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October 15, 2026

Non-consolidated Financial Results for the Six Months Ended August 31, 2026 (Under Japanese GAAP)

Company name: Garden Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 274A
URL: https://gardengroup.co.jp
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Scheduled date to file semi-annual securities report: October 15, 2026
Scheduled date to commence dividend payments: November 11, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated financial results for the six months ended August 31, 2026 (from March 1, 2026 to August 31, 2026)

(1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31, 2026	9,518	7.9	217	(72.9)	138	(81.7)	101	(79.6)
August 31, 2025	8,823	3.5	804	(22.8)	754	(23.7)	496	(21.2)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
August 31, 2026	14.19	13.16
August 31, 2025	72.16	64.23

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
August 31, 2026	19,886	7,428	37.4
February 28, 2026	17,291	7,695	44.5

Reference: Equity
As of August 31, 2026: ¥7,428 million
As of February 28, 2026: ¥7,695 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2026	–	45.00	–	55.00	100.00
Fiscal year ending February 28, 2027	–	45.00			
Fiscal year ending February 28, 2027 (Forecast)			–	45.00	90.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of financial results for the fiscal year ending February 28, 2027 (from March 1, 2026 to February 28, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	19,450	8.7	430	(67.0)	280	(76.9)	10	(98.4)	1.38

Note: Revisions to the financial results forecast most recently announced: Yes

*** Notes**

(1) Adoption of accounting treatment specific to the preparation of semi-annual financial statements: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of August 31, 2026	7,159,010 shares
As of February 28, 2026	7,148,730 shares

(ii) Number of treasury shares at the end of the period

As of August 31, 2026	- shares
As of February 28, 2026	- shares

(iii) Average number of shares outstanding during the period (semi-annual)

Six months ended August 31, 2026	7,153,031 shares
Six months ended August 31, 2025	6,881,190 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements)

Forward-looking statements, including earnings forecasts, contained in this material are based on information currently available to the Company and on certain assumptions deemed to be reasonable, and are not intended as a promise by the Company that they will be achieved. Actual business and other results may differ significantly due to various factors.

(Method of obtaining supplementary material on financial results)

Supplementary material on financial results was disclosed on TDnet on the same day.

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the six months under review

The Japanese economy in the six months under review continued to face an uncertain outlook due to factors such as persistently high raw material and energy prices, the continued weak yen trend, and heightened geopolitical risks, despite signs of improvement in the employment and income environment. In addition, improvement in real income was limited due to the impact of rising prices, and consumers' tendency toward thrift and selective spending continued. Year-on-year changes in the number of foreign visitors to Japan varied by month: arrivals increased in March and July but declined in the other months.

In the food service industry, the business environment remained challenging, as raw material costs, utility costs, personnel expenses and other costs continued to rise, while consumers' tendency toward thrift against the backdrop of rising prices also persisted. Adverse weather conditions during the summer, including typhoons and torrential rains, also affected people's going-out and spending behavior.

Under such circumstances, based on its corporate philosophy of "Make NOW HAPPY!" and its management philosophy of "Providing HAPPY spaces," the Company worked to enhance value for each of its stakeholders, namely employees, customers, shareholders and society.

With regard to store operations, the Company continued to work on improving QSCA (Quality, Service, Cleanliness, Atmosphere), while promoting improvement activities through the analysis of store operations. On the human resources front, the Company has been striving to get new employees and store staff up to speed quickly and to improve retention rates by enhancing training manuals and utilizing video-based and multilingual training.

With regard to products and sales promotion, the Company introduced seasonal menu items to meet summer demand, along with new and limited-time menu items for each brand. In addition, Ichikakuya and YAMASHITA HONKI UDON engaged in joint product development with university seminar groups. Furthermore, the Company worked to broaden the customer base and encourage repeat visits through collaborations with popular characters and anime, as well as various campaigns.

As for the dual-brand hybrid strategy combining Ichikakuya and Abura Soba Sohonten, which is one of the Company's growth strategies, the Company began introducing the signage and menu items into existing Ichikakuya stores in late April, and the number of stores where they had been introduced reached 112 at the end of August. By leveraging existing stores to limit additional investment and selling both ramen and abura soba, the Company aims to address diverse reasons for visiting and improve the profitability of existing stores.

With regard to M&A, the Company is working to improve the profitability and brand value of the miso ramen brand Manbaken, which it acquired in the previous fiscal year, and the soba izakaya brand Takadaya, which it began operating in March 2026.

