

**FY2018  
Financial Results  
Presentation  
May 2018**



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**Overview of  
FY2018**



# Stellar Performance at a Glance

## 4Q2018/4Q2017

4Q2018:	<b>Revenue</b> S\$16.2 million	<b>Gross Profit</b> S\$13.7 million
4Q2017:	S\$15.2 million	S\$12.9 million
4Q2018:	<b>Net Profit</b> S\$0.9 million	<b>EBITDA</b> S\$2.1 million
4Q2017:	S\$0.6 million	S\$2.0 million

## FY2018/FY2017

FY2018:	<b>Revenue</b> S\$67.8 million	<b>Gross Profit</b> S\$57.7 million
FY2017:	S\$65.5 million	S\$55.6 million
FY2018:	<b>Net Profit</b> S\$5.8 million	<b>EBITDA</b> S\$11.6 million
FY2017:	S\$4.7 million	S\$11.2 million

### Notable achievements:

- FY2018 revenue at record high for 2<sup>nd</sup> straight year
- FY2018 gross profit and gross profit margin at record high for 8<sup>th</sup> straight year

# Our Growing Brand Portfolio

## 7 Franchise Brands from Japan



Ajisen Ramen



Shitamachi Tendon Akimitsu



Osaka Ohsho



Kazokutei



麵屋武蔵

Menya Musashi



Menzo Butao



Yonehachi

## 5 Self-Developed Brands



New ManLee Bak Kut Teh

## 1 Franchise Brand from Malaysia



# Our Latest Brands

## Curry is Drink



- Latest self-developed brand
- **Jan 2018:** Opened 1<sup>st</sup> outlet at Changi City Point



*Kids' Meal*



*Curry Udon Set*

### Brand highlights:

- ✓ 2 choices of curry sauce – original or black
- ✓ 5 heat levels to choose from – original to fiery

## Shitamachi Tendon Akimitsu



- Originated in Asakusa in Tokyo, Japan
- Specialises in traditional Tendon

Recorded revenue contribution of S\$3.9 million in just 8 months of operations

- **Jul 2017:** Launched 1<sup>st</sup> outlet at Plaza Singapura
- **Jan 2018:** In 6 months opened 5<sup>th</sup> outlet at Changi City Point

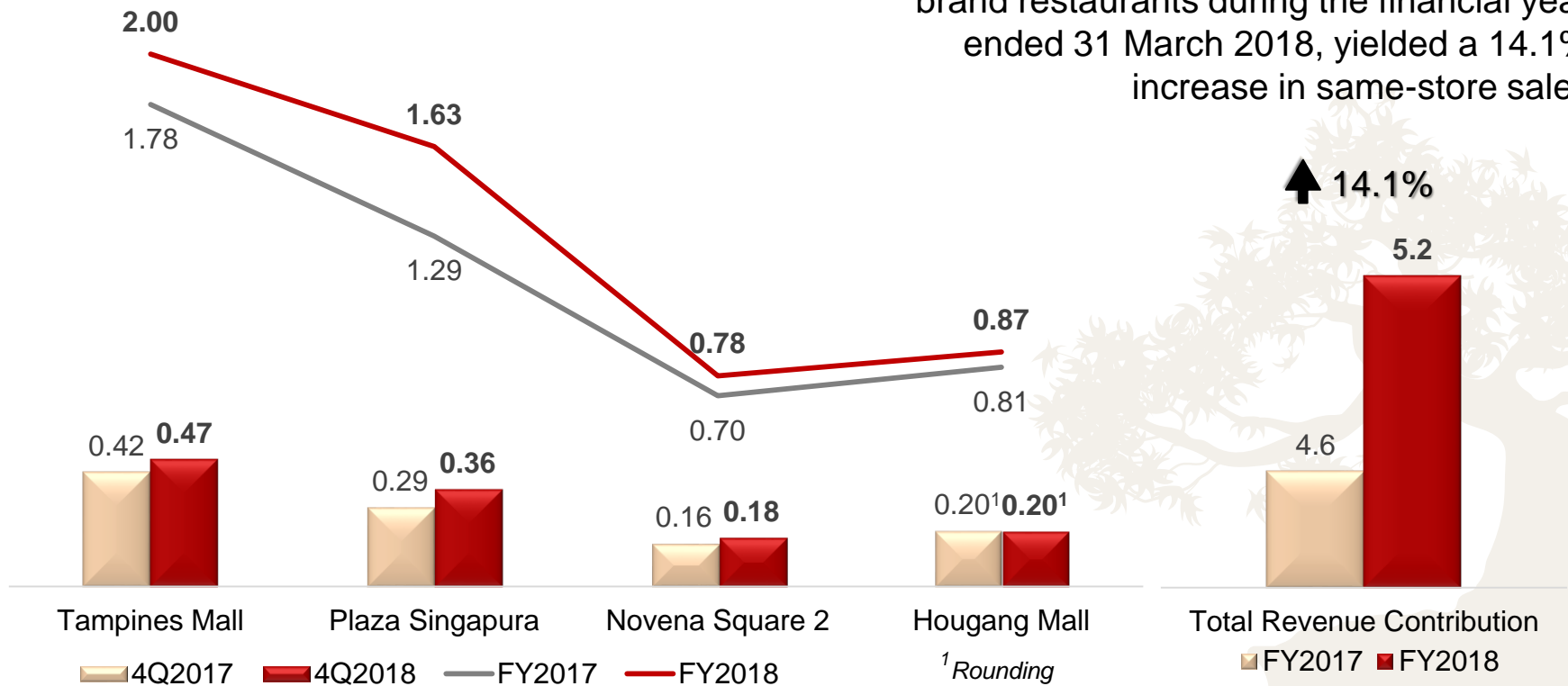


# Rejuvenation of flagship brand



S\$m

The revamp of four “Ajisen Ramen” brand restaurants into “Den by Ajisen Ramen” brand restaurants during the financial year ended 31 March 2018, yielded a 14.1% increase in same-store sales



