



JAPAN FOODS HOLDING LTD.

1Q 2018 Financial Results Presentation August 2017



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Overview of 1Q 2018



Performance at a Glance

1Q2018:

Revenue
S\$16.2 million

Gross Profit
S\$13.8 million

1Q2017:

S\$16.8 million

S\$14.2 million

1Q2018:

Net Profit
S\$1.0 million

EBITDA
S\$2.4 million

1Q2017:

S\$1.3 million

S\$2.9 million

Our Growing Brand Portfolio

11 Franchise Brands from Japan



Aijisen Ramen



Hanamidori



Boteyju



Boteyju San



Keika Ramen



Kazokutei



Menya Musashi



Menzo Butao



Osaka Ohsho



Yonehachi

5 Self-Developed Brands

TOKYO WALKER



New ManLee Bak Kut Teh

JAPAN FOODS HOLDING LTD.

12th Franchise Brand from Japan: Shitamachi Tendon Akimitsu



- Originated in Asakusa in Tokyo, Japan
- Specialises in traditional Tendon (or Tempura Donburi)
- Started by Chef Akimitsu Tanihara, a 5th generation successor, whose family started and has been operating the Dote no Iseya tempura restaurant in Asakusa since 1889!



JAPAN FOODS HOLDING LTD.

Our Network

As at 30 June 2017



The Group, together with its sub-franchisees, operates a total of 50 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.

45 Self-operated restaurants & food court outlet

15 Restaurants through associated companies

5 Restaurants operated by sub-franchisees

Updates on our Singapore Network

Self-Operated Restaurants	No. as at 30 June 2017	No. as at 30 June 2016
Ajisen Ramen	18	15
Fruit Paradise	3	4
Hanamidori	-	1
Kazokutei	1	3
Keika Ramen	1	3
Menya Musashi	8	8
Osaka Ohsho	6	6
New ManLee Bak Kut Teh	2	3
Ginza Kushi Katsu	1	1
Dutch Baby Cafe	1	1
Botejyu	-	1
Japanese Gourmet Town	1	1
Menzo Butao	1	1
Yonehachi	1	1
TOTAL	44	49
Food Court Outlets		
Ajisen Ramen	1	1



Updates on our Overseas Network

Restaurants	Updates	No. of Outlets As at 30 June 2017	No. of Outlets As at 30 June 2016
Ajisen Ramen¹	Closed 1 restaurant in KSL City Mall, Johor, Malaysia	3 in Malaysia 2 in Vietnam	4 in Malaysia 2 in Vietnam
Menya Musashi²	- Closed 2 restaurants in various locations in Hong Kong upon lease expiry, opened 2 restaurants in new location - Opened 1 restaurant in Hangzhou - Opened 1 restaurant in Beijing	8 in Hong Kong 7 in China	8 in Hong Kong 5 in China
TOTAL		20	19

