

JAPAN FOODS HOLDING LTD.

Corporate Presentation

1Q 2019

(3 months ended 30 June 2018)



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JAPAN FOODS HOLDING LTD.

Overview of 1Q2019



Performance at a Glance

1Q2019:

Revenue
S\$16.6 million

Gross Profit
S\$14.1 million

1Q2018:

S\$16.2 million

S\$13.8 million

1Q2019:

Net Profit
S\$1.0¹ million

EBITDA
S\$2.2 million

1Q2018:

S\$1.0¹million

S\$2.4 million

¹ Rounding

Our Growing Brand Portfolio

9 Franchise Brands from Japan



Ajisen Ramen



Shitamachi Tendon Akimitsu



Osaka Ohsho



Konjiki Hototogisu



Kazokutei



Menya Musashi



Menzo Butao



Yonehachi



Kagurazaka Saryo

6 Self-Developed Brands



Aji-Tei



Curry is Drink



New ManLee Bak Kut Teh

Our Latest Brands

Konjiki Hototogisu



- **First franchisee** in Asia.
- Launched in **June 2018** at CHIJMES

Brand highlights:

- ✓ Originated in Shinjuku in Tokyo, Japan
- ✓ Featured in Michelin Guide Tokyo's Bib Gourmand for four consecutive years between 2015 and 2018
- ✓ Famed for its full-bodied clam, chicken and pork base broth



Kagurazaka Saryo



- **First franchisee** in Asia
- Launched in **July 2018** at VivoCity

Brand highlights:

- ✓ 20-year old brand
- ✓ Began in back street of Kagurazaka ("Little Kyoto") in Tokyo, Japan
- ✓ Offers variety of traditional Japanese desserts including cakes and ice creams with matcha as key ingredient



Our Network

As at 30 June 2018



The Group, together with its sub-franchisees, operates a total of 51 restaurants under various brands in Singapore, Malaysia and Vietnam. It also has interests in 19 restaurants in Indonesia, Hong Kong and China through associated companies.

51 Self-operated restaurants

19 Restaurants through associated companies

3 Restaurants operated by sub-franchisees

Updates on our Singapore Network

Self-Operated Restaurants	No. as at 30 Jun 2018	No. as at 30 Jun 2017
Ajisen Ramen	18	18
Curry is Drink	1	-
Dutch Baby Cafe	1	1
Fruit Paradise	2	3
Ginza Kushi Katsu	1	1
Japanese Gourmet Town	1	1
Kazokutei	1	1
Keika Ramen	-	1
Konjiki Hototogisu	1	-
Menya Musashi	10	8
Menzo Butao	1	1
New ManLee Bak Kut Teh	1	2
Osaka Ohsho ⁽¹⁾	5	6
Shitamachi Tendon Akimitsu	7	-
Yonehachi	1	1
TOTAL	51	44
Food Court Outlet		
Ajisen Ramen	0	1



Den by Ajisen Ramen



Konjiki Hototogisu



Shitamachi Tendon Akimitsu



New ManLee Bak Kut Teh



Curry is Drink

¹ Includes 1 "Kotsujiru Nabe" brand restaurant, which is an extension of the "Osaka Ohsho" brand

Updates on our Overseas Network

Restaurants	Updates	No. of Outlets As at 30 Jun 2018	No. of Outlets As at 30 Jun 2017
Ajisen Ramen¹	<ul style="list-style-type: none"> ▪ Closed 1 restaurant in Miri, Sarawak, Malaysia ▪ Closed 1 restaurant in Sutera Mall, Johor, Malaysia 	<p>1 in Malaysia</p> <p>2 in Vietnam</p>	<p>3 in Malaysia</p> <p>2 in Vietnam</p>
Menya Musashi²	<ul style="list-style-type: none"> ▪ Opened 1 restaurant in Jakarta, Indonesia ▪ Opened 4 new restaurants in China <ul style="list-style-type: none"> ✓ 1 in Beijing ✓ 1 in Hangzhou ✓ 1 in Wuhan ✓ 1 in Guangzhou • Closed 1 restaurant in Hangzhou, China 	<p>1 in Indonesia</p> <p>8 in Hong Kong</p> <p>10 in China</p>	<p>8 in Hong Kong</p> <p>7 in China</p>
TOTAL		22	20

¹ operated by sub-franchisees

² interests in restaurants through associated companies

JAPAN FOODS HOLDING LTD.