For Manbaken, the Company has been accelerating the expansion of its store network while renovating stores, improving operations and implementing other measures. The network reached 10 stores in August. The Company will continue to open stores mainly in Tokyo and its three neighboring prefectures, aiming for further growth of the brand.

Since it began operating Takadaya in March, the Company has been rebuilding the brand, improving store operations and productivity, and laying the groundwork for medium- to long-term growth. The Company is also seeking to enhance brand value and improve profitability by expanding the store network, including through franchise development.

With regard to overseas expansion, the Company proceeded with preparations for the overseas expansion of YAMASHITA HONKI UDON through a joint venture established in Thailand. On September 10, 2026, after the end of the six months under review, the Company opened its first overseas store in Bangkok, Thailand, and is also considering opening a second store and additional locations thereafter.

As for store openings and closures, the Company opened 26 stores (13 directly managed stores and 13 franchised (FC) stores) and closed and removed from store count five stores (two directly managed stores and three FC stores). As a result, the number of stores at the end of the six months under review was 220 (183 directly managed stores, one store operated under an outsourcing agreement, and 36 FC stores).

The 13 directly managed store openings consisted of four Ichikakuya stores, one YAMASHITA HONKI UDON store, five Manbaken stores and three Takadaya stores. The Company began operating the Takadaya brand in March. The new FC stores comprised 10 Takadaya stores and three Ichikakuya stores. The three Ichikakuya store openings had not been included in the initial plan for the fiscal year.

Meanwhile, the directly managed stores closed and removed from store count comprised one Teppan Oukoku store and one Hawaiian restaurant; the former was closed and removed from store count due to a change of business format and the latter due to the expiration of its contract. Three Niku Zushi FC stores were closed and removed from store count following the transfer of the Niku Zushi franchise headquarters business and trademark.

As a result, for the six months under review, net sales were ¥9,518 million (up 7.9% year-on-year), operating profit was ¥217 million (down 72.9% year-on-year), ordinary profit was ¥138 million (down 81.7% year-on-year), and profit was ¥101 million (down 79.6% year-on-year).

Segment information is omitted, as the Company has a single segment, the restaurant business.

(2) Overview of financial position for the six months under review

(Assets)

Total assets as of August 31, 2026 amounted to ¥19,886 million (up ¥2,595 million from the end of the previous fiscal year). The main factors were increases of ¥1,891 million in cash and deposits, ¥196 million in accounts receivable - trade, ¥353 million in property, plant and equipment, and ¥106 million in leasehold and guarantee deposits.

(Liabilities)

Total liabilities as of August 31, 2026 amounted to ¥12,458 million (up ¥2,863 million from the end of the previous fiscal year). The main factors were increases of ¥2,233 million in long-term borrowings and ¥808 million in current portion of long-term borrowings, partially offset by a decrease of ¥349 million in bonds payable.

(Net assets)

Total net assets as of August 31, 2026 amounted to ¥7,428 million (down ¥267 million from the end of the previous fiscal year). The main factors were a decrease of ¥393 million in retained earnings due to the payment of dividends, partially offset by an increase in retained earnings due to the recording of ¥101 million in profit.

(3) Overview of cash flows for the six months under review

Cash and cash equivalents (hereinafter "cash") at the end of the six months under review amounted to ¥12,573 million, an increase of ¥1,891 million from the end of the previous fiscal year. The status of each category of cash flows and the factors thereof are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥318 million (net cash provided in the same period of the previous fiscal year was ¥747 million). This was mainly due to the recording of ¥198 million in profit before income taxes and ¥201 million in depreciation, a non-cash expense, partially offset by an increase of ¥196 million in trade receivables.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥672 million (net cash used in the same period of the previous fiscal year was ¥484 million). This was mainly due to ¥532 million in purchase of property, plant and equipment and ¥149 million in payments of leasehold and guarantee deposits.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to ¥2,245 million (net cash provided in the same period of the previous fiscal year was ¥1,532 million). This was mainly due to ¥4,100 million in proceeds from long-term borrowings, partially offset by ¥1,057 million in repayments of long-term borrowings and ¥366 million in dividends paid.

