

Summary of Consolidated Financial Statements for the Third Quarter Ended November 30, 2008

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

Prepared in accordance with the financial accounting standards in Japan.

1. Consolidated Results for the Third Quarter of Fiscal 2009 (March 1, 2008 to November 30, 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 3rd Quarter	163,507 [715,323]	4.1 [4.0]	20,019	18.3	19,969	23.2
Previous 3rd Quarter	157,042 [687,870]	6.5 [(0.9)]	16,925	(14.0)	16,211	(13.9)
(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 3rd Quarter	9,380	17.4	112.00	-
Previous 3rd Quarter	7,987	(6.7)	95.37	-
(Ref.) Last fiscal Year	8,579		102.43	-

(2) Consolidated Financial Position

	Total liabilities and equity	Total equity	Equity ratio	Total equity per share
	Millions of yen	Millions of yen	%	Yen
Current 3rd Quarter	231,216	130,530	56.5	1,558.46
Previous 3rd Quarter	213,352	124,087	58.1	1,480.85
(Ref.) Last fiscal Year	218,821	124,631	57.0	1,487.72

(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 3rd Quarter	26,052	(15,394)	(3,614)	73,806
Previous 3rd Quarter	10,421	(11,436)	(3,894)	60,549
(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
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	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) Differences in accounting treatments applied compared to previous consolidated fiscal year: None

Reference: Notes to the Overview of Third-quarter Consolidated Operating Results P4.

(Reference) Non-Consolidated Results

1. Non-Consolidated Results for the Third Quarter of Fiscal 2009 (March 1, 2008 to November 30, 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 3rd Quarter	146,479 [678,144]	1.3 [3.4]	19,972	16.7	19,439	19.0
Previous 3rd Quarter	144,548 [656,043]	3.8 [(1.3)]	17,119	(10.9)	16,336	(11.1)
(Ref.) Last fiscal Year	189,247 [860,041]	-	21,476	-	19,702	-

	Net Income		Net income per share
	Millions of yen	Change %	Yen
Current 3rd Quarter	8,453	4.3	100.92
Previous 3rd Quarter	8,108	(4.0)	96.81
(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 3rd Quarter	225,402	130,478	57.9	1,557.83
Previous 3rd Quarter	209,520	124,960	59.6	1,491.92
(Ref.) Last fiscal Year	214,867	125,483	58.4	1,498.18

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
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	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 results for the year ending February 28, 2009 are unchanged from October 9, 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.

[Overview of Third-quarter Consolidated Operating Results]

(1) Qualitative Information Concerning Consolidated Operating Results

Looking at sales in the first three quarters of fiscal 2009, Circle K Sunkus posted sharply higher tobacco sales following the nationwide introduction of cigarette vending machines with taspo card (age verifying IC card) systems, in addition to increased sales of processed noodles and baked goods, as well as desserts and other mainstay original products. During the nine months ended November 30, 2008, existing store sales increased 3.8% year on year on a non-consolidated basis. As a result, total store sales rose 4.0% year on year to ¥715,323 million, the combined sales of the Circle K Sunkus Group's 5 consolidated subsidiaries engaged in the convenience store business.

[Monthly Sales Compared With the Previous Fiscal Year]

(%)

	First Half	September	October	November	Nine Months Total
Existing stores	+2.7	+5.7	+6.2	+6.2	+3.8
All stores	+2.2	+5.4	+5.9	+6.1	+3.4

