

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 2022

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A. Condensed Interim Consolidated Statement of Comprehensive Income For the Financial Period Ended 31 March 2022

	Note	Group			Group		
		6 month ended		Increase/ (Decrease) (%)	Financial Year		Increase/ (Decrease) (%)
		31 March			Ended		
2022	2021	2022	2021	2022	2021		
		(S\$'000)	(S\$'000)	(%)	(S\$'000)	(S\$'000)	(%)
Revenue		33,400	32,472	2.9	54,614	51,002	7.1
Cost of sales		(4,963)	(4,909)	1.1	(8,401)	(7,784)	7.9
Gross profit		28,437	27,563	3.2	46,213	43,218	6.9
Other income		3,091	2,661	16.2	7,199	10,902	(34.0)
Interest income from bank		35	38	(7.9)	86	97	(11.3)
Other gain/(losses) – net		(15)	9	N.M. ⁽¹⁾	(14)	(7)	100.0
Selling and distribution expenses		(23,364)	(22,908)	2.0	(44,670)	(44,052)	1.4
Administrative expenses		(2,011)	(1,639)	22.7	(3,646)	(3,059)	19.2
Other operating expenses		(627)	(933)	(32.8)	(1,100)	(1,406)	(21.8)
Impairment losses		(107)	(389)	(72.5)	(107)	(389)	(72.5)
Lease interest expenses		(396)	(476)	(16.8)	(813)	(1,008)	(19.3)
Share of results of associated companies		(176)	(2)	N.M. ⁽¹⁾	83	33	151.5
Share of results of joint venture		-	(61)	N.M. ⁽¹⁾	-	(91)	N.M. ⁽¹⁾
Profit before income tax	6.1	4,867	3,863	26.0	3,231	4,238	(23.8)
Income tax credit/(expenses)	7	1	(538)	N.M. ⁽¹⁾	1	(613)	N.M. ⁽¹⁾
Profit after income tax		4,868	3,325	46.4	3,232	3,625	(10.8)
Total comprehensive income for the period attributable to equity holders of the company		4,868	3,325	46.4	3,232	3,625	(10.8)
Earnings per share attributable to owners of the Company							
Basic and diluted		2.79	1.91	46.1	1.85	2.08	(11.1)

Note:

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

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B. Condensed Interim Statements of Financial Position As at 31 March 2022

	Note	Group As at		Company As at	
		31.03.2022 (S\$'000)	31.03.2021 (S\$'000)	31.03.2022 (S\$'000)	31.03.2021 (S\$'000)
ASSETS					
Current assets					
Cash and bank balances		23,207	23,134	4,114	2,545
Trade and other receivables	11	1,065	845	-	-
Inventories		579	661	-	-
Amounts owing from subsidiary corporations	11	-	-	981	5,694
Current income tax recoverable		-	-	3	-
Other current assets		2,729	2,283	39	82
		27,580	26,923	5,137	8,321
Non-current assets					
Plant and equipment	13	7,188	6,137	10	12
Investment in subsidiary corporations		-	-	6,042	6,042
Investment in associated companies		1,867	2,144	232	212
Investment in joint ventures		-	-	100	100
Loan to an associated company		248	248	248	248
Loan to joint venture		1,050	720	1,050	720
Other investment at amortised cost		1,309	1,821	-	-
Intangible assets	12	136	199	-	-
Right-of-use assets		35,067	25,824	441	183
Club membership		322	322	322	322
Long-term security deposits		3,070	3,800	45	11
		50,257	41,215	8,490	7,850
Total assets		77,837	68,138	13,627	16,171
LIABILITIES					
Current liabilities					
Trade and other payables	14	8,582	6,516	921	582
Amount due to subsidiary	14	-	-	45	2
Current income tax liabilities		123	563	-	7
Lease liabilities		17,391	15,633	162	142
		26,096	22,712	1,128	733
Non-current liability					
Deferred income tax liabilities		216	216	2	2
Lease liabilities		18,818	11,833	288	47
		19,034	12,049	290	49
Total liabilities		45,130	34,761	1,418	782
NET ASSETS		32,707	33,377	12,209	15,389
EQUITY					
Share capital	15	9,522	9,522	9,522	9,522
Treasury shares		(5)	(35)	(5)	(35)
Capital reserves		38	45	38	45
Retained earnings		23,152	23,845	2,654	5,857
TOTAL EQUITY		32,707	33,377	12,209	15,389

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C. Condensed Interim Statements of Changes in Equity For the Financial Period Ended 31 March 2022

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 2021	9,522	(35)	45	23,845	33,377
Dividend paid (Note 8)	-	-	-	(3,925)	(3,925)
Performance shares granted	-	239	(7)	-	232
Purchase of treasury shares	-	(209)	-	-	(209)
Total comprehensive income for the year	-	-	-	3,232	3,232
Balance as at 31 March 2022	9,522	(5)	38	23,152	32,707
Balance as at 1 April 2020	9,522	(181)	73	21,959	31,373
Dividend paid (Note 8)	-	-	-	(1,739)	(1,739)
Performance shares granted	-	190	(28)	-	162
Purchase of treasury shares	-	(44)	-	-	(44)
Total comprehensive income for the year	-	-	-	3,625	3,625
Balance as at 31 March 2021	9,522	(35)	45	23,845	33,377

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 2021	9,522	(35)	45	5,857	15,389
Dividend paid (Note 8)	-	-	-	(3,925)	(3,925)
Performance shares granted	-	239	(7)	-	232
Purchase of treasury shares	-	(209)	-	-	(209)
Total comprehensive income for the year	-	-	-	722	722
Balance as at 31 March 2022	9,522	(5)	38	2,654	12,209
Balance as at 1 April 2020	9,522	(181)	73	1,537	10,951
Dividend paid (Note 8)	-	-	-	(1,739)	(1,739)
Purchase of treasury shares	-	146	(28)	-	118
Total comprehensive income for the year	-	-	-	6,059	6,059
Balance as at 31 March 2021	9,522	(35)	45	5,857	15,389

