

Materiality 2

Evolving as a Regional Revitalization Base Close to People



Social Background and Issues to Recognize: Significance

As social issues become diversified and complicated, it is a global level common understanding that as members of society companies are required to actively participate in local regions and communities where they do business, understand the issues and contribute to resolution faced by the countries and regions.

In Japan, the birthrate is declining and the population is aging. Changing demographics are exacerbating specific regional issues, such as urbanization and detrimental changes in traditional family structures. Meanwhile, besides earthquakes, recent years have also seen more frequent and severe typhoons and other natural disasters, which require greater resiliency.

Both the changes to our fabric of society and the worsening of natural disasters pose a significant impact, as a company that operates convenience stores in all prefectures nationwide, to our business. Thus, we can say that these issues cannot be overlooked. The Company contributes to the growth of local communities, remains close to people, and operates stores that are hubs of safety and security for urban and suburban residents. We recognize that in the event of disasters, one of our missions is to strive to provide a stable supply of goods.

Vision: Approach to Our Initiatives

Social Contribution Policy

Through this policy, FamilyMart works for balanced development at the international and regional levels, and for greater spiritual affluence in society.

1. As a company with international operations, we actively seek to help enrich the global community and support environmental protection.
2. To meet the expectations of local communities and win their trust, we take care to build links and prosper in harmony with them.
3. As part of our role in helping create safe, secure neighborhoods, we take various measures to help local parents keep their children out of trouble.
4. We support the individual efforts of our employees to get involved in social contribution activities.

Measures Taken

- Contributing to create safe, secure neighborhoods
- Supporting the development of the next generation
- Responding to an aging society

Contributing to Create Safe, Secure Neighborhoods

Issues to Recognize

Japan has been described as the world's most super-aged society. Each year also sees more senior citizens living alone and couples without children. Meanwhile, children are growing up in a changing environment, more often in dual-income families. Society has called for policies that keep senior citizens and parenting families healthy and engaged with their community. Regional lifeline infrastructure is another area in need of attention, due to water damage from more frequent and severe typhoons and sudden heavy rain.

Under these circumstances, the convenience stores serving as safe, secure places residents can rely on are expected to fulfill roles that complement those of the local government in watching over children and senior citizens, responding to disasters, and other ways.

Management Approach

The close community ties FamilyMart enjoys through brick-and-mortar stores enable us to contribute to neighborhoods that are safe and secure for residents of all ages. Stores also serve as safe and secure neighborhood hubs that are trusted by local communities, and in this capacity, we work with national and municipal bodies in the event of large-scale natural disasters, providing relief through store management that aims to maintain stable supplies of goods.

Key Accomplishments and Performance in FY2019

- Comprehensive agreements: **45** prefectures, **3** designated cities, and **17** municipalities
- Watch-over agreements: **6** prefectures, **1** designated city, and **10** municipalities
- Major donations of disaster-relief money: approx. **63** million yen

Targets and KPIs

KPIs: Our Vision

- Respond promptly after disasters or emergencies to cooperate with local authorities
- Promote joint projects based on comprehensive agreements
- Strengthen store roles as safe, secure neighborhood havens

Future Activities

- Join community problem-solving projects, such as those of social welfare councils
- Work with local government from each Area Division
- Ongoing cooperation in local crime and disaster prevention



Community Development in Conjunction with Municipalities

As a pillar of local communities, we have concluded comprehensive agreements with 45 prefectures, three ordinance-designated cities, and 17 other municipalities (as of the end of February 2020) to share expertise and resources, and to collaborate in many areas such as caring for children, supporting senior citizens, tourism and other promotion, and environmental activities. The agreements promote efforts leveraging close mutual ties and collaboration to respond promptly and appropriately to a variety of local issues to revitalize local communities and improve services for residents.

Specifically, the agreements establish a framework for store operations promoting close local ties, through collaboration in development and sales of original goods representing prefectural specialties, promotion of tourism, support of senior citizens and individuals with disabilities, regional disaster preparedness, and other activities.

Additionally, we have also signed a watch-over agreement with six prefectures, one ordinance-designated city, and 10 other municipalities (as of the end of February 2020) to support activities for local children and senior citizens to live safely and securely. When children ask for help, stores call their family, school, or the police as needed. Stores also assist in early discovery, protection, and reporting of senior citizens who have wandered due to dementia and take action to prevent certain types of fraud that occurs more often recently. In these ways, we immediately work with the community if we find something amiss, showing the care, attention, and regard for each customer that only physical stores can offer.

