

JAPAN FOODS HOLDING LTD.

FY2015 Financial Results Presentation



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Overview of FY2015

FY2015 Highlights

Revenue
S\$62.7 million

Gross Profit
S\$52.3 million

EBITDA
S\$10.1 million

Net Profit
S\$4.7 million

1H2015: S\$1.8million
2H2015: S\$2.9 million

Total Dividend
Per Share

2.00 cents

Key Developments in FY2015



New brand - “Keika Ramen”

- In February 2015, the Group launched a new franchise brand, “Keika Ramen” with the opening of its first store at Hougang Mall.



Newer brands continue to gain momentum

- Continued to look for opportunities to expand our new brands “Osaka Ohsho” and “Menya Musashi”
 - Opened **3 more “Osaka Ohsho” restaurants** and **1 more “Menya Musashi” restaurant** bringing the total outlets under these brands to 7 and 9 outlets respectively.



Expanded Overseas Network

- Expanded overseas network from 15 restaurants as at 31 March 2014 to 24 as at 31 March 2015
 - Added 3 more “Menya Musashi” restaurants in Hong Kong and 4 more in China through associated companies
 - Also added two more “Ajisen Ramen” restaurants in Malaysia and one more in Vietnam through sub-franchisees



Optimising resources to drive sales performance

- Employed strategy of good restaurant portfolio management by swapping under-performing brands for more popular ones in order to drive higher sales across all locations
 - For example Udon King made way for Gyoza Bo at Ang Mo Kio Hub in September 2014
- iPad self-ordering system implemented at all restaurants
- Increased central kitchen capacity

Recent Operational Updates

- Unveiled a new franchise brand in February 2015 – **Keika Ramen**
- Opened first store in Hougang Mall.
- Keika Ramen was established in 1955 in Kumamoto, Japan
- Known for its tonkotsu soup seasoned with natural salt and a special ingredient developed by the brand owner
- Popular items include the signature Taro Ramen and 5-spice Pork Ramen



Recent Operational Updates



Hanamidori Hana
Full Course Set



Tori Hitsumabushi
Set



Hanamidori
Appetiser trio



- Unveiled a new franchise brand in May 2015 – **Hanamidori**
- Opened in Plaza Singapura on 25 May 2015
- Renowned in Hakata, Kyushu for serving an all-chicken menu and Mizutaki – a specialty chicken broth hot pot
- Menu prices range from S\$11.90 to S\$25.90.

5 Steps to enjoying Mizutaki



The Mizutaki Pot has to be brought to a boil.

1



Enjoy Hanamidori's soft and tasty chicken chunks dipped in Ponzu and add Yuzu Kosho to enhance the flavour.

2



Our staff will prepare and serve the chicken meat slices to be enjoyed dipped in Ponzu.

3



Finish the meal by having some Egg Zousui (rice and egg porridge)

4



Order more soup if you like!

5



Our Brand Portfolio *As at 31 March 2015*

10 Franchise Brands From Japan



Ajisen Ramen



Hanamidori



Botejyu



Botejyu San



Keika Ramen



Kazokutei



麵屋武蔵

Menya Musashi



Menzo Butao



Osaka Ohsho



Yonehachi

4 Self-Developed Brands



Fruit Paradise



Our Network *As at 31 March 2015*

The Group, together with its sub-franchisees and franchisee, operates a total of 55 restaurants and food court outlets under various brands in Singapore, Malaysia and Vietnam. It also has interests in 15 restaurants in Hong Kong and China through associated companies.



Self-Operator

Singapore

- 45 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

- 3 Sub-Franchise Restaurants in Ho Chi Minh City

Associated Companies

Hong Kong

- Interests in 10 Restaurants via associated companies

China

- Interests in 5 Restaurant via associated companies

Updates on our Singapore Network

Self-Operated Restaurants	Updates	No. of Restaurants As at 31 Mar 2014	No. of Restaurants As at 31 Mar 2015
Ajisen Ramen	<ul style="list-style-type: none"> • Closed Parkway Parade restaurant in April 2014 • Closed Jurong Point restaurant in November 2014 • Opened Bedok Point restaurant in April 2014 	18	17
Botejyu San	<ul style="list-style-type: none"> • Unchanged 	1	1
Fruit Paradise	<ul style="list-style-type: none"> • Closed Tampines Mall restaurant in July 2014 • Opened Plaza Singapura restaurant in September 2014 (converted from "Kazokutei") 	5	5
Japanese Gourmet Town	<ul style="list-style-type: none"> • Unchanged 	1	1
Kazokutei	<ul style="list-style-type: none"> • Closed Plaza Singapura Restaurant in May 2014 (converted to "Fruit Paradise") 	3	2
Keika Ramen	<ul style="list-style-type: none"> • Opened Hougang Mall restaurant in February 2015 	0	1
Menya Musashi	<ul style="list-style-type: none"> • Opened Tampines Mall restaurant in July 2014 	8	9
Menzo Butao	<ul style="list-style-type: none"> • Unchanged 	1	1
Osaka Ohsho	<ul style="list-style-type: none"> • Opened Bugis Junction restaurant in May 2014 • Opened Ang Mo Kio Hub restaurant in September 2014 (converted from "Udon King") • Opened East Point Mall restaurant in December 2014 	4	7
Udon King	<ul style="list-style-type: none"> • Closed Ang Mo Kio Hub restaurant in September 2014 (converted to "Gyoza Bo") 	1	0
Yonehachi	<ul style="list-style-type: none"> • Unchanged 	1	1
Food Court Outlets	Updates	No. of Outlets As at 31 Mar 2014	No. of Outlets As at 31 Mar 2015
Ajisen Ramen	<ul style="list-style-type: none"> • Unchanged 	1	1
TOTAL		44	46

