

Data and Financial Section

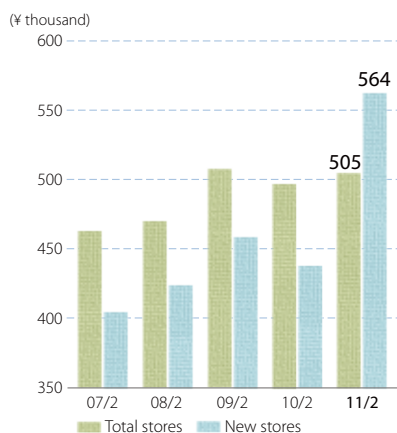
46	Fact Sheets
52	Consolidated Eleven-Year Summary
54	Management's Discussion and Analysis
59	Operational and Other Risks
60	Consolidated Balance Sheets
62	Consolidated Statements of Income
63	Consolidated Statements of Changes in Equity
64	Consolidated Statements of Cash Flows
65	Notes to Consolidated Financial Statements
82	Independent Auditors' Report
83	Corporate History
84	Investor Information



Fact Sheets

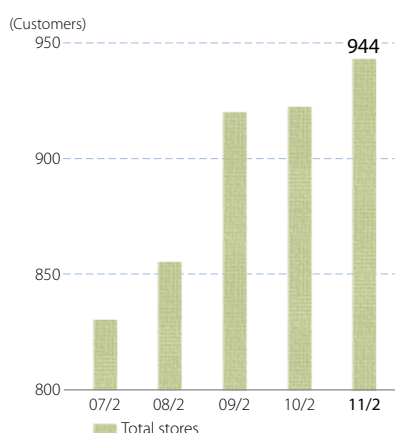
Business Performance (non-consolidated)

Average Daily Sales



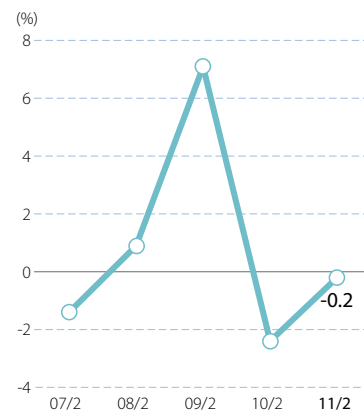
Note: The figures above do not reflect the performance results of the TOMONY stores and am/pm stores before brand conversion.

Number of Customers



Note: The figures above do not reflect the performance results of the TOMONY stores and am/pm stores before brand conversion.

Growth Rate of Average Daily Sales of Existing Stores



Note: The figures above do not reflect the performance results of the TOMONY stores and am/pm stores before brand conversion.

Business Performance

		08/2		09/2		10/2		11/2		12/2 (Est.)	
			YoY difference		YoY difference		YoY difference		YoY difference		YoY difference
Average daily sales (thousands of yen)	Total stores	471	7	508	37	498	(10)	505	7	522	17
	Existing stores	473	7	510	37	501	(9)	502	1	522	20
	New stores	425	19	460	35	439	(21)	564	125	514	(50)
Number of customers	Total stores	856	25	921	65	923	2	944	21	935	(9)
	Existing stores	858	24	922	64	926	4	932	6	927	(5)
Spend per customer (yen)	Total stores	551	(7)	551	—	540	(11)	534	(6)	558	24
	Existing stores	551	(8)	553	2	540	(13)	539	(1)	563	24
Growth rate of average daily sales of existing stores (%)		0.9	/	7.1	/	(2.4)	/	(0.2)	/	3.5	/
Average inventory (thousands of yen)		5,505	45	5,753	248	5,669	(84)	5,744	75	5,750	6
Turnover of goods (times)		30.6	0.3	31.7	1.1	31.6	(0.1)	31.3	(0.3)	32.4	1.1

Note: The figures above do not reflect the performance results of the TOMONY stores and am/pm stores before brand conversion.

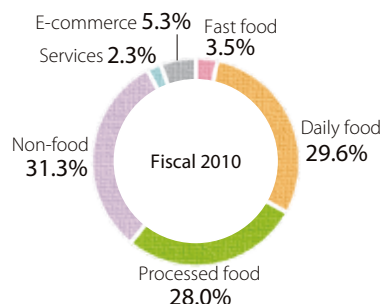
Bill Settlement Service

		08/2		09/2		10/2		11/2	
			YoY (%)		YoY (%)		YoY (%)		YoY (%)
Transaction volume (millions of yen)		1,198,266	14.3	1,332,213	11.2	1,442,621	8.3	1,604,653	11.2
Number of transactions (thousand)		131,061	14.3	147,956	12.9	154,956	4.7	171,978	11.0

Note: The figures above do not reflect the performance results of the am/pm stores before brand conversion.

Products (non-consolidated)

Sales by Product Category



Category	Products
Fast food	Fried chicken, steamed meat buns, <i>oden</i> , french fries and croquettes etc. made and sold over the counter
Daily food	<i>Bento</i> products, noodles, sandwiches, delicatessen, desserts etc.
Processed food	Beverages, liquor, instant noodles, confectionery, seasonings etc.
Non-food	Magazines, daily goods, cigarettes etc.
Services	Copy service, express service etc.
E-commerce	Sales by Famiport Multimedia Terminal and internet shopping

Breakdown of Sales by Product Category

(Millions of yen)

	08/2		09/2		10/2		11/2					
	YoY (%)	Share (%)	YoY (%)	Share (%)	YoY (%)	Share (%)	YoY (%)	Share (%)				
Fast food	41,286	7.2	3.7	46,951	13.7	3.8	46,585	(0.8)	3.7	47,939	2.9	3.5
Daily food	366,960	5.8	32.7	386,649	5.4	31.0	381,012	(1.5)	29.8	400,686	5.2	29.6
Processed food	342,502	4.7	30.5	360,012	5.1	28.9	358,576	(0.4)	28.2	377,633	5.3	28.0
Liquor (License goods)	63,259	4.0	5.6	65,477	3.5	5.3	64,142	(2.0)	5.0	64,506	0.6	4.8
Food sub-total	750,748	5.4	66.9	793,612	5.7	63.7	786,173	(0.9)	61.7	826,258	5.1	61.1
Non-food	289,239	4.5	25.8	369,074	27.6	29.6	391,829	6.2	30.8	423,276	8.0	31.3
Cigarettes (License goods)	180,933	8.8	16.1	261,246	44.4	21.0	284,502	8.9	22.3	315,683	11.0	23.4
Services	27,401	1.7	2.4	28,350	3.5	2.3	28,890	1.9	2.3	30,561	5.8	2.3
E-commerce	54,450	2.8	4.9	54,752	0.6	4.4	66,860	22.1	5.2	71,375	6.8	5.3
Total	1,121,838	5.0	100.0	1,245,788	11.0	100.0	1,273,752	2.2	100.0	1,351,470	6.1	100.0

Notes: The figures above do not reflect the performance results of the am/pm stores before brand conversion.

Gross Profit Ratio

(%)

	08/2		09/2		10/2		11/2		12/2 (Est.)	
	YoY difference		YoY difference		YoY difference		YoY difference		YoY difference	
Fast food	50.52	—	50.61	0.09	50.96	0.35	51.92	0.96		
Daily food	34.93	0.28	35.03	0.10	35.23	0.20	35.80	0.57		
Processed food	34.71	0.54	35.17	0.46	35.68	0.51	36.63	0.95		
Liquor (License goods)	23.25	0.27	23.97	0.72	24.25	0.28	24.41	0.16		
Food sub-total	35.69	0.40	36.02	0.33	36.37	0.35	37.11	0.74		
Non-food	18.63	(0.42)	16.89	(1.74)	16.43	(0.46)	16.50	0.07		
Cigarettes (License goods)	10.49	(0.07)	10.49	—	10.49	—	11.07	0.58		
Services	13.16	(0.43)	12.48	(0.68)	11.74	(0.74)	11.16	(0.58)		
E-commerce	3.42	0.16	3.60	0.18	3.42	(0.18)	3.45	0.03		
Total	29.18	0.23	28.40	(0.78)	27.96	(0.44)	28.31	0.35	28.67	0.36

Note: The figures above do not reflect the performance results of the TOMONY stores and am/pm stores before brand conversion.

Franchise Contracts

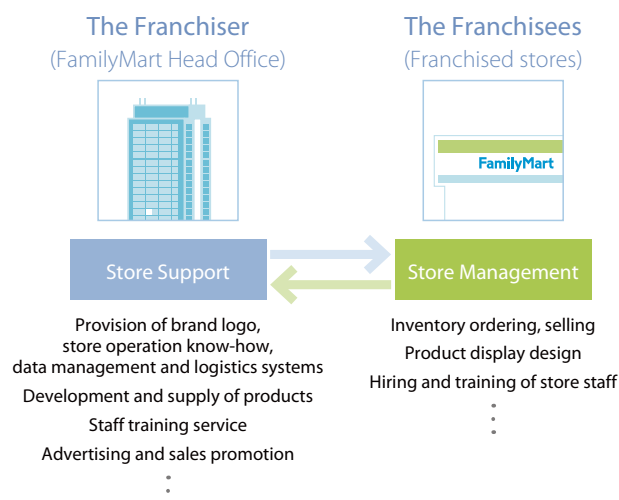
Types of FamilyMart Franchising Contracts					
(Contract details differ according to area franchisers) ○ = Provided by franchisee					
Contract type	1FC-A	1FC-B	1FC-C	2FC-N	
Contract period	10 years from store opening				
Funds	Required at contract date	¥3,075,000 at contract date (including ¥75,000 consumption tax) Affiliation fee: ¥525,000 Store preparation commission: ¥1,050,000 Initial stocking fee: ¥1,500,000 (including cash for making change and a portion of merchandise procurement costs)			
	Land/building	○	○	Provided by FamilyMart	Provided by FamilyMart
	Interior facility construction expense	○	○ FamilyMart funds part of expense	○	Provided by FamilyMart
	Sales fixtures Information devices	○ (In principle, FamilyMart funds necessary expenses)			Provided by FamilyMart
Staff hiring Application for approval	About ¥500,000 (In the case of 2FC-N contracts, franchisees are required to fund their own living expenses for 2 to 3 months)				
Franchise commission	35% of gross margin*	38% of gross margin*	48% of gross margin*	48%~65% of gross margin*	
Minimum operating revenue guaranteed (for stores open 24 hrs/day)	¥20 million per year				
Incentive for opening 24 hrs/day	¥1.2 million per year				
Rent	Note 1		Provided by FamilyMart	Provided by FamilyMart	
Utilities	○	○	○	○ Note 2	

* Net sales less cost of sales

Notes: 1. In the case of rental store space, the franchisee shall pay the rent, a leasehold deposit, and guarantee money.
2. In the case of 2FC-N contracts, the franchisee shall pay up to ¥3.6 million for utilities.
3. A loan system is available for part of the franchisee's initial payments in the case of 2FC-N contracts.

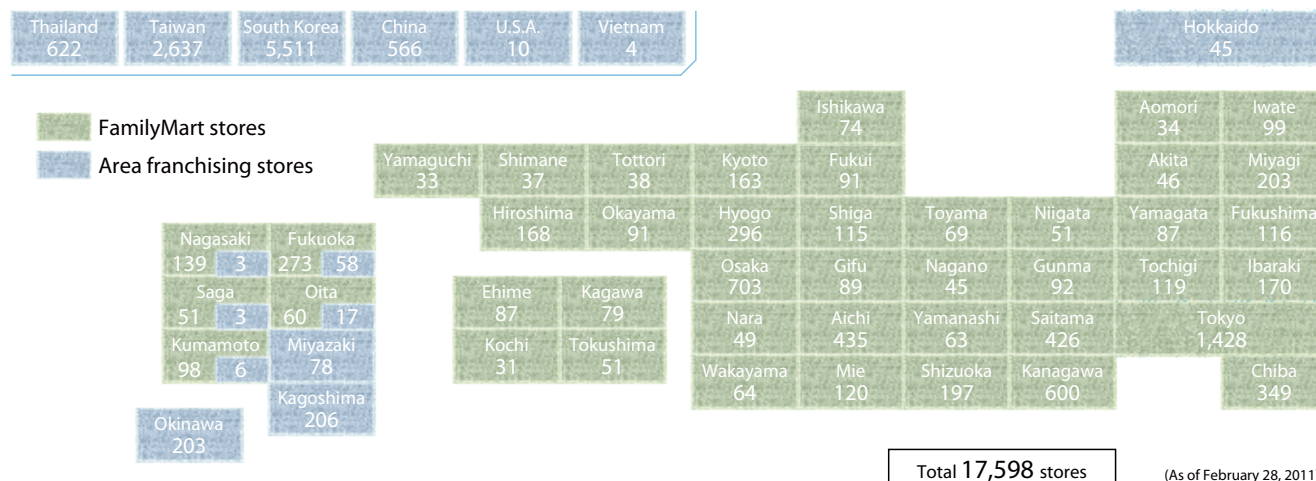
FamilyMart's Franchise System

FamilyMart Co., Ltd., as the franchiser, collaborates closely with all its franchisees to foster mutual trust and a collaborative relationship so that both parties may achieve business growth. Our franchisees are responsible for store management, including the ordering of their own inventories, the arranging of their product displays and the training of their staff. For our part, we supply not only our brand name and logo, but also full store management support services, including store operation know-how and the shared use of data management and logistics systems. In return for this support, the Company receives royalty income consisting of a certain percentage of each franchisee's gross margin. The rate differs according to the type of franchise contract.



Stores

Number of Stores by Region



Number of Stores

	08/2		09/2		10/2		11/2		12/2 (Est.)	
	Number of stores	YoY difference	Number of stores	YoY difference	Number of stores	YoY difference	Number of stores	YoY difference	Number of stores	YoY difference
Company-owned stores	460	102	469	9	434	(35)	437	3	360	(77)
Type 1 (TOMONY)	3,627	118	3,861	234	4,086	225	4,487	401	/	/
Type 2	5	5	22	17	33	11	38	5	/	/
Total	2,604	(30)	2,561	(43)	2,638	77	2,705	67	/	/
Franchised stores	6,231	88	6,422	191	6,724	302	7,192	468	7,759	567
FamilyMart stores	6,691	190	6,891	200	7,158	267	7,629	471	8,119	490
Okinawa FamilyMart Co., Ltd.	200	6	200	—	201	1	203	2	/	/
Minami Kyushu FamilyMart Co., Ltd.	273	7	283	10	289	6	284	(5)	/	/
Hokkaido FamilyMart Co., Ltd.	23	10	30	7	40	10	45	5	/	/
JR KYUSHU RETAIL, INC.	/	/	/	/	/	/	87	87	/	/
Domestic area franchising stores	496	23	513	17	530	17	619	89	640	21
Domestic chain stores	7,187	213	7,404	217	7,688	284	8,248	560	8,759	511
Taiwan FamilyMart Co., Ltd.	2,247	224	2,336	89	2,424	88	2,637	213	2,856	219
BOKWANG FAMILYMART CO., LTD.	3,787	316	4,180	393	4,743	563	5,511	768	6,231	720
Siam FamilyMart Co., Ltd.	507	(31)	525	18	565	40	622	57	676	54
Shanghai FamilyMart Co., Ltd.	118	16	165	47	287	122	442	155	672	230
Guangzhou FamilyMart Co., Ltd.	11	9	17	6	46	29	88	42	148	60
Suzhou FamilyMart Co., Ltd.	7	7	12	5	26	14	36	10	65	29
China sub-total	136	32	194	58	359	165	566	207	885	319
FAMIMA CORPORATION	11	(1)	12	1	9	(3)	10	1	10	—
Vietnam	/	/	/	/	1	1	4	3	16	12
Overseas area franchising stores	6,688	540	7,247	559	8,101	854	9,350	1,249	10,674	1,324
Total area franchising stores	7,184	563	7,760	576	8,631	871	9,969	1,338	11,314	1,345
Total chain stores	13,875	753	14,651	776	15,789	1,138	17,598	1,809	19,433	1,835

Notes: 1. The figures for 12/2 (Est.) do not include the TOMONY stores and JR KYUSHU RETAIL.