# Our Network

*As at 31 March 2018*



The Group, together with its sub-franchisees, operates a total of 50 restaurants under various brands in Singapore, Malaysia and Vietnam. It also has interests in 18 restaurants in Hong Kong and China through associated companies.

**50** Self-operated restaurants

**18** Restaurants through associated companies

**3** Restaurants operated by sub-franchisees



# Updates on our Singapore Network

Self-Operated Restaurants	No. as at 31 Mar 2018	No. as at 31 Mar 2017
Ajisen Ramen	18 <sup>(a)</sup>	19 <sup>(b)</sup>
Boteju	-	1
Curry is Drink	1	-
Dutch Baby Cafe	1	1
Fruit Paradise	2	4
Ginza Kushi Katsu	1	1
Hanamidori	-	1
Japanese Gourmet Town	1	1
Kazokutei	1	2
Menya Musashi	10	7
Menzo Butao	1	1
New ManLee Bak Kut Teh	2	3
Osaka Ohsho <sup>(c)</sup>	5	7
Shitamachi Tendon Akimitsu	6	-
Yonehachi	1	1
<b>TOTAL</b>	<b>50</b>	<b>49</b>
<b>Food Court Outlet</b>		
Ajisen Ramen	0	1

- a) Includes 4 "Den by Ajisen Ramen" brand restaurants.  
 b) Includes 3 "Keika Ramen" brand restaurants.  
 c) Includes 1 "Kotsujiru Nabe" brand restaurant, which is a brand extension of "Osaka Ohsho" brand.



Den by Ajisen Ramen



Curry is Drink



Shitamachi Tendon Akimitsu



New ManLee Bak Kut Teh



Ginza Kushi Katsu

# Updates on our Overseas Network

Restaurants	Updates	No. of Outlets As at 31 Mar 2018	No. of Outlets As at 31 Mar 2017
<b>Ajisen Ramen<sup>1</sup></b>	<ul style="list-style-type: none"> <li>▪ Closed 1 restaurant in Miri, Sarawak, Malaysia</li> <li>▪ Closed 1 restaurant in Sutera Mall, Johor</li> </ul>	<p>1 in Malaysia</p> <p>2 in Vietnam</p>	<p>3 in Malaysia</p> <p>2 in Vietnam</p>
<b>Menya Musashi<sup>2</sup></b>	<ul style="list-style-type: none"> <li>▪ Closed 1 restaurant in Hong Kong upon lease expiry, opened 2 in various locations</li> <li>▪ Opened 5 new restaurants in China               <ul style="list-style-type: none"> <li>✓ 3 in Beijing</li> <li>✓ 1 in Hangzhou</li> <li>✓ 1 in Wuhan</li> </ul> </li> <li>• Closed 1 restaurant in Hangzhou</li> </ul>	<p>8 in Hong Kong</p> <p>10 in China</p>	<p>7 in Hong Kong</p> <p>6 in China</p>
<b>TOTAL</b>		<b>21</b>	<b>18</b>

