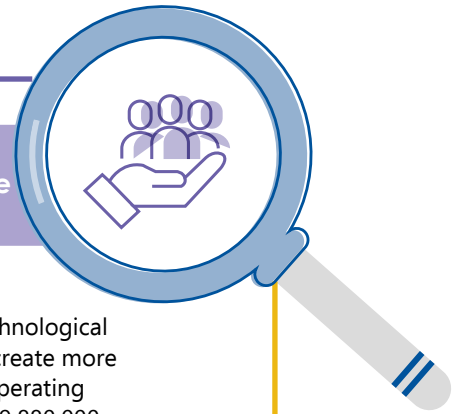
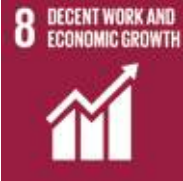



01



President Chain Store Corp.- A Prosperous Company



SDG icon	SDG content	2017 SDG performance
 <p data-bbox="188 1160 379 1216">Decent work And Economic Growth</p>	<p data-bbox="437 786 735 1025">8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.</p> <p data-bbox="437 1055 735 1413">8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.</p>	<p data-bbox="790 831 1198 1375">Continue using diverse, technological and innovative services to create more economic profit. In 2017, operating revenue totaled NT\$144,479,880,000, gross profit reached NT\$50,639,297,000 and Income tax was NT\$5,483,957,000. Net profits after taxes was NT\$31,017,094,000 and earnings per share (EPS) was NT\$29.83. Dividend per share was NT\$25, an increase of NT\$17 over last year, while return on equity (ROE) reached 78.3%. It is our responsibility to provide shareholders with a long-term investment value with stable profits and growth. Our dividend policy provide our shareholders with stable dividend per share.</p>

 <p data-bbox="188 1839 379 1933">Responsible Consumption And Production</p>	<p data-bbox="437 1514 730 1720">12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.</p> <p data-bbox="437 1756 735 1933">12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature</p>	<p data-bbox="790 1469 1182 1980">PCSC combines retail stores networking with a well-conceived supply system and enhance applied services on the digital platform. In 2017, more than 150 million items were delivered, sent, or picked up, providing peace of mind and convenience for distribution services. Moreover, upgrades continued on ibon, and with the ibon smartphone app and other digital service platforms. In response to consumer trends, we are cooperating with financial operators to provide diversified payment tools. This gives a variety of consumers convenient, time-saving services.</p>
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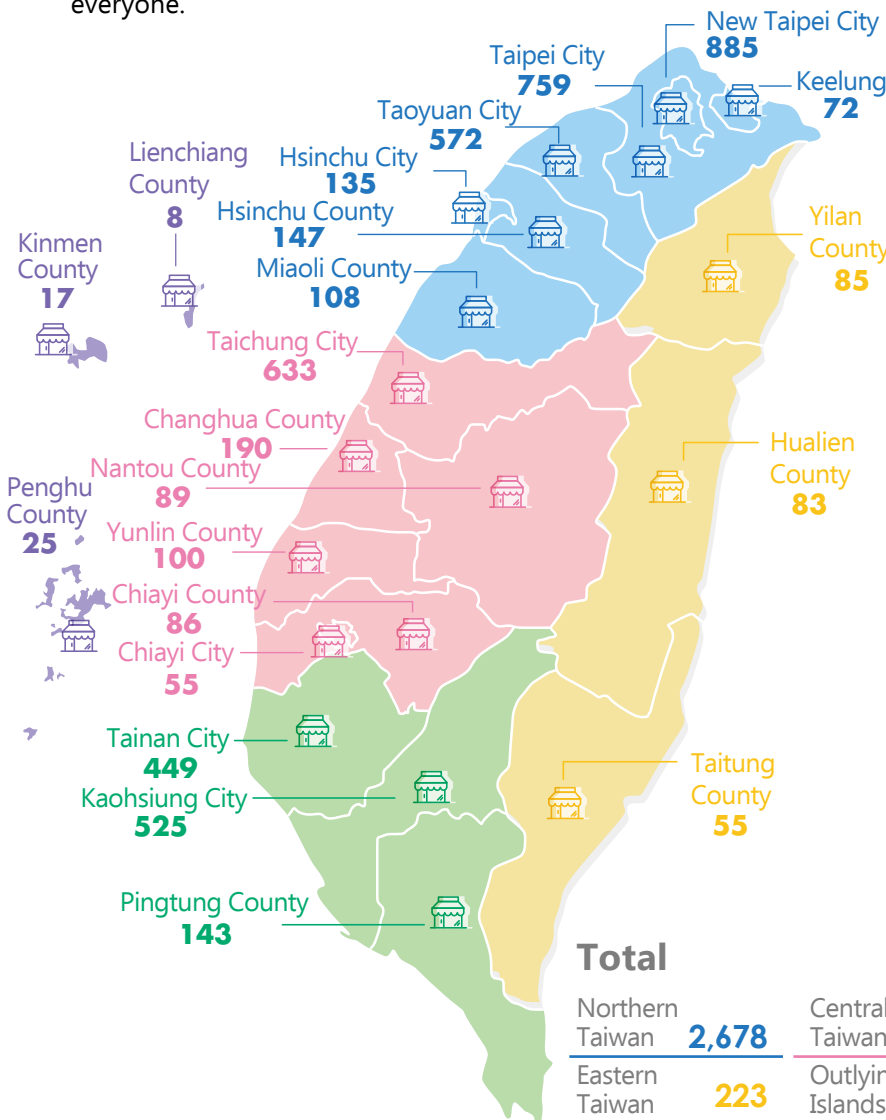
1.1 Company scope and background

Since our founding in 1978, the President Chain Store Corporation has cultivated the Taiwan market taking its place as an outstanding retail operator providing consumers with services to make their lives more convenient while fulfilling our social responsibility to the people. "Sincerity, innovation, sharing" are our company culture, and we strive to create the maximum common profit for all stakeholders to drive social stability and continue to improve. Our goal is to become a prosperous company that actively internalizes CSR into the core of our operations and regards our retail locations as points of prosperity, in the hopes that we can bring together aspirations, corporate governance, products and services. We try to enhance communication of our CSR achievements and not only wish to improve ourselves, but to extend our impact into the value chain and lead suppliers and satisfy customers as we spread that prosperity to everyone.

