



Everyday Fun and Fresh.



FamilyMart UNY Holdings Co.,Ltd.

Sustainability Report 2017

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## About this report

This report is the first Sustainability Report to be issued by FamilyMart UNY Holdings.

This report presents the approaches and mechanisms established by FamilyMart UNY Group to steer CSR activities. Also after reconfirming the respective material issues of FamilyMart Co., Ltd. (FamilyMart) and UNY Co., Ltd. (UNY) to date taking into account the United Nations Global Compact that FamilyMart UNY Holdings signed in fiscal year 2017, the Sustainable Development Goals

(SDGs) for which we have made a contribution commitment, and the newly-established Sustainability Policy, etc., we placed the focus on the material issues that must be solved by the FamilyMart UNY Group and described them centered on the activities of each company. The initiatives for each material issues are described in digest form. For more detailed information, both the FamilyMart CSR Hand book 2017 and UNY Environmental Report 2017 are to be referred.

FamilyMart  
CSR Hand book 2017



[http://www.family.co.jp/company/csr/engagement/csr\\_handbook\\_arc\\_2017.html](http://www.family.co.jp/company/csr/engagement/csr_handbook_arc_2017.html)

UNY  
Environmental Report 2017



<http://www.uny.co.jp/corporate/torikumi/eco/management/report.html>

### Participation in the United Nations Global Compact



Network Japan  
WE SUPPORT

FamilyMart UNY Holdings signed and announced its participation in the United Nations Global Compact in September 2017.

The United Nations Global Compact is a global initiative to realize sustained growth in the international community based on ten principles in the four areas of human rights, labor, environment, and anti-corruption.

### Sustainable Development Goals (SDGs)



As a retailing group that continuously provides new value to customers, FamilyMart UNY Holdings contributes to the sustainable development of society and contributes to achievement of the goals in the SDGs through working on the solution of social issues and alleviating impact on the environment.

### [Overview of this report]

- Applicable period:  
This is a report on the performance from September 2016 to February 2017 but it also includes the content of some of the most recent activities and initiatives.
- Applicable scope:  
38 domestic companies and 32 overseas companies (as of the end of February 2017)
- Referenced guideline:  
GRI Sustainability Reporting Standards  
(GRI Comparison Table: <http://www.fu-hd.com/csr/report/>)  
Environmental Reporting Guidelines (2012 edition) by the Ministry of the Environment  
ISO 26000 (Guidance on social responsibility)

### [Disclaimer]

This report includes information about future forecasts, but these statements are judged based on the available information at the time of the preparation of each of the materials and are not a guarantee of future business performance, etc.



# Message from our President

Everyday Fun and Fresh.

Through the completion of integration and the daily improvement “Everyday IMPROVE,” we are growing into a retailing group that continuously provides new value to customers and contributes to the realization of a sustainable society.



Effects on economic, environmental, and social aspects due to the integration

I greatly expect each individual employee to grow by utilizing the respective strengths of CVS and GMS.

In September 2016, FamilyMart UNY Holdings of total net sales of approximately 4 trillion yen was emerged by integration of FamilyMart, which ran a Convenience Store Business (CVS), and UNY Group Holdings, which was centered on General Merchandise Stores Business (GMS) and a CVS. I intend to utilize their respective business characteristics to create synergy effects and to further accelerate our growth as a retailing group. As advocated in the Group Principle “Everyday Fun and Fresh,” we are aiming to become a company that provides the new value that is deemed to be necessary in the next era and continues to be trusted and considered necessary by our customers and local communities in their daily life.

Due to continued globalization of the economy, supply chain and product supply to customer have crossed national borders, and the international community requests companies to actively work to solve social and environmental issues. We also are actively developing our business from new perspectives without being caught up in conventional ways of thinking, and the “scale” obtained as a result of the integration is actually boosting this.

For a retailing business, expansion of scale is extremely important, to the extent that it can be said to be the source of streamlining. With the advancement of the consolidation and rationalization of the manufacturing plants and distribution routes that were previously separated in the 12,000 FamilyMart stores and 6,000 Circle K and Sunkus stores, the approach to our work with suppliers and business partners in logistics, etc. will change, and therefore employees’ awareness towards their operations and their behavior itself will also change. Naturally, the advantages due to the integration of the two companies will generate great outcomes that are not limited to the economy but also extend to aspects of society and the environment.

For example, not only will the quality of the products and services provided to the customers improve, but also the integration will contribute to the reduction of CO<sub>2</sub>, a social issue.

In addition, the company should be able to further increase the synergy effects because the employees of CVS and GMS will identify with each other and grow by sharing their respective strengths. I would like our approximately 17,000 employees (consolidated basis) to become one, listen to the opinions of a variety of stakeholders, think about what steps they can take for our customers and local communities, and faithfully take those steps.

Management that addresses social issues

I am taking a well-balanced approach to manage the company by thinking carefully about not only the pursuit of private interest but also the public interest.

In order to realize sustained growth, we are advancing measures such as the reconstruction and centralization of supply chain functions, strengthening of the infrastructure of stores that have direct points of contact with the customers and local communities, etc. By increasing the effectiveness of these kinds of management strategies, we are aiming for growth while also earning profits and returning them to the shareholders, but the business benefits brought about in this way cannot be achieved without any regard for the social and environmental issues our customers, local communities, and business partners are facing. As an enterprise for profit, I think it is important to take a well-balanced approach to manage the company by not only pursuing private interest but also thinking carefully about the public interest.

Previously FamilyMart has utilized its advantage of having stores in all of the prefectures to tackle a broad range of social contribution activities, in close contact with local communities upholding the catchphrase, ‘FamilyMart, Where You Are One of the Family.’ For example it has played a role as social infrastructure in cooperation with local government, and offered support for looking after the elderly and developing the next generation through in-store fund-raising, and cooperating and supporting at times of natural disasters, etc. As the leading environmentally-advanced company in Japan, UNY is the only company in the retail industry to be recognized as an Eco-First company. Through its business activities it leads domestic food recycling business by constructing 13 “Food Recycling Loops” aimed at the construction of a “sustainable society” that will realize a recycling-oriented society, a low carbon society, and a society that coexists in harmony with nature. In addition, it focuses its efforts on the furtherance of

environmental education for the next generation and of ethical shopping among customer.

Moreover, the combined business of FamilyMart and UNY, which aimed for the formation of a recycling-oriented society in the regions, produces synergy effects due to the integration of sustainability aspects as well, such as the establishment of the new “Food Recycling Loops,” and the enhancement of environmental awareness regarding containers and packaging, etc. Going forward, by further advancing these kinds of initiatives, we will face social issues together with all of our valuable stakeholders and aim for the group overall to develop in a sustained manner together with society.

Growing as a sustainable company

As a company rooted in the local communities and as a member of the international community, we will develop our business while also contributing to address the solution of social issues.

FamilyMart UNY Holdings became a member of the United Nations Global Compact at the end of September 2017. I signed the Compact myself to commit that this Group, as a good member of the international community, agrees with the ten principles pertaining to the protection of human rights, elimination of all forms of forced and compulsory labor, environmental measures, and the prevention of corruption, and it continues to endeavor to realize them. As a company group possessing a supply chain that extends overseas, it is important to reaffirm things extremely natural in the international community. We will work toward solving social and environmental issues, by anticipating the future from a global perspective while also working closely with everyone in the communities going forward.

In advance of becoming a member of the Compact, we established the Sustainability Policy and stated anew that this group would aim for the formation of a sustainable society. I am aware of the impact that the business of this group has on local communities and the environment, the scope of the business, and the expectations from all of our stakeholders are extremely large. In order to increase the positive impact in the value chain overall from production to transactions and consumption, and to meet expectations of the stakeholders, we will be aware of our own responsibilities under these basic policies and run our business with a sense of unity as a group company.

Furthermore, we have stated that we will contribute to the achievement of the “Sustainable Development Goals (SDGs)” and committed that we will contribute to solving our identified social issues through our group’s business activities. Today, our stores, in particular our





convenience stores, are expected to contribute to the building of communities that are easy to live in as social infrastructure. We intend to develop our business while contributing to the solution of issues in local communities as a base of distributing relief goods at times of disaster with our logistic network or of crime prevention at night, as a so-called “jack-of-all-trades” pursuing convenience, with ATMs, issuance of government certificates (the certificate of residence, etc.), installation of eat-in spaces, etc., and as a community place where everyone in the community gets together.

Currently, the trend to evaluate long-term corporate value in term of the perspective of ESG (Environment, Society, and Governance) is gaining momentum, and this will become much more widespread going forward. In order to improve our evaluation further within the ESG investment trend, we aim to be a sustainable company that can make an even greater contribution toward achievement of the SDGs while utilizing the respective strengths of each of the group companies with FamilyMart, which utilizes its store network to make a social contribution, and with the environmentally-advanced company UNY.

#### Improving the value we provide as a retailing business

**We will build up daily improvements while challenging ourselves to achieve new goals and continue being a company that is trusted by our customers and local community.**

At the same time as the integration in September 2016, we commenced a conversion from the Circle K and Sunkus stores to the FamilyMart brand. Our goal is to complete

this “CVS brand integration” by the end of August 2018, six months ahead of the initial plan, in order to realize maximization of synergies. Approximately 5,000 stores will be converted to FamilyMart and, as a result, the FamilyMart brand store network will become 1.5 times larger compared to the one before the integration. The synergy effects of the integration is to extend to the production, the logistics network and the ordering system, and the financial effects are expected to be 8 billion to 10 billion yen from fiscal year 2019 onwards.

In August 2017, we concluded a basic agreement for a capital and business alliance with Don Quijote Holdings Co., Ltd., and we converted some of the UNY stores to double-name stores with Don Quijote. This will accelerate our active collaboration in the retailing business, including full-scale promotion of human resources exchanges and joint development and sales of product. In particular, we can learn many things from Don Quijote-style low cost store operation, and we will move forward with the Don Quijote-style and UNY-style store operations stimulating each other in a good sense.

While tackling these new challenges, we will continue strengthening the collective power of the group and make efforts to achieve CVS + GMS segment net income of 60 billion yen and consolidated ROE of 10% in fiscal year 2020, the quantitative goals of the medium-term management plan.

The theme we advocated when launching the medium-term management plan is “Everyday IMPROVE.” This literally means to add improvements daily. In order to achieve economic growth, we must continue to gain support from our customers, and for that reason, we should be a company sensitive to social issues and needs from the perspective of our customers, and we can respond to them flexibly. This way of thinking, of course, is necessary and essential precisely because it cannot be achieved overnight. For long-term growth, it is important to not only pursue profits for our company but also to continue to have the perspective of “being together with society,” and this should be the path of ours with the principle of “Everyday Fun and Fresh” this is precisely the road we should travel along.

As our compass, we have newly identified materiality (material issues) and given priority to initiatives to solve them through our businesses. The five material issues are “global environmental awareness” such as climate change countermeasures, “contributing regional development as social and lifestyle infrastructure” utilizing the resource of our stores operated on a nationwide scale, the “strengthening supply chain management” to provide safe and reliable products, “responding consumer needs” to fulfill the requests of customers which change minute

by minute, and the “enhancing diversity” to provide a workplace environment that is easy to work in for the employees. With respect to these material issues, we will practice “Everyday IMPROVE” in the way that only we can, and we aim to increase the value provided to our customers in our region and the world to realize sustained growth.

#### Building a free-spirited and vibrant organization

**Based on the spirit of “Everyday IMPROVE 《MORE》,” we continue to move forward correctly, with courage and an objective.**

As a retailing business, we, FamilyMart UNY Group, have stores in local communities and we aim to develop together with everyone in the community. Now that we have started under a new structure, every employee needs to reaffirm this, and makes sure to be on the same page. Corporate management must go hand in hand of the company and the employees, so no matter how much the company proposes principles and strategies, realization will be impossible if there are no employees to put them into practice. Little time has passed since this group was started by the integration, and we have advanced the operational alliance with Don Quijote. We are truly in a situation in

which different cultures are being mixed together so that it is important to understand and respect each other’s diversity while learning the circumstances.

The surrounding of our business changes minute by minute, so it is necessary for us to take a quick action to accommodate such changes. In order for us to further accelerate the speed of our response to this change, we must take initiatives under “Everyday IMPROVE 《MORE》.” It is also essential for each individual employee to indicate his/her intention with courage and act correctly with an objective. For that reason, it is important for the management team to have as many opportunities for engagement with front-line employees as possible, and it is necessary to cultivate an open and flexible corporate climate. I intend to aim for management under which the employees understand each other’s diversity and continue behaving in a free-spirited and vibrant, and under which the company is able to strongly demonstrate its direction focused on five years or even ten years after 2020.

Of course this is not a simple matter at all, but I believe that if we put this approach into practice, FamilyMart UNY Group can truly grow in a sustained and contribute to the sustainable development of society.

Please look forward to our “IMPROVE” in the days to come.



Overview of our major operating companies



FamilyMart

(Fiscal Year: March 1, 2016 to the last day of February, 2017)

Corporate name	FamilyMart Co., Ltd.
Head office	3-1-1 Higashi-Ikebukuro, Toshima-ku, Tokyo 170-6017, Japan Telephone: (81) 3-3989-7301
Incorporated*	July 2, 2001
Paid-in capital	¥8,380 million
Representative Director and President	Takashi Sawada
Number of employees	6,199
Total store sales	¥3,009,363 million
Total chain stores	24,505 (including domestic and overseas area franchised stores) (as of the end of September 2017)

※Date on which the current operating company was reborn through company split following the incorporation of CIRCLE K JAPAN Co., Ltd. on January 26, 1984, and the subsequent change in its name to C&S Co., Ltd. on July 1, 2001 upon its conversion to a pure holding company.

Number of Total chain stores

(as of the end of September 2017)

24,505 stores (including domestic and overseas area franchised stores)



- Domestic area franchisers  
Okinawa FamilyMart Co., Ltd.  
Minami Kyushu FamilyMart Co., Ltd.  
JR KYUSHU RETAIL, INC.
- Overseas area franchisers  
Taiwan FamilyMart Co., Ltd. (Taiwan)  
Central FamilyMart Co.,Ltd. (Thailand)  
Shanghai FamilyMart Co.,Ltd. (China)  
Guangzhou FamilyMart Co., Ltd. (China)  
Suzhou FamilyMart Co., Ltd. (China)  
Hangzhou FamilyMart Co., Ltd. (China))  
Chengdu FamilyMart Co., Ltd. (China)  
Shenzhen FamilyMart Co., Ltd. (China)  
Wuxi FamilyMart Co., Ltd. (China)  
Beijing FamilyMart Co., Ltd. (China)  
DONGGUAN FamilyMart Co., Ltd. (China)  
FamilyMart Vietnam Joint Stock Company (Vietnam)  
PT. Fajar Mitra Indah (Indonesia)  
Philippine FamilyMart CVS, Inc. (The Philippine)  
Maxincome Resources Sdn. Bhd. (Malaysia)



UNY

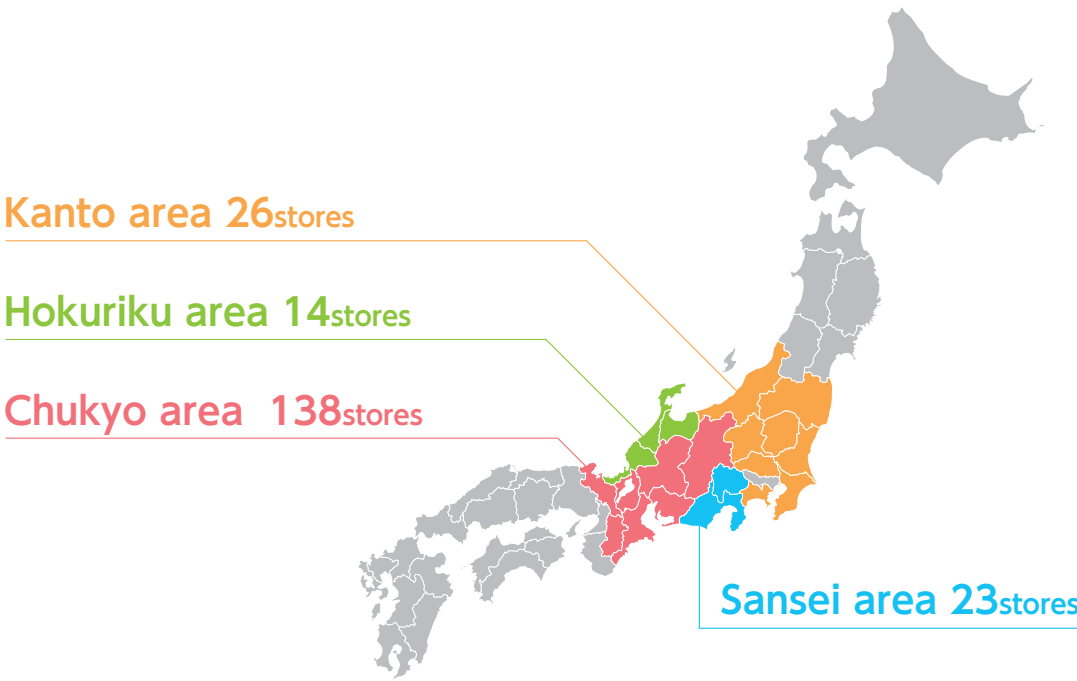
(Fiscal Year: February 21, 2016 to February 20, 2017)

Corporate name	UNY Co., Ltd.
Head office	1 Amaikegotandacho, Inazawa-shi, Aichi Prefecture 492-8680, Japan Telephone: (81) 587-24-8093
Incorporated*	February 16, 2012
Paid-in capital	¥10,000 million
Representative Director and President	Norio Sako
Number of employees	4,867
Gross operating revenues	¥742,032 million
Number of domestic stores	201 (as of August 21, 2017)

※Date on which UNY Group Holdings Co., Ltd. was incorporated as a preparatory company upon the migration to a pure holding company structure.  
Note that on February 21, 2013 we separated the (former) UNY Co., Ltd. into an operating company and a holding company (the surviving company), the preparatory company absorbed the operating company, and the trade names of the two companies were swapped.