2. The figures for 12/2 (Est.) include am/pm stores earmarked for conversion to FamilyMart stores.

3. The total of am/pm stores as of 11/2 is 469 (335 am/pm Japan stores and 134 area franchised stores).

4. We are preparing to establish area franchise joint ventures in Vietnam to support our growth in that country.

Number of Openings and Closures (non-consolidated)

	08/2			09/2			10/2			11/2			12/2 (Est.)		
	Openings	Closures	Net increase	Openings	Closures	Net increase	Openings	Closures	Net increase	Openings	Closures	Net increase	Openings	Closures	Net increase
FamilyMart	515	330	185	525	342	183	534	278	256	407	270	137	500	300	200
TOMONY	5	—	5	17	—	17	11	—	11	5	—	5	/	/	/
Conversion am/pm → FamilyMart	/	/	/	/	/	/	/	/	/	329	—	329	290	—	290
Total	520	330	190	542	342	200	545	278	267	741	270	471	790	300	490

Consolidated Subsidiaries

Main Consolidated Subsidiaries

(Millions of yen)

	Shares	09/2			10/2			11/2		
		Operating revenues	Operating income	Net income	Operating revenues	Operating income	Net income	Operating revenues	Operating income	Net income
Taiwan FamilyMart Co., Ltd.	43.50%	26,732	2,850	2,307	22,512	2,709	2,061	25,120	3,109	2,601
Siam FamilyMart Co., Ltd.	88.52%	19,131	(7)	(92)	18,085	66	3	21,041	217	15
famima.com Co., Ltd.	53.16%	5,363	1,219	712	5,127	1,287	757	4,991	1,298	767
FAMIMA CORPORATION	67.47%	1,340	(910)	(1,223)	1,306	(721)	(1,669)	1,057	(369)	(584)

Note: The figures for earnings contributions (shares) by affiliates and subsidiaries are as of February 28, 2011.

Main Associated Companies Accounted for by the Equity Method

(Millions of yen)

	Shares	09/2	10/2	11/2
		Net income	Net income	Net income
Okinawa FamilyMart Co., Ltd.	48.98%	370	417	455
Minami Kyushu FamilyMart Co., Ltd.	49.00%	252	207	150
Hokkaido FamilyMart Co., Ltd.	49.00%	2	2	22
BOKWANG FAMILYMART CO., LTD.	23.48%	4,052	3,612	4,946
Famima Credit Corporation	30.10%	(306)	62	237
Shanghai FamilyMart Co., Ltd.	26.78%	(264)	(475)	(518)

Note: The figures for earnings contributions (shares) by affiliates and subsidiaries are as of February 28, 2011.

Capital Expenditure

Non-Consolidated

(Millions of yen)

	08/2		09/2		10/2		11/2		12/2 (Est.)	
		YoY (%)		YoY (%)		YoY (%)		YoY (%)		YoY (%)
Leasehold deposits	14,958	(1.5)	14,764	(1.3)	14,579	(1.3)	10,108	(30.7)	13,149	30.1
New stores	3,643	(30.6)	4,242	16.4	4,298	1.3	4,742	10.3	5,121	8.0
Existing stores	1,750	10.7	1,565	(10.6)	2,264	44.7	1,865	(17.6)	3,559	90.8
For stores	5,393	(21.1)	5,807	7.7	6,562	13.0	6,607	0.7	8,680	31.4
Head office investment	175	159.2	241	38.2	104	(57.3)	246	138.8	—	—
System investment	2,101	(60.2)	3,973	89.1	3,771	(5.1)	3,232	(14.3)	3,724	15.2
For head office	2,276	(57.5)	4,214	85.2	3,875	(8.1)	3,478	(10.2)	3,724	7.1
Lease	—	—	—	—	9,212	—	15,696	70.4	11,452	(27.0)
Total capital expenditure	22,627	(17.3)	24,785	9.5	34,228	38.1	35,889	4.9	37,005	3.1
Depreciation and amortization expense	6,043	(24.9)	6,059	0.3	7,343	21.2	9,711	32.2	14,050	44.7

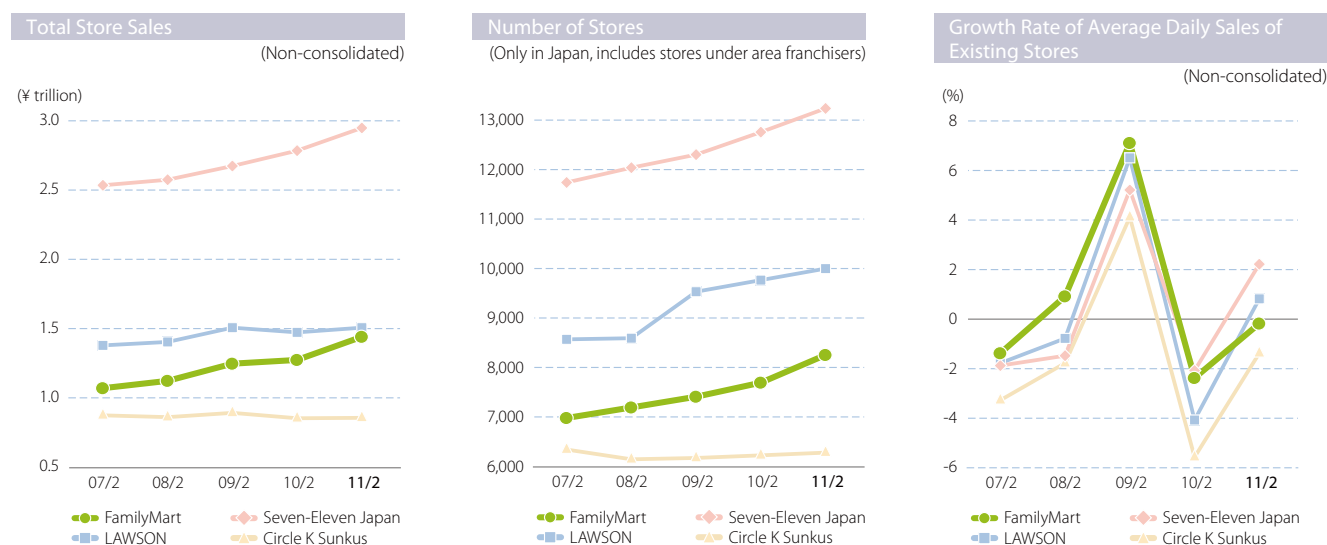
Note: Due to adoption of the new lease accounting standards (Accounting Standard for Lease Transactions), capital expenditures and depreciation amounts from 10/2 included those for lease assets.

Consolidated

(Millions of yen)

	08/2		09/2		10/2		11/2		12/2 (Est.)	
		YoY (%)		YoY (%)		YoY (%)		YoY (%)		YoY (%)
Total capital expenditure	27,504	(16.7)	29,167	6.0	40,290	38.1	40,303	0.0	41,670	3.4
Depreciation and amortization expense	9,856	(14.8)	9,669	(1.9)	10,339	6.9	12,582	21.7	17,474	38.9

Principal Indicators of Convenience Store Industry



Aggregate Figures for All Convenience Stores in Japan

	05/3	06/3	07/3	08/3	09/3	10/3	11/3
Total sales (billions of yen)	7,297	7,372	7,421	7,516	8,056	7,938	8,265
Number of stores	38,854	39,820	40,342	40,433	41,006	41,895	42,412

Total Store Sales (non-consolidated)

	05/2	06/2	07/2	08/2	09/2	10/2	11/2
FamilyMart	998	1,032	1,069	1,122	1,246	1,274	1,440
Seven-Eleven Japan	2,441	2,499	2,534	2,574	2,763	2,785	2,948
LAWSON	1,329	1,360	1,378	1,403	1,506	1,472	1,503
Circle K Sunkus	907	899	873	860	891	852	855

Number of Stores (only in Japan, includes stores under area franchisers)

	05/2	06/2	07/2	08/2	09/2	10/2	11/2
FamilyMart	6,424	6,734	6,974	7,187	7,404	7,688	8,248
Seven-Eleven Japan	10,826	11,310	11,735	12,034	12,298	12,753	13,232
LAWSON	8,077	8,366	8,564	8,587	9,527	9,761	9,994
Circle K Sunkus	6,339	6,372	6,336	6,139	6,166	6,219	6,274

Growth Rate of Average Daily Sales of Existing Stores (non-consolidated)

	05/2	06/2	07/2	08/2	09/2	10/2	11/2
FamilyMart	1.2	(1.6)	(1.4)	0.9	7.1	(2.4)	(0.2)
Seven-Eleven Japan	(0.7)	(1.6)	(1.9)	(1.5)	5.2	(2.1)	2.2
LAWSON	(0.3)	(2.5)	(1.8)	(0.8)	6.5	(4.1)	0.8
Circle K Sunkus	(0.9)	(3.3)	(3.3)	(1.8)	4.1	(5.6)	(1.4)

Sources: Retail statistical yearbook, Ministry of Economy, Trade and Industry, and documents released by each company.

Note: The figures of FamilyMart for 11/2 do not include am/pm stores. The total of am/pm stores as of 11/2 is 469 (335 am/pm Japan stores and 134 area franchised stores).

Consolidated Eleven-Year Summary

FamilyMart Co., Ltd. and Consolidated Subsidiaries Years Ended the Last Day of February

	Millions of yen			
	2011	2010	2009	2008
Results of operations:				
Operating revenues:				
Commission from franchised stores	181,064	161,167	162,288	150,351
Net sales	111,696	94,020	102,483	147,856
Other operating revenues	27,129	22,988	22,571	21,232
Total operating revenues (Note 2)	319,889	278,175	287,342	319,439
Operating income	38,223	33,531	36,532	31,214
Net income	18,023	15,103	16,452	16,438
Net cash provided by (used in) operating activities	50,338	(6,575)	75,028	49,375
Net cash used in investing activities	(25,798)	(36,152)	(28,217)	(24,593)
Net cash (used in) provided by financing activities	(13,977)	(8,342)	(7,030)	3,956
Financial position:				
Total assets (Notes 3, 4)	436,034	424,209	398,126	351,271
Total equity (Note 5)	216,979	206,490	197,529	191,281
Per share of common stock (in yen and U.S. dollars):				
Total equity (Note 5)	2,207.5	2,096.4	2,001.5	1,921.6
Basic net income	189.7	158.5	172.6	173.5
Cash dividends applicable to the year	72.0	70.0	68.0	60.0
Ratio:				
Equity ratio (%)	48.1	47.1	47.9	52.2
Return on equity (%)	8.8	7.7	8.8	9.5
Return on total assets (%)	4.2	3.7	4.4	4.9
Other data:				
Growth rate of average daily sales of existing stores (non-consolidated) (%)	(0.2)	(2.4)	7.1	0.9
Number of store openings (non-consolidated) (Note 6)	741	545	542	520
Number of total chain stores	17,598	15,789	14,651	13,875
Japan (including area franchised stores)	8,248	7,688	7,404	7,187
Overseas	9,350	8,101	7,247	6,688
Number of full-time employees	7,569	7,204	6,950	6,647
Number of shareholders	12,391	13,274	12,293	14,933
Weighted average number of shares (thousands)	94,992	95,306	95,320	94,425

Notes: 1. Conversion into U.S. dollars has been made at the exchange rate of ¥82 = U.S.\$1, the rate prevailing on February 28, 2011.

2. Operating revenues from the fiscal year ended February 2009 declined as a result of a change in the method of revenue recognition for consolidated subsidiary famima.com Co., Ltd. from gross basis to net basis.

3. Total assets as of the fiscal 2003 term end include the amount for trade payables (¥37,883 million) and an unsettled amount for accrued expenses (¥3,287 million) as the due date (February 29, 2004) fell on a bank holiday.

4. Total assets as of the fiscal 2008 term end include the amount for trade payables (¥42,334 million) as the due date (February 28, 2009) fell on a bank holiday.

5. Beginning with the fiscal year ended February 28, 2007, minority interests have been included in total equity.

6. Includes stores opened under the TOMONY format, and stores converted from the am/pm brand.

Millions of yen							Thousands of U.S. dollars (Note 1)
2007	2006	2005	2004	2003	2002	2001	2011
142,294	138,636	132,864	127,164	122,738	116,478	111,729	2,208,098
134,506	118,551	103,599	87,083	80,952	67,822	54,122	1,362,146
21,049	19,256	16,438	14,730	13,778	11,305	10,248	330,841
297,849	276,443	252,901	228,977	217,468	195,605	176,099	3,901,085
29,609	32,662	30,869	29,093	27,921	23,756	24,123	466,134
14,969	14,195	12,623	13,788	12,880	8,549	8,112	219,793
35,093	42,778	1,428	73,593	32,694	34,219	23,305	613,878
(32,938)	(32,249)	(23,183)	(10,719)	(29,327)	(28,812)	(30,980)	(314,610)
(19,155)	(4,238)	(3,922)	(3,892)	(3,626)	(4,338)	(6,160)	(170,451)
315,256	314,121	286,771	309,315	250,609	242,517	230,883	5,317,488
171,155	168,233	156,931	147,524	137,636	130,510	126,190	2,646,086
1,771.3	1,736.2	1,619.5	1,522.3	1,420.4	1,346.6	1,302.2	26.92
158.8	145.7	129.5	141.5	132.3	87.6	82.8	2.31
46.0	43.0	38.0	38.0	38.0	38.0	38.0	0.88
51.9	53.6	54.7	47.7	54.9	53.8	54.6	
9.0	8.7	8.3	9.7	9.6	6.7	6.5	
4.8	4.7	4.2	4.9	5.2	3.7	3.7	
(1.4)	(1.6)	1.2	(2.9)	(0.5)	(1.2)	(0.4)	
586	606	532	456	501	515	440	
13,122	12,452	11,501	10,326	9,123	8,184	7,616	
6,974	6,734	6,424	6,199	6,013	5,856	5,812	
6,148	5,718	5,077	4,127	3,110	2,328	1,804	
6,735	6,048	5,458	4,675	4,466	4,205	3,917	
17,880	17,444	18,644	21,173	24,263	28,088	31,429	
94,037	96,846	96,852	96,857	96,867	96,868	97,107	

Management's Discussion and Analysis

FamilyMart Group

The FamilyMart Group comprises 32 companies including the parent company, FamilyMart Co., Ltd., 16 subsidiaries, and 15 equity-method affiliates. The Group is principally engaged in the operation of convenience stores and related services. Certain Group companies are engaged in the e-commerce business, as well as support services such as accounting work for the Group's convenience stores, which are classified as "other businesses."

Please note that the Group completed full management integration with am/pm Japan Co., Ltd. on March 1, 2010, after making this convenience store chain a consolidated subsidiary in December 2009.

