



JAPAN FOODS HOLDING LTD.

SGX Investors

Corporate Presentation HY2022

6 months ended
30 September 2021



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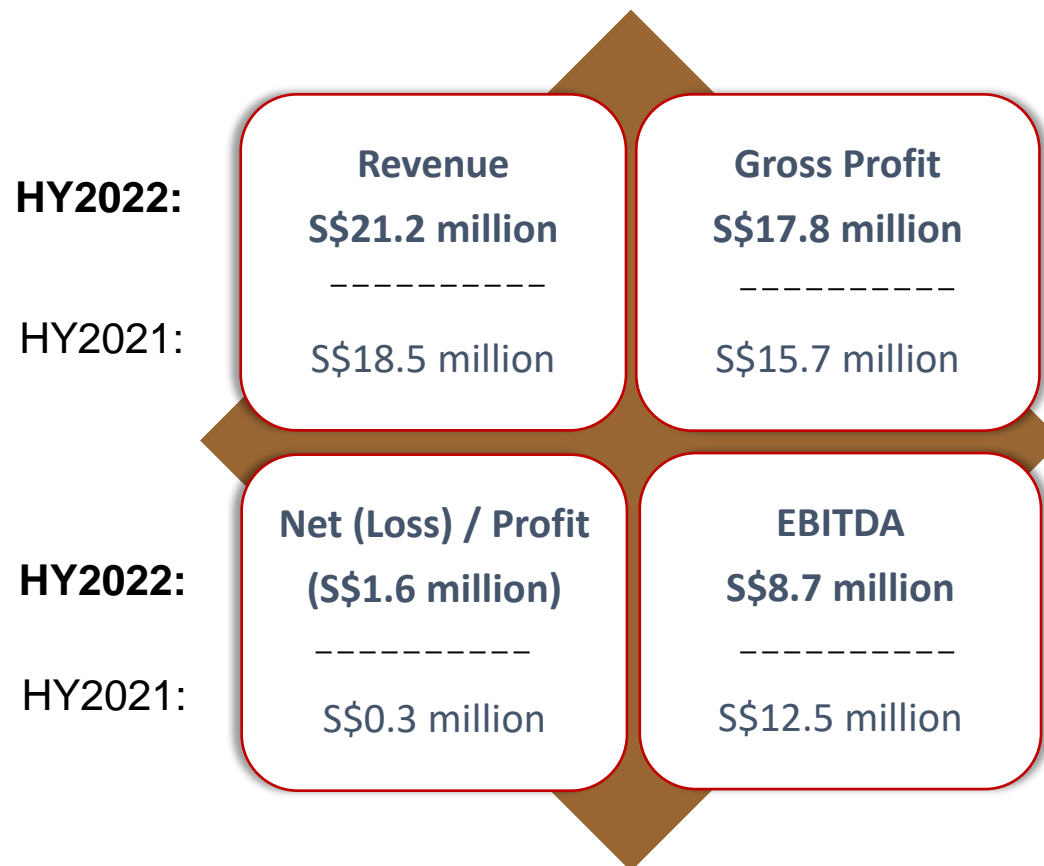
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Overview of HY2022



Performance at a Glance



Note:
All financial figures have been rounded

Network (as at 30 Sep 2021)



52

Self-operated restaurants
in Singapore

24

Restaurants through associated
companies in China, Hong
Kong and Indonesia

1

Restaurant operated by
sub-franchisee in Malaysia

2

Restaurants operated by
joint venture company in
Singapore

Singapore Operations: Business Update

(September 2022 to-date)



**Stabilisation
Phase
Back to stricter
restrictions**

- Commencement of Stabilisation Phase from 27 Sep 2021 to 24 Oct 2021
- Dine-in reduced from groups of 5 to only 2 fully vaccinated individuals
- Additional responsibility for staff to verify diners' vaccination status



**Stabilisation
Phase
Extension of
restrictions**

- Stabilisation Phase extended until 21 Nov 2021 as daily cases continued to be high
- Restrictions expected to impact sales



**What's
Next?
Status
unknown**

- Singapore reported 1st imported case of AY.4.2 Delta subvariant
- To continue focusing on resource optimisation and boosting sales
- Persistent social restrictions expected to adversely impact business

Singapore Network

Restaurant Brands	As at 30 Sep 2021	As at 30 Sep 2020
Afuri Ramen	2	2
Ajisen Ramen (including brand extensions)	13	16
Café Kuriko	1	-
Curry Is Drink	1	1
Fruit Paradise	1	2
Ichiro Ramen	1	1
Japanese Gourmet Town	-	1
Kagurazaka Saryo	1	2
Kazokutei	1	1
Konjiki Hototogisu	7	8
Menya Musashi	4	8
Menzo Butao	1	1
New ManLee Bak Kut Teh	1	1
Osaka Ohsho (including brand extensions)	4	5
Shitamachi Tendon Akitmitsu	4	6
Shoryo Ramen	2	2
Tokyo Shokudo	6	-
Yonehachi	2	2
TOTAL RESTAURANTS	52	59



