

JAPAN FOODS HOLDING LTD.

Corporate Presentation

HY2019

(6 months ended 30 September 2018)



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JAPAN FOODS HOLDING LTD.

Overview of HY2019



Performance at a Glance

HY2019:

Revenue
S\$33.3 million

Gross Profit
S\$28.1¹ million

HY2018:

S\$33.0 million

S\$28.1¹ million

HY2019:

Net Profit
S\$1.6 million

EBITDA
S\$4.1 million

HY2018:

S\$2.3 million

S\$5.1 million

Note:
¹ Rounding

Our Growing Brand Portfolio

9 Franchise Brands from Japan



Ajisen Ramen



Shitamachi Tendon Akimitsu



Osaka Ohsho



Konjiki Hototogisu



Kazokutei



Menya Musashi



Menzo Butao



Yonehachi



Kagurazaka Saryo

6 Self-Developed Brands



Aji-Tei



Curry is Drink



New ManLee Bak Kut Teh

Our Latest Brands

Konjiki Hototogisu



- **First franchisee** in Asia.
- Launched in **June 2018** at CHIJMES

Brand highlights:

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



Kagurazaka Saryo



- **First franchisee** in Asia
- Launched in **July 2018** at VivoCity

Brand highlights:

- ✓ 20-year old brand
- ✓ Began in back street of Kagurazaka ("Little Kyoto") in Tokyo, Japan
- ✓ Offers variety of traditional Japanese desserts including cakes and ice creams with matcha as key ingredient



Our Network

As at 30 September 2018



The Group, together with its sub-franchisees, operates a total of 56 restaurants under various brands in Singapore, Malaysia and Vietnam. It also has interests in 19 restaurants in Indonesia, Hong Kong and China through associated companies.

53 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 30 Sep 2018	No. as at 30 Sep 2017
Ajisen Ramen	17 ^(a)	19 ^(b)
Curry is Drink	1	-
Dutch Baby Cafe	1	1
Fruit Paradise	1	3
Ginza Kushi Katsu	1	1
Japanese Gourmet Town	1	1
Kagurazaka Saryo	2	-
Kazokutei	1	1
Konjiki Hototogisu	1	-
Menya Musashi	11	9
Menzo Butao	2	1
New ManLee Bak Kut Teh	1	2
Osaka Ohsho ^(c)	5	6
Shitamachi Tendon Akimitsu	7	3
Yonehachi	1	1
TOTAL	53	48
Food Court Outlet		
Ajisen Ramen	0	1



Den by Ajisen Ramen



Konjiki Hototogisu



Shitamachi Tendon Akimitsu



New ManLee Bak Kut Teh



Curry is Drink

^a Includes 3 "Den by Ajisen Ramen" brand restaurants

^b Includes 3 "Keika Ramen" brand restaurant

^c Includes 1 "Kotsujiru Nabe" brand restaurant, which is an extension of the "Osaka Ohsho" brand

Updates on our Overseas Network

Restaurants	Updates	No. of Outlets As at 30 Jun 2018	No. of Outlets As at 30 Jun 2017
Ajisen Ramen¹	<ul style="list-style-type: none"> ▪ Closed 1 restaurant in Miri, Sarawak, Malaysia ▪ Closed 1 restaurant in Sutera Mall, Johor, Malaysia 	<p>1 in Malaysia</p> <p>2 in Vietnam</p>	<p>3 in Malaysia</p> <p>2 in Vietnam</p>
Menya Musashi²	<ul style="list-style-type: none"> ▪ Opened 1 restaurant in Jakarta, Indonesia ▪ Opened 3 new restaurants in China <ul style="list-style-type: none"> ✓ 1 in Beijing ✓ 1 in Wuhan ✓ 1 in Guangzhou • Closed 1 restaurant in Hangzhou, China • Closed 1 restaurant in Hong Kong 	<p>1 in Indonesia</p> <p>7 in Hong Kong</p> <p>10 in China</p>	<p>8 in Hong Kong</p> <p>8 in China</p>
TOTAL		21	21

Note:

¹ operated by sub-franchisees

² interests in restaurants through associated companies

JAPAN FOODS HOLDING LTD.

