

April 13, 2020

This document is an English translation of a statement written originally in Japanese. The Japanese original should be considered as the primary version.

ITOCHU Corporation
(Code No. 8001, Tokyo Stock Exchange, First Section)
Representative Director and President and Chief Operating Officer: Yoshihisa Suzuki
Contact: Suguru Amano
General Manager, Investor Relations Department
(TEL. +81-3-3497-7295)

**Notice Regarding the Differences between Non-Consolidated Financial Results
for the Fiscal Year Ended February 29, 2020 and the Fiscal Year Ended February 28, 2019
of a Subsidiary (FamilyMart Co., Ltd.)**

ITOCHU Corporation announces that FamilyMart Co., Ltd., a subsidiary of ITOCHU Corporation, provided information on the differences between non-consolidated financial results for the fiscal year ended February 29, 2020 and the fiscal year ended February 28, 2019.

Non-consolidated financial results for the fiscal years ended February 29, 2020 and February 28, 2019
(%: Changes from the previous fiscal year)

	Gross operating revenue		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended February 29, 2020	207,480	746.4	21,142	(0.4)	32,193	(46.1)
Fiscal year ended February 28, 2019	24,515	298.4	21,225	272.4	59,681	94.4

(Attachment)

The disclosure document released by FamilyMart Co., Ltd.

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results for the Fiscal Year Ended February 29, 2020 (under IFRS)

April 13, 2020

Company name: **FamilyMart Co., Ltd.**
 Listing: Tokyo Stock Exchange
 Securities code: 8028
 URL: <https://www.family.co.jp/english.html>
 Representative: Takashi Sawada, Representative Director and President
 Inquiries: Tadashi Watanabe, General Manager of Corporate Communications Department
 TEL: +81-3-6436-7638

Scheduled date of Ordinary General Meeting of Shareholders: May 28, 2020
 Scheduled date to commence dividend payments: May 7, 2020
 Scheduled date of the submission of annual securities report: May 29, 2020
 Preparation of supplementary material on financial results: Yes
 Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

(Yen amounts are rounded to the nearest million, unless otherwise noted)

1. Consolidated financial results for the fiscal year ended February 29, 2020 (from March 1, 2019 to February 29, 2020)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Gross operating revenue		Core operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
February 29, 2020	517,060	(16.2)	64,547	25.2	46,221	994.1	47,154	(17.7)
February 28, 2019	617,174	(3.1)	51,553	23.7	4,225	(28.1)	57,316	56.8

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal year ended						
February 29, 2020	43,529	(4.1)	47,235	(10.1)	86.01	—
February 28, 2019	45,370	34.8	52,536	21.7	89.64	—

	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of core operating profit to gross operating revenue
	%	%	%
Fiscal year ended			
February 29, 2020	7.5	2.8	12.5
February 28, 2019	8.2	0.3	8.4

(Reference) Share of profit (loss) of investments accounted for using equity method:

Fiscal year ended February 29, 2020: ¥4,764 million
 Fiscal year ended February 28, 2019: ¥(2,070) million

- Notes: 1. The core operating profit is disclosed as an earnings indicator, which represents the amount after subtracting cost of sales and selling, general and administrative expenses from gross operating revenue.
2. The Company conducted a 4-for-1 share split of its common shares on March 1, 2019, and basic earnings per share has been calculated assuming that the share split was conducted at the beginning of the fiscal year ended February 28, 2019.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
February 29, 2020	1,976,116	598,430	586,934	29.7	1,159.70
February 28, 2019	1,372,117	589,737	568,762	41.5	1,123.78

- Notes: 1. An increase in total assets as of February 29, 2020 is mainly due to the recording of right-of-use assets in line with the adoption of IFRS 16 “Leases.”
2. The Company conducted a 4-for-1 share split of its common shares on March 1, 2019, and equity attributable to owners of parent per share has been calculated assuming that the share split was conducted at the beginning of the fiscal year ended February 28, 2019.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
February 29, 2020	253,525	(123,802)	(211,482)	283,245
February 28, 2019	159,742	109,257	(156,234)	353,498

