



Komeda Holdings

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

November wholesale sales strong; Food service industry update

November data: Wholesale sales exceed 2019 levels for two consecutive months

Komeda Holdings (3543) disclosed monthly data for November. Wholesale sales to franchisees (same-store basis) in November were 105.9% vs. November 2020 (104.0% for October), and 101.8% vs. November 2019 (105.8% for October). The number of holidays was one less than in November 2020, and the same as in November 2019. We are under the impression that the recovery has been proceeding steadily since October. As a background, the average spend per customer at stores increased due to strengthened merchandise sales, while the number of customers has not reached the pre-pandemic level.

The total number of stores at the end of November was 949 (+9 MoM, +35 vs. end-FY2/21). The company opened 9 stores in November. This is on track to meet the company's target of 940-950 stores at end-FY2/22.

SSS for restaurant companies strong as in October, but recovery varies by format

The following is a list of major restaurant operators that have already disclosed their November same-store sales (vs. November 2020/vs. November 2019). As in October, sales have been strong in general, but the degree of recovery varies by business format, with some companies exceeding the pre-pandemic level (underlined).

- Kura Sushi (2695): 82.4% vs. 2020/110.7% vs. 2019 (Oct 80.1%/101.0%)
- Monogatari Corporation (3097): 95.2%/108.5% (Oct 102.6%/112.1%)
- Torikizoku HD (3193): 92.7%/75.4% (Oct 66.7%/62.1%)
- Skylark HD (3197): 95.3%/81.0% (Oct 92.9%/82.5%)
- Toridoll HD (3397): 101.7%/95.0% (Oct 101.9%/96.4%)
- Food & Life Companies (3563): Sushiro 96.3%/91.2% (Oct 94.0%/98.0%)
- Royal HD (8179): Royal Host 106.1%/96.3% (Oct 100.2%/95.5%); Tendon Tenya 112.4%/99.6% (Oct 108.7%/100.0%)
- Saizeriya (7581): 104.6%/87.9% (Oct 98.7%/88.9%)
- Ohsho Food Service (9936): 100.6%/98.1% (Oct 101.9%/102.6%)

Stock price trends for restaurant companies

The following are examples of stocks whose share prices have fluctuated significantly over the past month.

- Torikizoku HD (3193): Izakaya operators' shares fell sharply across the board on growing concerns about Omicron (-13.1% in the past month; based on closing price on December 10)
- Toridoll HD (3397): Share price fell sharply after the announcement of 2Q results in mid-November (-12.4%)
- Food & Life Companies (3563): Share price fell sharply due to growing concerns about Omicron and weak same-store sales in November (-11.1%).

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

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Update

Rating

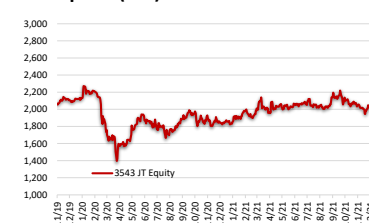
Buy

Target price (JPY)	3,000
Stock price (JPY) (Dec 10)	2,023
Market cap (JPYbn)	93.3

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	19.3	17.3	15.5
PBR	x	2.5	2.5	2.5	2.3	2.1
Div. yield	%	2.8	2.1	2.5	3.1	3.4
ROA	%	6.5	3.5	4.4	4.8	5.2
ROE	%	17.2	10.6	13.3	13.7	14.1

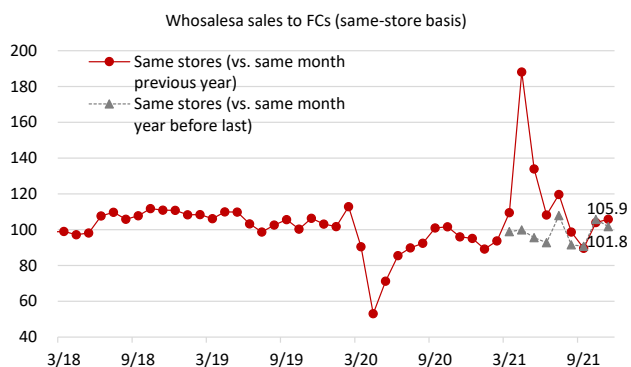
Source: Company data, Mita Securities

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.

