



# Skylark Holdings

TSE 1st Section 3197 Industry: Food service, retail

## December sales; Industry update; Omicron

### December SSS: Recovery progresses thanks to promotions

Skylark HD (3197, the company) disclosed monthly data for December (on a preliminary basis). Same-store sales rebounded on the back of a recovery in the foot traffic, and corresponding promotions (resumption of TV ads, 99 yen alcohol beverage campaign, and 399 yen menu at Gusto). However, sales did not reach the pre-pandemic level mainly due to the shortening of late-night opening hours from July 2020.

Same-store sales were 114.4% vs. December 2020 (December 2020 = 100%; 95.3% for November), and 89.8% vs. December 2019 (December 2019 =100%; 81.0% for November). The number of holidays (weekends and national holidays) was the same as in December 2020 and one less than in December 2019. Compared to December 2020, the number of customers was 114.0% (94.5% for November) and the average check was 100.4% (100.8% for November). Compared to December 2019 (our estimate), the number of customers was 89.1% (79.2% for November), and the average check was 100.3% (102.4% for November).

In December, the company opened one new store. The number of stores at the end of December was 3,094 (+/-0 MoM).

Compared to 2020, Jan-Dec cumulative all-store sales were 91.8%, and same-store sales were 94.1%.

### Same-store sales for other restaurant companies (vs. December 2019)

- Kura Sushi (2695): 111.2% (Nov 110.5%, Oct 101.0%)
- Food & Life Companies (3563): Sushiro 98.8% (Nov 91.2%, Oct 98.0%)
- Saizeriya (7581): 87.1% (Nov 87.9%, Oct 88.9%)
- Royal HD (8179): Royal Host 91.8% (Nov 96.2%, Oct 95.5%)
- Ohsho Food Service (9936): 101.2% (Nov 98.1%, Oct 102.6%)

### Our view on Omicron variant risk

The number of people infected with the new coronavirus has been rapidly increasing. If restaurants are again asked to shorten their hours of operation, in-store dining sales should be negatively impacted in general. Although the company saw reasonable growth in take-out and delivery sales during the past infection spread phase, it was not enough to compensate for the decline in in-store dining sales. Nevertheless, the adverse impact on profits should be mitigated by the expectation of subsidy income if requests for shorter hours are issued. In the 3Q (July-September), when the Delta variant was in full swing, the company posted a significant profit (6.2 bn yen pre-tax profit) due to the subsidy effect (see page 4).

Please refer to the report dated July 1, 2021 for the rationale of the rating and target price.

MITA SECURITIES Co., Ltd.  
Junichi Shimizu  
Chief Analyst, Head of Research

jshimizu@mitasec.com

## Update

Rating  
**Hold**

Target price (JPY)	1,550
Stock price (JPY) (Jan 7)	1,470
Market cap (JPYbn)	334.4

### Key changes

Rating	No
Target price	No
Earnings forecast	No

### Stock price (JPY)



Source: Bloomberg Finance LP

### Earnings

IFRS		12/19	12/20	12/21E	12/22E	12/23E
Sales	JPYbn	375.4	288.4	282.0	332.4	362.1
OP	JPYbn	20.6	-23.0	5.3	7.5	20.7
Pre-tax Profit	JPYbn	16.7	-26.4	1.5	4.6	17.9
NP	JPYbn	9.5	-17.2	0.5	2.7	12.0
EPS	JPY	48.0	-87.2	2.2	11.8	52.6
BPS	JPY	672	576	699	711	759
DPS	JPY	19.0	0.0	0.0	4.0	16.0
PER	x	44.4	-18.3	675.6	126.1	28.4
PBR	x	3.2	2.8	2.1	2.1	2.0
Div. yield	%	0.9	0.0	0.0	0.3	1.1
ROA	%	2.4	-3.8	0.1	0.6	2.5
ROE	%	7.2	-14.0	0.4	1.7	7.2

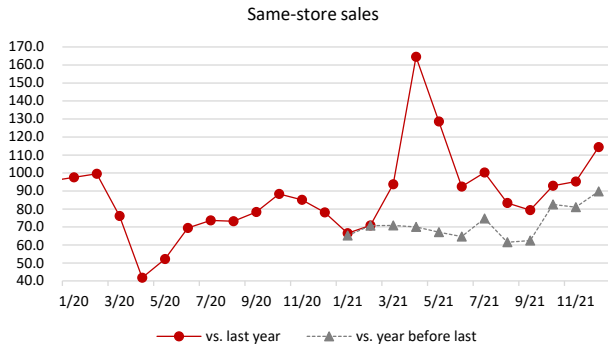
Source: Company data, Mita Securities

### Company profile

Skylark HD is Japan's largest operator of family restaurants, including "Gusto," and "Bamiyan." The company had 3,105 stores at the end of September 2021. FY12/20 sales were 288.4bn yen.

