

Review for First Half of FY 2015

Consolidated

(Billions of Yen)

| | 1st H of FY2014 | 1st H of FY2015 | YoY (%) |
|--------------------------|-----------------|-----------------|---------|
| Total operating revenues | 184.3 | 209.5 | 13.7 |
| Operating income | 21.4 | 28.3 | 32.3 |
| Ordinary income | 22.2 | 29.0 | 30.3 |
| Net income | 20.4 | 13.0 | (36.0) |

Non-consolidated

(Billions of Yen)

| | 1st H of FY2014 | 1st H of FY2015 | YoY (%) |
|--|-----------------|-----------------|---------|
| Total store sales of FM stores | 935.3 | 1,006.7 | 7.6 |
| Total operating revenues | 152.6 | 164.7 | 7.9 |
| Selling, general administrative expenses | 109.8 | 113.4 | 3.3 |
| Operating income | 18.7 | 25.3 | 34.8 |
| Ordinary income | 21.3 | 28.3 | 32.6 |
| Net income | 24.8 | 13.7 | (44.5) |

New record highs set for total operating revenues, operating income, and ordinary income on both a consolidated and non-consolidated basis

Net income and all other income figures exceeded disclosed targets

Business performance (Non-consolidated)

| | 1st H of FY2014 | 1st H of FY2015 | YoY (%) |
|---|-----------------|-----------------|---------|
| Average daily sales of total stores (Thousands of yen) | 517 | 521 | 4 |
| Growth rate of average daily sales at existing stores (%) | (1.5) | 0.9 | |
| Number of customer(all store) | 935 | 933 | (2) |
| Spend per customer(all store) | 552 | 558 | 6 |
| Gross profit ratio (%) | 27.80 | 27.89 | 0.09 |
| Average daily sales at new stores (Thousands of yen) | 460 | 492 | 32 |
| Store openings* | 597 | 364 | (233) |
| Store closures* | 137 | 242 | 105 |

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

Number of stores

*Figures include TOMOMY stores.

| FamilyMart (Non-consolidated) | 1st H of FY2014 | | 1st H of FY2015 | | YoY |
|-------------------------------|----------------------|----------|-----------------|-----------|------------------|
| | | 10,216 | | 10,655 | |
| Japan | FamilyMart Co., Ltd. | | Okinawa | | |
| | | | 10,655 | | 257 |
| | Minami Kyushu | | Hokkaido | | JR KYUSHU RETAIL |
| | 337 | | 46 | | 155 |
| Overseas | Taiwan | Thailand | Shanghai | Guangzhou | Suzhou |
| | 2,969 | 1,170 | 921 | 173 | 110 |
| | Hangzhou | Chengdu | Shenzhen | Wuxi | Beijin |
| | 66 | 43 | 28 | 35 | 14 |
| | Dongguan | U.S.A. | Vietnam | Indonesia | Philippines |
| | 8 | 8 | 73 | 24 | 114 |

| Japan sub-total | YoY |
|-----------------|-----|
| 11,450 | 443 |

| Overseas sub-total | YoY |
|--------------------|-----|
| 5,756 | 379 |

| Total | YoY |
|--------|-----|
| 17,206 | 822 |

* Reference

Total number of stores in China: 1,398

Review of First Half of FY 2015

Store Development

- Opening stores to achieve sound growth as a chain of more than 10,000 stores
- New store openings in three major metropolitan areas (Tokyo, Osaka and Nagoya) and leading provincial cities
 - Store openings progressing particularly smooth in Kanto region
- Strengthening of strategic scrap and build store initiatives
 - Up 30% since before implementation
- Acceleration of store openings in new markets
 - Railway operators (Sendai Subway)
 - Aggressive store openings in Japan Self-Defense Force facilities
- Integrated stores “+ FamilyMart”
 - Alliances with the National Federation of Agricultural Cooperative Associations (ZEN-NOH) (FamilyMart + A-coop Kobu)
 - Fresh foods, dining, karaoke for healthcare purposes, and delivery services unique to ZEN-NOH
- Regional invigoration through comprehensive collaboration agreement, store opening in Funagata Town, Yamagata Prefecture
- Number of store openings: 364 stores (net increase: 122 stores)
- Average daily sales at new stores: ¥492 thousand



FamilyMart + A-coop Kobu

Marketing and Products

- Product reinvention centered on the Ready-To-Eat Products Structural Reform Committee
 - Ongoing product renewal with attention focused on ingredients, manufacturing processes, and appearance
 - Boxed lunches in March, cold soba in May, sandwiches in June, rice balls and pasta in July; vegetable salads, Chinese steamed buns, and oden in August
- FAMIMA CAFÉ fast-food counter coffee
 - Introduction of new coffee beans in March, launch of Matcha Frappe and Mango & Orange Frappe in May
 - Average daily sales reach ¥13,000 in August



Matcha Frappe



Mango & Orange Frappe

- Large-scale campaigns
 - Campaign for supporting the Japan national football team in June
 - FamilyMart's first FAMIMA FESTAs held in spring and summer
- Maximization of benefits of investments in existing stores and introduction of horizontal refrigerated display cases
- Growth in average daily sales at existing stores: 0.9%
 - Sales of ready-to-eat products at existing stores : up approx. 1.0% YoY
- Gross profit ratio: 27.89% (up 0.09% YoY)