2. Cash dividends

	Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2019	–	63.50	–	80.50	144.00
Fiscal year ended February 29, 2020	–	20.00	–	20.00	40.00
Fiscal year ending February 28, 2021 (Forecast)	–	24.00	–	24.00	48.00

	Total cash dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of parent (consolidated)
	Millions of yen	%	%
Fiscal year ended February 28, 2019	18,220	40.2	3.3
Fiscal year ended February 29, 2020	20,244	46.5	3.4
Fiscal year ending February 28, 2021 (Forecast)		40.5	

Note: The Company conducted a 4-for-1 share split of its common shares on March 1, 2019. The dividends per share stated above for the fiscal year ended February 28, 2019 reflect the number of shares existing before the share split.

**3. Consolidated earnings forecasts for the fiscal year ending February 28, 2021
(from March 1, 2020 to February 28, 2021)**

(Percentages indicate year-on-year changes.)

	Gross operating revenue		Core operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending February 28, 2021	519,000	0.4	85,000	31.7	83,000	79.6	60,000	37.8	118.55

Note: Although the impact of COVID-19 on sales can be estimated at this time, the impact could vary significantly depending on future trends.

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: None; Excluded: 2 companies: Kanemi Co., Ltd., FamilyMart Co., Ltd.

Note: In conjunction with the absorption-type merger of FamilyMart Co., Ltd., a wholly owned subsidiary of the Company, on September 1, 2019 in accordance with the merger agreement concluded on April 10, 2019, the Company changed its trade name from FamilyMart UNY Holdings Co., Ltd. to FamilyMart Co., Ltd.

- (2) Changes in accounting policies and changes in accounting estimates

- (i) Changes in accounting policies required by IFRS: Yes
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None

- (3) Number of issued shares (ordinary shares)

- a. Total number of issued shares at end of the period (including treasury shares)

As of February 29, 2020	506,849,252 shares
As of February 28, 2019	506,849,252 shares

- b. Number of treasury shares at end of the period

As of February 29, 2020	741,180 shares
As of February 28, 2019	735,996 shares

- c. Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

For the fiscal year ended February 29, 2020	506,111,211 shares
For the fiscal year ended February 28, 2019	506,125,541 shares

Note: The Company conducted a 4-for-1 share split of its common shares on March 1, 2019, and total number of issued shares at end of the period (including treasury shares), number of treasury shares at end of the period, and average number of shares outstanding during the period have been calculated assuming that the share split was conducted at the beginning of the fiscal year ended February 28, 2019.

(Reference) Summary of Non-consolidated Financial Results (under Japanese GAAP)

(Yen amounts are rounded to the nearest million, unless otherwise noted)

1. Non-consolidated financial results for the fiscal year ended February 29, 2020 (from March 1, 2019 to February 29, 2020)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Gross operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 29, 2020	207,480	746.4	19,377	(5.0)	21,142	(0.4)	32,193	(46.1)
February 28, 2019	24,515	298.4	20,387	440.2	21,225	272.4	59,681	94.4

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
February 29, 2020	63.61	—
February 28, 2019	117.92	—

Notes: 1. The Company conducted a 4-for-1 share split of its common shares on March 1, 2019, and basic earnings per share has been calculated assuming that the share split was conducted at the beginning of the fiscal year ended February 28, 2019.

2. As a result of the absorption-type merger of the Company's wholly owned subsidiary, FamilyMart Co., Ltd., on September 1, 2019, gross operating revenue for the fiscal year ended February 29, 2020 increased significantly.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
February 29, 2020	1,210,541	572,164	47.3	1,130.52
February 28, 2019	795,635	558,126	70.1	1,102.77

(Reference) Equity: As of February 29, 2020 ¥572,164 million
As of February 28, 2019 ¥558,126 million

- Notes: 1. The Company conducted a 4-for-1 share split of its common shares on March 1, 2019, and net assets per share has been calculated assuming that the share split was conducted at the beginning of the fiscal year ended February 28, 2019.
2. As a result of the absorption-type merger of the Company's wholly owned subsidiary, FamilyMart Co., Ltd., on September 1, 2019, total assets as of February 29, 2020 increased significantly.

*** Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.**

*** Proper use of earnings forecasts, and other special items**

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Actual business and other results may differ substantially due to various factors.

Consolidated Financial Statements**(1) Consolidated statement of financial position**

(Millions of yen)

	As of February 28, 2019	As of February 29, 2020
Assets		
Current assets		
Cash and cash equivalents	353,498	283,245
Trade and other receivables	147,750	150,373
Other financial assets	12,857	10,126
Inventories	17,956	23,495
Other current assets	25,822	7,672
Subtotal	557,884	474,910
Assets held for sale	45,981	-
Total current assets	603,865	474,910
Non-current assets		
Property, plant and equipment	254,540	197,424
Right-of-use assets	-	765,081
Investment property	12,105	13,608
Goodwill	142,732	139,557
Intangible assets	56,833	56,303
Investments accounted for using equity method	23,224	33,189
Leasehold deposits	89,813	88,338
Other financial assets	115,580	125,494
Deferred tax assets	60,879	75,348
Other non-current assets	12,547	6,863
Total non-current assets	768,253	1,501,206
Total assets	1,372,117	1,976,116

(Millions of yen)

	As of February 28, 2019	As of February 29, 2020
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	210,903	240,155
Deposits received	132,500	136,187
Bonds and borrowings	39,723	78,850
Lease liabilities	26,270	146,939
Income taxes payable	4,659	4,726
Other current liabilities	27,998	26,486
Subtotal	442,053	633,344
Liabilities directly associated with assets held for sale	8,891	–
Total current liabilities	450,944	633,344
Non-current liabilities		
Bonds and borrowings	173,152	113,938
Lease liabilities	82,831	560,801
Other financial liabilities	14,489	13,818
Retirement benefit liability	15,281	9,919
Provisions	36,812	38,119
Other non-current liabilities	8,873	7,747
Total non-current liabilities	331,436	744,342
Total liabilities	782,380	1,377,686
Equity		
Share capital	16,659	16,659
Capital surplus	236,747	236,775
Treasury shares	(1,185)	(1,200)
Other components of equity	6,773	1,560
Retained earnings	309,768	333,140
Total equity attributable to owners of parent	568,762	586,934
Non-controlling interests	20,975	11,497
Total equity	589,737	598,430
Total liabilities and equity	1,372,117	1,976,116

(2) Consolidated statement of profit or loss

	(Millions of yen)	
	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Continuing operations		
Gross operating revenue	617,174	517,060
Cost of sales	(141,764)	(57,161)
Operating gross profit	475,410	459,899
Selling, general and administrative expenses	(423,857)	(395,352)
Share of profit (loss) of investments accounted for using equity method	(2,070)	4,764
Other income	6,077	2,230
Other expenses	(51,665)	(19,543)
Finance income	2,409	2,013
Finance costs	(2,079)	(7,790)
Profit before tax	4,225	46,221
Income tax expense	20,574	(2,967)
Profit from continuing operations	24,798	43,254
Discontinued operations		
Profit from discontinued operations	32,517	3,900
Profit	57,316	47,154
Profit attributable to:		
Owners of parent	45,370	43,529
Non-controlling interests	11,946	3,625
Profit	57,316	47,154
Earnings per share:		
Basic earnings per share (Yen)		
Continuing operations	43.42	78.30
Discontinued operations	46.22	7.71
Total	89.64	86.01
Diluted earnings per share (Yen)		
Continuing operations	-	-
Discontinued operations	-	-
Total	-	-

Reconciliation of core operating profit

	(Millions of yen)	
	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Gross operating revenue	617,174	517,060
Cost of sales	(141,764)	(57,161)
Selling, general and administrative expenses	(423,857)	(395,352)
Core operating profit	51,553	64,547

Note: Core operating profit, which represents the amount after subtracting cost of sales and selling, general and administrative expenses from gross operating revenue, is an earnings indicator unique to the Company, and is not required to be disclosed under IFRS.

