



INVESTOR RELATIONS

AUG 2018

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

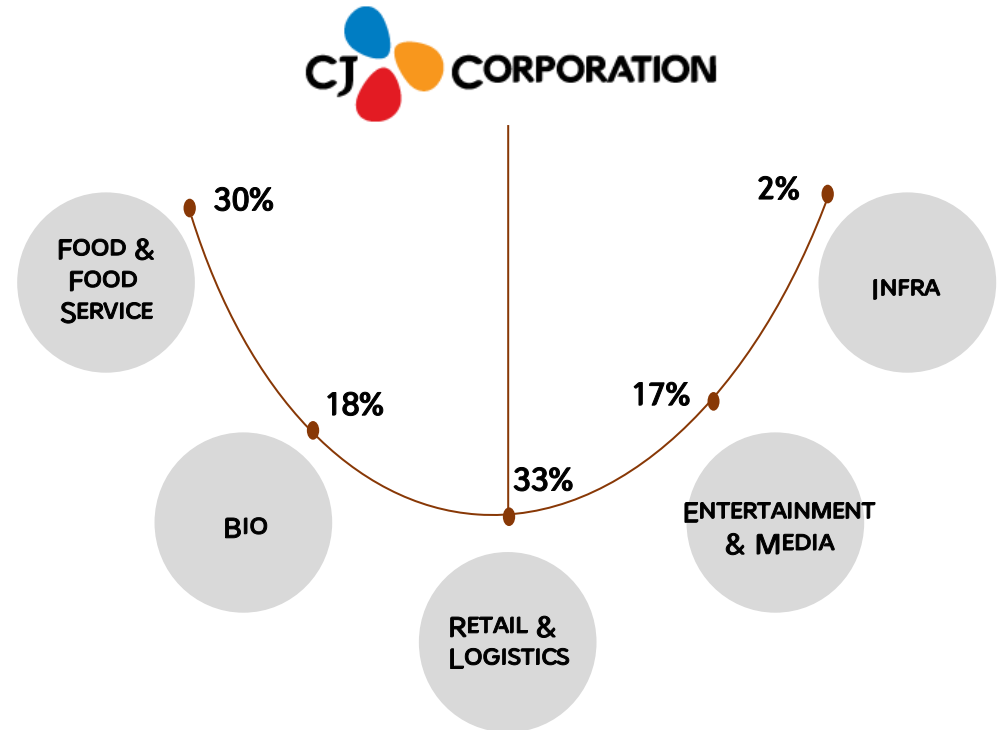
VISION

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



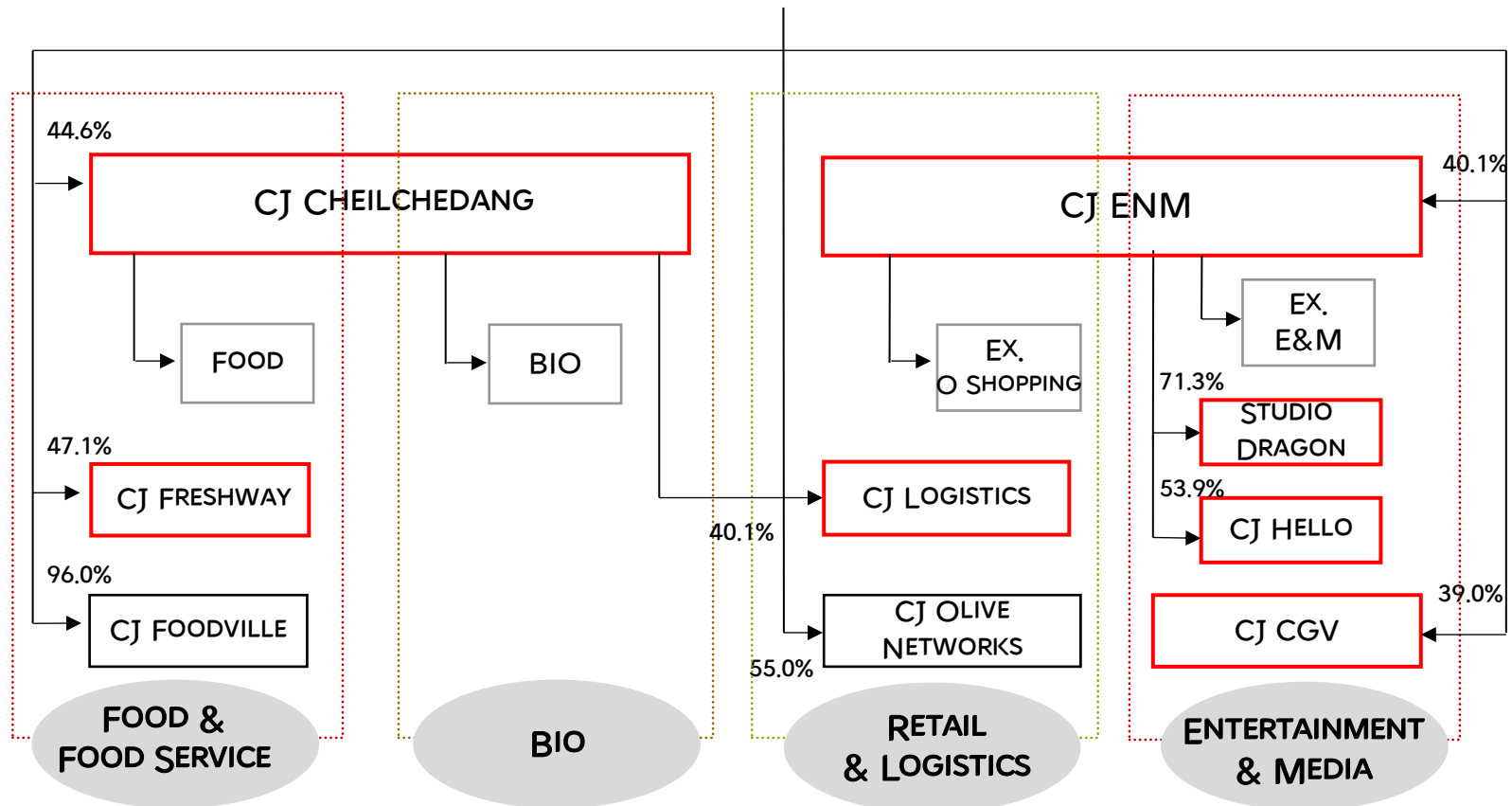