Number of domestic stores

(as of August 21, 2017)



# Group principles / Group Code of Conduct / Sustainability Policy

The Group Principle of FamilyMart UNY Holdings uses the phrase “Everyday Fun and Fresh” to express its wish to “make our customers’ lives fun and fresh every day” as a retailing business rooted in the local community, starting with its stores.

Therefore we have established the Group Code of Conduct as a guideline for continuing to be a familiar presence to customers so that the entire group can realize our wish.

## Group principles

**“Everyday Fun and Fresh.”**

By continuously creating new value for our customers,  
we help make their lives more fun and fresh every day.

Valuing people as individuals, we aim to be a familiar and  
trusted presence in their lives.

## Group Code of Conduct

<b>Attitude toward customers</b>	We continuously create new value from the perspectives of our customers, and ensure their lives are secure through by thoroughly implementing quality control.
<b>Ethics and Compliance</b>	We must comply with all domestic and overseas laws and regulations in the places where we conduct corporate activities as well as we continue to behave in good conscience based on high ethical standards.
<b>Mutual development with partners</b>	Through business relationships that are in accordance with fair rules and business activities founded on the spirit of mutual development (CO-GROWING) we build relationships of trust with franchisees and business partners and realized sustained growth together.
<b>Sound business management</b>	We carry out proper organizational operation, and always keep in mind active and fair disclosure of company information in order to carry out sound business management.
<b>Creating an ideal workplace environment</b>	We respect the individual character, human rights, and diversity of each individual employee without any discrimination based on race, nationality, religion, or gender, and will endeavor daily to maintain and develop an open workplace environment that values ambition and rich creativity.
<b>Appropriate information management</b>	We strictly manage the personal information and confidential information learned through business activities and comply with and respect the rights of third parties.
<b>Environmental awareness</b>	We work on a variety of activities focused on global environment and endeavor to realize a sustainable society.
<b>Contribution to local communities</b>	We are aware of our responsibility as a good partner of local communities and contribute to their development and building of a safe living environment.
<b>Non-association with criminal elements</b>	We do not associate at all with criminal elements and groups that threaten social order or safety.

## Background and intention of establishment of the Sustainability Policy

FamilyMart UNY Group intends to contribute to a better life for people in the regions and develop together with local communities through its business, starting with the stores. In order for the group to contribute to the realization of a sustainable society, we must continue to support the sustainable development of local communities through our main business, and we ourselves must continue to grow as a sustainable company group.

Our responsibility and role as providers of social and lifestyle infrastructure are extremely important, it is important that we continue to be faithful and trusted as a member of the local

community, and we bear the large responsibility of fulfilling the expectations of our customers. Aiming for the realization of the Group Principle, we established the Sustainability Policy for FamilyMart UNY Holdings in order to have a uniform perception across the CVS and GMS business formats as we continue building stores that are used by our customers every day.

When establishing the policy we referred to the international guideline standards ISO 26000. We understand “organizational governance” to mean the group and have incorporated this in the preamble, and the composition of the policy takes into account the other six core subjects.

## Sustainability Policy

Based on the Group Principle of “Everyday Fun and Fresh” we at FamilyMart UNY Group always aim to continue to provide new value in the world and to be a presence trusted by our customers. In order to realize these aims, we work together with all of our stakeholders to aim for the formation of a sustainable society and we advocate the following policies.

1. We get involved in activities that lead to the development of local communities and contribute to better lives for everyone.
2. We provide products and services with consideration for safety, reliability, and health and construct the supply chain in accordance with fair business practices with our business partners.
3. We endeavor to give consideration to the global environment, nature, and biodiversity, prevent global warming, and form a recycling-oriented society.
4. We endeavor to support the development of the next generation together with local communities so that the children who will be responsible for the future can grow up healthily and happily.
5. We respect people and their rights regardless of their race, nationality, religion, gender, etc. and promote business activities which offer job satisfaction and enable all of the people involved in the business to be successful.
6. We comply with international norms and the laws and norms in the countries and regions in which we develop our businesses, and carry out our business activities faithfully.

Established September 1, 2017



# Our stakeholders and determination of material issues

At FamilyMart UNY Holdings we are aware that we are supported by a variety of stakeholders, so we have determined the material issues for the group in order to meet the expectations of all our shareholders and society while continuing our growth as a company.

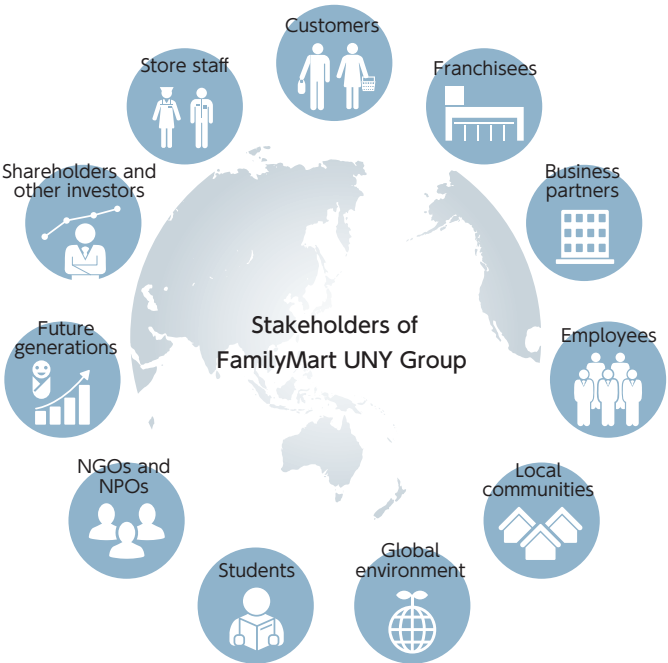
## Stakeholders of FamilyMart UNY Group

FamilyMart UNY Group has operated approximately 25,000 stores in CVS and GMS combined, including the overseas stores. Every day over 21 million customers use the stores, and in excess of 220,000 store staff members serve them. As a company group in close contact with local communities and supporting social and lifestyle infrastructure, we hope to move forward together with all of our stakeholders.

In an era of rapid change, we believe that meeting the expectations of our customers in each region and contributing to the solution of the social issues in the local communities through the provision of products and services is our mission and our responsibility.

A variety of opinions, requests, and evaluations are submitted from our important stakeholders to this group daily, and diverse voices have been incorporated into the process of determining the material issues.

\* Please refer to pp. 15, 16 regarding engagement with our stakeholders.



## Process of determining the material issues

FamilyMart UNY Group has taken the opportunity of the integration to reconfirm the material issues for each of FamilyMart and UNY, the core group companies and determined the "most material issues" for this group. When determining the

material issues we made comprehensive judgments based on the following process.



### • Evaluation of the material issues in FamilyMart UNY Group



### • The most material issues of FamilyMart UNY Group

No.	Most material issues (goals in the SDGs)	Material issues of FamilyMart UNY Group	Reference page
1		Construction of a recycling-oriented society	P.20 – 22
		Contribution to a low carbon society	P.23 – 24
		Toward realization of a society that coexists in harmony with nature	P.25 – 28
		Promotion of ESD (Education for Sustainable Development)	P.29 – 30
2		Development and revitalization of local communities	P.32 – 34
		Disaster countermeasures and support for disaster-affected areas	P.35 – 36
		Supporting the development of the next generation	P.37 – 38
		Working together with NGOs / NPOs and harmonious coexistence with local communities	P.39 – 40
3		Provision of safe and reliable products / services	P.42 – 44
		Dissemination and awareness-raising about ethical consumption	P.42
		Promotion of fair and transparent business activities	P.45
4		Provision of high added-value products	P.47 – 49
		Development of products / services that improve health and welfare	P.47
5		Promotion of the acceptance and activity for diverse human resources	P.51 – 52
		Enhancement of work-life balance and building a workplace which offers job satisfaction	P.51 – 52

# Toward sustainable growth

After going through the integration of FamilyMart and UNY Group Holdings, we made a new start in September 2016 as FamilyMart UNY Holdings. We aim to utilize the respective business characteristics of the former companies to create synergy effects from them while achieving sustainable growth.

## Performance highlights

### Financial overview (FY 2016)

#### Main business performance

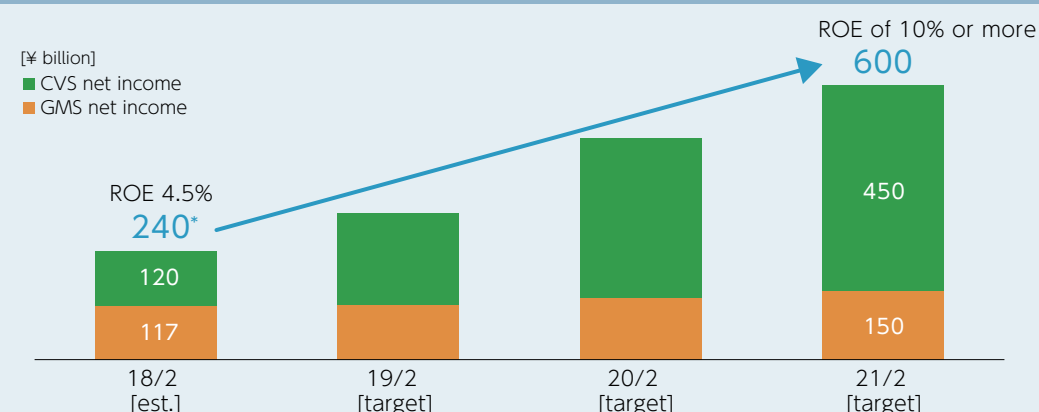
Convenience Store Business (CVS)	General Merchandise Store Business (GMS)
Total store sales <b>¥3,009,363</b> million	Gross operating revenues <b>¥742,032</b> million
Operating income (Based on Japanese GAAP) <b>¥42,758</b> million	Operating income (Based on Japanese GAAP) <b>¥13,866</b> million

#### Initiatives of the Medium -Term Management Plan

#### ~Moving Toward a Complete Integration~

1. Allocate management resources with the aim of growth
  - Enhancement of store quality
  - Further transition toward superior business domains
  - Further reinforcement in areas with a high competitive edge
  - Appropriate allocation of human resources
2. Add new store features that leverage strengths
  - New growth fields: Finance, EC / Omni-channel, Senior citizens / home delivery
  - Establish customer foundation and promote compatibility with smart devices [smartphones]
  - Advance actual stores to function as a contact point with customers
  - Cultivate measures aimed at loyal customers by leveraging customer data
  - Resolve last-mile issues
3. Maximize synergies
  - Integration of CVS
  - Centralize employee divisions
  - Cooperation between CVS and GMS
4. Implement financial strategies that support continuous growth
  - Strengthen and promote diverse fund-raising methods, carry out strategic investments in growth fields
  - Work toward a consolidated payout ratio of 40%

#### Graphic Target of Net Income Growth (IFRS: International Financial Reporting Standards)



\* In the "Announcement in Relation to Revision of Consolidated Performance Forecasts" dated January 11, 2018, we revised net income upwards to ¥33.0 billion.

### Non-financial information (FY 2016)

#### Environment

	CVS	GMS
Certified Food Recycling Loop businesses: (Recycling business plan)	3	13
Food recycling rate: (Actual food recycling rate)	47.0%	74.9%
Amount of curtailing the generation of food waste: (Per million yen of net sales)	27.5kg	30.4kg
Rate of customers declining plastic shopping bag:	30.0%	86.1%

#### Society

CVS	GMS
Total funds raised (in-store fund-raising, donations of relief money, company donations, etc.): approximately <b>¥512</b> million	Total funds raised (in-store fund-raising, donations of relief money, employee fund-raising, etc.): approximately <b>¥149</b> million
Rate of employees with disabilities: <b>2.21</b> % (as of October 2017)	Rate of employees with disabilities: <b>2.52</b> % (as of October 2017)
Total submissions to the Thank You Letter Contest: cumulative total <b>288,126</b> letters (2009~)	Number of participants in environmental awareness-raising event for consumers: approximately <b>55,000</b>

#### Governance

Number of reports from whistleblowers:

CVS **17**

GMS **86**

Number of customers visiting our stores daily **CVS+GMS**

Approximately **21** million customers

Total number of store staff **CVS+GMS**

Approximately **220,000** store staff



# Stakeholder engagement

The business activities of FamilyMart UNY Holdings depend on our involvement with a variety of stakeholders. In order to continue to be a trusted company, we will listen to the view of all our stakeholders, engage in dialogue frequently, and strive to fulfill their expectations.

Through realization of "Everyday Fun and Fresh," the Group Principle, FamilyMart UNY Group aims to contribute to the construction of a sustainable society, and we believe that it is necessary and essential to actively and continuously engage in constructive dialogue and collaboration with all of our stakeholders. Based on this way of thinking, we have established opportunities to directly receive the needs

and expectations of all of our stakeholders regarding the responsibility and role that this group should fulfill with respect to society through its business activities. We take into account the valuable opinions and requests we have received by utilizing them for revision of our material issues and improvement of our business activities, which in turn leads to higher quality product development and services








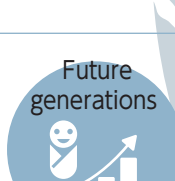
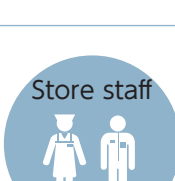

and improvement of our brand management, etc.

Promotion of this kind of engagement is useful for the construction of good relationships with all of our stakeholders and is a foundational activity that supports our evolution into a company group that is even more trusted by society.

From fiscal year 2016 to 2017, we were able to create

an extremely large number of opportunities for engagement and we received many opinions and requests. Below we describe the status of implementation of engagement with the main stakeholders of the group.