Comprehensive agreements

45 prefectures **3** designated cities
17 municipalities

Watch-over agreements

6 prefectures **1** designated city
10 municipalities

TOPICS

Comprehensive Agreement Signed with Toda City, Saitama Pref., in April 2019

Following a comprehensive agreement signed with Saitama Prefecture in July 2008, we have sought even deeper community ties by signing the first comprehensive agreement with a local municipality, Toda City. All 19 stores here now provide magazines and display posters published by the city. An area at the stores showcases local products such as snacks, drinking water, and toys. In these ways, stores serve as a new ally in Toda promotion and revitalization.

The stores support people of all ages in this growing city. Raising children is easier with the stores nearby, young people can have vocational experiences at stores, which also contributes to local revitalization, and those who care for older residents benefit from dementia supporter training courses. Stores set the scene for public-private cooperation of all kinds, as we seek solutions to local issues and improve citizen services for a vibrant community with peace of mind.



Local products sold at a stand outside the store

Contributing to create safe, secure neighborhoods

Collaboration with the Government and Municipalities

Having earned “designated public institution” status from the prime minister, FamilyMart is expected to fulfill key roles in disaster prevention, response, and recovery. We have developed emergency action plans following the Basic Act on Disaster Management. Specifically, to provide a stable supply of food, water, and daily necessities as a lifeline in disaster-affected areas, we have developed action plans that can quickly narrow down the products to supply and switch distribution routes based on priority levels. In this way, the system in place can provide emergency relief supplies using the manufacturing and logistics networks that support our stores across the country. In store operations as well, arrangements are in place to enable stores in affected areas to resume business quickly using small power generators and other equipment deployed at sales offices nationwide since fiscal 2019, which can supply power to stores after power outages.

We have also concluded disaster relief supply agreements with most prefectures, and with municipalities, agreements to assist those who cannot easily return home. In this way, the needs of these government bodies in disasters guide our relief efforts.

Having recovery measures in place under normal circumstances will continue to ensure preparedness, and in the event of disaster, we will contribute to regional recovery.

Agreements between FamilyMart and Municipalities

Disaster relief supply agreements	<p>Agreements: 46 prefectures, 18 designated cities, 12 municipalities, 19 other organizations</p> <p>Procurement and supply of available emergency relief at the request of municipalities in disasters, including food, beverages, and clothes. (Applies to relief supplies that can be procured at the time of requests.)</p>
Agreements to assist those who are stranded	<p>Agreements: 43 prefectures*, 10 designated cities</p> <p>Assistance is provided to those who walk home after transportation has been disrupted by earthquakes or other disasters, including crowds of workers, students, and tourists at stations, offices, or schools. Disaster Support Station stickers created by municipal councils are posted in prominent places near the entrance of stores providing this service. Under the agreements, those in need can access tap water, store restrooms, and road information from maps and radio broadcasts, among other support.</p>



Disaster Support Station sticker

After Major Disasters: Relief Fundraising, Employees in Relief Activities

Besides arranging relief supplies from headquarters, we work to reopen stores and join relief activities so that those in affected areas can return to their normal life as soon as possible, with employees participating as relief workers. In fiscal 2019, employees from headquarters assisted in local recovery at stores in Kanto, Chubu, and Tohoku regions after Typhoon No. 19 struck in October. Stores nationwide also accept donations of disaster relief money that support affected areas.

Main Donations of Relief Money in the Past Three Years

Year	Campaign	Amount
2017	Disaster Relief Fund for Massive Fire in Itoigawa, Niigata	2,385,524 yen
	Relief Fund for 2017 Heavy Rainfall Disaster in Northern Kyushu	41,383,739 yen
2018	Eastern Taiwan Earthquake Relief Fund	29,276,019 yen
	Relief Fund for July 2018 Heavy Rainfall Disaster Due to Seasonal Rain Front	78,224,682 yen
	Disaster Relief Fund for 2018 Typhoon No. 21 and Hokkaido Eastern Iburi Earthquake	75,729,342 yen
2019	2019 Typhoon No. 15 Disaster Relief Fund	9,558,497 yen
	2019 Typhoon No. 19 Disaster Relief Fund	53,877,085 yen
	Disaster Relief Fund for Shurijo Castle Fire	6,656,000 yen

Safety Station Activities

Safety Station activities help keep neighborhoods safe, and as a member of the Japan Franchise Association (JFA), FamilyMart has participated since 2000. Originally started in response to an appeal from the National Police Agency, the program brings together national and municipal organizations and community members to prevent crime, be prepared for disasters, and ensure safety routinely. Stores are a safe place for wandering senior citizens with dementia or women and children in need, and they prohibit sales of cigarettes and alcohol to minors and encourage late-night visitors to return home. In 2019, a total of 152 stores received commendations from JFA for preventing certain types of fraud, among other efforts. Stores will continue to work closely with communities to serve as safe and secure neighborhood havens.