¹ operated by sub-franchisees

² interests in restaurants through associated companies

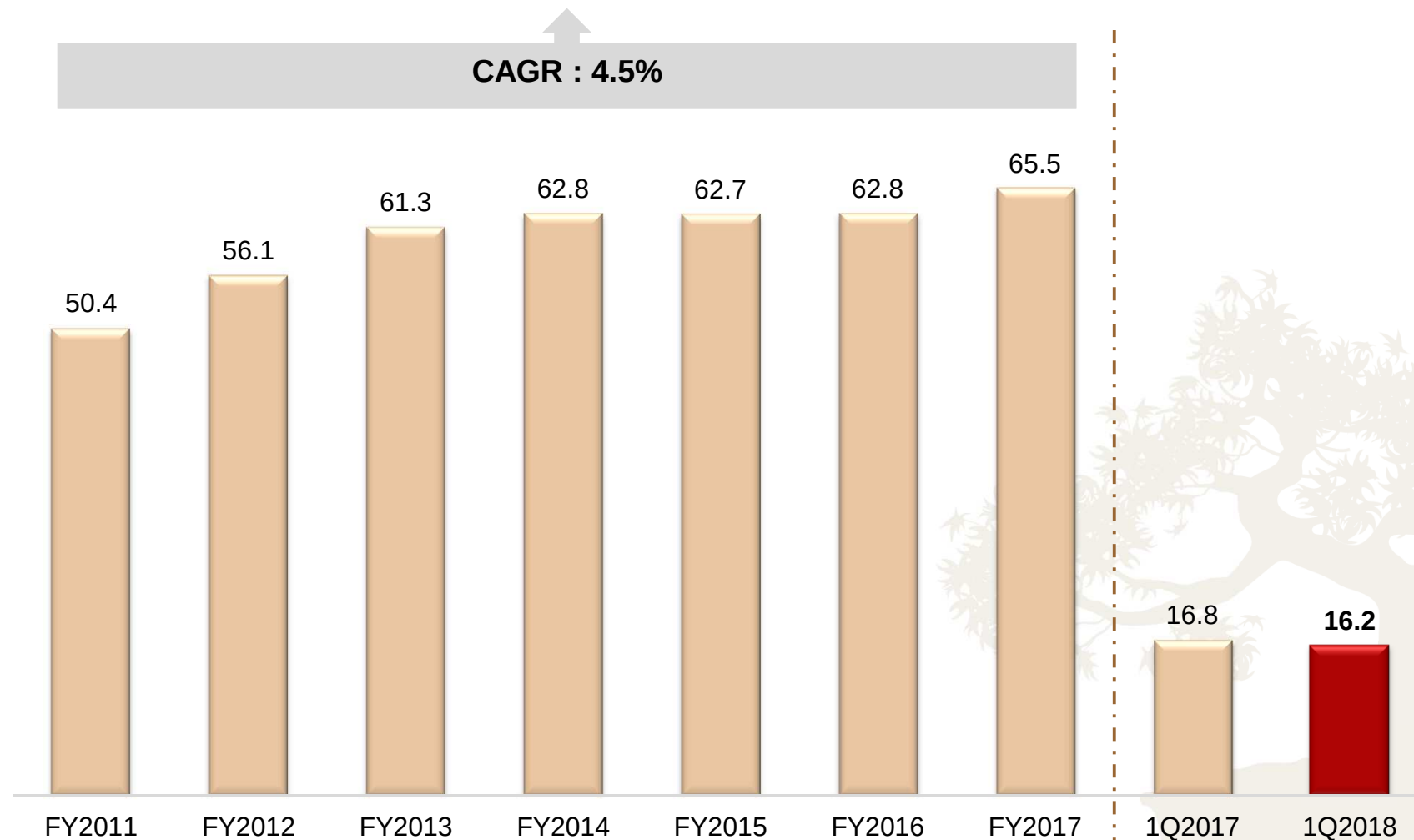
Financial Highlights 1Q 2018



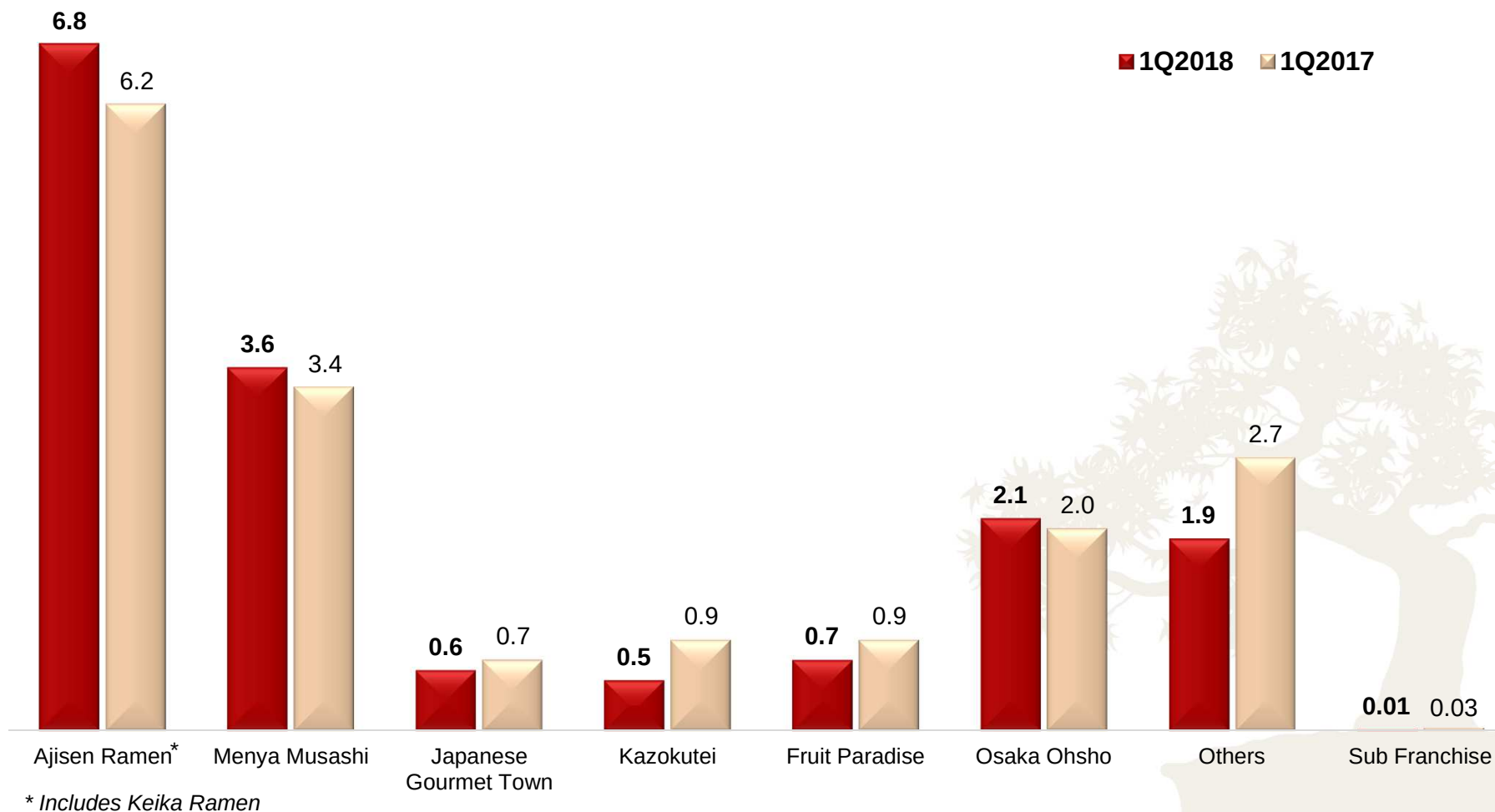
Financial Highlights – 1Q2018/1Q2017

S\$' m (Three months ended 30 June 2017)	1Q2018	1Q2017	Change (%)
Revenue	16.2	16.8	↓ 3.8
Gross Profit	13.8	14.2	↓ 3.2
Gross Profit Margin (%)	85.0	84.5	↑ 0.5 pts
EBIT	1.3	1.6	↓ 19.7
EBIT margin (%)	7.9	9.4	↓ 1.5 pts
EBITDA	2.4	2.9	↓ 17.2
EBITDA margin (%)	14.8	17.3	↓ 2.5 pts
Net Profit After Tax (NPAT)	1.0	1.3	↓ 19.9
NPAT Margin (%)	6.5	7.8	↓ 1.3 pts
Earnings Per Share (S'pore cents)	0.60	0.75	↓ 20.0
Return on Equity (%)	12.7	16.7	↓ 4.0 pts
Share of Results of Associated Companies	0.2	0.05	↑ 181.5

Revenue (S\$' m)

