

JAPAN FOODS HOLDING LTD.

Corporate Presentation

FY2019

(Financial year ended 31 March 2019)



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JAPAN FOODS HOLDING LTD.

Overview of FY2019



Performance at a Glance

4Q2019/4Q2018

4Q2019:	Revenue S\$17.3 million	Gross Profit S\$14.6 million
	-----	-----
4Q2018:	S\$16.2 million	S\$13.7 million

4Q2019:	Net Profit S\$0.5 million	EBITDA S\$1.9 million
	-----	-----
4Q2018:	S\$0.9 million	S\$2.1 million

FY2019/FY2018

FY2019:	Revenue S\$68.1 million	Gross Profit S\$57.5 million
	-----	-----
FY2018:	S\$67.8 million	S\$57.7 million

FY2019:	Net Profit S\$3.3 million	EBITDA S\$8.5 million
	-----	-----
FY2018:	S\$5.8 million	S\$11.6 million

Note:
All financial figures have been rounded

Financial Highlights (Q-on-Q)

S\$' m	1Q2019	2Q2019	3Q2019	4Q2019
Revenue	16.6	16.6	17.5	17.3
Gross Profit	14.1	14.0	14.8	14.6
EBITDA	2.2	1.9	2.5	1.9
Net Profit After Tax (NPAT)	1.0	0.6	1.2	0.5
NPAT Margin (%)	5.8	3.8	6.9	3.0
Earnings Per Share (S'pore cents)	0.56	0.36	0.70	0.30

Steady and healthy performance throughout the financial year ended 31 March 2019

Note: All financial figures have been rounded

Financial Highlights (Y-on-Y)

S\$' m	FY2019	FY2018
Revenue	68.1	67.8
Gross Profit	57.5	57.7
EBITDA	8.5	11.6
Net Profit After Tax (NPAT)	3.3	5.8
NPAT Margin (%)	4.9%	8.5%
Earnings Per Share (S'pore cents)	1.92	3.33

Note: All financial figures have been rounded

Our Growing Brand Portfolio

9 Franchise Brands from Japan



Ajisen Ramen



Shitamachi Tendon Akimitsu



Osaka Ohsho



Konjiki Hototogisu



Kara-Men



Kazokutei



Menya Musashi



Menzo Butao



Yonehachi



Kagurazaka Saryo

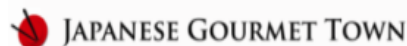
4 Self-Developed Brands



Aji-Tei



Curry is Drink



New ManLee Bak Kut Teh

Soon-to-be Launched Brands

AFURI Ramen



Brand highlights:

- ✓ Origin: Kanagawa, Japan
- ✓ Location: Most outlets are in Tokyo Metropolitan area
- ✓ Known for: Healthy Yuzu-flavoured broth
- ✓ Target group: Health-conscious diners



Expected launch date for Afuri Ramen is within the next 12 months

Updates from Our Latest Brands

Konjiki Hototogisu

Brand highlights:

- ✓ Originated in Shinjuku in Tokyo, Japan
- ✓ Featured in Michelin Guide Tokyo's Bib Gourmand for four consecutive years between 2015 and 2018
- ✓ **Accorded "1 Michelin Star" status in the Tokyo Michelin Guide 2019**
- ✓ Famed for its full-bodied clam, chicken and pork base broth

- **First franchisee in Asia.**
- Launched in June 2018 at CHIJMES
- A total of four outlets in Singapore:
 - CHIJMES
 - Vivocity
 - Paragon
 - Changi Jewel



Introducing Kara-Men



Kara-Men

Brand highlights:

- ✓ Originated in Miyazaki Prefecture, Japan
 - ✓ Extension of “Ajisen Ramen” flagship brand
 - ✓ Specialises in broth with different levels of spiciness
-
- Launched in 15 March 2019
 - Opened 1st outlet at 111 Somerset



Our Network

As at 31 March 2019



The Group, together with its sub-franchisees, operates a total of 56 restaurants under various brands in Singapore and 1 “Ajisen Ramen” brand restaurant in Malaysia. It also has interests in 20 restaurants in Indonesia, Hong Kong and China through associated companies.