Financial Highlights

1Q2019

(3 months ended 30 June 2018)



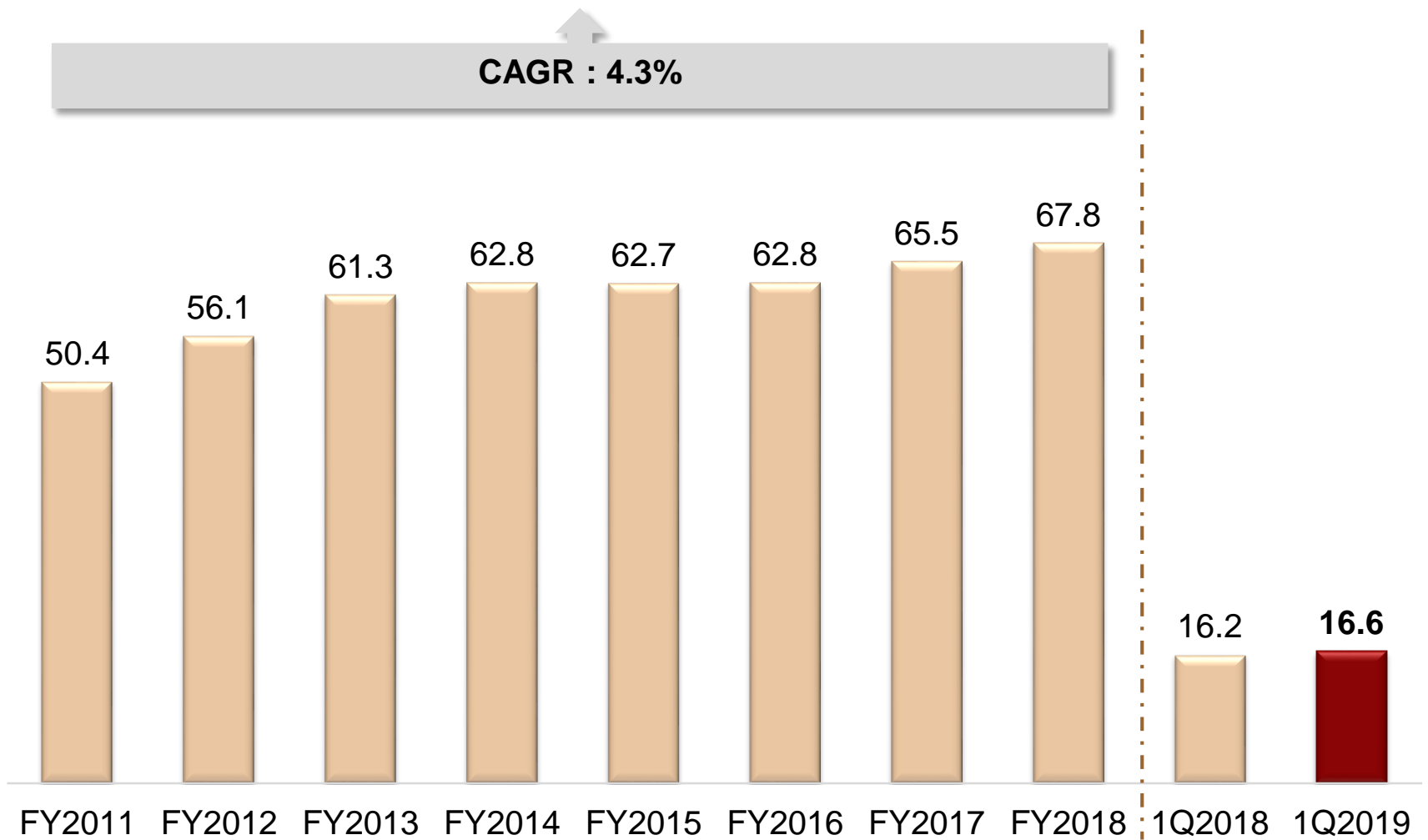
Financial Highlights

S\$' m	Three months ended 30 June		Change (%)
	1Q2019	1Q2018	
Revenue	16.6	16.2	↑ 2.7
Gross Profit	14.1	13.8	↑ 2.4
Gross Profit Margin (%)	84.8	85.0	↓ 0.2pt
EBIT	1.2	1.3	↓ 5.9
EBIT margin (%)	7.2	7.9	↓ 0.7pt
EBITDA	2.2	2.4	↓ 6.7
EBITDA margin (%)	13.5	14.8	↓ 1.3pts
Net Profit After Tax (NPAT)	1.0 ¹	1.0 ¹	↓ 7.6
NPAT Margin (%)	5.8	6.5	↓ 0.7pt
Earnings Per Share (S'pore cents)	0.56	0.60	↓ 6.7
Return on Equity ² (%)	10.9	12.2	↓ 0.3pt