* 2017 K-IFRS Consolidated, Revenue Breakdown

COMPANY OVERVIEW



[AS OF JUL 2ND, 2018]

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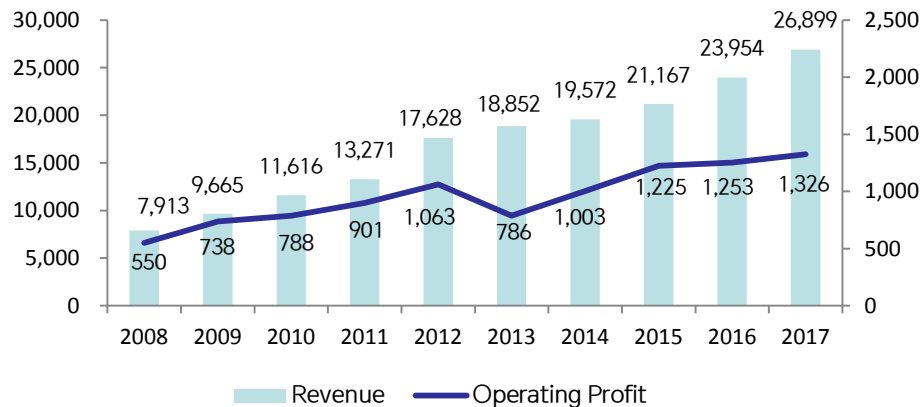


*Note: Common Stock Basis

COMPANY OVERVIEW

FINANCIAL SUMMARY

[Unit: W Bn]



