

JAPAN FOODS HOLDING LTD.



Financial Results Presentation February 2017

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JAPAN FOODS HOLDING LTD.



**Overview of
9M2017**

Performance at a Glance

Higher earnings driven by performance of new brands

9M2017:

Revenue
S\$50.3 million

Gross Profit
S\$42.6 million

9M2016:

S\$47.1 million

S\$39.6 million

9M2017:

Net Profit
S\$4.1 million

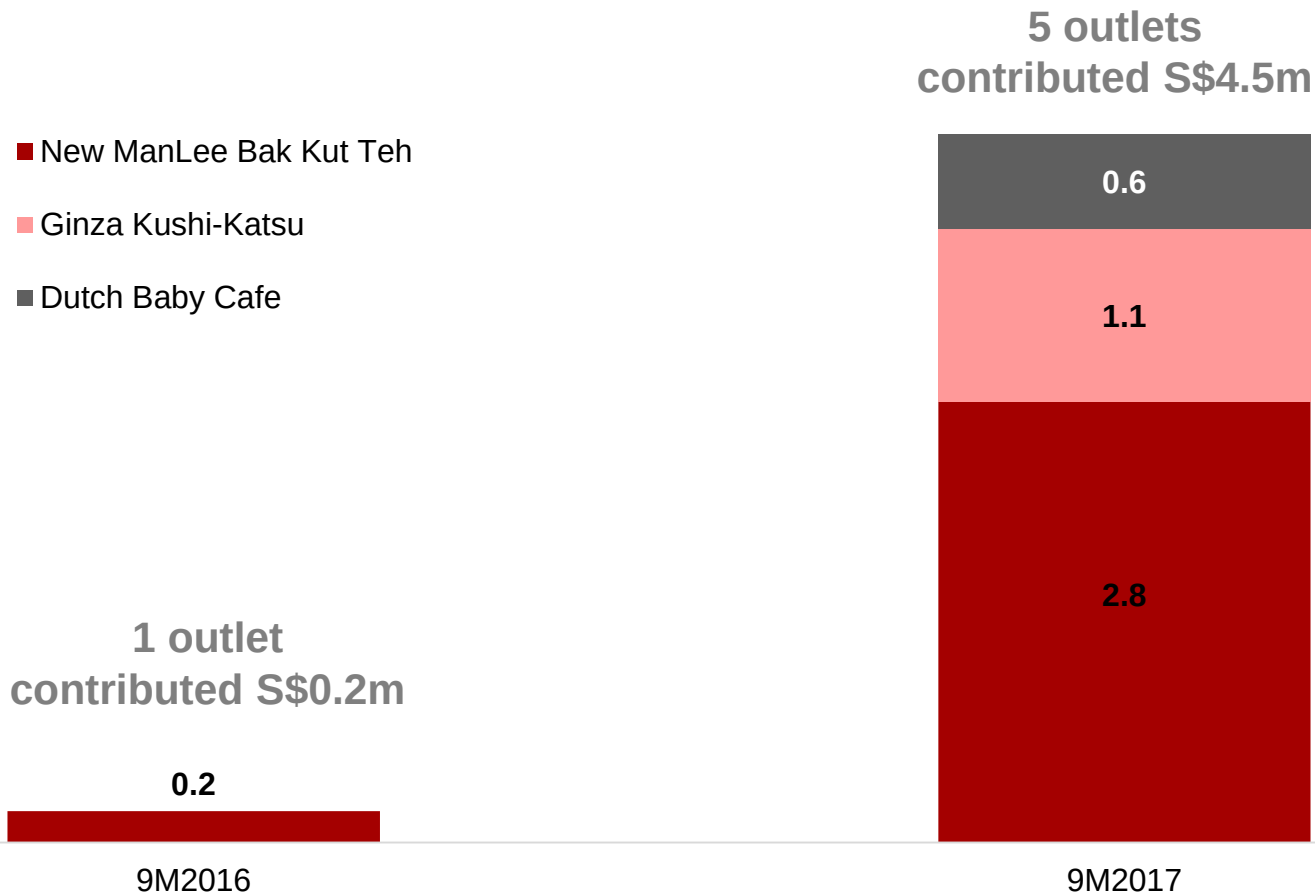
EBITDA
S\$8.5 million

9M2016:

S\$3.3 million

S\$7.5 million

Performance of New Brands (S\$m)



Our Growing Brand Portfolio

10 Franchise Brands from Japan



Ajisen Ramen



Hanamidori



Botejyu



Botejyu San



Keika Ramen



Kazokutei



麵屋武蔵

Menya Musashi



Menzo Butao



Osaka Ohsho



Yonehachi

5 Self-Developed Brands

TOKYO WALKER



New ManLee Bak Kut Teh



Our Network

As at 31 December 2016



The Group, together with its sub-franchisees, operates a total of 57 restaurants and food court outlet under various brands in Singapore, Malaysia and Vietnam. It also has interests in 14 restaurants in Hong Kong and China through associated companies.

