



Komeda Holdings

TSE 1st Section 3543 Industry: Food service, wholesale, retail

August wholesale sales essentially flat YoY

Monthly data for August: Curry Festival proved popular

Komeda Holdings (3543) disclosed monthly data for August. Although August results were weaker than the strong July results, they were essentially in line with August last year. We have the impression that they were relatively strong among restaurant operators.

Wholesale sales to franchisees (same-store basis) in August were 98.7% YoY (same month last year = 100%; 119.7% for July). Considering that the number of holidays was one day less than the previous August, wholesale sales were essentially flat YoY, in our view. As for the August campaign, the company said that the Curry Festival was very popular with customers.

Wholesale sales to franchisees (same-store basis) were 91.6% vs. August 2019 (107.9% for July). The number of holidays was the same as in August 2019.

The total number of stores at end of August was 933 (+2 MoM, +19 vs. end-FY2/21). The company opened 2 stores in August. This is on track to meet the company plan of 940-950 stores at end-FY2/22.

Same-store sales for restaurant companies generally weaker than in July

The following is a list of major restaurant operators that have already disclosed their August same-store sales YoY. The situation is generally harsh, but this is not surprising given that the number of areas subject to emergency measures and priority measures to prevent the spread of the disease was expanded in August, and restaurants in these areas were asked to shorten their opening hours and stop serving alcohol. The impact on Komeda's Coffee was probably smaller than that of other restaurant operators because 1) its sales during dinner hours are generally low and 2) it does not serve alcoholic beverages.

- Kura Sushi (2695): 94.9% (July: 113.1%)
- Monogatari Corporation (3097): 81.6% (July: 91.7%)
- Torikizoku HD (3193): 16.6% (July: 38.9%)
- Skylark HD (3197): 83.3% (July: 100.3%)
- Toridoll HD (3397): Marugame Seimen 94.7% (July: 115.4%)
- Food & Life Companies (3563): Sushiro 96.4% (July: 103.5%)
- Royal HD (8179): Royal Host 85.9% (July: 97.2%); Tendon Tenya 104.3% (July: 114.1%)
- Zensho HD (7550): Sukiya 100.5% (July: 108.7%)
- Saizeriya (7581): 83.4% (July: 101.1%)
- Ohsho Food Service (9936): 91.4% (July: 104.6%)

Restrictions on restaurants to be relaxed

In response to the progress of COVID-19 vaccination, the Japanese government is considering easing restrictions on operating hours and serving of alcoholic beverages at restaurants under certain conditions, even in areas under emergency measures. We believe this will have a positive effect on the restaurant industry as a whole.

Please refer to the report dated July 8, 2021 for the rationale of the rating and target price.

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Update

Rating

Buy

Target price (JPY)	3,000
Stock price (JPY) (Sep 10)	2,142
Market cap (JPYbn)	98.8

Key changes

Rating	No
Target price	No
Earnings forecast	No

Stock price (JPY)



Source: Bloomberg Finance LP

Earnings

IFRS		2/20	2/21	2/22E	2/23E	2/24E
Sales	JPYbn	31.2	28.8	33.6	36.4	39.6
OP	JPYbn	7.9	5.5	7.3	8.1	9.0
Pre-tax Profit	JPYbn	7.8	5.4	7.2	8.0	8.9
NP	JPYbn	5.4	3.6	4.8	5.4	6.0
EPS	JPY	116.7	77.9	105.0	117.2	130.2
BPS	JPY	720	755	821	887	955
DPS	JPY	51.0	39.0	51.0	62.0	68.0
PER	x	15.7	24.4	20.4	18.2	16.4
PBR	x	2.5	2.5	2.6	2.4	2.2
Div. yield	%	2.8	2.1	2.4	2.9	3.2
ROA	%	6.5	3.5	4.4	4.8	5.2
ROE	%	17.2	10.6	13.3	13.7	14.1

Source: Company data, Mita Securities

Company profile

Komeda HD, based in Aichi Prefecture, operates "Komeda's Coffee" through franchise system nationwide. The company has 914 stores at the end of February 2021 and is the largest full-service coffee shop operator in Japan. FY2/21 sales were 28.8bn yen.

