

JAPAN FOODS HOLDING LTD.

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Japan Foods returns to profit in HY2027 as network rationalisation pays off

- Returned to profitability with a net profit of S\$0.2 million in HY2027, as compared to a net loss of S\$3.3 million in HY2026.
- Operating expenses fell 28.3% as the restaurant network is reduced from 68 to 46 outlets year-on-year.
- Expects the pace of network rationalisation to moderate in FY2027.

Financial Highlights (S\$' million)	Six months ended 30 Sep		Change (%)
	2026 ("HY2027")	2025 ("HY2026")	
Revenue	30.2	36.8	(18.0)
Gross profit	24.8	30.8	(19.6)
Gross profit margin (%)	82.0	83.7	(1.7% pts)
Net profit / (loss) attributable to equity holders of the Company	0.2	(3.3)	N.M.

Note: All financial figures have been rounded.
N.M. denotes not meaningful.

SINGAPORE, 28 October 2026 – Japan Foods Holding Ltd. ("Japan Foods" or the "Company" and together with its subsidiaries, the "Group"), a leading restaurant operator with both franchised Japanese brands and self-developed brands, has returned to profit for the six months ended 30 September 2026 ("HY2027"), reversing the net loss reported in the corresponding six-month period a year ago ("HY2026").

The Group recorded a net profit attributable to shareholders of S\$0.2 million in HY2027, compared with a net loss attributable to shareholders of S\$3.3 million in HY2026. The improvement reflected the positive outcome of the Group's network rationalisation initiatives, which is focused on profit recovery. The exercise reduced the Group's restaurant network from 68 restaurants as at 30 September 2025 to 46 as at 30 September 2026, as under-performing outlets either had their leases terminated early or were not renewed.

In line with the streamlined network, revenue declined 18.0% year-on-year ("yoy") to S\$30.2 million in HY2027. Gross profit decreased 19.6% to S\$24.8 million, while gross profit margin eased 1.7 percentage points to 82.0% mainly due to lower margins from

certain new menu items. Total operating expenses, comprising selling and distribution expenses (down 27.8% to S\$22.3 million), administrative expenses (down 22.4% to S\$1.4 million), and other operating expenses (down 46.4% to S\$0.7 million), fell significantly by 28.3% yoy from S\$34.0 million in HY2026 to S\$24.4 million in HY2027. The Group attributed its improved financial results to lower average operating cost per sale revenue.

Mr Takahashi Kenichi, Executive Chairman and CEO of Japan Foods, said: *“Returning to profit in HY2027 is a significant milestone for the Group and validates the difficult but necessary decisions we took to rationalise our network. By exiting under-performing outlets, we have materially lowered our cost base, while our self-developed brands, led by ‘Steak 99’, have shown that value-driven concepts resonate with diners. We are encouraged by the progress achieved and remain focused on building on this positive momentum.”*

Share of profit of associated companies fell to S\$63,000 in HY2027 from S\$142,000 in HY2026, due to lower profit contributions from the “Konjiki Hototogisu” and “Menya Musashi” restaurants in Hong Kong. “Konjiki Hototogisu” restaurants in China also incurred losses in HY2027 following the closure of one outlet in Shanghai. As at 30 September 2026, the Group’s overseas network comprised 15 restaurants operated by associated companies: 5 restaurants in Hong Kong and 3 in China under the “Menya Musashi” brand, and 6 restaurants in Hong Kong and 1 in China under the “Konjiki Hototogisu” brand.

HY2027 Segmental Review

The Group’s Halal segment continued to outperform its non-Halal segment. During HY2027, the Group’s Halal-concept restaurants contributed S\$19.7 million to revenue compared with S\$20.3 million in HY2026. This was a decline of only 3.0% despite a 23.7% fall in the number of Halal restaurants (HY2027: 29; HY2026: 38), reflecting higher average revenue per outlet.

The non-Halal segment contributed revenue of S\$10.5 million in HY2027 compared with S\$16.5 million in HY2026. This represented a decrease of 36.4% despite a 43.3% fall in the number of non-Halal restaurants (HY2027: 17; HY2026: 30), similarly reflecting higher average revenue per outlet.

