

FamilyMart Co.,Ltd. FY2020 Second half Merchandising Policy

September 16, 2020

—Disclaimer—

This report contains forward-looking statements, including the Company's strategies, 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.

Result of Merchandising FY2020 First half

Provide Response to the Spread of COVID-19

- Sales promotions that support lifestyles
(Sales promotion costs of roughly ¥2.0 billion)
- Expand sales floors at eat-in areas
- Demand for Ready-To-Eat Items:
Strengthen the “Mother’s Kitchen” Series
- High added value: Desserts in collaboration
with famous specialty stores

Sales promotions that support lifestyles



eat-in areas



Mother’s Kitchen Series



Desserts in collaboration
with famous specialty stores



Reduce wastage ▪ Environmental measures

- Reservation of eel rice box (Store ▪ Web)
- Reduction of plastic packaging material

Eel rice box



Sales results (YoY)
※It was not reservation-only in 2018.

Sales	100%
Waste	-80%
Store Profit	+240%
Core operating profit	100%

Merchandising plan in FY2020 second half

Second half Merchandising Policy

In order to respond to changes in demand due to the spread of coronavirus infection, we have been reviewing our product lineup and developing products based on three themes.



Expansion of PB products for daily use (saving and enriching stay at home)

1. Expand the range of processed food products and increase the ratio of processed food products.
2. Increase the variety of tastes and sizes.



Continue product development concept (Healthy / Full / Satisfactory)

1. Healthy : Expanding products that are expected to have preventive and immunizing effects
2. Full : Continue planning
3. Satisfactory : Continue planning



Strengthen products to acquire customers that tendency to cut back on eating out due to saving money.

1. Convenient product that saves cooking time and can be stored
2. Products of collaboration with famous specialty stores



Merchandising plan in FY2020 second half

Sales floor

The purpose of customers going to convenience stores has changed due to COVID-19, so we reconsidered the sales floor composition and product lineup focuses of grocery.



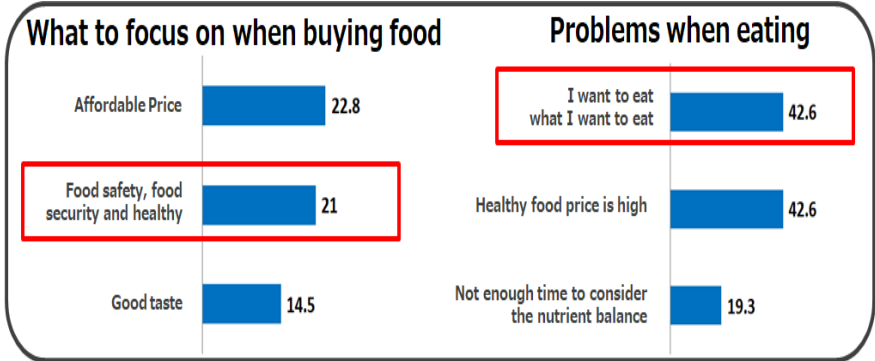
Merchandising plan in FY2020 second half

Healthy / Full / Satisfactory

Product Development Concept

In addition to growing health consciousness, we need to develop products that the customers demand for food that they can't resist eating.

Consumer Awareness to the food



New products

Healthy

Branding and developing "barleymax" and "wholegrain" products which have achieved 150 million units of sales.



Full / Satisfactory

Launch new brand "Gochimusubi" Renewal "Mother's kitchen premium"

New brand 「Gochimusubi」 "Mother's kitchen premium"



Collaboration products with famous shop

Collaboration product Part 2 with EITARO Sohonpo Co.,ltd. Fluffy and chewy luxury Shokupan bread in collaboration with ORENO bakery.



Response the market in FY2020

Tax increase (cigarette)



Promote the bulk purchase of cigarettes

Add cigarettes display

Tax increase (alcohol)

Category	Nov 2020
Beer	Tax reduction
New genre (Malt-based)	Tax increase
<i>Chuhai</i>	No change
<i>Sake</i>	Tax reduction
<i>Shochu and Whiskey</i>	No change
Wine	Tax increase

Strengthening response to household drinking demand

Responding to growing demand for products not subject to tax increase.

Merchandise Seminar for franchised store

To prevent the spread of coronavirus infection, group seminars will be cancelled and sift to online seminars. Franchised store owners and store staffs get knowledge the same merchandise seminar contents as before by accessing the online site at any time.