Introducing Café Kuriko

Reinvigorating restaurant portfolio

Café Kuriko 栗子

New

Brand highlights:

- ✓ Origin: Japan
- ✓ Specialises in Mont Blanc Desserts prepared with Japanese chestnuts
- ✓ Also offers an array of Japanese comfort foods such as Cha-nabe and fruit tarts
- ✓ First restaurant opened at Funan mall in June 2021



CHA-NABE
茶鍋メニュー

Set includes: Set includes: Choice Of Rice OR Udon
ご飯 うどん、どちらかをお選び下さい。

TONKOTSU
POPULAR

PORK SHABU KIMUCHI TONKOTSU
豚しゃぶ肉みち豚骨茶鍋
LA CARTE \$13.00
SET \$16.90

ASARI KIMUCHI TONKOTSU
あさり肉みち豚骨茶鍋
LA CARTE \$13.00
SET \$16.90

SOYA MILK

PORK SHABU SOYA MILK
豚しゃぶ豆腐乳茶鍋
LA CARTE \$13.00
SET \$16.90

ABURI CHICKEN SOYA TRUFFLE FLAVOUR
炙りチキントリュフ豆腐乳茶鍋
LA CARTE \$15.00
SET \$18.90

DRINK SELECTION FOR CHA-NABE SET

Speciality Tea
Momo Sencha
Lemonade Yuzu Handliche
Peach Chamomile
Risu Pear Blossom

Orange Tea
Lychee Lemon Tea

Black Coffee
Cafe Latte
Cappuccino

ENJOY \$2 OFF FOR TART / CAKE

*All prices are indicated in JPY unless otherwise stated. ©2021 Food photography and illustrations prepared solely for use in advertising and are not to be reproduced without prior notice.

Strong Performance of first Halal Brand

Reinvigorating restaurant portfolio

TOKYO SHOKUDO

東京食堂



- ✓ **Strong acceptance from target audience**
 - Positive response from the Muslim community since the brand's launch in November 2020
- ✓ **From 1 to 6 restaurants in 10 months**
 - Tampines Mall
 - Westgate Mall
 - Northpoint City
 - Lot One
 - City Square Mall
 - Vivocity
- ✓ **Promising sales performance**
 - Generated revenue contribution of S\$3.2 million in HY2022

Overseas Operations: Business Update

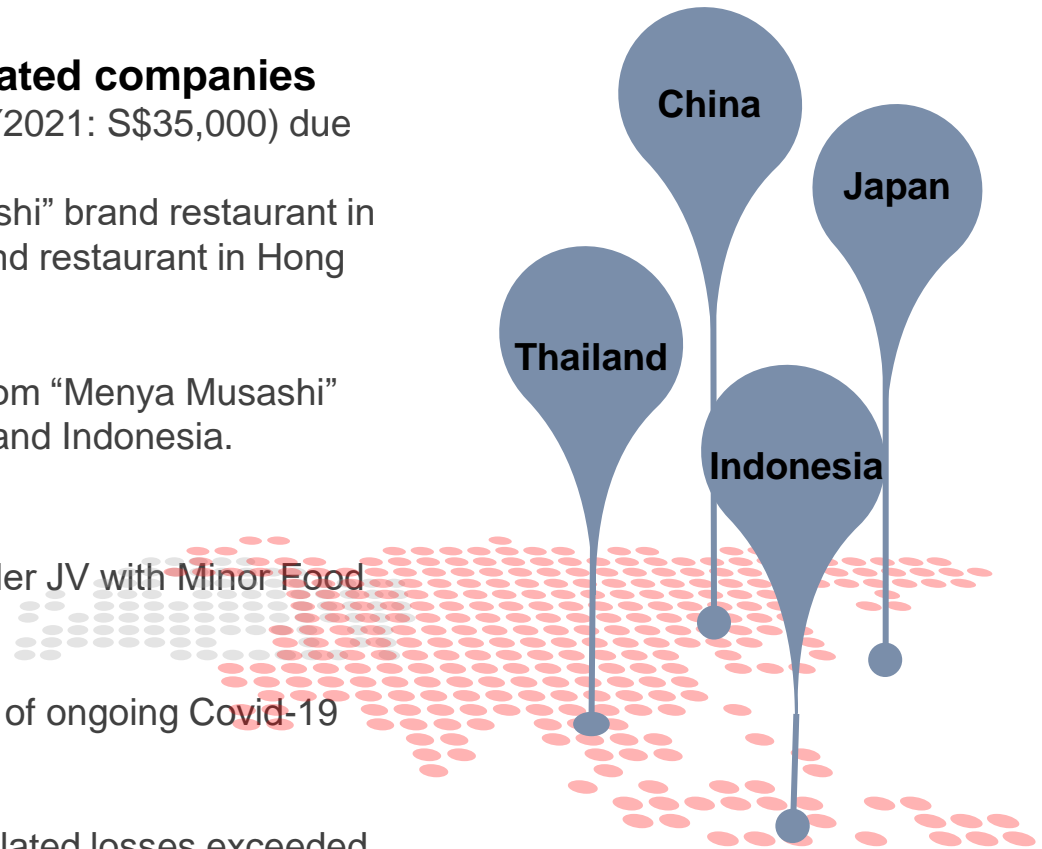
(HY2022)

Stronger performance from associated companies

- HY2022 share of profit: S\$258,000 (HY2021: S\$35,000) due to:
 - Higher profits from “Menya Musashi” brand restaurant in China and “Konjiki Hotogisu” brand restaurant in Hong Kong
 - Partially offset by share of loss from “Menya Musashi” brand restaurants in Hong Kong and Indonesia.