HD: FamilyMart UNY Holdings FM: FamilyMart U: UNY

	Method / content	Achievements and evaluation	Response / plan		Method / content	Achievements and evaluation	Response / plan
	<ul style="list-style-type: none"> <li>Sales in stores and through online supermarkets</li> <li>Receiving and responding to opinions and requests</li> <li>Holding of customer participation events in stores</li> </ul>	<ul style="list-style-type: none"> <li>Reflection in sales and number of customers visiting stores</li> <li>Improvement of the evaluation of products and services</li> <li>Number of contacts into the Customer Service Office: 68,498 (FM), 4,111 (U)</li> </ul>	<ul style="list-style-type: none"> <li>Upgrading of products and services</li> <li>Making store management high quality, including the product lineup, customer interactions, cleanliness, etc.</li> <li>Increasing communication opportunities utilizing the store facilities</li> </ul>		<ul style="list-style-type: none"> <li>General Meeting of Shareholders</li> <li>Financial results briefing (including overseas)</li> <li>Meeting to exchange views with investors</li> <li>Information disclosure through the website and the publication of a range of reports</li> </ul>	<ul style="list-style-type: none"> <li>Number of shareholders: 13,254 (HD, as of the end of February 2017)</li> <li>Number of people who came to the financial results briefing: approximately 200</li> <li>Individual meetings with investors: approximately 300 times</li> </ul>	<ul style="list-style-type: none"> <li>Growth of shareholder value</li> <li>Simple and faithful information disclosure focused on accuracy, speed, and fairness</li> <li>Construction of a sound and highly transparent management system</li> </ul>
	<ul style="list-style-type: none"> <li>Visits of the stores by the President and direct dialogue</li> <li>Implementation of employee surveys</li> </ul>	<ul style="list-style-type: none"> <li>Creation of opportunities to exchange dialogue and views with the top management 93.3% of impressions are in line with expectations or exceeding expectations (FM)</li> <li>Fostering a corporate culture which is overflowing with motivation and freshness</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of support for work-life balance</li> <li>Enhancement and expansion of the career advancement support system and the education and training structure</li> </ul>		<ul style="list-style-type: none"> <li>Provision of learning opportunities such as workplace experiences, etc.</li> <li>Cooperation and sponsorship for contests aimed at high school students/university students</li> </ul>	<ul style="list-style-type: none"> <li>FY 2016 internship participants: 348 (FM)</li> <li>398 teams from 124 schools participated in The Most Delicious Food Competition Koshien (FM)</li> <li>338 people from eight schools participated as designers in the creation of products from recycled materials (U)</li> </ul>	<ul style="list-style-type: none"> <li>Enhancement and expansion of the provided programs</li> <li>Improved rate of participation of the stores and employees in the program</li> </ul>
	<ul style="list-style-type: none"> <li>Dialogue with the local community through support for the development of the next generation, crime prevention and disaster risk reduction, and environmental beautification activities</li> <li>Working together with local governments</li> <li>Direct dialogue with elementary schools through the development of the next generation</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening of the environment awareness of the children in the local community</li> <li>Contribution to the crime prevention and disaster risk reduction structures of the local community</li> <li>Cumulative total number of participants in environmental cleaning activities: a total of 1.137 million (FM)</li> <li>Number of implementations of the All-Store Simultaneous Cleaning Campaign: 201 stores (U)</li> </ul>	<ul style="list-style-type: none"> <li>Proposal and implementation of the development of the next generation and local community activities through the stores</li> <li>Expansion of regional contribution activities based on comprehensive partnership agreements, disaster relief agreements, and watch over agreements</li> </ul>		<ul style="list-style-type: none"> <li>Dialogue through the Customer Service Office</li> <li>Donations of funds raised in stores and funds raised by employees</li> <li>Joint holding of events and activities</li> <li>Human support for the operation of organizations</li> </ul>	<ul style="list-style-type: none"> <li>Evaluation from an NPO that our company is exercising its responsibility to stop the sale of animals by mobile vendors (U)</li> <li>FY 2016 in-store fund-raising (excluding donations of relief money): approximately 259 million yen (FM), approximately 13 million yen (U)</li> </ul>	<ul style="list-style-type: none"> <li>Effective utilization of in-store fund-raising and company donations</li> <li>Raising the awareness of employees and customers for the solution of social issues</li> </ul>
	<ul style="list-style-type: none"> <li>Regular store visits by the supervisor</li> <li>Holding of policy announcement meetings / product seminars</li> <li>Operation of Franchisee Relations Office</li> </ul>	<ul style="list-style-type: none"> <li>Support for smooth store operation (FM)</li> <li>The cumulative total number of stores that have converted brands has exceeded 3,000 stores (FM, as of November 2017)</li> </ul>	<ul style="list-style-type: none"> <li>Fundamental revision of store operation</li> <li>Enhancement and expansion of store support</li> </ul>		<ul style="list-style-type: none"> <li>Hosting of elementary school students contests</li> <li>Provision of learning opportunities such as workplace experiences, etc.</li> <li>Support through fund-raising donations for the experience-based learning programs run by NGOs / NPOs</li> </ul>	<ul style="list-style-type: none"> <li>Cumulative total submissions to the Thank You Letter Contest: a total of approximately 290,000 letters (FM)</li> <li>Cumulative total number of kindergarten children who have participated in the Forest Classroom: approximately 15,000 (FM)</li> </ul>	<ul style="list-style-type: none"> <li>Improved rate of participation of the stores and employees in the program</li> </ul>
	<ul style="list-style-type: none"> <li>Store staff commendation system</li> <li>Business trip workshops for store staff</li> </ul>	<ul style="list-style-type: none"> <li>Number of store staff who received commendations: 32,845; the top prize, the Excellent Staff prize, was awarded to 170 staff (FM)</li> <li>Number of times the business trip workshops were held: 2,714 times Number of participants: 5,345 (FM, from April to end of October 2017)</li> </ul>	<ul style="list-style-type: none"> <li>Enhancement and expansion of the commendation system</li> <li>Enhancement of the content of the business trip workshops</li> </ul>		<ul style="list-style-type: none"> <li>Information collaboration between companies</li> <li>Installation of an information provision window</li> <li>Implementation of a business partners questionnaire</li> </ul>	<ul style="list-style-type: none"> <li>With respect to requests to approximately 900 companies, there were answers from 377 companies (U) including free responses consisting of 16 requests, 13 complaints, and 17 compliments</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening of governance through procurement policies and the establishment of a Code of Conduct for business partners</li> </ul>

# Our foundation for sustainable growth

FamilyMart UNY Holdings Group believes that it is important to work toward formation of a sustainable society by facing current social issues as the group overall and improving the transparency of management through disciplined activities and appropriate information disclosure.

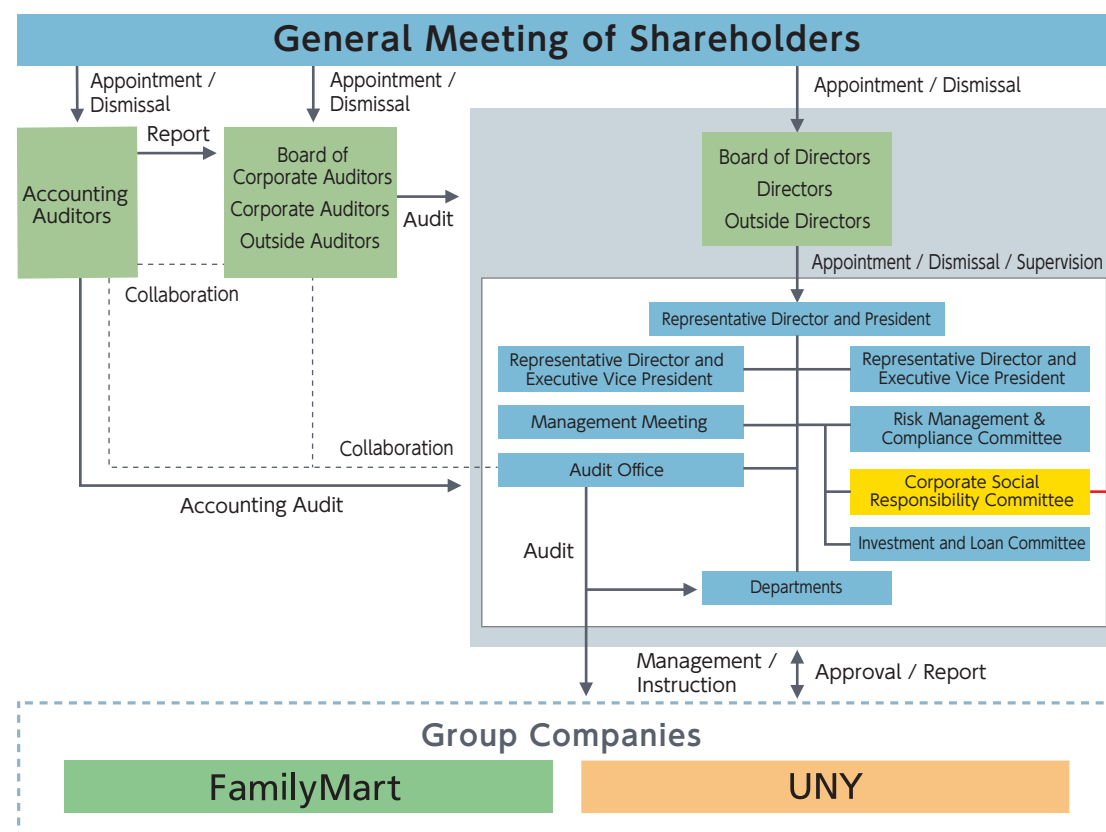
## Corporate governance

FamilyMart UNY Holdings Group has a pure holding company structure under which FamilyMart UNY Holdings is the holding company and a total of 70 companies, including 42 subsidiaries and 28 affiliates and jointly controlled companies, respectively develop operations in the CVS business, the GMS business, and peripheral businesses, etc. (as of February 2017). Aiming to construct a highly transparent management system and to construct a corporate governance structure primarily based on management monitoring by corporate auditors, we have adopted a company with corporate auditors (Board of Corporate Auditors) system. We appointed 11 directors, including two highly independent outside directors, and we are working to strengthen and improve the effectiveness of management supervision and the transparency of decision-making by the Board of Directors. Furthermore, we appointed four outside corporate auditors and we are ensuring the enhancement of the monitoring and

supervision functions by the corporate auditors and the greater transparency of their decision-making.

In order to improve the effectiveness of the structure launched from September 2016 as a result of the integration, an evaluation by the directors and corporate auditors is carried out with respect to the meetings of the Board of Directors that are as a general rule held once every month. In fiscal year 2016, the Board of Directors generally functioned appropriately, and the ensuring of effectiveness was confirmed, while on the other hand criticisms were also made, including the need to deepen the involvement of the outside directors in the Appointment / Dismissal of the top executives and a request for improvement of the materials provided to the Board of Directors. The Board of Directors of the Company is endeavoring to improve its effectiveness with reference to these evaluations.

### Corporate Governance System of FamilyMart UNY Holdings Group



Corporate Governance Report <http://www.fu-hd.com/ir/management/governance/>

## CSR Promotion System

FamilyMart UNY Holdings has established a specialist department with the objective of ensuring good corporate governance, which is the foundation of management, and has also established the Risk Management & Compliance Committee with the objectives of enhancing our risk management structure and strengthening our structure for compliance with ethics, laws and regulations. In addition, in order to make reports regarding social and environmental initiatives and hold deliberations on the issues, etc. we established the Corporate Social Responsibility Committee and the directors serve as the Chair in that committee together.

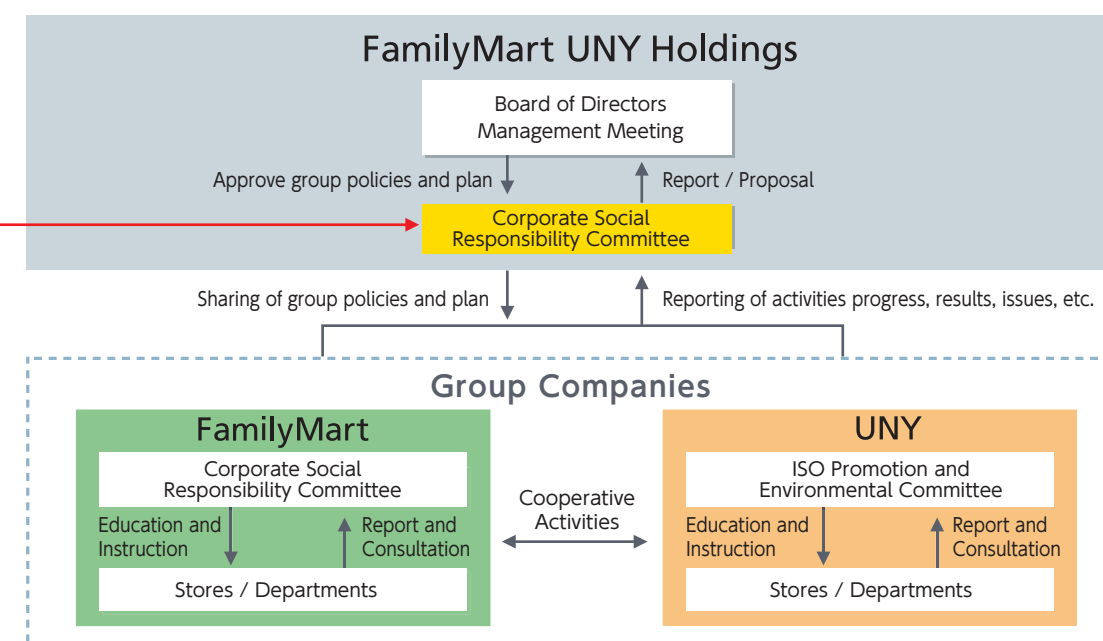
We have established the Risk Management & Compliance Committee and the Corporate Social Responsibility Committee in FamilyMart, the core of the CVS business, and the Risk Management Committee and the ISO Promotion and Environmental Committee in UNY, the core of the GMS business. The committees hold deliberations and take action from the perspective of the opportunities and risks for the businesses with regards to the management of the risks faced by each business and compliance-related issues, and social and environmental issues. Furthermore, in order to fulfill our social mission for customers and local communities as a retailing business that fulfills a function as social and lifestyle infrastructure, we have prepared for not only normal times but also an occurrence of large-scale disasters, etc. by developing crisis management regulations and also a business continuity plan, etc. and have ensured that we can gather information

promptly and can mount a mobile response when there is an emergency. We have stipulated the matters that each group company needs to report to the Company, such as important matters related to management that could have an impact on the business activities of the group, etc., have made prior approval and reporting mandatory, and respond in a timely manner.

The Audit Office under the direct jurisdiction of the Representative Director and President implements internal audits of these processes. Furthermore, it closely shares information with the corporate auditors of each group company, and regularly confirms whether strengthening of governance for the group overall and initiatives for risk compliance and the solution of social and environmental issues are being implemented appropriately.

Moreover, this group has established the Group Code of Conduct and Compliance Guidance, etc. and requires all of the directors, executive officers and employees to comply with these regulations, etc. We have established the internal reporting system to enable consultation with and reporting to experts inside and outside the company regarding the situation in the unlikely event that there is an action in violation of these regulations, etc., and we are operating under the slogan "Do not do, do not allow, do not overlook." By establishing contact points inside and outside the company in this way, we are aiming to correct and prevent in advance our own actions in violation of compliance.

### CSR Promotion System of FamilyMart UNY Group



### Compliance Status (No. of referral cases using the internal reporting system; by category)

Suspensions of improper acts, illegal activities, rules violation	14	Harassment	7
Consultations on labor contract, work, work hours, etc.	8	Other	14
Consultations on product or quality	0	Total	96
Consultations on workplace environment, behavior, speech	53		

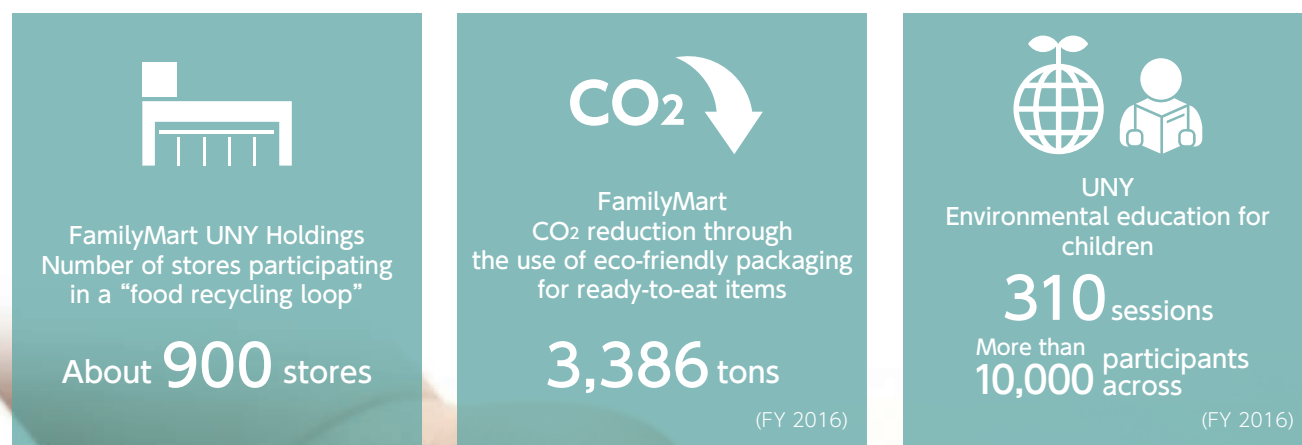
Data collected: September 2016 - August 2017



## Material Issue 1

# Environmental awareness

As a company in the business of handling a wide range of products satisfying food, clothing, and shelter needs, we undertake activities aimed at building a recycling-oriented society through our "food recycling loop" and other efforts to reduce waste. At the same time, we work to reduce our carbon footprint, especially at the stores that emit the most CO<sub>2</sub> through their business operations. Furthermore, we propose eco-friendly lifestyle solutions and solve environmental problems by listening closely to feedback from consumers, producers, and community members.



## Construction of a recycling-oriented society

### Eco-First Commitments

#### UNY

As an environmentally-advanced company working to bring about a sustainable society, UNY made the "Eco-First Commitments" with the Minister of the Environment in 2008 and is now working together with consumers, producers, and local governments to solve environmental problems. As part of the commitment up to fiscal year 2018, UNY is expanding the food recycling loop to all

of the stores, realizing a recycling, etc. achievement rate of 80%, and getting 85% of customers declining plastic shopping bags as a means to curb container and packaging waste. UNY also regularly discloses these progress and report to the Ministry of the Environment.

#### \*About the Eco-First Commitments

An Eco-First Company is one that has made a commitment to the Minister of the Environment in environmental preservation, including countermeasures against global warming and waste reduction and recycling measures, and has been recognized by the minister as being engaged in "advanced, original, and industry-leading business activities" with respect to the environment. As of October 2017, 40 companies have been certified as Eco-First Companies.

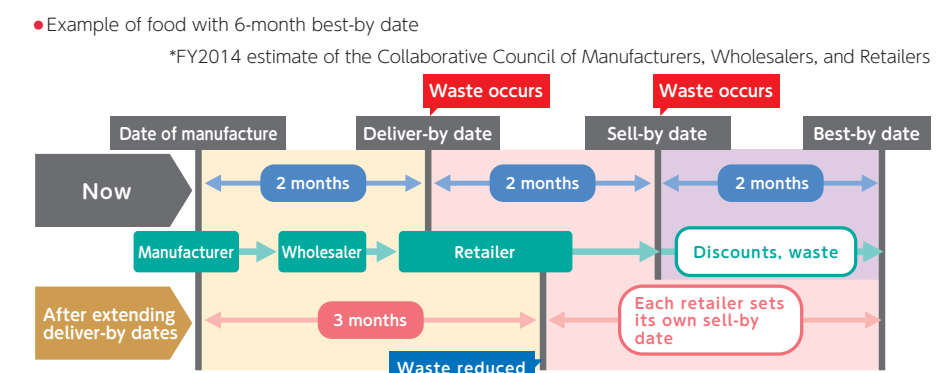


Eco-First logo

### Efforts to reduce food waste

#### UNY

Food waste occurs when food that can still be eaten is thrown away in the process of being delivered or sold, or because its best-by date expires. In order to reduce this food waste, UNY is re-examining the "one-third rule" and working to get sales periods extended. The "one-third rule," which dictates three time limits (delivery, sales, and consumption) beginning from a food's date of manufacture, is common business practice throughout the food industry. Allowing retailers to set their own sell-by dates allows them to reduce product returns and waste when deliver-by and sell-by dates expire. This has put a spotlight on the rule as a means to reduce food waste throughout the industry.



