

# JAPAN FOODS HOLDING LTD

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(Incorporated in the Republic of Singapore on 3 December 2007)  
(Company Registration No. 200722314M)

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### BUSINESS UPDATE

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The board of directors of Japan Foods Holding Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s business update announcement dated 20 May 2020, the Company’s results announcement for the financial year ended 31 March 2020 (“**FY2020**”) dated 8 July 2020 and the Company’s annual report for FY2020. The Board would like to further update shareholders of the following:

#### 1. GENERAL BUSINESS DEVELOPMENT

The operating environment of the food and beverage industry in Singapore has been challenging since late January 2020 due to the Covid-19 pandemic and the Singapore government’s implementation of the “Circuit Breaker” from 7 April 2020 to 1 June 2020 worsened the situation. The Group’s revenue has improved after Singapore moved into Phase 2 of the Circuit Breaker on 19 June 2020 but has yet to recover fully to the pre-Covid-19 level. This was due to lower footfall in shopping malls, especially for those restaurants located in Central Business District areas, with the implementation of social distancing, travel restrictions, work-from-home arrangements and onset of the economic downturn. Accordingly, the Group believes that the operating environment of the food and beverage industry in Singapore is expected to be more challenging in the next 12 months.

Against this backdrop, the Group will intensify its efforts to control costs and improve operational efficiency. The Group believes its operational track record and healthy balance sheet will enable it to tide through this challenging period.

As at the date of this announcement, the Group’s associated companies operated 6 restaurants in Hong Kong, 9 restaurants in China and 1 restaurant in Indonesia under the “Menya Musashi” brand. The Group’s associated company also operated 1 restaurant under the “Konjiki Hototogisu” brand in Hong Kong. As the social unrest and the Covid-19 situation in Hong Kong and China appear to be stabilizing, the Group expects the associated companies’ performance to show some improvement in the next 12 months.

#### 2. OPENING AND CLOSURE OF RESTAURANTS

As at the date of this announcement, the Group had a total of 58 restaurants in operation comprising 6 “Ajisen Ramen” restaurants, 6 “Shitamachi Tendon Akimitsu” restaurants, 2 “Fruit Paradise” restaurants, 9 “Menya Musashi” restaurants, 5 “Osaka Ohsho” restaurants, 2 “Kagurazaka Saryo” restaurants, 1 “Menzo Butao” restaurants, 8 “Konjiki Hototogisu” restaurants, 2 “Shoryu Ramen”, 2 “Yonehachi” restaurants and 5 restaurants operating under various other brands, namely, “Afuri Ramen”, “Curry Is Drink”, “Kazokutei”, “New ManLee Bak Kut Teh”, and “Japanese Gourmet Town” brands. As at the date of this announcement, the Group had approximately 243,000 number of members under JFH Rewards.

The Group wishes to update shareholders on the opening and closure of restaurants subsequent to 31 March 2020:-

(i) Opening of new restaurants

<b>Brand</b>	<b>Location</b>	<b>Commencement of operation</b>
“Ichiro Ramen”	3155 Commonwealth Ave West, #B1-34/35 Singapore 129588	2 September 2020 (Converted from “Menya Musashi” brand restaurant)
“Afuri Ramen”	Vivocity 1 HarbourFront Walk #01-167/168 Singapore 098585	Expected to commence operation by end September 2020

(ii) Closure of restaurants

<b>Brand</b>	<b>Location</b>	<b>Cessation of operation</b>
“Menzo Butao”	6 Raffles Boulevard #02-180 Singapore 039594	17 June 2020 (Expiry of tenancy agreement)
“Menya Musashi”	3155 Commonwealth Ave West, #B1-34/35 Singapore 129588	1 September 2020 (Converted to “Ichiro Musashi” brand restaurant)

The closure of the above restaurants is not expected to have any material impact on the Group's financial results for the financial year ending 31 March 2021.

**BY ORDER OF THE BOARD**

TAKAHASHI KENICHI  
Executive Chairman and CEO  
11 September 2020

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*This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (“Sponsor”) in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Ms Tan Cher Ting, Director, Investment Banking, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.*