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D. Condensed Interim Statements of Cash Flows

	Group 6 Month Ended 31 March		Group Financial Year Ended 31 March	
	2022 (S\$'000)	2021 (S\$'000)	2022 (S\$'000)	2021 (S\$'000)
Cash flows from operating activities:				
Net profit	4,868	3,325	3,232	3,625
Adjustments for:				
Income tax (credit)/expense	(1)	538	(1)	613
Depreciation of plant and equipment	1,457	1,715	2,901	3,521
Depreciation of right-of-use assets	9,159	8,754	17,631	18,502
Amortisation of intangible assets	31	32	63	64
Amortisation of other investment at amortised cost	4	-	12	11
Amortisation of government grants	(14)	-	(28)	-
Impairment of plant and equipment	11	62	11	62
Impairment of right-of-use assets	96	266	96	266
Impairment of intangible assets	-	61	-	61
Plant and equipment written off	28	306	28	309
Right-of-use assets written off	-	-	(41)	-
Rent concessions	(298)	(1,119)	(1,267)	(6,395)
Employee performance shares expense	-	162	232	162
Gain on early termination of lease	-	(18)	-	(18)
Share of (profit)/loss of associated companies	176	2	(83)	(33)
Share of loss of joint venture	-	61	-	91
Lease interest expense	396	476	813	1,008
Interest income from bank deposits	(35)	(38)	(86)	(97)
	15,878	14,585	23,513	21,752
Changes in working capital:				
Inventories	(57)	(108)	82	119
Trade and other receivables	(33)	(64)	(198)	1,425
Other current assets	169	(315)	(446)	(253)
Long-term security deposits	(354)	104	730	(166)
Trade and other payables	1,491	(2,041)	2,095	(2,838)
Cash generated from operations	17,094	12,161	25,776	20,039
Interest income received	17	25	64	75
Income tax paid	(165)	(394)	(439)	(643)
Net cash provided by operating activities	16,946	11,792	25,401	19,471
Cash flows from investing activities:				
Additions to plant and equipment	(2,288)	(663)	(3,990)	(774)
Additions to associated companies	(20)	-	(20)	-
Loan to joint venture	(100)	(250)	(330)	(400)
Proceeds from disposal plant and equipment	(1)	-	(1)	7
Purchase of other investments at amortised cost	-	(1,068)	-	(1,079)
Redemption of financial assets, held to maturity	500	-	500	-
Dividends received from associated company	381	-	381	-
Net cash used in investing activities	(1,528)	(1,981)	(3,460)	(2,246)

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

	Group		Group	
	6 Month Ended		Financial Year Ended	
	31 March		31 March	
	2022	2022	2022	2022
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Cash flows from financing activities:				
(Increase)/Decrease in short-term bank deposits pledged	(433)	(11)	(750)	282
Principle payment of lease liabilities	(9,175)	(7,463)	(16,920)	(11,743)
Interest paid	(396)	(476)	(813)	(1,008)
Purchase of treasury shares	-	-	(209)	(44)
Dividend paid to equity holders of the Company	(873)	(1,313)	(3,925)	(1,739)
Net cash used in financing activities	(10,877)	(9,263)	(22,617)	(14,252)
Net (decrease)/increase in cash and cash equivalents	4,541	548	(676)	2,973
Cash and cash equivalents				
Beginning of financial period	15,399	20,068	20,616	17,643
End of financial period ⁽¹⁾	19,940	20,616	19,940	20,616

Note:

(1) This excludes bank deposits of S\$3.3 million as at 31 March 2022 (S\$2.5 million as at 31 March 2021) pledged as security for bank facilities granted by financial institution(s) to the Group.

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

2 Basis of preparation

The condensed interim financial statements for the six months ended 31 March 2022 have been prepared in accordance with the SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. 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 2021.

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.

The condensed interim financial statements are presented in Singapore dollar 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 those 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 2021.

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E. 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 2022, the Group has recognised impairment losses of S\$33,000 (2021: S\$62,000) and S\$121,000 (2021: S\$266,000) and a reversal of impairment loss of S\$22,000 (2021: S\$0) and \$25,000 (2021: S\$0) 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 2022 was 2.5% to 3.2% (2021: 3.2%) 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 2022 was S\$36,209,000 and S\$450,000 (2021: S\$27,466,000 and S\$189,000) respectively.

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E. 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 identified two reportable business segments being operation of restaurants and its ancillary business is in the supply of food ingredients to its sub-franchisees and franchisee services segments.

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

Segment results

The BOD assesses the performance of the operating segments based on a measure of segment results before interest (net), share of results 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 BOD 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 BOD 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 BOD 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 segment. All liabilities are allocated to the reportable segments other than current income tax and deferred income tax liabilities.