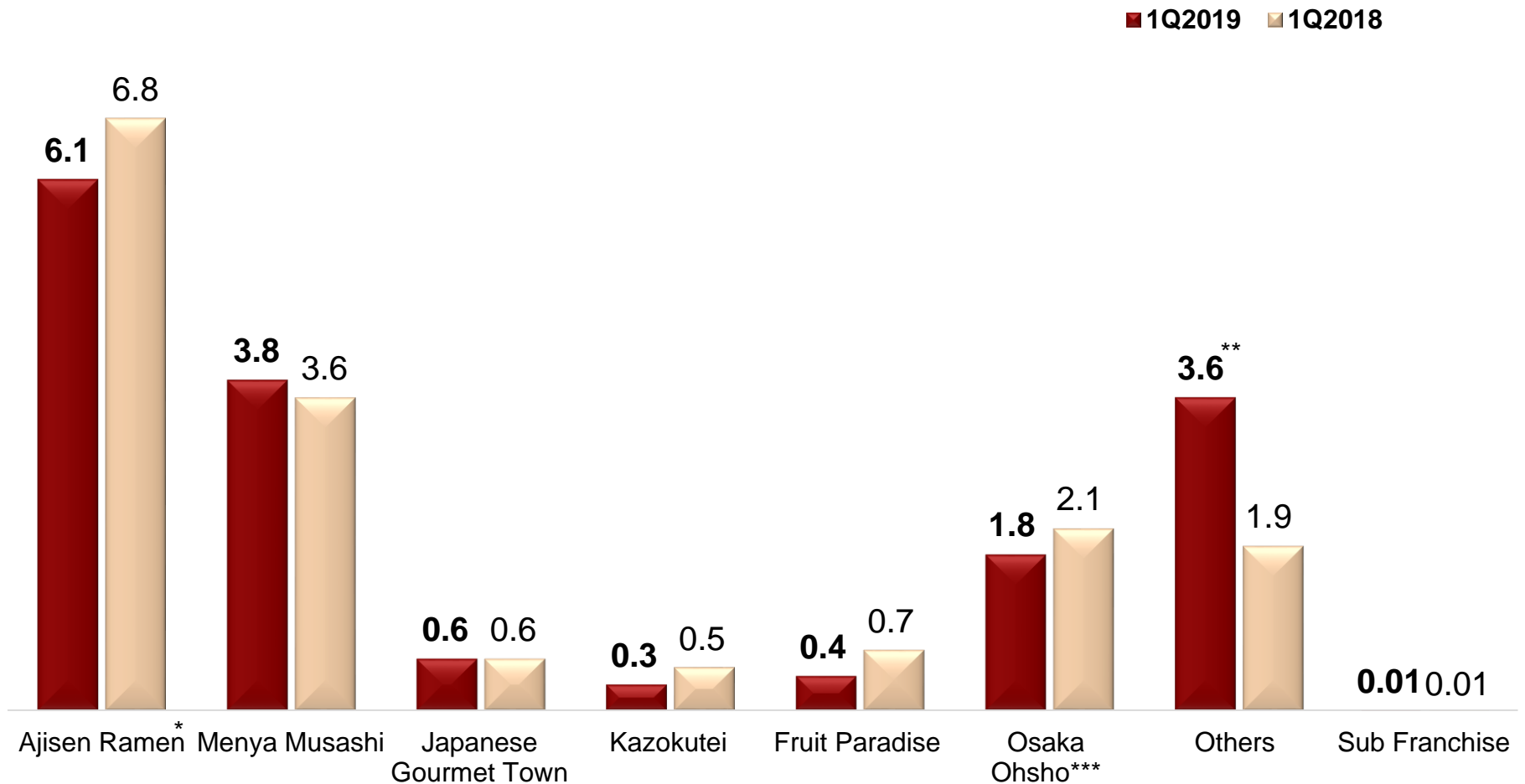
¹ Rounding

² Annualised

Revenue (S\$' m)



Revenue Mix by Brands (S\$' m)



