

The logo for CJ Corporation features the letters 'CJ' in a bold, black, sans-serif font. To the right of 'CJ' are three overlapping, teardrop-shaped icons: a blue one at the top, an orange one to the right, and a red one at the bottom. To the right of these icons is the word 'CORPORATION' in a smaller, black, sans-serif font.

**CJ CORPORATION**

# **INVESTOR RELATIONS**

Aug, 2016

## Disclaimer

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This presentation was made as the dates shown and reflected management views as of these dates. All financial information regarding CJ corp. business results and forward looking statements and beliefs about future events are subject to known risks and uncertainties that may cause actual results to differ from those stated or implied.

The financial information in this document are consolidated earnings results based on K-IFRS. This document is provided for the convenience of investors only, before our external audit on financial results of our headquarter is completed. These statements involve risks and uncertainties, and actual results may differ.

CJ corp. is under no obligation or responsibility to update the information provided in the presentation in correspondence to their respective dates.

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# Company Overview



# COMPANY OVERVIEW

## Vision & Mission

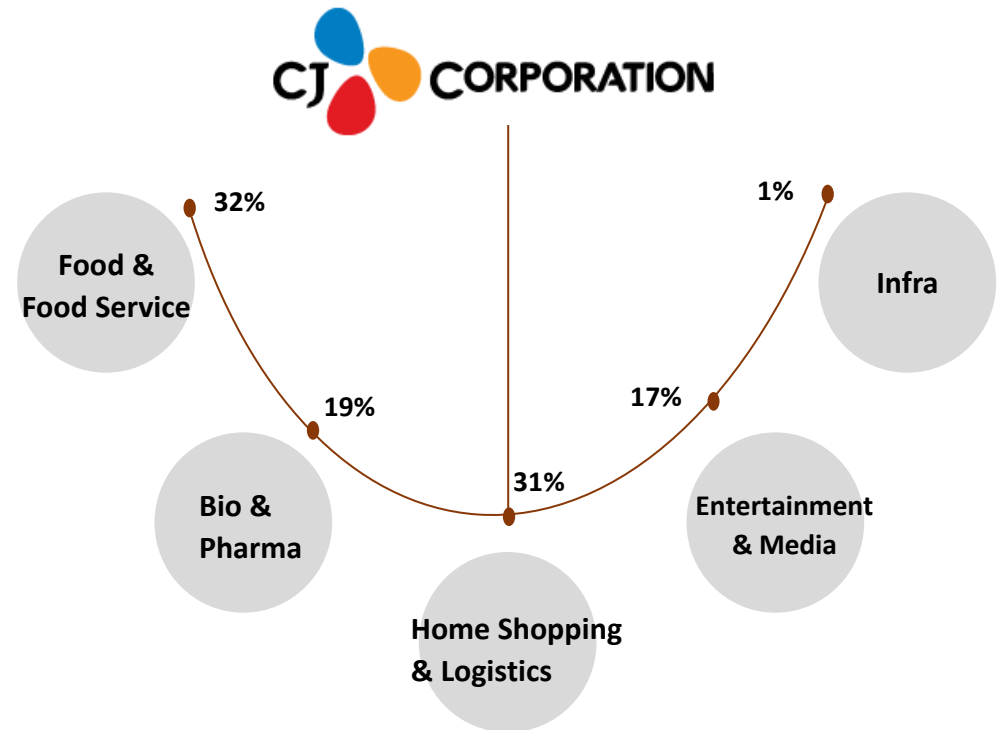
## 4 Core Business Areas

### 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



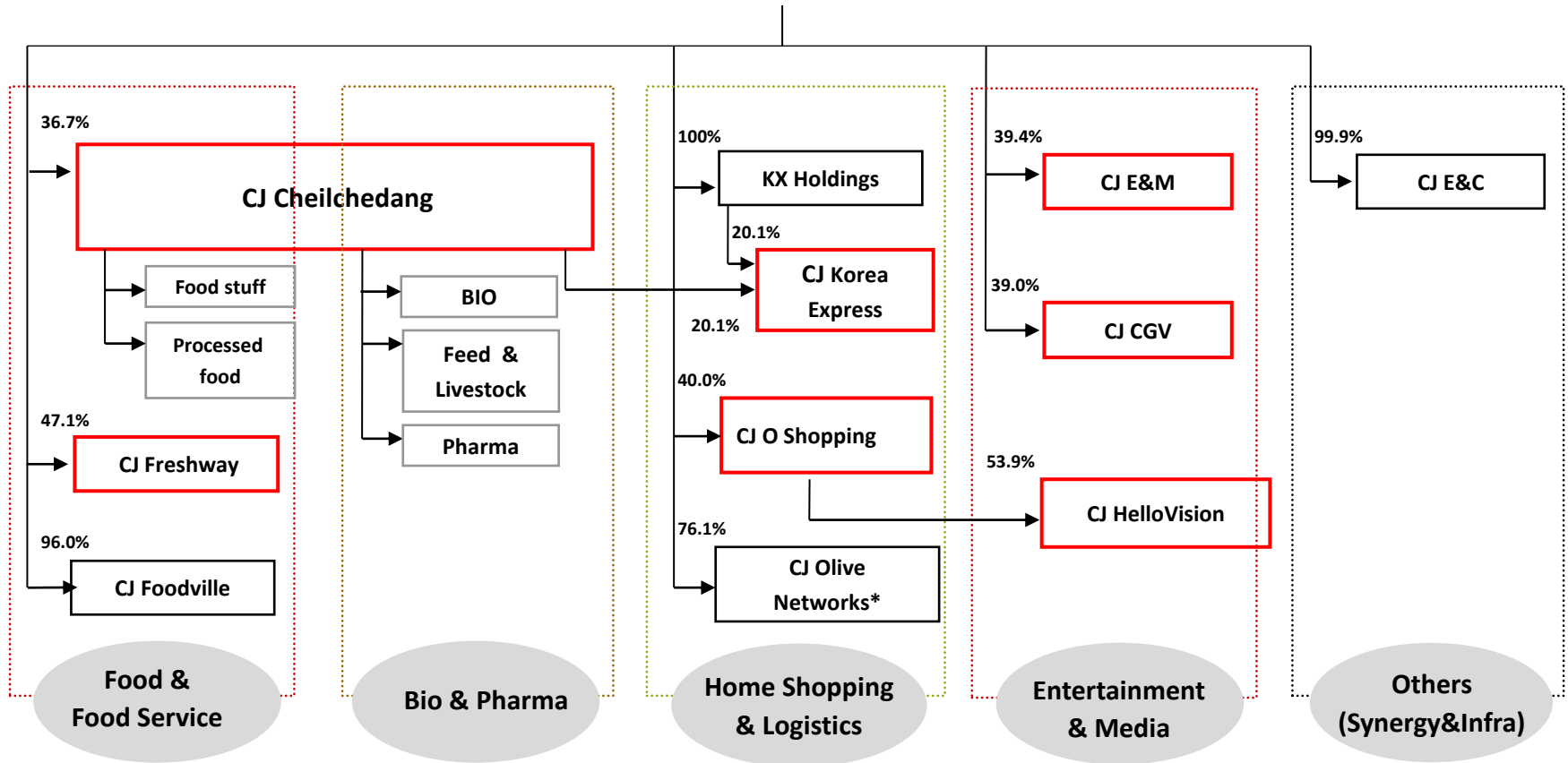
\*2015 K-IFRS Consolidated, Revenue Breakdown

# COMPANY OVERVIEW



[As of June 30, 2016]

Listed

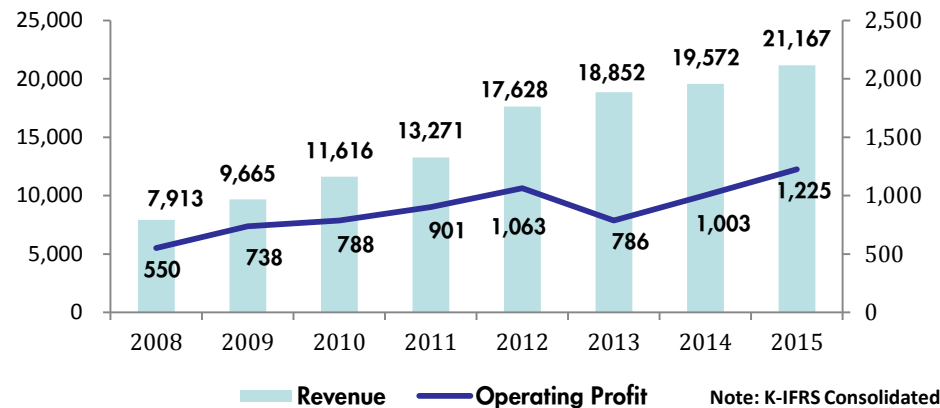


\*Note: Common stock basis, CJ OliveYoung and CJ Systems were merged under the name of CJ OliveNetworks.