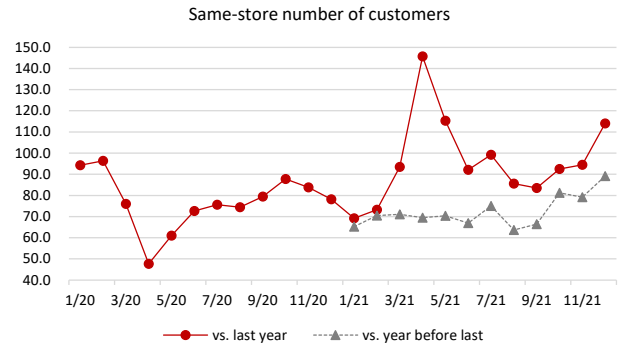
Monthly data for Skylark Holdings

Figure: Same-store sales



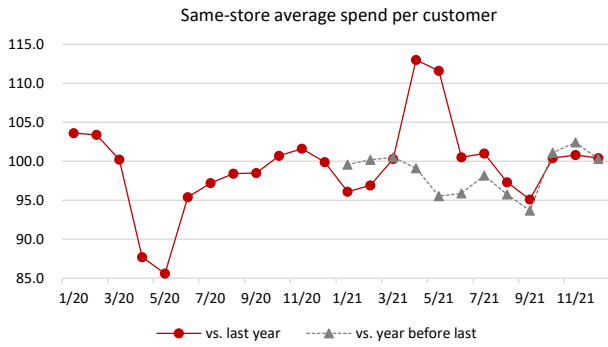
Source: Company data, Mita Securities Note: Same month last year or year before last = 100

Figure: Same-store number of customers



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

Figure: Same-store average spend per customer



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

Monthly data for food service companies

Figure: Monthly data for food service companies covered by Mita Securities

Ticker	Company name		1/20	2/20	3/20	4/20	5/20	6/20	7/20	8/20	9/20	10/20	11/20	12/20	1/21	2/21	3/21	4/21	5/21	6/21	7/21	8/21	9/21	10/21	11/21	12/21		
2695	Kura Sushi	vs. prev yr	104.8	112.2	84.5	51.9	80.0	97.4	92.3	94.6	107.9	126.1	134.4	94.6	84.5	86.2	115.4	174.2	112.7	93.5	113.1	94.8	74.8	80.1	82.2	117.5		
		vs. 2019														88.6	96.7	97.5	90.4	90.2	91.1	104.4	89.7	80.7	101.0	110.5	111.2	
3097	Monogatari Corporation	vs. prev yr	105.3	125.7	97.2	13.8	48.6	96.1	104.0	92.2	97.3	109.3	114.0	93.9	77.1	68.2	86.9	600.4	160.4	76.9	91.7	81.6	80.8	102.6	95.2			
		vs. 2019														81.2	85.7	84.5	82.9	78.0	73.9	95.4	75.2	78.6	112.1	108.5		
		Yakiniku division	vs. prev yr	106.4	137.5	103.7	14.9	50.3	103.3	111.5	97.6	101.6	116.7	123.3	99.2	80.1	66.8	84.7	577.0	163.1	74.0	91.5	84.8	90.3	108.6	97.0		
		vs. 2019														85.2	91.9	87.8	86.0	82.0	76.4	102.0	82.8	91.7	126.7	119.6		
	Ramen division	vs. prev yr	104.6	107.7	90.5	14.3	54.1	90.8	93.7	88.3	94.5	99.7	96.7	91.6	82.2	76.4	87.9	546.9	148.9	82.9	95.4	82.1	76.3	96.1	100.1			
		vs. 2019														86.0	82.3	79.5	78.2	80.6	75.3	89.4	72.5	72.1	95.8	96.8		
	Yuzuan division	vs. prev yr	103.6	107.6	84.7	10.9	42.6	83.7	96.1	84.9	91.0	101.2	106.6	89.4	71.1	69.1	94.3	697.3	162.7	81.6	90.7	71.4	65.8	94.3	85.6			
		vs. 2019													73.7	74.4	79.9	76.0	69.3	68.3	87.2	60.6	59.9	95.4	91.2			
3193	Torikizoku HD	vs. prev yr	107.5	106.0	83.9	3.9	12.1	73.2	76.8	59.1	77.2	93.1	81.3	51.9	28.1	32.7	55.4	948.7	41.5	18.0	38.9	16.6	8.8	66.7	92.7			
		vs. 2019													30.2	34.7	46.5	37.0	5.0	13.2	29.9	9.8	6.8	62.1	75.4			
3197	Skylark HD	vs. prev yr	97.6	99.6	76.1	41.8	52.2	69.4	73.6	73.2	78.3	88.4	85.1	78.1	66.5	70.9	93.7	164.6	128.6	92.5	100.3	83.3	79.4	92.9	95.3	114.4		
		vs. 2019													65.3	70.7	70.9	70.0	67.1	64.7	74.7	61.5	62.5	82.5	81.0	89.8		
3543	Komeda HD	vs. prev yr	101.8	112.9	90.5	53.1	71.3	85.5	89.9	92.5	101.0	101.6	96.0	95.2	89.2	93.8	109.5	188.1	134.0	108.2	119.7	98.7	89.6	104.0	105.9			
		vs. 2019													90.8	105.9	99.0	99.9	95.6	92.8	107.9	91.6	90.7	105.8	101.8			
9936	Ohsho Food Service	vs. prev yr	109.9	111.3	96.6	78.3	88.2	93.5	93.9	95.8	94.6	100.7	97.5	96.1	88.8	89.5	95.8	121.2	103.7	102.4	104.6	91.4	90.6	101.9	100.6	105.3		
		vs. 2019													97.6	99.6	92.5	94.9	91.5	95.7	98.2	87.6	85.7	102.6	98.1	101.2		

