



INVESTOR RELATIONS

NOV. 2019

DISCLAIMER

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The financial information in this document are consolidated earnings results based on K-IFRS. These statements involve risks and uncertainties, and actual results may differ.

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COMPANY OVERVIEW

VISION & MISSION

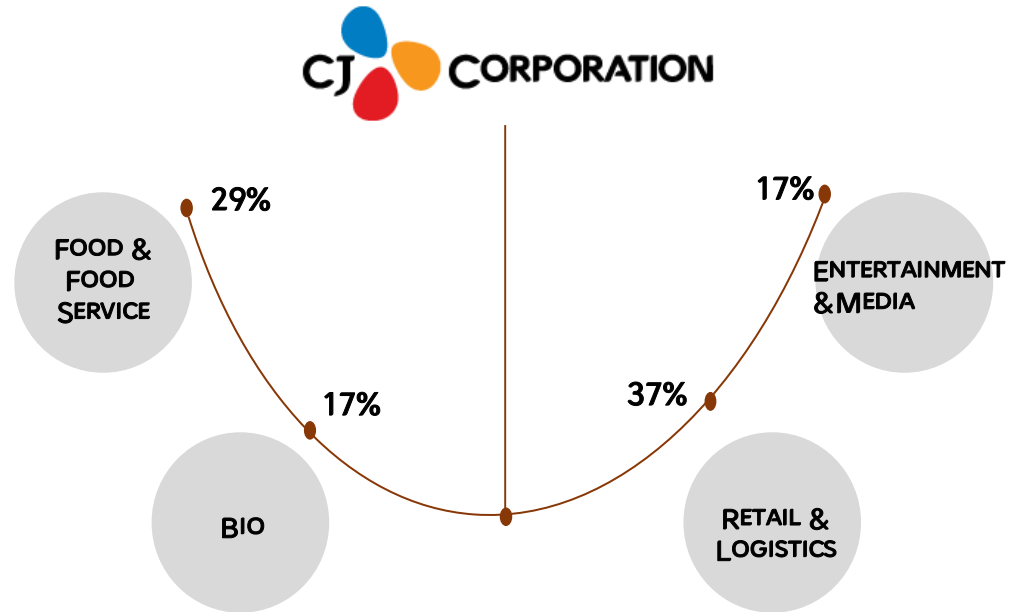
VISION

Create a New Culture
For Healthy, Happy and
Convenient Lifestyles

MISSION

Contribute to the global community
by providing the best value
to our customers
with ONLYONE products and services