51 Self-operated restaurants & food court outlet

14 Restaurants through associated companies

6 Restaurants operated by sub-franchisees

Updates on our Singapore Network

Self-Operated Restaurants	Updates for the 9 months from Jan 2016 to 31 Dec 2016	No. as at 31 Dec 16	No. as at 31 Dec 15
Ajisen Ramen	Opened Compass One restaurant in September 2016	16	15
Fruit Paradise	- Opened Waterway Point restaurant in January 2016 - Closed Bedok Point restaurant in May 2016	4	4
Hanamidori	Unchanged	1	1
Kazokutei	Unchanged	3	3
Keika Ramen	Opened Tiong Bahru Plaza restaurant in April 2016	3	2
Menya Musashi	Opened Waterway Point restaurant in January 2016	8	7
Osaka Ohsho	- Opened Waterway Point restaurant in January 2016 - Converted AMK Hub restaurant to New ManLee Bak Kut Teh restaurant in March 2016	6	6
New ManLee Bak Kut Teh	- Opened Bugis+ restaurant in April 2016 - Converted Gyoza Bowl restaurant at Ang Mo Kio Hub to New ManLee Bak Kut Teh restaurant in March 2016	3	1
Ginza Kushi Katsu	Opened Paragon restaurant in April 2016	1	-
Dutch Baby Cafe	Opened Paragon restaurant in April 2016	1	-
Botejyu	Unchanged	1	1
Japanese Gourmet Town	Unchanged	1	1
Menzo Butao	Unchanged	1	1
Yonehachi	Unchanged	1	1
TOTAL		50	43
Food Court Outlets	Updates		
Ajisen Ramen	Unchanged	1	1

Updates on our Overseas Network

Restaurants	Updates	No. of Outlets As at 31 Dec 2016	No. of Outlets As at 31 Dec 2015
Ajisen Ramen ¹	Closed 1 restaurant in KSL City Mall, Johor, Malaysia	4 in Malaysia 2 in Vietnam	5 in Malaysia 2 in Vietnam
Menya Musashi ²	- Closed 2 restaurants in various locations in Hong Kong upon lease expiry, opened 1 in new location - Unchanged	9 in Hong Kong 5 in China	10 in Hong Kong 5 in China
TOTAL		20	22

¹ operated by sub-franchisees

² interests in restaurants through associated companies

JAPAN FOODS HOLDING LTD.



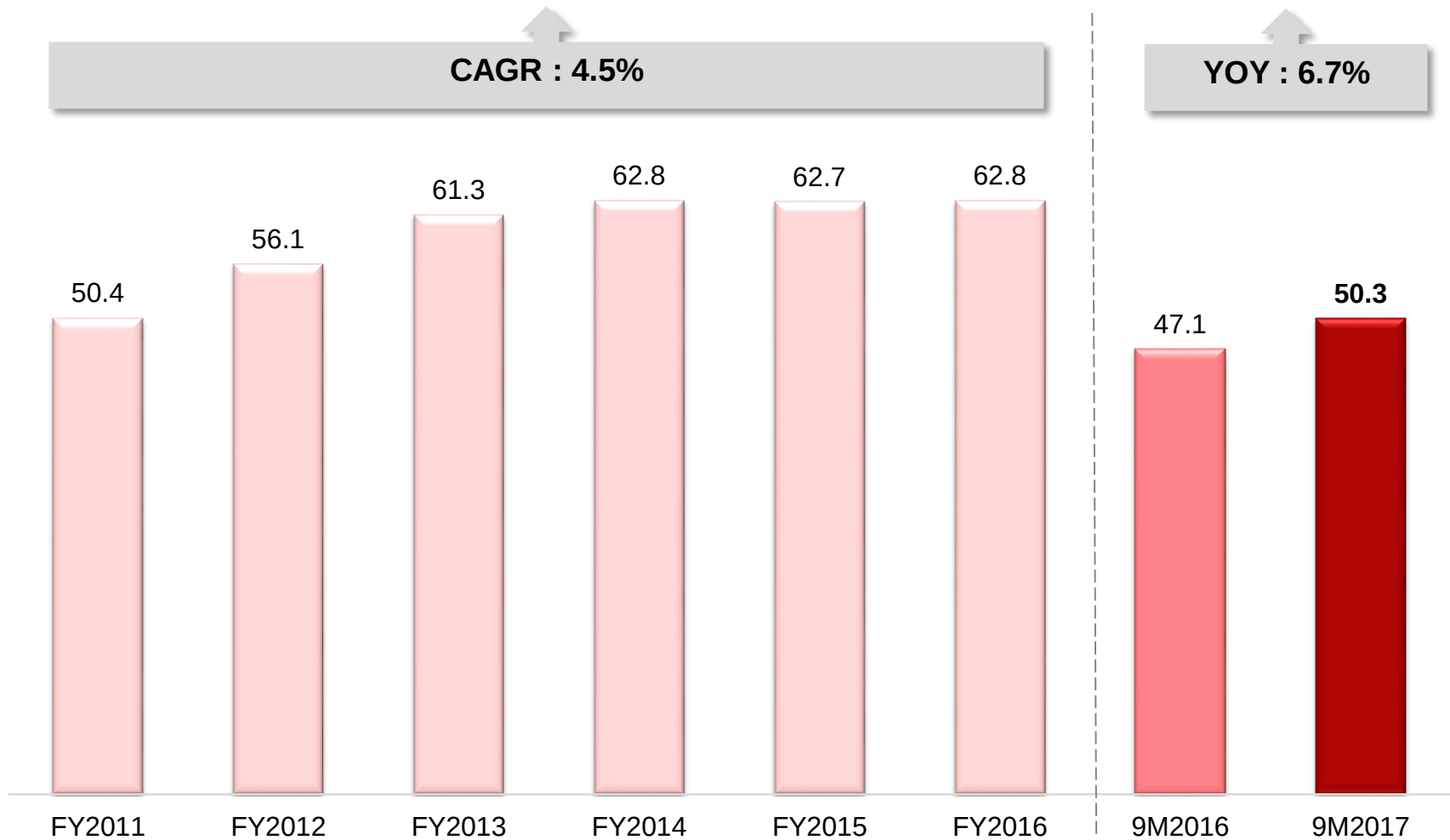
Financial Highlights **9M2017**

(9 months ended 31 December 2016)

