

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, the number of senior citizens living alone or couples without children is increasing. From this standpoint, there is an urgent need to implement measures that enable senior citizens to maintain their health while making communication so that they will not be isolated in the community. Also in recent years, there have been many cases where regional lifelines have fallen into malfunction due to the water disasters caused by typhoons and concentrated heavy rains that have become more frequent and severe.

Under such circumstances, the convenience stores, as safe and secure bases that residents can rely on, are expected to play roles such as watching over children and senior citizens, and responding to disasters as a complementary of local administration.

Achievements and Performances

- **Comprehensive agreements:**
45 prefectures, 20 municipalities, and 5 groups
- **Watch-over agreements:** 6 prefectures and 11 municipalities
- **Major donations of disaster-relief money:** approx. 180 million yen

Management Approach

Our brick-and-mortar stores maintain close community ties. Through these operations, the Company contributes to neighborhoods that are safe and secure to residents young and old. Trusted by local communities, stores will also serve as safe and secure neighborhood hubs that work with national and municipal bodies while providing relief supplies, through store management that aims to maintain stable supplies of goods in the event of natural disasters.

Community Development in Conjunction with Municipalities

As one of the community bases of local communities, we have signed comprehensive agreements with local governments from 45 prefectures, 20 municipalities, and five groups (as of the end of February 2019) to share know-how and resources, and to collaborate with them on multiple items such as caring children, supporting senior citizens, tourism, 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 improve services for residents and vibrant local communities.

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

Additionally, we have also signed a watch-over agreements with local governments from six prefectures and 11 municipalities to support activities for local children and senior citizens to live safely and securely (as of the end of February 2019). When children ask for help, stores call their family, school, or the police as needed. Another facet of the agreements is to assist in the early discovery and protecting and calling to report senior citizens who are wandering due to dementia, as is taking action to prevent certain types of fraud that occurs more often recently. In these ways, we immediately work with the local community, when we find something happened to residents.

Comprehensive agreements

45 prefectures **20** municipalities **5** groups

Watch-over agreements

6 prefectures **11** municipalities

TOPICS

Holding Family Football Lesson

In August 2018, we held a "parent-child football lesson" at a football ground in Hiroshima city, in corporation with the prefecture.

We invited 50 pairs of parents and children living in Hiroshima prefecture and provided them with opportunities for interaction in a football lesson by coaching staff from J1 (the top division of the Japan Professional Football League) soccer team Sanfrecce Hiroshima.

This is an event as a part of children and youths development support through public-private collaboration, based on a comprehensive cooperation agreement on regional revitalization that we signed with Hiroshima Prefecture in 2011, and has been held every year since 2011.



Contributing to create safe, secure neighborhoods

Collaboration with the Government and Municipalities

Our Company is designated by the prime minister as a “designated public corporation” expected to fulfill key roles in disaster prevention, response, and recovery. Toward this end, 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 our manufacturing and logistics networks across Japan. 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 in 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 made: 46 prefectures, 33 municipalities, and 29 groups (as of the end of February 2019)</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 the Company can procure at the time of requests.)</p>
Agreements to assist those who are stranded	<p>Agreements made: 43 prefectures and 10 cities (as of the end of February 2019)</p> <p>Assistance is provided to those who walk to 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: Employee Relief Support, Donations of Relief Money

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 2018, 364 employees assisted in local relief and recovery after damage from heavy snowfall in the Hokuriku area in February, followed by 312 employees assisting in western Japan after heavy rainfall in July. Stores nationwide also collect donations of disaster-relief money that support affected areas.

Main Donations of Relief Money in the Past Three Years

Year	Donation Campaign	Amount
2016	2016 Kumamoto Earthquake Relief Fund	142,867,989 yen
	2016 Typhoon No. 10 Disaster Relief Fund	12,251,223 yen
	Central Tottori Earthquake Relief Fund	2,307,453 yen
	Disaster Relief Fund for Massive Fire in Itoigawa, Niigata	2,385,524 yen
2017	Disaster Relief Fund for Massive Fire in Itoigawa, Niigata	
	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

Safety Station Activities

Safety Station activities help keep neighborhoods safe, and as a Japan Franchise Association member, the Company 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 in routine efforts to prevent theft, be prepared for disasters, and ensure safety. As safe neighborhood havens in the program, stores provide temporary refuge to women and children in need, besides protecting and calling to report senior citizens who are wandering due to dementia. To be a good neighborhood for young people, stores strictly prohibit sales of cigarettes and alcohol to minors and encourage late-night visitors to return home, among other activities. We will continue these proactive efforts toward safe, secure neighborhoods.



