

JAPAN FOODS HOLDING LTD

JAPAN FOODS HOLDING LTD.

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

Condensed Interim Financial Statements For the six months and full year ended 31 March 2024

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A. Condensed Interim Consolidated Statement of Comprehensive Income For the Financial Period Ended 31 March 2024

	Group			Group		
	Six months ended		Increase/ (Decrease)	Financial year ended		Increase/ (Decrease)
	31 March 2024	2023		31 March 2024	2023	
Note	(\$'000)	(\$'000)	(%)	(\$'000)	(\$'000)	(%)
Revenue	43,383	40,558	7.0	86,357	78,532	10.0
Cost of sales	(6,541)	(6,305)	3.7	(13,230)	(12,114)	9.2
Gross profit	36,842	34,253	7.6	73,127	66,418	10.1
Other income	875	1,425	(38.6)	1,248	1,912	(34.7)
Interest income from bank	54	96	(43.8)	129	128	0.8
Other gains/(losses) – net	513	(65)	N.M. ⁽¹⁾	521	(56)	N.M. ⁽¹⁾
Selling and distribution expenses	(34,508)	(30,094)	14.7	(67,218)	(57,117)	17.7
Administrative expenses	(1,802)	(1,885)	(4.4)	(3,835)	(3,723)	3.0
Other operating expenses	(621)	(521)	19.2	(1,190)	(1,138)	4.6
Impairment losses	(1,069)	(748)	42.9	(1,860)	(748)	148.7
Finance costs	(1,060)	(559)	89.6	(1,801)	(1,024)	75.9
Share of results of associated companies	(12)	50	N.M. ⁽¹⁾	254	205	23.9
(Loss)/profit before income tax	(788)	1,952	N.M. ⁽¹⁾	(625)	4,857	N.M. ⁽¹⁾
Income tax credit/(expenses)	212	(166)	N.M. ⁽¹⁾	130	(730)	N.M. ⁽¹⁾
(Loss)/profit after income tax	(576)	1,786	N.M. ⁽¹⁾	(495)	4,127	N.M. ⁽¹⁾
Total comprehensive (loss)/income for the year attributable to equity holders of the company	(576)	1,786	N.M. ⁽¹⁾	(495)	4,127	N.M. ⁽¹⁾
Earnings per share attributable to owners of the Company (cents per share)						
Basic and diluted	(0.33)	1.03	N.M. ⁽¹⁾	(0.28)	2.37	N.M. ⁽¹⁾

Note:

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

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B. Condensed Interim Statements of Financial Position As at 31 March 2024

	Note	Group As at		Company As at	
		31.03.2024 (\$'000)	31.03.2023 (\$'000)	31.03.2024 (\$'000)	31.03.2023 (\$'000)
ASSETS					
Current assets					
Cash and bank balances		11,473	18,489	1,251	2,705
Trade and other receivables	11	1,903	1,065	1,629	2,258
Inventories		725	807	-	-
Other current assets		4,055	3,709	205	97
		18,156	24,070	3,085	5,060
Non-current assets					
Plant and equipment	13	16,203	11,795	38	9
Investment in subsidiary corporations		-	-	6,042	6,042
Investment in associated companies		2,460	2,072	365	232
Investment in a joint venture		-	-	100	100
Loan to an associated company		248	248	248	248
Loan to a joint venture		1,354	1,820	1,354	1,820
Other investments at amortised cost		531	534	-	-
Intangible assets	12	187	146	-	-
Right-of-use assets		42,753	45,732	208	319
Club membership		-	322	-	322
Long-term security deposits	14	3,524	3,880	-	51
Deferred income tax assets		7,956	-	37	-
		75,216	66,549	8,392	9,143
Total assets		93,372	90,619	11,477	14,203
LIABILITIES					
Current liabilities					
Trade and other payables	15	9,574	9,662	329	912
Provisions	16	823	143	-	-
Current income tax liabilities		304	538	-	-
Lease liabilities		23,540	22,056	152	179
		34,241	32,399	481	1,091
Non-current liabilities					
Deferred income tax liabilities		8,031	527	36	2
Lease liabilities		21,342	24,973	68	158
		29,373	25,500	104	160
Total liabilities		63,614	57,899	585	1,251
NET ASSETS		29,758	32,720	10,892	12,952
EQUITY					
Share capital	17	9,522	9,522	9,522	9,522
Treasury shares		(219)	(18)	(219)	(18)
Capital reserves		35	36	35	36
Retained earnings		20,420	23,180	1,554	3,412
TOTAL EQUITY		29,758	32,720	10,892	12,952

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C. Condensed Interim Consolidated Statements of Changes in Equity For the Financial Year Ended 31 March 2024

Group	Share capital (\$'000)	Treasury shares (\$'000)	Capital reserves (\$'000)	Retained earnings (\$'000)	Total (\$'000)
Balance as at 1 April 2023	9,522	(18)	36	23,180	32,720
Dividends paid (Note 8)	-	-	-	(2,265)	(2,265)
Performance shares granted	-	214	(1)	-	213
Purchase of treasury shares	-	(415)	-	-	(415)
Total comprehensive loss for the year	-	-	-	(495)	(495)
Balance as at 31 March 2024	9,522	(219)	35	20,420	29,758
Balance as at 1 April 2022	9,522	(5)	38	23,152	32,707
Dividends paid (Note 8)	-	-	-	(4,099)	(4,099)
Performance shares granted	-	208	(2)	-	206
Purchase of treasury shares	-	(221)	-	-	(221)
Total comprehensive income for the year	-	-	-	4,127	4,127
Balance as at 31 March 2023	9,522	(18)	36	23,180	32,720

Company	Share capital (\$'000)	Treasury shares (\$'000)	Capital reserves (\$'000)	Retained earnings (\$'000)	Total (\$'000)
Balance as at 1 April 2023	9,522	(18)	36	3,412	12,952
Dividends paid (Note 8)	-	-	-	(2,265)	(2,265)
Performance shares granted	-	214	(1)	-	213
Purchase of treasury shares	-	(415)	-	-	(415)
Total comprehensive income for the year	-	-	-	407	407
Balance as at 31 March 2024	9,522	(219)	35	1,554	10,892
Balance as at 1 April 2022	9,522	(5)	38	2,654	12,209
Dividends paid (Note 8)	-	-	-	(4,099)	(4,099)
Performance shares granted	-	208	(2)	-	206
Purchase of treasury shares	-	(221)	-	-	(221)
Total comprehensive income for the year	-	-	-	4,857	4,857
Balance as at 31 March 2023	9,522	(18)	36	3,412	12,952

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D. Condensed Interim Consolidated Statements of Cash Flows