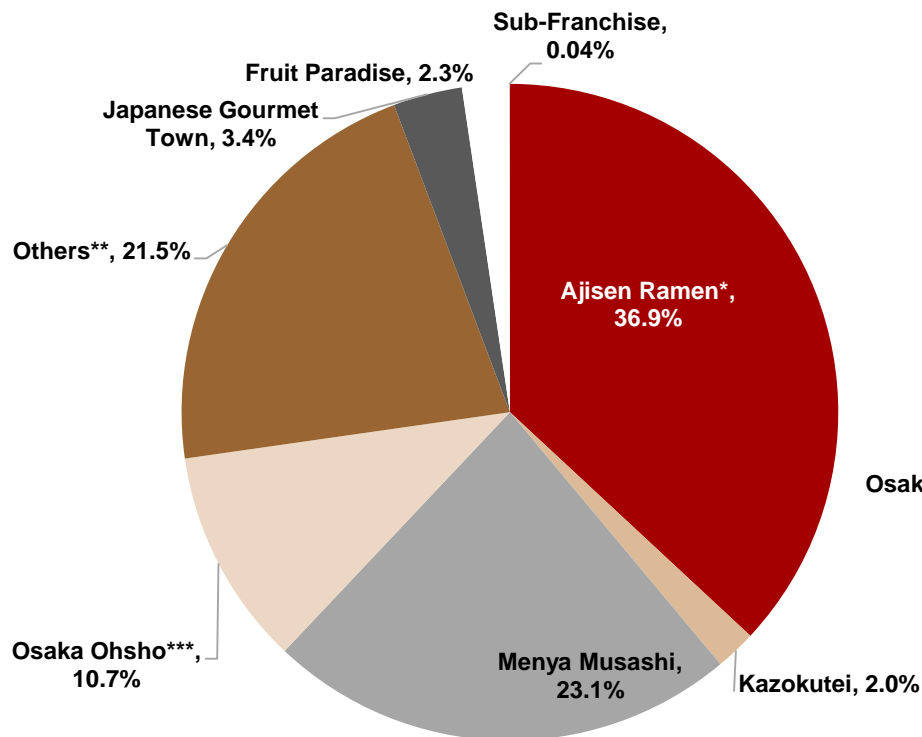
* Includes Keika Ramen

** Includes revenue contribution from one new restaurant brand "Konjiki Hototogisu"

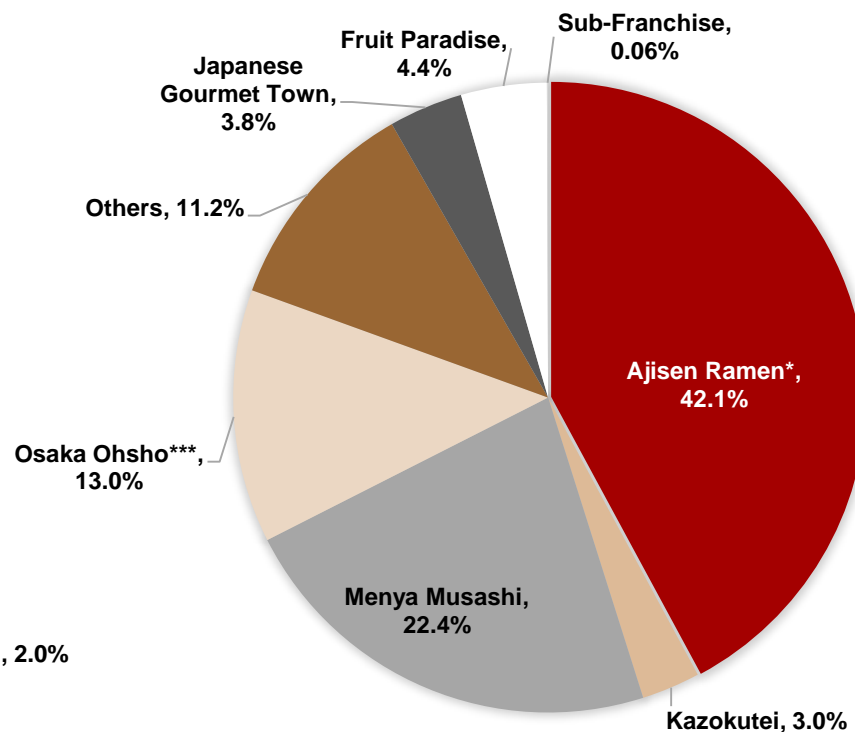
*** Includes 1 "Kotsujiru Nabe" brand restaurant, which is a brand extension of the "Osaka Ohsho" brand

