

FamilyMart Milestones

The first FamilyMart convenience store opened its doors in Japan in 1973. By continuing to develop in step with society, FamilyMart has grown into a domestic chain of approximately 16,500 stores. However, we have not simply expanded our convenience store chain. With the aim of bringing convenience and richness to everyday life, we have steadily increased the sophistication of our operations throughout our history. As well as constantly improving products and services, we have evolved our corporate structure and enhanced the logistics supply chains and information infrastructures that support store operations.

September 1973

Opening of the first FamilyMart store (in Sayama, Saitama Prefecture) by a new business segment of Seiyu Stores, Ltd.



August 1978

Opening of the first FamilyMart franchised store



April 1980

Commencement of an online ordering system

September 1981

Establishment of FamilyMart Co., Ltd.

January 1982

Launch of boxed lunches, fast food, and other original products

February 1987

Network of 1,000 stores in Japan

August 1988

Opening of the first FamilyMart store overseas (Taiwan)

January 1989

Formulation of the "FamilyMart, Where You Are One of the Family" corporate message

September 1989

Introduction of a point-of-sale system



February 1990

Beginning of agency payment services for utility fees, etc.

December 1994

Commencement of the operations of integrated distribution bases including production plants and distribution bases

November 1996

Network of 5,000 stores in Japan

February 1998

Establishment of the ITOCHU Group as the Company's largest shareholder

October 1999

Launch of ATM services



October 2000

Introduction of Famiport multimedia terminals



January 2001

Introduction of in-store SAT tablet devices for placing orders, enabling personnel to order based on sales and inventory data while checking product status in sales areas



July 2006

Establishment of stores in all of Japan's prefectures

October 2006

Launch of FAMILCHIKI



December 2009

Conversion of am/pm Japan Co., Ltd., into a wholly owned subsidiary

December 2011

Completion of the conversion of am/pm to the FamilyMart brand



May 2012

Opening of the first integrated convenience store and drugstore in Tokyo's Chiyoda Ward

October 2012

Launch of sales under the *FamilyMart collection* private brand

October 2013

Network of 10,000 stores in Japan

April 2014

Initiation of *structural reform in ready-to-eat items*

October 2015

Conversion of Cocostore Corporation into a wholly owned subsidiary

September 2016

Management integration with UNY Group Holdings Co., Ltd.

October 2016

Completion of the conversion of Cocostore to the FamilyMart brand

June 2017

Completion of distribution base reorganization following brand integration

August 2017

Conclusion of a capital and business alliance with Pan Pacific International Holdings Corporation (PPIH)

November 2018

Completion of the conversion of Circle K and Sunkus to the FamilyMart brand



January 2019

Transfer of all shares of UNY CO., LTD., to PPIH



FamilyMart's Components

There is more to FamilyMart than meets the eye. Brick-and-mortar stores are only the most visible component of our operations.

Store operations are made possible by an array of functions and personnel.

Moreover, the shared values of those working in FamilyMart operations are indispensable.

The aforementioned are all essential components of FamilyMart.



Brick-and-Mortar Stores

Through several brand integrations, we have strategically expanded our store network. In Japan, FamilyMart now has a network of roughly 16,500 stores, which have become an integral part of the infrastructure of society and everyday life.

Innovations in Store Operations

A distinctive advantage of convenience stores is that, as brick-and-mortar stores, they provide customer services in person. Such points of contact are the basis of our business model's ability to identify customer needs and issues and innovate rapidly.

Please see page 20 for details.

Store Functions Reflecting Society's Needs

We develop and market products that match society's current needs. Also, by installing ATMs and adding a range of other functions to stores, we have made them even more convenient and essential.

Please see page 24 for details.



Products and Information Infrastructure

FamilyMart optimizes distribution to ensure that stores have the products customers need when they need them. Further, we have established information infrastructure that we use in the development of products and services that match customer needs.

Upgrading of Supply Chains

We are rationalizing supply chains from raw material procurement and product manufacturing through to distribution so that our stores are able to offer customers products with even more value. Furthermore, we are increasing the precision of stores' ordering and inventory management through technological innovation.

Please see page 26 for details.