55 Self-operated restaurants

20 Restaurants through associated companies

1 Restaurants operated by sub-franchisees

Updates on our Singapore Network

Restaurant Brands	As at 31 Mar 2019	As at 31 Mar 2018
Ajisen Ramen	18 ^(a)	18 ^(a)
Curry is Drink	1	1
Dutch Baby Cafe	-	1
Fruit Paradise	2	2
Ginza Kushi Katsu	-	1
Japanese Gourmet Town	1	1
Kagurazaka Saryo	2	-
Kazokutei	1	1
Konjiki Hototogisu	3	-
Menya Musashi	11	10
Menzo Butao	2	1
New ManLee Bak Kut Teh	1	2
Osaka Ohsho ^(b)	5	5
Shitamachi Tendon Akimitsu	7	6
Yonehachi	1	1
TOTAL	55	50

^a Includes 5 “Den by Ajisen Ramen” brand restaurants and 1 “Kara-Men” brand restaurant

^b Includes 1 “Kotsujiru Nabe” brand restaurant, which is an extension of the “Osaka Ohsho” brand



Den by Ajisen Ramen



Konjiki Hototogisu



Shitamachi Tendon Akimitsu



New ManLee Bak Kut Teh



Curry is Drink

Updates on our Overseas Network

Restaurants	Updates	No. of Outlets As at 31 Mar 2019	No. of Outlets As at 31 Mar 2018
Ajisen Ramen¹	<ul style="list-style-type: none"> ▪ Closed 2 restaurants in Vietnam <ul style="list-style-type: none"> ✓ 1 in Kumho Link ✓ 1 in District 1 	1 in Malaysia	1 in Malaysia
		0 in Vietnam	2 in Vietnam
Menya Musashi²	<ul style="list-style-type: none"> ▪ Opened 1 restaurant in Jakarta, Indonesia ▪ Closed 1 restaurant in Hong Kong ▪ Opened 4 restaurants in China <ul style="list-style-type: none"> ✓ 1 in Shanghai ✓ 3 in Guangzhou ▪ Closed 2 restaurants in China <ul style="list-style-type: none"> ✓ 1 in Hangzhou ✓ 1 in Shenzhen 	1 in Indonesia	-
		7 in Hong Kong	8 in Hong Kong
		12 in China	10 in China
TOTAL		21	21

Note:

¹ operated by sub-franchisees

² interests in restaurants through associated companies

JAPAN FOODS HOLDING LTD.

Financial Highlights FY2019



Financial Highlights (4Q and FY)