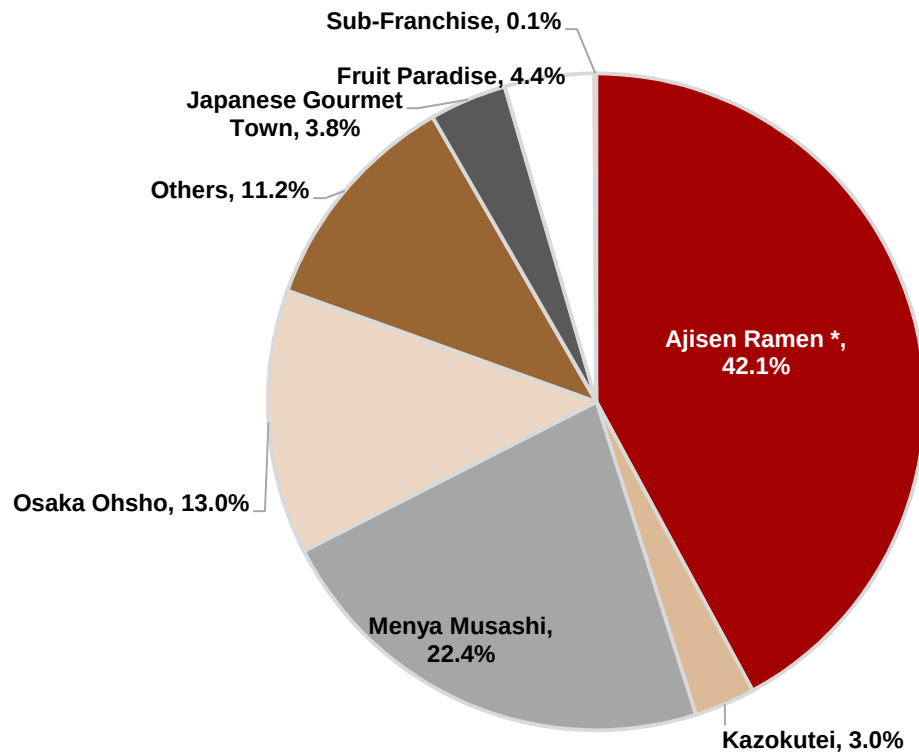


Revenue Mix by Brands (S\$' m)