Updates on our Overseas Network

Restaurants	Updates	No. of Outlets As at 31 Mar 2014	No. of Outlets As at 31 Mar 2015
Ajisen Ramen¹	<ul style="list-style-type: none"> ▪ Closed one restaurant in Indonesia ▪ Opened two restaurants in Malaysia – 1 each in Johor and Sarawak ▪ Opened one restaurant in Ho Chi Minh City, Vietnam 	1 in Indonesia 4 in Malaysia 2 in Vietnam	- 6 in Malaysia 3 in Vietnam
Menya Musashi²	<ul style="list-style-type: none"> ▪ Opened three restaurants in various locations in Hong Kong ▪ Opened four restaurants in China – 2 in Shanghai, 1 in Shenzhen and 1 in Beijing 	7 in Hong Kong 1 in China	10 in Hong Kong 5 in China
TOTAL		15	24

¹ operated by sub-franchisees

² interests in restaurants through associated companies

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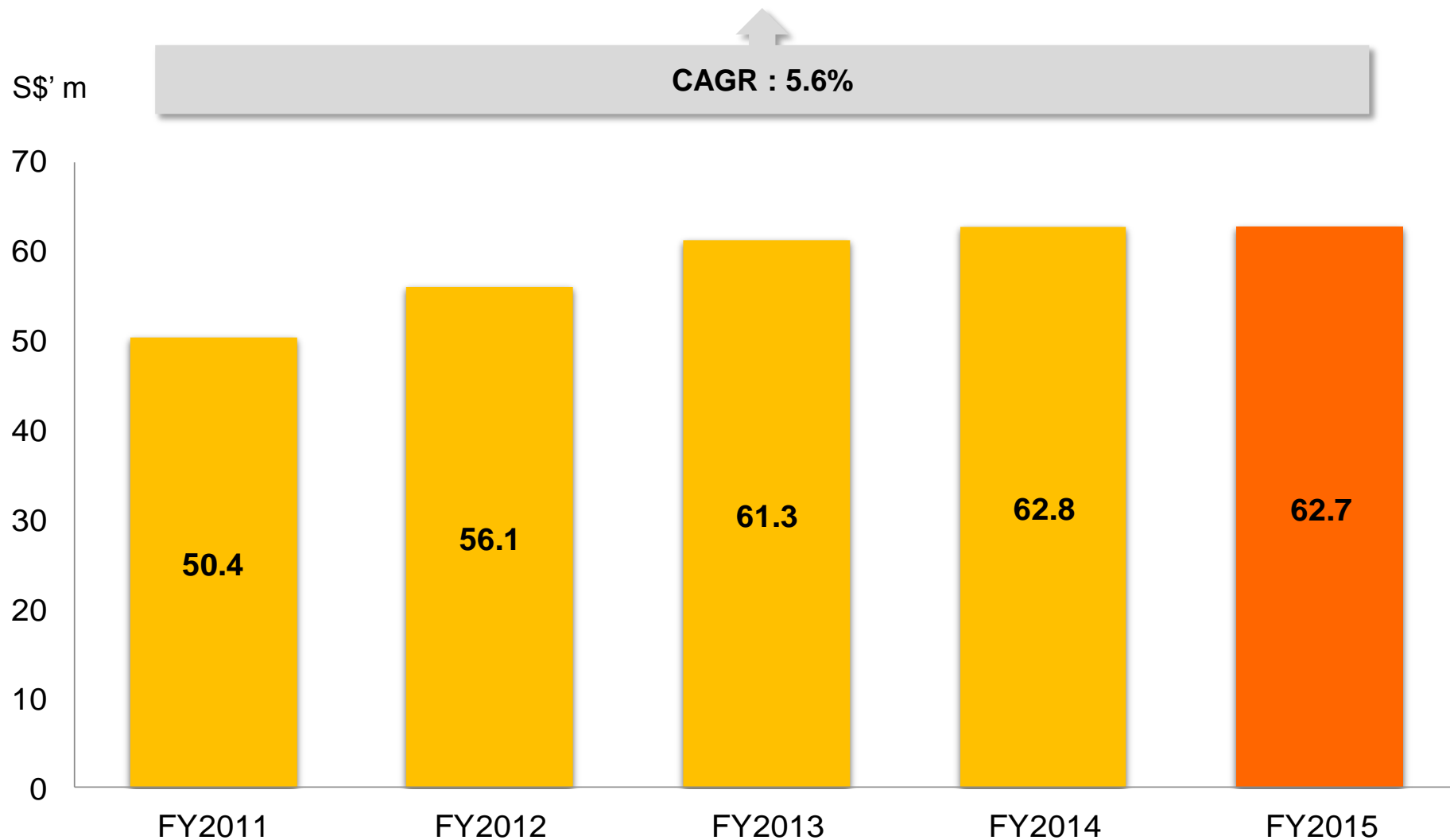