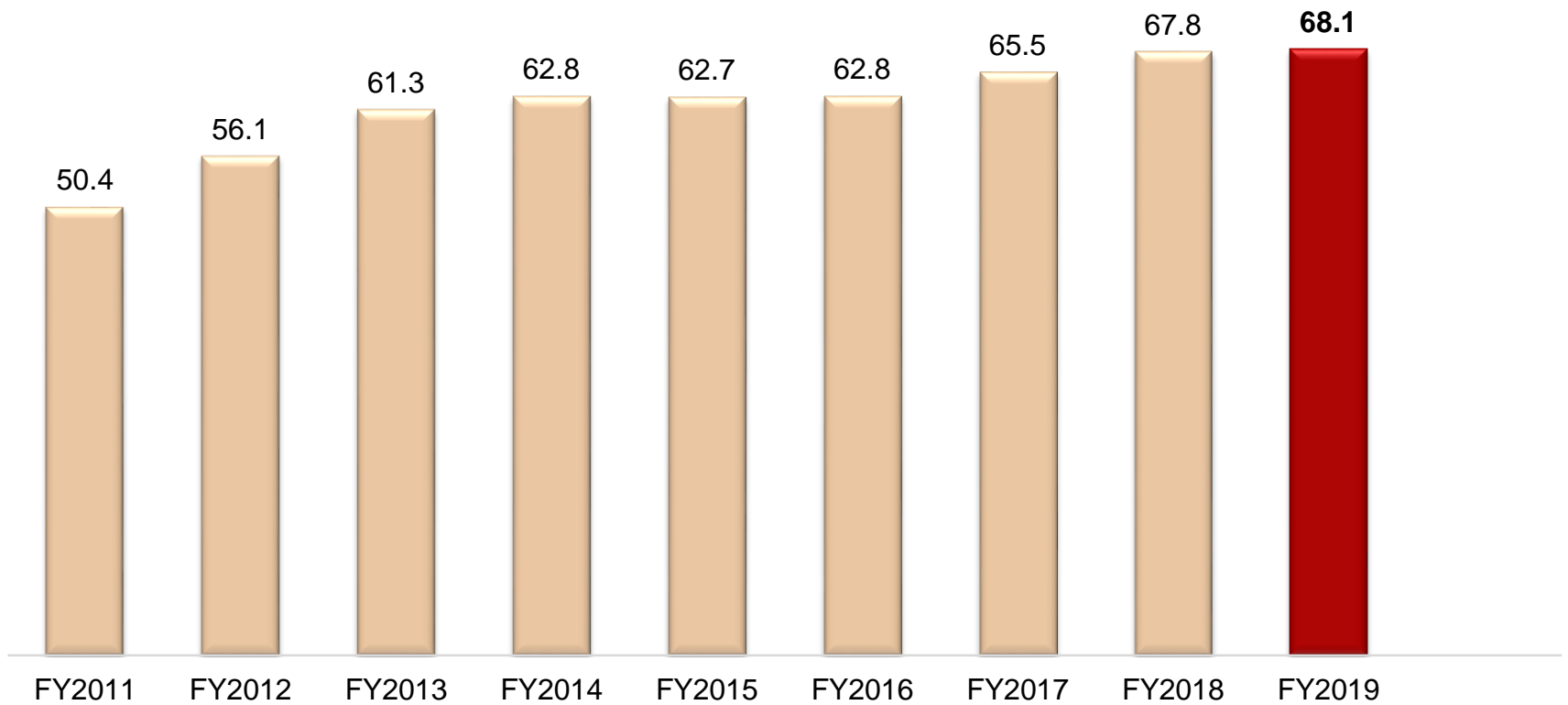
S\$' m	Three months ended 31 Mar			12 months ended 31 Mar		
	4Q2019	4Q2018	Change (%)	FY2019	FY2018	Change (%)
Revenue	17.3	16.2	6.8	68.1	67.8	0.4
Gross Profit	14.6	13.7	6.6	57.5	57.7	(0.3)
Gross Profit Margin (%)	84.4	84.8	(0.4) pt	84.4	85.0	(0.6) pt
EBIT	0.7	1.0	(30.0)	4.1	7.0	(41.4)
EBIT margin (%)	4.2	6.3	(2.1) pts	6.1	10.3	(4.2) pts
EBITDA	1.9	2.1	(14.3)	8.4	11.6	(27.6)
EBITDA margin (%)	10.3	12.9	(2.6) pts	12.4	17.1	(4.7) pts
Net Profit After Tax (NPAT)	0.5	0.9	(44.4)	3.3	5.8	(44.1)
NPAT Margin (%)	3.0	4.4	(1.4) pts	4.9	8.5	(3.6) pts
Earnings Per Share (S'pore cents)*	0.3	0.54	(44.4)	1.92	3.33	(42.3)
Return on Equity (%)	1.6	2.1	(23.8)	9.9	16.9	(41.4)