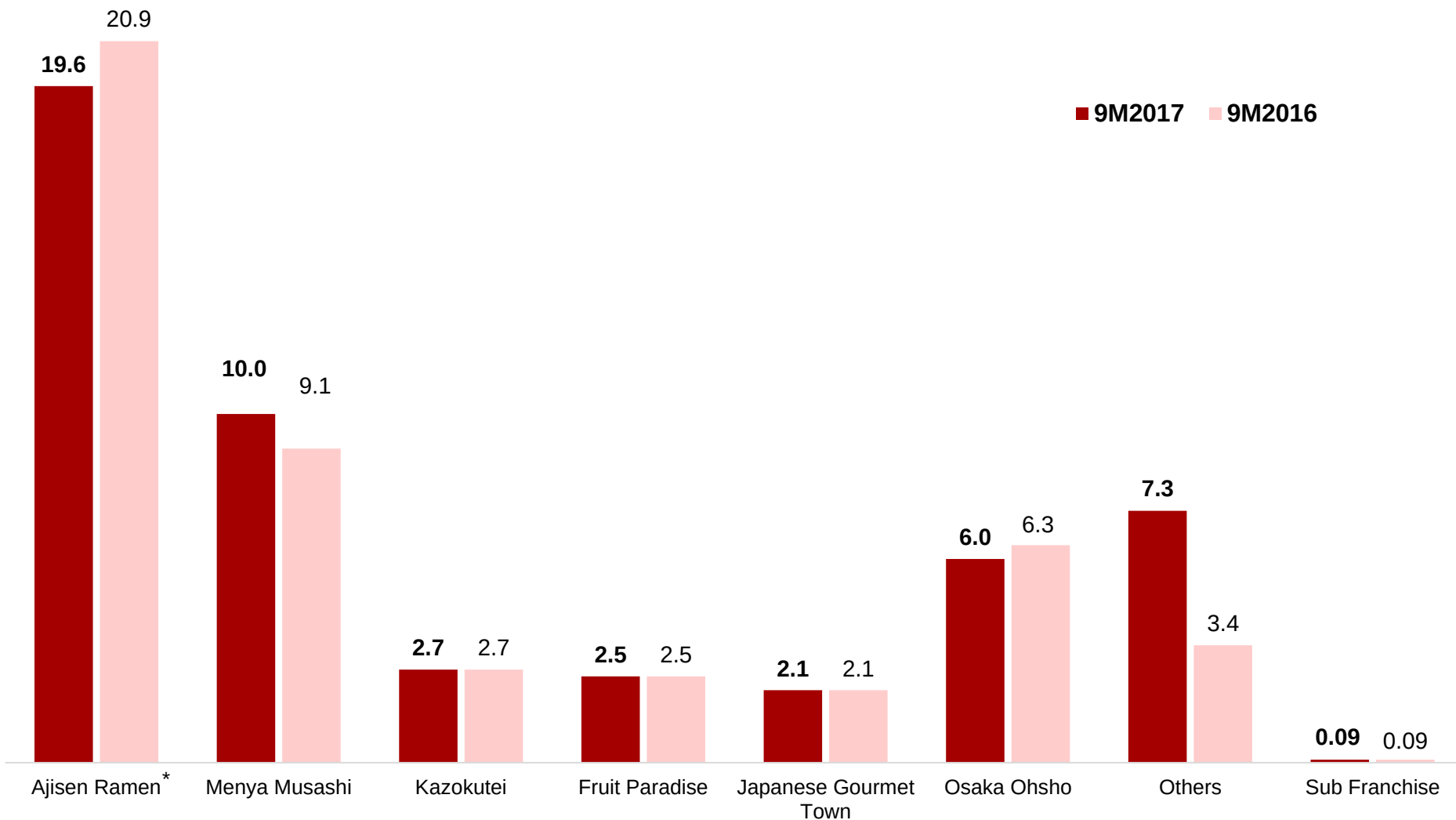
Financial Highlights – 9M2017/2016

S\$' m (Six months ended 31 Dec 2016)	9M2017	9M2016	Change (%)
Revenue	50.3	47.1	↑ 6.7
Gross Profit	42.7	39.6	↑ 7.6
Gross Profit Margin (%)	84.8	84.1	↑ 0.7 pts
EBIT	4.6	3.6	↑ 1.0
EBIT margin (%)	9.1	7.6	↑ 1.5 pts
EBITDA	8.5	7.5	↑ 1.0
EBITDA margin (%)	17.0	15.9	↑ 1.1 pts
Net Profit After Tax (NPAT)	4.1	3.3	↑ 23.8
NPAT Margin (%)	8.1	7.0	↑ 1.1 pts
Earnings Per Share (S'pore cents)	2.35	1.90	↑ 23.7
Return on Equity (%)	12.9	10.8	↑ 2.1 pts

Revenue (S\$' m)