(4) Explanation of financial results forecast and other forward-looking information

The full-year financial results forecast for the fiscal year ending February 28, 2027 has been revised from the financial results forecast announced on April 14, 2026, in light of recent trends in business performance and other factors. For details, please refer to the "Notice Concerning Revision of Full-Year Financial Results Forecast" announced today (October 15, 2026).

2. Semi-annual Financial Statements and Major Notes

(1) Semi-annual balance sheets

(Thousands of yen)

	As of February 28, 2026	As of August 31, 2026
Assets		
Current assets		
Cash and deposits	10,681,634	12,573,474
Accounts receivable - trade	603,407	800,325
Inventories	80,072	73,174
Prepaid expenses	284,326	339,109
Consumption taxes refund receivable	3,782	–
Accounts receivable - other	16,637	33,710
Other	203,741	171,536
Allowance for doubtful accounts	(2,097)	(1,737)
Total current assets	11,871,504	13,989,593
Non-current assets		
Property, plant and equipment		
Buildings, net	1,788,155	1,968,996
Structures, net	4,158	3,788
Machinery and equipment, net	11,718	10,517
Tools, furniture and fixtures, net	348,724	397,187
Leased assets, net	391	7,238
Construction in progress	21,890	141,158
Total property, plant and equipment	2,175,038	2,528,887
Intangible assets		
Trademark right	180,853	169,313
Goodwill	425,564	403,910
Software	6,070	4,735
Other	5,605	5,605
Total intangible assets	618,093	583,565
Investments and other assets		
Investment securities	202,320	232,896
Long-term prepaid expenses	108,676	126,181
Shares of subsidiaries and associates	–	55,419
Leasehold and guarantee deposits	1,750,995	1,857,308
Deferred tax assets	476,755	441,956
Distressed receivables	–	15,400
Other	259	77
Allowance for doubtful accounts	–	(15,400)
Total investments and other assets	2,539,007	2,713,838
Total non-current assets	5,332,139	5,826,291
Deferred assets		
Bond issuance costs	87,464	70,625
Total deferred assets	87,464	70,625
Total assets	17,291,109	19,886,510

(Thousands of yen)

	As of February 28, 2026	As of August 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	406,038	489,653
Current portion of bonds payable	758,000	698,000
Current portion of long-term borrowings	1,501,232	2,309,748
Lease liabilities	35,457	22,469
Accounts payable - other	763,324	970,592
Accrued expenses	32,528	29,289
Income taxes payable	236,662	132,521
Advances received	20,204	55,313
Deposits received	90,229	67,960
Provision for bonuses	129,516	134,844
Provision for shareholder benefit program	3,773	6,799
Other	61,629	139,573
Total current liabilities	4,038,598	5,056,766
Non-current liabilities		
Bonds payable	1,477,000	1,128,000
Long-term borrowings	3,526,511	5,760,492
Lease liabilities	5,449	13,705
Asset retirement obligations	330,680	344,231
Other	216,872	155,178
Total non-current liabilities	5,556,513	7,401,607
Total liabilities	9,595,111	12,458,373
Net assets		
Shareholders' equity		
Share capital	2,391,790	2,393,229
Capital surplus	2,682,690	2,684,129
Retained earnings	2,487,154	2,195,476
Total shareholders' equity	7,561,634	7,272,835
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	134,363	155,301
Total valuation and translation adjustments	134,363	155,301
Total net assets	7,695,997	7,428,136
Total liabilities and net assets	17,291,109	19,886,510

(2) Semi-annual statements of income

(Thousands of yen)

	Six months ended August 31, 2025 (from March 1, 2025 to August 31, 2025)	Six months ended August 31, 2026 (from March 1, 2026 to August 31, 2026)
Net sales	8,823,042	9,518,782
Cost of sales	2,669,386	3,108,476
Gross profit	6,153,656	6,410,306
Selling, general and administrative expenses	5,348,993	6,192,639
Operating profit	804,663	217,666
Non-operating income		
Interest income	11,689	23,077
Dividend income	528	624
Subsidy income	1,937	900
Vending machine revenue	2,404	2,090
Other	12,579	13,622
Total non-operating income	29,138	40,314
Non-operating expenses		
Interest expenses	37,320	68,143
Interest expenses on bonds	12,248	11,461
Commission expenses	3,795	1,176
Amortization of bond issuance costs	21,215	18,990
Other	5,082	4,490
Provision of allowance for doubtful accounts	–	15,400
Total non-operating expenses	79,662	119,662
Ordinary profit	754,140	138,319
Extraordinary income		
Gain on sale of businesses	–	70,000
Other	–	112
Total extraordinary income	–	70,112
Extraordinary losses		
Loss on sale of non-current assets	–	3,050
Loss on retirement of non-current assets	1,648	2,774
Impairment losses	–	4,311
Total extraordinary losses	1,648	10,135
Profit before income taxes	752,491	198,295
Income taxes - current	239,313	71,631
Income taxes - deferred	16,617	25,161
Total income taxes	255,931	96,792
Profit	496,560	101,502

