

CSR Initiatives by FamilyMart

August 2009
FamilyMart Co., Ltd.





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Cautionary Statement:

This presentation 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.



I FamilyMart Basic Principles

Our Slogan

“FamilyMart, Where You Are One of the Family”

Our mission is to always be close to our customers' hearts, and an indispensable part of their lives.

FamilyMart's Goal

We aim to make our customers' lives more comfortable and enjoyable, primarily by displaying hospitality in everything we do, and by ensuring a shopping experience characterized by convenience, friendliness and fun.

FamilyMart's Basic Management Policies

We will continue to provide innovative, high-quality products and services that make a positive, lasting impression on our customers and warm their hearts.

We are working to raise enterprise value through our business activities in line with the spirit of “Co-Growing,” by which we mean realizing mutually beneficial relationships with our franchisees, business partners, and employees, and thereby fulfilling our responsibilities to all our stakeholders.

We aim to win the highest trust of the general public by observing all laws and ethical norms, raising the level of transparency in our business activities, and always upholding the principles of fair competition.

In consideration of the overriding need for environmental preservation, we will enthusiastically contribute to the welfare of the local communities in which we operate and society as a whole, providing reliable and safe products and services to help realize a future full of new possibilities.

We encourage our colleagues to create a vibrant corporate culture by keeping abreast of social trends and showing an interest in a wide range of subjects. In this way, we are confident that our staff will hit upon good ideas and then act on them.



II Environmental Preservation

1. FamilyMart Environmental Policy (overview)

1. Caring for the environment through our business activities

- Providing safe, worry-free products and services that are environment-friendly
- Environment-friendly product delivery
- Environment-friendly store facilities
- Store operating and waste management policies that respect the local and wider community
- Environment-friendly offices and Company vehicles

