



# Monogatari Corporation

TSE 1st Section 3097 Industry: Food service, retail

## September sales. King is strong

### Monthly data for September: notable performance of Yakiniku King

Monogatari Corporation (3097) disclosed monthly data for September (on a preliminary basis). Same-store sales were tough overall, but the Yakiniku division fared quite well, in our view. In addition to the strength of Yakiniku King (the main format for the Yakiniku division) as a business format, the effects of the August TV ads and TV programs may have contributed to its strong performance.

For directly-owned stores, same-store sales for September were 80.9% of September 2020 figure (same month last year = 100%; 81.6% for August), of which number of customers was 82.7% (85.5% for August). SSS for the Yakiniku division was relatively strong at 90.3% (84.8% for August). The number of holidays was the same as in September 2020.

Same-store sales were 78.7% of September 2019 figure (our estimate, same as follows, 75.2% for August). For the Yakiniku division, SSS were 91.7% of September 2019 (82.8% for August). The number of holidays was one less than in September 2019.

The number of domestic directly-owned stores at end of September was 347 (+1 MoM).

### Easing of shortened business hours is positive

Since the emergency declaration and priority measures to prevent the spread of disease were lifted at the end of September, local governments have been easing their requests for restaurants to operate on shorter hours and to stop serving alcohol. In August and September, the company's stores were strongly affected by the shortened hours, so the easing of the shortened hours requirement from October onwards is expected to be positive. However, in comparison with the same month last year, it is necessary to take into account that Yakiniku division benefited strongly from the Go To campaign in October-November 2020.

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

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## Update

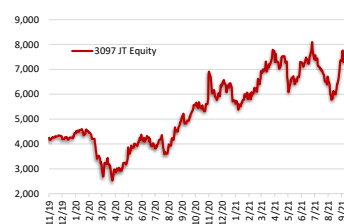
Rating  
**Buy**

Target price (JPY)	9,100
Stock price (JPY) (Oct 11)	7,900
Market cap (JPYbn)	95.4

### 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	33.8	23.9	22.9
PBR	x	2.9	2.9	4.7	4.0	3.5
Div. yield	%	1.0	1.1	0.8	1.0	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

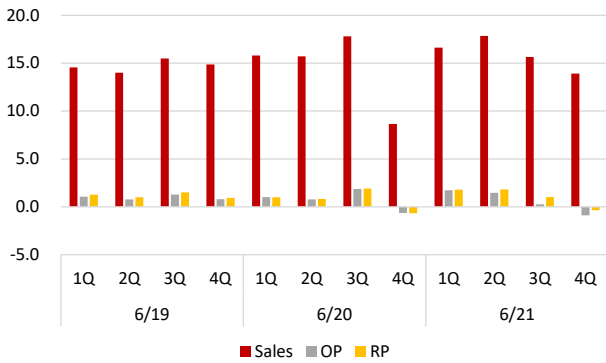
### Company profile

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

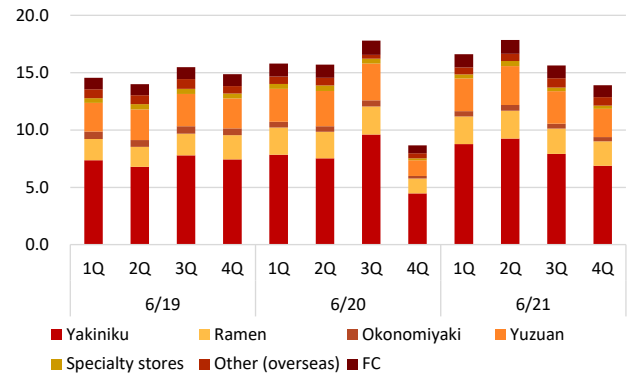
### Quarterly data

Figure: Quarterly earnings (JPYbn)



Source: Company data, Mita Securities

Figure: Sales by division (JPYbn)

