

President Chain Store Corp.

Analyst Conference

March 28, 2016

Agenda

- 2015 Achievements and Results
- 2016 Outlook
- Ending Remarks
- Q&A

Achievements in 2015

1. Be listed on MSCI Global Sustainability Indexes and TWSE Corporate Governance 100 Index, ranked as top 5% by Taiwan Corporate Governance Evaluation System.
2. Continue to be listed as the top 250 retailers around the world by Deloitte.
3. Establish Material and Quality Assurance System(MAS) to further strengthen fresh food traceability mechanism.
4. Improve profitability of franchisees by adjusting franchise profit-sharing program.
5. Sold 280 million cups of CITY CAFE and generated NT\$10.6 billion revenue.

Achievements in 2015

6. Upgrade the quality of point-collection campaign by cooperating with renowned brands.
7. Diversify store formats with distinctive design to enrich customers experience .
8. Integrate ibon and ibon APP to provide more convenient E-services.
9. Issue icash co-branded credit cards with 7 different banks in Taiwan, and further extends points exchange platform.
10. Cosmed and Takkyubin' s revenue exceeded NT\$ 10b. Philippine 7-11 is now available nationwide with over 1,600 stores. Shanghai Starbucks' revenue surpassed RMB 4b, and store number exceeded 900.

2015 Financial Results

Financial Highlights

◆Historical revenue and profit

Unit:NTD billion

	2011	2012	2013	2014 (adjusted)	2015	2014 V.S. 2015
Revenue (Company Only)	122.7	124.8	126.9	131.3	133.4	+1.6%
Revenue (Consolidated)	189.3	192.6	200.6	200.4	205.5	+2.5%
Net Profit	6.4	5.9	8.0	9.1	8.2	-9.8%
EPS (NT\$)	6.11	5.69	7.73	8.74	7.92	-0.82

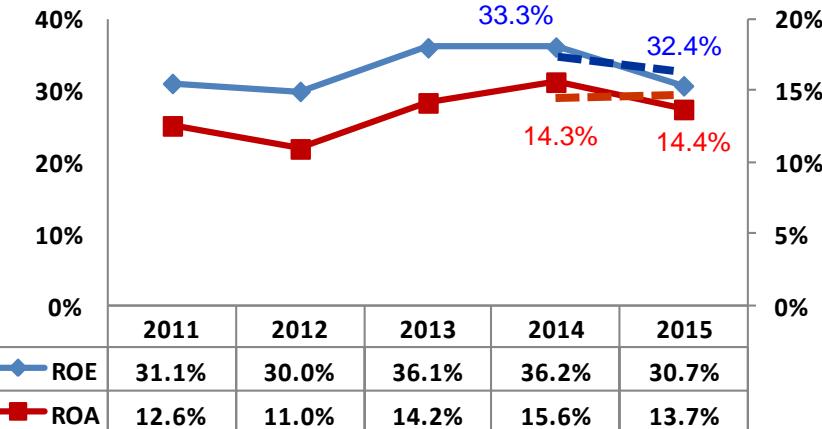
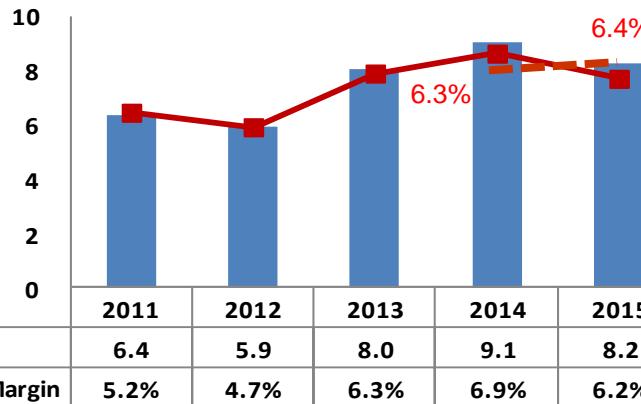
Note1 : Numbers are under ROC GAAP in 2011, under IFRS in 2012~2015.

Note2 : Numbers in 2014 are adjusted based on the updated IFRS for joint-venture subsidiaries.

