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Food Innovators Holdings' Food Retail gross profit rises to 32.4% in 1H2027; strategic shift towards building a sustainable, high-margin earnings base

- Food Retail Business (“**FRB**”) gross profit increased 32.4% year-on-year (“**YoY**”) to S\$2.4 million, with gross profit margin improving by 3.8 percentage points to 17.2%, on revenue growth of 3.2%
- Revenue declined by 5.8% YoY to S\$22.5 million, mainly due to the lower contribution from the Restaurant Leasing and Subleasing Business (“**RLSB**”) following the divestment of ten mature properties in 1H2026
- The Group continues to pursue expansion of its FRB across Southeast Asia, including the acquisition of Malaysia-based collaboration partner, Daruma Syokudo Sdn. Bhd. (“**Daruma Syokudo**”), which is expected to contribute positively to the Group’s earnings. In addition, the Group plans to open two new restaurants by the end of 2026, and a third in January 2027 under its partnership with Yaruki, while expanding and optimising its RLSB portfolio in Japan.

Singapore, 15 October 2026 – Food Innovators Holdings Limited (“**FIH**”, or together with its subsidiaries, the “**Group**”), which operates Japanese dining concepts across Asia and provides restaurant leasing and subleasing services in Japan, today announced its financial results for the six months ended 31 August 2026 (“**1H2027**”).

1H2027 Highlights

<u>Financial Highlights</u> (Unaudited)	1H2027 (S\$'000)	1H2026 (S\$'000)	Change (%)
Revenue	22,465	23,844	(5.8)
Gross Profit	3,440	3,760	(8.5)
Gross Profit Margin	15.3%	15.8%	(0.5 ppts ¹)
Other Income	234	496	(52.8)
Profit / (Loss) for the Period	(395)	206	n.m. ²

1. 'ppts' denotes percentage points

2. 'n.m.' denotes not meaningful

In 1H2027, the Group's revenue declined 5.8% YoY to S\$22.5 million, mainly due to lower revenue from the RLSB in Japan following the divestment of ten mature sublease properties in the previous corresponding period, partially offset by growth in the FRB.

Revenue from the RLSB declined 17.4% YoY to S\$8.6 million in 1H2027, mainly due to lower revenue contribution following the divestment of ten mature sublease properties in the previous corresponding period. The decline was partially offset by a 3.2% YoY growth in the FRB to S\$13.9 million, supported by the expansion of the Group's restaurant operations.

Gross profit declined by 8.5% YoY to S\$3.4 million while gross profit margin edged down by 0.5 pts to 15.3%. RLSB gross profit fell to S\$1.1 million from S\$2.0 million, in line with lower segment revenue. This was partially offset by the FRB segment, where gross profit rose by 32.4% YoY to S\$2.4 million and gross profit margin improved by 3.8 pts to 17.2%.

Other income decreased to S\$0.2 million in 1H2027, compared with S\$0.5 million in 1H2026, mainly due to a one-off government grant of approximately S\$0.3 million for IPO-related professional fees recognised in the previous corresponding period.

The Group recorded a share of loss from its equity-accounted joint ventures of approximately S\$0.1 million in 1H2027, primarily attributable to initial start-up costs incurred by Yaruki Malaysia, its newest joint venture, following the opening of its first restaurant during 2Q2027 while operations were still in the ramp-up phase.

Correspondingly, the Group recorded a net loss of S\$0.4 million for 1H2027, compared with a net profit of S\$0.2 million in 1H2026.

Market Outlook and Business Strategy

Expanding the Food Retail Business

Building on the improvement in the FRB's gross profitability, the Group will continue to expand its restaurant portfolio through strategic partnerships, joint ventures, licensing and franchise arrangements, with a particular focus on Malaysia.

The Group is pursuing new restaurant openings in Southeast Asia, including two targeted for 2026 and a yakiniku restaurant planned for January 2027 under its partnership with Yaruki. This follows the opening of Hakata Yakitori Yokayokado, a yakitori izakaya concept developed in collaboration with the same partner. In addition, the Group will actively drive the multi-store expansion of its halal-certified HONOLU ramen and the widely recognised KANBE brand, particularly in Malaysia, where performance has been strong. Together with the planned consolidation of Daruma

Syokudo and the resulting business synergies, barring unforeseen circumstances, the Group expects to perform better in the second half of the financial year ending 28 February 2027.

In Japan, the Group will continue to explore opportunities to introduce differentiated dining concepts that draw upon Japanese culinary traditions, popular culture and intellectual property collaborations, while evaluating selective acquisitions to complement its existing restaurant portfolio.

Optimising the Restaurant Leasing and Subleasing Portfolio

The Group remains focused on expanding and optimising its RLSB portfolio in Japan, leveraging its experience in identifying key restaurant premises and matching properties with prospective tenants.

Following the divestment of ten mature sublease properties in 1H2026, the Group will prioritise steadily building stable recurring rental income, with a view to redeploying capital into opportunities that support recurring rental income and long-term returns.

The Group will also seek to strengthen its integrated restaurant services capabilities. The acquisition of One Grip is expected to enhance its talent sourcing capabilities, supporting both the Group's directly operated restaurants in Japan and the tenant customers of its RLSB segment.

Enhancing Operational Efficiency

Against a backdrop of rising labour costs and a tight employment market, the Group will continue to focus on improving operational efficiency and productivity across its businesses. This includes exploring the use of artificial intelligence and other digital tools to streamline operational processes and manage costs over the medium to long term.

Looking ahead, the Group will pursue measured expansion across its existing markets, while maintaining a disciplined approach to capital allocation and seeking opportunities to strengthen its operating performance and recurring income base.

Mr Kubota Yasuaki, President and Chief Executive Officer, commented, **“Our overall performance was impacted by lower contributions from our Restaurant Leasing and Subleasing Business following the divestment of mature properties. Nevertheless, we expect our existing portfolio to continue generating recurring rental income while remaining focused on expanding our sublease portfolio, acquiring stable and profitable restaurants, and securing operation contracts in Japan.**

At the same time, we are encouraged by the improvement in gross profitability of our Food Retail Business. The acquisition of Daruma Syokudo is expected to contribute positively to the Group's earnings. Going forward, we will expand our portfolio of halal-certified HONOLU ramen and the newly acquired KANBE brand, particularly in Malaysia, where performance has been encouraging. We will also strengthen our merchandise sales capabilities through collaborations featuring leading Japanese IP content as we work towards to build a sustainable earnings base over the medium to long term."

– End –

About Food Innovators Holdings Limited ("FIH")

Incorporated in the Republic of Singapore on 14 November 2019, FIH is principally engaged in (a) the Restaurant Leasing and Subleasing Business, focusing on matching properties and tenants in the restaurant business in Japan; and (b) the Food Retail Business across Japan, Singapore, and Malaysia.

Drawing on its extensive knowledge of the Japanese F&B industry through the restaurant leasing and subleasing business, the Group has evolved to an experienced restaurant operator with a focus on curating quality traditional Japanese and Japanese-inspired European cuisines. In addition, its years of experience enables the Group to provide one-stop consulting services for existing and prospective restaurant tenants.

As at the announcement date, the Group manages a total of 235 subleased properties in Japan. In addition, the Group holds 34 restaurants in its brand portfolio, comprising 15 restaurants in Japan, 10 restaurants in Singapore and 9 restaurants in Malaysia.

For more information, please visit FIH's website at <https://fih.sg/>

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Food Innovators Holdings Limited (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**Exchange**") on 16 October 2024. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**").

This press release has been reviewed by the Sponsor. It has not been examined or approved by the Exchange and the Exchange 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 press release.

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