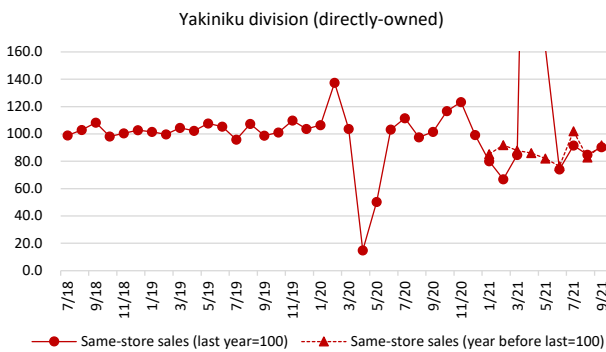


Source: Company data, Mita Securities

## Monthly same-store sales data

### Yakiniku (Japanese BBQ)

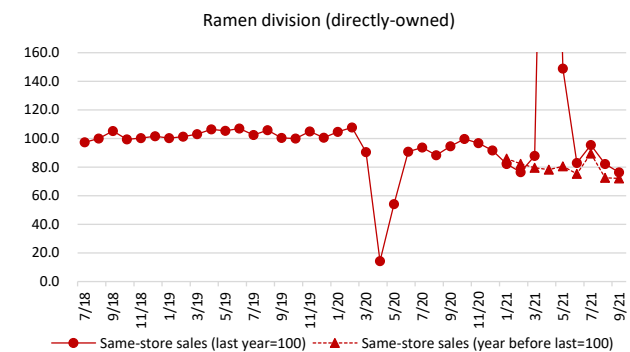
Figure: Monthly data (directly-owned)



Source: Company data, Mita Securities

### Ramen

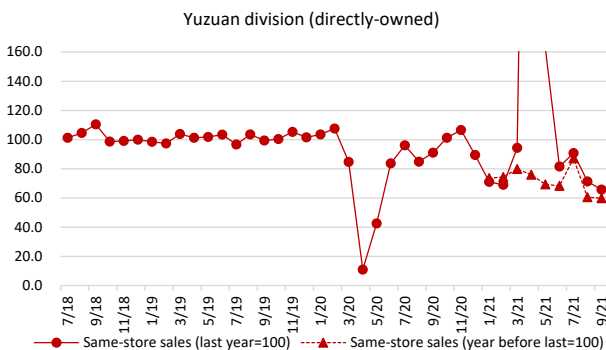
Figure: Monthly data (directly-owned)



Source: Company data, Mita Securities

### Yuzuan

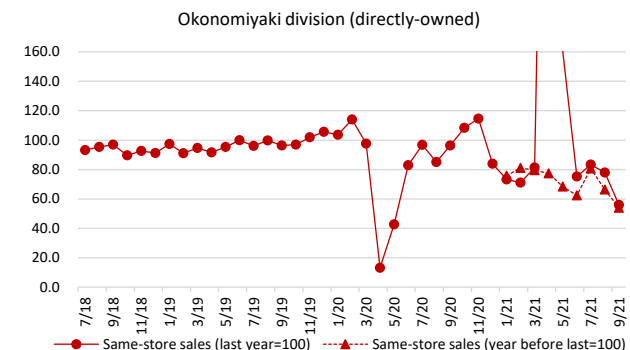
Figure: Monthly data (directly-owned)



Source: Company data, Mita Securities

### Okonomiyaki

Figure: Monthly data (directly-owned)

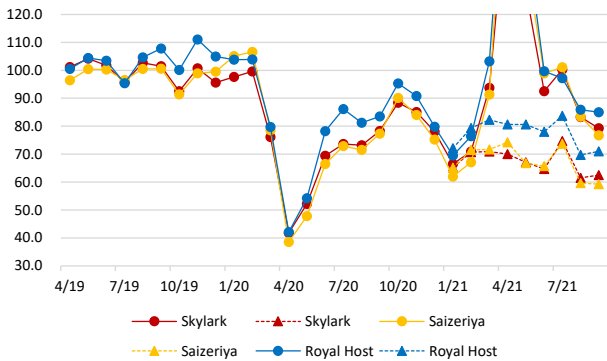


Source: Company data, Mita Securities

**Food service industry data**

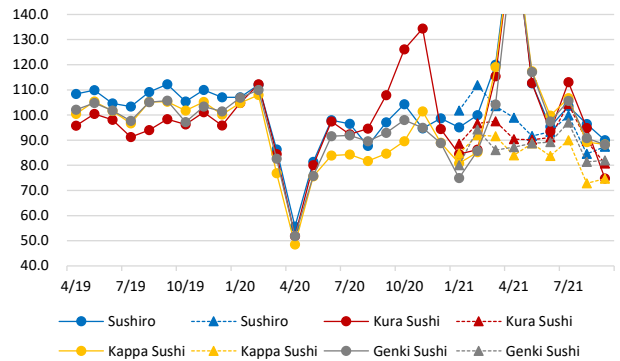
Same-store sales (compared to last year or year before last)