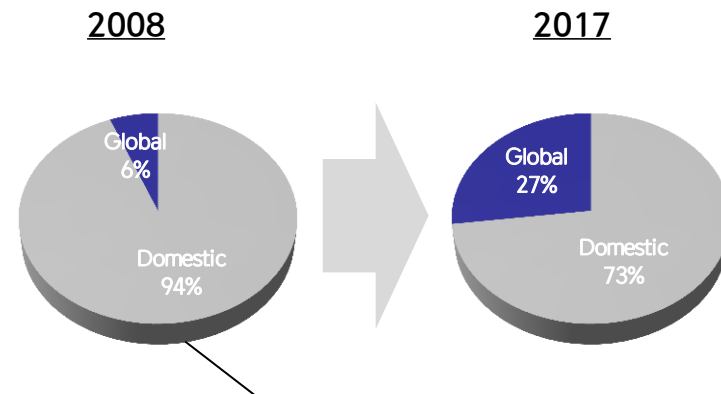
NOTE: K-IFRS CONSOLIDATED

- 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 2017, Company's total assets and revenue recorded KRW 29.3 trillion and KRW 26.9 trillion , which is 201% and 239% increase within past 9 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 27% in 2017
- 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	2016	2017	P/L	2016	2017
Asset	27,010	29,325	Revenue	23,954	26,899
Liability	15,755	17,333	Operating Profit	1,252	1,326
Equity	11,254	11,992	Net Income	570	1,137
Liability to Equity Ratio	140%	145%	OP Margin	5.2%	4.9%

Note: K-IFRS Consolidated

As of End of 2017	Type	No. of Shares	Stake	Note
Shares	Common	29,176,998		
Outstanding	Preferred	2,260,223		
Treasury	Common	2,971,572	10%	
Shares	Preferred	1,120		
Major Shareholder	Common	12,275,574	42%	

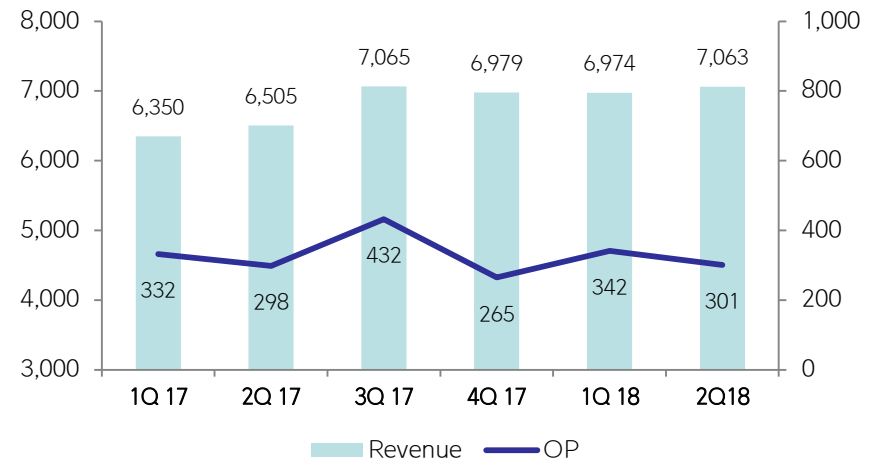
2Q18 EARNINGS REVIEW

FINANCIAL HIGHLIGHTS

[UNIT : W BN]

	1Q 17	2Q 17	3Q 17	4Q 17	1Q 18	2Q18
Revenue	6,350	6,505	7,065	6,979	6,974	7,063
Operating Profit	332	298	432	265	342	301
(%)	5.2%	4.6%	6.1%	3.8%	4.9%	4.3%

[UNIT : W BN]



- **Revenue KRW 7,062.5bn (YoY +8.6%), OP KRW 301.3bn (YoY +1.2%)**

- : Growth led by continued growth momentum at CJ CJ's Food/Bio, CJ Logistics' Global/Parcel and CJ ENM's Media/Music business
 - : OP increased with improved profitability at CJ CJ's Bio and CJ ENM's Media/Music business

- **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 growth ※ As of July 1st, CJ O Shopping and CJ E&M merged to CJ ENM

2Q 18 OPERATING RESULTS BY BUSINESS

Revenue (accumulated)

[UNIT : W BN]

	2Q 17	2Q 18	YoY
Food & Food Service	1,961	2,084	6.3%
Bio	1,136	1,112	-2.1%
Retail & Logistics	2,060	2,453	19.1%
Entertainment & Media	1,079	1,155	7.1%
Others	269	259	-3.6%
Total	6,505	7,063	8.6%