(3) Consolidated statement of comprehensive income

	(Millions of yen)	
	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Profit	57,316	47,154
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(5,094)	183
Remeasurements of defined benefit plans	1,198	416
Share of other comprehensive income of investments accounted for using equity method	(17)	(4)
Total of items that will not be reclassified to profit or loss	(3,914)	596
Items that may be reclassified to profit or loss		
Cash flow hedges	(210)	(12)
Exchange differences on translation of foreign operations	(576)	(275)
Share of other comprehensive income of investments accounted for using equity method	(80)	(228)
Total of items that may be reclassified to profit or loss	(866)	(515)
Other comprehensive income, net of tax	(4,780)	80
Comprehensive income	52,536	47,235
Comprehensive income attributable to		
Owners of parent	41,327	43,774
Non-controlling interests	11,209	3,461
Comprehensive income	52,536	47,235

(4) Consolidated statement of changes in equity

(Millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Balance as of March 1, 2018	16,659	236,785	(1,104)	(565)	228	16,262
Profit	-	-	-	-	-	-
Other comprehensive income	-	-	-	(316)	(216)	(4,738)
Total comprehensive income	-	-	-	(316)	(216)	(4,738)
Purchase of treasury shares	-	-	(83)	-	-	-
Disposal of treasury shares	-	1	1	-	-	-
Dividends	-	-	-	-	-	-
Changes in ownership interest in subsidiaries that do not result in a loss of control	-	(39)	-	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-
Other	-	0	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-	-	(3,875)
Transfer from other components of equity to non-financial assets	-	-	-	-	(7)	-
Total transactions with owners	-	(37)	(82)	-	(7)	(3,875)
Balance as of February 28, 2019	16,659	236,747	(1,185)	(881)	5	7,649
Effect of accounting change	-	-	-	-	-	-
Restated balance	16,659	236,747	(1,185)	(881)	5	7,649
Profit	-	-	-	-	-	-
Other comprehensive income	-	-	-	(426)	(12)	245
Total comprehensive income	-	-	-	(426)	(12)	245
Purchase of treasury shares	-	-	(15)	-	-	-
Disposal of treasury shares	-	0	1	-	-	-
Dividends	-	-	-	-	-	-
Changes in ownership interest in subsidiaries that do not result in a loss of control	-	28	-	-	-	(8)
Disposal of subsidiaries	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-	-	(5,013)
Total transactions with owners	-	28	(14)	-	-	(5,021)
Balance as of February 29, 2020	16,659	236,775	(1,200)	(1,307)	(7)	2,874

(Millions of yen)

	Equity attributable to owners of parent					
	Other components of equity		Retained earnings	Total	Non-controlling interests	Total
	Remeasurements of defined benefit plans	Total				
Balance as of March 1, 2018	–	15,925	274,970	543,235	45,424	588,659
Profit	–	–	45,370	45,370	11,946	57,316
Other comprehensive income	1,227	(4,043)	–	(4,043)	(737)	(4,780)
Total comprehensive income	1,227	(4,043)	45,370	41,327	11,209	52,536
Purchase of treasury shares	–	–	–	(83)	–	(83)
Disposal of treasury shares	–	–	–	2	–	2
Dividends	–	–	(15,121)	(15,121)	(15,834)	(30,954)
Changes in ownership interest in subsidiaries that do not result in a loss of control	–	–	–	(39)	(6,646)	(6,684)
Disposal of subsidiaries	–	–	–	–	(13,203)	(13,203)
Other	–	–	(552)	(552)	25	(527)
Transfer from other components of equity to retained earnings	(1,227)	(5,102)	5,102	–	–	–
Transfer from other components of equity to non-financial assets	–	(7)	–	(7)	–	(7)
Total transactions with owners	(1,227)	(5,109)	(10,571)	(15,799)	(35,658)	(51,457)
Balance as of February 28, 2019	–	6,773	309,768	568,762	20,975	589,737
Effect of accounting change	–	–	(5,300)	(5,300)	–	(5,300)
Restated balance	–	6,773	304,468	563,461	20,975	584,437
Profit	–	–	43,529	43,529	3,625	47,154
Other comprehensive income	437	245	–	245	(164)	80
Total comprehensive income	437	245	43,529	43,774	3,461	47,235
Purchase of treasury shares	–	–	–	(15)	–	(15)
Disposal of treasury shares	–	–	–	1	–	1
Dividends	–	–	(20,308)	(20,308)	(2,392)	(22,699)
Changes in ownership interest in subsidiaries that do not result in a loss of control	–	(8)	–	20	(377)	(357)
Disposal of subsidiaries	–	–	–	–	(10,171)	(10,171)
Transfer from other components of equity to retained earnings	(437)	(5,450)	5,450	–	–	–
Total transactions with owners	(437)	(5,458)	(14,857)	(20,302)	(12,939)	(33,241)
Balance as of February 29, 2020	–	1,560	333,140	586,934	11,497	598,430