**Figure: Family restaurants**



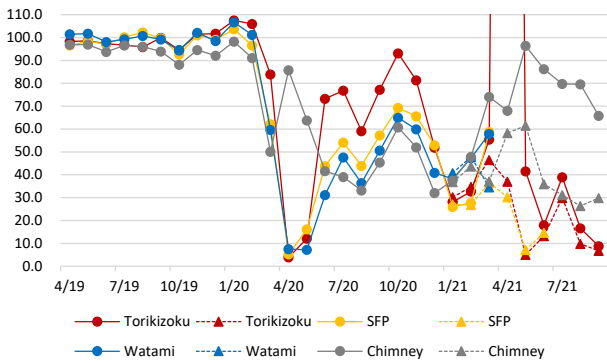
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

**Figure: Sushi restaurants**



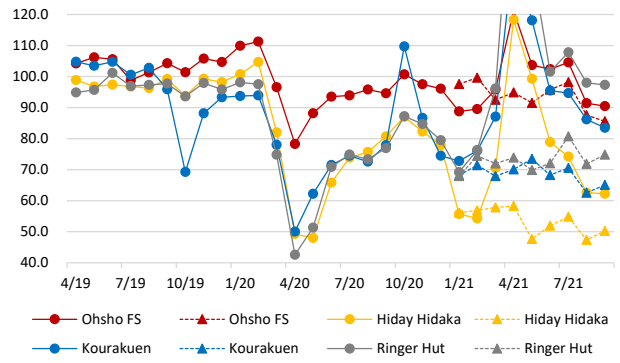
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

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



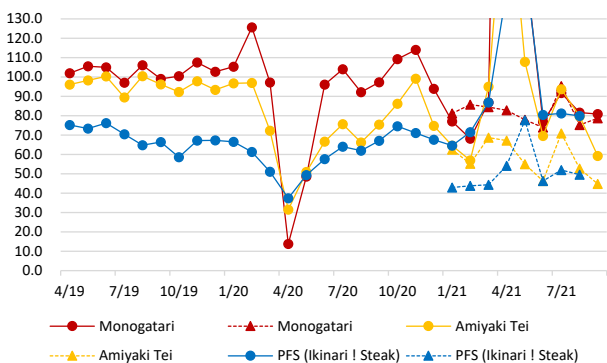
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

**Figure: Chinese restaurants**



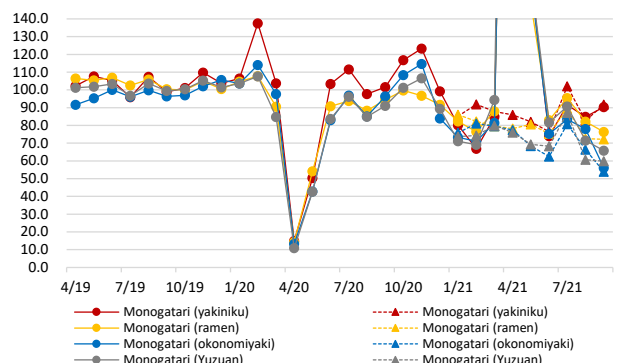
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

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



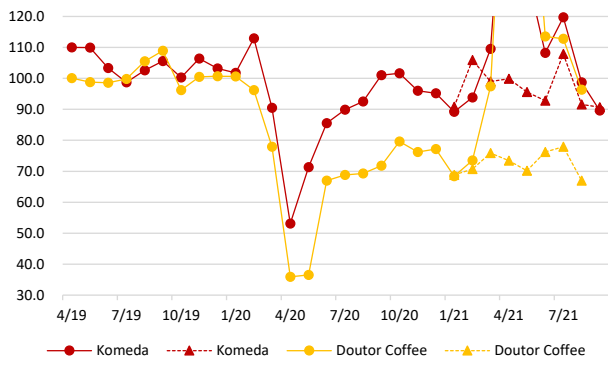
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

