

# Review for First Half of FYE 2/2013



## All earnings categories again posted record highs (consolidated and non-consolidated)

### Consolidated

(Millions of Yen)

	1st H of FYE 2/2013	1st H of FYE 2/2012	YoY (%)
Total operating revenues	<b>172,047</b>	167,570	2.7
Operating income	<b>25,903</b>	24,589	5.3
Ordinary income	<b>26,670</b>	25,719	3.7
Net income	<b>12,713</b>	7,656	66.1

### Non-consolidated

(Millions of Yen)

	1st H of FYE 2/2013	1st H of FYE 2/2012	YoY (%)
Total store sales of FM stores	<b>803,716</b>	773,924	3.8
Total operating revenues	<b>138,766</b>	140,808	(1.5)
Selling, general administrative expenses	<b>90,059</b>	87,877	2.5
Operating income	<b>23,784</b>	22,442	6.0
Ordinary income	<b>25,200</b>	24,055	4.8
Net income	<b>12,426</b>	7,825	58.8

### Business performance (Non-consolidated)

\* Figures do not include TOMONY stores.

	1st H of FYE 2/2013	1st H of FYE 2/2012	YoY difference
Average daily sales of total stores (Thousands of yen)	<b>536</b>	537	(1)
Growth rate of average daily sales at existing stores (%)	<b>(0.6)</b>	4.9	
Gross profit ratio (%)	<b>27.95</b>	27.61	0.34
Average daily sales at new stores (Thousands of yen)	<b>475</b>	567	(92)
Store openings	<b>339</b>	426	(87)
Store closures	<b>116</b>	140	(24)

7 stores also opened under the TOMONY format

### Number of stores

\* Figures include TOMONY stores. [TOMONY stores (52 as of Aug. 31, 2012, up 13 YoY)]

	1st H of FYE 2/2013	1st H of FYE 2/2012	YoY difference
FamilyMart stores (Non-consolidated)	<b>8,394</b>	7,916	478
Total stores in Japan (Including domestic area franchising stores)	<b>9,077</b>	8,568	509
Total stores overseas (Overseas area franchising stores)	<b>12,145</b>	10,290	1,855
Total chain stores (Japan and overseas)	<b>21,222</b>	18,858	2,364

## Store development

### First half results

#### ■ New openings: 346 (Net increase: 230)

- Over 9,000 stores in Japan, including domestic area franchisers

#### ■ Average daily sales at new stores: ¥475,000

- Openings in the local regions come first
- Expand site areas through scrap-and-build measures and addition of parking space

#### ■ Expand joint initiatives with railway operators

- Grow average daily sales through product lineups and business models targeting specific areas
- New stores within stations on Tokyo Tama Intercity Monorail and the Kobe and Osaka municipal subway systems

#### ■ Collaboration with drugstores

- Combine our strengths (convenience, ready-to-eat foods, service quality) with the specialization and medical/care know-how of drugstores

**Full-year targets: Number of store openings: 800**

**Average daily sales at new stores: ¥504,000**

# Review of first half, key points in second half of FYE 2/2013

## Marketing and Products

### First half results

■ **Growth in average daily sales at existing stores: - 0.6%**

- Tobacco sales lose pace, but core sales rise year-on-year (stripping out external boosts such as tax-hike-related demand)
- Number of customer visits per day at all stores: 976

■ **Increase in over-50s and women customers**

- Robust sales of delicatessen and salad items, and fast-food *okazu* delicatessen side dishes

■ **Sales of ready-to-eat lines at existing stores hold up year-on-year**

- Increase in average spending per customer and in number of items purchased

### Second half targets

Revival of product differentiation strategies

Quicker response to diversification of customer segments

■ **“FamilyMart collection” premium private brand**

- Broadly promote affordable quality items and high value-added/unit-price products
- Launch 500 items in categories including processed food, confectionery, non-food, and daily and frozen foods

FamilyMart collection

■ **Famima Premium Chicken**

- **“Changing the taste of chicken in Japan”**  
– The ultimate in fried chicken taste, for everybody



Famima Premium Chicken



Excellent taste from the coffee-maker

■ **Freshly Ground and Brewed Coffee under the *Ajiwai Famima Cafe* Brand**

- Units to be introduced at 2,600 stores by Feb. 28, and all other stores during fiscal year ending Feb. 2014
- Delicious freshly ground and brewed coffee, any time

**Full-year target**  
Average daily sales growth at existing stores: 0.0%

## Improve Gross Profit Ratio

### First half results

■ **Gross profit ratio: 27.95%**  
(up 0.34% YoY)

■ **Changes to revenue structure**

- Overhaul commercial distribution, and raise efficiency of ready-to-eat food production and logistics infrastructure

