



To all news organizations,

**Notice Regarding Plan of Action to Support FamilyMart Franchised Stores**

FamilyMart Co., Ltd. (head office: Minato-ku, Tokyo; representative director and president: Takashi Sawada), announces that an action plan has been formulated to support Family Mart franchised stores with the aim of growing and developing together with stores across the country.

**[1] Basic Policies Regarding the Convenience Store Business**

We aim for co-existence and co-prosperity between the head office and franchised stores as we pursue shared growth and development, in addition to providing daily convenience to our customers. Looking toward a business model that meets the needs of today, we are experimenting with new ideas and reforming our structure of operations, which includes building a store management system suited to the economic environment.

**[2] Current Conditions Surrounding Our Chain**

The problem of a shrinking workforce is becoming more and more severe as the decreasing birthrate and aging population causes the number of available workers to fall. This has led to a rise in various store management costs, with personnel expenses at the root of the issue. Under these conditions, the government has instituted measures to increase the number of foreign workers, however this effort has been unable to directly address the labor shortages in the convenience store industry. As a result, this shortage is expected to continue. In addition, the burden placed on franchised stores to operate in times of disaster—an implicit function in the social infrastructure—is increasing.

In the past, we have made it our basic policy to provide uniform services of consistent quality throughout Japan in order to maximize customer convenience. However, as the varying social conditions of different regions make themselves apparent, we are entering into a period where we need to investigate more flexible management systems that take into account the characteristics of regions and individual stores.

**[3] Specific Measures to Support Franchised Stores**

As one measure to face the growing labor shortage, the Company made a capital investment of approx. ¥25.0 billion in fiscal 2019 toward increasing store management efficiency. In addition, the Company is also working with cooperating dispatch companies in order to

provide personnel staff support as well as increasing subsidies for stores operating on a 24-hour basis. Furthermore, we will provide health checkup support services for franchised store managers and staff free of charge, and improve our manager support system to encourage managers to use more paid leave. At the same time, we will ramp up our response to the problem of food waste, which is a both a subject of extremely high social interest and a direct factor for store revenue. From this fiscal year onward, we will continue to invest in franchised stores and strengthen our support system. At the same time, we will review personnel structure at our head office and reduce logistics and other costs in order to better provide support to these stores.

### **Support Details**

Type	Implementation period (planned)	Amount invested
Investment in new labor/personnel-saving fixtures and facilities (introduce self-checkout registers, pullout shelves, tablet devices for placing orders)	From May 2019	Approx. ¥25.0 billion (investment amount)
Improve and expand regional scope of support for staff at stores (personnel dispatch from cooperating dispatch companies)	From September 2019	Approx. ¥500 million
Increase subsidies for stores operating on a 24-hour basis (revised annually in accordance with rising minimum wage)	From June 2019	Approx. ¥500 million
Free health checkup support service for franchise store staff	From June 2019	Approx. ¥300 million
Improve manager support system (encourage owners to take more holidays)	From June 2019	Approx. ¥500 million
Move to reservation-only “Zero Food Waste” system for osechi (Japanese New Year’s cuisine), Christmas cakes (bulk), and seasonal items (Day of the Ox, ehomaki sushi rolls, etc.) to reduce food waste, and extend the shelf life of ready-to-eat items	From March 2019	—
Reduce costs related to supplies, equipment and security cameras	Implemented from current fiscal year	—
Enhance dialogue between franchised store managers and head office (expand consulting system for store owners, etc.)	Implemented from current fiscal year	—

#### **[4] Experimenting with Set Business Hours**

As part of our efforts to reform our store management system, and to achieve an even greater balance between providing customer convenience and supporting stable management, we are conducting a variety of trials. We will release the details and results of these trials as they become available.

“Experiment 1” is slated to begin from June 2019, and other efforts, including an “Experiment 2” are also being planned if necessary. Through these efforts, we will examine measures to improve operations across the entire chain, including the head office.

##### **① Experiment 1 (June 2019–)**

- Preparatory activities: Assess willingness to participate, potential obstacles, and working conditions of franchised stores prior to implementing Experiment 1 via questionnaire delivered to all stores in targeted area (approx. 270 stores) by end of April 2019 (planned).
- Experiment period: Start from June 2019, lasting two–three months.
- Selected system: Implement one of two patterns in stores located in one metropolitan area and one non-metropolitan area—set business hours once a week (Sunday), or set business hours every day.
- Purpose of experiment: Verify the effect of both patterns on store and employee conditions, daily sales, and operations (including deliveries) and identify disparities caused by differences in region.

##### **② Experiment 2 (conducted after Experiment 1, if necessary)**

- If deemed necessary after analyzing the results of Experiment 1, we will review the scale and nature of the experiment and conduct further experiments. In such an occasion, we will also consider expanding the regional scope of the experiment.
- Experiment period: Until December 2019 (planned)

#### **[5] Measures Related to Experiment Results**

- We plan to formulate and announce measures in response to these experiments by the end of fiscal 2019, after the conclusion of the experiment period stated above.