Diverse Data from Brick-and-Mortar Stores

FamilyMart combines ordering and inventory data and data on customer purchases to predict demand and guide the development of products and services. Other initiatives include our use of digital technologies to make forays into new business fields.

Please see page 28 for details.



Personnel and Knowledge

The roles of the head office are to gather and share know-how garnered through store operations and to support the growth of the entire store chain by creating new businesses. To ensure that we fulfill these roles, we are building new systems that encourage head office personnel to take maximum advantage of their talents.

Accumulation of Business Know-How

We make sure that the business acumen of the operators of franchised stores as well as examples of good practice in store operations are shared throughout the store network. Another important management resource is the know-how regarding store network expansion that we have gained in the process of several brand integrations.

Please see page 30 for details.

Diverse Personnel

Past reorganizations of the Group have given it an employee mix comprising many different types of expertise and experience. Accordingly, we are establishing systems aimed at encouraging these diverse personnel to create synergies and innovate.

Please see page 32 for details.

In September 2019, FamilyMart revised its corporate message to clarify the values that will underpin the Company's growth going forward.

Corporate Message

FamilyMart, Where You Are One of the Family

Mission

Our Three Values

1. FamilyMart is a network of small local stores. Each store lives with and owes its existence to the people who live in the neighborhood. We will work earnestly to **become a store that is rooted closely** and evolves as an integral part of the local community.
2. We will do our best to **meet the needs of each customer** who visits our stores. Our stores will provide what the customers want, furthermore, discovery of exciting and high quality products. By doing so, the stores will be a place where people will stop by anytime.
3. We will foster close ties with business partners **like a family** running a small local store. We want customers to feel part of the neighborhood family. We will continue innovating towards comfortable lifestyle which will contribute not only to convenience but also to the wellness of everyone. We will commit to the pursuit of happiness of the "Family."

FamilyMart's Value Creation Model

In accordance with the "FamilyMart, Where You Are One of the Family" corporate message, we will increase our value as an integral part of the infrastructure of society and everyday life. FamilyMart will achieve this by addressing society's needs and issues and by enhancing the value of its brick-and-mortar stores, products and information infrastructure, and personnel and knowledge.

Further, from the viewpoint of a business rooted in local communities, we will identify priority issues and implement ambitious initiatives to address them.

Important Operating Environment Factors

Changes in society

- Changes in demographics
- Changes in social structure
- Changes in consumer behavior

Social issues

- Social issues that affect revenue growth
- Social issues that should be addressed as a regionally rooted entity

Changes in the competitive environment

- Intensification of competition across industry boundaries
- Technological innovation or business model reform

FamilyMart's Components



Brick-and-Mortar Stores

- Innovations in store operations
- Store functions reflecting society's needs



Products and Information Infrastructure

- Upgrading of supply chains
- Diverse data from brick-and-mortar stores



Personnel and Knowledge

- Accumulation of business know-how
- Diverse personnel



FamilyMart's Business Model



Maximize the value of stores

- Increase the quality and efficiency of store operations
- Optimize the store network
- Enhance store functions
- Create high-value-added products and services



Maximize the value of infrastructure

- Upgrade supply chains
- Increase product value through structural reform in ready-to-eat items
- Leverage information acquired through stores
- Create new businesses that use information infrastructure



Maximize the value of personnel and knowledge

- Gather and share know-how on store operations
- Strengthen relationships with franchised stores and local communities
- Secure and develop the next generation of personnel
- Create workplaces that enable diverse personnel to contribute

Responding to Society's Issues: Tackling Material Issues

1. Environmental awareness
2. Contributing to the development of vibrant local communities as social and living infrastructure
3. Strengthening of supply chain management that delivers safe and reliable products
4. Responding to increasingly sophisticated and diverse consumer needs
5. Enhancing diversity

Contribution to the global targets



Increase value as an integral part of the infrastructure of society and everyday life

Enhance corporate value

Bring convenience and richness to everyday life

Corporate Message

FamilyMart, Where You Are One of the Family

Foundations of Business Management

- Corporate governance
- Internal control system
- Accountability (dialogue with stakeholders)