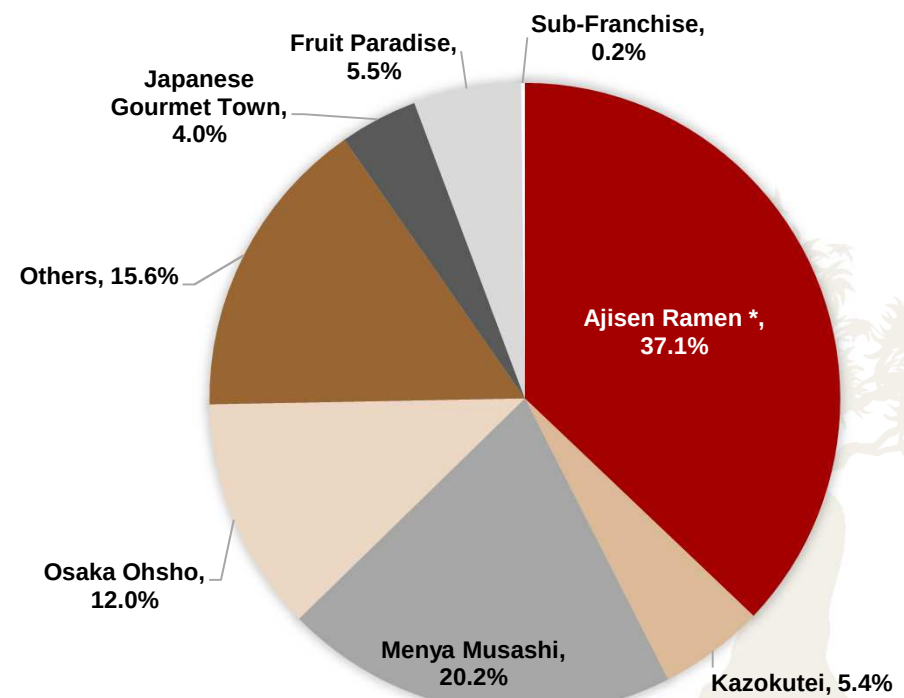
Revenue Breakdown

1Q2018

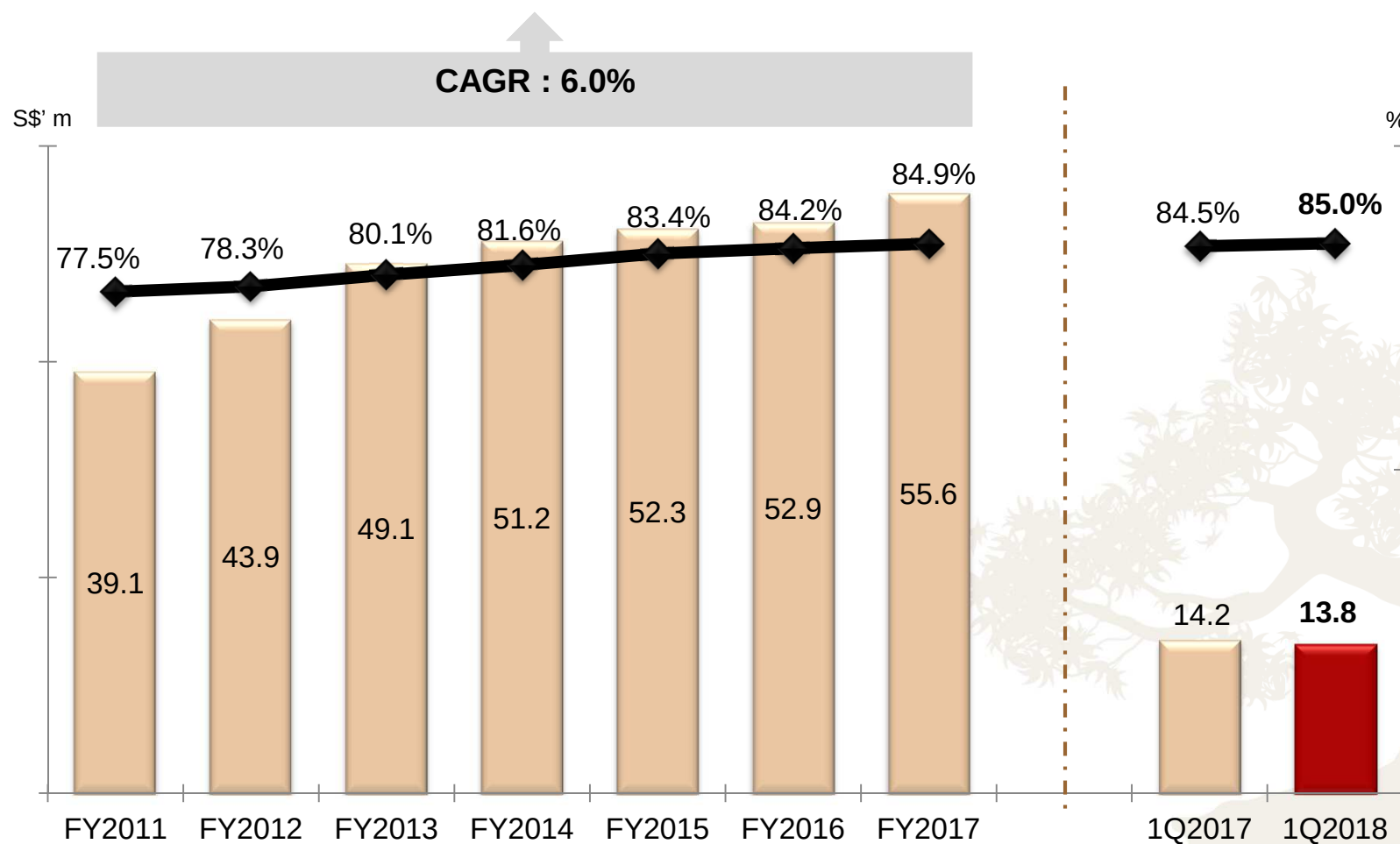


* Includes Keika Ramen

1Q2017

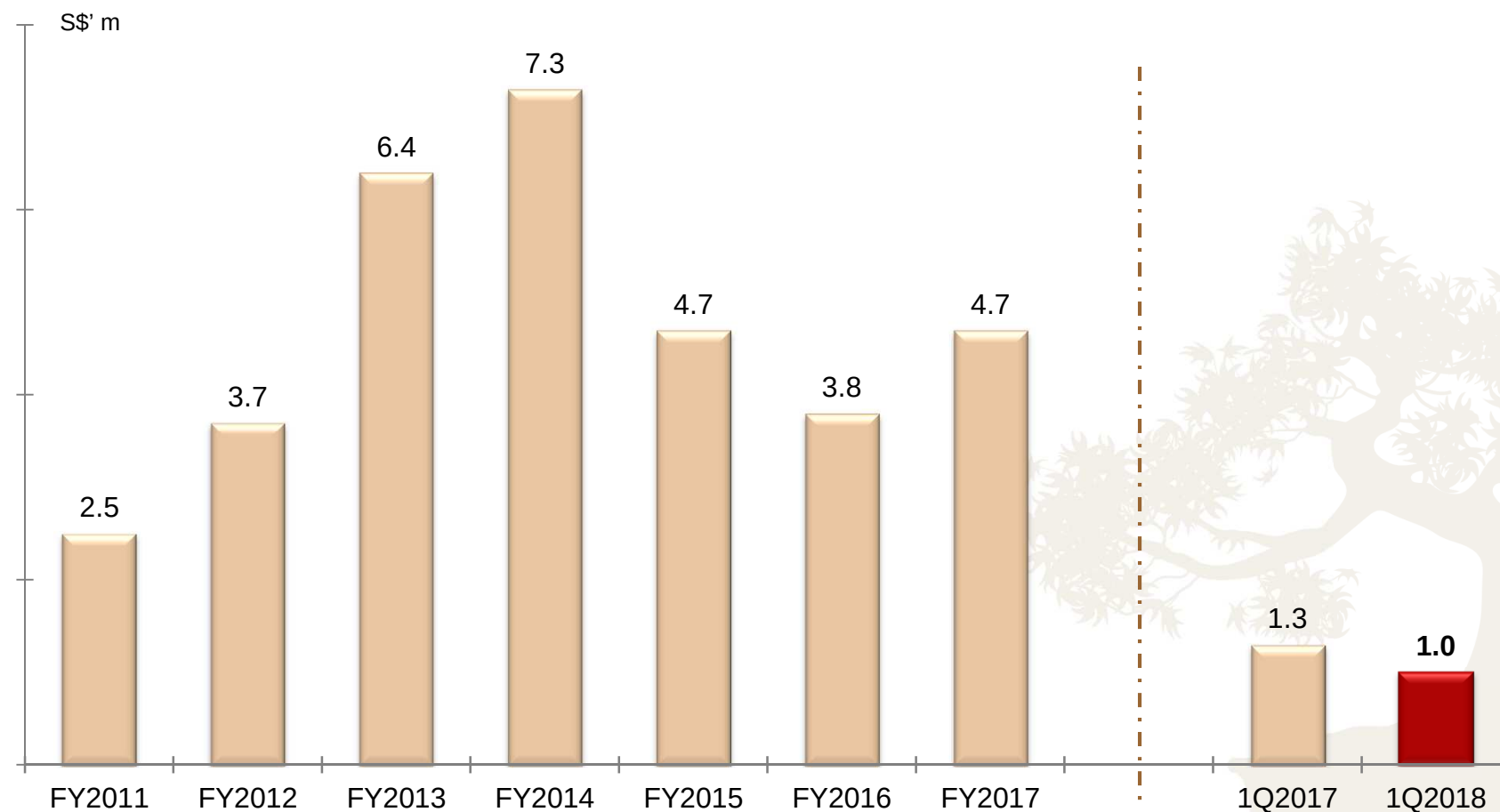


Gross Profit and Gross Profit Margin



Net Profit

CAGR : 11.1%



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Cash Flow

S\$ 'm	Three months ended 30 June 2017	Three months ended 30 June 2016	Change (%)
Net cash generated from operating activities	2.5	3.8	↓ 33.0
Net cash used in investing activities	(0.7)	(1.4)	↓ 52.6
Net cash from/used in financing activities	0.07	(0.3)	NM
Net increase in cash and cash equivalents	2.0	2.2	↓ 9.5
Cash and cash equivalents at beginning of financial year	18.1	15.1	↑ 20.4
Cash and cash equivalents at end of financial year	20.1	17.2	↑ 16.6

Key Financial Ratios

	As at 30 June 2017	As at 31 March 2017	Change (%)
Cash and cash equivalents (S\$m)	22.1	20.2	↑ 9.4
Total assets (S\$m)	43.1	40.8	↑ 5.6
Total equity (S\$m)	32.9	31.6	↑ 4.1
Net cash ratio ⁽¹⁾	2.4	2.4	-
Net asset value per share (S'pore cents) ⁽²⁾	18.98	17.74	↑ 7.0
Net cash per share (S'pore cents) ⁽²⁾	12.7	11.7	↑ 8.5

⁽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 173,563,500 shares as at 30 June 2017 and 173,043,500 shares as at 31 March 2017.