Contributing to create safe, secure neighborhoods

Disaster Relief Through a Corporate-NPO Alliance

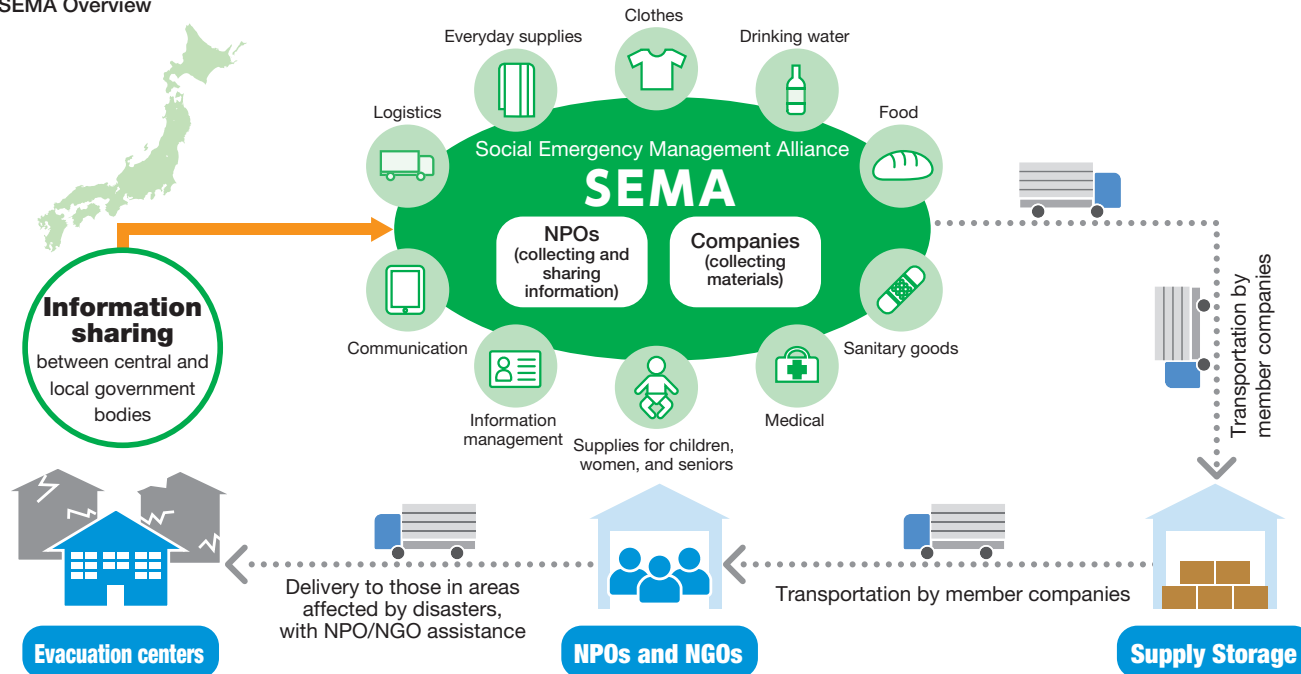
Launched in August 31, 2017, the Social Emergency Management Alliance (SEMA)* hopes to save every last person affected as soon as possible after a large natural disaster strikes in Japan, where these events are relatively common. This is a mission that we have supported since becoming an early member.

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.

SEMA first responded to disasters by assisting in western Japan after heavy rainfall in July 2018. The Company delivered drinking water to Mihara city in Hiroshima Prefecture, an affected area.

* Social Emergency Management Alliance (SEMA): Consists of a corporate alliance of private-sector companies and a CSO alliance of citizens' groups. As of September 1, 2019, members included 52 companies and six citizens' groups.

SEMA Overview



Michinoku Future Fund

"The Michinoku Future Fund" is a scholarship fund, for children who have lost one or both parents in the Great East Japan Earthquake, 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 2012.

To assist with the living and education expenses of children in areas affected by the disaster, we are donating to the fund for a decade, ending in 2021.

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



Commemorative photo with the 8th annual scholarship recipients

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

Issues to Recognize

At a time of transformation in Japan as rapidly declining birthrate and aging population, and environment surrounding families and regions changes, companies are 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 and children in double-income households are eating meals alone, which is viewed as a problem from adverse effects on children's mental and physical development and social isolation of senior citizens. Daily interaction with neighbors is also less common. As people's routines become more diverse in cities and depopulation affects rural areas, attenuation of human relations have become a social issue. This has set the scene for other social problems. Socially alienated senior citizens in particular remain targets of fraud, and recent years have also seen more car accidents caused by senior drivers unaware of their impaired driving skills.