CORE BUSINESS AREAS



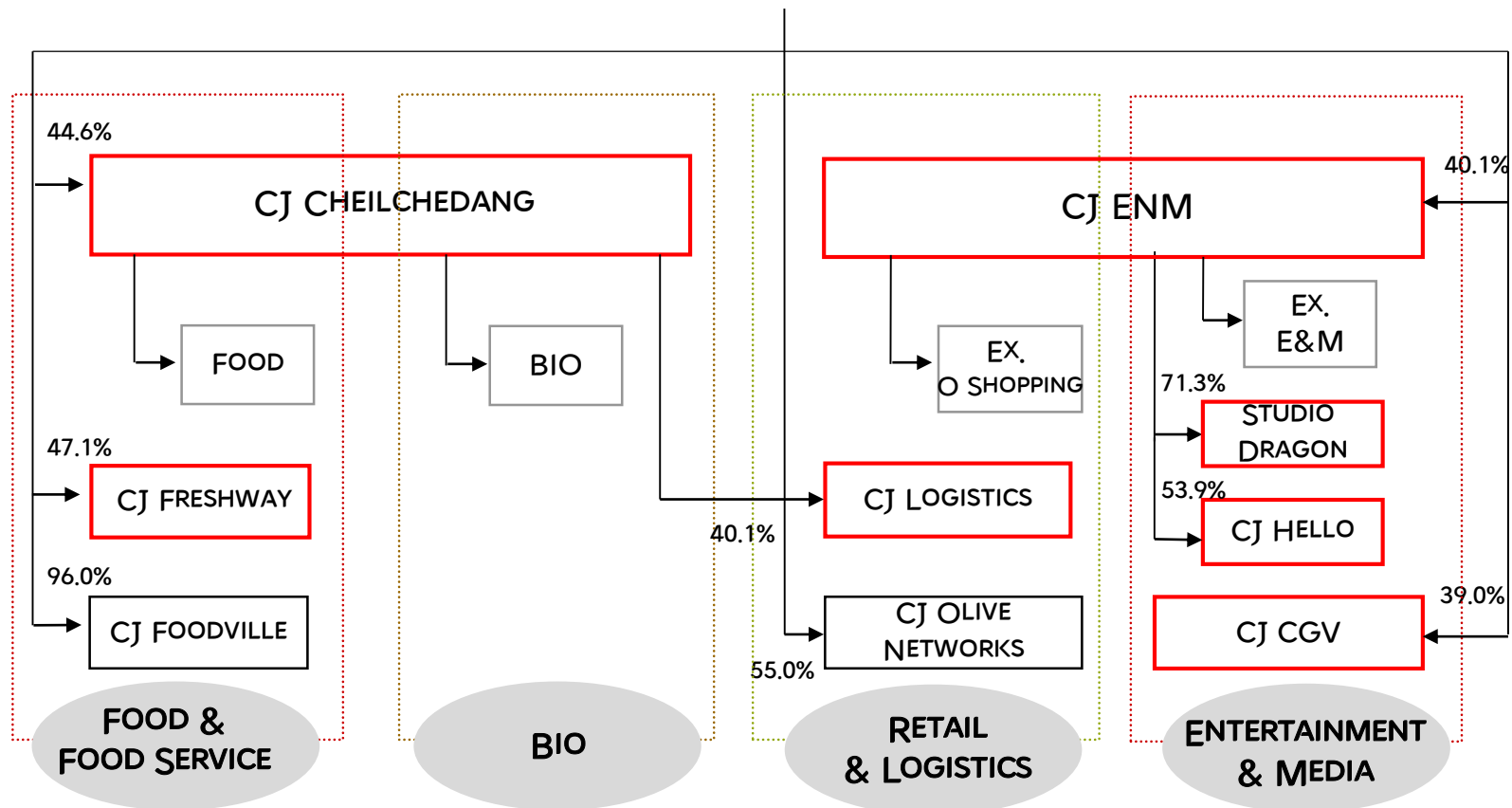
* 2018 K-IFRS Consolidated, Revenue Breakdown

COMPANY OVERVIEW



[AS OF END OF DEC, 2018]

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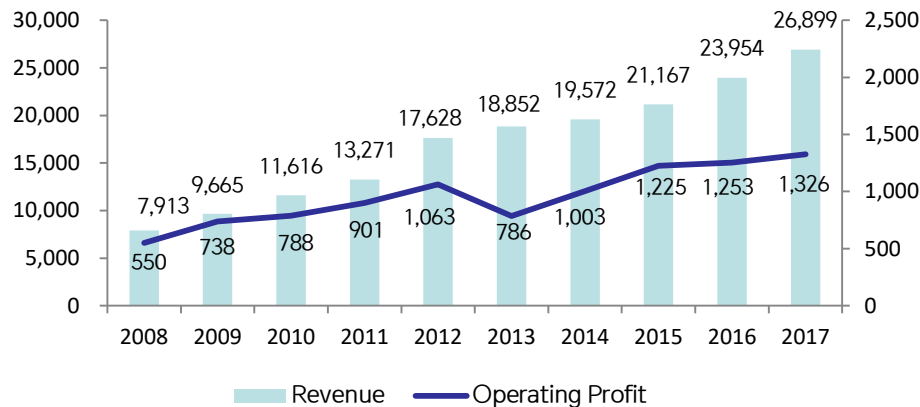


*Note: Common Stock Basis

COMPANY OVERVIEW

FINANCIAL SUMMARY

[Unit: W Bn]



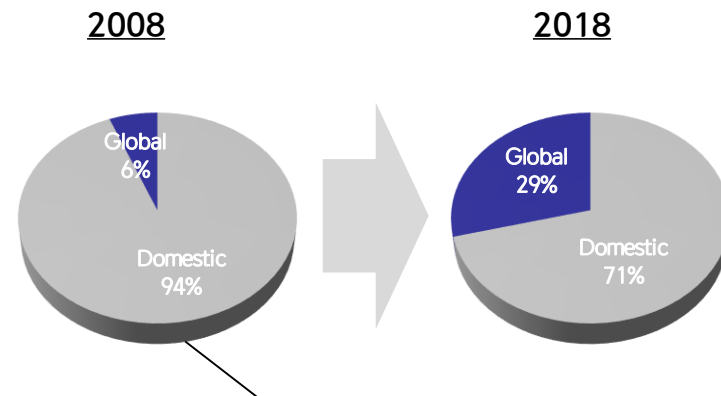
NOTE: K-IFRS CONSOLIDATED

- Since the transition to a holdings company in September 2007, CJ Corp has achieved Sales CAGR of 14.6% and operating profit CAGR of 10.3% through adopting “choose and focus” strategy on 4 core business areas.
- By the end of 2018, Company's total assets and revenue recorded KRW 31.7 trillion and KRW 29.5 trillion , which is 262% and 273% increase within past 10 years, respectively.