(3) Semi-annual statements of cash flows

(Thousands of yen)

	Six months ended August 31, 2025 (from March 1, 2025 to August 31, 2025)	Six months ended August 31, 2026 (from March 1, 2026 to August 31, 2026)
Cash flows from operating activities		
Profit before income taxes	752,491	198,295
Depreciation	180,979	201,438
Amortization of goodwill	9,379	29,329
Amortization of bond issuance costs	21,215	18,990
Depreciation and amortization on other	24,812	37,023
Increase (decrease) in allowance for doubtful accounts	(813)	15,040
Increase (decrease) in provision for bonuses	6,168	5,328
Increase (decrease) in provision for shareholder benefit program	–	3,026
Interest and dividend income	(12,218)	(23,701)
Interest expenses	49,568	79,604
Loss (gain) on sale of property, plant and equipment	–	3,050
Loss on retirement of non-current assets	1,648	2,774
Impairment losses	–	4,311
Loss (gain) on sale of businesses	–	(70,000)
Other extraordinary loss (income)	–	(112)
Decrease (increase) in trade receivables	(146,312)	(196,917)
Decrease (increase) in inventories	(2,531)	6,897
Decrease (increase) in accounts receivable - other	(12,364)	(17,072)
Decrease (increase) in other assets	(73,620)	(26,344)
Increase (decrease) in trade payables	51,252	83,615
Increase (decrease) in accounts payable - other	125,033	142,747
Increase (decrease) in accrued consumption taxes	(43,866)	71,711
Increase (decrease) in other current liabilities	9,676	(14,897)
Increase (decrease) in long-term accounts payable - other	80,443	(64,873)
Other, net	(710)	(5,921)
Subtotal	1,020,234	483,343
Interest and dividends received	12,218	23,701
Interest paid	(48,476)	(85,022)
Income taxes paid	(235,981)	(103,989)
Net cash provided by (used in) operating activities	747,993	318,032
Cash flows from investing activities		
Purchase of property, plant and equipment	(255,240)	(532,926)
Proceeds from sale of property, plant and equipment	–	1,000
Purchase of intangible assets	(2,252)	–
Purchase of shares of subsidiaries and associates	–	(55,419)
Proceeds from sale of businesses	–	77,000
Proceeds from refund of leasehold and guarantee deposits	8	17,399
Payments of leasehold and guarantee deposits	(211,605)	(149,784)
Purchase of long-term prepaid expenses	(18,045)	(25,941)
Guarantee deposits received	6,404	6,480
Refund of guarantee deposits received	(3,593)	(3,300)
Other, net	182	(6,567)
Net cash provided by (used in) investing activities	(484,141)	(672,060)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(66,640)	–
Proceeds from long-term borrowings	3,900,000	4,100,000

(Thousands of yen)

	Six months ended August 31, 2025 (from March 1, 2025 to August 31, 2025)	Six months ended August 31, 2026 (from March 1, 2026 to August 31, 2026)
Repayments of long-term borrowings	(1,211,345)	(1,057,503)
Redemption of bonds	(441,000)	(409,000)
Repayments of lease liabilities	(44,621)	(23,986)
Proceeds from exercise of employee share options	1,666	2,877
Dividends paid	(605,173)	(366,521)
Net cash provided by (used in) financing activities	1,532,886	2,245,867
Net increase (decrease) in cash and cash equivalents	1,796,738	1,891,839
Opening balance of cash and cash equivalents	10,660,027	10,681,634
Ending balance of cash and cash equivalents	12,456,766	12,573,474

(4) Notes to semi-annual financial statements

(Segment information, etc.)

[Segment information]

Segment information is omitted, as the Company has a single segment, the restaurant business.

(Note on significant changes in the amount of shareholders' equity)

Not applicable.

(Note on entity's ability to continue as a going concern)

Not applicable.