**Full-year target**  
Gross profit ratio: 28.11%

## Famima T Card

■ **Members: 4.65 million**  
(as of end of August 2012)  
• Over 500 people per store

■ **Leverage DB-WATCH data analysis system**

- Reflect purchasing trends in new marketing policies, product development and ordering systems

# Review of First Half, Key Points in Second half of FYE 2/2013

## Other Business

### First half results

#### ■ Former am/pm Japan business

- Steady sales in converted stores

#### ■ SENIOR LIFE CREATE

- Meal delivery for the elderly business: Sound performance, with growth in number of people served
- ⇒ Expand businesses serving the elderly that leverage FamilyMart chain infrastructure

## Overseas operations

### As of August 31, 2012

#### ■ Number of stores overseas: 12,145

(+ 900 from end of February 2011)

#### ■ Sound performances in Taiwan, Thailand and South Korea

##### Shift to new business model for further growth

- Thailand: JV partnership with local retailing leader, the Central Group of Companies  
⇒ Ramp up network to 1,500 stores in near term, and 3,000 stores in 10 years
- South Korea – Use new brand, *CU with FamilyMart*, to accelerate store openings in public facilities and in off-street locations

#### ■ China - Continue aggressively opening new stores

- In June, entry into China's interior, as first store opens in Chengdu
- Total of stores under 5 local companies at end of August: 976;  
target 4,500 by fiscal year ending February 2016

#### ■ Potential new markets

- Indonesia and the Philippines: First store opening planned in fiscal year ending February 2013



JV contract-signing ceremony  
(Thailand)

#### Number of stores

	FYE 2/2013 (est.)	FYE2/2012	YoY	1st H of FYE 2/2013	YoY
Japan*	9,377	8,834	543	9,077	243
Overseas	13,174	11,245	1,929	12,145	900
Taiwan	2,887	2,809	78	2,830	21
South Korea	8,280	6,910	1,370	7,559	649
Thailand	800	687	113	746	59
China: Shanghai	859	639	220	746	107
China: Guangzhou	179	121	58	146	25
China: Suzhou	75	48	27	65	17
China: Hangzhou	24	5	19	12	7
China: Chengdu	24	0	24	7	7
U.S.A.	10	8	2	10	2
Vietnam	36	18	18	24	6
<b>Total</b>	<b>22,551</b>	<b>20,079</b>	<b>2,472</b>	<b>21,222</b>	<b>1,143</b>

\* The figures for 13/2 (est.) do not include planned new TOMONY stores.

Expected total of overseas stores at Feb. 28, 2013: 13,174 (+1,929 from end of February 29 2012)

Total of stores in Japan and overseas: 22,551 (+2,472 )

# Business Performance Forecasts for FYE 2/2013

## Consolidated

(Millions of Yen)

	FYE 2/2013 (est.)	FYE2/2012	YoY (%)
Total operating revenues	<b>338,500</b>	329,218	2.8
Operating income	<b>45,000</b>	42,586	5.7
Ordinary income	<b>47,800</b>	44,810	6.7
Net income	<b>25,000</b>	16,584	50.7

## Non-consolidated

(Millions of Yen)

	FYE 2/2013 (est.)	FYE2/2012	YoY (%)
Total store sales of FM stores	<b>1,612,000</b>	1,534,652	5.0
Total operating revenues	<b>273,800</b>	274,450	(0.2)
Operating income	<b>40,500</b>	38,281	5.8
Ordinary income	<b>42,500</b>	40,650	4.5
Net income	<b>23,400</b>	14,321	63.4

## Business performance (Non-consolidated)

\* Figures do not include TOMONY stores.

	FYE 2/2013 (est.)	FYE2/2012	YoY
Average daily sales of total stores (Thousands of yen)	<b>533</b>	531	2
Growth rate of average daily sales at existing stores (%)	<b>0.0</b>	4.4	
Gross profit ratio (%)	<b>28.11</b>	27.59	0.52
Average daily sales at new stores (Thousands of yen)	<b>504</b>	521	(17)
Store openings	<b>800</b>	844	(44)
Store closures	<b>300</b>	316	(16)

## Number of stores

	FYE 2/2013 (est.)	FYE2/2012	YoY
FamilyMart stores (Non-consolidated)	<b>8,664</b>	8,164	500

\* The figures for 13/2 (est.) do not include planned new TOMONY stores.

- ◆ All earnings categories set to post record highs
- ◆ Dividend: Forecast to rise ¥8 compared with initial announcement, to ¥100 for the full year (a ¥46 interim dividend and a ¥54 year-end dividend)
- ⇒ Eighth consecutive year of dividend growth

— Disclaimer — This report contains forward-looking statements regarding future business performance, based on judgments made by management using materials available at the time of writing. Actual business performance may substantially differ from these forward-looking statements due to changes in economic trends and the market environment facing the Company.