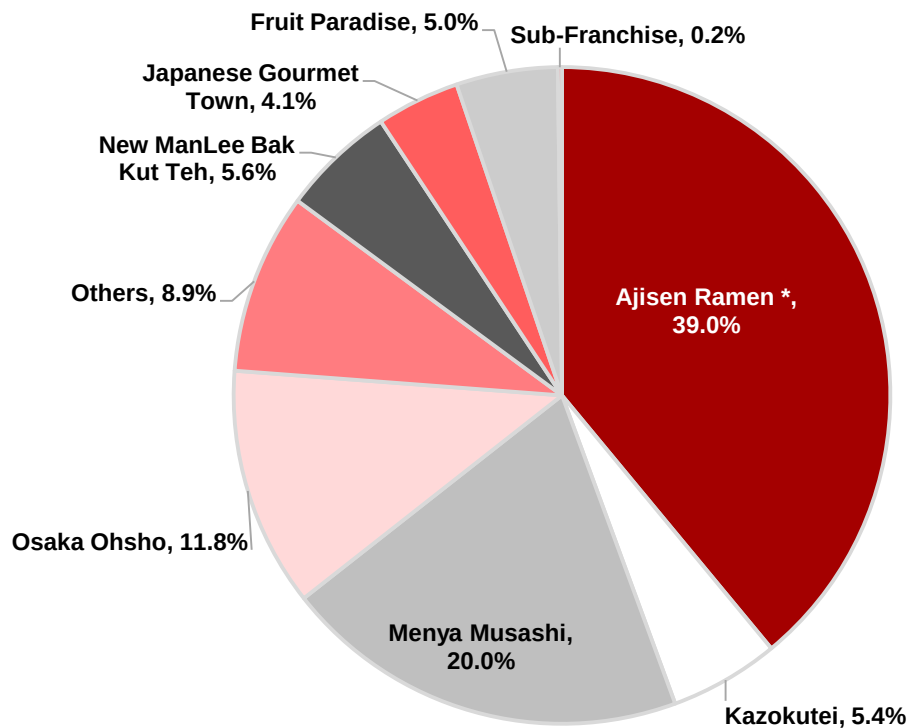
Revenue Mix by Brands (S\$' m)



