

Execution of the Absorption-Type Merger and Absorption-Type Demerger Agreements

February 4, 2016 (Thu.)



FamilyMart Co., Ltd.



UNY Group Holdings Co., Ltd.



Circle K Sunkus Co., Ltd.

Summary of Agreements

Transaction Structure

- Same structure as announced on October 15, 2015
- FamilyMart and UNY Group Holdings to merge and form new holding company
- FamilyMart and CKS to form new CVS company

Absorption-Type Merger

- New Holding Company Name: FamilyMart UNY Holdings Co., Ltd. (FUHD)
- Head Office: 3-1-1 Higashi-Ikebukuro, Toshima-ku, Tokyo
- Representatives: Junji Ueda, Norio Sako (GMS), Isamu Nakayama (CVS)
- Effective Date: September 1, 2016 (Scheduled)

Absorption-Type Demerger

- New CVS Company Name: FamilyMart Co., Ltd.
- Head Office: 3-1-1 Higashi-Ikebukuro, Toshima-ku, Tokyo
- CVS Brand: FamilyMart
- Effective Date: September 1, 2016 (Scheduled)

Principles

- New Holding Company: Everyday Fun & Fresh
- New CVS Company: FamilyMart, Where You Are One of the Family

Summary of Absorption-Type Merger Agreement

Surviving / Absorbed Company

- Surviving Company: FamilyMart Co., Ltd.
- Absorbed Company: UNY Group Holdings Co., Ltd.

Company Name / Head Office

- Company Name: FamilyMart UNY Holdings Co., Ltd. (FUHD)
- Head Office: 3-1-1 Higashi-Ikebukuro, Toshima-ku, Tokyo
(Current head office of FamilyMart)

Representatives / Board of Directors

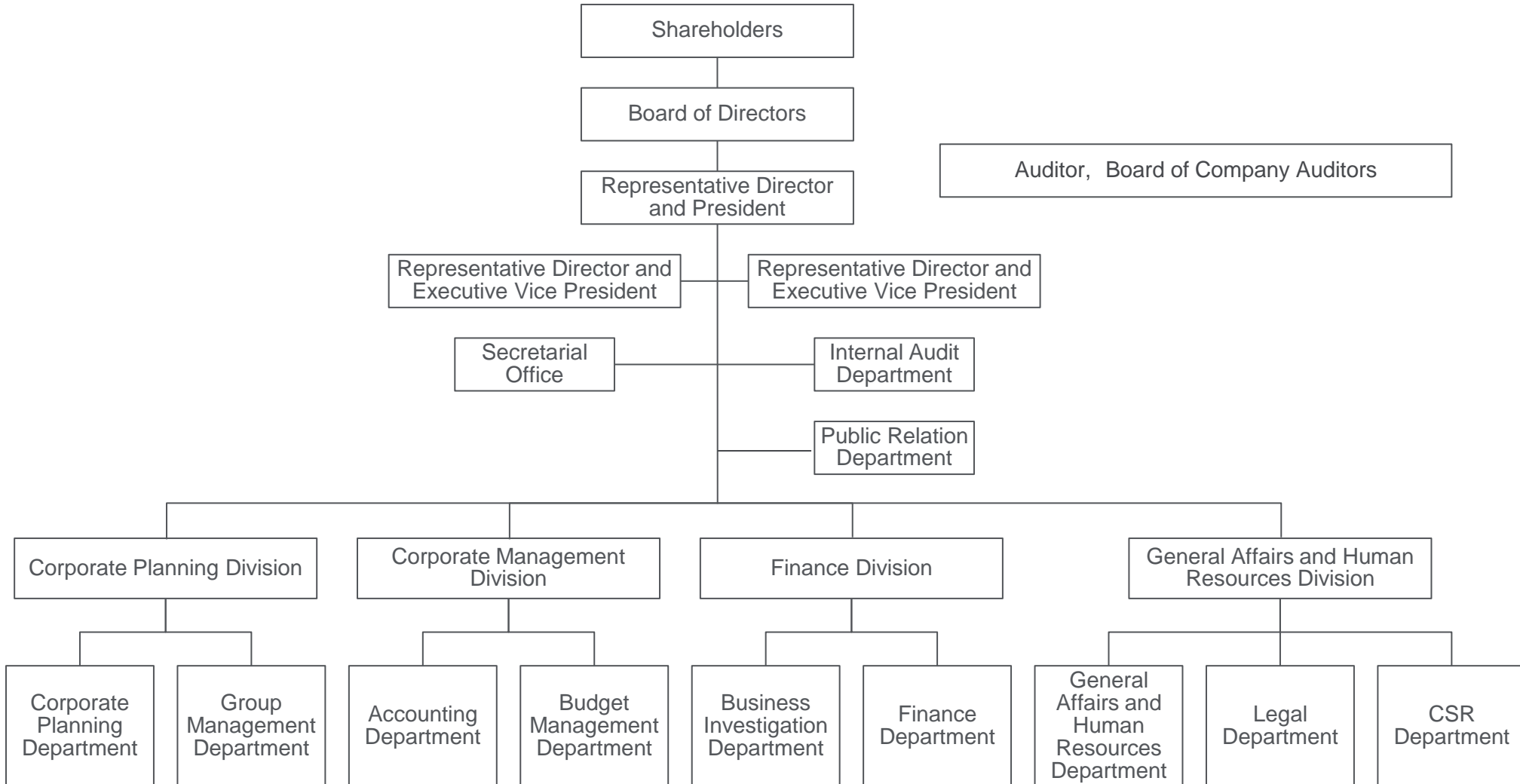
- President: Junji Ueda
- Executive Vice President: Norio Sako (President of GMS Company)
- Executive Vice President: Isamu Nakayama (Chairman of new CVS Company)
- The board of directors is to be composed of 9 members