CJ'S GLOBALIZATION

- Expand global presence of businesses which are already indisputably a domestic leader under the operations of CJ CJ, CJ Logistics, CJ CGV and more
- Continue to increase global sales proportion which has seen a remarkable growth from 6% in 2008 up to 29% in 2018
- Increase market share already at unwavering global No. 1 of major Bio products, namely lysine, nucleotides and tryptophan
- No.1 theater operator in Vietnam and Turkey

Consolidated Revenue



COMPANY OVERVIEW

BUSINESS OVERVIEW

- Strengthen competitiveness and maximize synergies between four core business areas in the group

Food & Food Services : Actively pursue global expansion based on the experience as the country's leading producer and service provider

Bio : Secure global No. 1 position in green bio with outstanding R&D and advanced technologies

Retail & Logistics : Provide the largest total logistics services and operate the country's top selling home shopping channel and Korea's leading health & beauty (H&B) store brand

Entertainment & Media: Create and produce contents unlimited to movies, music, drama and performance and operate the country's largest movie theater complex

[Unit: W Bn, %]

B/S	2017	2018	P/L	2017	2018
Asset	29,325	31,729	Revenue	26,899	29,523
Liability	17,333	19,207	Operating Profit	1,326	1,333
Equity	11,992	12,522	Net Income	1,137	880
Liability to Equity Ratio	145%	153%	OP Margin	4.9%	4.5%

Note: K-IFRS Consolidated

As of End of 2018	Type	No. of Shares	Stake	Note
Shares	Common	29,176,998		
Outstanding	Preferred	2,260,223		
Treasury	Common	2,971,575	10%	
Shares	Preferred	1,120		
Major Shareholder	Common	12,275,574	42%	

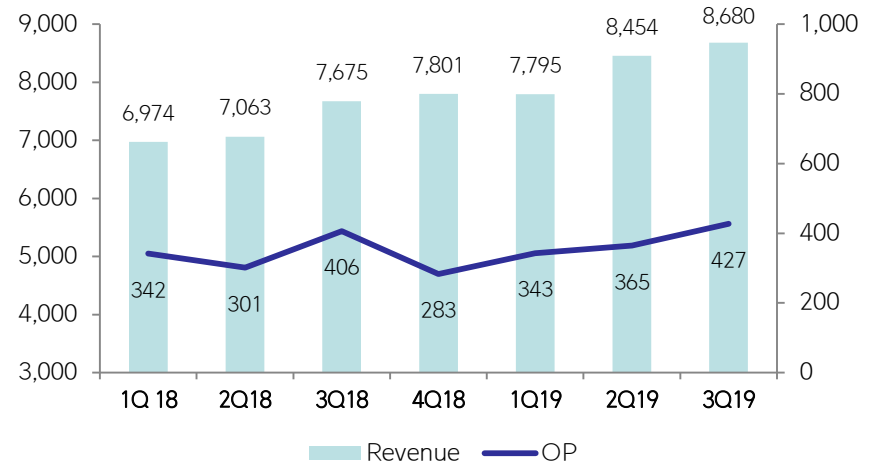
3Q19 EARNINGS REVIEW

FINANCIAL HIGHLIGHTS

[UNIT : W BN]

	1Q 18	2Q18	3Q18	4Q18	1Q 19	2Q 19	3Q 19
Revenue	6,974	7,063	7,675	7,801	7,795	8,454	8,680
Operating Profit	342	301	406	283	343	365	427
(%)	4.9%	4.3%	5.3%	3.6%	4.4%	4.3%	4.9%

[UNIT : W BN]



- **3Q19: Revenue KRW 8,679.7bn (YoY +12.9%), OP KRW 426.8bn (YoY +5.0%)**

- : Growth led by CJ CJ, CJ Logistics' Parcel/Global and CJ ENM's Commerce/Movie, OliveYoung business

- : OP increased with the best-ever performance record of CJ Logistics and improved profitabilities of CJ Freshway/OliveYoung

