

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

**CJ CORPORATION**

# **INVESTOR RELATIONS**

May, 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

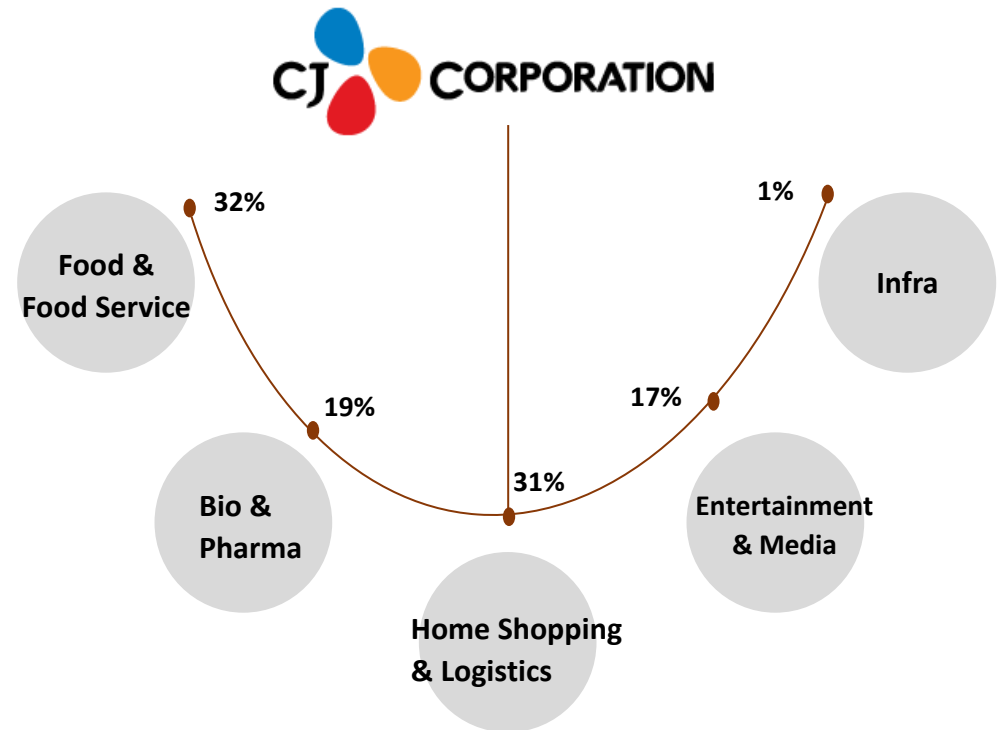
## 4 Core Business Areas

### 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



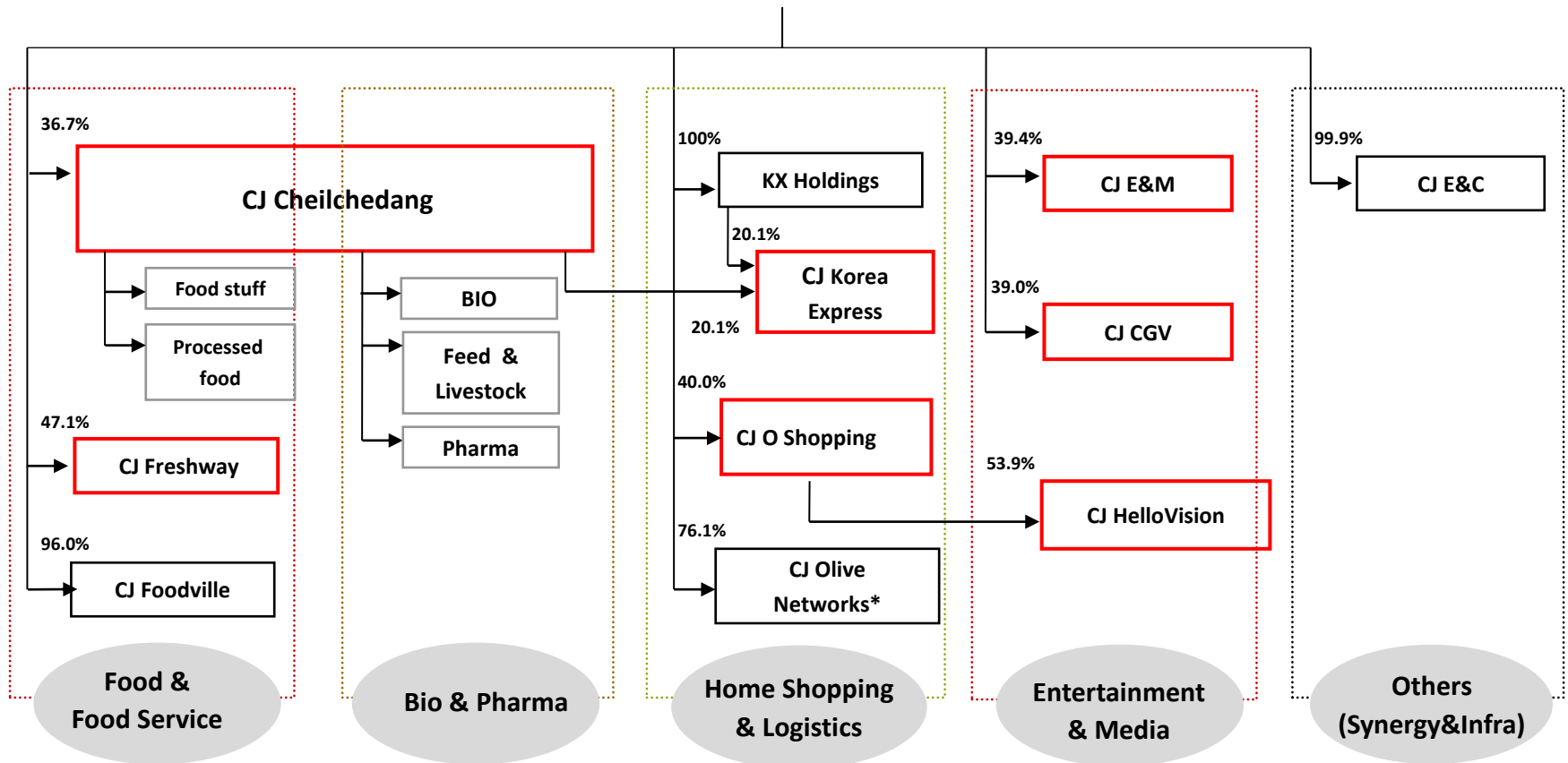
\*2015 K-IFRS Consolidated, Revenue Breakdown

# COMPANY OVERVIEW



[As of Mar. 31, 2016]

Listed

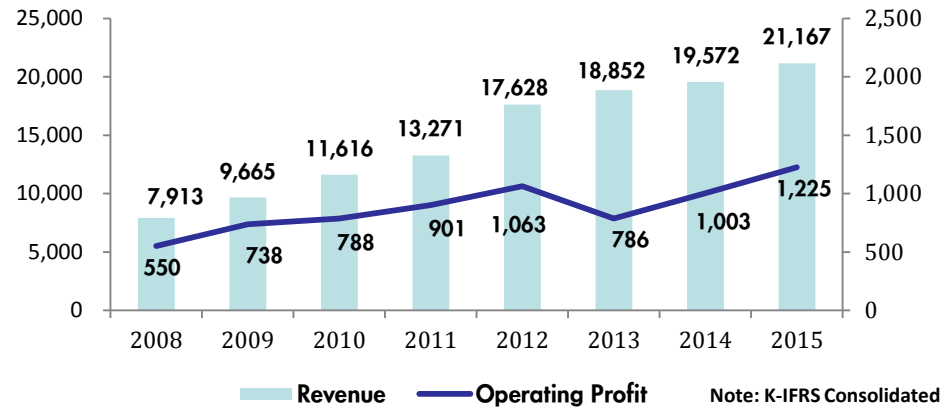