Share of results of joint venture

- Two “Pizzakaya” brand restaurants under JV with Minor Food Group (Singapore) Pte. Ltd.
- Currently in loss position due to impact of ongoing Covid-19 restrictions
- No share of loss in HY2022 as accumulated losses exceeded capital contribution of S\$100,000



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Financial Highlights HY2022



Financial Highlights

S\$' m	Six months ended 30 September		
	HY2022	HY2021	Change (%)
Revenue	21.2	18.5	▲ 14.5
Gross Profit	17.8	15.7	▲ 13.5
Gross Profit Margin (%)	83.8	84.5	▼ 0.7 percentage pts
EBIT	(1.2)	0.9	NM
EBIT margin (%)	(5.7)	2.0	NM
EBITDA	8.7	12.5	▼ 30.4
EBITDA margin (%)	41.0	67.0	▼ 26.0 percentage pts
Net Profit After Tax (NPAT) ^a	(1.6)	0.3	NM
Earnings Per Share ^b (S'pore cents)	(0.94)	0.17	NM

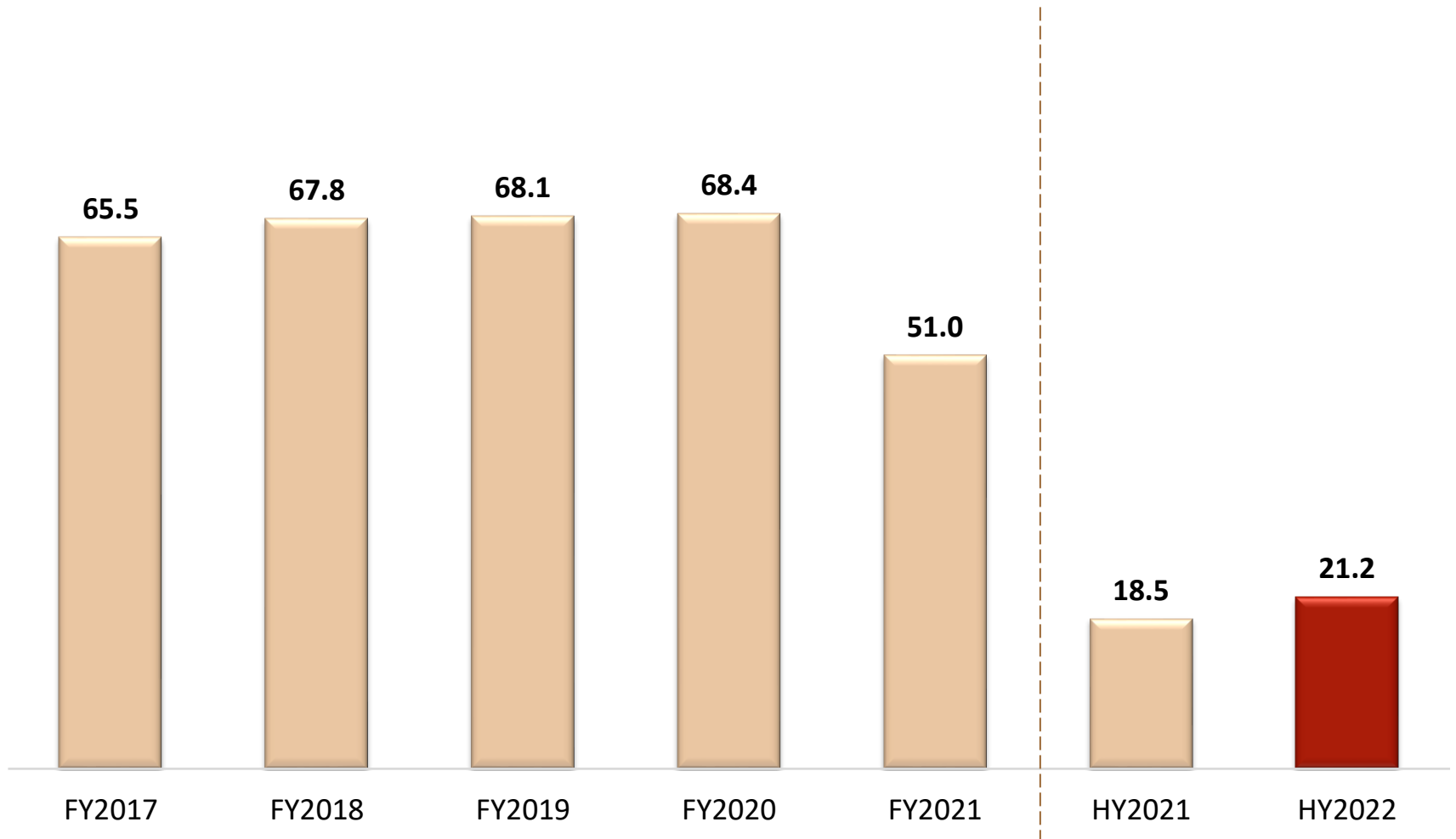
Note:

All financial figures have been rounded

a) The Group has elected to early adopt the Amendment to SFRS(I) 16: Covid-19 Related Rent Concessions ("Amendment") which is effective from 1 June 2020. Under the Amendment, as a practical expedient, the Group may elect to account for any change in lease payments resulting from rent concession as if the changes were not a lease modification. As a result of this election, the Group has recognized rent concessions of S\$968,000 under other income in respect of the half year ended 30 September 2021.

b) EPS was computed based on the weighted average number of shares of 174,304,592 shares and 173,864,729 shares in HY2022 and HY 2021 respectively

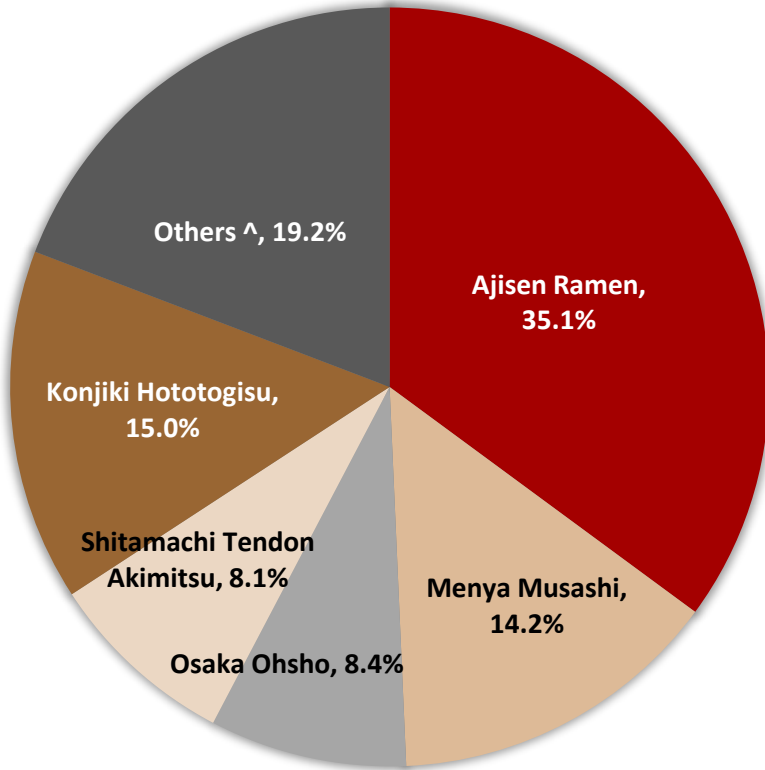
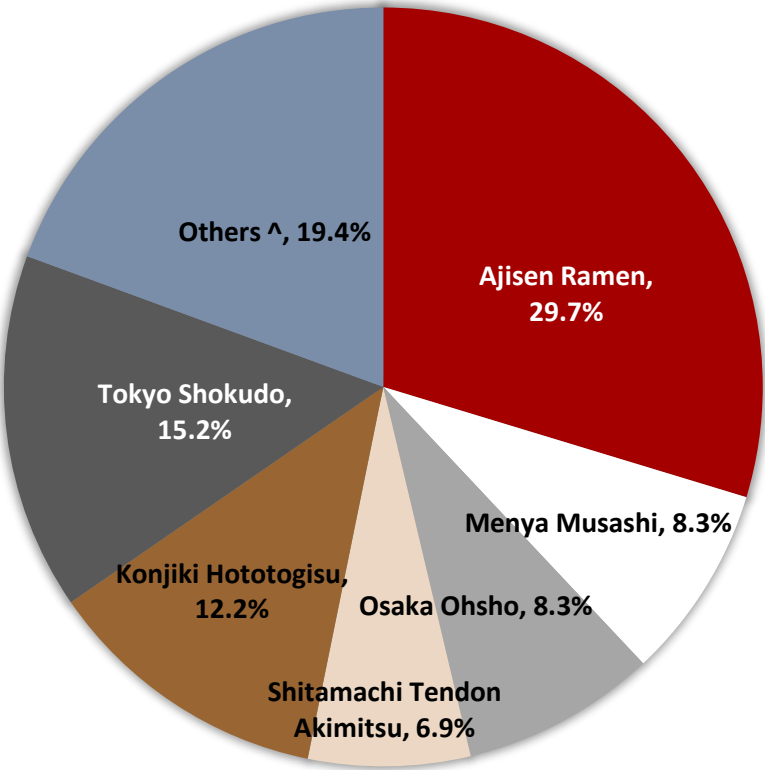
Revenue (S\$' m)