Scale of the Organization

Company name	President Chain Store Corporation
Number of employees	7,877
Year established	1978
Chairman	Lo, Chih-Hsien
President	Chen, Jui-Tang
Location of headquarters	2F, No. 65, Dongxing Rd., Xinyi District, Taipei City, Taiwan
Capital	NT\$10.396 billion
Total number of stores	5,221 stores

As of December 31, 2017



A prosperous base

PCSC has high density store expansion with many kinds of store format. Originally located on streets and in communities, our locations have spread to different spaces and fields, from cities to the countryside, from mountains to the sea, from Taiwan to outlying islands. Whether it's in a school, an MRT station, a train station, an HSR station, a hospital or a shopping center, there will be a PCSC retail stores to satisfy the real-time, diverse needs of consumers. We constantly keep a finger on the pulse of consumers, and innovate with our operations to keep pace with the ever-changing face of the market and provide products and services that are in line with what a particular local area needs. This makes our store locations into a center for everyday convenience for consumers from all walks of life, and drives the prosperity of the surrounding commercial area.

1

President Chain Store Corp. - A Prosperous Company




Brand management, trusted products and innovative services

PCSC has dense store locations, high-frequency logistics system and real-time information system. Thus, we introduce stable and highly effective platform. Since our founding, the company has come to play an indispensable role in the lives of consumers.

We are good at discovering the latent needs of consumers, with "convenience" as our core concept. Whether it's the first 24-hour retail model, promotion of bill collection services, ATM machines, or delving into the fresh food industry, and promoting our own brands (iseLect, UNIDESIGN, CITY CAFE), international purchasing and products for pre-purchase, we embody the product power of a major retailer, creating a new model for the market.

To provide consumers with comprehensive convenience in their lives and create a high-quality shopping experience, we constantly innovate. We bring in rich and diverse products, cutting-edge services, and marketing events that create buzz. We are re-writing the definition of a convenience store on all levels, leading consumers to a totally new experience. We strive to do better at our corporate social responsibility, with sustainable operation as our strategy, and forging a friendly relationship between the enterprise and the environment.

In the future, based on the operations of our stores on value, guaranteed quality, outstanding service and cleanliness (VQSC) to engender structural change and create sustainable growth so that our products and services serve consumers as a solution. We are confident that through hard work and ethical corporate management practice, PCSC will become the most trusted corporate brand.

Brand	iseLect. istyle My choice, my style 	UNIDESIGN About life. You deserve better 	CITY CAFE In the city, exploring the city 
Brand Story	Represents products carefully chosen for 7-ELEVEN, as well as the product that consumers like! Everyone has his own style, a unique thing, filled with taste. iseLect can satisfy consumers from all walks of life, and they can freely select what they want. Best of all, the self is reflected here, with the hundreds of lifestyle and style choices that best represent you! This is iseLect!	UNIDESIGN arose from people's thoughts about life. It brings a revolution in the tactile, visual, olfactory and functional in life. Bit by bit, it enriches all of our lives. An ordinary day becomes extraordinary.	The place where coffee is produced is the key to its flavor. Every cup of coffee in the hands of our consumers is the best right from the tree. We strive to make every single cup the best starting with the bean on the tree, through refining, roasting, quality assurance and testing, and the machines and employees in our stores ensure its quality by testing hundreds of cups. It's the only way to bring our customers a cup of "Uncommon CITY CAFE".
Products	Beverage Health beverage Alcoholic beverage Limited products Water zone Recreational foods Frozen foods Instant series	Beauty Household goods	Coffee Special flavor Tea



Store operations	The concept is to bring customers a more comfortable, friendly shopping space, not only continuing to promote large stores and specialty shops, to provide consumers with a shopping space that simultaneously provides an experience, entertainment and education, but to further use the concept of "life in the future" to integrate the special characteristics of the retail area to provide customers with a diversified shopping experience.
Food safety	We use measures like contractual cooperation, production site management, ingredient tracing mechanisms and systems, supplier grading, management and on-site assessment system, distribution centers and periodic store checks, as well as occasional sampling of raw materials and finished products, to keep a tight grip on the entire supply chain from production to store. We are continually setting up rigorous food safety protection networks for our consumers.
Product characteristics	We continue our technical cooperation with Japanese manufacturers to bring out diverse and tasty fresh food products to satisfy our consumers' demands. CITY CAFE continues to optimize the quality and flavor of its coffee, and CITY tea has added bubble products for the first time, bringing continued growth in business. Additionally, PCSC carefully select international foodstuffs from Japan and Korea. Also, iseLect and UNIDESIGN brands and other famous domestic and international strategic partnerships to ensure that it has the high-quality food products and articles for daily use to satisfy our customers' search for good taste and a personalized lifestyle.
Digital platform	In 2017, more than 150 million items were delivered, sent, or picked up, providing peace of mind and convenience for distribution services. Moreover, upgrades continued on ibon, and with the ibon smartphone app and other digital service platforms, in response to consumer trends, we are cooperating with financial operators to provide diversified payment tools, providing consumers with diverse, convenient, time-saving services. Since 2016, icash 2.0 has continued to build a transportation mobile payment blueprint, in conjunction with the OPENPOINT promotion of diverse events to gradually create the most convenient, digital lifestyle for consumers.

