

# Review for First Half of FY 2013



## The key year for the next decade

### Consolidated

(Billions of Yen)

	1st H of FY2012	1st H of FY2013	YoY (%)
Total operating revenues	172.0	175.0	1.8
Operating income	25.9	25.4	(1.7)
Ordinary income	26.6	27.5	3.1
Net income	12.7	14.0	10.6

### Non-consolidated

(Billions of Yen)

	1st H of FY2012	1st H of FY2013	YoY (%)
Total store sales of FM stores	803.7	860.1	7.0
Total operating revenues	138.7	145.4	4.8
Selling, general administrative expenses	90.0	97.5	8.3
Operating income	23.7	22.9	(3.3)
Ordinary income	25.2	25.2	0.1
Net income	12.4	13.7	10.4

**Both ordinary income and net income for the first half hit record highs, on both a consolidated and non-consolidated basis.**

### Business performance (Non-consolidated) \* Number of stores include TOMONY stores

	1st H of FY2012	1st H of FY2013	YoY
Average daily sales of total stores (Thousands of yen)	536	530	(6)
Growth rate of average daily sales at existing stores (%)	(0.6)	(0.5)	/
Average number of customers (all store)	976	956	(20)
Average spending per customer (all store) (Yen)	549	555	6
Gross profit ratio (%)	27.95	27.73	(0.22)
Average daily sales at new stores (Thousands of yen)	475	477	2
Store openings*	346	542	196
Store closures*	116	104	(12)

### Number of stores

\* Figures include TOMONY stores

FamilyMart (Non-consolidated)	1st H of FY2012	1st H of FY2013	YoY
	8,394	9,210	816

Japan	Family Mart Co., Ltd.		Okinawa	Japan sub-total	YoY
	9,210		223		
	Minami Kyushu	Hokkaido	JR KYUSHU RETAIL		
	320	63	132	9,948	871

Overseas	Taiwan	South Korea	Thailand				Overseas sub-total	YoY
	2,876	7,879	909					
	Shanghai	Guangzhou	Suzhou	Hangzhou	Chengdu	Shenzhen		
	749	141	76	26	19	1		
	U.S.A.	Vietnam	Indonesia	Philippines				
9	4	9	10			12,708	563	

Stores under TOMONY stores: 58  
(total for Q2 FY2013, with 1 addition during the period)

Total	YoY
22,656	1,434

# Review of First Half of FY 2013

## Store Development

- **Number of store openings: 542 (net increase: 438)**
- **Average daily sales at new stores: ¥477,000**
  - New openings in three metropolitan areas (Tokyo, Osaka and Nagoya) and key provincial cities
    - Market domination measures, and streamlined logistics
  - Store scrap and build measures for a further increase in average daily sales
- **Joint measures with railway operators**
  - Start of project with Kinki Nippon Railway Co.,Ltd.
    - Conversion of 20 in-station and line-side stores
  - Number of stores run with railway operators: 339
- **Stores with drugstore's features**
  - Alliances with 9 drugstores and pharmacies



Ohga Pharmacy store in Yamachi, Fukuoka Prefecture

## Marketing and Products

- **Growth in average daily sales at existing stores: -0.5%**
- **Average of number customers at existing stores: 970 (down 11 YoY)**
  - Down partly due to fewer customers for tobacco products
- **Measures to improve average daily sales and customers at existing stores**
  - “Management by number of features” initiative
    - Stores with at least 600 product features boosted average daily sales by 2% compared with existing stores
  - Introduction of recommended supplementary order system
  - Quality improvements in all stock display areas
- **Gross profit ratio: 27.73% (down 0.22% YoY)**
  - Weak growth in ready-to-eat items due to unusual weather
- **Measures to improve gross profit ratio**
  - Counter-prepared items:
    - Grow sales of FAMIMA PREMIUM CHICKEN, etc.
    - Install freshly ground coffee at more stores
  - FamilyMart collection:
    - Over 400 items



## Overseas Operations

- **Business revenues are ahead of targets**
  - China: Closed unprofitable stores and converted directly managed stores to franchise format to boost earnings
  - Thailand: Leveraged networks of our local partner
    - Secured ideal premises and lifted gross profit ratio
  - Indonesia and the Philippines: Solid performances



First store in the Philippines: FamilyMart Glorietta3



Interior of store in Indonesia

# Plan for Second Half of FY 2013

## Store Development

### ■ 10,000th opening in Japan (October)

- Total stores in Japan at August 31: 9,948

### ■ Opening stores with supermarket's features

- Sign franchise contract with Izumiya Co.,Ltd.
- Convenience store strength with supermarket stock range

