

JAPAN FOODS HOLDING LTD.



Financial Results Presentation May 2016

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JAPAN FOODS HOLDING LTD.



**Overview of
FY2016**

4Q2016/2015 Highlights

4Q2016:

Revenue
S\$15.7 million

4Q2015:

S\$14.2 million

Gross Profit
S\$13.3 million

S\$12.5 million

4Q2016:

Net Profit
S\$0.5 million*

4Q2015:

S\$1.5 million

EBITDA
S\$2.9 million**

S\$2.6 million

** Including the impairment loss of S\$0.8 million, the Group would have recorded a net profit of S\$1.3 million in 4Q2016*

*** Excludes the impairment loss of S\$0.8 million in 4Q2016*

FY2016/2015 Highlights

FY2016:

Revenue
S\$62.8 million

FY2015:

S\$62.7 million

Gross Profit
S\$52.9 million

S\$52.3 million

FY2016:

Net Profit
S\$3.8 million*

FY2015:

S\$4.7 million

EBITDA
S\$10.7 million**

S\$10.1 million

** Including the impairment loss of S\$0.8 million, the Group would have recorded a net profit of S\$4.6 million in FY2016*

*** Excludes the impairment loss of S\$0.8 million in FY2016*

New ManLee Bak Kut Teh



Ingredient requirements and preparation method is similar to the Group's existing ramen brands



Enjoy economies of scale
in bulk purchase of
ingredients and shared
central kitchen
capabilities



Paves way for the Group to explore other non-Japanese concepts that can leverage its existing resources

First restaurant opened at Clementi Mall in December 2015. Now also available at AMK Hub (opened March 2016) and Bugis Junction (opened April 2016)

Ginza Kushi Katsu

- New self-developed concept



- ❖ First-of-its-kind in Singapore “Gyu-Katsu” premium beef fillet
- ❖ Meat doneness controlled by customers with mini teppan
- ❖ Three piping hot sauces selection “Kushi-Katsu Fondue”
- ❖ Free flow raw cabbage with home made dressing
- ❖ First store opened at The Paragon in March 2016



Dutch Baby Café

- New self-developed concept



- ❖ Signature **Dutch Baby oven-baked pancakes** on hot cast iron pans
- ❖ **Japanese-Western favourites** such as Baked Cheese Curry Rice and Curry Udon
- ❖ Assortment of **fresh handmade fruit tarts** on a daily basis by Japanese Head Patisier
- ❖ First store at The Paragon opened in April 2016



Japan Foods in the news

ST Life | 25 Apr 2016



Open For Business

- 1 GINZA RISHIKATSU**
You may be familiar with tonkatsu – breaded and deep-fried pork cutlets – commonly served in Japanese restaurants. Now, in Ginza, Japan's capital, a new concept has emerged: a skewered meat and vegetable, called the 'Ginza Rishikatsu', is served in a bowl of ramen in Fushimi.
- 2 NIKITA DINING**
Head to Nita Bowl for a quality bowl of ramen.
- 3 SUMIYAKI TRACES**
Sunday your next craving at this new dessert cafe by bigger sister brand Nita Bowl. The menu features Shikibu Tsumi (sushi), which is a Shikibu-style thick toast in three flavors: Classic, which has a mochi filling, and Shikibu, which has a mochi filling and a Shikibu-style thick toast in three flavors: Classic, which has a mochi filling, and Shikibu, which has a mochi filling.
- 4 HOKO CAFE**
The Museum Contemporary Art (MCA) has opened a new cafe and the high ground of Lower Road.
- 5 MINILE MANGLE**
First conceived as a place for the photography community to gather, this cafe has morphed into a place for ice cream and coffee as well as a photo gallery supporting Singapore artists.

ST Life | 1 May 2016

Dutch Baby Cafe

Where: Paragon, 290 Orchard Road, B1-13
Open: 10am to 10pm, weekdays; 11am to 10pm, weekend
Info: Call 6836-9488 or go to www.dutchbabycafe.com.sg

A new variety of pancakes has made an appearance in Singapore – German-style Dutch Baby pancakes which are not pan-fried but baked in cast iron pans, resulting in pancakes with thin, crispy edges and a softer core.

And for a taste of these, head to Dutch Baby Cafe, a 46-seat cafe in Paragon which opened last month.

Popular pancake flavours include Mixed Berries, which is topped with strawberries, blueberries, whipped cream and ice cream; and Banana Chocolate, with banana, blueberries, whipped cream and ice cream. Prices start from \$11.80 a pancake.

The cafe also offers fruit tarts and savoury Japanese dishes such as pork cutlet curryudon.

Dutch Baby Cafe is opened by restaurant group Japan Foods Holding, which launched fruit tart chain Fruit Paradise here in 2009 and runs brands such as the Aijisen Ramen chain and gyozocha chain Osaka Ohsho.

Mr Takahashi Kenichi, 60, its executive chairman and chief executive officer, says Dutch Baby pancakes, which are still trendy in Tokyo, are an extension of the pancake craze that gripped Japan a few years ago.

He adds: "I am always on the look out for fresh concepts to bring in so that diners here can have a slice of Japanese culture."

He believes that the "interesting contrast of textures" between the crispy edges of the Dutch Baby pancakes and their soft centre will be well received here.

The pancakes are made to order

and require a 15-minute waiting time. Mr Kenichi says that the flour, which is imported from Japan, gives the pancakes a smoother texture. The cafe sells 30 to 50 pancakes daily.

The cafe's chief pastry chef, Ms Yoshiike Chika, 32, who took one year to develop the Dutch Baby pancake recipe, says the fruit-based toppings are inspired by popular fruit flavours at Fruit Paradise.

Adds Mr Kenichi: "Singapore diners like confections that are nicely decorated with fruit. With the Dutch baby pancakes, I can offer them another type of dessert with fruit on it."

ST Business | 17 Dec 2015

UK ends quarterly reports – how about Singapore?

Firms here divided on rule but say it should be tweaked to suit business climate

SCRAP THE RULE

Without quarterly reporting, existing disclosure requirements by the Singapore Exchange should provide sufficient information to stakeholders without sacrificing transparency.

“The current rule is those with a market capitalisation of more than \$75 million have to report their earnings results every three months. The arguments for and against have been debated extensively for

Chong Koh Ping

Britain quietly scrapped quarterly reporting last month but some industry watchers here want to keep the rule but modify it to better reflect the business environment. It has been 12 years since quarterly reporting was introduced in 2003 for Singapore-listed companies.