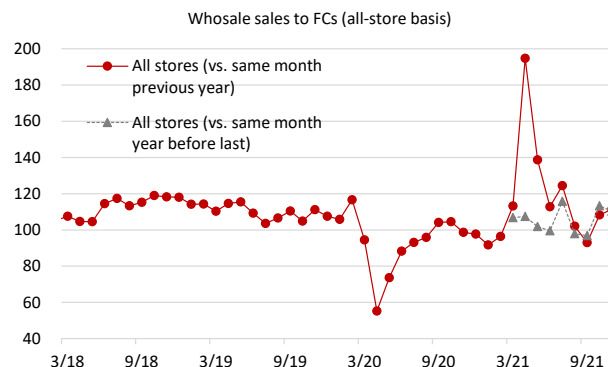
Komeda Holdings monthly wholesale sales data

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



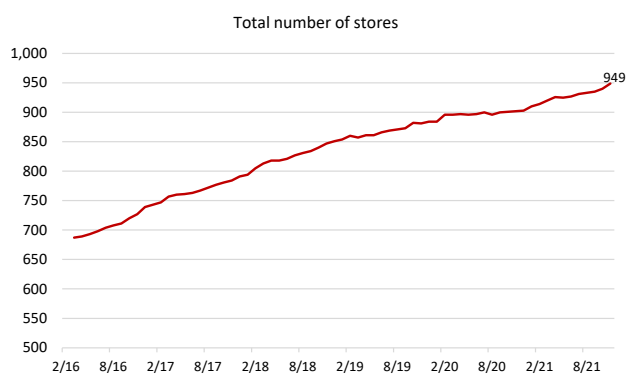
Source: Company data, Mita Securities Note: Same month last year or year before last = 100

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

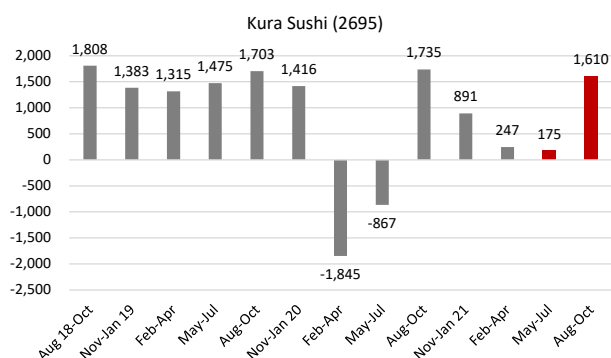


Source: Company data, Mita Securities

Food service industry data

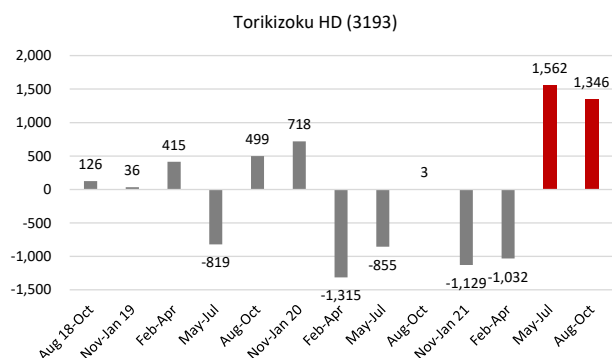
Pre-tax profits for food service companies covered by Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



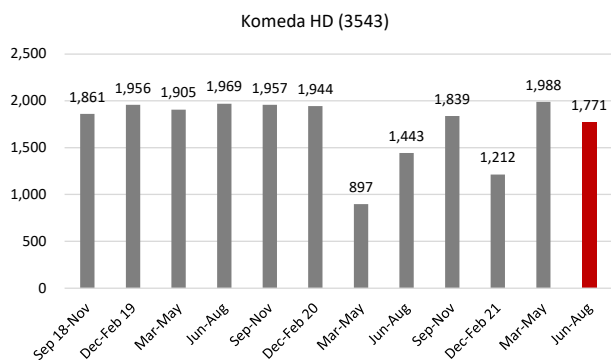
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



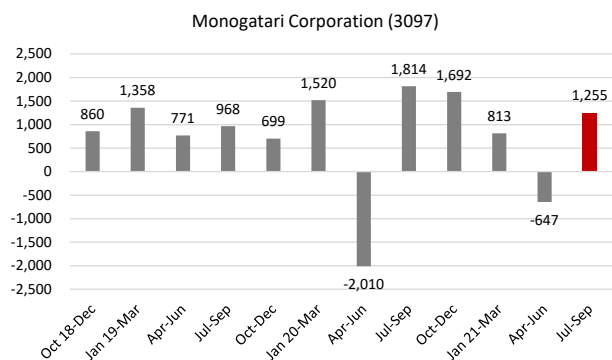
Source: Company data, Mita Securities

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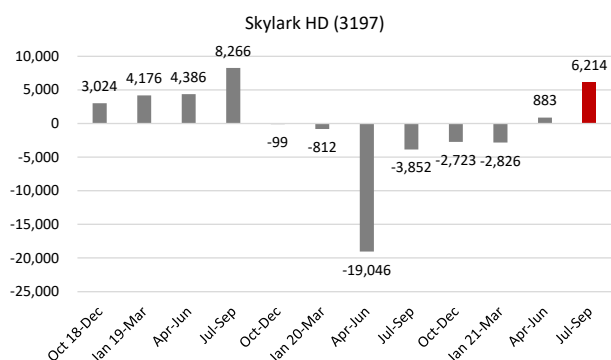
Source: Company data, Mita Securities

