

**3Q 2018
Financial Results
Presentation
February 2018**



Important Notice

DISCLAIMER

This presentation is prepared for information purposes only, without regard to the objectives, financial situation nor needs of any specific person. This presentation does not constitute, or form any part of any offer for sale or subscription of, or solicitation of any offer to buy or subscribe for, any securities nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever.

This presentation was prepared exclusively for the parties presently being invited for the purposes of discussion. Neither this presentation nor any of its content may be distributed, reproduced, or used without the prior written consent of Japan Foods Holding Ltd. (“**Japan Foods**” or the “**Company**”). The Company does not make any representation or warranty, expressed or implied, as to the accuracy of the information contained herein, and expressly disclaims any and all liability based, in whole or in part, on such information, errors therein or omissions therefrom.

FORWARD-LOOKING STATEMENTS

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Company and its subsidiaries (the “**Group**”) and certain of the plans and objectives of the management of the Group. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of the Group to be materially different from any future results or performance expressed or implied by such forward-looking statements. Such forward-looking statements were made based on assumptions regarding the present and future business strategies of the Group and the political and economic environment in which the Group will operate in the future. Reliance should not be placed on these forward-looking statements, which reflect the view of the management of the Group as of the date of this presentation only.

CONFIDENTIALITY

This presentation is given to you on a confidential basis and solely for your information and must not be reproduced, disclosed, distributed or passed to any other person. No copy of this presentation shall be taken or transmitted to any country where distribution or dissemination of this presentation is prohibited. By accepting this presentation, you agree to be bound by the limitations and restrictions set out herein.

**Overview of
3Q 2018**



Stellar Performance at a Glance

3Q2018/3Q2017

3Q2018:	Revenue S\$18.7 million	Gross Profit S\$15.9 million
	-----	-----
3Q2017:	S\$16.8 million	S\$14.3 million

3Q2018:	Net Profit S\$2.5 million	EBITDA S\$4.2 million
	-----	-----
3Q2017:	S\$1.4 million	S\$3.0 million

9M2018/9M2017

9M2018:	Revenue S\$51.7 million	Gross Profit S\$44.0 million
	-----	-----
9M2017:	S\$50.3 million	S\$42.6 million

9M2018:	Net Profit S\$4.8 million	EBITDA S\$9.3 million
	-----	-----
9M2017:	S\$4.1 million	S\$8.9 million

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



1 Franchise Brand from Malaysia

New ManLee Bak Kut Teh

Introducing **Curry is Drink**



Curry is Drink

Open For Business

Sunday Life 4 Feb 2018



CURRY IS DRINK

At this Japanese restaurant, when you order a curry combo meal, you get your curry served in a cup (above).

Hence the name “Curry Is Drink”, because you can actually slurp the curry down as a soup instead of using it as gravy over rice or udon.

Besides getting curry served in cups, this is a fairly straightforward Japanese curry joint where one can get all kinds of deep fried meat, seafood and vegetables.

There is a fair degree of customisation. For example, you can choose between two types of curry sauce (original Japanese curry or black curry) and the level of heat (five levels from original to fiery).

The combo sets are good value (lunch: \$13.90++; dinner: \$14.90++), coming with a side of shredded cab-

bage, crispy fried onions and a variety of toppings including raisins.

Mains are panko-cruste deep-fried pork, chicken, prawn or fish.

Besides the combo rice sets, the concept also features curry udon sets and kids’ meals (\$8.90++) that come with a non-spicy curry sauce served in a cup.

Curry Is Drink is opened by Japan Foods, one of the leading F&B groups in Singapore specialising in Japanese cuisine, that also runs Fruit Paradise, which sells fruit tarts, and Ginza Kushi-Katsu, which specialises in deep-fried meat and vegetable skewers.

Where: B1-32 Changi City Point,

5 Changi Business Park Central 1

Open: 11.30am to 10pm daily

Info: Call 6444-0911, e-mail

feedback@ajisen.com.sg or

go to facebook.com/curryisdrinksg

- “**Curry is Drink**”, Japan Foods’ latest self-developed brand, launched its first outlet at Changi City Point on 24 January 2018

- Brand highlights:

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

- ✓ Combo sets come with

- ❖ panko-cruste deep friend meat or seafood
- ❖ curries served in a cup
- ❖ shredded cabbage
- ❖ crispy fried onions
- ❖ variety of toppings including raisins and pickles

- ✓ Kids’ meals and Curry Udon sets are also available



Kids’ Meal



Curry Udon Set

Shitamachi Tendon Akimitsu



A Rising Star...