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

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



**Financial Highlights**  
**4Q2018 / FY2018**



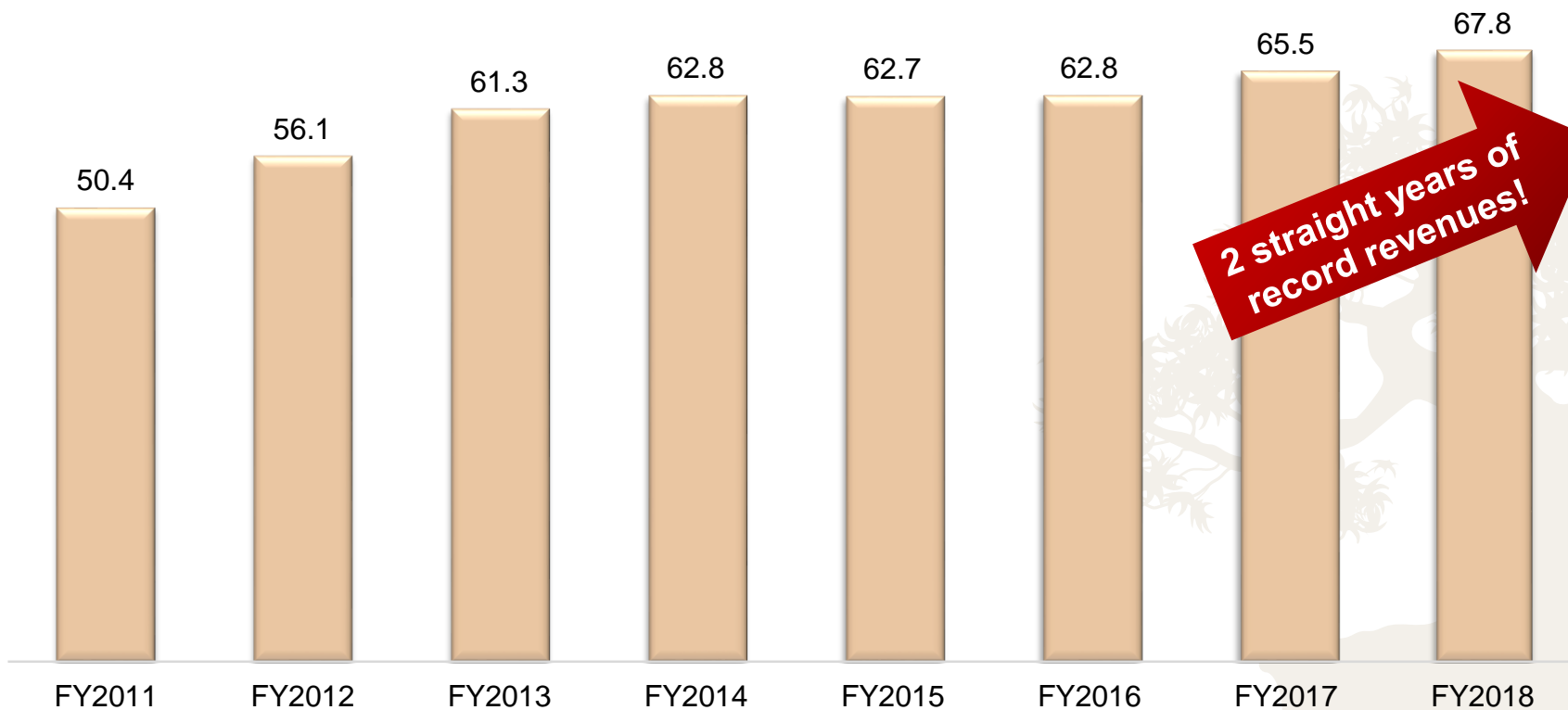


# Financial Highlights

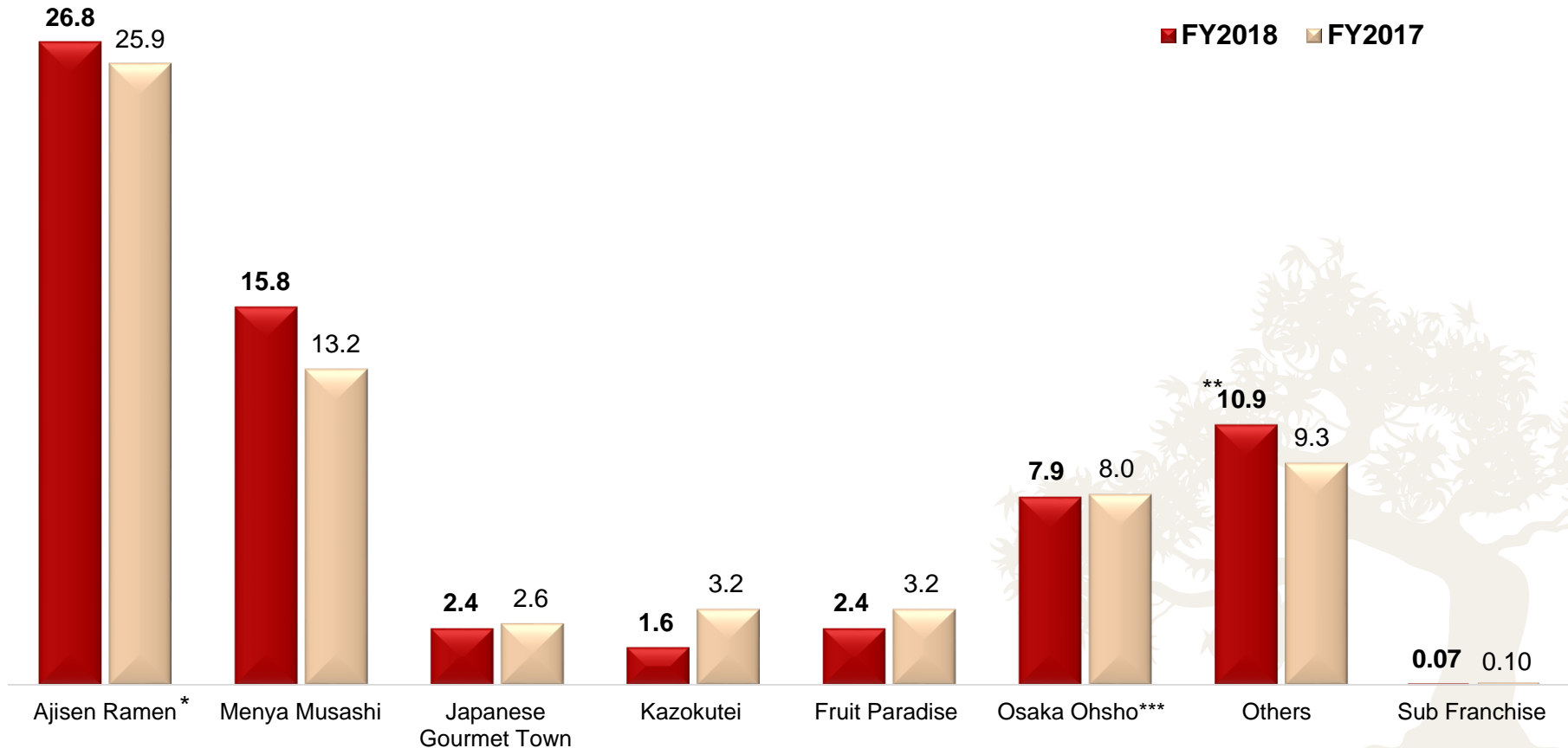
S\$' m	Three months ended 31 Mar			12 months ended 31 Mar		
	4Q2018	4Q2017	Change (%)	FY2018	FY2017	Change (%)
Revenue	16.2	15.2	↑ 6.5	67.8	65.5	↑ 3.6
Gross Profit	13.7	12.9	↑ 6.0	57.7	55.6	↑ 3.8
Gross Profit Margin (%)	84.8	85.2	↑ (0.4)pts	85.0	84.9	↑ 0.1pt
EBIT	1.0	0.8	↑ 35.4	7.0	5.7	↑ 22.8
EBIT margin (%)	6.3	5.0	↑ 1.3pts	10.3	8.7	↑ 1.6pts
EBITDA	2.1	2.0	↑ 5.2	11.6	11.2	↑ 3.6
EBITDA margin (%)	12.9	13.0	↓ 0.1pts	17.1	17.1	-
Net Profit After Tax (NPAT)	0.9	0.6	↑ 67.8	5.8	4.7	↑ 24.0
NPAT Margin (%)	4.4	3.7	↑ 0.7pts	8.5	7.1	↑ 1.4pts
Earnings Per Share (S'pore cents)	0.54	0.32	↑ 68.8	3.33	2.68	↑ 24.3
Return on Equity (%)	2.1	1.8	↑ 0.3pts	16.9	14.7	↑ 2.2pts