### FamilyMart

To cut down on waste at its stores, FamilyMart is working to improve the precision of its ordering system. This involves ensuring the proper number of products are ordered and managing product selection with regard to inventory levels, sales, weather, events, and other factors at each store. Such efforts help to reduce food waste for especially boxed lunches, rice balls, sandwiches, and other products with short shelf lives.

With our FamiDelica (currently "Mother's Kitchen") brand of original delicatessen items launched in the fall of 2016, we use "gas exchange packaging" that fills packages with carbon dioxide and nitrogen instead of oxygen, which causes food to spoil, to better suppress oxidation. Utilizing higher performance food packaging has allowed us to extend best-by date by three days without sacrificing the delicatessen item's freshness or flavor,

thereby reducing food waste. With the introduction of these new technologies, along with re-examination of our packaging and methods of selling products, we will continue to reduce food waste through a variety of approaches.



FamilyMart inventory management



Gas exchange packaged products (Mother's Kitchen)



# Construction of a recycling-oriented society

## Creating a “Food Recycling Loop”

### UNY

As a means to achieve a recycling-oriented society while conducting business rooted in local communities, UNY is operating a “food recycling loop.” From producers to recyclers, we form partnerships with a range of businesses at every stage of the loop and work to recycle the food waste generated by our stores. The deployment of waste measurement systems at each store and exhaustive efforts to control and sort waste allowed UNY to achieve a food recycling rate of 63.6% in fiscal year 2016, a 2% improvement over the previous year.

Moreover, building a food recycling loop contributes to local recycling efforts and local production for local consumption, which brings producers and consumers together in each region. Recyclers turn leftover food collected at each store into feed or compost, and we use a system for keeping track of the producers that use those products. These efforts help to establish local recycling-oriented agricultural industries that provide safe and reliable agricultural and livestock products.



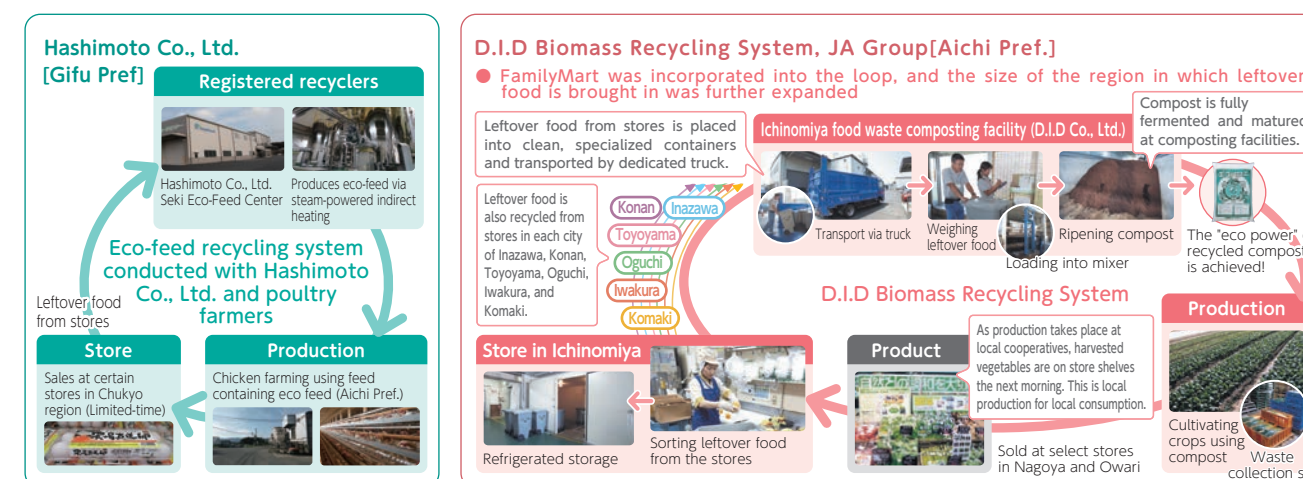
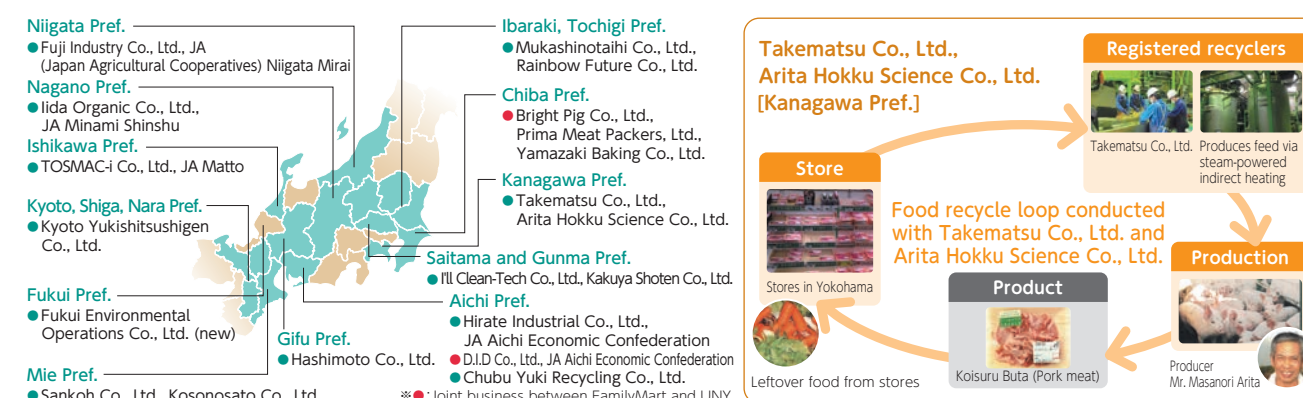
## Promoting food recycling

### UNY FamilyMart

In 2007, UNY became the first in the nation to have its Recycling Business Plan certified by the Minister of Agriculture, Forestry and Fisheries, Minister of the Environment, and Minister of Economy, Trade and Industry. Since then, through partnerships with local recyclers and producers, UNY has continuously managed “food recycling loops” while building new ones, and now operates 13

loops—more than any other company in Japan.

UNY now runs two loops together with FamilyMart. Going forward, the entire Group will carry out “food recycling loops” as it works to enhance managerial consolidation towards bringing about a recycling-based society.



### FamilyMart

Under FamilyMart's Recycling Business Plan, since April 2008 FamilyMart has been collecting leftover food from stores in Tokyo's 23 wards and from contracted food producers, and has been recycling food to be used as liquid feed for pig farming. FamilyMart is also recycling leftover food into feed and compost in other regions, as well. As of August 2017, leftover food collections are being made from 3,650 stores around the country.

Waste cooking oil used for deep fryer products such as FAMICHIKI are collected by specialty contractors and turned into 100% recycled products that include ink, soap, and additives for poultry feed. Some is used by stores as medicated hand soap, achieving closed-loop recycling.



## Comments from an Expert

### FamilyMart and UNY will play a leading role in Group-wide efforts to reduce food waste in Japan

In fiscal year 2014, approximately 6.21 million tons of otherwise edible food such as uneaten or unsold food from restaurants and stores and uneaten food from homes was thrown away.

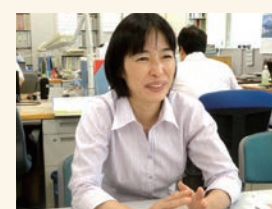
In response, food industry companies are actively engaged in recycling wasted food. These efforts include examining the use of new technologies to extend best-by dates and use-by dates and changing deliver-by dates by reevaluating industry practices.

Since receiving the first-ever certification in 2007 for its Recycling Business Plan in accordance with the Food Recycling Law, UNY has been particularly active in reducing and recycling food waste through efforts that include creating recycle loops in each prefecture where UNY develops stores. UNY's activities are some of the best in the nation, in terms of the number of recycle loops as well as the diversity and quality of recycling methods.

And with Mother's Kitchen, a private brand of delicatessen items, FamilyMart is also maintaining freshness and extending

best-by dates by using both airtight containers and oxygen reduction technologies. The Ministry of Agriculture, Forestry and Fisheries believes it is important for consumers to know about these kinds of efforts being made by companies, and details these efforts in Case Studies of Using High-Performance Container Packaging to Reduce Food Waste, compiled last year.

Going forward, by leveraging each of their assets, I expect FamilyMart and UNY playing a leading role in Group-wide efforts to reduce food waste in Japan.



Ryoko Kawai,  
Head of Food Industry  
Policy Office, Biomass Policy  
Division, Food Industry  
Affairs Bureau, Ministry of  
Agriculture, Forestry and  
Fisheries



# Contribution to a low carbon society

## Container packaging initiatives

### UNY

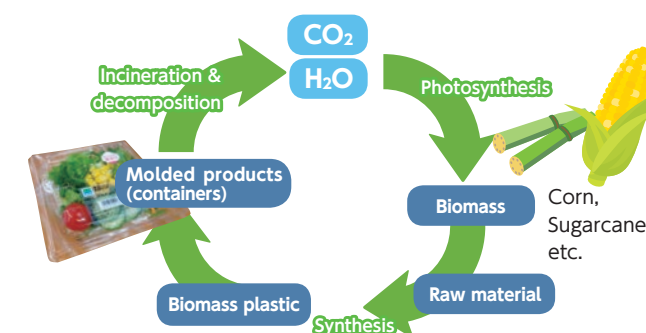
With the goal of achieving a lower carbon society, UNY is working to reduce CO<sub>2</sub> by innovating in the areas of product containers and packaging. Biomass plastic made from plant-derived materials can help reduce overall emissions. This is because the CO<sub>2</sub> absorbed when plants undergo photosynthesis is roughly the same as that emitted when containers are disposed of. This is known as achieving carbon neutrality.

### FamilyMart

At FamilyMart stores, we used biomass plastic (PLA: Polylactic Acid) containers for three salad products in fiscal year 2016. As each container weighed 24.57 g, we achieved a roughly 1,846 tons CO<sub>2</sub> reduction for the year. We first used biomass plastics in 2007, and roughly 20% of all biomass containers shipped throughout the country are now used by FamilyMart. This makes FamilyMart the top user of biomass plastics in the retail sector.

And for our boxed lunch products, in 2014 we did away with "full shrink wrap" that covered the entire container and began using "side shrink wrap," applying wrapping only to the opening tab and where the lid fits onto the container bottom.

#### Environmental cycling of biomass plastic (PLA: Polylactic Acid)



At UNY stores, biomass plastic has been used since 2006 for egg cartons and container packaging in produce sections. In addition, our paid plastic shopping bags also contain 25% biopolyethylene made from sugarcane waste material. Biopolyethylene achieves a 17% reduction in CO<sub>2</sub> emissions compared to petroleum products, making this an example of an effort towards carbon neutrality.

This reduced plastic material usage by 430 tons, achieving a 1,540 tons reduction in CO<sub>2</sub>. In addition, we reduced CO<sub>2</sub> by an additional 100 tons a year by expanding the use of plant-derived ink, previously used only for printing on sandwich and other product wrapping, to printing on rice balls and hand-rolled sushi wrapping. We will continue to make improvements like these in order to further reduce our CO<sub>2</sub> footprint.



## Bottle cap campaign efforts

### UNY

We collect PET bottle caps using recycling boxes installed in UNY stores. As part of the "PET Bottle Cap Campaign," we sell collected PET bottle caps to companies specializing in recycled plastics and donate the proceeds to the NPO "Japan Committee, Vaccines for

the World's Children." Our goal is to achieve "upcycling," whereby we recycle used containers and packaging so that they can be made into high-quality products. Our recycled plastics are now being used to make automotive parts.

## Reducing CO<sub>2</sub> in conjunction with customers

### UNY

If our customers declined plastic shopping bags, 30.8 g of CO<sub>2</sub> would be reduced for each bag. UNY began efforts to reduce plastic shopping bag usage in 1989. It then began distributing reusable shopping bags in 2001 and conducting No Plastic Shopping Bag Campaigns in 2006. These are among the measures we have been active in taking to improve awareness among customers. We have also started to charge for plastic shopping bags at all stores, and in fiscal year 2016, 86.1% of customers refused plastic shopping bags. As a result, we cut CO<sub>2</sub> by 8,318 tons. This means that, in terms of bags used, we only used 20% the number used 10 years ago in fiscal year 2006.

Additionally, by donating to local governments the one yen per bag that customers are charged, we are supporting a range of environmental initiatives. (fiscal year 2016: ¥30,641,687)

As for containers and packaging for products that account for

approximately 55%\* of all household waste, we have placed recycling boxes in each of our stores that have led to reducing household waste while at the same time recycling and curbing CO<sub>2</sub>. As a result of efforts to sort and collect used containers and packaging such as milk cartons, aluminum cans, PET bottles, and food trays, recycled waste volume for fiscal year 2016 increased 5.3% year-over-year to 3,846 tons and CO<sub>2</sub> was reduced by 16,344 tons.

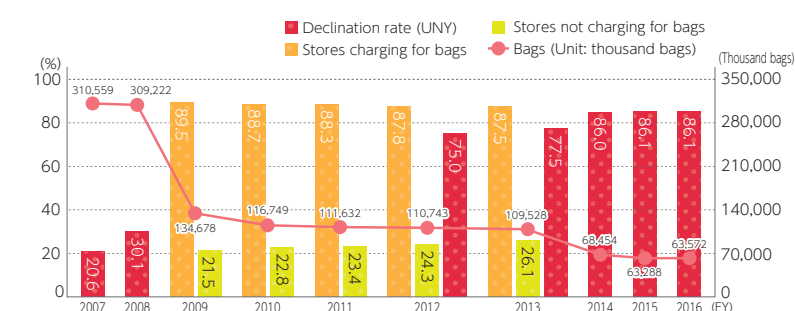
We are also taking measures to reduce the energy used and CO<sub>2</sub> emissions resulting from transporting products to recycling facilities in Japan. As one example of reducing unnecessary fuel consumption and cutting CO<sub>2</sub> emissions, we built a recycling center within our logistics center where we use freights that return to the center after delivering products to also transport collected products.

\*54.7% of household waste consists of containers and packaging (based on volume; source: Ministry of the Environment, Fact Finding Survey on Usage and Emissions of Container and Packaging Waste)

#### Efforts to reduce plastic shopping bag usage



#### The changes of customers declining plastic shopping bag rate



#### Plastic shopping bag usage and amount paid to contractors under the Containers and Packaging Recycling Law

FY	Bags (Unit: thousand bags)	Weight (Unit: tons)	Amount paid (incl. tax)
2007	310,559	1,818	297.29 million yen
2008	309,222	1,851	279.78 million yen
2009	134,678	1,029	222.72 million yen
2010	116,749	964	66.55 million yen
2011	111,632	851	161.54 million yen
2012	110,743	839	148.68 million yen
2013	109,528	821	158.04 million yen
2014	68,454	616	161.04 million yen
2015	63,288	587	135.57 million yen
2016	63,572	573	124.89 million yen

\*Amounts paid to the Japan Containers and Packaging Recycling Association in accordance with the Containers and Packaging Recycling Law

### FamilyMart

Along with efforts to reduce plastic shopping bag usage by putting up posters and informing customers at the register, FamilyMart is reducing petroleum usage by using appropriately sized bags and making them thinner. These efforts saw FamilyMart achieve its target that customers declining plastic

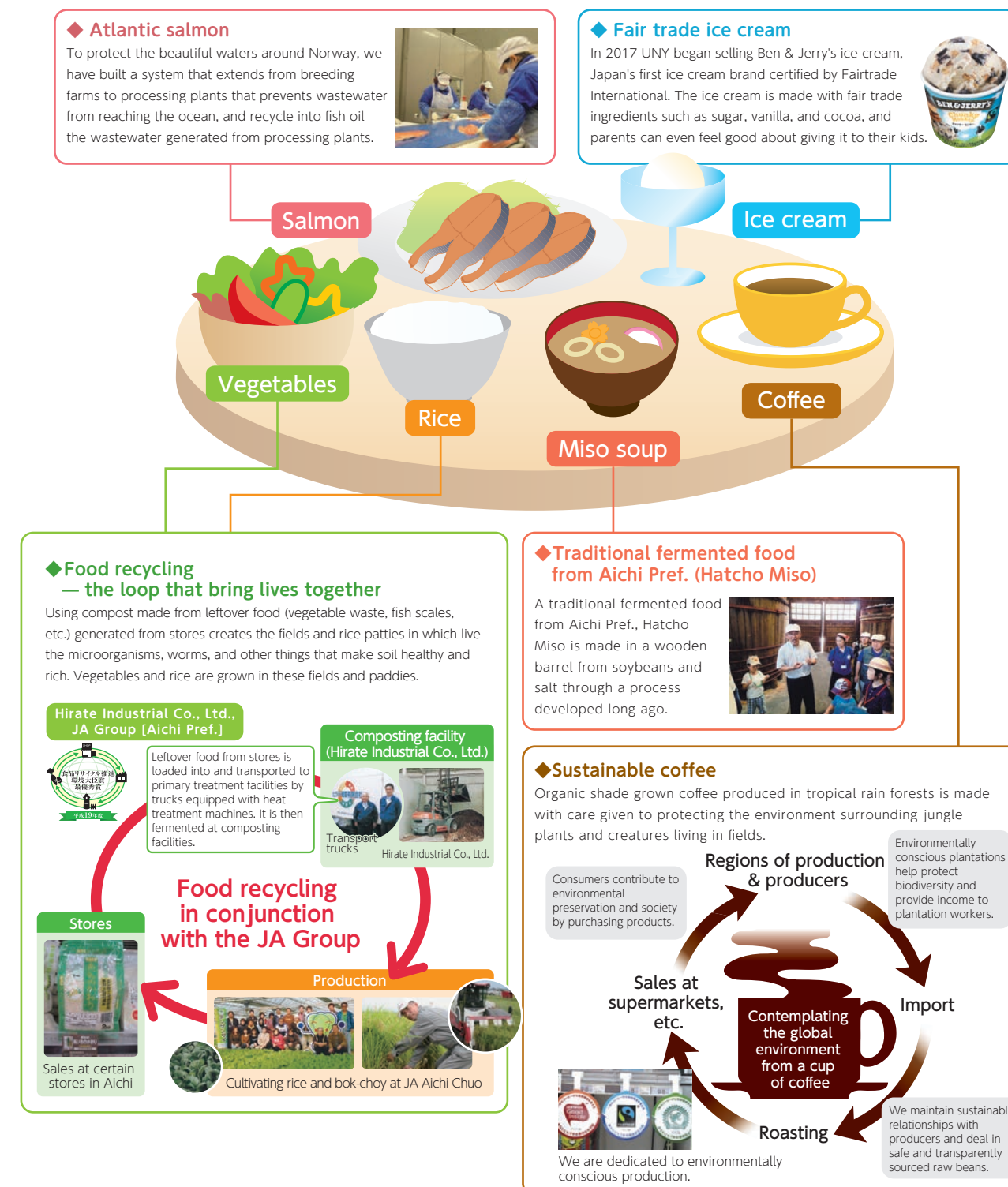
shopping bag of 30.0% in fiscal year 2016. Regarding efforts to curb CO<sub>2</sub> emissions arising from the operation of its stores, in addition to providing training to staff at each of its stores, the company is gradually installing trash cans inside stores to properly sort waste and promote recycling.

