

# JAPAN FOODS HOLDING LTD

## JAPAN FOODS HOLDING LTD.

(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**”) wishes to update the Company’s shareholders of the following:

#### 1. GENERAL BUSINESS DEVELOPMENTS

The operating environment in the local food and beverage industry is expected to remain challenging in the next 12 months due to intense competition, tight labour supply, rising business costs and uncertain economic outlook. This is further aggravated by the outbreak of the novel coronavirus (“**Coronavirus**”) which will dampen consumers’ demand. The Group has stepped up hygiene measures such as an increase in frequency of cleaning of its outlets and has also equipped its employees with masks. Amidst the adverse impact of the Coronavirus outbreak, 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 31 December 2019, the Group’s associated companies operated 6 restaurants in Hong Kong, 11 restaurants in China and 1 restaurant in Indonesia under the “Menya Musashi” brand. On 5 December 2019, the Group’s 30% owned joint venture company, Wakayama International Limited, opened its first restaurant under the “Konjinki Hototogisu” brand in Hong Kong and the response has been encouraging. While the social unrest in Hong Kong appears to have subsided, the outbreak of the Coronavirus will negatively impact the performance of the Group’s associated companies in Hong Kong and China. In executing its business strategy and expansion, the Company will actively monitor the situation in Hong Kong and China closely.

On 29 January 2019, the Company and Minor Food Group (Singapore) Pte.Ltd. (“**MS**”) established a joint venture to conduct the business of franchising and operating existing restaurant brands owned by the Company and MS in Japan, Thailand and China. The Company and MS are in the process of securing tenancy of two locations in Japan and barring unforeseen circumstances, expects to open the new stores within the next 6 months.

#### 2. OPENING AND CLOSURE OF RESTAURANTS

(i) Opening of new restaurants

<b>Brand</b>	<b>Location</b>	<b>Commencement of operation</b>
“Konjinki Hototogisu”	Causeway Point 1 Woodlands Square #02-09C Singapore 738099	13 December 2019
“Yonehachi”	Great World City 1 Kim Seng Promenade #B1-K117 Singapore 237994	8 January 2020

(ii) Closure of restaurant

<b><i>Brand</i></b>	<b><i>Location</i></b>	<b><i>Cessation of operation</i></b>
"Menya Musashi"	Waterway Point 83 Punggol Central #01-24 Singapore 828761	1 January 2020

The closure of the above restaurant is not expected to have any material impact on the Group's financial results for the financial year ending 31 March 2020.

**BY ORDER OF THE BOARD**

TAKAHASHI KENICHI  
Executive Chairman and CEO  
10 February 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 Catalyst. 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.*