

JAPAN FOODS HOLDING LTD

JAPAN FOODS HOLDING LTD.

(Incorporated in the Republic of Singapore on 3 December 2007)
(UEN. 200722314M)

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE THREE-MONTH PERIOD ENDED 30 JUNE 2018

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of comprehensive income

	<----- Group ----->		
	Three months ended 30 June 2018	2017	Increase / (Decrease)
	(S\$'000)	(S\$'000)	(%)
Revenue	16,626	16,187	2.7
Cost of sales	(2,528)	(2,424)	4.3
Gross profit	14,098	13,763	2.4
Other income	146	143	2.1
Selling and distribution expenses	(11,922)	(11,651)	2.3
Administrative expenses	(896)	(837)	7.0
Other operating expenses	(283)	(295)	(4.1)
Profit from operation	1,143	1,123	1.8
Share of results of associated companies	57	152	(62.5)
Profit before income tax	1,200	1,275	(5.9)
Income tax expenses	(234)	(230)	1.7
Total comprehensive income, representing net profit for the period	966	1,045	(7.6)

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1(a)(ii) Notes to the income statements

The profit before income tax of the Company and its subsidiary corporations (the “Group”) is arrived at after charging / (crediting) the following:

	<----- Group ----->		
	Three months ended 30 June 2018	2017	Increase / (Decrease)
	(S\$'000)	(S\$'000)	(%)
Interest income	(26)	(20)	30.0
Royalty and franchise income	(61)	(62)	(1.6)
Membership card sales	-	(6)	N.M. ⁽³⁾
Insurance claims	(2)	(3)	(33.3)
Government grant ⁽¹⁾	(21)	(38)	(44.7)
Other income ⁽²⁾	(13)	(10)	30.0
Depreciation of plant and equipment	1,024	1,110	(7.7)
Amortisation of intangible assets	15	15	-
Plant and equipment written off	6	22	(72.7)
Currency translation gain	(23)	(4)	475.0

Notes:

- (1) Government grant refers mainly to Temporary Employment Credit Scheme.
- (2) Other income refers mainly to the sales of scrap materials.
- (3) “N.M.” denotes not meaningful.

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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statement of financial position

	<----- Group ----->		<----- Company----->	
	As at		As at	
	30.06.2018	31.03.2018	30.06.2018	31.03.2018
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
ASSETS				
Current assets				
Cash and bank balances	24,532	21,887	2,719	2,510
Trade receivables	868	1,005	-	-
Other receivables	16	18	-	-
Inventories	672	656	-	-
Amounts owing from subsidiary corporations	-	-	3,908	3,871
Other current assets	2,069	2,059	17	47
	28,157	25,625	6,644	6,428
Non-current assets				
Plant and equipment	9,028	9,277	21	24
Investment in subsidiary corporations	-	-	5,727	5,727
Investment in associated companies	2,565	2,365	191	48
Loan to an associated company	248	248	248	248
Financial assets, held-to-maturity	754	1,005	-	-
Intangible assets	206	135	-	-
Club membership	322	322	322	322
Long-term security deposits	4,068	4,285	13	-
	17,191	17,637	6,522	6,369
Total Assets	45,348	43,262	13,166	12,797
LIABILITIES				
Current liabilities				
Trade payables	1,507	1,408	-	-
Other payables and accruals	6,307	5,860	672	664
Current income tax liabilities	1,766	1,531	7	7
	9,580	8,799	679	671
Non-current liability				
Deferred income tax liabilities	430	430	4	4
	430	430	4	4
Total Liabilities	10,010	9,229	683	675
Net assets	35,338	34,033	12,483	12,122
EQUITY				
Share capital	9,522	9,522	9,522	9,522
Treasury shares	(141)	(424)	(141)	(424)
Capital reserves	80	24	80	24
Retained earnings	25,877	24,911	3,022	3,000
Total Equity	35,338	34,033	12,483	12,122

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1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30 June 2018		As at 31 March 2018	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
-	-	-	-

Amount repayable after one year

As at 30 June 2018		As at 31 March 2018	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
-	-	-	-

Details of any collaterals

Nil

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- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of cash flow