Recorded revenue contribution of S\$2.5 million in only 5 months of operations

1st outlet opened in July 2017 at Plaza Singapura

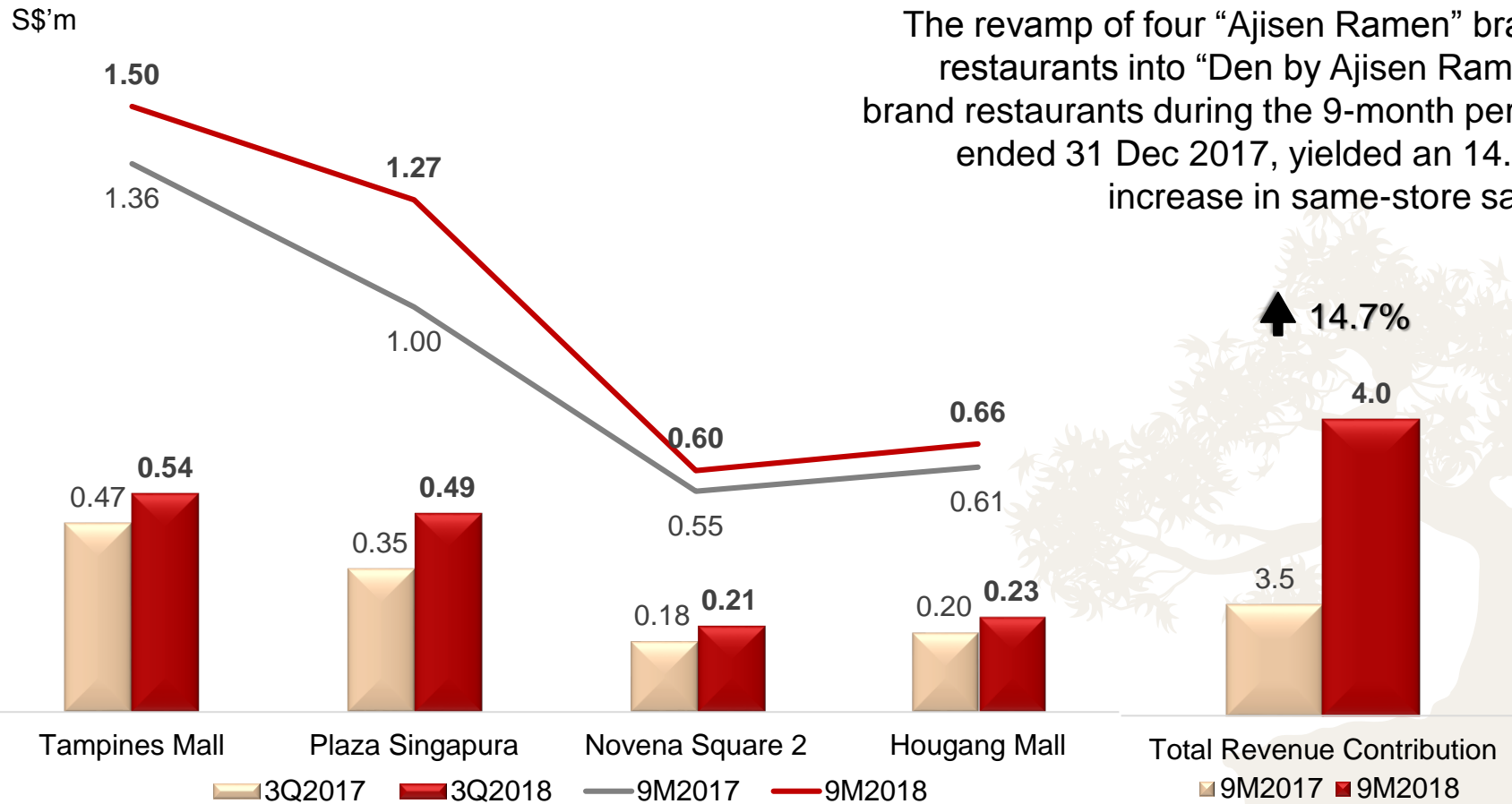
2nd & 3rd outlets opened shortly after in August and September 2017 respectively at Vivocity and at Northpoint City

4th outlet opened in November 2017 at Westgate

5th and newest outlet opened in January 2018 at Changi City Point



Brand rejuvenation yields results



Our Network

As at 31 December 2017



The Group, together with its sub-franchisees, operates a total of 49 restaurants and food court outlet under various brands in Singapore, Malaysia and Vietnam. It also has interests in 18 restaurants in Hong Kong and China through associated companies.

49 Self-operated restaurants & food court outlet

18 Restaurants through associated companies

4 Restaurants operated by sub-franchisees

Updates on our Singapore Network

Self-Operated Restaurants	No. as at 31 Dec 2017	No. as at 31 Dec 2016
Ajisen Ramen	18 ^(a)	19 ^(b)
Botejyu	-	1
Dutch Baby Cafe	1	1
Fruit Paradise	3	4
Ginza Kushi Katsu	1	1
Hanamidori	-	1
Japanese Gourmet Town	1	1
Kazokutei	1	3
Menya Musashi	10	8
Menzo Butao	1	1
New ManLee Bak Kut Teh	2	3
Osaka Ohsho ^(c)	5	6
Shitamachi Tendon Akimitsu	4	-
Yonehachi	1	1
TOTAL	48	50
Food Court Outlet		
Ajisen Ramen	1	1



Den by Ajisen Ramen



Curry is Drink



Shitamachi Tendon Akimitsu



New ManLee Bak Kut Teh



Ginza Kushi Katsu

- 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.

