

Top Message

Evolving to Remain Essential for Customers and Communities

I must begin by expressing my sincere sympathies to all who have been struggling in the wake of COVID-19. FamilyMart remains committed to creating sales floors that are safe and secure for customers and to ensuring the safety of franchisees and employees. We will monitor developments and continue to act responsibly as a member of our communities.

Takashi Sawada

Representative Director and President
FamilyMart Co.,Ltd.



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Seeking Joint Growth between Franchised Stores and Headquarters

A year has passed since September 2019, when we adopted an operating company structure focused solely on convenience store business. Looking back, I can appreciate once again how transformative this year has been, not only to our organizational structure but also in society and the business environment.

FamilyMart has always valued the stance of being “like a family” for our communities, as reflected in the company name. We are still “family” in name and store brand even after several management integrations, which shows our belief that convenience store operations should be built on a business model aimed at sustained growth for franchised stores and headquarters alike in a relationship of trust like managing a family business.

Since becoming the President of FamilyMart, I have spent as much time as possible visiting stores everywhere. What I have seen is franchisees doing their best for this moment as well to make FamilyMart an inviting place for the community in many thoughtful ways. So that franchised stores can operate under optimal conditions, it is a mission of ours at headquarters to improve store functions and the quality of products and information.

Applying feedback from franchisees, we picked up the pace in revitalizing unprofitable stores, as we made new investments to facilitate store operations and promoted financial and digital strategies. In November 2019, we announced our policy on new franchised store support systems and headquarter structural reforms, and as we expanded the support systems, we switched to an arrangement allowing shorter hours at the discretion of stores after consultation with headquarters.

Structural reform in March 2020 established both the Area Division, consisting of four regions, and the Store Regeneration

Division, with headquarters in east and west Japan. The Area Division formulates policies on opening and managing stores in pursuit of greater profitability for the chain as a whole by strengthening our network of community-rooted stores. Thus, we believe it will extend the "regionally rooted" stance we have promoted and accelerate our original initiatives, such as product development leveraging local characteristics. Through the Store Regeneration Division, we are maintaining and improving profitability by placing stores that cannot easily renew contracts (due to lack of a successor, for example) under direct management and transferring management to new franchised stores.

Responding to Sudden Environmental Changes

Just as we had been steering from the past structural reform phase toward our growth strategies, the pandemic struck. The spread of COVID-19 has had a great impact on society as a whole and on our business. Although we soon took steps to prevent infection at stores and have been working to meet the needs of customers and a society in flux, the habits people adopted in their restraint after emergency declarations led to unprecedented challenges. As an immediate response, we have ensured a stable supply of daily necessities, expanded product lineups for people staying home, and supported new routines in a variety of ways while formulating strategies for growth beyond this period.

Changes in the business environment are expected to accelerate. We remain keenly aware that for FamilyMart to grow, we must deal with new challenges and continue our reforms. Greater competitiveness will therefore involve further sharing of FamilyMart and ITOCHU Corporation management resources and prompt decision-making on a group-wide basis.

Paving the Way for Sustained Growth

Developments affecting the convenience store business environment in Japan – stronger competition, more diverse lifestyles from changes in the structure of society, and a declining working population – have prompted a review of traditional business models.

In my view, especially when this kind of reform is needed, it is time to lay a solid foundation for sustained growth. Toward this end, we have been engaged in a variety of sustainability measures.

1 Mid-to long-term environmental targets: FamilyMart Environmental Vision 2050

Set targets addressing the three topics of greenhouse gas reduction, plastic countermeasures, and food wastage reduction

2 Supporting the Task Force on Climate-related Financial Disclosures (TCFD)*

Conducted scenario analysis assessing the impact of climate-related risks and opportunities on FamilyMart business

3 Setting material issue (materiality) targets and KPIs

Set targets and other KPIs to make key initiatives more effective

4 Establishing FamilyMart’s Human Rights Policy

Established as a guideline for accurately understanding and acting on human rights

To remain a company that fulfills an essential role in society, we are more committed than ever in sustainability activities.

* Established by the Financial Stability Board (FSB) at the request of G20 finance ministers and central bank governors. The final report published in 2017 contains recommendations on the disclosure of corporate risks and opportunities associated with climate change.

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Building an Ambitious Organization

As we hear calls to adjust to a new normal, it seems difficult for businesses to survive in an increasingly competitive environment if we continue with business as usual. While tapping our network of stores as well as our infrastructure, sales floors, and products, we must change how we compete.

To accelerate our digital strategies, recently in September 2020, we announced the establishment of Data One Corp. as a joint advertising company with ITOCHU Corporation, NTT DOCOMO, INC., and CyberAgent, Inc. Using services such as FamiPay and applying purchase data obtained from daily store operations, we can send targeted advertising to each customer and assess the effectiveness up to product purchases. Earlier this year in June, under the direct control of the Chief Information Officer, the DX Promotion Office was established. We will be promoting use of data science in marketing as well as a broader range of fields.

Additionally, in October, we established the new position of CMO (Chief Marketing Officer). At various touchpoints – including FamilyMart stores, products, and digital media – we are seeking decisive results as we strengthen measures such as developing marketing campaigns with impact and drawing customers to stores through sales promotions that link in-store and digital media.

Employees at headquarters have been encouraged through internal communication and direct discussion always to work

with a sense of innovation. We have also sought to reach the full potential of our human resources. Promoting diversity and workstyle reform and establishing a health charter are aspects of this. And we are also continuing to take on new challenges to enable employees to work in new ways, as with staggered hours and teleworking. For a revitalized organization that can adapt to change, we must transform our corporate culture to one where each employee takes the initiative.

Constantly Evolving for a New Era

Convenience stores are poised to fulfill much different roles in society. Although we must also predict social developments and determine our vision for the company, it is even more important to remain an organization that can easily adapt to any emerging changes.

FamilyMart has always been one step ahead, keeping up with changes and trying new things as we provide products and services that are very convenient for our customers. With nearly 16,500 franchised stores nationwide in contact with customers every day as we continue our operations, the feedback we receive from frontline operations is invaluable to us. We will be heeding this feedback even more closely and, after being taken private by the ITOCHU Group as of mid-November, continuing to leverage their network and expertise. Addressing social issues brings us closer to customers and supports our sustained growth as an essential, enduring presence in their lives. Franchised stores and headquarters will continue working together, fully committed to our reforms.