**Figure: Monogatari Corporation by division**



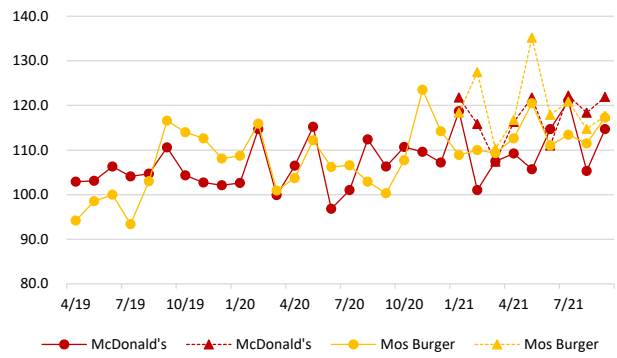
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

Figure: Coffee shops



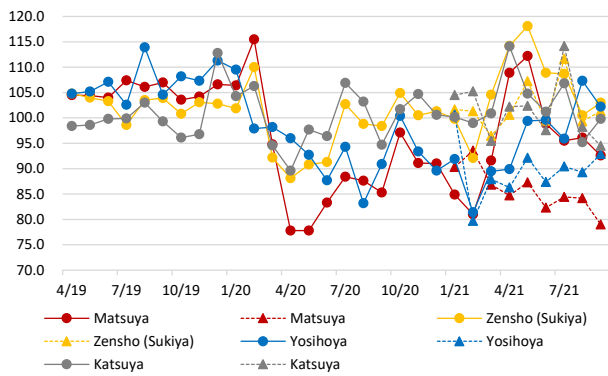
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

Figure: Hamburger shops



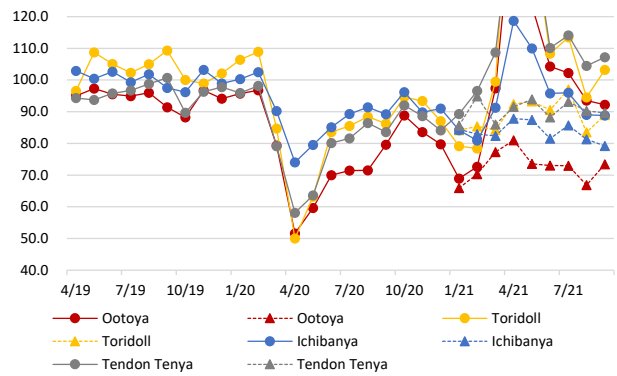
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