Updates on our Overseas Network

Restaurants	Updates	No. of Outlets As at 31 Dec 2017	No. of Outlets As at 31 Dec 2016
Ajisen Ramen¹	<ul style="list-style-type: none"> ▪ Closed 1 restaurant in Miri, Sarawak, Malaysia ▪ Closed 1 restaurant in KSL City Mall, Johor, Malaysia 	2 in Malaysia	4 in Malaysia
		2 in Vietnam	2 in Vietnam
Menya Musashi²	<ul style="list-style-type: none"> ▪ Closed 2 restaurants in various locations in Hong Kong upon lease expiry, opened 1 in new location ▪ Opened 5 new restaurants in China <ul style="list-style-type: none"> ✓ 2 in Beijing ✓ 2 in Hangzhou ✓ 1 in Wuhan 	8 in Hong Kong	9 in Hong Kong
		10 in China	5 in China
TOTAL		22	20

¹ operated by sub-franchisees

² interests in restaurants through associated companies

Financial Highlights
3Q 2018 / 9M 2018

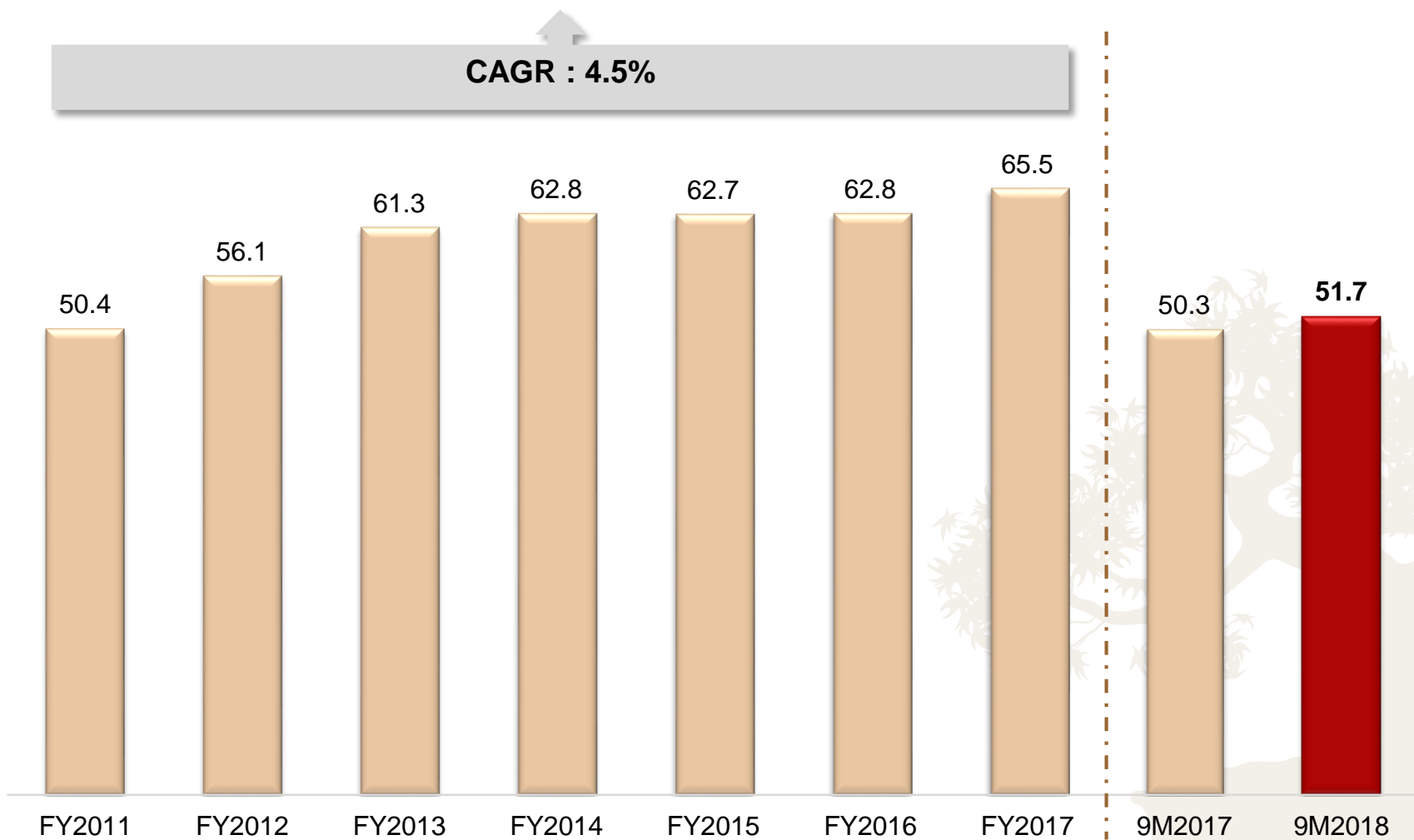


Financial Highlights

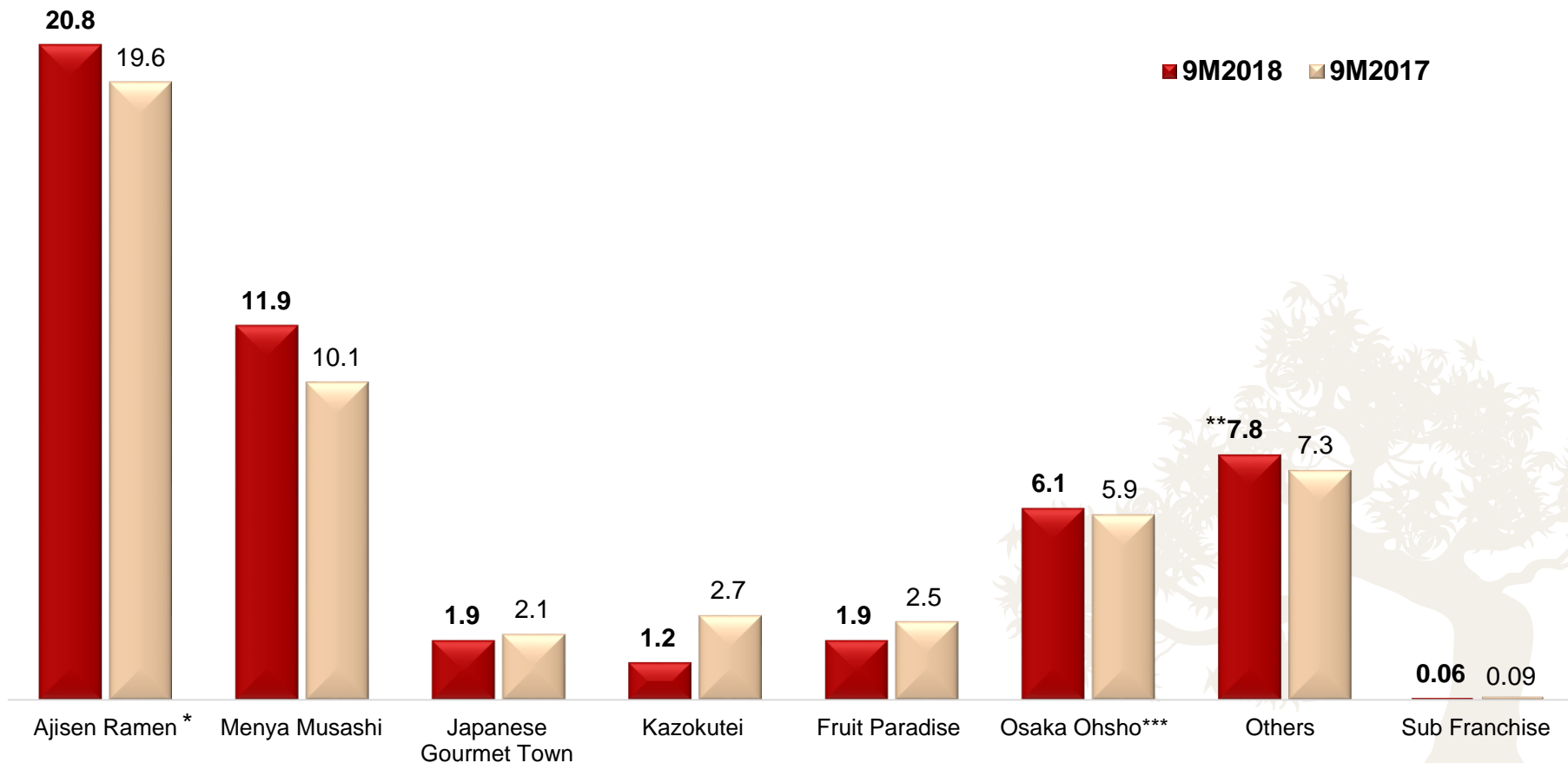
S\$' m	Three months ended 31 Dec			Nine months ended 31 Dec		
	3Q2018	3Q2017	Change (%)	9M2018	9M2017	Change (%)
Revenue	18.7	16.8	↑ 11.4	51.7	50.3	↑ 2.8
Gross Profit	15.9	14.3	↑ 11.7	44.0	42.6	↑ 3.1
Gross Profit Margin (%)	85.1	84.9	↑ 0.2pts	85.1	84.8	↑ 0.3pts
EBIT	3.1	1.7	↑ 78.2	6.0	4.9	↑ 20.8
EBIT margin (%)	16.6	10.4	↑ 6.2pts	11.6	9.8	↑ 1.8pts
EBITDA	4.2	3.0	↑ 39.8	9.3	8.9	↑ 4.3
EBITDA margin (%)	22.5	17.9	↑ 4.6pts	18.0	17.7	↑ 0.3pts
Net Profit After Tax (NPAT)	2.5	1.4	↑ 73.1	4.8	4.1	↑ 18.1
NPAT Margin (%)	13.3	8.6	↑ 4.7pts	9.4	8.1	↑ 1.3pts
Earnings Per Share (S'pore cents)	1.44	0.83	↑ 73.5	2.79	2.35	↑ 18.7
Return on Equity (%)	7.5	4.6	↑ 2.9pts	14.6	12.9	↑ 1.7pts