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

On the product front, Circle K Sunkus recorded steady sales growth following the October 2008 launch of the new original pasta brand *rubetta*, which features great-tasting authentic pasta. The Company also began introducing UNY Group's e-price lineup of appealingly low-priced original products. Together with *UUCS*, a jointly developed UNY Group original brand already sold in stores, Circle K Sunkus is working to satisfy the increasingly twin-fold nature of consumer needs. The Company has also started installing fryers in stores for the first time as part of efforts to develop product lineups that better reflect the characteristics of each store location. Installation is planned for approximately 100 stores by February 28, 2009 and approximately 2,000 stores by February 28, 2011. In a move to strengthen the development of distinctive regional products, Circle K Sunkus expanded deployment regions for the *MOT Project*, a plan to develop "locally produced, locally consumed" products, to Miyagi Prefecture and the Kansai region. In addition, Circle K Sunkus signed comprehensive partnership agreements with Gifu, Aomori, Saitama, Mie, Chiba, and Nagano prefectures. This was part of efforts to bolster product development by leveraging regional agricultural produce and advance "locally produced, locally consumed" product initiatives. These agreements are also designed to promote close mutual partnership and cooperation between Circle K Sunkus and each prefectural government in fields ranging from tourism to the environment and disaster readiness.

Looking at services, Circle K Sunkus began installing KARUWAZA STATION in-store multimedia terminals in 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. 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 in stores commenced in Ehime and Kochi prefectures in September 2008. ZERO NETWORKS Co., Ltd., which is a consolidated subsidiary contracted to conduct ATM operations, had installed a combined total of 3,358 "ZERO BANK" and "Bank Time" ATMs as of November 30, 2008.

On the store development front, Circle K Sunkus continued working to develop stores that prioritize quality (average daily sales) and profitability. In the first three quarters of fiscal 2009, Circle K Sunkus and its 5 consolidated subsidiaries opened 216 stores (including 28 “99 ICHIBA” stores) and closed 204 stores (including 10 “99 ICHIBA” stores). This resulted in a total of 5,250 stores as of November 30, 2008 (including 70 “99 ICHIBA” stores). The number of stores on a Group-wide basis, including stores operated by non-consolidated area franchisers, was 6,135.

For the first three quarters of fiscal 2009, the Company reported a 4.1% year-on-year rise in total consolidated operating revenue to ¥163,507 million, mainly due to higher franchise commissions from franchised stores. Operating income increased 18.3% year on year to ¥20,019 million, the result of lower selling, general and administrative expenses such as sales promotion and advertising expenses. Recurring profit rose 23.2% year on year to ¥19,969 million. Net income increased 17.4% year on year to ¥9,380 million.

2. Qualitative Information Concerning Consolidated Financial Position

[1] Changes in Consolidated Financial Position

As of November 30, 2008, total assets were ¥231,216 million on a consolidated basis, ¥17,863 million higher than the previous fiscal year’s third quarter. Total liabilities stood at ¥100,685 million, up ¥11,421 million from November 30, 2008. Meanwhile, net assets increased ¥6,442 million to ¥130,530 million from the previous fiscal year’s third quarter. As a result, the equity ratio was 56.5% as of November 30, 2008.

[2] Cash Flows

As of November 30, 2008, cash and cash equivalents were ¥73,806 million, ¥7,043 million, or 10.6%, more than at the previous fiscal year-end.

Operating activities provided net cash of ¥26,052 million, 150.0% more than in the same period of the previous fiscal year. The main components were income before income taxes and minority interest of ¥16,525 million, loss on impairment of fixed assets of ¥2,902 million, and an increase of ¥4,977 million in trade and due to franchise stores payable.

Investing activities used net cash of ¥15,394 million, 34.6% more than in the same period of the previous fiscal year. The main components were a ¥8,615 million increase in property and equipment; a ¥4,509 million increase in long-term leasehold deposits; and a ¥5,370 million increase in intangible fixed assets and long-term prepaid expenses.

Financing activities used net cash of ¥3,614 million, 7.2% less than in the corresponding period of the previous fiscal year, mainly reflecting dividends paid of ¥3,351 million.

3. Qualitative Information Concerning Forecasts for Fiscal 2009

As of the date of release of this report, Circle K Sunkus has not revised its forecasts for fiscal 2009, which were initially announced on October 9, 2008.

Circle K Sunkus will properly disclose information on any changes that may arise going forward.

4. Others

[1] Changes in the status of material subsidiaries during the fiscal period under review (Changes in the status of specific subsidiaries resulting in a change in the scope of consolidation): None

Effective from the fiscal 2009 third quarter, the Company has applied the equity method to DO NEXT INC. due to its increased materiality with respect to the consolidated financial statements. However, this does not constitute a change in the status of a specific subsidiary resulting in a change in the scope of consolidation.

