

Engaged in Kyoto Kitashirakawa Ramen Kairikiya chain store business

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【5891 Kairikiya Sector : Retail Trade】

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Dec.2021	7,085	2.1	-161	-	490	163.0	234	76.4	54.7	501.2	0.0
Dec.2022	8,815	24.4	380	-	642	31.0	314	34.0	73.2	574.4	0.0
Dec.2023 f	10,381	17.8	602	58.4	606	-5.6	357	13.7	81.4	-	13.0

Note: Non-consolidated basis. Figures for the fiscal year ending December 2023 is the company's forecasts.

Mainly Engaged in Ramen Chain Business

Kairikiya operates ramen shops that sell its main product, Kyoto Seabura Shoyu Ramen (Special Shoyu Ramen), mainly in the three major Kanto, Kansai and Tokai metropolitan areas of Japan.

The business consists of a ramen division and other division. While Kairikiya does not disclose the sales amount by business division, the ramen division accounts for the majority of its net sales.

Ramen Division

Ramen Kairikiya's main menu item is its ramen, but they also offer set meals with yakimeshi (fried rice), gyoza (seared pork dumplings) and karaage (fried chicken) as well as kid's menu items, which are designed to attract families and increase the frequency their visits.

There are three types of "Ramen Kairikiya" stores depending on the location: roadside stores in the suburbs, which are the main type, food court stores and stores in buildings near stations.

The company had mainly only opened directly managed stores, but to accelerate the expansion of its chain, from fiscal year ended December 2023, it has also started opening franchise stores. As of the end of September 2023, Ramen Kairikiya has a total of 130 stores (102 directly managed stores, 24 independent stores operated by former employees and four franchise stores). Its regional distribution stands at 33 stores in the Kansai region, 62 stores in the Kanto region, 28 stores in the Tokai region and seven stores in other parts of Japan.

Other Division

Besides ramen, the company operates take-out-only stores that mainly sell fried chicken (nine stores as of the end of September 2023) and stores that focus on tanmen (noodles with stir-fried vegetables).

Financial Statements

Statement of income	Fiscal Year	Dec. 2021		Dec.2022		Nine months to Sep.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		7,085	100.0	8,815	100.0	7,760	100.0
Cost of sales		1,892	26.7	2,373	26.9	2,246	28.9
Gross profit		5,192	73.3	6,442	73.1	5,514	71.1
Selling, general and administrative expenses		5,354	75.6	6,061	68.8	4,927	63.5
Operating profit		-161	-2.3	380	4.3	586	7.6
Non-operating income		690	-	304	-	57	-
Non-operating expenses		38	-	43	-	36	-
Ordinary profit		490	6.9	642	7.3	607	7.8
Profit before income taxes		349	4.9	439	5.0	607	7.8
Net profit		234	3.3	314	3.6	386	5.0

Balance sheet	Fiscal Year	Dec. 2021		Dec.2022		Sep.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		2,109	43.8	2,625	47.3	2,631	46.4
Cash and deposits		1,516	31.5	1,999	36.0	1,950	34.4
Accounts receivable-trade		139	2.9	158	2.9	209	3.7
Inventories		24	0.5	27	0.5	30	0.5
Non-current assets		2,711	56.2	2,925	52.7	3,036	53.6
Property, plant and equipment		1,773	36.8	1,841	33.2	1,974	34.8
Intangible assets		73	1.5	66	1.2	65	1.2
Investments and other assets		864	17.9	1,017	18.3	997	17.6
Total assets		4,820	100.0	5,551	100.0	5,668	100.0
Current liabilities		1,416	29.4	1,808	32.6	1,714	30.2
Accounts payable - trade		289	6.0	334	6.0	365	6.4
Non-current liabilities		1,254	26.0	1,278	23.0	1,103	19.5
Net assets		2,150	44.6	2,464	44.4	2,850	50.3
Owners' equity		2,150	44.6	2,464	44.4	2,850	50.3

Statement of cash flows	Fiscal Year	Dec. 2021	Dec.2022
		(mn yen)	(mn yen)
Cash flows from operating activities		482	1,048
Depreciation		170	180
Cash flows from investing activities		-542	-463
Cash flows from financing activities		63	-80
Dividends paid		-	-
Net increase in cash and cash equivalents		2	504
Cash and cash equivalents		1,576	2,081

Note: Non-consolidated

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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