

# JAPAN FOODS HOLDING LTD.

## 1Q2016 Financial Results Presentation



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# **JAPAN FOODS HOLDING LTD.**



**Overview of  
1Q2016**

# 1Q2016 Highlights

**Revenue**  
**S\$15.8 million**

**Gross Profit**  
**S\$13.2 million**

**Net Profit**  
**S\$1.1 million**

**EBITDA**  
**S\$2.6 million**



# Key Developments in 1Q2016



## New franchise brand

- **“Hanamidori”** - In May 2015, the Group launched “Hanamidori” with the first restaurant in Plaza Singapura.
- Brand is renowned in Hakata, Kyushu for serving an all-chicken menu and Mizutaki – a specialty chicken broth hot pot



## Newer brands continue to gain momentum

- Continued to look for opportunities to expand our new brands “Osaka Ohsho” and “Menya Musashi”
  - Opened 2 more **“Osaka Ohsho”** restaurants and 1 more **“Menya Musashi”** restaurant bringing the total outlets under these brands to 7 and 9 outlets respectively



## Expanded Overseas Network

- Expanded overseas network from 19 restaurants as at 30 June 2014 to 24 as at 30 June 2015
  - Growth driven by the Group’s associated companies opening restaurants under the “Menya Musashi” brand in Hong Kong and China



## Optimising resources to drive sales performance

- Employed strategy of good restaurant portfolio management by swapping under-performing brands for more popular ones in order to drive higher sales across all locations
- iPad E-menu system implemented at all restaurants
- Increased central kitchen capacity

# Recent Operational Updates



Hanamidori Hana  
Full Course Set



Tori Hitsumabushi  
Set



Hanamidori  
Appetiser trio



- Unveiled a new franchise brand, **“Hanamidori”**, on 25 May 2015 at Plaza Singapura
- Renowned in Hakata, Kyushu for serving an all-chicken menu and Mizutaki – a specialty chicken broth hot pot
- Menu prices range from S\$11.90 to S\$25.90.

# Our Brand Portfolio *As at 30 June 2015*

## 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

## 3 Self-Developed Brands



Fruit Paradise

TOKYO WALKER

# Our Network *As at 30 June 2015*

The Group, together with its sub-franchisees and franchisee, operates a total of 57 restaurants and food court outlet under various brands in Singapore, Malaysia and Vietnam. It also has interests in 15 restaurants in Hong Kong and China through associated companies.