\*Note: Common stock basis, CJ OliveYoung and CJ Systems were merged under the name of CJ OliveNetworks.

# COMPANY OVERVIEW

## Financial Summary

[Unit: W Bn]

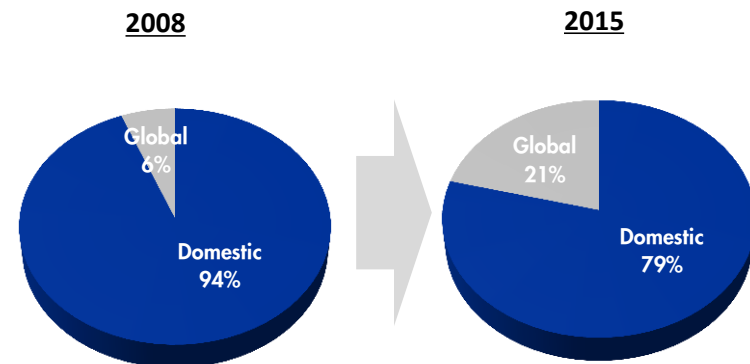


- Since the transition to a holdings company in Sept 2007, CJ Corp has achieved Sales CAGR of 15.1% and operating profit CAGR of 12.1% through adopting “choose and focus” strategy on 4 core business areas
- As of end of 2015, total assets have amounted to KRW 23.6 trillion, up 142% in the last 7 years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