# Revenue (S\$' m)

CAGR : 4.3%



# Revenue Mix by Brands (S\$' m)



\* Includes Keika Ramen

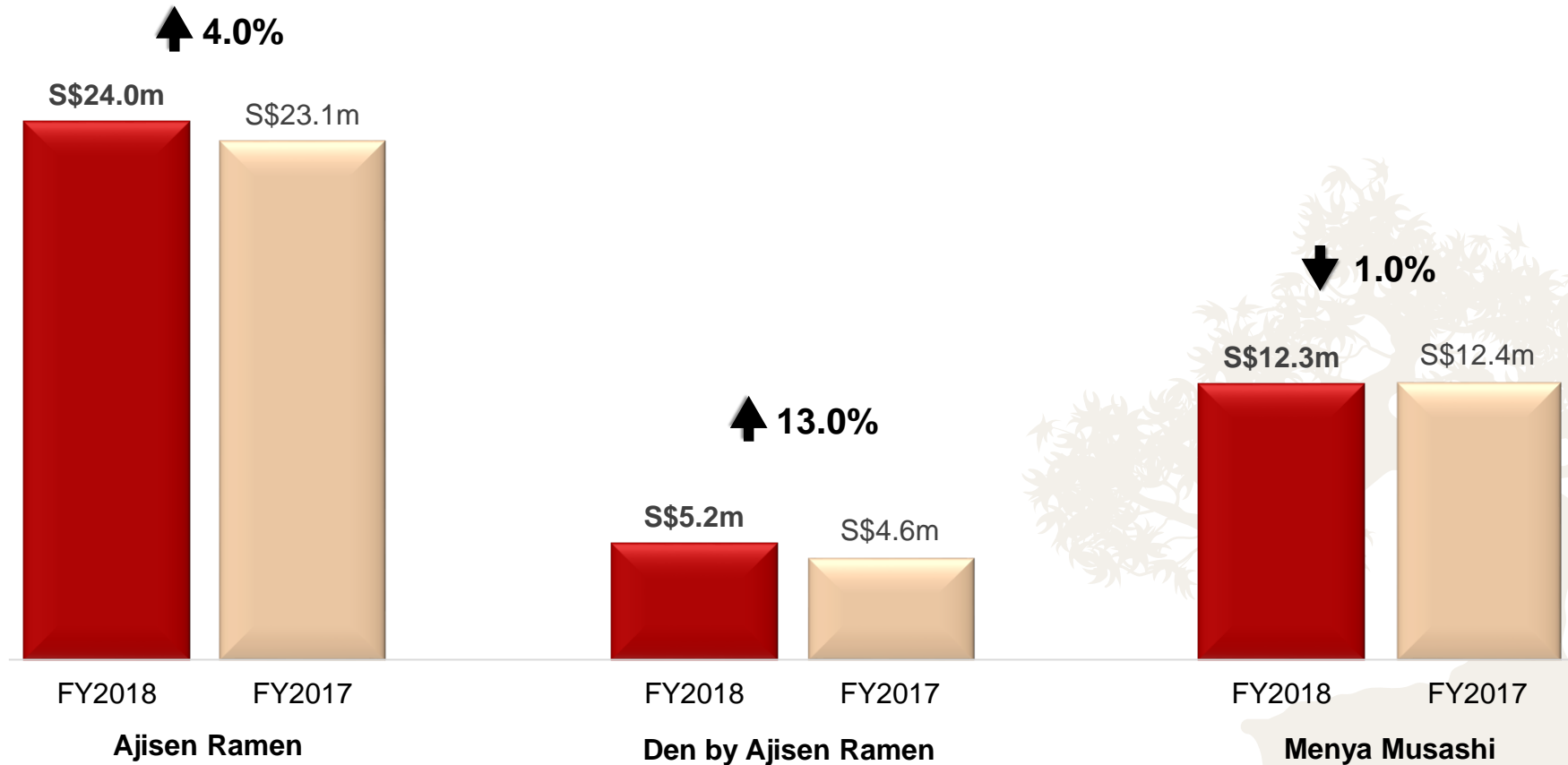
\*\* Includes revenue contribution of S\$4.1 million from six new Shitamachi Tendon Akimitsu outlets & one new Curry is Drink outlet