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	78.1	0.450	6.5	12.7	Net Cash	16.8	4.4
BreadTalk	491.1	1.745	3.2	13.9	0.4	25.0	1.4
ABR Holdings	136.7	0.680	4.4	4.6	-	29.8	3.7
Sakae Holdings	41.8	0.300	-	-	1.4	-	-
Soup Restaurant	50.4	0.180	1.7	7.0	-	76.6	1.4
Tung Lok Restaurant	45.3	0.165	0.5	2.4	-	107.3	-
Katrina	48.6	0.210	4.2	16.2	-	20.5	2.9
Jumbo	372.1	0.580	11.6	25.8	-	23.2	2.6

Source: ShareInvestor.com, data as at 1 August 2017

Japan Foods, Tung Lok – FYE 31 Mar

Rest of peers – FYE 31 Dec

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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



**17th SIAS Investors' Choice
Awards 2016**

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

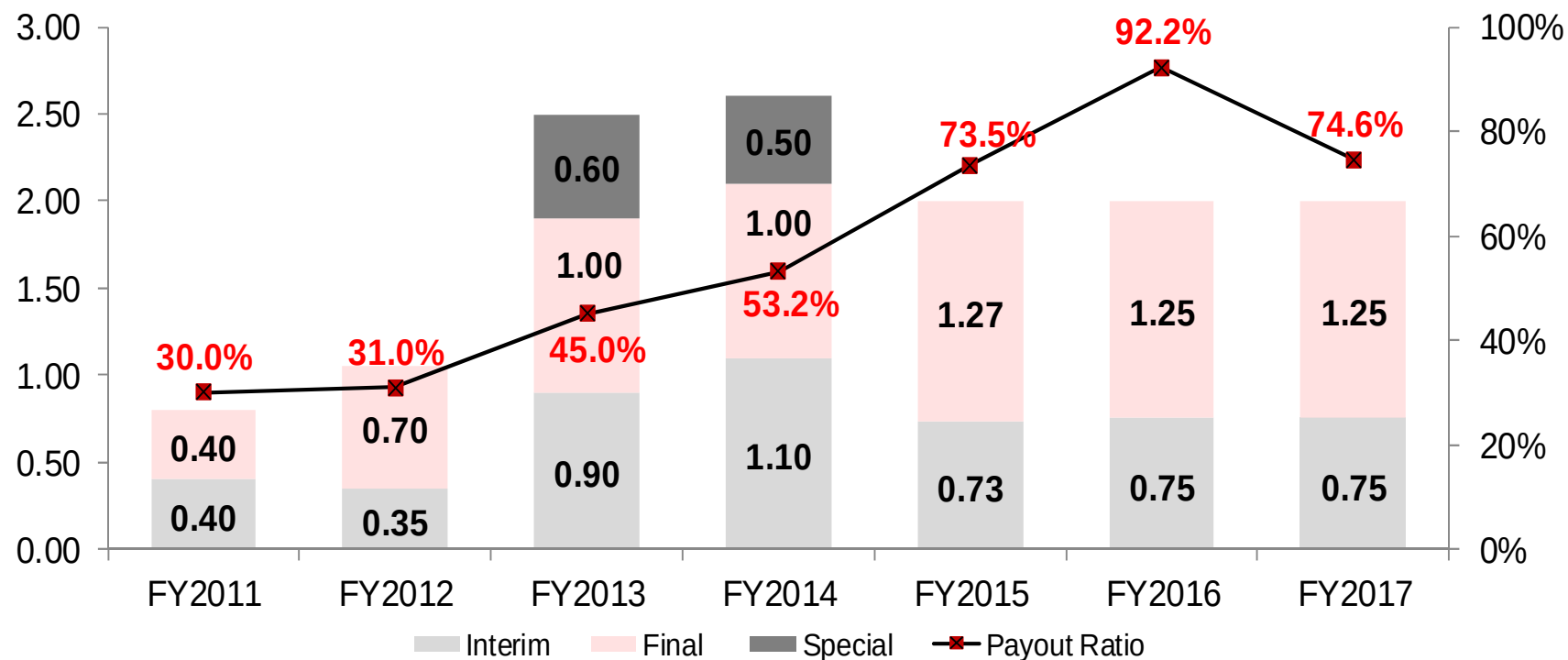


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Dividend History

Dividend Per Share
(Singapore cents)

Dividend Payout
Ratio (%)



*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.*

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Future Plans



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.

Exploring Other non-Japanese F&B



Encouraged by the response to its first non-Japanese F&B concept “New ManLee Bak Kut Teh”, Japan Foods is exploring other opportunities in this area in addition to its ongoing efforts to grow its expertise in Japanese cuisine.



Thank You