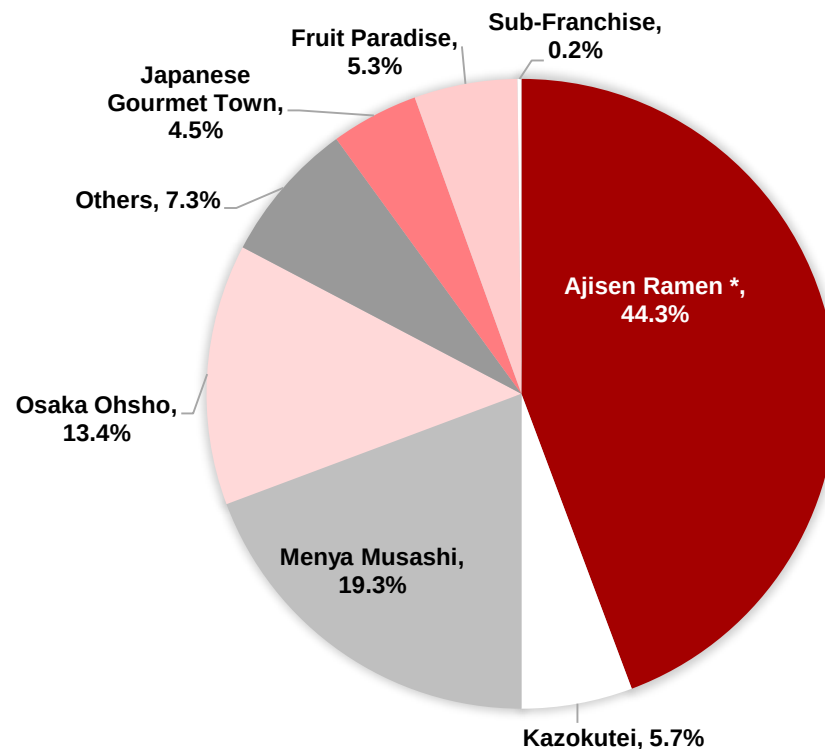
* Includes Keika Ramen

Revenue Breakdown

9M2017



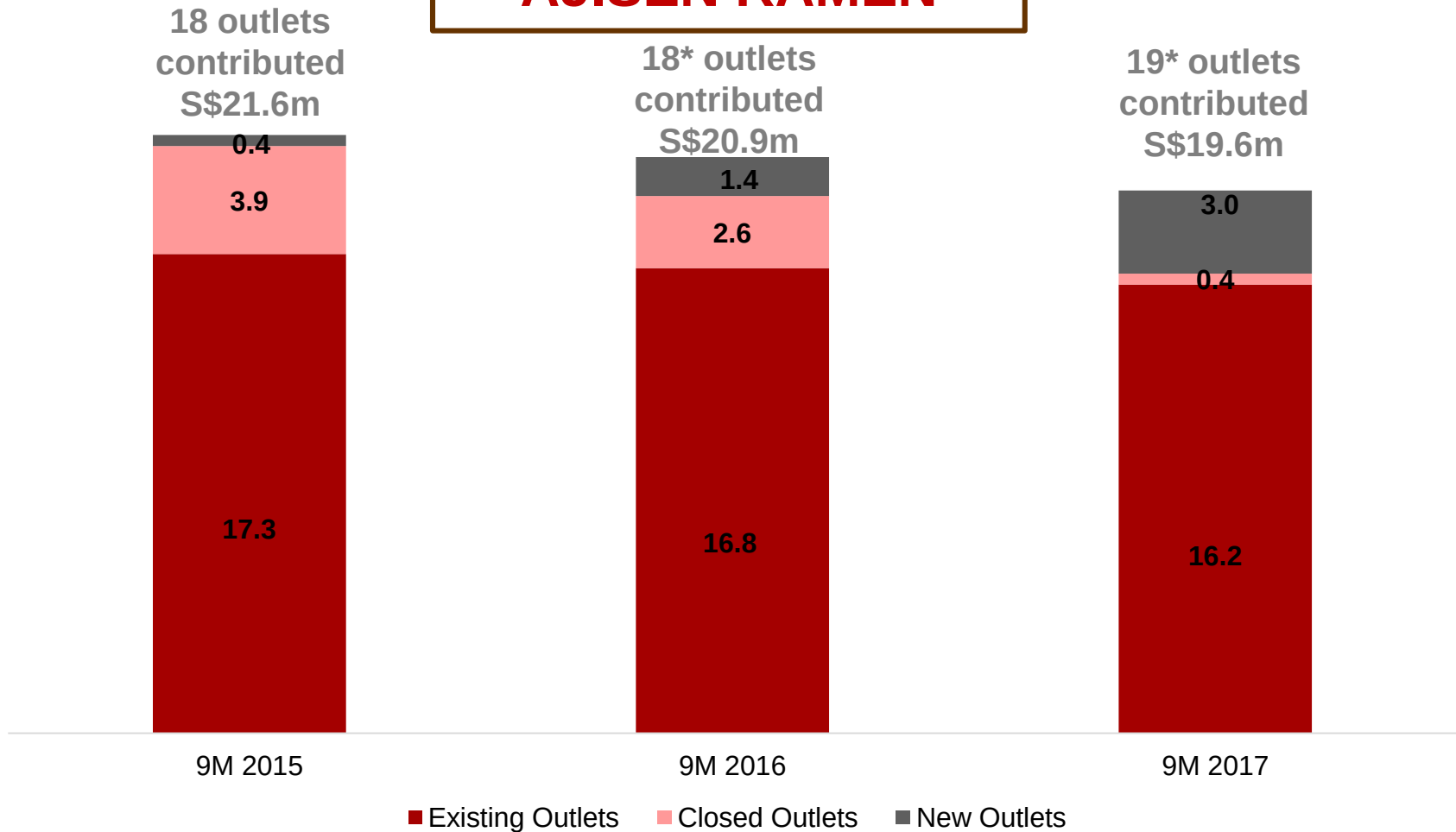
9M2016



* Includes Keika Ramen

Performance of Flagship Brands

AJISEN RAMEN



*Includes Keika Ramen outlets

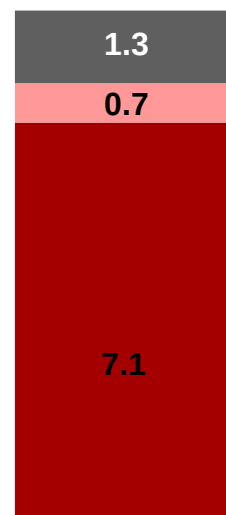
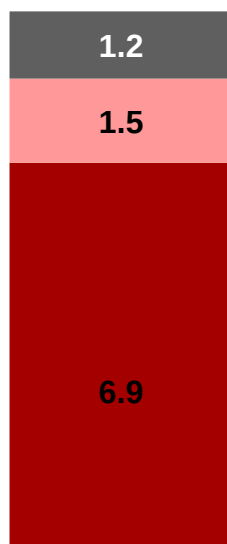
Performance of Flagship Brands