Profitability Trend

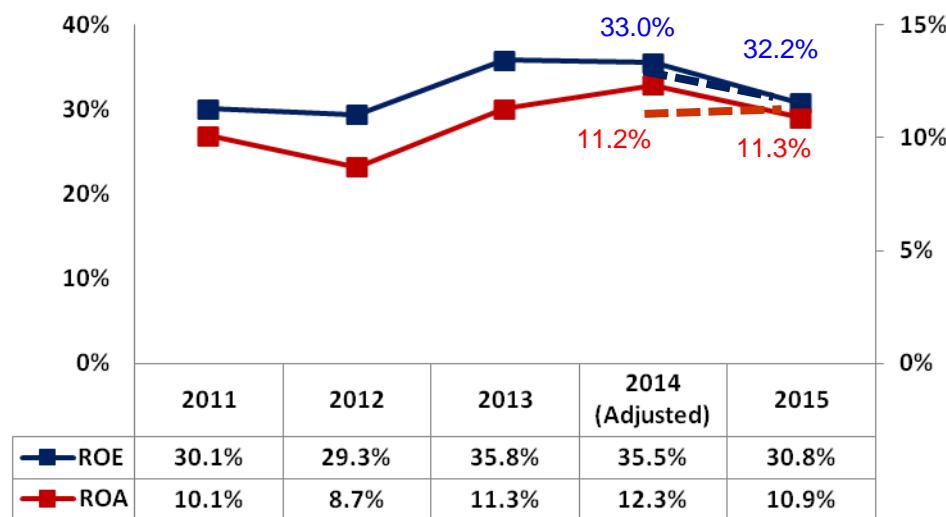
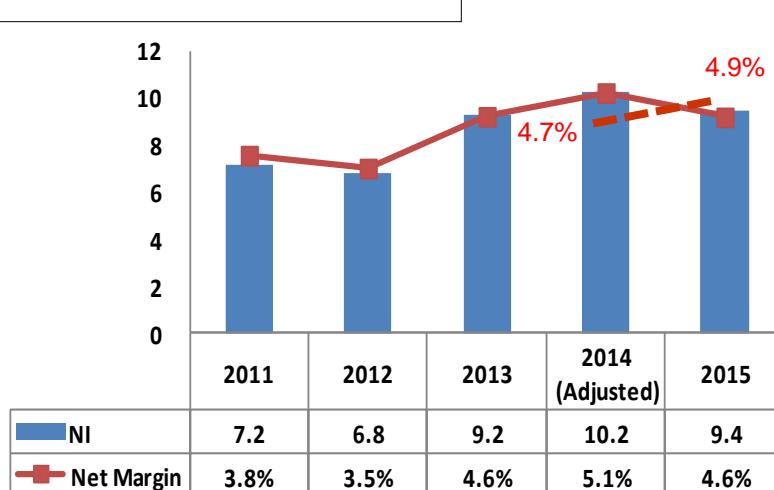
Company Only

