



I would like to thank all shareholders and other investors for their continued interest in and support for Circle K Sunkus.

Today, June 30, 2008, we announced earnings for the first quarter of fiscal 2009, the year ending February 28, 2009.

In fiscal 2009, Circle K Sunkus remains focused on enhancing quality and bolstering sales capabilities. In the first quarter, we opened stores largely on schedule and developed stores prioritizing quality. As a result, average daily sales at newly opened stores improved by ¥28,000 year on year. On the product development front, Circle K Sunkus has been taking aggressive merchandising initiatives. Under this policy, our original baked goods brand *Magokoro Jikomi Oishii Pan Seikatsu* and original dessert brand *Cherie Dolce*, which were both launched in fiscal 2008, continue to sell strongly at this time. In addition, we relaunched our sandwich lineup in May in the pursuit of even greater tasting products. Circle K Sunkus also extended the *MOT Project*—a plan to develop “locally produced, locally consumed” products that was first unveiled in fiscal 2008—to new regions, developing numerous unique regional products. Thanks to these initiatives, perishable food sales were largely on a par with the previous year, while fast food sales showed improvement. Despite slowing existing store sales in certain regions, existing store sales as a whole declined by only 1.8% year on year (on a non-consolidated basis), which was better than forecast. This result was supported in part by higher tobacco sales due to the introduction of “age verifying cigarette vending machines” compatible with taspo cards. Consequently, total store sales for the first quarter were ¥221.3 billion. Earnings are projected to decrease in fiscal 2009 based on higher expenses associated with large capital investments. However, we managed to outperform our fiscal 2009 first-quarter forecasts. Please view our earnings reports for further details on first-quarter operating results.

In fiscal 2009, Circle K Sunkus launched the *Yume WAKU<sup>2</sup>* project to bring all Circle K Sunkus employees and franchised stores together to develop stores that are better appreciated by customers. The first step of the project

was to launch a newly designed joint uniform for Circle K and Sunkus stores in June. To ensure that we welcome customers to stores with a higher level of customer service and optimal product lineups, rather than with merely new uniforms, we held forums in various locations nationwide from April to encourage Circle K Sunkus employees, franchised storeowners and store staff to share a common vision for enhancing customer satisfaction. We also began a new initiative where we develop products based on ideas submitted by franchised stores. Through this project, we will continue striving to deliver a sense of excitement (*WAKU WAKU*) to customers by taking on new challenges, with the aim of boosting customer footfall and improving sales. I look forward to your continued understanding and support for Circle K Sunkus, as we endeavor to reach our goals.

June 30, 2008

A handwritten signature in black ink that reads "Motohiko Nakamura". The signature is written in a cursive, flowing style.

Motohiko Nakamura, President