



Presentation to Investors

November 2006

“FamilyMart, Where You Are Always One of the Family”

Summary of Interim Financial Results

(Six months ended Aug. 2006)



- **Upgrading the infrastructure for existing store chain operations**
 - Installation of third-generation store management system
 - Introduction of new-type 2FC-N franchise contract
 - Inauguration of second-phase structural reform
 - Remodeling sales displays and product lineups
 - Strengthening earnings structure
 - Improving cost structure
 - Rethinking corporate culture

- **Record 310 new stores opened**
 - The Company now has a presence in all 47 Japanese prefectures
- **Average daily sales at existing stores declined 2.6% year-on-year**
 - Enjoyed relatively good performance by comparison with top competitors
- **Gross profit ratio of 29.08% (up 0.32 percentage points year-on-year)**
 - Exceeds 29% (on first-half basis) for first time in seven years

Fifth successive first-half increase in revenues and earnings, reaching all-time high

Consolidated (Millions of Yen)

	1st half of 2/2007 term	1st half of 2/2006 term	Change(%)
Total operating revenues	153,586	139,198	10.3
Operating income	18,038	18,030	0.0
Net income	9,420	9,393	0.3

Non-consolidated (Millions of Yen)

	1st half of 2/2007 term	1st half of 2/2006 term	Change(%)
Total net sales of FM stores	543,819	527,635	3.1
Total operating revenues	100,152	94,475	6.0
Operating income	17,235	16,977	1.5
Net income	9,662	9,124	5.9

Business performance (Non-consolidated)

	1st half of 2/2007 term	1st half of 2/2006 term	Change
Average daily sales of total stores (Thousands of yen)	472	482	-10
Growth rate of average daily sales of existing stores (%)	(2.6)	(1.2)	-1.4 percentage points
Gross profit ratio (%)	29.08	28.76	+0.32 percentage points
Average daily sales of new stores (Thousands of yen)	427	450	-23
Store openings	310	300	+10
Store closures	182	172	+10

Number of stores

	1st half of 2/2007 term	1st half of 2/2006 term	Change
FamilyMart stores (Non-consolidated)	6,412	6,122	+290
Total stores in Japan (Including domestic area franchising stores)	6,870	6,565	+305
Total stores overseas (Overseas area franchising stores)	6,011	5,364	+647
Total chain stores (Japan and overseas)	12,881	11,929	+952

Strengthening Merchandising

Aggressively moving forward with remodeling of product lineups and displays at existing stores

- **Famima Wonder 500 project**

- Under the three main themes of “surprise, excitement, and stress relief,” our franchisees and supervisors exchange views and brainstorm ideas for new product categories.
- Plans for creation of new sales structure are being put fully into effect in the second half of this term.



(An example of a Famima Wonder sales display gondola)

- **“Famima Fresh (fresh foods)”**

- Fullscale development planned following competition of trials at existing stores

- **Implementing the three marketing strategies: “generation,” “price,” and “regional”**

- Expanding product lineup to meet needs of new customer segments
- Developing separate product lineups to suit the tastes of customers in each prefecture

- **Greater focus on sales promotion of our fast food menu**

~ Fried foods, oden (Japanese-style stewed hotchpotch), steamed meat buns

- **“Famima Kitchen”** new brand of freshly-cooked foods



(Famima Kitchen is our new brand name)



(Our oden, renowned for its delicious taste and use of healthy, natural ingredients)



(“Goku-Uma” super-tasty steamed meat buns filled with roast pork)



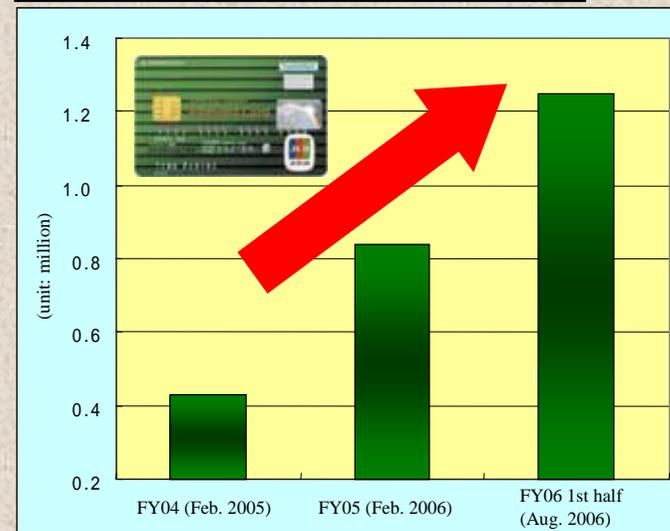
(“Fami-chiki” fried chicken)

