

JAPAN FOODS HOLDING LTD

JAPAN FOODS HOLDING LTD.

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

BUSINESS AND FINANCIAL UPDATE FOR 3Q2025

The board of directors of Japan Foods Holding Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to provide a business and financial update for the nine-month period ended 31 December 2024 (“**3Q2025**”):

1. Portfolio of Restaurants as at 31 December 2024

Brands	Number of outlets				
	As at 30/09/2024	New	Closed	As at 31/12/2024	As at 31/12/2023
Franchised Brands					
Ajisen Ramen	13	-	-	13	11
Konjiki Hototogisu	10	-	-	10	11
Shitamachi Tendon Akimitsu	-	-	-	-	3
Menya Musashi	1	-	-	1	3
Osaka Ohsho	1	-	-	1	1
Afuri Ramen	1	-	-	1	1
Yonehachi	1	-	-	1	1
Kageyama	2	-	-	2	-
Menzo Butao	1	-	-	1	1
New ManLee Bak Kut Teh	1	-	-	1	1
Nakiryu	-	-	-	-	1
Tori Sanwa	7	-	1	6	3
Tororitenshi no Warabi-Mochi	4	-	-	4	-
Kumachan Onsen	1	1	-	2	-
Yamaya Kitchen	-	2	-	2	-
Self-Developed Brands					
Tokyo Shokudo*	12	-	-	12	12
Yakiniku Shokudo*	11	-	-	11	11
Yakiniku Kai	1	-	1	-	1
Fruit Paradise*	2	1	-	3	6 [#]
Yakiniku Taro	-	-	-	-	1
Edo Shokudo*	2	-	2	-	2
Kyoto Shokudo*	-	-	-	-	1
Godaime*	2	-	-	2	2
Milan Shokudo*	6	-	1	5	3
Milan Tei*	1	-	-	1	1
Milan Cafeteria*	1	-	-	1	-
Romana Pizza & Pasta	1	-	-	1	-
Roman-kan	1	-	1	-	-
Ramen Ichiro	-	-	-	-	-
Katsuyoshi	1	-	-	1	-
BBQ Seoul Shokudo*	-	-	-	-	1
Total Restaurants	84	4	6	82	78

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Notes:

* Halal brand

Includes one restaurant operating under the brand "Kagurazaka Saryo"

2. Financial Highlights for the Third Quarter Ended 31 December 2024

(a) Income Statement

	Group		
	Nine months ended 31 December 2024 ("3Q2025") S\$'000	Nine months ended 31 December 2023 ("3Q2024") S\$'000	Change %
Revenue	64,901	65,268	(0.6)
Cost of sales	(10,023)	(10,026)	(0.0)
Gross profit	54,878	55,242	(0.7)
Gross profit margin	84.6%	84.6%	
Other income	2,031	1,070	89.8
Selling and distribution expenses	(53,923)	(49,791)	8.3
Administrative expenses	(2,881)	(3,001)	(4.0)
Allowances for impairment on loan to a joint venture	(680)	(791)	(14.0)
Other operating expenses	(1,463)	(770)	90.0
Lease interest expenses	(1,240)	(1,162)	6.7
Share of profit of associated companies	277	137	102.2
Profit before income tax	(3,001)	934	N.M.⁽¹⁾
Income tax expense	93	(266)	N.M. ⁽¹⁾
Net profit after income tax	(2,908)	668	N.M.⁽¹⁾

Note:

(1) "N.M." denotes not meaningful.

Despite a higher number of operating outlets, the Group's revenue decreased S\$0.4 million or 0.6%, from S\$65.3 million in 3Q2024 to S\$64.9 million in 3Q2025 mainly due to weak sales in November and December 2024.

The Group's gross profit decreased S\$0.3 million or 0.7%, from S\$55.2 million in 3Q2024 to S\$54.9 million in 3Q2025 in line with the decrease in the Group's revenue.

The Group's other income increased by S\$0.9 million or 89.8%, from S\$1.1 million in 3Q2024 to S\$2.0 million in 3Q2025, mainly attributable to royalty income, government grants under the Progressive Wage Credit Scheme and the Job Growth Incentive Scheme, interest income, insurance claims and compensation for relocation of a restaurant within VivoCity.

The Group's selling and distribution expenses increased S\$4.1 million or 8.3%, from S\$49.8 million in 3Q2024 to S\$53.9 million in 3Q2025 mainly due to higher manpower cost, utilities expenses and depreciation charges of right-of-use assets in line with the higher number of operating outlets.