The current rule is those with a market capitalisation of more than \$75 million have to report their earnings results every three months. The arguments for and against have been debated extensively for

many years, and some still hold strong views about the drawbacks of more frequent reporting. Ms Olivia Lum, executive chairman and group chief executive of Hyflux, said short-term financial results may send inaccurate signals on the business performance of companies that are project-based. “Long-term financials may be more meaningful (for them),” she added.

She argued that scrapping quarterly reporting would relieve companies of the administrative burden and costs. “Without quarterly reporting, existing disclosure requirements by the Singapore Exchange

should provide sufficient information to stakeholders without sacrificing transparency,” she added. But others are in favour of quarterly reporting.

Mr Takahashi Kenichi, executive chairman and chief executive of Japan Foods, felt that quarterly reporting allowed him to update shareholders and potential investors more regularly on the firm's financial performance. The Singapore-based Japanese restaurant chain has crossed the \$75 million market capitalisation mark, and started issuing quarterly results since August.

of the listed companies here would need to file these reports. Ms Koh noted that the performance of a company is more financial areas, such as contributions to social and environmental causes, could also be included in these reports.

National University of Singapore Business School's Associate Professor Mak Yuen Tien backs quarterly reporting but also sees the need for a format change. “Most companies will have a mix of long-term and short-term shareholders, he noted. The long-termers are not going to make decisions to buy, hold or sell shares based on quarterly reports. “The answer is not to stop quarterly reports but to complement such reports with information about the longer term,” Prof Mak added.

Mr Takahashi said instead of long-term capitalisation as the sole criterion, other factors, such as revenue, trading volume and the number of shareholders, should also be considered when setting the quarterly reporting requirement.

“What might work in Britain may not work for the listed companies in Singapore.”

Info@business.com.sg

Corporate digest

China Gaodian

CHINA Gaodian Fabric Fibre Holdings non-executive and non-independent chairman Low Chai Chong resigned with effect from Friday due to heavy work commitments, the company announced on Friday. Mr Low was appointed in September 2013. Replacing him is 51-year-old Xie Ruliang, a China resident who is currently venture partner of SAIF Partners, a maker of polyester yarn.

China Fishery Group

CHINA Fishery Group's CFG Peru Investments unit is seeking judicial management amid an ongoing provision liquidation at the fishing and fishmeal production group. The High Court of Singapore will hear CFG Peru's application for interim judicial management on Dec 18, and its originating summons for judicial management on March 21, 2016.

Japan Foods Holding

JAPAN Foods Holding on Friday opened its first non-Japanese concept restaurant with a bak kut teh (pork rib soup) outlet at Clementi Mall in Singapore. The restaurant is opened under a franchise from the 40-year-old New ManLee Bak Kut Teh group based in Malaysia.

ST & BT | 5 Nov 2015

Company Briefs

Singapore eDevelopment

Catalist-listed Singapore eDevelopment, formerly known as CCM Group, has been asked to pay \$152,509.68 to an insurer, which had to pay out the same sum to one of the company's clients.

MSIG Insurance had issued a performance bond for a contract between CCM and the National Parks Board (NParks) for the maintenance and upgrading of park facilities. NParks has since demanded and obtained payment of \$152,509.68 under the performance bond.

A performance bond is commonly used in the construction industry to insure against the risk of a contractor failing to fulfil obligations.

Since Singapore eDevelopment had provided corporate indemnities to issuers of performance bonds relating to its legacy construction business, it will now have to pay the demanded sum to MSIG.

ST Engineering

ST Aerospace, ST Engineering's aerospace arm, will provide maintenance support to the world's first commercial spaceline.

The firm's United States affiliate company, VT San Antonio Aerospace, will conduct heavy maintenance checks on Virgin Galactic's Boeing 747-400 aircraft, the carrier aircraft for its small satellite launch vehicle.

During the heavy maintenance visit, the 747-400 will undergo an inspection of all of its airframe structure, with many of its systems to be removed and overhauled in the process.

The aircraft will then undergo various modifications before entering service with Virgin Galactic, serving as the first stage in the spaceline's LauncherOne orbital launch system.

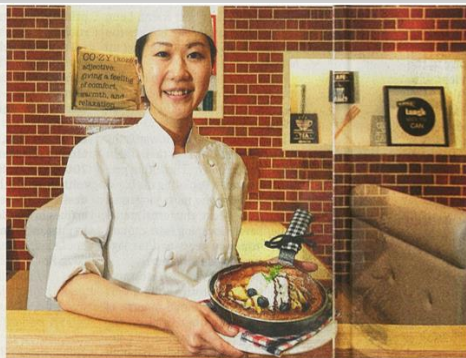
Japan Foods Holding

Japan Foods Holding has opened its first non-Japanese concept restaurant, the New ManLee Bak Kut Teh at Clementi Mall.

The concept is franchised from a restaurant established over 40 years ago in Kuala Lumpur. The choice of bak kut teh (pork rib soup) was a natural one as the group's central kitchen already prepares pork bone broth for its restaurants here, said executive chairman and chief executive Takahashi Kenichi.

“We do not want to limit ourselves only to Japanese cuisine but to look for other cuisines that can also tap into the resources that we already have. The new restaurant at Clementi Mall is our test bed and, if successful, it will allow us to move confidently in this direction.”

Featuring our new brands



Dutch Baby Cafe's chief pastry chef Yoshiike Chika. PHOTO: DIOS VINCOY JR FOR THE SUNDAY TIMES

Our Brand Portfolio

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

5 Self-Developed Brands

TOKYO WALKER



New ManLee Bak Kut Teh



Our Network

As at 31 March 2016



The Group, together with its sub-franchisees, operates a total of 54 restaurants and food court outlet under various brands in Singapore, Malaysia and Vietnam. It also has interests in 13 restaurants in Hong Kong and China through associated companies.

