,545		2,765	
Allowance for impairment loss on leased property	1,172		1,049		822	
Other long-term liabilities	42		27		42	
Total long-term liabilities	15,788	7.3	15,024	6.5	15,302	7.1
Total liabilities	94,008	43.3	101,217	44.0	89,383	41.6
(NET ASSETS)						
1. Shareholder's equity						
Common stock	8,380	3.9	8,380	3.7	8,380	3.9
Capital surplus						
Additional paid-in capital	36,090		36,090		36,090	
Other capital surplus	3		3		3	
Total Capital surplus	36,093	16.6	36,093	15.7	36,093	16.8
Retained earnings						
Legal reserve	687		687		687	
Other retained earnings						
General reserve	76,221		79,721		76,221	
Retained earnings carried forward	6,209		8,437		8,602	
Total Retained earnings	83,118	38.2	88,846	38.6	85,511	39.8
Treasury stock	(5,025)	(2.3)	(5,026)	(2.2)	(5,025)	(2.3)
Total shareholders' equity	122,567	56.4	128,294	55.8	124,959	58.2
2. Unrealized gains or losses and translation differences, etc.						
Net unrealized gains on available-for-sale securities	658		469		524	
Total unrealized gains or losses and translation differences, etc.	658	0.3	469	0.2	524	0.2
Net Assets	123,226	56.7	128,763	56.0	125,483	58.4
Total Liabilities and Net Assets	217,235	100.0	229,981	100.0	214,867	100.0

(2) Non-Consolidated Statements of Income

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

(Millions of yen)

Account item	Fiscal period		Previous interim period (From March 1, 2007 to August 31, 2007)		Current interim period (From March 1, 2008 to August 31, 2008)		Last fiscal year (From March 1, 2007 to February 29, 2008)		
	Amount		Composition ratio	Amount		Composition ratio	Amount		Composition ratio
			%			%			%
1. Operating revenues									
Franchise commissions from franchised stores	50,731			51,491			98,042		
Net sales reported by Franchised Stores (Figures for excluding non-consolidated area franchised stores.)									
Previous interim period									
¥402,646 million									
Current interim period									
¥ 411,507 million									
Last fiscal year									
¥ 781,282 million									
Total net sales of franchised and company-owned stores (Figures for exclude non-Consolidated area franchised stores.)									
Previous interim period									
¥ 442,365 million									
Current interim period									
¥ 452,066 million									
Last fiscal year									
¥ 860,041 million									
Other revenues	6,190	56,921	58.9	5,967	57,459	58.6	12,446	110,488	58.4
2. Net sales of company-owned stores	[39,718]	39,718	[100.0] 41.1	[40,559]	40,559	[100.0] 41.4	[78,759]	78,759	[100.0] 41.6
Total operating revenues		96,640	100.0		98,018	100.0		189,247	100.0
3. Cost of goods sold	[29,867]	29,867	[75.2] 30.9	[30,641]	30,641	[75.5] 31.3	[59,457]	59,457	[75.5] 31.4
Gross profit on sales	[9,851]		[24.8]	[9,918]		[24.5]	[19,301]		[24.5]
Operating gross profit		66,773	69.1		67,377	68.7		129,789	68.6
4. Selling, general and administrative Expenses		54,989	56.9		53,627	54.7		108,313	57.2
Operating income		11,783	12.2		13,750	14.0		21,476	11.4
5. Non-operating income		750	0.8		652	0.7		1,373	0.7
6. Non-operating expenses		1,271	1.3		1,095	1.1		3,147	1.7
Recurring profit		11,263	11.7		13,307	13.6		19,702	10.4
7. Extraordinary gains		136	0.1		187	0.2		1,536	0.8
8. Extraordinary losses		3,329	3.4		4,065	4.2		6,040	3.2
Income before income taxes		8,069	8.4		9,429	9.6		15,198	8.0
Income taxes-current	3,951			5,037			7,119		
Income taxes-deferred	(462)	3,489	3.6	(618)	4,419	4.5	(569)	6,550	3.4
Net Income		4,580	4.8		5,010	5.1		8,648	4.6

(3) Non-Consolidated Statement of Changes in Shareholders' Equity
Previous First Half of Fiscal 2008 (From March 1, 2007 to August 31, 2008)

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

(Millions of yen)