# COMPANY OVERVIEW

## Financial Summary

[Unit: W Bn]

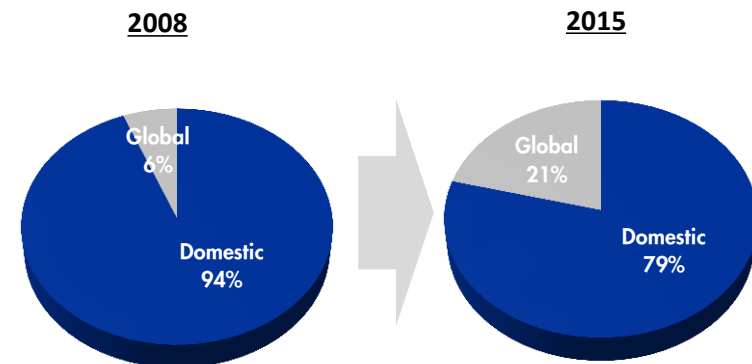


- Since the transition to a holdings company in Sept 2007, CJ Corp has achieved Sales CAGR of 15.1% and operating profit CAGR of 12.1% through adopting “choose and focus” strategy on 4 core business areas
- As of end of 2015, total assets have amounted to KRW 23.6 trillion, up 142% in the last 7 years and the company has recorded a total revenue of KRW 21.2 trillion, a 167% increase in the same period

### CJ's Globalization

- Expand global presence of businesses which are already indisputably a domestic leader under the operations of CJ, CJ Korea Express, CJ CGV and more
- Continue to increase global sales proportion which has seen a remarkable growth from 6% in 2008 up to 21% in 2015
- Increase market share already at unwavering global No. 1 of major Bio products, namely lysine and nucleotides

### 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 & Pharma : Secure global No. 1 position in green bio with outstanding R&D while fortifying presence as one of the leading pharmaceutical companies in the country**
- Home Shopping & Logistics : Provide the largest total logistics services and operate the country's top selling home shopping channel**
- 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	2014	2015	P/L	2014	2015
Asset	23,039	23,562	Revenue	19,572	21,167
Liability	13,969	13,699	Operating Profit	1,003	1,225
Equity	9,070	9,863	Net Income	509	551
Liability to Equity Ratio	154%	139%	OP Margin	5.1%	5.8%

Note: K-IFRS Consolidated

As of End of 2015	Type	No. of Shares	Stake	Note
Shares	Common	29,133,748		
Outstanding	Preferred	2,260,223		
Treasury	Common	2,971,567	10%	
Shares	Preferred	1,119		
Major Shareholder	Common	12,275,574	42%	



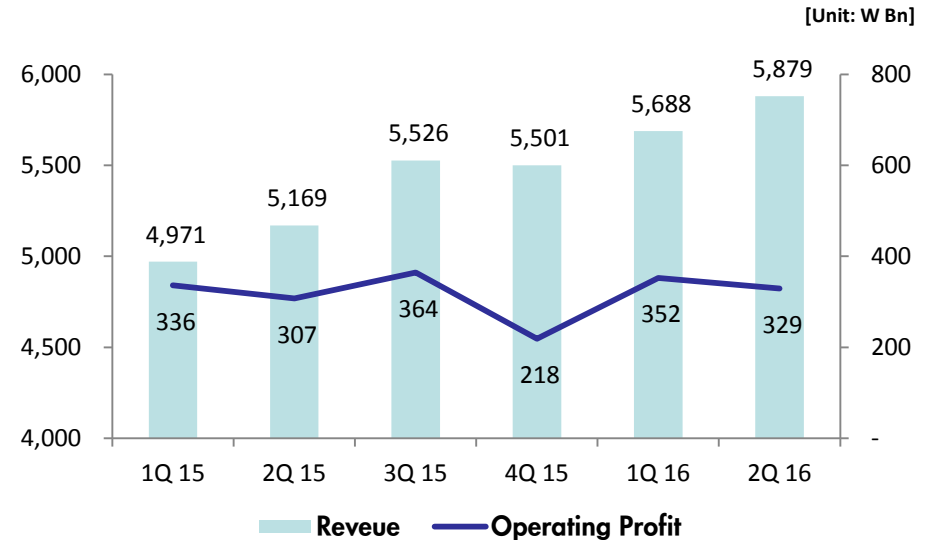
# 2Q16 Earnings Review



## Financial Highlights

[Unit: W Bn]

