

# JAPAN FOODS HOLDING LTD.



## HY2015 Financial Results Presentation

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# JAPAN FOODS HOLDING LTD.



## Overview of HY2015

# Key Highlights in HY2015

Revenue  
S\$31.2 million

↑0.8%

Gross Profit  
S\$25.7 million

↑2.8%

Interim Dividend  
Per Share

0.73 cents

# Key Developments in HY2015



## Launched 2 New Franchise Brands

- Debuted 2 new brand extensions of the Group's existing "Osaka Ohsho" brands.
  - "Kotsujiru Nabe" at Bugis Junction in May 2014
  - Gyoza concept stall "Gyoza Bo" at AMK Hub in September 2014



## Expanded Singapore Network

- Buoyed by the popularity of the "Fruit Paradise", "Menya Musashi", and "Osaka Ohsho" brands, a **total of 8 restaurants** under these brands were added to our Singapore network since HY2014



## Expanded Overseas Network

- Together with our associated companies, the Group added 3 more "Menya Musashi" restaurants in Hong Kong and 3 in China including 2 in Shanghai and 1 in Shenzhen, **bringing the total to 12**



## iPad E-Menu System

- Successfully piloted iPad E-menu system early this year and introduced it at almost all restaurants leading to **higher operational efficiency and better deployment of manpower**

# Our Brand Portfolio *As at 30 September 2014*

## 10 Franchise Brands From Japan



Ajsen Ramen



Botejyu



Botejyu San



Gyoza Bo



Kazokutei



Menya Musashi



Menzo Butao



Osaka Ohsho



Yonehachi



Kotsujiru Nabe

## 5 Self-Developed Brands



Aji Tei



Fruit Paradise

TOKYO WALKER



# Our Network *As at 30 September 2014*

The Group, together with its sub-franchisees and associated companies, operates a total of 53 restaurants and food court outlets under various brands in Singapore, Malaysia, and Vietnam. It also has interests in 11 restaurants in Hong Kong and China through associated companies.



## Self-Operated

### Singapore

- 44 Self-Operated Restaurants
- 1 Self-Operated Food Court Outlet

## Sub-Franchisor

### Malaysia

- 4 Sub-Franchise Restaurants in Johor
- 2 Sub-Franchise Restaurant in Sarawak

### Vietnam

- 2 Sub-Franchise Restaurants in Ho Chi Minh City

## Associated Companies

### Hong Kong

- Interests in 8 Restaurants via associated companies

### China

- Interests in 3 Restaurant via associated companies including 2 in Shanghai and 1 in Shenzhen

# Updates on our Singapore Network

<b>Self-Operated Restaurants</b>	<b>Updates</b>	<b>No. of Restaurants As at 30 Sept 2013</b>	<b>No. of Restaurants As at 30 Sept 2014</b>
<b>Ajisen Ramen</b>	<ul style="list-style-type: none"> <li>• Closed Changi Airport Terminal 3 restaurant in February 2014</li> <li>• Closed Parkway Parade restaurant in April 2014</li> <li>• Opened new Bedok Point restaurant in April 2014</li> </ul>	19	18
<b>Botejyu</b>	<ul style="list-style-type: none"> <li>• Unchanged</li> </ul>	1	1
<b>Fruit Paradise</b>	<ul style="list-style-type: none"> <li>• Opened Plaza Singapura restaurant in September 2014</li> <li>• Closed Tampines Mall restaurant in June 2014</li> </ul>	4	5
<b>Japanese Gourmet Town</b>	<ul style="list-style-type: none"> <li>• Unchanged</li> </ul>	1	1
<b>Kazokutei</b>	<ul style="list-style-type: none"> <li>• Closed Plaza Singapura restaurant in May 2014 (converted to Fruit Paradise)</li> </ul>	3	2
<b>Menya Musashi</b>	<ul style="list-style-type: none"> <li>• Opened Tampines Mall restaurant in July 2014</li> <li>• Opened Westgate restaurant in December 2013</li> <li>• Opened Bedok Mall restaurant in December 2013</li> </ul>	6	9
<b>Menzo Butao</b>	<ul style="list-style-type: none"> <li>• Unchanged</li> </ul>	1	1
<b>Osaka Ohsho</b>	<ul style="list-style-type: none"> <li>• Opened Gyoza Bo branded restaurant in AMK Hub in September 2014</li> <li>• Opened Kotsujiru Nabe branded restaurant in Bugis Junction in May 2014</li> <li>• Opened Plaza Singapura restaurant in March 2014</li> <li>• Opened Westgate restaurant in December 2013</li> </ul>	2	6
<b>Udon King</b>	<ul style="list-style-type: none"> <li>• Closed AMK Hub restaurant in September 2014, (converted to Gyoza Bo)</li> </ul>	1	-
<b>Yonehachi</b>	<ul style="list-style-type: none"> <li>• Unchanged</li> </ul>	1	1
<b>Food Court Outlets</b>	<b>Updates</b>	<b>No. of Outlets As at 30 Sept 2013</b>	<b>No. of Outlets As at 30 Sept 2014</b>
<b>Ajisen Ramen</b>	<ul style="list-style-type: none"> <li>• Unchanged</li> </ul>	1	1
<b>Botejyu Yatai</b>	<ul style="list-style-type: none"> <li>• Closed Bugis Junction outlet in February 2014</li> <li>• Closed Junction 8 outlet in October 2013</li> </ul>	2	-
<b>TOTAL</b>		<b>42</b>	<b>45</b>