Note: All financial figures have been rounded

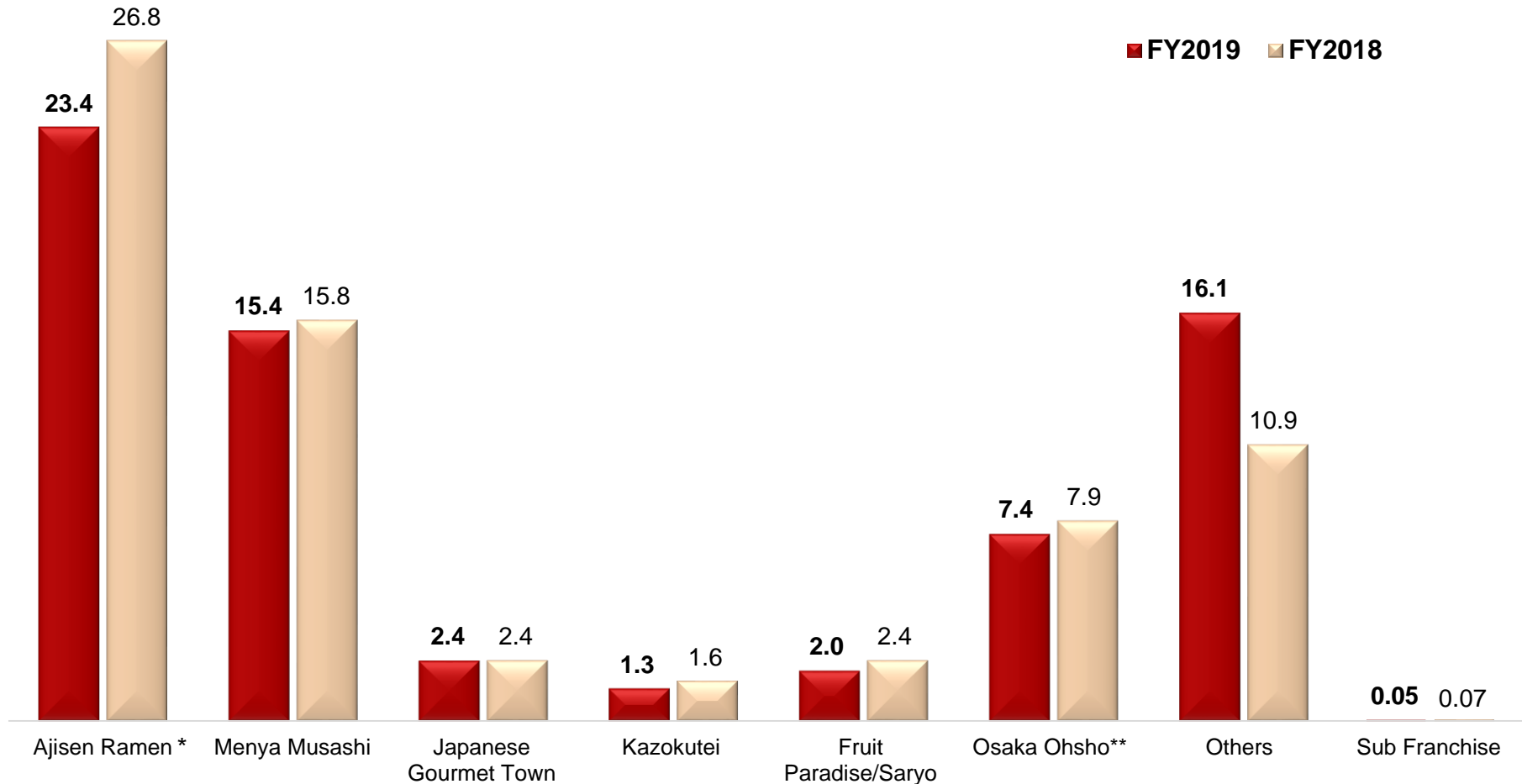
*EPS was computed based on the weighted average number of shares of 173,604,150 shares and 173,387,900 shares in 4Q2019 and 4Q2018 respectively; and 173,750,246 shares and 173,511,662 shares in FY2019 and FY2018 respectively.

Revenue (S\$' m)

CAGR : 3.8%



Revenue Mix by Brands (S\$' m)