	<----- Group ----->	
	Three months ended 30 June	
	2018	2017
	(\$'000)	(\$'000)
Cash flows from operating activities		
Net Profit	966	1,045
Adjustments for:		
Income tax expenses	234	230
Depreciation of plant and equipment	1,024	1,110
Amortisation of intangible assets	15	15
Plant and equipment written off	6	22
Share of results of associated companies	(57)	(152)
Interest income from bank deposits	(26)	(20)
Amortisation of government grants	(2)	(2)
Employee performance shares expenses	339	241
	2,499	2,489
Changes in working capital:		
Inventories	(16)	5
Trade and other receivables	145	(105)
Other current assets	(10)	158
Long-term security deposit	217	(799)
Trade and other payables	549	781
Cash generated from operations	3,384	2,529
Interest income received	20	13
Income tax credit	-	5
Net cash generated from operating activities	3,404	2,547
Cash flows from investing activities:		
Additions to plant and equipment	(781)	(640)
Additions to intangible assets	(86)	(13)
Acquisition of associated company	(143)	-
Redemption of financial assets, held-to-maturity	251	-
Net cash used in investing activities	(759)	(653)
Cash flows from financing activity:		
(Increase)/decrease in short-term bank deposits pledged	(313)	74
Net cash (used)/provided by in financing activity	(313)	74
Net increase in cash and cash equivalents	2,332	1,968
Cash and cash equivalents		
Beginning of financial period	19,779	18,139
End of financial period ⁽¹⁾	22,111	20,107

Note:

- (1) This excludes bank deposits of approximately S\$2.4 million as at 30 June 2018 (S\$2.0 million as at 30 June 2017) pledged as security for banking facilities granted by financial institution(s) to the Group.

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- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of changes in equity

Group	Share capital (S\$'000)	Treasury shares (S\$'000)	Capital reserves (S\$'000)	Retained earnings (S\$'000)	Total (S\$'000)
Balance as at 1 April 2018	9,522	(424)	24	24,911	34,033
Performance shares granted	-	283	56	-	339
Total comprehensive income for the period	-	-	-	966	966
Balance as at 30 June 2018	9,522	(141)	80	25,877	35,338
Balance as at 1 April 2017	9,522	(559)	(8)	22,693	31,648
Performance shares granted	-	210	32	-	242
Total comprehensive income for the period	-	-	-	1,045	1,045
Balance as at 30 June 2017	9,522	(349)	24	23,738	32,935

Company	Share capital (S\$'000)	Treasury shares (S\$'000)	Capital reserves (S\$'000)	Retained earnings (S\$'000)	Total (S\$'000)
Balance as at 1 April 2018	9,522	(424)	24	3,000	12,122
Performance shares granted	-	283	56	-	339
Total comprehensive income for the period	-	-	-	22	22
Balance as at 30 June 2018	9,522	(141)	80	3,022	12,483
Balance as at 1 April 2017	9,522	(559)	(8)	3,990	12,945
Performance shares granted	-	210	32	-	242
Total comprehensive income for the period	-	-	-	22	22
Balance as at 30 June 2017	9,522	(349)	24	4,012	13,209

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- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

As at 31 March 2018, the Company held 1,048,100 treasury shares and the total number of ordinary shares in the capital of the Company ("**Shares**") (excluding treasury shares) was 173,387,900 Shares. On 17 May 2018, 700,000 treasury shares ("**PSP Shares**") were transferred to certain employees of the Group pursuant to the Japan Foods Performance Share Scheme. After such transfer, the Company held 348,100 treasury shares as at 30 June 2018 and the total number of issued Shares (excluding treasury shares) was 174,087,900 Shares.

Save for the above, there were no other changes in the Company's share capital between 31 March 2018 and 30 June 2018.

As at 30 June 2018 and as at 30 June 2017, the Company did not have any outstanding options or convertibles.

As at 30 June 2018, the Company did not have any subsidiary holdings and held 348,100 treasury shares which represented approximately 0.2% of the total issued Shares (excluding treasury shares and subsidiary holdings) comprising 174,087,900 shares. As at 30 June 2017, the Company did not have any subsidiary holdings and held 872,500 treasury shares which represented approximately 0.5% of the total issued Shares (excluding treasury shares and subsidiary holdings) comprising 173,563,500 shares.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at 30 June 2018	As at 31 March 2018
Total number of issued Shares	174,436,000	174,436,000
Less: Treasury shares	(348,100)	(1,048,100)
Total number of issued Shares, excluding treasury shares	<u>174,087,900</u>	<u>173,387,900</u>

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- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

	Three months ended 30 June 2018
Treasury shares:	
Balance at beginning of financial period	1,048,100
Transferred on award of PSP Shares	<u>(700,000)</u>
Balance at end of financial period	<u><u>348,100</u></u>

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable as the Company did not have any subsidiary holdings.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Save as disclosed in Paragraph 5 below, the Group has adopted the same accounting policies and methods of computation in its unaudited consolidated financial statements for the three months ended 30 June 2018 compared to its most recently audited consolidated financial statements for the financial year ended 31 March 2018.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all the new and revised Singapore Financial Reporting Standards ("**FRS**") and Interpretations of FRS ("**INT FRS**") that are effective for annual periods beginning on or after 1 January 2018 and are relevant to its operations. The adoption of these new/revised FRS and INT FRS does not result in any material changes to the Group's accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recently audited financial statements as at 31 March 2018.