Business Environment and Trends in Japan's Retail Market

During fiscal 2010, ended February 28, 2011, the retailing sector continued to face difficult operating conditions. Despite signs of recovery in Japan in corporate earnings and capital investment, there was no significant improvement in the employment picture or personal incomes.

According to the Ministry of Economy, Trade and Industry, sales recorded by all categories of retailer nationwide in fiscal 2010 (April 2010 to March 2011) came to ¥134.7 trillion, the first increase in three years, of 0.8%, from the previous business term. Fiscal 2010 sales at supermarkets rose 0.3% to ¥12.9 trillion, but fell 1.4% on an existing store basis. Food products performed steadily, but clothing sales were slack, due to competition with specialty stores and other factors. Sales at department stores fell 4.6% year-on-year to ¥6.7 trillion, and decreased 3.1% on an existing store basis. Despite signs of a bottoming out lasting into the second half of 2010, the impact of the slump in consumer spending that followed the Great East Japan Earthquake in March 2011 had significant repercussions. Total sales in the convenience store sector were up 4.1% year-on-year to ¥8.3 trillion, and increased 1.5% on an existing store basis. Overall, convenience stores had a good year. The impact of unseasonably cold weather in early spring was outweighed by strong sales of summer merchandise as mid-year temperatures soared, as well as increased cigarette sales ahead of the October increase in tobacco taxes.

Some parts of the retailing sector were hit more badly than others by the earthquake disaster. At supermarkets, convenience

stores and other outlets handling daily items, consumption demand basically held up. However, sales fell steeply at department stores, which stock many expensive non-essential items. As a result of the foregoing, in the year ended March 2011, department stores saw sales fall by 15.4%. At supermarkets, the decline was only 1.2%, and convenience stores enjoyed a sales increase of 9.1%.

Review of Operations

For information on FamilyMart's store operation, products, services, store opening strategy, overseas strategy and area franchisers, please see pages 27 to 35.

Business Performance (non-consolidated)

In the fiscal 2010 reporting period, FamilyMart recorded an increase in average store visitors per day at existing stores to 932, an increase of six people per day, for the fourth consecutive year of growth. Average spending per customer continued to slip, but as a result of efforts to promote sales of high value-added items, signs of recovery were evident from the second half. Over the full year, average spend remained at ¥539, down ¥1 year-on-year, and average daily sales at existing stores dipped 0.2%.

Business Performance (non-consolidated)

	09/2	10/2	11/2	YoY difference
Growth rate of average daily sales per existing store (%)	7.1	(2.4)	(0.2)	/
Average daily sales (existing stores; thousands of yen)	510	501	502	1
Number of customers (existing stores)	922	926	932	6
Spend per customer (existing stores; yen)	553	540	539	(1)

Note: The figures above do not reflect the performance results of the TOMONY stores and am/pm stores before brand conversion.

Breakdown of Sales by Product Category (non-consolidated)

We continued steps to build up our brand in fast foods, one of our priority product categories, focusing measures on fried chicken and other fried items, *oden* (Japanese hodgepodge) and Chinese steamed meat buns. As a result of expanded marketing, fast food sales increased 2.9% year-on-year.

In daily foods, we continued to develop original products in our mainstay ready-to-eat ranges, and improved quality while making ranges more distinctive. In particular, our rice balls using

Kinmemai premium brand rice and other high value-added products proved very popular due to their use of a wider range of premium ingredients. Likewise, in the priority category Sweets+ (desserts), we had a major hit product with *Ore-no Eclair*, a new item in the *Ore-no Sweets* range targeting male customers with a sweet tooth. This gave a boost to the whole desserts category. As a result of the foregoing, overall sales of daily foods increased 5.2% year-on-year.

Sales of processed food products increased 5.3% year-on-year on the strength of strong sales growth across the board, particularly for beverages and ice creams.

Non-food products posted an 8.0% sales rise on significantly higher sales of tobacco products.

Services rose 5.8% year-on-year on increased handling of credit cards and stamps/postcards.

Sales in our electronic commerce business rose 6.8% year-on-year on increased transactions using our Famiport Multimedia Terminals, including e-money services.

As a result of the foregoing, sales overall for the Company rose 6.1% year-on-year.

	09/2	10/2	11/2	YoY change
Fast food	46,951	46,585	47,939	2.9%
Daily food	386,649	381,012	400,686	5.2%
Processed food	360,012	358,576	377,633	5.3%
Non-food	369,074	391,829	423,276	8.0%
Services	28,350	28,890	30,561	5.8%
E-commerce	54,752	66,860	71,375	6.8%
Total	1,245,788	1,273,752	1,351,470	6.1%

Note: The figures above do not reflect the performance results of am/pm stores before brand conversion.

Gross Profit Ratio (non-consolidated)

The gross profit ratio increased by 0.35 percentage point from the previous term to 28.31%. This improvement was due to stronger profit margins on individual items, mainly food products, and, during Japan's very hot summer of 2010, strong sales of seasonal merchandise, which usually commands a high profit margin.

Gross Profit Ratio (non-consolidated)

	09/2	10/2	11/2	YoY difference
Gross profit ratio (%)	28.40	27.96	28.31	0.35

Note: The figures above do not reflect the performance results of the TOMONY stores and am/pm stores before brand conversion.

Store Development

During the reporting term, we opened 407 conventional FamilyMart stores and five stores in the TOMONY format, while 270 stores were closed. Including 329 stores converted from the am/pm Japan brand, we operated a total of 7,629 stores in Japan as of the reporting term-end — an increase of 471 from the previous term-end. Average daily sales at news stores increased by ¥125,000 to a record high of ¥564,000, on new store openings in the three major metropolitan areas and major regional cities of Japan, as well as good progress in our scrap-and-build policy.

The number of stores operated in Japan by FamilyMart and its four domestic area franchisers as of the reporting term-end was 8,248, a year-on-year increase of 560 stores.

Overseas, we now operate 9,350 stores, a year-on-year increase of 1,249, following our steady expansion of business operations in Taiwan, South Korea, Thailand, China, the United States and Vietnam. As a result, the total number of stores in the FamilyMart Group chain has increased by 1,809 stores to 17,598.

Store Development Performance (non-consolidated)

	09/2	10/2	11/2	YoY difference
Store openings	525	534	407	(127)
Conversion am/pm → FamilyMart			329	
Store closures	342	278	270	(8)
Scrap and build	75	80	82	2
Average daily sales per store (new stores; thousands of yen)	460	439	564	125

Note: The figures above do not reflect the performance results of the TOMONY stores and am/pm stores before brand conversion.

Number of Stores (including area franchised stores)

	09/2	10/2	11/2	YoY difference
Japan	7,404	7,688	8,248	560
Overseas	7,247	8,101	9,350	1,249
Total chain stores	14,651	15,789	17,598	1,809

Operating Results (on a consolidated basis)

Analysis of Revenues, Costs, and Expenses

Total operating revenues of the Group on a consolidated basis, comprising commissions from franchised stores, sales and other operating revenues, increased by ¥41,714 million (15.0%) year-on-year to ¥319,889 million (US\$3,901 million). In the convenience store business, overall revenues increased ¥41,358 million (15.2%) to ¥313,807 million. This performance was underpinned by an increase in revenues from franchise stores following the acquisition of am/pm Japan Co., Ltd. (which appears as a consolidated subsidiary only in the Balance Sheets in the previous term), combined with increased sales at directly operated stores as well as a strong performance by subsidiaries in Taiwan and Thailand. Operating revenues in other businesses increased ¥356 million (6.2%) year-on-year to ¥6,082 million.

Operating expenses increased ¥37,022 million (15.1%) from the previous term to ¥281,666 million (US\$3,435 million).

As a result of the above, operating income increased ¥4,692 million (14.0%) year-on-year to ¥38,223 million (US\$466 million). Of this total, operating income at convenience stores increased ¥4,810 million (13.0%) to ¥41,947 million, while other businesses posted a year-on-year increase of ¥86 million (5.4%) to ¥1,665 million.

“Other expenses-net” posted a year-on-year decline of ¥1,405 million (26.7%) to ¥3,847 million (US\$47 million).

As a result of the foregoing, income before income taxes increased by ¥6,097 million (21.6%) to ¥34,376 million (US\$ 419 million), and net income by ¥2,920 million (19.3%) to ¥18,023 million (US\$220 million). Earnings per share came to ¥189.7 (US\$2.31).

Geographical Segments

Japan

Total operating revenues of all domestic operations increased 16.0% year-on-year to ¥276,149 million, and operating income rose by 10.3% to ¥40,784 million.

Asia

Operating revenues for Asian operations increased 10.0% year-on-year to ¥42,684 million on the back of a strong performance in Taiwan and improved earnings at our operations in Thailand, which became profitable on a single-year basis in the previous reporting period. Operating income in Asian operations increased 30.8% year-on-year to ¥3,197 million.

Other Area

Our American operations saw total operating revenues decline 19.1% year-on-year to ¥1,056 million, due chiefly to closure of unprofitable stores. However, American operations posted an operating loss of ¥369 million (an improvement from the operating loss of ¥720 million in the previous term) because of these expense-cutting measures.

Business Performance Results by Geographical Segments (Millions of yen)

	09/2	10/2	11/2	YoY change
Total operating revenues	287,342	278,175	319,889	15.0%
Japan	241,167	238,056	276,149	16.0%
Asia	44,835	38,813	42,684	10.0%
Other area	1,340	1,306	1,056	(19.1)%
Operating income (loss)	36,532	33,531	38,223	14.0%
Japan	40,131	36,992	40,784	10.3%
Asia	2,459	2,444	3,197	30.8%
Other area	(956)	(720)	(369)	—
Eliminations/corporate	(5,102)	(5,185)	(5,389)	—

Financial Position

Total assets at the term-end amounted to ¥436,034 million (US\$5,317 million), an increase of ¥11,825 million over the previous term-end, due in part to an increase in cash and cash equivalents from our expansion of operations.

Current assets increased ¥29,090 million year-on-year to ¥206,334 million (US\$2,516 million), due to increases in cash and cash equivalents, deferred tax assets and receivables-other (short-term loans).

The value of property and store facilities at the term-end totaled ¥73,165 million (US\$892 million), a year-on-year increase of ¥14,048 million. This was mainly due to increased investments in stores as we expanded our network through new openings.

Investments and other assets declined by ¥31,313 million to ¥156,535 million (US\$1,909 million). This was chiefly due to recognition of goodwill, following our acquisition of am/pm Japan Co., Ltd., as deferred tax assets in current assets, and of long-term loans to affiliates as receivables-other (short-term loans) in current assets.

At the same time, total liabilities increased ¥1,336 million year-on-year to ¥219,055 million (US\$2,671 million).

Current liabilities declined by ¥11,346 million from the previous term-end to ¥177,501 million (US\$2,165 million).

The main factors were decreases in trade accounts payable and income taxes payable, which outweighed an increase in deposits received due to increased handling of customer utility payments.

Long-term liabilities increased ¥12,682 million from the previous term-end to ¥41,554 million (US\$507 million). This was due chiefly to an increase in lease obligations following adoption of new lease accounting standards.

As a result, total equity at the end of the term stood at ¥216,979 million (US\$2,646 million). The equity ratio rose from 47.1% at the previous term-end to 48.1%, and ROE rose from 7.7% to 8.8%. Equity per share totaled ¥2,207.5 (US\$26.92).

Cash Flows

The term-end balance of cash and cash equivalents amounted to ¥95,486 million (US\$1,164 million), up ¥10,325 million, or 12.1%, from the previous term-end.

Net cash provided by operating activities came to ¥50,338 million (US\$614 million), compared with ¥6,575 million in net cash used in the previous term. This resulted chiefly from the fact that the final day of the previous term was a non-business day, causing an ¥25,424 million increase in trade accounts for franchised and Company-owned stores, combined with a ¥30,093 million increase in trade notes and accounts payable.

Net cash used in investing activities increased by ¥10,354 million over the previous term to ¥25,798 million (US\$315 million). The principal factors here were ¥4,585 million in payments for leasehold deposits, and a payment of ¥4,219 million for acquisition of a newly consolidated subsidiary.

Net cash used in financing activities came to ¥13,977 million (US\$170 million), an increase of ¥5,635 million in outflows. The main factors were a ¥4,544 million increase in repayments of lease obligations following adoption of new lease accounting standards.

Dividend Policy

The Company regards the distribution of profits to shareholders, in the form of payment of dividends, as a matter of the highest priority. In accordance with the Company's fundamental policy of implementing stable distribution of dividends to shareholders in line with the growth of operations, the management has set a payout ratio of 40% (consolidated basis). For the reporting term,

it has decided to pay an annual per-share dividend, including an interim dividend, of ¥72 (US\$0.88), an increase of ¥2 per share over the previous term.

For the current term, in light of the impact of the Great East Japan Earthquake, the Company plans to hold an annual dividend at ¥72 (US\$0.88).

Outlook

The impact of the Great East Japan Earthquake of March 11, 2011 on our Group operations is as follows.

Tohoku area and Ibaraki Prefecture

- Of a total of 756 FamilyMart stores in the Tohoku (northeastern) area and Ibaraki Prefecture, some 300 suspended operations after the earthquake. As of April 8, 33 stores had been washed away or destroyed beyond repair, and operations could not be resumed. A further eight stores have suspended business as they are within the evacuation zone around the stricken Fukushima nuclear plant.
- Damage to our production and logistics centers in the Tohoku area has had significant impact on product supply chains. We are taking measures to source supplies from the nearby Hokuriku and Kanto regions.

Tokyo metropolitan area

- Some damage sustained at production and logistics centers
- Irregularity in order and delivery systems due to shortages of gasoline and rolling blackouts

In addition to this direct damage, we expect a negative impact of some \$22 billion on total store sales (non-consolidated) due to the general dampening of consumer sentiment after the disaster, and a resulting stay-at-home tendency. We have reduced our initial growth target for average daily sales at existing stores (non-consolidated) by 1.1 percentage point, to 3.5%.

We expect to post an extraordinary loss on a consolidated basis of ¥4-7 billion in costs of repairs and countermeasures following the disaster. This could translate into a negative impact on net income of ¥4-6 billion.

We also expect an extraordinary loss of ¥7.8 billion (consolidated basis) as a result of asset retirement obligations, and an impact of approximately ¥5 billion on net income.

As a result, we expect total operating revenues to fall 0.3%

year-on-year to ¥3,189 billion. But operating income is likely to increase 0.7% year-on-year to ¥38.5 billion, and ordinary income 1.5% to ¥40.5 billion. We expect net income to fall by between a third (33.4%) and nearly a half (44.5%) to ¥10-12 billion. Our earnings projection is a range rather than a single figure in light of the fact that we are still confirming and calculating the exact costs of the earthquake disaster (rebuilding stores and support for affected franchisees, etc.).

We aim to keep growing operating income, offsetting the impact of the disaster through better product development and operational management.

Targets for Major Indicators (non-consolidated)

	11/2	12/2 (Est.)	YoY difference
Average daily sales (total stores; thousands of yen)	505	522	17
Growth rate of average daily sales per existing store (%)	(0.2)	3.5	/
Gross profit ratio (%)	28.31	28.67	0.36
Average daily sales (new stores; thousands of yen)	564	514	(50)
Store openings	407	500	93
Conversion am/pm → FamilyMart	329	290	(39)
Total store openings	736	790	54
Store closures	270	300	30

Notes: The figures above do not reflect the performance results of the TOMONY stores.

