

# 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

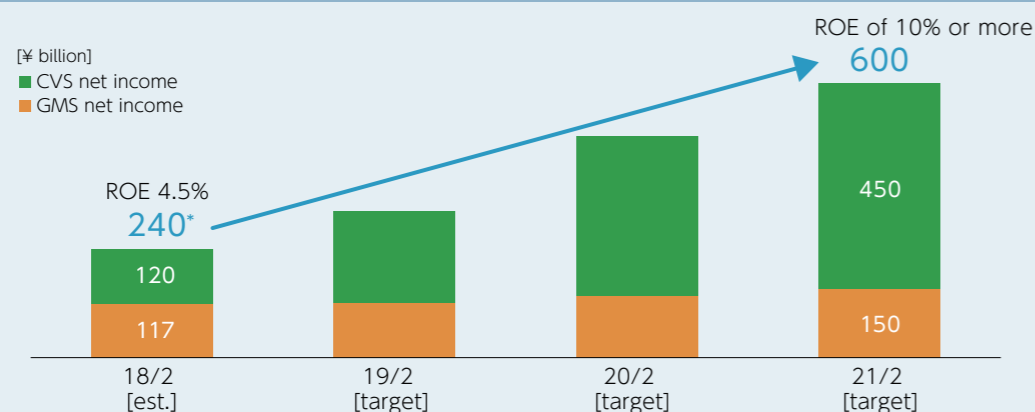
Convenience Store Business (CVS)		General Merchandise Store Business (GMS)	
Total store sales	¥ <b>3,009,363</b> million	Gross operating revenues	¥ <b>742,032</b> million
Operating income (Based on Japanese GAAP)	¥ <b>42,758</b> million	Operating income (Based on Japanese GAAP)	¥ <b>13,866</b> million

#### 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-rising event for consumers: approximately <b>55,000</b>

#### Governance

Number of reports from whistleblowers: <b>CVS 17</b>	<b>GMS 86</b>
Number of customers visiting our stores daily <b>CVS+GMS</b> Approximately <b>21</b> million customers	Total number of store staff <b>CVS+GMS</b> Approximately <b>220,000</b> store staff