Revenue Breakdown

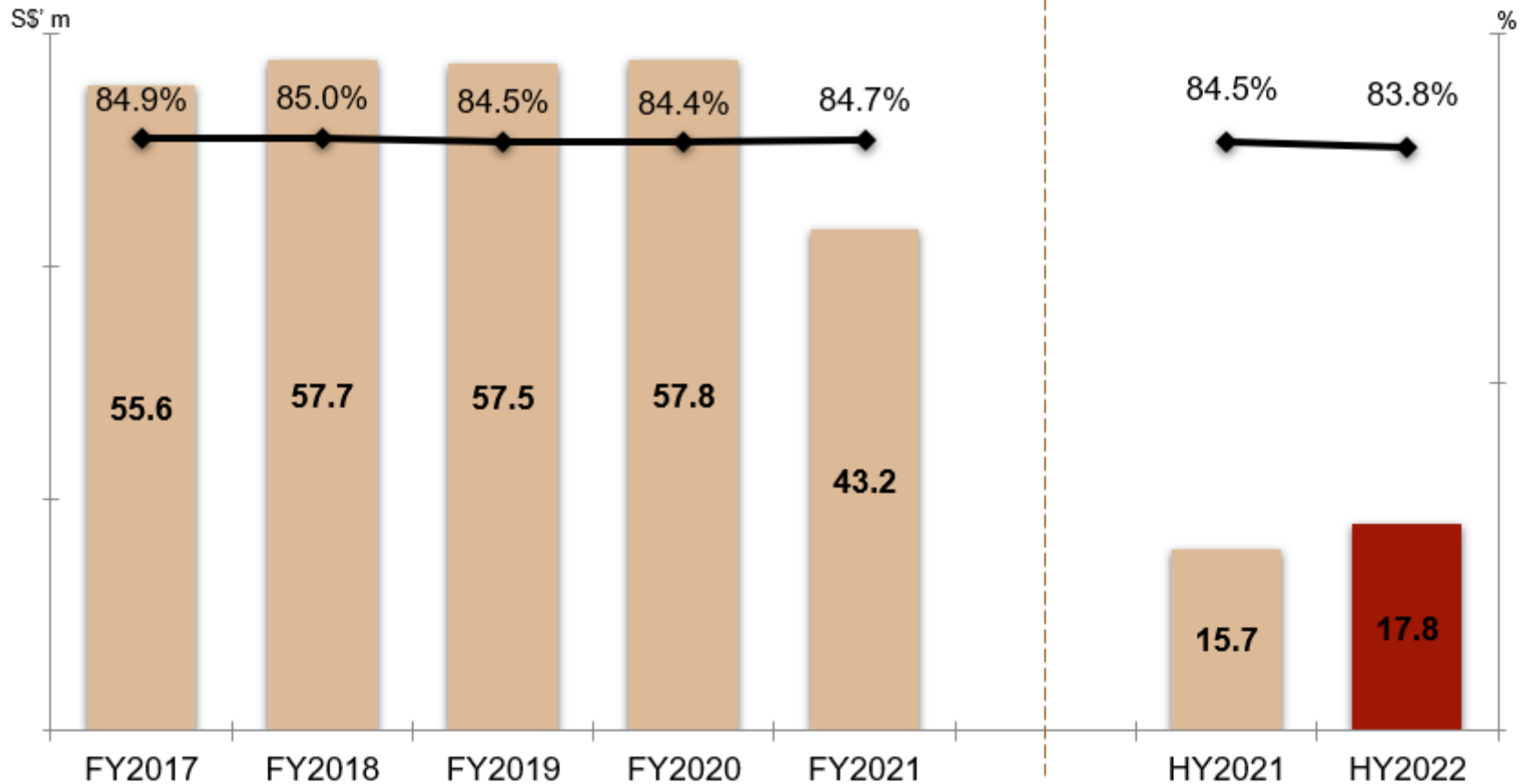
HY2022

HY2021



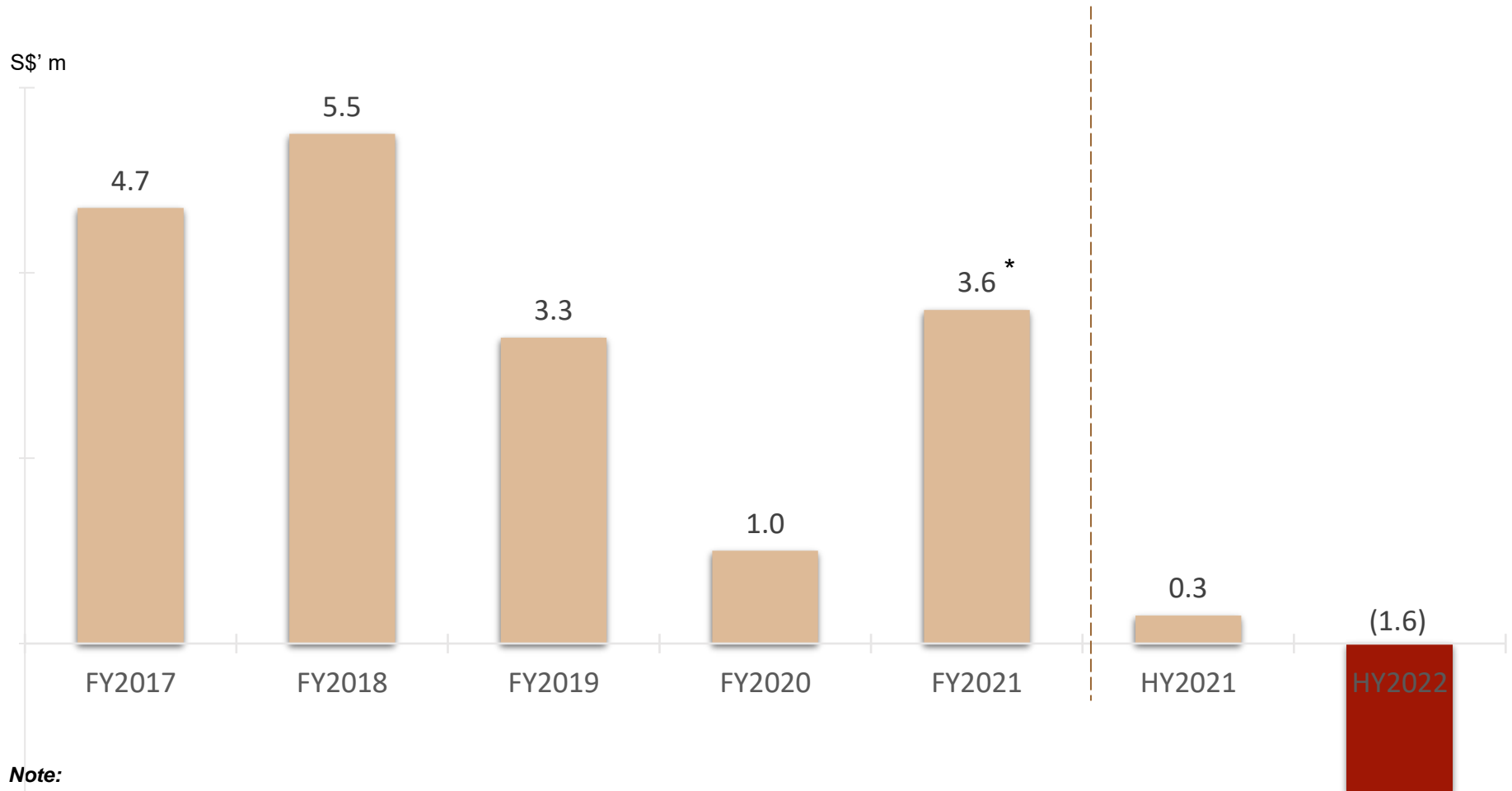
Note:
 ^ Includes the impact of JFH Rewards where reward points known as J\$ earned by members (net of expired points of approximately S\$0.2 million) amounting to S\$0.3 million was deducted from the corresponding revenue recognised in HY2022 in accordance with the relevant accounting standard (as compared to S\$0.1 million in HY2021)

Gross Profit and Gross Profit Margin



Note:
All financial figures have been rounded

Net Profit (S\$' m)



Note:

All financial figures have been rounded

* The Group has elected to early adopt Amendments to SFRS(I) 16: Covid-19 Related Rent Concessions ("Amendments") which is effective from 1 June 2020. Under the Amendments, as a practical expedient, the Group may elect to account for any change in lease payments resulting from the rent concessions as if the changes were not a lease modification. As a result of this election, the Group has recognised S\$6.4 million rent concessions from landlords under "Other Income".