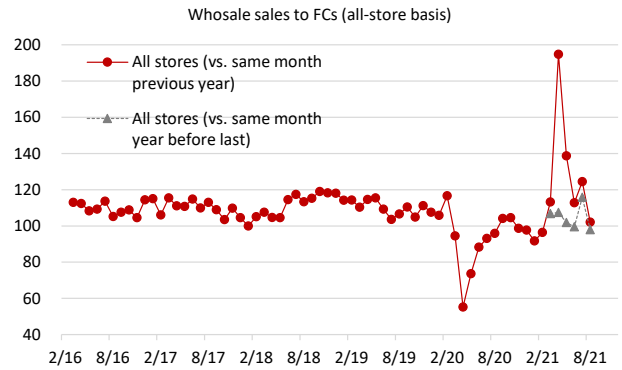
Komeda Holdings monthly wholesale sales data

Figure: Wholesale sales to FCs (same-store basis)



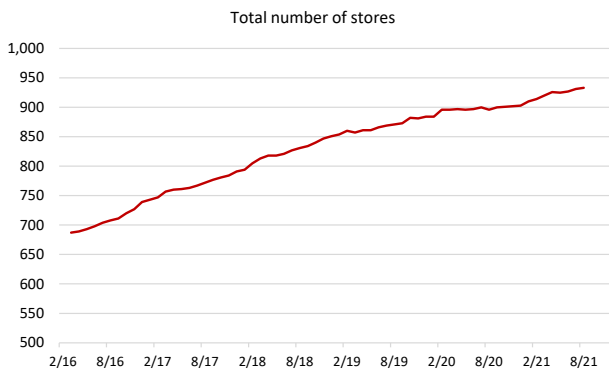
Source: Company data, Mita Securities Note: Same month last year or year before last = 100

Figure: Wholesale sales to FCs (all-store basis)



Source: Company data, Mita Securities Note: Same month last year or year before last = 100

Figure: Store count

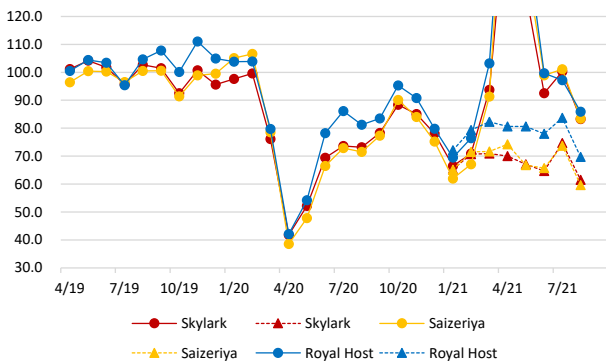


Source: Company data, Mita Securities

Food service industry data

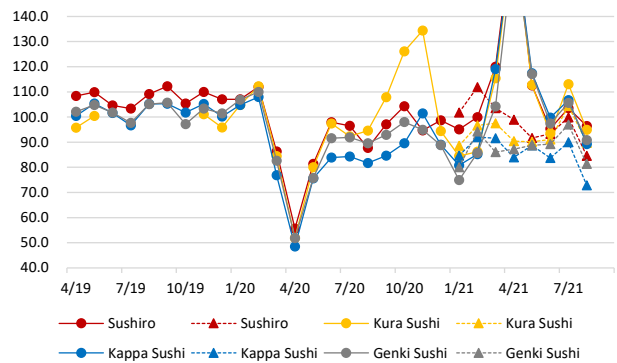
Same-store sales (compared to last year or year before last)

Figure: Family restaurants



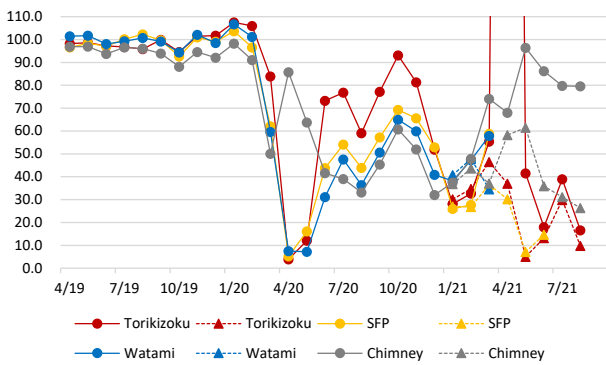
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