MENYA MUSASHI

9 outlets
contributed
S\$9.6m

7 outlets
contributed
S\$9.1m

8 outlets
contributed
S\$10.0m



9M2015

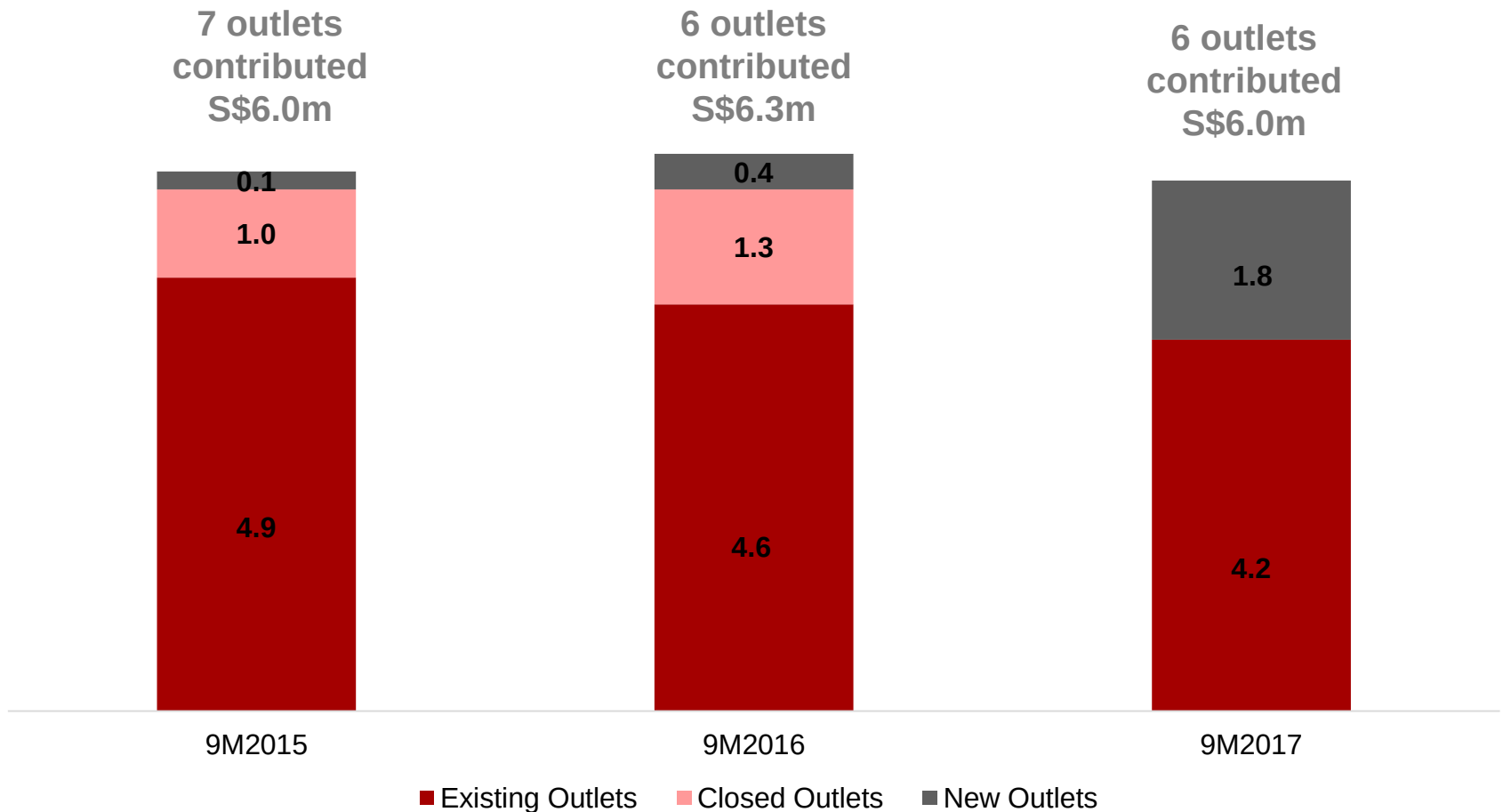
9M2016

9M2017

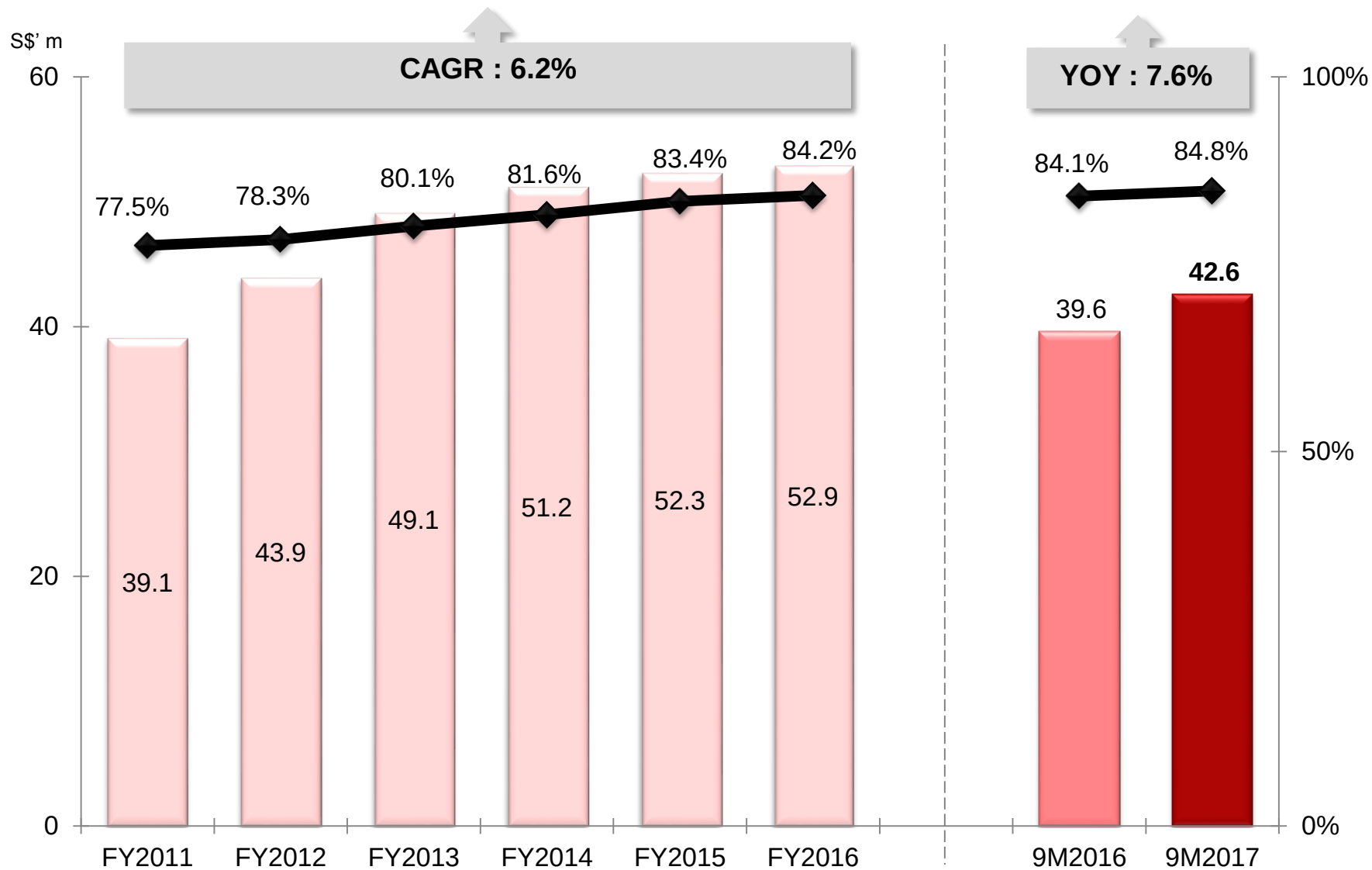
■ Existing Outlets ■ Closed Outlets ■ New Outlets