2. Respecting environmental laws and regulations

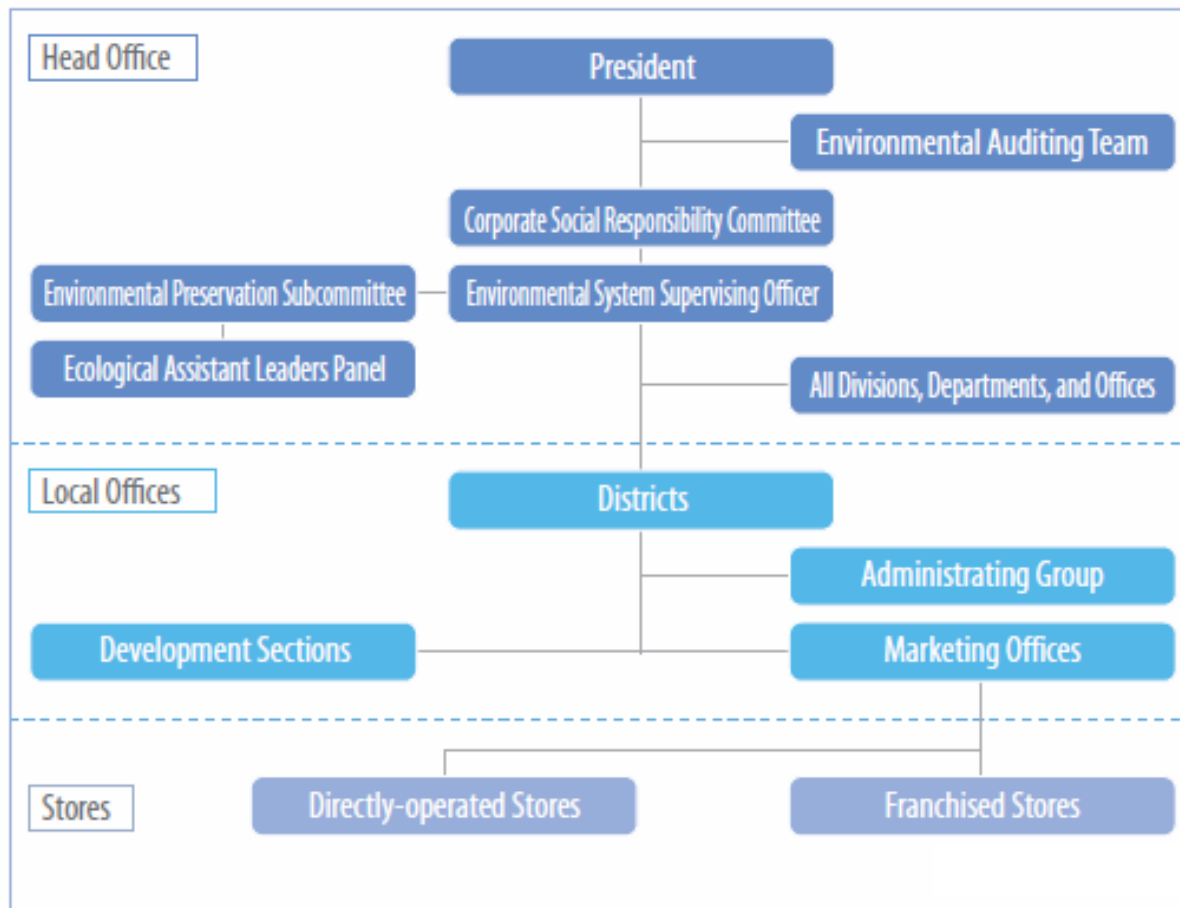
3. Organizations and awareness-raising

4. Publicizing our Environmental Policy

2. Environmental Management System

In March 1999 FamilyMart received ISO 14001 certification for its environmental management system. Since that time, the Company has been applying and constantly improving its environmental management system by utilizing the PDCA (Plan, Do, Check, Act) Cycle. This cycle is operated by an organization headed by the president of the Company and including staff at our head office as well as local offices and all our stores.

Environmental Management System Operating Organization



3. CO2 Emissions and Reduction Target

CO2 Emissions from FamilyMart

(FYE 2/2009)

- Offices
1,305t (0.23% of total)



- Delivery Vehicles
66,129t (11.64%)



568,257t

- Company Vehicles
7,130t (1.25%)



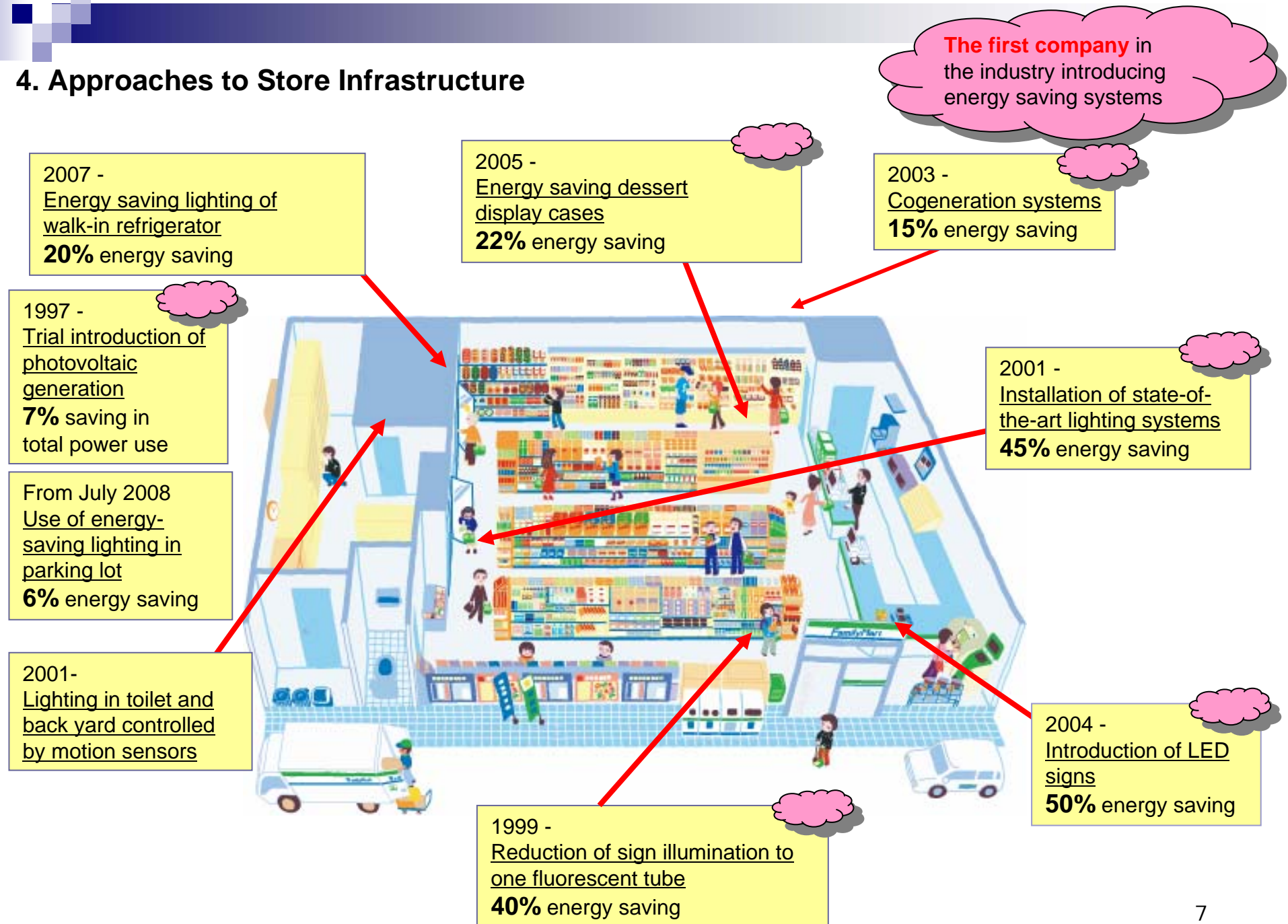
- Stores
493,694t (86.88%)