¹ Rounding

Revenue (S\$' m)



Revenue Mix by Brands (S\$' m)



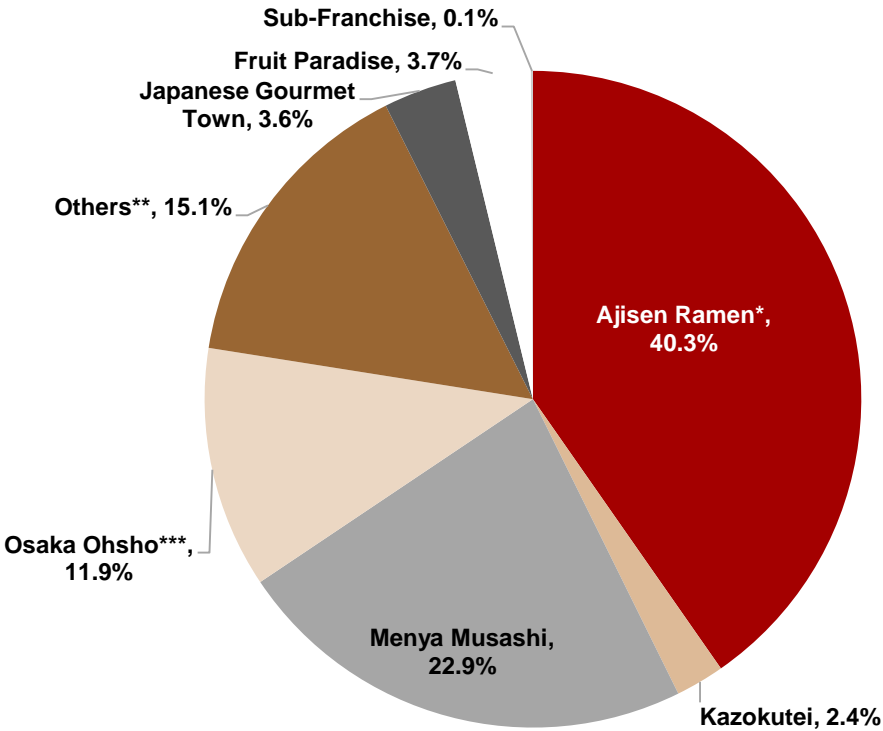
* Includes Keika Ramen

** Includes revenue contribution of S\$2.5 million from four newly opened Shitamachi Tendon Akimitsu outlets in Jul, Aug, Sep & Nov 2017 respectively

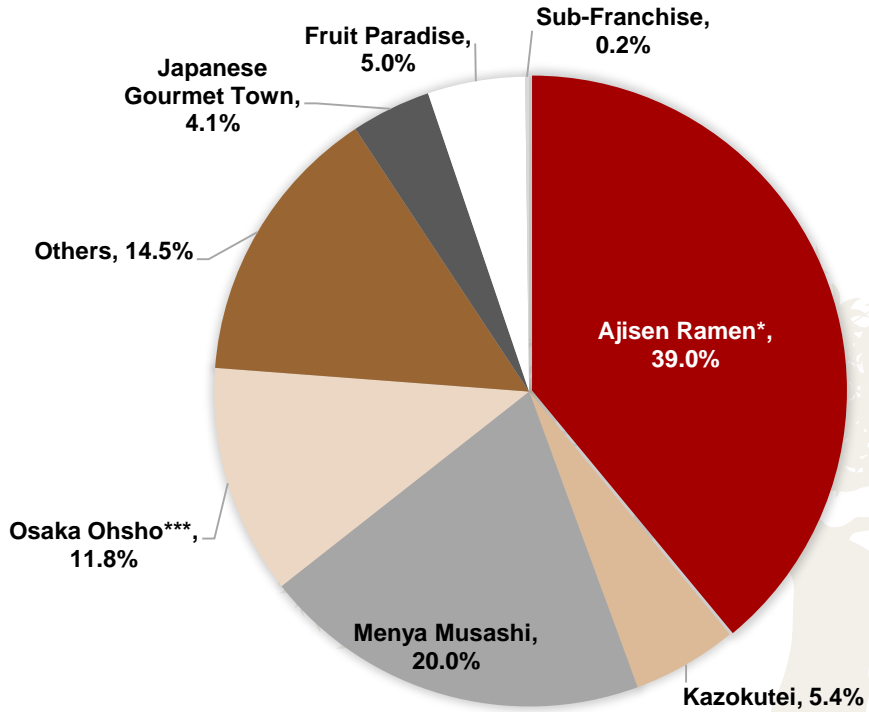
*** Includes 1 "Kotsujiru Nabe" brand restaurant, which is a brand extension of the "Osaka Ohsho" brand