Achievements and Performances

- FamilyMart Children's Cafeteria
Participants: 3,343 (as of November 2019)
- Thank You Letter Contest 2018
Entries: Approx. 40,000

Management Approach

Children will bear social responsibilities in the coming generations. Helping to give them a sound childhood and develop character is a goal in which we are actively engaged. Additionally, we encourage environments where corporate employees as well as stores and store staff nationwide can make the most of brick-and-mortar stores and human 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.

Thank-You Letter Contest, a MEXT-Supported Project

The Company has held a "Thank-You Letter Contest" since 2009 to help elementary school students across Japan learn the importance of communicating by sharing their appreciation in writing. Students can participate on their own or in a group, such as a class or school. Winners of the Best Letter Award, Special Jury Award, and School and Group Award are selected in each of seven areas across the country.

The contest has enriched Japanese language learning and moral education, with past award-winning letters appearing in moral education textbooks. In recognition for a decade of contributions in these fields, the initiative received support from the National Council of Municipalities Boards of Education and Japan Federation of Primary School Principals Association, and, as of fiscal 2019, the Ministry of Education, Culture, Sports, Science and Technology (MEXT).

As a member of the local community, the Company will continue to encourage children's wholesome and principled development through the contest and expand the circle of gratitude to contribute to sustainable, vibrant, and prosperous local communities.



Total letters submitted:
more than

320,000

Supporting the development of the next generation

Famima Kodomo Shokudo (FamilyMart Children's Cafeteria)

FamilyMart Children's Cafeteria is an initiative that supports community revitalization by providing opportunities for local children and families to share meals and interact with each other at eating spaces in stores. Besides meals, the programs offered by some stores – with hands-on cash register experiences, tours behind the scenes at stores, and other events – have proved popular.

Future expansion to develop this initiative into a Children's Cafeteria for all, true to the “family” in FamilyMart, will continue to account for the needs of individual stores and operational considerations, as we aim to make stores a favorite local place.



Participants enjoying a meal together



Having fun talking over a meal

Some **250** stores nationwide have opened a Children's Cafeteria since the initiative began in April 2019, and **3,343** people have participated. (as of November 2019)



Experiencing a cash register

Child Store Manager Initiative

The Child Store Manager initiative offers occupational experiences for children to see what working at a FamilyMart store is like. This very popular program gives children dressed in a FamilyMart uniform a chance to have fun handling the cash register, stocking shelves, and doing other tasks at a store.



At the cash register



Stocking shelves



A certificated Child Store Manager

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

Visiting Lectures and Invitation to our Company

We support the development of the next generation for junior and high school students through visiting lectures by our employees at schools and we invite them to our company as well. Lessons are focused on the products and services offered at convenience stores, or our environmental initiatives, with concrete examples from the workplace. Vocational education support is also provided, which explores the significance of working or the nature of work. To provide learning opportunities on retailing, logistics, and the food industry, one program enables students to work with regional product development team members and experience production from product development to sales.

Not only intended to promote student career development, this support also motivates and hones the skills of employees who serve as instructors, which makes it quite a significant activity for the Company.



Giving a lesson with a slide presentation

Results in fiscal 2018

Students who attended visiting lectures or visited our head office:

approx. 1,200

Supporting the development of the next generation

Bell Mark Initiatives: Rice Balls

In support of the Bell Mark, we are endorsing the aspiration of allowing all children alike to receive an education in an excellent environment, the Company has labeled rice balls sold nationwide with a Bell Mark since April 1, 2008. This initiative of offering Bell Mark points for rice balls—the first of its kind in the retailing business—unites FamilyMart with local communities in support of young students.

Bell Marks received by FamilyMarts across Japan are donated to nearby schools by each store. Bell Marks collected at the FamilyMart head office and by our suppliers are donated to schools in areas affected by disasters.