Cash Flow

S\$ 'm.0	6 months ended 30 Sep 2021	6 months ended 30 Sep 2020	Change (%)
Net cash generated from operating activities	8.5	8.0	▲ 6.3
Net cash used in investing activities	(1.9)	(0.6)	▲ 216.7
Net cash used in financing activities	(11.7)	(5.0)	▲ 134.0
Net increase / (decrease) in cash and cash equivalents	(5.2)	2.4	NM
Cash and cash equivalents at beginning of financial year	20.6	17.6	▲ 17.0
Cash and cash equivalents at end of financial period	15.4	20.1	▼ 23.4

*Note:
All financial figures have been rounded*

Key Financial Ratios

	As at 30 Sep 2021	As at 31 Mar 2021	Change (%)
Cash and bank balances (S\$m)	18.2	23.1	▼ 21.2
Total assets (S\$m)	66.9	68.1	▼ 1.8
Total equity (S\$m)	28.7	33.4	▼ 14.1
Net cash ratio ⁽¹⁾	0.8	1.0	▼ 20.0
Net asset value per share (S'pore cents) ⁽²⁾	16.46	19.14	▼ 14.0
Net cash per share (S'pore cents) ⁽²⁾	10.5	13.3	▼ 21.1

Notes:

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

(2) Computed based on 174,424,000 shares as at 30 September 2021 and 174,347,200 shares as at 31 March 2021.

