

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 CO₂, 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.



FamilyMart UNY Holdings Co., Ltd.
Representative Director and President

Koji Takayanagi

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