	Shareholders' equity									
	Common stock	Capital surplus			Retained earnings				Treasury stock	Shareholders' equity
		Additional paid-in capital	Other capital surplus	Total	Legal reserve	Other retained earnings		Total		
						General reserve	Retained earnings carried forward			
Balance at February 28, 2007	8,380	36,090	3	36,093	687	68,921	10,520	80,129	(5,021)	119,581
Changes during the period										
Cash dividends							(1,591)	(1,591)		(1,591)
Net income							4,580	4,580		4,580
Acquisition of treasury stock									(3)	(3)
Cancellation of treasury stock			(0)	(0)					0	0
Transfers between reserves						7,300	(7,300)	-		-
Changes in items other than shareholders' equity (net)										
Total	-	-	(0)	(0)	-	7,300	(4,310)	2,989	(3)	2,986
Balance at August 31, 2008	8,380	36,090	3	36,093	687	76,221	6,209	83,118	(5,025)	122,567

(Millions of yen)

	Unrealized gains or losses and translation differences, etc.		Total equity
	Net unrealized gains on available-for-sale securities	Total unrealized gains or losses and translation differences, etc.	
Balance at February 28, 2007	815	815	120,397
Changes during the period			
Cash dividends			(1,591)
Net income			4,580
Acquisition of treasury stock			(3)
Cancellation of treasury stock			0
Transfers between reserves			-
Changes in items other than shareholders' equity (net)	(156)	(156)	(156)
Total	(156)	(156)	2,829
Balance at August 31, 2007	658	658	123,226

Current First Half of Fiscal 2009 (From March 1, 2008 to August 31, 2008)

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

(Millions of yen)

	Shareholders' equity									
	Capital surplus	Retained earnings			Legal reserve	Treasury stock			Treasury stock	Shareholders' equity
		Additional paid-in capital	Other capital surplus	Total		Other retained earnings		Total		
						General reserve	Retained earnings carried forward			
Balance at February 29, 2008	8,380	36,090	3	36,093	687	76,221	8,602	85,511	(5,025)	124,959
Changes during the period										
Cash dividends							(1,675)	(1,675)		(1,675)
Net income							5,010	5,010		5,010
Net change in treasury stock									(1)	(1)
Cancellation of treasury stock			(0)	(0)					0	0
Transfers between reserves						3,500	(3,500)	-		-
Changes in items other than shareholders' equity (net)										
Total	-	-	(0)	(0)	-	3,500	(164)	3,335	(1)	3,334
Balance at August 31, 2008	8,380	36,090	3	36,093	687	79,721	8,437	88,846	(5,026)	128,294

(Millions of yen)

	Unrealized gains or losses and translation differences, etc.		Total equity
	Net unrealized gains on available-for-sale securities	Total unrealized gains or losses and translation differences, etc.	
Balance at February 29, 2008	524	524	125,483
Changes during the period			
Cash dividends			(1,675)
Net income			5,010
Net change in treasury stock			(1)
Cancellation of treasury stock			0
Transfers between reserves			-
Changes in items other than shareholders' equity (net)	(54)	(54)	(54)
Total	(54)	(54)	3,279
Balance at August 31, 2008	469	469	128,763

For the Fiscal year 2008 (From March 1, 2007 to February 29, 2008)

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

(Millions of yen)

	Shareholders' equity									
	Capital surplus	Retained earnings			Legal reserve	Treasury stock			Treasury stock	Shareholders' equity
		Additional paid-in capital	Other capital surplus	Total		Other retained earnings		Total		
						General reserve	Retained earnings carried forward			
Balance at February 28, 2007	8,380	36,090	3	36,093	687	68,921	10,520	80,129	(5,021)	119,581
Changes during the period										
Cash dividends							(3,266)	(3,266)		(3,266)
Net income							8,648	8,648		8,648
Net change in treasury stock									(5)	(5)
Cancellation of treasury stock			(0)	(0)					1	1
Transfers between reserves						7,300	(7,300)	-		-
Changes in items other than shareholders' equity (net)										
Total	-	-	(0)	(0)	-	7,300	(1,918)	5,381	(4)	5,377
Balance at February 29, 2008	8,380	36,090	3	36,093	687	76,221	8,602	85,511	(5,025)	124,959

(Millions of yen)

	Unrealized gains or losses and translation differences, etc.		Total equity
	Net unrealized gains on available-for-sale securities	Total unrealized gains or losses and translation differences, etc.	
Balance at February 28, 2007	815	815	120,397
Changes during the period			
Cash dividends			(3,266)
Net income			8,648
Net change in treasury stock			(5)
Cancellation of treasury stock			1
Transfers between reserves			-
Changes in items other than shareholders' equity (net)	(291)	(291)	(291)
Total	(291)	(291)	5,086
Balance at February 29, 2008	524	524	125,483