

Developing ramen, udon shops and other restaurants mainly in the Tokyo metropolitan area

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[274A Garden 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)
Feb. 2023	11,841	51.7	364	-	516	-73.3	252	-71.7	50.5	241.9	0.0
Feb. 2024	15,311	29.3	1,516	4.2x	1,441	2.8x	1,065	4.2x	213.1	461.0	64.0
Feb. 2025 f	16,710	9.1	1,845	21.7	1,716	19.1	1,198	12.5	220.4	-	80.0

Note: Non-consolidated basis. Figures for the fiscal year ending February 2025 is the company's forecasts.
It conducted 1:5 stock split on August 1, 2023. Per share indices are adjusted retroactively.

Developing Ramen Shops and Other Businesses

Garden develops its food and beverage business through M&A while also operating food and beverage shops such as ramen shops, restaurants, steakhouses and sushi bars. Additionally, it manages franchise business for its brands and engages in the real estate business. It conducts the real estate business to secure information on shop properties as quickly as possible.

The company was founded in December 2015 by the current president, Mr. Kawashima. Prior to founding the company, Mr. Kawashima had experience in turning around karaoke businesses that were struggling financially and achieving business revitalization. Following that, he acquired restaurants such as steakhouses, beef bowl restaurants and ramen shops, shifting focus to the restaurant business in earnest through business restructuring and reforms aimed at improving productivity and the profit structure.

The ramen business accounted for 66.5%, the restaurant business for 15.4%, the steakhouse business for 9.4%, the meat sushi business for 2.8%, the franchise business for 4.4% and other businesses for 1.4% in fiscal year ended February 2024.

As of the end of September 2024, the company had a total of 193 stores, 157 directly managed and 36 franchised stores.

Growth Through M&A

Since its establishment, Garden has executed a number of corporate revitalization-type M&As, expanding the scale of its existing business while acquiring new restaurant brands.

The company has successfully opened new stores efficiently by acquiring underperforming companies with well-located properties and converting these stores into its own brands, such as Ikkakuya. In some cases, Garden acquires new brands through M&A and nurtures the brands.

Financial Statements

Statement of income	Fiscal Year	Feb. 2023		Feb. 2024		Six months to Aug.2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		11,841	100.0	15,311	100.0	8,521	100.0
Cost of sales		3,660	30.9	4,631	30.2	2,471	29.0
Gross profit		8,181	69.1	10,680	69.8	6,049	71.0
Selling, general and administrative expenses		7,816	66.0	9,163	59.8	5,007	58.8
Operating profit		364	3.1	1,516	9.9	1,041	12.2
Non-operating income		279	-	49	-	17	-
Non-operating expenses		127	-	124	-	70	-
Ordinary profit		516	4.4	1,441	9.4	988	11.6
Profit before income taxes		451	3.8	1,540	10.1	1,000	11.7
Net profit		252	2.1	1,065	7.0	629	7.4

Balance sheet	Fiscal Year	Feb. 2023		Feb. 2024		Aug.2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		4,851	59.0	7,317	65.6	7,355	64.5
Cash and deposits		4,217	51.3	6,497	58.3	6,283	55.1
Accounts receivable-trade		243	3.0	424	3.8	570	5.0
Inventories		55	0.7	52	0.5	65	0.6
Non-current assets		3,346	40.7	3,688	33.1	3,909	34.3
Property, plant and equipment		1,574	19.1	1,838	16.5	2,131	18.7
Intangible assets		232	2.8	174	1.6	144	1.3
Investments and other assets		1,539	18.7	1,676	15.0	1,633	14.3
Deferred assets		24	0.3	143	1.3	141	1.2
Total assets		8,222	100.0	11,149	100.0	11,407	100.0
Current liabilities		3,581	43.6	4,645	41.7	4,341	38.1
Accounts payable - trade		321	3.9	361	3.2	410	3.6
Short-term borrowings		163	2.0	127	1.1	133	1.2
Current portion of bonds payable		240	2.9	800	7.2	892	7.8
Current portion of long-term borrowings		1,689	20.5	1,684	15.1	1,385	12.1
Non-current liabilities		3,431	41.7	4,199	37.7	4,462	39.1
Bonds payable		520	6.3	2,528	22.7	2,636	23.1
Long-term borrowings		2,447	29.8	1,206	10.8	1,371	12.0
Net assets		1,209	14.7	2,305	20.7	2,602	22.8
Owners' equity		1,209	14.7	2,305	20.7	2,602	22.8

Statement of cash flows	Fiscal Year	Feb. 2023	Feb. 2024	Six months to Aug.2024
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		1,267	1,798	553
Depreciation		252	287	166
Cash flows from investing activities		-386	-591	-445
Cash flows from financing activities		106	1,072	-320
Dividends paid		-	-	-
Net increase in cash and cash equivalents		987	2,279	-213
Cash and cash equivalents		4,217	6,497	6,283

Note: Non-consolidated

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

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