Financial Highlights

HY2019

(6 months ended 30 September 2018)



Financial Highlights

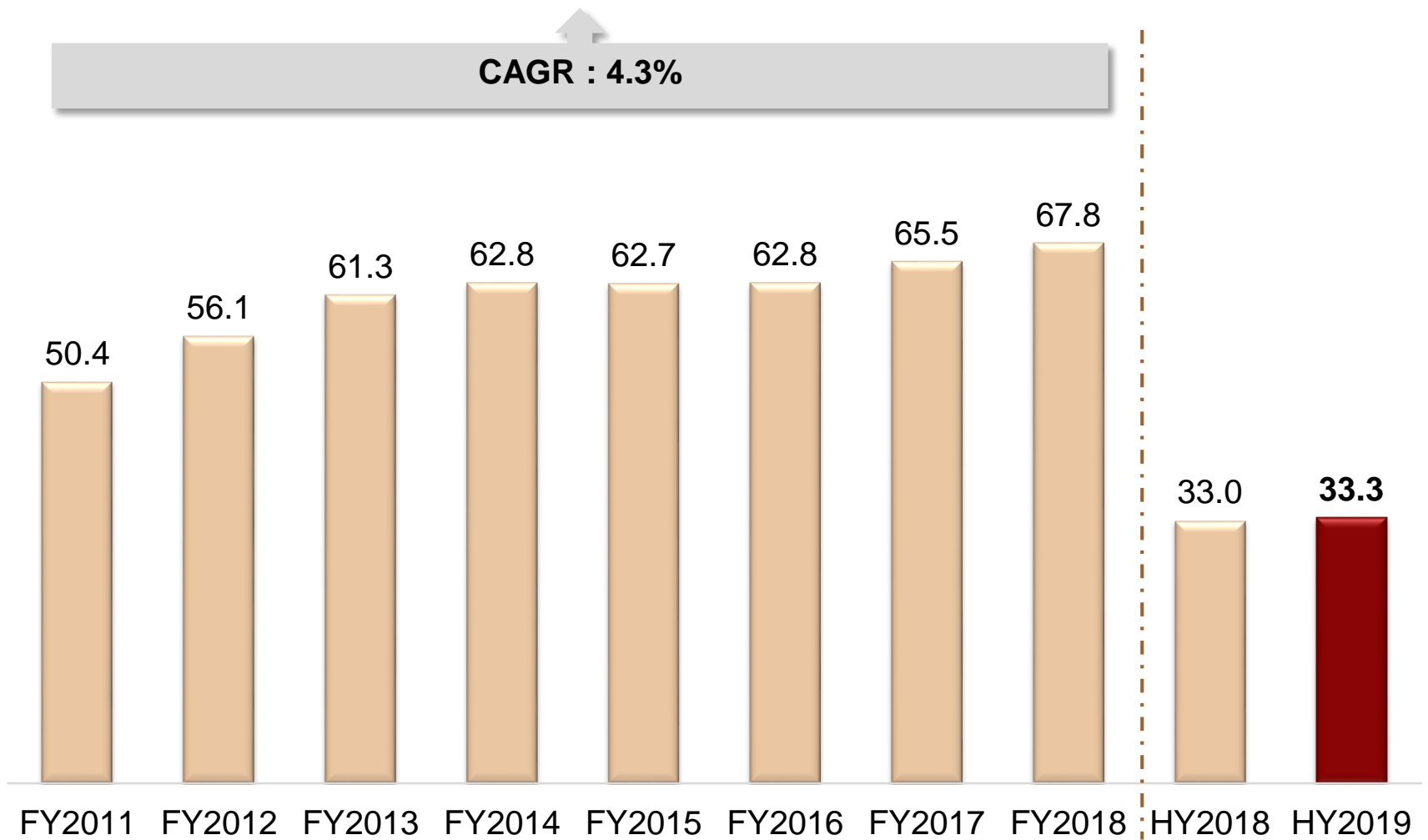
S\$' m	Six months ended 30 September		Change (%)
	HY2019	HY2018	
Revenue	33.3	33.0	↑ 1.0
Gross Profit	28.1 ¹	28.1 ¹	↑ 0.3
Gross Profit Margin (%)	84.6	85.1	↓ 0.5pts
EBIT	2.0	2.9	↓ 31.9
EBIT margin (%)	5.9	8.7	↓ 2.8pts
EBITDA	4.1	5.1	↓ 19.6
EBITDA margin (%)	12.3	15.5	↓ 3.2pts
Net Profit After Tax (NPAT)	1.6	2.3	↓ 32.1
NPAT Margin (%)	4.8	7.1	↓ 2.3pts
Earnings Per Share (S'pore cents)	0.92	1.35	↓ 31.9
Return on Equity ² (%)	9.5	13.8	↓ 4.3pts

