

Review for Fiscal 2013

FY2013 Results: Record-high consolidated operating income and ordinary income

Consolidated

(Billions of Yen)

	FY 2012	FY 2013	YoY (%)
Total operating revenues	334.0	345.6	3.4
Operating income	43.1	43.3	0.5
Ordinary income	45.4	47.3	4.2
Net income	25.0	22.6	(9.6)

Non-consolidated

(Billions of Yen)

	FY 2012	FY 2013	YoY (%)
Total store sales of FM stores	1,584.5	1,721.9	8.7
Total operating revenues	270.9	287.4	6.1
Selling, general administrative expenses	183.6	201.1	9.5
Operating income	38.9	37.8	(2.7)
Ordinary income	41.4	40.7	(1.8)
Net income	24.1	21.4	(11.5)

Business performance (Non-consolidated)

	FY 2012	FY 2013	YoY
Average daily sales of total stores (Thousands of yen)	523	521	(2)
Growth rate of average daily sales at existing stores (%)	(1.6)	(0.4)	
Number of customer(all store)	950	932	(18)
Spend per customer(all store)	551	559	8
Gross profit ratio (%)	27.89	27.73	(0.16)
Average daily sales at new stores (Thousands of yen)	429	440	11
Store openings*	959	1,355	396
Store closures*	312	289	(23)

* Figures include area franchised stores in Japan and TOMOMY stores.

Number of stores

*Figures include TOMOMY stores.

FamilyMart (Non-consolidated)	FY 2012		FY 2013		YoY			Total	YoY
	8,772		9,780		1,008				
Japan	FamilyMart Co., Ltd.		Okinawa					Japan sub-total	YoY
	9,780		232						
	Minami Kyushu		Hokkaido		JR KYUSHU RETAIL			10,547	1,066
	333		68		134				
Overseas	Taiwan	South Korea	Thailand	Shanghai	Guangzhou	Suzhou	Hangzhou	Overseas sub-total	YoY
	2,897	7,925	1,070	792	142	93	34		
	Chengdu	Shenzhen	Wuxi	U.S.A.	Vietnam	Indonesia	Philippines	13,075	375
	26	6	2	9	28	12	39		

■ New stores in Japan: 1,355; Average daily sales at new stores: ¥440,000

- Store openings centered on three major metropolitan areas and leading provincial cities
- Progress in alliances with railway operators: alliances with 13 operators, more than 400 stores
- Creating new business model with supermarkets

■ Product development

- FAMIMA PREMIUM Series: Focus on materials, preparation, and presentation
- FAMIMA CAFÉ: Introduced in nearly all stores, average daily sales of ¥7,000
- "FamilyMart collection": Expanded to more than 500 items

■ Growth in average daily sales at existing stores: -0.4%;

Daily average number of customers at existing stores: 940 (down 16 YOY);

Gross profit ratio: 27.73% (down 0.16% YOY)

- Management by number of features: Expanded to 600 features

■ Overseas convenience store operations: Advance into major Asian countries

- China: Substantial improvement in profit/loss; Opened first stores in Shenzhen and Wuxi
- Thailand: Converted 74 small-scale supermarkets to FamilyMart format; Made progress toward 1,000 stores
- Philippines: Established joint venture with local partner; Opened first store in April

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

Fiscal 2014: Basic Policies

FamilyMart
– Succeeding by Taking on Challenges

Industry No. 1
in Quality

Key factors for success

Superior store conditions

Superior products

SQ&C

- Open highly profitable stores; Invest aggressively in existing stores
- Improve quality and lineups of ready-to-eat products
- Bolster ability to rigorously implement SQ&C / sales initiatives

Store Opening Strategy

- **Dominant store opening with focus on profitability**
- **Further expansion of stores in railway stations**
 - Brand conversion from station stores to convenience stores
 - > Yokohama Municipal Subway, Keisei Electric Railway
- **Accelerate opening of convenience stores integrated with other types of stores**
 - Following successful initiatives with drugstores and supermarkets, commence collaboration with karaoke facilities
 - Reach scale of about 3,000 stores (including off-street locations) in five years

New stores in Japan: 1,600
Average daily sales at new stores: ¥450,000

Strengthening Product Lines

- **Expand lineup of FAMIMA PREMIUM Series**
 - New customer acquisition from restaurants and specialty stores
- **Support for women working outside the home**
 - Development of health-related products and products that reduce the burden of housework
- **Increase fundamental value of products**
 - Increase quality by reevaluating materials and preparation methods
 - Expand lineup by extending shelf life
- **Launch "Ready-To-Eat Products Structural Reform Committee"**
- **"FamilyMart collection"**
 - Expand to 650 items