FamilyMart's CO2 Reduction Target

Reduction of average per-store CO2 emissions by **7% (5.2 tonnes)**, from approx. 75.1 tonnes in FY2007 to approx. 69.9 tonnes in FY2012.

4. Approaches to Store Infrastructure



5. Plans for Store Infrastructure

●Introduction of cogeneration systems

For air-conditioning, refrigerators and freezers

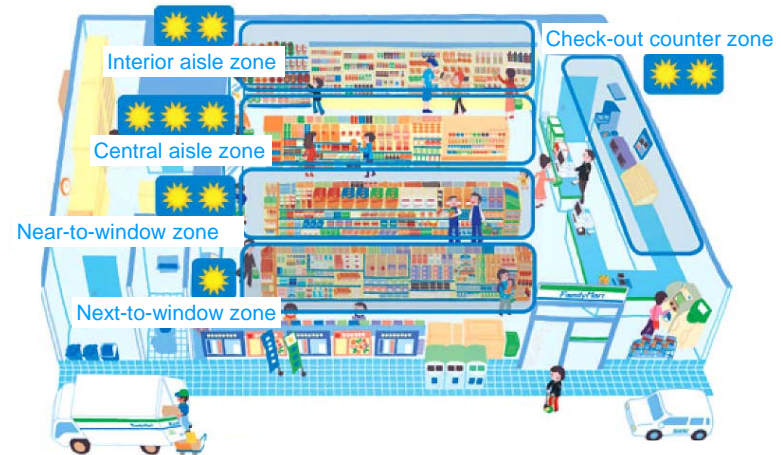


●Trial introduction of photovoltaic generation



●Installation of state-of-the-art lighting systems

We have introduced systems that keep the level of illumination within our stores at a constant level, adjusting for changes in daylight strength. Each store is divided into five zones with different designated illumination levels. We use high-efficiency fluorescent tubes to conserve energy.



- **Greater energy conservation through use of wooden frame-and-panel structure**

- Use of method planned for **500 stores** by the end of fiscal 2011
- Reduces CO2 emissions during construction and after store-opening



- **Expanded use of LEDs**

- Adoption of LEDs **as standard** for store façade signs
- Use of LEDs for lighting in back yard and toilets
- Use of LEDs for illumination of refrigerated display cases



6. Approaches to Deliveries

FamilyMart operates a fleet of approximately 1,900 delivery vehicles.

●Products kept at specified temperatures during delivery

All the products we deliver to our stores are kept at controlled temperatures in **four temperature bands** – Constant (18°C plus or minus 2°C); Chilled (3-8°C); Ambient Temperature; and Frozen (minus 25°C or under). Goods are handled by temperature-band-specific distribution facilities, from which they are dispatched via dedicated vehicles, thereby ensuring efficient delivery.