[2] Adoption of simplified accounting policies: Yes

The companies have adopted certain simplified methods.

[3] Changes in accounting methods from the most recent fiscal year: None

Effective from the fiscal 2009 third quarter, in accordance with amendments to the Corporation Tax Law [(Law for Partial Revision of the Income Tax Law, etc., Law No. 6 of March 30, 2007) and (Cabinet Order for Partial Amendment of the Corporate Tax Law Enforcement Ordinance, Cabinet Order No. 83 of March 30, 2007)], the Company has depreciated the residual values of property and equipment purchased on or before March 31, 2007 using the straight line method over five years from the year following the fiscal year in which the final depreciable limit was reached. However, this does not constitute a change in accounting method.

As a result of this change, consolidated operating income, recurring profit, and income before income taxes and minority interests were each ¥46 million lower than would have been recorded under the previous method.

Similarly, non-consolidated operating income, recurring profit and income before income taxes and minority interests were each ¥46 million lower.

5. 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, 2007)		Current 3rd Quarter (As of November 30, 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	49,333		64,640		52,736	
Due from franchised stores	3,720		3,354		3,208	
Marketable securities	12,016		13,066		17,026	
Inventories	3,085		2,954		2,542	
Deferred tax assets	1,108		1,373		1,050	
Other accounts receivable	11,538		8,789		9,697	
Other current assets	8,290		8,750		8,331	
Allowance for doubtful accounts	(430)		(508)		(348)	
Total current assets	88,663	41.6	102,420	44.3	94,243	43.1
2. Fixed assets						
(1)Property and equipment						
Buildings and structures	32,867		33,377		33,648	
Furniture and fixtures	3,910		3,985		3,864	
Land	8,602		8,570		8,816	
Other property and equipment	830		2,790		1,025	
Total property and equipment	46,210	21.6	48,724	21.1	47,355	21.6
(2)Intangible fixed assets						
System software	3,485		7,634		3,844	
Software development in progress	1,851		420		1,511	
Goodwill	77		-		58	
Other intangible fixed assets	2,821		3,157		2,988	
Total intangible fixed assets	8,236	3.9	11,211	4.8	8,402	3.8
(3)Investments and other assets						
Investment securities	4,825		4,620		4,798	
Deferred tax assets	4,041		4,326		4,159	
Long-term leasehold deposits	53,137		52,501		52,781	
Other investments	9,595		8,790		8,567	
Allowance for doubtful accounts	(1,357)		(1,380)		(1,488)	
Total investments and other assets	70,242	32.9	68,859	29.8	68,819	31.5
Total fixed assets	124,689	58.4	128,795	55.7	124,577	56.9
Total assets	213,352	100.0	231,216	100.0	218,821	100.0

(Millions of yen)