Of the 15 brands in the Group’s portfolio as at 30 September 2026, its self-developed Halal-concept “Steak 99” was the star performer. Launched in October 2025, “Steak 99” contributed S\$9.5 million in sales in HY2027 from 14 restaurants.

The strong performance of “Steak 99” brand, together with revenue contribution from restaurants under “Mama Klang”, “Shabu Suki 99”, “Tonkatsu Ton Ton”, “Wagyu Steak 99” and “Yaki Zakana 99” brands, as well as higher revenue from existing restaurants under the “Menzo Butao” and “New ManLee Bak Kut Teh” brands, partially offset lower revenue from the Group’s other brands.

Outlook & Prospects

The Singapore F&B industry is expected to remain challenging over the next 12 months as F&B operators continue to grapple with rising operating costs, including higher energy prices, persistent manpower shortages and intense competition from both homegrown and foreign players. The Group also expects consumers to remain price-sensitive, as discretionary spending continues to be subdued by weak sentiment amid global trade and geopolitical tensions and economic uncertainties.

In response to the challenging operating environment, Japan Foods will continue to focus on strengthening its restaurant operations, improving operational efficiency and managing costs. These efforts have enabled the Group to sharpen its focus on better-performing outlets and redeploy resources more effectively. The Group expects the pace of outlet rationalisation to moderate and remains focused on strengthening its financial performance for the current financial year ending 31 March 2027.

Brand innovation remains a complementary pillar of Japan Foods’ profit recovery strategy. The Group will continue to invest in its self-developed “Steak 99” brand, which has demonstrated encouraging sales performance since its launch. Other recently launched self-developed brands under the “99” series include “Wagyu Steak 99”, “Shabu Suki 99” and “Yaki Zakana 99”. The series takes its name from the S\$9.90 value menu item offered by each brand, which is designed to cater to increasingly cost-conscious diners and drive customer traffic.

Mr Takahashi added: *“Looking ahead, we will remain disciplined in cost management and focus on strengthening our restaurant operations, while continuing to build our ‘99’ brand series and introduce new concepts. With a leaner network and a stronger portfolio of brands, we remain focused on strengthening our overall performance this year.”*

Moving forward, the Group will closely monitor market conditions and consumer demand, while implementing appropriate business strategies to enhance its competitiveness and support sustainable growth.

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About Japan Foods

Established in Singapore in 1997 and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited in February 2009, Japan Foods is one of the leading Japanese restaurant chains in Singapore. As at 30 September 2026, the Group operated 46 restaurants in Singapore under various self-developed brands and franchised brands such as “Ajisen Ramen” and “Konjiki Hototogisu”. The Group is also active in the Halal market with brands including “Steak 99” and “Yakiniku Shokudo”.

Japan Foods has won multiple awards for its efforts in corporate governance. The Company was named the “Most Transparent Company (Catalist)” at the 17th SIAS Investors’ Choice Awards in 2016 and also awarded the “Transparency Award – SMEs” at the 18th SIAS Investors’ Choice Awards 2017. In 2018, the Group received the “Best Managed Board Award (Gold)” at the Singapore Corporate Awards 2018 and Runner Up in the “Most Transparent Company Award – Hotel/Restaurant” category at the 2018 SIAS Investor Choice Awards. In 2019, it was recognised at the Singapore Corporate Awards for “Best Annual Report (Silver)”. The Group subsequently received more accolades from SIAS for its efforts in transparency and disclosure including “Most Transparent Company Award (Consumer Discretionary Category)” at the SIAS Investors’ Choice Awards in 2022 when it was Runner Up and in 2023 and 2024 when it was named Winner for both years.

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Note: This press release is to be read in conjunction with the announcement issued on SGXNet on the same date.

Issued on behalf of Japan Foods Holding Ltd by August Consulting Pte Ltd

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*This news release has been reviewed by the Company’s sponsor, UOB Kay Hian Private Limited (“**Sponsor**”).*

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