JAPAN FOODS HOLDING LTD

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

RESPONSES TO QUESTIONS RECEIVED FROM A SHAREHOLDER

The board of directors (the "**Board**") of Japan Foods Holding Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the questions from a shareholder in advance of the Company's Annual General Meeting to be held on 23 July 2026 at 3.00 p.m.

Unless otherwise defined, capitalised terms used herein shall bear the same meaning as ascribed thereto in the Company's annual report for the financial year ended 31 March 2026 ("**Annual Report**").

The Company's responses to the questions received are set out below:

Question 1

It is noted that the Group has converted a number of former "Shokudo" outlets into the new "Steak 99" concept. Could Management share the operating performance (in terms of profit) and customer reception of this new concept, including whether the concept has broken even in net profit per store?

Company's Response

The market's response to the "Steak 99" brand has been encouraging. Since the launch of the first "Steak 99" brand restaurant in Plaza Singapura in October 2025, the Group has expanded the brand to 12 outlets as at 30 June 2026, achieving such growth in less than a year. The rollout of "Steak 99" restaurants reflects Management's confidence in consumers' acceptance of and sustained demand for such dining concepts, amid shifting consumer preferences.

Question 2

"Milan Shokudo" appeared to be positioned as a Halal-friendly casual dining concept with similarities to the affordable family dining model of "Saizeriya". Following the closure of this concept, could Management share the key lessons learned from this venture? In particular, what were the main challenges faced in areas such as customer demand, pricing strategy, location selection, operating costs, or brand positioning that prevented the concept from achieving the scalability and success of Saizeriya's model in Singapore's Halal Segment? How will these lessons shape the Group's future concept development and expansion strategies?

Company's Response

Singapore's dining scene is highly competitive, with customers having a wide range of dining options and constantly seeking new and latest concepts. While a concept may be very popular at launch, customers' interests and taste may evolve rapidly, particularly as new dining trends emerge and gain traction on social media.

As a restaurant operator, the Group's focus is to achieve the right balance between delivering a compelling value proposition, offering competitive pricing, and managing a sustainable cost structure. At the same time, the Group also regularly reviews its offerings to sustain customer interest.

One of the Group's key strengths is its stable of brands supported by continual efforts on innovation. This enables the Group to respond quickly to changing consumer preferences and market conditions. Where a particular concept is not performing as expected, the Group is able to quickly rebrand or convert the store into another concept within its portfolio that may be more suitable for the location and customer demographics.

Question 3

In Singapore, takeaway food kiosks have grown in popularity due to their affordability and availability of delivery riders catering to the fast-paced lifestyle of consumers (Halal and non-Halal). Has the Group considered adapting or replicating any of its existing concepts into a takeaway kiosk format to capture this growing market segment (an opportunity is present in Tori Sanwa which has Karaage and Yakitori that can be fitted to the Halal takeaway kiosk segment, if the franchisee allows)

Company's Response

The Group had in the past operated "Ajisen Ramen" stalls in food courts. However, customer response at that time was not sufficiently encouraging and the Group had elected not to renew the leases upon their expiry. With the expansion of the Group's product offerings beyond ramen, Management may consider this segment again, as and when appropriate.

Question 4

In the F&B industry, the four major operating cost components are typically (i) store rental, (ii) labour, (iii) food ingredients, and (iv) depreciation expenses relating to fittings and equipment. Taking these four categories collectively as 100% of cost, could Management provide an approximate percentage breakdown of each cost component relative to the others?

Company's Response

Please refer to Note 7 of the Group's audited financial statements for FY2026 entitled "Expenses by Nature" on page 127 of the Annual Report for a detailed breakdown of the Group's expenses. For illustrative purposes, the approximate percentage contribution of selected key cost components is set out below:

	Amount $'000	Approximate percentage (5) (%)
Rental expense (1)	24,797	38.5
Employee compensation (2)	22,559	35.0
Cost of food ingredients (3)	11,795	18.3
Depreciation (4)	5,280	8.2

Notes:

(1) "Rental expense" comprises depreciation of right-of-use assets amounting to S$22,041,000, rental expense of S$1,382,000 and interest expense on lease liabilities amounting to S$1,374,000. Please also refer to Note 22 for further details.
(2) "Employee compensation" amounting to S$22,559,000 includes remuneration paid to the CEO.
(3) "Cost of food ingredients" comprises purchase of inventories amounting to S$11,672,000 and changes in inventories amounting to S$123,000.
(4) "Depreciation" relates to depreciation of plant and equipment only.
(5) Percentages presented in this table have been rounded to the nearest one decimal place. Accordingly, figures may not add up due to rounding.

The above analysis is provided purely for illustrative purposes only and is limited to only selected expense categories. Shareholders should note that there are other cost components such as utilities, plant and equipment written off and repair and maintenance contributing to the Group's total expenses. Accordingly, the above breakdown should be read together with Note 7 and the audited financial statements in their entirety and should not be relied upon as a complete representation of the Group's cost structure.

Question 5

It has been observed that the footfall at the "Tori Sanwa" outlet in Takashimaya is relatively muted, with many customers instead queuing at the adjacent grilled fish stall. Could Management provide an update on the outlet's financial performance, including whether it is profitable on a net profit basis and meeting internal expectations? If the outlet continues to face challenges in attracting sufficient footfall, has Management considered closure as potential options?

Company's Response

The "Tori Sanwa" outlet at Takashimaya generated positive operating cashflow in FY2026.

The Group actively monitors the performance of all its stores and regularly carries out various marketing and promotional activities to drive customer traffic and sales. Where an outlet's performance does not meet its expectations despite these efforts, the Group will evaluate whether it would be more appropriate to convert the outlet to another brand within its portfolio to better suit the location and customer profile. Alternatively, the Group may decide not to renew the lease upon its expiry if the outlet in that location is no longer commercially viable.

Question 6

"Kyo Komachi" has not been doing well and the last outlet at Changi City Point has seen muted footfall even on a weekday lunch period. Could Management provide an update on the outlet's financial performance, including whether it is profitable on a net profit basis and meeting internal expectations? If the outlet continues to face challenges in attracting sufficient footfall, has Management considered closure as a potential option?

Company's Response

The lease of the "Kyo Komachi" brand restaurant at Changi City Point will expire in September 2026 and will not be renewed. The Group will, however, continue to maintain its presence at the mall through three other restaurant concepts operating under "Steak 99", "Menzo Butao" and "Yakiniku Shokudo" brands.

Question 7

"Steak 99" appears to be positioned around affordability and value-for-money. However, has Management considered introducing a better tier of grass-fed beef offerings alongside its existing menu? For example, 200g to 300g Aussie/NZ grass-fed steaks priced in the S$35–S$50 range may appeal to a different customer segment, including more affluent Muslim consumers as well as non-Muslim diners seeking higher-quality beef options. Could Management share its assessment of the market opportunity for a higher tier of Halal-certified steak offerings?

Company's Response

"Steak 99" is a family-friendly Western grill concept that offers quality food at attractive price points and portion sizes that cater to this target customer demographic.

The Group continually explores new concepts and opportunities to appeal to a broader range of customer segments and evolving dining preferences. As part of this strategy, the Group may expand the brand into either the mass-market or premium segment, depending on market opportunities and consumer demand. Any such brand decisions will be carefully evaluated, taking into account a range of factors, including prevailing market conditions, projected profitability, and the potential to achieve operational efficiencies and economies of scale.

BY ORDER OF THE BOARD

TAKAHASHI KENICHI
Executive Chairman and CEO

17 July 2026

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

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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