Rice balls labeled with a Bell Mark



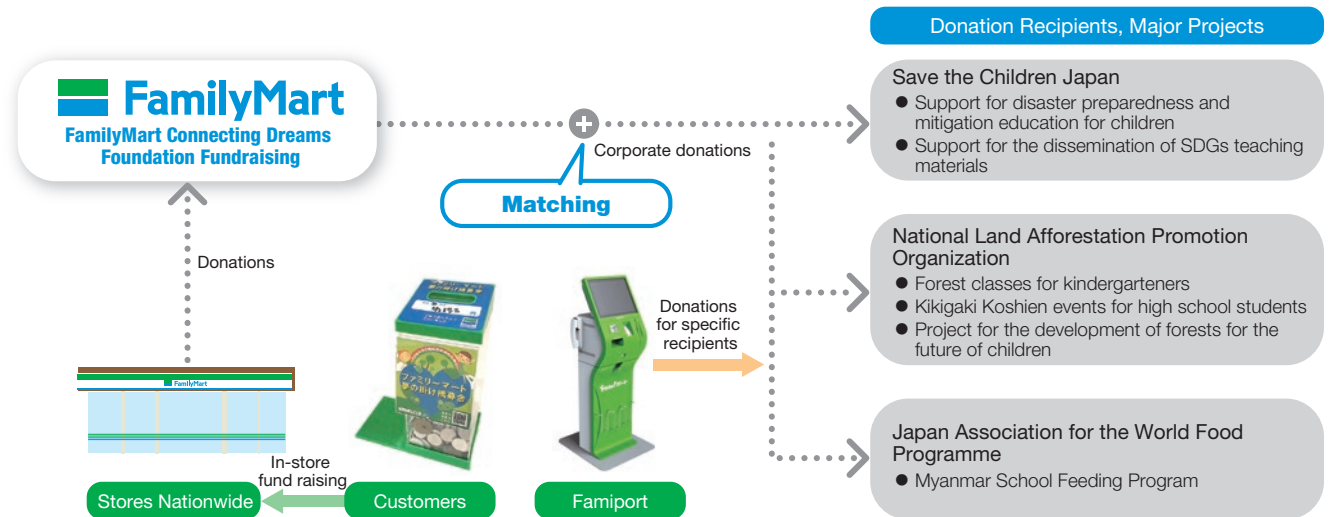
Collection boxes are set up at stores where the rice balls are sold to collect Bell Marks

Fund-raising for the Connecting Dreams Foundation Donation: NGO/NPO Support and Cooperation

FamilyMart became the first convenience store in Japan to set up in-store fund raising in 1993. Since 2006, in-store fund raising through the FamilyMart Connecting Dreams Foundation Donation has linked customers to NGOs and NPOs that take part in social activities. The donations collected from customers is combined with our corporate donations (Matching Gifts*) to be used for activities such as development of the next generation and environmental conservation both in Japan and around the world. Beyond these donations, other support activities we have proactively pursued include collaborating through a 2013 global partnership agreement with Save the Children in disaster prevention including disaster risk mitigation in Thailand, Vietnam, and other areas where FamilyMart deploys business. After large-scale disasters hit in Japan or overseas, these donations are switched to disaster-relief donation to support disaster-affected areas.

At stores, customers can also use Famiport terminals to donate to organizations of their choice.

* Matching gift: A donation that companies add to the amount calculated by multiplying a certain rate to the total amount of donations from customers.



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

FY2018

542,626,044 yen

Total amount

6,165,846,600 yen

(1993 to the end of February 2018)



FamilyMart Connecting Dreams Foundation fundraising results

https://www.family.co.jp/english/sustainability/material_issues/society/ngo_npo.html

Responding to an aging society

Famima Circle: Local Gatherings in Cooperation with Police and Municipalities

Famima Circle meetings at eating spaces in stores are held to help address local issues.

Famima Circle provides an in-store venue for communication with local residents where police and municipalities speak on issues that have emerged with an aging and declining population and smaller families, such as preventing certain types of fraud, or senior citizens voluntarily turning in their driver's license. Those who attend can interact more intimately with speakers, store managers, and staff. In some cases, these kinds of fraud have even been prevented by staff members who were aware of customers' suspicious behavior and talked to them, thanks to the ties they developed with the store. In this way, providing useful information and promoting local exchange encourages community-building supported by everyone.



A police officer speaking at a meeting



Participants interacting with store staff members

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

Quite a few senior citizens work as staff members at stores across Japan. Not only do the experience and local ties that senior staff bring to their work build relationships of trust between the store and customers, through communication, 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.



A senior staff member working enthusiastically

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 in areas where stores are less accessible, operations using mobile sales vehicles were launched in September 2011 and now serve Tokyo and other 11 prefectures with a fleet of 18 vehicles (as of the end of May 2019).

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



"Famima-go," a mobile convenience store