



# Monogatari Corporation

TSE 1st Section 3097

Industry: Food service, retail

## August sales

### Monthly data for August: tough, but no different from competitors, no surprises

Monogatari Corporation (3097) disclosed monthly data for August (on a preliminary basis). Same-store sales were tough, but there were no surprises as most of the restaurant companies struggled significantly in August.

For directly-owned stores, same-store sales for August were 81.6% of August 2020 figure (same month last year = 100%; 91.7% for July), of which number of customers was 85.7% (94.9% for July). The number of holidays was one less than in August 2020.

Same-store sales were 75.2% of August 2019 figure (our estimate, same as follows, 95.4% for July). The number of holidays was the same as in August 2019.

The number of domestic directly-owned stores at end of August was 346 (+3 MoM).

For directly-owned stores, same-store sales for August by division were: Yakiniku 84.8% vs. August 2020, 82.8% vs. August 2019; Ramen 82.1% ditto, 71.7% ditto; Okonomiyaki 78.0% ditto, 66.4% ditto; Yuzuan 71.4% ditto, 60.0% ditto.

### Focus on the government's new initiatives

In August, the areas subject to emergency measures and priority measures to prevent the spread of the disease were expanded, and restaurants in these areas were requested to shorten their hours and stop serving alcohol. For all-you-can-eat restaurants such as "Yakiniku King," the shortened business hours have a significant negative impact. In July, less than 60% of stores were subject to requests for shorter hours, but in August, more than 90% were affected.

Going forward, the key focus for the restaurant industry will be the details of the "easing of restrictions on activities" being considered by the government. If measures are included that will lead to the easing of requests for shorter hours and requests to stop serving alcoholic beverages, it will be a positive factor for stock prices.

### Promotion

The company ran a TV ad for Yakiniku King in late August. The cast includes actress Yumi Wakatsuki. Also, Akira Kamiya, a voice actor famous for the animation program "Kinnikuman," was used as the narrator. On August 23, "Yakiniku King" was featured in the "Kaerema 10" corner of the TV program "Kaere Monday Mikketai!!" We believe that these promotions should help to increase brand awareness among consumers to be chosen after the relaxation of the shorter business hours requirement.

Please refer to the report dated June 22, 2021 for the rationale of the rating and target price.

MITA SECURITIES Co., Ltd.

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## Update

Rating

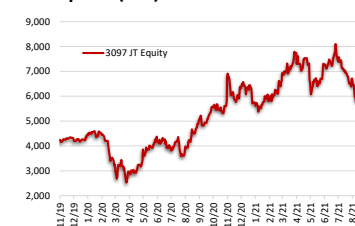
**Buy**

Target price (JPY)	9,100
Stock price (JPY) (Sep 9)	7,370
Market cap (JPYbn)	89.0

### Key changes

Rating	No
Target price	No
Earnings forecast	No

### Stock price (JPY)



Source: Bloomberg Finance LP

### Earnings

		6/19	6/20	6/21	6/22E	6/23E
Sales	JPYbn	58.9	58.0	64.0	74.9	83.8
OP	JPYbn	3.9	3.0	2.6	5.0	6.2
RP	JPYbn	4.7	3.0	4.3	6.0	6.2
NP	JPYbn	2.9	0.5	2.7	3.8	4.0
EPS	JPY	244.1	37.9	226.0	319.0	333.4
BPS	JPY	1,461	1,444	1,625	1,900	2,154
DPS	JPY	45.0	47.5	60.0	80.0	90.0
PER	x	17.6	110.7	32.3	22.9	21.9
PBR	x	2.9	2.9	4.5	3.8	3.4
Div. yield	%	1.0	1.1	0.8	1.1	1.2
ROA	%	9.4	1.3	6.3	7.9	7.5
ROE	%	17.9	2.6	14.7	18.0	16.4

Source: Company data, Mita Securities

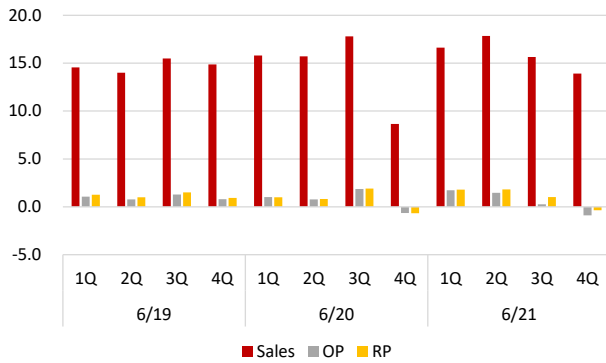
### Company profile

Monogatari Corporation is a restaurant company based in Aichi Prefecture that operates "Yakiniku King" nationwide. As of June 30, 2021, the company had 584 stores in Japan (340 directly-owned stores and 229 FC stores) and 15 overseas stores (directly-owned). Sales in FY6/21 were 64.0bn yen.