48 Self-operated restaurants & food court outlet

13 Restaurants through associated companies

6 Restaurants operated by sub-franchisees

Updates on our Singapore Network

Self-Operated Restaurants	Updates	No. as at 31 Mar 16	No. as at 31 Mar 15
Ajisen Ramen	<ul style="list-style-type: none"> Converted Clementi Mall restaurant to New ManLee Bak Kut Teh restaurant in December 2015 Closed Tiong Bahru Plaza restaurant in December 2015 Converted Osaka Ohsho restaurant at Bukit Panjang Plaza to Ajisen Ramen restaurant in October 2015 Closed Compass Point restaurant in September 2015 	15	17
Fruit Paradise	<ul style="list-style-type: none"> Opened Waterway Point restaurant in January 2016 Closed Raffles City restaurant in August 2015 	5	5
Hanamidori	<ul style="list-style-type: none"> Opened Plaza Singapura restaurant in May 2015 	1	0
Kazokutei	<ul style="list-style-type: none"> Opened Plaza Singapura restaurant in May 2015 	3	2
Keika Ramen	<ul style="list-style-type: none"> Opened White Sands restaurant in November 2015 	2	1
Menya Musashi	<ul style="list-style-type: none"> Opened Waterway Point restaurant in January 2016 Closed Thomson Plaza restaurant in October 2015 Closed Ion Orchard restaurant in August 2015 	8	9
Osaka Ohsho	<ul style="list-style-type: none"> Opened Waterway Point restaurant in January 2016 Converted Ang Mo Kio restaurant to New ManLee Bak Kut Teh restaurant in March 2016 Converted Bukit Panjang Plaza restaurant to Ajisen Ramen restaurant in October 2015 	6	7
New ManLee Bak Kut Teh	<ul style="list-style-type: none"> Converted Gyoza Bowl restaurant at Ang Mo Kio Hub to New ManLee Bak Kut Teh restaurant in March 2016 Converted Ajisen Ramen restaurant at Clementi Mall to New ManLee Bak Kut Teh in December 2015 	2	0
Ginza Kushi Katsu	<ul style="list-style-type: none"> Opened Paragon restaurant in March 2016 	1	0
Botejyu San	<ul style="list-style-type: none"> Unchanged 	1	1
Japanese Gourmet Town	<ul style="list-style-type: none"> Unchanged 	1	1
Menzo Butao	<ul style="list-style-type: none"> Unchanged 	1	1
Yonehachi	<ul style="list-style-type: none"> Unchanged 	1	1
TOTAL		47	45
Food Court Outlets	Updates	No. as at 31 Mar 16	No. as at 31 Mar 15
Ajisen Ramen	<ul style="list-style-type: none"> Unchanged 	1	1

Updates on our Overseas Network

Restaurants	Updates	No. of Outlets As at 31 Mar 2016	No. of Outlets As at 31 Mar 2015
Ajisen Ramen¹	<ul style="list-style-type: none"> ▪ Closed 2 restaurants in Johor Bahru, Malaysia ▪ Unchanged 	4 in Malaysia 2 in Vietnam	6 in Malaysia 2 in Vietnam
Menya Musashi²	<ul style="list-style-type: none"> ▪ Closed 2 restaurants in various locations in Hong Kong ▪ Opened 2 restaurants in China – 1 in Shanghai and 1 in Beijing 	8 in Hong Kong 5 in China	8 in Hong Kong 3 in China
TOTAL		19	19

¹ operated by sub-franchisees

² interests in restaurants through associated companies

JAPAN FOODS HOLDING LTD.



Financial Highlights FY2016

(Financial Year ended 31 Mar 2016)

Financial Highlights – 4Q2016/2015

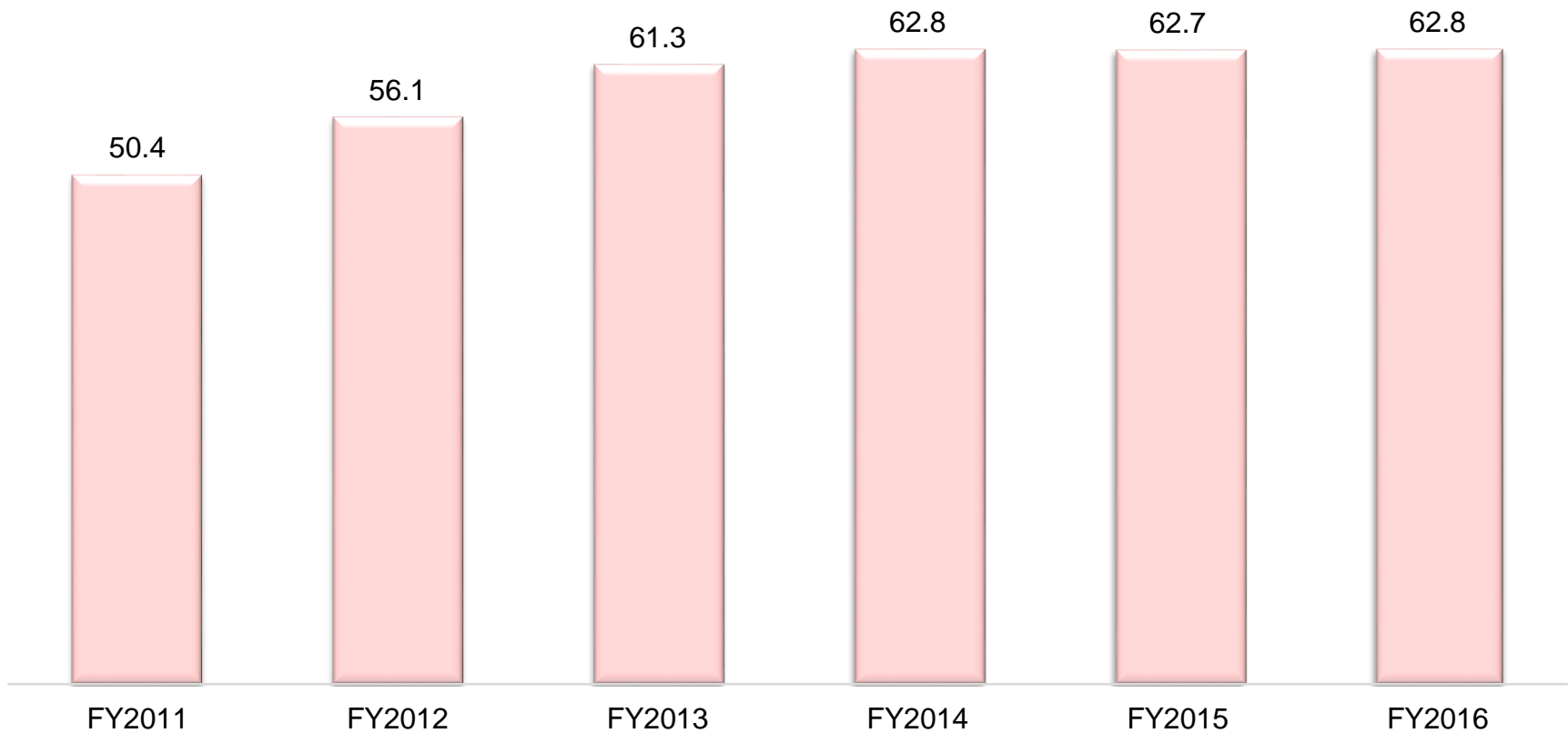
S\$' m (Fourth Quarter ended 31 March 2016)	4Q2016	4Q2015	Change (%)
Revenue	15.7	14.8	↑ 6.1
Gross Profit	13.3	12.5	↑ 6.4
Gross Profit Margin (%)	84.7	84.5	↑ 0.2 pts
EBIT	0.7	1.2	↓ 41.7
EBIT margin (%)	4.5	8.1	↓ 3.6 pts
EBITDA	2.9	2.6	↑ 11.5
EBITDA margin (%)	18.5	17.6	↑ 0.9 pts
Net Profit After Tax (NPAT)	0.5	1.5	↓ 66.7
NPAT Margin (%)	3.2	10.1	↓ 6.9 pts
Earnings Per Share (S'pore cents)	0.27	0.84	↓ 67.9
Return on Equity (%)	1.5	4.8	↓ 3.3 pts