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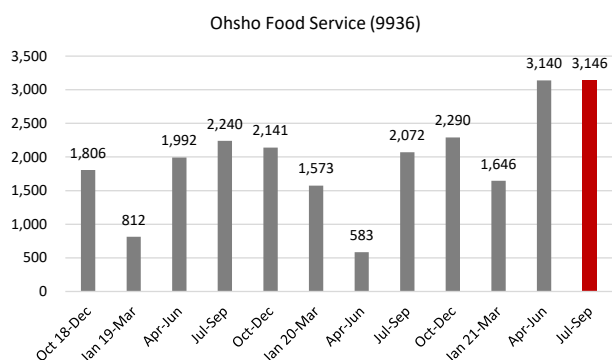
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



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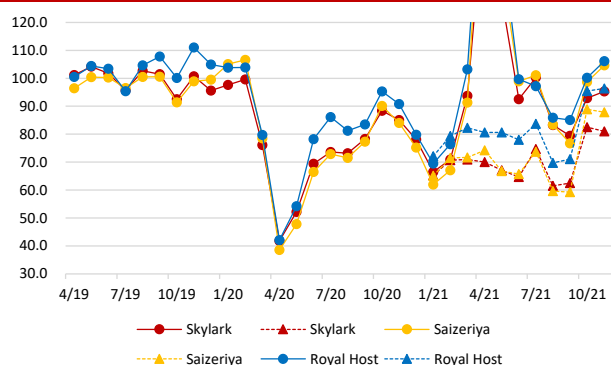
Figure: Quarterly pre-tax profit (JPYm)



Source: Company data, Mita Securities

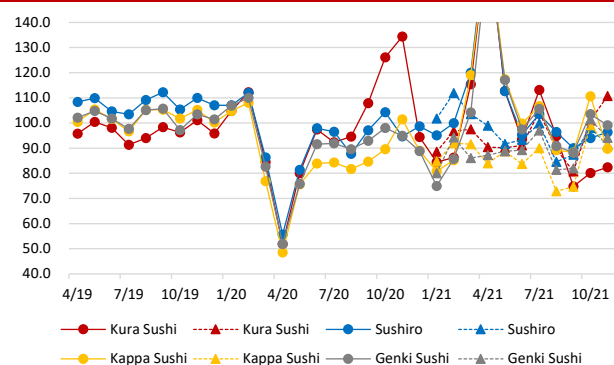
Same-store sales (compared to last year or year before last)

Figure: Family restaurants



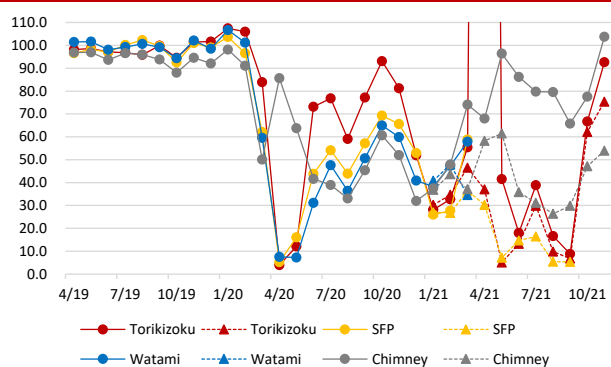
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

Figure: Sushi restaurants



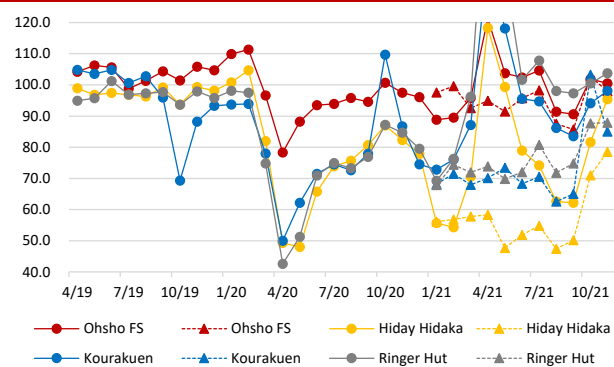
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

Figure: Izakaya (Japanese style pubs)



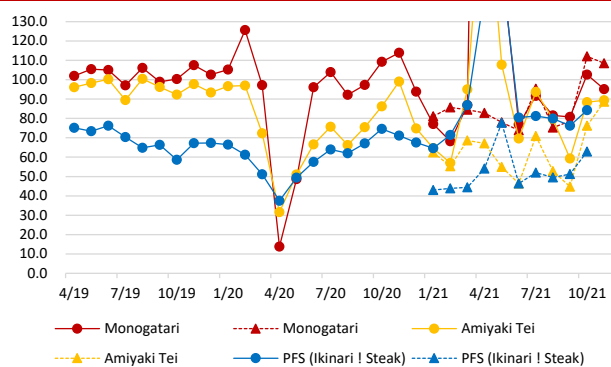
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