	Group		Group	
	Six months ended		Financial year ended	
	31 March		31 March	
	2024	2023	2024	2023
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Cash flows from operating activities:				
Net (loss)/profit	(576)	1,786	(495)	4,127
Adjustments for:				
Income tax (credit)/expense	(212)	166	(130)	730
Depreciation of plant and equipment	2,467	1,816	4,625	3,383
Depreciation of right-of-use assets	13,175	10,411	24,791	20,259
Amortisation of intangible assets	34	32	69	62
Amortisation of other investments at amortised cost	2	2	3	4
Amortisation of government grants	(14)	(14)	(28)	(28)
Impairment losses on loan to a joint venture	-	-	791	-
Impairment of plant and equipment	523	350	523	350
Impairment of right-of-use assets	546	398	546	398
Loss on early redemption of financial assets	-	-	-	21
Plant and equipment written off	177	-	268	42
Right-of-use assets written back	-	-	(8)	-
Rental concessions	-	(36)	-	(132)
Employee performance shares expense	-	206	213	206
Gain on disposal of club membership	(516)	-	(516)	-
Gain on early termination of lease	(31)	-	(41)	-
Share of loss/(profit) of associated companies	12	(50)	(254)	(205)
Finance costs	1,060	559	1,801	1,024
Interest income from bank deposits	(54)	(96)	(129)	(128)
	16,593	15,530	32,029	30,113
Changes in working capital:				
Inventories	72	(76)	82	(228)
Trade and other receivables	(896)	(34)	(822)	19
Other current assets	331	(420)	(346)	(980)
Long-term security deposits	186	(537)	356	(810)
Trade and other payables	(671)	(294)	(60)	1,211
Provisions	(87)	40	(53)	40
Cash generated from operations	15,528	14,209	31,186	29,365
Interest income received	46	89	113	109
Income tax paid	(257)	(4)	(557)	(4)
Net cash provided by operating activities	15,317	14,294	30,742	29,470

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D. Condensed Interim Consolidated Statements of Cash Flows (Cont'd)

	Group		Group	
	Six months ended		Financial year ended	
	31 March		31 March	
	2024	2023	2024	2023
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Cash flows from investing activities:				
Additions to plant and equipment	(5,427)	(5,569)	(9,824)	(8,382)
Additions to intangible assets	(54)	(72)	(110)	(72)
Additions to associated companies	(133)	-	(133)	-
Loan to a joint venture	(200)	(740)	(325)	(770)
Proceeds from disposal of club memberships	838	-	838	-
Proceeds from disposal of plant and equipment	-	3	-	-
Redemption of financial assets, held to maturity	-	-	-	750
Net cash used in investing activities	(4,976)	(6,378)	(9,554)	(8,474)
Cash flows from financing activities:				
Increase in short-term bank deposits pledged	(90)	(214)	(163)	(175)
Principal payment of lease liabilities	(12,211)	(10,399)	(23,723)	(20,370)
Interest paid	(1,060)	(559)	(1,801)	(1,024)
Purchase of treasury shares	(108)	(221)	(415)	(221)
Dividend paid to equity holders of the Company	(522)	(1,744)	(2,265)	(4,099)
Net cash used in financing activities	(13,991)	(13,137)	(28,367)	(25,889)
Net decrease in cash and cash equivalents	(3,650)	(5,221)	(7,179)	(4,893)
Cash and cash equivalents				
Beginning of financial period	11,518	20,268	15,047	19,940
End of financial period ⁽¹⁾	7,868	15,047	7,868	15,047

Note:

(1) This excludes bank deposits of \$3.6 million as at 31 March 2024 (\$3.4 million as at 31 March 2023) pledged as security for bank facilities granted by financial institution(s) to the Group.

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E. Selected Notes to the Condensed Interim Consolidated Financial Statements

1 General information

Japan Foods Holding Ltd. (the “**Company**”) is listed on the Catalist, the sponsor-supervised listing platform of Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and incorporated and domiciled in Singapore. The address of its registered office is 420 North Bridge Road, #02-01, North Bridge Centre, Singapore 188727.

The principal activity of the Company is investment holding. The principal activities of its subsidiary corporations are:

- (a) Operating restaurants; and
- (b) Trading and management of franchisees and sub-franchisees

2 Basis of preparation

The condensed interim financial statements for the six months and full year ended 31 March 2024 have been prepared in accordance with the SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Committee. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 September 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1 (if any).

The condensed interim financial statements are presented in Singapore dollars which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2023.

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E. Selected Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

2 Basis of preparation (Cont'd)

2.2 Use of judgements and estimates (Cont'd)

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances:

(i) Impairment of plant and equipment and right-of-use-assets

Plant and equipment and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets and where applicable, cash-generating units (“CGU”) have been determined based on value-in-use calculations. These calculations require the use of judgements and estimates.

As at 31 March 2024, the Group has recognised impairment losses of \$523,000 (2023: \$350,000) and \$546,000 (2023: \$398,000) for plant and equipment and right-of-use assets respectively.

(ii) Leases

The application of SFRS(I) 16 requires the Group to exercise judgement and estimates in applying transition options and practical expedients, and in the determination of key assumptions used in measuring the lease liabilities. Key assumptions include lease terms and discount rates on the lease payments.

In determining the lease term, the Group considers all relevant facts and circumstances that create an economic incentive for the Group to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the Group is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.

The lease payments are discounted using the rate implicit in the lease or the Group's incremental borrowing rate. This requires the Group to estimate the rate of interest that it would have to pay to borrow the funds to obtain a similar asset over a similar term. The incremental borrowing rate applied to lease liabilities as at 31 March 2024 was 2.5% to 4.5 % per annum (2023: 2.5% to 4.5% per annum) for leases of premises and restaurant outlets and office equipment. The carrying amount of lease liabilities of the Group and the Company as at 31 March 2024 was \$44,882,000 and \$220,000 (2023: \$47,029,000 and \$337,000) respectively.

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E. Selected Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

The Group's principal business is in the operation of restaurant outlets and its ancillary business is in the supply of food ingredients to its sub-franchisees and franchisee.

Sales between segments are carried out at normal business terms and conditions. The revenue from external parties reported to the Chief Executive Officer ("**CEO**") is measured in a manner consistent with that in the consolidated statement of comprehensive income.

The CEO assesses the performance of the operating segments based on a measure of segment results before interest (net), impairment of loan to a joint venture, share of results of associated companies and income tax expenses. Interest income and finance expenses are not allocated to segments, as this type of activity is driven by the Group finance team, which manages the cash position of the Group.

Segment assets

The amounts provided to the CEO with respect to total assets are measured in a manner consistent with that of the financial statements. For the purposes of monitoring segment performance and allocating resources between segments, the CEO monitors the plant and equipment, intangible assets, inventories, receivables and operating cash attributable to each segment. All assets are allocated to reportable segments other than short-term bank deposits and other investments at amortised cost.

Segment liabilities

The amounts provided to the CEO with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segments. All liabilities are allocated to the reportable segments other than current income tax and deferred income tax liabilities.