# 1Q16 Earnings Review

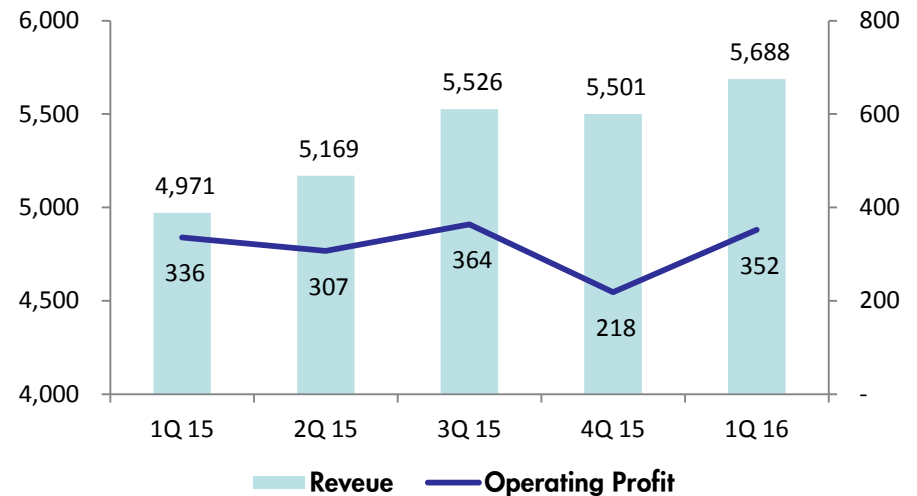


## Financial Highlights

[Unit: W Bn]

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

[Unit: W Bn]



**Sales KRW 5,687.5bn (YoY +14.4%), OP KRW 352.3bn (YoY +4.9%)**

- : Growth led by 1) continued growth momentum at CJ CJ's Processed Food division; 2) a sharp increase in sales of methionine at CJ CJ's Bio division; and 3) M/S gains in the Parcel Delivery at CJ Korea Express
- : despite weak sales price at CJ CJ' Bio division, OP increased thanks to 1) continued solid growth of CJ CJ's processed Food div. and CJ Korea Express's Parcel Delivery div; and 2) a turn around at China subsidiaries of CJ CGV

**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

## 1Q 16 Operating Results by business

### Revenue

	[Unit: W Bn]		
	1Q 15	1Q 16	YoY
Food & Food Service	1,632	1,840	12.7%
Bio & Pharma	939	1,026	9.3%
Home Shopping & Logistics	1,549	1,828	18.0%
Entertainment & Media	801	868	8.4%
Others	49	125	157.7%
<b>Total</b>	<b>4,971</b>	<b>5,688</b>	<b>14.4%</b>

### Operating Profit

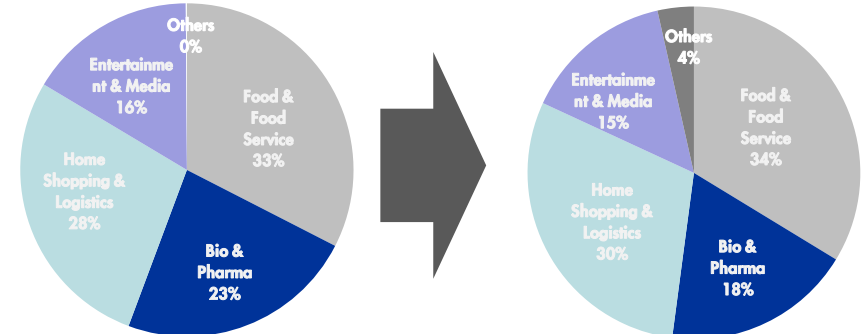
	[Unit: W Bn]		
	1Q 15	1Q 16	YoY
Food & Food Service	109	119	8.7%
Bio & Pharma	78	65	-16.7%
Home Shopping & Logistics	94	105	12.1%
Entertainment & Media	55	51	-6.3%
Others	0	12	3417.8%
<b>Total</b>	<b>336</b>	<b>352</b>	<b>4.9%</b>