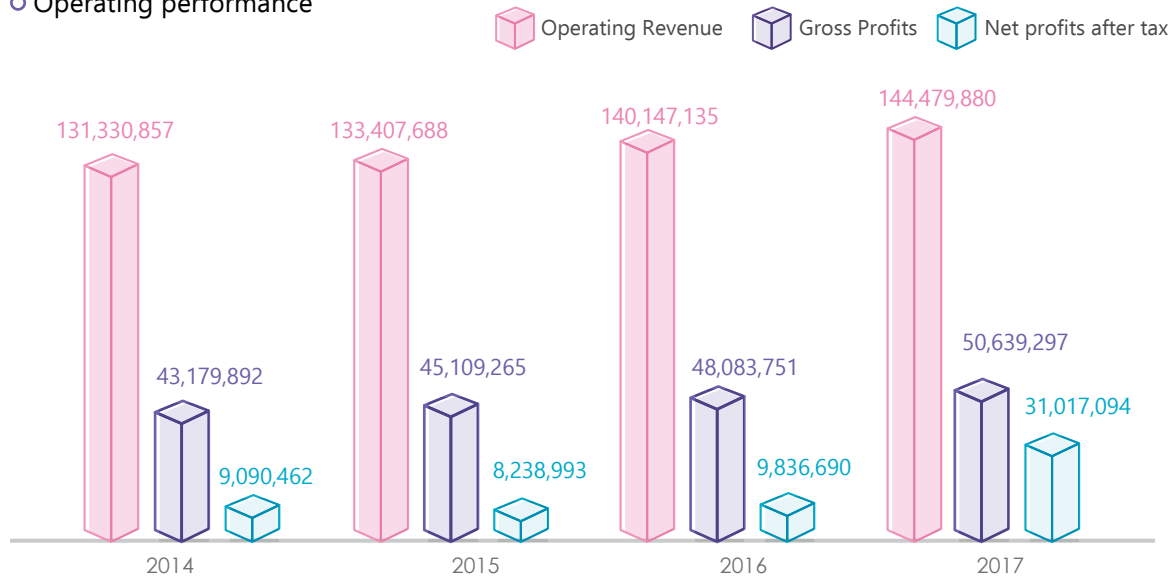
Financial results

Given the slow global economic recovery in 2017, together with sweeping changes to labor law in Taiwan, businesses faced stiff challenges. But in spite of the instability in the external environment, PCSC has become a convenient, trustworthy and pleasant business district life center for customers, while continuing to provide consumers with innovative, convenient services. Our operations have continued with stable and healthy growth, and looking to the employment and economic growth portion of the SDGs, PCSC continues to use diversification, technology and innovation in services to create more economic profit.

In 2017, operating revenue totaled NT\$144,479,880,000, gross profits reached NT\$50,639,297,000 and Income tax was NT\$5,483,957,000. Net profits after taxes was NT\$31,017,094,000 and earnings per share (EPS) was NT\$29.83. Dividends per share was NT\$25, an increase of NT\$17 over the previous year, while return on equity (ROE) reached 78.3%. It is our responsibility to provide shareholders with a long-term investment value with stable profits and growth. Our dividend policy provide our shareholders with stable dividend per share. Please refer to the PCSC consolidated and individual financial statements publicly available on the Market Observation Post system for details of 2017 financial performance.

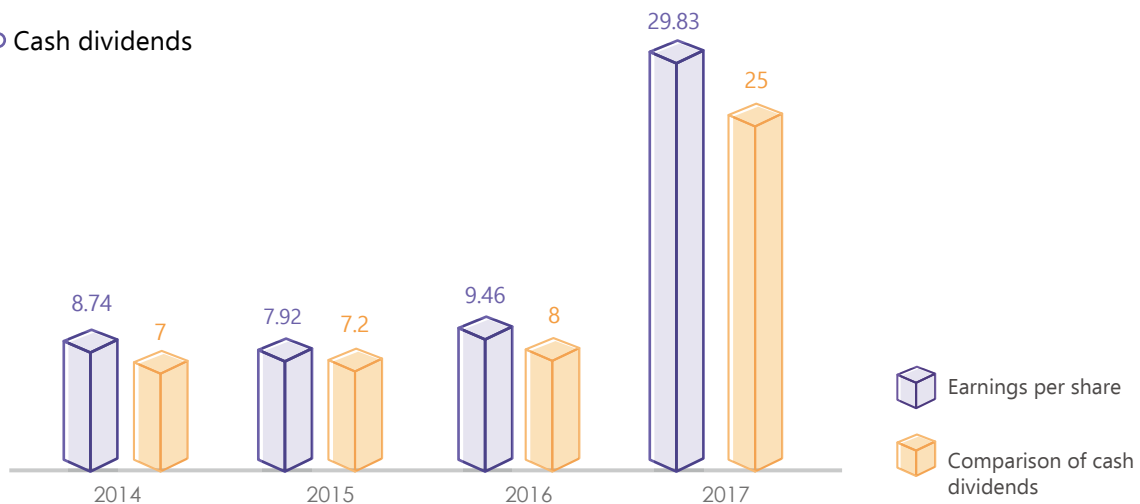
To maintain excellent communication with investors, PCSC organized and attended 5 domestic/international investor conferences in 2017; we also took part in 144 one-on-one investor meetings to help investors understand the future business direction and prospects of PCSC.