Unit: NTD billion



Consolidated

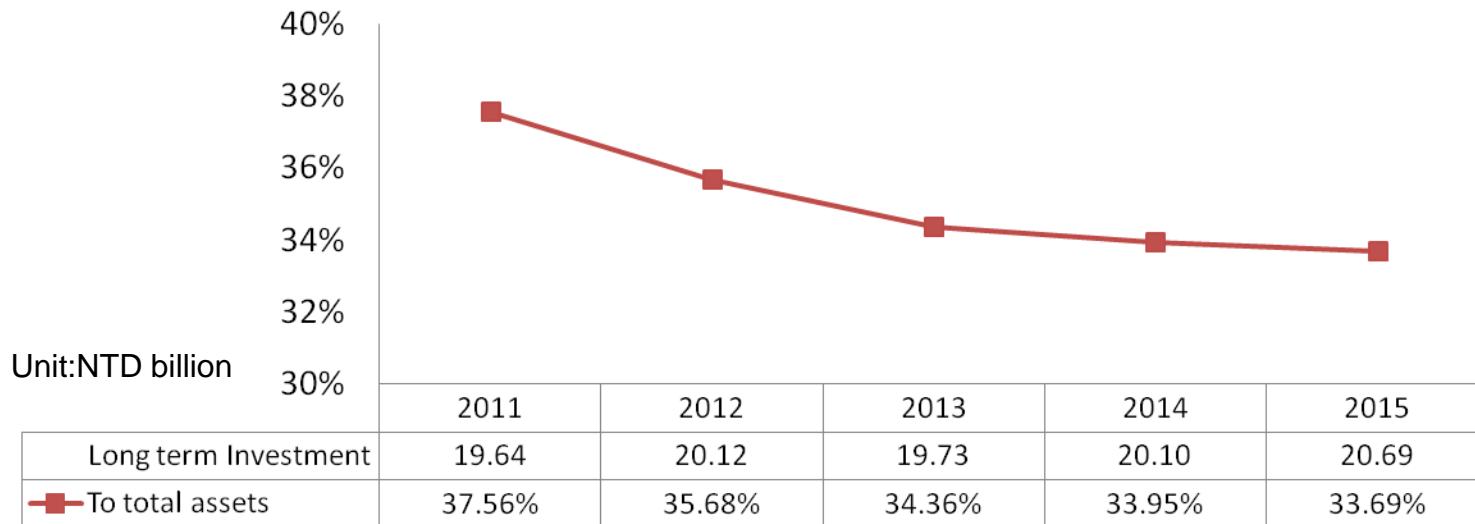
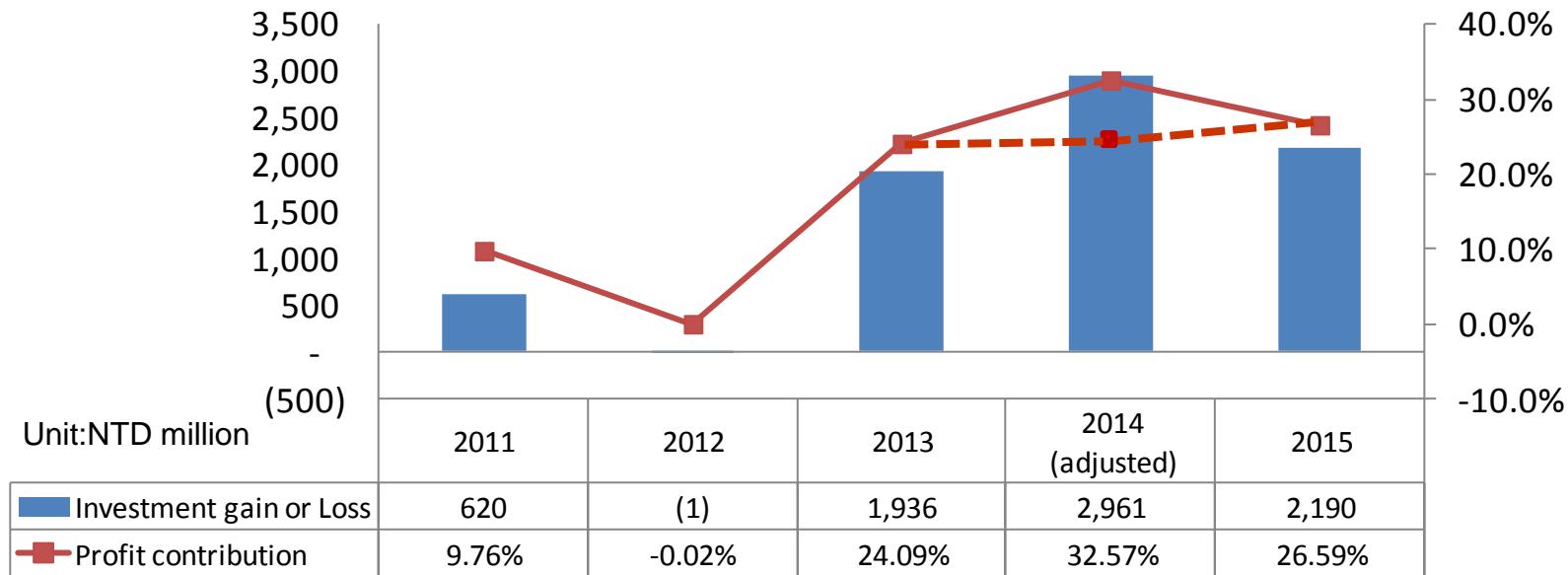
Unit: NTD billion



Note1 : Numbers are under ROC GAAP in 2011, under IFRS in 2012~2015.