## Stability of the Business Portfolio

### Revenue

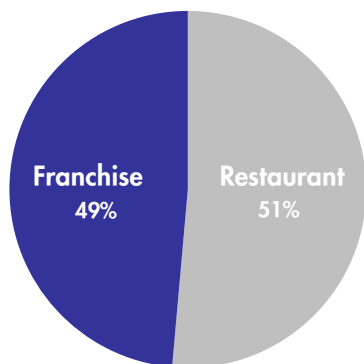


### Operating Profit



# Unlisted Subsidiary 1 - CJ Foodville

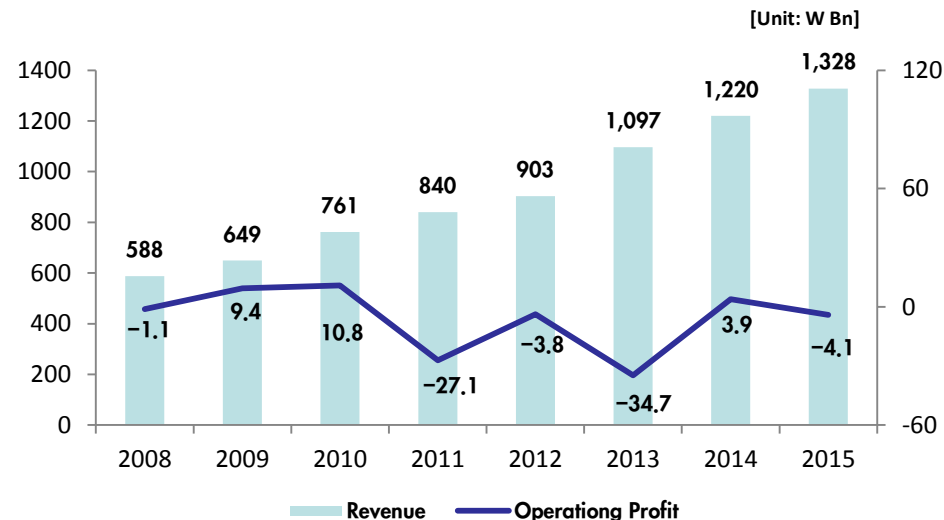
## Business Overview



As of End of March 2016

- Actively pursue global expansion while currently operating 2,213 sites in domestics and 269 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%

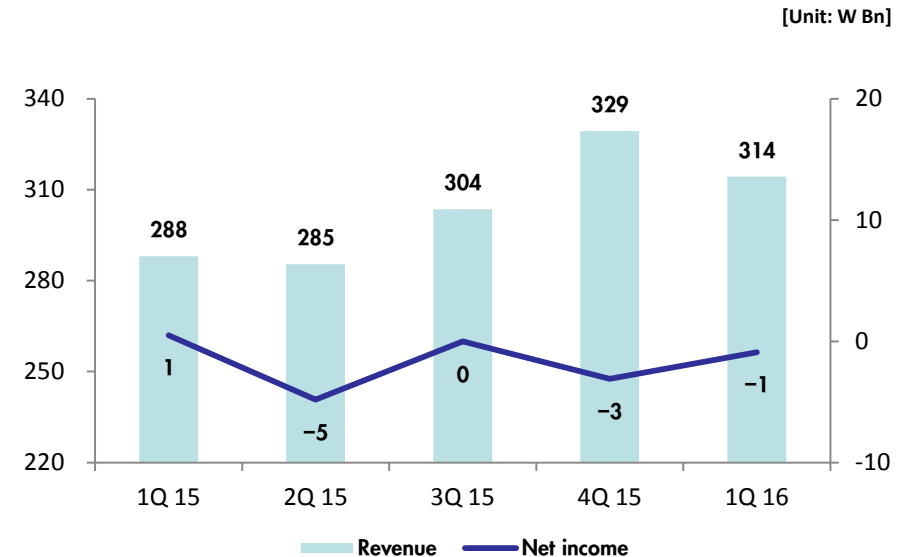
Note: 2010-2015 in K-IFRS/Consolidated basis, 2008-2009 in K-GAAP/Consolidated basis