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

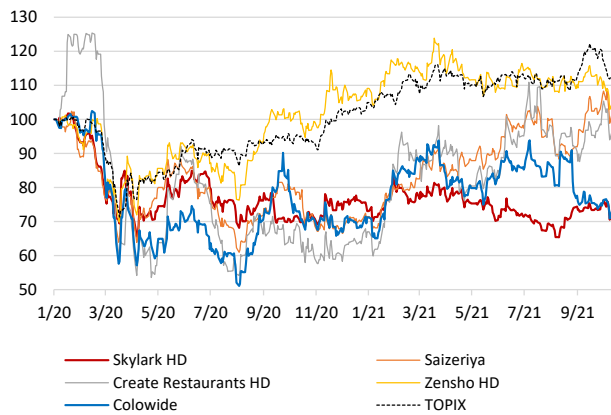
Company name	Ticker	PX 10/8	Mkt cap JPYbn	Net D/E Last	Sales YoY LTM	EBITDA Mgn LTM	ROE LTM	ROE Cur E	ROE Nxt E	PER LTM	PER Cur E	PER Nxt E	PBR Last	EV/EBITDA Cur E	EV/Sales Cur E	Div yield Cur E	1M Chg	3M Chg	1YR Chg
KURA SUSHI INC	2695	3,555	147.2	-0.1	13.7	4.6	4.9	6.1	12.2	66.1	55.8	26.4	3.2	18.2	1.0	0.8	-15.8	-14.4	11.3
MCDONALD'S HOLDINGS CO JAPAN	2702	5,190	690.1	-0.2	5.6	14.8	12.7	12.0	11.9	31.5	30.5	27.3	3.8	13.0	2.0	0.7	-3.0	5.3	0.6
OOTOYA HOLDINGS CO LTD	2705	2,682	19.4	0.2	-21.3	-13.4	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	-6.1	-2.3	4.9
FUJIO FOOD GROUP INC	2752	1,360	60.6	3.6	-19.5	-2.0	-48.9	15.7	NA	NA	74.7	35.5	13.0	NA	2.7	0.0	-2.6	6.0	-6.7
AMIYAKI TEI CO LTD	2753	2,901	19.9	-0.1	-16.2	-8.2	0.2	2.0	NA	536.3	38.2	10.5	1.0	NA	0.5	0.0	-0.9	-0.2	-3.5
HIRAMATSU INC	2764	218	16.3	4.1	-6.1	-26.6	-86.1	NA	NA	NA	NA	NA	4.0	NA	NA	NA	-0.5	3.8	4.8
PEPPER FOOD SERVICE CO LTD	3053	390	15.4	2.4	NA	NA	NA	NA	NA	NA	NA	NA	5.7	NA	NA	NA	0.5	-8.2	13.7
ARCLAND SERVICE HOLDINGS CO	3085	2,265	75.0	-0.6	26.3	12.8	16.9	18.9	13.0	19.5	16.3	22.4	3.1	10.8	1.4	1.3	-4.0	2.2	8.2
CHOSHIMARU CO LTD	3075	1,166	16.9	-0.8	-0.6	2.8	7.2	NA	NA	33.2	NA	NA	2.3	NA	NA	NA	-1.3	2.6	-3.4
DOUTOR NICHIRETS HOLDINGS CO	3087	1,726	78.7	-0.3	-11.4	-0.8	-5.3	4.0	3.1	NA	20.2	19.5	0.8	8.1	0.4	1.4	1.8	-1.5	2.4
BRONCO BILLY CO LTD	3091	2,492	37.6	-0.3	-12.1	5.7	4.0	NA	NA	54.7	NA	NA	2.1	NA	NA	0.6	-1.5	5.7	4.4
<b>MONOGATARI CORP</b>	<b>3097</b>	<b>7,630</b>	<b>92.1</b>	<b>0.1</b>	<b>10.5</b>	<b>10.2</b>	<b>14.6</b>	<b>15.3</b>	<b>16.0</b>	<b>33.7</b>	<b>28.0</b>	<b>23.6</b>	<b>4.6</b>	<b>11.9</b>	<b>1.2</b>	<b>0.9</b>	<b>3.8</b>	<b>2.7</b>	<b>37.0</b>
<b>(TP 9,100 Buy)</b>																			
CHIMNEY CO LTD	3178	1,470	28.4	0.8	-60.7	-37.1	-65.7	NA	NA	NA	NA	NA	4.6	NA	NA	NA	-4.5	4.7	8.3
TORIKIZOKU HOLDINGS CO LTD	3193	1,992	23.2	0.6	-40.8	-10.9	-39.3	14.3	NA	NA	26.5	19.7	4.4	NA	1.1	0.0	2.4	8.1	24.7
HOTLAND CO LTD	3196	1,347	29.0	0.6	1.7	5.2	9.1	16.1	NA	43.8	24.8	28.2	3.8	NA	1.1	0.4	-0.2	2.7	9.2
<b>SKYLARK HOLDINGS CO LTD</b>	<b>3197</b>	<b>1,564</b>	<b>355.8</b>	<b>2.1</b>	<b>-15.6</b>	<b>17.8</b>	<b>0.9</b>	<b>1.3</b>	<b>7.2</b>	<b>266.4</b>	<b>281.8</b>	<b>49.1</b>	<b>2.3</b>	<b>8.3</b>	<b>1.7</b>	<b>0.2</b>	<b>-1.6</b>	<b>4.8</b>	<b>3.0</b>
