

July 8, 2020

This document is an English translation of a statement written initially in Japanese.

The Japanese original should be considered as the primary version.

FamilyMart Co., Ltd.

(Code No. 8028, Tokyo Stock Exchange, 1st Section)

Representative Director and President: Takashi Sawada

Notice of Partial Transfer of Shares Accompanying Transfer of Subsidiary

At a Board of Directors meeting held today, the Company resolved to transfer some of its shares in Taiwan FamilyMart Co., Ltd. (“Taiwan FM”), a subsidiary of the Company, to a joint venture to be newly established by Pan Pacific International Holdings Corporation (“PPIH”) and the Company, or by a PPIH subsidiary and the Company. The Company hereby provides notice it has signed a memorandum of understanding with PPIH to that effect. The aforementioned transfer will be subject to the conclusion of a final agreement between the Company and PPIH and approval from the relevant authorities.

1. Reason for Transfer of Shares

The Company entered into a business alliance agreement with PPIH in 2017, pursuing a “win-win” strategic partnership in which both parties leverage their strengths in a mutually complementary manner through the joint operation of physical stores on a trial basis. As a first step toward strengthening the cooperative relationship in overseas business between the Company and PPIH, PPIH and the Company are establishing a new joint venture company and the Company will transfer 5% of its shareholdings in Taiwan FM to the joint venture. PPIH will leverage its knowledge and expertise in retailing in the Taiwan FM business and will endeavor to enhance Taiwan FM’s corporate value by building a new business model and developing new products.

2. Overview of Subsidiary to Be Transferred

(1) Name	Taiwan FamilyMart Co., Ltd.	
(2) Location	7F, No. 61, Zhongshan N Rd, Section 2, Zhongshan District, Taipei 107, Taiwan, R.O.C.	
(3) Position and Name of Representative	President, Yeh, Jung-ting	
(4) Business	Operation of convenience storers under a franchise system	
(5) Capital	¥8.0 billion (NT\$2.2 billion, as of February 29, 2020)	
(6) Date of Establishment	August 1988	
(7) Major Shareholders and Ownership Ratios (As of February 29, 2020)	FAMILYMART CO., LTD.	50.00%
	TAISUN ENTERPRISE CO., LTD.	22.47%
	KUANG CHUAN DAIRY CO., LTD.	5.29%
	CHEN, YU-LIAN	3.61%
	SAN YO PHARMACEUTICAL INDUSTRIAL CO., LTD.	3.31%
	FUBON LIFE INSURANCE CO., LTD.	1.68%
	LIAN SHOU INVESTMENT CO., LTD.	1.29%
	LIAN FONG INVESTMENT CO., LTD.	1.13%
	JPMorgan Chase Bank N.A. Taipei Branch in custody for	0.81%

	JPMorgan Funds		
	SHENGKAI INTERNATIONAL INVESTMENT CO., LTD.		0.61%
(8) Relationships between the Listed Company and This Company	Capital Relationship	The Company holds 50.00% of total voting rights in Taiwan FM.	
	Personnel Relationships	One executive from the Company also serves as an executive of Taiwan FM. Also, six of the Company's employees have been seconded to Taiwan FM.	
	Business Relationship	The Company has an "area franchise agreement" in place with Taiwan FM, under which the Company receives royalty payments from Taiwan FM.	
(9) Taiwan FM's Operating Performance and Financial Condition over the Past Three Years (IFRS)			
FY	2018/2	2019/2	2020/2
Total equity	¥20,379 million	¥21,232 million	¥23,256 million
Total assets	¥105,566 million	¥118,372 million	¥207,572 million
Equity per share	¥91.29	¥95.12	¥104.18
Gross operating revenues	¥60,229 million	¥64,479 million	¥64,008 million
Core operating profit	¥6,286 million	¥7,884 million	¥9,359 million
Profit before tax	¥6,706 million	¥7,967 million	¥8,439 million
Net income	¥5,820 million	¥6,251 million	¥6,810 million
Earnings per share	¥26.07	¥28.00	¥30.51
Dividends per share	¥19.75	¥19.43	¥23.34

Note: Stated figures for Taiwan FM's operating performance and financial condition over the past three years (IFRS) are converted to yen at the exchange rates prevailing in each of those years. Also, amounts have been rounded to the nearest million yen.

3. Overview of the Counterparty to the Transfer

Items marked as "undetermined," as the counterparty to the transfer is yet to be established, will be disclosed as soon as they are determined.

(1) Name	Undetermined	
(2) Location	Undetermined	
(3) Position and Name of Representative	Undetermined	
(4) Business	Investment in the retail distribution business	
(5) Capital	Undetermined	
(6) Date of Establishment	Undetermined	
(7) Major Shareholders and Ownership Ratios (Expected)	Pan Pacific International Holdings Corporation or its subsidiary: 51% FamilyMart Co., Ltd.: 49%	
(8) Relationships between the Listed Company and This Company	Capital Relationship	Not applicable
	Personnel Relationships	Not applicable
	Business Relationship	Not applicable

Note: Matters denoted as "undetermined" will be disclosed promptly once they have been determined.

4. Number of Shares to Be Transferred, Transfer Price, and State of Share Ownership before and after Transfer

(1)	Number of shares held prior to transfer	111,610,001 shares (Number of voting rights: 111,610,001) (Ownership of voting rights: 50.00%)
(2)	Number of Shares to Be Transferred	11,161,001 shares (Number of voting rights: 11,161,001)
(3)	Transfer price	NT\$2,496million (¥ 9,109 million)
(4)	Number of shares held after transfer	100,449,000 shares (Number of voting rights: 100,449,000) (Ownership of voting rights: 45.00%)

Note: The yen figure indicated in parentheses has been calculated at the prevailing yen exchange rate as of July 7, 2020. This figure will change, based on the exchange rate as of the transfer date.

5. Schedule

(1)	Date of Board of Directors resolution and conclusion of memorandum of understanding	July 8, 2020
(2)	Date of share transfer agreement	September , 2020 (scheduled)
(3)	Date share transfer to be executed	October , 2020 (scheduled)

6. Details of Revaluation Gains and Future Outlook

Taiwan FM is slated to change in category, from a consolidated subsidiary of the Company to an equity-method affiliate. In accordance with this change in category, the market value of owned equity will be measured. As a result, the Company expects to post approximately ¥70.0 billion in revaluation gains, etc., in its consolidated accounts as other income (IFRS). This posting is expected to affect profit attributable to owners of parent by approximately ¥50.0 billion.

For information about the impact of these amounts on consolidated earnings forecasts for the fiscal year ending February 28, 2021 (March 1, 2020 to February 28, 2021), please refer to a separate news release issued today, entitled “Notice of the Posting of Other Income and Other Expenses (IFRS) and Revisions to Earnings and Dividend Forecasts.”