

# JAPAN FOODS HOLDING LTD.

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## Japan Foods narrows loss in FY2026 as portfolio rationalisation and profit recovery efforts bear fruit

- Net loss reduces 15.3% to S\$6.7 million in FY2026 from S\$7.9 million in FY2025, reflecting the outcome of culling non-performing outlets.
- Revenue declines 16.7% to S\$69.6 million in tandem with the smaller network as number of restaurants falls to 58 in FY2026 from 78 the financial year before.
- New Japanese-inspired self-developed brand “Steak 99” gains traction since launch of first restaurant in October 2025. Expands to seven outlets as at 31 March 2026.

### FY2026 performance review

Financial Highlights (S\$' million)	Twelve months ended 31 Mar		Change (%)
	2026	2025	
Revenue	69.6	83.6	(16.7)
Gross profit	57.8	70.7	(18.2)
Gross profit margin (%)	83.1	84.5	(1.4)% pts
Net loss attributable to equity holders of the Company	(6.7)	(7.9)	(15.3)

SINGAPORE, 26 May 2026 – Japan Foods Holding Ltd. (“Japan Foods” or the “Company” and together with its subsidiaries, the “Group”), one of Singapore’s largest restaurant groups that specialises in Japanese-inspired cuisine has narrowed its net loss to S\$6.7 million for the 12 months ended 31 March 2026 (“FY2026”) from S\$7.9 million the financial year before (“FY2025”) as the Group’s profit recovery strategy started to bear fruit.

As part of its ongoing portfolio rationalisation, the Group reduced its Singapore self-operated restaurant network from 78 outlets in FY2025 to 58 in FY2026. Non-performing and underperforming locations were exited through non-renewal or early termination of leases, with resources and management focus redirected towards brands with demonstrated customer traction. The benefits of this exercise are evident in the Group’s financials with impairment losses declining significantly from S\$3.6 million in FY2025 to S\$0.6 million in FY2026, and overall operating expenses falling 16.4% year-on-year, as the streamlined network began to reflect a more sustainable cost structure

In line with the smaller network, and also due to lower sales generated by the remaining restaurants, total revenue declined 16.7% year-on-year (“yoy”) to S\$69.6 million in FY2026.

Gross profit decreased 18.2% yoy to S\$57.8 million in tandem with the decrease in sales while gross profit margin declined 1.4% points to 83.1% in FY2026 due to lower margins from certain brands that were launched in FY2026.

In terms of FY2026 segmental breakdown, revenue from the Group's Halal-concept segment generated significantly higher sales of S\$39.4 million (FY2025: S\$42.1 million) compared to its non-Halal concept segment, which generated sales of S\$30.2 million (FY2025: S\$41.5 million). This reflects the resilience of the Group's Halal-concept segment, which comprises mainly self-developed brands.

### Network Updates

As at 31 March	2026	2025
<b>Franchised Brands</b>		
Ajisen Ramen	11	13
Konjiki Hototogisu	3	7
Menya Musashi	2	2
Tori Sanwa	4	5
Osaka Ohsho	1	1
Kageyama	-	2
Afuri	-	1
Yonehachi	1	1
Menzo Butao	1	1
New ManLee Bak Kut Teh	1	1
Tororitenshi no Warabi-Mochi	-	4
Kumachan Onsen*	-	3
Yamaya Kitchen	-	2
<b>Self-Developed Brands</b>		
Tokyo Shokudo*	10	12
Yakiniku Shokudo*	10	11
Steak 99*	7	-
Tokyo 99	1	-
Fruit Paradise*	1	2
Milan Shokudo*	2	5
Kyo Komachi*	2	-
Mama Klang	1	-
Godaime*	-	2
Romana Pizza & Pasta	-	1
Milan Tei*	-	1
Milan Cafeteria*	-	1
<b>TOTAL</b>	<b>58</b>	<b>78</b>

\* Halal brands

As a complementary pillar of profit recovery, Japan Foods has continued with brand innovation as an essential part of its operational playbook to keep ahead of rapidly changing dining trends that are highly influenced by social media. In recent years, the Group has launched more self-developed brands and reduced the number of restaurants under its franchised brands from Japan, which has led to cost savings on royalty fees.

