

# Review for First Half of FYE 2/2012



## Results for First Half of FYE 2/2012 Record operating and ordinary income with double-digit growth

\* Figures do not include TOMONY stores and am/pm stores before brand conversion.

### Consolidated (Millions of Yen)

	1st H of FYE 2/2012	1st H of FYE 2/2011	YoY (%)
Total operating revenues	167,570	163,206	2.7
Operating income	24,589	21,917	12.2
Ordinary income	25,719	22,827	12.7
Net income	7,656	11,303	(32.3)

### Non-consolidated (Millions of Yen)

	1st H of FYE 2/2012	1st H of FYE 2/2011	YoY (%)
Total store sales of FM stores	773,924	727,860	6.3
Total operating revenues	140,808	138,396	1.7
Selling, general and administrative expenses	87,877	87,126	0.9
Operating income	22,442	19,936	12.6
Ordinary income	24,055	21,343	12.7
Net income	7,825	10,935	(28.4)

### Business performance (Non-consolidated)

	1st H of FYE 2/2012	1st H of FYE 2/2011	YoY difference
Average daily sales of total stores (Thousands of yen)	537	504	33
Growth rate of average daily sales at existing stores (%)	4.9	(2.3)	
Gross profit ratio (%)	27.61	28.45	(0.84)
Average daily sales at new stores (Thousands of yen)	567	573	(6)
Store openings	426	356	70
Store closures	140	108	32

### Number of stores

\* Figures include TOMONY stores.

	1st H of FYE 2/2012	1st H of FYE 2/2011	YoY difference
FamilyMart stores (Non-consolidated)	7,916	7,410	506
Total stores in Japan (Including domestic area franchising stores)	8,568	7,946	622
Total stores overseas (Overseas area franchising stores)	10,290	8,608	1,682
Total chain stores (Japan and overseas)	18,858	16,554	2,304

\* Total of am/pm stores as of August 31, 2011: 113 stores  
(Tokyo metropolitan area: 46, Kansai area: 67)

#### ■ Average daily sales at new stores: ¥567,000 [Record high]

(not including conversion of am/pm store: ¥562,000)

- Enhanced review and progress management system for new store openings
- "Regional Development Department" set up to provide front-line support

#### ■ Growth rate of average daily sales at existing stores in line at 4.9%

- Earthquake impact: closure of stores, confusion due to gasoline shortages and rolling blackouts
- Before long May holiday, restoration of supply network, sales recovery

#### ■ Extraordinary loss (costs of disaster management): ¥4.2 billion

- Reconstruction and repairs at damaged stores: ¥1 billion
- Cost of reconstruction at franchisees: ¥2.4 billion
- Other costs (stock loss, restoration of plants and business hubs): ¥800 million

# Basic policies and key points in second half of FYE 2/2012

## FamilyMart: Indispensable to the communities we serve

### Background

- Changes in social structure and lifestyle
- Changes in buying behavior at the local level
  - Local areas: More areas with poor shopping access
  - Urban areas: Increase in single-person households
 ⇒ More customers using neighborhood convenience stores



### ■ Response to changes in social environment

- Adjust product development and stock displays, and customer hospitality and service, for customer diversification
  - ⇒ Deeper commitment to basics of retailing
- Smaller catchment areas: A.S.D. [Automatic Super Delis] (food and daily necessities vending machines)
- Poor shopping access: Mobile catering and delivery services, from established stores

## Enhanced marketing

### ■ Factors in current low growth in customers at existing stores

- High growth over the past few years
- High concentrations of stores in metropolitan areas:
  - Sharp drop in number of overseas tourist customers
  - Impact of power-saving campaign
 ⇒ Temporary decrease in number of nighttime customers in summer
- Cannibalization effect of am/pm stores on local customers

### ■ Average daily sales and customer numbers at all stores up sharply

YoY increase in average daily sales and customer visits at all stores			
	1Q	2Q	1H
Daily sales (thousands of yen)	+20	+46	+33
Customer visits	+10	+21	+16

### ■ Priorities in second half

- Continue measures to mark our 30th anniversary
- Continue strategy of targeting "otona" active mature adults
  - *IRODORI* famima DELI
  - Fifth priority category (delicatessen items and salads)
  - Boost from backing for Japan women's football team of World Cup Champion 2011 (The name of team is "Nadeshiko Japan")
- Leveraging existing priority categories\*, tap demand from the health-conscious and those who prefer dining at home, and increase number of items purchased
  - ⇒ higher average sales per customer

\* "Famima Kitchen(fast-food)," Sweets+, Three-Star Pasta, *Ajiwai* Famima Café

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**Full-year target: Average daily sales growth at existing stores of 4.3%, gross profit ratio of 27.81%**