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E. Selected Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

4. Segment and revenue information (Cont'd)

4.1 Reportable Segments

<u>1 October 2023 to 31 March 2024</u>	← Singapore →		Total (\$'000)
	Restaurant sales (\$'000)	Others (\$'000)	
<u>The Group</u>			
Revenue			
Total segment revenue	43,283	100	43,383
Segment results	(1,101)	271	(830)
Depreciation of plant and equipment and amortisation of intangible assets	2,467	34	2,501
Depreciation of right-of-use assets	13,175	-	13,175
Impairment of plant and equipment	523	-	523
Impairment of right-of-use assets	546	-	546
Plant and equipment written-off	177	-	177
Share of profit of associated companies	(12)	-	(12)
Segment assets	80,307	837	81,144
Segment assets includes:			
Additions to plant and equipment	5,427	-	5,427
Additions to right-of-use assets	12,381	-	12,381
Additions to intangible asset	-	54	54
Loan to an associated company	248	-	248
Loan to a joint venture	1,354	-	1,354
Segment liabilities	54,775	504	55,279

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E. Selected Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

4. Segment and revenue information (Cont'd)

4.1 Reportable Segments (Cont'd)

<u>1 October 2022 to 31 March 2023</u>	← Singapore →		Total (\$'000)
	Restaurant sales (\$'000)	Others (\$'000)	
The Group			
Revenue			
Total segment revenue	40,457	101	40,558
Segment results	1,687	119	1,806
Depreciation of plant and equipment and amortisation of intangible assets	1,816	32	1,848
Depreciation of right-of-use assets	10,411	-	10,411
Impairment of plant and equipment	350	-	350
Impairment of right-of-use assets	398	-	398
Share of loss of associated companies	(50)	-	(50)
Segment assets	83,509	1,117	84,626
Segment assets includes:			
Additions to plant and equipment	5,569	-	5,569
Additions to right-of-use assets	19,583	-	19,583
Additions to intangible asset	-	72	72
Loan to an associated company	248	-	248
Loan to a joint venture	1,820	-	1,820
Segment liabilities	56,125	709	56,834

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E. Selected Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

4. Segment and revenue information (Cont'd)

4.1 Reportable Segments (Cont'd)

<u>1 April 2023 to 31 March 2024</u>	← Singapore →		Total (\$'000)
	Restaurant sales (\$'000)	Others (\$'000)	
The Group			
Revenue			
Total segment revenue	86,149	208	86,357
Segment results	(582)	365	(217)
Depreciation of plant and equipment and amortisation of intangible assets	4,625	69	4,694
Depreciation of right-of-use assets	24,791	-	24,791
Impairment of plant and equipment	523	-	523
Impairment of right-of-use assets	546	-	546
Impairment losses of loan to a joint venture	791	-	791
Plant and equipment written-off	268	-	268
Right-of-use assets written back	(8)	-	(8)
Share of profit of associated companies	254	-	254
Segment assets	80,307	837	81,144
Segment assets includes:			
Additions to plant and equipment	9,824	-	9,824
Additions to right-of-use assets	23,130	-	23,130
Additions to intangible asset	-	110	110
Loan to an associated company	248	-	248
Loan to a joint venture	1,354	-	1,354
Segment liabilities	54,775	504	55,279

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E. Selected Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

4. Segment and revenue information (Cont'd)

4.1 Reportable Segments (Cont'd)

<u>1 April 2022 to 31 March 2023</u>	← Singapore →		Total (\$'000)
	Restaurant sales (\$'000)	Others (\$'000)	
The Group			
Revenue			
Total segment revenue	78,341	191	78,532
Segment results	4,287	237	4,524
Depreciation of plant and equipment and amortisation of intangible assets	3,383	62	3,445
Depreciation of right-of-use assets	20,259	-	20,259
Impairment of plant and equipment	350	-	350
Impairment of right-of-use assets	398	-	398
Plant and equipment written-off	42	-	42
Share of profit of associated companies	(205)	-	(205)
Segment assets	83,509	1,117	84,626
Segment assets includes:			
Additions to plant and equipment	8,382	-	8,382
Additions to right-of-use assets	31,483	-	31,483
Additions to intangible asset	-	72	72
Loan to an associated company	248	-	248
Loan to a joint venture	1,820	-	1,820
Segment liabilities	56,125	709	56,834

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E. Selected Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and Company as at 31 March 2024 and 31 March 2023:

	The Group		The Company	
	31 March 2024 (\$'000)	31 March 2023 (\$'000)	31 March 2024 (\$'000)	31 March 2023 (\$'000)
Financial assets				
Cash and bank balances	11,473	18,489	1,251	2,705
Trade and other receivables	1,903	1,065	1,629	2,258
Other financial assets	7,691	8,292	1,658	2,124
Other investments at amortised cost	531	534	-	-
	<u>21,598</u>	<u>28,380</u>	<u>4,538</u>	<u>7,087</u>
Financial liabilities				
Trade and other payables	8,972	9,662	351	912
Lease liabilities	44,882	47,029	220	337
	<u>53,854</u>	<u>56,691</u>	<u>571</u>	<u>1,249</u>

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E. Selected Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

6. (Loss)/profit before income tax

6.1 Significant items

	The Group			
	Six months ended 31 March		Financial year ended 31 March	
	2024 (\$'000)	2023 (\$'000)	2024 (\$'000)	2023 (\$'000)
Interest income	(54)	(96)	(129)	(128)
Royalty and franchise income	(307)	(170)	(484)	(377)
Insurance claims	(33)	(32)	(123)	(61)
Government grants	(384)	(1,158)	(421)	(1,275)
Amortisation of government grants	(14)	(14)	(28)	(28)
Rental concessions	-	(36)	-	(132)
Other income	(137)	(15)	(192)	(39)
Depreciation of plant and equipment	2,467	1,816	4,625	3,383
Depreciation of right-of-use assets	13,175	10,411	24,791	20,259
Amortisation of intangible assets	34	32	69	62
Amortisation of other investments at amortised cost	2	2	3	4
Allowance for impairment losses of loan to a joint venture	-	-	791	-
Allowance for impairment of plant and equipment	523	350	523	350
Allowance for impairment of right-of- use assets	546	398	546	398
Loss on early redemption of financial assets	-	-	-	21
Plant and equipment written off	177	-	268	42
Right-of-use assets written back	-	-	(8)	-
Gain on disposal of club membership	(516)	-	(516)	-
Gain on early termination of lease	(31)	-	(41)	-
Currency exchange losses/(gains) - net	3	65	(5)	35

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E. Selected Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

7. Taxation

The Group calculates the period income tax (credit)/expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are as follows:

	The Group			
	Six months ended		Financial year ended	
	31 March		31 March	
	2024	2023	2024	2023
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Tax (credit)/expense attributable to (loss)/profit is made up of:				
(Loss)/profit from current financial year:				
- Current income tax	183	(145)	324	553
- Deferred income tax	(75)	311	(75)	311
	108	166	249	864
Over-provision in prior financial years				
- Current income tax	-	-	-	(134)
- Deferred income tax	(320)	-	(379)	-
	(212)	166	(130)	730

8. Dividends

	The Group	
	31 March	
	2024	2023
	(\$'000)	(\$'000)
Ordinary dividends paid		
Final exempt dividend paid in respect of the previous financial year of 1.00 cents per share (2023: 1.35 cents per share)	1,744	2,355
Interim exempt dividend paid in respect of the current financial year of 0.30 cents per share (2023: 1.00 cents per share)	521	1,744
	2,265	4,099

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E. Selected Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

9. Earnings per share ("EPS")

	Group		Group	
	Six months ended 31 March		Financial year ended 31 March	
	2024	2023	2024	2023
Earnings attributable to equity holders of the Company (\$'000)	(576)	1,786	(495)	4,127
Weighted average number of shares used in computation of basic EPS	173,984,238	174,367,320	173,962,525	174,418,384
Basic EPS attributable to equity holders of the Company (cents) ⁽¹⁾	(0.33)	1.03	(0.28)	2.37
Fully diluted EPS attributable to equity holders of the Company (cents) ⁽²⁾	(0.33)	1.03	(0.28)	2.37

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 periods.
- (2) Fully diluted EPS is 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 shares during these respective financial periods.