	1Q 15	2Q 15	3Q 15	4Q 15	1Q 16	2Q 16
<b>Revenue</b>	4,971	5,169	5,526	5,501	5,688	5,879
<b>Operating Profit</b>	336	307	364	218	352	329
(%)	6.8%	5.9%	6.6%	4.0%	6.2%	5.6%



**Sales KRW 5,878.8bn (YoY +13.7%), OP KRW 328.8bn (YoY +7.1%)**

- : Growth led by 1) continued growth momentum at CJ's Processed Food and Feed & Livestock division ; 2) M/S gains in the Parcel Delivery at CJ Korea Express ; and 3) enhanced content producing capability at CJ E&M
- : OP increased thanks to continued solid growth of CJ's processed Food division and CJ Korea Express's Parcel Delivery division

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

- : Driving future growth through globalization - enhancing content producing capability at CJ E&M, expanding within the China market by CGV, continuous endeavors in diversifying product portfolio within the Bio business
- : Inter-sub synergies – business portfolio includes F&B, entertainment, and logistics, all of which are synergistic to one another, promoting further growth

## 2Q 16 Operating Results by business

### Revenue

[Unit: W Bn]

	1H 15	1H 16	YoY
Food & Food Service	3,303	3,690	11.7%
Bio & Pharma	1,863	2,119	13.8%
Home Shopping & Logistics	3,199	3,740	16.9%
Entertainment & Media	1,652	1,788	8.2%
Others	123	229	85.4%
<b>Total</b>	<b>10,140</b>	<b>11,566</b>	<b>14.1%</b>

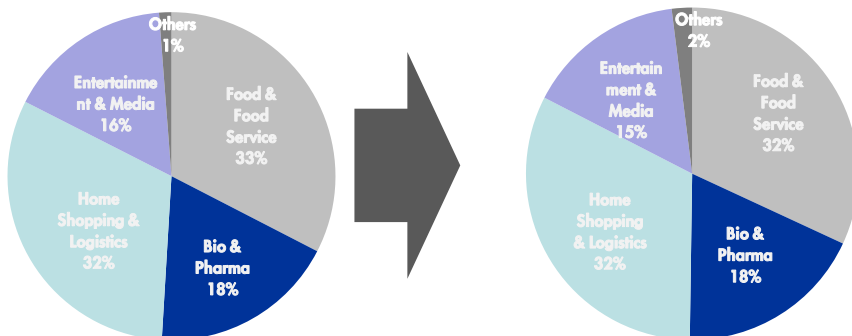
### Operating Profit

[Unit: W Bn]

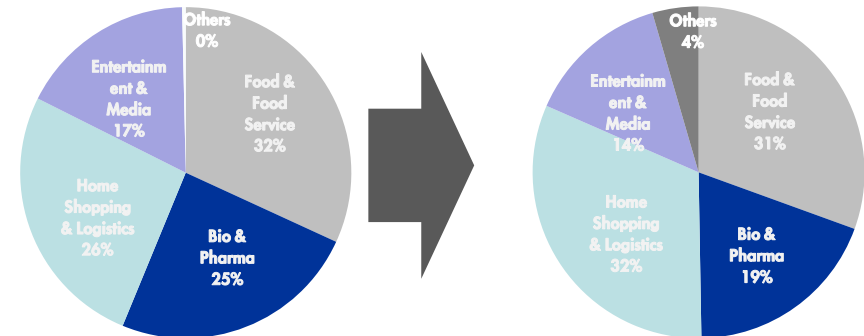
	1H 15	1H 16	YoY
Food & Food Service	206	208	0.8%
Bio & Pharma	158	131	-17.2%
Home Shopping & Logistics	170	217	27.9%
Entertainment & Media	112	95	-15.0%
Others	-2	31	-1430.4%
<b>Total</b>	<b>643</b>	<b>681</b>	<b>5.9%</b>