- **Enhanced market competitiveness in all four main business areas, which has achieved more stability in diversified portfolio**

- : Driving future growth through globalization – continuous endeavors in diversifying product portfolio within the Food business, setting the cornerstone by acquisition of local company at CJ Logistics and enhancing content producing capability at CJ ENM

- : Inter-sub synergies – business portfolio includes Food, Entertainment, Retail and Logistics, all of which are synergistic to one another, promoting further

3Q19 OPERATING RESULTS BY BUSINESS

Revenue

[UNIT : W BN]

	3Q18	3Q19	YoY
Food & Food Service	2,276	2,971	30.5%
Bio	1,290	1,211	-6.1%
Retail & Logistics	2,852	3,239	13.6%
Entertainment & Media	1,266	1,258	-0.6%
Others	2.1	1.5	-28.6%
Total	7,686	8,680	12.9%

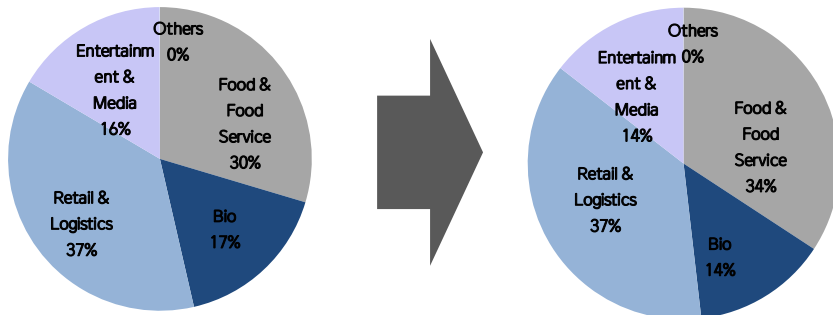
Operating Profit

[UNIT : W BN]

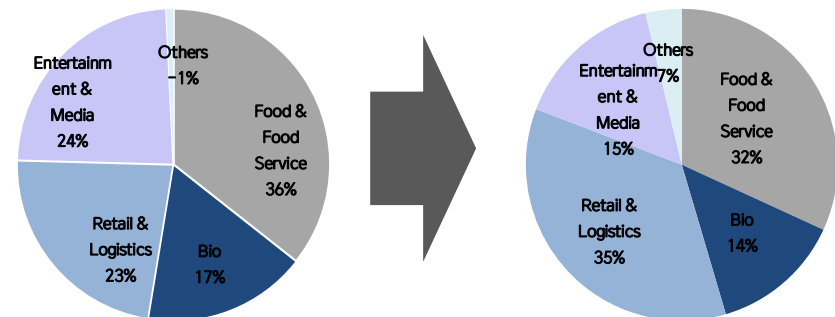
	3Q18	3Q19	YoY
Food & Food Service	145	136	-6.0%
Bio	69	58	-16.5%
Retail & Logistics	93	151	63.1%
Entertainment & Media	97	66	-32.0%
Others	-3	16	393.9%
Total	406	427	5.0%

STABILITY OF THE BUSINESS PORTFOLIO

REVENUE



OPERATING PROFIT

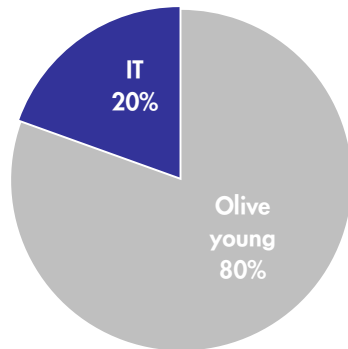


3Q19 FINANCIAL HIGHLIGHTS

Company		3Q19 W bn	YoY	Highlights
CJCJ	Revenue	3,446	+25.5%	· Up with effects of Schwan's company acquisition and high growth of global processed food
	OP	181	-14.3%	· Down with burden of fixed cost of new factory and spread of ASF(African Swine Fever)
CJ Logistics	Revenue	2,622	+8.4%	· Solid growth from global(+13.6%yoy) and parcel(+13.0%yoy) division
	OP	89	+67.7%	· Recorded a historic high thanks to ASP hike, demarketing on low margin clients and restructuring of loss-making business
ENM	Revenue	1,153	+6.9%	· Up with overall growth by enhancing differentiated content competitiveness and production capabilities
	OP	64	-16.3%	· Despite commerce's own brand enhancement and an expansion of film production, decreased due to sluggish of consolidated CJ Hello's profit (-17bn yoy)
CGV	Revenue	498	+5.2%	· Up with high growth of the number of theaters and box offices in Indonesia/Vietnam
	OP	31	-4.9%	· Decreased due to lack of blockbuster line-up globally and sluggish box office in china
FreshWay	Revenue	770	+9.3%	· Up with growth of food material distribution and food catering service through selective new orders centered on profitability
	OP	18	+32.8%	· Up with improving profitability due to efficiency of logistics and adjustment of contract terms for major trading lines of food catering service