## Quarterly data

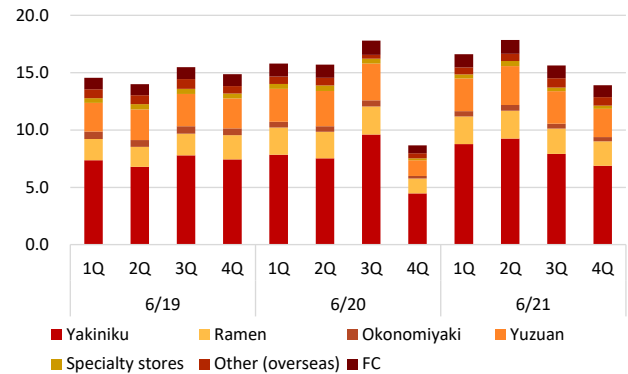
### Quarterly data

Figure: Quarterly earnings (JPYbn)



Source: Company data, Mita Securities

Figure: Sales by division (JPYbn)

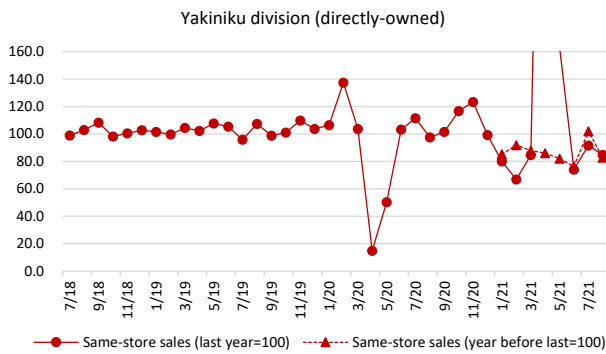


Source: Company data, Mita Securities

## Monthly same-store sales data

### Yakiniku (Japanese BBQ)

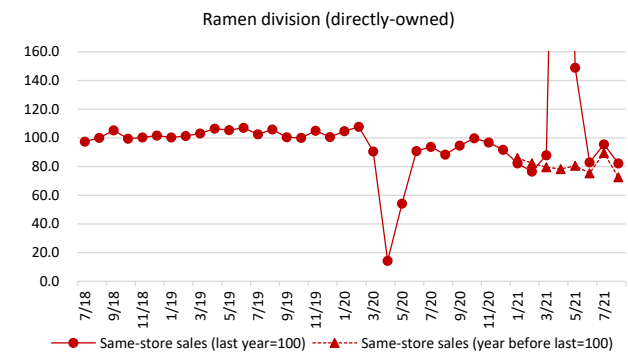
Figure: Monthly data (directly-owned)



Source: Company data, Mita Securities

### Ramen

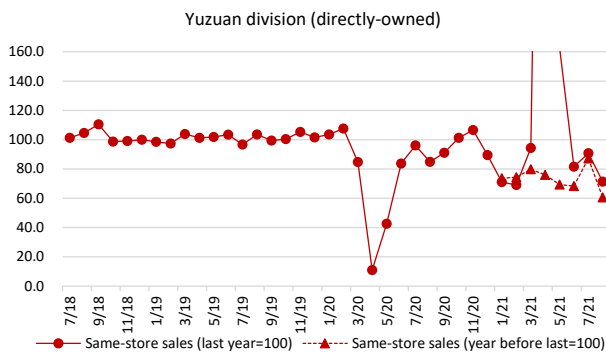
Figure: Monthly data (directly-owned)



Source: Company data, Mita Securities

### Yuzuan

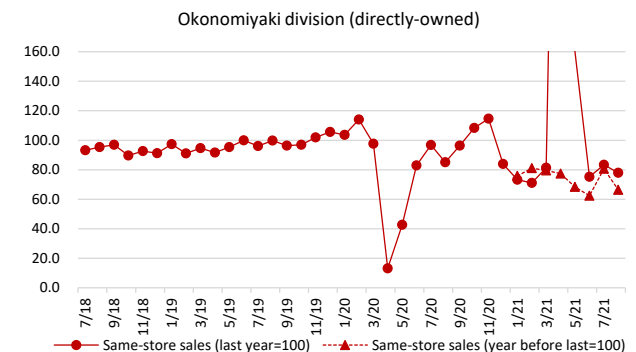
Figure: Monthly data (directly-owned)



Source: Company data, Mita Securities

### Okonomiyaki

Figure: Monthly data (directly-owned)

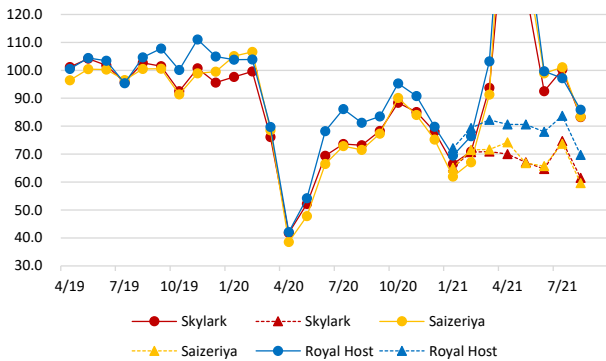


Source: Company data, Mita Securities

**Food service industry data**

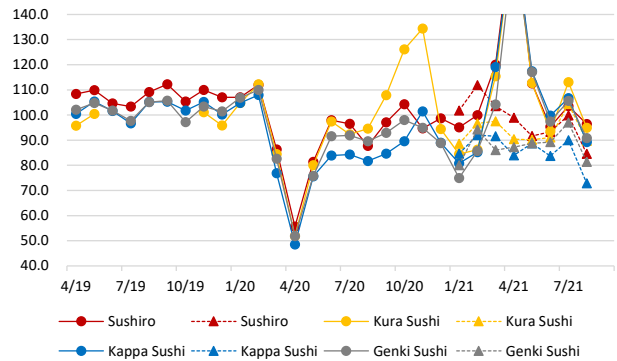
Same-store sales (compared to last year or year before last)