* Includes prefectures in the Nine Prefectural and Municipal Governments Earthquake Prevention Joint Research Department and Union of Kansai Governments

Contributing to create safe, secure neighborhoods

Disaster Relief through a Corporate-NPO Alliance

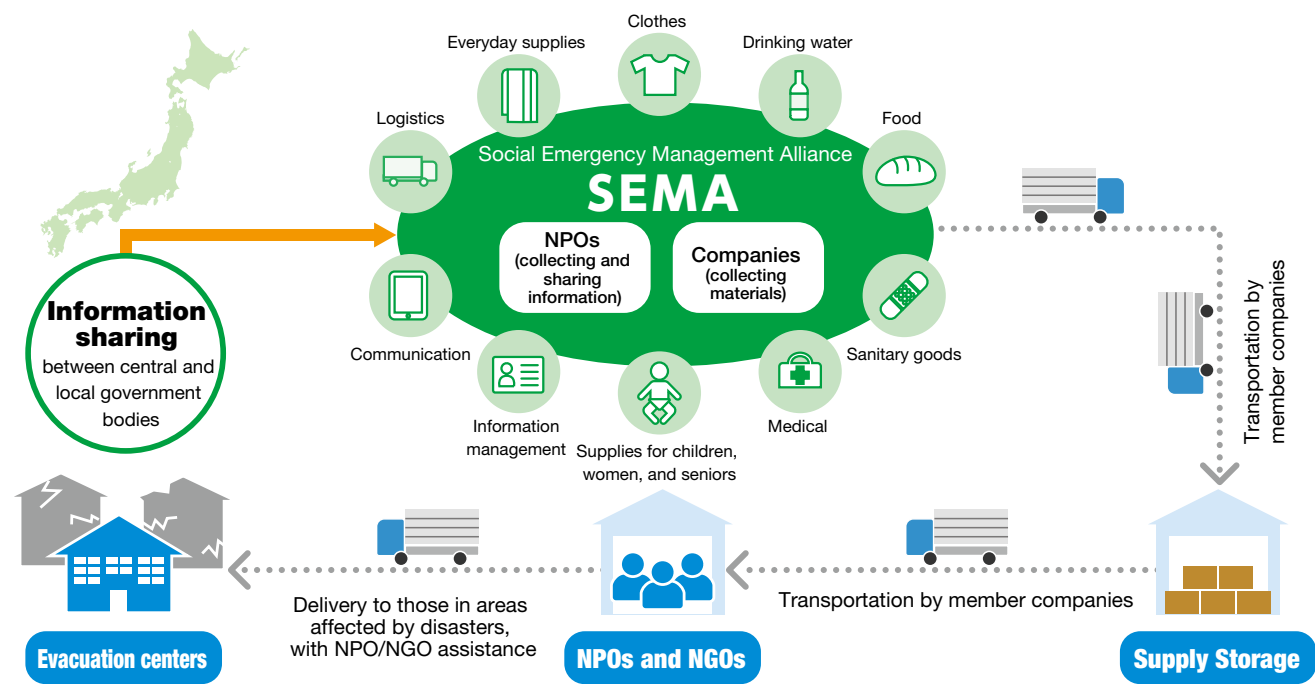
Launched in August 2017, the Social Emergency Management Alliance (SEMA)* hopes to save every last person affected as soon as possible after large natural disasters strike in Japan, where these events are relatively common. We have supported this mission since becoming an early member.

SEMA believes that prompt recovery after major disasters requires coordinated support by companies and organizations. The alliance maintains an inventory of members' goods and

services, which is used in the rapid delivery of relief package to areas affected by disasters. By sharing information with public agencies and coordinating support, the alliance also seeks to reduce omissions and waste in support efforts, and to reduce the burden on municipalities in affected areas.