Figure: Sushi restaurants



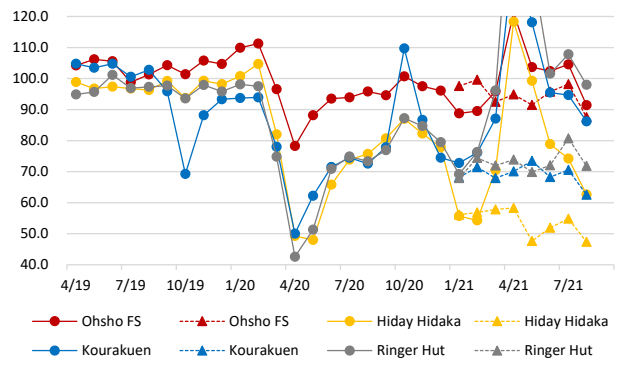
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

Figure: Izakaya (Japanese style pubs)



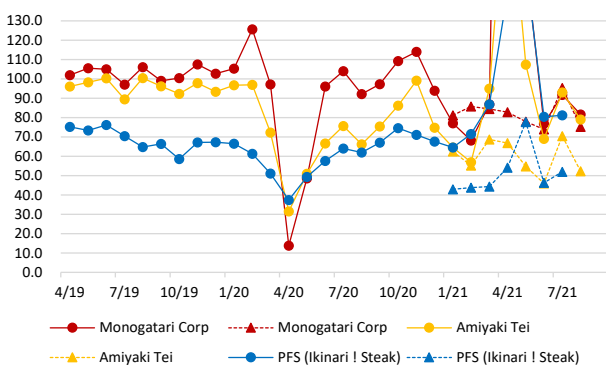
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

Figure: Chinese restaurants



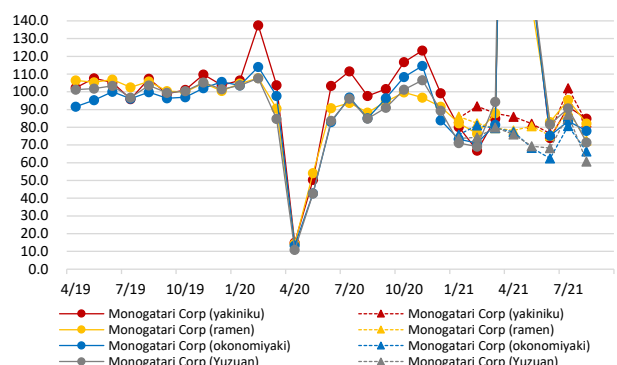
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

Figure: Yakiniku (Japanese BBQ), steak



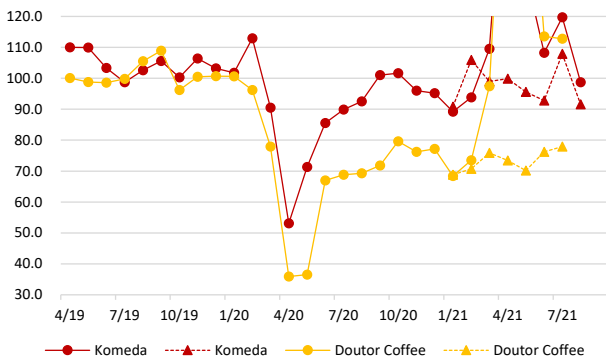
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

Figure: Monogatari Corporation by division



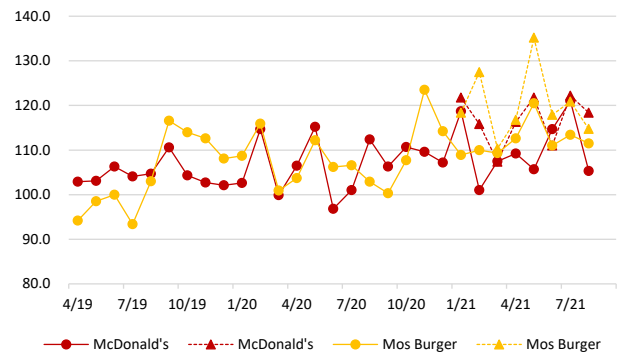
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