Overseas Operations / New Businesses

- Overseas Convenience Store Operations
 - Taiwan: Favorable income improvements due to expansion of stores strengthening ready-to-eat product lineups
 - China: Smooth sales of ready-to-eat products and transition to franchises contribute to improved earnings
 - Thailand: Executive team reforms, top-line growth, and reduction of corporate expenses
 - Vietnam, Indonesia, Philippines: Sales growth due to increase in store numbers

■ New Businesses

- Basic agreement for examining potential business alliance with H.I.S. Co., Ltd.
- Capital participation in T Point Japan Co., Ltd.
- Business alliance with Times24. Co., Ltd.
- Start of application acceptance for JNB Visa Debit Card



Plan for Second Half of FY 2015

■ Comprehensive operation reforms based on 2 initiatives

- 1. **Enhancement of product lineups** Development of quality ready-to-eat products and reconstruction of logistics systems
- 2. **Improvement of store efficiency** Ordering focused on strong-selling products and reconstruction of IT systems

Store Development

■ Promotion of store openings that ensure profitability and growth potential

■ Acceleration of store opening in new markets

- Strengthening of collaborative initiatives with railway operators

■ “+ FamilyMart” Initiatives

- Accelerated store openings in collaboration with drugstores, dispensing pharmacies, supermarkets, etc., and examination of potential tie-ups with other industries

<Full-year targets>

Number of store openings: 1,000
(area franchised stores in Japan: 70)

Average daily sales at new stores:
¥480,000

Marketing and Products

■ Ongoing renewal of ready-to-eat products

- Complete renewal of microwave ramen and stew lineup
- Renewal of pasta and other consistent sellers
- Support for women active in the workplace
- Development of delicatessen products in self-standing packages and other high-quality products

FAMIMA Ramen
(Soy sauce-base / Miso-base)
* Launched on Oct. 6, 2015



■ Development of ready-to-eat products for the health conscious

- Collaboration with Kobe City Medical Center General Hospital and Shukutoku University



Roast-pork-wrapped vegetable boxed lunch
(white rice mixed with sticky brown rice)
* Launched on Sep. 8, 2015 (only available in Kanto)

■ Counter items FAMIMA CAFÉ

- Launch of new products black tea, cocoa, and green tea latte

■ Thorough implementation of SQ&C

- Ongoing improvement of face-to-face customer service quality continuing from first half of FY2015
- Enhancement of sales floors through increased ordering and more ideal volume of ready-to-eat products
- Pursuit of quality that offers customers a pleasant shopping experience

■ Expansion of FAMIMA T Card members

- Improvement of T MONEY and JNB Visa Debit Card convenience to increase customer visit frequency

■ Initiatives to cater to inbound travelers to Japan

- Expansion of duty-free stores and introduction of capability with credit cards issued overseas at all stores

<Full-year targets>

Growth in average daily sales at existing stores: 0.9% (2nd half plan: 1.1%)

Gross profit ratio: 27.89% (2nd half plan: 27.88%)

Plan for Second Half / Forecasts for FY 2015

Overseas Operations

■ Accelerate the speed of store development, with a continued focus on Asia

- China:
 - Proactively open stores in new regions
 - Establish stable earnings base
- Taiwan: Target increased income to be achieved by utilizing enhanced fast-food lineup and expanded range of stores with dining facilities and strengthened ready-to-eat product lineups
- Thailand: Realize quick management improvements by rapidly advancing action plan based on improvement plan under guidance of new executive team
- Vietnam, Indonesia, Philippines: Accelerate store openings and advance transition to franchises

New Businesses

■ New Businesses

- Commencement of initiatives for establishing operating foundations in the fields of financial services, Internet service, and delivery services
- Internet service
 - Construction of shared platform linking online and physical stores
- Delivery services
 - Planned delivery tests in small service areas centered around stores

◆ Dividend: Full-year payout of ¥110 per share (up ¥4)
⇒ 11th consecutive annual increase

Performance Forecasts for FY 2015

Business performance (Non-consolidated)

| | FY 2014 | FY 2015 (est.) | YoY (%) |
|---|---------|----------------|---------|
| Average daily sales of total stores (Thousands of yen) | 508 | 514* | 6 |
| Growth rate of average daily sales at existing stores (%) | (2.2) | 0.9* | / |
| Gross profit ratio (%) | 27.80 | 27.89* | 0.09 |
| Average daily sales at new stores (Thousands of yen) | 424 | 480 | 56 |
| Store openings* | 1,120 | 1,000 | (120) |
| Store closures* | 339 | 398 | 59 |

* FY2015 forecast changed

Note: Figures include area franchised stores in Japan and TOMOMY stores.

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) |

Non-consolidated

(Billions of Yen)

| | FY 2014 | FY 2015 (est.) | YoY (%) |
|--------------------------------|---------|----------------|---------|
| Total store sales of FM stores | 1,860.1 | 2,000.5* | 7.5 |
| 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) |

* FY2015 forecast changed