Figure: Chinese restaurants



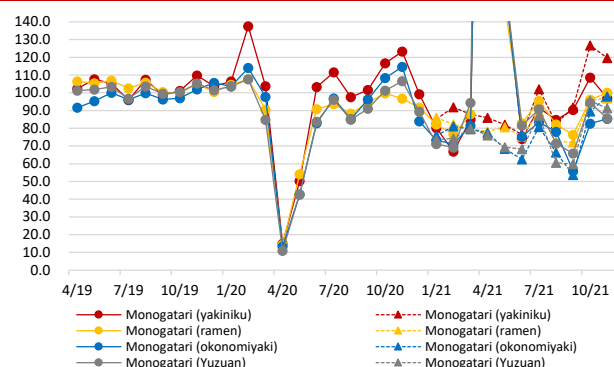
Source: Companies data, Mita Securities Note: Solid line vs last yr, dotted line vs yr before last

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

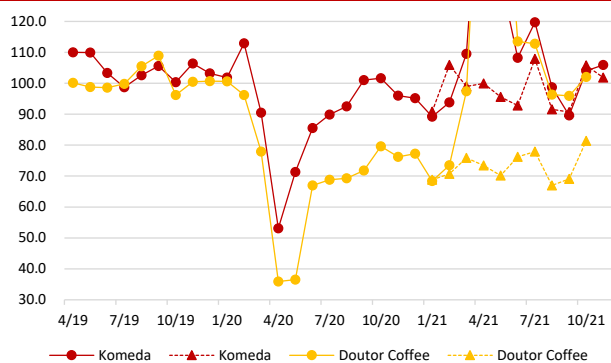


Figure: Hamburger shops

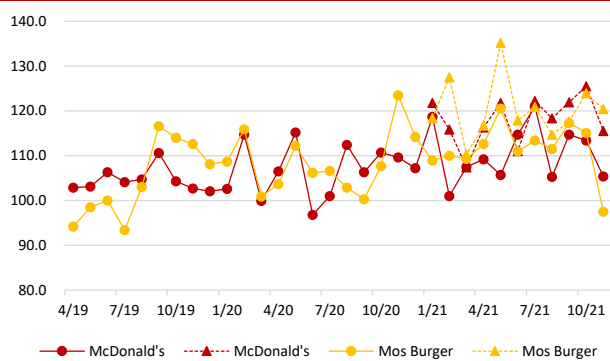


Figure: Beef bowl, Tonkatsu

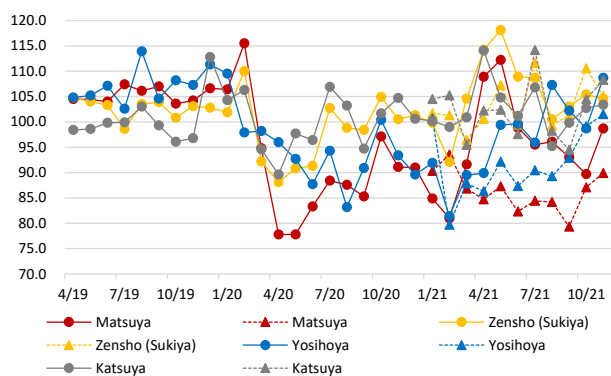
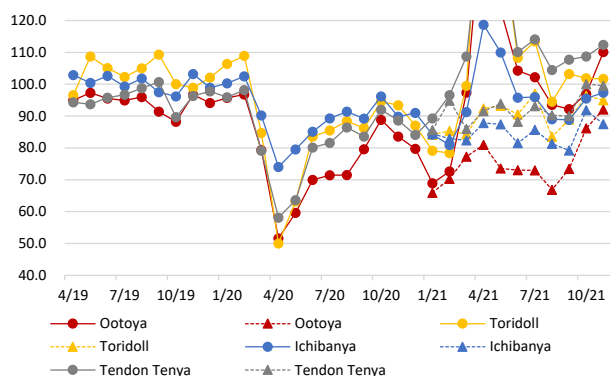


Figure: Set meal, Udon noodle, Curry, Tempura



Comparison of valuations with similar companies (reference)