Figure: Coffee shops



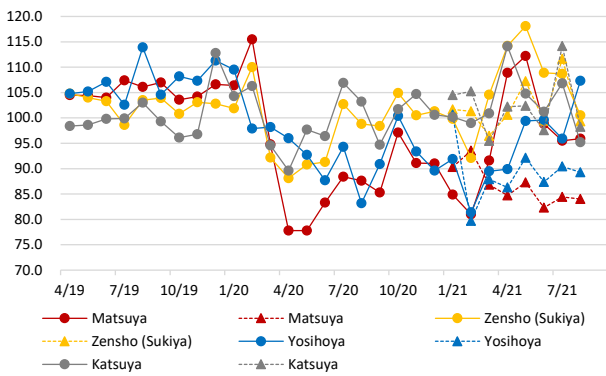
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

Figure: Hamburger shops



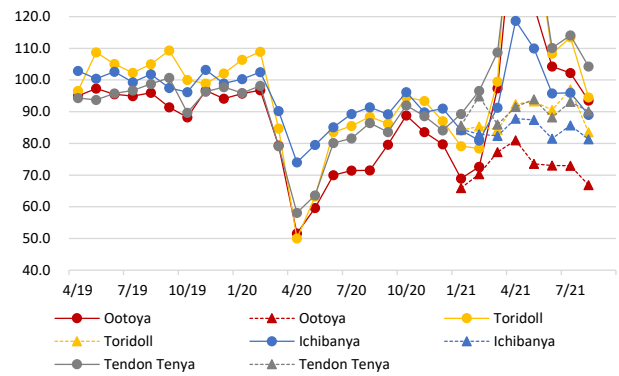
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