## Stability of the Business Portfolio

### Revenue

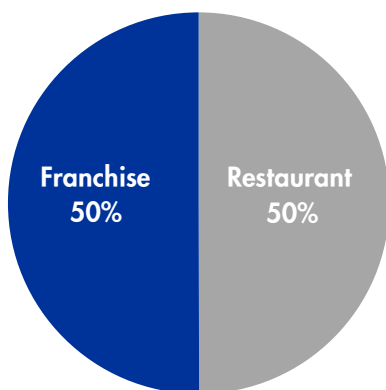


### Operating Profit



# Unlisted Subsidiary 1 - CJ Foodville

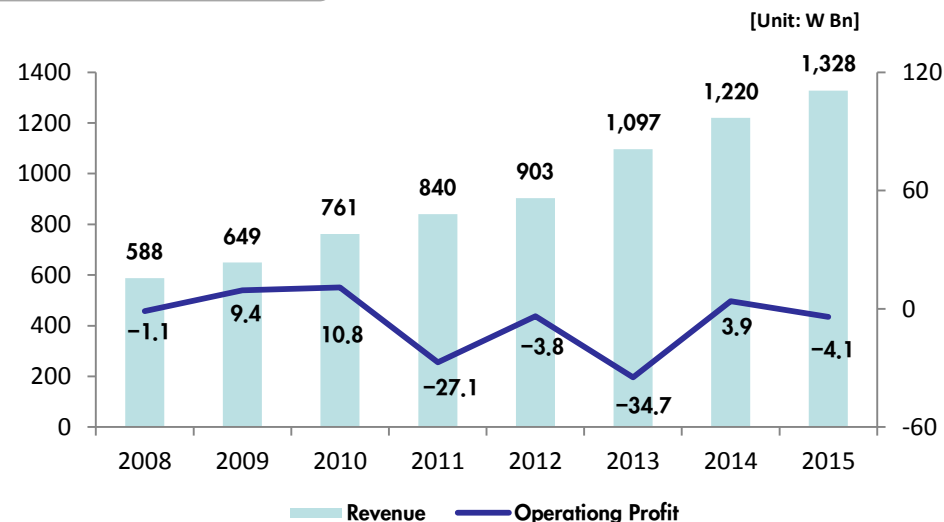
## Business Overview



1H 2016, Sales Portion

- As of end of June 2016, actively pursue global expansion while currently operating 2,259 sites in domestics and 285 sites in overseas including the US, China, the UK and Japan from 15 restaurant and franchise brands
- Promote further growth by constantly creating new brands including the newest "Season's Table"

## Financial Highlights



[Unit: W Bn, %]

B/S	2014	2015	P/L	2014	2015
Asset	490.0	552.2	Revenue	1,219.5	1,328.0
Liability	504.5	542.8	Operating Profit	3.9	-4.1
Equity	-14.6	9.4	Net Income	-15.7	-21.8
Liability to Equity Ratio	-	5,774%	OP Margin	0.3%	-0.3%

Note: 2010-2015 in K-IFRS/Consolidated basis, 2008-2009 in K-GAAP/Consolidated basis