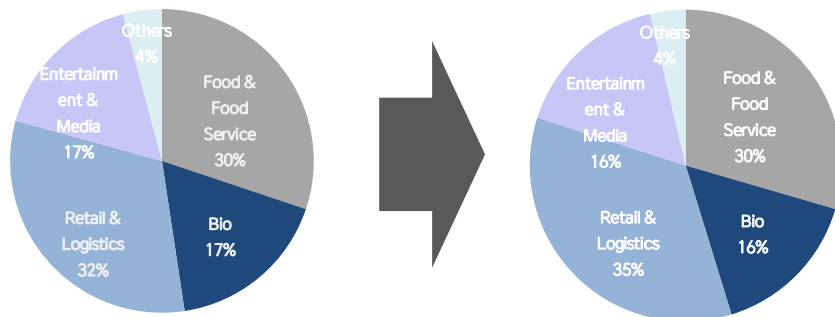
Operating Profit (accumulated)

[UNIT : W BN]

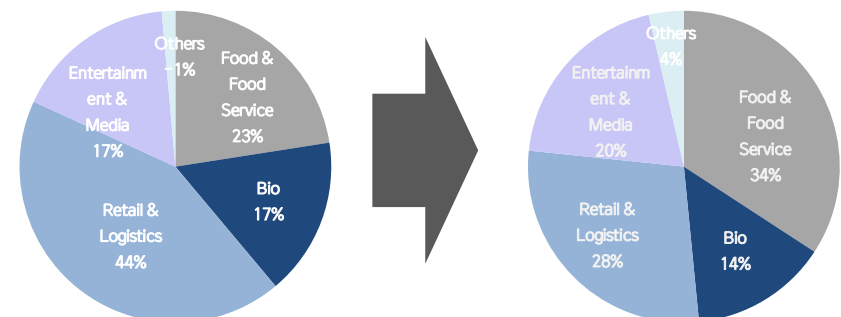
	2Q 17	2Q 18	YoY
Food & Food Service	69	68	-0.9%
Bio	50	81	60.9%
Retail & Logistics	132	106	-19.2%
Entertainment & Media	51	50	-1.6%
Others	-4	-4	-2.3%
Total	298	301	1.2%

STABILITY OF THE BUSINESS PORTFOLIO

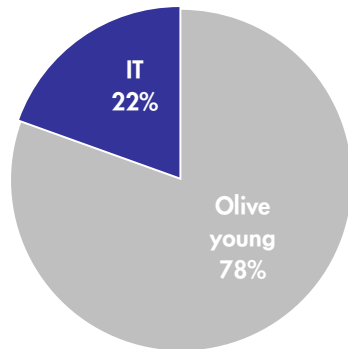
REVENUE



OPERATING PROFIT



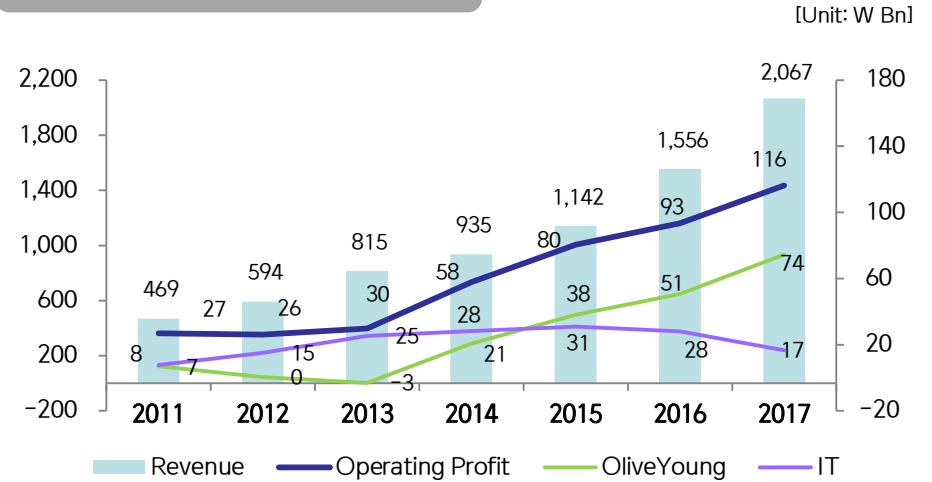
BUSINESS OVERVIEW



● FY17, 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 1,144 stores, as of Jun 30, 2018