## UNY

### The biodiversity that maintains our way of life

Our way of life is made possible by the bounties provided by nature and living things in all their various forms. As a retail company that provides customers with the blessings of biodiversity, UNY is working to build a system that will enable shopping to contribute to sustainable consumption and production.

**We are grateful for how living things allow us to live our lives, and believe that conserving the natural environment and the things living within it when choosing foods is how we can contribute to better biodiversity.**



### Sales of products that protect biodiversity

Protecting nature translates into protecting living things, and selling foods and products based on this concept makes customers choose us. To expand the virtuous cycle from production to consumption, we offer products that protect biodiversity and work hard to increase consumer awareness about its importance.

FSC certification is granted by the FSC (Forest Stewardship Council), which runs an international forest certification system,

to forests and wood recognized as sustainable, as well as to products made from such wood. Under UNY's private label brand, we develop and sell FSC certified products such as toilet paper and elementary school workbooks. Customers purchasing products with the FSC certification logo indirectly help preserve forests and protect biodiversity. It is a means to contribute to society through shopping.

#### Organic cotton

Conventional cotton cultivation involves the use of numerous pesticides and insecticides. Organic cultivation, however, involve the use of neither; natural compost is used and leguminous plants are grown in the same areas in fields in order to impart nutrients to the soil. These practices enrich the land and protect the soil, where the greatest diversity of organisms on the planet make their habitat.



#### FSC certified toilet paper

Rather than recycled paper, this toilet paper is made from paper pulp that has FSC certification, which is given to wood and products verified to have been sourced from "properly managed forests." This toilet paper represents a dedication to the innate quality of paper pulp and comfort, while at the same time helping to preserve the natural environment.



#### FSC certified eco!on workbooks

The FSC certification logo is given to wood and products verified to have been sourced from "properly managed forests" as defined by the FSC (Forest Stewardship Council). Using paper stock marked with this logo, we created workbooks to be used by elementary school students. Customers who purchase products with the FSC logo send a message to children studying the environment that they can make a difference towards forest preservation.



## FamilyMart

### Efforts to achieve a society in harmony with nature

To protect the forests and woodlands provide us their invaluable blessings, we match a portion of the "FamilyMart Connecting Dreams Foundation Donation" collected at our stores and make donations to the National Land Afforestation Promotion Organization. We also help conduct "Forest Classes for kindergarteners" to interact with forests, "Kikigaki Koshien events

for high school students" to learn about forests, and "Hometown Forest Revitalization project" activities, where we work with community members to protect forests. Through these efforts, we strive to pass on Japan's rich lands to future generations while preserving biodiversity.



Forest Classes for kindergarteners



Kikigaki Koshien events for high school students



Hometown Forest Revitalization Project



# Toward realization of a society that coexists in harmony

# with nature

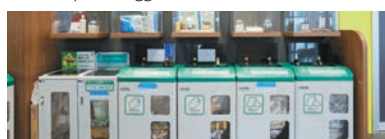
## Efforts being made at environmentally-conscious stores

### UNY

In building stores that contribute to bringing about a more sustainable society, we are putting in place equipment for, among other things, reducing and sorting waste, recycling, and saving energy, and are working with our customers to practice "shopping that is good for the world."

#### 1 Recycling stations

We collect and recycle items disposed of after customers purchase them. This includes milk cartons, aluminum cans, trays, PET bottles, and biomass plastic egg cartons.



#### 2 Waste-specific trash cans

Using trash cans set up in sections throughout our stores, we sort and collect burnable, non-burnable, and other kinds of trash.



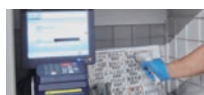
#### 3 Disclosure of information

On posters and other materials, we provide information about and report on efforts UNY is making.



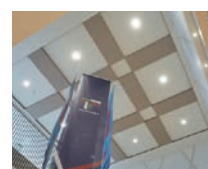
#### 4 Waste weighing systems

By sorting and weighing the waste generated from each store section and tenant, the systems promote waste reduction and recycling.



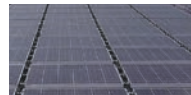
#### 5 LED lighting

We use LED lighting both inside and outside our stores. This has led to greatly reduced power usage while curbing CO2 emissions.



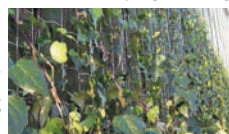
#### 6 Solar power generation

We have deployed solar panels on rooftops and outer walls. The solar power we generate is used to power the inside and outside of our stores. We are able to monitor the amount of power currently being generated.



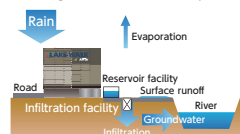
#### 7 Wall greening

Our stores have installed green exterior walls. These combat the heat island effect and provide insulation, keeping building temperatures down and reducing air conditioning usage.



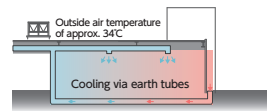
#### 8 Stormwater infiltration facilities

These efforts have achieved a 25% reduction in the amount of rainwater running off of store premises. This preserves ground water, keeps streamflow constant under normal conditions, and prevents flooding.



#### 9 Cooling & heating trenches

Air conditioning using geothermal heat. These systems bring fresh and cool air inside stores, reducing air conditioning power usage by approximately 1.8% and overall facility CO2 emissions by roughly 0.6%. Earth tubes in the summer



### FamilyMart

With the goal of achieving a 10% reduction in energy consumption per sales unit (compared to 2010) by 2020 as a measure to address climate change, we are actively engaged in replacing current equipment with energy-saving appliances and are developing an energy-saving store model.

#### 1 LED lighting system deployment inside stores

Along with the in-store deployment of LED lighting that provides high energy-saving performance, we are putting in state-of-the-art systems for controlling light brightness based on time of day and in-store zone. (8,473 stores as of February 28, 2017)



#### 2 LED deployment for signboard lighting

Deploying LED lighting for facade signs and standing signs improved energy-saving performance by roughly 70% compared to fluorescent light-based signboards. (LED facade signboards: 6,810 stores as of February 28, 2017; LED general signboards: 2,742 stores as of February 28, 2017)

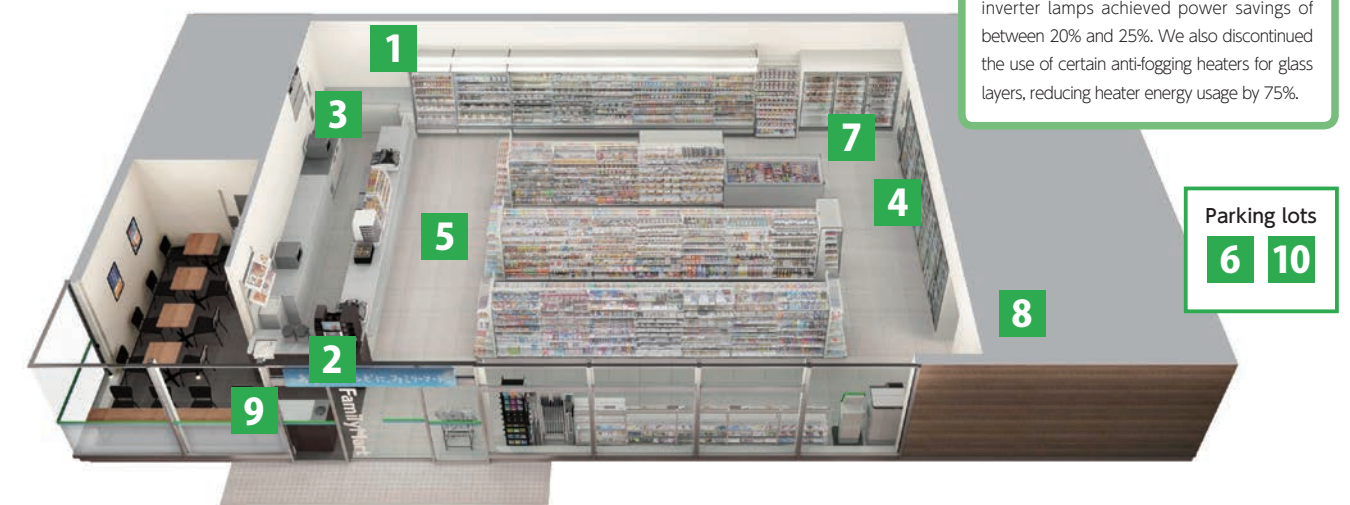


#### 3 LED deployment for lighting inside microwaves

As standard lighting inside their microwaves, all stores use LED lamps that use zero power on standby. These models use approximately 80% less power than standard lighting inside microwaves.

#### 4 Reducing walk-in refrigerator power usage

Replacing walk-in refrigerator lighting with inverter lamps achieved power savings of between 20% and 25%. We also discontinued the use of certain anti-fogging heaters for glass layers, reducing heater energy usage by 75%.



#### 5 Reducing freezer and air conditioning system power usage and preserving the environment

Starting from January 2017, we have been accelerating energy saving by switching the refrigerant gas used in our freezers from R401A to R410A, which is more efficient in power usage. From May 2017, we also started switching the refrigerant gas used in our air conditioners to R32, a low global warming potential refrigerant, to better preserve the environment.

#### 6 Installation of fast chargers for electric vehicles

We are installing fast chargers for electric vehicles to allow for the use of electric vehicles and PHVs without worrying about the battery to feel a sense of reassurance. (709 stores as of February 28, 2017)



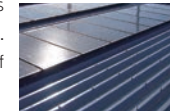
#### 7 Deployment of freezers and refrigerators equipped with CO2 refrigerant devices

We are now deploying freezers and refrigerators that use CO2 refrigerants, allowing for simultaneously reducing energy-derived CO2 and fluorocarbon emissions. (67 stores as of February 28, 2017)



#### 8 Solar panel installation

As a measure to conduct our business activities and reduce our ecological footprint at the same time, we are equipping our stores with solar panels. (2,383 stores as of February 28, 2017)



#### 9 Installation of trash cans inside stores

In fiscal year 2016 we began standardizing the process of installing trash cans inside stores as a means to reduce and recycle waste while complying with governmental waste sorting regulations.



#### 10 Usage of LEDs for parking lot lighting

We are installing LED lighting in our parking lots. LEDs use 30% less power than conventional lighting. They also last four times longer. (4,196 stores as of February 28, 2017)





# Promotion ESD (Education for Sustainable Development)

## UNY

UNY offers a children's environmental education program for the children who will be responsible for realizing a sustainable society. Through activities that include studying stores, experiencing farm work, and exploring the natural environment, children learn about things such as the environment, social contribution, food problems, and the importance of life. The program incorporates the concept of ESD (Education for Sustainable Development) with the hope of nurturing children's ability to live among nature in all its beauty. With the incorporation of the ESD into the SDGs, which were adopted in 2015, we will seek to make even greater contributions to sustainable development.

As part of its focus on achieving a more sustainable society, UNY is working with community members, customers, business partners, and employees to "develop people, manufacturing, and communities" with an emphasis on achieving harmony between

the environment, the economy, and society. We are also engaged in building a new corporate function in the form of local community spaces at its stores for people to gather.

Furthermore, along with holding information exchange sessions and workshops for our business partners, waste treatment contractors, and recycling contractors, we provide the tenants in our stores with opportunities to learn about environmental conservation. The store tours that we conduct for consumer groups, public environmental lecture groups, and other outside organizations are garnering attention from many different people, including overseas visitors. As means of improving environmental awareness among our employees, we provide them with training at our stores and offices with regard to environmental policy and environmental conservation activities, and have added environment-related pages to their pocket guides, which contain an in-house newsletter and company regulations.

### Manufacturing

- Developed the "ecolon" line of green private brand products to make lifestyles more eco-friendly.
- Conducted the Re DESIGN PROJECT. A project whereby youth and people with disabilities take part in product development, production, and sales.



"ecolon" FSC notebook

### Community building

- Interactive the Eco Expo event to build a more sustainable society
- Shopping support for those with dementia



"Ecolo Kids" at the Eco Expo

### People development

- 1 Visiting lectures for local communities
- 2 Learning via the power of communities
- 3 Ecolo store expeditions
- 4 Communicating through collaboration



[EPOC] Owariasahi Chubu Children's Center



Developing volunteer leader course



Ecolo store expeditions



Eco-vegetable harvesting (Fuji Industry Co., Ltd.)

## 1 Visiting lectures for local communities

We are a member of the Environmental Partnership Organizing Club (EPOC), based out of the Chubu district. In addition to conducting interactive environmental lectures that make use of educational tools and facilities owned by member companies, we conduct a wide range of environmental awareness raising activities in conjunction with government agencies and other organizations. We hold visiting lectures themed on "environmentally-conscious shopping" at local elementary schools and children's centers as a means of providing environmental education together with community members.

## 2 Learning via the power of communities

As an environmental education initiative carried out in collaboration with organizations that include local NPOs and volunteers, UNY conducts the Course to develop volunteer leaders for Protecting the Environment through Shopping at Nagoya Open University of the Environment. This course is themed on "environmentally-conscious shopping" and develops people into volunteer leaders capable of clearly articulating this theme to the friends and family members close to them. Those who take the course go on to play active roles in events that include the Eco Expo, an environmental event that involves customer participation.

## 3 Eco store expeditions

Eco store expeditions use supermarkets as a vehicle to teach participants about the many efforts being made at environmentally-conscious stores from a variety of perspectives. In fiscal year 2016, 989 people participated in 97 expeditions. Store managers act as expedition team leaders to guide children through the stores and teach them about efforts being made to recycle as they do things like peek inside stores' recycling boxes and touch containers and packaging made from biomass plastic. In addition, through an eco handicrafts activity involving the use of the containers and packaging that become trash when thrown away, the children also learn about how UNY is working to reduce waste.

## FamilyMart

FamilyMart conducts environmental education programs through support provided to those receiving "FamilyMart Connecting Dreams Foundation Donations" collected at FamilyMart stores, and organizes visiting lectures led by franchisees and employees.

## Forest Classes for kindergarteners — Little Donguri and His Forest Friends

FamilyMart launched a nationwide touring program hosted by the National Land Afforestation Promotion Organization, a recipient of donations collected at FamilyMart stores. Launched in 2012 with visits to kindergarteners affected by the Great East Japan Earthquake, the program came about from a desire to teach preschoolers and kindergarteners about the abundant blessings that forests provide and the roles that forests play. Stores nearest the events take part in this strongly community-based program, and a total of more than 15,000 kindergarteners to date have participated. Through activities ranging from watching plays performed by people dressed up as animals to planting acorns and raising seedlings, children learn about the nature and importance of the various roles that forests play.

## Visiting lectures

FamilyMart employees go to middle schools and high schools and conduct "visiting lectures" as instructors. In addition to providing lectures on convenience store business models, environmental measures, how to conduct sales as a means to help revitalize areas affected by the Great East Japan Earthquake, and other such lectures that utilize their specialized knowledge, the instructors teach students how to tackle issues through collaboration between convenience stores and local communities.

## 4 Communicating through collaboration

Working with related businesses, UNY provides a wide range of opportunities for community members to learn about the environment. One example is conducting tours of facilities that manufacture toilet paper made by recycling milk cartons collected from recycling boxes at UNY stores. Another is providing an education on the farms that harvest crops of eco vegetables grown using compost made from leftover food from UNY stores.