Note2 : Numbers in 2014 and 2015 are adjusted on MUJI disposal gain and profit-sharing program respectively for like-for-like comparison.

Subsidiaries Contribution Trend



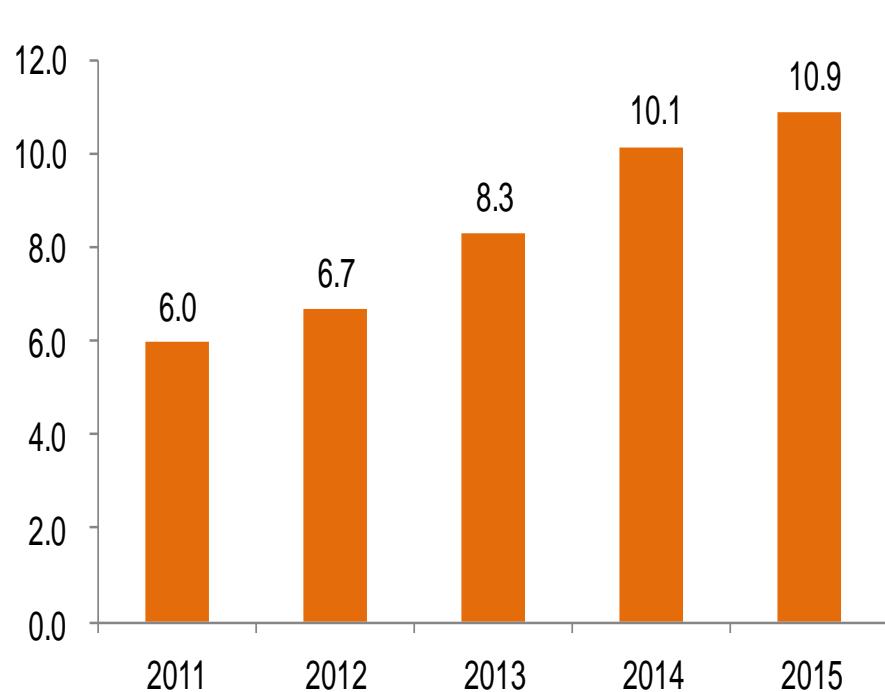
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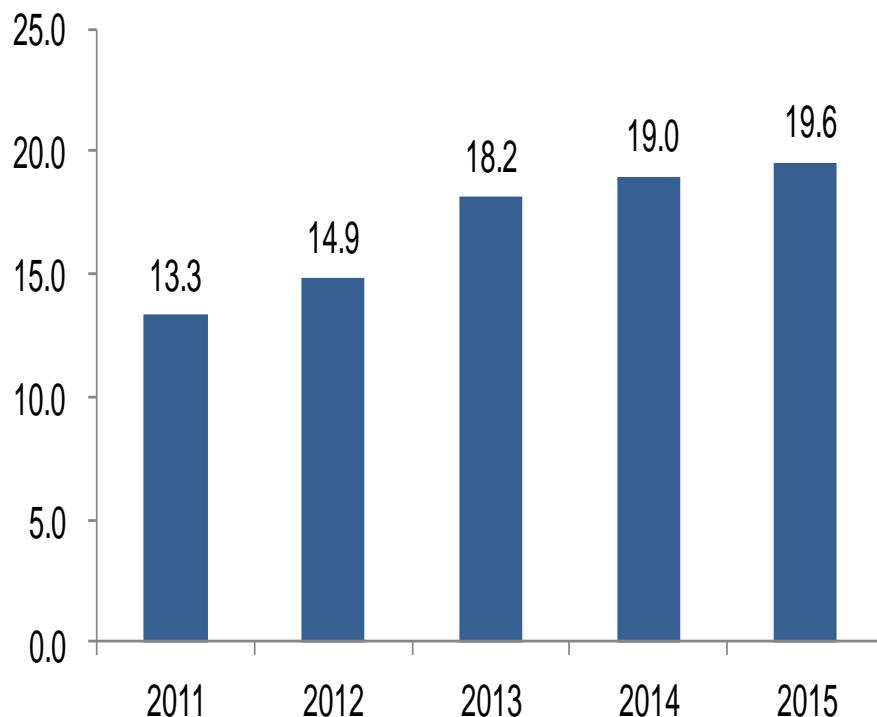
Cash Flow Trend