※ CJCJ excluding CJ Logistics

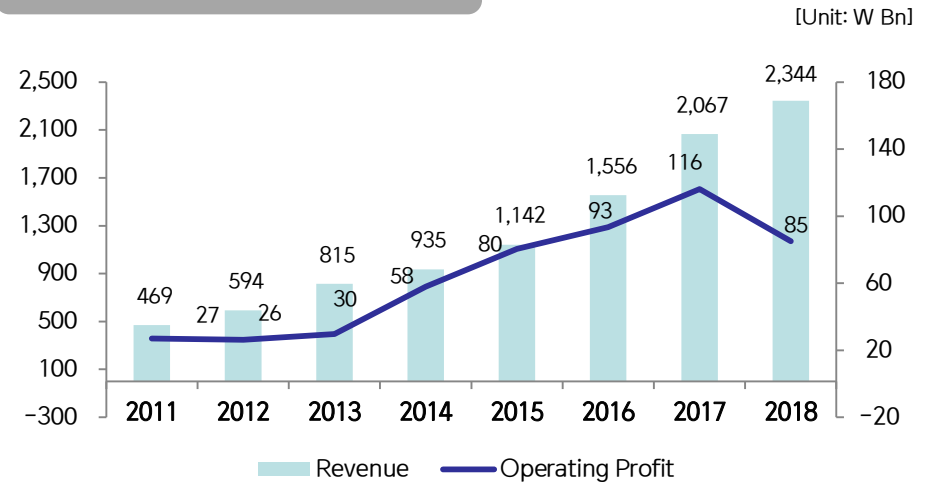
BUSINESS OVERVIEW



FY18, Sales Portion (domestics)

- CJ OliveNetworks operates Korea’s leading health & beauty (H&B) store, CJ Olive Young, and IT service.
- CJ OliveNetworks’ Olive Young BU is an undisputed leader in Korea’s H&B Store industry with its domestic store chain numbered 1,238 stores, as the end of 3Q19

FINANCIAL HIGHLIGHTS



* Note: K-IFRS Consolidated basis,
2011~2014 financial results were based on the sum of CJ OliveYoung and CJ Systems

[Unit: W Bn, %]					
B/S	2017	2018	P/L	2017	2018
Asset	1,152.6	1,258.5	Revenue	2,067.4	2,343.6
Liability	668.1	730.7	Operating Profit	116.2	85.3
Equity	484.5	527.8	Net Income	81.3	59.9
Liability to Equity ratio	138%	138%	OP Margin	5.6%	3.6%

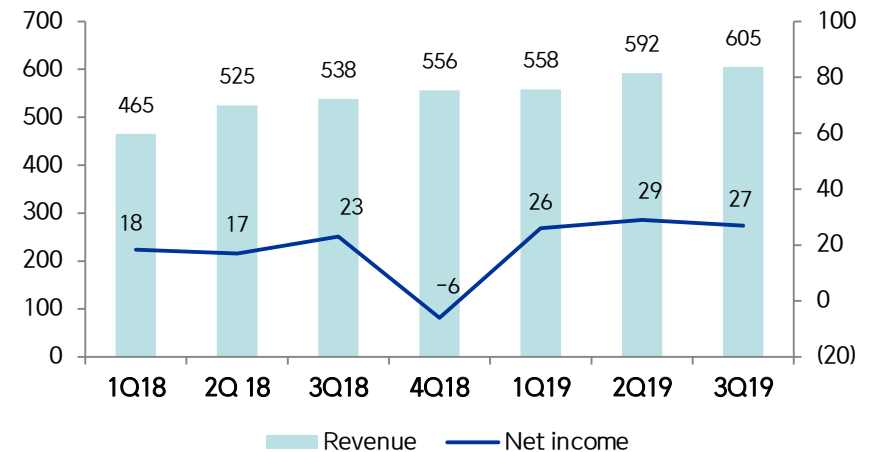
* Note: K-IFRS Consolidated basis

FINANCIAL HIGHLIGHTS

[Unit: W Bn]