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 9/9	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	4,270	176.8	-0.1	7.4	4.6	3.1	8.3	12.3	123.7	44.2	27.6	3.8	14.9	1.2	0.6	-0.6	9.5	67.1
MCDONALD'S HOLDINGS CO JAPAN	2702	5,370	714.0	-0.2	5.6	14.8	12.7	12.0	11.9	32.6	31.6	28.2	3.9	13.5	2.1	0.7	10.2	7.8	2.9
OOTOYA HOLDINGS CO LTD	2705	2,855	20.7	0.2	-21.3	-13.4	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	2.8	-0.4	-4.8
FUJIO FOOD GROUP INC	2752	1,394	62.2	3.6	-19.5	-2.0	-48.9	15.7	NA	NA	76.6	36.4	13.3	NA	2.7	0.0	4.6	0.8	-0.5
AMİYAKI TEI CO LTD	2753	2,920	20.0	-0.1	-18.3	-8.2	-2.5	2.0	NA	NA	50.0	20.0	1.0	NA	0.5	0.0	1.8	-2.0	-2.7
HIRAMAATSU INC	2764	211	15.8	4.1	-6.1	-26.6	-86.1	NA	NA	NA	NA	NA	3.9	NA	NA	NA	11.1	-7.0	-3.7
PEPPER FOOD SERVICE CO LTD	3053	385	15.2	2.4	NA	NA	NA	NA	NA	NA	NA	NA	5.6	NA	NA	NA	-1.3	-15.4	-5.2
ARCLAND SERVICE HOLDINGS CO	3085	2,348	77.7	-0.6	26.3	12.8	16.9	18.9	13.0	20.3	16.9	23.3	3.2	11.3	1.5	1.3	2.3	1.5	13.0
CHOSHIMARU CO LTD	3075	1,187	17.2	-0.8	-1.6	3.7	5.6	NA	NA	43.7	NA	NA	2.4	NA	NA	NA	2.9	3.7	11.0
DOUTOR NICHIRETS HOLDINGS CO	3087	1,681	76.7	-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	2.0	-3.1	0.4
BRONCO BILLY CO LTD	3051	2,511	37.9	-0.3	-12.1	5.7	4.0	NA	NA	55.1	NA	NA	2.2	NA	NA	0.6	4.5	-1.1	8.7
MONOGATARI CORP (TP 9,100 Buy)	3097	7,370	89.0	0.1	10.5	7.7	14.6	15.2	16.0	32.6	27.2	23.1	4.5	11.5	1.2	0.9	10.2	1.1	47.0
CHIMNEY CO LTD	3178	1,514	29.3	0.8	-60.7	-37.1	-65.7	NA	NA	NA	NA	NA	4.8	NA	NA	NA	5.4	7.1	-0.1
TORIKIZOKU HOLDINGS CO LTD	3193	1,960	22.8	0.0	-40.8	-10.9	-39.3	NA	NA	NA	NA	NA	4.7	NA	NA	0.0	14.2	0.1	28.0
HOTLAND CO LTD	3196	1,341	28.9	0.6	1.7	5.2	9.1	16.1	NA	43.6	24.7	28.1	3.8	NA	1.1	0.4	6.4	-5.7	11.7
SKYLARK HOLDINGS CO LTD (TP 1,550 Hold)	3197	1,595	362.9	2.1	-15.6	17.8	0.9	1.3	5.4	271.7	254.9	48.7	2.3	8.0	1.7	0.2	11.0	-0.6	-5.3
SFP HOLDINGS CO LTD	3198	1,481	38.2	-0.1	-49.8	-15.3	-34.0	5.3	NA	NA	63.6	29.4	3.6	NA	2.1	0.0	4.5	-3.8	1.1
CREATE RESTAURANTS HOLDINGS	3387	915	173.3	3.5	-32.6	10.6	-40.0	14.7	NA	NA	56.8	45.1	9.4	NA	2.8	0.0	3.0	-2.0	35.4
SAINT MARC HOLDINGS CO LTD	3395	1,591	36.2	-0.2	-13.7	-6.3	-11.6	0.7	3.0	NA	141.4	35.0	0.9	12.3	0.6	2.8	3.9	-6.5	-3.8
TORIDOLL HOLDINGS CORP	3397	2,492	217.8	3.0	0.2	10.7	-0.5	9.9	10.4	NA	63.3	40.9	6.8	11.4	2.2	0.3	25.4	33.2	68.7
KOMEDA HOLDINGS CO LTD (TP 3,000 Buy)	3543	2,139	98.7	1.5	4.7	23.0	12.7	13.8	14.1	22.9	19.7	18.2	2.8	16.3	4.4	2.5	4.9	3.7	13.5
KUSHIKATSU TANAKA HOLDINGS C	3547	2,220	20.7	0.3	-29.4	-13.1	-19.4	4.1	30.0	NA	273.0	46.0	14.1	NA	4.0	0.2	18.4	12.3	30.7
CHIKARANOMOTO HOLDINGS CO LT	3561	630	17.0	3.7	-31.1	-0.2	-55.1	NA	NA	NA	NA	NA	5.9	NA	NA	NA	4.8	-6.8	-9.7
FOOD & LIFE COMPANIES LTD	3563	5,050	586.1	2.4	14.3	16.0	23.6	24.2	24.5	45.2	44.4	36.4	9.6	19.3	3.0	0.5	14.1	5.0	93.0
ATOM CORP	7412	795	153.9	0.2	-23.8	-3.4	-19.8	NA	NA	NA	NA	NA	21.5	NA	NA	NA	2.7	-0.5	-14.7