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

4. Segment and revenue information (Cont'd)

4.1 Reportable Segments

<u>1 October 2021 to 31 March 2022</u>	← Singapore →		Total reportable segments (\$'000)
	Restaurant sales (\$'000)	Franchised operation (\$'000)	
<u>The Group</u>			
Revenue			
Total segment revenue	33,341	59	33,400
Segment results	4,910	98	5,008
Depreciation and amortisation	1,457	31	1,488
Depreciation of right-of-use assets	9,159	-	9,159
Reversal of impairment loss of plant and equipment and right-of-use asset	(47)	-	(47)
Impairment of plant and equipment and right-of-use asset	154	-	154
Plant and equipment written-off	28	-	28
Share of loss of associated companies	176	-	176
Segment assets	77,069	768	77,837
Segment assets includes:			
Additions to plant and equipment	2,288	-	2,288
Loan to an associated company	248	-	248
Loan to joint venture	1,050	-	1,050
Segment liabilities	44,799	331	45,130

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E. 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 2020 to 31 March 2021</u>	← Singapore →		Total reportable segments (\$'000)
	Restaurant sales (\$'000)	Franchised operation (\$'000)	
The Group			
Revenue			
Total segment revenue	32,465	7	32,472
Segment results	3,856	32	3,888
Depreciation and amortisation	1,715	32	1,747
Depreciation of right-of-use assets	8,754	-	8,754
Impairment of plant and equipment and right-of-use asset	328	-	328
Impairment of intangible assets	-	61	61
Plant and equipment written-off	306	-	306
Share of loss of associated companies	2	-	2
Share of loss of joint venture	61	-	61
Segment assets	56,719	1,426	58,145
Segment assets includes:			
Additions to plant and equipment	663	-	663
Loan to an associated company	248	-	248
Loan to joint venture	720	-	720
Segment liabilities	33,353	629	33,982

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

4. Segment and revenue information (Cont'd)

4.1 Reportable Segments (Cont'd)

	← Singapore →		Total reportable segments
	Restaurant sales	Franchised operation	
<u>1 April 2021 to 31 March 2022</u>	(\$'000)	(\$'000)	(\$'000)
The Group			
Revenue			
Total segment revenue	54,492	122	54,614
Segment results			
	2,905	157	3,062
Depreciation and amortisation	2,901	63	2,964
Depreciation of right-of-use assets	17,631	-	17,631
Reversal of impairment loss of plant and equipment and right-of-use asset	(47)	-	(47)
Impairment of plant and equipment and right-of-use asset	154	-	154
Plant and equipment written-off	28	-	28
Right-of-use assets written-off	(41)	-	(41)
Share of profit of associated companies	(83)	-	(83)
Segment assets	77,069	768	77,837
Segment assets includes:			
Additions to plant and equipment	3,990	-	3,990
Loan to an associated company	248	-	248
Loan to joint venture	1,050	-	1,050
Segment liabilities	44,799	331	45,130

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E. 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 2020 to 31 March 2021</u>	← Singapore →		Total reportable segments (\$'000)
	Restaurant sales (\$'000)	Franchised operation (\$'000)	
The Group			
Revenue			
Total segment revenue	50,995	7	51,002
Segment results	4,142	57	4,199
Depreciation and amortisation	3,521	64	3,585
Depreciation of right-of-use assets	18,502	-	18,502
Impairment of plant and equipment and right-of-use asset	328	-	328
Impairment of intangible assets	-	61	61
Plant and equipment written-off	309	-	309
Share of profit of associated companies	(33)	-	(33)
Share of loss of joint venture	91	-	91
Segment assets	56,719	1,426	58,145
Segment assets includes:			
Additions to plant and equipment	774	-	774
Loan to an associated company	248	-	248
Loan to joint venture	720	-	720
Segment liabilities	33,353	629	33,982

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E. 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 as at 31 March 2022 and 31 March 2021:

	The Group		The Company	
	31 March 2022 (\$'000)	31 March 2021 (\$'000)	31 March 2022 (\$'000)	31 March 2021 (\$'000)
Financial assets				
Cash and bank balances	23,207	23,134	4,114	2,545
Trade and other receivables	1,065	845	981	5,694
Other financial assets	6,451	6,602	1,346	1,016
Other investments at amortised cost	1,309	1,821	-	-
	<u>32,032</u>	<u>32,402</u>	<u>6,441</u>	<u>9,255</u>
Financial liabilities				
Trade and other payables	8,479	6,408	966	584
Lease liabilities	36,209	27,466	450	189
	<u>44,688</u>	<u>33,874</u>	<u>1,416</u>	<u>773</u>

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

6. Profit before income tax

6.1 Significant items

	The Group			
	6 month ended 31 March		Financial Year Ended 31 March	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Interest income	(35)	(38)	(86)	(97)
Royalty and franchise income	(206)	(141)	(382)	(232)
Insurance claims	(21)	(19)	(65)	(21)
Government grants	(689)	(1,350)	(2,237)	(4,206)
Rental Support Scheme Cash Payout	(1,851)	-	(3,189)	-
Rent Concession	(298)	(1,119)	(1,267)	(6,395)
Other income	(26)	(32)	(59)	(42)
Depreciation of plant and equipment	1,457	1,715	2,901	3,521
Depreciation of right-of-use assets	9,159	8,754	17,631	18,502
Amortisation of intangible assets	31	32	63	64
Amortisation of other investment at amortised cost	4	-	12	11
Reversal of impairment of plant and equipment and right-of-use assets	(47)	-	(47)	-
Impairment of plant and equipment and right-of-use assets	154	328	154	328
Impairment of intangible asset	-	61	-	61
Property, plant and equipment written off	28	306	28	309
Right-of-use assets written off	-	-	(41)	-
Currency exchange (gain)/loss - net	15	9	14	25

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

7. Taxation

The Group calculates the period income tax 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 profit or loss:

	The Group			
	6 month ended		Financial Year Ended	
	31 March		31 March	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Tax expense attributable to (loss)/profit is made up of:				
Profit from current financial period:				
- Current income tax	-	539	-	614
- Over provision in respect of prior years	(1)	(1)	(1)	(1)
	(1)	538	(1)	613

8. Dividends

	The Group	
	31 March	
	2022	2021
	\$'000	\$'000
Ordinary dividends paid		
Final exempt dividend paid in respect of the previous financial year of 1.75 cents (2021: 0.25 cents) per share	3,052	426
Interim exempt dividend paid in respect of the current financial year of 0.50 cents (2021: 0.75 cents) per share	873	1,313
	3,925	1,739

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9. Earnings per share ("EPS")

	Group		Group	
	6 month ended		Financial Year Ended	
	31 March		31 March	
	2022	2021	2022	2021
Earnings attributable to equity holders of the Company (S\$'000)	4,868	3,325	3,232	3,625
Weighted average number of Shares used in computation of basic EPS	174,420,000	173,940,205	174,417,157	173,934,022
Basic EPS attributable to equity holders of the Company (cents) (1)	2.79	1.91	1.85	2.08
Fully diluted EPS attributable to equity holders of the Company (cents) (2)	2.79	1.91	1.85	2.08

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, and options in respect of its Shares during these respective financial periods.