○ Operating performance



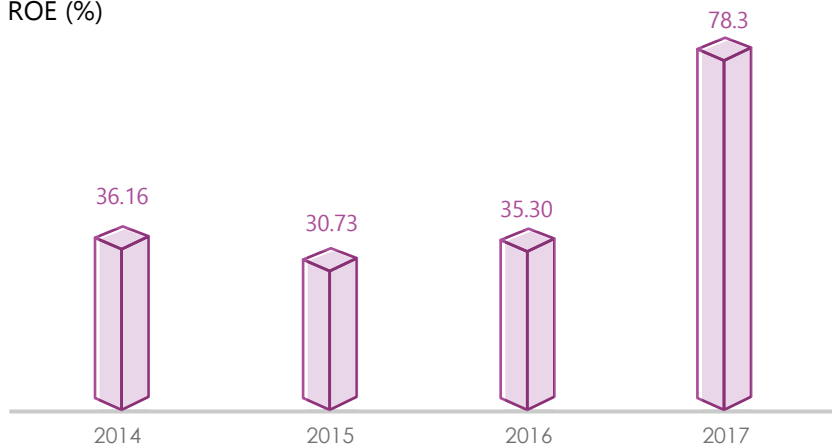
Note: The 2013 edition of IFRS was adopted from 2014 onwards, therefore revisions were made to related items in 2014

○ Cash dividends



Note: The 2013 edition of IFRS was adopted from 2014 onwards, therefore revisions were made to related items in 2014

○ ROE (%)












Note: The Starbucks deal in 2017 had a one-time impact of NT\$20,435,000,000, but if the impact of this deal is ignored, profits attributable to the parent grew 7.57% compared to the previous year; earnings per share (EPS) increased NT\$0.72, and return on equity (ROE) was 36%.



Support for International Initiatives and Participation in External Organizations

PCSC actively participates in industry association events. The two issues PCSC focus on are "Food Safety" and "Sustainable Operations". On the food safety front, we serve as the director-general of the ROC Fresh Food Development Association, and donated NT\$5 million as operating expenses for the association. The association primarily works on: 1. Establishment of supply chain management platforms; 2. Ingredient development and product quality control (standardization/regulation/quality and source management); 3. (new) Manufacturing process/equipment/technology assessment and introduction; and 4. Public relations (communication with government agencies/research organizations). In terms of sustainable operations, we also participate in the Business Council for Sustainable Development of Taiwan(BCSD- Taiwan), and have donated NT\$120,000. Through regular and random meetings held by each industry association, the members grow closer together to increase cooperation and networking between peers.

List of External Public Associations Memberships	Capacity	Focus topic	Amount donated
Taiwan Delica Foods Development Association	 Director	Food safety	NT\$5,000,000/year
The Business Council for Sustainable Development of Taiwan	 Supervisor	Sustainable development	NT\$120,000/year
Marketing Communications Executives International	 Member	Sustainable development	NT\$15,000/year
Taipei Department Stores Association	 Member		NT\$4,500 semiannually
Chinese National Association of Industry and Commerce, Taiwan	 Member		NT\$20,000/year
Taiwan Coalition of Service Industries	 Director		NT\$5,000/year
Taiwan Chain Stores and Franchise Association	 Director		NT\$30,000/year
Chinese Non-Store Retailer Association	 Director, Supervisor		NT\$20,000/year
Zero Energy Building Technology Alliance	 Member		Sustainable environment

(Note) This union has collected NT\$10,000 per year for the past two years, but after that the organization's surplus was sufficient so that no further fee were collected as dues.

External Recognition






PCSC has long worked to maintain a positive, passionate, and energetic brand image. We have been listed in the top 5% for corporate governance evaluation for three consecutive years, and were selected for the MSCI global sustainability index, FTSE4Good Emerging Market Sustainability Index, and the Taiwan Sustainability Index. We also received CSR-related awards from the public and private sector. Major awards received in 2017 are listed below:



Major awards received in 2017

PCSC



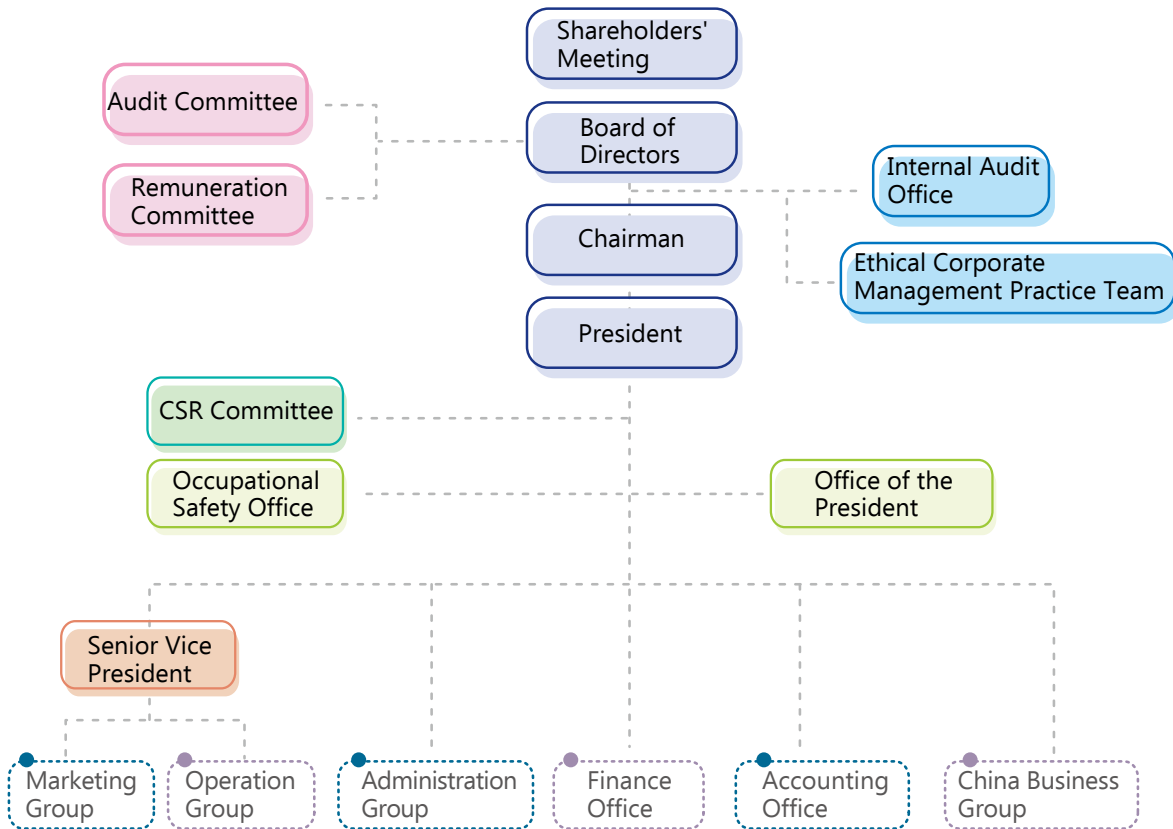
-  Ranked 1,647th in "Forbes" Global 2000
-  Ranked in the top 5% of the "3rd Corporate Governance Evaluation"
-  Included in the TWSE Corporate Governance 100 Index
-  Selected for the FTSE4Good Emerging Index
-  Selected for inclusion in the MSCI Global Sustainability Index
-  First place in Commonwealth Magazine's "Commonwealth Gold Medal Service Industry Survey" and "CSR Industry Citizen Prize" among large companies
-  Next Magazine's "Service First Award" winner for its industry
-  First place in Business Weekly's retail category for "Taiwan's Top 100 Influencer Brands Survey"
-  Taipei City Government "2017 Outstanding Green Procurement" award
-  Digital Times's "2017 Future Commerce Award" for Innovative Business -- Silver Medal for Best Product Innovation
-  ibon platform and ibon APP won ECI awards - Business Model Innovation Award "Practical Economics - Consumer Level Gold Award"
-  TCSA enterprise sustainability report gold medal