Revenue Breakdown

9M2018



9M2017

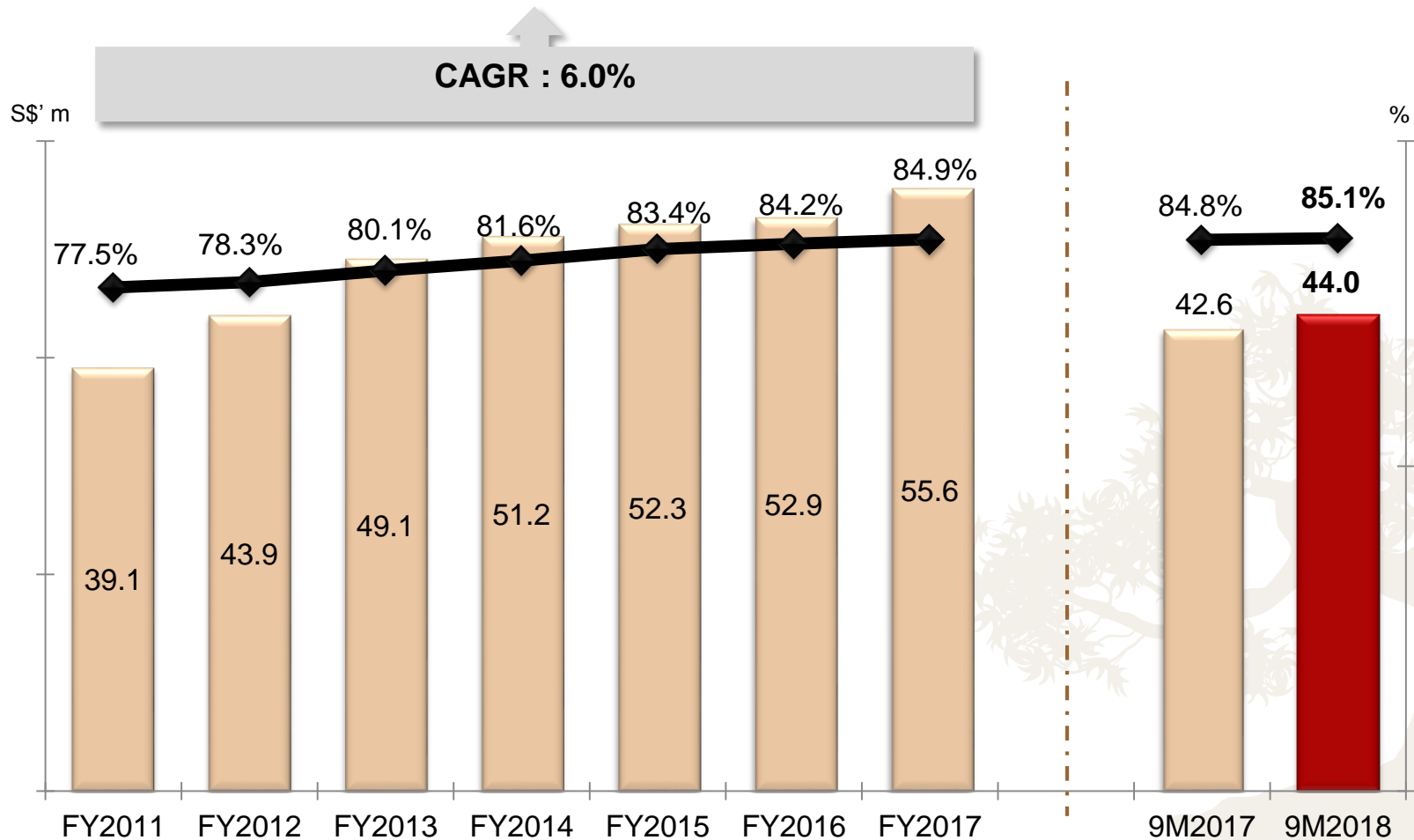


* Includes Keika Ramen

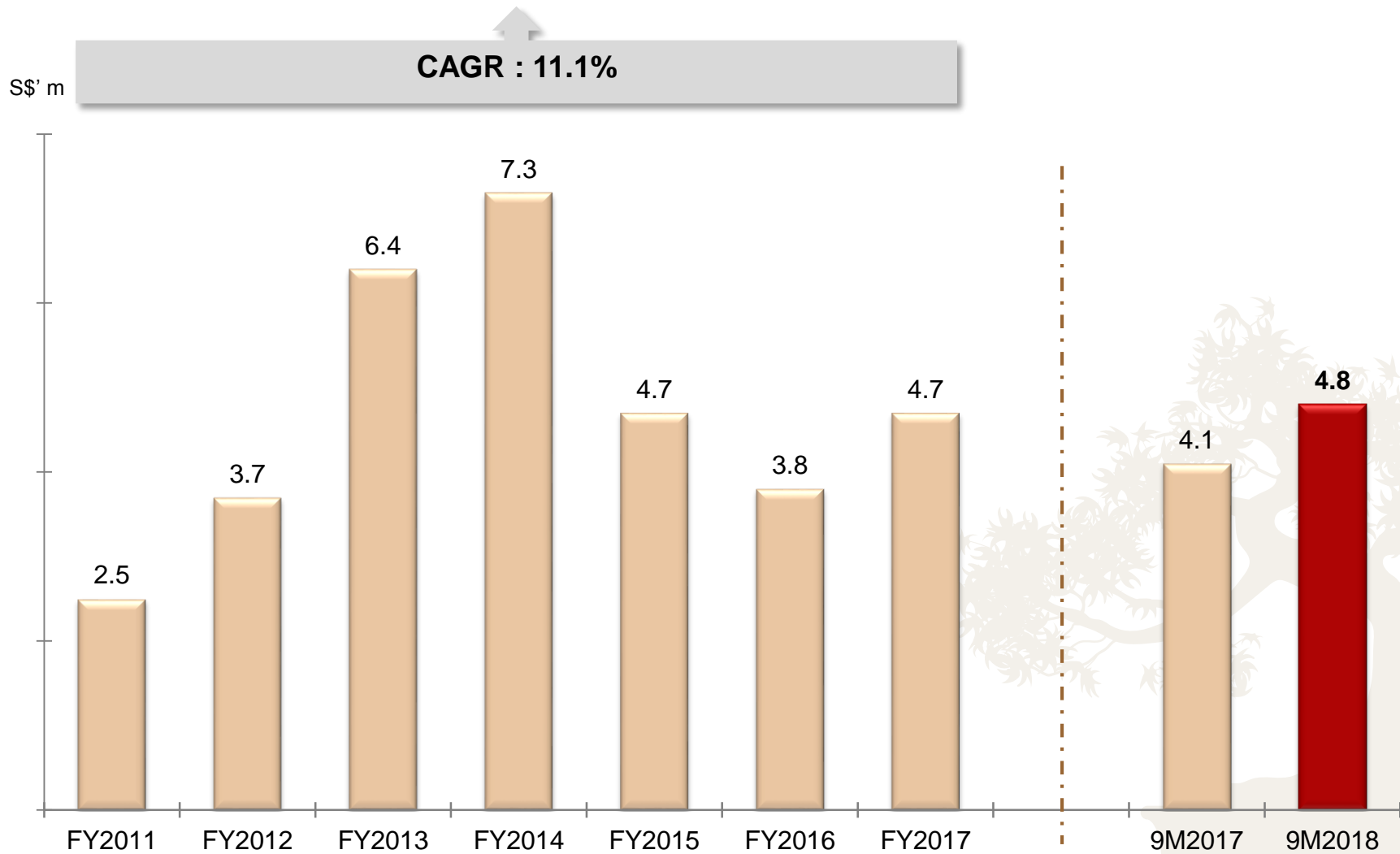
** Includes revenue contribution of S\$2.5 million from four newly opened Shitamachi Tendon Akimitsu outlets in Jul, Aug, Sep & Nov 2017 respectively

*** 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	Nine months ended 31 Dec 2017	Nine months ended 31 Dec 2016	Change (%)
Net cash generated from operating activities	7.1	9.8	↓ 27.9
Net cash used in investing activities	(3.1) ¹	(3.1) ¹	↓ 0.3
Net cash used in financing activities	(3.6)	(3.8)	↓ 3.5
Net increase in cash and cash equivalents	0.3	2.9	↓ 89.9
Cash and cash equivalents at beginning of financial year	18.1	15.1	↑ 20.4
Cash and cash equivalents at end of financial year	18.4	18.0	↑ 2.6

¹ Rounding

Key Financial Ratios

	As at 31 Dec 2017	As at 31 Mar 2017	Change (%)
Cash and cash equivalents (S\$m)	20.5	20.2	↑ 1.5
Total assets (S\$m)	42.8	40.8	↑ 5.6
Total equity (S\$m)	32.1	31.6	↑ 1.6
Net cash ratio ⁽¹⁾	2.3	2.4	↓ 5.3
Net asset value per share (S'pore cents) ⁽²⁾	19.09	18.29	↑ 4.4
Net cash per share (S'pore cents) ⁽²⁾	11.8	11.7	↑ 0.9

(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 December 2017 and 173,043,500 shares as at 31 March 2017.