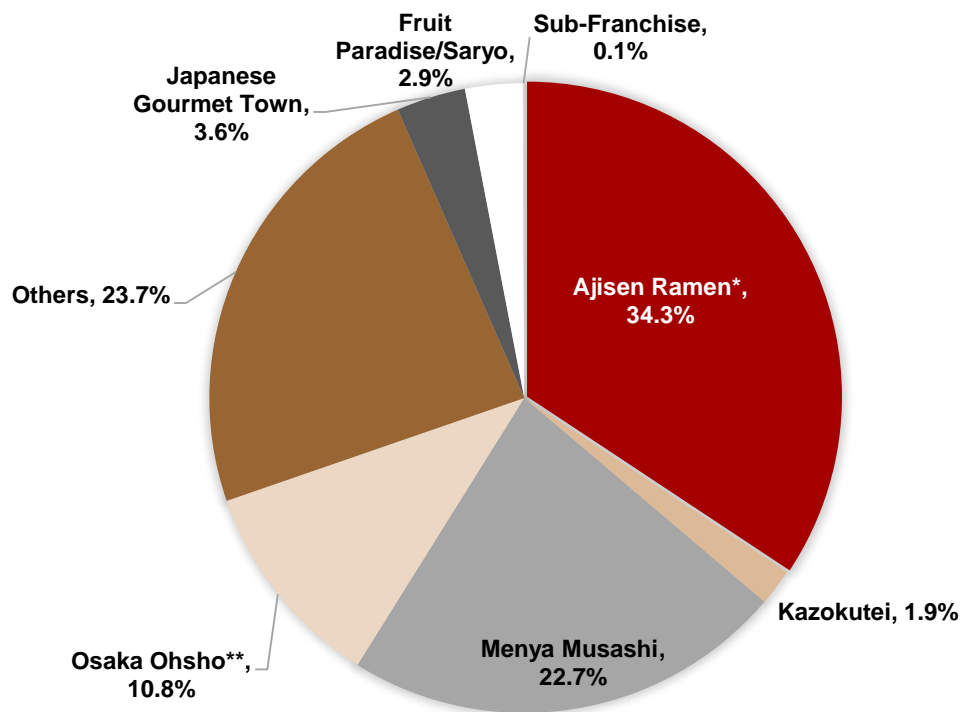


* Includes Keika Ramen and Kara-Men

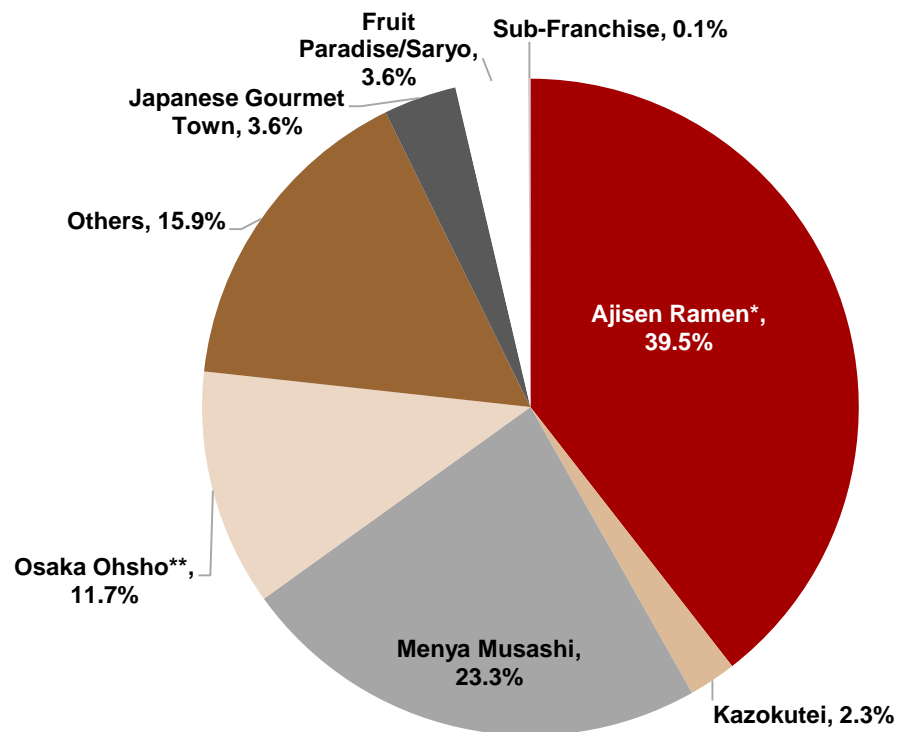
** Includes 1 "Kotsujiru Nabe" brand restaurant, which is a brand extension of the "Osaka Ohsho" brand