**Self-Operator**

**Singapore**

- 47 Self-Operated Restaurants
- 1 Self-Operated Food Court Outlet

**Sub-Franchisor**

**Malaysia**

- 4 Sub-Franchise Restaurants in Johor
- 2 Sub-Franchise Restaurant in Sarawak

**Vietnam**

- 3 Sub-Franchise Restaurants in Ho Chi Minh City

**Associated Companies**

**Hong Kong**

- Interests in 10 Restaurants via associated companies

**China**

- Interests in 5 Restaurants via associated companies



# Updates on our Singapore Network

<b>Self-Operated Restaurants</b>	<b>Updates</b>	<b>No. of Restaurants As at 30 Jun 2014</b>	<b>No. of Restaurants As at 30 Jun 2015</b>
<b>Ajisen Ramen</b>	<ul style="list-style-type: none"> <li>• Closed Parkway Parade restaurant in April 2014</li> <li>• Closed Jurong Point restaurant in November 2014</li> <li>• Opened Bedok Point restaurant in April 2014</li> </ul>	<b>18</b>	<b>17</b>
<b>Botejyu San</b>	<ul style="list-style-type: none"> <li>• Unchanged</li> </ul>	<b>1</b>	<b>1</b>
<b>Fruit Paradise</b>	<ul style="list-style-type: none"> <li>• Opened Plaza Singapura restaurant in September 2014 (converted from "Kazokutei")</li> </ul>	<b>4</b>	<b>5</b>
<b>Hanamidori</b>	<ul style="list-style-type: none"> <li>• Opened Plaza Singapura Restaurant in May 2015</li> </ul>	<b>-</b>	<b>1</b>
<b>Japanese Gourmet Town</b>	<ul style="list-style-type: none"> <li>• Unchanged</li> </ul>	<b>1</b>	<b>1</b>
<b>Kazokutei</b>	<ul style="list-style-type: none"> <li>• Unchanged</li> </ul>	<b>3</b>	<b>3</b>
<b>Keika Ramen</b>	<ul style="list-style-type: none"> <li>• Opened Hougang Mall restaurant in February 2015</li> </ul>	<b>-</b>	<b>1</b>
<b>Menya Musashi</b>	<ul style="list-style-type: none"> <li>• Opened Tampines Mall restaurant in July 2014</li> </ul>	<b>8</b>	<b>9</b>
<b>Menzo Butao</b>	<ul style="list-style-type: none"> <li>• Unchanged</li> </ul>	<b>1</b>	<b>1</b>
<b>Osaka Ohsho</b>	<ul style="list-style-type: none"> <li>• Opened Ang Mo Kio Hub restaurant in September 2014 (converted from "Udon King")</li> <li>• Opened East Point Mall restaurant in December 2014</li> </ul>	<b>5</b>	<b>7</b>
<b>Udon King</b>	<ul style="list-style-type: none"> <li>• Closed Ang Mo Kio Hub restaurant in September 2014 (converted to "Gyoza Bo")</li> </ul>	<b>1</b>	<b>0</b>
<b>Yonehachi</b>	<ul style="list-style-type: none"> <li>• Unchanged</li> </ul>	<b>1</b>	<b>1</b>
<b>Food Court Outlets</b>	<b>Updates</b>	<b>No. of Outlets As at 30 Jun 2014</b>	<b>No. of Outlets As at 30 Jun 2015</b>
<b>Ajisen Ramen</b>	<ul style="list-style-type: none"> <li>• Unchanged</li> </ul>	<b>1</b>	<b>1</b>
<b>TOTAL</b>		<b>44</b>	<b>48</b>

# Updates on our Overseas Network

<b>Restaurants</b>	<b>Updates</b>	<b>No. of Outlets As at 30 Jun 2014</b>	<b>No. of Outlets As at 30 Jun 2015</b>
<b>Ajisen Ramen<sup>1</sup></b>	<ul style="list-style-type: none"> <li>▪ <i>Closed one restaurant in Indonesia</i></li> <li>▪ <i>Unchanged</i></li> <li>▪ <i>Opened one restaurant in Ho Chi Minh City, Vietnam</i></li> </ul>	1 in Indonesia  6 in Malaysia  2 in Vietnam	-  6 in Malaysia  3 in Vietnam
<b>Menya Musashi<sup>2</sup></b>	<ul style="list-style-type: none"> <li>▪ <i>Opened three restaurants in various locations in Hong Kong</i></li> <li>▪ <i>Opened two restaurants in China – 1 in Shanghai and 1 in Beijing</i></li> </ul>	7 in Hong Kong  3 in China	10 in Hong Kong  5 in China
<b>TOTAL</b>		<b>19</b>	<b>24</b>