Fiscal period Account item	Previous 3rd Quarter (As of November 30, 2007)		Current 3rd Quarter (As of November 30, 2008)		Last fiscal year (As of February 29, 2008)	
	Amount	Composition ratio	Amount	Compositi on ratio	Amount	Composition ratio
		%		%		%
(LIABILITIES)						
1. Current liabilities						
Trade payables	40,568		41,408		36,088	
Due to franchised stores	1,938		2,154		2,496	
Other accounts payable	4,394		6,027		5,862	
Income taxes payable	2,578		4,110		3,304	
Money held as agent	18,651		27,051		26,630	
Accrued employees' bonuses	1,460		1,585		771	
Accrued directors' bonuses	45		30		47	
Allowance for incentive points	80		80		80	
Other current liabilities	3,441		3,209		3,169	
Total current liabilities	73,158	34.3	85,658	37.0	78,451	35.8
2. Long-term liabilities						
Employee retirement benefit liability	1,185		462		708	
Allowance for debt guarantees	-		136		136	
Guarantee deposits received	11,240		10,934		11,096	
Allowance for impairment loss on leased assets	1,106		1,000		914	
Other long-term liabilities	2,573		2,493		2,882	
Total long-term liabilities	16,105	7.5	15,027	6.5	15,738	7.2
Total liabilities	89,264	41.8	100,685	43.5	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	84,044		90,666		84,636	
Less, treasury stock, at cost	(5,025)		(5,027)		(5,025)	
Total shareholders' equity	123,493	57.9	130,112	56.3	124,084	56.7
2. Unrealized gains or losses and translation differences, etc.						
Net unrealized gains on available-for-sale securities	539		417		523	
Total unrealized gains or losses and translation differences, etc.	539	0.3	417	0.2	523	0.3
3. Minority Interests						
	54	0.1	-	-	24	0.0
Total equity	124,087	58.1	130,530	56.5	124,631	57.0
Total liabilities and net assets	213,352	100.0	231,216	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	Previous 3rd Quarter (From March 1, 2007 to November 30, 2007)			Current 3rd Quarter (From March 1, 2008 to November 30, 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	77,730			79,554			101,388		
Net sales reported by Franchised Stores (Figures for excluding non- consolidated area franchised stores.)									
Previous 3rd Quarter									
¥ 621,180 million									
Current 3rd Quarter									
¥ 644,024 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 3rd Quarter									
¥ 687,870 million									
Current 3rd Quarter									
¥ 715,323 million									
Last fiscal year									
¥ 902,423 million									
Other revenues	9,269	86,999	55.4	8,963	88,517	54.1	12,510	113,898	55.2
2. Net sales of company-owned stores	[70,042]	70,042	[100.0] 44.6	[74,989]	74,989	[100.0] 45.9	[92,474]	92,474	[100.0] 44.8
Total operating revenues		157,042	100.0		163,507	100.0		206,373	100.0
3. Cost of goods sold	[53,265]	53,265	[76.0] 33.9	[57,441]	57,441	[76.6] 35.1	[70,614]	70,614	[76.4] 34.2
Gross profit on sales	[16,776]		[24.0]	[17,547]		[23.4]	[21,859]		[23.6]
Operating gross profit		103,776	66.1		106,065	64.9		135,758	65.8
4. Selling, general and administrative Expenses		86,850	55.3		86,046	52.6		114,662	55.6
Operating income		16,925	10.8		20,019	12.3		21,095	10.2
5. Non-operating income		1,008	0.6		1,133	0.7		1,438	0.7
6. Non-operating expenses		1,723	1.1		1,183	0.8		3,063	1.5
Recurring profit		16,211	10.3		19,969	12.2		19,470	9.4
7. Extraordinary gains		1,524	1.0		212	0.1		1,548	0.8
8. Extraordinary losses		3,732	2.4		3,657	2.2		5,779	2.8
Income before income taxes		14,003	8.9		16,525	10.1		15,239	7.4
Income taxes-current	6,540			7,587			7,265		
Income taxes-deferred	(454)	6,085	3.8	(418)	7,168	4.4	(503)	6,761	3.3
Minority interest in earnings of consolidated subsidiaries		(70)	(0.0)		(24)	(0.0)		(101)	(0.1)
Net Income		7,987	5.1		9,380	5.7		8,579	4.2

(3) Consolidated Statement of Changes in Shareholders' Equity

Previous Third Quarter of Fiscal 2008 (From March 1, 2007 to November 30, 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 share-holders' 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			7,987		7,987				7,987
Net change in treasury stock				(4)	(4)				(4)
Cancellation of treasury stock		(0)		1	0				0
Increase in consolidated subsidiaries			(294)		(294)				(294)
Changes in items other than shareholders'						(273)	(273)	54	(218)
Total	-	(0)	4,426	(3)	4,423	(273)	(273)	54	4,204
Balance at November 30, 2007	8,380	36,093	84,044	(5,025)	123,493	539	539	54	124,087