Outlook for Business Performance (non-consolidated)

(Millions of yen)

	11/2	12/2 (Est.)			YoY change
		[a] Before the earthquake	[b] After the earthquake (revised)	[b]-[a]	
Total store sales	1,440,457	1,513,000	1,491,000	(22,000)	3.5%
Operating income	33,741	36,800	34,300	(2,500)	1.7%
Growth rate of average daily sales per existing store	(0.2)%	4.6%	3.5%	(1.1)	/

Outlook for Business Performance (consolidated)

(Millions of yen)

	11/2	12/2 (Est.)			YoY change
		[a] Before the earthquake	[b] After the earthquake (revised)	[b]-[a]	
Operating revenues	319,889	322,500	318,900	(3,600)	(0.3)%
Operating income	38,223	41,000	38,500	(2,500)	0.7 %
Ordinary income	39,907	43,000	40,500	(2,500)	1.5 %
Extraordinary loss	(6,752)	(14,000)	(21,000) ~(18,000)	(7,000) ~(4,000)	211.0 % ~166.6 %
(Excluding ¥8 billion in asset retirement obligations)		(6,200)	/	/	/
Net income	18,023	16,000	10,000 ~12,000	(6,000) ~(4,000)	(44.5)% ~(33.4)%
(Excluding a ¥5 billion impact from asset retirement obligations)		19,700	/	/	/

Operational and Other Risks

.....

The following section outlines some of the main risks relating to the FamilyMart Group's operations that could potentially have a significant impact on investors' decisions.

Statements contained within this section that refer to matters in the future have been determined to the best of our knowledge as of the end of the reporting term.

The Company has established a comprehensive risk management system. After assessing and classifying risk exposure in terms of frequency of occurrence, severity of impact and other criteria, we have created an ongoing program of measures to minimize risk. These activities are also carried out at Group companies.

(1) Economic Trends

The FamilyMart Group is mainly engaged in the operation of convenience stores. The Group's business performance and financial position could be adversely affected by various factors including extreme weather, changing economic and consumption trends and competition with convenience stores and other retail formats, in its markets in Japan and overseas (Taiwan, South Korea, Thailand, China and the United States).

(2) Natural Disasters

The FamilyMart Group's business performance and financial position could be adversely affected by man-made disasters such as fires, acts of terror, and wars, and natural disasters such as earthquakes, epidemics, and extreme weather events, in Japan and overseas, leading to destruction of stores, supply stoppages and other circumstances disrupting the regular operation of FamilyMart stores.

(3) Franchise System

In its mainstay convenience store business, the Group engages franchisees to operate its stores under its proprietary "FamilyMart System." The Group's business performance and financial position could be adversely affected by any acts which disrupt operation of the FamilyMart System or by illegal or scandalous behavior involving franchisees and business partners that causes suspension of business transactions or undermines public confidence in the chain.

The FamilyMart Group's business performance and financial position could be adversely affected by mass termination of franchise contracts with franchisees following a breakdown in relations of trust between the Group and its franchisees.

(4) Food Safety

As an operator of convenience stores, the Group is mainly engaged in the marketing of food products to consumers. The FamilyMart Group's business performance and financial position could be

adversely affected by any major food safety incident (poisoning, contamination, illegal mislabeling and so on) arising despite its best preventive efforts.

The Group is committed to supplying safe food products through rigorous quality management standards and an integrated quality management system from production to marketing created jointly with business partners.

(5) Legal and Regulatory Changes

As an operator of convenience stores in Japan and overseas, the Group is subject to legal and regulatory requirements, and has acquired official licensing, in areas such as food safety, fair trade and environmental protection. The Group's business performance and financial position could be adversely affected by unforeseen changes in legal and regulatory regimes or licensing requirements for operation of convenience stores, or by differences of opinion with regulators, leading to increased costs and operational restrictions.

(6) Handling of Personal Information

In its business processes, the FamilyMart Group collects and stores personal information relating to its customers. The Group's business performance and financial position could be adversely affected by any incidents of leakage of personal information, despite its best preventive efforts.

To ensure that no unauthorized access or leakage of personal information occurs, the Group conducts due compulsory supervision of employees who handle personal information, using organizational, human, physical and technological safety management resources of proven reliability. In November 2006, FamilyMart became the first convenience store operator in Japan to be permitted to use the Privacy Mark, awarded by Japan Information Processing Development Corporation.

(7) IT Systems

In its convenience store operations, the Group has set up IT systems linking the Group's member companies, business partners of the Group, and its franchised stores. The FamilyMart Group's business performance and financial position could be adversely affected by failure, misuse or other unauthorized use of IT systems, leading to disruption of services and operations such as the making and receiving of orders, delivery, marketing, and bill settlement service.

The Group has established various standards for IT systems, and has set up IT system safety mechanisms from planning to operation in partnership with specially engaged outside experts. In addition, we have taken measures such as duplication of all systems and data backup, to deal with unexpected problems.

Consolidated Balance Sheets

FamilyMart Co., Ltd. and Consolidated Subsidiaries February 28, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
ASSETS			
Current assets:			
Cash and cash equivalents (Notes 6 and 14)	¥ 95,486	¥ 85,161	\$1,164,463
Time deposits (Note 14)	2,546	1,357	31,049
Marketable securities (Notes 6 and 14)	1,523	3,779	18,573
Receivables:			
Due from franchised stores (Notes 5 and 14)	13,139	27,494	160,232
Other (Notes 14 and 19)	46,965	29,952	572,744
Allowance for doubtful receivables	(554)	(1,601)	(6,756)
Merchandise	7,785	7,023	94,939
Deferred tax assets (Note 12)	11,801	2,322	143,915
Prepaid expenses and other current assets	27,643	21,757	337,109
Total current assets	206,334	177,244	2,516,268
Property and store facilities (Note 7):			
Land	14,124	14,327	172,244
Buildings and structures	56,045	54,913	683,476
Machinery and equipment	5,510	4,420	67,195
Furniture and fixtures	54,289	41,720	662,061
Other	307	190	3,744
Total	130,275	115,570	1,588,720
Accumulated depreciation	(57,110)	(56,453)	(696,464)
Net property and store facilities	73,165	59,117	892,256
Investments and other assets:			
Investment securities (Notes 6 and 14)	12,627	10,262	153,988
Investments in and advances to unconsolidated subsidiaries and associated companies (Notes 3 and 19)	10,662	19,051	130,024
Software	9,187	8,413	112,037
Goodwill (Note 8)	793	25,060	9,671
Goodwill attributable to individual stores	2,918	4,674	35,585
Leasehold deposits (Note 14)	106,242	107,698	1,295,634
Deferred tax assets (Note 12)	3,727	3,208	45,451
Other assets (Note 7)	10,379	9,482	126,574
Total investments and other assets	156,535	187,848	1,908,964
Total	¥436,034	¥424,209	\$5,317,488

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
LIABILITIES AND EQUITY			
Current liabilities:			
Payables:			
Trade notes (Note 14)	¥ 192	¥ 244	\$ 2,341
Trade accounts for franchised and Company-owned stores (Notes 14 and 19)	70,977	80,193	865,573
Due to franchised stores (Notes 5 and 14)	5,929	2,843	72,305
Other (Notes 14 and 19)	21,945	23,740	267,622
Current portion of long-term lease obligations (Note 9)	3,493	4,581	42,598
Income taxes payable (Note 12)	1,304	6,181	15,902
Deposit received (Notes 5 and 14)	63,967	59,332	780,085
Accrued expenses	5,053	5,629	61,622
Other current liabilities	4,641	6,104	56,598
Total current liabilities	177,501	188,847	2,164,646
Long-term liabilities:			
Long-term lease obligations (Notes 9 and 14)	19,965	7,994	243,476
Liability for retirement benefits (Note 10)	7,353	6,629	89,671
Leasehold deposits from franchised stores (Note 14)	10,391	10,645	126,720
Allowance for impairment loss on leased property (Notes 7 and 13)	1,526	1,408	18,610
Other long-term liabilities	2,319	2,196	28,279
Total long-term liabilities	41,554	28,872	506,756
Commitments and contingent liabilities (Notes 13, 16 and 19)			
Equity (Notes 11 and 18):			
Common stock—authorized, 250,000,000 shares; issued, 97,683,133 shares	16,659	16,659	203,159
Capital surplus	17,389	17,389	212,061
Retained earnings	187,544	176,275	2,287,122
Unrealized gain on available-for-sale securities (Note 6)	240	133	2,927
Foreign currency translation adjustments	(3,528)	(2,996)	(43,024)
Treasury stock—at cost, 2,750,744 shares in 2011 and 2,367,308 shares in 2010	(8,739)	(7,637)	(106,574)
Total	209,565	199,823	2,555,671
Minority interests	7,414	6,667	90,415
Total equity	216,979	206,490	2,646,086
Total	¥436,034	¥424,209	\$5,317,488

See notes to consolidated financial statements.

Consolidated Statements of Income

FamilyMart Co., Ltd. and Consolidated Subsidiaries Years Ended February 28, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
Operating revenues:			
Commission from franchised stores (Note 5)	¥181,064	¥161,167	\$2,208,098
Net sales	111,696	94,020	1,362,146
Other operating revenues (Notes 3 and 5)	27,129	22,988	330,841
Total operating revenues	319,889	278,175	3,901,085
Operating expenses:			
Cost of sales (Note 19)	77,713	65,301	947,720
Selling, general and administrative expenses (Notes 8, 10, 13 and 19)	203,953	179,343	2,487,231
Total operating expenses	281,666	244,644	3,434,951
Operating income	38,223	33,531	466,134
Other income (expenses):			
Interest and dividend income	1,678	1,816	20,463
Equity in earnings of unconsolidated subsidiaries and associated companies	263	513	3,207
Loss on disposals/sales of property and store facilities—net	(1,619)	(1,973)	(19,744)
Loss on impairment of long-lived assets (Notes 7 and 13)	(2,165)	(2,494)	(26,402)
Loss on cancellations of land and building lease contracts	(1,241)	(1,592)	(15,134)
Other—net (Note 15)	(763)	(1,522)	(9,304)
Other expenses—net	(3,847)	(5,252)	(46,914)
Income before income taxes and minority interests	34,376	28,279	419,220
Income taxes (Note 12):			
Current	1,775	12,118	21,646
Deferred	13,139	268	160,232
Total income taxes	14,914	12,386	181,878
Minority interests in net income	1,439	790	17,549
Net income	¥ 18,023	¥ 15,103	\$ 219,793

	Yen		U.S. dollars
	2011	2010	2011
Per share of common stock (Notes 2.q and 17):			
Basic net income	¥189.7	¥158.5	\$2.31
Cash dividends applicable to the year	72.0	70.0	0.88

See notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

FamilyMart Co., Ltd. and Consolidated Subsidiaries Years Ended February 28, 2011 and 2010

	Thousands	Millions of yen								
	Outstanding number of shares of common stock	Common stock	Capital surplus	Retained earnings	Unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Treasury stock	Total	Minority interests	Total equity
Balance, March 1, 2009	95,306	¥16,659	¥17,388	¥168,004	¥ 21	¥(3,653)	¥(7,664)	¥190,755	¥6,774	¥197,529
Adjustment of retained earnings due to an adoption of PITF No. 18 (Note 2.b)				(255)				(255)		(255)
Net income				15,103				15,103		15,103
Cash dividends, ¥69.0 per share				(6,577)				(6,577)		(6,577)
Purchase of treasury stock	(2)						(8)	(8)		(8)
Disposal of treasury stock							2	2		2
Increase in treasury stock due to the increasing the Company's ownership of an associated company							(1)	(1)		(1)
Disposal of treasury stock by an associated company	12		1				34	35		35
Net change in the year					112	657		769	(107)	662
Balance, February 28, 2010	95,316	16,659	17,389	176,275	133	(2,996)	(7,637)	199,823	6,667	206,490
Net income				18,023				18,023		18,023
Cash dividends, ¥71.0 per share				(6,754)				(6,754)		(6,754)
Purchase of treasury stock	(384)						(1,102)	(1,102)		(1,102)
Net change in the year					107	(532)		(425)	747	322
Balance, February 28, 2011	94,932	¥16,659	¥17,389	¥187,544	¥240	¥(3,528)	¥(8,739)	¥209,565	¥7,414	¥216,979

	Thousands of U.S. dollars (Note 1)									
	Common stock	Capital surplus	Retained earnings	Unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Treasury stock	Total	Minority interests	Total equity	
Balance, February 28, 2010	\$203,159	\$212,061	\$2,149,695	\$1,622	\$(36,536)	\$(93,135)	\$2,436,866	\$81,305	\$2,518,171	
Net income			219,793				219,793		219,793	
Cash dividends, \$0.87 per share			(82,366)				(82,366)		(82,366)	
Purchase of treasury stock						(13,439)	(13,439)		(13,439)	
Net change in the year				1,305	(6,488)		(5,183)	9,110	3,927	
Balance, February 28, 2011	\$203,159	\$212,061	\$2,287,122	\$2,927	\$(43,024)	\$(106,574)	\$2,555,671	\$90,415	\$2,646,086	

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

FamilyMart Co., Ltd. and Consolidated Subsidiaries Years Ended February 28, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
Operating activities:			
Income before income taxes and minority interests	¥34,376	¥ 28,279	\$ 419,220
Adjustments for:			
Income taxes—paid	(11,676)	(13,074)	(142,390)
Depreciation and amortization	12,993	10,796	158,451
Reversal of allowance for doubtful receivables	(1,118)	(17)	(13,634)
Equity in earnings of unconsolidated subsidiaries and associated companies	(263)	(513)	(3,207)
(Gain) loss on devaluation/sale of marketable and investment securities—net	(10)	3	(122)
Loss on disposals/sales of property and store facilities—net	1,619	1,973	19,744
Loss on cancellations of land and building lease contracts	1,241	1,592	15,134
Loss on impairment of long-lived assets	2,165	2,494	26,402
Changes in assets and liabilities:			
Decrease (Increase) in due from/to franchised stores—net	17,454	(7,970)	212,854
(Increase) decrease in merchandise and supplies	(844)	837	(10,293)
Decrease in payables—trade	(8,938)	(39,031)	(109,000)
Increase in deposit received	4,729	5,084	57,671
Increase in liability for retirement benefits	728	401	8,878
Other—net	(2,118)	2,571	(25,830)
Total adjustments	15,962	(34,854)	194,658
Net cash provided by (used in) operating activities	50,338	(6,575)	613,878
Investing activities:			
Increase in time deposits—net	(222)	(1,346)	(2,707)
Purchases of marketable and investment securities	(2,488)	(21,621)	(30,341)
Purchases of investment in subsidiaries and associated companies	(3,468)	(774)	(42,293)
Proceeds from sales and redemption at maturity of marketable and investment securities	3,588	17,606	43,756
Payments for long-term loans	(876)	(2,240)	(10,683)
Purchases of property and store facilities, software and other intangible assets	(16,942)	(15,247)	(206,610)
Proceeds from sales of property and store facilities, software and other intangible assets	484	607	5,902
Payments of leasehold deposits	(10,959)	(15,544)	(133,646)
Refunds of leasehold deposits	3,035	3,144	37,012
Receipts of leasehold deposits from franchised stores	1,447	1,191	17,646
Refunds of leasehold deposits to franchised stores	(1,428)	(1,094)	(17,415)
Payments for acquisition of newly consolidated subsidiary	(299)	(4,518)	(3,646)
Other	2,330	3,684	28,415
Net cash used in investing activities	(25,798)	(36,152)	(314,610)
Financing activities:			
Decrease in short-term bank loans-net	(165)		(2,012)
Purchases of treasury stock	(1,102)	(8)	(13,439)
Proceeds from sales of treasury stock		1	
Contribution from minority interest shareholders	502	50	6,122
Dividends paid	(6,756)	(6,574)	(82,390)
Dividends paid to minority interest shareholders	(967)	(933)	(11,793)
Repayments for lease obligations	(5,395)	(851)	(65,793)
Other	(94)	(27)	(1,146)
Net cash used in financing activities	(13,977)	(8,342)	(170,451)
Foreign currency translation adjustments on cash and cash equivalents	(238)	342	(2,902)
Net increase (decrease) in cash and cash equivalents	10,325	(50,727)	125,915
Cash and cash equivalents, beginning of year	85,161	135,888	1,038,548
Cash and cash equivalents, end of year	¥95,486	¥ 85,161	\$1,164,463

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

FamilyMart Co., Ltd. and Consolidated Subsidiaries Years Ended February 28, 2011 and 2010

1 Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain

reclassifications have been made in the 2010 financial statements to conform to the classifications used in 2011.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which FamilyMart Co., Ltd. (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥82 to \$1, the approximate rate of exchange at February 28, 2011. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2 Summary of Significant Accounting Policies

a. Consolidation—The consolidated financial statements as of February 28, 2011 include the accounts of the Company and its 7 (8 in 2010) significant subsidiaries (together, the "Group").