1.2 Corporate Governance

PCSC places great emphasis on transparency of operations and corporate governance. The company believes firmly that improvements to operation are our long-term operating goal, namely establishing a good governance system and a healthy supervision function for the Board and enhancing management function.



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President Chain Store Corp. - A Prosperous Company

Board of Directors

PCSC's Board of Directors consists of 13 directors (including 3 independent directors). They serve a 3 year term, and a nomination system is used whereby shareholders select names from a list of candidates. The average age of board members is 59, and the members includes 2 female. The education, professional backgrounds and remuneration for directors can be found on pages 15-20 of the 2017 annual report. This may be downloaded from the Market Observation Post System or on the investor relations web site <http://www.7-11.com.tw/company/ir/>). Per the regulations set forth in the "Regulation Governing Procedure for Board of Directors Meetings", to avoid conflicts of interest among those at the highest levels of governance for the company, Board members who find they or a juridical person they represent has an interest in a matter before the Board which could cause harm to the company's interests may state their opinion and provide consultation, but may not participate in discussion or voting, and must remove themselves during discussion and voting time. They also may not hold a proxy for any other director. Moreover, the Board of Directors must meet at least once per quarter, to consider the company's operating results and discuss the company's development strategies and major investment issues. From 2017 through the end of February, 2018 (prior to the printing of the 2016 annual report) the Board met 9 times, with an average attendance rate of 96.6%.

Audit Committee

Based on the regulations of the "Regulations Governing the Exercise of Powers by Audit Committee of Public Companies", PCSC established an Audit Committee on June 21, 2012. The Audit Committee assists the Board of Directors in its supervisory duties and is responsible for the duties set forth in the Company Law, the Securities and Exchange Act and other relevant laws and regulations. The Committee is composed of three independent directors with Shu, Pei-Gi as convener. It meets at least once per quarter. From 2017 through the end of February, 2018 (prior to the printing of the 2016 annual report), the Board of Auditors held 8 meetings, with an attendance rate of 100%.

Remuneration committee

Based on the dictates of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter", PCSC established a Remuneration Committee on August 19, 2011. This committee primarily assists the Board of Directors in implementing and assessing the company's overall remuneration and benefits policy, as well as the remuneration for Directors and managers. The Committee is composed of three independent directors with Wang, Wen-Yeu the convener. It meets at least 2 times per year. From 2017 through the end of February, 2018 (prior to the printing of the 2016 annual report), the committee held 3 meetings, with an attendance rate of 100%.

Ethical corporate management

Anti-corruption, transparency and responsibility are the basic management principles at PCSC. In step with worldwide trends and legal requirements, in 2015 PCSC established its "Ethical Corporate Management PracticeTeam". The team is under the Board of Directors, and is responsible for setting ethical management policies, molding corporate culture and establishing good risk management mechanisms for healthy, sustainable corporate operations and development. The "Honest Operation Team" drafts the "Corporate Governance Best Practice Principles ", the "Ethical Corporate Management Best Practice Principles " and the " Ethical Corporate Management Operating Procedures and Code of Conduct ", and enhances employee knowledge, while simultaneously handling notifications on ethical management and promoting "ethical management" activities throughout the company. By means of self-discipline pact signing events, the team promotes good behavior models throughout the employee base. The team periodically reports to the Board of Directors on the status of its work.

