

## Consolidated Balance Sheets

Circle K Sunkus Co., Ltd.  
February 28, 2006 and 2005

ASSETS	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	2006
<b>Current assets:</b>			
Cash and cash equivalents	¥ 68,803	¥ 58,820	\$ 593,129
Short-term investments (Note 5)	701	799	6,043
Accounts receivable:			
Due from franchised stores (Note 6)	3,337	3,564	28,767
Other	9,139	8,300	78,784
	12,476	11,864	107,551
Inventories	2,123	2,214	18,302
Deferred tax assets (Note 16)	1,137	864	9,802
Prepaid expenses and other current assets	7,266	7,031	62,638
Allowance for doubtful accounts	(461)	(629)	(3,974)
Total current assets	92,045	80,963	793,491
Property and equipment, at cost	75,715	74,703	652,716
Less, accumulated depreciation	(33,264)	(32,349)	(286,759)
Net property and equipment (Note 7)	42,451	42,354	365,957
<b>Investments and other assets:</b>			
Investment securities (Note 5)	4,903	4,057	42,267
Investments in and long-term loans to unconsolidated subsidiaries and affiliates (Note 8)	2,479	1,915	21,371
Long-term leasehold deposits	55,138	55,385	475,328
Software	3,203	5,092	27,612
Excess of cost of investments over equity in net assets acquired	218	429	1,879
Deferred tax assets (Note 16)	3,372	3,131	29,069
Other	9,428	9,071	81,276
Allowance for doubtful accounts	(1,470)	(1,341)	(12,672)
	77,271	77,739	666,130
	¥211,767	¥201,056	\$1,825,578

See accompanying Notes to Consolidated Financial Statements.

LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	2006
<b>Current liabilities:</b>			
Short-term borrowings (Note 10)	¥ 100	¥ 155	\$ 862
Current maturities of long-term debt (Note 10)	14	14	121
Accounts payable:			
Trade	36,552	39,034	315,103
Due to franchised stores (Note 9)	3,054	3,185	26,328
Other	5,489	5,443	47,319
	45,095	47,662	388,750
Income taxes payable	6,075	2,893	52,371
Money held as agent	21,336	17,670	183,931
Other current liabilities	4,085	4,132	35,215
<b>Total current liabilities</b>	<b>76,705</b>	<b>72,526</b>	<b>661,250</b>
Long-term debt (Note 10)	28	42	241
Guarantee deposits received	12,386	12,738	106,776
Employee retirement benefit liability (Note 11)	2,400	4,554	20,690
Accrued severance benefits for officers	—	68	—
Long-term deferred credit and other long-term liabilities	1,855	1,083	15,992
<b>Commitments and contingent liabilities (Notes 12 and 13)</b>			
Minority interests in consolidated subsidiaries	0	1	0
<b>Shareholders' equity (Notes 15 and 19):</b>			
Common stock, no par value—			
Authorized: 180,000,000 shares,			
Issued: 86,183,226 shares in 2006 and 2005	8,380	8,380	72,241
Capital surplus	36,094	36,092	311,155
Retained earnings	72,908	64,829	628,517
Net unrealized gains on available-for-sale securities	1,026	748	8,845
Less, treasury stock, at cost—34,296 shares in 2006 and 31,585 shares in 2005	(15)	(5)	(129)
	118,393	110,044	1,020,629
	¥211,767	¥201,056	\$1,825,578