FY2015 Financial Highlights

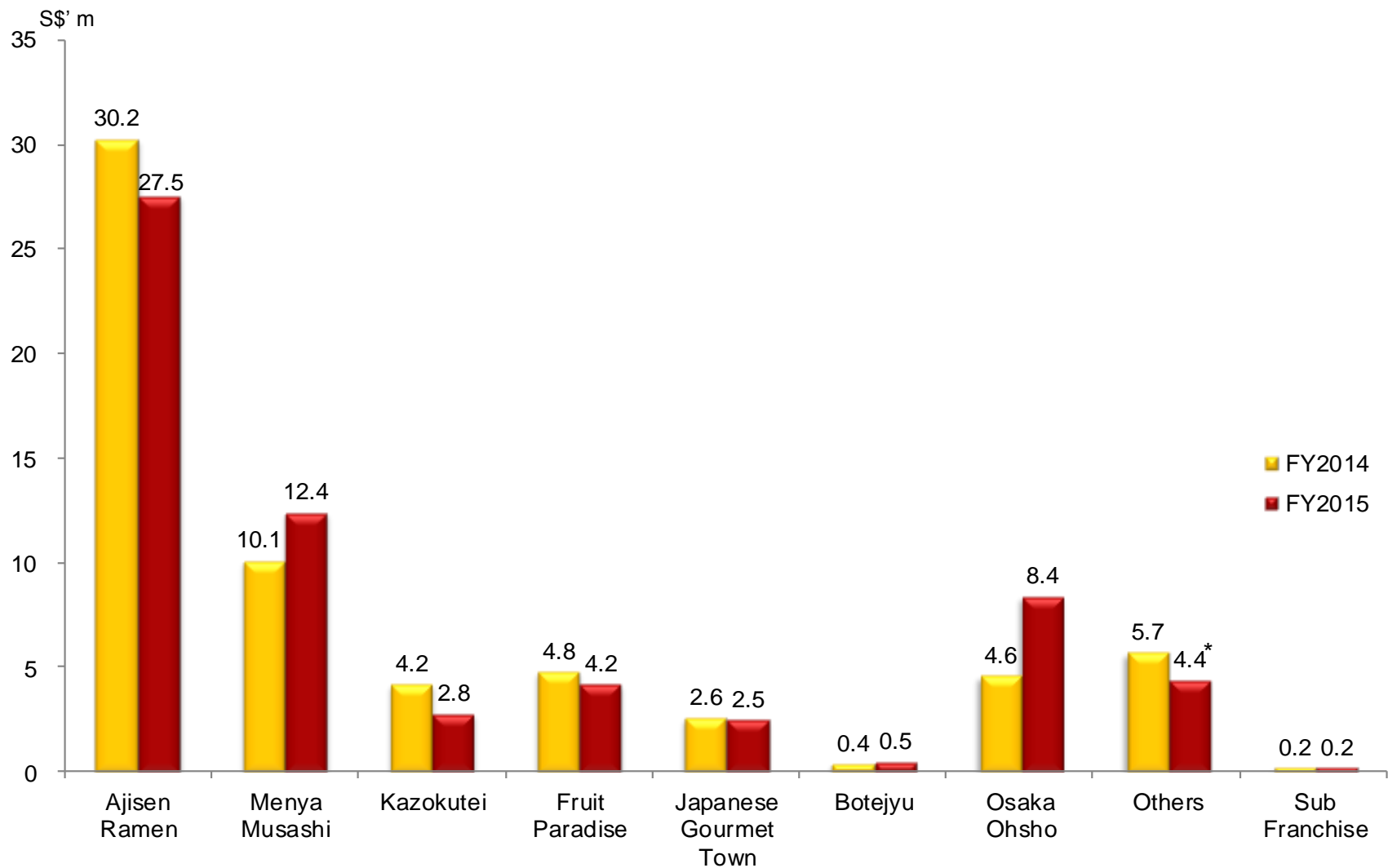
Financial Highlights

S\$' m (Year Ended 31 March)	FY2014	FY2015	Change (%)
Revenue	62.8	62.7	↓ 0.1
Gross Profit	51.2	52.3	↑ 2.1
Gross Profit Margin (%)	81.6%	83.4%	↑ 1.8 pts
EBIT	8.8	5.1	↓ 41.6
EBITDA	13.1	10.1	↓ 22.9
Net Profit After Tax (NPAT)	7.3	4.7	↓ 35.2
NPAT Margin (%)	11.6%	7.5%	↓ 4.1 pts
Earnings Per Share (S'pore cents)	4.21	2.73	↓ 35.2
Return on Equity (%)	24.9%	15.5%	↓ 9.4 pts