# Updates on our Overseas Network

<b>Restaurants</b>	<b>Updates</b>	<b>No. of Outlets As at 30 Sept 2013</b>	<b>No. of Outlets As at 30 Sept 2014</b>
<b>Ajisen Ramen<sup>1</sup></b>	<ul style="list-style-type: none"> <li>▪ <i>Closed 4 restaurants in Indonesia and opened 3 in Malaysia</i></li> </ul>	4 in Indonesia 3 in Malaysia 2 in Vietnam	- 6 in Malaysia 2 in Vietnam
<b>Menya Musashi<sup>2</sup></b>	<ul style="list-style-type: none"> <li>▪ <i>Opened 3 new restaurants in various locations in Hong Kong</i></li> <li>▪ <i>Opened 2 restaurants in Shanghai and 1 in Shenzhen</i></li> </ul>	5 in Hong Kong -	8 in Hong Kong 3 in China
<b>TOTAL</b>		<b>14</b>	<b>19</b>

<sup>1</sup> operated by sub-franchisees

<sup>2</sup> interests in restaurants through associated companies

# JAPAN FOODS HOLDING LTD.



## **HY2015 Financial Highlights**

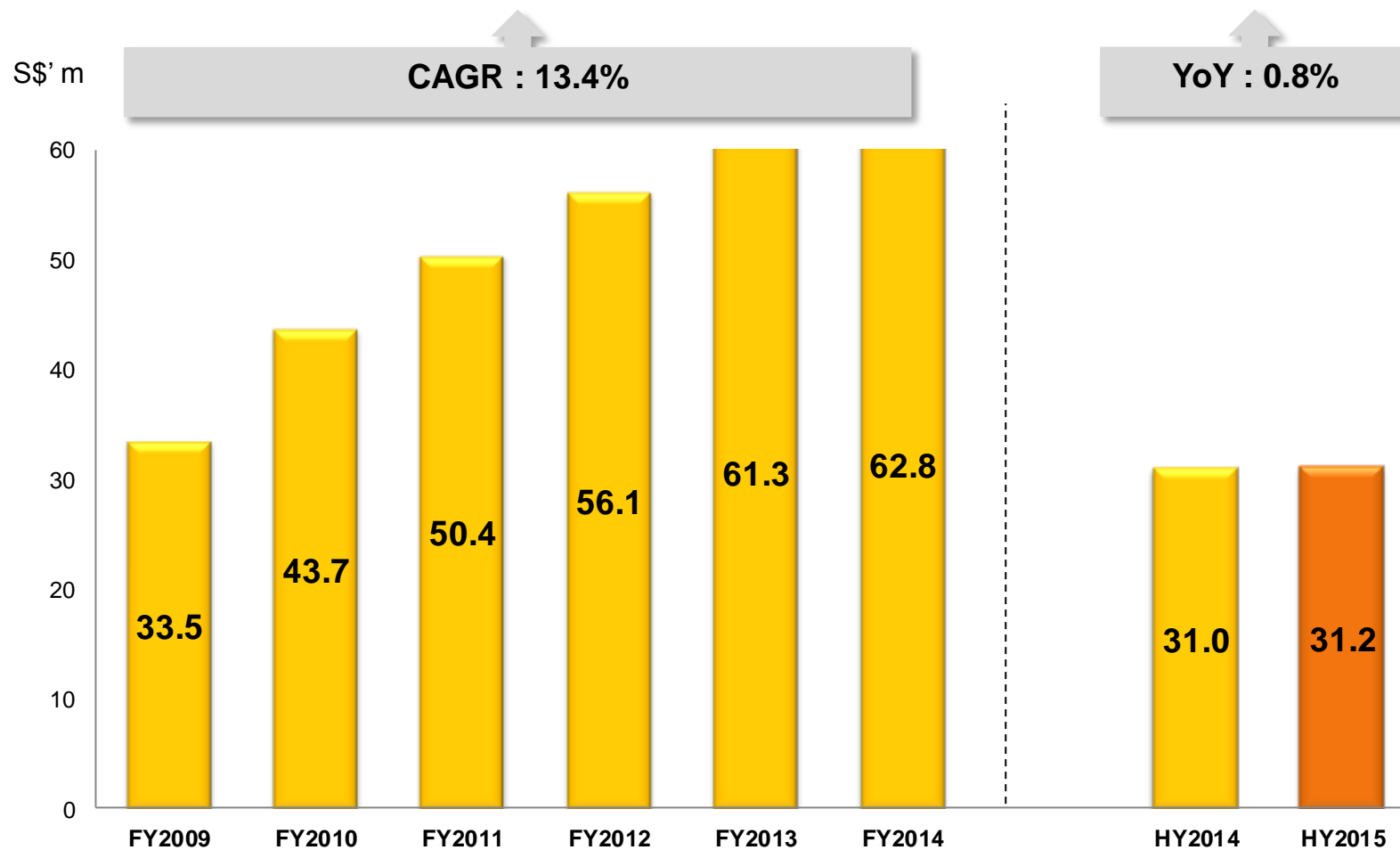
# Financial Highlights

Half Year Ended 30 Sep

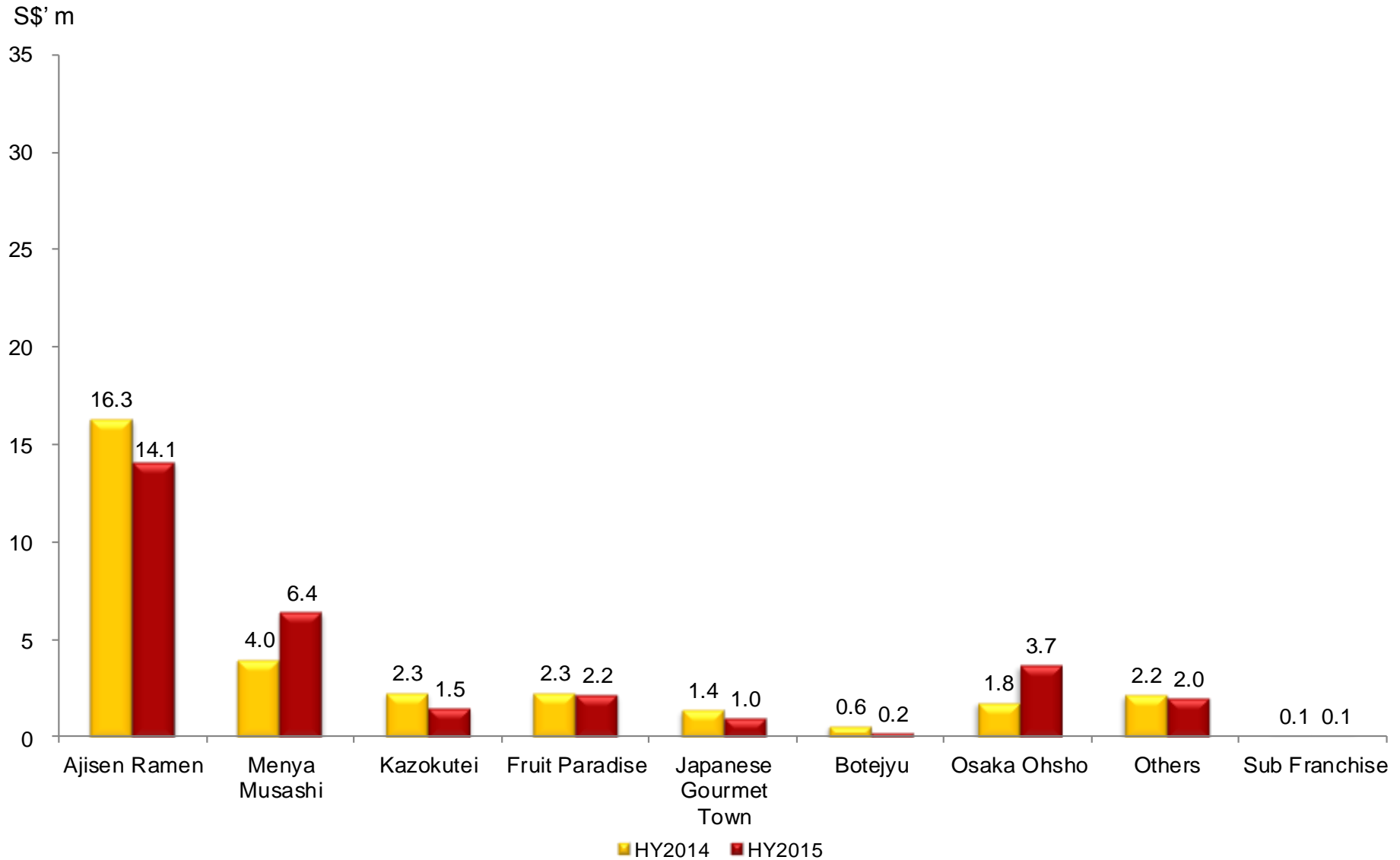
S\$'million	HY2014	HY2015	Change (%)
Revenue	31.0	31.2	↑ 0.8
Gross Profit	25.0	25.7	↑ 2.8
Gross Profit Margin (%)	80.8%	82.4%	↑ 1.6pp
EBIT	4.4	1.9	↓ 57.4
EBITDA	6.5	4.2	↓ 34.6%
Net Profit After Tax (NPAT)	3.8	1.8	↓ 52.0
NPAT Margin (%)	12.1%	5.8%	↓ 6.3pp
Earnings Per Share (S'pore cents)*	2.17	1.04	↓ 52.1
Return on Equity (%)	13.8%	6.2%	↓ 7.6pp