10. Net Asset Value

	Group		Company	
	As at		As at	
	31 March		31 March	
	2022	2021	2022	2021
Net asset value per ordinary share (cents)	18.75	19.14	7.00	8.82
Number of Shares used in computation of NAV per Share	174,424,000	174,347,200	174,424,000	174,347,200

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11. Trade and other receivables

	Group As at 31 March		Company As at 31 March	
	2022	2021	2022	2021
Trade receivables				
- Related parties:				
Associated companies	216	134	-	-
Joint venture	25	63	-	-
- Non-related parties	778	607	-	-
Non-trade receivables				
- Related party	3	-	-	-
- Subsidiary corporations	-	-	981	5,694
- Non-related parties	43	41	-	-
	1,065	845	981	5,694

12. Intangible assets

	The Group 31 March	
	2022 \$'000	2021 \$'000
Trademarks and franchise rights		
Cost		
Beginning and end of financial year	1,013	1,013
Accumulated amortisation		
Beginning of financial year	814	689
Amortisation charge	63	64
Impairment losses	-	61
End of financial year	877	814
Net book value		
End of financial year	136	199

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13. Plant and equipment

During the financial year ended 31 March 2022, the Group acquired assets amounting to \$3,990,000 (31 March 2021: \$774,000).

14. Trade and other payables

	Group As at 31 March		Company As at 31 March	
	2022	2021	2022	2021
Trade payables				
- Non-related parties	1,200	1,832	-	-
Non-trade payables				
- Associated company	253	-	253	-
- Subsidiary corporations	-	-	45	2
- Non-related parties	1,843	1,187	4	61
Accruals for operating expenses	5,174	3,380	664	521
Provisions ⁽¹⁾	103	108	-	-
Franchise deposits	9	9	-	-
	8,582	6,516	966	584

(1) 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.

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15. Share Capital

	The Group and the Company			
	31 March 2022		31 March 2021	
	Number of ordinary shares '000	Amount \$'000	Number of ordinary shares '000	Amount \$'000
Beginning and end of interim period	174,436	9,522	174,436	9,522

There was no change in the issued and paid-up capital of the Company since the end of the previous period reported on.

There were no outstanding convertible instruments which may be converted to shares as at 31 March 2022 and 31 March 2021.

(a) Treasury shares

(i) Between 1 April 2020 and 31 March 2021

As at 1 April 2020, the Company held 428,800 treasury shares and the total number of ordinary shares in the capital of the Company ("**Shares**") (excluding treasury shares) was 174,007,200 shares.

On 3 April 2020, 6 August 2020 and 7 August 2020 the Company purchased an aggregate of 150,000 Shares by way of market acquisitions.

On 1 March 2021, 490,000 treasury shares ("**PSP Shares**") were transferred to certain employees of the Group pursuant to the Japan Foods Performance Share Scheme. After such transfer and as at 31 March 2021, the Company held 88,800 treasury shares which represented approximately 0.05% of the 174,347,200 total issued Shares (excluding treasury shares).

(ii) Between 1 April 2021 and 31 March 2022

As at 1 April 2021, the Company held 88,800 treasury shares and the total number of ordinary shares in the capital of the Company ("**Shares**") (excluding treasury shares) was 174,347,200 shares.

On 31 May 2021, 1 June 2021, 3 June 2021, 4 June 2021, 11 June 2021 and 14 June 2021 purchased an aggregate of 518,200 Shares by way of market acquisitions.

On 25 June 2021, 595,000 treasury shares ("**PSP Shares**") were transferred to certain employees of the Group pursuant to the Japan Foods Performance Share Scheme.

After these shares transferred and share buy-backs and as at 31 March 2022, the Company held 12,000 treasury shares which represented approximately 0.01% of the 174,424,000 total issued Shares (excluding treasury shares).

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15. Share Capital

(b) Subsidiary holdings

There were no subsidiary holdings as at 31 March 2022 and 31 March 2021.

16. Related party transactions

	Group As at	
	31 March 2022	31 March 2021
	\$'000	\$'000
Sales of ingredients		
- Joint venture	96	46
Royalties fee		
- Associated companies	337	222
Franchise fee		
- Associated companies	35	-

17. 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 2022 and the related condensed consolidated profit or loss and other 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 2022 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:-

- i. **Updates on effort taken to resolve each outstanding audit issue**
- ii. **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.

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

As at 31 March 2022, the Group had a total of 56 restaurants in operation comprising 13 "Ajisen Ramen" restaurants, 2 "Afuri Ramen", 5 "Shitamachi Tendon Akimitsu" restaurants, 4 "Menya Musashi" restaurants, 4 "Osaka Ohsho" restaurants, 8 "Konjiki Hototogisu" restaurants, 1 "Shoryu Ramen" restaurant, 7 "Tokyo Shokudo" restaurants, 2 "Yonehachi" restaurants and 10 restaurants operating under various other brands, namely, "Curry Is Drink", "Fruit Paradise", "Café Kuriko", "Edo Shokudo", "Yakiniku Shokudo", "Ichiro Ramen", "Kazokutei", "Kagurazaka Saryo", "Menzo Butao" and "New ManLee Bak Kut Teh" brands. As at 31 March 2022, the Group had 327,000 members under the royalty program known as JFH Rewards.