Financial Highlights – FY2016/2015

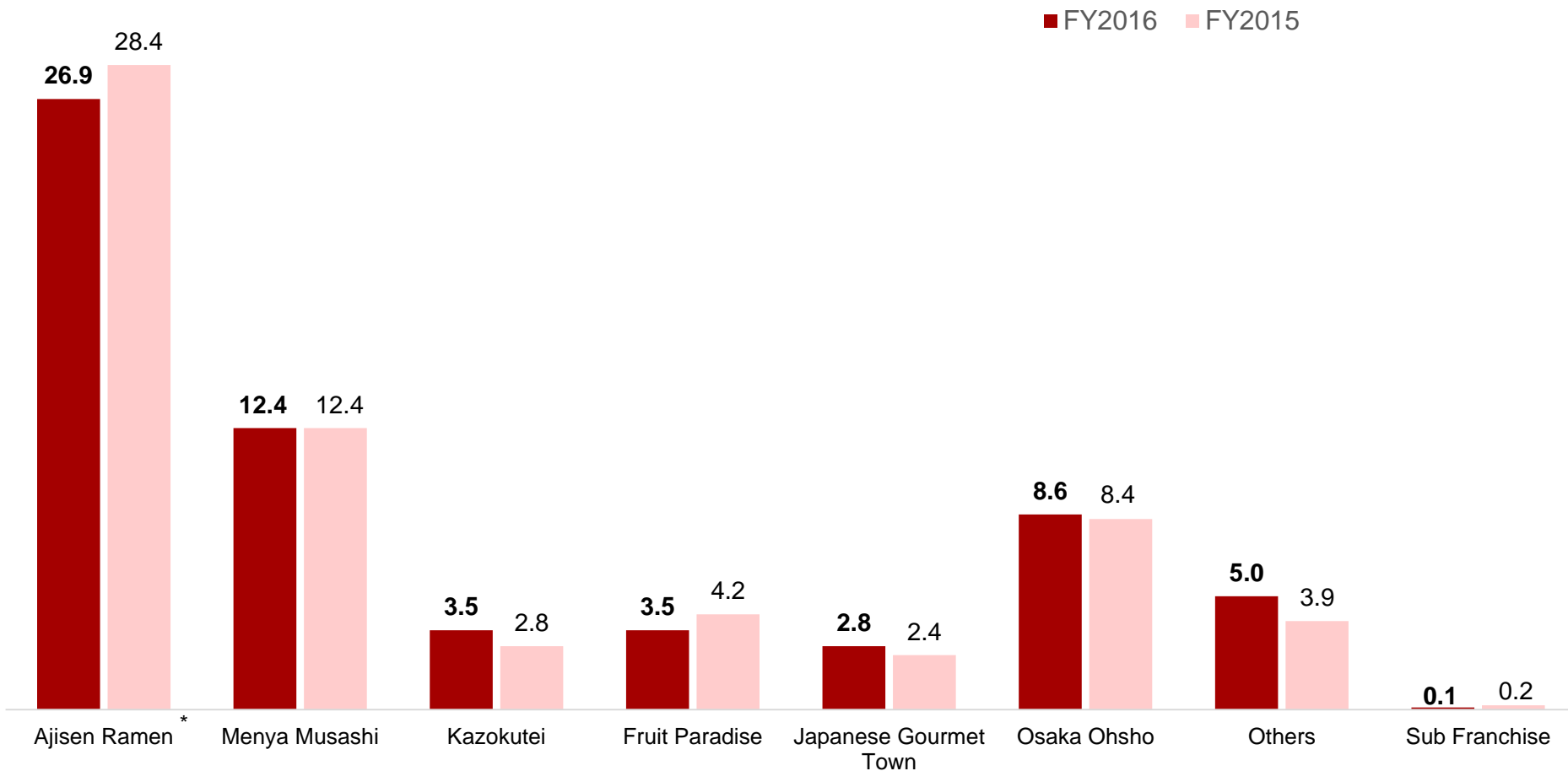
S\$' m (financial year ended 31 March 2016)	FY2016	FY2015	Change (%)
Revenue	62.8	62.7	↑ 0.2
Gross Profit	52.9	52.3	↑ 1.1
Gross Profit Margin (%)	84.2%	83.4%	↑ 0.8 pts
EBIT	4.6	5.1	↓ 9.8
EBIT margin (%)	7.3%	8.1%	↓ 0.8 pts
EBITDA	10.7	10.1	↑ 5.9
EBITDA margin (%)	17.0%	16.1%	↑ 0.9 pts
Net Profit After Tax (NPAT)	3.8	4.7	↓ 19.1
NPAT Margin (%)	6.1%	7.5%	↓ 1.4 pts
Earnings Per Share (S'pore cents)	2.17	2.73	↓ 20.5
Return on Equity (%)	12.2%	15.6%	↓ 3.4 pts

Revenue (S\$' m)