Performance of Flagship Brands

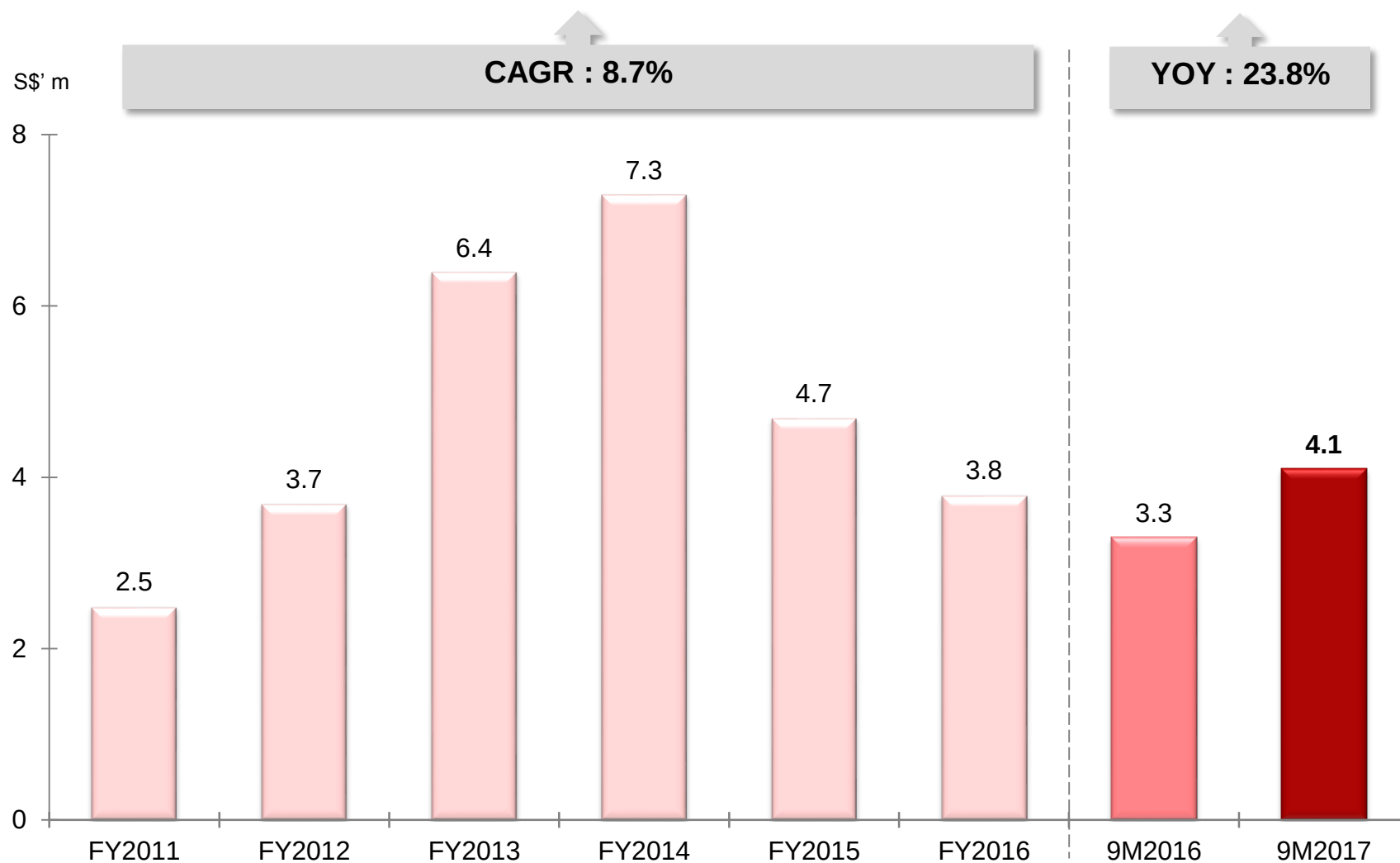
OSAKA OHSHO



Gross Profit and Gross Profit Margin



Net Profit



Cash Flow

S\$ 'm	9 months ended 31 Dec 2016	9 months ended 31 Dec 2015	Change (%)
Net cash provided by operating activities	9.8	6.3	↑ 55.6
Net cash used in investing activities	(3.1)	(2.3)	↑ 34.8
Net cash used in financing activities	(3.8)	(3.6)	↑ 5.6
Net increase in cash and cash equivalents	2.9	0.4	↑ 625
Cash and cash equivalents at beginning of financial year	15.1	14.2	↑ 6.3
Cash and cash equivalents at end of financial year	18.0	14.5	↑ 24.1

Key Financial Ratios

	As at 31 Dec 2016	As at 31 Dec 2015	Change (%)
Cash and cash equivalents (S\$'m)	20.0	16.9	↑ 18.3
Total assets (S\$'m)	41.4	38.9	↑ 6.5
Total equity (S\$'m)	31.6	30.9	↑ 2.6
Net cash ratio ⁽¹⁾	2.3	2.4	↓ 4.2
Net asset value per share (S'pore cents) ⁽²⁾	18.14	17.74	↑ 2.3
Net cash per share (S'pore cents) ⁽²⁾	11.5	9.7	↑ 18.6

(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 174,426,000 shares as at 31 Dec 2016 and 173,936,000 shares as at 31 March 2016.

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Investment Highlights

Peer Comparison

**Japan
Foods**

One of the
highest
margins

One of the
highest
ROEs

Net cash
position

Lowest
P/E

Highest
yield

	Market Cap (S\$ 'm)	Price (S\$)	Net profit margin (%)	ROE (%)	Net Debt / Equity	P/E	Div yield (%)
Japan Foods	72.7	0.420	6.3	12.8	Net Cash	18.0	4.8
BreadTalk	371.3	1.320	1.3	6.5	0.6	45.6	1.1
ABR Holdings	142.7	0.710	6.4	6.7	-	21.9	3.5
Sakae Holdings	46.0	0.330	(11.6)	-	0.8	-	-
Soup Restaurant	52.4	0.187	3.0	12.3	-	45.4	1.7
Tung Lok Restaurant	26.1	0.095	1.1	6.3	-	26.1	-
Katrina	56.7	0.245	8.1	-	-	-	-
Jumbo	487.4	0.760	11.3	23.9	-	31.4	1.3

Source: ShareInvestor.com, data as at 2 Feb 2017

Japan Foods, Tung Lok – FYE 31 Mar

Rest of peers – FYE 31 Dec

Excellence in Corporate Governance



17th SIAS Investor's Choice Awards 2016

Most Transparent Company

Overall Winner (Catalist)