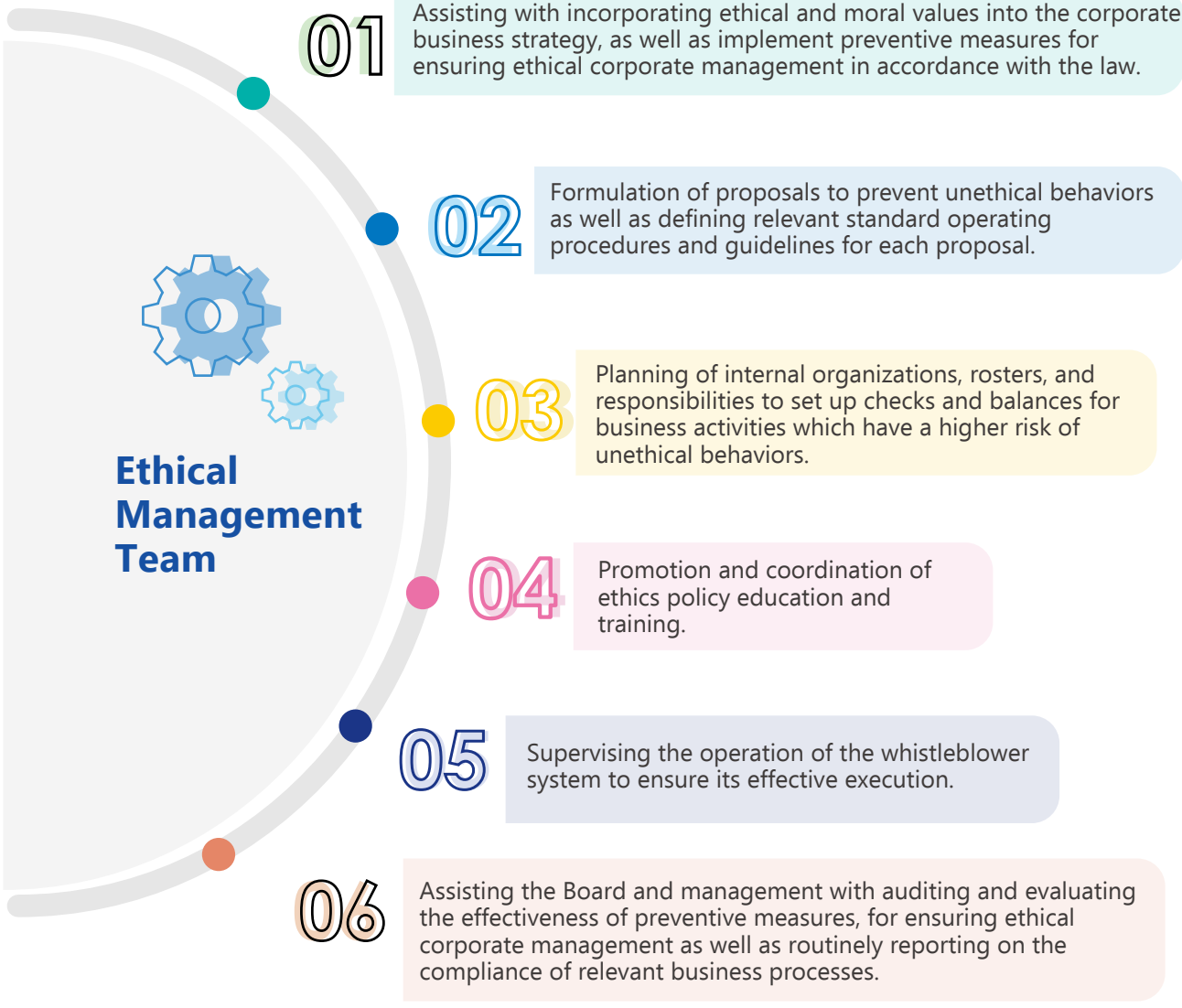
In terms of internal ethical corporate management, the team compiled an online course in ethical corporate management, and as of December 31, 2017, 100% of Backoffice personnel and store managers had completed the course. The main thrust of the 2017 efforts in ethical operations focused on legal issues that were significantly affect our operations and which were widely found. An example is Fair Trade Act and Labor Standards Act.

To promote ethical operations outside the Company, PCSC has established prevention measures to actively and openly express our commitment to ethical operations. In the PCSC supplier agreements, a clause requiring "honesty and no acceptance of bribes" was added in 2013, requiring suppliers to adhere to ethical operation as well, and preventing any dishonest business practices from occurring. This protects the common interests of both parties. Beginning in 2016, clauses related to corporate social responsibility were added to agreements with major suppliers. If suppliers violate the policies, causing a discernable impact to the source community's environment or society, the contract may be suspended or terminated at any time. In 2017, PCSC had 964 supplier contracts and 278 standard purchase contracts. All included sign-offs on ethical operations and corporate social responsibility clauses, implementing PCSC core values.



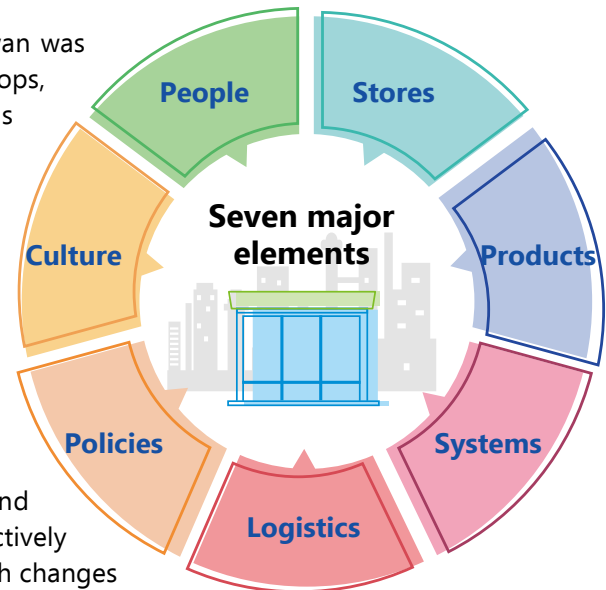
In addition to our core value of ethical operations, it is also committed to properly disclosure of information. In May of each year, we disclose the status of the company's promotion of ethical operations on our official website and in our annual report. There are 1,361 instances of feedback from stakeholders were received between January and December of 2017. Most of these were inquiries and opinions about general matters from Joint Service Centers, with feedback and questions about employees and franchise development next in number.