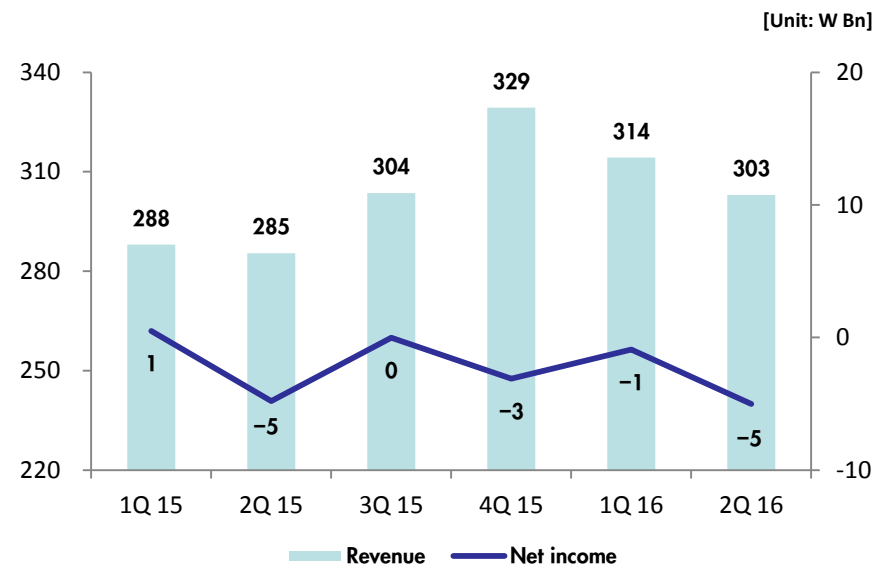
## Unlisted Subsidiary 1 - CJ Foodville

### Financial Highlights 2

[Unit: W Bn]

	1Q 15	2Q 15	3Q 15	4Q 15	1Q 16	2Q 16
Revenue	288	285	304	329	314	303
Net Income	1	-5	0	-3	-1	-5
Site(Domestic)	2,067	2,125	2,159	2,170	2,213	2,259
Direct control	253	266	277	275	284	281
Franchise	1,814	1,859	1,882	1,895	1,929	1,978
Overseas site	221	225	241	265	269	285

\* K-IFRS Separate

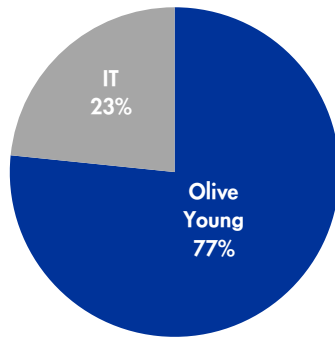


#### ● Sales KRW 303.0bn (YoY +6.2%), NI KRW -5.0bn

- : The number of **Twosome Place** stores increased(from 658 at the end of June 2015 to 737), while the number of **'Seasons' Table'** new stores also jumped(from 18 to 40), which helped deliver a solid top-line growth
- : Net income retreated due to higher fixed cost burden caused by new store launches and one-off cost
- : Secured a growth driver from continued growth momentum of key brands and a series of launches of new brand

# Unlisted Subsidiary 2 - CJ Olive Networks

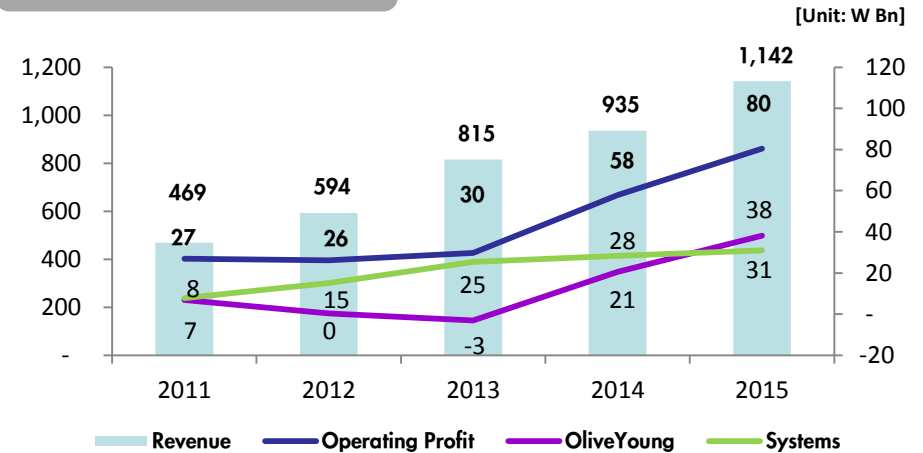
## Business Overview



1H 2016, Sales Portion

- As of December 2014, Korea's leading health & beauty (H&B) store brand, CJ Olive Young, and the IT service provider CJ Systems were merged under the name CJ OliveNetworks
- CJ OliveNetworks' Olive Young BU is an undisputed leader in Korea's H&B Store industry with its domestic store chain numbered 639 stores, as of end of June 2016.