* Social Emergency Management Alliance (SEMA): Consists of a corporate alliance of private-sector companies and a CSO alliance of citizens' groups. As of October 26, 2020, members included 56 companies and seven citizens' groups.

SEMA Overview



The MICHINOKU Future Fund

Benefiting children who have lost one or both parents in the Great East Japan Earthquake, The MICHINOKU Future Fund scholarship fund enables further study and encourages these students not to give up on their dreams. We support the aims of this program and have contributed since fiscal 2012.

To assist with the living and education expenses of children in areas affected by the disaster, we have been donating to the fund for a decade, which comes to a close in fiscal 2021.



Period	Ten years, fiscal 2012–2021
Foundation	The MICHINOKU Future Fund
Amount	30 million yen (3 million yen/year for ten years)

 [The MICHINOKU Future Fund](http://michinoku-mirai.org/en/index.html)
<http://michinoku-mirai.org/en/index.html>

Supporting the Development of the Next Generation / Responding to an Aging Society

Issues to Recognize

Amid a declining birthrate and aging population, families and regions in Japan face accelerated transformation of residential environments, as urban populations swell and rural populations dwindle. Companies are therefore working with national and municipal organizations both to maintain a sound environment where society's future leaders can be born and grow up healthy and to ensure ample support for senior citizens.

Meanwhile, although balanced dietary habits are essential for everyday health, more senior citizens living alone and children in dual-income households are eating meals by themselves. The social isolation of seniors is viewed as a problem, as are the effects on children's mental and physical development. As rural areas become depopulated and people live more diverse lives in cities, looser community ties are also viewed as a social issue. As for other issues, socially isolated senior citizens continue to suffer from certain fraud, and poor awareness of weaker driving skills has caused more car accidents in recent years.

Management Approach

Supporting families with children and helping to give kids a healthy childhood are goals we actively pursue, knowing that children will bear social responsibilities in the future. We therefore promote environments where our corporate employees as well as stores and store staff nationwide can make the most of brick-and-mortar stores and their professional knowledge.

In addressing senior needs as well, we contribute to regional economic revitalization by working with national and municipal organizations to create opportunities to participate in society, support those in areas where stores are less accessible, and promote active senior lifestyles and local employment.

Key Accomplishments and Performance in FY2019

- FamilyMart Children's Cafeteria
Participants: **4,147** (as of the end of February 2020)
- Thank-You Letter Contest 2019
Entries: Approx. **40,000**
- Famima Circle launched for local gatherings

Targets and KPIs

KPIs for FY2020

- Raise awareness of our regional revitalization programs
- Improve participant satisfaction in our programs
- Develop and introduce new regional revitalization programs: **2** or more

Future Activities

- Bolster partnerships with local schools and social welfare organizations
- In existing programs, help support adaptation to new conditions and regional issues/needs



Thank-You Letter Contest, a MEXT-Supported Project

Since 2009, we have been holding a "Thank-You Letter Contest" for elementary students nationwide to support their development with the local community and help foster communities full of gratitude. Students can participate on their own or in a group, such as a class or school. After review by a jury headed by journalist Mr. Akira Ikegami, winners of the Best Letter Award, Special Jury Award, and School and Group Award are selected in each of seven areas across the country.

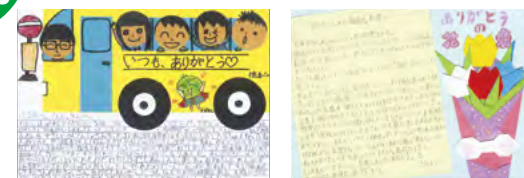
Past award-winning letters have appeared in moral education textbooks. As a project supported by the Ministry of Education, Culture, Sports, Science and Technology (MEXT), the contest has enriched Japanese language learning and moral education in particular.

We will continue to strengthen ties with local schools through the contest and foster the wholesome and principled development of children, who are the world's future, as we expand the circle of gratitude to contribute to sustainable, vibrant, and prosperous local communities.



Total letters submitted:
more than
370,000

Best Letter Award winners in 2019



Some Best Letter Award winners in fiscal 2019

Supporting the development of the next generation

FamilyMart Children's Cafeteria

The FamilyMart Children's Cafeteria initiative supports vibrant communities by providing opportunities for local children and families to mingle around the table at eating spaces in stores. Besides meals, some stores get participants talking by dividing them into teams for hands-on cash register experiences or tours behind the scenes, which has proved popular.