## Kikigaki Koshien events for high school students

Since 2005, FamilyMart has provided support for the Network for Coexistence with Nature, a certified NPO and recipient of donations collected at FamilyMart stores. Every year, 100 high school students visit "experts" living near forests, sea waters, rivers, and mountains to learn from their wisdom and take notes on the skills they use and how they live. We also dispatch store employees who work as trainers and take part in direct interaction with high school students. The program has students take notes on and transmit the wisdom of experts and information about how they live. It also aims, by helping to pass on this wisdom to successive generations, to have students learn about the blessings and preciousness of forests, seas, and rivers and the livelihoods of people who coexist with nature.



Reconstruction support: Lecture on "Sales and Customer Service Guidelines" for seaweeds (held in Iwate Pref.)



## Material Issue 2

# Contributing to the development of vibrant local communities as social and living infrastructure

As members of their local communities, our stores build close relationships with local communities that allow them to play a role in building better communities that everyone from children to the elderly can feel good about living in. They also complement the functions of local governments and continue to be an indispensable force in communities, whether in normal times or times of emergency.



FamilyMart  
Number of comprehensive  
partnership  
agreements has concluded  
with local governments

45 prefectures, 6 cities



FamilyMart  
Temporary refuge  
(women, children, the elderly)

More  
than 7,135 cases



UNY  
Dementia supporters

About 4,000



## Development and revitalization of local communities

### Community gatherings

#### FamilyMart



Eat-in space used as a place for community gatherings

Eat-in spaces in FamilyMart stores are also used as places for community members to strengthen their connections with each other. People use these spaces for things beyond just eating and drinking the products they purchased. They use them as break areas during the workday at stores in business districts, as community spaces for family and friends to have pleasant conversations with each other at stores in residential areas and on the roadside, and people also use them for events put on by local NPOs, school clubs, and other organizations. There are approximately 6,014 stores (as of October 31, 2017) nationwide that feature eat-in spaces.

### Helping to stimulate local economies through terraced rice field rehabilitation

With the conclusion of a comprehensive cooperation agreement with Yamanashi Prefecture, in fiscal year 2011 FamilyMart began supporting efforts to rehabilitate abandoned farmlands in the Kami-Obina region in Kofu, Yamanashi. Since its conclusion of the "Comprehensive Agreement on the Corporate Plantation Development Promotion Project" with the Obina, Kofu Region Revitalization Promotion Council, FamilyMart has working with community members to cultivate rice and other activities as efforts to revitalize the region through terraced rice field rehabilitation.



FamilyMart staff harvesting rice

#### UNY

UNY aims to give every one of its customers a safe and pleasant experience when shopping, regardless of customer age, gender, or disability. To this end, we have been actively implementing universal design based on the concept of normalization, and have been working to build stores that will serve as spaces for community members together and communicate.

We are putting in stepless entryways, priority elevators, and "Thoughtful parking lots" to ensure stress-free shopping

experiences for customers who need assistance, including those with visually impaired persons and those using wheelchairs or strollers. We are also taking steps to help customers shopping with small children. These include building "Baby break rooms" featuring play spaces made with soft materials and areas to nurse and change diapers with peace of mind, as well as installing toilet fixtures exclusively for children to help with potty training.



Thoughtful parking lots



Baby break rooms



Child toilets

### "Forest of City Residents' Campaign against Plastic Shopping Bags" activities in Ogaki

At Aquawalk Ogaki (in Ogaki, Gifu Prefecture), UNY collaborated with the Ogaki City Citizens Council for the Environment to create the Forest of Citizens Campaign against Plastic Shopping Bags," which won the Minister of the Environment Award at the Fragrance of Green Urban Development Contest put on by the Ministry of the Environment. Areas adjoining UNY stores were redeveloped into parks of fragrant greenery, and city volunteers work as "Green Supporters" to manage the parks' trees and flowers. These areas are now fondly used as community spaces.



Green Supporters



# Development and revitalization of local communities

## Efforts to ensure peace of mind among the elderly

FamilyMart UNY Group is taking steps to build stress-free communities for the elderly.

### Dementia Supporters

#### FamilyMart

With the goal of achieving a society in which the elderly can thrive stress-free in the communities with which they've become familiar, FamilyMart store managers, store staff, and head office employees take the Dementia Supporter training courses provided by organization such as local governments, the Japan Franchise Association, and store manager assemblies in local areas. By working with dementia and their family members and by making efforts to build systems of support, we are looking out for the elderly as a member of the community.



Dementia Supporter training course participants in Nagano Prefecture

#### UNY

As a means to ensure customers with dementia can shop stress-free, we are working to get our store certified as Dementia Shopping Safety Net Stores according to UNY standards. At certified stores, managers and employees who have received training from NPOs as dementia supporters greet and look out for customers with dementia. Some 4,000 staff at 58 stores have taken dementia supporter training and become dementia supporters.



UNY employees wearing a dementia supporter badge



Dementia supporter sticker (at a store entrance)

### Support for the Program to Support the Voluntary Return of Driver's Licenses for the elderly

#### FamilyMart

Amid a rising number of traffic accidents by elderly drivers, FamilyMart is lending a hand to the Program to Support the Voluntary Return of Drivers Licenses for the elderly. In Kagawa, Aichi, and Kochi prefectures, we are giving out QUO (prepaid) cards, which can be used at FamilyMart, Circle K and Sunkus, and other stores, to people 65 and over return their licenses. And in Tokyo, we are giving out vouchers for Takuhai Cook 123, a boxed lunch delivery service provided by our group company SENIOR LIFE CREATE Co., Ltd.



Takuhai Cook 123

### Services for the elderly

#### FamilyMart

The Takuhai Cook 123 service provides nutritionally balanced meals, with menu choices that change every day. The service offers a range of boxed lunch options tailored to the health conditions and needs of each customer. Along with standard meals, these options include low-sodium meals, meals for those on dialysis, and meals with easily chewed foods. When making deliveries, service staff also perform "safety checks" that allow them to gauge the physical health of customers. By looking out for the elderly, staff contribute to building communities where the elderly can live without worry.



Home delivery of a boxed lunch

#### UNY

UNY operates an online supermarket for customers who are unable to or who do not have the time to go shopping at a store. Along with Internet orders, we also take orders over phone and fax to make the service easy to use for even customers who do not have Internet access or who are not familiar with how to use a PC or smartphone. And to promote recycling, we collect containers and packaging that have been used by our customers when delivering products. Through these efforts, we are working to improve the convenience of everyday living and help those unable to shop, while at the same time acting in regard for the environment.

### Senior Citizen Franchisee System

#### FamilyMart

In February 2016, we launched the Senior Citizen Franchisee System in an effort to promote more FamilyMart store management among those aged 61 to 70. The franchisee signs a contract for 5 years and can therefore manage stores up until the age of 75. This effort helps improve seniors' motivation and health by making the most of their knowledge, skills, and passion for work.



Senior Citizen Franchisee System poster

### Safety Station activities

#### FamilyMart

As a member of the Japan Franchise Association, FamilyMart takes part in efforts Safety Station activities, which seek to protect safety in local regions. Activities conducted by convenience stores throughout the country are done in coordination with members of the community, local governments, and governmental agencies. These efforts are aimed at providing shopping assistance to seniors and those with disabilities, as well as to build better environments for young people. These activities involve conducting everyday measures to prevent theft, prepare for disasters, and ensure safety, as well as providing temporary refuge to individuals that include women, children, and those with dementia. Stores are run with roots established in the community, with staff actively engaged in things like prohibiting the sale of cigarettes and alcohol to minors and encouraging late-night visitors to return home.



Safety Station poster



# Disaster countermeasures and support for disaster-

## Safe and reliable community development

### FamilyMart

Coordination with local governments (to conclude comprehensive agreements, disaster relief agreements, and watch over agreements)

To promote safe and reliable urban development, FamilyMart has concluded agreements ranging from "comprehensive agreements" to "agreements to provide material support in the event of disaster," "agreements to provide support to people unable to return home," and "watch over agreements (for seniors, etc.)" with prefectures as well as municipalities and other organizations. Through these agreements, FamilyMart plays a role as social and living infrastructure in emergency situations.

Comprehensive agreements	45 prefectures, 6 cities	As an important lifeline for local communities, FamilyMart collaborates on activities concerning childcare, support for seniors, tourism, regional revitalization, and the environment.
Agreements to provide material support in the event of disaster	46 prefectures, 28 cities, 13 groups	FamilyMart procures and provides all emergency supplies that it can in accordance with requests from local governments and other organizations during disasters.
Agreements to help people unable to return home in the event of disaster	41 prefectures, 10 cities	When disasters occur, FamilyMart lets those walking home use store bathrooms, gives them tapwater, and provides disaster information from radio, etc.
Agreements to collaborate in keeping watch over seniors	5 prefectures and municipalities	FamilyMart conducts activities to ensure seniors and other vulnerable citizens in the region enjoy safe, worry-free lives without meeting with criminals or accidents. These activities include early discovery of seniors gone missing due to dementia and other conditions, providing support for their protection, and providing immediate notification when any unusual events are found.

### Awards given for regional efforts to watch over and prevent scams

On October 17, 2017, an attempt was made to defraud seniors with a scam involving the fraudulent purchasing of prepaid cards. No harm was done thanks to quick thinking on the part of the staff at the Higashiura Kuruma store in Hyogo Prefecture, who was speaking with a customer when the staff noticed suspicious activity. She was later given a letter of appreciation by the Awaji Police Department. FamilyMart will continue to look out for the safety and reliability of local communities in the course of operating in stores.



Higashiura Kuruma store, accepting the award

### UNY

In addition to conducting our own disaster readiness training at UNY stores, we have the NPO Rescue Stock Yard conduct its "Aso-Bousai Festival" interactive events at our stores. By letting participants learn how to prepare for disasters and protect their own lives, the event serves as a concerted region wide effort to prepare for disasters through collaboration with local governments and city volunteers.



Aso-Bousai Festival (Hill's Walk Tokushige Gardens)



There is no power, so let's make our own



Soup kitchen training (Leaf Walk Inazawa)

# affected areas

## Serving as social and living infrastructure during disasters

### FamilyMart

### UNY

Both FamilyMart and UNY have been appointed as "Designated Public Institution" by the Prime Minister in accordance with Article 2, item (v) of the Basic Act on Disaster Control Measures. Designated public institutions play important roles in efforts such as drafting disaster management operation plans, preventing disasters, and carrying out response measures and recovery efforts.

When disaster strikes, FamilyMart leverages its extensive nationwide logistics network to offer its coordinated transport capabilities to those in

need and provide emergency relief supplies. A portion of UNY's largest stores make themselves available as evacuation sites for local residents and perform functions that include providing "kamado benches" usable as soup kitchens and stools with built-in toilets in times of emergency. In addition, both FamilyMart and UNY have systems in place for the disaster recovery stage: steps have been taken to ensure normal business operations can be immediately resumed, and preparations are made throughout the Group to prepare for large disasters.



Store operations immediately after a disaster



Bench with built-in stove (UNY)



Disaster relief toilet (UNY)

## Donations of disaster relief money (2017 Northern Kyushu Torrential Rain Disaster Relief Money)

Record-breaking torrential rains caused catastrophic damage in Northern Kyushu on July 5 and 6, 2017.

To help as quickly as possible with recovery and reconstruction efforts, FamilyMart UNY Holdings launched a fund and collected donations at FamilyMart, Circle K and Sunkus, UNY stores, and other stores throughout Japan from July 8 through July 22.

The stores raised a total of ¥41,383,739 over a roughly two-week period. On August 18, ¥33,106,991 was donated to Fukuoka Prefecture and ¥8,276,748 was donated to Oita Prefecture.



Mr. Ogawa, General Manager of FamilyMart Kyushu's 2nd District (right) handing the list of donors to Governor Ogawa of Fukuoka Prefecture (left)

Mr. Kusaba General Manager of FamilyMart Kyushu's 1st District (right) handing the list of donors to Mr. Hirose, Director of Oita Prefecture's Planning Promotion Department (left)



### FamilyMart

## FamilyMart participates in the Social Emergency Management Alliance (SEMA), Japan's first such initiative led by a corporation

FamilyMart participated in the Social Emergency Management Alliance (SEMA) in August 2017. Made up of 17 private firms and 6 NPOs providing disaster relief, the alliance provides a full range of support that includes providing the goods and services of each company in the event of large-scale natural disasters that occur in Japan. The alliance maintains a current list of the goods and services of each member company and group, and the list is used by each company to prepare support packages and quickly provide them to affected regions. The alliance also seamlessly coordinates with public agencies with the goal of reducing the burden on local governments in affected regions. Leveraging the logistics, information, and other networks that connect all its stores nationwide, FamilyMart proactively supports affected areas as part of efforts to fulfill its responsibility as "social and living infrastructure."

### SEMA overview





# Supporting the development of the next generation

To support the development of the children who will be our future, stores and employees across the country are working together with local communities to help build a better society for posterity to inherit.

## “Thank You Letter Contest”

### FamilyMart

For the sake of the children who will inherit this world, FamilyMart stores and employees across the nation are working with local communities to boost the vitality of and strengthen connections with communities. One of these efforts has been the “Thank You Letter Contest.” The contest has been held since 2009 in hopes of teaching elementary school children nationwide the importance of expressing through letters and words the many things that they are thankful for. The contest is held through the support of organizations such as the Japan Federation of Primary School Principals Association and the Japan Municipal Education Committee Federation.

A total of roughly 290,000 submissions have been received across the nine contests so far held. The submissions are also used as part



of school curriculum, an example of which is their inclusion in the textbook on moral education (2018 edition). FamilyMart employees conduct awards ceremonies at schools attended by the students who win the Best Achievement Award, and the winning submissions are displayed on in-store posters and talked about on in-store public address systems. FamilyMart stores actively seek submissions from nearby schools and then do things like display the pieces inside stores. Through these efforts, FamilyMart works to get kids engaged in the community and provide spaces to show off their achievements.



Best Work (for the Chugoku/Shikoku block, lower grades division, 2016)



Chugoku District General Manager Kake granting an award to the award winner



Moral education textbook containing past award-winning works



## Bell Mark activities

### FamilyMart

FamilyMart endorses the mission of the Bell Mark activities, “allowing all children alike to receive an education in an excellent environment,” and was the first—and is currently the only—convenience store selling rice balls with the Bell Mark. FamilyMart has set up Bell Mark donation collection boxes at each of its stores and gives part of the donations to nearby elementary schools. The remaining donations, along with Bell Mark donations collected at the head office, contracted food production plants, and other sites, are donated to elementary schools that have been affected by natural disasters such as the Great East Japan Earthquake and Kumamoto Earthquake.

Bell Mark donations are used to purchase educational

equipment and supplies for and otherwise improve the learning environments at each school.



Rice balls for sale and a Bell Mark collection box

### UNY

Since 2012, the year following the Great East Japan Earthquake, UNY employees have been working with UNY customers to collect Bell Mark donations at UNY stores and the head office and use the proceeds to provide stationary to children in disaster-affected areas. 650,000 Bell Mark points were collected and donated to disaster-affected areas in fiscal year 2016.

## Dietary education efforts at UNY stores

### UNY

With an eye to getting children interested in food and providing an opportunity to discover and experience the joys of healthy eating, UNY is conducting dietary education activities under the motto “Delicious and fun.”

UNY stores host family cooking classes using “Yukenton,”

a Group brand of pork, and conduct “365 Kitchen” sessions that teach how to cook delicious, simple-to-make, and healthy dishes. They also provide dietary education in collaboration with students, companies, and producers.

### ◆UNY's philosophy on dietary education

By providing food products and information about food, we share with our customers in the community the importance and joys of food.

### ◆UNY's policy on dietary education

- 1 Nurturing the sense of taste by providing fresh and delicious ingredients.
- 2 Nurturing the body by understanding about food nutrients and their functions.
- 3 Nurturing minds that appreciate food by exploring where ingredients come from.
- 4 Developing the ability to cook dishes that make the most of ingredients' natural flavors and characteristics.
- 5 Striving to provide ingredients that are safe and reliable to eat by selecting products made via sensible methods.

### ◆“Yukenton” dietary education event

Through this event, we conduct family cooking classes using “Yukenton,” original pork brand from Apita and Piago. Buyers also attend the event, which provides an opportunity to share the Group's commitment to quality for UNY's private brands and original products, as well as the efforts we are making concerning safety and reliability.

### ◆365 Kitchen

We make daily recommendations for delicious, simple-to-make, and healthy dishes to resolve any food-related worries our customers may have. Whether about ingredients, nutrition, or how to cook something, participants are encouraged to ask any questions they may have related to food.

### ◆Dietary education efforts in conjunction with producers

For customers to feel closer to the fruits and vegetables they find at our stores, we believe it is important to have them interact with crop producers, from cultivation to harvesting.



“Yukenton” dietary education event



Interaction between customers and producers

## Donation collection activities

### UNY

With money collected from the “1-yen Coins of Love” donation collection boxes, we have made continuous donations to social welfare councils in areas where we have stores. And, through drives conducted at our stores, we have engaged in regular fund-raising activities for refugees around the world and children in developing countries. As a company dealing in food products, we are also working to support underfed and malnourished children by donating to the Japan Association for the World Food Programme donations we collect through One Coin fundraising efforts conducted at UNY employee cafeterias.