CAGR : 4.5%



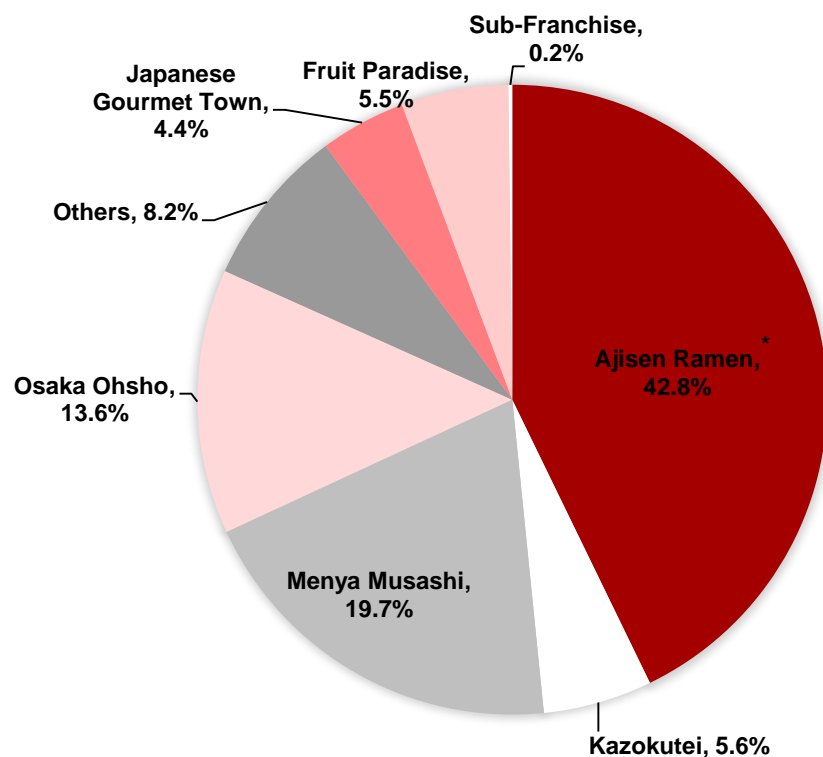
Revenue Mix by Brands (S\$' m)