As at 31 March 2021, the Group had a total of 50 restaurants in operation comprising 14 "Ajisen Ramen" restaurants, 2 "Afuri Ramen", 3 "Shitamachi Tendon Akimitsu" restaurants, 6 "Menya Musashi" restaurants, 4 "Osaka Ohsho" restaurants, 8 "Konjiki Hototogisu" restaurants, 2 "Shoryu Ramen" restaurants, 2 "Tokyo Shokudo" restaurants, 2 "Yonehachi" restaurants and 7 restaurants operating under various other brands, namely, "Curry is Drink", "Fruit Paradise", "Ichiro Ramen", "Kazokutei", "Kagurazaka Saryo", "Menzo Butao" and "New ManLee Bak Kut Teh". As at 31 March 2021, the Group had 280,000 members under JFH Rewards.

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Review of financial performance of the Group for 2HY2022 compared to 2H2021

Revenue

The Group's revenue increased by S\$0.9 million or 2.9% from S\$32.5 million for the second half year from 1 October 2020 to 31 March 2021 ("2H2021") to S\$33.4 million in the second half year from 1 October 2021 to 31 March 2022 ("2H2022").

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

- (i) *net increase in revenue of S\$5.5 million from the restaurants operating under the "Tokyo Shukudo" brand*

The Group launched a Halal brand "Tokyo Shukudo" in November 2021. It generated S\$7.1 million of revenue in 2H2022. There were 7 restaurants under "Tokyo Shokudo" in 2H2022. The increase was due to opening of 5 new "Tokyo Shukudo" restaurants in FY2022.

- (ii) *net decrease in revenue of S\$1.8 million from the restaurants operating under the "Ajisen Ramen" brands*

The Group's revenue from restaurants operating under the "Ajisen Ramen" brand decreased from S\$10.7 million in 2H2021 to S\$8.9 million in 2H2022 due to the conversion of a restaurant at Nex to "Shitamachi Tendon Akimitsu" brand in June 2021 and lower revenue generated by some of the existing restaurants.

- (iii) *net decrease in revenue of S\$1.3 million from the restaurants operating under "Menya Musashi" brand*

The Group's revenue from restaurants operating under the "Menya Musashi" brand decreased from S\$3.6 million in 2H2021 to S\$2.3 million in 2H2022 due to (i) the closure of restaurants at North Point Mall in March 2021 and Chinatown Point in September 2021; (ii) conversion of a restaurant at Star Vista to "Akimitsu" brand in September 2021 and (iii) lower revenue generated by some of the existing restaurants.

- (iv) *net decrease in revenue of S\$0.6 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 S\$2.5 million in 2H2021 to S\$1.9 million in 2H2022 mainly attributable (i) the closure of outlets at North Point Mall and Ang Mo Kio Hub in 8 March 2021 and 4 April 2021 respectively; (ii) conversion of a restaurant at Vivo City to "Tokyo Shokudo" brand in September 2021. The decrease was partially offset by (i) opening of a restaurant at Takashimaya in March 2022; (ii) conversion of restaurants at Nex and Star Vista in June 2021 and September 2021 respectively.

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- (v) *net decrease in revenue of S\$0.9 million from the restaurants operating under other brands*

The Group recorded a decrease in revenue from restaurants operating under other brands in 2H2022 as compared to 2H2021, which was mainly contributed by lower revenue from restaurants operating under the “Afuri Ramen”, “Osaka Ohsho” and “Konjiki Hototogisu” brands. The decrease in revenue from these restaurants was partially offset by an increase in revenue due to (i) opening of restaurants operating under the “Edo Shokudo” and “Yakiniku Shokudo” brand in October 2021 and February 2022 respectively; (ii) opening of “Café Kuriko” and “Fruit Paradise” restaurants in June 2021 and December 2021 respectively and (iii) higher revenue generated by “Fruit Paradise”, “Ichiro Ramen” and “Yonehachi” brand.

Gross profit

The Group’s gross profit increased by S\$0.8 million or 3.2% from S\$27.6 million in 2H2021 to S\$28.4 million in 2H2022, which was generally in line with the increase in the Group’s revenue. The Group gross profit margin increased 0.2 percentage point from 84.9% in 2H2021 to 85.1% in 2H2022 due to price adjustments in certain menu items in second half of 2022.

Other income

The Group’s other income increased by S\$0.4 million or 16.2% from S\$2.7 million in 2H2021 to \$3.1 million in 2H2022 mainly due to receipt of Rental Support Scheme Cash Payout amounting to S\$1.8 and offset by the decrease of rental concession from landlords and other miscellaneous income amounting to S\$1.4 million.

Selling and distribution expenses

The Group’s selling and distribution expenses increased by S\$0.5 million or 2.0% from S\$22.9 million in 2H2021 to S\$23.4 million in 2H2022 is in line with higher number of outlets and business activities during the period.

The higher selling and distribution costs were mainly due to higher manpower cost, utilities and depreciation of ROU assets. The increase was partially offset by lower depreciation plant and equipment.

Administrative expenses

The Group’s administrative expenses increased by S\$0.4 million or 22.7% from S\$1.6 million in 2H2021 to S\$2.0 million in 2H2022 mainly due to higher manpower cost and professional fees incurred for the Group’s higher business operations level.

Other Operating Expenses

The Group’s other operating expenses decreased by S\$0.3 million or 32.8% from S\$0.9 million in 2H2021 to S\$0.6 million in 2H2022 due to lower fixed assets written off.

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

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

The Group's impairment loss decreased by S\$0.3 million or 72.5% from S\$0.4 million in 2H2021 to S\$0.1 million in 2H2022 due to fewer non-performing stores in FY2022.