Revenue



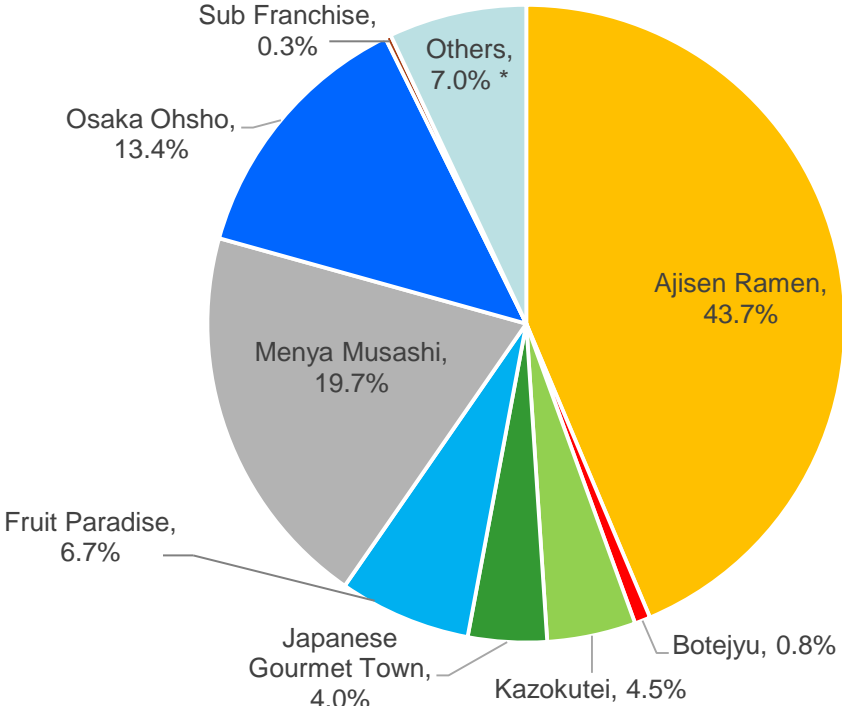
Revenue Mix by Brands



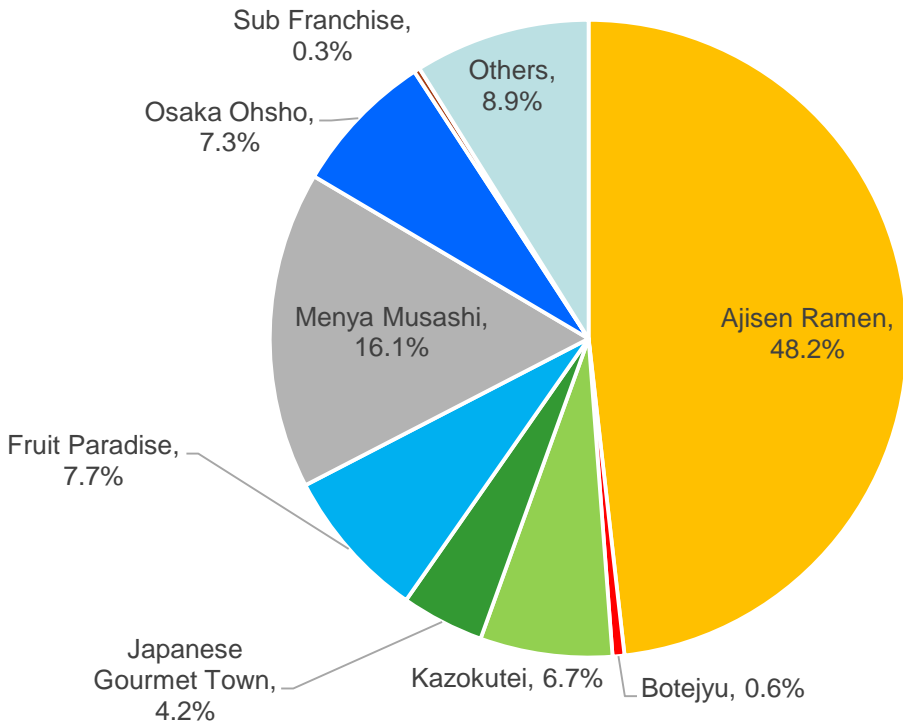
* Includes revenue contribution of S\$0.2 million by Keika Ramen, which opened in February 2015.