Note:

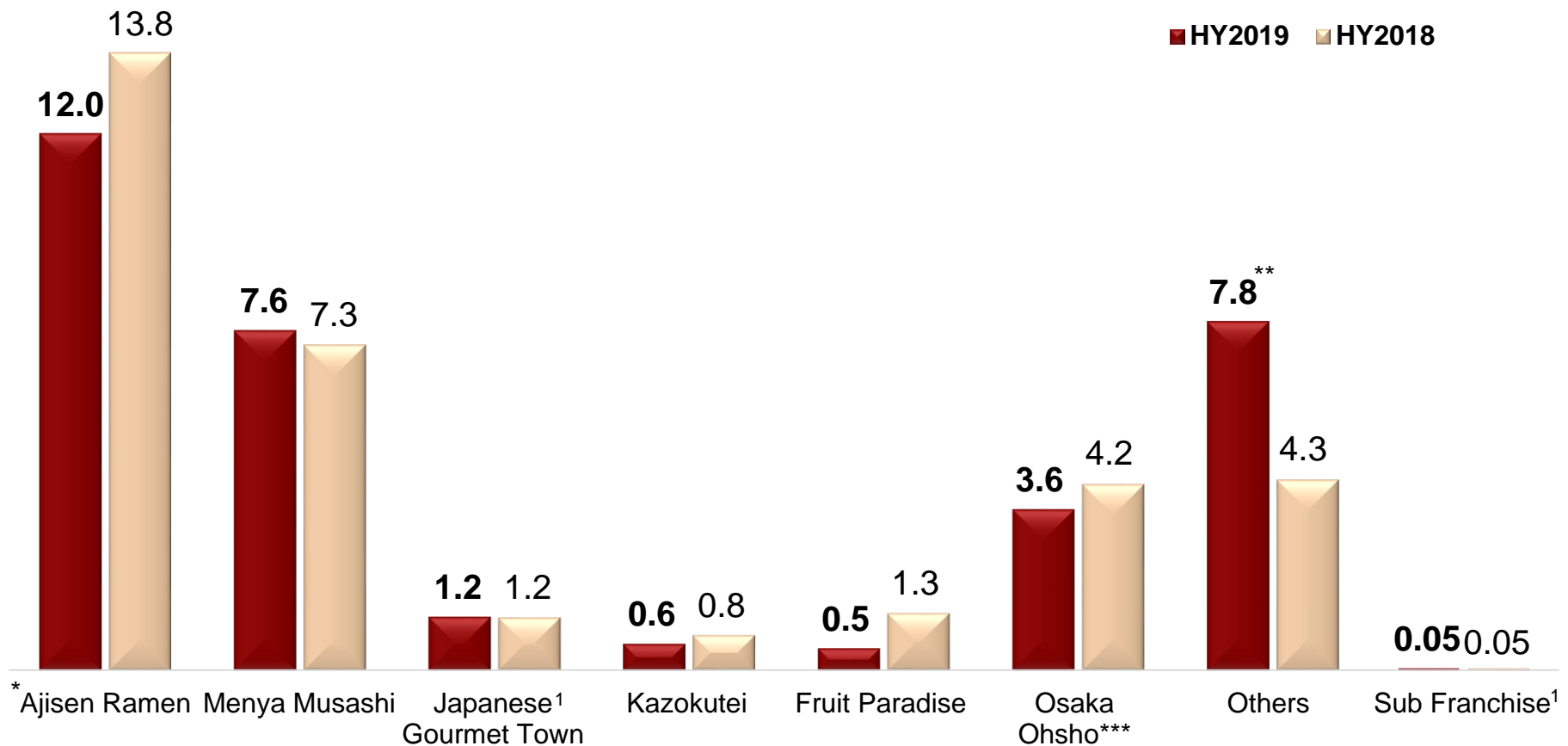
¹ Rounding

² Annualised

Revenue (S\$' m)



