

Review for Fiscal 2014

Fiscal 2014 Review

Consolidated (Billions of Yen)

	FY 2013	FY 2014	YoY (%)
Total operating revenues	345.6	374.4	8.3
Operating income	43.3	40.4	(6.7)
Ordinary income	47.3	42.5	(10.1)
Net income	22.6	25.6	13.5

Non-consolidated (Billions of Yen)

	FY 2013	FY 2014	YoY (%)
Total store sales of FM stores	1,721.9	1,860.1	8.0
Total operating revenues	287.4	301.9	5.0
Selling, general administrative expenses	201.1	219.8	9.3
Operating income	37.8	34.0	(10.3)
Ordinary income	40.7	37.1	(8.8)
Net income	21.4	28.6	34.1

Business performance (Non-consolidated)

	FY 2013	FY 2014	YoY
Average daily sales of total stores (Thousands of yen)	521	508	(13)
Growth rate of average daily sales at existing stores (%)	(0.4)	(2.2)	
Number of customer(all store)	932	914	(18)
Spend per customer(all store)	559	556	(3)
Gross profit ratio (%)	27.73	27.80	0.07
Average daily sales at new stores (Thousands of yen)	440	424	(16)
Store openings*	1355	1,120	(235)
Store closures*	289	339	50

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

Dividend: Full-year payout of ¥106 per share (up ¥4)

Number of stores

*Figures include TOMOMY stores.

FamilyMart (Non-consolidated)	FY 2013		FY 2014		YoY		Total	YoY		
		9,780		10,514		734		16,970	(6,652)	
Japan	FamilyMart Co., Ltd.		Okinawa				Japan sub-total	YoY		
	10,514		251				11,328	781		
	Minami Kyushu		Hokkaido		JR KYUSHU RETAIL					
	337		75		151					
Overseas	Taiwan	South Korea	Thailand	Shanghai	Guangzhou	Suzhou	Hangzhou	Chengdu	Overseas sub-total	YoY
	2,952	-	1,193	893	161	106	55	36		
	Shenzhen	Wuxi	Beijing	Dongguan	U.S.A.	Vietnam	Indonesia	Philippines	5,642	(7,433)
	22	25	5	3	8	71	21	91		

■ Domestic convenience store business (external factors / internal factors)

- Domestic convenience store business (external factors / internal factors)
- Three major companies accelerated store openings
- Consumer spending sluggish since tax increase
- Unseasonable summer weather
- Increasing costs
- Frontloading expenses, including investment in new stores through aggressive store openings and investment in fixtures at existing stores
- Economies of scale generated through domestic network of 10,000 stores
- Success with structural reforms in ready-to-eat products and logistics

■ Overseas convenience-store business

- South Korea: Extraordinary income due to restructuring
- Taiwan: Further growth in profits
- China: Into the black on a fiscal-year basis
- Thailand: Improved results from second half
- Other regions: Expansion of store network

Medium-Term Management Plan and 2015 Numerical Plan

Approach to Medium-Term Management Plan

Domestic convenience store business

Aiming to be the industry No. 1, entire company will work together to rigorously implement measures to improve “quality” for customers.

- Product development
 - Complete ready-to-eat product structural reforms, achieve dramatic increase in quality of ready-to-eat products
 - Shift to plants with separate temperature zones, install latest production lines
 - Introduce healthy ready-to-eat items and new fast food categories
- Store operations
 - Based on “customer first” approach, improve SQ&C and store operations capabilities
- Store development
 - Open stores to achieve sound growth with a chain of more than 10,000 stores
 - Strengthen store openings through scrap and build, build and build , integrated stores, and new market stores
 - Aggressively open stores in three major metropolitan markets and core regional cities , increase dominance

Overseas convenience-store business

Accelerate development of Japan-style convenience-stores, centered on Asia

- Secure stable profits in Taiwan, China, and Thailand
- Accelerate achievement of profitability in Vietnam, Indonesia, and Philippines

New businesses

Build new businesses that will become profit pillars for the Company

- Business pillars in three fields — health care and nursing care, finance, Internet business

■ **Planning record-high consolidated operating income and ordinary income in fiscal 2015. Annual dividends up ¥4 per share, to ¥110 per share, for 11th consecutive increase**

■ **Fiscal 2017 numerical targets: consolidated ordinary income of ¥60.0 billion or more, net income of ¥30.0 billion or more, ROE of 10% or more**

Targets for Fiscal 2015

Consolidated

(Billions of Yen)

	FY 2014	FY 2015 (est.)	YoY (%)
Total operating revenues	374.4	411.8	10.0
Operating income	40.4	46.9	16.0
Ordinary income	42.5	48.7	14.5
Net income	25.6	21.0	(18.2)
Total assets	666.2	705.5	5.9
Total equity	284.8	291.7	2.4

Non-consolidated

(Billions of Yen)

	FY 2014	FY 2015 (est.)	YoY (%)
Total store sales of FM stores	1,860.1	1,990.5	7.0
Total operating revenues	301.9	317.3	5.1
Operating income	34.0	39.3	15.6
Ordinary income	37.1	42.0	13.0
Net income	28.6	18.1	(36.9)

Business performance (Non-consolidated)

	FY 2014	FY 2015 (est.)	YoY
Average daily sales of total stores (Thousands of yen)	508	512	4
Growth rate of average daily sales at existing stores (%)	(2.2)	0.5	
Gross profit ratio (%)	27.80	28.10	0.30
Average daily sales at new stores (Thousands of yen)	424	480	56
Store openings*	1,120	1,000	(120)
Store closures*	339	398	59

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