Revenue Breakdown

FY2019



FY2018

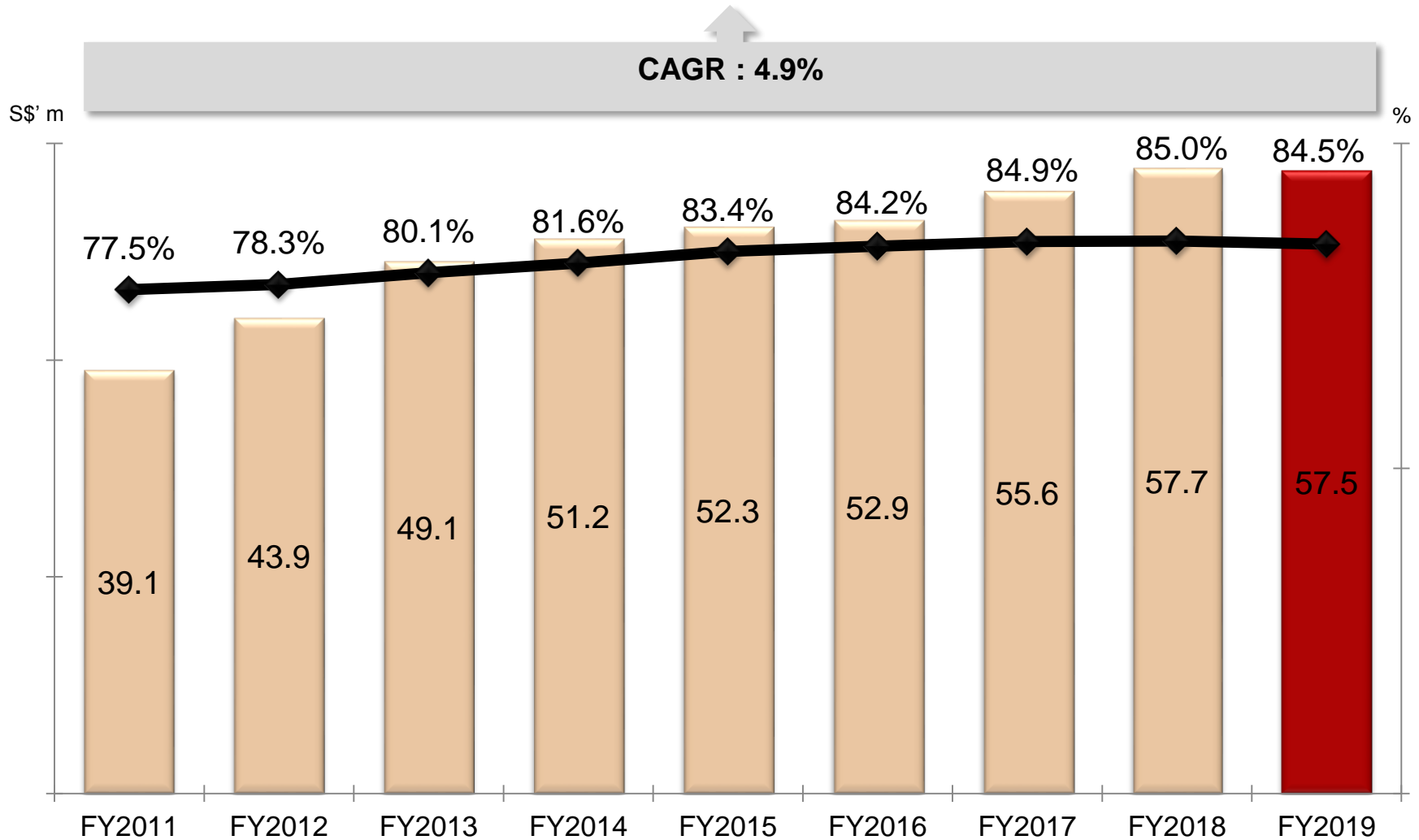


Notes:

* Includes Keika Ramen and Kara-Men

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

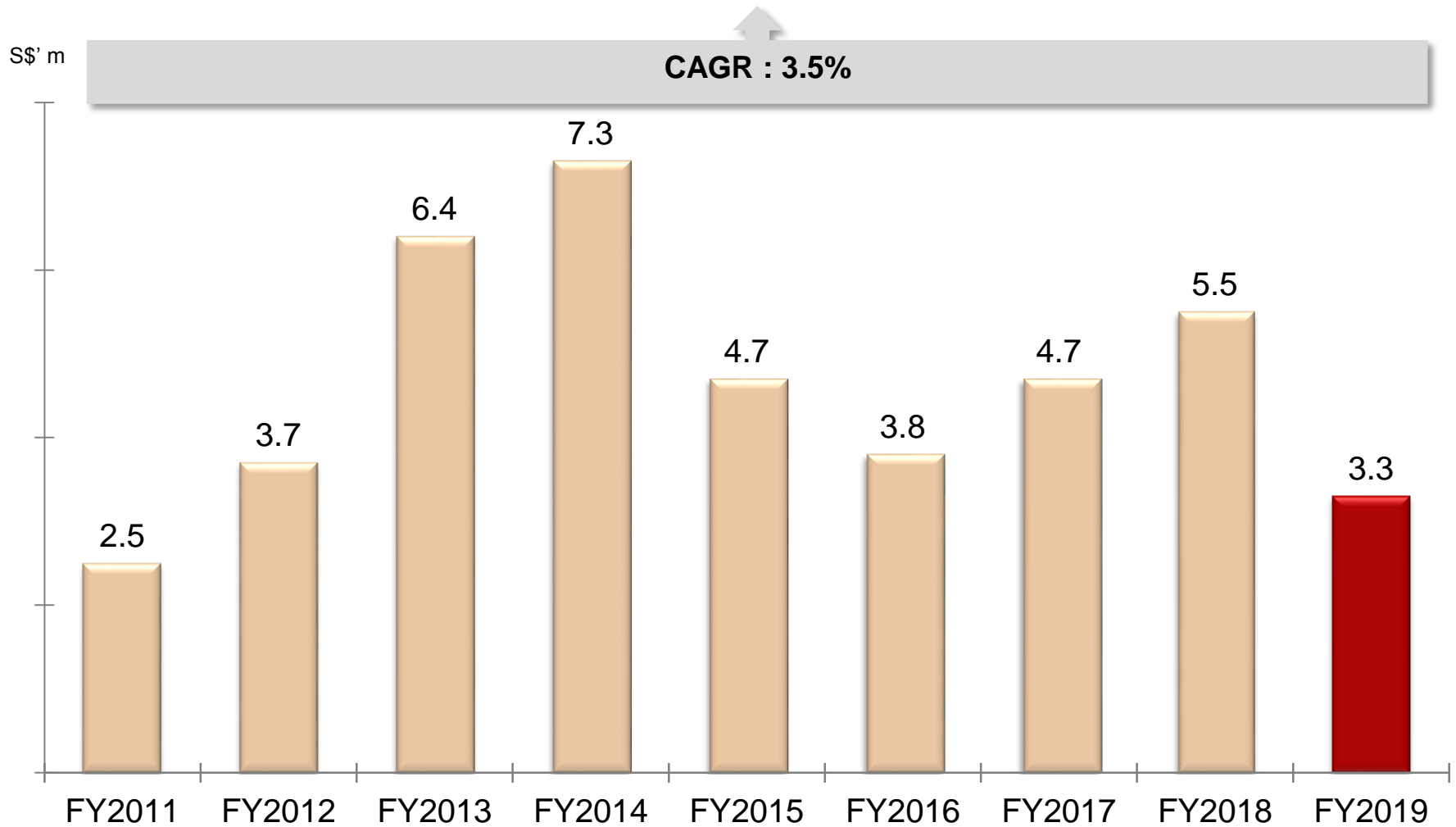
Gross Profit and Gross Profit Margin



Note:

All financial figures have been rounded

Net Profit



Note:

All financial figures have been rounded

Cash Flow

S\$ 'm	FY2019	FY2018	Change (%)
Net cash generated from operating activities	8.5	9.3	▼ 8.6
Net cash used in investing activities	(4.5)	(4.0)	▲12.5
Net cash used in financing activities	(4.3)	(3.7)	▲16.2
Net increase/(decrease) in cash and cash equivalents	(0.3)	1.6	▼81.3
Cash and cash equivalents at beginning of financial year	19.8	18.1	▲ 9.4
Cash and cash equivalents at end of financial period	19.5	19.8	▼ 1.5

*Note:
All financial figures have been rounded*

Key Financial Ratios

	As at 31 March 2019	As at 31 March 2018	Change (%)
Cash and bank balances (S\$m)	22.1	21.9	↑ 0.9
Total assets (S\$m)	43.7	43.3	↑ 0.9
Total equity (S\$m)	33.8	34.0	↓ 0.2
Net cash ratio ⁽¹⁾	2.3	2.5	↓ 8.0
Net asset value per share (S'pore cents) ⁽²⁾	19.48	19.63	↓ 0.8
Net cash per share (S'pore cents) ⁽²⁾	12.7	12.6	↑ 0.7

Notes:

(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 173,602,900 shares as at 31 March 2019 and 173,387,900 shares as at 31 March 2018.

Note: All financial figures have been rounded

Total Dividend in FY2019

Name of dividend	Final	Interim
Dividend type	Cash	
Dividend amount per share (Singapore cents)	1.10 cents per ordinary share	0.8 cents per ordinary share
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)
Date payable	16 August 2019	8 December 2018



- Total dividend in FY2019: **1.90 Singapore cents a share**
- Dividend payout ratio: **Approximately 98.9%** for FY2019.

Demonstrates the Company's confidence in the future and prospects of its business

JAPAN FOODS HOLDING LTD.

Corporate Updates



Updates on Joint Venture with Minor Singapore

- Japan Foods and Minor Food Group (Singapore) Pte. Ltd. (“**Minor Singapore**”) formed 50-50 joint venture company **Dining Collective Pte Ltd** (“**Dining Collective**”) to expand geographical presence
 - Dining Collective will operate Japan Foods’ Japanese cuisine brands in Thailand and China, and Minor Singapore’s Thai cuisine brands in Japan.
 - MOU marks Japan Foods’ first foray into Thailand and Japan
- ***First Steps***: Dining Collective incorporated **A.J Bridge Co, Ltd in Japan**, a wholly owned subsidiary, on 16 May 2019.