**Figure: Family restaurants**



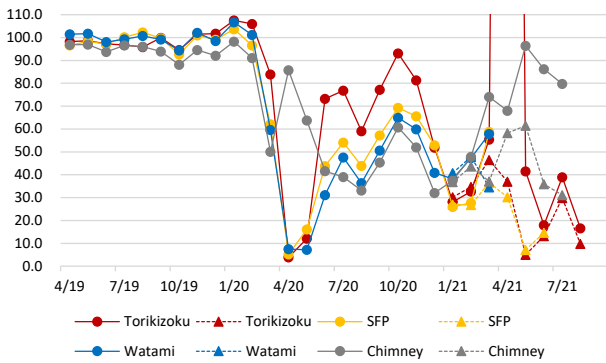
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

**Figure: Sushi restaurants**



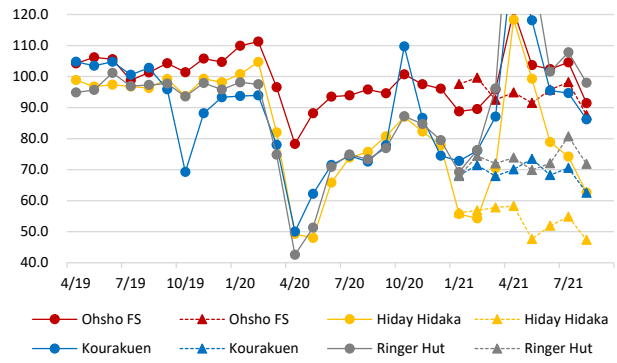
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

**Figure: Izakaya (Japanese style pubs)**



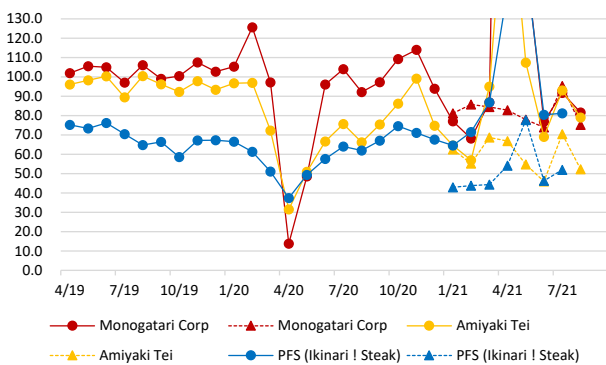
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

**Figure: Chinese restaurants**



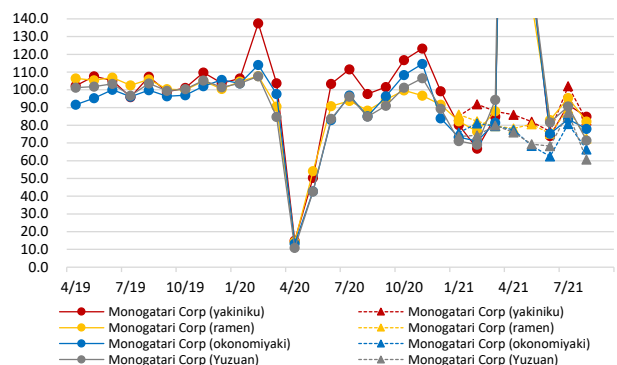
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

**Figure: Yakiniku (Japanese BBQ), steak**



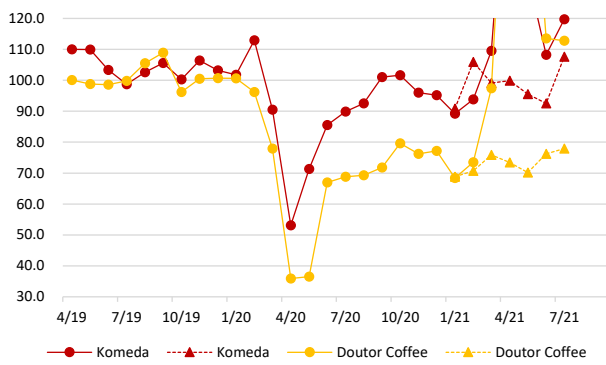
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

**Figure: Monogatari Corporation by division**



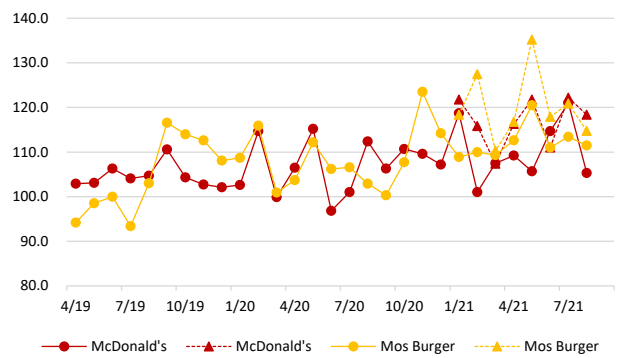
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