Under the control or influence concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method. In December 2009, the Company acquired am/pm Japan Co., Ltd. ("am/pm") which became a 100% owned consolidated subsidiary. The Company's 2010 consolidated financial statements reflect the balance sheet of am/pm as of December 31, 2009. On March 1, 2010, the Company merged with am/pm.

Investments in 8 (4 in 2010) unconsolidated subsidiaries and 15 (16 in 2010) associated companies are accounted for by the equity method.

Investments in the remaining unconsolidated subsidiaries and associated companies are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

The excess of the cost of an acquisition over the fair value of the net assets of the acquired subsidiaries and associated companies at the date of acquisition is included in goodwill and is amortized on a straight-line basis over five years.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

b. Unification of accounting policies applied to foreign subsidiaries for the consolidated financial statements—In May 2006, the Accounting Standards Board of Japan (the "ASBJ") issued ASBJ Practical Issues Task Force ("PITF") No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements." PITF No. 18 prescribes (1) the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements, (2) financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or the generally

accepted accounting principles in the United States of America tentatively may be used for the consolidation process, (3) however, the following items should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP unless they are not material: (a) amortization of goodwill; (b) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in the equity; (c) expensing capitalized development costs of R&D; (d) cancellation of the fair value model accounting for property, plant and equipment and investment properties and incorporation of the cost model accounting; (e) recording the prior years' effects of changes in accounting policies in the income statement where retrospective adjustments to financial statements have been incorporated; and (f) exclusion of minority interests from net income, if contained. PITF No. 18 was effective for fiscal years beginning on or after April 1, 2008.

The Company applied this accounting standard effective March 1, 2009. In addition, the Company adjusted the beginning balance of retained earnings at March 1, 2009 as if this accounting standard had been retrospectively applied.

c. Cash equivalents—Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

Cash equivalents include time deposits, certificate of deposits, commercial paper, bond funds and short-term government securities, all of which mature or become due within three months of the date of acquisition.

d. Merchandise—Most merchandise is stated at the lower of cost, mostly determined by the retail method or net selling value.

e. Marketable and investment securities—Marketable and investment securities are classified and accounted for, depending on management's intent, as follows: (1) held-to-maturity debt securities, which are expected to be held-to-maturity with the positive intent and ability to hold to maturity, are reported at amortized cost and (2) available-for-sale securities, other than (1), are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

Non-marketable available-for-sale securities are stated at cost determined by the moving-average method. For other than temporary

declines in fair value, investment securities are reduced to net realizable value by a charge to income.

f. Property and store facilities—Property and store facilities are stated at cost. Depreciation of property and store facilities of the Company and its consolidated domestic subsidiaries is computed by the declining-balance method based on the estimated useful lives of the assets, while the straight-line method is applied to property and store facilities of consolidated foreign subsidiaries and leased assets. Buildings acquired on or after April 1, 1998 are depreciated using the straight-line method. The range of useful lives is principally from 2 to 50 years for buildings and structures and from 2 to 20 years for furniture and fixtures. The useful lives for leased assets are the terms of the respective leases.

g. Long-lived assets—The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset or asset group exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

h. Software—Capitalized software is stated at cost less accumulated amortization, which is calculated by the straight-line method over the estimated useful lives (five years).

i. Goodwill—Goodwill is stated at cost less accumulated amortization, which is calculated by the straight-line method over the estimated useful lives (five years).

j. Goodwill attributable to individual stores—Goodwill attributable to individual stores is stated at cost less accumulated amortization, which is calculated by the straight-line method over the estimated useful lives of stores (weighted average 12 years).

k. Retirement and pension plans—The Company and certain consolidated subsidiaries have funded and/or unfunded retirement benefit plans for employees. In respect of the funded plans, a part of the annual provisions is funded as contributory pension plans with an outside trustee.

The Group accounted for the liability for retirement benefits based on projected benefit obligations and plan assets at the balance sheet date.

Retirement benefits to directors and corporate auditors are provided at the amount which would be required if all directors and corporate auditors retired at the balance sheet date.

l. Leases—In March 2007, the ASBJ issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007.

Under the previous accounting standard, finance leases that deem to

transfer ownership of the leased property to the lessee were to be capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet. In addition, the accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to be accounted for as operating lease transactions.

The Company applied the revised accounting standard effective March 1, 2009. In addition, the Company accounted for leases which existed at the transition date and did not transfer ownership of the leased property to the lessee as operating lease transactions.

All other leases are accounted for as operating leases.

m. Income taxes—The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

n. Foreign currency transactions—All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statements of income.

o. Foreign currency financial statements—The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date except for equity, which is translated at the historical rate.

Differences arising from such translation were shown as "Foreign currency translation adjustments" in a separate component of equity.

Revenue and expense accounts of consolidated foreign subsidiaries are translated into Japanese yen at the annual average exchange rate.

p. Derivatives—The Company uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange. Foreign exchange forward contracts are utilized by the Company to reduce foreign currency exchange risks. The Company does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments and foreign currency transactions are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the consolidated statements of income.

q. Per share information—Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period.

Diluted net income per share is not disclosed because it is anti-dilutive.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective

years including dividends to be paid after the end of the year.

r. New accounting pronouncements

Business combinations—In December 2008, the ASBJ issued a revised accounting standard for business combinations, ASBJ Statement No. 21, “Accounting Standard for Business Combinations.” Major accounting changes under the revised accounting standard are as follows:

- (1) The current accounting standard for business combinations allows companies to apply the pooling of interests method of accounting when certain specific criteria are met such that the business combination is essentially regarded as a uniting-of-interests. The revised standard requires to account for such business combination by the purchase method and the pooling of interests method of accounting is no longer allowed.
- (2) The current accounting standard accounts for the research and development costs to be charged to income as incurred. Under the revised standard, an in-process research and development (IPR&D) acquired by the business combination is capitalized as an intangible asset.
- (3) The current accounting standard accounts for a bargain purchase gain (negative goodwill) to be systematically amortized within 20 years. Under the revised standard, the acquirer recognizes a bargain purchase gain in profit or loss on the acquisition date after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed with a review of such procedures used.

This standard is applicable to business combinations undertaken on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or after April 1, 2009.

Unification of accounting policies applied to foreign associated companies for the equity method—The current accounting standard requires to unify accounting policies within the consolidation group. However, the current guidance allows to apply the equity method for the financial statements of its foreign associated companies which have been prepared in accordance with generally accepted accounting principles in their respective jurisdictions without unification of accounting policies.

In March 2008, the ASBJ issued ASBJ Statement No. 16 “Accounting Standard for Equity Method of Accounting for Investments.” The new standard requires adjustments to be made to conform the associate’s accounting policies for similar transactions and events under similar circumstances to those of the parent company when the associate’s financial statements are used in applying the equity method unless it is impracticable to determine adjustments. In addition, financial statements prepared by foreign associated companies in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States tentatively may be used in applying the equity method if the following items are adjusted so that net income is accounted for in accordance with Japanese GAAP unless they are not material: (1) amortization of goodwill; (2) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in the equity; (3) expensing capitalized development costs of R&D; (4) cancellation of the fair value model accounting for property, plant and equipment and investment properties and incorporation

of the cost model accounting; (5) recording the prior years’ effects of changes in accounting policies in the income statement where retrospective adjustments to the financial statements have been incorporated; and (6) exclusion of minority interests from net income, if contained.

This standard is applicable to equity method of accounting for fiscal years beginning on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or after April 1, 2009.

Asset retirement obligations—In March 2008, the ASBJ published a new accounting standard for asset retirement obligations, ASBJ Statement No. 18 “Accounting Standard for Asset Retirement Obligations” and ASBJ Guidance No. 21 “Guidance on Accounting Standard for Asset Retirement Obligations.” Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset.

The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost. This standard was effective for fiscal years beginning on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or before March 31, 2010.

Accounting changes and error corrections—In December 2009, ASBJ issued ASBJ Statement No. 24 “Accounting Standard for Accounting Changes and Error Corrections” and ASBJ Guidance No. 24 “Guidance on Accounting Standard for Accounting Changes and Error Corrections.” Accounting treatments under this standard and guidance are as follows:

- (1) Changes in accounting policies

When a new accounting policy is applied with revision of accounting standards, a new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions.

- (2) Changes in presentations

When the presentation of financial statements is changed, prior period financial statements are reclassified in accordance with the new presentation.

(3) Changes in accounting estimates

A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods.

(4) Corrections of prior period errors

When an error in prior period financial statements is discovered, those statements are restated.

This accounting standard and the guidance are applicable to accounting changes and corrections of prior period errors which are made from the beginning of the fiscal year that begins on or after April 1, 2011.

Segment information disclosures—In March 2008, the ASBJ revised ASBJ Statement No. 17 “Accounting Standard for Segment Information Disclosures” and issued ASBJ Guidance No. 20 “Guidance on Accounting

Standard for Segment Information Disclosures.” Under the standard and guidance, an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. This accounting standard and the guidance are applicable to segment information disclosures for the fiscal years beginning on or after April 1, 2010.

3 Related Parties and Organization

The Company’s primary shareholder is ITOCHU Corporation, which owns 31.66% of the total outstanding shares of the Company.

The Company is a franchiser of “FamilyMart” stores for retail sales of daily necessities to consumers. The Company allows each independent franchisee to operate convenience stores using the specific designs and name of “FamilyMart” and provides them with related managerial and technical know-how under a franchise agreement. Under the agreement, each franchisee is provided with a variety of services and advice on the operation of convenience stores from the Company. In return,

the franchisee is required to pay continuing franchise commissions to the Company based on certain percentages of the respective franchised store’s gross margin (net sales less cost of sales).

The Company allows area franchised companies to be franchisers of “FamilyMart” stores in each area, including outside Japan. Area franchised companies are required to pay continuing royalty fees to the Company and the Company records this as “Other operating revenues.” Area franchised companies as of February 28, 2011, are as follows:

Name of Area Franchiser	Area	The Company’s Ownership in Area Franchiser
Subsidiaries:		
Taiwan FamilyMart Co., Ltd.	Taiwan	43.50%
Siam FamilyMart Co., Ltd.	Thailand	90.41
FAMIMA CORPORATION	The United States of America	65.23
Associated companies:		
Okinawa FamilyMart Co., Ltd.	Okinawa, Japan	48.98
Minami Kyushu FamilyMart Co., Ltd.	Kagoshima and Miyazaki, Japan	49.00
Hokkaido FamilyMart Co., Ltd.	Hokkaido, Japan	49.00
BOKWANG FAMILYMART CO., LTD.	Korea	23.48

FamilyMart China Holding Co., Ltd., a 75.00% owned subsidiary, is a holding company of China CVS (Cayman Islands) Holding Corp. (“CCH”). CCH, a 49.50% owned associated company, is a holding company of Shanghai FamilyMart Co., Ltd., Guangzhou FamilyMart Co., Ltd. and Suzhou FamilyMart Co., Ltd. Shanghai FamilyMart Co., Ltd., a wholly owned associated company, is an area franchiser in Shanghai, China. Guangzhou FamilyMart Co., Ltd., a wholly owned associated company, is an area franchiser in Guangzhou, China. Suzhou FamilyMart Co., Ltd., a wholly owned associated company, is an area franchiser in Suzhou, China.

SFM Holding Co., Ltd., a 96.24% owned subsidiary, is a holding company of Siam FamilyMart Co., Ltd.

In addition to the aforementioned, there are a number of subsidiaries and associated companies whose principal businesses are other than operating convenience stores.

famima.com Co., Ltd., a 53.16% owned subsidiary, supports E-commerce operations.

Famima Credit Corporation, a 30.10% owned associated company, provides financial services, such as credit card settlement and related

services for its customers.

famima Retail Service Co., Ltd., a wholly owned subsidiary, provides accounting and stocktaking services to “FamilyMart” stores in Japan.

ASAHI FOOD PROCESSING CO., LTD., a 39.00% owned associated company, produces and distributes cooked noodles to “FamilyMart” stores in Japan.

4 Business Combinations

Year Ended February 28, 2011

On March 1, 2010, the Company merged with am/pm, which had been accounted for as a wholly owned consolidated subsidiary following the acquisition of 100% of the common stock on December 28, 2009. All the assets and liabilities of am/pm were transferred to the Company as the surviving company and am/pm was subsequently liquidated after the merger. am/pm, which was an absorbed company, had owned and operated convenience stores mainly through its am/pm stores, managed franchised stores and provided consulting on store development. This merger aims to increase the Company's business value through creating greater economies of scale with an extended store network especially in the Tokyo metropolitan area and by improving efficiency and integration of business foundations. This merger was accounted for as a combination of entities under common control in accordance with “Accounting Standard for Business Combination” issued by the Business Accounting Council on October 31, 2003 and ASBJ Guidance No. 10 “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” issued by the ASBJ on November 15, 2007.

Year Ended February 28, 2010

On December 28, 2009, the Company acquired 100% of the common stock of am/pm which was subsequently accounted for as a wholly owned consolidated subsidiary. am/pm had owned and operated convenience stores mainly through its am/pm stores, managed franchised stores and provided consulting on store development. This acquisition aimed to increase the Company's business value through creating greater economies of scale with an extended store network especially in the Tokyo metropolitan area and by improving efficiency and integration of business foundations. The results of operations for am/pm were not

included in the Company's consolidated statements of income for the year ended February 28, 2010 due to the acquisition taking place at the end of the consolidated accounting period.

The Company accounted for this business combination by the purchase method of accounting. The acquisition cost was ¥13,157 million, in cash in accordance with the Asset Purchase Agreement dated November 13, 2009 and so on.

The total cost of acquisition was allocated to the assets acquired and the liabilities assumed based on their respective fair values. Goodwill and goodwill attributable to individual stores recorded in connection with the acquisition totaled ¥23,835 million and ¥4,674 million, respectively.