Brands by

MINOR
FOOD GROUP
SINGAPORE



Poulet



Thai Express



Xin Wang Hong Kong Cafe

JFH Rewards membership swells

Launched in January 2018 with approx. **12,000** JFH members

As at 31 March 2019, over **116,000** JFH members

- ✓ 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



In the news recently

The Straits Times
12 April 2019



10

Shiki Hototogisu Ramen
(B1-300)
Open: 10am to 10pm daily

With three outlets here each championing a different star ingredient, the Michelin-starred Hototogisu Ramen from Japan has become a go-to ramen spot. Its fourth outlet at Jewel features ramen to match the seasons.

For a start, it offers the Spring and Autumn ramen (\$15.90 each).

In line with sakura season, the Spring ramen includes cherry blossom oil, sakura-shaped pasta, bamboo shoots, arugula, char siew and fried shallots.

For Autumn (above), savour a mix of six mushrooms – porcini, eringi, shiitake, enoki, shimeji and oyster – along with garlic butter and a black truffle oil-infused soup.

The outlet also serves tonkotsu-based ramen (from \$13.90).

PREMIUM
Food Picks: Maggie Joan's, Si Chuan Dou Hua, The Lighthouse, and Hototogisu in Paragon



(Clockwise from top left) Maggie Joan's, Si Chuan Dou Hua, The Lighthouse and Hototogisu. PHOTOS: WONG AN YOK, HOTOTOGISU RAMEN.

© PUBLISHED: MAR 14, 2019, 11:00 AM SGT



CRAB BROTH RAMEN AT HOTOTOGISU

Hototogisu, the one-Michelin-starred ramen eatery in Tokyo, is in expansion mode in Singapore.

Its first outlet here opened at Chijmes in June last year and the second at Great World City in January this year. Last month, a third outlet opened in the basement of Paragon Shopping Centre.

Although the three outlets offer the same side dishes such as gyoza and karaage, the ramen has different broths. Chijmes focuses on clam broth, Great World City has oyster and at Paragon, it is crab.

You don't see the shellfish though, because it is worked into a crab and tomato paste that chef-owner Atsushi Yamamoto had spent months to develop. Stirred into the crab-based soup, it results in a robust and distinctive flavour.

The crab ramen (\$15.90) also comes topped with cha shu (pork slices), diced onion, lemon slices, arugula and, quite oddly, sour cream.

To be honest, I'm not very sure about the sour cream. It's supposed to give the broth a creamy feel, but I think it also muddies the crab flavour. It's served on top of the lemon slices, so it's easily removed if you think you won't like it.

Another new flavour exclusive to the Paragon outlet is the Iberico shoyu ramen (\$15.90), which has a clam-based broth and toppings of Iberico cha shu, minced ginger, fried shallots, lemon slice and saffron. The sweet clam broth is delicious.

WHERE: Ha-Oh Hototogisu Ramen, B1-47 Paragon Shopping Centre, 290 Orchard Road

MRT: Orchard

OPEN: 11.45am to 10pm (last order 9.30pm)

The Straits Times
14 March 2019

ST VIDEOS



Recommended by #TheBrain

Peer Comparison

	Market Cap (S\$ 'm)	Price (S\$)	Net profit margin (%)	ROE (%)	Net Debt / Equity	P/E	Div yield (%)
Japan Foods	80.7	0.465	8.5	17.0	-	14.0	4.5
BreadTalk	453.8	0.805	2.5	11.4	0.3	29.8	1.9
ABR Holdings	160.8	0.800	2.1	2.8	-	60.3	3.1
Sakae Holdings	18.8	0.135	5.3	12.0	1.2	3.8	-
Soup Restaurant	51.7	0.185	5.0	19.8	-	23.6	3.5
Tung Lok Restaurant	45.0	0.164	(1.6)	-	-	-	-
Katrina	45.0	0.194	0.7	3.1	-	104.3	-
Jumbo	259.7	0.405	7.2	16.9	-	23.9	2.9
RE&S Holdings	67.2	0.190	2.5	10.0	-	18.8	2.1
Kimly Limited	282.0	0.245	10.8	26.2	-	12.9	4.0
No Signboard Holdings	36.5	0.079	(8.7)	-	-	-	3.2

Source: ShareInvestor.com, data as at 15 May 2019, 5.06pm

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

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Thank You!

