

CONSOLIDATED BALANCE SHEETS

Circle K Sunkus Co., Ltd.
February 28, 2007 and 2006

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Current assets:			
Cash and cash equivalents	¥ 64,957	¥ 68,803	\$ 550,483
Short-term investments (Note 4)	–	701	–
Accounts receivable:			
Due from franchised stores (Note 5)	3,404	3,337	28,847
Other	9,300	9,139	78,814
	12,704	12,476	107,661
Inventories	2,490	2,123	21,102
Deferred tax assets (Note 15)	867	1,137	7,347
Prepaid expenses and other current assets	7,889	7,266	66,856
Allowance for doubtful accounts	(396)	(461)	(3,356)
Total current assets	88,511	92,045	750,093
Property and equipment, at cost	81,118	75,715	687,440
Less, accumulated depreciation	(34,798)	(33,264)	(294,898)
Net property and equipment (Note 6)	46,320	42,451	392,542
Investments and other assets:			
Investment securities (Note 4)	4,554	4,903	38,593
Investments in and long-term loans to unconsolidated subsidiaries and affiliates (Note 7)	1,328	2,479	11,254
Long-term leasehold deposits	55,781	55,138	472,720
Software	3,047	3,203	25,822
Goodwill	144	366	1,221
Deferred tax assets (Note 15)	3,645	3,372	30,890
Other (Note 10)	10,501	9,280	88,992
Allowance for doubtful accounts	(1,454)	(1,470)	(12,322)
Total investments and other assets	77,546	77,271	657,170
Total assets	¥212,377	¥211,767	\$1,799,805

See accompanying Notes to Consolidated Financial Statements.

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Current liabilities:			
Short-term borrowings (Note 9)	¥ –	¥ 100	\$ –
Current maturities of long-term debt (Note 9)	–	14	–
Accounts payable:			
Trade	36,470	36,552	309,068
Due to franchised stores (Note 8)	2,672	3,054	22,644
Other	5,739	5,489	48,636
	44,881	45,095	380,348
Income taxes payable	3,618	6,075	30,661
Money held as agent	23,641	21,336	200,347
Other current liabilities	3,946	4,085	33,441
Total current liabilities	76,086	76,705	644,797
Long-term debt (Note 9)	–	28	–
Guarantee deposits received	11,753	12,386	99,602
Employee retirement benefit liability (Note 10)	2,380	2,400	20,169
Other long-term liabilities	2,275	1,855	19,279
Equity (Note 11):			
Common stock	8,380	–	71,017
Capital surplus	36,094	–	305,881
Retained earnings	79,617	–	674,721
Less, treasury stock, at cost	(5,021)	–	(42,551)
Total shareholders' equity	119,070	–	1,009,068
Other components of equity	813	–	6,890
Minority interests	0	–	0
Total equity	119,883	–	1,015,958
Total liabilities and equity	¥212,377	–	\$1,799,805
Minority interests in consolidated subsidiaries	–	0	–
Shareholders' equity:			
Common stock	–	8,380	–
Capital surplus	–	36,094	–
Retained earnings	–	72,908	–
Net unrealized gains on available-for-sale securities	–	1,026	–
Less, treasury stock, at cost	–	(15)	–
Total shareholders' equity	–	118,393	–
Total liabilities, minority interests and shareholders' equity	–	¥211,767	–