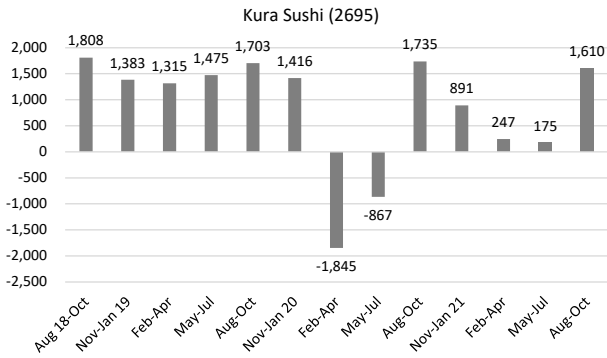
Source: Companies' data, Mita Securities

Figure: Monthly data for food service companies not covered by Mita Securities

Ticker	Company name		1/20	2/20	3/20	4/20	5/20	6/20	7/20	8/20	9/20	10/20	11/20	12/20	1/21	2/21	3/21	4/21	5/21	6/21	7/21	8/21	9/21	10/21	11/21	12/21	
2702	McDonald's HD Japan	vs. prev yr	102.6	114.7	99.9	106.5	115.2	96.8	101.0	112.4	106.3	110.7	109.6	107.2	118.7	101.0	107.5	109.2	105.7	114.7	121.0	105.3	114.7	113.4	105.4	102.4	
		vs. 2019														121.8	115.8	107.4	116.3	121.8	111.0	122.2	118.4	121.9	125.5	115.5	109.8
3053	Pepper Food Service (Kinari! Steak)	vs. prev yr	66.5	61.3	51.1	37.4	49.4	57.6	64.0	62.0	67.1	74.6	71.1	67.6	64.6	71.5	86.9	144.7	157.4	80.5	81.2	79.9	76.3	84.3	98.2		
		vs. 2019													43.0	43.8	44.4	54.1	77.8	46.4	52.0	49.5	51.2	62.9	69.8		
3085	Arcland Service HD (Katsuya)	vs. prev yr	104.3	106.3	94.6	89.6	97.7	96.4	106.9	103.2	94.7	101.7	104.7	100.6	100.2	99.0	100.9	114.1	104.8	101.2	106.8	95.2	99.8	102.7	103.4	104.2	
		vs. 2019													104.5	105.2	95.5	102.2	102.4	97.6	114.2	98.2	94.5	104.4	108.3	104.8	
3087	Doutor Nichires HD (Doutor Coffee Shop)	vs. prev yr	100.6	96.2	77.9	35.9	36.5	67.0	68.8	69.3	71.8	79.6	76.2	77.2	68.4	73.5	97.4	204.6	192.3	113.5	112.8	96.3	95.9	102.0	109.2		
		vs. 2019													68.8	70.7	75.9	73.5	70.2	76.2	77.9	67.0	69.1	81.4	83.5		
3397	Toridoll HD	vs. prev yr	106.4	108.9	84.7	50.0	63.2	83.6	85.5	88.4	86.2	94.6	93.4	87.0	79.1	78.4	99.5	184.8	147.6	108.3	113.5	94.5	103.2	101.9	101.7	106.2	
		vs. 2019													84.2	85.4	84.3	92.4	93.3	90.5	97.0	83.5	89.0	96.4	95.0	92.4	
		Marugame Seimen	vs. prev yr	108.1	110.0	86.5	50.3	63.6	85.2	86.2	90.0	86.5	94.4	83.8	88.0	78.0	82.0	99.5	184.0	147.9	109.1	115.4	94.7	105.6	102.4	101.4	104.8
vs. 2019														84.3	90.2	86.1	92.6	94.1	93.0	99.5	85.2	91.3	96.7	85.0	92.2		
3563	Food & Life Companies (Sushiro)	vs. prev yr	107.0	112.0	86.3	55.6	81.4	97.9	96.5	87.7	97.1	104.3	94.7	98.7	95.1	99.9	120.0	178.0	112.6	95.3	103.5	96.4	90.0	94.0	96.3	100.1	