Revenue Breakdown

FY2015

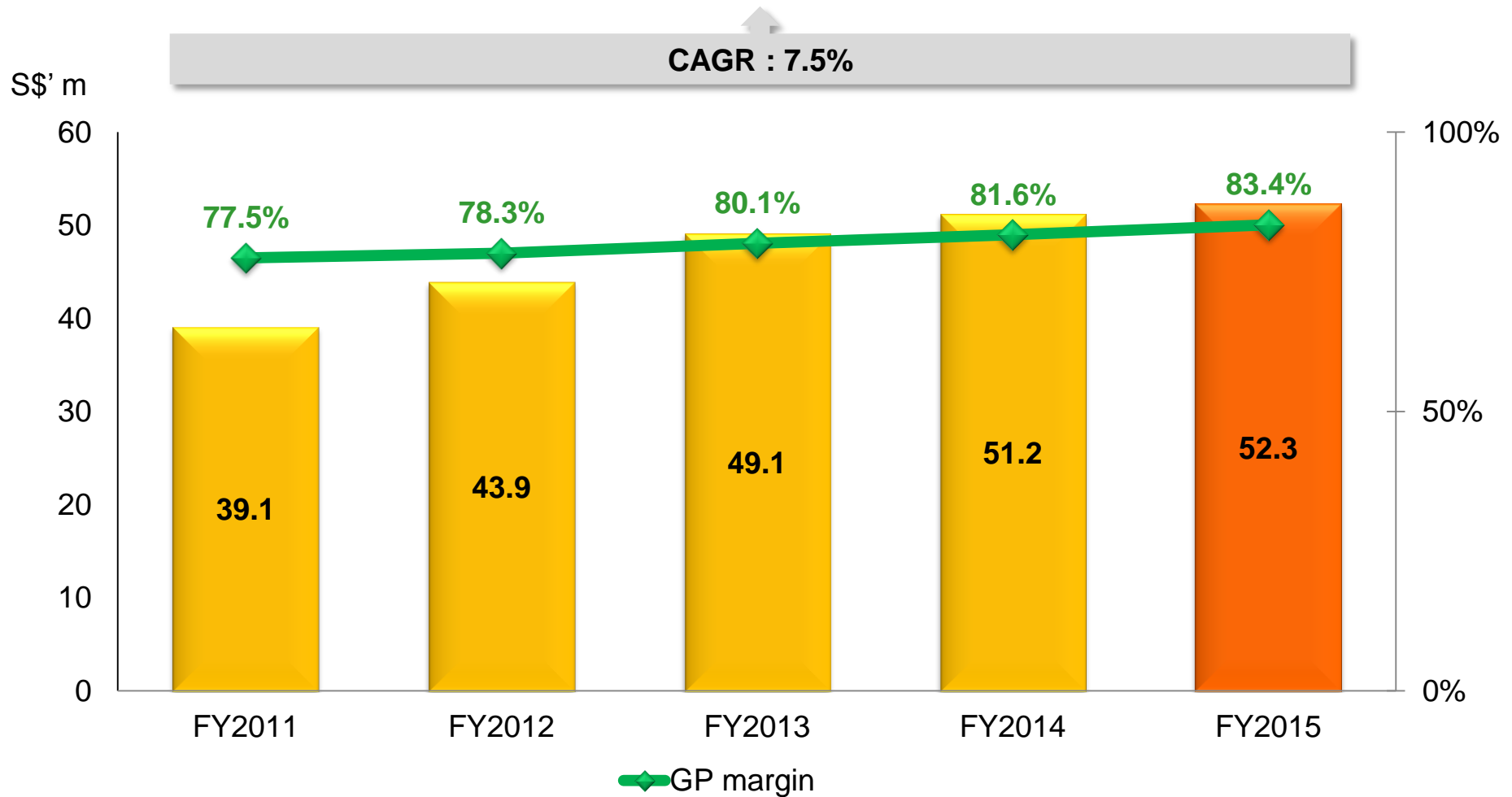


FY2014

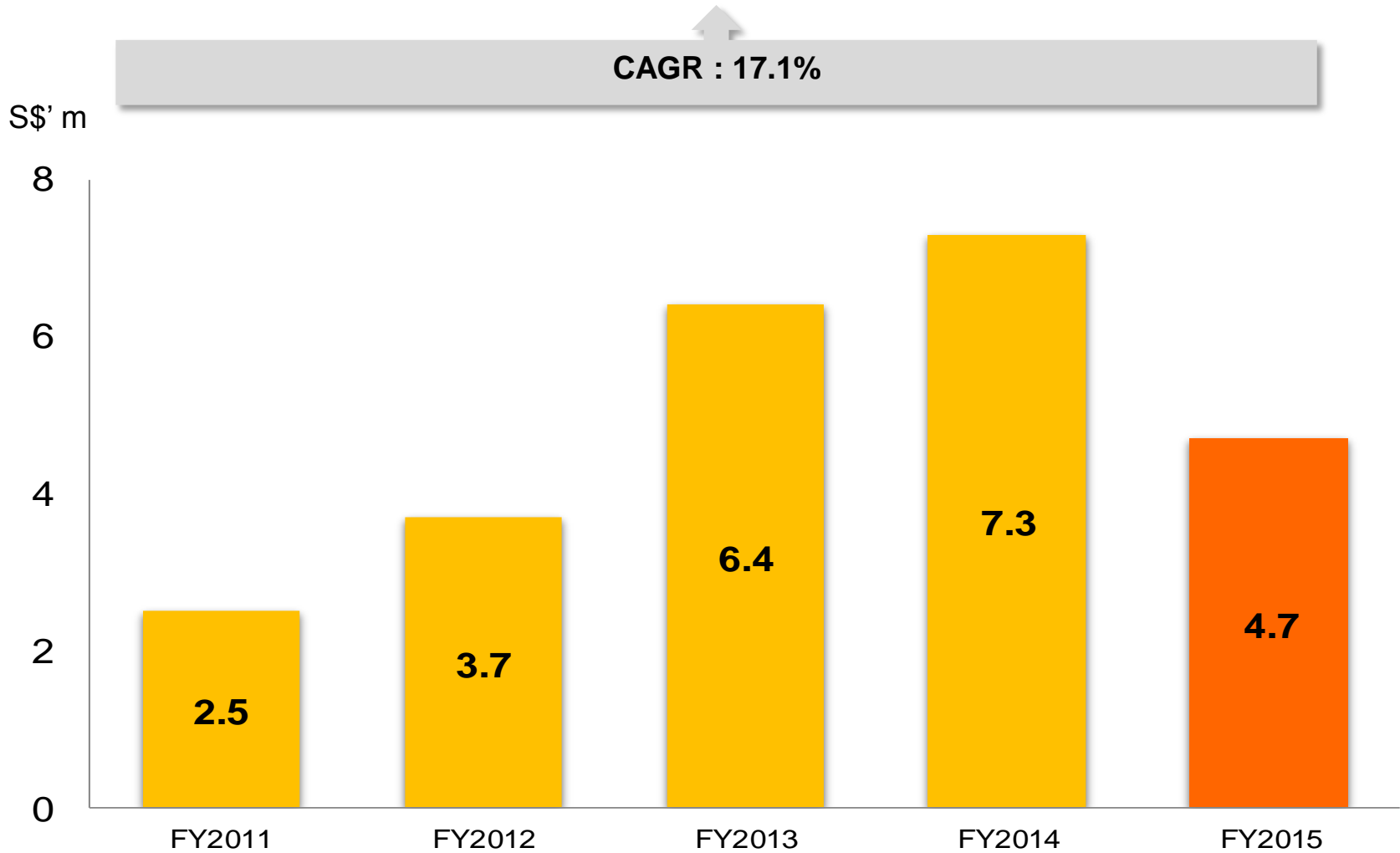