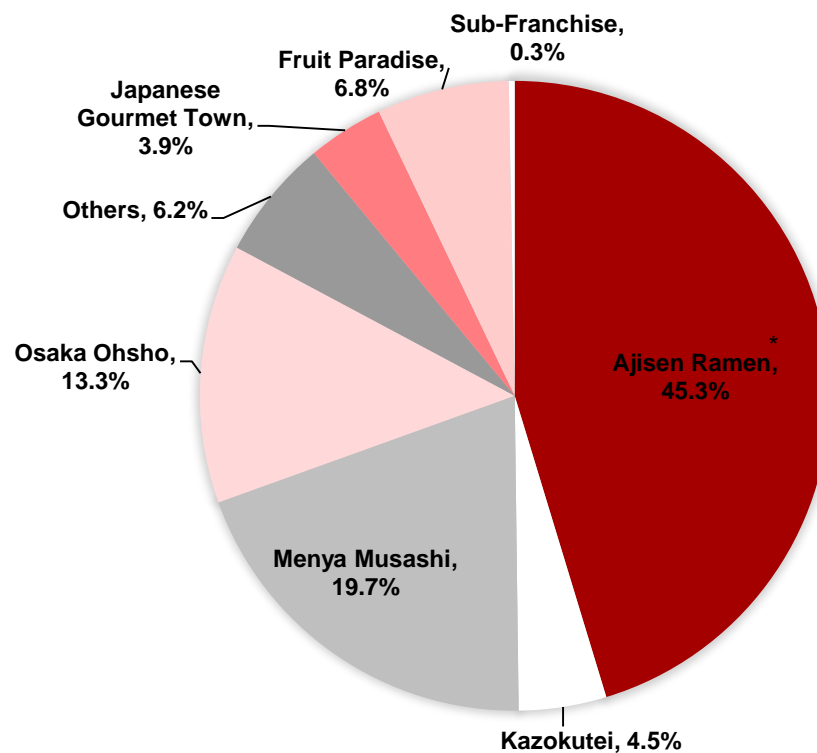
* Includes Keika Ramen

Revenue Breakdown

FY2016



FY2015

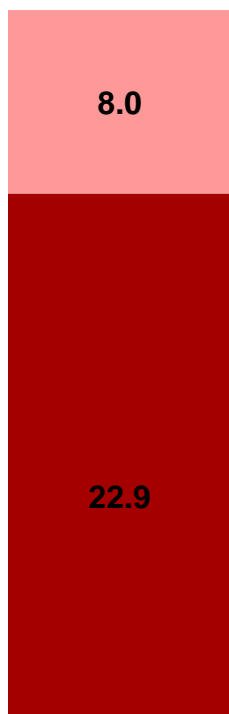


* Includes Keika Ramen

Performance of Flagship Brands

AJISEN RAMEN

19 outlets
contributed S\$30.9m



FY2014

20 outlets
contributed S\$28.4m*



FY2015

18 outlets
Contributed S\$26.9m**



FY2016

*Includes 1 Keika Ramen outlet
** Includes 2 Keika Ramen outlets

■ Existing Outlets ■ Closed Outlets ■ New Outlets

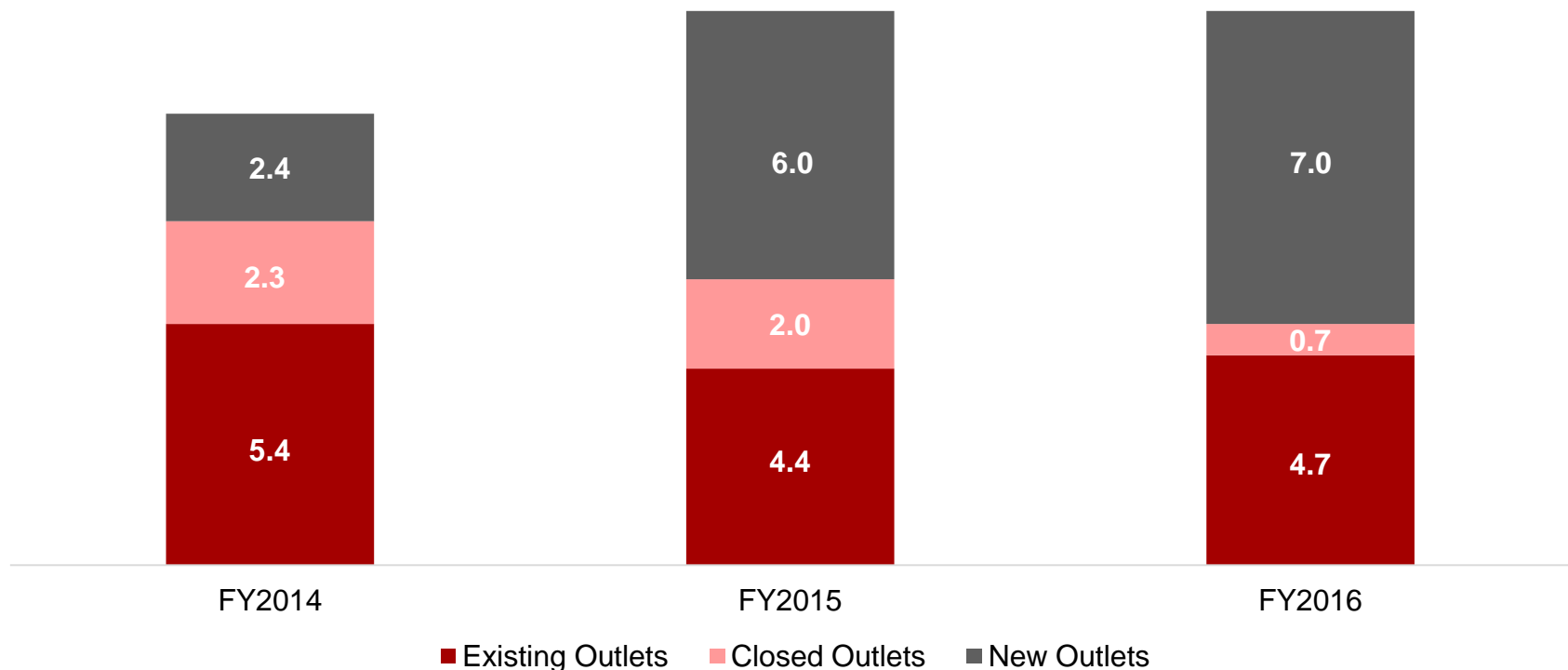
Performance of Flagship Brands

MENYA MUSASHI

8 outlets
contributed S\$10.1m

9 outlets
contributed S\$12.4m

8 outlets
contributed S\$12.4m



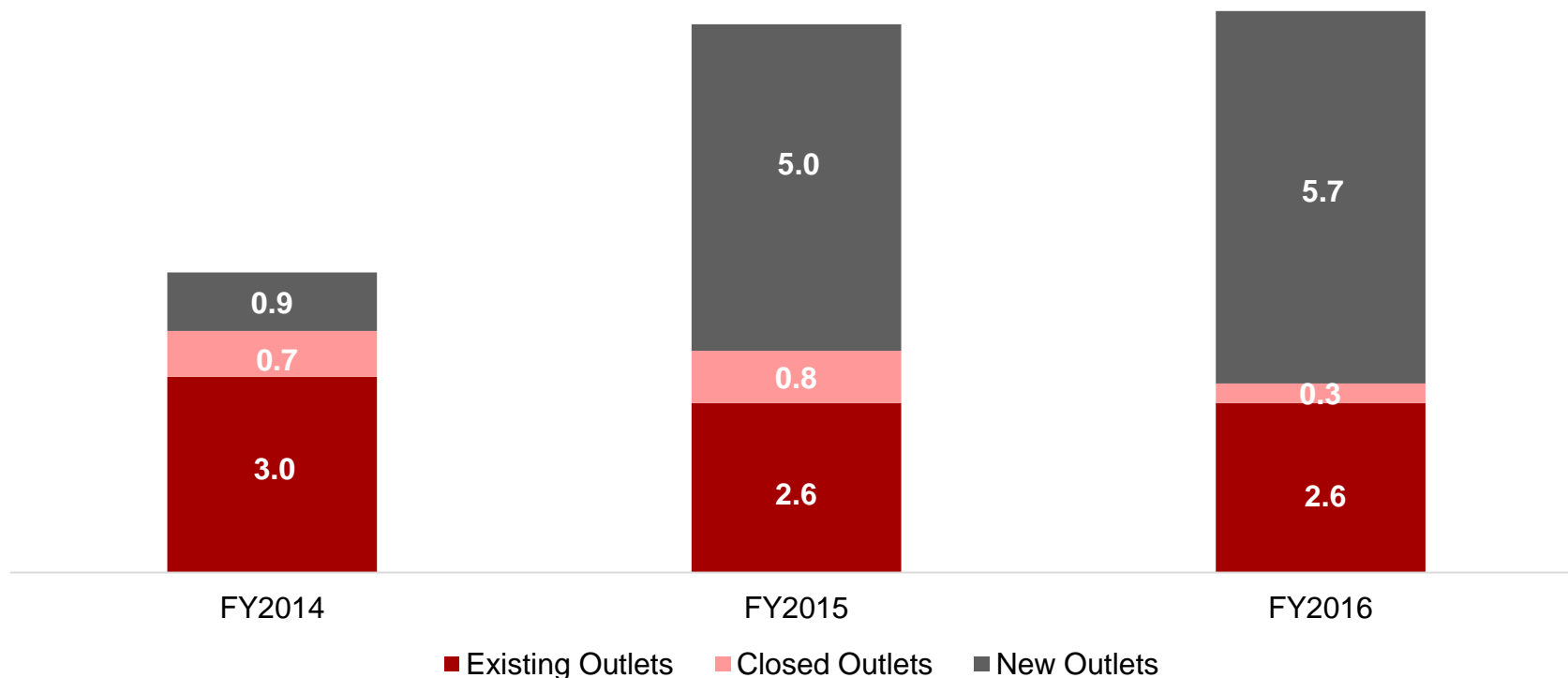
Performance of Flagship Brands

OSAKA OHSHO

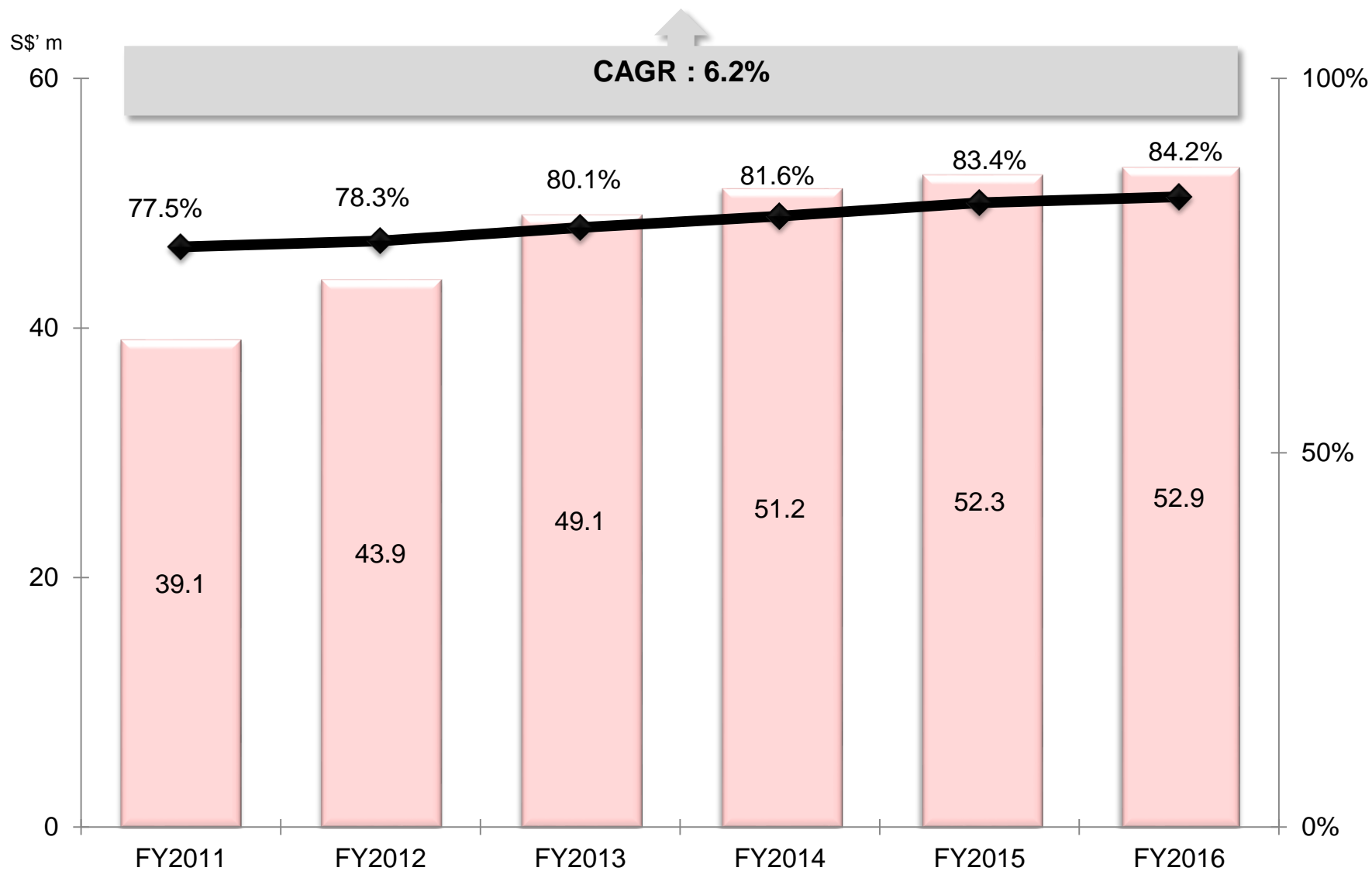
4 outlets
contributed S\$4.6m

7 outlets
contributed S\$8.4m

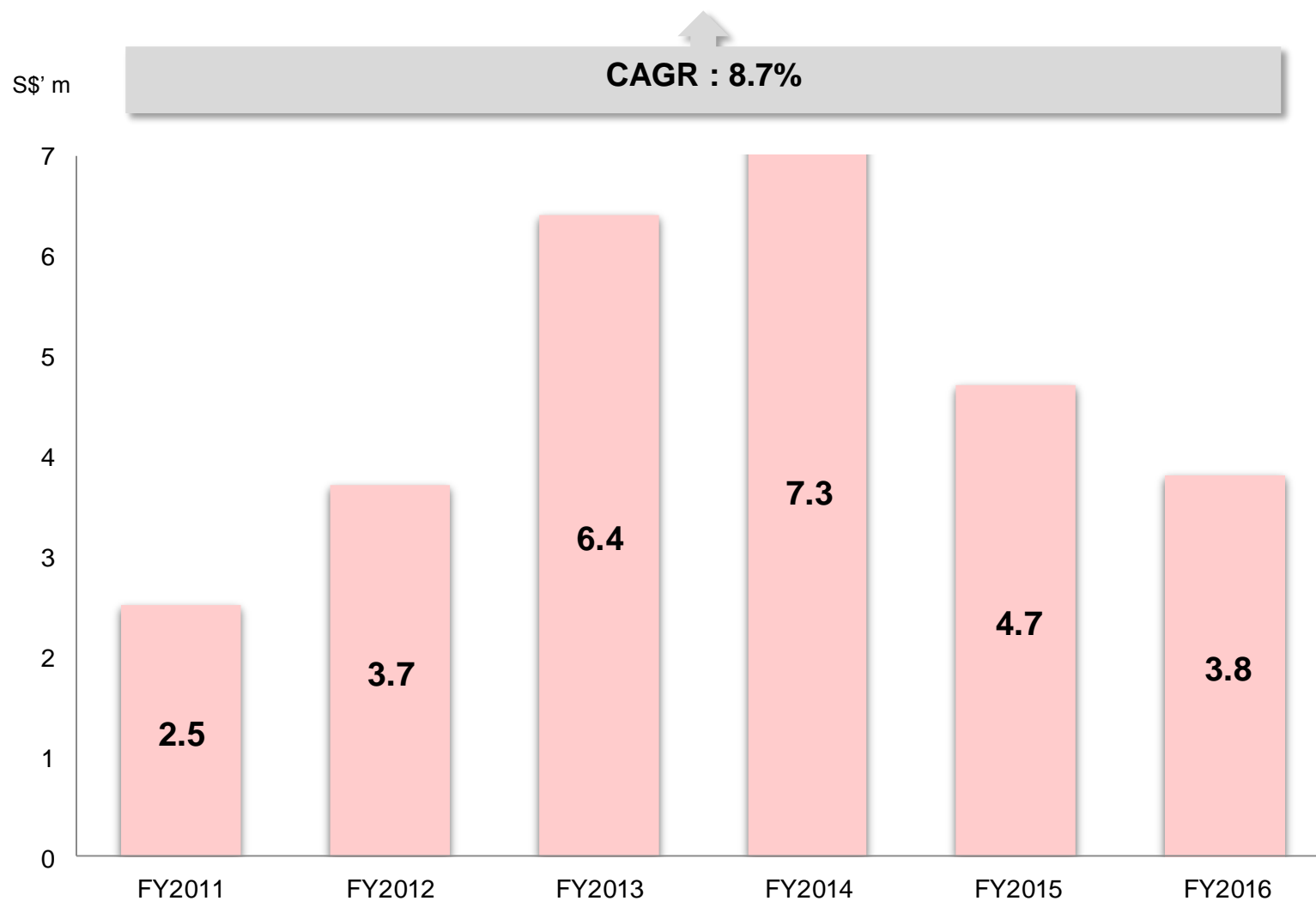
6 outlets
contributed S\$8.6m