Investment Highlights & Corporate Update



Corporate Updates

Expansion Opportunities

- ✓ Currently in advanced discussions with a potential JV partner in Indonesia
- ✓ 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. 12,000

- ✓ 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 7 Feb 2018*

Peer Comparison

Japan
Foods

One of the
highest
margins

One of the
highest
ROEs

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	72.8	0.420	9.4	14.6	Net Cash	16.8	4.9
BreadTalk	472.8	1.680	3.5	16.0	0.2	22.3	2.4
ABR Holdings	161.8	0.805	4.5	5.2	Net Cash	32.6	3.1
Sakae Holdings	29.3	0.210	-	-	1.2	-	-
Soup Restaurant	44.3	0.158	3.5	15.0	Net Cash	31.6	1.6
Tung Lok Restaurant	60.4	0.220	-	-	Net Cash	-	-
Katrina	38.2	0.165	2.3	9.6	Net Cash	29.4	3.7
Jumbo	368.9	0.575	10.0	22.2	Net Cash	25.5	1.7
RE&S Holdings	85.0	0.240	-	-	-	-	-
Kimly Limited	405.2	0.350	11.2	29.1	Net Cash	18.9	2.7
No Signboard Holdings	101.7	0.220	31.6	45.8	-	13.2	-

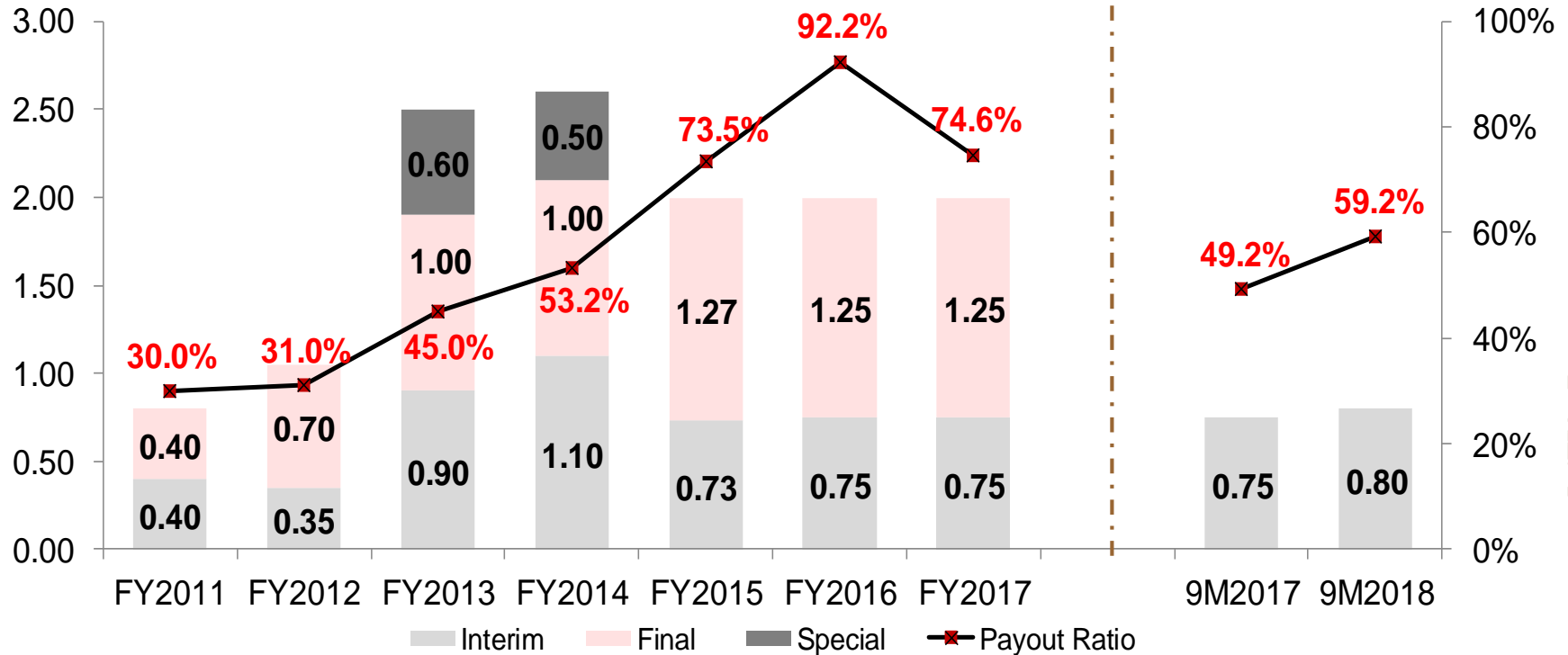
Source: ShareInvestor.com,
data as at 6 Feb 2018

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)



*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



18th SIAS Investors' Choice Awards 2017

Transparency Award – SMEs

17th SIAS Investors' Choice Awards 2016

Most Transparent Company Overall Winner (Catalist)



Thank You