## Unlisted Subsidiary 1 - CJ Foodville

### Financial Highlights 2

	[Unit: W Bn]				
	1Q 15	2Q 15	3Q 15	4Q 15	1Q 16
Revenue	288	285	304	329	314
Net Income	1	-5	0	-3	-1
Site(Domestic)	2,067	2,125	2,159	2,170	2,213
Direct control	253	266	277	275	281
Franchise	1,814	1,859	1,882	1,895	1,932
Overseas site	221	225	241	265	269

\* K-IFRS Separate

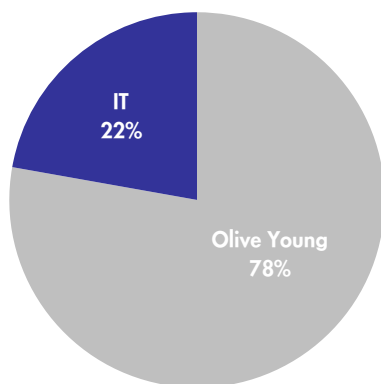


### ● Sales KRW 314.3bn (YoY +9.1%), NI KRW -0.9bn

- : The number of **Twosome Place** stores increased(from 618 at the end of March 2015 to 705), while the number of **'Seasons' Table'** new stores also jumped(from 9 to 37), which helped deliver a solid top-line growth
- : Net income retreated due to higher fixed cost burden caused by new store launches
- : 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

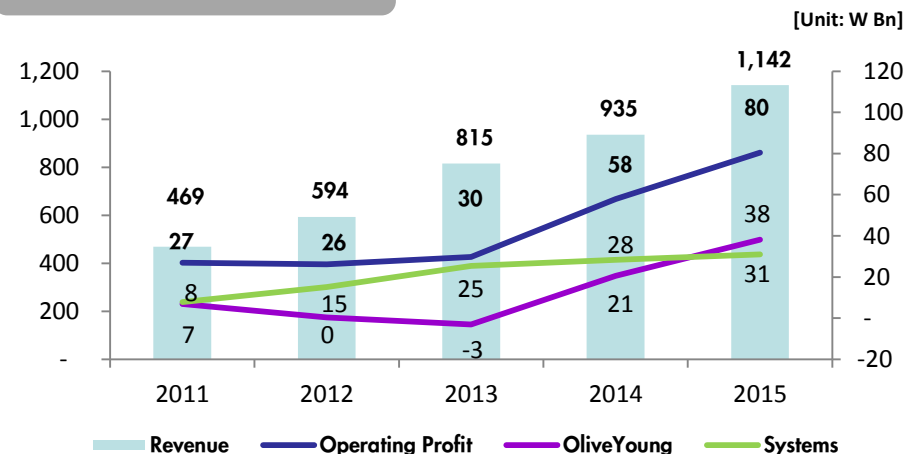
### Business Overview



As of End of March 2016

- 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 591 stores

### 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

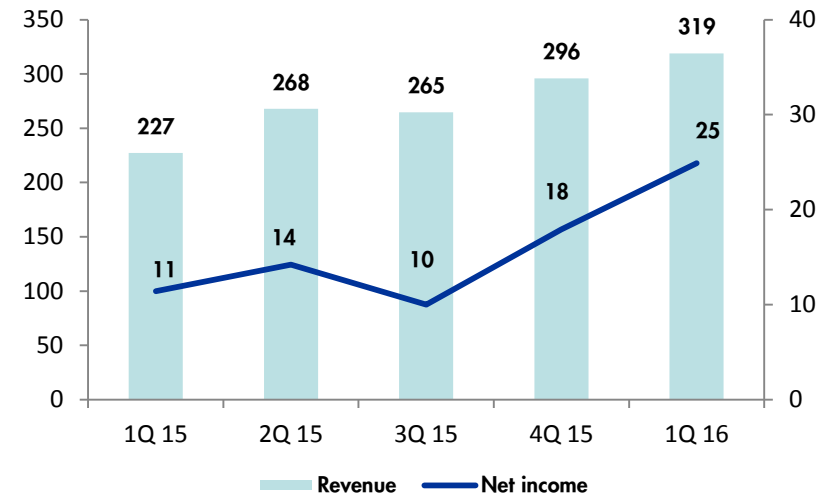
## Unlisted Subsidiary 2 - CJ Olive Networks

### Financial Highlights 2

[Unit: W Bn]

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

[Unit: W Bn]