Current Third Quarter of Fiscal 2009 (From March 1, 2008 to November 30, 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 share-holders' 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			(3,350)		(3,350)				(3,350)
Net income			9,380		9,380				9,380
Net change in treasury stock				(3)	(3)				(3)
Cancellation of treasury stock		(0)		1	1				1
Changes in items other than shareholders' equity						(105)	(105)	(24)	(129)
Total	-	(0)	6,030	(1)	6,028	(105)	(105)	(24)	5,898
Balance at November 30, 2008	8,380	36,093	90,666	(5,027)	130,112	417	417	-	130,530

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
Net change in 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 3rd Quarter (From March 1, 2007 to November 30, 2007)	Current 3rd Quarter (From March 1, 2008 to November 30, 2008)	Last fiscal year (From March 1, 2007 to February 29, 2008)
	Amount	Amount	Amount
1. Cash flows from operating activities:			
Income before income taxes	14,003	16,525	15,239
Depreciation and amortization	5,717	6,051	7,260
Impairment loss on fixed assets	2,570	2,902	2,715
Amortization of goodwill	58	-	75
Loss on write-down of investment securities	18	86	18
Gain on sale of investments in securities	(85)	(100)	(85)
Loss on sale or disposal of property and equipment	567	345	1,842
(Decrease) increase in allowance for doubtful accounts	(62)	52	(13)
Increase (decrease) in accrued bonuses to employees	687	814	(1)
Increase in accrued bonuses to directors	(3)	(16)	(1)
(Decrease) increase in employee retirement benefit liability	(1,473)	(246)	(1,557)
Increase in allowance for debt guarantees	-	-	136
Interest and cash dividends income	(433)	(508)	(674)
Interest expenses	33	32	43
Equity-method investment income	-	(67)	-
(Increase) decrease in trade receivable	(1,975)	1,264	178
Decrease (increase) in inventories	(524)	(412)	18
(Decrease) increase in trade and due to franchised stores payable	3,207	4,977	(714)
Decrease in other accounts payable and accrued expenses	(79)	177	45
(Decrease) increase in money held as agent	(4,932)	461	3,131
Lease contract cancellation expenses	845	445	1,511
Other	(103)	(360)	(736)
Sub-total	18,033	32,424	28,432
Interest and dividends received	306	362	417
Interest paid	(2)	(1)	(2)
Income taxes paid	(7,916)	(6,734)	(7,584)
Net cash provided by operating activities	10,421	26,052	21,262

(millions of yen)

	Previous 3rd Quarter (From March 1, 2007 to November 30, 2007)	Current 3rd Quarter (From March 1, 2008 to November 30, 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	(1,600)	(1,600)	(1,600)
Proceeds from repayment of time deposits	800	800	1,600
Decrease in marketable securities	-	(9,000)	(3,000)
Increase in marketable securities	-	9,000	-
Increase in property and equipment	(7,624)	(8,615)	(9,614)
Decrease in property and equipment	280	514	346
Increase in intangible fixed assets and long-term prepaid expenses	(4,136)	(5,370)	(5,125)
Increase in investment securities	(300)	(57)	(300)
Decrease in investment securities	115	139	115
Proceeds from long-term advances received	1,739	44	2,505
Increase in loans receivable	(615)	(611)	(646)
Collection of loans receivable	685	431	708
Increase in long-term leasehold deposits	(4,791)	(4,509)	(6,271)
Collection of fixed leasehold deposits	3,981	3,437	5,461
Other	28	2	29
Net cash used in investing activities	(11,436)	(15,394)	(15,791)
3. Cash flows from financing activities:			
Increase in treasury stock	(4)	(3)	(5)
Dividends paid	(3,266)	(3,351)	(3,263)
Increase in guarantee deposits received	635	710	713
Decrease in guarantee deposits received	(1,260)	(970)	(1,613)
Other	0	1	1
Net cash used in financing activities	(3,894)	(3,614)	(4,168)
4. Net (decrease) increase in cash and cash equivalents	(4,910)	7,043	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 3rd Quarter (year)	60,549	73,806	66,763