<b>(TP 1,550 Hold)</b>																			
SFP HOLDINGS CO LTD	3198	1,460	37.7	-0.1	-49.8	-15.3	-34.0	5.3	NA	NA	62.7	29.0	3.6	NA	2.0	0.0	-2.7	-0.2	4.5
CREATE RESTAURANTS HOLDINGS	3387	913	173.0	3.5	-32.6	10.6	-40.0	14.7	NA	NA	56.7	45.0	9.4	NA	2.8	0.0	-0.2	-4.0	41.3
SAINT MARC HOLDINGS CO LTD	3395	1,605	36.6	-0.2	-13.7	-6.3	-11.6	0.7	3.0	NA	142.7	35.3	0.9	12.5	0.6	2.7	0.6	-0.8	-2.7
TORIDOLL HOLDINGS CORP	3397	2,593	226.7	3.0	0.2	10.7	-0.8	9.9	10.4	NA	62.8	42.0	7.1	11.7	2.3	0.3	2.7	37.5	77.7
<b>KOMEDA HOLDINGS CO LTD</b>	<b>3543</b>	<b>2,107</b>	<b>97.2</b>	<b>1.5</b>	<b>4.7</b>	<b>23.0</b>	<b>12.7</b>	<b>13.6</b>	<b>13.9</b>	<b>22.5</b>	<b>19.5</b>	<b>18.3</b>	<b>2.8</b>	<b>16.2</b>	<b>4.3</b>	<b>2.5</b>	<b>-1.6</b>	<b>2.7</b>	<b>7.7</b>
<b>(TP 3,000 Buy)</b>																			
KUSHIKATSU TANAKA HOLDINGS C	3547	2,184	20.4	0.3	-29.4	-13.1	-19.4	4.1	30.0	NA	268.5	45.3	13.8	NA	3.9	0.2	-4.1	17.1	22.7
CHIKARANOMOTO HOLDINGS CO LT	3561	616	16.7	3.7	-31.1	-0.2	-55.1	NA	NA	NA	NA	NA	5.7	NA	NA	NA	-3.3	0.3	-3.3
FOOD & LIFE COMPANIES LTD	3563	4,965	576.3	2.4	14.3	16.0	23.6	23.6	23.8	44.4	44.7	36.7	9.5	19.4	2.9	0.5	-5.2	16.5	69.1
ATOM CORP	7412	756	146.3	0.2	-23.8	-3.4	-19.8	NA	NA	NA	NA	NA	20.4	NA	NA	NA	-5.0	-3.0	-10.0
KAPPA CREATE CO LTD	7421	1,348	66.6	0.4	-2.5	2.9	3.2	NA	NA	195.4	NA	NA	6.2	NA	NA	NA	-4.5	-6.8	-12.4
WATAMI CO LTD	7522	1,032	44.1	3.5	-23.1	-11.4	-73.5	NA	NA	NA	NA	NA	3.0	NA	NA	NA	1.1	5.6	3.8
ZENSHO HOLDINGS CO LTD	7550	2,611	404.3	2.2	2.3	7.3	12.2	14.6	13.6	40.3	30.8	33.8	4.7	11.5	0.8	0.8	-8.3	-6.2	2.2
KOURAKUEN HOLDINGS CORP	7554	1,481	24.8	1.1	-19.5	0.6	-4.9	NA	NA	NA	87.1	NA	7.1	NA	0.9	0.0	-1.3	-2.1	-19.5
ANRAKUTEI CO LTD	7562	6,060	13.0	1.6	58.7	-1.3	2.9	NA	NA	99.8	NA	NA	2.9	NA	NA	NA	-3.5	10.6	22.4
SAIZERIYA CO LTD	7581	2,739	143.2	-0.3	-10.5	5.6	0.8	4.1	5.0	191.8	41.3	29.3	1.6	18.9	1.0	0.7	-0.9	3.5	29.6
HIDAY HIDAKA CORP	7611	1,671	63.7	-0.3	-23.8	-6.6	-7.0	NA	NA	NA	NA	NA	3.0	NA	NA	1.4	-3.2	-11.0	-5.5
COLOWIDE CO LTD	7616	1,688	146.7	3.6	-14.4	8.7	-35.2	NA	NA	NA	NA	NA	7.8	NA	NA	NA	-3.3	-16.7	0.2
UKAI CO LTD	7621	3,035	15.9	1.5	-7.7	-9.1	-43.3	NA	NA	NA	NA	NA	6.6	NA	NA	NA	-2.9	-2.9	-2.3