To encourage employees and management to communicate directly with one another, the company has set up a Joint Service Center, email addresses and dedicated stakeholder areas on the official Web site to assist in answering employee questions. It has also established an internal inquiry system that provides timely interaction with employees so that they may fully express their opinions to the company's management. In addition, there is an internal communication platform for timely dissemination of all types of information to all employees. Our Internal Audits Office and Joint Service Center both have hotlines and PCSC's corporate stakeholder page for stakeholders to use as a conduit. Moreover, we have set up comprehensive systems and mechanisms to ensure that stakeholder feedback and opinions are handled appropriately. When a stakeholder uses a dedicated address on the Web site, the information goes through the system and is sent to the responsible department. The responsible windows are requested to report back on their progress on the issue within a set period of time and the company does monthly tracking of the number of open issues and progress in handling them.

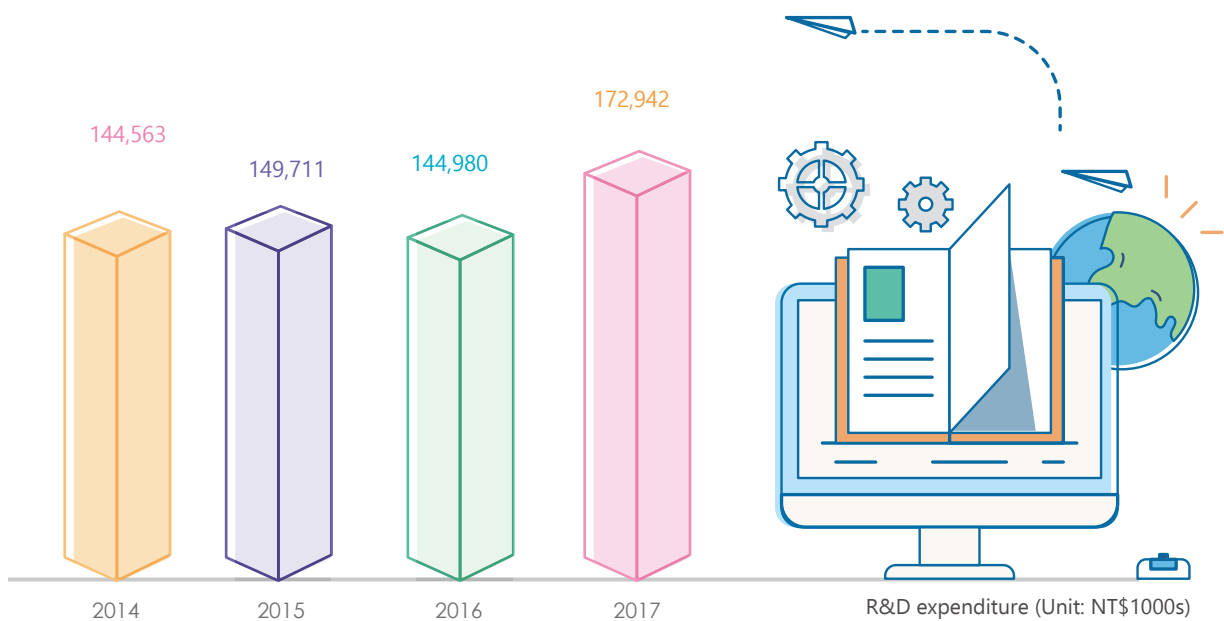


1.3 Operating strategy and management

Although the overall operations environment in Taiwan was quite challenging in 2017, PCSC believes in people, shops, products, systems, logistics, mechanisms, culture as foundation. We constantly moving ahead from the past and over competition, creating new highs in operations. In addition to establishing stores in new areas, enhancing fresh foods and the fresh "City Blends" coffee structure, and moving into digital services, PCSC has pushed out an e-wallet with stored value, payment and points functions. This gives local residents a more convenient experience.



PCSC brings together many innovative products and services and continues to deepen our efforts more actively rolling out the power of technology. To keep pace with changes in consumer models and competition, in 2018 we first announced our future "X-STORE". This is based on three concepts: exploration, experience and excellence. On the foundation of intelligent retailing, this showcases Taiwan's strength in technical operation of convenience stores both in Taiwan and worldwide to make the fortunate and convenient life of the future. In 2017, PCSC invested NT\$172,942 into related development and research.



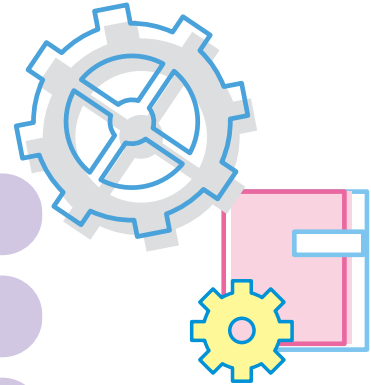
In the future, PCSC will continue to hold fast to the idea of "pledging to become the best retail operator, to provide the most convenient services in life, and excelling at social responsibility" as its mission. CSR is not only the direction for this company's development, it is our core operating value. PCSC always brings together a prosperous company, the common good of society, and a sustainable earth, and emphasizes caring for our partners, developing our stores, and creating new products and services to create a positive cycle for the company and all of society.



Long- and short-term business development plans

01 Short-term business development plan

- 1 Continue business district integration and establish a competitive base of large stores.
- 2 Strengthen the autonomy of individual stores and create an advantage through differentiated operations.
- 3 Enlarge the integration of the physical and the virtual and grasp business opportunities in the virtual service area.
- 4 Optimize the operations base, establishing power for mid- and long-term development.