Unit:NTD billion

Net Cash(Company only)

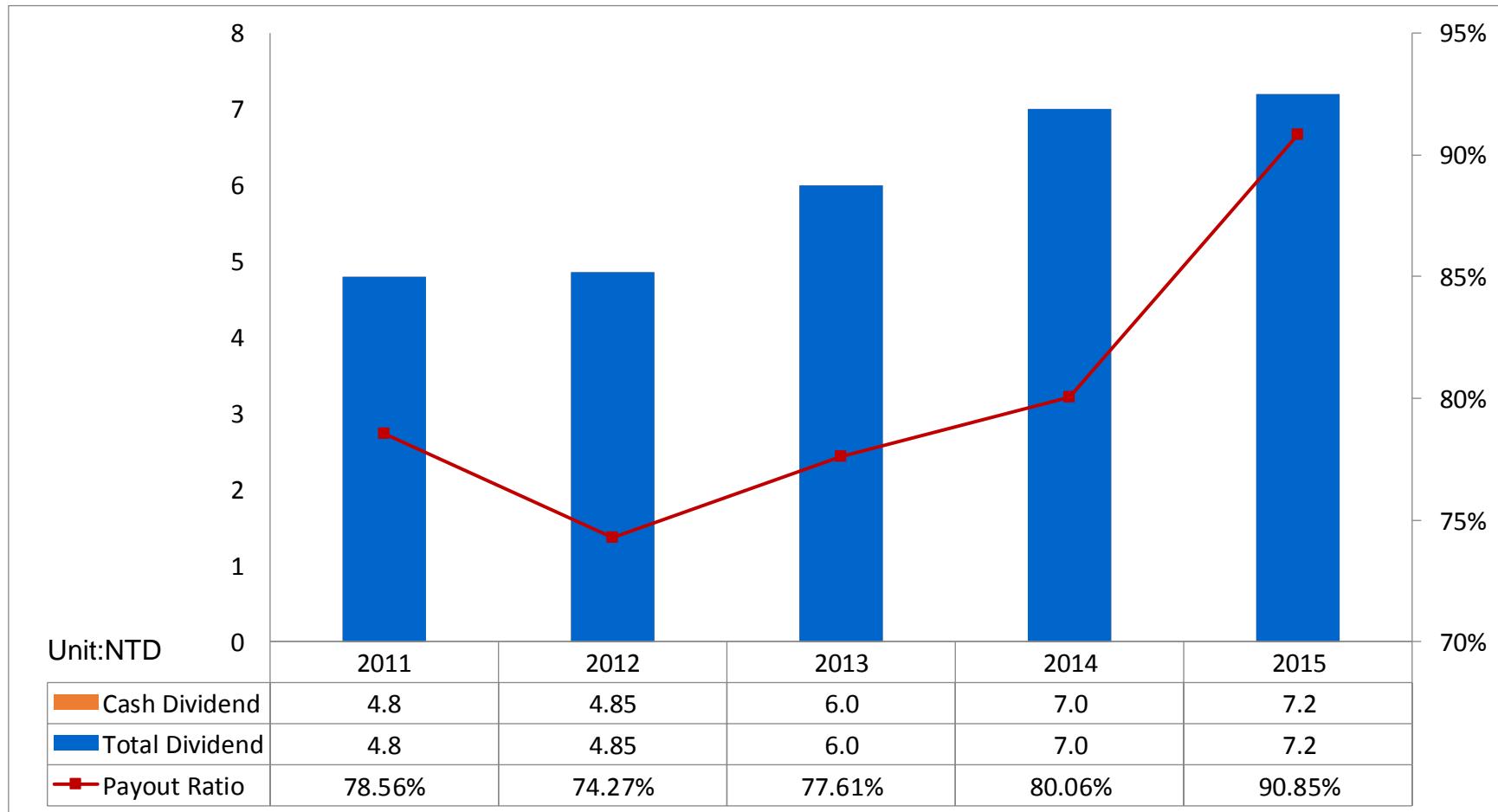


Net Cash(Consolidated)



Note : Numbers are under ROC GAAP in 2011, under IFRS in 2012~2015.