GLOBAL-DINING INC	7625	515	5.3	0.9	7.5	-1.1	0.7	NA	NA	384.3	NA	NA	2.0	NA	NA	NA	22.3	5.1	169.6
ICHIBANYA CO LTD	7630	4,500	143.7	-0.5	-5.4	9.4	8.5	11.4	NA	55.7	40.1	45.6	4.8	NA	2.6	1.8	-8.0	-8.3	-19.1
ASAKUMA CO LTD	7678	1,544	8.3	-0.4	-21.0	-21.8	-43.6	NA	NA	NA	NA	NA	3.7	NA	NA	NA	-0.2	-1.0	1.3
MOS FOOD SERVICES INC	8153	3,195	102.3	-0.2	8.3	9.0	5.0	4.4	NA	44.4	48.6	41.1	2.2	NA	1.2	0.8	-5.2	2.9	11.5
KISOJI CO LTD	8160	2,231	58.0	0.0	-12.3	NA	-16.5	NA	NA	NA	NA	NA	2.5	NA	NA	NA	-8.3	-5.9	-13.7
SRS HOLDINGS CO LTD	8163	767	29.2	0.5	5.7	2.6	-9.6	NA	NA	NA	NA	NA	2.6	NA	NA	NA	-8.9	-5.1	-15.0
ROYAL HOLDINGS CO LTD	8179	2,119	96.1	2.3	-27.7	-14.3	-55.3	-13.8	10.9	NA	NA	53.2	3.3	NA	1.5	0.0	1.3	2.9	13.0
RINGER HUT CO LTD	8200	2,354	61.4	1.0	-18.6	-9.3	-51.4	NA	NA	NA	NA	NA	5.8	NA	NA	NA	1.4	1.0	-3.5
GIFT INC	9279	2,960	29.5	0.2	23.2	6.0	22.4	23.0	NA	37.1	28.6	23.4	7.6	NA	2.2	0.5	21.3	25.7	33.8
GENKI SUSHI CO LTD	9828	2,798	24.9	0.6	1.9	5.9	3.2	NA	NA	95.0	NA	NA	3.0	NA	NA	NA	1.3	10.7	17.0
GINZA RENIR CO LTD	9853	823	5.1	0.1	-33.6	-41.0	-39.1	NA	NA	NA	NA	NA	1.5	NA	NA	NA	-0.2	0.6	-0.4
GOURMET KINEYA CO LTD	9850	984	22.5	1.5	-28.3	0.9	-28.0	NA	NA	NA	NA	NA	2.7	NA	NA	NA	-3.1	2.5	0.9
YOSHINOYA HOLDINGS CO LTD	9861	2,146	139.8	0.8	-17.7	3.4	-4.5	6.9	3.6	NA	47.8	86.6	3.3	16.7	1.1	0.0	-0.7	3.3	4.2
KFC HOLDINGS JAPAN LTD	9873	2,972	66.6	-0.8	12.6	8.4	17.8	NA	NA	16.4	24.0	24.5	2.8	NA	0.5	1.7	-3.8	5.0	12.5
MATSUYAFOODS HOLDINGS CO LTD	9887	3,680	70.2	0.3	-6.2	1.5	1.3	NA	NA	134.5	NA	NA	1.7	NA	NA	NA	0.5	5.0	-0.7
SAGAMI HOLDINGS CORP	9900	1,011	30.6	-0.2	-9.2	-4.0	-7.8	NA	NA	NA	NA	NA	2.3	NA	NA	NA	-3.3	-1.0	-19.8
<b>OHSO FOOD SERVICE CORP</b>	<b>9936</b>	<b>5,980</b>	<b>139.3</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>18.4</b>	<b>17.3</b>	<b>19.6</b>	<b>2.1</b>	<b>NA</b>	<b>1.4</b>	<b>1.8</b>	<b>-2.6</b>	<b>3.3</b>	<b>-2.8</b>
<b>(TP 7,250 Buy)</b>																			
JOYFULL CO LTD	9942	803	25.6	4.9	-23.6	-3.8	102.0	NA	NA	13.6	NA	NA	7.8	NA	NA	NA	-0.2	2.4	8.5
DAISYO CORP	9979	1,044	22.1	0.3	-24.0	-10.2	-47.7	NA	NA	NA	NA	NA	2.0	NA	NA	NA	1.8	-0.9	-15.5
Average				1.0	-9.9	-1.0	-11.7	9.6	11.8	103.3	62.3	33.5	4.6	13.6	1.7	0.8	-1.4	2.1	9.9
Median				0.4	-11.8	0.9	-4.5	11.4	11.9	44.4	40.7	29.1	3.3	12.5	1.4	0.6	-1.6	2.5	3.8