The estimated fair values of the assets acquired and the liabilities assumed at the acquisition date are as follows:

December 28, 2009	Millions of yen
Current assets	¥15,120
Other assets	8,645
Goodwill attributable to individual stores	4,674
Goodwill	23,835
Total assets acquired	¥52,274
Total liabilities assumed	¥39,117
Net assets acquired	¥13,157

When am/pm was merged with the Company on March 1, 2010, deferred tax assets were recorded. As a result, the goodwill recognized as of February 28, 2010 was fully allocated to deferred tax assets and subsequently had a value of zero on March 1, 2010.

Goodwill attributable to individual stores is stated at cost less accumulated amortization, which is calculated over the estimated useful lives of the stores (weighted average 12 years).

5 Transactions with Franchised Stores

As discussed in Note 3 under the franchise agreement, each franchisee is provided with a variety of services and advice on the operation of convenience stores by the Company, and, in return, the franchisee is required to pay continuing franchise commissions to the Company based on certain percentages of the respective franchised store's gross margin (net sales less cost of sales). As the franchiser, the Company accounts for such franchise commissions on an accrual basis.

The term of a franchise agreement is generally for 10 years and may be extended or renewed upon expiration subject to renegotiation of contract terms between the Company and the franchisee. The franchise agreement currently in use provides that, at the commencement of the agreement, the franchisee shall make a cash payment to the Company in

the amount of ¥1,500,000 which is credited to income of the Company as “Other operating revenues” for the lump-sum franchise fee and which shall be spent for services such as research, training and preparations of store opening provided by the Company. In addition, the franchisee shall advance another ¥1,500,000 to the Company as a deposit for purchases and it is credited to “Payables—Due to franchised stores,” accordingly.

Under the franchise agreement, each franchised store shall order merchandise and the store is supplied from suppliers using the centralized buy-order system maintained by the Company. The Company then accumulates such purchase orders by the franchised stores and pays the purchase amounts to suppliers on a monthly basis on behalf of the franchised stores. The Company records account receivable due from

franchised stores for such purchases.

Each franchised store shall make a remittance of cash from sales to the Company on a daily basis. Furthermore, the franchised stores collect utility payments from customers on behalf of utility service providers, such as electric power companies and telecommunication companies, which are remitted to the Company on a daily basis. The receipts of such charges are recorded as a liability due to utility service suppliers and included in "Deposit received" on the accompanying consolidated balance sheets.

The monthly payments to purchase merchandise and other goods on behalf of each franchised store and the daily receipts of cash from the franchised stores are accumulated and offset against each other to present the net balance due to or from each franchised store.

The balances of "Receivables—Due from franchised stores" and "Payables—Due to franchised stores" in the accompanying consolidated balance sheets represent such net balances between the Company and franchised stores at the balance sheet date.

6 Marketable and Investment Securities

Marketable and investment securities as of February 28, 2011 and 2010, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Current:			
Government and corporate bonds	¥1,000	¥3,000	\$12,195
Trust fund investments	523	779	6,378
Total	¥1,523	¥3,779	\$18,573

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Non-current:			
Marketable equity securities	¥ 4,164	¥ 3,982	\$ 50,780
Government and corporate bonds	7,701	6,000	93,915
Non-marketable equity securities	762	280	9,293
Total	¥12,627	¥10,262	\$153,988

The cost and aggregate fair values of marketable and investment securities at February 28, 2011 and 2010, were as follows:

February 28, 2011	Millions of yen			
	Cost	Unrealized gains	Unrealized losses	Fair value
Securities classified as:				
Available-for-sale:				
Equity securities	¥3,751	¥501	¥88	¥4,164
Debt securities	523			523
Held-to-maturity	8,701	49		8,750

February 28, 2010	Millions of yen			
	Cost	Unrealized gains	Unrealized losses	Fair value
Securities classified as:				
Available-for-sale:				
Equity securities	¥3,751	¥335	¥104	¥3,982
Debt securities	779			779
Held-to-maturity	9,000	87	1	9,086

February 28, 2011	Thousands of U.S. dollars			
	Cost	Unrealized gains	Unrealized losses	Fair value
Securities classified as:				
Available-for-sale:				
Equity securities	\$ 45,744	\$6,110	\$1,074	\$ 50,780
Debt securities	6,378			6,378
Held-to-maturity	106,110	597		106,707

The cost of held-to-maturity debt securities included in cash and cash equivalents in the consolidated balance sheets were ¥3,000 million (\$36,585 thousand) and ¥2,996 million at February 28, 2011 and 2010, respectively.

Available-for-sale securities whose fair value is not readily determinable as of February 28, 2011 and 2010, were as follows:

	Carrying amount		
	Millions of yen	Thousands of U.S. dollars	
	2011	2010	2011
Available-for-sale—Equity securities	¥762	¥280	\$9,293

The carrying values of debt securities by contractual maturities for securities classified as held-to-maturity at February 28, 2011, are as follows:

	Millions of yen	Thousands of U.S. dollars
Due in one year or less	¥1,000	\$12,195
Due after one year through five years	7,701	93,915

7 Long-lived Assets

The Group reviewed its long-lived assets for impairment as of February 28, 2011 and 2010 and, as a result, recognized impairment losses of ¥2,165 million (\$26,402 thousand) and ¥2,494 million, respectively, as other expense for each store due mainly to continuous operating losses. The carrying amount of those assets was written down to the recoverable amount.

The Group recognized impairment losses on the following fixed assets and leased property for the years ended February 28, 2011 and 2010:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Fixed assets and leased property			
Land	¥ 102	¥ 194	\$ 1,244
Building	1,002	1,172	12,220
Leased property	673	756	8,207
Others	388	372	4,731
Total	¥2,165	¥2,494	\$26,402

The recoverable amount from the stores which the Group plans to sell was measured by its net selling price at disposition. The recoverable amount of other stores was measured at their value in use and the discount rate used for computation of present value of future cash flows were 4.64% and 4.62% for the years ended February 28, 2011 and 2010, respectively.

In addition, some associated companies accounted for by the equity method recognized impairment losses using the same methodology. The Group recognized ¥4 million (\$49 thousand) and ¥115 million for the years ended February 28, 2011 and 2010, respectively, of losses on impairment of long-lived assets as "Equity in earnings of unconsolidated subsidiaries and associated companies."

8 Goodwill

Goodwill as of February 28, 2011 and 2010, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Consolidation goodwill	¥377	¥24,400	\$4,598
Acquisition goodwill	416	660	5,073
Total	¥793	¥25,060	\$9,671

Amortization charged to selling, general and administrative expenses for the years ended February 28, 2011 and 2010, was ¥417 million (\$5,085 thousand) and ¥458 million, respectively.

9 Lease Obligations

Annual maturities of lease obligations at February 28, 2011, were as follows:

Year ending February 28 (or 29)	Millions of yen	Thousands of U.S. dollars
2012	¥ 3,493	\$ 42,598
2013	3,452	42,098
2014	3,524	42,976
2015	3,592	43,805
2016	3,548	43,268
2017 and thereafter	5,849	71,329
Total	¥23,458	\$286,074

10 Retirement and Pension Plans

The Company and its certain consolidated subsidiaries have severance payment plans for employees, directors and corporate auditors.

Under most circumstances, employees terminating their employment are entitled to retirement benefits determined based on the rate of pay at the time of termination, years of service and certain other factors. Such retirement benefits are made in the form of a lump-sum severance payment from the Company or from certain consolidated subsidiaries and annuity payments from a trustee. Employees are entitled

to larger payments if the termination is involuntary, by retirement at the mandatory retirement age, by death, or by voluntary retirement at certain specific ages prior to the mandatory retirement age. The liability for retirement benefits for directors and corporate auditors at February 28, 2011 and 2010 was ¥506 million (\$6,171 thousand) and ¥538 million, respectively. The retirement benefits for directors and corporate auditors are paid subject to the approval of the shareholders.

The liability for employees' retirement benefits as of February 28, 2011

and 2010 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Projected benefit obligation	¥18,512	¥17,269	\$225,756
Fair value of plan assets	(8,530)	(7,359)	(104,024)
Unrecognized actuarial loss	(3,266)	(4,080)	(39,829)
Unrecognized prior service cost	134	267	1,634
Unrecognized transitional obligation	(3)	(6)	(37)
Net liability	¥ 6,847	¥ 6,091	\$ 83,500

The components of net periodic benefit costs for the years ended February 28, 2011 and 2010, are as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Service cost	¥1,226	¥1,113	\$14,951
Interest cost	299	273	3,646
Expected return on plan assets	(7)	(213)	(85)
Recognized actuarial loss	456	478	5,561
Amortization of prior service cost	(19)	(24)	(232)
Amortization of transitional obligation	3	3	37
Net periodic benefit costs	¥1,958	¥1,630	\$23,878

Assumptions used for the years ended February 28, 2011 and 2010, are set forth as follows:

	2011	2010
Discount rate	Primarily 1.7%	Primarily 1.7%
Expected rate of return on plan assets	Primarily 0.0%	Primarily 3.5%
Recognition period of actuarial gain/loss	Primarily 13 years	Primarily 13 years
Amortization period of prior service cost	13 years	13 years
Amortization period of transitional obligation	Foreign consolidated subsidiary—15 years	Foreign consolidated subsidiary—15 years

Retirement benefits for directors and corporate auditors are paid subject to approval of the shareholders.

The Company recorded a liability for its unfunded retirement benefits plan covering all of its directors and corporate auditors. The annual provisions for retirement benefits for directors and corporate auditors for the years ended February 28, 2011 and 2010 were ¥119 million (\$1,451 thousand) and ¥119 million, respectively.

11 Equity

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

a. Dividends—Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. The Company meets all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

b. Increases/decreases and transfer of common stock, reserve and surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

c. Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

12 Income Taxes

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 41% for the years ended February 28, 2011 and 2010.

The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities as of February 28, 2011 and 2010, are as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Deferred tax assets:			
Provision for doubtful receivables	¥ 1,480	¥ 1,673	\$ 18,049
Accrued bonuses	589	543	7,183
Provision for retirement benefits— employees	2,631	2,371	32,085
Provision for retirement benefits— directors and corporate auditors	206	219	2,512
Depreciation	86	55	1,049
Loss on disposals of property and store facilities and cancellations of lease contracts	964	1,330	11,756
Loss on impairment of long-lived assets	4,579	8,375	55,841
Enterprise tax payable	200	525	2,439
Tax loss carryforwards	8,321	15,379	101,476
Accounts payable	1,079	2,582	13,159
Unearned revenue	231	356	2,817
Other	504	1,516	6,147
Less valuation allowance	(3,391)	(27,826)	(41,354)
Total	17,479	7,098	213,159
Deferred tax liabilities:			
Undistributed earnings of associated companies	1,784	1,475	21,756
Unrealized gain on available-for-sale securities	167	93	2,037
Total	1,951	1,568	23,793
Net deferred tax assets	¥15,528	¥ 5,530	\$189,366

13 Leases

As Lessee

The Group leases certain furniture and fixtures and software.

Total rental expenses including lease payments for the years ended February 28, 2011 and 2010, were ¥12,177 million (\$148,500 thousand) and ¥13,048 million, respectively.

The Group recorded impairment losses of ¥673 million (\$8,207 thousand) and ¥756 million on certain leased property held under finance leases that do not transfer ownership and an allowance for impairment loss on leased property for the years ended February 28, 2011 and 2010, respectively.

Pro forma Information of Leased Property Whose Lease Inception Was before March 31, 2008

ASBJ Statement No. 13, "Accounting Standard for Lease Transactions" requires that all finance lease transactions should be capitalized to

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statement of income for the years ended February 28, 2011 and 2010 is as follows:

	2011	2010
Normal effective statutory tax rate	41%	41%
Inhabitants taxes	1	1
Tax benefits not recognized on operating losses of subsidiaries	2	3
Lower income tax rates applicable to income in certain foreign countries	(2)	(2)
Other—net	1	1
Actual effective tax rate	43%	44%

As of February 28, 2011, certain subsidiaries have tax loss carryforwards aggregating approximately ¥20,806 million (\$253,732 thousand) which are available to be offset against taxable income of such subsidiaries in future years. These tax loss carryforwards, if not utilized, will expire as follows:

Year ending February 28 (or 29)	Millions of yen	Thousands of U.S. dollars
2012	¥ 562	\$ 6,854
2013	690	8,415
2014	5,242	63,927
2015	2,570	31,341
2016 and thereafter	11,742	143,195
Total	¥20,806	\$253,732

recognize lease assets and lease obligations in the balance sheet. However, the ASBJ Statement No. 13 permits leases without ownership transfer of the leased property to the lessee whose lease inception was before March 31, 2008 to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the financial statements. The Company applied the ASBJ Statement No. 13 effective March 1, 2009 and accounted for such leases as operating lease transactions. Pro forma information of leased property whose lease inception was before February 28, 2009 such as acquisition cost, accumulated depreciation, accumulated impairment loss, obligations under finance leases, depreciation expense, interest expense and other information of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis was as follows:

Millions of yen			
2011	Furniture and fixtures	Software	Total
Acquisition cost	¥63,972	¥4,202	¥68,174
Accumulated depreciation	(39,932)	(2,941)	(42,873)
Accumulated impairment loss	(2,891)		(2,891)
Net leased property	¥21,149	¥1,261	¥22,410

Millions of yen			
2010	Furniture and fixtures	Software	Total
Acquisition cost	¥72,501	¥4,222	¥76,723
Accumulated depreciation	(38,171)	(2,248)	(40,419)
Accumulated impairment loss	(2,513)		(2,513)
Net leased property	¥31,817	¥1,974	¥33,791

Thousands of U.S. dollars			
2011	Furniture and fixtures	Software	Total
Acquisition cost	\$780,146	\$51,244	\$831,390
Accumulated depreciation	(486,975)	(35,866)	(522,841)
Accumulated impairment loss	(35,256)		(35,256)
Net leased property	\$257,915	\$15,378	\$273,293

Obligations under finance leases:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Due within one year	¥ 9,777	¥10,822	\$119,232
Due after one year	17,046	27,657	207,878
Total	¥26,823	¥38,479	\$327,110

Allowance for impairment loss on leased property of ¥1,926 million (\$23,488 thousand) and ¥1,757 million as of February 28, 2011 and 2010 was not included in obligations under finance leases.

The imputed interest expense portion is included in the above obligations under finance leases.

Depreciation expense, interest expense and other information under finance leases:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Depreciation expense	¥ 9,836	¥10,883	\$119,951
Interest expense	859	1,171	10,476
Total	¥10,695	¥12,054	\$130,427
Lease payments	¥11,079	¥12,083	\$135,110
Reversal of allowance for impairment loss on leased property	¥ 505	¥ 442	\$ 6,159
Impairment loss	673	756	8,207

Depreciation expense and interest expense, which are not reflected in the accompanying consolidated statements of income, are computed by the straight-line method and the interest method, respectively.