Revenue Breakdown

1Q2019



1Q2018

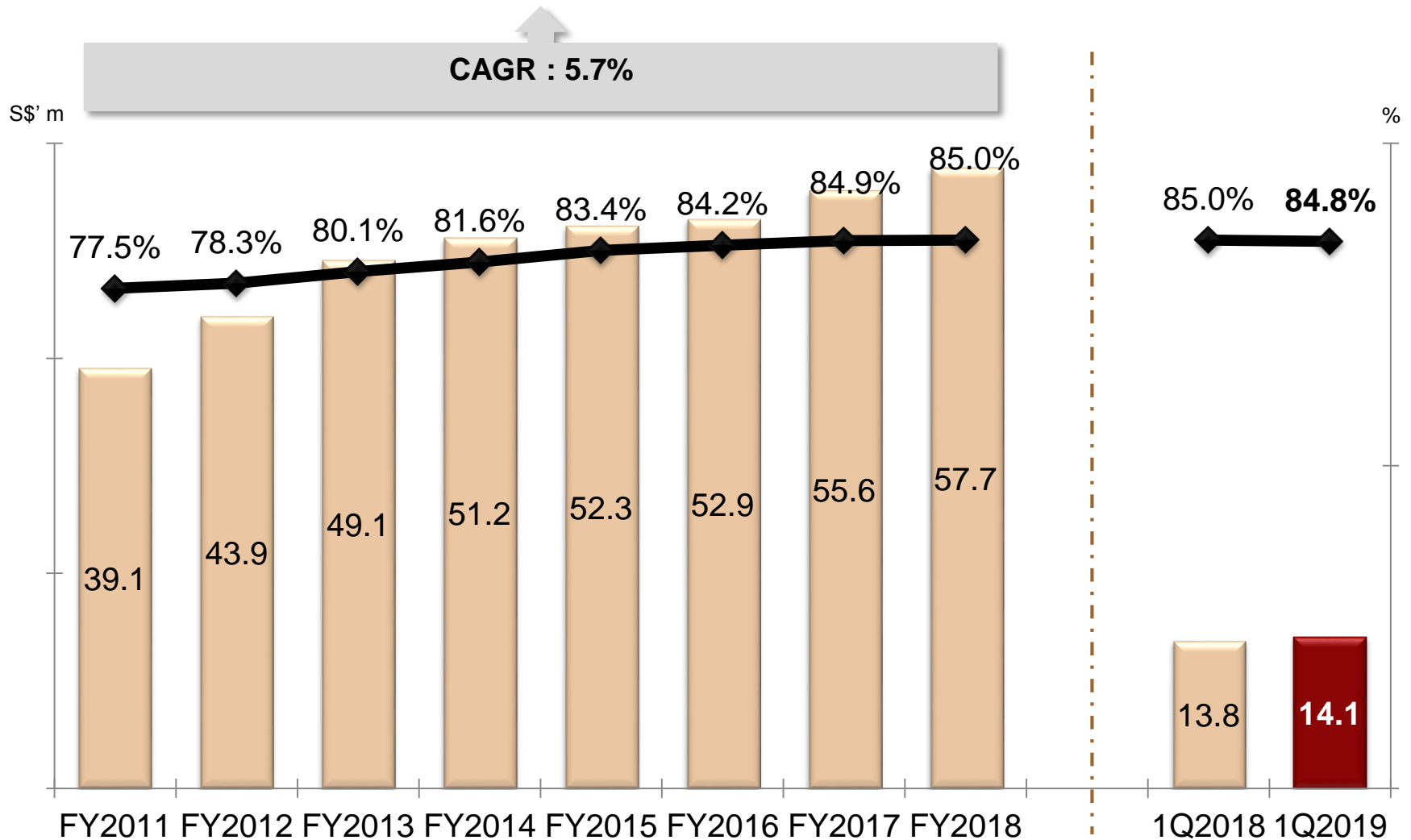


* Includes Keika Ramen

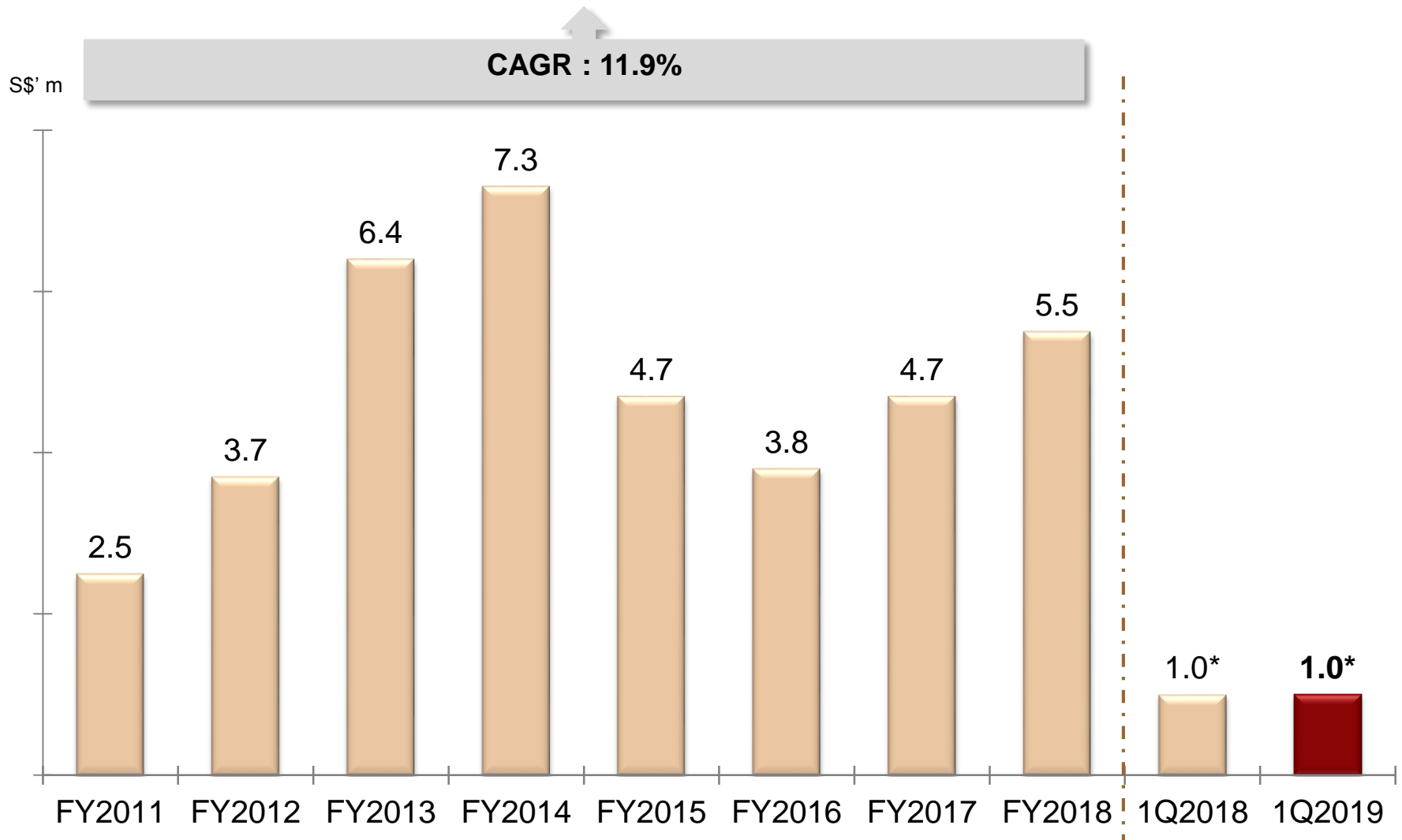
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*** Includes 1 "Kotsujiru Nabe" brand restaurant, which is a brand extension of the "Osaka Ohsho" brand