Lease interest expenses

Lease interest expenses decreased marginally by S\$80,000 or 16.8% from S\$476,000 in 2H2021 to S\$396,000 in 2H2022. The Group in average had lesser leases accountable for under SFRS(I) 16 during 2H2022.

Share of results of associated companies and joint venture company

The Group's share of loss of its associated companies increased from S\$2,000 in 2H2021 to S\$176,000 in 2H2022 due to higher losses incurred by "Menya Musashi" brand restaurants in China and Hong Kong being impacted by the very stringent Covid-19 movement restriction measures implemented since February 2022.

The "Pizzakaya" brand under the joint venture company, Dining Collective Pte Ltd, had commenced operations in December 2020. There are currently three restaurants in operation which were incurring losses in FY2022 but are in recovery phase in 2H2022. No share of loss was captured in FY2022 as the accumulated loss had exceeded the capital contribution of S\$100,000.

Income tax expenses

There are no income tax expenses as the government grant under Job Support Scheme of S\$0.4 million and Rental Support Scheme cash payout of S\$1.9 million are exempted from income tax. Tax credit of S\$1,000 was the refund of over payment for prior year assessment.

Net profit

As a result of the reasons mentioned above, the Group recorded an increase in the net profit attributable to equity holders of the Company of S\$1.6 million or 46.4% from S\$3.3 million in 2H2021 to S\$4.9 million in 2H2022.

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

Review of financial performance of the Group for FY2022 compared to FY2021

Revenue

The Group's revenue increased by S\$3.6 million or 7.1% from S\$51.0 million for the financial year ended 31 March 2021 ("FY2021") to S\$54.6 million for the financial year ended 31 March 2022 ("FY2022").

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

- (i) *net increase in revenue of S\$8.7 million from the restaurants operating under the "Tokyo Shukudo" brand*

The Group launched a Halal brand "Tokyo Shukudo" in November 2021. It generated S\$10.3 million of revenue in FY2022. There were 7 restaurants under "Tokyo Shokudo" as at 31 March 2022. The increase was due to opening of 5 new "Tokyo Shukudo" restaurants in FY2022.

- (ii) *net decrease in revenue of S\$2.1 million from the restaurants operating under the "Ajisen Ramen" brands*

The Group's revenue from restaurants operating under the "Ajisen Ramen" brand decreased from S\$17.2 million in FY2021 to S\$15.1 million in FY2022 due to (i) closure of outlets at Changi City Point and Plaza Singapura in January 2021 and March 2021 respectively; (ii) conversion of a restaurant at Nex to "Shitamachi Tendon Akimitsu" brand in June 2021. The decrease was partially offset by higher revenue generated by certain existing restaurants.

- (iii) *net decrease in revenue of S\$2.2 million from the restaurants operating under "Menya Musashi" brand*

The Group's revenue from restaurants operating under the "Menya Musashi" brand decreased from S\$6.3 million in FY2021 to S\$4.1 million in FY2022 due to (i) the closure of restaurants at North Point Mall in March 2021 and Chinatown Point in September 2021; (ii) conversion of a restaurant at Clementi Mall to "Ichiro Ramen" brand in September 2020; (iii) conversion of a restaurant at Tampines Mall to "Tokyo Shukudo" brand in November 2020; (iv) conversion of a restaurant at Star Vista to "Akimitsu" brand in September 2021.

- (iv) *net decrease in revenue of S\$0.7 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 S\$4 million in FY2021 to S\$3.3 million in FY2022 mainly attributable (i) the closure of outlets at North Point Mall and Ang Mo Kio Hub in 8 March 2021 and 4 April 2021 respectively; (ii) conversion of a restaurant at Westgate and Vivo City to "Tokyo Shokudo" brand in January 2021 and September 2021 respectively. The decrease was partially offset by (i) opening of a restaurant at Takashimaya in March 2022; (ii) conversion of restaurants at Nex and Star Vista in June 2021 and September 2021 respectively.

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- (v) *net decrease in revenue of S\$55,000 from the restaurants operating under other brands*

The Group recorded a decrease in revenue from restaurants operating under other brands in FY2022 as compared to FY2021, which was mainly contributed by lower revenue from restaurants operating under the “Afuri Ramen”, “Osaka Ohsho” and “Konjiki Hototogisu” brands. The decrease in revenue from these restaurants was partially offset by an increase in revenue due to (i) opening of restaurants operating under the “Edo Shokudo” and “Yakiniku Shokudo” brand in October 2021 and February 2022 respectively; (ii) higher revenue generated by “Fruit Paradise”, “Ichiro Ramen” and “Yonehachi” brand.

- (vi) *impact of JFH Rewards*

The reward points known as \$J earned by members (net of expired points of approximately S\$0.1 million) under JFH Rewards amounted to S\$0.8 million in FY2022 compared to S\$0.7 million in FY2021. 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 S\$3.0 million or 6.9% from S\$43.2 million in FY2021 to S\$46.2 million in FY2022, which was generally in line with the increase in the Group's revenue.

Other income

The Group's other income decreased by S\$3.7 million or 34% from S\$10.9 million in FY2021 to \$7.2 million in FY2022 mainly due to lower government grants especially the Jobs Support Scheme and lower rental concession from landlords. This is partially offset by Rental Support Scheme Cash Payout recorded during the year.

Selling and distribution expenses

The Group's selling and distribution expenses increased by S\$0.6 million or 1.4% from S\$44.1 million in FY2021 to S\$44.7 million in FY2022 is in line with higher business activities during the period.

The higher selling and distribution costs were mainly due to higher manpower cost, utilities and on-line delivery expenses. The increase was partially offset by lower depreciation plant and equipment and ROU assets as there were lesser outlets operating in 1H2022.

Administrative expenses

The Group's administrative expenses increased by S\$0.6 million or 19.2% from S\$3.1 million in FY2021 to S\$3.7 million in FY2022 mainly due to higher manpower cost and professional fee incurred for the Group's higher business operations level.