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



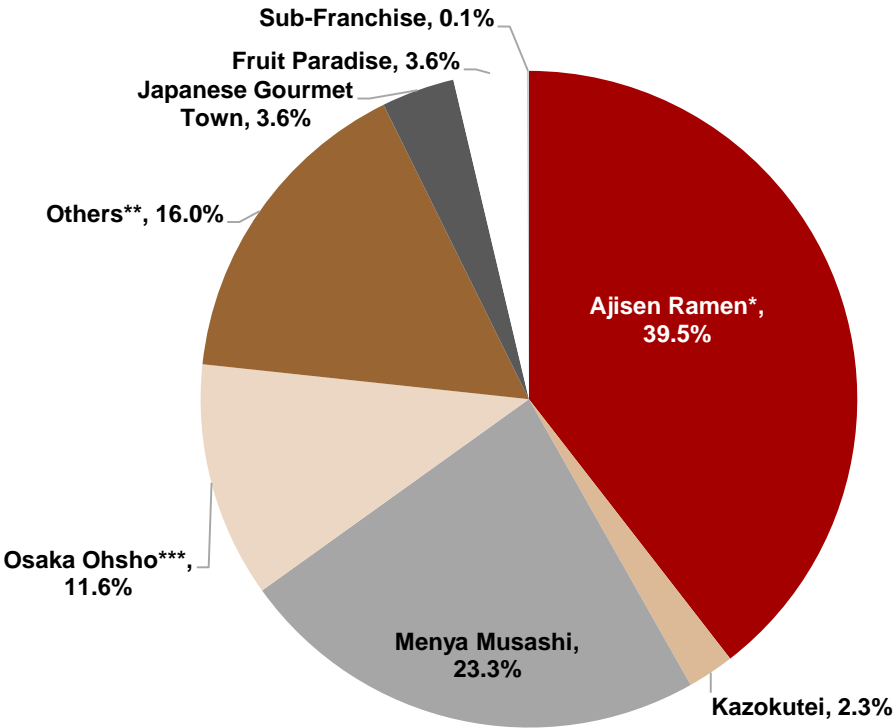
# Performance of Ajisen Ramen & Menya Musashi