(5) Consolidated statement of cash flows

	(Millions of yen)	
	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Cash flows from operating activities		
Profit before tax from continuing operations	4,225	46,221
Depreciation and amortization	59,397	201,177
Impairment losses	34,741	13,385
Share of loss (profit) of investments accounted for using equity method	2,070	(4,764)
Decrease (increase) in trade and other receivables	3,600	(34,671)
Decrease (increase) in inventories	1,689	(5,379)
Increase (decrease) in trade and other payables	1,660	27,336
Increase (decrease) in deposits received	(11,453)	3,769
Increase or decrease in retirement benefit liability	157	(4,672)
Other	20,427	38,068
Subtotal	116,514	280,471
Interest and dividends received	2,007	1,681
Interest paid	(3,461)	(7,634)
Income taxes paid	(2,402)	(21,562)
Income taxes refund	2,723	570
Cash flows from operating activities of discontinued operations	44,360	-
Net cash provided by (used in) operating activities	159,742	253,525
Cash flows from investing activities		
Payments into time deposits	-	(7,379)
Proceeds from withdrawal of time deposits	-	3,905
Purchase of property, plant and equipment, right-of-use assets and investment property	(30,284)	(63,086)
Proceeds from sale of property, plant and equipment, right-of-use assets and investment property	1,399	1,230
Purchase of intangible assets	(4,618)	(9,836)
Payments for leasehold deposits	(19,124)	(4,295)
Proceeds from collection of leasehold deposits	7,620	2,319
Purchase of investments	(4,250)	(89,543)
Proceeds from sale and redemption of investments	8,745	20,147
Proceeds from disposal of businesses	3,617	-
Payments for disposal of businesses	-	(717)
Other	(1,529)	(1,969)
Cash flows from investing activities of discontinued operations	147,681	25,421
Net cash provided by (used in) investing activities	109,257	(123,802)

(Millions of yen)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Cash flows from financing activities		
Proceeds from issuance of bonds and borrowings	132,891	121,702
Repayments of bonds and borrowings	(221,719)	(141,633)
Repayments of lease liabilities	(34,754)	(168,480)
Payments for purchase of treasury shares	(83)	(15)
Purchase of interests in subsidiaries from non-controlling shareholders	(202)	(357)
Dividends paid	(15,121)	(20,308)
Dividends paid to non-controlling interests	(2,634)	(2,392)
Other	16	1
Cash flows from financing activities of discontinued operations	(14,627)	–
Net cash provided by (used in) financing activities	(156,234)	(211,482)
Effect of exchange rate changes on cash and cash equivalents	(778)	(159)
Net increase (decrease) in cash and cash equivalents	111,988	(81,918)
Cash and cash equivalents at beginning of period (Opening balance on the consolidated statement of financial position)	253,174	353,498
Reclassification of cash and cash equivalents included in assets held for sale in the opening balance	–	11,665
Cash and cash equivalents at beginning of period	253,174	365,162
Cash and cash equivalents included in assets held for sale	(11,665)	–
Cash and cash equivalents at end of period	353,498	283,245