Revenue Mix by Brands (S\$' m)



Notes:

* Includes Keika Ramen

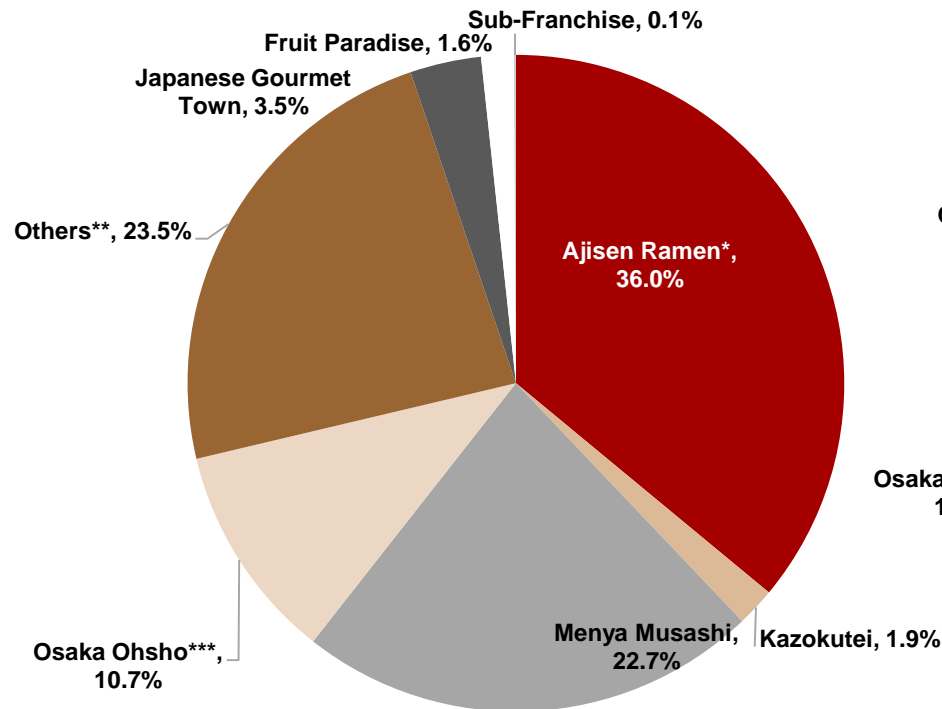
** Includes revenue contribution from one new restaurant brand "Kagurazaka Saryo"