Figure: Comparison of valuations for food service companies

Company name	Ticker	PX 10-Dec	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 (TP 5,000 Buy)	2695	3,560	147.4	0.1	8.7	2.3	4.1	10.1	11.5	74.2	30.0	21.3	2.9	12.9	0.9	0.7	-0.2	-5.2	-1.7
MCDONALD'S HOLDINGS CO JAPAN	2702	5,120	680.8	-0.2	9.1	14.4	12.3	12.0	12.0	30.9	30.2	26.9	3.6	12.7	2.0	0.7	-0.2	-5.2	-1.7
OOTOA HOLDINGS CO LTD	2705	2,674	19.4	0.2	-12.1	6.0	NA	NA	NA	37.8	NA	NA	NA	NA	NA	NA	-1.8	-7.2	17.5
FUJIO FOOD GROUP INC	2752	1,424	63.5	3.6	-12.3	8.8	-12.7	15.7	NA	NA	78.2	37.2	11.6	NA	2.7	0.0	2.5	0.6	4.7
AMIYAKI TEI CO LTD	2753	2,952	20.2	-0.1	-16.2	-13.9	0.2	NA	NA	551.8	38.9	10.7	1.0	NA	0.5	0.0	-3.1	0.2	2.7
HIRAMATSU INC	2764	200	14.9	4.1	9.1	-25.3	-67.3	NA	NA	NA	NA	NA	2.3	NA	NA	NA	-1.0	-8.7	14.9
PEPPER FOOD SERVICE CO LTD	3053	389	15.3	2.4	NA	-6.2	NA	NA	NA	NA	NA	NA	10.2	NA	NA	NA	5.1	-1.5	30.5
CHOUSHIMARU CO LTD	3075	1,120	16.3	-0.8	-0.6	2.8	7.2	NA	NA	31.9	NA	NA	2.2	NA	NA	NA	0.0	-5.8	9.7
ARCLAND SERVICE HOLDINGS CO	3085	2,339	77.4	-0.6	21.1	12.9	19.4	19.4	12.5	17.3	16.3	23.3	3.1	11.2	1.4	1.3	2.0	-2.2	10.6
DOUTOR NICHIREI HOLDINGS CO	3087	1,584	72.2	-0.3	-2.7	3.3	-3.2	4.2	1.6	NA	17.4	24.6	0.7	10.3	0.4	1.6	-3.2	-7.9	5.5
BRONCO BILLY CO LTD	3091	2,402	36.2	-0.3	-12.6	6.8	4.4	NA	NA	46.9	NA	NA	2.0	NA	NA	NA	-1.3	-5.8	-1.5
MONOGATARI CORP (TP 9,100 Buy)	3097	7,100	85.8	0.1	7.4	9.7	11.7	16.4	16.2	37.7	24.3	21.7	4.2	11.3	1.2	0.9	-5.8	-7.8	9.8
CHIMNEY CO LTD	3178	1,255	24.3	0.8	-61.2	-34.0	-43.7	NA	NA	NA	NA	NA	3.6	NA	NA	NA	-11.2	-20.4	2.1
TORIKIZOKU HOLDINGS CO LTD (TP 2,100 Hold)	3193	1,691	19.7	0.6	NA	NA	NA	1.7	11.4	NA	118.7	22.5	3.3	NA	1.1	0.0	-13.1	-19.9	12.7
HOTLAND CO LTD	3196	1,330	28.6	0.6	5.8	4.5	15.8	16.1	NA	24.0	24.5	27.8	3.4	NA	1.0	0.4	-1.0	-2.1	2.3
SKYLARK HOLDINGS CO LTD (TP 1,550 Hold)	3197	1,552	353.1	2.1	-12.9	28.6	-0.2	2.6	3.8	NA	71.0	49.7	2.2	7.3	1.7	0.9	3.7	-4.3	-5.8
SFP HOLDINGS CO LTD	3198	1,359	35.0	-0.1	-53.8	-1.0	-19.2	14.4	NA	NA	19.5	23.4	3.0	NA	2.4	0.0	-6.8	-9.8	4.6
CREATE RESTAURANTS HOLDINGS	3387	713	150.5	3.5	-28.7	21.7	0.8	27.2	NA	1,150.0	21.2	32.4	6.2	NA	2.6	0.6	-0.8	-24.1	17.3
SAINT MARC HOLDINGS CO LTD	3395	1,439	32.8	-0.2	-7.3	-6.1	-22.2	-6.2	2.8	NA	NA	35.3	1.0	NA	0.5	3.1	-3.6	-11.8	2.6
TORIDOLL HOLDINGS CORP	3397	2,462	215.6	3.0	5.7	12.5	5.1	8.3	6.0	128.8	57.4	45.4	6.2	11.2	2.2	0.3	-12.4	-5.3	76.0
KOMEDA HOLDINGS CO LTD (TP 3,000 Buy)	3543	2,023	93.3	1.5	8.1	23.7	13.0	13.5	13.7	20.5	18.6	17.2	2.6	15.5	4.2	2.5	-1.7	-7.8	9.9
KUSHIKATSU TANAKA HOLDINGS C	3547	2,084	19.5	0.3	-38.7	-22.6	-36.9	2.7	31.4	NA	272.4	37.8	14.4	NA	4.2	0.3	-8.3	-10.9	32.8
CHIKARANOMOTO HOLDINGS CO LT	3561	602	16.3	3.7	-14.9	6.6	-15.0	NA	NA	NA	NA	NA	5.3	NA	NA	NA	-2.4	-4.9	1.2
FOOD & LIFE COMPANIES LTD	3563	4,380	508.4	2.2	17.5	16.2	23.0	21.3	23.5	38.6	35.5	27.2	8.0	14.4	2.1	0.5	-11.1	-16.3	26.4
ATOM CORP	7412	771	149.2	0.2	-19.3	1.6	-10.9	NA	NA	NA	NA	NA	18.9	NA	NA	NA	-2.3	-4.5	-9.5
KAPPA CREATE CO LTD	7421	1,340	66.2	0.4	0.9	3.7	8.2	NA	NA	75.9	NA	NA	6.0	NA	NA	NA	-5.6	-7.1	-8.5