10. Net Asset Value ("NAV")

	Group		Company	
	As at 31 March		As at 31 March	
	2024	2023	2024	2023
NAV per ordinary share (cents)	17.12	18.76	6.27	7.43
Number of Shares used in computation of NAV per Share	173,806,200	174,394,200	173,806,200	174,394,200

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E. Selected Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

11. Trade and other receivables

	Group		Company	
	As at		As at	
	31 March		31 March	
	2024	2023	2024	2023
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Trade receivables				
- Related parties:				
Associated companies	74	283	-	-
Joint venture	4	8	-	-
- Non-related parties	1,237	736	-	-
Non-trade receivables				
- Joint venture	-	-	-	-
- Subsidiary corporations	-	-	1,067	2,258
- Non-related parties	588	38	562	-
	1,903	1,065	1,629	2,258

12. Intangible assets

	The Group	
	31 March	
	2024	2023
	(\$'000)	(\$'000)
Trademarks and franchise rights		
Cost		
Beginning of financial year	691	758
Addition	110	72
Written-off	-	(139)
End of financial year	801	691
Accumulated amortisation		
Beginning of financial year	545	622
Amortisation charge	69	62
Written-off	-	(139)
End of financial year	614	545
Net book value		
End of financial year	187	146

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E. Selected Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

13. Plant and equipment

During the current financial year ended 31 March 2024, the Group acquired plant and equipment amounting to \$9,824,000 (31 March 2023: \$8,382,000).

14. Long-term security deposits

	Group		Company	
	As at 31 March		As at 31 March	
	2024 (\$'000)	2023 (\$'000)	2024 (\$'000)	2023 (\$'000)
Refundable security deposits	3,524	3,880	-	51

These are mainly deposits placed with landlords. Management is of the opinion that these deposits have been placed with counterparties who are creditworthy and accordingly, no allowance for impairment is required.

15. Trade and other payables

	Group		Company	
	As at 31 March		As at 31 March	
	2024 (\$'000)	2023 (\$'000)	2024 (\$'000)	2023 (\$'000)
Trade payables				
- Non-related parties	1,896	1,707	-	-
Non-trade payables				
- Associated company	-	253	-	253
- Subsidiary corporation	-	-	7	-
- Non-related parties	2,056	2,170	12	16
Accruals for operating expenses ⁽¹⁾	5,613	5,523	310	643
Franchise deposits	9	9	-	-
	9,574	9,662	329	912

The non-trade amounts due to subsidiary corporations and associated companies are unsecured, interest-free and are repayable on demand.

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E. Selected Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

15. Trade and other payables (Cont'd)

(1) Accruals for operating expenses

Included in the above are government grants comprising a balance of \$56,000 for the acquisition of certain automated equipment for the central kitchen of the Group's subsidiary corporation, Bachmann Japanese Restaurants Pte Ltd. The grants received are subsequently credited to profit or loss over the useful life of related assets to match the related cost.

16. Provisions

The provision for costs of dismantlement, removal or restoration are the estimated costs of dismantlement, removal or restoration of leased premises and retail outlets to its original conditions as stipulated in the terms and conditions of lease contracts.

Movements in the provisions are follows:

	Group	
	As at	
	31 March	
	2024	2023
	(\$'000)	(\$'000)
Beginning of the financial year	143	103
Provision made during the financial year	853	140
Utilisation during the financial year	(173)	(100)
End of financial year	<u>823</u>	<u>143</u>

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E. Selected Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

17. Share Capital

	The Group and the Company			
	31 March 2024		31 March 2023	
	Number of ordinary shares '000	Amount \$'000	Number of ordinary shares '000	Amount \$'000
Beginning and end of financial year	174,436	9,522	174,436	9,522

There was no change in the issued and paid-up capital of the Company since 30 September 2023.

There were no outstanding convertible instruments which may be converted to shares as at 31 March 2024 and 31 March 2023.

(a) Treasury shares

(i) Between 1 April 2022 and 31 March 2023

As at 1 April 2022, the Company held 12,000 treasury shares and the total number of ordinary shares in the capital of the Company (excluding treasury shares) was 174,424,000 shares.

The Company had on 23 November 2022, 25 November 2022, 28 November 2022 and 29 November 2022 purchased an aggregate of 519,800 shares by way of market acquisitions.

On 9 December 2022, 490,000 treasury shares were transferred to certain employees of the Group pursuant to the Japan Foods Performance Share Scheme.

As at 31 March 2023, after the above share transfers and share buy-backs, the Company held 41,800 treasury shares which represented approximately 0.02% of the 174,394,200 total issued shares (excluding treasury shares).

(ii) Between 1 April 2023 and 31 March 2024

As at 1 April 2023, the Company held 41,800 treasury shares and the total number of ordinary shares in the capital of the Company (excluding treasury shares) was 174,394,200 shares.

The Company had on 25 May 2023, 26 May 2023, 29 May 2023, 31 May 2023, 5 June 2023, 6 June 2023, 7 June 2023, 20 June 2023, 22 June 2023, 23 August 2023, 24 November 2023, 29 November 2023, 5 December 2023, 16 February 2024 and 27 February 2024 purchased an aggregate of 1,078,000 shares by way of market acquisitions.

On 15 June 2023, 490,000 treasury shares were transferred to certain employees of the Group pursuant to the Japan Foods Performance Share Scheme.

As at 31 March 2024, after the above share transfers and share buy-backs, the Company held 629,800 treasury shares which represented approximately 0.36% of the 173,806,200 total issued shares (excluding treasury shares).

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E. Selected Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

17. Share Capital (Cont'd)

(b) Subsidiary holdings

There were no subsidiary holdings as at 31 March 2024 and 31 March 2023.

18. Related party transactions

	Group As at	
	31 March 2024	31 March 2023
	\$'000	\$'000
Sales of ingredients		
- Joint venture	47	69
Royalties fee		
- Associated companies	470	363

19. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

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F. Other Information Required by Listing Rule Appendix 7C

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

The condensed consolidated statement of financial position of Japan Foods Holding Limited and its subsidiaries as at 31 March 2024 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months and financial year ended 31 March 2024 and certain explanatory notes have not been audited or reviewed.

- 2. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**
 - (a) Updates on effort taken to resolve each outstanding audit issue**
 - (b) Confirmation from the Board that the impact of all outstanding audit issues on financial statements have been adequately disclosed.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable as the Company's latest financial statements were not subject to any adverse opinion, qualified opinion or disclaimer of opinion.