●Joint delivery of products in two temperature bands

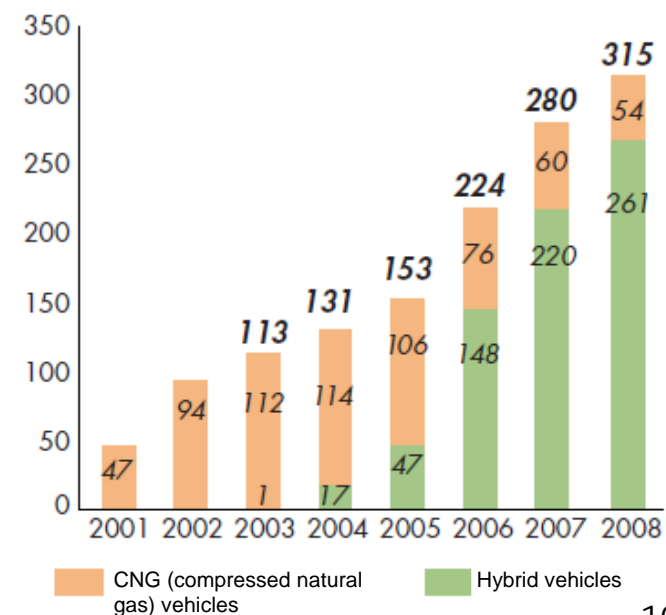
We have introduced new delivery vehicles that can keep products in both the Chilled (3-8°C) and Constant (18°C plus or minus 2°C) temperature bands, for greater efficiency and energy saving.



In fiscal 1990, a single FamilyMart store needed **22** delivery vehicle visits a day; in fiscal 2008, we had brought that figure down to **eight**.

●Adoption of hybrid delivery vehicles

In 2004 FamilyMart became the **first convenience store chain operator** to introduce hybrid delivery vehicles equipped with both electric motors and diesel engines.



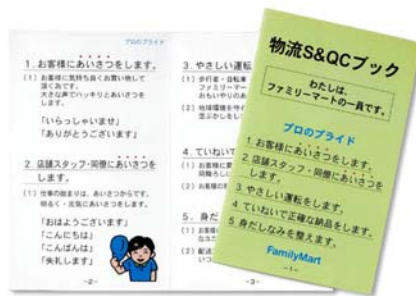
●Training of drivers in fuel-efficient driving methods

Since fiscal 2003, FamilyMart has been training its delivery vehicle drivers in methods of driving in an optimally fuel-efficient manner, so as to save energy and help preserve the global ecology.

The vehicle fuel consumption records of each vehicle are analyzed once each month to confirm that progress is being made in improving fuel efficiency. In this way, we confirmed that average fuel efficiency per vehicle had improved by **1.8% over the past year**.



An Ecodrive training session



Driver manuals



Sticker for campaign against engine idling

●Reducing amount of paper used for delivery forms

By rationalizing our delivery forms, we have reduced the number of delivery forms (single sheets) by **25 million per year** (including area franchisers).

7. Approaches to Products and Services

●Environmentally-conscious private brand

“We Love Green” Products

FamilyMart has adopted the We Love Green logo for all products that meet the standards of reduced environmental load in respect of materials employed, production process, product use, and recycling or disposal.



Rainforest Alliance Certified Coffee

Some of the chilled coffee, canned coffee and ice cream sold by FamilyMart stores, as well as coffee served fresh at the counter, carries the certification of the non-profit organization Rainforest Alliance.



- Environment-friendly packaging

Salad container made mainly from corn



Gratin container made mainly from reeds



- Environment-friendly items regularly supplied to stores

Medicated hand soap made partly of waste edible oil materials



8. Plans for Products and Services

Further expansion of “We Love Green” lineup



Carbon footprint



- Participation in Carbon Footprint Study Group organized by METI
- Trial sale conducted at five stores of products carrying indication of CO2 emissions generated by the production process

Switch to no-rinse rice



- FamilyMart has switched to no-rinse rice to reduce the amount of waste water produced by supplier processing plants.

Side shrink wrap



- New wrap adopted for all bento items sold in the Kofu/Yamanashi area.