Open Oct. 29: FamilyMart/Izumiya Teradacho Higashi store



\* Conceptual drawing

**Full-year targets**  
**Number of store openings**  
 (excl. area franchising stores) : 1,500  
**Average daily sales at new stores: ¥450,000**

## Marketing and Products

### ■ Aim No.1 in quality by stepping up:

- Service, quality and cleanliness commitment
- Face-to-face customer hospitality, a strength of convenience stores

### ■ Target women and elder customers with:

- FamilyMart collection ranges (broaden advertising)
- Better lineups of delicatessen and side-dish items
- Development of desserts that can substitute whole meals
- “Management by number of features” initiative  
 ⇒ More stores with 600 or more product features
- Expand lineups to around 3,700 items



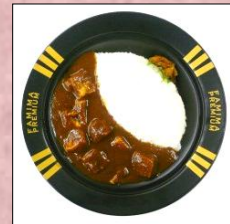
Chicken Nanban



Oven-baked soufflé-style pancake  
 \*Dessert that can substitute whole meal

### ■ Ready-to-eat meals and counter-prepared food

- Develop the FAMIMA PREMIUM series  
 ⇒ “Look, touch and eat” — a clearly differentiated range of delicacies
- Roll out FAMIMA PREMIUM Sandwich across Japan
- Launch with *bento* boxed lunches and pasta products
- Release FAMIMA PREMIUM *nikuman*
- Overhaul premium freshly ground coffee



FAMIMA PREMIUM beef curry

### ■ Boost gross profit ratio

- Improve purchasing through review of basic terms
- Reduce costs by setting up logistics bases
- Centralize, overhaul raw materials procurement networks



FAMIMA PREMIUM *nikuman*

**Full-year targets: Growth in average daily sales at existing stores: 0.3%, and Gross profit ratio: 27.90%**

# Plan for Second Half / Forecasts for FY 2013

## Overseas Operations

### ■ Aggressively open new stores, mainly in Asia

#### ■ Taiwan

- Continue scrap-and-build policies, increase stores with eat-in areas

#### ■ China

- Pick winning formats and develop them across the nation

#### ■ Thailand

- Create foundation for network of 1,000 stores

#### ■ Vietnam

- Open stores under new business model

Number of Stores

	FY2012	FY2013 (est.)	YoY
Japan	9,481	10,707	1,226
Overseas	12,700	13,622	922
Taiwan	2,851	2,900	49
South Korea	8,001	8,607	606
Thailand	806	977	171
China: Shanghai	741	750	9
China: Guangzhou	146	138	(8)
China: Suzhou	70	75	5
China: Hangzhou	17	26	9
China: Chengdu	15	32	17
China: Shenzhen	-	10	10
U.S.A.	9	10	1
Vietnam	39	30	(9)
Indonesia	5	37	32
Philippines	-	30	30
<b>Total</b>	<b>22,181</b>	<b>24,329</b>	<b>2,148</b>

◆ Target record high operating and ordinary income

◆ Dividend: Full-year payout of ¥102 per share (up ¥2)

⇒ Ninth consecutive annual increase

## Performance Forecasts for FY 2013

### Consolidated

(Billions of Yen)

	FY2012	FY2013 (est.)	YoY (%)
Total operating revenues	334.0	351.7	5.3
Operating income	43.1	45.1	4.6
Ordinary income	45.4	47.8	5.3
Net income	25.0	22.5	(10.1)

### Non-consolidated

(Billions of Yen)

	FY2012	FY2013 (est.)	YoY (%)
Total store sales of FM stores	1,584.5	1,719.1	8.5
Total operating revenues	270.9	288.3	6.4
Operating income	38.9	40.2	3.2
Ordinary income	41.4	42.1	1.5
Net income	24.1	20.6	(14.8)

### Business performance (Non-consolidated)

	FY2012	FY2013 (est.)	YoY
Average daily sales of total stores (Thousands of yen)	523	523	-
Growth rate of average daily sales at existing stores (%)	(1.6)	0.3	
Gross profit ratio (%)	27.89	27.90	0.01
Average daily sales at new stores (Thousands of yen)	429	450	21
Store openings*	900	1,500	600
Store closures*	292	350	58

\* Number of stores include TOMONY stores

— 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.