Cash Dividend Trend

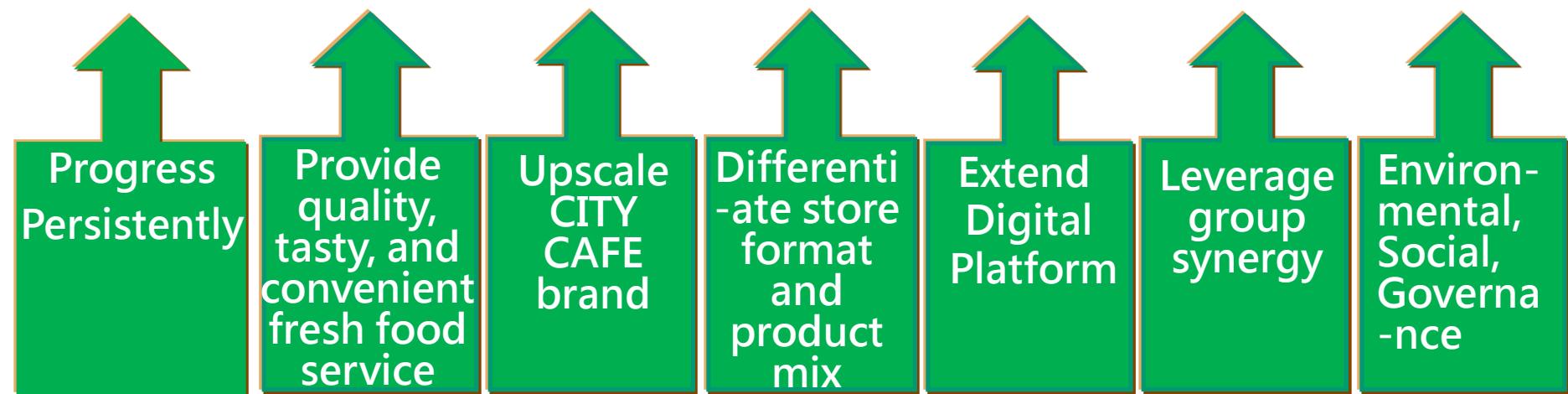


Note : 2015 cash dividend has not been approved by AGM.