9. Approaches to Reducing Store Waste

- Average annual waste produced per store

Total: 16,645kg

Breakdown:

■Organic garbage:	4,226 kg	■Plastic:	445 kg
■Other combustible waste:	5,406 kg	■Cardboard:	5,108 kg
■Cans:	898 kg	■Others:	122 kg
■Glass bottles:	440 kg		

Promoting recycling of waste food

Recycle rate reached **25.9%** in FY2008

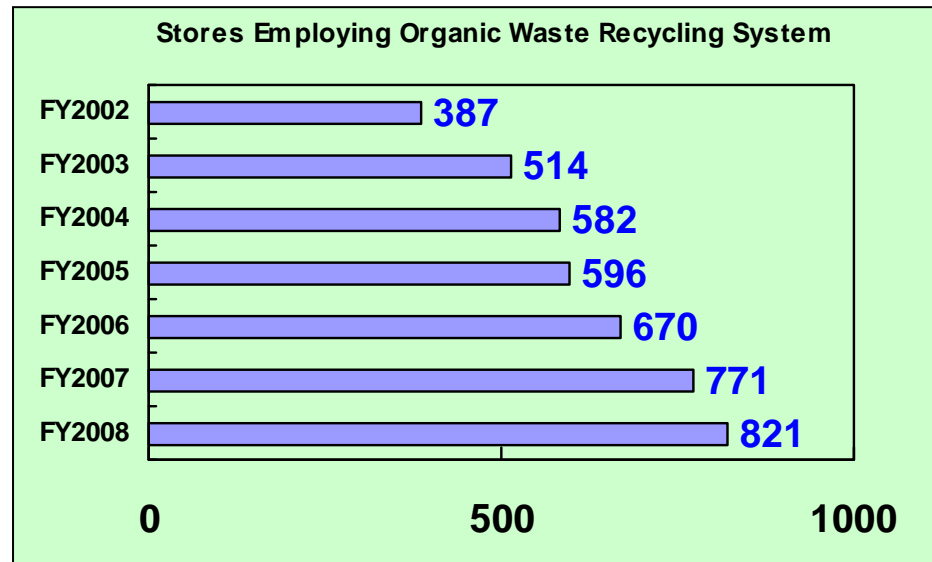
●Organic waste recycling system

To make better use of waste food, we began phasing in our solid organic waste recycling system in 1999.

●Waste Edible Oil Recycling System

We started our waste edible oil recycling system in 1999, and have now applied the system to over **98%** of our stores.

The waste oil recycling companies to whom we contract out this work collect **approximately 4.4 million liters** of oil per year from us. This is made into animal feed, paints, detergents, and so on.



●Installation of organic waste processing equipment at stores

Equipment installed at 80 directly-operated stores

Since FY2002 we have been installing microwave-type organic waste processing equipment at our directly-operated stores to reduce the weight and volume of waste through moisture removal.



10. Plans for Reducing Store Waste

- Increasing use of waste food recycling

We aim to raise the recycling rate for waste food products
to **45%** by FY2012

- Recycling of waste into liquid animal feed

~ Government certification received in March 2009 for realization of foodstuffs recycling loop ~

Since April of 2008 we have been recycling food waste produced at our 120 stores in Tokyo as well as our eight ready-to-eat food processing plants (operated by two outsourcing companies) into the manufacture of liquid feed, for sale to hog-rearing enterprises.

- Use of recycled food waste in manufacture of fertilizers

We are also expanding the use of recycled food waste for the production of fertilizers.