Gross Profit and Gross Profit Margin



Net Profit



* Rounding

Cash Flow

S\$ 'm	3 months ended 30 Jun 2018	3 months ended 30 Jun 2017	Change (%)
Net cash generated from operating activities	3.4	2.5	↑ 33.6
Net cash used in investing activities	(0.8)	(0.7)	↑ 29.7
Net cash (used)/provided by in financing activities	(0.3)	0.07	NM
Net increase in cash and cash equivalents	2.3	2.0	↑ 18.5
Cash and cash equivalents at beginning of financial year	19.8	18.1	↑ 9.0
Cash and cash equivalents at end of financial year	22.1	20.1	↑ 10.0

NM: Not meaningful

Key Financial Ratios

	As at 30 Jun 2018	As at 31 Mar 2018	Change (%)
Cash and bank balances (S\$m)	24.5	21.9	↑ 12.1
Total assets (S\$m)	45.3	43.3	↑ 4.8
Total equity (S\$m)	35.3	34.0	↑ 3.8
Net cash ratio ⁽¹⁾	2.6	2.5	↑ 0.1pt
Net asset value per share (S'pore cents) ⁽²⁾	20.30	19.63	↑ 3.4
Net cash per share (S'pore cents) ⁽²⁾	14.1	12.6	↑ 11.9

(1) Net cash ratio is calculated by taking the cash and bank balances, subtracting total debt, and dividing that number by the total current liabilities.

(2) Computed based on 174,087,900 shares as at 30 June 2018 and 173,387,900 shares as at 31 March 2018.

JAPAN FOODS HOLDING LTD.

Investment Highlights & Corporate Update



Indonesia Comeback

25 May 2018: **Completed acquisition of a 30% equity interest in PT Menya Musashi Indonesia (“MMI”)**



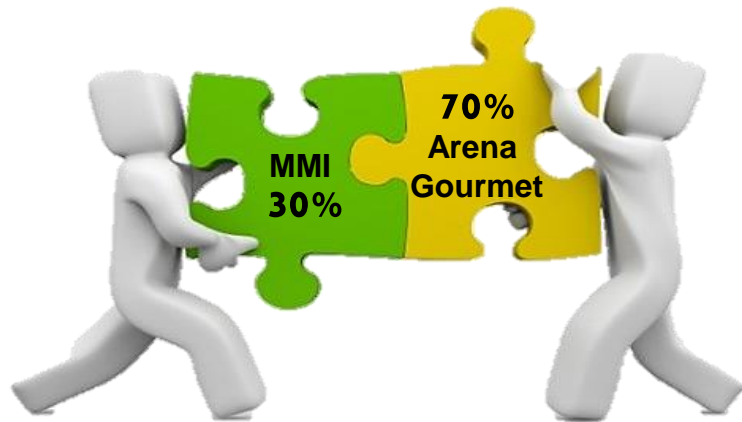
Japan Foods'
Investment Value
\$150,000

MMI:

- ✓ To manage and operate Japanese ramen restaurants under the “Menya Musashi” brand
- ✓ To identify suitable locations for restaurants
- ✓ Opened first restaurant in Jakarta in April 2018