The minimum rental commitments under noncancelable operating leases as of February 28, 2011 and 2010, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Due within one year	¥1,758	¥1,456	\$21,439
Due after one year	4,485	4,577	54,695
Total	¥6,243	¥6,033	\$76,134

As Lessor

The Group subleases certain land and buildings. The subleases are finance leases that do not transfer ownership of leased buildings to the lessee. Receivables under such finance leases as of February 28, 2011 and 2010, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Due within one year	¥ 178	¥ 211	\$ 2,171
Due after one year	972	1,152	11,853
Total	¥1,150	¥1,363	\$14,024

The minimum rental commitments under noncancelable operating subleases as of February 28, 2011 and 2010, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Due within one year	¥ 220	¥ 259	\$ 2,683
Due after one year	1,198	1,421	14,610
Total	¥1,418	¥1,680	\$17,293

14 Financial Instruments and Related Disclosures

On March 10, 2008, the ASBJ revised ASBJ Statement No. 10 "Accounting Standard for Financial Instruments" and issued ASBJ Guidance No. 19 "Guidance on Accounting Standard for Financial Instruments and Related Disclosures." This accounting standard and the guidance are applicable to financial instruments and related disclosures at the end of

the fiscal years ending on or after March 31, 2010 with early adoption permitted from the beginning of the fiscal years ending before March 31, 2010. The Group applied the revised accounting standard and the new guidance effective February 28, 2011.

a. Status of financial instruments**(a) Group policy for financial instruments**

The Group invests its cash surplus only in low risk financial assets. Derivatives are used, not for speculative purposes, but to manage exposure to financial risks as described in (b) below.

(b) Nature and extent of risks arising from financial instruments

Receivables such as receivables—due from franchised stores and other are exposed to customer credit risk.

Debt securities included in marketable and investment securities mainly consist of held-to-maturity securities rated over certain level. The Group monitored their market values and financial positions of the issuers on a regular basis. So, credit risk is limited to minimum. Equity securities included in investment securities, mainly equity instruments of customers and suppliers of the Group, are partially exposed to the risk of market price fluctuations.

Leasehold deposits, mainly related to rent agreements on stores, are exposed to counterparty credit risk.

Payment terms of payables, such as trade notes, trade accounts for franchised and Company-owned stores, due to franchised stores and other, and deposit received, are less than one year.

Maturities of lease obligations related to finance lease transactions, mainly for the purpose of financing capital investments of stores, are less than eight years after the balance sheet date and these interest rates are all fixed.

Leasehold deposits from franchised stores are mainly related to sublease arrangements of stores to the franchisees.

Derivatives mainly include forward foreign currency contracts which are used to manage exposure to market risks from changes in foreign currency exchange rates of receivables. Please see Note 15 for more detail about derivatives.

(c) Risk management for financial instruments**Credit Risk Management**

Credit risk is the risk of economic loss arising from a counterparty's failure to repay or service debt according to the contractual terms.

The Group manages its credit risk from receivables by monitoring payment terms and balances of major customers and identifying the default risk of counterparties in early stage.

For leasehold deposits, the Group is scrutinizing the collectability by identifying the credit situations of counterparties at the time of concluding the rental agreements and also identifying the default risk of counterparties in early stage by collecting the information about the counterparties by the Property Administration Department.

Market Risk Management**(Foreign Exchange Risk and Interest Rate Risk)**

Foreign currency receivables due from affiliates are exposed to market risk resulting from fluctuations in foreign currency exchange rates. Such foreign exchange risk is hedged principally by forward foreign currency contracts.

Marketable and investment securities are managed by monitoring market values and financial position of issuers on a regular

basis and securities other than held-to-maturity debt securities are managed by reviewing the holding status continuously by taking into consideration the relationship with the counterparties.

Derivative transactions are executed and controlled based on the internal guidelines which prescribe the authority and the limit for each transaction by the Accounting and Finance Department obtaining authorization by the responsible management.

Liquidity Risk Management

Liquidity risk comprises the risk that the Group cannot meet its contractual obligations in full on maturity dates.

The Group manages its liquidity risk by holding adequate volumes of liquid assets, along with preparing and updating the financial plan by each Group company.

(d) Supplementary information on fair values

Fair values of financial instruments include market prices and values calculated reasonably when there is no market price. Since variable factors are incorporated in calculating the relevant fair values, it may change depending on the different assumptions.

b. Fair values of financial instruments

The following table summarizes the carrying amount, fair value and net unrealized gains/losses as of February 28, 2011:

Note that the following table does not include financial instruments for which fair values are extremely difficult to determine (see Note (2) below).

February 28, 2011	Millions of yen		
	Carrying amount	Fair value	Net unrealized gains/losses
Cash and cash equivalents	¥ 95,486	¥ 95,486	
Time deposits	2,546	2,546	
Receivables:			
Due from franchised stores	13,139	13,139	
Other	46,965	46,965	
Marketable and investment securities:			
Held-to-maturity securities	8,701	8,750	¥ 49
Available-for-sale securities	4,687	4,687	
Leasehold deposits	106,242		
Allowance for doubtful receivables*	(504)		
	105,738	99,595	(6,143)
Total assets	¥277,262	¥271,168	¥(6,094)
Payables:			
Trade notes	¥ 192	¥ 192	
Trade accounts for franchised and Company-owned stores	70,977	70,977	
Due to franchised stores	5,929	5,929	
Other	21,945	21,945	
Deposit received	63,967	63,967	
Long-term lease obligations	19,965	18,574	¥(1,391)
Leasehold deposits from franchised stores	10,391	9,960	(431)
Total liabilities	¥193,366	¥191,544	¥(1,822)

Thousands of U.S. dollars			
February 28, 2011	Carrying amount	Fair value	Net unrealized gains/losses
Cash and cash equivalents	\$1,164,463	\$1,164,463	
Time deposits	31,049	31,049	
Receivables:			
Due from franchised stores	160,232	160,232	
Other	572,744	572,744	
Marketable and investment securities:			
Held-to-maturity securities	106,110	106,707	\$ 597
Available-for-sale securities	57,159	57,159	
Leasehold deposits	1,295,634		
Allowance for doubtful receivables*	(6,147)		
	1,289,487	1,214,573	(74,914)
Total assets	\$3,381,244	\$3,306,927	\$(74,317)
Payables:			
Trade notes	\$ 2,341	\$ 2,341	
Trade accounts for franchised and Company-owned stores	865,573	865,573	
Due to franchised stores	72,305	72,305	
Other	267,622	267,622	
Deposit received	780,085	780,085	
Long-term lease obligations	243,476	226,513	\$(16,963)
Leasehold deposits from franchised stores	126,720	121,463	(5,257)
Total liabilities	\$2,358,122	\$2,335,902	\$(22,220)

*Allowance for doubtful receivables on leasehold deposits is excluded.

Notes: (1) Measurement method of fair values of financial instruments

Assets

Cash and Cash Equivalents and Receivables—Due from Franchised Stores and Other

The fair values of cash and cash equivalents and receivables—due from franchised stores and other approximate their carrying amounts because of their short maturities.

Marketable and Investment Securities

The fair values of marketable and investment securities are measured at the quoted market price of the stock exchange for equity securities and at the quoted price obtained from financial institutions for debt securities. Information on the fair value of the marketable and investment securities by classification is included in Note 6.

Leasehold Deposits

The fair values of lease deposits are measured at the discounted present value of reasonably expected future cash flows using the yields of national government bonds corresponding to the remaining period.

Liabilities

Payables—Trade Notes, Trade Accounts for Franchised and Company-Owned Stores, Due to Franchised Stores and Other, and Deposit Received

The fair values of payables—trade notes, trade accounts for franchised stores and Company-owned stores, due to franchised

stores and other, and deposit received approximate their carrying amounts because of their short maturities.

Long-term Lease Obligations

The fair values of long-term lease obligations are measured at the discounted present value of aggregated amounts of principal and interest payables using the interest rate that would be applied to a similar lease transaction to be arranged currently.

Leasehold Deposits from Franchised Stores

The fair values of leasehold deposits from franchised stores are measured at the discounted present value of reasonably expected future cash flows using the yields of national government bonds corresponding to the remaining period.

(2) Financial instruments whose fair value cannot be reliably determined

February 28, 2011	Carrying amount	
	Millions of yen	Thousands of U.S. dollars
Investments in equity instruments that do not have a quoted market price in an active market	¥11,424	\$139,317

c. Maturity analysis for financial assets and securities with contractual maturities

February 28, 2011	Millions of yen			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Cash and cash equivalents	¥ 95,486			
Time deposits	2,546			
Receivables:				
Due from franchised stores	13,139			
Other	46,965			
Marketable and investment securities—Held-to-maturity securities	1,000	¥ 7,701		
Leasehold deposits	4,045	28,043	¥32,279	¥41,875
Total	¥163,181	¥35,744	¥32,279	¥41,875

February 28, 2011	Thousands of U.S. dollars			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Cash and cash equivalents	\$1,164,463			
Time deposits	31,049			
Receivables:				
Due from franchised stores	160,232			
Other	572,744			
Marketable and investment securities—Held-to-maturity securities	12,195	\$ 93,915		
Leasehold deposits	49,329	341,988	\$393,646	\$510,671
Total	\$1,990,012	\$435,903	\$393,646	\$510,671

d. Maturity analysis for lease obligations

Please see Note 9 for annual maturities of lease obligations.

15 Derivatives

The Company enters into foreign currency forward contracts to hedge foreign exchange risk associated with certain assets and liabilities denominated in foreign currencies. The Company does not hold or issue derivatives for trading purposes.

Derivatives are subject to market risk. Market risk is the exposure created by potential fluctuations in market conditions, including foreign exchange rates. Because the counterparties to those derivatives are

limited to major international financial institutions, the Company does not anticipate any losses arising from credit risk.

The execution and control of derivatives are controlled by the Accounting and Finance Department of the Company in accordance with the Company's internal regulation.

The Company had no derivative contracts outstanding as of February 28, 2011 and 2010.

16 Contingent Liabilities

As of February 28, 2011, the Group had the following contingent liabilities:

	Millions of yen	Thousands of U.S. dollars
Guarantee of financial institution loan, borrowed by Hokkaido FamilyMart Co., Ltd.	¥ 91	\$ 1,110
Guarantee of financial institution loan, borrowed by Famima Credit Corporation	15,149	184,744

17 Net Income per Share

Basis of computation of basic net income per share ("EPS") for the years ended February 28, 2011 and 2010 is as follows:

	Millions of yen	Thousands of shares	Yen	U.S. dollars
Year ended February 28, 2011		Weighted-average shares		EPS
EPS:				
Net income	¥18,023			
Net income available to common shareholders	¥18,023	94,992	¥189.7	\$2.31

	Millions of yen	Thousands of shares	Yen
Year ended February 28, 2010	Net income	Weighted-average shares	EPS
EPS:			
Net income	¥15,103		
Net income available to common shareholders	¥15,103	95,306	¥158.5

18 Subsequent Events

Great East Japan Earthquake

Certain of the Group's stores and branches located in part of Tohoku and Kanto regions have suffered damages as a result of the Great East Japan Earthquake on March 11, 2011. Immediately after the earthquake, about 300 stores suffered damaged and temporarily closed. Most of these stores, excluding those listed below, have resumed full operation after making every effort. In addition we have almost restored our supply chain, including damaged rice meal processing factories and distribution centers have been restored:

- Completely or partially destroyed stores due to the earthquake and tsunami:
 - 29 stores (4 stores in Iwate Prefecture, 21 stores in Miyagi Prefecture, 2 stores in Fukushima Prefecture, and 2 stores in Ibaraki Prefecture)
- Stores located around the caution area due to the accident of the

Fukushima nuclear power plant:
8 stores in Fukushima Prefecture

The amount of losses resulting from the disaster is estimated at approximately ¥3,710 million (\$45,244 thousand), comprised primarily of ¥1,637 million (\$19,963 thousand) for loss on impairment of long-lived assets, withdrawal costs, restoration costs, etc. and ¥1,198 million (\$14,610 thousand) for supporting costs for restoration of the franchisees, etc.

The estimated amount of the losses as a result of the disaster is determined based on the available information about the status of devastation currently identified. The details of the devastated stores are under investigation, and accordingly, such amount may be changed according to the changes in the estimates.

Business Combination

On April 1, 2011, the Company acquired am/pm Kansai Co., Ltd., which had operated convenience stores and managed franchised stores by merger with the Company as the surviving entity.

This acquisition aims to increase the Company's business value through creating greater economies of scale with an extended store network especially in the Kansai area and by improving efficiency and integration of business foundations.

The acquisition cost was ¥1,907 million (\$23,256 thousand) in cash in accordance with the Business Transfer Agreement dated February 24, 2011.

The Company took over am/pm Kansai Co., Ltd. with full management integration (absorption-type merger). The total cost of acquisition has been allocated to the assets acquired and the liabilities assumed based on their respective fair values. Goodwill attributable to individual stores recorded in connection with the acquisition totaled ¥2,241 million (\$27,329 thousand).

The estimated fair values of the assets acquired and the liabilities assumed at the acquisition date are as follows:

April 1, 2011	Millions of yen	Thousands of U.S. dollars
Current assets	¥2,186	\$26,659
Other assets	2,276	27,756
Goodwill attributable to individual stores	2,241	27,329
Total assets acquired	¥6,703	\$81,744
Total liabilities assumed	¥4,796	\$58,488
Net assets acquired	¥1,907	\$23,256

Goodwill attributable to individual stores is stated at cost less accumulated amortization, which is calculated over the estimated useful lives of the stores (weighted average 11 years):

Cash Dividends

On April 14, 2011, the following appropriation of retained earnings at February 28, 2011 was resolved by the Board of Directors:

	Millions of yen	Thousands of U.S. dollars
Year-end cash dividends, ¥36.0 (\$0.44) per share	¥3,418	\$41,683

19 Related Party Transactions

Transactions of the Company with related parties for the years ended February 28, 2011 and 2010, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Takashi Endo (corporate auditor and attorney):			
Attorney's fee	¥ 56	¥ 26	\$ 683
Accounts payable—other		3	
Famima Credit Corporation (associated company):			
Receivable—short-term loans (included receivable—other)	9,077		110,695
Receivable—long-term loans (included investments in and advances to unconsolidated subsidiaries and associated companies)		10,287	
Guarantee of financial institution loan	15,149	9,920	184,744
NIPPON ACCESS, INC. (fellow subsidiary):			
Purchase	11,779	4,594	143,646
Trade accounts payable for franchised and Company-owned store	14,293	12,843	174,305
Taiwan Distribution Center Co., Ltd. (associated company of subsidiary company):			
Purchase	4,263	3,493	51,988
Trade accounts payable for franchised and Company-owned store	7,495	6,900	91,402

20 Segment Information

The Group operates in the following industries:

Convenience store business: Developing "FamilyMart" chain stores by franchise system and area franchise system

Other businesses: E-commerce business, leases, accounting services, financial services, etc.