Enhancing the Competitiveness of Individual Stores

Reinforcing Support for Franchisees

- **Optimally leveraging Famima Card system**
 - Encouraging customers to become Famima Card holders
Number of card-holders reached 1.25 million at end of August 2006
 - Use purchases via Famima Cards to thoroughly analyze purchasing patterns for feedback into product design and service improvement
- **Promoting the Store Staff Total (SST) system**
 - More effort in apportioning order placement tasks among store staff with the aim of improved accuracy in demand estimation

Term-end number of card-holders



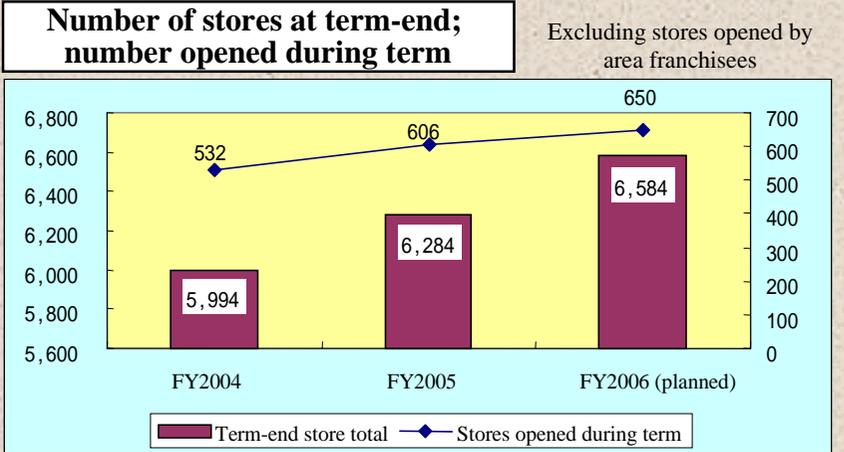
Average daily sales decline of 0.3% (on an existing store basis) and gross profit ratio of 29.35% forecast

Creating High-Quality Stores / Overseas Strategy

Record store openings planned for 2/2007 term in Japan

- Store openings to be subject to strategy of achieving dominant position only in areas where this appears feasible (not competing in every single marketing area)
- Active investment in store openings in new market sites
- Introduction of new store-opening feasibility standards
 - Stricter screening of candidate sites from perspective of estimated profitability

650 new store openings
average daily sales of new stores: ¥420,000



Speeding up store-opening pace overseas

- Taiwan – Aiming at 2,000-store network
- South Korea – Aiming at 3,600-store network
- China – First store opened in Guangzhou in October



Number of stores	2/2007 term (est.)	
	2/2006 term	2/2007 term (est.)
Japan	6,734	7,066
Overseas	5,718	6,409
South Korea	3,209	3,659
Taiwan	1,869	2,030
Thailand	536	586
China(Shanghai)	101	121
United States	3	13
Total	12,452	13,475

Total stores overseas: 6,409 (up 691 year-on-year)

Business Performance Forecasts for 2/2007 term



Revenue and earnings both forecast at all-time highs

Consolidated	(Millions of Yen)		
	2/2007 term (est.)	2/2006 term	Change(%)
Total operating revenues	307,500	276,443	11.2
Operating income	33,400	32,662	2.3
Net income	16,100	14,195	13.4

Non-consolidated	(Millions of Yen)		
	2/2007 term (est.)	2/2006 term	Change(%)
Total net sales of FM stores	1,094,900	1,031,736	6.1
Total operating revenues	199,900	184,065	8.6
Operating income	30,400	29,781	2.1
Net income	15,900	10,365	53.4

Business performance (Non-consolidated)	2/2007 term (est.)	2/2006 term	Change
	Average daily sales of total stores (Thousands of yen)	472	468
Growth rate of average daily sales of existing stores (%)	(0.3)	(1.6)	+1.3 percentage points
Gross profit ratio (%)	29.35	28.77	+0.58 percentage points
Average daily sales of new stores (Thousands of yen)	420	418	+2
Store openings	650	606	+44
Store closures	350	316	+34

Number of stores	2/2007 term (est.)	2/2006 term	Change
	FamilyMart stores (Non-consolidated)	6,584	6,284