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	2016	2017	P/L	2016	2017
Asset	952.5	1,152.6	Revenue	1,555.8	2,067.4
Liability	509.9	668.1	Operating Profit	93.5	116.2
Equity	422.6	484.5	Net Income	81.1	81.3
Liability to Equity ratio	121%	138%	OP Margin	6.0%	5.6%

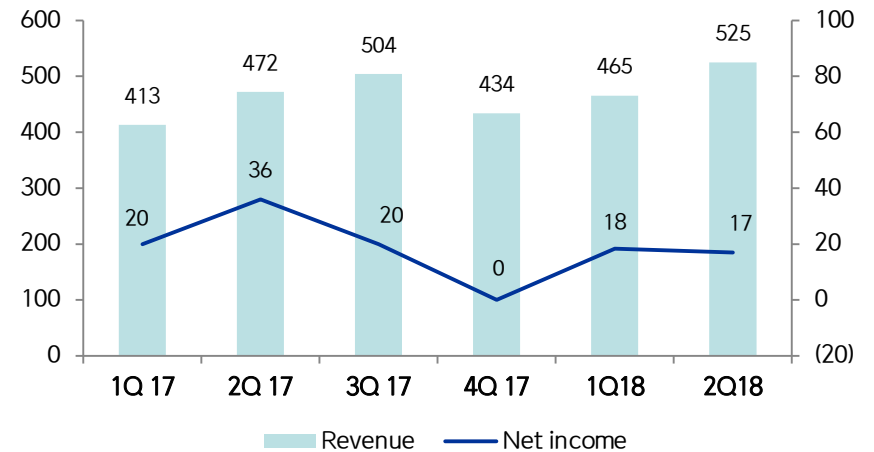
* Note: K-IFRS Consolidated basis

FINANCIAL HIGHLIGHTS

[Unit: W Bn]

	1Q 17	2Q 17	3Q 17	4Q 17	1Q 18	2Q 18
Revenue	413	472	504	434	465	525
OY	334	379	396	319	375	425
IT	79	93	108	115	91	100
Net Income	20	36	20	-0	18	17
Store (Domestic)	868	938	1,011	1,074	1,104	1,144
Direct Control	704	759	810	861	891	925
Franchise	164	179	201	213	213	219

[Unit: W Bn]

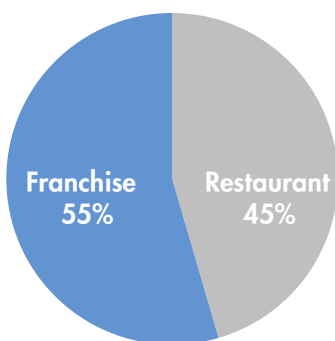


* K-IFRS Separate

● Revenue KRW 524.5bn (YoY +11.2%), NI KRW 17.0bn (YoY -53.3%)

- 1,144 stores (925 direct management stores, 219 franchised stores, up +40 stores from the end of 1Q18, +206 stores from end of 2Q17)
- [Revenue] Up 12.7% QoQ due to store opening, Up 18.5%YoY excluding accounting change effects
- [Ni] Down due to increasing in labor cost, rent and transportation cost with store opening (dividend income included in 2Q17, 1Q18)
- Strengthen market dominance through continuous store opening and increasing revenue per store (H&B market share 65.6%)