Figure: Coffee shops



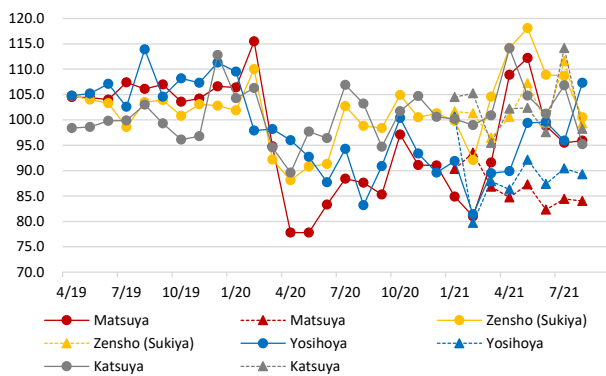
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

Figure: Hamburger shops



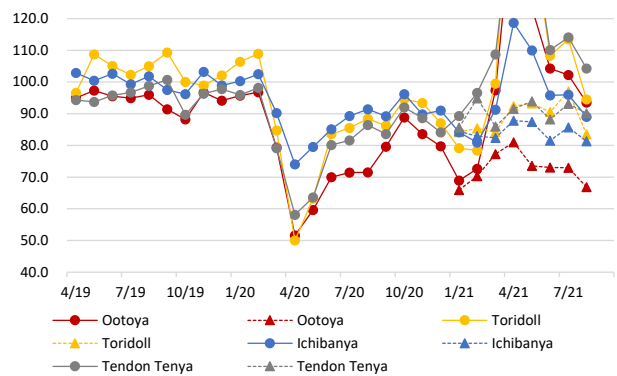
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

Figure: Beef bowl, Tonkatsu



Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

Figure: Set meal, Udon noodle, Curry, Tempura



Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

Comparison of valuations with similar companies (reference)