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F. Other Information Required by Listing Rule Appendix 7C (Cont'd)

3. 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

No. of outlets by Brands:

	As at 31 March	
	2024	2023
<u>Franchised Brands</u>		
Ajisen Ramen	11	12
Konjiki Hototogisu	11	7
Shitamachi Tendon Akimitsu	3	4
Menya Musashi	3	4
Tori Sanwa	3	-
Osaka Ohsho	1	3
Kageyama	1	-
Afuri	1	2
Yonehachi	1	2
Menzo Butao	1	1
New ManLee Bak Kut Teh	1	1
Nakiryu	-	1
<u>Self-Developed Brands</u>		
Tokyo Shokudo*	12	8
Yakiniku Shokudo*	11	8
Fruit Paradise*	5	6 [#]
Milan Shokudo*	4	-
Godaime*	2	-
Edo Shokudo*	2	1
Yakiniku Taro	1	1
Yakiniku Kai	1	-
Romana Pizza & Pasta	1	-
Kyoto Shokudo*	1	1
Milan Tei*	1	-
BBQ Seoul Shokudo*	1	-
BBQ Tori Shokudo*	-	1
Ajisen Shokudo*	-	1
Ramen Ichiro	-	1
	79	65

Note:

* Halal brands

Included franchised "Kagurazaka Saryo" brand restaurant, which ceased in January 2024.

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F. Other Information Required by Listing Rule Appendix 7C (Cont'd)

3. 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

Review of financial performance of the Group for 2H2024 compared to 2H2023

Revenue

The Group's revenue increased by \$2.8 million or 7.0% from \$40.6 million for the six months ended 31 March 2023 ("2H2023") to \$43.4 million for the six months ended 31 March 2024 ("2H2024").

The increase in the Group's revenue was a result of the following:

- (i) *net increase in revenue of \$1.8 million from restaurants operating under the "Yakiniku Shokudo" brand*

The Group's "Yakiniku Shokudo" brand expanded from 8 restaurants in 2H2023 to 11 restaurants in 2H2024. The increase in revenue was due to the increase of new outlets.

- (ii) *net increase in revenue of \$1.6 million from the restaurants operating under the "Tokyo Shokudo" brand*

The number of restaurants operating under the "Tokyo Shokudo" brand increased from 8 restaurants in 2H2023 to 12 restaurants in 2H2024. The increase in revenue was due to contribution from new restaurants and partially offset by lower revenue generated from certain existing restaurants.

- (iii) *net increase in revenue of \$0.9 million from the restaurants operating under the "Konjiki Hototogisu" brand*

Revenue from restaurants under the "Konjiki Hototogisu" brand rose from \$4.0 million in 2H2023 to \$4.9 million in 2H2024. This was in tandem with the higher number of outlets, which increased from 7 in 2H2023 to 11 restaurants in 2H2024. The revenue increase was partially offset by lower revenue generated from certain existing restaurants.

- (iv) *net decrease in revenue of \$2.2 million from the restaurants operating under the "Osaka Ohsho" brand*

The Group's revenue from restaurants operating under the "Osaka Ohsho" brand decreased from \$2.7 million in 2H2023 to \$0.5 million in 2H2024 as the number of restaurants operating under this brand fell from 3 to 1 over the same period. This was mainly due to (i) the conversion of 2 existing restaurants located at Junction 8 and Bugis Junction to "Milan Shokudo" and "Tori Sanwa" respectively; and (ii) lower revenue generated by the remaining restaurant.

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Revenue (Cont'd)

- (v) *net decrease in revenue of \$0.7 million from the restaurants operating under the “Ajisen Ramen” brand*

The Group's revenue from restaurants operating under the “Ajisen Ramen” brand decreased from \$9.1 million in 2H2023 to \$8.4 million in 2H2024 due to conversion of a restaurant at Bukit Panjang to a “Tokyo Shokudo” brand restaurant in May 2023.

- (vi) *net decrease in revenue of \$0.7 million from the restaurants operating under “Menya Musashi” brand*

The Group's revenue from restaurants operating under the “Menya Musashi” brand decreased from \$2.7 million in 2H2023 to \$2.0 million in 2H2024 due to conversion of a restaurant at Westgate to a “Milan Shokudo” brand restaurant in October 2023 and lower revenue generated from certain existing restaurants.

- (vii) *net decrease in revenue of \$0.8 million from the restaurants operating under “Shitamachi Tendon Akimitsu” brand*

The Group's revenue from restaurants operating under the “Shitamachi Tendon Akimitsu” brand decreased from \$1.8 million in 2H2023 to \$1.0 million in 2H2024 due to conversion of a restaurant at Nex to a “Tokyo Shokudo” brand restaurant in May 2023 and lower revenue generated from certain existing restaurants.

- (viii) *net increase in revenue of \$2.8 million from the restaurants operating under other brands*

The Group recorded an increase in revenue from restaurants operating under other brands in 2H2024 as compared to 2H2023, which was mainly contributed by the opening of new restaurants under the “Godaime”, “Tori Sanwa”, “Milan Shokudo”, “Yakiniku Kai”, “Romana Pizza & Pasta”, “BBQ Seoul Shokudo” and “Edo Shokudo” brands. The increase was partially offset by lower revenue generated by “Afuri”, “Nakiryu”, “Fruit Paradise”, “Yakiniku Taro” and “Yonehachi” brands.

- (ix) *impact of JFH Rewards*

The reward points known as \$J earned by members (net of expired points of approximately \$0.1 million) under JFH Rewards amounted to \$0.7 million in 2H2024 compared to \$0.6 million in 2H2023. In accordance with the relevant accounting standard, such amount was deducted from the corresponding revenue recognised during the respective financial periods.

Gross profit

The Group's gross profit increased by \$2.6 million or 7.6% from \$34.2 million in 2H2023 to \$36.8 million in 2H2024, which was generally in line with the increase in the Group's revenue. The Group's gross profit margin increased 0.4 percentage point from 84.5% in 2H2023 to 84.9% in 2H2024 due to adjustment of certain menu prices.

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F. Other Information Required by Listing Rule Appendix 7C (Cont'd)

Other income

The Group's other income decreased by \$0.5 million or 38.6% from \$1.4 million in 2H2023 to \$0.9 million in 2H2024 mainly due to the absence of rental concessions and lower government grants received in 2H2024.

Other gains/(losses)

The Group's recorded other gains of \$0.5 million compared to other losses of \$0.1 million mainly due to a gain from the disposal of club membership in 2H2024.

Selling and distribution expenses

The Group's selling and distribution expenses increased by \$4.4 million or 14.7% from \$30.1 million in 2H2023 to \$34.5 million in 2H2024.

The higher selling and distribution expenses were mainly due to higher manpower cost, utilities and depreciation of right-of-use assets and plant and equipment.

Administrative expenses

The Group's administrative expenses decreased by \$0.1 million or 4.4% from \$1.9 million in 2H2023 to \$1.8 million in 2H2024.