\* EPS was computed based on 173,823,049 and 173,216,165 weighted average number of shares in HY2015 and HY2014 respectively. For comparative purposes, the weighted average number of Shares used to compute EPS for HY2014 has been adjusted to take into account the issuance of the 57,822,000 new Shares on 6 December 2013 pursuant to a one-for-two bonus issue announced by the Company on 11 November 2013 and assuming that the bonus issue had been completed on 1 April 2013.

# Revenue

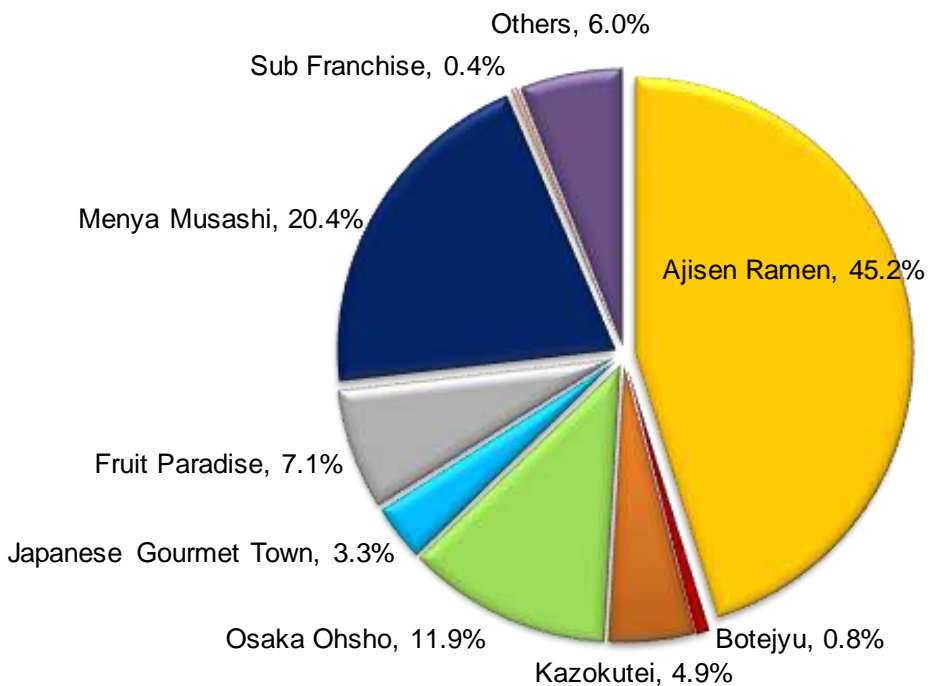