Note: All financial figures have been rounded

Interim Dividend

Name of dividend	Interim
Dividend type	Cash
Dividend amount per share (Singapore cents)	0.5 cents per ordinary share
Tax rate	Tax exempt (one-tier)
Date payable	3 December 2021



Note: All financial figures have been rounded

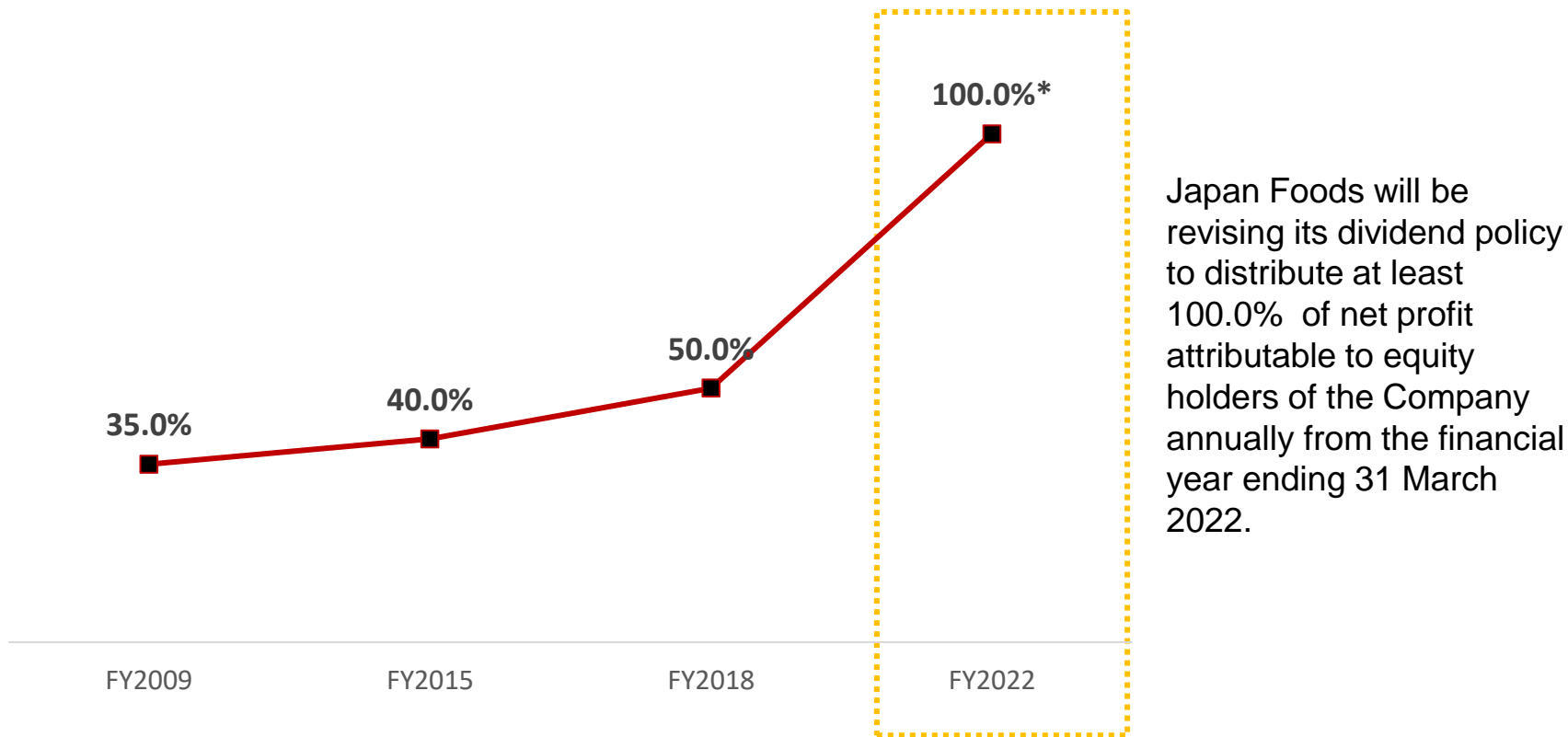
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Investment Merits & Strategies