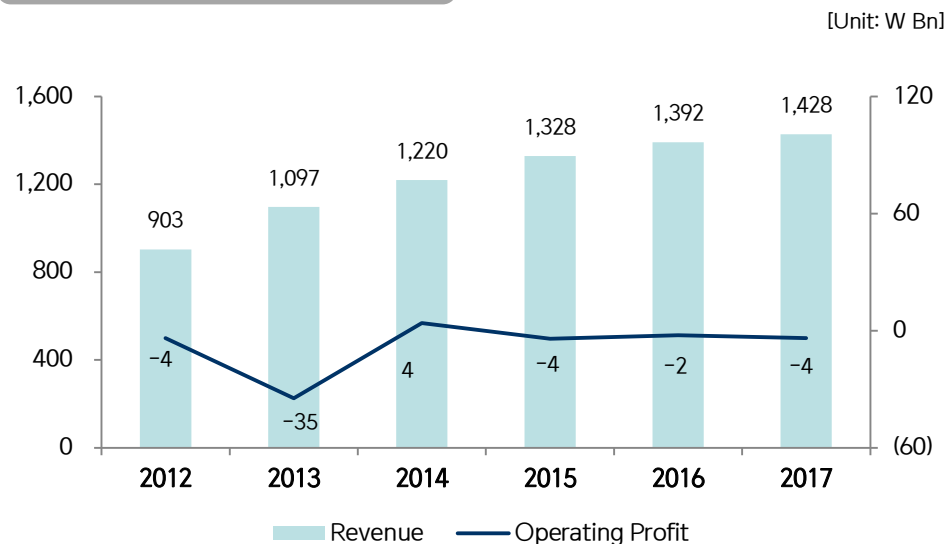
BUSINESS OVERVIEW



● FY17, Sales Portion (domestics)

- As of end of June 2018, actively pursue global expansion while currently operating 2,550 sites in domestics and 421 sites in overseas including China and Southeast Asia from 16 restaurant and franchise brands
- Promote further growth by constantly creating brands including “Tous Les Jours”, “A Twosome Place”, “VIPS”, “Season’s Table”, “The Place”

FINANCIAL HIGHLIGHTS



[Unit: W Bn, %]

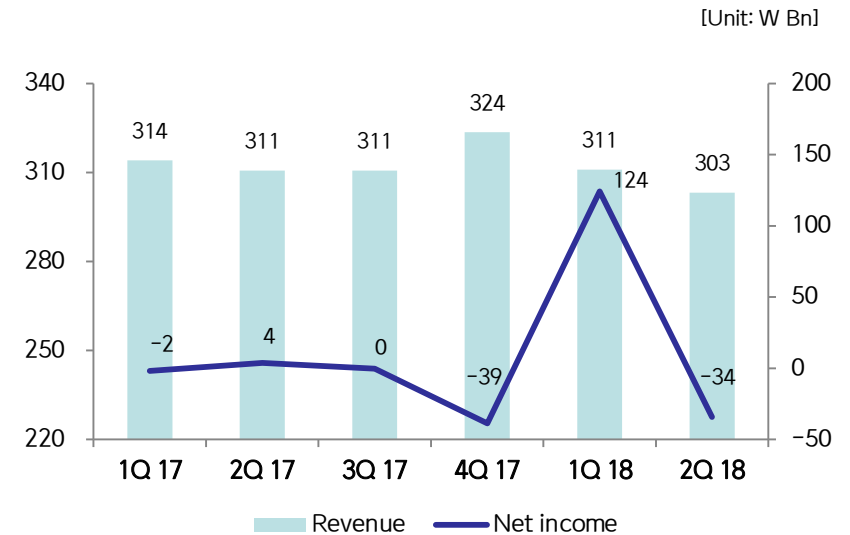
B/S	2016	2017	P/L	2016	2017
Asset	542.1	643.5	Revenue	1,391.7	1,427.5
Liability	535.5	680.5	Operating Profit	-2.3	-3.8
Equity	6.6	-37.0	Net Income	1.3	-32.5
Liability to Equity Ratio	5,949%	-	OP Margin	-0.2%	-0.3%

* Note: K-IFRS Consolidated basis

FINANCIAL HIGHLIGHTS

[Unit: W Bn]

	1Q 17	2Q 17	3Q 17	4Q 17	1Q 18	2Q 18
Revenue	314	311	311	324	311	303
Net Income	-2	4	-0	-39	124	-34
Site(Domestic)	2,356	2,430	2,485	2,488	2,509	2,550
Direct Control	281	283	297	297	279	279
Franchise	2,075	2,147	2,188	2,191	2,230	2,271
Overseas site	355	396	428	430	426	421



* K-IFRS Separate

* 2018 : Including financials of "Twosome Place"

- **Revenue KRW 303.2bn (YoY -2.4%), NI KRW -34.1bn (YoY Turn Neg)**

- [Revenue] Down slightly due to the stagnation of food service industry

- [NI] Down due to the stagnation of food service industry and recognition tax expense of disposal gain on the subsidiaries' shares

- Pursuing continuous key brands growth and enhancing brand competitiveness

APPENDIX

FINANCIAL STATEMENT

CONSOLIDATED STATEMENTS

[Unit: W Bn]