1yen Coins of Love donation box



One Coin donation collection in the employee cafeteria



# Working together with NGOs / NPOs and harmonious

## Support for NGO / NPO activities through Connecting Dreams Foundation Donation

### FamilyMart

The FamilyMart Connecting Dreams Foundation Donation name comes from the concept of "playing a role as a bridge between customers and the NGOs / NPOs that work to better society." To each organization, FamilyMart donates what it collects as well as a matching donation. This fund becomes the Disaster Relief Fund when major disasters occur, with proceeds allocated

to providing support to disaster-affected areas. Since 1993, when we became the first convenience store company to set up donation boxes in stores, we have collected donations totaling ¥5,420,041,391. This is an example of how we use our stores as donation collection sites to help improve local communities.



\*Matching donation: Donations made by a company or other organization of a certain percentage of the total donations collected.

## Serving as a Japan-U.S. bridge for future generations

Through donations made to the U.S.-Japan Council's TOMODACHI Initiative, we provide support for programs aimed at giving young people the international perspective needed for global success. The program targets female high school students in Fukushima prefecture, which was affected by the Great East Japan Earthquake.



3 female employees participating in the program

## Joint project conducted by FamilyMart and Save the Children Japan

In 2013 FamilyMart concluded the Global Partnership Program Agreement with Save the Children Japan. Using proceeds from the FamilyMart Global Children's Fund, which is exclusively for child disaster prevention and mitigation, FamilyMart works with Save the Children Japan to engage in disaster prevention and mitigation activities for children in countries and regions such as Thailand, Vietnam, and Indonesia, where FamilyMart has stores.



Swimming classes to prevent water accidents (Thailand)



Firefighting drills to prepare for disaster (Indonesia)

# coexistence with local communities

## Activities as a partner of the World Food Programme's Corporate Program

In solidarity with the activities of the Japan Association for the World Food Programme that seek to stamp out hunger around the world, FamilyMart has provided support to the organization since 2006.

Additionally, FamilyMart is involved in the World Food Programme's Corporate Program as a partner and plays a public role in society working alongside the organization.

Since 2016, we have donated a portion of the proceeds from the "FamilyMart Connecting Dreams Foundation Donation" to a school feeding program run by the national government of Myanmar.



### Myanmar School Feeding Program

Due to inadequate economic development, roughly 15% of Myanmar's population is under nourished. It has been said that this is stunting the growth of some 35% of children under five. By supporting the Myanmar's School Feeding Program and providing preschoolers and elementary schoolers with a 75 g daily supply of nutrient-enriched biscuits, FamilyMart is working to improve nutrition and education in the country.

Program name	Myanmar School Feeding Program
Purpose	Supply preschoolers and elementary schoolers with 75 g of nutrient-enriched biscuits
FY 2016 Results	Provided school food for 1,830,479 children



Supplying nutrient-enriched biscuits (Myanmar)

## Activities in collaboration with local NGOs / NPOs

### UNY

With the aim of making its stores into "communication centers" depend on by local communities, UNY is working with community members as well as NPOs and corporate volunteers to contribute to communities and society at large.

UNY lent its support to an event conducted jointly by the NPO Wheelchairs and Friendship Center of Asia (WAFCA), and Aioi Nissay Dowa Insurance Co., Ltd. at UNY stores. The event helped people with disabilities to stand on their own through activities aimed at increasing the prevalence of wheelchairs. In solidarity with the Smile Operation campaign conducted by the Médecins du Monde, an NGO that provides humanitarian assistance by dispatching medical volunteers to countries around the world, UNY hosted campaign events at 24 of its stores. 641 employees took part in the Smile Operation campaign, sending out messages to children in developing countries suffering from things such as congenital afflictions and injuries from battle and helping to raise ¥1.4 million in donations from customers.

And, in support of fund-raising activities led by UNHCR (United Nations High Commissioner for Refugees), UNY lent a hand processing bank transfers of donations totaling ¥4.72 million received from 183 people at 10 stores.



WAFCA wheelchair support activities

## Contribution to society through clothing collection

UNY works with NPOs and volunteers from local companies to collect clothing that our customers decide they no longer need. The clothing collected is sent to Asia, Africa, and South America through the NPO Japan Relief Clothing Center and Nippon Express.

We also collect clothing customers no longer need at our

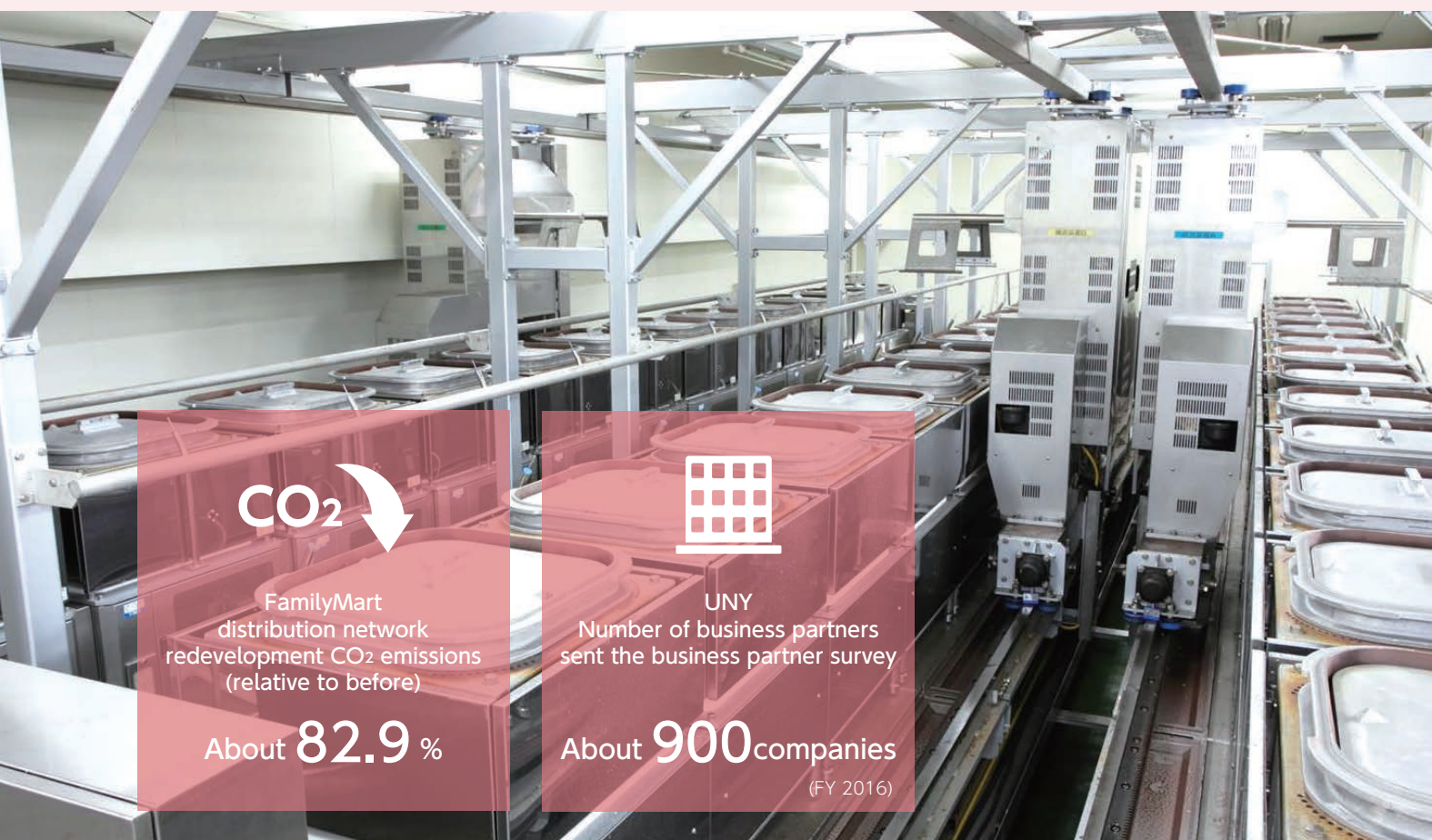
stores and recycle them into materials for automobile interiors. Customers who bring in clothing receive "eco shopping cards" that they can use as coupons, and UNY donates 1% of each coupon's value towards disaster relief and greening efforts. We donated ¥1.57 million in fiscal year 2016.



## Material Issue 3

# Strengthening of supply chain management that delivers safe and reliable products

Providing safe and reliable products to customers is the most important priority in a retailing business. While developing a procurement network to globally deal in a wide range of products, our goal is sustainable growth along with building trustworthy relationships with business partners throughout the entire supply chain.



## Provision of safe and reliable products / services

### Responsibility to provide and explain safe and reliable products

#### FamilyMart UNY

Based on cooperation with business partners FamilyMart UNY Group is working to strengthen the systems and structures that ensure safe and reliable products throughout the entire supply chain. In order to pre-emptively control various risks from procurement to consumption we have created an information service "business partner helpline" for our all business partners through an external third-party to facilitate early detection and correction of issues and problems concerning the supply chain. Furthermore, the group conducts a "business partner survey" once per year and confirms that legal violations or fraudulent activity are not occurring. In fiscal year 2016 there were six calls to the "business partner helpline" (UNY: 5; FamilyMart: 1). Furthermore,

UNY sent a "business partner survey" to 900 companies and 377 responded (FamilyMart began surveys in fiscal year 2017). Business partner opinions, requests and other information were reported to the risk management compliance committee and corrections and improvements are being made.



Business Partner Helpline Leaflet

### Dissemination and awareness-raising about ethical consumption

#### UNY

We sell products affixed with the Fair Trade mark to promote ethical shopping. Fair Trade promotes the creation of new jobs in local producer areas, sustainable living improvements and self-reliance for the people who live in those areas through doing business based on fair conditions with producers in developing countries and elsewhere. Moreover, it is connected to protecting the lives of producers and the environment from soil contamination and environmental damage by supporting local organic production methods.

In order to enable customers to enjoy ethical shopping since 2013 we have joined with the NPO Fair Trade Nagoya Network, Nagoya City and education volunteers to host the annual "Fair Trade Festival" involving stores in Nagoya. Such activities as quiz events to deepen the understanding of Fair Trade, talks about ethical consumption and sample tasting of Fair Trade products serve to communicate the structures

connected to producers and consumers.

These efforts help customers understand the importance of Fair Trade while also expanding the range of Fair Trade products in the future.



Student volunteers explain to children

### Supporting the Komaki Winery

The Komaki Winery in Komaki City (Aichi Prefecture) provides job support to help people with disabilities in the local area lead independent lives. The social welfare corporation AJU Center for Independent Living operates the winery at which currently 35 people with disabilities are engaged in such work as harvesting grapes. In fiscal year 2017, the winery released "Komaki Castle Nobunaga Wine." UNY stores sell wine made from grapes cultivated and fermented here and will continue to provide ongoing support for expanding ethical shopping by inviting customers to buy this wine.



Grape harvest scenery





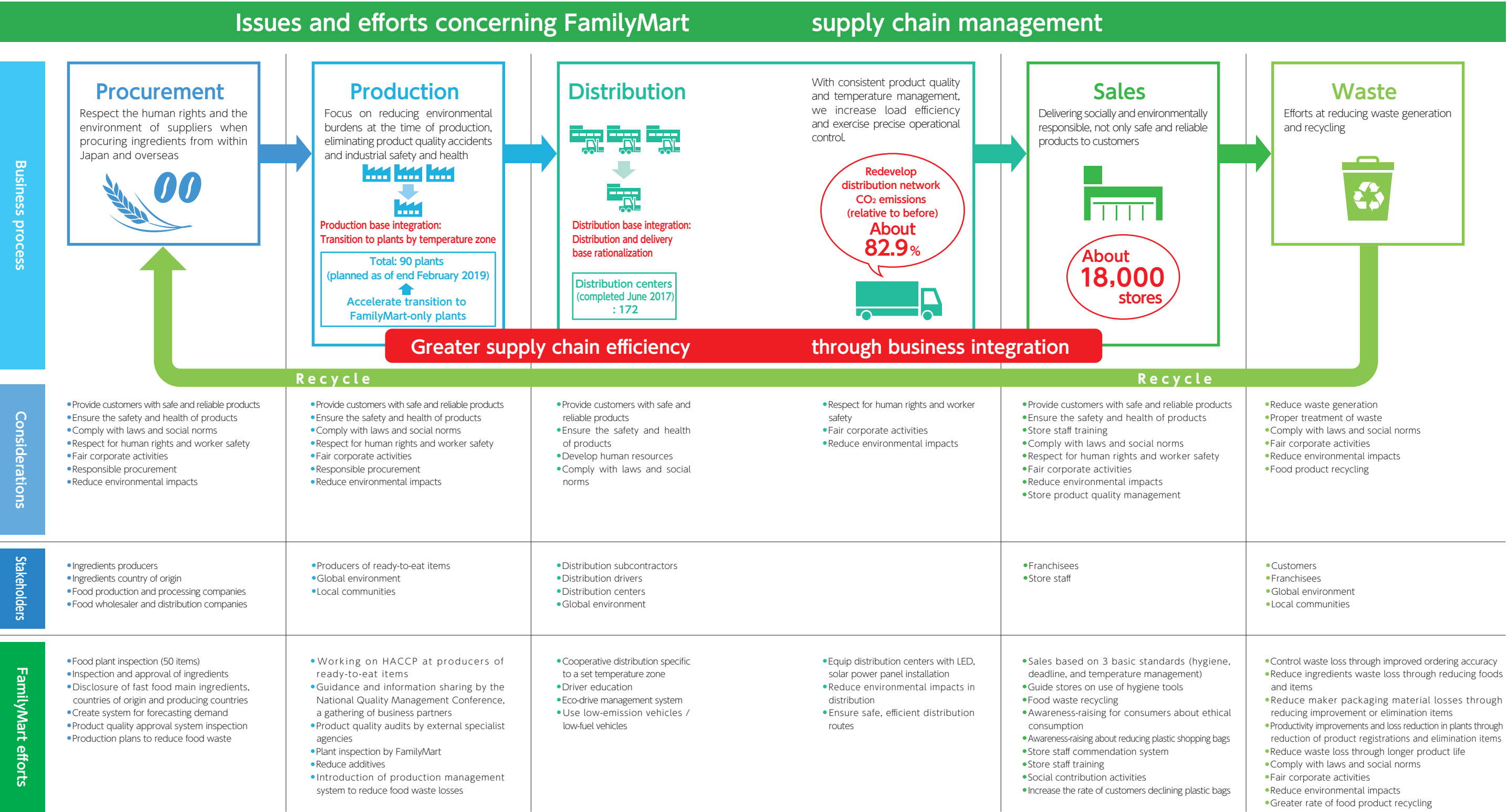
Promotion of fair and transparent business activities

Committed to supply chain safety and reliability

In international society the scope of social responsibility extends not only to our company and our group companies but also to the supply chain. For this reason, in regard to the supply chain of FamilyMart UNY Group companies, the group has created Sustainability Procurement Principles and Supply Chain CSR Code of Conduct that call for preserving

biodiversity, protecting natural resources, compliance with laws and social norms, respect for human rights, prohibitions against discrimination, worker safety and health measures etc. Moreover, by operating under a unified policy with all of our business partners, the group is focused on being socially and environmentally responsible and reducing risk.

FamilyMart





# Promotion of fair and transparent business activities

## Build a sustainable supply chain

In February 2018, FamilyMart UNY Group established "Sustainability Procurement Principles" and "Supply Chain CSR Code of Conduct." We are striving to be a sustainable society throughout the entire supply chain, not only with respect to the group but also in cooperation with such business partners as suppliers of agricultural, livestock and marine products, subcontracted makers of private brand products and original products, and importers.

### Sustainability Procurement Principles

FamilyMart UNY Group is engaged business activities that accept the social responsibility of working toward realizing a sustainable society such as preserving the global environment and protecting human rights. For this purpose, we are pursuing business activities that are based on the spirit of mutual development (CO-GROWING) in line with fair rules for producers and business partners, realizing sustainable growth and focusing on the principles below.

1. We preserve biodiversity, eliminate natural resource transactions, gathering, and fishing conducted illegally.
2. We reuse renewable resources to protect natural resources at extreme risk of depletion.
3. As the safety, security and health of customers is the highest priority, we work to secure the traceability of agricultural, livestock and marine products and disclose information to customers that is easy to understand.
4. We comply with laws and social norms and aim at a sustainable society together with producers and business partners who take social responsibility, including human rights, workers, health and safety, and global environmental preservation.

### Supply Chain CSR Code of Conduct

1. **Comply with laws and regulations**  
We comply with international norms as well as the laws and norms of countries and regions where we conduct business and engage in conscientious business activities.
2. **Human rights**  
We respect individuals and their rights regardless of race, nationality, religion, sex, or any other status and we do not participate in human rights abuses.
3. **Labor**  
Along with considering for the health and safety of employees and achieving a comfortable working environment, we treat workers without regard to sex, age, nationality and handicap and respect sexual diversity, and prohibit discrimination, inhumane treatment and forced labor.
4. **Fair business**  
In accordance with sound business custom when doing business, we conduct business based on appropriate conditions and receive no private profit.
5. **Environment**  
We take responsible attitude toward the global environment, nature and biodiversity, prevent environmental pollution and prevent global warming such as restricting greenhouse gas emissions. We also pursue creation of a sustainable society by including reducing, properly disposing of and recycling waste.
6. **Product quality & safety**  
We provide products and services that are safe, reliable and healthy for customers, and in the case of accidents or defects, respond by quickly disclosing information and notifying competent authorities.
7. **Synergy with local communities**  
We connect with activities related to development of local communities, we contribute to a better regional life through being environmentally responsible for impacts around business sites and plants.
8. **Supply chain system maintenance**  
Based on social norms and in response to social demands, we are working to build a CSR promotion system and internal control systems, as well as maintain risk control systems. We are also increasing CSR awareness of and dissemination in our own supply chain.