KAPPA CREATE CO LTD	7421	1,412	69.8	0.4	-2.5	2.9	3.2	NA	NA	204.6	NA	NA	6.5	NA	NA	NA	2.6	-6.3	-11.0
WATAMI CO LTD	7522	1,028	43.9	3.5	-23.1	-11.4	-73.5	NA	NA	NA	NA	NA	2.9	NA	NA	NA	10.3	-1.2	-8.0
ZENSHO HOLDINGS CO LTD	7550	2,833	438.7	2.2	2.3	7.3	12.2	14.6	13.6	43.7	33.4	36.7	5.1	12.2	0.9	0.7	3.7	1.0	10.9
KOURAKUEN HOLDINGS CORP	7554	1,491	25.0	1.1	-19.5	0.6	-4.9	NA	NA	NA	87.7	NA	7.2	NA	0.9	0.0	1.1	-11.5	-14.4
ANRAKUTEI CO LTD	7562	6,260	13.4	1.6	58.7	-1.3	2.9	NA	NA	103.1	NA	NA	3.0	NA	NA	NA	10.2	17.0	23.2
SAIZERIYA CO LTD	7581	2,733	142.9	-0.3	-10.5	5.6	0.8	4.1	5.0	191.4	43.9	29.5	1.6	18.9	1.0	0.7	10.0	1.0	31.6
HIDAY HIDAKA CORP	7611	1,724	65.8	-0.3	-23.6	-6.6	-7.0	NA	NA	NA	NA	NA	3.1	NA	NA	1.4	2.6	-7.3	-6.1
COLOWIDE CO LTD	7616	1,737	148.2	3.6	-14.4	8.7	-35.2	NA	NA	NA	NA	NA	8.0	NA	NA	NA	-14.3	-15.5	-6.0
UKAI CO LTD	7621	3,110	16.3	1.5	-7.7	-9.1	-43.3	NA	NA	NA	NA	NA	6.8	NA	NA	NA	0.5	0.8	-5.5
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	-6.8	-13.5	105.8
ICHIBANYA CO LTD	7630	4,860	155.2	-0.5	-8.3	10.0	9.2	11.4	NA	56.6	43.3	49.2	5.2	NA	2.9	1.6	-0.2	-0.8	-12.4
ASAKUMA CO LTD	7678	1,551	8.3	-0.4	-21.0	-21.8	-43.6	NA	NA	NA	NA	NA	3.7	NA	NA	NA	2.0	-0.6	3.7
MOS FOOD SERVICES INC	8153	3,360	107.6	-0.2	8.3	9.0	5.0	4.4	NA	46.7	51.1	43.2	2.3	NA	1.3	0.7	9.4	8.7	14.1
KISOJO CO LTD	8160	2,424	62.8	0.0	-12.3	NA	-16.5	NA	NA	NA	NA	NA	2.7	NA	NA	NA	3.9	0.0	-4.6
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	4.5	0.5	-14.8
ROYAL HOLDINGS CO LTD	8179	2,095	95.1	2.3	-27.7	-14.3	-55.3	-13.8	10.9	NA	NA	52.6	3.2	NA	1.5	0.0	7.7	-11.0	9.9
RINGER HUT CO LTD	8200	2,323	60.6	1.0	-18.6	-9.3	-51.4	NA	NA	NA	NA	NA	5.7	NA	NA	NA	5.3	-2.1	-9.5
GIFT INC	9279	2,472	24.6	0.2	19.6	6.0	9.1	23.0	NA	82.8	27.3	21.8	7.3	NA	1.9	0.6	9.7	5.4	61.8
GENKI SUSHI CO LTD	9828	2,728	24.2	0.6	1.9	5.9	3.2	NA	NA	92.6	NA	NA	3.0	NA	NA	NA	8.6	-1.9	8.7
GINZA RENHIR CO LTD	9853	824	5.2	0.1	-33.6	-41.0	-39.1	NA	NA	NA	NA	NA	1.5	NA	NA	NA	1.5	-2.3	0.5
GOURMET KINEYA CO LTD	9850	1,007	23.1	1.5	-28.3	0.9	-28.0	NA	NA	NA	NA	NA	2.8	NA	NA	NA	6.6	2.2	-8.3
YOSHINOYA HOLDINGS CO LTD	9861	2,159	140.6	0.8	-17.7	3.4	-4.5	6.9	3.6	NA	48.1	87.1	3.4	16.8	1.1	0.0	5.9	2.8	2.5
KFC HOLDINGS JAPAN LTD	9873	3,055	68.5	-0.8	12.6	8.4	17.8	NA	NA	16.9	24.7	25.2	2.8	NA	0.6	1.6	9.6	9.0	9.7
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	1.7	1.5	-0.3
SAGAMI HOLDINGS CORP	9900	1,053	31.9	-0.2	-9.2	-4.0	-7.8	NA	NA	NA	NA	NA	2.4	NA	NA	NA	4.5	-0.2	-26.4
OHSHI FOOD SERVICE CORP (TP 7,250 Buy)	9936	6,080	141.6	-0.2	-0.2	11.6	11.8	11.7	NA	18.7	16.9	19.1	2.1	NA	1.4	1.6	3.6	8.0	0.0
JOYFULL CO LTD	9942	807	25.8	4.9	-23.6	-3.8	102.0	NA	NA	13.7	NA	NA	7.8	NA	NA	NA	-3.9	3.9	-0.5
DAISYO CORP	9979	1,011	21.4	0.3	-24.0	-10.2	-47.7	NA	NA	NA	NA	NA	1.9	NA	NA	NA	1.5	-12.1	-18.7
Average				0.9	-10.2	-1.1	-12.0	9.5	11.8	87.6	63.4	34.8	4.7	13.4	1.7	0.7	5.1	0.1	9.8
Median				0.3	-11.8	0.9	-4.5	10.7	11.9	46.7	44.2	29.5	3.5	12.3	1.4	0.6	4.5	-0.2	0.4