Gross Profit and Gross Profit Margin



Net Profit



Cash Flow

S\$ 'm	Full Year ended 31 Mar 2016	Full Year ended 31 Mar 2015	Change (%)
Net cash provided by operating activities	9.6	8.3	↑ 15.7
Net cash used in investing activities	(5.0)	(7.5)	↓ 33.3
Net cash used in financing activities	(3.8)	(3.4)	↑ 11.8
Net increase in cash and cash equivalents	0.9	(2.6)	NM
Cash and cash equivalents at beginning of financial year	14.2	16.8	↓ 15.5
Cash and cash equivalents at end of financial year	15.1	14.2	↑ 6.3

Key Financial Ratios

	As at 31 Mar 2016	As at 31 Mar 2015	Change (%)
Cash and cash equivalents (S\$'m)	16.9	15.9	↑ 6.3
Total assets (S\$'m)	38.9	38.2	↑ 1.6
Total equity (S\$'m)	30.9	30.6	↑ 1.0
Net cash ratio (%)	54.6	52.0	↑ 2.6 pts
Net asset value per share (S'pore cents) ⁽¹⁾	17.74	17.57	↑ 1.0
Net cash per share (S'pore cents) ⁽¹⁾	9.7	9.1	↑ 6.6

(1) Computed based on 173,936,000 shares as at 31 March 2016 and 174,006,000 shares as at 31 March 2015.