Other operating expenses

The Group's other operating expenses increased by \$0.1 million or 19.2% due to write-off of renovation costs upon rebranding of outlets.

Impairment of plant and equipment and right-of-use assets

The Group's impairment loss increased by \$0.4 million or 42.9% from \$0.7 million in 2H2023 to \$1.1 million in 2H2024 due to impairment of certain non-performing stores.

Finance costs

Finance costs increased by \$0.5 million or 89.6% from \$0.6 million in 2H2023 to \$1.1 million in 2H2024. The Group had, on average, more leases accounted for under SFRS(I) 16 during 2H2024 in line with the increase in the number of outlets.

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F. Other Information Required by Listing Rule Appendix 7C (Cont'd)

Share of results of associated companies and joint venture company

The Group recorded share of loss of its associated companies of \$12,000 in 2H2024 as compared to a profit of \$50,000 in 2H2023. This was mainly due to the losses incurred by “Konjiki Hototogisu” brand restaurants in China and by “Menya Musashi” brand restaurants in Hong Kong and Indonesia. These losses were partially offset by the Group’s share of profit achieved at “Konjiki Hototogisu” brand restaurants in Hong Kong and at “Menya Musashi” brand restaurants in China.

The Group’s joint venture company, Dining Collective Pte Ltd, operated 3 restaurants in Singapore. These restaurants incurred losses in 2H2024. However, no share of losses were captured in 2H2024 as the accumulated loss had exceeded the capital contribution of \$100,000.

Income tax expenses

The Group recorded income tax credit of \$0.2 million in 2H2024 as compared to a tax expense of \$0.2 million in 2H2023. This is due to net deferred tax assets arising from lease liabilities and partially offset by current tax provision.

Net loss

As a result of the reasons mentioned above, the Group recorded a loss attributable to equity holders of the Company of \$0.6 million in 2H2024 as compared to a net profit of \$1.8 million in 2H2023.

Review of financial performance of the Group for FY2024 compared to FY2023

Revenue

The Group’s revenue increased by \$7.8 million or 10.0 % from \$78.5 million for the financial year ended 31 March 2023 (“FY2023”) to \$86.4 million for the financial year ended 31 March 2024 (“FY2024”).

The increase in the Group’s revenue was a result of the following:

- (i) *net increase in revenue of \$6.0 million from restaurants operating under the “Yakiniku Shokudo” brand*

The Group’s “Yakiniku Shokudo” brand expanded from 8 restaurants in FY2023 to 11 restaurants in FY2024. In line with the increase in the number of outlets, revenue from restaurants operating under this brand increased from \$7.1 million in FY2023 to \$13.1 million in FY2024.

- (ii) *net increase in revenue of \$3.7 million from the restaurants operating under the “Tokyo Shokudo” brand*

The number of restaurants operating under the “Tokyo Shokudo” brand increased from 8 restaurants in FY2023 to 12 restaurants in FY2024. Revenue rose in tandem with the higher number of restaurants to \$16.4 million in FY2024 from \$12.7 million in FY2023. This was mainly due to contribution from new restaurants and partially offset by lower revenue generated from certain existing restaurants.

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Revenue (Cont'd)

- (iii) *net increase in revenue of \$1.1 million from the restaurants operating under “Konjiki Hototogisu” brand*

The Group's revenue from restaurants operating under the “Konjiki Hototogisu” brand increased from \$8.2 million in FY2023 to \$9.3 million in FY2024 as the number of restaurants operating under this brand increased from 7 restaurants in FY2023 to 11 restaurants in FY2024. The increase in revenue was partially offset by lower revenue generated from certain existing restaurants including the ones located at Chijmes and Paragon.

- (iv) *net decrease in revenue of \$1.4 million from the restaurants operating under the “Ajisen Ramen” brand*

The Group's revenue from restaurants operating under the “Ajisen Ramen” brand decreased from \$18.7 million in FY2023 to \$17.3 million in FY2024 due to conversion of a restaurant at Bukit Panjang to “Tokyo Shokudo” brand restaurant in May 2023.

- (v) *net decrease in revenue of \$0.7 million from the restaurants operating under “Menya Musashi” brand*

The Group's revenue from restaurants operating under the “Menya Musashi” brand decreased from \$5.4 million in FY2023 to \$4.7 million in FY2024 due to conversion of a restaurant at Westgate to “Milan Shokudo” brand restaurant in October 2023 and lower revenue generated from certain existing restaurants.

- (vi) *net decrease in revenue \$1.5 million from the restaurants operating under “Shitamachi Tendon Akimitsu” brand*

The Group's revenue from restaurants operating under the “Shitamachi Tendon Akimitsu” brand decreased from \$3.9 million in FY2023 to \$2.4 million in FY2024 due to conversion of a restaurant at Nex to “Tokyo Shokudo” brand restaurant in May 2023 and lower revenue generated from certain existing restaurants.

- (vii) *net decrease in revenue of \$3.5 million from the restaurants operating under “Osaka Ohsho” brand*

The Group's revenue from restaurants operating under the “Osaka Ohsho” brand decreased from \$5.6 million in FY2023 to \$2.1 million in FY2024 due to (i) conversion of 2 restaurants located at Junction 8 and Bugis Junction to “Milan Shokudo” and “Tori Sanwa” respectively; and (ii) lower revenue generated by the remaining “Osaka Ohsho” restaurant.

- (viii) *net increase in revenue of \$4.2 million from the restaurants operating under other brands*

The Group recorded an increase in revenue from restaurants operating under other brands in FY2024 as compared to FY2023, which was mainly contributed by the opening of new restaurants under the “Godaime”, “Tori Sanwa”, “Milan Shokudo”, “Yakiniku Kai”, “Romana Pizza & Pasta”, “BBQ Seoul Shokudo” and “Edo Shokudo” brands. In addition, the increase in revenue was also contributed by existing restaurants under the “New Man Lee Bak Kut Teh” and “Kyoto Shokudo” brands. The increase in revenue was however partially offset with the closure of the restaurant under the “Nakiryu” brand.

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Revenue (Cont'd)

(ix) impact of JFH Rewards

The reward points known as \$J earned by members (net of expired points of approximately \$0.1 million) under JFH Rewards amounted to \$1.3 million in FY2024 compared to \$1.2 million in FY2023. In accordance with the relevant accounting standard, such amount was deducted from the corresponding revenue recognised during the respective financial periods.

Gross profit

The Group's gross profit increased by \$6.7 million or 10.1% from \$66.4 million in FY2023 to \$73.1 million in FY2024, which was generally in line with the increase in the Group's revenue. The Group's gross margin increased 0.1 percentage point from 84.6% in FY2023 to 84.7% in FY2024 due to price adjustments of certain menu items to reflect the higher cost of raw materials.

Other income

The Group's other income decreased by \$0.7 million or 34.7% from \$1.9 million in FY2023 to \$1.2 million in FY2024 mainly due to the absence of rental concessions and lower government grants in FY2024.

Other gains/(losses)

The Group's recorded other gains of \$0.5 million compared to other losses of \$56,000 mainly due to the gain from disposal of club membership in FY2024.