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

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

# **JAPAN FOODS HOLDING LTD.**

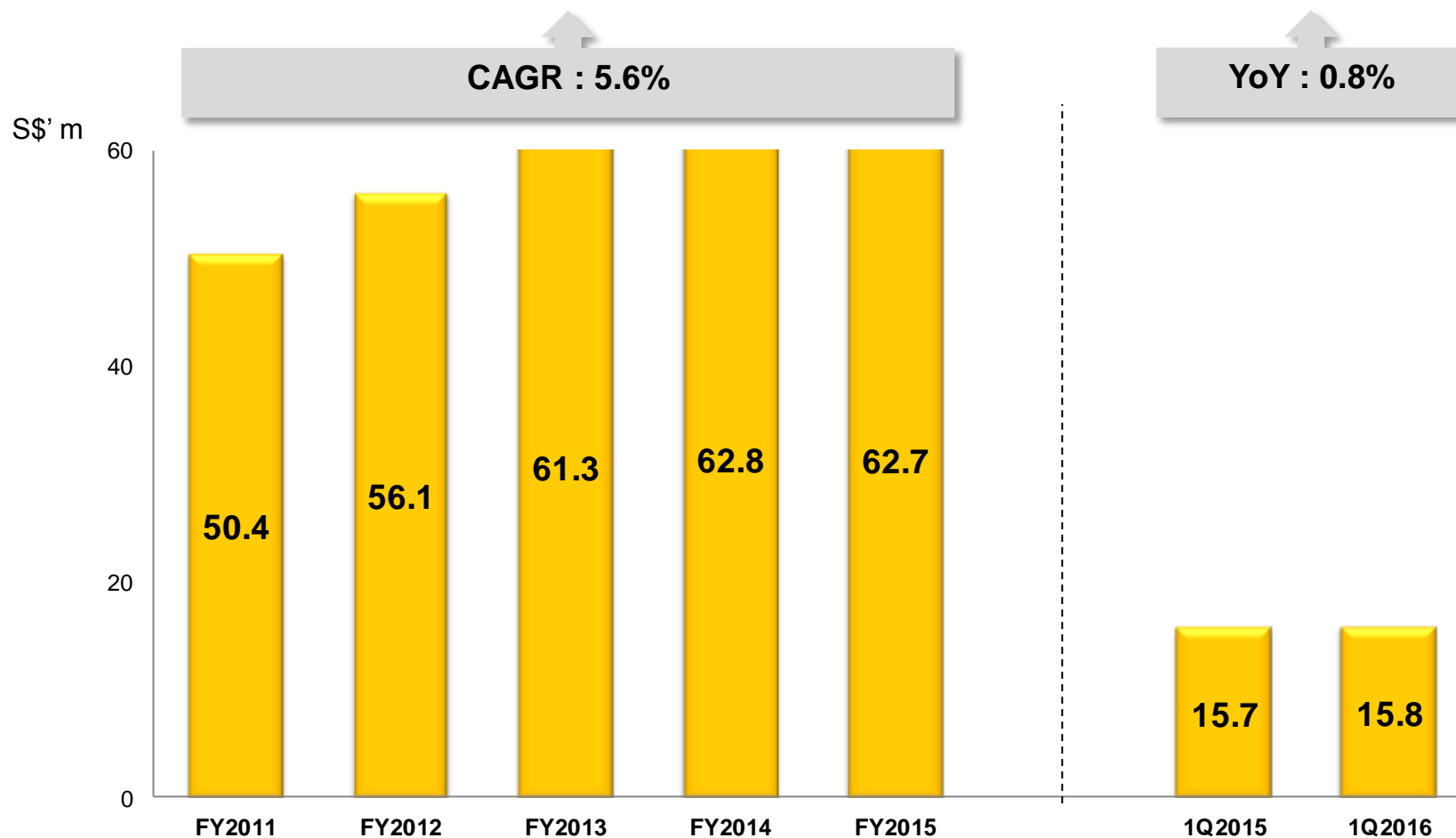


## **1Q2016 Financial Highlights**

# Financial Highlights

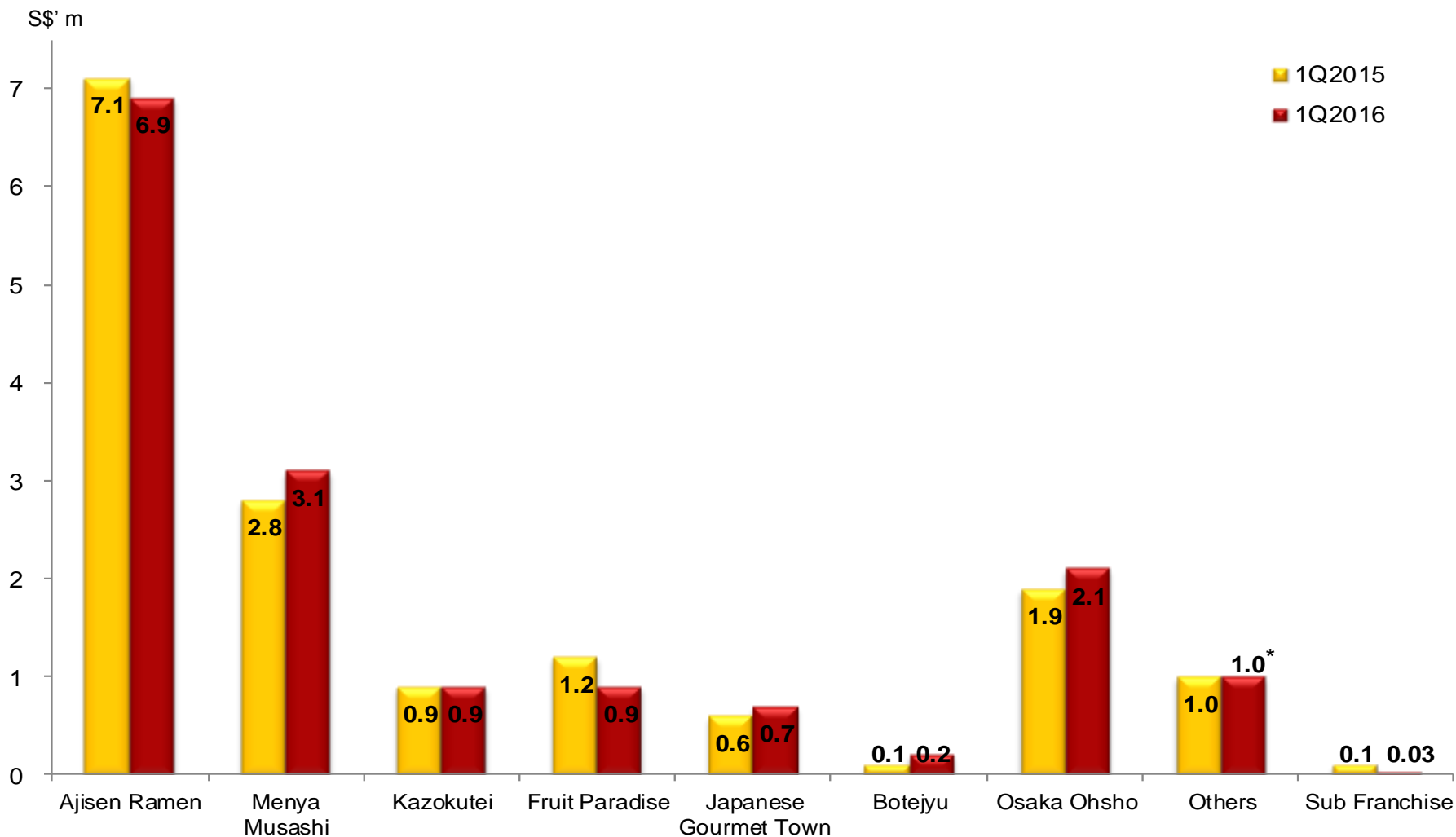
S\$' m (3 months ended 30 June)	1Q2015	1Q2016	Change (%)
Revenue	15.7	15.8	↑ 0.8
Gross Profit	13.0	13.2	↑ 1.7
Gross Profit Margin (%)	82.8	83.6	↑ 0.8 pts
EBIT	1.0	1.3	↑ 29.1
EBITDA	2.1	2.6	↑ 23.8
Net Profit After Tax (NPAT)	0.8	1.1	↑ 28.8
NPAT Margin (%)	5.2	6.6	↑ 1.4 pts
Earnings Per Share (S'pore cents)	0.47	0.60	↑ 27.7
Return on Equity (%)	2.7	3.5	↑ 0.8 pts