	1Q 18	2Q 18	3Q18	4Q18	1Q 19	2Q19	3Q19
Revenue	465	525	538	556	558	592	605
OY	375	425	435	425	456	485	499
IT	91	100	103	131	102	107	106
Net Income	18	17	23	-6	26	29	27
Store (Domestic)	1,104	1,144	1,178	1,198	1,214	1,233	1,238
Direct Control	891	925	952	966	980	992	995
Franchise	213	219	226	232	234	241	243

[Unit: W Bn]



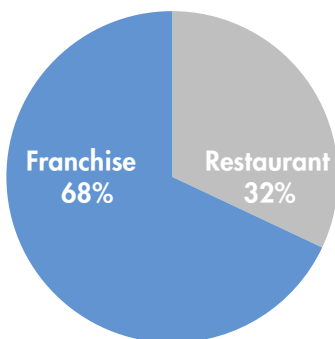
* Based on K-IFRS Separate, not reflected internal transactions between OY and IT businesses

3Q19: Revenue KRW 604.8bn (YoY +12.3%), NI KRW 27.2bn(YoY +20.9%)

- [Revenue] Up with expansion of the number of stores and GMV, high growth of online business and SM service sales
 - (OliveYoung) Increased 14.7%yoy thanks to growth in SSSG, the number of stores and online business
 - (IT) Up 2.5%yoy with use of IDC/payment solution/messaging service increased, despite slowed down on new SI orders
 - * Increased 5.3%yoy based on revenue that IT provided to OliveYoung, but only costs are recognized and revenue is not recognized, such as in-house sales of IT
- [NI] Up with SSSG growth due to expansion of GMV and high growth of online business
- 1,238 stores (995 direct management stores, 243 franchised stores, up +5 stores from the end of 2Q19, +40 stores from end of 4Q18)
- Strengthen market dominance through continuous store opening and increasing revenue per store (H&B market share 68.2%)

UNLISTED SUBSIDIARY : CJ FOODVILLE

BUSINESS OVERVIEW

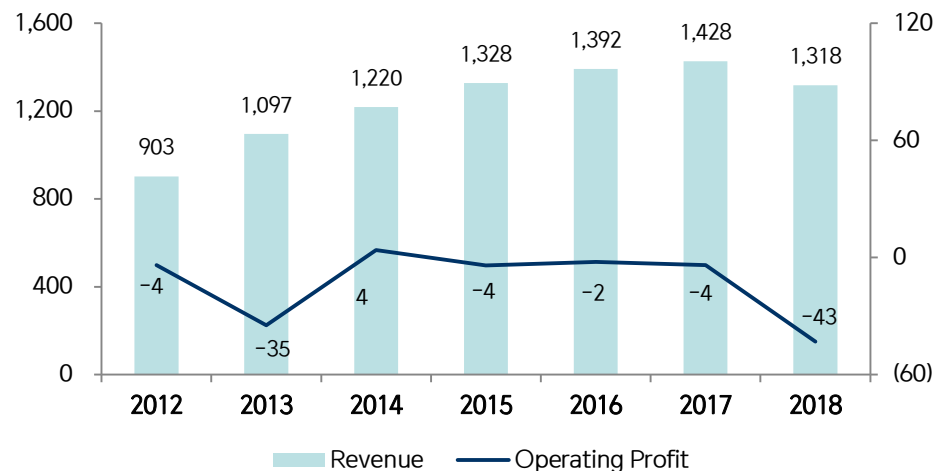


● FY18, Sales Portion (domestics)

- As the end of 3Q19, operating 1,434 sites in domestics and 194 sites in overseas
- Implement strategies for improving domestic and overseas business structures and promote further growth by constantly creating brands including “Tous Les Jours”, “VIPS”, “Season’s Table”, “The Place”

FINANCIAL HIGHLIGHTS

[Unit: W Bn]



[Unit: W Bn, %]

B/S	2017	2018	P/L	2017	2017
Asset	643.5	732.1	Revenue	1,427.5	1,371.6
Liability	680.5	721.1	Operating Profit	-3.8	-43.4
Equity	-37.0	11.0	Net Income	-32.5	-128.3
Liability to Equity Ratio	-	6,555.5%	OP Margin	-0.3%	-3.2%