The Group's administrative expenses decreased S\$0.1 million or 4.0%, from S\$3.0 million in 3Q2024 to S\$2.9 million in 3Q2025 mainly due to lower bonus and professional fees incurred. This was partially offset by the increase in manpower cost as a result of the Group's expanded operations.

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The Group recorded an allowance for impairment loss on a loan to the joint venture company, Dining Collective Pte Ltd (“JV”), amounting to S\$680,000 after having assessed, *inter alia*, the performance of the outlets under the JV and the challenging market conditions which led to the decision to wind down the business of the JV.

The Group’s other operating expenses increased S\$0.7 million or 90.0%, from S\$0.8 million in 3Q2024 to S\$1.5 million in 3Q2025, mainly due to an increase in write-off of plant and equipment attributable to rebranding and closure of restaurants as well as the relocation of a restaurant within VivoCity.

The Group’s lease interest expenses increased S\$78,000 or 6.7% from S\$1,162,000 in 3Q2024 to S\$1,240,000 in 3Q2025 due to higher number of operating outlets in 3Q2025.

The Group recorded its share of profit of associated companies of S\$277,000 in 3Q2025, compared to share of profit of S\$137,000 in 3Q2024. The increase in share of profit was due to profit generated by the associated companies in China (which are operating the “Menya Musashi” brand restaurants) and in Hong Kong (which are operating the “Konjiki Hototogisu” brand restaurants). This increase was however partially offset by the losses incurred by other associated companies in Hong Kong and Indonesia operating the “Menya Musashi” brand restaurants.

The Group recorded an income tax credit of S\$93,000 in 3Q2025 as compared to a tax expense of S\$266,000 in 3Q2024 due to the corporate income tax rebate.

As a result of the aforementioned, the Group recorded a net loss attributable to equity holders of the Company of S\$2.9 million in 3Q2025 as compared to a net profit of S\$0.7 million in 3Q2024.

(b) Balance Sheet

	Group			
	As at 31/12/2024	As at 31/03/2024	Increase/(Decrease)	
	S\$'000	S\$'000	S\$'000	%
Cash and bank balances	7,038	11,473	(4,435)	-38.7%
Other current assets	5,540	6,423	(883)	-13.7%
Non-current assets	73,106	75,215	(2,109)	-2.8%
Total assets	85,684	93,111	(7,427)	-8.0%
Lease liabilities-current	25,414	23,540	1,874	8.0%
Current liabilities	7,642	10,441	(2,799)	-26.8%
Non-current liabilities	26,159	29,372	(3,213)	-10.9%
Total liabilities	59,215	63,353	(4,138)	-6.5%
Equity	26,469	29,758	(3,289)	-11.1%
Total Liabilities and Equity	85,684	93,111	(7,427)	-8.0%

The Group’s total assets decreased by S\$7.4 million in 3Q2025 due to lower cash generated from operations, a decrease in the loan to the JV, a decrease in the value of right-of-use assets and a decrease in trade and other receivables. These were partially offset by an increase in the net book value of plant and equipment as the Group incurred capital expenditure for its new outlets in 3Q2025.

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The Group's total liabilities fell by S\$4.1 million mainly due to a decrease in accrual for operating expenses.

As at 31 December 2024, the Group recorded net current liabilities of S\$20.5 million due to the recognition of lease liabilities amounting to S\$25.4 million in compliance with SFRS(I)16. Based on the Group's internal resources, banking facilities and projected operational cashflows, the Board is of the view that the Group will have sufficient funds to meet its financial obligations as and when they fall due.

The Group's total equity decreased S\$3.3 million due to the loss incurred during the financial period, distribution of dividends and purchase of treasury shares.

(c) Outlook

The F&B industry in Singapore has been affected by the strong Singapore dollar, which has encouraged more Singaporeans to travel and spend overseas (in particular, Japan). The Group expects its business environment to remain tough, with conditions further compounded by ongoing industry challenges including manpower shortages, rising costs of operations due to inflation, and changing consumer preferences.

To overcome these challenges, the Group plans to rationalise its brand portfolio by focusing on its more established and proven brands. In line with this turnaround strategy, the Group has decreased the number of operating outlets from 84 as at 30 September 2024 to 82 as at 31 December 2024. The Group will continue to streamline its operations, manage costs and improve outlet performance by stepping up on marketing and promotional efforts.

BY ORDER OF THE BOARD

TAKAHASHI KENICHI
Executive Chairman and CEO

6 February 2025

This announcement has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor").

This announcement 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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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