# Revenue





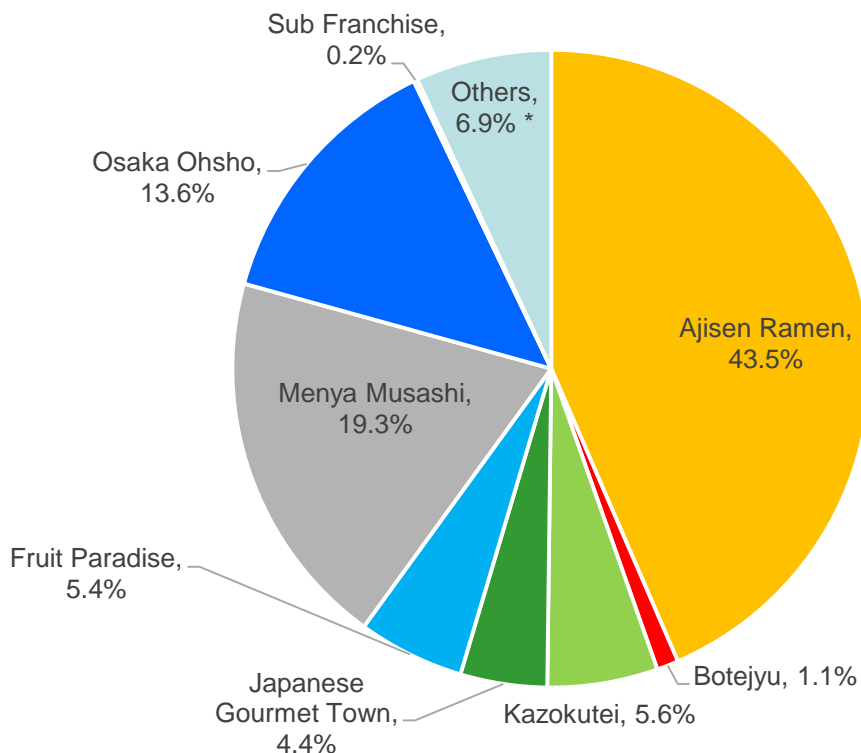
# Revenue Mix by Brands



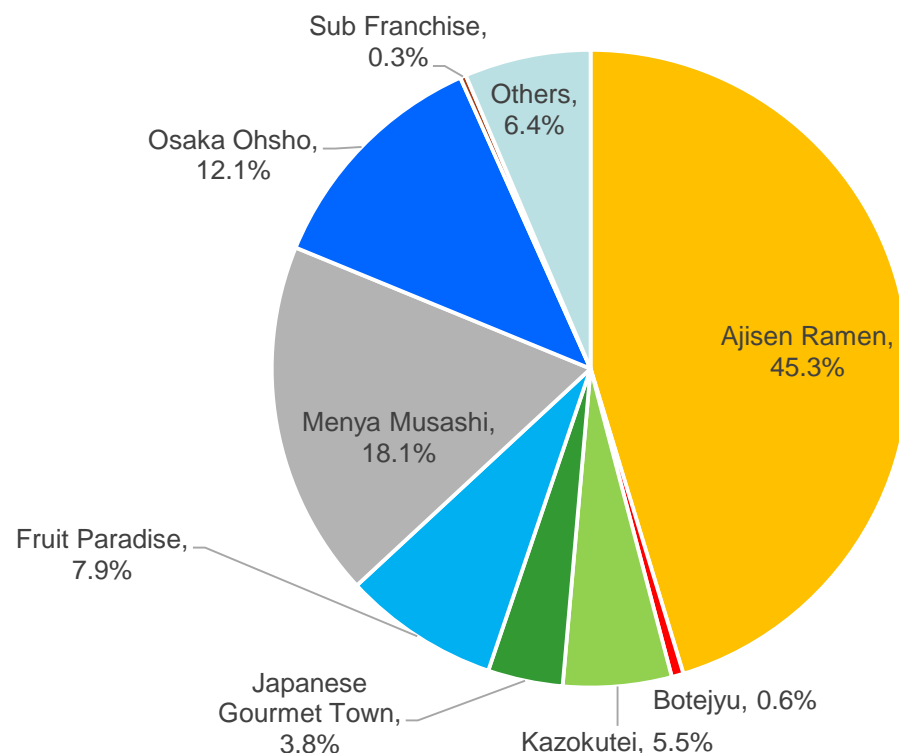
\* Includes revenue contribution of S\$0.2 million by Keika Ramen and S\$0.1 million by Hanamidori, which opened in February 2015 and May 2015 respectively.