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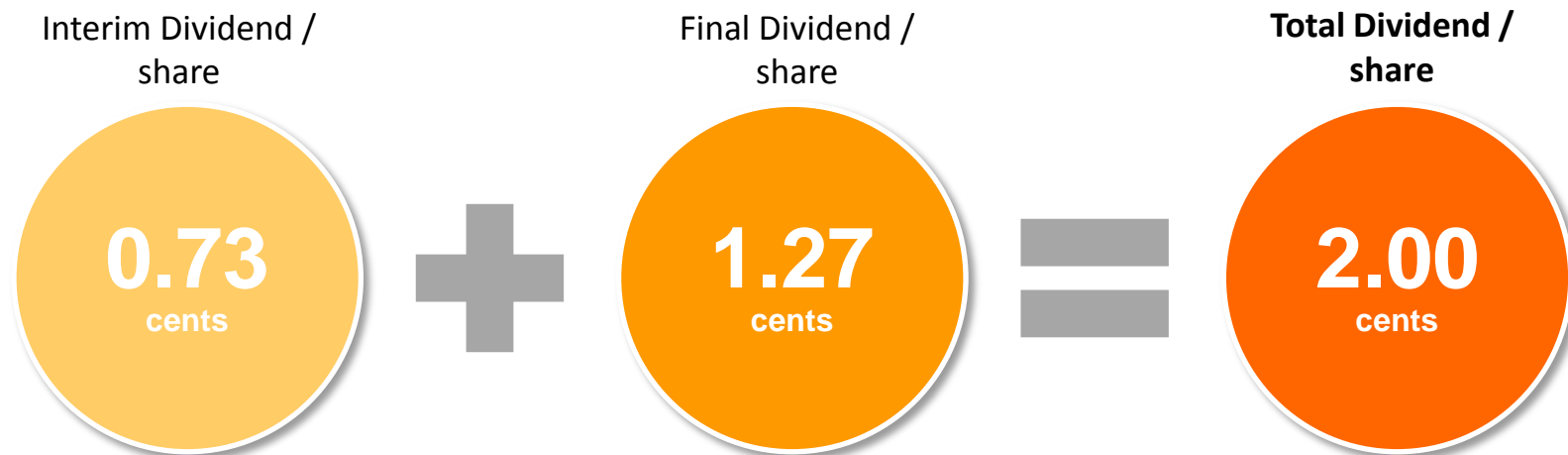
Gross Profit and Gross Profit Margin