Merger Ratio

- Allot 0.138 FamilyMart shares to 1 UNY Group Holdings share

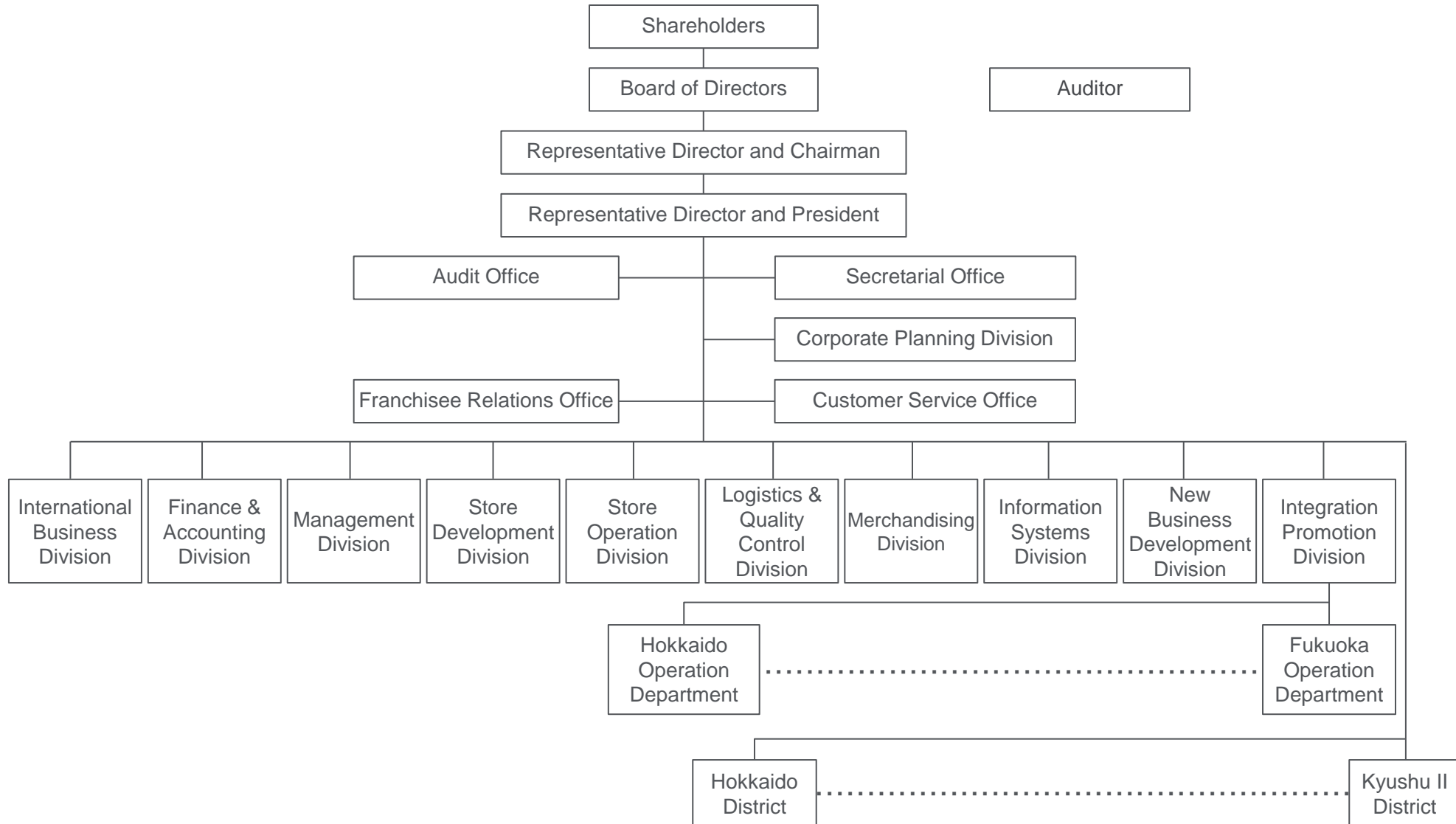
Organization Structure

■ New Holding Company



Organization Structure

■ New CVS Company (As of the Effective Date)



New Holding Company's Principle after the Management Integration

■ New Holding Company's Principle

Everyday Fun & Fresh

FamilyMart UNY Holdings Co., Ltd.