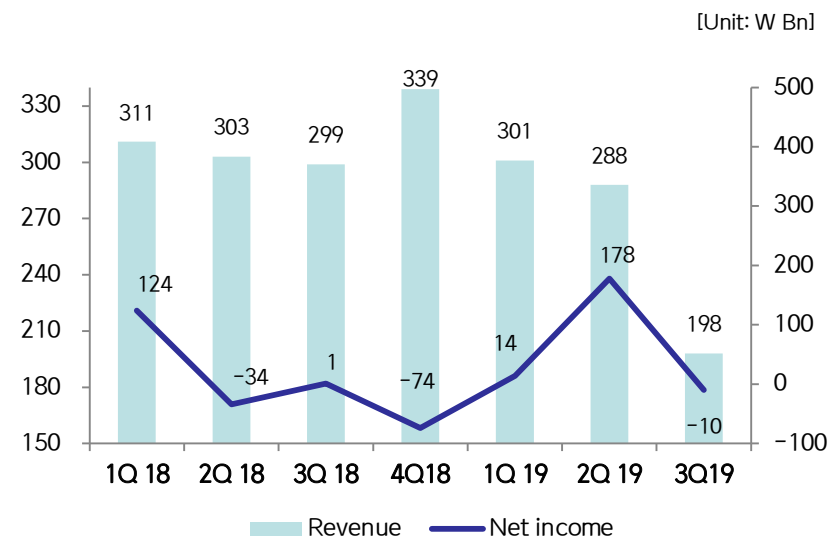
* Note: K-IFRS Consolidated basis

UNLISTED SUBSIDIARY : CJ FOODVILLE

FINANCIAL HIGHLIGHTS

[Unit: W Bn]

	1Q 18	2Q 18	3Q 18	4Q 18	1Q 19	2Q 19	3Q 19
Revenue	311	303	299	339	301	288	198
Net Income	124	-34	1	-74	14	178	-10
Site(Domestic)	2,509	2,550	2,557	2,566	2,558	2,954	1,628
Direct Control	279	279	274	252	230	237	141
Franchise	2,230	2,271	2,283	2,314	2,328	2,359	1,293
Overseas site	426	421	418	380	372	358	194



* K-IFRS Separate

* Simple sum of "Foodville" and "Twosome Place", "Twosome Place" P/L excluded from 3Q19

- **3Q19: Revenue KRW 197.9bn (YoY -33.8%), NI KRW -10.3bn (YoY Turn Neg)**
 - [Revenue] Decreased with excluding Twosome Place sales by selling shares and closing weak performance stores based on the strategy for improving the business structure (Excluding Twosome Place -13.0%yoy)
 - [NI] Up with strategies for improving domestic and overseas business structures (Deficit improved by 7.1bn, excluding Twosome Place)
 - Excluding Twosome Place's P/L, 3Q18 Revenue 228bn, NI -17bn
 - Pursuing continuous key brands growth and enhancing brand competitiveness

CJ GROUP'S MANAGEMENT PARADIGM SHIFT

To cope with the deterioration of the business environment, CJ Group has shifted its management strategy paradigm from 'Quantitative Growth' to 'Qualitative Growth' and focused on improving profitability and financial structure

- Worsening domestic/global business environment and increasing possibility of economic recession
- CJ Group, despite quantitative growth, delayed profitability and the pace of improvement in its financial structure

TRANSITION FROM 'QUANTITATIVE GROWTH' TO 'QUALITATIVE GROWTH'

✓ Maximize Existing Business Profitability

- Achieve global enterprise-level profitability of major businesses/items through selection, concentration and the business structure improvement

✓ Less Additional Large-scale M&A

- Temporary suspension of large-scale investments and M&As, only selectively invest to secure core competencies

✓ Focus on Improving Financial Structure

- Financial structure improvement through non-core assets/businesses securitization
- Improve mid-to long-term financial structure and reduce financial costs by increasing business profitability

[Key Strategies of Major Subsidiaries]



- Idle asset securitization, Efficient management of working capital, Minimize investment, Raising capital via overseas subsidiaries



- Temporary suspension of large-scale investments and M&As, Maximize profitability (Expand new pricing-table application on parcel business etc.)



- Increase profitability through an efficiency of content production costs and business expansion to new digital/global markets



- Improve financial structure through (pre-)IPOs of overseas subsidiaries, enhance profitability of domestic business



- Streamline logistics operations, selective new orders centered on profitability, invest focused on strengthening core competencies such as preprocessing CK/logistics infrastructure etc.