New this year in view of the spread of COVID-19 was the "Digital" Children's Cafeteria, held for children whether or not they are in an after-school program. A total of 27 people interacted with the store via the Internet as they learned about products and ate snacks together.

We will continue to grasp local needs and improve how this program is managed, aspiring to a Children's Cafeteria for all, true to the "family" in FamilyMart, as we aim to make stores a favorite local place.



Experiencing a cash register



A "Digital" FamilyMart Children's Cafeteria



Participants enjoying a meal together



Having fun talking over a meal



357 stores nationwide have opened a Children's Cafeteria since inception in April 2019, drawing **4,147** participants. (as of the end of February 2020)

Child Store Manager Initiative

The Child Store Manager initiative shows children what working at a FamilyMart store is actually like. This very popular program gives children dressed in a real FamilyMart uniform a chance to operate the register, stock shelves, and enjoy hands-on learning about store tasks. Participating children receive a Child Store Manager certificate.



Customer service at the cash register



Arranging the sales floor



Certified as a Child Store Manager



Total Child Store Managers:
about **1,200**

Visiting Lectures and Invitation to our Company

We make it a point to accept opportunities for visiting lectures by employees at schools and for students to visit us to learn about the company, for which we receive many inquiries from middle and high school students. Lectures are varied and designed to meet school and student needs. Some lecturers might describe the products and services that convenience stores excel at providing, and others might speak on the environment, or specific store SDGs initiatives. Assistance with vocational education is also provided, which explores the significance of working or the nature of work.

Not only intended to help students grow and learn, this initiative in conjunction with schools also motivates and hones the skills of our employees who serve as lecturers, making it quite significant for us.



At a visiting lecture

Results in FY2019

Students who attended visiting lectures or visited FamilyMart offices:

approx. **600**

Supporting the development of the next generation

Bell Mark Initiatives: Rice Balls

In support of the Bell Mark foundation, we endorse the aspiration of all children receiving an education under ideal conditions. Rice balls sold nationwide have been labeled with a Bell Mark since April 1, 2008, a first in the distribution and retail industry. This foundation provides educational facilities and equipment to schools and other institutions for the number of Bell Marks collected, toward the enhancement of educational environments.

To encourage customers to take part with familiar products, FamilyMart sells all rice balls nationwide with Bell Marks, and stores have a collection box.

Bell Marks collected at stores across the country are donated both to nearby schools and, along with Bell Marks collected at FamilyMart headquarters and suppliers, also help in donations to schools in disaster-affected areas.



Collection boxes are set up in stores where the rice balls are sold to collect Bell Marks

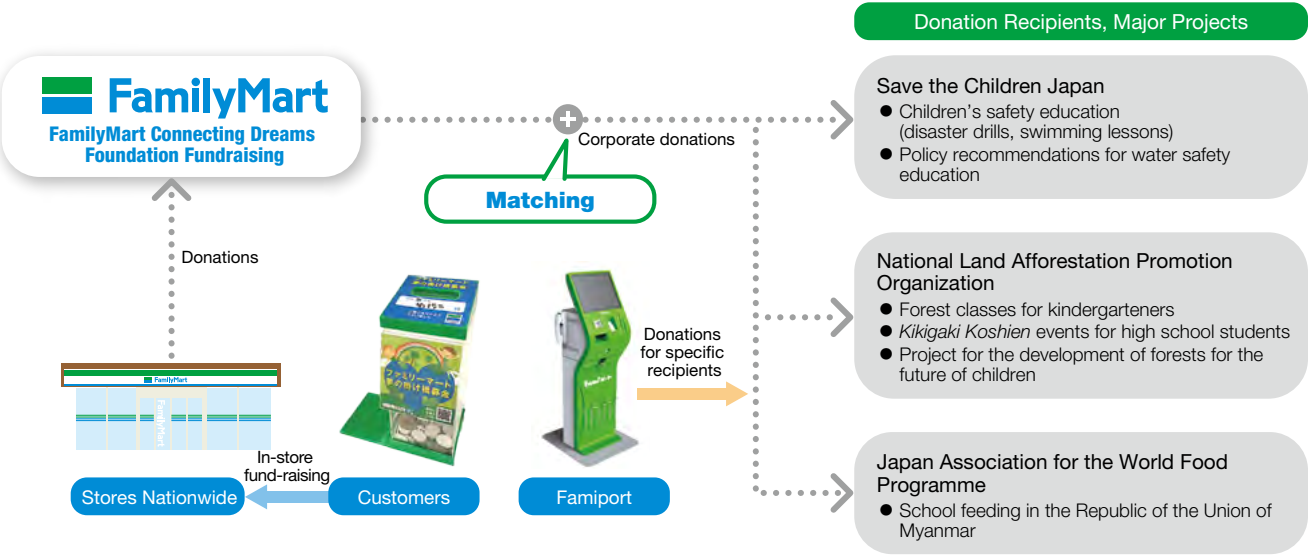


Fundraising for the Connecting Dreams Foundation: NGO/NPO Support and Cooperation