New CVS Company's Principle after the Management Integration

■ New CVS Company's Principle

~FamilyMart, Where You Are One of the Family~

You can find “Fun & Fresh” products and services every time you visit FamilyMart.

We will be your best partner to support your everyday life, offering convenient and highly qualified products and services.

Summary of Absorption-Type Demerger Agreement

Demerged / Succeeding Company

- Demerged Company: FamilyMart Co., Ltd.
- Succeeding Company: Circle K Sunkus Co., Ltd.

Company Name / Head Office

- Company Name: FamilyMart Co., Ltd.
- Head Office: 3-1-1 Higashi-Ikebukuro, Toshima-ku, Tokyo
(Current head office of FamilyMart)

Representative / Board of Directors

- Chairman: Isamu Nakayama
- President: Takashi Sawada
- The board of directors is to be composed of 15 members

Consideration

- Circle K Sunkus will issue 100 common shares to the Integrated Company

Summary of Absorption-Type Demerger Agreement

Assets and Liabilities to be Transferred

- Assets JPY 5,597mm
•••Cash and deposits, securities, prepaid expenses, real property interests in head office / stores, land, buildings, deposits, fixtures, etc.
- Liabilities JPY 2,979mm
•••Accounts payables for store stocks, lease liabilities for store fixtures, allowances for retirement benefits, etc.

Other Rights and Obligations to be Transferred

- Employment contracts, labor agreements, etc.
- Lease contracts, loan agreements, etc.
- Licenses, permits, authorizations and other approvals related to CVS business (e.g. tobacco)
- IP rights (e.g. “FamilyMart” brand and product names)

CVS Brand / Private Label Brand

- Unify CVS business under the “FamilyMart” brand
- Expand the private-label brands under the “FamilyMart Collection” brand

Point Card

- Still under discussion to maximize the benefit of both FamilyMart and Circle K Sunkus’ franchisees

Envisioned Timeline

Execution of the absorption-type merger agreement and the absorption-type demerger agreement

February 3, 2016

Annual general shareholders' meetings to approve the absorption-type merger agreement and the absorption-type demerger agreement (FamilyMart and UNY Group Holdings)

May 26, 2016 (Scheduled)
(Scheduled on May 24, 2016 for Circle K Sunkus)

Last trading day (UNY Group Holdings)

August 26, 2016 (Scheduled)

Delisting of stocks (UNY Group Holdings)

August 29, 2016 (Scheduled)

Closing / Effective date of the absorption-type merger and the absorption-type demerger

September 1, 2016 (Scheduled)

Overview of CVS Brand Unification

- Unify the CVS business under the “FamilyMart” brand
- Convert Circle K Sunkus stores to “FamilyMart” by February 2019 (starting in December 2016)
- Introduction of New Franchise Contract

Strategic Vision of New Franchise Contract

- ◆ Package supporting sustainably improved operations
- ◆ Package with competitive advantage
- ◆ Package commensurate with the value of the

Improvement of Franchisees' and Headquarters' Profitability

Overview of CVS Brand Unification

- Introduction of the New Visual Identity:

Introduce new visual identity as part of brand unification. Place new visual identity in order to all newly opened stores, re-branded stores and current FamilyMart stores



Strategic Slogan

Fun & Fresh

Financial Impact (Same as October 15, 2015)

	Current Period (ending Feb 2016)			Pro Forma (within 5 years)
	FamilyMart	UNY Group	Total	New Company
Group Revenues in Japan	¥2.0tn	¥1.8tn	¥3.8tn	¥5tn or larger
Operating Income (Consolidated)	¥46.9bn	¥21.0bn	¥67.9bn	¥100.0bn or larger
Net Income (Consolidated)	¥21.0bn	¥1.5bn	¥22.5bn	¥60.0bn or larger
ROE (Consolidated)	7.5%	0.5%	--	12% or larger
Stores (CVS, GMS, SM in Japan)	11,930 stores	6,712 stores	18,642 stores	20,000 or more stores
Stores (Overseas CVS, GMS)	5,960 stores	4 stores	5,964 stores	10,000 or more stores

Notes: Financial numbers for the fiscal year ending February 2016.

Expected number of stores as at the end of February 2016, including area franchise stores.

Details including breakdown by business will be disclosed in or after April, 2016

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