## Material issue 4

# Responding to increasingly sophisticated and diverse consumer needs

We are actively working on the development of new products, based on the mission of a retailing business being to not only provide safe and reliable ordinary products that are essential to daily life but to also provide products that respond to social changes and needs and that take health, social welfare and the environment into consideration.





# Provision of high added-value products

## Structural reforms in ready-to-eat items

### FamilyMart

FamilyMart is striving to improve product quality by promoting the structural reforms of ready-to-eat items in response to diverse customers' needs. Since strong consumer demand for ready-to-eat items greatly affects differentiation from other competing convenience store chains, including responses to freshness and food trends, advanced product designs are needed.

Therefore, in fiscal year 2014, FamilyMart began a structural reform of its ready-to-eat items operations that involved a fundamental review of all processes from product planning, development and production to sales. It built a structure for continuous delivery of ready-to-eat items that are attractive and have value. Based on these structural reforms, the entire supply chain was reviewed, from ingredients procurement to facilities for production processes and product quality management, and

integrated plants handling multiple products were converted to plants specific to a set temperature zone. Since fiscal year 2016, producers of ready-to-eat items have invested in differentiated food preparation facilities and are working to create attractive, high-value products along with improving product quality.



## Development of products / services that improve health and welfare

### FamilyMart

With the aging of the population and greater health awareness in today's society, FamilyMart is providing various products and services in response to the needs of consumers. We have launched "diet management products" under the supervision of registered dietitians at the Kobe City Medical Center General Hospital. These products can be easily purchased at convenience stores and are better for physical health and gentler on the body, as they take into consideration

calories, salt content, foodstuff items and nutritional balance.

Moreover, we are selling tasty low-carb products, such as salads, desserts and instant noodles, co-developed with RIZAP GROUP, Inc., an operator of personal training gyms. In addition to supporting consumer health promotion, FamilyMart will enter the fitness business from February 2018. We are starting up 24-hour "Fit&Go" fitness gyms at our stores in response to rising health awareness.



"Mackerel Mirin Grilled box lunch" (saba no mirin-yaki bento) supervised by registered dietitians



RIZAP salad chicken bar (lemon)



Fit&GO store image

### UNY

## Recipient of the "6th Smart Life Project Award (Let's extend healthy life expectancy!)" from the Ministry of Health, Labor and Welfare

Under the Ministry of Health, Labor and Welfare's "Smart Life Project" to improve people's living habits and movement to extend a healthy life span, the "extend a healthy lifespan" award is given out each year. In November 2017 UNY's "Call for low-salt at supermarket stores – a low-salt campaign in cooperation with many companies starting from the product

development stage" was awarded the Ministry's excellence award in the "Lifestyle disease prevention field" corporate segment. On the "Salt-reduction day" (17th of each month), we introduce low-salt cooking and low-salt foods in the culinary tips section of our stores. This kind of educational activity in support of improved diets is highly regarded.

## Environmentally friendly products

### UNY

UNY created original environmentally friendly products named "ecolon" that are based on the concept of contributing to a sustainable social structure by changing our daily life to an environmentally sensitive life style with respect to conservation of energy and resources and the 3Rs (Reduce, Reuse, Recycle) in daily life.

The goal of providing "ecolon" products is to lessen impacts on the environment at every step of the supply chain from producers (Ingredients, manufacturing, container packaging) to sellers (selling), consumers (product users) and recyclers (after use).

One representative "ecolon" product is toilet paper made from recycled used milk packs. This product is manufactured from

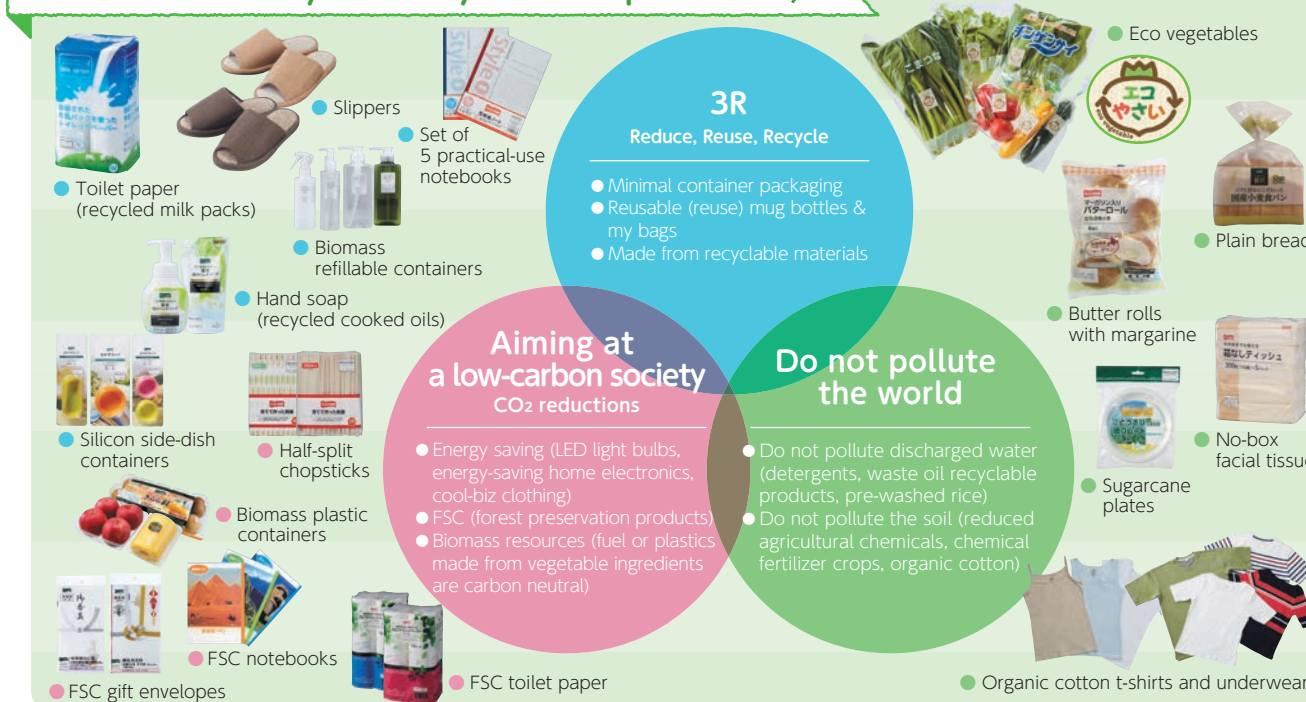
recycled milk packs that consumers deposit into recycling boxes at our stores. UNY's thinking, which helps with product development, is: "When shopping, choose products in regard to price and design but also with respect to care for the environment, which is part of an environmentally sensitive lifestyle." "ecolon" products are not only environmentally friendly products but they are also product that should be cultivated by people all along the value chain, from consumers and to producers and recyclers. While spreading and also increasing values related to supporting forestry preservation and biodiversity via shopping, UNY is proceeding to develop products that contribute to the resolution of social problems.

### ecolon thinking

Environmentally friendly products are products that lessen impacts on the environment in the "value chain," which runs from producers to sellers, consumers, recyclers and others with regard to ingredients, production, container packaging, sales, usage and after use.

UNY's environmentally friendly ecolon products are developed and sold as safe and reliable products that minimize environmental impacts. The buying of these products promotes a sustainable social structure in support of a healthy consumer's comfortable eco life to both producers and consumers.

## Environmentally friendly ecolon products



- 1 Environmentally friendly-type products developed together with consumers
- 2 Meet product quality standards stipulated by UNY
- 3 Meet environmentally production conditions stipulated by UNY
- 4 Examination by "ecolon development Project" and evaluation by a third-party inspection committee



# Provision of high added-value products

## FamilyMart

### Famiyoko Shopping Street

Fast food delicatessen dishes sold near the register have started to be consolidated at the "Famiyoko Shopping Street," a development that is underway at all stores in Japan. The concept is an in-store "shopping street" full of vitality that customers of all ages can freely use and that can respond to demand for easy to eat. Due to changes in the social structure and lifestyles such as the declining birthrate and aging population, the increase in single-person households and double-income households and the increase in working women, customer demand expectations for fast food delicatessen dishes are growing. In response to the individual needs of these customers, FamilyMart is providing high-value added delicatessen products that serve as life infrastructure in small retail zones.

Currently, the size of the ready-to-eat items market exceeds 9 trillion yen, with regular delicatessen dishes said to account for 3 trillion yen. Within this market, recent fast food sales grew 128.5%

compared with the previous year. FamilyMart will in the future as well aim to develop "Fun & Fresh" products that offer substantial enjoyment and freshness through structural reforms in ready-to-eat items, in response to customer demand and provide the own values.



### Famiyoko Shopping Street mainstay products

#### ● Yakitori (Grilled Chicken Skewers)

About six months after being launched, sales topped 100 million for this must-have food item. FamilyMart's yakitori leverages the know-how of the yakitori that was extremely popular at Circle K and Sunkus while adding superior improvements focused on "meat texture," "the flavor of the sauce" and "salt flavor." The deliciousness and texture that recreated "Yakitori made by specialty stores of yakitori," in addition to large size of volume, therefore we are received favorable reputations from many customers.



Famiyoko Shopping Street special dish:  
"Charcoal Grilled Chicken Skewers"

#### ● Mother's Kitchen

"Mother's Kitchen" provides delicious delicatessen dishes like mothers made, in order to respond to customer desires for "hassle-free cooking" and "only the necessary quantities wanted." The "Mother's Kitchen" is a line-up of a rich assortment of foods for all kinds of occasions that support the family dinner table, such as single-serving top-seal products that meet demand for instant side dishes at dinner and next-day box-lunch side dishes and stand-pack products that can be stocked up for weekend menus.



Popular edamame (soybeans in the pod) and seaweed providing a home-cooked taste in eatable portions

## Material issue 5

# Enhancing diversity

We promote diversity and realize a workplace environment which offers job satisfaction for the purpose of being a corporate group that respects a person's character, human rights and diversity and enables anyone to play an active role while utilizing their own individuality and capabilities.



## "Mother's Kitchen" research developer comments

### Pursuing a new approach to taste while also creating products that are environmentally friendly

Development at "Mother's Kitchen" involves meetings with producers of ready-to-eat items to pursue better taste and also to focus on "long-lasting deliciousness" based on methods that do not involve additives and canning. The result after various trial and error tests was the introduction of gas exchange packaging technology. Use of this technology that is expanding, especially in environmentally advanced countries in Europe. In introducing this, we also performed our own technology development, such as adopting a new film that blocks outside oxygen while also making content visible.

Consequently, we completed environmentally friendly products that are delicious and have long-lasting product quality. In the future as well we want to help reduce the environmental impact based on "deliciousness the same as mother's homemade cooking."



**Mari Hara**  
Life & Daily Food  
Department  
Merchandising Division  
FamilyMart Co., Ltd.



FamilyMart  
Women Project  
participation rate

**92.6%**

(November 2017 sponsor)



UNY  
Ratio of women  
working at stores

**78.4%**

(as of June 2017)



## Promotion of the acceptance and activity for diverse

### FMWP (FamilyMart Women Project) start-up – start from promoting women's success –

#### FamilyMart

The Diversity Promotion Department created in fiscal year 2017 is moving in the three areas of "top commitment," "leadership training" and "bottom up" consistent with its mission of "like Family – The power of diversity. To the bright, shining and vibrant future for everyone."

**Top commitment:** The Diversity Promotion Department created the Diversity Promotion Committee composed of management and appointed the company president as committee chairperson. The Diversity Promotion Committee views diversity promotion as an important factor in business management and considers specific diversity measures that should be implemented in order to increase corporate value.

**Leadership training:** The Diversity Promotion Department implement diversity training for general managers and higher of all departments in October 2017 and for section managers in fiscal year 2018 for the purpose of promoting diversity based on a diligent understanding of diversity issues.

**Bottom up:** As one of the bottom-up activity, the Diversity Promotion Department instituted the FamilyMart Women Project (FMWP), which is an activity coordinated by women in FamilyMart for the advancement of female employees working at the company.

In fiscal year 2017, the FMWP college, guided by the theme of "We change workstyle," saw female employees develop their own ideas and conduct demonstration projects in their own work areas, to increase productivity and come up with innovative working methods to provide new value to customers. The demonstration projects, such as opinion

exchanges with executives and department managers becoming mentors, were tried as company-wide activities. The culmination was an awards ceremony in January 2018 for the purpose of sharing good practices. Teams that demonstrated strong benefits received grand prizes. In the future, we will organize "Diversity Promotion Section Committees" with heads of divisions responsible, and raise the degree of execution toward full employee participation in diversity promotion.

like Family

The power of diversity. A bright, shining and vibrant future for everyone.



Workshops



Participants in FMWP college

### Promote workstyle reforms through membership in the "IkuBoss Corporate Alliance"

In November 2016 FamilyMart became a member of the "IkuBoss Corporate Alliance" created by the NPO Fathering Japan. We are actively working to change manager's way of thinking and train a new generation of the ideal boss (IkuBoss) to respond to the

advancement of women, men who enjoy child raising and other types of employee diversity issues. The promotion of workstyle reforms is aimed at a workplace environment that can maximize employee capabilities.

#### Male employee voices (FamilyMart)

##### IkuBoss declaration

While some think "managing job and home to achieve a work-life balance is really a dream," in fact I think both rest on the same ground. One of the members of my team, a man who enjoys taking care of children, said: "On no overtime days I sometimes go to nursery to pick up my child. With a happy face my child says 'My daddy has come!', and my tiredness quickly disappears. I then put my child on the bicycle and we go home. Doing this I can understand how hard it is to bring children and pick them up from the nursery. In addition, when going to the local public bathhouse for a fresh bath, many senior citizens are there. So, it's possible to know about the many different lives of people." Currently I am in the middle of a job posting away from family, but on days off I go home as much as possible, I cook and do other things to actively help my family. Nowadays, when I go home I look forward to my child giving me a hug. Since it is necessary to understand the point of view of customers, I believe it is important to adjust the work-life balance in order to lead a regular life with family. The development of subordinates is a top business priority for company managers. In order to increase work efficiency, I am also creating an environment that works by setting an example.



**Tatsuhiko Asakawa**  
Assistant General  
Manager  
International Business  
Division  
FamilyMart Co., Ltd.

## human resources

### Human resource development efforts

#### FamilyMart

In fiscal year 2017 FamilyMart established the "Human Resource Development Department" under the direct control of the company president. The mission of this office is to centralize the human resource development structure, enhance the skills and careers of employees and realize a company that "wins with its people."

Above all, the presence of supervisors that are connected to franchisees and headquarters is considered as the basis of support for

business development. FamilyMart is focused on the major challenge of human resource development to "develop supervisors who produce significant results." The company is organizing a business process and creating a specific development plan to enable supervisors to learn the skills needed for their jobs systematically and efficiently. Along with this FamilyMart is undertaking the redesign of a development program for new employees.

### Diversity efforts

#### UNY

Our goal is to create a workplace environment in which all employees can exercise their individuality and maximum capabilities. At UNY stores the ratio of working women is 78.4%, but the ratio of these women in management is only 6%. In 2014 the company saw its first female executive officer. For the future, a promotion planning is in place with the goal of having more than 10% of management be women by 2019.

In addition, we are working to strengthen programs for families with small children, such as by extending the periods under our "System for Childcare Leave and Reduced Working Hours for Childcare." In fiscal year 2016, 39 permanent employees and 47 non-permanent employees returned to work after taking childcare leave. Aside from families with small children, we are

also strengthening our program for employees needing support for home care. Fulltime and part-time employees who have family-care situations receive a total of up to 365 days of family-care leave per person and are granted five days per year of family-care time off (families with two or more members, 10 days). In fiscal year 2016, 27 permanent and non-permanent employees used this program.

In addition, based on UNY's principle of normalization, we are making efforts to employ people with disabilities, such as providing vocational experience for people from special needs schools and facilities. Our recent hiring rate for disabled persons is 2.52%. With the creation of the Law to Eliminate Discrimination against People with Disabilities in 2016, we will continue to make efforts to increase the hiring rate for employees with disabilities.

### Female employee voices (UNY)

#### Toward both family care and work

As the average age of workers is increasing, the handling of both family care and work has become an important issue. Given situations of not knowing how long family care will continue or when or what kind of changes will affect an employee, some people have difficulty with standard work arrangements. Thus, flexible systems are needed for continuing to work effectively even while a family-care matter exists. We will proceed with awareness of the family-care leave and other support programs that were amended last year and we will work on conditions to make these programs easy to use.



**Mayumi Kondo**  
Manager  
General Affairs and Human  
Resources Department  
Administration Division  
UNY Co., Ltd.

### The latest information on FamilyMart UNY Group's CSR

The latest information in regard to FamilyMart UNY Group's CSR is updated as needed at the respective websites of FamilyMart UNY Holdings, FamilyMart and UNY.

- FamilyMart UNY Holdings  
CSR Information  
<http://www.fu-hd.com/csr/>



- FamilyMart  
CSR, society, environment  
<http://www.family.co.jp/company/csr.html>
- UNY  
CSR Information  
<http://www.uny.co.jp/csr/index.html>