	4Q 17	2Q 18	YoY
I. Current Assets	8,160	9,401	1,241
1. Cash and Cash Equivalents	1,220	1,949	729
2. Short-term Financial Instruments	434	336	-98
3. Trade Receivables	3,552	3,352	-200
4. Inventories	1,733	2,033	300
5. Other Current Assets	1,222	1,732	510
II. Non-Current Assets Held for Sale	173	3	-170
III. Non-Current Assets	20,992	21,907	915
Total Asset	29,325	31,311	1,986
I. Current Liabilities	9,363	10,076	712
II. Non-Current Liabilities Held for Sale	-	-	-
III. Non-Current Liabilities	7,970	8,544	574
Total Liabilities	17,333	18,620	1,287
I. Equity Attributable to Owners of the Company	3,930	4,331	401
1. Capital Stock	158	158	-
2. Paid-in Capital in Excess of Par Value	993	993	-
3. Other Components of Equity	-337	-360	-23
4. Retained Earnings	3,115	3,540	425
II. Non-Controlling Interest	8,062	8,360	298
Total Equity	11,992	12,691	699
Debt Ratio	144.5%	146.7%	2.2%pt.

[Unit: W Bn]

구분	2Q 17	2Q 18	YOY
I. Revenue	6,505	7,063	8.6%
II. COGS	4,540	5,075	11.8%
III. Gross Profit	1,965	1,987	1.2%
IV. Operating Profit	298	301	1.2%
V. Profit before Income Tax	674	1,151	70.9%
VI. Tax Expenses	171	297	73.4%
VII. Net Profit	502	854	70.0%
1. Profit Attributable to Owners of the Company	197	364	84.8%
2. Profit Attributable to Non-Controlling Interests	305	490	60.6%

[Unit: W Bn]

구분	1H 17	1H 18	YOY
I. Revenue	12,855	14,037	9.2%
II. COGS	8,900	9,986	12.2%
III. Gross Profit	3,955	4,051	2.4%
IV. Operating Profit	629	643	2.1%
V. Profit before Income Tax	920	1,399	52.0%
VI. Tax Expenses	245	354	44.3%
VII. Net Profit	675	1,045	54.8%
1. Profit Attributable to Owners of the Company	258	450	74.7%
2. Profit Attributable to Non-Controlling Interests	417	594	42.4%

FINANCIAL STATEMENT

SEPARATE STATEMENTS

[Unit: W Bn]

	4Q 17	2Q 18	YoY
I. Current Assets	54	113	59
1. Cash and Cash Equivalents	34	88	55
2. Short-term Financial Instruments	0	-	-
3. Other Current Assets	21	25	4
II. Non-Current Assets	2,790	2,706	-84
Total Asset	2,844	2,819	-25
I. Current Liabilities	127	24	-103
II. Non-Current Liabilities	7	109	102
Total Liabilities	134	133	-1
I. Capital Stock	158	158	-
II. Paid-in Capital in Excess of Par Value	993	993	-
III. Other Components of Equity	-167	-176	-9
IV. Retained Earnings	1,725	1,710	-15
Total Equity	2,710	2,686	-24
Debt Ratio	4.9%	5.0%	0.1%pt.

[Unit: W Bn]

구분	2Q 17	2Q 18	YOY
I. Operating Revenue	24	24	3.0%
- Royalty Income	22	23	7.4%
- Dividend Income	-	-	-
- Others	2	1	-47.4%
II. Operating Expenses	16	13	-20.5%
III. Operating Profit	7	11	54.1%
IV. Profit before Income Tax Benefit(Expense)	7	27	301.5%
V. Income Tax Benefit(Expense)	1	8	523.1%
VI. Net Profit	6	19	249.1%

[Unit: W Bn]

구분	1H 17	1H 18	YOY
I. Operating Revenue	80	85	5.6%
- Royalty Income	42	44	4.5%
- Dividend Income	34	38	13.0
- Others	4	2	-48.7%
II. Operating Expenses	27	26	-5.9%
III. Operating Profit	53	59	11.3%
IV. Profit before Income Tax Benefit(Expense)	52	22	-57.0%
V. Income Tax Benefit(Expense)	5	-1	-
VI. Net Profit	47	23	-50.1%

THANK YOU