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6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings per share ("EPS")

	←----- Group -----→	
	Three months ended 30 June	
	2018	2017
Earnings attributable to equity holders of the Company (S\$'000)	966	1,045
Weighted average number of Shares used in computation of basic EPS	173,734,054	173,146,357
Basic EPS attributable to equity holders of the Company (cents) ⁽¹⁾	0.56	0.60
Fully diluted EPS attributable to equity holders of the Company (cents) ⁽²⁾	0.56	0.60

Notes:

- (1) Basic EPS is computed by dividing the Group's earnings attributable to the equity holders of the Company in each financial period by the weighted average number of Shares outstanding during the respective financial period.
- (2) Fully diluted EPS are the same as the basic EPS for the financial periods presented in the table above as the Company did not have any outstanding instruments convertible into, rights to subscribe for and options in respect of its Shares during these financial periods.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

(a) **current financial period reported on; and**

(b) **immediately preceding financial year.**

Net asset value ("NAV")

	←----- Group -----→		←----- Company -----→	
	As at		As at	
	30 June 2018	31 March 2018	30 June 2018	31 March 2018
NAV per Share (cents)	20.30	19.63	7.17	7.00
Number of Shares used in computation of NAV per Share	174,087,900	173,387,900	174,087,900	173,387,900

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8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

As at 30 June 2018, the Group had a total of 51 restaurants in operation, comprising 18 "Ajisen Ramen" restaurants, 2 "Fruit Paradise" restaurants, 1 "Kazokutei" restaurant, 10 "Menya Musashi" restaurants, 5 "Osaka Ohsho" restaurants, 1 "New ManLee Bak Kut Teh" restaurant, 7 "Akimitsu" restaurants and 7 restaurants operating under various other brands, namely, "Japanese Gourmet Town", "Menzo Butao", "Dutch Baby Cafe", "Ginza Kushi Katsu", "Curry is Drink", "Hototogisu" and "Yonehachi".

As at 30 June 2017, the Group had a total of 44 restaurants in operation, comprising 18 "Ajisen Ramen" restaurants, 1 "Keika Ramen" restaurant, 3 "Fruit Paradise" restaurants, 1 "Kazokutei" restaurant, 8 "Menya Musashi" restaurants, 6 "Osaka Ohsho" restaurants, 2 "New ManLee Bak Kut Teh" restaurants and 5 restaurants operating under various other brands, namely, "Japanese Gourmet Town", "Menzo Butao", "Dutch Baby Cafe", "Ginza Kushi Katsu" and "Yonehachi". As at 30 June 2017, the Group also had 1 "Ajisen Ramen" outlet located in Marina Bay Sands Shoppes Premium Food Precinct.

Review of financial performance for 1Q2019 compared to 1Q2018

Revenue

The Group's revenue increased by S\$0.4 million or 2.7%, from S\$16.2 million in the first quarter from 1 April 2017 to 30 June 2017 ("**1Q2018**"), to S\$16.6 million in the first quarter from 1 April 2018 to 30 June 2018 ("**1Q2019**"). The increase in the Group's revenue was a result of the following:

- (i) net increase in revenue of S\$0.2 million from the restaurants operating under the "Menya Musashi" brand*

The Group's revenue from restaurants operating under the "Menya Musashi" brand increased from S\$3.6 million in 1Q2018 to S\$3.8 million in 1Q2019, mainly attributable to the opening of a new restaurant at North Point in September 2017 and the conversion of an "Ajisen" brand restaurant to a "Menya Musashi" brand restaurant at Takashimaya in November 2017.

- (ii) net decrease in revenue of approximately S\$0.7 million from the restaurants operating under the "Ajisen Ramen" and "Keika Ramen" brand*

The Group's revenue from restaurants operating under the "Ajisen Ramen" and "Keika Ramen" brand decreased from S\$6.8 million in 1Q2018 to S\$6.1 million in 1Q2019, mainly attributable to: (i) the conversion of an "Ajisen" brand restaurant to a "Menya Musashi" brand restaurant at Takashimaya in November 2017, (ii) closure of an outlet at Marina Bay Sands Shoppes Premium Food Precinct in February 2018 and lower net sales generated from some existing restaurants.