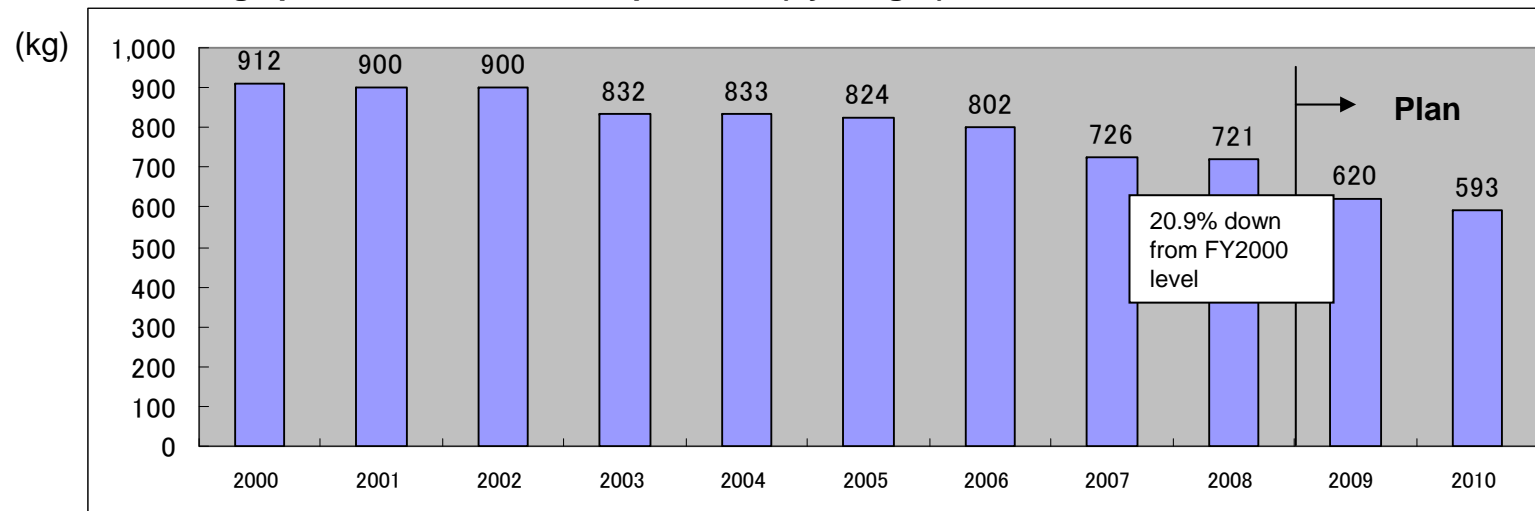
11. Response to Recycling Legislation

(Law for Promotion of Sorted Collection and Recycling of Containers and Packaging)

●Reducing the number of plastic bags provided to customers by each store

FamilyMart is targeting a reduction **by FY2010** in the number of plastic bags provided to customers at each store by **35% compared with the FY2000 level**.

Plastic bags provided to customers per store (by weight)



- From here onward, store counter staff will ask customers if they need a plastic bag. Care will also be taken to give customers proper bags, depending on the volume of purchases.



- Posters encouraging customers to refuse a plastic bag if they don't really need one.



- Message on the LCD screen of a store cash register: "Please tell staff if you don't need a plastic bag."
- Plastic bags will carry environmental messages.
- Bags will be made of thinner plastic sheets.
- Messages via the store public address systems will urge customers to reduce their use of plastic bags.

●Sale of easy-carry reusable shopping bags



12. Environmental Education

●Environmental education for staff

We make use of electronic learning (e-learning) programs to teach FamilyMart staff about environmental issues.



E-learning environmental course for staff

Each year we send all staff a copy of the latest edition of FamilyMart's information sheet entitled "Personal Guide to the Company's Environmental Policies." Staff are expected to carry the Guide with them at all times for reference when required during the course of their day-to-day work.



●Environmental education for franchise store staff

We publish the in-house bulletin Eco-Partner three times a year for distribution to our franchisees and their store staff.



We have started a section called Eco-Information within the Store Controller program on the personal computer in the office of each store in the FamilyMart chain. This section gives store staff up-to-date information on environmental issues, environment-related legislation, and similar matters.





III Contributing to the Community

1. FamilyMart Social Contribution Policy

Through this Policy, FamilyMart works for balanced development at the international and regional levels, and for greater spiritual affluence in society.

- 1. As a company with international operations, we actively seek to help enrich the global community and support environmental protection.**
- 2. To meet the expectations of local communities and win their trust, we take care to build links and prosper in harmony with them.**
- 3. As part of our role in helping create safe, secure neighborhoods, we take various measures to help local parents keep their children out of trouble.**
- 4. We support the individual efforts of our employees to get involved in social contribution activities.**

2. Support for Children

●The FamilyMart Connecting Dreams Foundation ~ For the future of the world's children and the environment ~

We act as a channel for customer donations which go to NPOs and NGOs involved in initiatives to help children and create a better future for Japan and the world.