Based on the same number of stores in FY2017 and FY2018

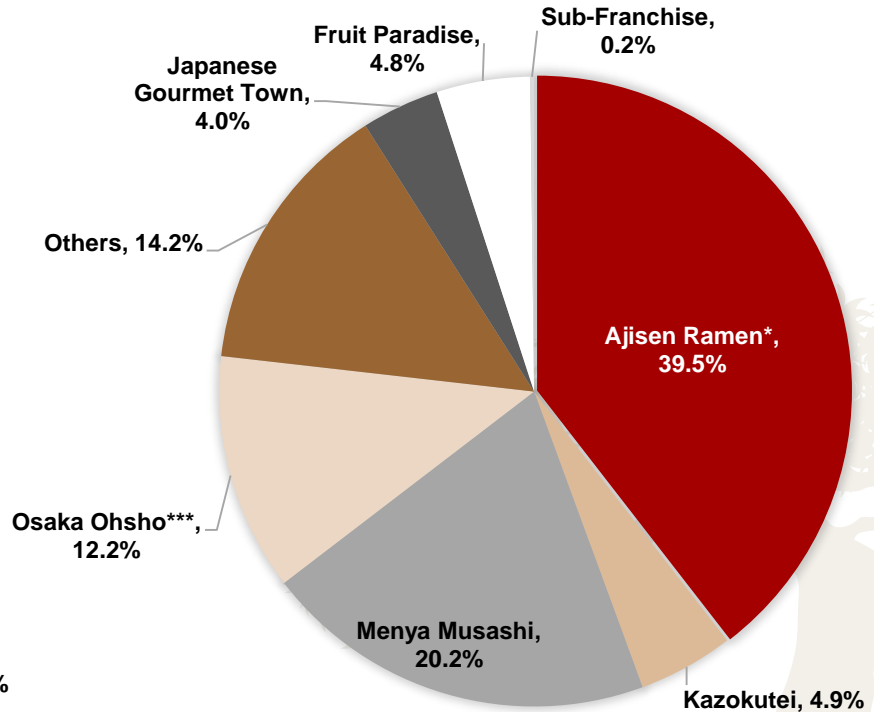


# Revenue Breakdown

**FY2018**



**FY2017**

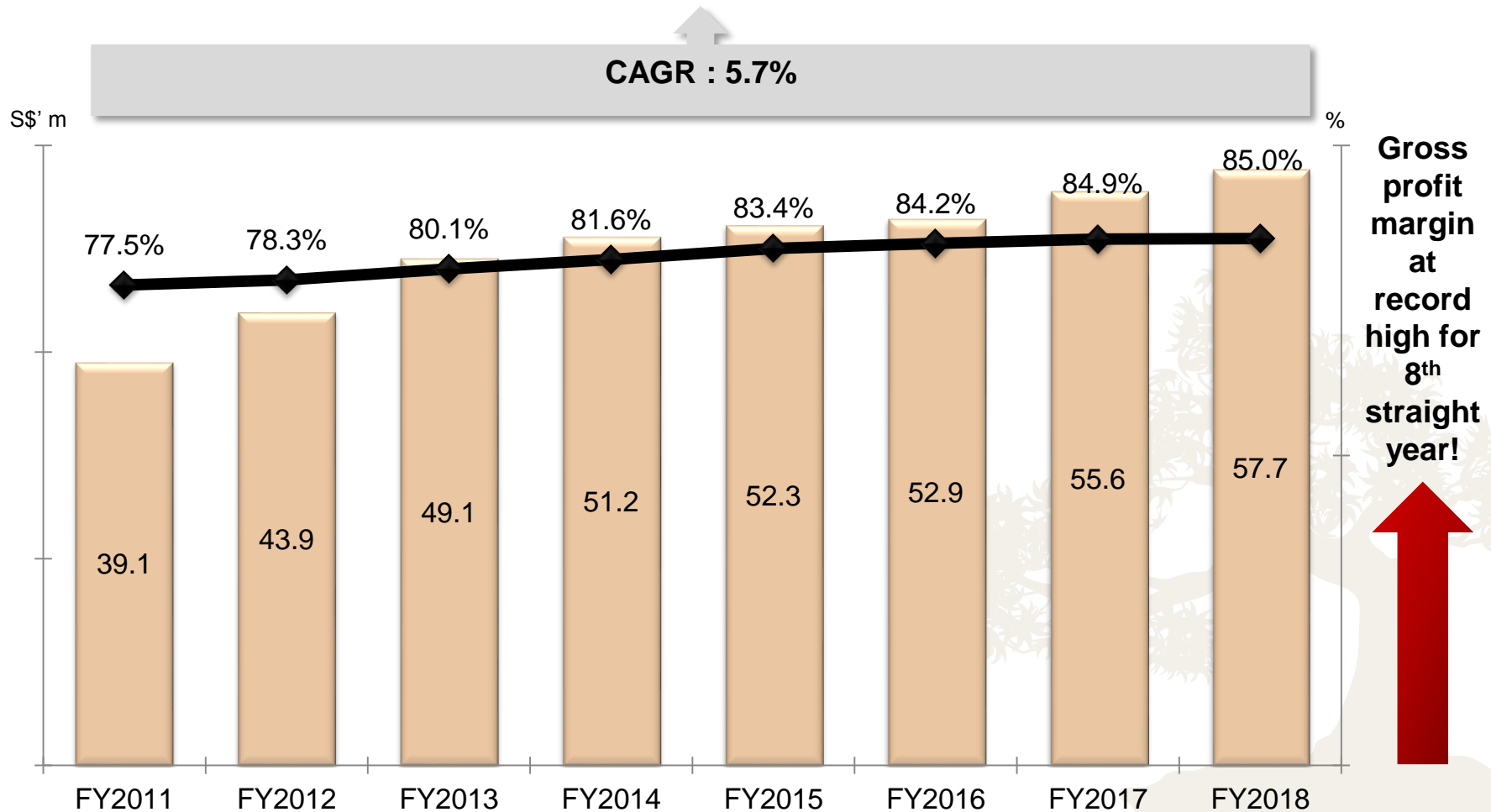


\* Includes Keika Ramen

\*\* Includes revenue contribution of S\$4.1 million from six new Shitamachi Tendon Akimitsu outlets & one new Curry is Drink outlet