Source: Bloomberg Finance LP data, Mita Securities

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

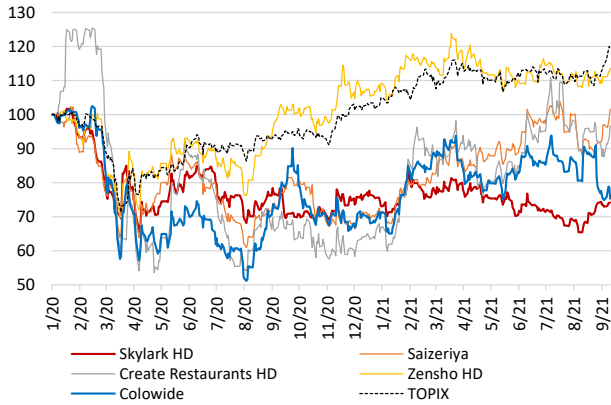
Figure: Comparison of valuations for FC business operators

Company name	Ticker	PX 9/9	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
KOBE BUSSAN CO LTD	3038	4,580	1,253.1	-0.3	3.0	8.6	29.9	31.4	28.9	56.1	48.4	43.1	14.8	36.5	3.4	0.4	18.0	60.8	58.1
KOMEDA HOLDINGS CO LTD (TP 3,000 Buy)	3543	2,139	98.7	1.5	4.7	23.0	12.7	13.8	14.1	22.9	19.7	18.2	2.8	16.3	4.4	2.5	4.9	3.7	13.5
CURVES HOLDINGS CO LTD	7085	905	84.9	1.2	-10.5	11.3	9.6	14.0	24.5	103.7	71.7	36.8	10.4	NA	3.8	0.4	12.1	-1.2	33.1
FAST FITNESS JAPAN INC (TP 5,150 Buy)	7092	4,610	71.9	-0.2	-1.5	26.8	16.1	NA	NA	65.2	65.3	51.3	8.8	NA	5.4	0.2	20.4	-14.8	NA
WORKMAN CO LTD	7564	6,940	568.0	-0.4	12.6	24.1	21.0	NA	NA	32.3	30.1	27.4	6.3	NA	NA	1.0	-6.6	-10.7	-19.0

Source: Bloomberg Finance LP data, Mita Securities

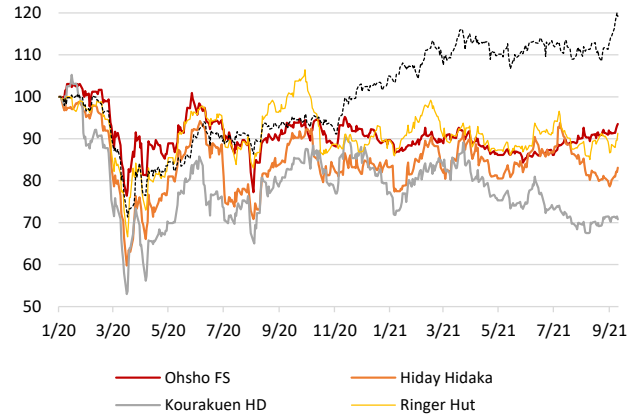
Stock price trends for food service companies