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

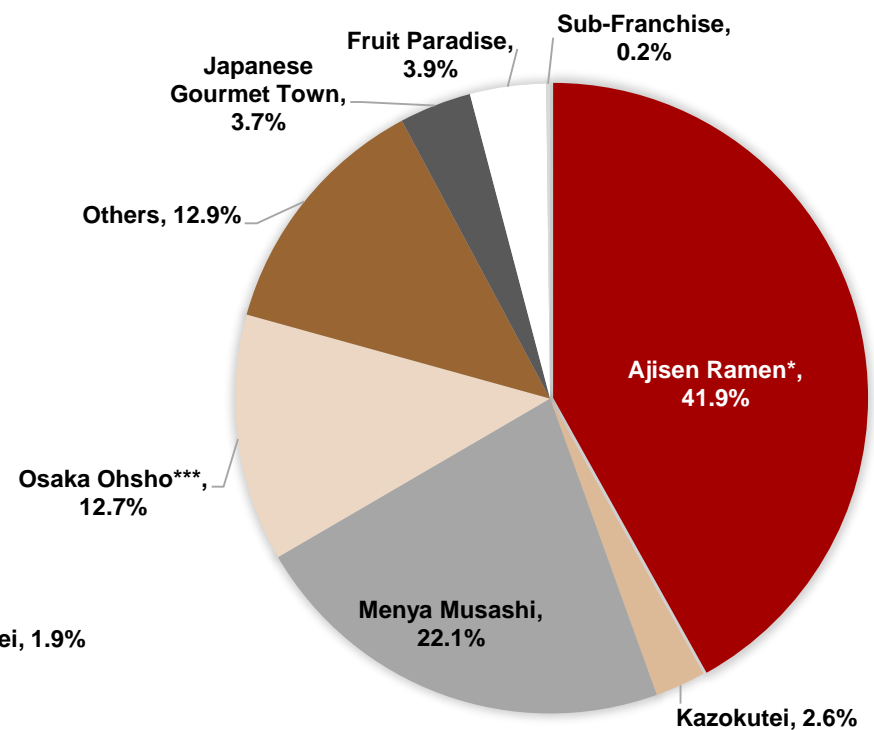
¹ Rounding

Revenue Breakdown

HY2019



HY2018



Notes:

* Includes Keika Ramen

** Includes revenue contribution from one new restaurant brand “Kagurazaka Saryo”

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

Reasons attributing to the weaker performance

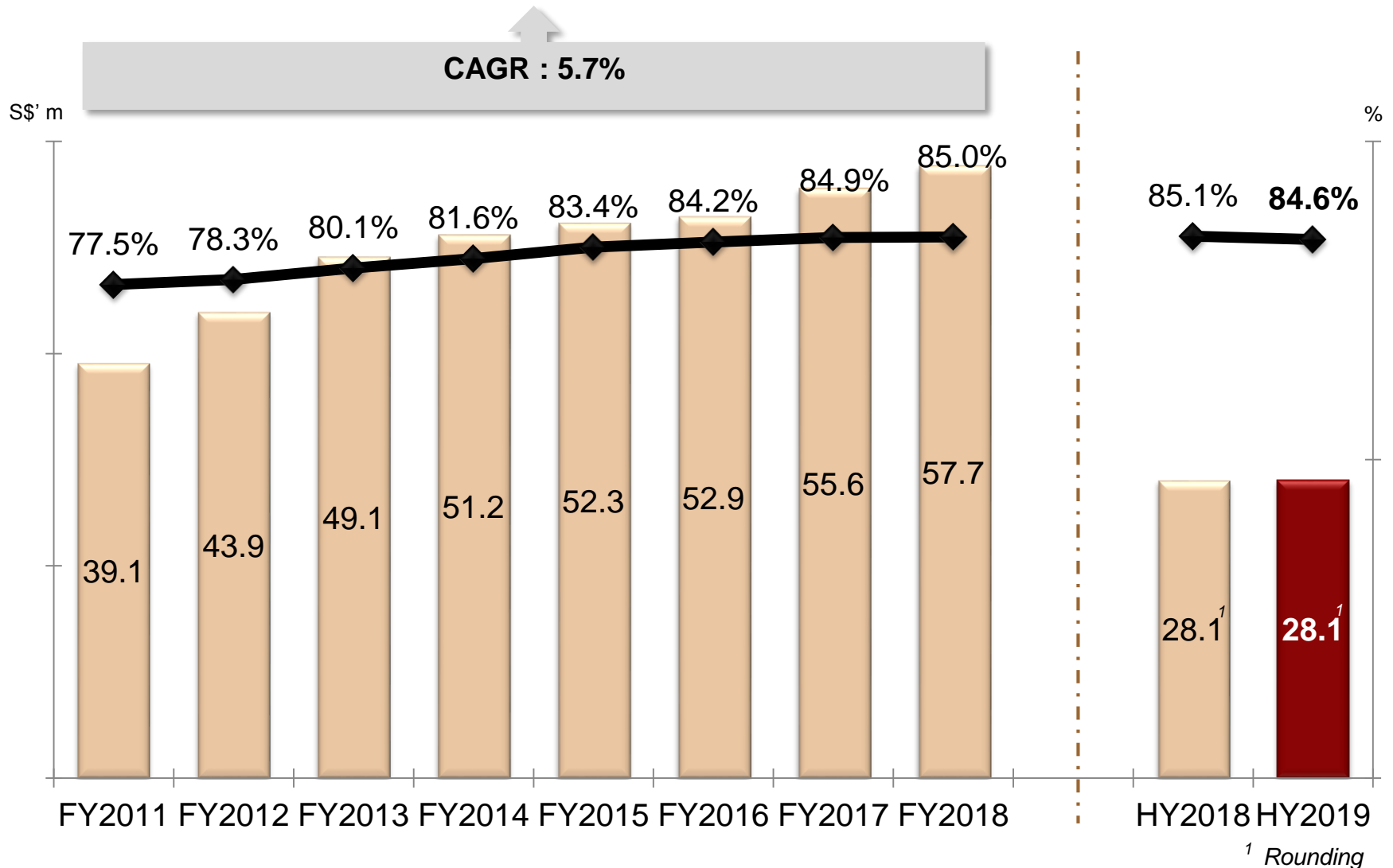
Japan Foods:

- Lower same store sales partly due to weaker consumer sentiment and decreasing discretionary consumer spending
- Lower gross profit margin due to certain new brands
- Selling and distribution expenses rose because of increased manpower, rental and utilities expenses, in line with the expanded restaurant network

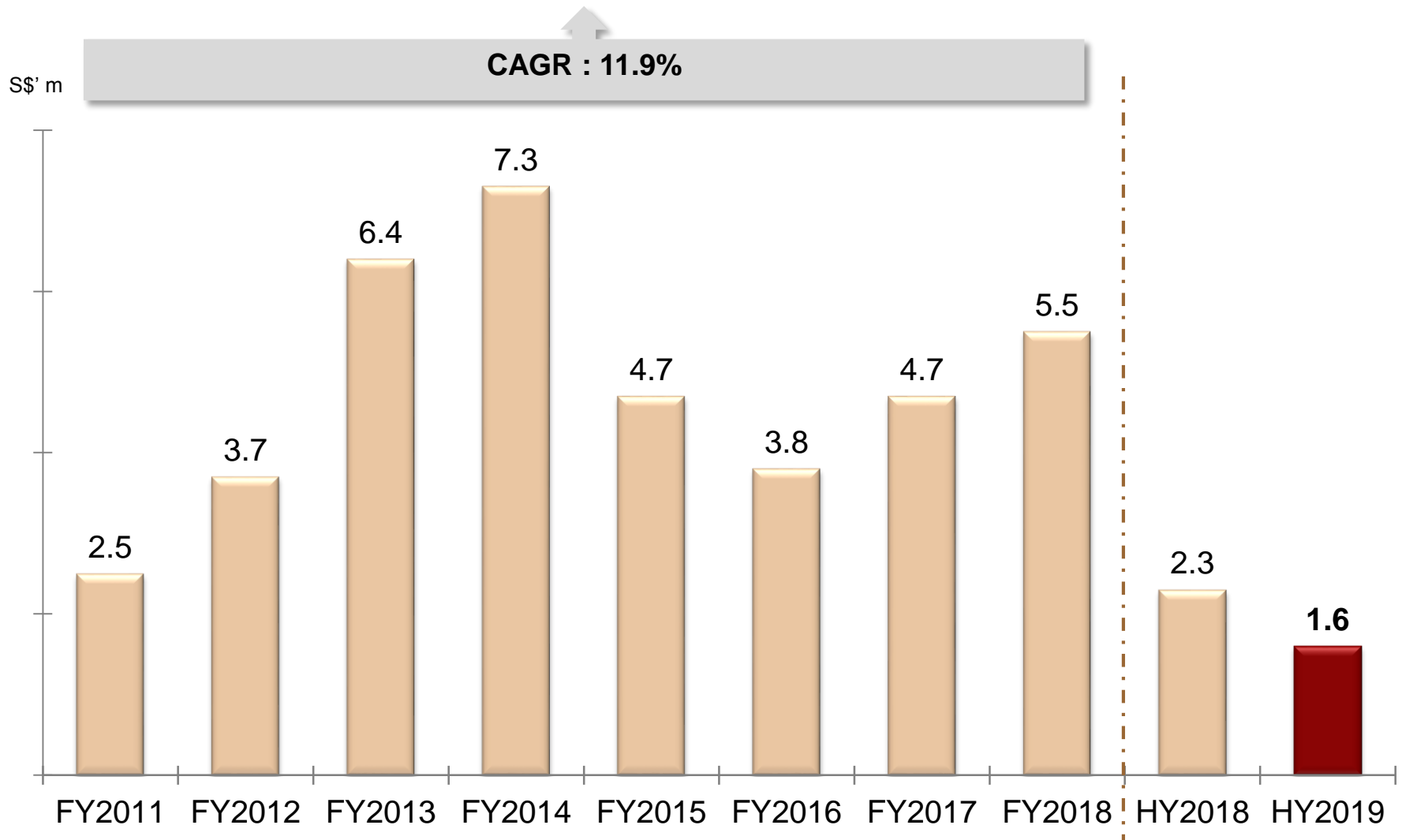
Most peers have also cited similar reasons:

- Intense competition
- Manpower shortage
- Rising operating costs (rent, labour, raw materials)

Gross Profit and Gross Profit Margin



Net Profit



Cash Flow

S\$ 'm	6 months ended 30 Sep 2018	6 months ended 30 Sep 2017	Change (%)
Net cash generated from operating activities	4.5	3.9	↑ 13.1
Net cash used in investing activities	(2.0)	(2.4)	↓ 16.7
Net cash used in financing activities	(2.8)	(2.2)	↑ 27.0
Net decrease in cash and cash equivalents	(0.4)	(0.7)	↓ 48.6
Cash and cash equivalents at beginning of financial year	19.8	18.1	↑ 9.0
Cash and cash equivalents at end of financial period	19.4	17.5	↑ 11.3

Key Financial Ratios

	As at 30 Sep 2018	As at 31 Mar 2018	Change (%)
Cash and bank balances (S\$m)	21.9*	21.9*	↓ 0.2
Total assets (S\$m)	43.1	43.3	↓ 0.3
Total equity (S\$m)	33.5	34.0	↓ 1.6
Net cash ratio ⁽¹⁾	2.4	2.5	↓ 0.1pt
Net asset value per share (S'pore cents) ⁽²⁾	19.29	19.63	↓ 1.9
Net cash per share (S'pore cents) ⁽²⁾	12.6*	12.6*	↓ 0.3

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 173,692,100 shares as at 30 September 2018 and 173,387,900 shares as at 31 March 2018.

* Rounding

Interim Dividend



Name of dividend	Interim
Dividend type	Cash
Dividend amount per share (Singapore cents)	0.80 cents per ordinary share
Tax rate	Tax exempt (one-tier)
Date payable	7 December 2018

JAPAN FOODS HOLDING LTD.

Investment Highlights & Corporate Updates



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

As at 30 September 2018, approx. **80,000** 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

Peer Comparison

	Market Cap (S\$ 'm)	Price (S\$)	Net profit margin (%)	ROE (%)	Net Debt / Equity	P/E	Div yield (%)
Japan Foods	80.8	0.465	4.8	9.5 ¹	Net Cash	14.2	4.5
BreadTalk	512.6	0.910	1.9	6.4	0.2	45.1	2.7
ABR Holdings	176.9	0.880	3.9	5.1	Net Cash	35.6	2.8
Sakae Holdings	20.9	0.150	5.3	12.0	1.2	4.2	-
Soup Restaurant	42.9	0.153	5.8	23.9	Net Cash	17.9	3.3
Tung Lok Restaurant	45.3	0.165	-	-	Net Cash	-	-
Katrina	45.1	0.195	1.2	5.3	Net Cash	63.1	1.3
Jumbo	256.6	0.400	7.4	17.8	Net Cash	22.9	2.5
RE&S Holdings	61.6	0.174	2.5	10.0	Net Cash	17.3	2.3
Kimly Limited	340.8	0.295	10.6	26.9	Net Cash	16.1	3.3
No Signboard Holdings	72.6	0.157	31.7	45.8	0.036	9.4	-