Selling and distribution expenses

The Group's selling and distribution expenses increased by \$10.1 million or 17.7% from \$57.1 million in FY2023 to \$67.2 million in FY2024.

The higher selling and distribution expenses were mainly due to higher manpower cost, utilities expenses and depreciation charges of plant and equipment and right-of-use assets.

Administrative expenses

The Group's administrative expenses increased by \$0.1 million or 3.0% from \$3.7 million in FY2023 to \$3.8 million in FY2024 mainly due to higher manpower cost with the Group's expanded business operations.

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Other operating expenses

The Group's other operating expenses increased by \$52,000 or 4.6% from \$1,138,000 in FY2023 to \$1,190,000 in FY2024 mainly due to write-off of renovation costs upon rebranding of outlets.

Impairment losses

The Group's impairment loss increased by \$1.2 million or 148.7% from \$0.7 million in FY2023 to \$1.9 million in FY2024 due to the impairment loss on the loan provided to a joint venture company due to cessation of operation of the "Siam Smith" brand restaurant in Tokyo in FY2024 and impairment loss for certain non-performing stores under the Group.

Finance costs

Finance costs increased by \$0.8 million or 75.9% from \$1.0 million in FY2023 to \$1.8 million in FY2024. The Group had, on average, more leases accounted for under SFRS(I) 16 during FY2024 as compared to FY2023 in line with the increase in the number of outlets.

Share of results of associated companies and joint venture company

Share of profit of its associated companies increased by \$49,000 or 23.9% from \$205,000 in FY2023 to \$254,000 in FY2024. The increase was due to higher profit generated at "Konjiki Hototogisu" brand restaurant in Hong Kong and partially offset by the loss incurred at associated companies operating the "Menya Musashi" brand restaurants in Hong Kong and Indonesia.

The joint venture company, Dining Collective Pte Ltd, operated 3 restaurants in Singapore during the year. These restaurants incurred losses in FY2024. However, no share of loss were captured in FY2024 as the accumulated loss had exceeded the capital contribution of \$100,000.

Income tax expenses

The Group recorded income tax credit of \$0.1 million in FY2024 as compared to a tax expense of \$0.7 million in FY2023. This is due to net deferred tax assets arising from lease liabilities and partially offset by current tax provision.

Net loss

As a result of the reasons mentioned above, the Group recorded a net loss attributable to equity holders of the Company of \$0.5 million in FY2024 as compared to a net profit achieved of \$4.1 million in FY2023.

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- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Current assets

The Group's total current assets decreased by \$5.9 million, from \$24.1 million as at 31 March 2023 to \$18.2 million as at 31 March 2024. This was mainly due to the decrease in cash and bank balances of \$7.0 million mainly due to capital expenditure incurred for the Group's new outlets. The decrease was partially offset by the increase in trade and other receivables of \$0.8 million and other current assets of \$0.3 million (comprising current portion of rental deposit and prepaid expenses of \$0.2 million and \$0.1 million respectively).

Non-current assets

The Group's total non-current assets increased by \$8.7 million, from \$66.5 million as at 31 March 2023 to \$75.2 million as at 31 March 2024.

This was mainly due to the increase in net book value of plant and equipment of \$4.4 million arising from capital expenditure for the Group's new outlets, investment in associated companies of \$0.1 million and share of profits of associated companies of \$0.3 million, acquisition of franchise rights of \$0.1 million and deferred income tax assets arising from leases liabilities of \$8.0 million. The increase was partially offset by the decrease in net book value of right-of-use assets of \$3.0 million mainly due to depreciation expenses, provision of impairment of right-of-use assets and disposal of right-of-use assets, the decrease in loan to joint venture of \$0.5 million due to provision of impairment on loan, the decrease in long term security deposits of \$0.4 million and the disposal of club membership of \$0.3 million.

Current liabilities

The Group's total current liabilities increased by \$1.8 million, from \$32.4 million as at 31 March 2023 to \$34.2 million as at 31 March 2024, mainly due to the increase in current portion of lease liabilities of \$1.4 million and provision of \$0.7 million. The increase was partially offset by lower current income tax liabilities of \$0.2 million and trade and other payables of \$0.1 million.

The Group had net current liabilities of \$16.0 million as at 31 March 2024 mainly due to recognition of lease liabilities of \$23.5 million in compliance with SFRS(I) 16. Based on the Group's internal resources 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.

Non-current liabilities

The Group's total non-current liabilities increased by \$3.9 million, from \$25.5 million as at 31 March 2023 to \$29.4 million as at 31 March 2024 due to increase in the provision of deferred income tax liabilities of \$7.5 million arising from ROU assets. The increase was offset with the decrease in long-term portion of lease liabilities of \$3.6 million. The decrease was due to repayment of leases outpacing the renewal and inception of new leases in FY2024.

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Shareholders' equity

The Group's shareholders' equity decreased by \$3.0 million from \$32.7 million as at 31 March 2023 to \$29.7 million as at 31 March 2024. The decrease was mainly due to the distribution of dividends of \$2.3 million, purchase of treasury shares of \$0.4 million and loss incurred of \$0.5 million. The decrease was partially offset by the issuance of performance shares of \$0.2 million in FY2024.

Review of cash flow statement for 2H2024

The Group's net cash generated from operating activities in 2H2024 was \$15.3 million. This was mainly due to net loss less non-cash items before working capital changes of \$16.6 million and offset with working capital outflow of \$1.1 million and payment of income tax of \$0.2 million.

The Group's net cash used in investing activities in 2H2024 was \$5.0 million arising mainly from renovation cost and purchase of equipment for the Group's restaurants of \$5.4 million, loan to a joint venture company of \$0.2 million for working capital, investment in an associated company in Indonesia of \$0.1 million and acquisition of franchise rights of \$0.1 million. These were offset with proceeds from the disposal of club membership of \$0.8 million.

The Group's net cash used in financing activities in 2H2024 was \$14.0 million arising from an interim dividend payment of \$0.5 million, principal payment of lease liabilities of \$12.2 million, interest paid of \$1.1 million, increase in short-term bank deposit pledged of \$0.1 million and purchase of treasury shares of \$0.1 million.

Review of cash flow statement for FY2024

The Group's net cash generated from operating activities in FY2024 was \$30.7 million. This was mainly due to net loss less non-cash items after working capital changes of \$31.2 million plus interest income received from financial assets of \$0.1 million and payment of income tax of \$0.6 million.

The Group's net cash used in investing activities in FY2024 was \$9.5 million mainly arising from (i) renovation cost and purchase of plant and equipment for the Group's restaurants of \$9.8 million; (ii) investment in an associated company in Indonesia of \$0.1 million; (iii) acquisition of franchise rights of \$0.1 million; and (iv) additional loan of \$0.3 million to a joint venture company for working capital. These were offset by the disposal of club membership of \$0.8 million.

The Group's net cash used in financing activities in FY2024 was \$28.4 million due to dividend payment of \$2.3 million, repayment of lease liabilities of \$23.7 million, interest on leases of \$1.8 million, increase of short-term deposit pledged of \$0.2 million and purchase of treasury shares of \$0.4 million.