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Other Operating Expenses

The Group's other operating expenses decreased by S\$0.3 million or 21.8% from S\$1.4 million in FY2021 to S\$1.1 million in FY2022 due to lower fixed assets written off.

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

The Group's impairment loss decreased by S\$0.3 million or 72.5% from S\$0.4 million in 2H2021 to S\$0.1 million in 2H2022 due to fewer non-performing stores in FY2022.

Lease interest expenses

Lease interest expenses decreased by S\$195,000 or 19.3% from S\$1,008,000 in FY2021 to S\$813,000 in FY2022. The Group in average had lesser leases accountable for under SFRS(I) 16 during FY2022 as compared to FY2021 as many leases ended near end of FY2021 and most new leases began in 2H2022.

Share of results of associated companies and joint venture company

The Group recorded its share of profit of its associated companies of S\$83,000 in FY2022 as compared to share of profit of S\$33,000 in FY2021. The associated companies operating the "Hototogisu" brand restaurant in Hong Kong had generated higher profits during FY2022. This profit was partially offset by the Group's share of loss incurred at "Menya Musashi" brand restaurants in China, Hong Kong and Indonesia.

The "Pizzakaya" brand under the joint venture company, Dining Collective Pte Ltd, had commenced operations in December 2020. There are currently three restaurants in operation which are incurring losses in FY2022 due to the impact of Phase 2 (Heightened Alert) ("P2HA") measures extended until 24th November 2021. No share of loss was captured in FY2022 as the cumulative loss has exceeded the capital contribution of S\$100,000.

Income tax expenses

There are no income tax expenses as the government grant under Job Support Scheme of S\$1.8 million and Rental Support Scheme of S\$3.2 million cash payout are exempted from income tax. Tax credit of S\$1,000 was the refund of over payment for prior year assessment.

Net profit

As a result of the reasons mentioned above, the Group recorded a decrease in the net profit attributable to equity holders of the Company of S\$0.4 million or 10.8% from S\$3.6 million in FY2021 to S\$3.2 million in FY2022.

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

- (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 increased by S\$0.7 million, from S\$26.9 million as at 31 March 2021 to S\$27.6 million as at 31 March 2022. This was mainly due to increase in cash and bank balances of S\$0.1 million and other current assets of S\$0.5 million (comprising current portion of rental deposit and prepaid expenses of S\$0.3 million and S\$0.2 million respectively) and trade receivables of S\$0.2 million. The increase was partially offset by the decrease in inventories of S\$0.1 million.

Non-current assets

The Group's total non-current assets increased by S\$9.0 million, from S\$41.2 million as at 31 March 2021 to S\$50.2 million as at 31 March 2022.

This was mainly due to the increase in net book value of right-of-use assets and plant equipment of S\$9.2 million and S\$1.0 million respectively arising from leasing of premises and capex for new outlets as well as loan to joint venture company of S\$0.3 million. The increase is partially offset by the decrease of long-term security deposits of S\$0.7 million, other investment of S\$0.5 million and investment in associated companies of S\$0.3 million.

Current liabilities

The Group's total current liabilities increased by S\$3.4 million, from S\$22.7 million as at 31 March 2021 to S\$26.1 million as at 31 March 2022, mainly due to higher current portion of lease liabilities of S\$1.7 million and trade and other payables and accruals of S\$2.1 million. This is offset with lower current income tax liabilities of S\$0.4 million.

Non-current liabilities

The Group's total non-current liabilities increased by S\$7.0 million, from S\$12.0 million as at 31 March 2021 to S\$19.0 million as at 31 March 2022 due to the increase in long-term portion of lease liabilities from the renewal of leases.

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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

Shareholders' equity

The Group's shareholders' equity decreased by S\$0.7 million, from S\$33.4 million as at 31 March 2021 to S\$32.7 million as at 31 March 2022. The decrease was mainly due to the distribution of final dividend in respect of FY2021 and interim dividend for FY2022 amounting to S\$3.9 million, the purchase of treasury shares amounting to S\$0.2 million in aggregate. The decrease is partially offset by transfer of treasury shares to the Group's employees pursuant to the Japan Foods Performance Share Plan (as announced on 25 June 2021) amounting to S\$0.2 million and net profit recorded by the Group of S\$3.2 million in FY2022.

Review of cash flow statement for 2H2022

The Group's net cash generated from operating activities in 2H2022 was S\$16.9 million. This was mainly due to net profit plus non-cash items before working capital changes of S\$15.9 million and working capital inflow of S\$1.2 million and offset with payment of income tax of S\$0.2 million.

The Group's net cash used in investing activities in 2H2022 was S\$1.5 million arising from renovation cost and purchase of equipment for the Group's restaurants of S\$2.3 million, loan to joint venture of S\$0.1 million for the working capital of subsidiary in Japan. These were offset by dividends from associated company of S\$0.4 million and redemption of financial assets of S\$0.5 million.

The Group's net cash used in financing activities in 2H2022 was S\$10.9 million arising from an interim dividend payment of \$0.9 million, principal payment of lease liabilities of S\$9.2 million and interest paid of S\$0.4 million and increase in short-term bank deposit pledged of S\$0.4 million.

Review of cash flow statement for FY2022

The Group's net cash generated from operating activities in FY2022 was S\$25.4 million. This was mainly due to operating profit after working capital changes of S\$25.8 million offset by the payment of income tax of S\$0.4 million.

The Group's net cash used in investing activities in FY2022 was S\$3.4 million arising from renovation cost and purchase of plant and equipment for the Group's restaurants of S\$4.0 million and additional loan of S\$0.3 million to the joint venture company. These were offset by the receipt of dividends from associated company of S\$0.4 million and redemption of financial assets of S\$0.5 million.