Figure: Comparison of valuations for food service companies

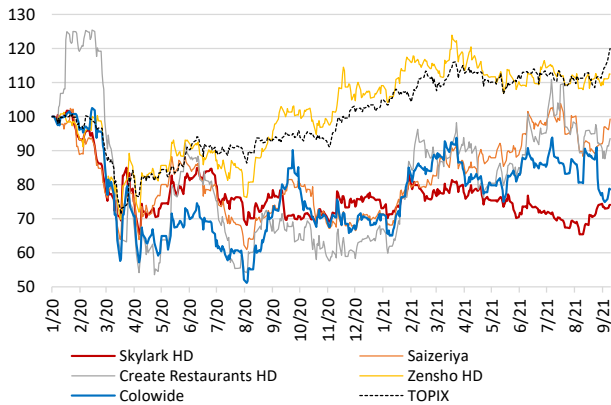
Company name	Ticker	PX 9/8	Mkt cap JPYbn	Net D/E Last	Sales YoY LTM	EBITDA Mgn LTM	ROE LTM	ROE Cur E	ROE Nxt E	PER LTM	PER Cur E	PER Nxt E	PBR Last	EV/EBITDA Cur E	EV/Sales Cur E	Div yield Cur E	1M Chg	3M Chg	1YR Chg
KURA SUSHI INC	2695	4,160	172.2	-0.1	7.4	4.6	3.1	8.3	12.3	120.5	43.1	26.9	3.7	14.5	1.1	0.6	-0.6	5.3	64.1
MCDONALD'S HOLDINGS CO JAPAN	2702	5,280	702.0	-0.2	5.6	14.8	12.7	12.0	11.9	32.0	31.1	27.7	3.9	13.2	2.0	0.7	7.9	5.0	1.7
OOTOYA HOLDINGS CO LTD	2705	2,853	20.7	0.2	-21.3	-13.4	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	3.1	-0.6	2.6
FUJIO FOOD GROUP INC	2752	1,375	61.3	3.6	-19.5	-2.0	-48.9	15.7	NA	NA	75.5	35.9	13.1	NA	2.7	0.0	4.6	-1.5	0.4
AMIYAKI TEI CO LTD	2753	2,899	19.9	-0.1	-18.3	-8.2	-2.5	2.0	NA	NA	49.6	19.9	1.0	NA	0.5	0.0	2.1	-2.8	-1.9
HIRAMATSU INC	2764	217	16.2	4.1	-6.1	-26.6	-86.1	NA	NA	NA	NA	NA	4.0	NA	NA	NA	18.6	-9.6	4.8
PEPPER FOOD SERVICE CO LTD	3053	385	15.2	2.4	NA	NA	NA	NA	NA	NA	NA	NA	5.6	NA	NA	NA	4.1	-24.8	-5.6
ARCLAND SERVICE HOLDINGS CO	3085	2,345	77.6	-0.6	26.3	12.8	16.9	18.9	13.0	20.2	16.9	23.2	3.2	11.3	1.5	1.3	3.5	1.2	12.1
CHOSHIMARU CO LTD	3075	1,190	17.3	-0.8	-1.6	3.7	5.6	NA	NA	43.8	NA	NA	2.4	NA	NA	NA	4.2	4.8	11.8
DOUTOR NICHIRETS HOLDINGS CO	3087	1,683	76.8	-0.3	-11.4	-0.8	-5.3	4.0	3.1	NA	19.7	19.0	0.8	7.8	0.4	1.4	3.4	-4.7	1.2
BRONCO BILLY CO LTD	3091	2,510	37.8	-0.3	-12.1	5.7	4.0	NA	NA	55.1	NA	NA	2.2	NA	NA	0.6	6.2	-1.1	9.5
<b>MONOGATARI CORP</b>	<b>3097</b>	<b>7,300</b>	<b>88.1</b>	<b>0.1</b>	<b>10.5</b>	<b>7.7</b>	<b>14.6</b>	<b>15.2</b>	<b>16.0</b>	<b>32.3</b>	<b>26.9</b>	<b>22.9</b>	<b>4.4</b>	<b>11.4</b>	<b>1.2</b>	<b>0.9</b>	<b>14.2</b>	<b>-0.1</b>	<b>48.8</b>
<b>(TP 9,100 Buy)</b>																			
CHIMNEY CO LTD	3178	1,510	29.2	0.8	-60.7	-37.1	-65.7	NA	NA	NA	NA	NA	4.8	NA	NA	NA	12.9	4.5	0.3
TORIKIZOKU HOLDINGS CO LTD	3193	1,879	21.8	0.0	-40.8	-10.9	-39.3	NA	NA	NA	NA	NA	4.5	NA	NA	0.0	17.1	-5.2	22.8
HOTLAND CO LTD	3196	1,331	28.7	0.6	1.7	5.2	9.1	16.1	NA	43.3	24.5	27.8	3.7	NA	1.0	0.4	7.9	-6.1	9.5
<b>SKYLARK HOLDINGS CO LTD</b>	<b>3197</b>	<b>1,593</b>	<b>362.4</b>	<b>2.1</b>	<b>-15.6</b>	<b>17.8</b>	<b>0.9</b>	<b>1.3</b>	<b>5.4</b>	<b>271.4</b>	<b>254.6</b>	<b>48.7</b>	<b>2.3</b>	<b>8.0</b>	<b>1.7</b>	<b>0.2</b>	<b>13.3</b>	<b>-3.6</b>	<b>-5.2</b>
<b>(TP 1,550 Hold)</b>																			
SFP HOLDINGS CO LTD	3198	1,428	36.8	-0.1	-49.8	-15.3	-34.0	5.3	NA	NA	61.3	28.3	3.5	NA	2.0	0.0	4.5	-7.4	0.3
CREATE RESTAURANTS HOLDINGS	3387	884	167.5	3.5	-32.6	10.6	-40.0	14.7	NA	NA	54.9	43.5	9.1	NA	2.7	0.0	4.6	-7.2	35.0
SAINT MARC HOLDINGS CO LTD	3395	1,586	36.1	-0.2	-13.7	-6.3	-11.6	0.7	3.0	NA	141.0	34.9	0.9	12.3	0.6	2.8	4.7	-8.6	-3.5
TORIDOLL HOLDINGS CORP	3397	2,402	209.9	3.0	0.2	10.7	-0.5	9.9	10.4	NA	61.0	39.4	6.6	11.1	2.2	0.3	24.0	26.0	65.1
<b>KOMEDA HOLDINGS CO LTD</b>	<b>3543</b>	<b>2,089</b>	<b>96.4</b>	<b>1.5</b>	<b>4.7</b>	<b>23.0</b>	<b>12.7</b>	<b>13.8</b>	<b>14.1</b>	<b>22.3</b>	<b>19.2</b>	<b>17.8</b>	<b>2.7</b>	<b>16.1</b>	<b>4.3</b>	<b>2.5</b>	<b>3.5</b>	<b>1.1</b>	<b>11.1</b>
<b>(TP 3,000 Buy)</b>																			
KUSHIKATSU TANAKA HOLDINGS C	3547	2,101	19.6	0.3	-29.4	-13.1	-19.4	4.1	30.0	NA	258.3	43.6	13.3	NA	3.8	0.2	15.9	5.1	23.4
CHIKARANOMOTO HOLDINGS CO LT	3561	623	16.8	3.7	-31.1	-0.2	-55.1	NA	NA	NA	NA	NA	5.8	NA	NA	NA	6.1	-6.2	-10.0