Net Profit



Dividend Payout for FY2015



This represents a dividend payout ratio of 73.5%^a and dividend yield of 4.1%^b for FY2015

Record date: 5.00 p.m. on 30 July 2015^c

Date of dividend payment: 14 August 2015^c

a) Based on a 174,006,000 issued shares (excluding treasury shares)

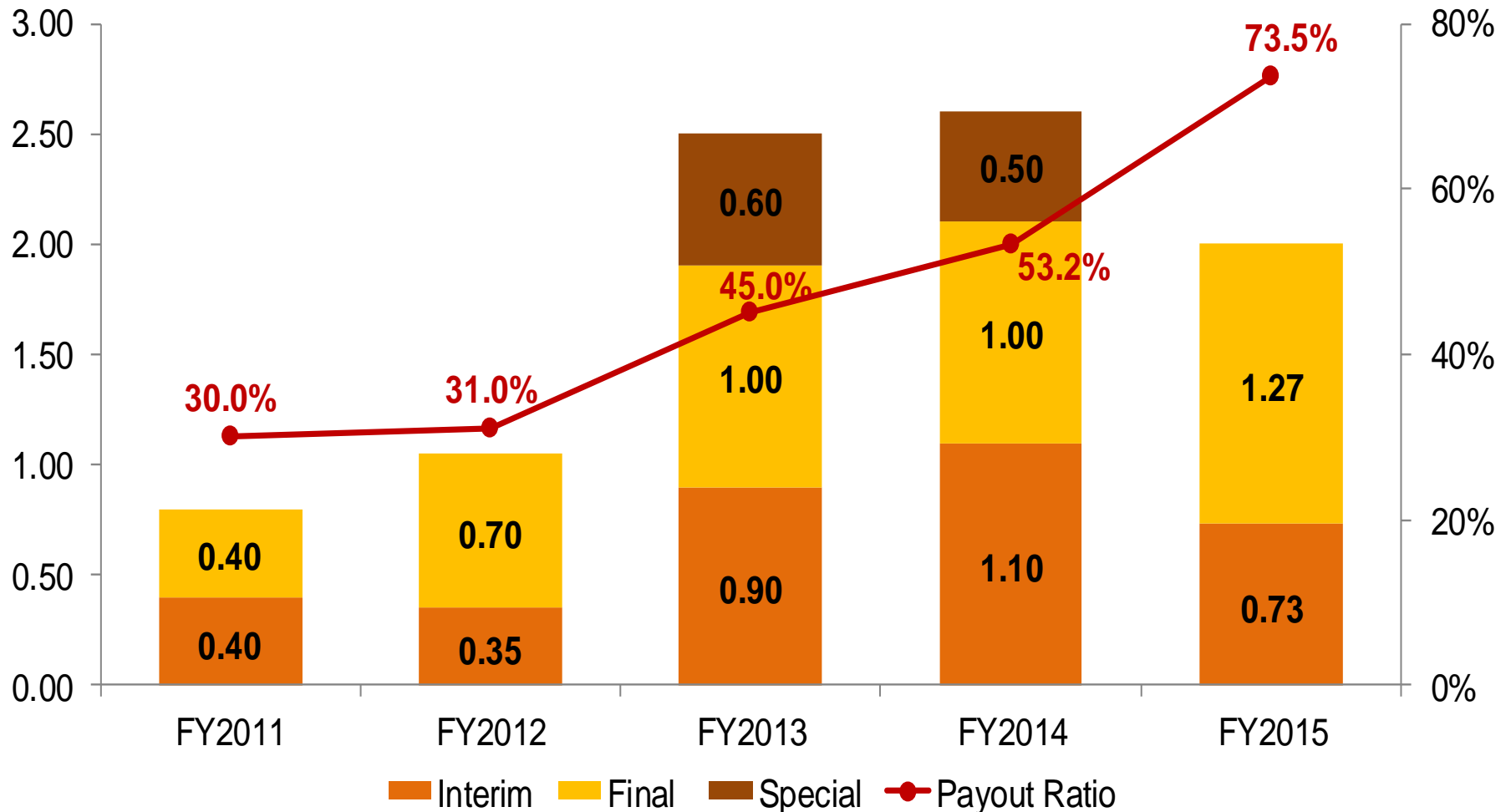
b) Based on closing price of S\$0.49 per share as at 31 March 2015

c) Subject to shareholders' approval of the final dividend at the AGM

5-Year Dividend History

Dividend Per Share
(Singapore cents)

Dividend Payout
Ratio (%)