WATAMI CO LTD	7522	911	38.9	3.5	-18.0	-7.4	-75.2	NA	NA	NA	NA	NA	2.9	NA	NA	NA	-6.2	-12.4	1.2
ZENSHO HOLDINGS CO LTD	7550	2,674	414.1	2.2	4.3	7.2	12.4	17.1	12.9	38.4	25.1	30.9	4.5	12.0	0.9	0.8	1.2	-7.2	-0.3
KOURAKUEN HOLDINGS CORP	7554	1,465	24.6	1.1	-14.4	4.7	13.5	13.6	NA	49.8	44.1	2,092.9	6.2	NA	1.1	0.3	-2.5	-3.6	-16.3
ANRAKUTEI CO LTD	7562	6,070	13.0	1.6	27.2	-4.7	2.7	NA	NA	113.6	NA	NA	3.0	NA	NA	NA	1.5	-4.7	24.3
SAIZERIYA CO LTD	7581	3,030	158.4	-0.2	-0.3	6.3	2.2	9.8	6.8	83.5	19.7	23.2	1.8	8.1	0.9	0.6	1.1	6.2	58.1
HIDAY HIDAKA CORP	7611	1,660	63.3	-0.3	-23.8	-10.2	-7.0	NA	NA	NA	NA	NA	3.0	NA	NA	NA	1.4	0.5	-4.6
COLOWIDE CO LTD	7616	1,631	141.7	3.6	-7.6	12.0	-16.2	NA	NA	NA	NA	NA	4.1	NA	NA	NA	-0.3	-7.3	0.7
UKAI CO LTD	7621	3,020	15.8	1.5	-3.1	-8.0	-40.6	NA	NA	NA	NA	NA	7.1	NA	NA	NA	0.3	-3.0	0.3
GLOBAL-DINING INC	7625	407	4.2	0.9	34.8	7.0	25.6	NA	NA	NA	6.4	NA	1.4	NA	NA	NA	-12.8	-6.4	128.7
ICHIBANYA CO LTD	7630	4,600	146.9	-0.5	-5.4	9.4	8.5	8.9	NA	56.9	54.4	38.6	4.9	NA	2.9	1.7	-1.4	-7.3	-9.6
ASAKUMA CO LTD	7678	1,532	8.2	-0.4	-22.5	-22.4	-29.2	NA	NA	NA	NA	NA	3.2	NA	NA	NA	-0.2	-1.2	2.3
MOS FOOD SERVICES INC	8153	3,165	101.3	-0.2	12.3	10.5	8.1	6.3	NA	26.5	32.9	31.6	2.1	NA	1.1	0.9	1.0	-7.3	11.2
KISOJI CO LTD	8160	2,177	57.5	0.0	-12.5	NA	-13.7	NA	NA	NA	NA	NA	2.4	NA	NA	NA	-0.5	-12.8	-10.2
SRS HOLDINGS CO LTD	8163	779	30.1	0.5	-0.7	8.0	8.8	NA	NA	29.6	NA	NA	2.2	NA	NA	NA	0.0	-8.1	-7.8
ROYAL HOLDINGS CO LTD	8179	1,906	86.5	2.3	-15.6	-10.7	-47.6	-13.8	10.9	NA	NA	47.2	3.1	NA	1.5	0.0	-7.7	-10.7	-2.9
RINGER HUT CO LTD	8200	2,209	57.6	1.0	-14.1	-2.2	-13.0	6.3	NA	NA	87.7	216.6	5.2	NA	1.9	0.5	-0.8	-7.7	-4.0
GIFT INC	9279	2,776	27.6	0.2	23.2	6.0	22.4	23.0	NA	34.8	26.8	21.9	7.1	NA	2.1	0.5	-6.8	13.4	57.7
GENKI SUSHI CO LTD	9828	2,507	22.3	0.6	6.7	5.8	6.3	NA	NA	42.5	NA	NA	2.6	NA	NA	NA	-6.5	-9.1	7.3
GOURMET KINEYA CO LTD	9850	1,030	23.6	1.5	-20.1	6.3	-16.2	NA	NA	NA	NA	NA	2.8	NA	NA	NA	3.7	-1.3	1.1
GINZA RENOIR CO LTD	9853	826	5.2	0.1	-25.9	-39.4	-37.8	NA	NA	NA	NA	NA	1.7	NA	NA	NA	-0.2	-0.7	1.7
YOSHINOYA HOLDINGS CO LTD	9861	2,337	152.2	0.8	-14.9	8.1	3.2	11.6	2.5	113.4	30.2	137.2	3.5	17.4	1.1	0.0	0.3	4.3	21.1
KFC HOLDINGS JAPAN LTD	9873	2,907	65.2	-0.8	11.3	8.6	16.5	NA	NA	16.3	NA	NA	2.5	NA	NA	NA	-0.2	-5.9	-1.5
MATSUYAFOODS HOLDINGS CO LTD	9887	3,560	67.9	0.3	-4.7	0.8	2.3	NA	NA	71.7	NA	NA	1.7	NA	NA	NA	-2.3	-3.8	4.7
SAGAMI HOLDINGS CORP	9900	1,060	32.1	-0.2	-6.9	-5.6	-5.7	NA	NA	NA	NA	NA	2.3	NA	NA	NA	2.4	0.3	-16.0
OHSO FOOD SERVICE CORP (TP 7,250 Buy)	9936	6,120	142.5	-0.2	-0.3	11.6	12.8	12.0	10.1	16.7	17.3	19.8	2.0	NA	1.5	1.9	0.7	-1.3	2.2
JOYFULL CO LTD	9942	806	25.7	4.9	-22.8	-6.6	105.9	NA	NA	9.9	NA	NA	6.0	NA	NA	NA	-1.0	0.4	33.4
DAISYO CORP	9979	952	20.2	0.9	-21.0	3.0	-35.7	NA	NA	NA	NA	NA	1.8	NA	NA	NA	-6.8	-8.4	-4.7
Average				1.0	-6.6	1.5	-3.9	10.5	11.2	102.6	48.5	116.5	4.2	12.0	1.7	0.8	-2.6	-6.1	10.4
Median				0.5	-6.9	4.7	2.2	11.8	11.4	38.4	30.2	27.8	3.1	11.7	1.5	0.6	-1.0	-5.9	2.6