Information about industry segments, geographical segments and operating revenues from foreign customers of the Company and its subsidiaries for the years ended February 28, 2011 and 2010, was as follows:

(1) Industry Segments

The industry segments of the Company and its subsidiaries for the years ended February 28, 2011 and 2010, are summarized as follows:

a. Operating revenues and operating income

	Millions of yen			
	2011			
	Convenience store business	Other businesses	Eliminations/corporate	Consolidated
Operating revenues from outside the Group	¥313,807	¥6,082		¥319,889
Intersegment operating revenues	243	2,339	¥(2,582)	
Total operating revenues	314,050	8,421	(2,582)	319,889
Operating expenses	272,103	6,756	2,807	281,666
Operating income	¥ 41,947	¥1,665	¥(5,389)	¥ 38,223

b. Total assets, depreciation, loss on impairment of long-lived assets and capital expenditures

	Millions of yen			
	2011			
	Convenience store business	Other businesses	Eliminations/corporate	Consolidated
Total assets	¥323,239	¥22,152	¥90,643	¥436,034
Depreciation	12,487	95		12,582
Loss on impairment of long-lived assets	2,165			2,165
Capital expenditures	39,953	248		40,201

a. Operating revenues and operating income

	Thousands of U.S. dollars			
	2011			
	Convenience store business	Other businesses	Eliminations/corporate	Consolidated
Operating revenues from outside the Group	\$3,826,915	\$ 74,170		\$3,901,085
Intersegment operating revenues	2,963	28,525	\$(31,488)	
Total operating revenues	3,829,878	102,695	(31,488)	3,901,085
Operating expenses	3,318,329	82,390	34,232	3,434,951
Operating income	\$ 511,549	\$ 20,305	\$(65,720)	\$ 466,134

b. Total assets, depreciation, loss on impairment of long-lived assets and capital expenditures

	Thousands of U.S. dollars			
	2011			
	Convenience store business	Other businesses	Eliminations/corporate	Consolidated
Total assets	\$3,941,939	\$270,147	\$1,105,402	\$5,317,488
Depreciation	152,280	1,159		153,439
Loss on impairment of long-lived assets	26,402			26,402
Capital expenditures	487,232	3,024		490,256

a. Operating revenues and operating income

	Millions of yen			
	2010			
	Convenience store business	Other businesses	Eliminations/corporate	Consolidated
Operating revenues from outside the Group	¥272,449	¥5,726		¥278,175
Intersegment operating revenues	201	2,387	¥(2,588)	
Total operating revenues	272,650	8,113	(2,588)	278,175
Operating expenses	235,513	6,534	2,597	244,644
Operating income	¥ 37,137	¥1,579	¥(5,185)	¥ 33,531

b. Total assets, depreciation, loss on impairment of long-lived assets and capital expenditures

	Millions of yen			
	2010			
	Convenience store business	Other businesses	Eliminations/corporate	Consolidated
Total assets	¥333,963	¥23,497	¥66,749	¥424,209
Depreciation	10,277	62		10,339
Loss on impairment of long-lived assets	2,494			2,494
Capital expenditures	39,972	100		40,072

(2) Geographical Segments

The geographical segments of the Company and its subsidiaries for the years ended February 28, 2011 and 2010, are summarized as follows:

	Millions of yen				
	2011				
	Japan	Asia	Other area	Eliminations/corporate	Consolidated
Operating revenues from outside the Group	¥276,149	¥42,684	¥1,056		¥319,889
Interarea transfers	569	16		¥ (585)	
Total operating revenues	276,718	42,700	1,056	(585)	319,889
Operating expenses	235,934	39,503	1,425	4,804	281,666
Operating income (loss)	¥ 40,784	¥ 3,197	¥ (369)	¥ (5,389)	¥ 38,223
Total assets	¥287,271	¥51,011	¥ 387	¥97,365	¥436,034

	Thousands of U.S. dollars				
	2011				
	Japan	Asia	Other area	Eliminations/corporate	Consolidated
Operating revenues from outside the Group	\$3,367,671	\$520,537	\$12,877		\$3,901,085
Interarea transfers	6,939	195		\$ (7,134)	
Total operating revenues	3,374,610	520,732	12,877	(7,134)	3,901,085
Operating expenses	2,877,244	481,744	17,378	58,585	3,434,951
Operating income (loss)	\$ 497,366	\$ 38,988	\$ (4,501)	\$ (65,719)	\$ 466,134
Total assets	\$3,503,305	\$622,085	\$ 4,720	\$1,187,378	\$5,317,488

	Millions of yen				
	2010				
	Japan	Asia	Other area	Eliminations/ corporate	Consolidated
Operating revenues from outside the Group	¥238,056	¥38,813	¥1,306		¥278,175
Interarea transfers	527	16		¥ (543)	
Total operating revenues	238,583	38,829	1,306	(543)	278,175
Operating expenses	201,591	36,385	2,026	4,642	244,644
Operating income (loss)	¥ 36,992	¥ 2,444	¥ (720)	¥ (5,185)	¥ 33,531
Total assets	¥305,513	¥45,100	¥ 978	¥72,618	¥424,209

(3) Operating Revenues from Foreign Customers

Operating revenues from foreign customers for the years ended February 28, 2011 and 2010, amounted to ¥44,141 million (\$538,305 thousand) and ¥40,449 million, respectively.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
FamilyMart Co., Ltd.:

We have audited the accompanying consolidated balance sheets of FamilyMart Co., Ltd. (the "Company") and consolidated subsidiaries (the "Group") as of February 28, 2011 and 2010, and the related consolidated statements of income, changes in equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of FamilyMart Co., Ltd. and consolidated subsidiaries as of February 28, 2011 and 2010, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

As discussed in Note 18 to the consolidated financial statements, the Group has suffered damages as a result of the Great East Japan Earthquake on March 11, 2011.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

May 26, 2011

Corporate History

1972	Sept.	The Planning Office of The Seiyu Stores, Ltd., sets up a Small Store Section.
1973	Sept.	The first convenience store opens on a trial basis in Sayama, Saitama Prefecture.
1978	Mar.	The Seiyu Stores establishes FamilyMart Department; four stores operating.
1981	Sept.	The Seiyu Stores establishes FamilyMart Co., Ltd., and transfers business and property; 89 stores operating.
1987	Oct.	FamilyMart and RYUBO CO., LTD., in Naha, Okinawa Prefecture, jointly establish Okinawa FamilyMart Co., Ltd.
	Dec.	The Tokyo Stock Exchange lists FamilyMart stock on the Second Section.
1988	Aug.	FamilyMart and partner companies in Taiwan jointly establish Taiwan FamilyMart Co., Ltd.
1989	Aug.	The Tokyo Stock Exchange lists FamilyMart stock on the First Section.
1990	July	FamilyMart concludes a contract with BOKWANG FAMILYMART CO., LTD., of Seoul, South Korea, for the transfer of convenience store operational know-how and the use of the FamilyMart service logo under license; under this contract, franchising operations for FamilyMart stores in South Korea commence.
1992	Sept.	FamilyMart jointly establishes Siam FamilyMart Co., Ltd. with Robinson Department Store Public Co., Ltd.; Saha Pathanapibul Public Co., Ltd.; and ITOCHU (THAILAND) LTD.
1993	Apr.	FamilyMart and Homboshoten Co., Ltd., in Kagoshima jointly establish Minami Kyushu FamilyMart Co., Ltd.
1998	Feb.	The ITOCHU Group buys the stock of FamilyMart from The Seiyu, Ltd., and other companies, becoming the largest shareholder.
1999	Mar.	All offices and stores of FamilyMart receive blanket certification under ISO 14001, the international standard for environmental management systems.
	Sept.	FamilyMart and 25 other companies (including 4 convenience store chains and 10 financial institutions) jointly establish E-net Co., Ltd., to install ATM machines in stores.
2000	May	To promote electronic commerce, FamilyMart and top companies in each industry — including ITOCHU Corporation, NTT DATA Corporation, and Toyota Motor Corporation — jointly establish famima.com Co., Ltd.
	Oct.	FamilyMart experimentally introduces Famiport Multimedia Terminals in some stores (full-scale introduction in Feb. 2001).
2001	Nov.	FamilyMart establishes IFJ Co., Ltd. (currently Famima Credit Corporation), a credit card company.
2002	Feb.	Taiwan FamilyMart is listed on the GreTai Securities Market, an over-the-counter stock market in Taiwan.
	May	FamilyMart introduces an IC card (JUPI card).
2003	Dec.	FamilyMart becomes the first convenience store chain of Japanese origin to reach 10,000 stores in Asia.
2004	May	FamilyMart jointly establishes Shanghai FamilyMart Co., Ltd. (China), in cooperation with four partners — Tingshin (Cayman Islands) Holding Corporation; Taiwan FamilyMart Co., Ltd.; ITOCHU Corporation; and CITIC Trust & Investment Co., Ltd.
	Oct.	FamilyMart introduces its Famima Card.
	Oct.	FamilyMart jointly establishes FAMIMA CORPORATION (U.S.A.) in cooperation with two partners — ITOCHU Corporation and ITOCHU International Inc. (U.S.A.).
2006	Feb.	FamilyMart and Sapporo-based company Maruyo Nishio Co., Ltd. (currently Seico Fresh Foods Co., Ltd.) jointly establish Hokkaido FamilyMart Co., Ltd.
	July	Hokkaido FamilyMart Co., Ltd. begins the development of FamilyMart stores in Hokkaido. With this, FamilyMart finally extends its store network to every one of Japan's 47 prefectures.
	Sept.	FamilyMart's 25th anniversary, with drafting of new Basic Principles.
2007	Sept.	FamilyMart jointly establishes Guangzhou FamilyMart Co., Ltd. (China), in cooperation with three partners — Ting Chuan (Cayman Islands) Holding Corp., Taiwan FamilyMart Co., Ltd., and ITOCHU Corporation.
	July	FamilyMart jointly establishes Suzhou FamilyMart Co., Ltd. (China), in cooperation with three partners — Ting Chuan (Cayman Islands) Holding Corp., Taiwan FamilyMart Co., Ltd., and ITOCHU Corporation.
2009	Nov.	FamilyMart introduces its Famima T Card.
	Aug.	FamilyMart becomes the first convenience store chain of Japanese origin to have more stores overseas than it has in Japan.
2010	Dec.	FamilyMart acquires am/pm Japan Co., Ltd. and makes it a wholly owned subsidiary.
	Mar.	Integration with am/pm Japan Co., Ltd. completed.
2011	July	FamilyMart concludes a joint-area franchise agreement with JR KYUSHU RETAIL, INC.
	Apr.	Integration with am/pm Kansai Co., Ltd. completed.

Investor Information

Corporate Data (non-consolidated)

(As of February 28, 2011)

Corporate name:	FamilyMart Co., Ltd.
Head office:	1-1, Higashi-Ikebukuro 3-chome, Toshima-ku, Tokyo 170-6017, Japan Telephone: (81) 3-3989-6600
Incorporated:	September 1, 1981
Paid-in capital:	¥16,659 million
Fiscal year:	March 1st to the last day of February
Number of full-time employees:	3,358
Authorized shares:	250,000,000
Issued shares:	97,683,133 (Treasury stock: 2,750,744 shares)
Number of shareholders:	12,391
Stock exchange listing:	Tokyo Stock Exchange, First Section
Securities code:	8028
Trading unit of shares:	100 shares
Transfer agent:	The Sumitomo Trust & Banking Co., Ltd.
Independent auditors:	Deloitte Touche Tohmatsu
Ordinary general meeting of shareholders:	May each year

Domestic Area Franchisers

Okinawa FamilyMart Co., Ltd.
 Minami Kyushu FamilyMart Co., Ltd.
 Hokkaido FamilyMart Co., Ltd.
 JR KYUSHU RETAIL, INC.

Overseas Area Franchisers

Taiwan FamilyMart Co., Ltd. (Taiwan)
 BOKWANG FAMILYMART CO., LTD. (South Korea)
 Siam FamilyMart Co., Ltd. (Thailand)
 Shanghai FamilyMart Co., Ltd. (China)
 FAMIMA CORPORATION (U.S.A.)
 Guangzhou FamilyMart Co., Ltd. (China)
 Suzhou FamilyMart Co., Ltd. (China)

Principal Shareholders

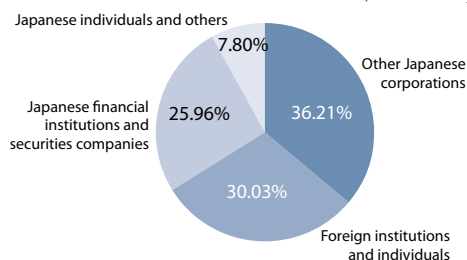
(As of February 28, 2011)

Name of Shareholders	Number of Shares (thousands)	Shareholdings (%)
ITOCHU Corporation	29,941	30.7
Japan Trustee Services Bank, Ltd. (Trust account)	6,348	6.5
The Master Trust Bank of Japan, Ltd. (Trust account)	3,332	3.4
NTT DoCoMo, Inc.	2,931	3.0
Mizuho Bank, Ltd.	2,085	2.1
Nippon Life Insurance Company	1,964	2.0
Japan Trustee Services Bank, Ltd. (Trust account 9)	1,530	1.6
State Street Bank and Trust Company 505223	1,412	1.5
THE CHASE MANHATTAN BANK, N.A. LONDON SECS LENDING OMNIBUS ACCOUNT	1,261	1.3
Deutsche Securities Inc.	1,089	1.1
Total	51,894	53.1

Notes: 1. In addition to the above, the Company also holds 2,750,744 shares in treasury.
 2. Figures under the shareholdings represent shares as a percentage of total number of issued shares.

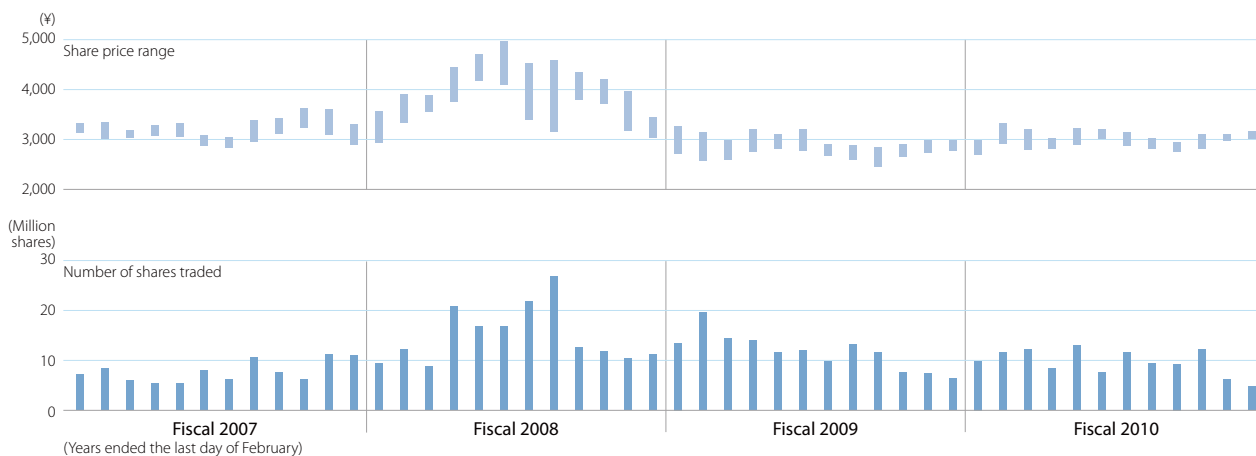
Distribution of the Shares

(As of February 28, 2011)



* Excluding shares of less than one trading unit

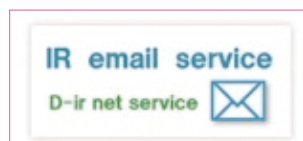
Share Price Range and Number of Shares Traded



Please visit the FamilyMart Website!

On our website, we make available a variety of Company information, including a Message from the President, financial summaries, and monthly business performance data, as well as news releases and other information of interest to investors.

<http://www.family.co.jp/english>



We provide an IR email service, through which we inform subscribers of matters of interest to investors.



FamilyMart

FamilyMart Co., Ltd.

Sunshine60, 17F
1-1, Higashi-Ikebukuro 3-chome,
Toshima-ku, Tokyo 170-6017, Japan
Telephone: (81) 3-3989-6600
<http://www.family.co.jp>



Printed in Japan
2011.07