FOOD & LIFE COMPANIES LTD	3563	5,030	583.8	2.4	14.3	16.0	23.6	24.2	24.5	45.0	44.2	36.3	9.6	19.2	2.9	0.5	13.3	3.4	92.9
ATOM CORP	7412	785	151.9	0.2	-23.8	-3.4	-19.8	NA	NA	NA	NA	NA	21.2	NA	NA	NA	3.6	-2.1	-14.7
KAPPA CREATE CO LTD	7421	1,410	69.7	0.4	-2.5	2.9	3.2	NA	NA	204.3	NA	NA	6.5	NA	NA	NA	5.4	-6.6	-10.0
WATAMI CO LTD	7522	1,008	43.0	3.5	-23.1	-11.4	-73.5	NA	NA	NA	NA	NA	2.9	NA	NA	NA	14.7	-3.6	-9.9
ZENSHO HOLDINGS CO LTD	7550	2,805	434.4	2.2	2.3	7.3	12.2	14.6	13.6	43.3	33.1	36.3	5.0	12.2	0.9	0.7	4.2	-0.3	9.3
KOURAKUEN HOLDINGS CORP	7554	1,506	25.3	1.1	-19.5	0.6	-4.9	NA	NA	NA	88.6	NA	7.2	NA	1.0	0.0	5.5	-11.7	-13.7
ANRAKUTEI CO LTD	7562	6,220	13.3	1.6	58.7	-1.3	2.9	NA	NA	102.4	NA	NA	3.0	NA	NA	NA	10.1	16.5	22.7
SAIZERIYA CO LTD	7581	2,671	139.6	-0.3	-10.5	5.6	0.8	4.1	5.0	187.0	42.9	28.9	1.6	18.4	0.9	0.7	12.4	-2.2	29.3
HIDAY HIDAKA CORP	7611	1,702	64.9	-0.3	-23.6	-6.6	-7.0	NA	NA	NA	NA	NA	3.0	NA	NA	1.4	2.3	-9.3	-7.6
COLOWIDE CO LTD	7616	1,813	154.7	3.6	-14.4	8.7	-35.2	NA	NA	NA	NA	NA	8.4	NA	NA	NA	-2.3	-13.4	1.1
UKAI CO LTD	7621	3,095	16.2	1.5	-7.7	-9.1	-43.3	NA	NA	NA	NA	NA	6.8	NA	NA	NA	-0.2	0.2	-4.6
GLOBAL-DINING INC	7625	428	4.4	0.9	7.5	-1.1	0.7	NA	NA	319.4	NA	NA	1.7	NA	NA	NA	0.0	-20.1	91.9
ICHIBANYA CO LTD	7630	4,865	155.3	-0.5	-8.3	10.0	9.2	11.4	NA	56.6	43.4	49.3	5.2	NA	2.9	1.6	0.1	-1.6	-11.4
ASAKUMA CO LTD	7678	1,545	8.3	-0.4	-21.0	-21.8	-43.6	NA	NA	NA	NA	NA	3.7	NA	NA	NA	0.9	-1.1	3.8
MOS FOOD SERVICES INC	8153	3,345	107.1	-0.2	8.3	9.0	5.0	4.4	NA	46.4	50.8	43.0	2.3	NA	1.3	0.7	9.7	5.9	14.5
KISOJI CO LTD	8160	2,371	61.4	0.0	-12.3	NA	-16.5	NA	NA	NA	NA	NA	2.7	NA	NA	NA	3.0	-2.4	-5.7
SRS HOLDINGS CO LTD	8163	843	31.8	0.5	5.7	2.6	-9.6	NA	NA	NA	NA	NA	2.8	NA	NA	NA	5.5	0.4	-14.9
ROYAL HOLDINGS CO LTD	8179	2,065	93.7	2.3	-27.7	-14.3	-55.3	-13.8	10.9	NA	NA	51.9	3.2	NA	1.5	0.0	10.1	-14.4	9.7
RINGER HUT CO LTD	8200	2,279	59.4	1.0	-18.6	-9.3	-51.4	NA	NA	NA	NA	NA	5.6	NA	NA	NA	5.4	-4.4	-10.8
GIFT INC	9279	2,380	23.7	0.2	19.6	6.0	9.1	23.0	NA	79.7	26.3	21.0	7.0	NA	1.8	0.6	7.3	1.3	55.4
GENKI SUSHI CO LTD	9828	2,682	23.8	0.6	1.9	5.9	3.2	NA	NA	91.0	NA	NA	2.9	NA	NA	NA	7.4	-1.8	7.9
GINZA RENOIR CO LTD	9853	821	5.1	0.1	-33.6	-41.0	-39.1	NA	NA	NA	NA	NA	1.5	NA	NA	NA	1.0	-1.7	0.0
GOURMET KINEYA CO LTD	9850	1,004	23.0	1.5	-28.3	0.9	-28.0	NA	NA	NA	NA	NA	2.8	NA	NA	NA	6.1	3.0	-7.6
YOSHINOYA HOLDINGS CO LTD	9861	2,115	137.7	0.8	-17.7	3.4	-4.5	6.9	3.6	NA	47.1	85.4	3.3	16.5	1.1	0.0	4.4	-1.9	0.9
KFC HOLDINGS JAPAN LTD	9873	3,040	68.2	-0.8	12.6	8.4	17.8	NA	NA	16.8	24.5	25.1	2.8	NA	0.6	1.6	9.7	8.8	7.9
MATSUYAFOODS HOLDINGS CO LTD	9887	3,630	69.2	0.3	-6.2	1.5	1.3	NA	NA	132.7	NA	NA	1.7	NA	NA	NA	1.8	1.0	0.6
SAGAMI HOLDINGS CORP	9900	1,055	32.0	-0.2	-9.2	-4.0	-7.8	NA	NA	NA	NA	NA	2.4	NA	NA	NA	6.6	0.2	-25.5
<b>OHSHO FOOD SERVICE CORP</b>	<b>9936</b>	<b>6,050</b>	<b>140.9</b>	<b>-0.2</b>	<b>-0.2</b>	<b>11.6</b>	<b>11.8</b>	<b>11.7</b>	<b>NA</b>	<b>18.6</b>	<b>16.8</b>	<b>19.1</b>	<b>2.1</b>	<b>NA</b>	<b>1.4</b>	<b>1.7</b>	<b>4.1</b>	<b>7.1</b>	<b>0.0</b>
<b>(TP 7,250 Buy)</b>																			
JOYFULL CO LTD	9942	806	25.7	4.9	-23.6	-3.8	102.0	NA	NA	13.6	NA	NA	7.8	NA	NA	NA	-4.3	5.2	-0.7
DAISYO CORP	9979	1,010	21.4	0.3	-24.0	-10.2	-47.7	NA	NA	NA	NA	NA	1.9	NA	NA	NA	2.7	-13.7	-18.9
Average				0.9	-10.2	-1.1	-12.0	9.5	11.8	86.9	62.2	34.2	4.6	13.2	1.7	0.7	6.4	-1.8	9.2
Median				0.3	-11.8	0.9	-4.5	10.7	11.9	46.4	43.4	28.9	3.4	12.3	1.4	0.6	4.7	-1.6	1.1