(Reference) 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, 2007)		Current 3rd Quarter (As of November 30, 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	46,722		60,966		49,885	
Due from franchised stores	3,507		3,124		3,025	
Marketable securities	12,016		13,066		17,026	
Inventories	2,784		2,547		2,245	
Deferred tax assets	1,200		1,535		1,168	
Other accounts receivable	12,672		9,600		10,534	
Other current assets	9,036		10,173		9,580	
Allowance for doubtful accounts	(629)		(887)		(617)	
Total current assets	87,310	41.7	100,126	44.4	92,848	43.2
2. Fixed assets						
Property and equipment						
Buildings	23,755		24,375		24,326	
Furniture and fixtures	3,778		3,813		3,727	
Land	8,569		8,537		8,783	
Other property and equipment	7,052		9,016		7,442	
Total property and equipment	43,156	20.6	45,743	20.3	44,279	20.6
Intangible fixed assets						
System software	3,459		7,606		3,810	
System software development in progress	1,851		420		1,511	
Other intangible fixed assets	2,786		3,090		2,936	
Total intangible fixed assets	8,097	3.8	11,117	4.9	8,258	3.9
3. Investment and other assets						
Investment in securities	4,052		3,724		4,025	
Investment in subsidiaries and affiliated company	3,750		2,396		3,610	
Deferred tax assets	4,041		4,483		4,159	
Long-term leasehold deposits	50,960		49,942		50,504	
Other investment	9,334		9,460		8,495	
Allowance for doubtful accounts	(1,182)		(1,592)		(1,315)	
Total investment and other assets	70,957	33.9	68,415	30.4	69,480	32.3
Total fixed assets	122,210	58.3	125,275	55.6	122,018	56.8
Total assets	209,520	100.0	225,402	100.0	214,867	100.0

(Millions of yen)

Fiscal period Account item	Previous 3rd Quarter (As of November 30, 2007)		Current 3rd Quarter (As of November 30, 2008)		Last fiscal year (As of February 29, 2008)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
		%		%		%
(LIABILITIES)						
1. Current liabilities						
Trade payable	38,289		38,766		33,995	
Due to franchised stores	1,742		2,002		2,280	
Other accounts payable	3,491		4,905		5,070	
Income taxes payable	2,554		4,035		3,187	
Money held as agent	18,072		26,077		25,718	
Allowance for bonuses to employees	1,391		1,502		733	
Allowance for bonuses to directors	31		30		41	
Allowance for incentive points	80		80		80	
Other current liabilities	3,245		2,952		2,973	
Total current liabilities	68,898	32.9	80,352	35.6	74,080	34.5
2. Long-term liabilities						
Allowance for employees' retirement benefits liability	1,165		436		686	
Allowance for debt guarantees	-		136		136	
Leasehold deposits received	10,992		10,688		10,849	
Long-term income in advance	2,479		2,412		2,765	
Allowance for impairment loss on leased assets	981		889		822	
Other long-term liabilities	42		27		42	
Total long-term liabilities	15,661	7.5	14,570	6.5	15,302	7.1
Total liabilities	84,560	40.4	94,923	42.1	89,383	41.6
(NET ASSETS)						
1. Shareholder's equity						
Common stock	8,380	4.0	8,380	3.7	8,380	3.9
Capital surplus						
Additional paid-in capital	36,090		36,090		36,090	
Other capital surplus	3		2		3	
Total Capital surplus	36,093	17.2	36,093	16.0	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	8,062		10,204		8,602	
Total Retained earnings	84,971	40.6	90,613	40.2	85,511	39.8
Treasury stock	(5,025)	(2.4)	(5,027)	(2.2)	(5,025)	(2.3)
Total shareholders' equity	124,420	59.4	130,060	57.7	124,959	58.2
2. Unrealized gains or losses and translation differences, etc.						
Net unrealized gains on available-for-sale securities	540	0.2	418	0.2	524	0.2
Total unrealized gains or losses and translation differences, etc.	540	59.6	418	57.9	524	58.4
Net Assets	124,960		130,478		125,483	
Total Liabilities and Net Assets	209,520	100.0	225,402	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	Previous 3rd Quarter (From March 1, 2007 to November 30, 2007)			Current 3rd Quarter (From March 1, 2008 to November 30, 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	75,173			76,941			98,042		
Net sales reported by Franchised Stores (Figures for excluding non- consolidated area franchised stores.)									
Previous 3rd Quarter ¥ 595,888 million									
Current 3rd Quarter ¥ 617,492 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 3rd Quarter ¥ 656,043 million									
Current 3rd Quarter ¥ 678,144 million									
Last fiscal year ¥ 860,041 million									
Other revenues	9,220	84,393	58.4	8,885	85,826	58.6	12,446	110,488	58.4
2. Net sales of company-owned stores	[60,154]	60,154	[100.0] 41.6	[60,652]	60,652	[100.0] 41.4	[78,759]	78,759	[100.0] 41.6
Total operating revenues		144,548	100.0		146,479	100.0		189,247	100.0
3. Cost of goods sold	[45,232]	45,232	[75.2] 31.3	[45,932]	45,932	[75.7] 31.4	[59,457]	59,457	[75.5] 31.4
Gross profit on sales	[14,921]		[24.8]	[14,719]		[24.3]	[19,301]		[24.5]
Operating gross profit		99,315	68.7		100,546	68.6		129,789	68.6
4. Selling, general and administrative Expenses		82,195	56.9		80,573	55.0		108,313	57.2
Operating income		17,119	11.8		19,972	13.6		21,476	11.4
5. Non-operating income		956	0.7		1,068	0.8		1,373	0.7
6. Non-operating expenses		1,739	1.2		1,601	1.1		3,147	1.7
Recurring profit		16,336	11.3		19,439	13.3		19,702	10.4
7. Extraordinary gains		1,512	1.1		212	0.2		1,536	0.8
8. Extraordinary losses		3,750	2.6		4,368	3.0		6,040	3.2
Income before income taxes		14,098	9.8		15,283	10.5		15,198	8.0
Income taxes-current	6,484			7,450			7,119		
Income taxes-deferred	(494)	5,989	4.2	(620)	6,830	4.7	(569)	6,550	3.4
Net Income		8,108	5.6		8,453	5.8		8,648	4.6