Source: Bloomberg Finance LP data, Mita Securities

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

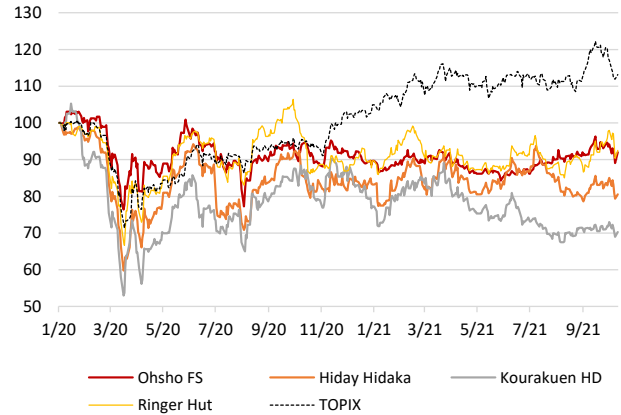
Stock price trends for food service companies

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



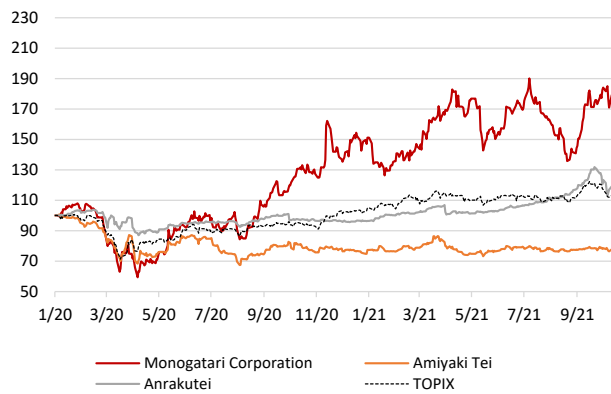
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Chinese restaurants)



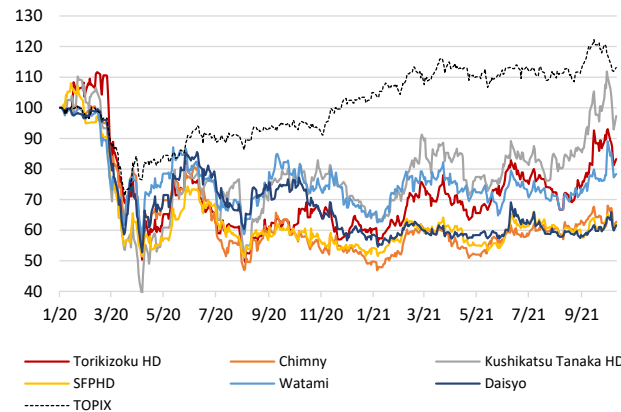
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese BBQ)



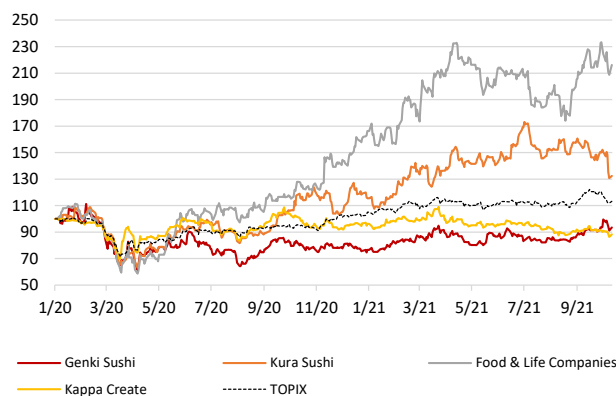
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese style pubs)



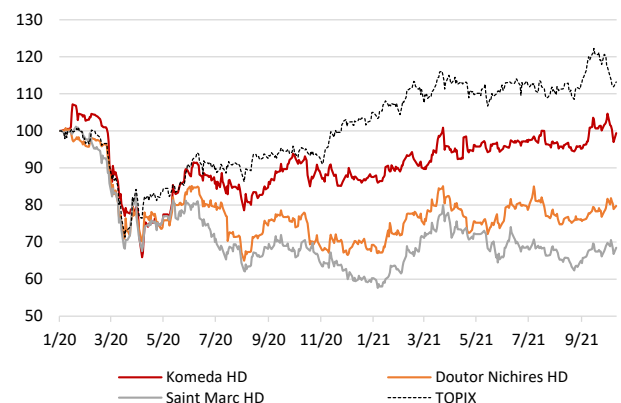
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

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.

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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