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

The Group's financial results for FY2024 is consistent with the profit guidance announcement released by the Company on 25 April 2024.

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5. 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 Group expects the next 12 months to remain challenging due to market conditions. These include intense industry competition, persistent manpower crunch and high raw material and operational costs arising from inflationary pressures.

The Group has continued its expansion strategy and its network has increased from 65 restaurants as at 31 March 2023 to 79 as at 31 March 2024, with its Halal concept restaurants increasing from 26 as at 31 March 2023 to 39 as at 31 March 2024. This expansion in network will contribute to the future revenue growth of the Group and the increase in the number of Halal concept restaurants will further enhance the Group's competitiveness as such restaurants serve both Halal and non-Halal communities.

To return to profitability, the Group is sharpening its focus on controlling raw material costs and on improving operational efficiency by further streamlining its work processes. The Group is also intensifying efforts to refresh and rejuvenate menus in its portfolio of brands and restaurants, with a focus to drive the performance of individual stores. In addition, the Group intends to step up its marketing efforts by tapping into its JFH Rewards loyalty programme.

The Group's joint venture company with Minor Food Group (Singapore) Pte. Ltd. continues to operate 3 restaurants as at 31 March 2024, comprising 1 "Pizzakaya" brand restaurant and 2 "Extra Virgin Pizza" brand restaurants in Singapore. With a refreshed menu, sales had improved in FY2024 as compared to FY2023 and the Group will continue to monitor the performance of this joint venture company closely.

As at 31 March 2024, the Group's associated companies operated 6 restaurants in Hong Kong, 4 restaurants in China and 2 restaurants in Indonesia under the "Menya Musashi" brand. The Group's associated company also operated 4 restaurants in Hong Kong and 1 restaurant in Shanghai under the "Konjiki Hototogisu" brand.

In April 2024, the Group launched a new "Katsuyoshi" brand restaurant at Plaza Singapura. This is the Group's first self-developed katsu concept brand featuring Japanese-style deep fried pork or chicken cutlet with free-flow of servings of shaved cabbage and steamed rice.

Revision in Dividend Policy

Notwithstanding that the Group had incurred a net loss attributable to equity holders of the Company in FY2024, the Board is proposing to declare a final dividend of 0.2 cent per share which is subject to the approval of shareholders at the forthcoming annual general meeting in July 2024. Taking into account the interim dividend of 0.3 cent per share which was paid in December 2023, the total dividend in respect of FY2024 will amount to 0.5 cent per share.

For financial resilience and prudence, amidst challenging and uncertain market conditions, the Board has decided to revise the Company's dividend policy. For the current financial year ending 31 March 2025 and onwards, the Company will target to distribute dividends of at least 50% of the Group's audited consolidated net profits attributable to shareholders, subject to the Group's business requirements and other relevant considerations and barring unforeseen circumstances. The amount of dividends will depend on the Group's operating results, financial conditions such as cash position and retained earnings, other cash requirements including capital expenditure, restrictions on payment of dividends imposed on the Group by financing arrangements (if any) and other factors deemed relevant by the Board. The foregoing statements are merely statements of the Board's present intention and do not constitute legally binding obligations on the Company in respect of payment of dividend.

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6. Dividend

(a) Current Financial Period Reported On

Any dividend declared/recommended for the current financial period reported on? Yes

The final dividend is proposed after taking into consideration the Group's financial performance in the second half of FY2024 and the Group's capital requirements amidst the challenging operating environment. The final dividend is subject to the approval of shareholders at the Company's forthcoming annual general meeting.

Name of dividend	Final
Dividend type	Cash
Dividend amount per share (in cents)	0.2 cent per ordinary share
Tax rate	Tax-exempt (1-tier)

An interim dividend of 0.3 cent (tax-exempt (one-tier)) per share was paid on 15 December 2023.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of dividend	Final
Dividend type	Cash
Dividend amount per share (in cents)	1.0 cent per ordinary share
Tax rate	Tax-exempt (1-tier)

An interim dividend of 1.0 cent (tax-exempt (one-tier)) per share was paid on 9 December 2022.

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6. Dividend (Cont'd)

(c) Date payable

The payment date shall be announced later.

(d) Record date

The record date shall be announced later.

7. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

8. If the group has obtained a general mandate from shareholders for IPTs, 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

For FY2024, the Company did not have any discloseable interested person transaction. The Company did not obtain any general mandate from its shareholders in respect of any interested person transaction.

9. If the group has not acquired or sales of shares in subsidiaries and/or associated companies under pursuant to Rule 706(A), a statement to that effect.

As announced by the Company on 15 December 2023, PT Menya Musashi Indonesia (“MMI”), a 30% owned associated company of the Company had increased its paid-up share capital by IDR5,000,000,000 to IDR10,000,000,000. The Company had subscribed for 30% of the new ordinary shares in MMI for cash consideration of IDR1,500,000,000 (or approximately \$132,750) and the shareholding of the Company in MMI remained unchanged at 30% after such subscription. For further information, please refer to the Company’s announcement dated 15 December 2023. Save as disclosed, there is no acquisition or sales of shares in subsidiaries and/or associated companies for FY2024.

10. Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the SGX Listing Manual.

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720(1) of the SGX-ST Listing Manual.

11. Negative confirmation pursuant to Rule 705(5)

Not required for announcement of full-year results.

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12. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive or substantial shareholder of the issuer pursuant to rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name of relative	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Chan Cheong Keong	56	Brother of Chan Chau Mui, who is deemed associate of Kenichi Takahashi, the Executive Chairman and Chief Executive Officer of the Company	Mr Chan has been the Central Kitchen Manager at the Company's subsidiary, Bachmann Japanese Restaurant Pte. Ltd. since 2008. He is responsible for the operation of the Group's central kitchen facility.	Nil

13. A breakdown of sales

Group	FY2024 \$'000	FY2023 \$'000	% increase/ (decrease)
Sales report for:			
First half ended 30 September	42,974	37,974	13.2
Second half ended 31 March	43,383	40,558	7.0
Total	86,357	78,532	10.0
Group			
Net profit for the year reported for			
First half ended 30 September	81	2,341	(96.5)
Second half ended 31 March	(576)	1,786	N.M. ⁽¹⁾
Total	(495)	4,127	N.M.⁽¹⁾

Note:

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

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14. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year (FY2024) (\$)	Previous Full Year (FY2023) (\$)
Total annual ordinary dividend		
Interim (Tax exempt 1-tier)	522,491	1,744,240
Final (Tax exempt 1-tier)	347,612 ⁽¹⁾	1,742,526
Total	870,103	3,486,766

Note:

- (1) This amount is computed based on the total number of ordinary shares (excluding treasury shares as at the date of this announcement) and the proposed final dividend in respect of FY2024 which is subject to the approval of shareholders at the forthcoming annual general meeting.

BY ORDER OF THE BOARD

Takahashi Kenichi
Executive Chairman and CEO

Date: 24 May 2024

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.

The contact person for the Sponsor is Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.