## Financial Highlights 1



\* 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	2014	2015	P/L	2014*	2015
Asset	573.0	660.3	Revenue	421.3	1,142.2
Liability	379.4	406.8	Operating Profit	41.4	80.4
Equity	193.6	253.5	Net Income	26.6	59.1
Liability to Equity Ratio	196%	160%	OP Margin	9.8%	7.0%

\* Note: K-IFRS Consolidated basis  
 • Including 1 month operating result of OliveYoung BU due to the consolidation from Dec. 2014

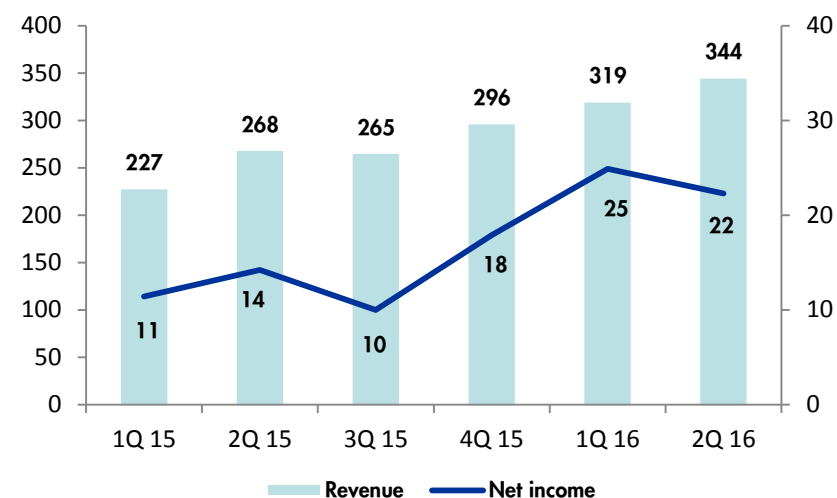
## Unlisted Subsidiary 2 - CJ Olive Networks

### Financial Highlights 2

[Unit: W Bn]

	1Q 15	2Q 15	3Q 15	4Q 15	1Q 16	2Q 16
Revenue	227	268	265	296	319	344
OY	168	193	194	203	248	260
IT	60	75	71	93	71	84
Net Income	11	14	10	18	25	22
Store(Domestic)	441	473	506	552	591	639
Direct control	291	320	354	398	434	484
Franchise	150	153	152	154	157	155

[Unit: W Bn]



#### ● 2Q16 Sales KRW 344.2bn (YoY +28.5%), NI KRW 22.3bn (YoY +57.0%)

: 639 stores (484 direct management stores, 155 franchised stores), up +166 stores from the end of June, 2015

: Delivered both top-line and earnings growth, thanks to 1) new store launches; 2) improved efficiency per store; and 3) economies of scale

: H&B market share: 61.7% (number of store basis)

# Appendix





## Financial statement

### Consolidated Statements

[Unit: W Bn]

	4Q 15	2Q 16	YOY
<b>I. Current Assets</b>	<b>6,944</b>	<b>7,547</b>	<b>603</b>
1. Cash and Cash Equivalents	1,195	1,580	385
2. Short-term Financial Instruments	615	418	-197
3. Trade Receivables	2,656	2,901	246
4. Inventories	1,495	1,570	75
5. Other Current Assets	982	1,077	95
<b>II. Non-Current Assets Held for Sale</b>	<b>7</b>	<b>7</b>	<b>0</b>
<b>III. Non-Current Assets</b>	<b>16,612</b>	<b>18,437</b>	<b>1,825</b>
<b>Total Asset</b>	<b>23,562</b>	<b>25,990</b>	<b>2,428</b>
<b>I. Current Liabilities</b>	<b>7,685</b>	<b>8,341</b>	<b>657</b>
<b>II. Non-Current Liabilities Held for Sale</b>	<b>6,014</b>	<b>6,805</b>	<b>791</b>
<b>III. Non-Current Liabilities</b>	<b>13,699</b>	<b>15,147</b>	<b>1,448</b>
<b>Total Liabilities</b>	<b>3,601</b>	<b>3,679</b>	<b>78</b>
<b>I. Equity Attributable to Owners of the Company</b>	<b>158</b>	<b>158</b>	<b>0</b>
1. Capital Stock	989	991	2
2. Paid-in Capital in Excess of Par Value	-70	-99	-29
3. Other Components of Equity	2,525	2,630	105
4. Retained Earnings	6,262	7,164	902
<b>II. Non-Controlling Interest</b>	<b>9,864</b>	<b>10,843</b>	<b>980</b>
<b>Total Equity</b>	<b>6,944</b>	<b>7,547</b>	<b>603</b>
<b>Debt Ratio</b>	<b>139%</b>	<b>140%</b>	<b>1%pt.</b>

