

## FamilyMart Co., Ltd. reaches final agreement to acquire 100% shares in Cocostore Corporation

FamilyMart Co., Ltd. ("FamilyMart") today announced the conclusion of board resolution to acquire entire stake in Cocostore Corporation ("Cocostore"). Cocostore will be a 100% owned subsidiary of FamilyMart upon the consummation of acquisition of shares in the company ("Transaction").

### 1. Transaction rationale

FamilyMart and Cocostore operate as chain-headquarters of convenience stores under the brands "FamilyMart", "Cocostore" and "Everyone " respectively, and manage both franchise and directly-operated stores.

FamilyMart has been developing more than 1,000 new stores annually in order to become a leading convenience store chain in the Japanese market. Today, FamilyMart has a domestic network consisting of approximately 11,000 stores and an overseas network consisting of more than 5,700 stores. Having acquired am/pm Japan Co., Ltd. in 2009, FamilyMart has effectively increased its market share in Japan.

By acquiring 100% shares in Cocostore that operates approximately 650 stores nationwide, FamilyMart can increase the market share in an effective way. Under a highly competitive market environment, FamilyMart strongly believes that this Transaction will enhance its competitiveness and ensure its mid/long term growth for both the headquarters and franchise stores.

Upon this Transaction, FamilyMart will not only strengthen its franchise store platform mainly in Northern Kanto, Chubu and Kyusyu regions but further benefit from improvement in operational efficiency through the integration of purchasing, logistics operations, IT infrastructure and other administrative operations.

FamilyMart believes that this Transaction will not only be beneficial for the existing FamilyMart franchisees but also for the Cocostore franchisees, which will be able to further increase competitiveness by gaining access to the FamilyMart package including its store networks, IT infrastructure, product development and the well-established FamilyMart brand.

### 2. Overview of the new subsidiary (Cocostore Corporation)

(1)	Company name	Cocostore Corporation	
(2)	Head office	7-34, Sakae 1-chome, Naka-ku, Nagoya-shi, Aichi, Japan	
(3)	Representative	Hiroshi Morita, President and Chief Executive Officer	
(4)	Business description	Engaged in the management of franchise stores and directly-operated stores, primarily the "Cocostore" and "Everyone" convenience store chain, store consulting and other businesses	
(5)	Capital	¥40 mm	
(6)	Date of incorporation	July 5, 1972	
(7)	Major shareholders and ownership	Morita Enterprise Co., Ltd.	100.0%
(8)	Relationship with FamilyMart	Ownership	None
		Personnel relationships	None
		Business relationships	None

(9) Financial results for the last three fiscal years (unconsolidated)			
Fiscal year	Year ended May 31, 2013	Year ended May 31, 2014	Year ended May 31, 2015
Total equity	¥2,707mm	¥3,451 mm	¥3,329 mm
Total assets	¥17,366 mm	¥19,040 mm	¥19,301 mm
Total equity per share	¥30,024	¥38,277	¥36,933
Total operating revenues	¥51,567 mm	¥48,412 mm	¥46,298 mm
Operating income	¥689 mm	¥614 mm	¥498 mm
Ordinary income	¥624 mm	¥537 mm	¥407 mm
Net income	¥493 mm	¥745 mm	¥(129)mm
Net income per share	¥5,471	¥8,261	¥(1,430)
Dividend per share	¥0	¥0	¥0

### 3. Overview of the seller

(1) Company name	Morita Enterprise Co., Ltd.	
(2) Head office	7-34, Sakae 1-chome, Naka-ku, Nagoya-shi, Aichi, Japan	
(3) Representative	Hiroshi Morita, President and Chief Executive Officer	
(4) Business description	Engaged in property leasing and management agency for affiliated companies	
(5) Capital	¥100 mm	
(6) Date of incorporation	September 2, 2010	
(7) Total equity	¥6,968 mm	
(8) Total assets	¥39,926 mm	
(9) Major shareholders and ownership	Kazuaki Morita 100.0%	
(10) Relationship with FamilyMart	Ownership	None
	Personnel relationships	None
	Business relationships	None
	Relationship with Affiliated Parties	None

### 4. Ownership after transfer of shares

(1) Ownership before transfer of shares	0 shares (Number of voting rights: 0 rights) (Ownership: 0.0%)
(2) Transfer of shares	26,000,000 shares (Number of voting rights:26,000,000 rights)
(3) Cost of acquisition	¥13,000 mm
(4) Ownership after of shares	26,000,000 shares (Number of voting rights:26,000,000 rights) (Ownership:100.0%)

FamilyMart turns Cocostore into a wholly owned subsidiary by injecting ¥13,000 mm capital into Cocostore to acquire 26,000,000 shares followed by Cocostore's buy-back of all the shares held by Morita Enterprise Co., Ltd.

## 5. Anticipated timeline

(1)	Board resolution	September 8, 2015
(2)	Signing of agreement	September 8, 2015
(3)	Transfer of shares	October 1, 2015 (Tentative)

Note: The scheduled share transfer date is subject to approval of Japan Fair Trade Commission on the Transaction.

## 6. Earnings Outlook

The impact of the Transaction to the financial results for the year ending February 29, 2016 is currently under close scrutiny.

Reference note: Earnings forecast for the year ending February 2016 (as of April 4, 2015) and earnings results for the year ending February 2015 (consolidated)

	Total operating revenue	Operating income	Ordinary income	Net income
Earnings forecast (February 2016)	¥411,800mm	¥46,900 mm	¥48,700 mm	¥21,000 mm
Earnings results (February 2015)	¥374,430 mm	¥40,417 mm	¥42,520 mm	¥25,672 mm