02 Long-term business development plans

- 1 Optimize the franchise mechanism to create a win-win situation.
- 2 Thoroughly implement value marketing, to improve the consumer experience.
- 3 Implement lean operations, and make full use of resources.
- 4 Integrate the group's resources and seek stable profits.
- 5 Actively develop talented people to ensure sustainable operations.

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President Chain Store Corp. - A Prosperous Company

Risk management

We do our utmost to maintain a comprehensive system of risk management, and to bring the entire group and all subsidiaries under this risk management. From the company's Board of Directors and management at all levels to employees, all participate and promote this. In addition to respecting all laws and regulations, the company also considers the potential risks it could face in any business activity, and proactively looks at the type of risk and the potential impact in identifying, analyzing, balancing, monitoring, responding to, reporting on and improving handling of the risk. At the same time that it rationally protects the company's achievement of its strategic goals, this also effectively holds and controls potential relevant risk. Primary risk management organizations and various risk management initiatives and the units responsible for them are as follow:

Risk type	Implementation of risk management	Responsible unit
Strategic operational risk	<p>1. Business groups and subsidiaries plan and assess risk before deciding on investment and operations. The President's office periodically performs analyses of related indicators and holds PCSC and affiliated enterprises quarterly meeting. There is also periodic oversight of specific types of affiliated enterprises cases, with tracking and analysis of business results to ensure that each business unit's operational strategy conforms to the operational goals and vision.</p> <p>2. The company takes a mid- and long-term view of food safety risk and maintaining franchise discipline. Because the existence of food safety risk can seriously impact the company's image, and impact the company's income and profits. A product safety process controls mechanism has been established to enhance the management of the supply chain as a long-term effort on the part of the company; to keep individual shops growing and the overall operations of the company stable, PCSC continues to optimize its franchising mechanism, improving the remuneration to franchisees, and keeping franchises in good order. This is another adaptive measure the company is taking.</p>	Office of the President/ marketing groups/ operations group
Finance, liquidity and credit risks	PCSC's finance office takes laws, policy and market changes into consideration when setting various strategies, processes and indices, periodically analyzing and assessing changes to related risk and taking appropriate countermeasures to reduce the company's overall potential risk.	Finance Office
Market risks	<p>Various business units, based on function, analyze and assess major domestic and foreign policy, law and technological changes and adopt appropriate countermeasures to reduce future potential operating risk. Moreover, PCSC also has an inter-division Regulation Identification Committee and periodically holds "Regulation Identification Meetings" to keep constantly abreast of the newest changes to laws and regulations so as to be able to adopt appropriate countermeasures. Additionally, each unit's supervisors also establish a "Crisis Management Team" to effectively control and manage any potential or current market risk or crisis. New risk assessment mechanisms evaluate legal risk by objective quantitative data for better improvement and tracking.</p>	Various business units/ Regulation Identification committee/crisis response teams
<p>The internal Audit Office uses risk assessment and laws and regulations to set annual audit plans and proactively monitor processes and methods. Through the execution of audit plans and other monitoring activities, we constantly control the above types of potential risk and periodically presents its results to the Board of Directors.</p>		

Climate change risk and adaptations

PCSC is conscious of the ever-increasing seriousness of climate change and its damage to the earth. This is causing governments worldwide to adopt compulsory measures to control activities in various industries that are related to climate change. This has become a major challenge for operations. Although Taiwan has yet to place compulsory legal measures on retailers, PCSC is a standard bearer in this area. Operational procedures and the lives of the people are inextricably intertwined, and we realize that it has an obligation to be mindful of climate change risk and the impact climate change brings to the earth. As a result, PCSC began to use the Greenhouse Gas Protocol (GHG) as a standard for GHG inventories since 2005. It enables to better understand the company's emissions and find appropriate actions to reduce them. In addition to this, the company also actively seeks ways to conserve energy, improve the efficiency of equipment and enhance education and training in an effort to be a low-carbon enterprise. Details on KPI and implementation results can be found in the Environment chapter.



Crisis management

A crisis can strike as quickly and as lightning. To improve PCSC's sensitivity to issues, in 2013, the company established a cross-departmental "Crisis Management Team" which acts per the internal "Crisis Management" mechanism to organize the prevention, handling and resolution of crises.

Moreover, it looked at the parent company, Uni-President Enterprises, and published a 3rd edition of the "PCSC Crisis Management Handbook" on February 14, 2014. The head of Administration Group serves as convener to ensure consistency in actions taken. The supervisor of the unit responsible for a particular crisis acts as lead, leading the different units in action. Media contact is handled by a single spokesperson, who is the responsible person for the Public Affairs Department. The handbook primarily refers to the parent company, Uni-President Enterprises, crisis handling principles to enhance and update the structure, and lays particular emphasis on the spirit of being responsible and being proactive. Consequently, there are descriptions of duty groups, grasping business, inter-unit communication mechanisms and so forth. Moreover, to ensure that the responsible units are able to quickly find a reference when an emergency does occur, types of crises are categorized, for example, product quality discrepancies, false advertising, etc. The business units are clearly divided into five categories: Operations Group Crises, Marketing Group crises, Financial Office Crises, Administration Group Crises, and other crises.

When handling a crisis, methods need to be adapted in response to prevailing conditions. To do this and hold fast to the core principle of "honesty", communication targets are expanded to encompass employees, customers, and news media, so that those within the company feel secure and those outside are assured of the company's trustworthiness. This augments the practicality of the handbook. We also invited managers from various departments to engage in internal discussions and simulations such as the procedures for handling incidents related to food safety. Through the use of occasional simulation exercises, the company's employees develop a crisis consciousness and when an actual crisis occurs, they are all able to respond in a timely manner, turning the crisis into an opportunity. At the same time, this reduces the impact of various crises on the company's operations and income, protecting the interests of all our stakeholders.

Structure of the Crisis Team