Attractive Dividend Policy

Target Dividend Payout Ratio* Over the Years

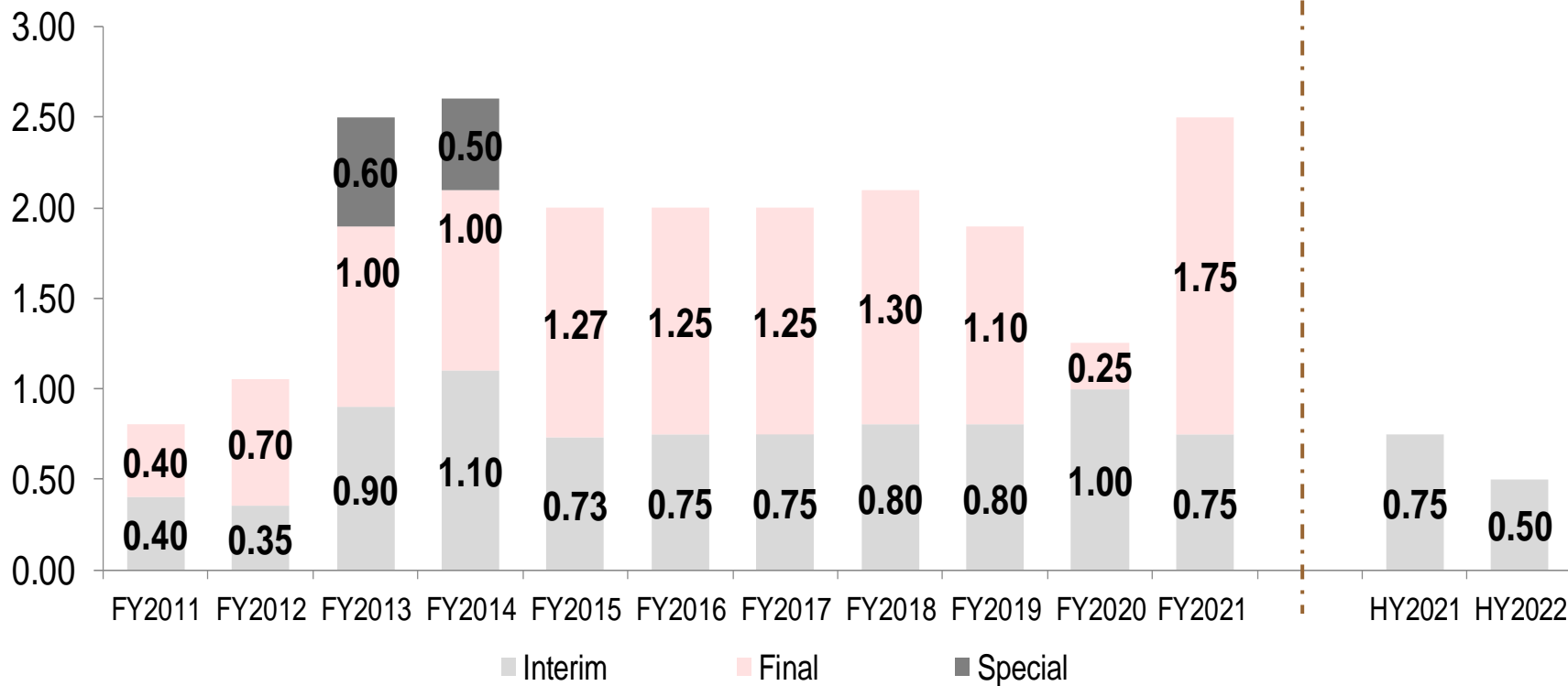


Japan Foods will be revising its dividend policy to distribute at least 100.0% of net profit attributable to equity holders of the Company annually from the financial year ending 31 March 2022.

** This is Japan Foods' intended minimum dividend payout ratio in relation to its audited consolidated net profit attributable to shareholders annually. It is subject to the Group's operating results, financial conditions such as cash position and retained earnings, other cash requirements including capital expenditure, restrictions on payment of dividends imposed on the Group by financing arrangements (if any) and other factors deemed relevant by the Directors including but not limited to circumstances arising from the Covid-19 pandemic.*

Dividend History

Dividend Per Share
(Singapore cents)



*Subject to the Group's business requirements and other relevant considerations and barring unforeseen circumstances, Japan Foods announced its intention in May 2021 to raise target dividend payout ratio to **at least 100%** of its audited consolidated net profits attributable to shareholders annually.*

Healthy Position Among Peers

	Market Cap (S\$' m)	Price (S\$)	Net profit margin (%)	ROE (%)	Net Debt / Equity (times)	P/E (times)	Div yield (%)
Japan Foods	72.4	0.415	7.1	10.9	0.1	20.0	6.0
ABR Holdings	93.5	0.465	7.5	6.5	-	15.4	4.8
Sakae Holdings	17.4	0.125	11.0	4.1	0.7	7.5	9.6
Soup Restaurant	24.9	0.089	3.0	9.3	-	27.4	2.2
Tung Lok Restaurant	39.0	0.142	1.7	7.4	0.3	38.8	-
Katrina	18.8	0.081	(20.5)	-	-	-	-
Jumbo	202.3	0.315	(19.1)	-	-	-	-
RE&S Holdings	77.9	0.220	7.6	26.1	1.4	8.2	6.1
Kimly Limited	471.9	0.380	16.1	29.8	0.6	13.0	3.5
No Signboard Holdings	20.3	0.044	(102.3)	-	0.5	-	-

Source: ShareInvestor.com, data as at 5 November, 6pm

All figures have been rounded

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

Business Strategy Amidst Ongoing Pandemic



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Thank You!