Hamburger bento boxed lunch with tongue stew sauce



Pumpkin quiche



Fiscal 2014: Basic Policies

Enhance Store Conditions

■ Management by number of features

- Expand from 600 features to 800 features
- Capture new demand by reinforcing lineups of frozen foods and ice cream

■ Expand display space

- Add one shelf to island gondolas
- Introduce new sales fixtures, such as horizontal frozen food cases

■ Implement substantial reform of product displays

- Record high ¥15.0 billion investment in existing stores



<Expansion of gondolas>



<Introduction of horizontal frozen food display cases>

Strengthening Sales Capabilities

■ Thorough implementation of SQ&C

- Bolster face-to-face customer service, a key strength of the convenience store format
- Reinforce competitive capabilities of store staff

■ Nationwide 3-block system

- Divide domestic market into three blocks, east, central, and west, and assign a leader to each block (deputy to executive general manager of sales operation director)
- Rigorously strengthen sales measures, accelerate ability to execute

■ Begin to introduce next-generation store IT system

- Invest more than ¥30.0 billion over three years
- Reform Famiport multimedia terminals

■ Comprehensive revision of Famima T Card

- Point system, membership system, etc.



<New Famiport multimedia terminals>

Full-year targets

Growth in average daily sales at existing stores: 2.0%

Daily average number of customers at existing stores: 956 (+16 YOY)

Gross profit ratio: 28.08% (+0.35% YOY)

Fiscal 2014: Basic Policies

Overseas Convenience Store Operations

■ Accelerate profit plan in regions with existing stores

- China: Use Team Shanghai as model of success for emulation throughout China
 - > Plan to begin generating profits
- Taiwan: Develop eat-in facilities in stores with enhanced ready-to-eat meal operations
 - > Plan to increase profits
- Thailand: Increase number of stores
 - > Increase daily sales by expanding ready-to-eat items

Number of Stores

	FY2013	FY2014 (est.)	YoY
Japan	10,547	11,761	1,214
Overseas	13,075	5,837	(7,238)
Taiwan	2,897	2,947	50
South Korea	7,925	-	(7,925)
Thailand	1,070	1,301	231
China: Shanghai	792	932	140
China: Guangzhou	142	173	31
China: Suzhou	93	117	24
China: Hangzhou	34	62	28
China: Chengdu	26	43	17
China: Shenzhen	6	21	15
China: Wuxi	2	10	8
U.S.A.	9	11	2
Vietnam	28	73	45
Indonesia	12	34	22
Philippines	39	113	74
Total	23,622	17,598	(6,024)

■ Advance into new regions

- Smooth operations and quick store openings using "Overseas Operations Package"

New Businesses

■ SENIOR LIFE CREATE: Expand delivery operations

■ Plan for record-high operating and ordinary income, both consolidated and non-consolidated

■ Dividends: Full-year payout of ¥104 per share (+¥2)

> Planning 10th consecutive year of increased dividends

Targets for Fiscal 2014

Consolidated

(Billions of Yen)

	FY 2013	FY 2014 (est.)	YoY (%)
Total operating revenues	345.6	386.3	11.8
Operating income	43.3	46.0	6.2
Ordinary income	47.3	48.0	1.4
Net income	22.6	20.0	(11.5)
Total assets	588.1	660.0	12.2
Total equity	265.4	280.0	5.4

Non-consolidated

(Billions of Yen)

	FY 2013	FY 2014 (est.)	YoY (%)
Total store sales of FM stores	1,721.9	1,962.0	13.9
Total operating revenues	287.4	316.8	10.2
Operating income	37.8	39.6	4.5
Ordinary income	40.7	41.8	2.6
Net income	21.4	18.0	(15.9)

Business performance (Non-consolidated)

	FY 2013	FY 2014 (est.)	YoY
Average daily sales of total stores (Thousands of yen)	521	529	8
Growth rate of average daily sales at existing stores (%)	(0.4)	2.0	
Gross profit ratio (%)	27.73	28.08	0.35
Average daily sales at new stores (Thousands of yen)	440	450	10
Store openings*	1,355	1,600	245
Store closures*	289	386	97

* Figures include area franchised stores in Japan and TOMOMY stores.

Notes:

The forecasts contained in this presentation reflect management judgments based on information available at the present time. Please be aware that general economic conditions and market fluctuations could cause actual results to diverge materially from these forecasts.