About our Partner:

- ✓ PT Arena Gourmet (“Arena Gourmet”) – An established restaurant operator in Indonesia with over 20 restaurants under eight brands



Corporate Updates



The Group will continue to explore opportunities to expand its presence in the ASEAN region and Japan by way of JVs, acquisitions and/or sub-franchising of its brands

JFH Rewards Programme



Launched: January 2018

No. of JFH members*: Approx. 20,000

- ✓ Members get a 10% rebate on what they spend in the form of J\$
- ✓ Free membership
- ✓ Accumulated J\$ can be used to offset the next meal
- ✓ New programme replaces the previous JFH Family Card

**As at 30 Jun 2018*

Peer Comparison

	Market Cap (S\$ 'm)	Price (S\$)	Net profit margin (%)	ROE (%)	Net Debt / Equity	P/E	Div yield (%)
Japan Foods	83.6	0.480	5.8	10.9 ¹	Net Cash	14.5	4.4
BreadTalk	647.8	1.150	2.1	7.1	0.2	51.2	3.0
ABR Holdings	173.9	0.865	4.7	5.8	Net Cash	30.0	2.9
Sakae Holdings	27.9	0.200	4.2	7.7	1.3	10.3	-
Soup Restaurant	42.0	0.150	5.7	21.2	Net Cash	18.0	3.3
Tung Lok Restaurant	54.9	0.200	-	-	Net Cash	-	-
Katrina	49.8	0.215	1.7	7.1	Net Cash	50.0	1.2
Jumbo	340.2	0.530	8.2	19.3	Net Cash	27.5	1.9
RE&S Holdings	62.0	0.175	-	-	-	-	-
Kimly Limited	393.0	0.340	10.9	27.8	Net Cash	18.4	2.8
No Signboard Holdings	80.9	0.175	31.7	45.8	-	10.5	-

Source: ShareInvestor.com, data as at 2 Aug 2018

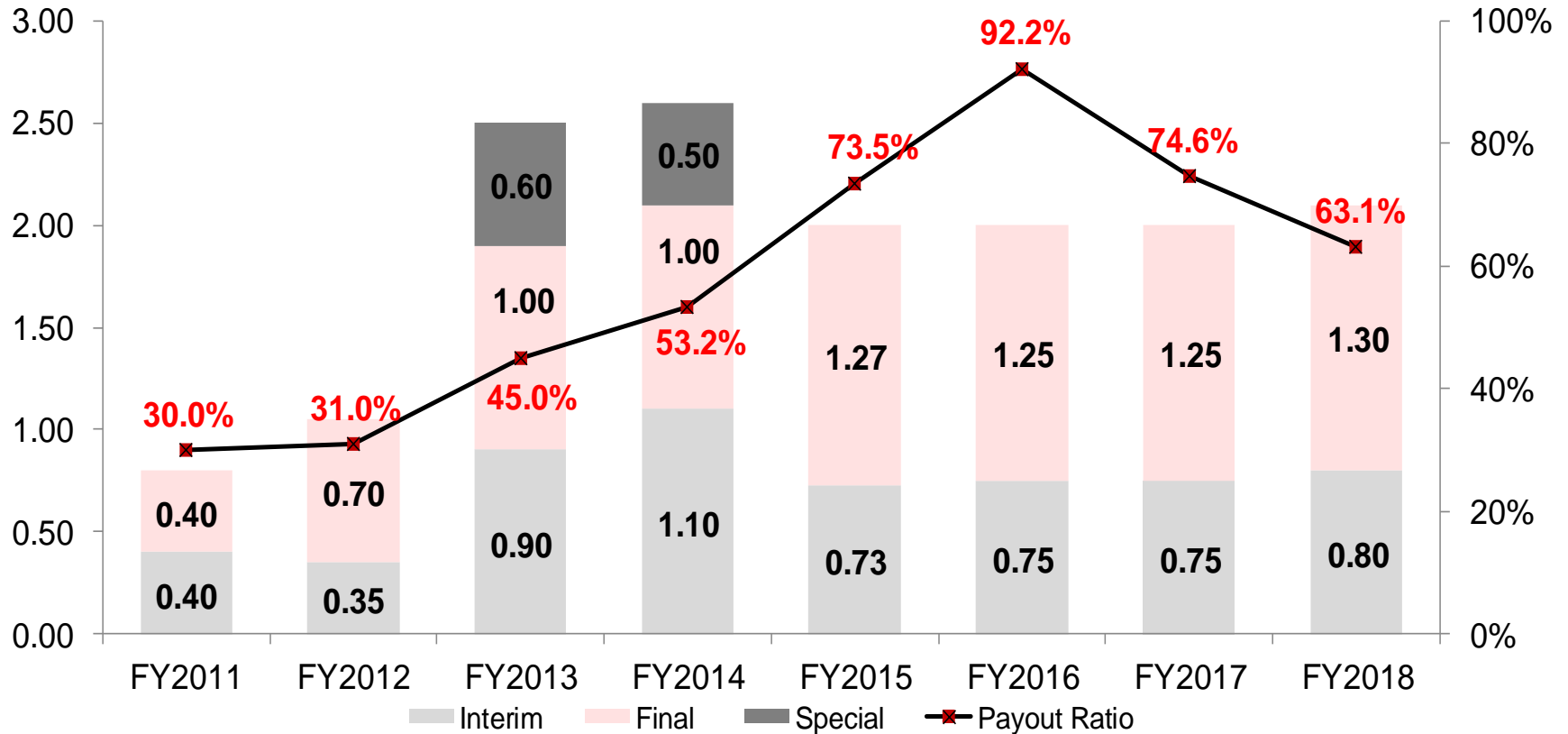
Japan Foods, Tung Lok – FYE 31 Mar RE&S Holdings – FYE 30 Jun No Signboard, Kimly – FYE 30 Sep Rest of peers – FYE 31 Dec