2016 Outlook

7 Strategies for Sustainable Growth

Sustainable Growth

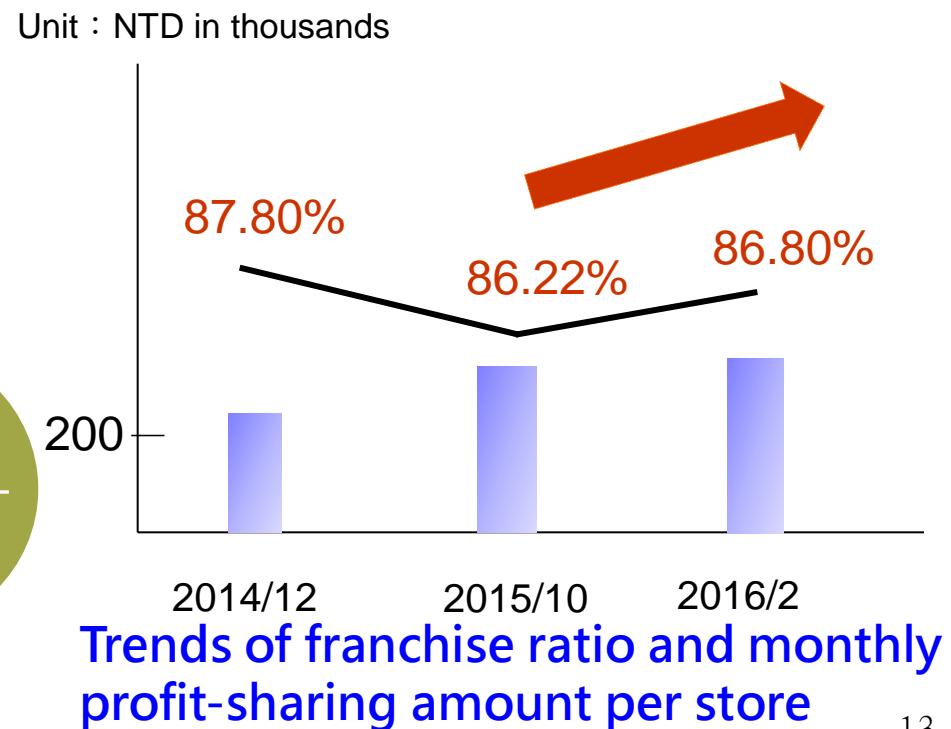


Uniqueness ▪ High Value ▪ Simplification ▪ Standardization ▪ Scale

People ▪ Store ▪ Product ▪ System ▪ Logistics ▪ Policy ▪ Culture

Progress Persistently

- Adjust franchise system to improve profitability of franchisees.
- Our service is differentiated by members with store-by-store, item-by-item management expertise.



Provide Quality, Tasty, and Convenient Fresh Food Service

Food Safety

- Strengthen traceability mechanism .
- Establish Material and Quality Assurance System(MAS).

New technology

- Provide new product lines with new tech.
- More variety, better taste , and lower wastage.

Premium Quality

- Upgrade value of products with new equipment.
- Further expand organic products.



Upscale CITY CAFE Brand

- Grow CITY CAFE brand by upgrading coffee bean quality, developing coffee masters, and strengthening marketing campaign.
- New product line “CITY fresh” is introduced to leverage the successful experience of CITY CAFE .



Year 2004
30 stores

Year 2005
300 Stores
100m sales

Year 2007
1000 stores
500m sales

Year 2009
3700 stores
3.5b sales

Year 2013
4845 stores
9b sales

Year 2015
5028 stores
10.6b sales

Diversify Store Format

- Bigger format stores account for 70% of total store number.
- Build stores with diversified design to create unique experience for customers.
- You come, you see, you stay, and you will experience the difference!

A 7-11 store with reading room and comfortable seating area.



Diversify Store Format(continue)

A 7-11 store characterized by cat and magic.



Diversify Store Format(continue)

A 7-11 store characterized by the image of ship and anchor.