Balance Sheet

S\$ 'm	As at 31 March 2014	As at 31 March 2015	Change (%)
ASSETS			
Current Assets	23.1	19.3	▼ 16.5
Non-Current Assets	15.4	18.9	▲ 22.7
Total Assets	38.5	38.2	▼ 0.8
LIABILITIES			
Current Liabilities	8.3	6.7	▼ 19.3
Non-Current Liabilities	0.9	0.9	-
Total Liabilities	9.2	7.6	▼ 17.4
EQUITY			
Share Capital	8.9	9.3	▲ 4.5
Retained Earnings	20.4	21.3	▲ 4.4
Total Equity	29.3	30.6	▲ 4.4
Total Liabilities + Shareholder's Equity	38.5	38.2	▼ 0.8

Cash Flow

S\$ 'm	As at 31 Mar 2014	As at 31 Mar 2015	Change (%)
Net cash provided by operating activities	11.7	8.3	▼ 29.1
Net cash used in investing activities	(6.3)	(7.5)	▲ 19.0
Net cash used in financing activities	(3.4)	(3.4)	-
Net increase in cash and cash equivalents	2.0	(2.6)	NM
Cash and cash equivalents at beginning of financial year	14.8	16.8	▲ 13.5
Cash and cash equivalents at end of financial year	16.8	14.2	▼ 15.5

Key Financial Ratios

	As at 31 Mar 2014	As at 31 Mar 2015	Change (%)
Cash and cash equivalents (S\$m)	19.0	15.9	▼ 16.3
Total assets (S\$m)	38.5	38.2	▼ 0.8
Total equity (S\$m)	29.3	30.6	▲ 4.4
Net cash ratio (%)	64.8	52.0	▼ 12.8 pt
Net asset value per share (S'pore cents) ⁽¹⁾	16.93	17.57	▲ 3.8
Net cash per share (S'pore cents) ⁽¹⁾	10.9	9.1	▼ 16.5

(1) Computed based on 174,006,000 and 173,466,000 shares as at 31 March 2015 and as at 31 March 2014 respectively.

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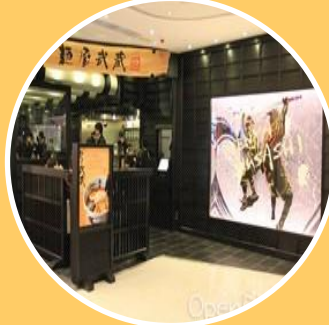
Outlook & Strategy

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

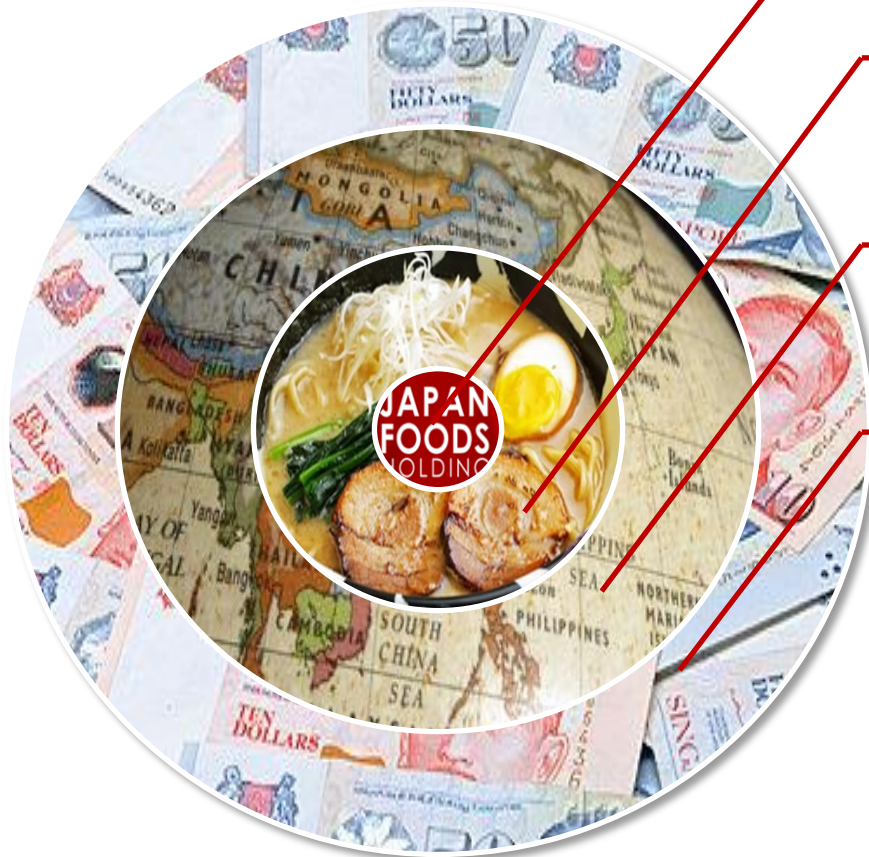
Four-Pronged Strategy

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Investment Highlights

Investment Highlights



Established market presence and brand recognition

Continuously innovating and introducing new quality cuisine

Scalable business model in Singapore. Intends to seek opportunities to expand its presence in the ASEAN region

Target annual dividend payout ratio of not less than 40%

JAPAN FOODS HOLDING LTD.



Thank You