● **1Q16 Sales KRW 318.9 bn (YoY +40.4%), NI KRW 24.9 bn (YoY +118.4%)**

: 591 stores (434 direct management stores, 157 franchised stores), up +150 stores from the end of Mar, 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: 60.4% (number of store basis)

# Appendix





## Financial statement

### Consolidated Statements

[Unit: W Bn]

	4Q 15	1Q 16	YOY
<b>I. Current Assets</b>	<b>6,944</b>	<b>7,429</b>	<b>486</b>
1. Cash and Cash Equivalents	1,195	1,753	557
2. Short-term Financial Instruments	615	415	-200
3. Trade Receivables	2,656	2,782	127
4. Inventories	1,495	1,459	-36
5. Other Current Assets	982	1,020	38
<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>17,221</b>	<b>609</b>
<b>Total Asset</b>	<b>23,562</b>	<b>24,656</b>	<b>1,094</b>
<b>I. Current Liabilities</b>	<b>7,685</b>	<b>7,949</b>	<b>265</b>
<b>II. Non-Current Liabilities Held for Sale</b>	<b>6,014</b>	<b>6,446</b>	<b>431</b>
<b>III. Non-Current Liabilities</b>	<b>13,699</b>	<b>14,395</b>	<b>696</b>
<b>Total Liabilities</b>	<b>3,601</b>	<b>3,632</b>	<b>31</b>
<b>I. Equity Attributable to Owners of the Company</b>	<b>158</b>	<b>158</b>	<b>0</b>
1. Capital Stock	989	990	1
2. Paid-in Capital in Excess of Par Value	-70	-80	-9
3. Other Components of Equity	2,525	2,564	39
4. Retained Earnings	6,262	6,630	367
<b>II. Non-Controlling Interest</b>	<b>9,864</b>	<b>10,262</b>	<b>398</b>
<b>Total Equity</b>	<b>6,944</b>	<b>7,429</b>	<b>486</b>
<b>Debt Ratio</b>	<b>139%</b>	<b>140%</b>	<b>1%pt.</b>

[Unit: W Bn]

	1Q 15	1Q 16	YOY
<b>I. Revenue</b>	4,971	5,688	14.4%
<b>II. COGS</b>	-3,364	-3,882	15.4%
<b>III. Gross Profit</b>	1,607	1,806	12.4%
<b>IV. Operating Profit</b>	336	352	4.9%
<b>V. Profit before Income Tax</b>	319	287	-10.0%
<b>VI. Tax Expenses</b>	-63	-71	12.5%
<b>VII. Net Profit</b>	256	216	-15.6%
1. Profit Attributable to Owners of the Company	97	76	-21.3%
2. Profit Attributable to Non-Controlling Interests	159	140	-12.1%

## Financial statement

### Separate Statements

[Unit: W Bn]

	4Q 15	1Q 16	YoY
I. Current Assets	156	185	29
1. Cash and Cash Equivalents	43	53	10
2. Short-term Financial Instruments	98	98	0
3. Other Current Assets	15	35	20
II. Non-Current Assets	2,796	2,794	-2
<b>Total Asset</b>	<b>2,952</b>	<b>2,979</b>	<b>27</b>
I. Current Liabilities	171	199	28
II. Non-Current Liabilities	110	111	0
<b>Total Liabilities</b>	<b>282</b>	<b>309</b>	<b>28</b>
I. Capital Stock	158	158	0
II. Paid-in Capital in Excess of Par Value	989	990	1
III. Other Components of Equity	-162	-163	0
IV. Retained Earnings	1,686	1,685	-1
<b>Total Equity</b>	<b>2,670</b>	<b>2,670</b>	<b>0</b>
<b>Debt Ratio</b>	<b>11%</b>	<b>12%</b>	<b>1%pt.</b>

[Unit: W Bn]

	1Q 15	1Q 16	YOY
<b>I. Operating Revenue</b>	40	54	35.8%
Royalty Income and Others	18	19	7.3%
Rental Income	2	2	-4.8%
Dividend Income and Others	20	33	66.3%
<b>II. Operating Expenses</b>	-11	-12	-12.0%
<b>III. Operating Profit</b>	29	42	45.5%
<b>IV. Profit before Income Tax Benefit(Expense)</b>	28	41	46.2%
<b>V. Income Tax Benefit(Expense)</b>	0	-4	-3400.0%
<b>VI. Net Profit</b>	28	37	34.2%

**Thank you**  CJ CORPORATION