Boxes for in-store fundraising were first set up in fiscal 1993, and since April 2006, fundraising through the FamilyMart Connecting Dreams Foundation Donation has linked customers to NGOs and NPOs that take part in social activities. Donations collected from customers are combined with our corporate matching gifts* for use in activities such as development of the next generation and environmental conservation in Japan and around the world. Beyond these donations, other support activities we have proactively pursued include collaboration on children's water safety and drowning prevention program in Thailand, a country where FamilyMart operates, through a 2013 global partnership agreement with Save the Children Japan. After large-scale disasters strike in Japan or overseas, donation efforts shift to support disaster-affected areas.


Famiport terminals at stores provide another way to donate to customers' preferred organization from 16 that are registered (as of the end of February 2020).

* Matching gift: Corporate donations added to an amount calculated by multiplying the total amount of customer donations by a certain rate.



Results of FamilyMart fund-raising (including in-store fund-raising, via Famiport, as relief money, and main corporate donations)

FY2019	Total amount
480,733,556 yen	6,608,215,120 yen
	(FY1993 to the end of FY2019)

 Support for NGO / NPO activities through FamilyMart Connecting Dreams Foundation
https://www.family.co.jp/english/sustainability/material_issues/society/ngo_npo.html

Responding to an aging society

Famima Circle: Local Gatherings with the Police and Municipalities

Famima Circle meetings at eating spaces in stores are held to bring customers together and learn about preventing certain fraud, turning in a driver's license, avoiding frailty associated with old age, and other senior citizens' issues addressed by police and municipalities.

These authorities speak about the social issues of fraud and motor vehicle accidents involving senior drivers, and the participants, store managers, and store staff share opinions, which makes the meetings more personal. To avoid having stores crowded with participants after the spread of COVID-19, FamilyMart hosted online "Digital" Famima Circles in September 2020. These talks connected stores to local places where seniors socialize, and discussed prevention of fraud sometimes perpetrated at convenience stores, as well as products and combinations of food that can boost immunity. We hope stores continue to serve as venues for providing useful local information and hosting local exchanges, to encourage community-building supported by everyone.



At a gathering in a store eating space



A "Digital" Famima Circle held online

Contributing to Regional Economic Revitalization by Supporting Senior Staff and Promoting Local Employment

Quite a few senior citizens work as store staff members across the country. Not only do the experience and local ties that senior staff bring to their work build relationships of trust between the store and customers, these members help forge a solid bond between stores and the community as a whole. The synergy created forms a mutually beneficial arrangement for these workers, stores, and communities. We will continue to contribute to job satisfaction and healthier lifestyles by supporting senior citizens, and to local economic revitalization through local employment.



An energetic senior staff member

Contributing to Reassuring Neighborhoods through Dementia Supporter Training

As the population ages, more people are living with dementia. We encourage store managers, store staff, and corporate employees to acquire "dementia supporter" training in order to support patients and their families with a correct knowledge and understanding of dementia and apply this stance in store operations. These members participate in dementia supporter training courses of municipalities or organizations such as the Japan Franchise Association and focus on learning how to respond at stores. As a local corporate citizen, we will continue to contribute not only by supporting dementia patients and their families but by working toward neighborhoods where senior citizens can lead vibrant lives with peace of mind in a familiar environment.

Supporting Senior Citizens and Customers Where Shopping Is Difficult

Certain stores offer home delivery of phone orders for senior citizens living alone who are unable to walk to the store easily. For customers living in areas where stores are less accessible, operations using mobile sales vehicles were launched in September 2011 and as of fiscal 2019 serve Tokyo and eight other prefectures with 15 light motor vehicles.

Working with municipalities, we will continue to address the needs of local senior citizens and other consumers as well as those living where stores for everyday needs seem inconvenient or are not easily accessible.



A mobile convenience store