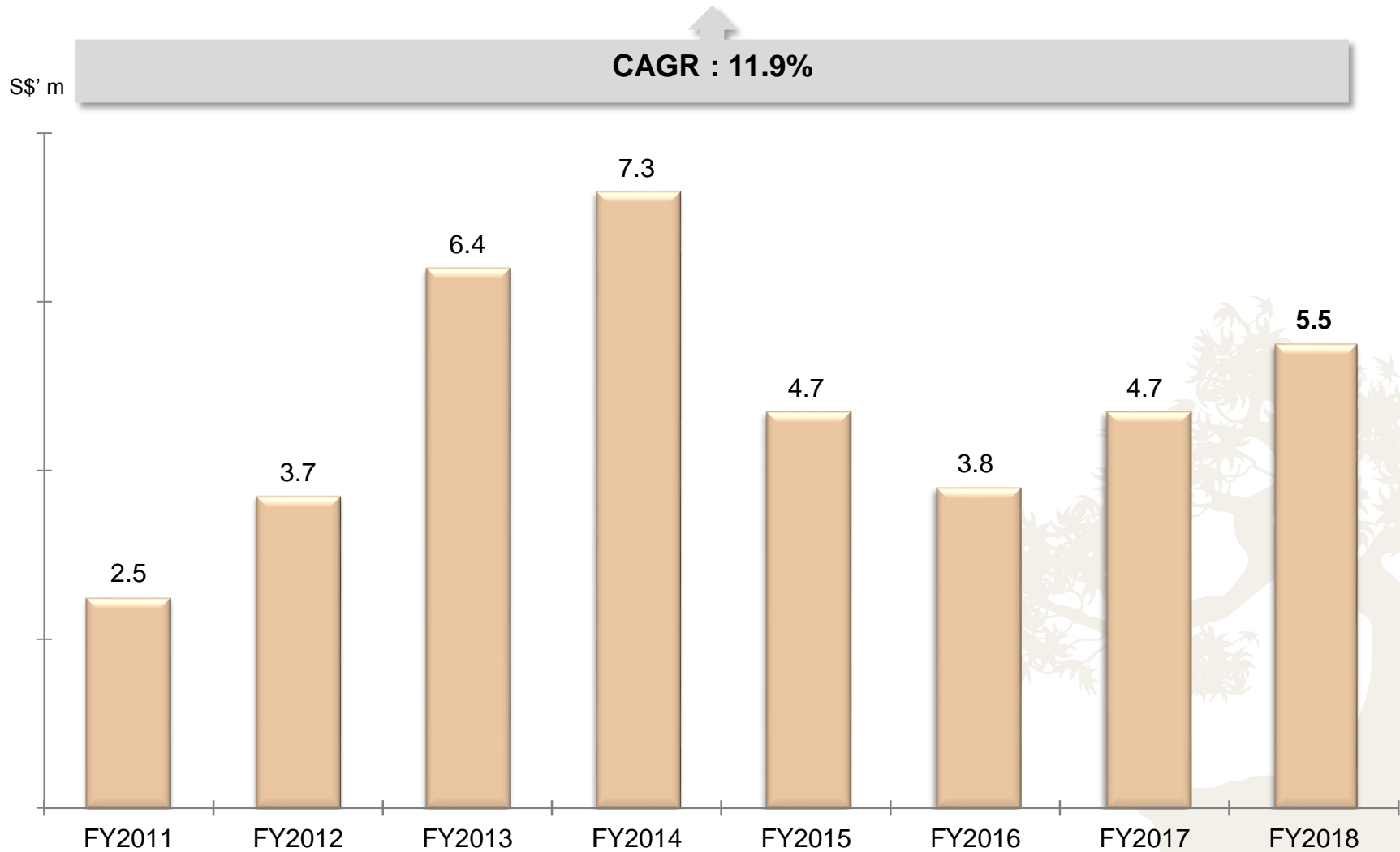
\*\*\* Includes 1 "Kotsujiru Nabe" brand restaurant, which is a brand extension of the "Osaka Ohsho" brand

# Gross Profit and Gross Profit Margin





# Net Profit



# Cash Flow

S\$ 'm	12 months ended 31 Mar 2018	12 months ended 31 Mar 2017	Change (%)
Net cash generated from operating activities	9.3	11.3	↓ 17.7
Net cash used in investing activities	(4.0)	(3.8)	↑ 3.5
Net cash used in financing activities	(3.7)	(4.3)	↓ 15.9
Net increase in cash and cash equivalents	1.6	3.1	↓ 46.6
Cash and cash equivalents at beginning of financial year	18.1	15.1	↑ 20.4
Cash and cash equivalents at end of financial year	19.8	18.1	↑ 9.0

# Key Financial Ratios

	As at 31 Mar 2018	As at 31 Mar 2017	Change (%)
Cash and cash equivalents (S\$m)	21.9	20.2	↑ 8.2
Total assets (S\$m)	43.3	40.8	↑ 6.1
Total equity (S\$m)	34.0	31.6	↑ 7.6
Net cash ratio <sup>(1)</sup>	2.5	2.4	↑ 4.2
Net asset value per share (S'pore cents) <sup>(2)</sup>	19.63	18.29	↑ 7.3
Net cash per share (S'pore cents) <sup>(2)</sup>	12.6	11.7	↑ 7.7

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

(2) Computed based on 173,387,900 shares as at 31 March 2018 and 173,043,500 shares as at 31 March 2017.



# Total Dividend in FY2018



**4.1 %**  
dividend  
yield\*

*\*Based on share price of S\$0.515 as at 2 May 2018*

Name of dividend	Final	Interim
Dividend type	Cash	
Dividend amount per share (Singapore cents)	1.30 cents per ordinary share	0.80 cents per ordinary share
Tax rate	Tax exempt (one-tier)	
Date payable	17 August 2018 if approved at the upcoming Annual General Meeting	8 December 2017