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

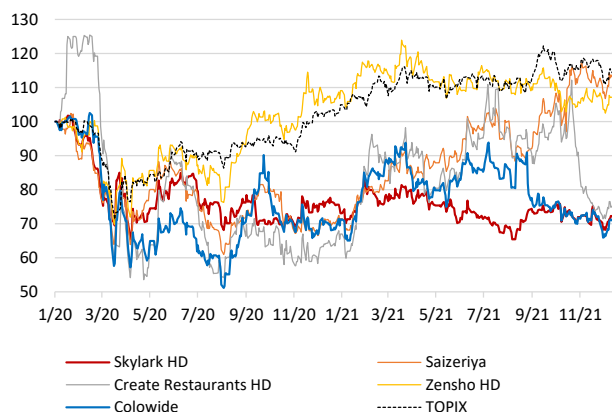
Company name	Ticker	PX 10-Dec	Mkt cap JPYbn	Net D/E Last	Sales YoY LTM	EBITDA Mgn LTM	ROE LTM	ROE Cur E	ROE Nxt E	PER LTM	PER Cur E	PER Nxt E	PBR Last	EV/EBITDA Cur E	EV/Sales Cur E	Div yield Cur E	1M Chg	3M Chg	1YR Chg
KOBE BUSSAN CO LTD	3038	4,050	1,108.1	-0.3	3.0	8.6	28.5	31.0	28.9	47.9	44.2	39.6	12.1	33.3	3.0	0.5	-5.0	-10.1	17.4
KOMEDA HOLDINGS CO LTD (TP 3,000 Buy)	3543	2,023	93.3	1.5	8.1	23.7	13.0	13.5	13.7	20.5	18.6	17.2	2.6	15.5	4.2	2.5	-1.7	-7.8	9.9
IBJ INC (TP 1,450 Buy)	6071	983	41.3	-0.2	4.3	17.1	18.3	15.4	21.5	40.4	45.1	27.5	6.9	NA	2.8	0.7	-10.4	-2.9	19.3
CURVES HOLDINGS CO LTD	7085	818	76.8	0.8	-1.6	NA	13.1	21.8	31.8	68.1	36.8	21.8	8.4	NA	3.2	1.0	-9.2	-10.2	4.2
FAST FITNESS JAPAN INC (TP 5,600 Buy)	7092	2,688	50.3	-0.2	NA	29.1	NA	15.9	18.0	27.0	36.0	27.3	5.6	12.0	3.7	0.4	-3.8	-28.0	NA
WORKMAN CO LTD	7564	5,730	469.0	-0.4	13.4	24.0	20.4	NA	NA	26.5	25.6	22.8	5.0	NA	NA	1.2	-9.9	-16.0	-33.1