Singapore Governance and Transparency Index 2016 – the full rankings

RANK 2016	COMPANY NAME	BASE SGTI 2016 SCORE	ADJUSTMENTS FOR BONUSES / PENALTIES	OVERALL SGTI2016 SCORE	OVERALL GTI2015 SCORE	RANK 2015
61	CHINA SUNSINE CHEMICAL HLDGS	68	5	73	45	330
61	DYNAMIC COLOURS	63	10	73	71	43
61	LIBRA GROUP	65	8	73	65	76
64	BIOSENSORS INTERNATIONAL GROUP	64	8	72	71	43
64	CNMC GOLDMINE HLDGS	64	8	72	52	212
64	JAPAN FOODS HLDG	61	11	72	56	157
64	MTQ CORP	66	6	72	62	98
64	PERENNIAL REAL ESTATE HLDGS	64	8	72	58	136

Four-Pronged Strategy



Development of New Concepts

Launch new franchised and self-developed brands



Overseas Expansion

Via strategic investments such as acquisitions, joint ventures or through a franchise / sub-franchise model



Cost & Quality Control

Via central kitchen, bulk purchase and economies of scale



Network Expansion & Consolidation

Grow network prudently and close/convert underperforming outlets

Four-Pronged Strategy

Investment Highlights



Established market presence and brand recognition

Continuously innovating and introducing new quality cuisine

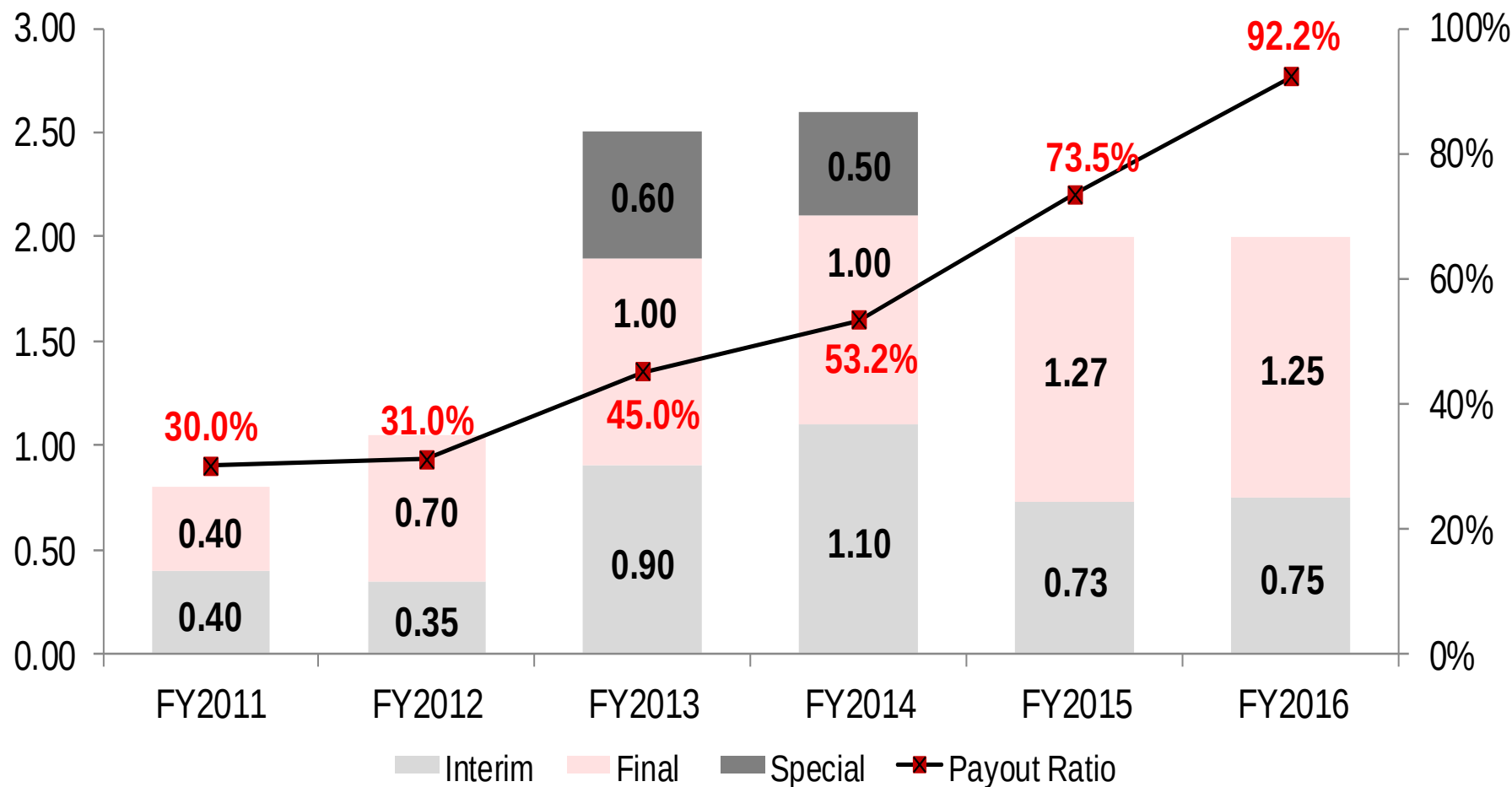
Scalable business model in Singapore. Intends to seek opportunities to expand its presence in the ASEAN region

Target annual dividend payout ratio of not less than 40%

Dividend History

Dividend Per Share
(Singapore cents)

Dividend Payout
Ratio (%)



Exploring Regional Opportunities



The Group will continue its efforts to seek opportunities to expand its presence in the ASEAN region by way of joint ventures, acquisitions and/or sub-franchising of its brands.

JAPAN FOODS HOLDING LTD.



Thank You