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(iii) *net decrease in revenue of S\$0.3 million from the restaurants operating under “Osaka Ohsho” brand*

The Group’s revenue from restaurants operating under the “Osaka Ohsho” brand decreased from S\$2.1 million in 1Q2018 to S\$1.8 million in 1Q2019, mainly attributable to the closure of restaurants at Eastpoint Mall in November 2017 and at “Toyko Walker” in June 2017 as well as lower net sales generated from some existing restaurants.

(iv) *net increase in revenue of approximately S\$1.2 million from the restaurants operating under other brands*

The Group recorded an increase in revenue of S\$2.4 million in 1Q2019, contributed by new restaurants operating under the “Shitamachi Tendon Akimitsu”, “Curry is Drink” and “Konjiki Hototogisu” brands.

The increase in revenue was partially offset by a decrease in revenue from restaurants operating under other brands, namely the “Botejyu”, “New ManLee Bak Kut Teh”, “Kazokutei”, “Hanamidori” “Dutch Baby Cafe”, “Ginza Kushi-Katsu”, “Menzo Butao”, “Japanese Gourmet Town” and “Yonehachi” brands which in aggregate recorded a decrease in revenue of S\$1.2 million in 1Q2019 as compared to 1Q2018 mainly due to closure of certain restaurants and lower same store sales.

Gross profit

The Group’s gross profit increased by S\$0.3 million or 2.4%, from approximately S\$13.8 million in 1Q2018 to approximately S\$14.2 million in 1Q2019, in line with higher revenue achieved. The Group’s overall gross profit margin decreased marginally from 85.0% in 1Q2018 to 84.8% in 1Q2019 due to lower gross margin attributable to certain new brands.

Other income

The Group’s other income remained approximately the same at S\$0.1 million in 1Q2019 as compared to 1Q2018.

Selling and distribution expenses

The Group’s selling and distribution expenses increased by S\$0.3 million or 2.3% from S\$11.6 million in 1Q2018 to S\$11.9 million in 1Q2019 mainly due to higher manpower cost, rental and utilities cost in line with the higher revenue achieved and increased number of restaurants operated in 1Q2019.

Administrative expenses

The Group’s administrative expenses increased by S\$59,000 or 7.0% from S\$837,000 in 1Q2018 to S\$896,000 in 1Q2019. The increase was mainly due to higher manpower cost in line with the Group’s expanded restaurant network and brands.

Other operating expenses

The Group’s other operating expenses remained approximately the same at S\$0.3 million in 1Q2019 as compared to 1Q2018.

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Share of results of associated companies

The Group's share of results of associated companies decreased by S\$95,000 or 62.5% from S\$152,000 in 1Q2018 to S\$57,000 in 1Q2019. This was due to: (i) certain "Menya Musashi" brand restaurants operated by an associated company in Hong Kong experiencing lower sales as a result of intense competition, (ii) closure of a "Menya Musashi" brand restaurant in June 2017 upon expiry of lease, and (iii) certain "Menya Musashi" brand restaurants operated by an associated company in China second tier cities recording losses.

Income tax expenses

The income tax expenses of the Group remained approximately the same at S\$0.2 million in 1Q2019 as compared to 1Q2018.

Net profit

As the result of the reasons mentioned above, the Group's net profit attributable to equity holders of the Company decreased by approximately S\$0.1 million or 9.4% from S\$1.1 million in 1Q2018 to S\$1.0 million in 1Q2019.

Review of financial position as at 30 June 2018

Current assets

The Group's total current assets increased by S\$2.5 million, from approximately S\$25.6 million as at 31 March 2018 to S\$28.1 million as at 30 June 2018.

This was mainly a result of an increase in cash and cash equivalents of S\$2.6 million which was partially offset by a decrease in trade receivables of S\$0.1 million.

Non-current assets

The Group's total non-current assets decreased by S\$0.4 million, from S\$17.6 million as at 31 March 2018 to S\$17.2 million as at 30 June 2018.

This was due to (i) a decrease in net book value of plant and equipment of S\$0.2 million, (ii) a decrease in financial assets held-to-maturity of S\$0.3 million upon early redemption of bond issuer, and (iii) a decrease in long term security deposit of S\$0.2 million, which was partially offset by (i) an increase in investment in associated companies of S\$0.2 million arising from the investment in an associated company in Indonesia and share of profits from Hong Kong and China associated companies, and (ii) an increase in the intangible assets of S\$0.1 million from the acquisition of franchise right of new brand.

Current liabilities

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The Group's total current liabilities increased by S\$0.8 million, from S\$8.8 million as at 31 March 2018 to S\$9.6 million as at 30 June 2018 mainly due to higher trade payables and accruals of S\$0.6 million and higher tax liabilities of S\$0.2 million.