# Revenue Mix by Brands

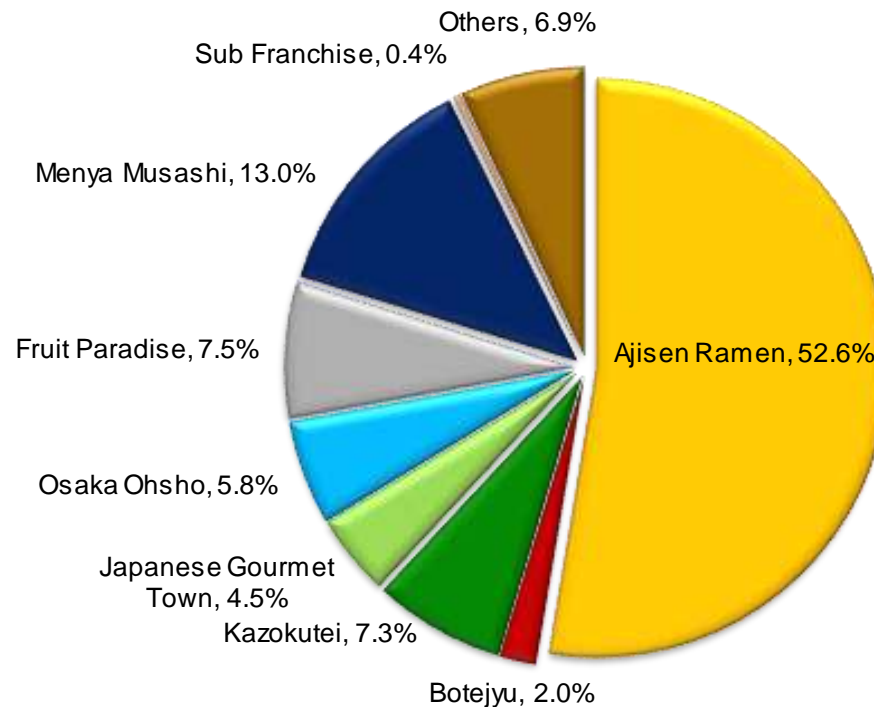


# Revenue Breakdown

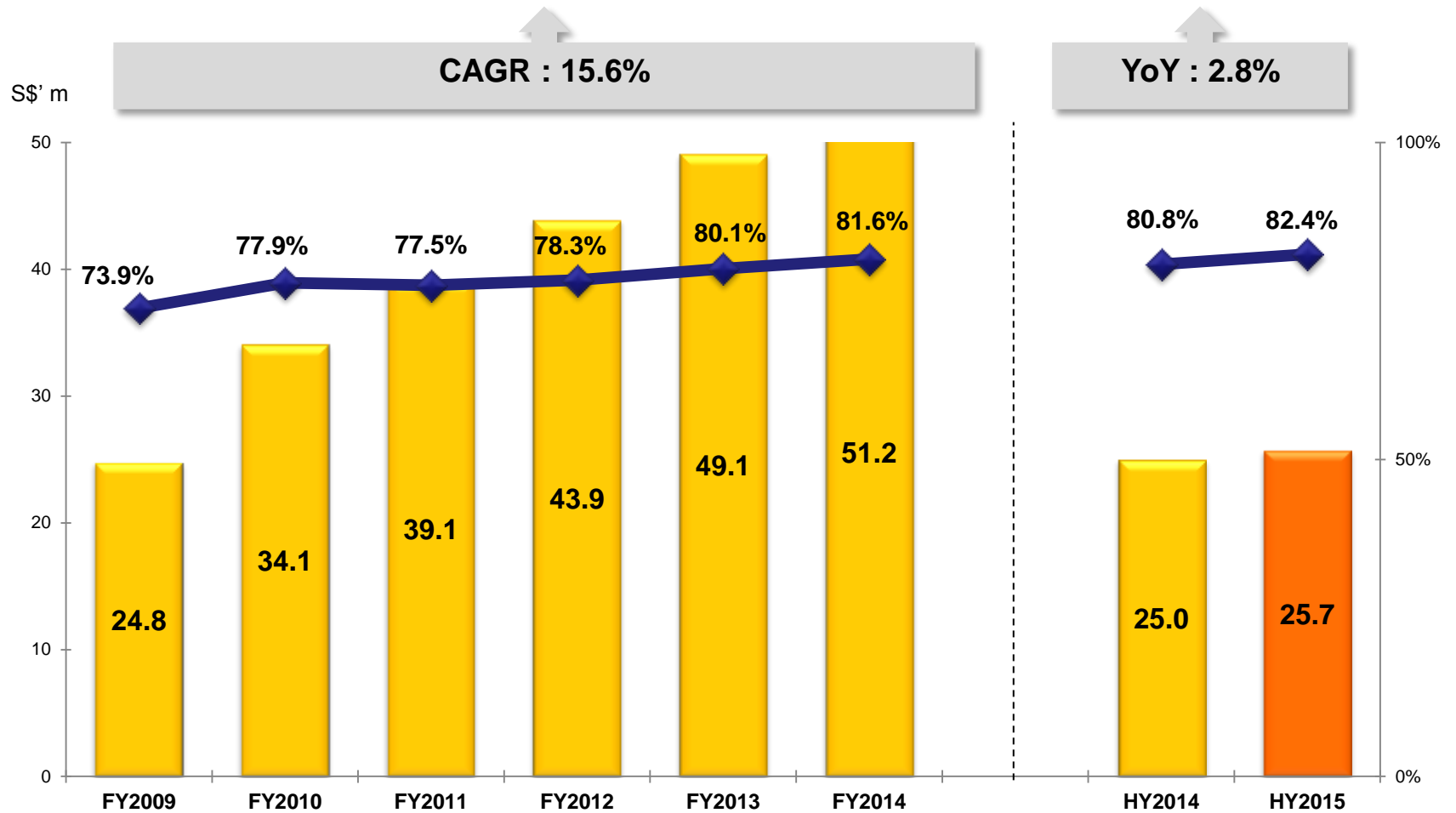
**HY2015**



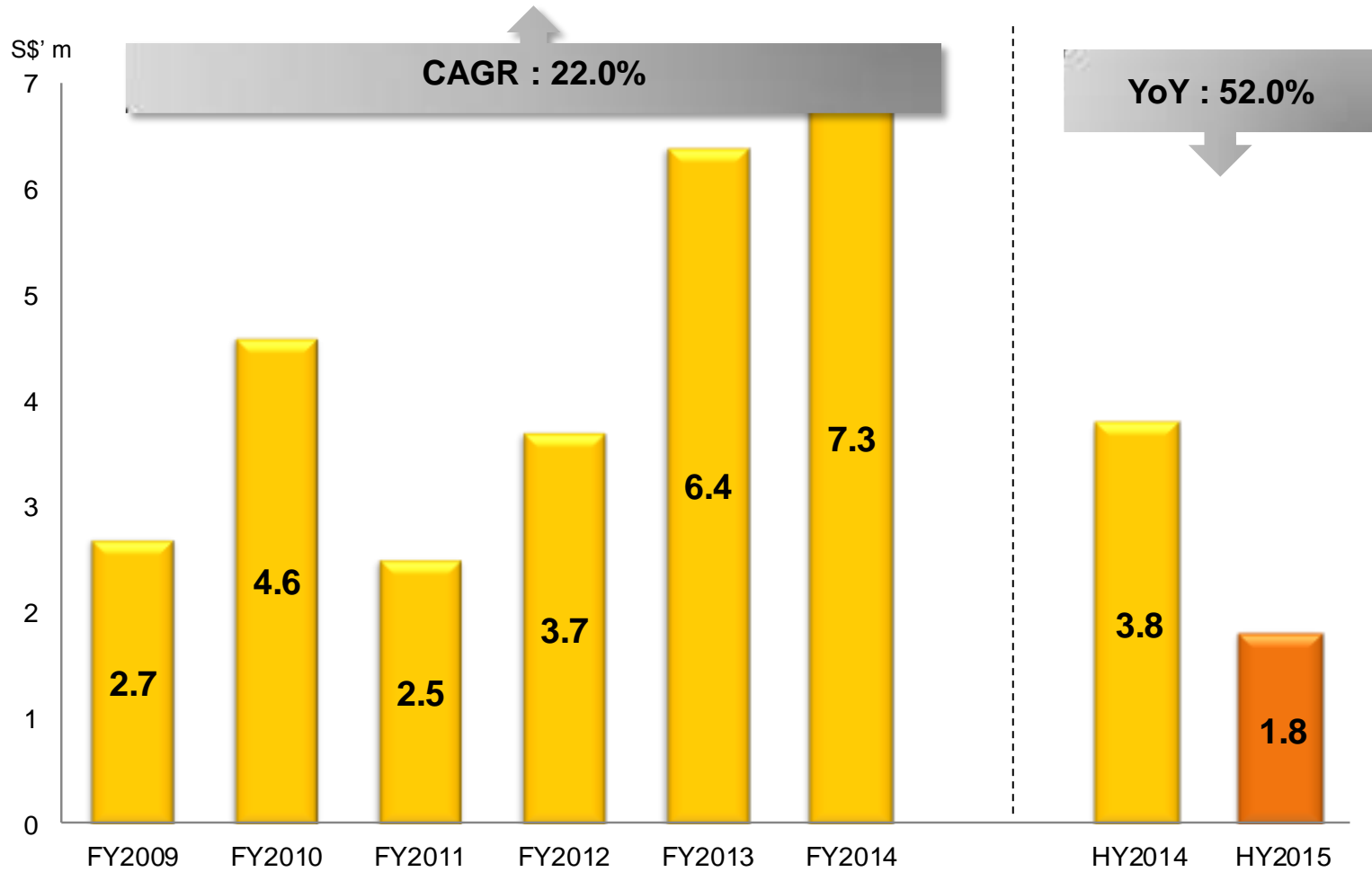
**HY2014**



# Gross Profit and Gross Profit Margin



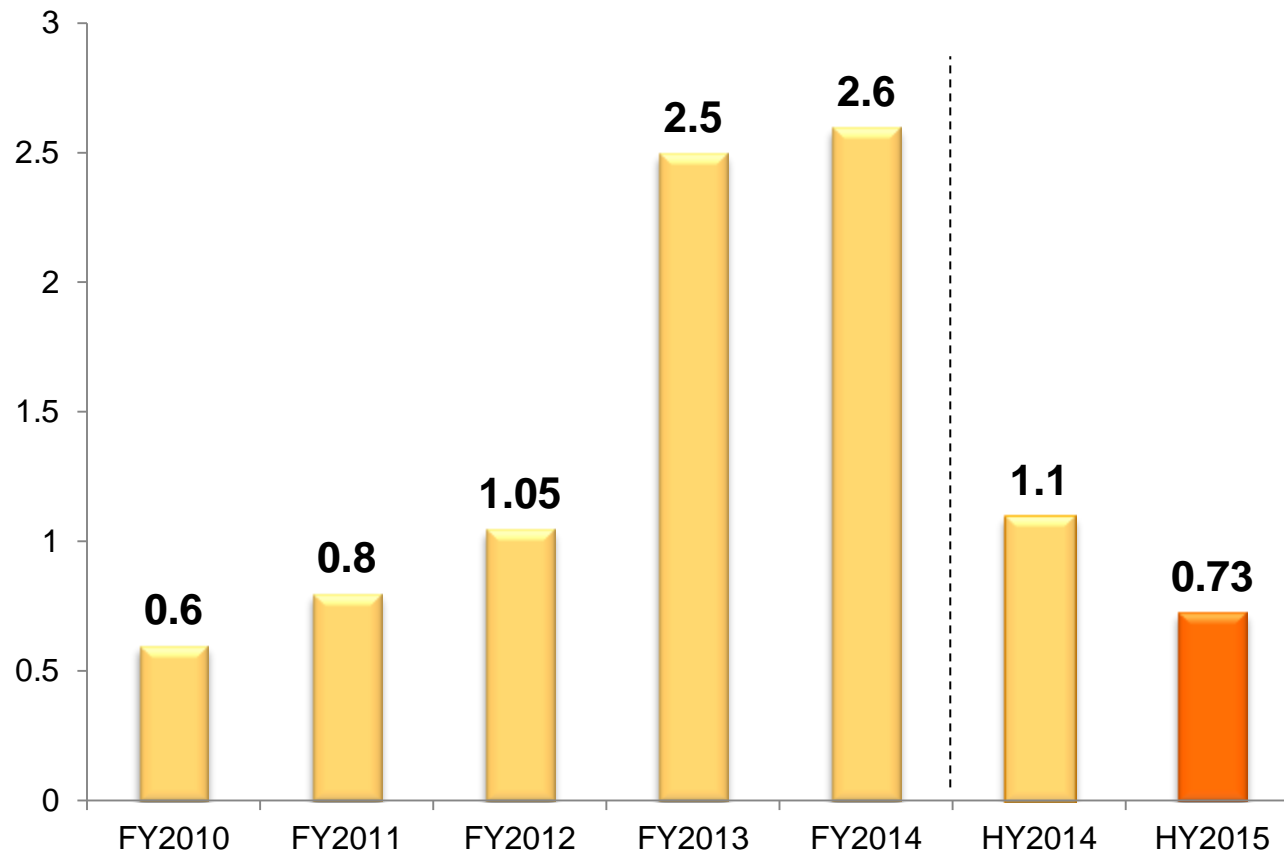
# Net Profit





# Dividend Payout for HY2015

Singapore cents



# Balance Sheet

S\$ 'm	As at 31 Mar 2014	As at 30 Sep 2014	Change (%)
<b>ASSETS</b>			
Current Assets	23.1	19.8	↓ 14.2
Non-Current Assets	15.4	18.1	↑ 17.4
<b>Total Assets</b>	<b>38.5</b>	<b>37.9</b>	<b>↓ 1.6</b>