# **Investment Highlights & Corporate Update**





# 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. 26,000**

- ✓ 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 31 Mar 2018*



# Peer Comparison

Japan Foods

One of the highest margins

Net cash position

One of the lowest P/E

Highest yield

	Market Cap (S\$ 'm)	Price (S\$)	Net profit margin (%)	ROE (%)	Net Debt / Equity	P/E	Div yield (%)
Japan Foods	89.3	0.515	9.4	14.6	Net Cash	16.8	4.1
BreadTalk	472.8	1.920	3.6	16.2	0.2	24.8	2.1
ABR Holdings	162.8	0.810	5.3	6.3	Net Cash	26.1	3.1
Sakae Holdings	27.3	0.196	1.5	3.1	1.2	25.7	-
Soup Restaurant	46.2	0.165	4.8	18.9	Net Cash	23.8	3.0
Tung Lok Restaurant	54.9	0.200	-	-	Net Cash	-	-
Katrina	37.7	0.163	1.7	7.1	Net Cash	37.7	1.6
Jumbo	353.0	0.550	9.4	20.8	Net Cash	25.3	1.8
RE&S Holdings	85.0	0.240	-	-	-	-	-
Kimly Limited	399.4	0.345	11.2	29.1	Net Cash	18.6	2.8
No Signboard Holdings	91.6	0.200	31.7	45.8	-	11.9	-

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

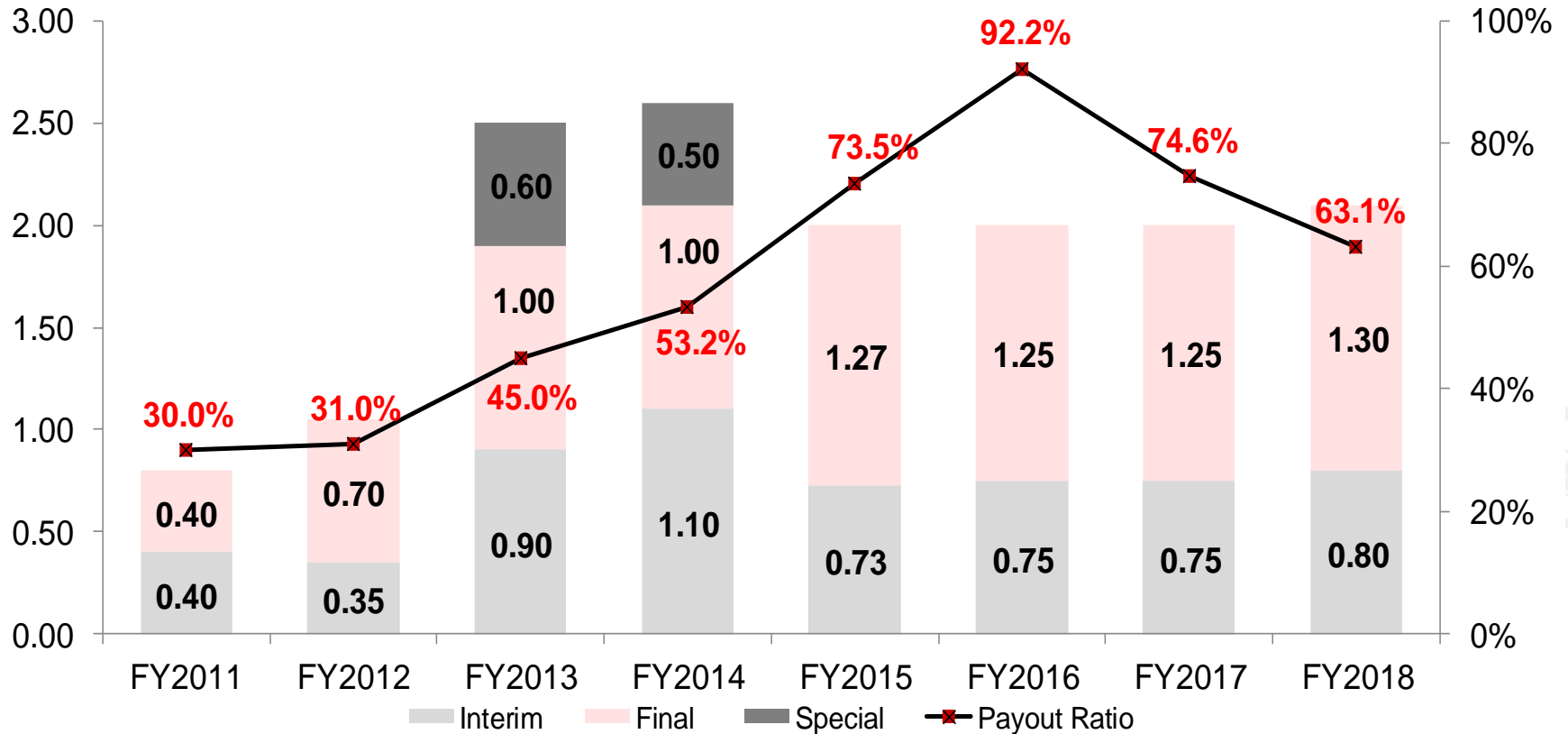
Japan Foods, Tung Lok – FYE 31 Mar RE&S Holdings – FYE 30 Jun No Signboard, Kimly – FYE 30 Sep Rest of peers – FYE 31 Dec

**JAPAN FOODS HOLDING LTD.**

# 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.*

# 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



**18<sup>th</sup> SIAS Investors' Choice Awards 2017**

**Transparency Award – SMEs**

**17<sup>th</sup> SIAS Investors' Choice Awards 2016**

**Most Transparent Company Overall Winner (Catalist)**





**Thank You**