During FY2026, the Group launched its first “Steak 99” Halal-concept, Japanese-inspired, western restaurant at Plaza Singapura in October 2025, featuring grilled steaks at affordable price points. It quickly gained traction and grew to seven outlets islandwide as at 31 March 2026 through the conversion of some existing stores to this brand. Reflecting the strong customer response to the brand, “Steak 99” contributed S\$2.9 million in FY2026 despite only five months of operations.

Revenue contribution from “Steak 99”, together with other newly launched brands “Mama Klang” and “Kyo Komachi” had enabled the Group to partially offset lower sales generated by the Group’s remaining restaurants operating its other brands during FY2026.

Beyond Singapore, the Group has 17 restaurants in Hong Kong and China operated by associated companies as at 31 March 2026. These included eight “Konjiki Hototogisu” brand restaurants – six in Hong Kong and two in China; and nine “Menya Musashi” brand restaurants – six in Hong Kong and three in China. In FY2026, the Group’s share of results of associated companies decreased 47.8% yoy to S\$0.3 million due to lower profit from “Konjiki Hototogisu” and “Menya Musashi” brand restaurants in Hong Kong.

**Mr Takahashi Kenichi, Executive Chairman and CEO of Japan Foods,** said: *“The Singapore F&B sector remained acutely challenging throughout FY2026, pressured by intensifying competition from local and foreign operators, persistent cost inflation, and softening discretionary consumer spending, which are all symptoms of a sustained high-cost environment. Despite these headwinds, we are encouraged by early signs that our path-to-profitability strategy is gaining traction, evidenced by a meaningful narrowing of net losses as our leaner network drove a significant reduction in operating costs. Looking ahead, we will continue to rationalise our portfolio and stabilise our cost base, steadily laying the groundwork for a sustainable return to profitability.”*

## **Outlook**

Japan Foods expects the broader operating environment to remain challenging as F&B operators continue to grapple with high rentals, persistent manpower shortages, intense

competition from both homegrown and foreign players. This is in addition to subdued consumer discretionary spending compounded by weak business and consumer sentiment arising from global trade and geopolitical tensions and economic uncertainties. In particular, ongoing conflicts have contributed to a sharp rise in oil and gas prices, which has in turn driven up transportation, logistics, and utility costs for F&B operators. Against this backdrop, the Group's primary objective will be to focus on a return to profitability through portfolio rationalisation, operational streamlining and cost containment.

As its Halal segment has remained the more resilient growth engine, the Group intends to continue investing in and selectively growing this segment, leveraging its growing brand equity in the Halal space to capture diners seeking both value and quality. The Group will also continue to rejuvenate non-Halal brands to ensure relevance to evolving dining trends.

The Group enters FY2027 with a leaner portfolio, a stronger brand focus and optimism for a better FY2027.

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**Note:**

*This press release is to be read in conjunction with the SGXNet announcement released by the Company on the same date.*

**About Japan Foods**

Established in Singapore in 1997 and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited in February 2009, Japan Foods is a leading restaurant chain in Singapore that specialises in Japanese-inspired cuisine that caters to both the Halal and non-Halal communities. As at 31 March 2026, the Group operated 58 restaurants in Singapore under various self-developed brands and franchised brands such as "Ajisen Ramen", "Osaka Ohsho", "Menya Musashi", and "Konjiki Hototogisu".

Japan Foods has won multiple awards for its efforts in corporate governance. The Company was named the "Most Transparent Company (Catalist)" at the 17th SIAS Investors' Choice Awards in 2016 and also awarded the "Transparency Award – SMEs" at the 18th SIAS Investors' Choice Awards 2017. In 2018, the Group received the "Best Managed Board Award (Gold)" at the Singapore Corporate Awards 2018 and Runner Up in the "Most Transparent Company Award – Hotel/Restaurant" category at the 2018 SIAS Investor Choice Awards. In 2019, it was recognised at the Singapore Corporate Awards for "Best Annual Report (Silver)". Japan Foods' efforts in

transparency and disclosure were recognised at the SIAS Investors' Choice Awards between 2022 and 2024. The Group received the "Most Transparent Company Award (Consumer Discretionary Category)" as a Runner Up in 2022 and as Winner in both 2023 and 2024.

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**Issued on behalf of Japan Foods Holding Ltd by  
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*This news release has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST assumes no responsibility for the contents of this news release, including the correctness of any of the statements or opinions made or reports contained in this news release.*

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