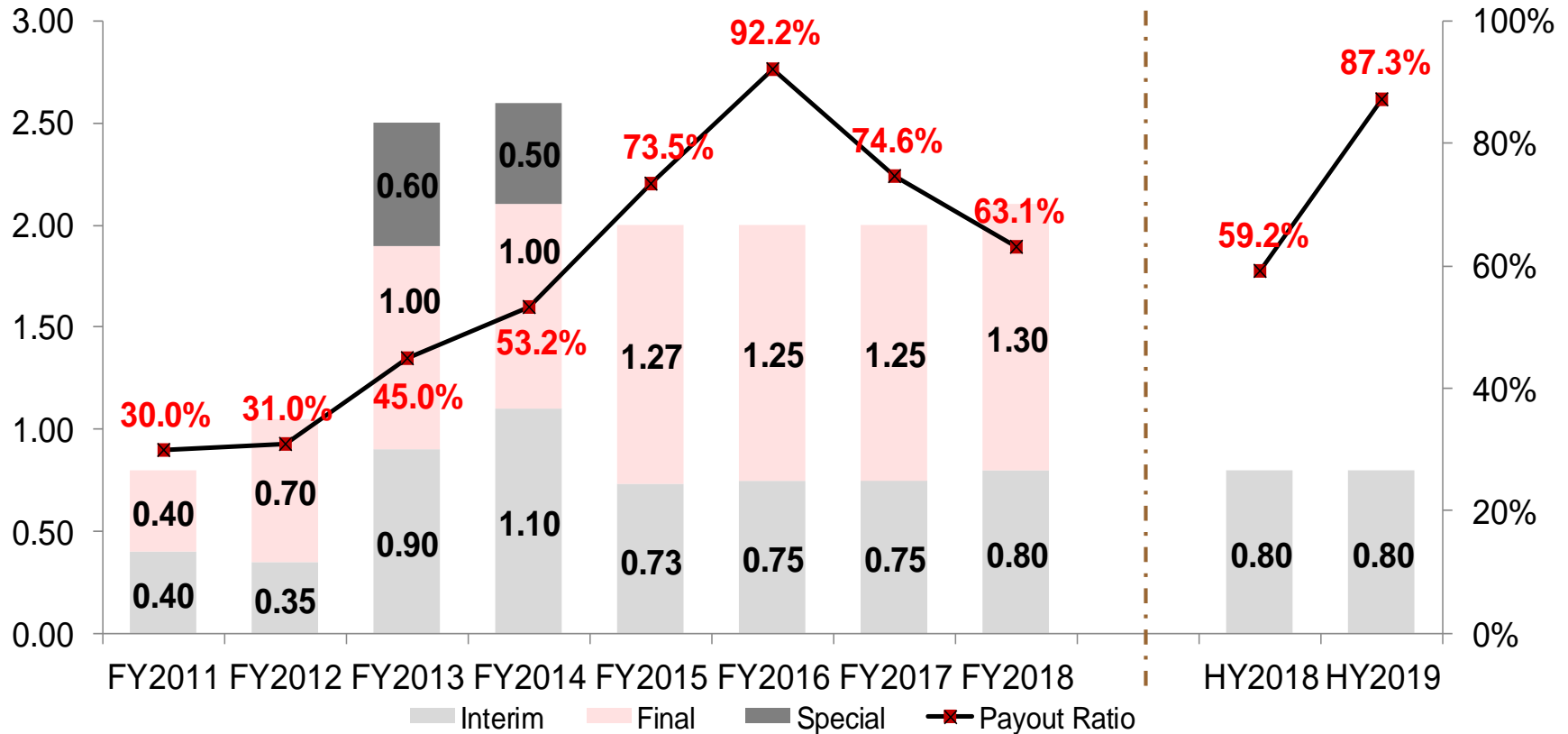
Source: ShareInvestor.com, data as at 7 Nov 2018

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

¹ Annualised

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.*

SIAS Investors' Choice Awards



19th SIAS Investors' Choice Awards 2018

**Most Transparent Company Award –
Hotel/Restaurant
(Runner-Up)**

18th SIAS Investors' Choice Awards 2017

Transparency Award – SMEs

17th SIAS Investors' Choice Awards 2016

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

Excellence in Corporate Governance

Singapore Corporate Awards 2018 for companies with less than S\$300 million in market capitalisation

Best Managed Board Award (Gold) 2018



Best Chief Financial Officer 2018



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

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Thank You!