[Unit: W Bn]

	2Q 15		2Q 16		YOY	
	2Q	1H	2Q	1H	2Q	1H
<b>I. Revenue</b>	<b>5,169</b>	<b>10,140</b>	<b>5,879</b>	<b>11,566</b>	<b>13.7%</b>	<b>14.1%</b>
<b>II. COGS</b>	<b>3,517</b>	<b>6,880</b>	<b>4,046</b>	<b>7,928</b>	<b>15.1%</b>	<b>15.2%</b>
<b>III. Gross Profit</b>	<b>1,652</b>	<b>3,259</b>	<b>1,833</b>	<b>3,638</b>	<b>10.9%</b>	<b>11.6%</b>
<b>IV. Operating Profit</b>	<b>307</b>	<b>643</b>	<b>329</b>	<b>681</b>	<b>7.1%</b>	<b>5.9%</b>
<b>V. Profit before Income Tax</b>	<b>189</b>	<b>507</b>	<b>267</b>	<b>554</b>	<b>41.7%</b>	<b>9.2%</b>
<b>VI. Tax Expenses</b>	<b>60</b>	<b>123</b>	<b>80</b>	<b>151</b>	<b>32.7%</b>	<b>22.4%</b>
<b>VII. Net Profit</b>	<b>128</b>	<b>348</b>	<b>187</b>	<b>403</b>	<b>46.0%</b>	<b>15.8%</b>
1. Profit Attributable to Owners of the Company	42	139	67	143	58.4%	2.9%
2. Profit Attributable to Non-Controlling Interests	86	245	120	260	39.8%	6.1%

## Financial statement

### Separate Statements

[Unit: W Bn]

	4Q 15	2Q 16	YoY
I. Current Assets	156	159	3
1. Cash and Cash Equivalents	43	52	9
2. Short-term Financial Instruments	98	98	0
3. Other Current Assets	15	9	-6
II. Non-Current Assets	2,796	2,794	-2
<b>Total Asset</b>	<b>2,952</b>	<b>2,953</b>	<b>1</b>
I. Current Liabilities	171	163	-8
II. Non-Current Liabilities	110	111	1
<b>Total Liabilities</b>	<b>282</b>	<b>274</b>	<b>-8</b>
I. Capital Stock	158	158	0
II. Paid-in Capital in Excess of Par Value	989	991	2
III. Other Components of Equity	-162	-162	0
IV. Retained Earnings	1,686	1,692	6
<b>Total Equity</b>	<b>2,670</b>	<b>2,679</b>	<b>9</b>
<b>Debt Ratio</b>	<b>11%</b>	<b>10%</b>	<b>-1%pt.</b>

[Unit: W Bn]

	2Q 15		2Q 16		YOY	
	2Q	1H	2Q	1H	2Q	1H
<b>I. Operating Revenue</b>	<b>20</b>	<b>60</b>	<b>22</b>	<b>76</b>	<b>7.7%</b>	<b>26.4%</b>
Royalty Income and Others	18	36	20	39	9.1%	8.1%
Rental Income	2	4	2	4	-4.5%	-4.5%
Dividend Income and Others	0	20	0	33	-	66.3%
<b>II. Operating Expenses</b>	<b>11</b>	<b>21</b>	<b>11</b>	<b>23</b>	<b>3.4%</b>	<b>7.5%</b>
<b>III. Operating Profit</b>	<b>10</b>	<b>39</b>	<b>11</b>	<b>53</b>	<b>12.2%</b>	<b>36.8%</b>
<b>IV. Profit before Income Tax Benefit(Expense)</b>	<b>8</b>	<b>36</b>	<b>10</b>	<b>50</b>	<b>13.3%</b>	<b>38.7%</b>
<b>V. Income Tax Benefit(Expense)</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>5</b>	<b>20.0%</b>	<b>232.4%</b>
<b>VI. Net Profit</b>	<b>7</b>	<b>35</b>	<b>8</b>	<b>45</b>	<b>11.7%</b>	<b>29.6%</b>

**Thank you**  CJ CORPORATION