The Group's net cash used in financing activities in FY2022 was S\$22.6 million due to dividend payment of S\$3.9 million, repayment of lease liabilities of S\$16.9 million, interest on leases of S\$0.8 million, increase of short-term deposit pledged of S\$0.8 million and purchase of treasury shares of S\$0.2 million.

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

4. 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.

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 be challenging due to several factors. Singapore's F&B industry continues to face a manpower crunch, which has led to high demand and competition for service staff that has intensified since the lifting of Covid-19 related restrictions on dining-in and social gatherings since 26 April 2022. We also expect to face higher cost of operations due to inflationary pressures and an uncertain economic outlook.

Notwithstanding the aforementioned, we expect the F&B industry and our Group's topline to reflect an increase in dine-in customers in line with the removal of Covid-19 restrictions on social gatherings from 26 April 2022.

To cushion our bottomline against rising costs, we will intensify our efforts to manage our expenses and maintain our healthy balance sheet, while maintaining a compelling portfolio of brands and locations that appeal to customers.

With the positive response to our first Halal concept restaurant "Tokyo Shokudo", which commenced operation at Tampines Mall in November 2020, the Group has rapidly expanded this segment and as at 31 March 2022, we have 9 restaurants that are Halal certified. We believe that this will continue to be a growing segment for our Group.

The Group and Minor Food Group (Singapore) Pte. Ltd. ("MS") had established a joint venture to conduct the business of franchising and operating existing restaurant brands owned by the Company and MS in Japan, Thailand and China. However, the Covid-19 pandemic had disrupted our plans to open our restaurants in 2020. But in anticipation that Japan will gradually open its borders from May 2022, we hope to also commence our operations in the coming months.

As at 31 March 2022, the Group's associated companies operate 8 restaurants in Hong Kong, 10 restaurants in China and 1 restaurant in Indonesia under the "Menya Musashi" brand. The Group's associated company also operates 4 restaurants in Hong Kong and 1 restaurant in Shanghai under the "Konjiki Hototogisu" brand.

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

5. Dividend

(a) Current Financial Period Reported On

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

Name of dividend	Final
Dividend type	Cash
Dividend amount per share (in cents)	1.35 cent per ordinary share
Tax rate	Tax-exempt (1-tier)

(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)	1.75 cent per ordinary share
Tax rate	Tax-exempt (1-tier)

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

5. Dividend (Cont'd)

(c) Date payable

The proposed dividend payable date shall be announced later.

(d) Record date

The record date shall be announced later

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

Not applicable.

7. 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

As at 31 March 2022, the Company did not have any interested person transaction of an amount of S\$100,000 and above. The Company did not obtain any general mandate from its shareholders in respect of any interested person transaction.

8. 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.

On 17 December 2021, the Company and Ajisen Investments (International) Limited have incorporated a subsidiary, Golden Bird Group Limited for the purpose of launching and operating ramen restaurants in Shanghai, China, under the "Konjiki Hototogisu" brand. Please refer to the Company's announcement dated 8 February 2022 for more information on the incorporation of Golden Bird Group Limited.

9. 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 Listing Manual.

10. Negative confirmation pursuant to Rule 705(5)

Not required for announcement of full-year results.

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

11. 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 Chau Mui	53	Deemed associate of Kenichi Takahashi, the Executive Chairman and Chief Executive Officer of the Company	<p>Ms Chan was appointed as Chief Operating Officer on 28 April 2015 (previously Head (Operations) of the Company since 2008). She is in charge of the overall daily operation of the Group and is responsible for the successful execution of business strategies.</p> <p>Ms Chan is also a director of the following subsidiaries of the Company:</p> <p>(i) Bachmann Enterprises Pte Ltd since 1999;</p> <p>(ii) Bachmann Japanese Restaurant Pte Ltd since 1999;</p> <p>(iii) Japan Foods Enterprises Pte. Ltd. (formerly known as Ajisen Japanese Restaurant Pte. Ltd.) since 2005; and</p> <p>(iv) Japan Foods Bridge Pte.Ltd (formerly known as Katsuman Pte Ltd) since 2017.</p>	<p>Ms Chan was previously Head (Operations) and was appointed as Chief Operating Officer with effect from 28 April 2015.</p> <p>As announced on 29 April 2022, Ms Chan will step down from her position on 31 May 2022.</p>
Chan Cheong Keong	54	Brother of Chan Chau Mui, the Chief Operating Officer of the Company and deemed associate of Kenichi Takahashi, the Executive Chairman and Chief Executive Officer of the Company	<p>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.</p> <p>Mr Chan was also previously a director of Bachmann Japanese Restaurant Sdn. Bhd. which had been placed into voluntary liquidation in September 2014.</p>	Nil

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

12. A breakdown of sales.

Group	FY2022 \$'000	FY2021 \$'000	% increase/ (decrease)
Sales report for:			
First half ended 30 September	21,214	18,530	14.5
Second half ended 31 March	33,400	32,472	2.86
Total	54,614	51,002	7.1

Group

Net profit/(loss) for the year reported for

First half ended 30 September	(1,636)	300	N.M.
Second half ended 31 March	4,868	3,325	46.41
Total	3,232	3,625	(10.8)

13. 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 (FY2022) (S\$)	Previous Full Year (FY2021) (S\$)
Total annual ordinary dividend		
Interim (Tax exempt 1-tier)	872,120	1,303,929
Final (Tax exempt 1-tier)	2,354,724	3,052,420
Total	3,226,844	4,356,349

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BY ORDER OF THE BOARD

Takahashi Kenichi
Executive Chairman and CEO

Date: 25 May 2022

This announcement has been prepared by Japan Foods Holding Ltd. (the “Company”) and its contents have been reviewed by the Company’s sponsor, UOB Kay Hian Private Limited (the “Sponsor”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this announcement.

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