APPENDIX

FINANCIAL STATEMENT

CONSOLIDATED STATEMENTS

[Unit: W Bn]

	2018	3Q19	YoY
I. Current Assets	8,867	10,166	1,299
1. Cash and Cash Equivalents	1,474	1,453	-21
2. Short-term Financial Instruments	163	248	85
3. Trade Receivables	3,535	3,832	297
4. Inventories	2,024	2,639	615
5. Other Current Assets	1,672	1,994	322
II. Non-Current Assets Held for Sale	2	1	-1
III. Non-Current Assets	22,860	31,287	8,427
Total Asset	31,730	41,453	9,723
I. Current Liabilities	10,998	13,746	2,748
III. Non-Current Liabilities	8,209	13,070	4,861
Total Liabilities	19,208	26,816	7,608
I. Equity Attributable to Owners of the Company	4,059	4,443	384
1. Capital Stock	158	179	21
2. Paid-in Capital in Excess of Par Value	993	993	-
3. Other Components of Equity	-429	-303	124
4. Retained Earnings	3,336	3,574	238
II. Non-Controlling Interest	8,463	10,195	1,732
Total Equity	12,522	14,638	2,116
Debt Ratio	153.4%	183.2%	29.8%pt.

[Unit: W Bn]

	3Q18	3Q19	YOY
I. Revenue	7,686.1	8,679.7	12.9%
II. COGS	5,459.5	6,363.6	16.6%
III. Gross Profit	2,226.6	2,316.1	4.0%
IV. Operating Profit	406.4	426.8	5.0%
V. Profit before Income Tax	258.1	167.5	-35.1%
VI. Tax Expenses	115.5	94.1	-18.5%
VII. Net Profit	142.6	73.4	-48.5%
1. Profit Attributable to Owners of the Company	7.1	32.0	350.7%
2. Profit Attributable to Non-Controlling Interests	135.5	41.4	-69.4%

[Unit: W Bn]

	3Q18 cum.	3Q19 cum.	YOY
I. Revenue	21,722.8	24,928.4	14.8%
II. COGS	15,445.1	18,137.6	17.4%
III. Gross Profit	6,277.7	6,790.8	8.2%
IV. Operating Profit	1,049.2	1,135.3	8.2%
V. Profit before Income Tax	1,656.6	700.9	-57.7%
VI. Tax Expenses	469.4	222.8	-52.5%
VII. Net Profit	1,187.2	478.1	-59.7%
1. Profit Attributable to Owners of the Company	457.3	295.5	-35.4%
2. Profit Attributable to Non-Controlling Interests	729.9	182.6	-75.0%

FINANCIAL STATEMENT

SEPARATE STATEMENTS

[Unit: W Bn]

	2018	3Q19	YoY
I. Current Assets	54	37	-17
1. Cash and Cash Equivalents	31	2	-29
3. Other Current Assets	23	35	12
II. Non-Current Assets	2,758	2,777	19
Total Asset	2,812	2,813	1
I. Current Liabilities	50	45	-5
II. Non-Current Liabilities	109	109	-
Total Liabilities	158	154	-4
I. Capital Stock	158	179	21
II. Paid-in Capital in Excess of Par Value	993	993	-
III. Other Components of Equity	-216	-217	-1
IV. Retained Earnings	1,719	1,704	-15
Total Equity	2,654	2,659	6
Debt Ratio	6.0%	5.8%	-0.2%pt.

[Unit: W Bn]

	3Q18	3Q19	YOY
I. Operating Revenue	26.2	26.8	2.3%
- Royalty Income	25.1	25.2	0.4%
- Dividend Income	-	-	-
- Others	1.1	1.6	45.5%
II. Operating Expenses	14.9	15.1	1.3%
III. Operating Profit	11.3	11.6	2.7%
IV. Profit before Income Tax Benefit(Expense)	5.2	16.1	209.6%
V. Income Tax Benefit(Expense)	1.3	3.7	184.6%
VI. Net Profit	4.0	12.4	210.0%

[Unit: W Bn]

	3Q18 cum.	3Q19 cum.	YOY
I. Operating Revenue	110.9	120.6	8.7%
- Royalty Income	69.4	70.6	18.3%
- Dividend Income	38.3	45.3	1.7%
- Others	3.2	4.7	46.9%
II. Operating Expenses	40.7	56.0	37.6%
III. Operating Profit	70.2	64.6	-8.0%
IV. Profit before Income Tax Benefit(Expense)	27.7	50.0	80.5%
V. Income Tax Benefit(Expense)	0.2	2.6	1,200.0%
VI. Net Profit	27.5	47.4	72.4%

THANK YOU