<b>LIABILITIES</b>			
Current Liabilities	8.3	8.2	↓ 1.7
Non-Current Liabilities	0.9	0.9	-
<b>Total Liabilities</b>	<b>9.2</b>	<b>9.0</b>	<b>↓ 1.6</b>
<b>EQUITY</b>			
Share Capital	9.0	9.3	↑ 3.9
Retained Earnings	20.4	19.6	↓ 4.0
<b>Total Equity</b>	<b>29.4</b>	<b>28.9</b>	<b>↓ 1.6</b>
<b>Total Liabilities + Shareholder's Equity</b>	<b>38.5</b>	<b>37.9</b>	<b>↓ 1.6</b>

# Cash Flow

S\$ 'm	HY2014	HY2015	Change (%)
Net cash provided by operating activities	5.6	4.3	▼ 22.9
Net cash used in investing activities	(2.2)	(5.0)	▲ 128.7
Net cash used in financing activities	(1.9)	(2.7)	▲ 38.5
<b>Net increase in cash and cash equivalents</b>	<b>1.5</b>	<b>(3.3)</b>	<b>▼ 322.6</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>14.8</b>	<b>16.8</b>	<b>▲ 13.1</b>
<b>Cash and cash equivalents at end of financial period<sup>(1)</sup></b>	<b>16.3</b>	<b>13.4</b>	<b>▼ 17.7</b>

(1) This excludes bank deposits of S\$2.3 million (1H2014: S\$2.0 million) pledged as security for bank facilities granted by financial institution(s) to the Group.

