

# JAPAN FOODS HOLDING LTD.

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## Japan Foods to continue focusing on profit recovery and streamlining of restaurant network

- *Singapore network stands at 21 brands across 78 restaurants as at 31 March 2025*
- *FY2025 performance impacted by higher operating costs and impairment losses related to ceased and non-performing restaurants*
- *Intends to rationalise brand portfolio by focusing on more established and proven brands as part of turnaround strategy*

**SINGAPORE, 25 May 2025 – 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 cuisine, will be focusing on achieving a turnaround by streamlining its operations, managing costs, rationalising its brand portfolio and improving store-level performance.

The 12 months ended 31 March 2025 (“FY2025”) was a challenging year for the retail scene in Singapore as consumer sentiment became increasingly cautious due to prolonged geopolitical tensions and inflationary pressures that had increased the cost of living. In the F&B space, the fall in consumer discretionary spending, intense market competition from a continuous stream of new entrants (including an influx of international brands), as well as the increasing costs of operations had toughened market conditions. In addition, the F&B industry was also affected by the strong Singapore dollar, which had made it more attractive for Singaporeans to travel and spend overseas.

**Mr Takahashi Kenichi, Executive Chairman and CEO of Japan Foods,** said: “Our FY2025 results reflect the difficult operating environment during the financial year under review. Moving forward, we will continue to execute our turnaround strategy, which include rationalising our brand portfolio to focus on our more established and proven brands, and not renewing or pre-terminating leases of non-performing outlets. During FY2025, we reduced the number of restaurants from 84 as at 30 September 2024 to 78 as at 31 March 2025.”

## FY2025 performance review

Financial Highlights (S\$' million)	Twelve months ended 31 Mar		Change (%)
	2025	2024	
Revenue	83.6	86.4	(3.2)
Gross profit	70.7	73.1	(3.4)
Gross profit margin (%)	84.5	84.7	(0.2) % pt
Net loss attributable to equity holders of the Company	(7.9)	(0.5)	1,490.7

Amidst tough market conditions, Japan Foods generated lower revenue of S\$83.6 million in FY2025. This was a decline of 3.2% year-on-year (“yoy”) from the S\$86.4 million in revenue reported for the same period in 2024 (“FY2024”). In FY2025, the Group’s Halal-certified restaurants generated a combined S\$42.1 million (FY2024: S\$40.8 million), while non-Halal brands contributed total revenue of S\$41.5 million (FY2024: S\$45.6 million).

In tandem with lower revenue, gross profit fell 3.4% yoy to S\$70.7 million in FY2025 with gross profit margin coming in at 84.5% (FY2024: 84.7%).

Other income (including interest income from bank) rose 137.3% yoy to S\$3.3 million due mainly to various government grants received in FY2025. Share of profit of associated companies rose 99.2% yoy to S\$0.5 million due to higher profit generated by “Konjiki Hototogisu” brand restaurants in Hong Kong and “Menya Musashi” brand restaurants in China operated by associated companies, partially offset by losses incurred by “Menya Musashi” brand restaurants in Indonesia and Hong Kong.

In FY2025, the Company’s selling and distribution expenses rose 5.5% yoy to S\$70.9 million due to higher manpower costs, utility expenses, rental charges and depreciation charges of plant and equipment and right-of-use assets. Other operating expenses were up 82.9% yoy to S\$2.3 million due mainly to write-off of renovation costs upon the rebranding and closure of outlets. In addition, impairment losses rose 93.4% yoy to S\$3.6 million due to the impairment loss on the loan provided to a joint venture company as well as impairment loss for certain non-performing stores under the Group and an impairment loss of franchise right.

Reflecting a higher cost environment, the Group recorded an increase in net loss to S\$7.9 million in FY2025 as compared to a net loss of S\$0.5 million in FY2024.

As at 31 March 2025, Japan Foods remained debt-free with cash and bank balances of S\$7.9 million as compared to S\$11.5 million as at 31 March 2024. The decrease in cash and bank balances was mainly due to capital expenditure incurred for the Group's rebranding of restaurants.

### Network Updates

As at 31 March	2025	2024
<b>Franchised Brands</b>		
Ajisen Ramen	13	11
Konjiki Hototogisu	7	11
Shitamachi Tendon Akimitsu	-	3
Menya Musashi	2	3
Tori Sanwa	5	3
Osaka Ohsho	1	1
Kageyama	2	1
Kumachan Onsen*	3	-
Afuri	1	1
Yonehachi	1	1
Menzo Butao	1	1
New ManLee Bak Kut Teh	1	1
Tororitenshi no Warabi-Mochi	4	-
Yamaya Kitchen	2	-
<b>Self-Developed Brands</b>		
Tokyo Shokudo*	12	12
Yakiniku Shokudo*	11	11
Fruit Paradise*	2	5
Milan Shokudo*	5	4
Godaime*	2	2
Edo Shokudo*	-	2
Yakiniku Taro	-	1
Yakiniku Kai	-	1
Romana Pizza & Pasta	1	1
Kyoto Shokudo*	-	1
Milan Tei*	1	1
Milan Cafeteria*	1	-
BBQ Seoul Shokudo*	-	1
<b>TOTAL</b>	<b>78</b>	<b>79</b>

\* Halal brands

As at 31 March 2025, the Group directly operated 21 brands across 78 restaurants. The top three performing brands in Singapore were "Ajisen Ramen" from the non-Halal segment and "Tokyo Shokudo" and "Yakiniku Shokudo" from the Halal-certified segment, which respectively contributed 20.8%, 18.0% and 15.4% to total revenue in FY2025.

Elsewhere in the region, Japan Foods' overseas network operated by its associated companies remained unchanged at 17 restaurants as at 31 March 2025. They comprised six restaurants in Hong Kong, two restaurants in China and two restaurants in Indonesia under the "Menya Musashi" brand, as well as five restaurants in Hong Kong and two restaurants in Shanghai under the "Konjiki Hototogisu" brand.

## **Outlook**

Japan Foods expects the challenging conditions in FY2025 to persist, exacerbated by escalating global trade tensions and uncertainties in the macro economy, which have taken a toll on both business and consumer sentiment. The Group expects conditions to be further compounded by ongoing industry challenges including manpower shortages, rising costs of operations due to inflation, and changing consumer preferences. The strong Singapore dollar will also continue to encourage more overseas travel and spend, particularly to Japan.

To navigate the tough environment, Japan Foods will continue to rationalise its brand portfolio by focusing on its more established and proven brands. The Group will also continue to streamline its operations, manage costs and improve outlet performance by stepping up marketing and promotional efforts.

The Group will continue to explore new brands as part of continuous brand rejuvenation to keep up with dining trends. In November 2024, the Group launched one new franchised brand "Yamaya Kitchen", which serves rice and noodle sets with "mentaiko" (or cod roe) as the main feature. There are currently two "Yamaya Kitchen" brand restaurants, which are located at IMM and at PLQ Mall. Recently in April 2025, the Group launched its self-developed "Kyo Komachi" brand, which features Himokawa-style udon noodles that are wider and flatter than the usual udon noodles. The first "Kyo Komachi" brand restaurant is located at Vivocity. Its unique noodles come with a choice of different sauces and the menu also features matcha-flavoured desserts and drinks.

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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 Japanese restaurant chain in Singapore that caters to both the Halal and non-Halal communities. As at 31 March 2025, the Group operated 78 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 been reviewed by the Company’s sponsor, UOB Kay Hian Private Limited (“**Sponsor**”).*

*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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