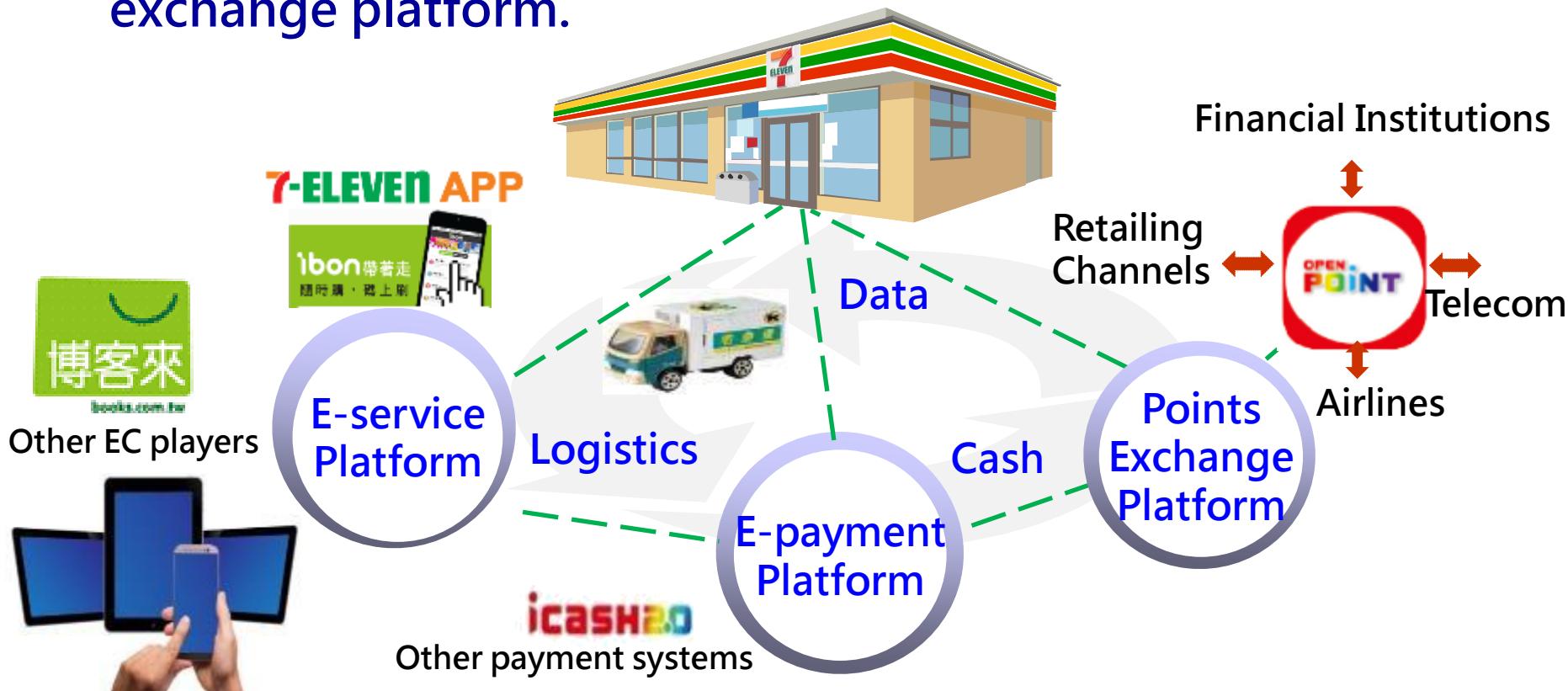
Differentiate Product Mix

- New private-labeled brand, iseLect , is launched for your own style.
- Exclusive and quality brands products make 7-11 always a fresh shopping place.



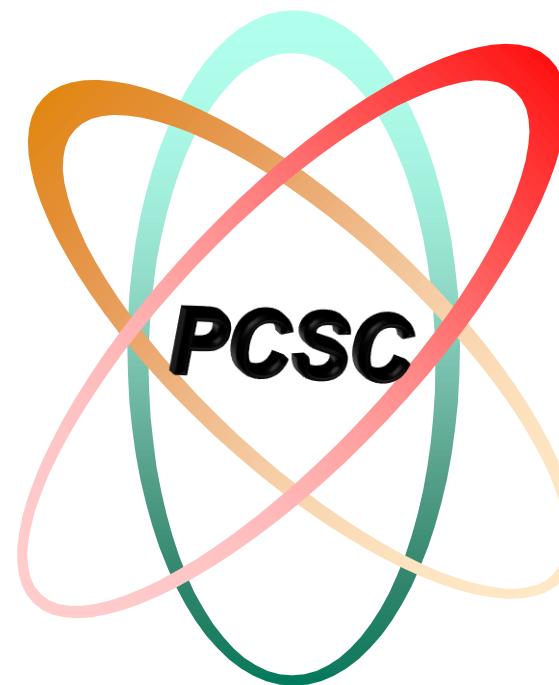
Extend Digital Platform

- With ibon APP, ibon services become more accessible.
- With high accessibility and solid infrastructure, 7-11 is the most convenient digital payment platform.
- With group synergy and resources, icash 2.0 and OPENPOINT make 7-11 the most valuable points exchange platform.



Leverage Group Synergy

- Cosmed, Takkyubin, Starbucks, and Books.com showed significant growth in 2015.
- New store formats, new services are the drivers for sustainable growth.



Grow Overseas Market

- Shanghai Starbucks will exceed 1,200 stores in 2016.
- Philippine 7-11' s main growth drivers are aggressive expansion, fresh food, Coffee and E-service.
- Shanghai 7-11' s PSD sales keeps double-digit growth.
- Continue to focus on the operations of CVS, mini-supermarket, and fast casual restaurant.



Environmental, Social and Governance

- Happiness, Gung Ho, and sustainability, the concept of our ESG are built in our operational strategies.



Cash Flow Projection in 2016

Cash inflows from
operating activities

NTD11~12B

Cash outflows from
investing activities

NTD 3B

Cash outflows from
financing activities

NTD 7.5 B



Ending Remarks

Jui-Tang, Chen

Q&A