Total donations of **¥176million** were received in FY2008. FamilyMart Co., Ltd. **added 10%** of this amount from its own funds, and distributed the total equally among four NPO/NGO organizations.

Delivery of donated funds



The National
Land Afforestation
Promotion
Organization



The Environmental
Restoration and
Conservation
Agency of Japan



●Participation in the Bellmark Campaign

Since April 2008, all of our rice balls have carried the Bellmark logo on their packaging. This program will help bring us still closer to the community through our store operations, enabling us to serve as a bridge between customers and neighborhood communities. In fiscal 2008, PTAs across Japan collected 850,000 points worth of Bellmark logos from FamilyMart rice balls.



●TABLE FOR TWO

This program enables the staff of companies in industrialized countries to make a donation of ¥20 for each meal that they eat in their company cafeteria. The donations are used to subsidize school lunches in developing countries (¥20 is roughly the cost of one child's school lunch in most developing nations).



*TABLE FOR TWO donations are made once a week at FamilyMart's Shonan Training Center in Zushi, Kanagawa Prefecture.

●FamilyMart supports soccer school

FamilyMart is providing support for the Family Soccer School, and we are looking for parents and children who want to take part. We also offer special FamilyMart “parent-and-child seats” at games featuring Japan’s national soccer team. Our National Flag Bearer program involves children preceding the players onto the pitch, while in our Mascot Escort Kids program the children cheer the national team together with the team’s mascot, and also encourage spectators to participate in environmental preservation activities.



●Tokyo Terakoya project

FamilyMart participates in the Tokyo Terakoya project promoted by the Junior Chamber International Tokyo. In this project, people from all walks of life visit junior high schools to give talks about their work and the challenges and satisfactions of their professions, with the aim of helping students choose their future paths and develop a mature outlook on life.



●Thank you letter-writing contest

FamilyMart sponsors this contest, in collaboration with schools, to help nurture children’s powers of expression and spiritual richness through the medium of letter writing.



●Safety Station activities

Each FamilyMart store takes part in activities to help maintain the safety of its local neighborhood and contribute to realizing a healthy living environment for young people.

● Nationwide cleanup activities

FamilyMart conducts nationwide cleanup activities every year (in spring and autumn) with the participation of Company staff, franchise store staff, and the staff of collaborating companies.



3. Collaboration with Local Government

At times of emergency such as after a major earthquake, the procurement and delivery networks operated by convenience stores have proved themselves to be an invaluable lifeline infrastructure for members of the affected communities. FamilyMart has signed agreements with many local governments up and down the country.

As of the end of July 2009, FamilyMart had signed agreements on the supply of goods during times of disaster with 27 local governments, and comprehensive agreements with eight local governments.

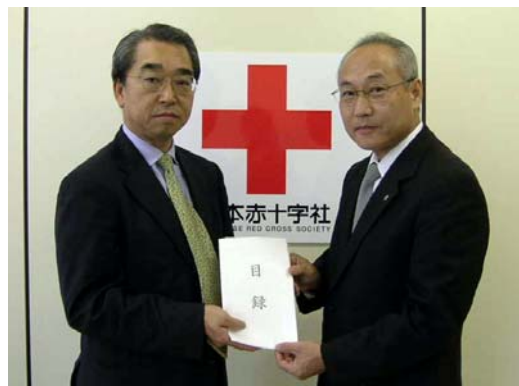


FamilyMart has signed a comprehensive agreement with the Kochi Prefectural Government

4. Emergency Relief Donations

We also have a system in place that enables the Company's management, in the event of a large-scale natural disaster, to e-mail all stores and order the immediate launch of collection of donations of money to be used for relief. This emergency donation collection system went into action on two occasions in 2008, after the Sichuan Earthquake in May and the Iwate-Miyagi Earthquake in June. Thanks to the generous support of our customers, we were able to send a significant sum of money to the affected areas.

Sichuan Earthquake (May 2008) - **¥30,611,016**



The Japanese Red Cross Society

Iwate-Miyagi Earthquake (June 2008) - **¥20,739,825**



The Miyagi Prefectural government