# Revenue Breakdown

## 1Q2016

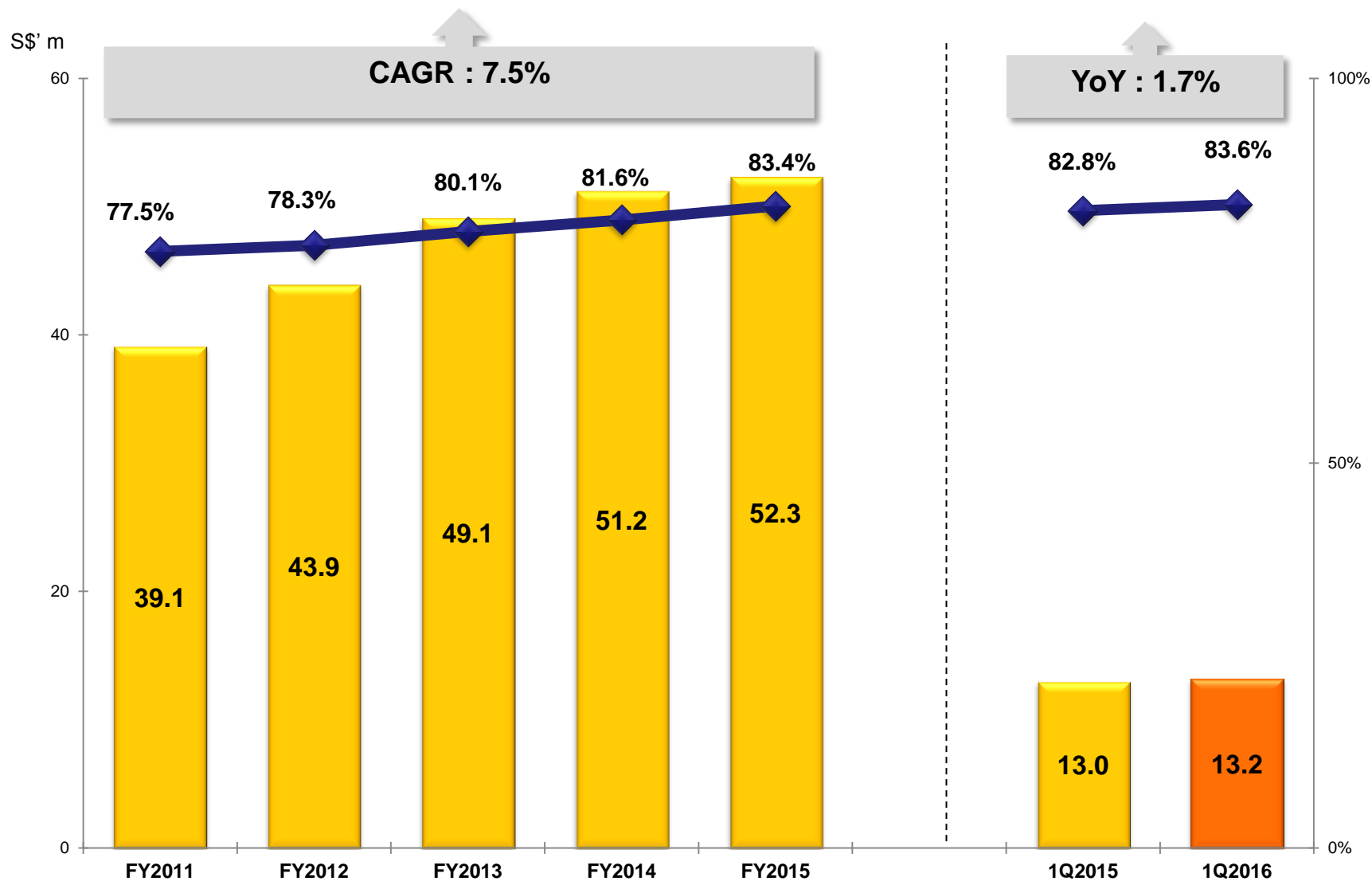


## 1Q2015

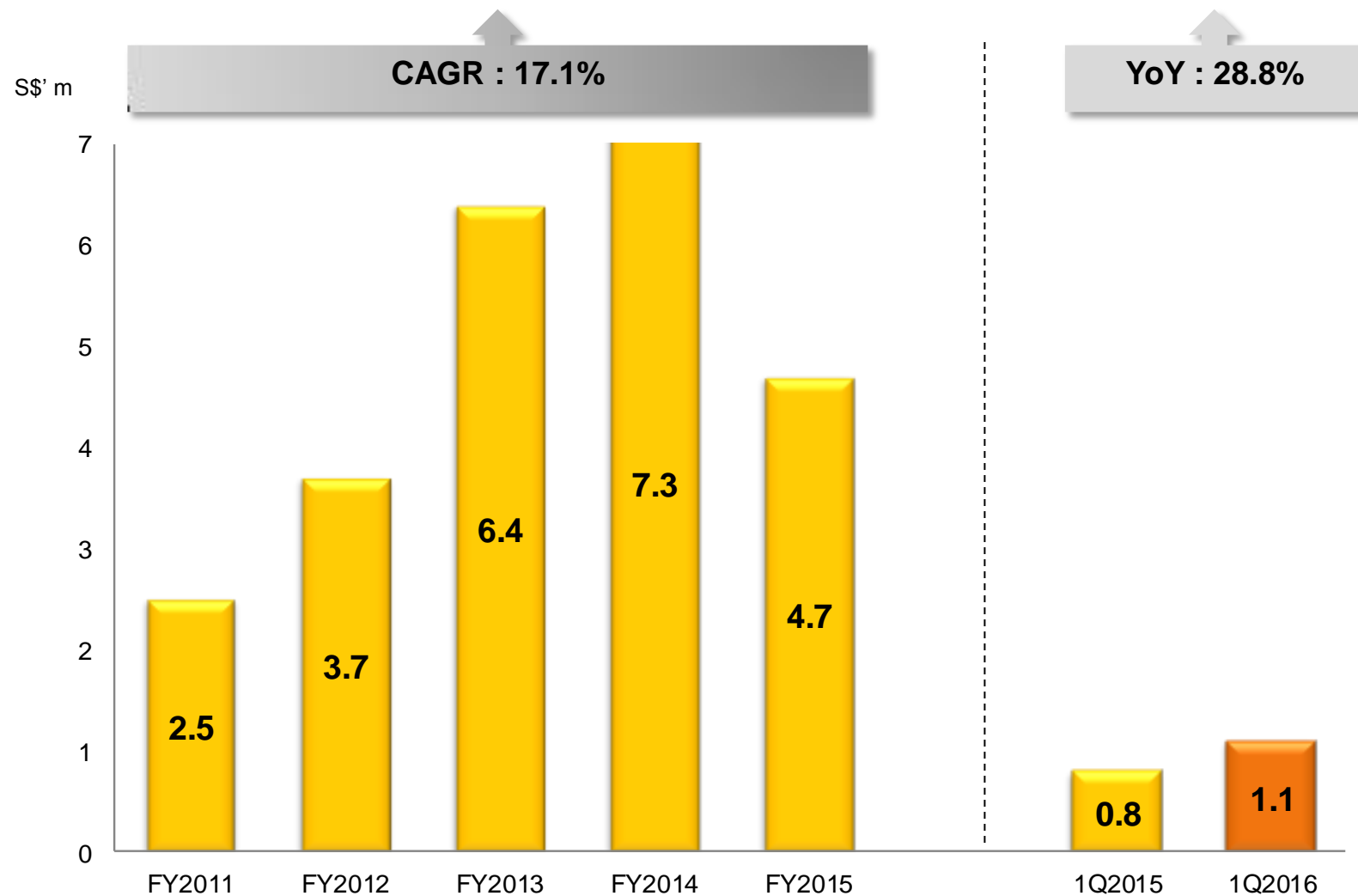


\* Includes revenue contribution of S\$0.2 million by Keika Ramen and S\$0.1 million by Hanamidori, which opened in February 2015 and May 2015 respectively.

# Gross Profit and Gross Profit Margin



# Net Profit



# Cash Flow

S\$ 'm	As at 30 Jun 2014	As at 30 Jun 2015	Change (%)
Net cash provided by operating activities	3.5	2.7	↓22.9
Net cash used in investing activities	(2.8)	(1.2)	↓ 57.1
Net cash used in financing activities	(0.2)	-	NM
Net increase in cash and cash equivalents	0.5	1.5	↑ 200.0
Cash and cash equivalents at beginning of financial year	16.8	14.2	↓ 15.5
Cash and cash equivalents at end of financial year	17.3	15.7	↓ 9.2



# Key Financial Ratios

	As at 31 Mar 2015	As at 30 Jun 2015	Change (%)
Cash and cash equivalents (S\$'m)	15.9	17.4	↑ 9.4
Total assets (S\$'m)	38.2	40.0	↑ 4.7
Total equity (S\$'m)	30.6	31.6	↑ 3.3
Net cash ratio (%)	52.0	55.0	↑ 3.0 pt
Net asset value per share (S'pore cents) <sup>(1)</sup>	17.57	18.18	↑ 3.5
Net cash per share (S'pore cents) <sup>(1)</sup>	9.1	10.0	↑ 9.9

(1) Computed based on 174,006,000 as at 31 March 2015 and as at 30 June 2015.