Source: Bloomberg Finance LP data, Mita Securities

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

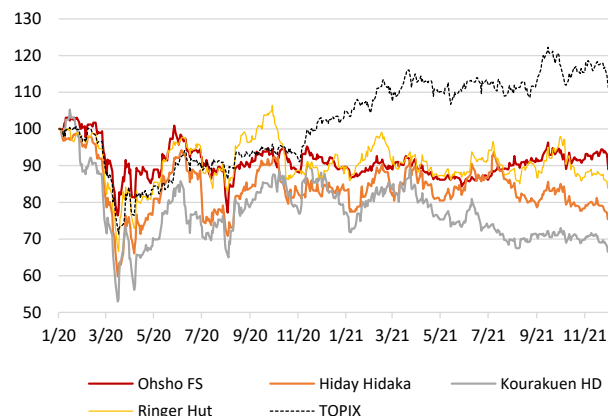
Stock price trends for food service companies

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



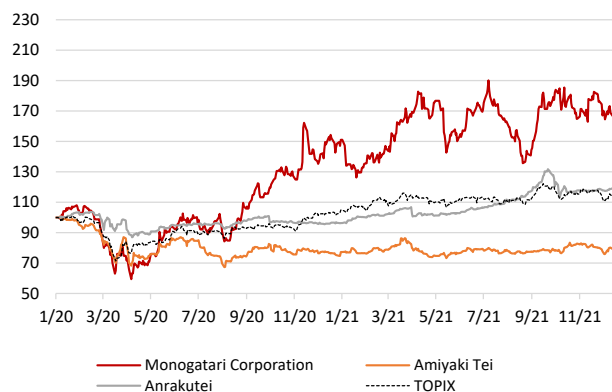
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Chinese restaurants)



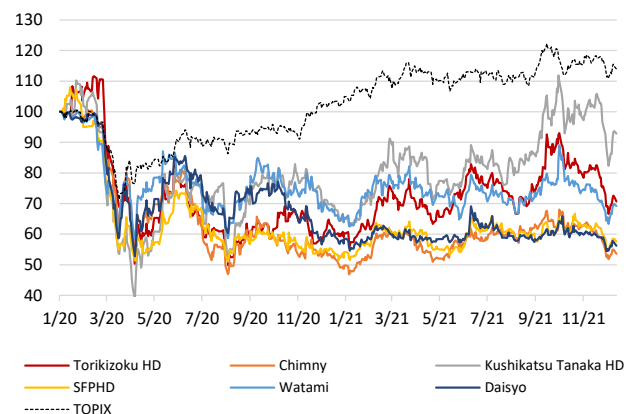
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese BBQ)



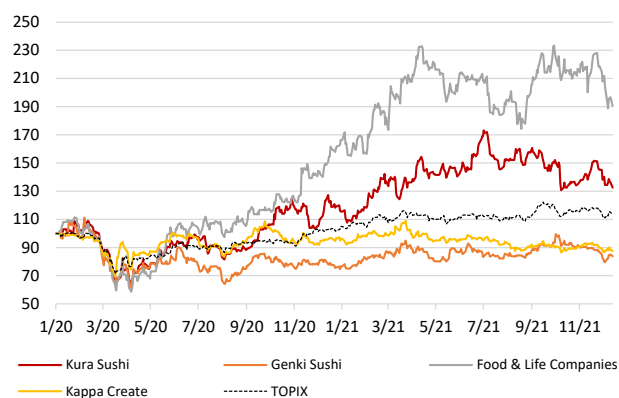
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese style pubs)



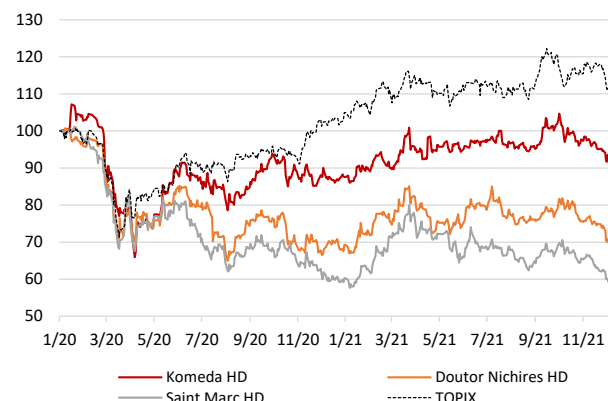
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

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)
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%
10/28/21	Create Restaurants HD	3387	Common shares	17,274	Public offering of new shares. Issue price 722 yen
11/30/21	Gourmet Kineya	9850	Subordinated loans	4,000	

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.

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