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



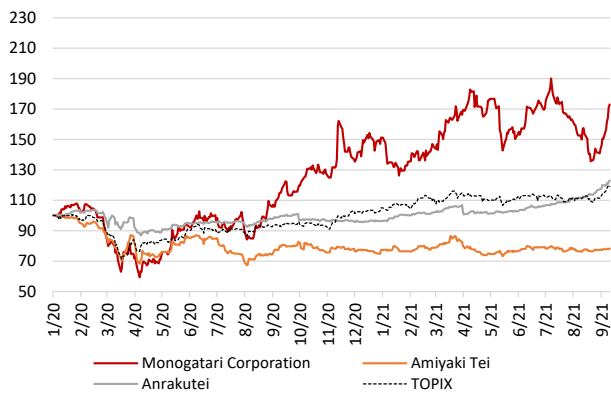
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Chinese restaurants)



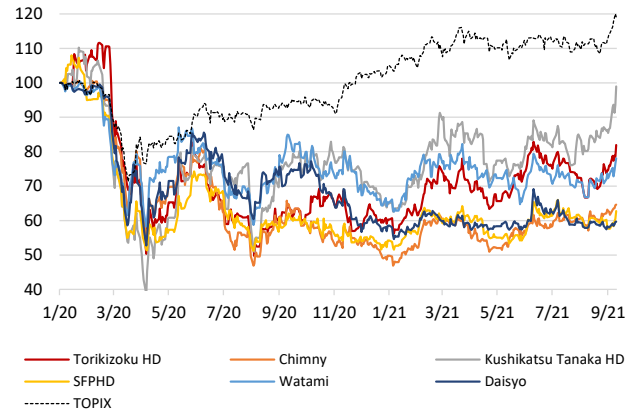
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese BBQ)



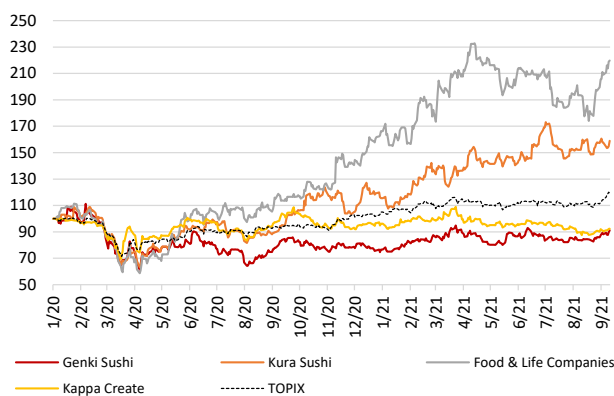
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese style pubs)



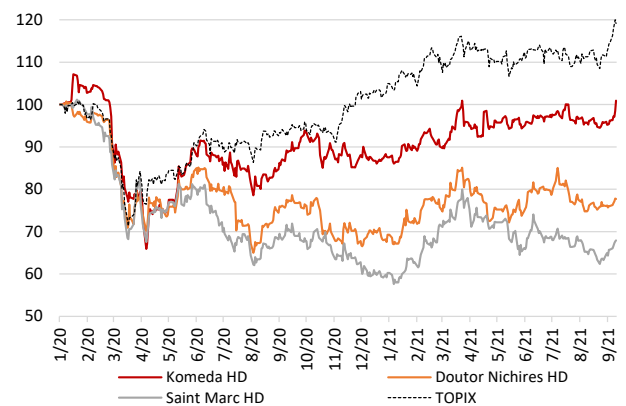
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

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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Ratings are based on the following definitions.

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.

RS: Rating Suspended - Stocks for which the target price and rating have been temporarily suspended.

NR: No Rating - Stocks for which no target price or rating is assigned.

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