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

Previous Third Quarter of Fiscal 2008 (From March 1, 2007 to November 30, 2007)

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

(Millions of yen)

	Shareholders' equity									
	Common stock	Capital surplus			Legal reserve	Retained earnings			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							8,108	8,108		8,108
Net change in treasury stock									(4)	(4)
Cancellation of treasury stock			(0)	(0)					1	0
Transfers between reserves						7,300	(7,300)	-		-
Changes in items other than shareholders' equity (net)										
Total	-	-	(0)	(0)	-	7,300	(2,458)	4,841	(3)	4,838
Balance at November 30, 2007	8,380	36,090	3	36,093	687	76,221	8,062	84,971	(5,025)	124,420

(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			8,108
Net change in treasury stock			(4)
Cancellation of treasury stock			0
Transfers between reserves			-
Changes in items other than shareholders' equity (net)	(275)	(275)	(275)
Total	(275)	(275)	4,563
Balance at November 30, 2007	540	540	124,960

Current Third Quarter of Fiscal 2009 (From March 1, 2008 to November 30, 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							(3,350)	(3,350)		(3,350)
Net income							8,453	8,453		8,453
Net change in treasury stock									(3)	(3)
Cancellation of treasury stock			(0)	(0)					1	1
Transfers between reserves						3,500	(3,500)	-		-
Changes in items other than shareholders' equity (net)										
Total	-	-	(0)	(0)	-	3,500	1,602	5,102	(1)	5,100
Balance at November 30, 2008	8,380	36,090	2	36,093	687	79,721	10,204	90,613	(5,027)	130,060

(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			(3,350)
Net income			8,453
Net change in treasury stock			(3)
Cancellation of treasury stock			1
Transfers between reserves			-
Changes in items other than shareholders' equity (net)	(106)	(106)	(106)
Total	(106)	(106)	4,994
Balance at November 30, 2008	418	418	130,478

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										
Dividends on retained earnings							(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)							(1,918)			
Total	-	-	(0)	(0)	-	7,300	(1,913)	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