Source: Bloomberg Finance LP data, Mita Securities

Note: Forecasts are based on Bloomberg consensus. Shading indicates stocks covered by Mita Securities

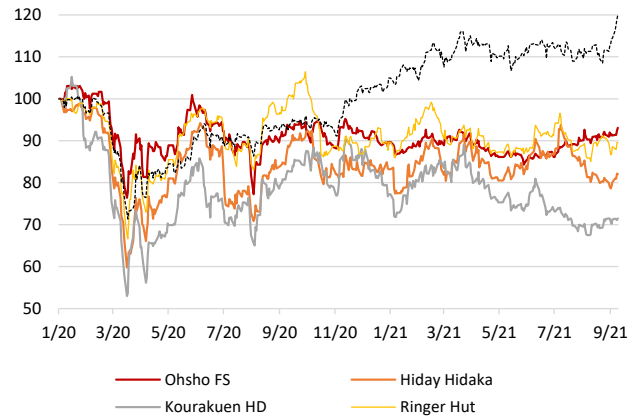
Stock price trends for food service companies

Figure: Stock price trends (family restaurants, general type)



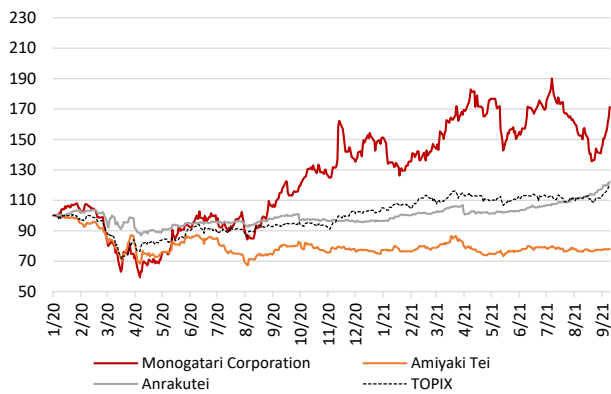
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Chinese restaurants)



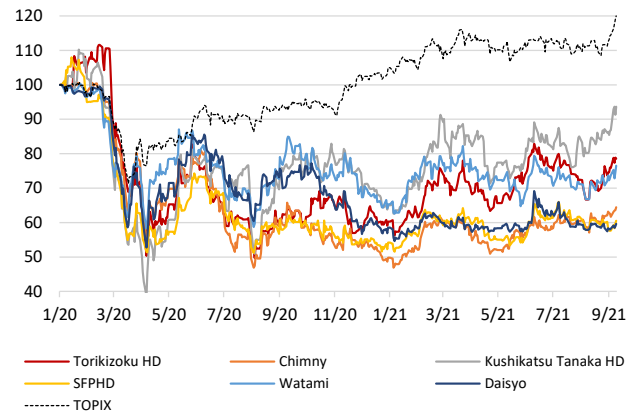
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese BBQ)



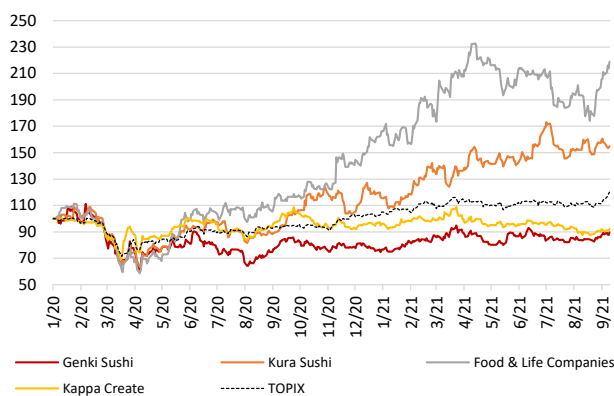
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese style pubs)



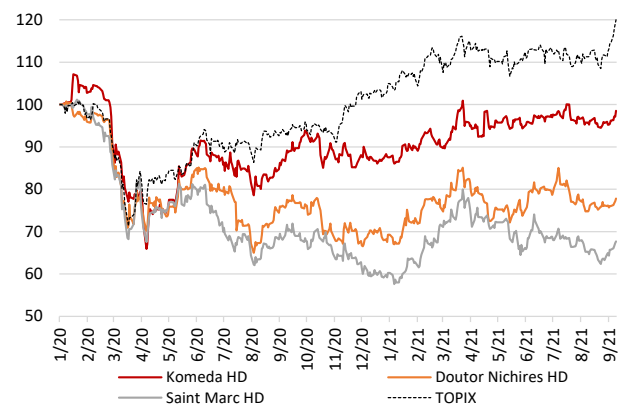
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (sushi restaurants)



Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (coffee shops)



Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

## Examples of recapitalization

Figure: Examples of recapitalization for food service companies

Announcement	Company name	Ticker	Funding method	Funding amount (JPYm)	Note
07/28/20	Colowide	7616	Preferred shares	9,000	Dividend 3.5% per annum. No conversion right to common shares
07/31/20	Pepper Food Service	3053	Warrants	6,740	Exercise price 415 yen (initial), with downward adjustment clause (last closing price x 90%, minimum exercise price 208 yen)
			Warrants	2,883	Exercise price 415 yen (initial), with downward adjustment clause (minimum exercise price 312 yen)
					Maximum dilution of the above total 99.96%
11/11/20	Joyfull	9942	Treasury share sale	1,000	
11/11/20	SRS HD	8163	Warrants	6,186	Exercise price 922 yen (initial), with downward adjustment clause (last closing price x 92%, minimum exercise price 646 yen). Maximum dilution 19.27%
11/19/20	Sagami HD	9900	Warrants	4,910	Exercise price 1,291 yen (initial), with downward adjustment clause (last closing price x 92%, minimum exercise price 904 yen). Maximum dilution 14.34%
12/24/20	Ootoya HD	2705	Preferred shares	3,000	With conversion right to common shares
01/26/21	Ringer Hut	8200	Subordinated loans	5,000	
			Warrants	2,359	Exercise price 2,363 yen (initial), with downward adjustment clause (last closing price x 92%, minimum exercise price 1,655 yen). Maximum dilution 3.84%
02/02/21	Create Restaurants HD	3387	Undated subordinated loans	15,000	Recorded as equity under IFRS
02/05/21	Zensho HD	7550	Subordinated loans	10,000	JCR recognizes 50% as equity
02/08/21	Monogatari Corporation	3097	CB	6,120	Conversion price of 12,500 yen (initial, before 1:2 stock split), with downward adjustment clause (minimum conversion price of 11,250 yen). Maximum dilution 8.69%
02/15/21	Royal HD	8179	Common shares	10,000	Issue price 1,718 yen
			Warrants	7,847	Exercise price 1,908 yen (initial), with upward and downward adjustment clauses (minimum exercise price 1,431 yen)
			Preferred shares	3,000	Dividend 8.5% per annum. No conversion right to common shares
			Preferred shares	3,000	Dividend 8.5% per annum, with conversion right to common shares
					Maximum dilution of the above total 29.69%
05/14/21	Chikaranomoto HD	3561	Common shares	1,646	Issue price 558 yen
			Warrants	1,182	Exercise price 587 yen (fixed)
			Warrants	765	Exercise price 764 yen (fixed)
					Maximum dilution of the above total 24.71%
05/20/21	Fujio Food Group	2752	Subordinated loans	3,700	
			Treasury share sale	851	Sale price 1,216 yen
			Warrants	1,919	Exercise price 1,399 yen (fixed). Maximum dilution 3.21%
05/20/21	Saint Marc HD	3395	Warrants	967	Exercise price 1,662 yen (initial), with downward adjustment clause (minimum exercise price 1,280 yen)
			CB	6,057	Conversion price 1,662 yen (initial), with downward adjustment clause (minimum conversion price 1,280 yen)
					Maximum dilution of the above total 23.09%
05/21/21	Skylark HD	3197	Common shares	42,610	Public offering of new shares. Issue price 1,495 yen. Dilution 15.19%
05/24/21	Watami	7522	Preferred shares	12,000	Dividend 4% per annum. No conversion right to common shares
06/25/21	Zensho HD	7550	Subordinated loans	20,000	
06/28/21	Chimny	3178	Subordinated loans	1,000	
07/16/21	Hiramatsu	2764	Common shares	4,600	Issue price 176 yen
			Warrants	3,152	Exercise price 176 yen
					Maximum dilution of the above total 90.37% (shares O/S), 100.00% (voting rights)
07/19/21	Create Restaurants HD	3387	Common shares	20,000	Registration of new share issuance. Maximum issuance 20 bn yen
08/24/21	Colowide	7616	Common shares	21,849	Public offering of new shares. Dilution 15.39%
08/26/21	Kourakuen HD	7554	Subordinated loans	1,000	
08/31/21	Kisoji	8160	Warrants	8,751	Exercise price 2,355 yen (initial), with downward adjustment clause (minimum exercise price 1,649 yen). Maximum dilution 14.28%

Source: Companies data, Mita Securities

## APPENDIX

### [Analyst Certification]

We hereby certify that the views on securities and issuers expressed in this report accurately reflect the personal views of the analyst(s) listed on the cover page of this report. The analyst(s) also certifies that the analyst(s) has not been compensated, directly or indirectly, or promised to be compensated, for expressing any particular view in this report.

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The target price and ratings are based on our views for the next 12 months or so.

Buy: Stocks whose total return (percentage change in share price from current price to projected target price plus projected dividend yield), as of the time the target price is set or changed, is expected to be 15% or more.

Hold: Stocks whose total return (percentage change in share price from current price to projected target price plus projected dividend yield), as of the time the target price is set or changed, is expected to be between -15% and +15%.

Sell: Stocks whose total return (percentage change in share price from current price to projected target price plus projected dividend yield), as of the time the target price is set or changed, is expected to be -15% or less.

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