¹ Annualised

Dividend History

Dividend Per Share
(Singapore cents)

Dividend Payout
Ratio (%)



*Subject to the Group's business requirements and other relevant considerations and barring unforeseen circumstances, Japan Foods announced its intention in May 2017 to raise target dividend payout ratio to **at least 50%** of its audited consolidated net profits attributable to shareholders annually.*

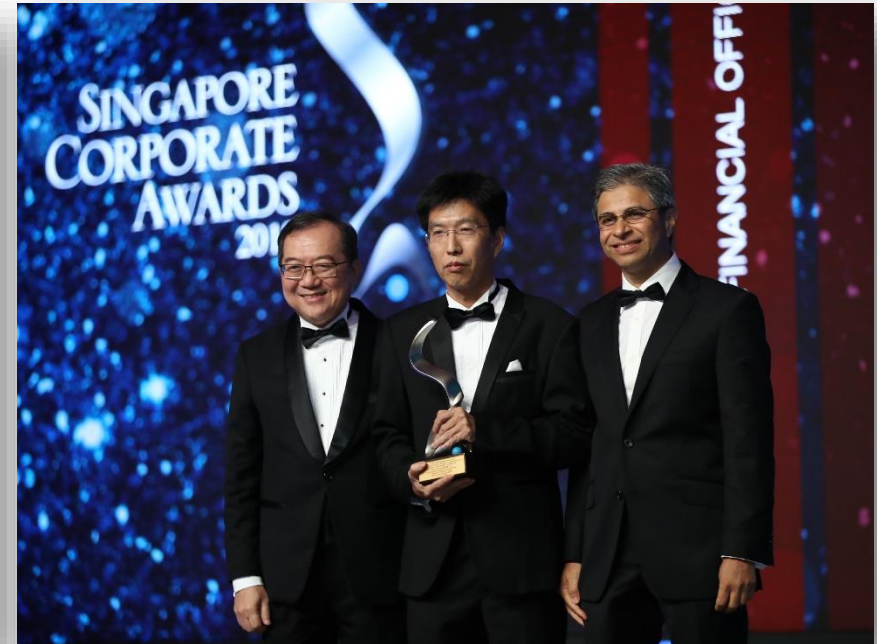
Clinches Twin Accolades at SCA 2018

for companies with less than S\$300 million in market capitalisation



**Best Managed Board Award
(Gold) 2018**

**Best Chief Financial Officer
2018**



Excellence in Corporate Governance

Singapore Governance and Transparency Index 2017 – General Category

RANK 2017	COMPANY NAME	BASE SGTI 2017 SCORE	ADJUSTMENTS FOR BONUSES/PENALTIES	OVERALL SGTI 2017 SCORE	OVERALL SGTI 2016 SCORE	RANK 2016
41	BAKER TECHNOLOGY	69	12	81	87	23
41	HONG LEONG FINANCE	78	3	81	69	74
43	ARA ASSET MANAGEMENT	67	12	79	84	28
43	CNMC GOLDMINE HLDGS	72	7	79	72	64
43	JAPAN FOODS HLDG	74	5	79	72	64
43	SINGAPORE TECHNOLOGIES ENGINEERING	71	8	79	75	51
43	UOL GROUP	70	9	79	75	51
48	K1 VENTURES	69	9	78	65	96
49	TEE LAND	63	14	77	72	64
50	AURIC PACIFIC GROUP	74	2	76	77	45



18th SIAS Investors' Choice Awards 2017

Transparency Award – SMEs

17th SIAS Investors' Choice Awards 2016

Most Transparent Company Overall Winner (Catalist)



JAPAN FOODS HOLDING LTD.

Thank You!

