

On-line Retailing Planned around an Innovative E-Retail Concept

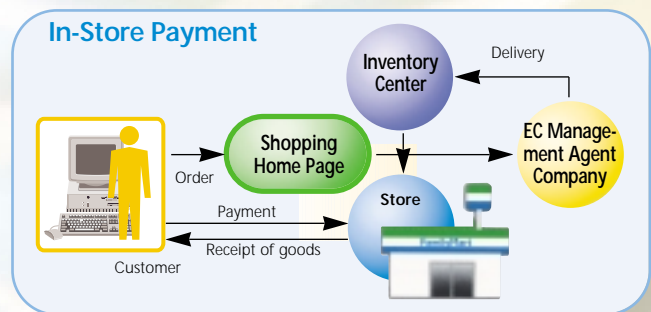
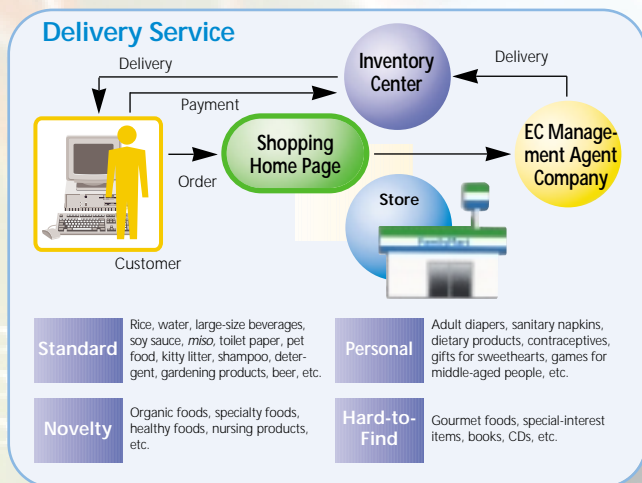
Establishing a strong on-line retailing presence is an integral part of FamilyMart's plans for long-term growth. FamilyMart is now building five on-line businesses based on a "Lifestyle Solutions" concept.

famima.com

The address of FamilyMart's most advanced store is famima.com. Employing an innovative e-commerce business model, FamilyMart has removed product lineup and inventory restraints to create a virtual store that offers products and services that are outside the traditional bounds of CVS retailing. On-line purchasing is supported by an efficient distribution system.

Unlike other CVS Internet shopping sites, famima.com is not based on centralized management from a head office. Rather, franchising stores have their own virtual stores located on the site, from where they record and manage their own retailing activities.

On March 22, 2000, FamilyMart applied for a patent for this innovative e-commerce business model, "the FamilyMart EC Franchise System."

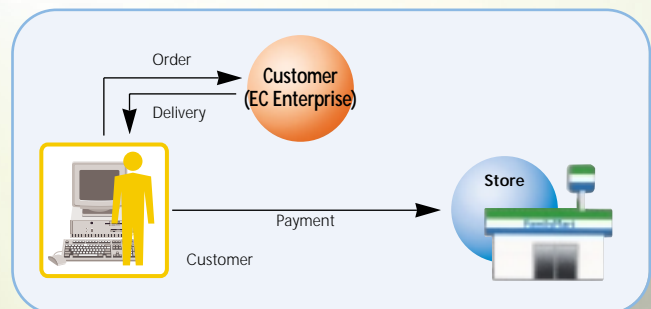
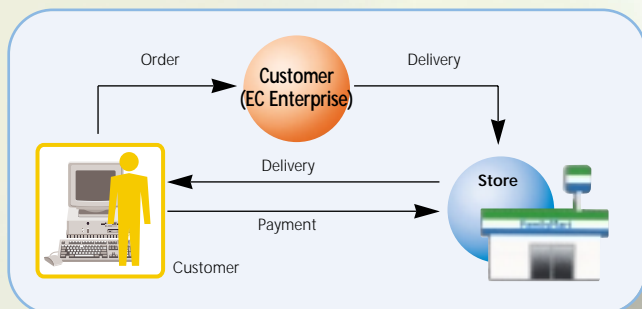


Open Cash on Delivery (OCOD) Service

FamilyMart aims to capitalize on its e-commerce platform by forming strategic tie-ups with a number of reliable business partners. In addition to providing on-line account settlement agency services for goods purchased on their Internet sites, FamilyMart will offer efficient delivery services using its extensive distribution network.

e-Commerce Payment Collection Agency Services

FamilyMart offers payment collection agency services for on-line purchases. These services meet the security needs of customers who are cautious of making a payment by sending their credit card numbers over the Internet.



FamilyMart's Vision of the "Super CVS"

Virtual Store

On-line Retail Services

famima.com

Internet Shopping Services
(Virtual store sales)

OCOD Service

ATMs

EC Payment
Agency Services

MMKs

Real Store

FamilyMart's Store Network



ATM Services

In partnership with The Suruga Bank, in October 1999 FamilyMart began installing ATMs at its franchising stores. In April 2000, FamilyMart started offering a 24-hour service through its ATMs, and the number of banks is to increase to approximately 40. By the end of fiscal 2000, FamilyMart aims to have ATMs installed at 1,800 stores, and insurance and securities services are planned for introduction in the near future.



Multimedia Kiosks

FamilyMart is opening the door to a new world of service possibilities by installing multimedia kiosks (MMKs) in its stores. MMKs feature multifunctional terminals that allow customers to order and arrange for the delivery of products ranging from travel coupons to software packages. Customers can also search for information on topics ranging from securities products to local government bodies, road maps, and used cars. In addition, MMKs are configured to facilitate such other services as the downloading of music contents onto minidiscs (MDs). FamilyMart will begin installing MMKs in September 2000 and aims to complete the installation work throughout its entire network by the end of June 2001.

On-line Retailing: "E-Retail"

FamilyMart has established three e-commerce ventures with the goal of developing a broad range of products and services delivered using state-of-the-art technologies.

E-net Co., Ltd.

E-net was established in September 1999 as a financial services venture. The joint-venture partners include FamilyMart and four other convenience store operators—Circle K Japan Co., Ltd., Sunkus & Associates Inc., Ministop Co., Ltd., and Three F Co., Ltd.—as well as a number of leading Japanese companies, including ITOCHU; The Bank of Tokyo-Mitsubishi, The Daiichi Kangyo Bank, and 34 other banks; IBM Japan; and Sony Corp. Banking and other financial services are available via ATMs installed at stores operated by the joint-venture member CVS's.

e-PLAT JAPAN CO., LTD.

FamilyMart, Circle K Japan, Sunkus & Associates, Ministop, and Three F combined their resources to establish e-PLAT JAPAN in April 2000. FamilyMart has a 35% stake in the joint venture, whose other major partners are TOYOTA MOTOR and NTT Communications. The joint venture will develop network infrastructure and on-line service content.

TOYOTA MOTOR will develop new MMKs, which will be installed at partner CVS stores, based on the Gazoo terminals used by its car dealers, and their operation will be supported by TOYOTA MOTOR's control center. NTT Communications' interactive telecommunications technology will be used in the terminals to handle such data-heavy transmissions as music contents. In addition, the partners will cooperate to develop an e-commerce account settlement system that they aim to make the de facto standard for the convenience store industry in Japan.

famima.com Co., Ltd.

In May 2000, famima.com was established by a group of seven venture partners: FamilyMart, ITOCHU, NTT Data, TOYOTA MOTOR, DAI NIPPON PRINTING, JTB, and PIA. In addition to managing the famima.com site, the venture will act as the agent for FamilyMart in developing technologies and content for net site and MMKs as well as supporting sales of goods and services on the famima.com site and FamilyMart's services information network.