# Key Financial Ratios

	As at 31 Mar 2014	As at 30 Sep 2014	Change (%)
Cash and bank balances (S\$'m)	19.0	15.8	▼ 17.1
Total assets (S\$'m)	38.5	37.9	▼ 1.6
Total equity (S\$'m)	29.4	28.9	▼ 1.6
Net cash ratio (%)	64.7	54.5	▼ 10.2pp
Net asset value per share (S'pore cents) <sup>(1)</sup>	16.93	16.61	▼ 1.9
Net cash per share (S'pore cents) <sup>(1)</sup>	10.95	9.05	▼ 17.4

(1) Based on 174,006,000 ordinary shares in issue as at 30 Sep 2014 and 173,466,000 ordinary shares in issue as at 31 Mar 2014

# JAPAN FOODS HOLDING LTD.



## Strategy & Investment Highlights

# Four-Pronged Strategy



## Development of New Concepts

Launch new franchised and self-developed brands



## Overseas Expansion

Via strategic joint ventures and franchising/sub-franchising model



## Cost & Quality Control

Via central kitchen, bulk purchase and economies of scale

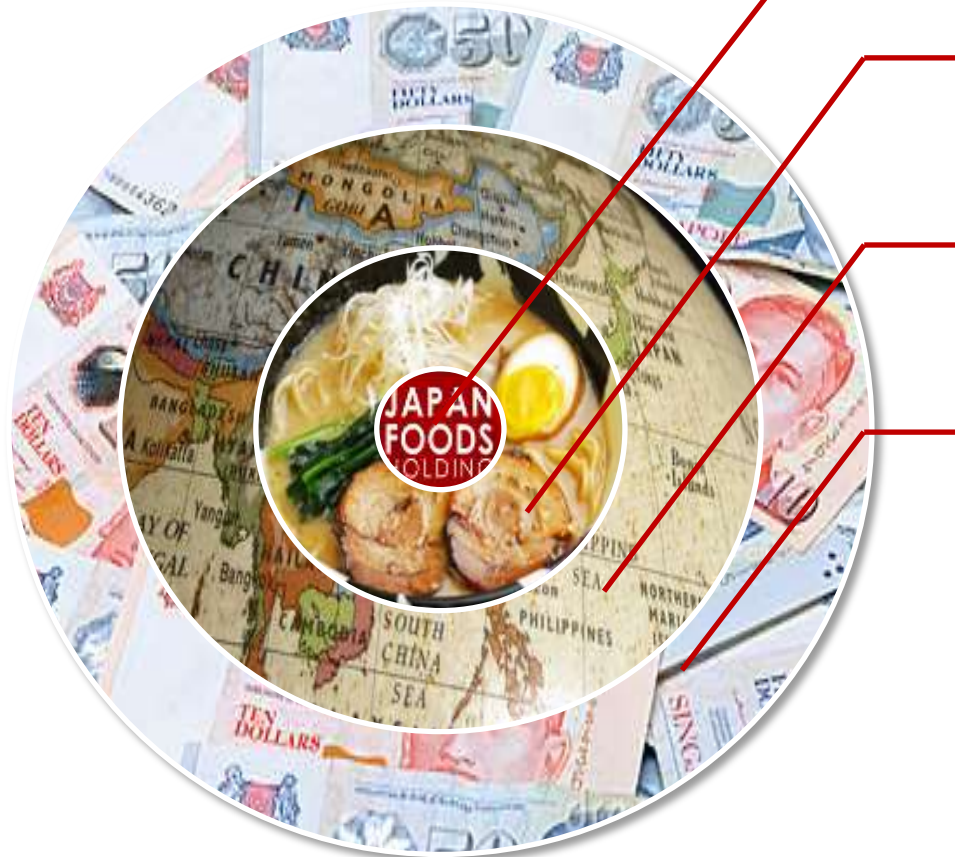


## Network Expansion & Consolidation

Grow network prudently and close/convert underperforming outlets

Four-Pronged Strategy

# Investment Highlights



**Established market presence and brand recognition**

**Continuously innovating and introducing new quality cuisine**

**Scalable business model in Singapore and the region**

**Target annual dividend payout ratio of not less than 40%**

# JAPAN FOODS HOLDING LTD.



**Thank You**