# Key points the second half of FYE 2/2012

## Global expansion: Future strategy

### ■ Japan

#### Brand integration with am/pm

- Store conversions in first half: 213 (Tokyo, Kansai and Kyushu)
  - Average daily sales grow about 30% compared with before conversions.
- Brand integration continues in the second half
  - Conversion of some 720 stores in Tokyo, Kansai and Kyushu to be completed over two years

Number of stores converted from the am/pm brand

	FY2010	FY2011			Total
	Full term	1st half	2nd half (est.)	Full term (est.)	
Tokyo area	329	153	37	190	519
Kansai area	–	45	55	100	100
Kyushu area*	87	15	–	15	102
<b>Total</b>	<b>416</b>	<b>213</b>	<b>92</b>	<b>305</b>	<b>721</b>

\*Figures for Kyushu area (JR Kyushu Retail, Inc.) do not include newly opened stores.

#### Store openings in off-street “new market” locations

- Launch new initiative with Nagoya Railroad Co., Ltd., to open more than 200 stores in station interiors and catchment areas, with nine partner companies

#### Full-year targets

- **Number of store openings: 790**
- **Average daily sales at new stores: ¥529,000**
- **New stores : 500**  
(not including conversion am/pm stores)
- **Number of stores at term-end (non-consolidated basis): 8,119**

### ■ Overseas

- Thailand: Strengthen established stores and open new stores to ensure earnings growth year-on-year
- China: Open more than 850 stores in Shanghai, Suzhou and Guangzhou by the end of February 2012  
As No.1 Japanese convenience store operator, move into interior provinces  
⇒ Accelerate openings with target of 4,500 stores by FYE 2/2016 in China
- Vietnam: Establish management company to acquire joint venture licenses
- New areas: Plan to expand into Indonesia

Number of stores

	12/2 (est.)	11/2	YoY difference
	<b>Japan*</b>	<b>8,763</b>	<b>8,248</b>
<b>Overseas</b>	<b>10,737</b>	<b>9,350</b>	<b>1,387</b>
Taiwan	2,856	2,637	219
South Korea	6,329	5,511	818
Thailand	672	622	50
China: Shanghai	642	442	200
China: Guangzhou	148	88	60
China: Suzhou	65	36	29
U.S.A.	9	10	(1)
Vietnam	16	4	12
<b>Total</b>	<b>19,500</b>	<b>17,598</b>	<b>1,902</b>



FamilyMart store in Vietnam

\* 1) The figures for 12/2 do not include planned new TOMONY and JR KYUSHU RETAIL stores.

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

**Number of Japan and overseas stores  
as of February 29, 2012: 19,500 (up 1,902 year-on-year)**

# Performance Forecasts for FYE 2/2012

## Performance Forecasts for FYE 2/2012

### Consolidated

(Millions of Yen)

	FYE 2/2012 (est.)	FYE 2/2011	YoY (%)
Total operating revenues	325,000	319,889	1.6
Operating income	42,100	38,223	10.1
Ordinary income	44,200	39,907	10.8
Net income	15,000	18,023	(16.8)

### Non-consolidated

(Millions of Yen)

	FYE 2/2012 (est.)	FYE 2/2011	YoY (%)
Total store sales of FM stores	1,537,000	1,440,457	6.7
Total operating revenues	269,600	270,818	(0.4)
Operating income	37,700	33,741	11.7
Ordinary income	39,900	35,887	11.2
Net income	13,600	16,678	(18.5)

\* Figures do not include TOMONY stores and am/pm stores before brand conversion.

### Business performance (Non-consolidated)

	FYE 2/2012 (est.)	FYE 2/2011	YoY
Average daily sales of total stores (Thousands of yen)	533	505	28
Growth rate of average daily sales at existing stores (%)	4.3	(0.2)	
Gross profit ratio (%)	27.81	28.31	(0.50)
Average daily sales at new stores (Thousands of yen)	529	564	(35)
Store openings	790*	736	54
Store closures	300	270	30

\* Estimate for year ending February 2012

Number of planned store openings for year ending February 2012 is total of 290 to-be-converted am/pm stores (including 100 under am/pm Kansai management) plus 500 FamilyMart new stores.

- ◆ Boost operating and ordinary income by double-digit margins to new highs
- ◆ Planned dividend: ¥80 per share, full year (¥40 at interim and year-end)  
⇒ Seventh consecutive year of increase

## MEMO

**Cautionary Statement:** This presentation contains forward-looking statements, including future business plans, and projections. Such forward-looking statements are not based on historical facts and involve known and unknown risks and uncertainties that relate to, but are not necessarily confined to, such areas as economic trends and consumer preferences in Japan and abrupt changes in the market environment. Accordingly, the actual business performance of the Company may substantially differ from the forward-looking statements in this report.