Non-current liabilities

The Group's total non-current liabilities remained unchanged at S\$0.4 million as at 30 June 2018.

Shareholders' equity

The Group's shareholders' equity increased by S\$1.3 million, from approximately S\$34.0 million as at 31 March 2018 to approximately S\$35.3 million as at 30 June 2018 arising from the net profit achieved by the Group in 1Q2019 of approximately S\$1.0 million and transfer of treasury shares to certain Group employees pursuant to the Japan Foods Performance Share Plan (as announced on 17 May 2018) amounting to approximately S\$0.3 million.

Review of cash flow management for 1Q2019

The Group's net cash generated from operating activities in 1Q2019 was approximately S\$3.4 million. This was mainly due to operating profit before working capital changes of approximately S\$2.5 million and net working capital inflow of approximately S\$0.9 million.

The Group's net cash used in investing activities in 1Q2019 was approximately S\$0.8 million mainly due to (i) renovation cost and purchase of equipment for the Group's new restaurants of approximately S\$0.8 million, (ii) acquisition of franchise rights of a new brand of approximately S\$0.1 million, and (iii) investment in an associated company in Indonesia of approximately S\$0.2 million, partially offset by the redemption of financial assets held-to-maturity of approximately S\$0.3 million.

The Group's net cash used in financing activities in 1Q2019 was approximately S\$0.3 million due to an increase in deposits pledged with banks for issuance of banker's guarantees in lieu of rental deposit.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There has not been any forecast or prospect statement in relation to the Group's results previously disclosed to shareholders.

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10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The operating environment in the local food and beverage industry is expected to remain challenging in the next 12 months mainly due to intense competition, tight labour supply, rising business costs and uncertain economic outlook.

The Group will continue to focus its efforts in controlling raw material costs, improving operational efficiency via streamlining of work processes and technology and practising good restaurant portfolio management taking into account market demand and individual outlet's profitability.

The Group recently secured the franchise rights of "Konjiki Hototogisu" and "Kagurazaka Saryo" from Japan.

"Konjiki Hototogisu" is an award winning ramen brand which has been featured in Michelin Guide Tokyo's Bib Gourmand for four consecutive years from 2015 to 2018. We opened our first restaurant under this brand at CHIJMES in June 2018.

"Kagurazaka Saryo" is an established Japanese tea house and dessert shop from Tokyo, Japan. We opened our first restaurant under this brand at Vivo City in July 2018.

As at 30 June 2018, the Group's associated companies operated 8 restaurants in Hong Kong and 10 restaurants in the People's Republic of China under the "Menya Musashi" brand.

In 1Q2018, the Group completed the acquisition of a 30% equity interest in PT Menya Musashi Indonesia which opened its first "Menya Musashi" brand restaurant in Jakarta in April 2018.

The Group intends to continue its efforts to seek opportunities to expand its presence in the ASEAN region and Japan by way of joint ventures, acquisitions and/or sub-franchising of its brands. In addition, the Group will also explore opportunities in non-Japanese food and beverage.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

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- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)**

Not applicable.

- (d) **Date payable**

Not applicable.

- (e) **Books closure date**

Not applicable.

- 12. If no dividend has been declared/recommendeded, a statement to that effect.**

There is no dividend declared in this quarter.

- 13. If the group has obtained a general mandate from shareholders for interested person transactions, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no general mandate has been obtained, a statement to that effect**

The Company did not obtain any general mandate from its shareholders in respect of any interested person transaction.

- 14. Confirmation by the board of directors pursuant to Rule 705(5) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst ("Catalist Rules")**

We, Takahashi Kenichi and Eugene Wong Hin Sun, being directors of the Company ("**Directors**"), hereby confirm on behalf of the board of Directors that, to the best of the Directors' knowledge, nothing has come to the attention of the board of Directors which may render the unaudited consolidated financial statements of the Group for the three months ended 30 June 2018 to be false or misleading in any material aspect.

On behalf of the board of Directors

Takahashi Kenichi
Executive Chairman and CEO

Eugene Wong Hin Sun
Non-Executive Vice Chairman

JAPAN FOODS HOLDING LTD

JAPAN FOODS HOLDING LTD.

(Incorporated in the Republic of Singapore on 3 December 2007)
(UEN. 200722314M)

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has already procured signed undertakings from all of its Directors and relevant executive officers in the format as set out in Appendix 7H of the Catalist Rules in accordance with Rule 720(1) of the Catalist Rules.

BY ORDER OF THE BOARD

Takahashi Kenichi
Executive Chairman and CEO

2 August 2018

*This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("**Sponsor**") for compliance with the Catalist Rules. The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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.*