JAPAN FOODS HOLDING LTD.

Investment Highlights



Four-Pronged Strategy



Development of New Concepts

Launch new franchised and self-developed brands



Overseas Expansion

Via strategic investments such as acquisitions, joint ventures or through a franchise / sub-franchise 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



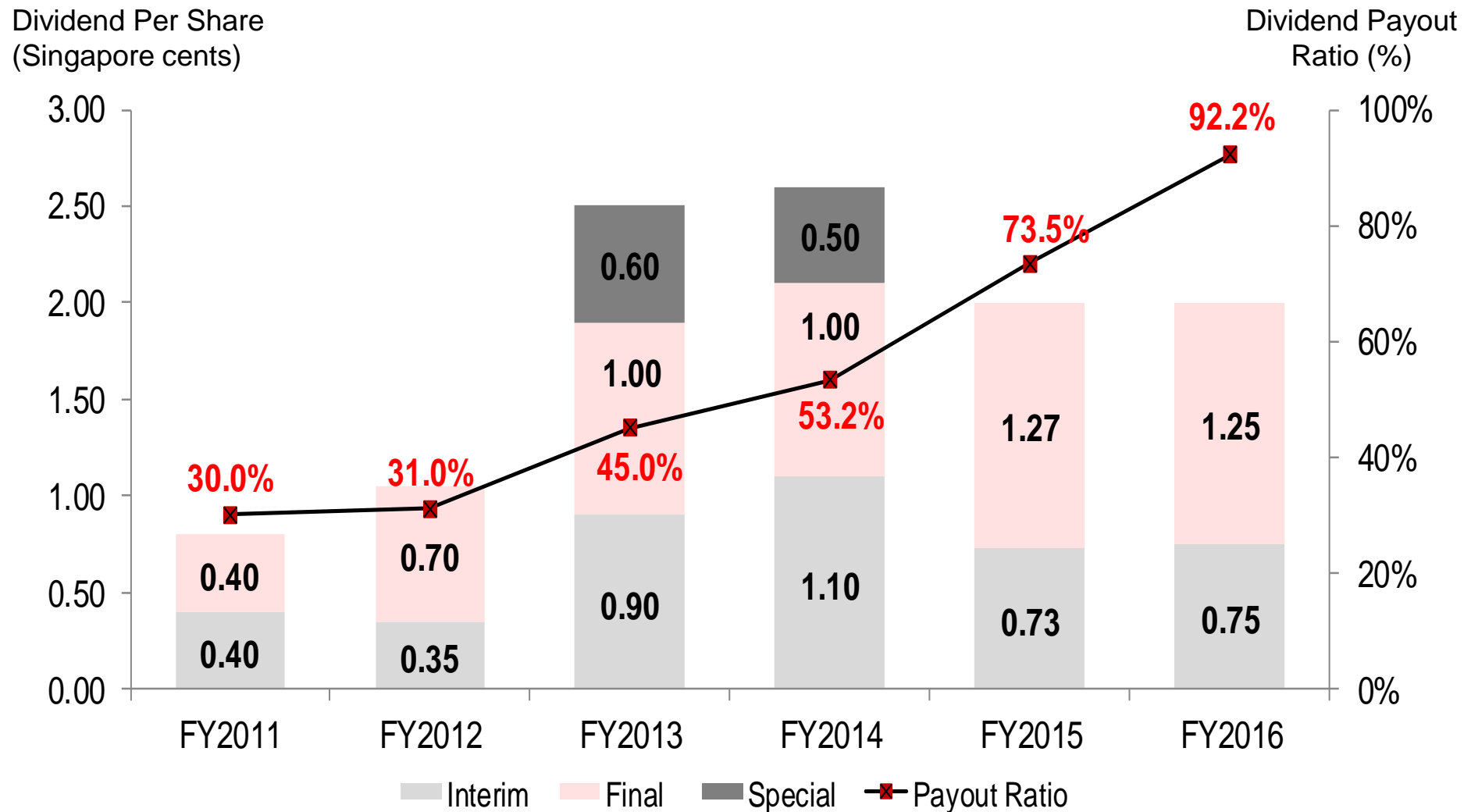
Established market presence and brand recognition

Continuously innovating and introducing new quality cuisine

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

Target annual dividend payout ratio of not less than 40%

5-Year Dividend History & Current



Exploring Regional Opportunities



The Group will also seek opportunities to expand its presence in the ASEAN region by way of joint ventures, acquisitions and/or sub-franchising of its brands.

JAPAN FOODS HOLDING LTD.



Thank You