# **JAPAN FOODS HOLDING LTD.**

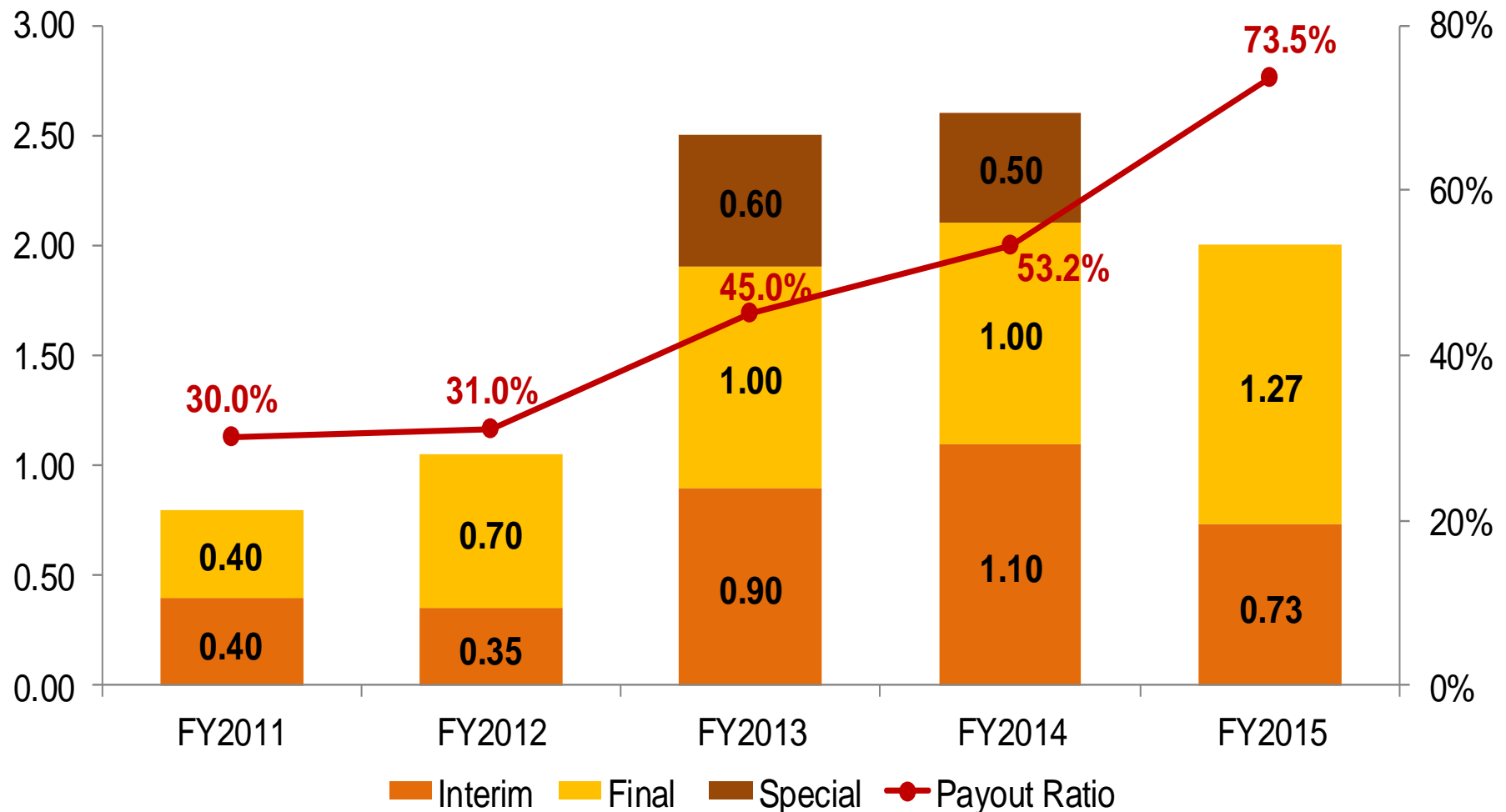


## **Investment Highlights**

# 5-Year Dividend History

Dividend Per Share  
(Singapore cents)

Dividend Payout  
Ratio (%)



# 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%**

# Exploring Regional Opportunities



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



# 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**

# JAPAN FOODS HOLDING LTD.



**Thank You**