		vs. 2019													101.8	111.9	103.6	99.0	91.7	93.3	99.9	84.5	87.4	98.0	91.2	98.8	
7550	Zensho HD (Sukiya)	vs. prev yr	101.9	110.0	92.2	88.1	90.8	91.3	102.7	98.8	98.4	104.9	100.5	101.3	99.8	92.1	104.6	114.2	118.1	108.9	108.7	100.5	103.0	105.4	104.6	118.2	
		vs. 2019													101.7	101.3	96.4	100.6	107.2	99.4	111.6	99.3	101.4	110.6	105.1	119.7	
7581	Saizeriya	vs. prev yr	105.1	106.6	78.5	38.6	47.8	66.5	72.9	71.5	77.3	90.1	84.0	75.2	62.0	67.1	91.3	192.3	139.7	98.9	101.1	83.4	76.7	98.7	104.6	115.8	
		vs. 2019													65.2	71.5	71.7	74.2	66.8	65.8	73.7	59.6	59.3	88.9	87.9	87.1	
7611	Hiday Hidaka	vs. prev yr	100.8	104.7	82.0	49.3	48.0	65.8	73.9	75.7	80.7	87.0	82.3	77.9	55.7	54.3	70.5	118.3	99.3	78.9	74.2	62.6	62.2	81.6	95.4	103.5	
		vs. 2019													56.1	56.9	57.8	58.3	47.7	51.9	54.8	47.4	50.2	71.0	78.5	80.6	
7630	Ichibanya	vs. prev yr	100.3	102.5	90.2	74.0	79.5	85.1	89.3	91.4	89.2	96.2	89.8	91.0	84.2	80.9	91.3	118.7	110.0	95.8	96.0	89.0	88.8	95.5	97.4	103.3	
		vs. 2019													84.5	82.9	82.4	87.8	87.5	81.5	85.7	81.3	79.2	91.9	87.5	94.0	
8153	Mos Food Services	vs. prev yr	108.7	115.9	100.9	103.7	112.2	106.2	106.6	102.9	100.3	107.7	123.5	114.2	108.9	110.0	109.3	112.6	120.5	111.0	113.4	111.5	117.3	115.1	97.5		
		vs. 2019													118.4	127.5	110.3	116.8	135.2	117.9	120.9	114.7	117.7	124.0	120.4		
8179	Royal HD	vs. prev yr	103.8	103.9	79.7	42.1	54.2	78.2	86.1	81.2	83.5	95.3	90.8	79.8	69.5	76.4	103.2	191.6	148.8	99.7	97.2	85.9	85.1	100.2	105.9	115.0	
		vs. 2019													72.1	79.4	82.3	80.7	80.6	78.0	83.7	69.8	71.1	95.5	96.2	91.8	
		Tendon Tenya	vs. prev yr	95.9	98.2	79.1	58.1	63.6	80.1	81.6	86.4	83.6	92.0	88.6	84.1	89.3	96.6	108.7	157.6	147.7	110.1	114.1	104.5	107.7	108.7	112.3	111.1
vs. 2019														85.6	94.9	86.0	91.6	93.9	88.2	93.1	90.3	90.0	100.0	99.5	93.4		
8200	Ringer Hut	vs. prev yr	98.1	97.5	74.8	42.6	51.3	70.9	74.9	73.3	76.																

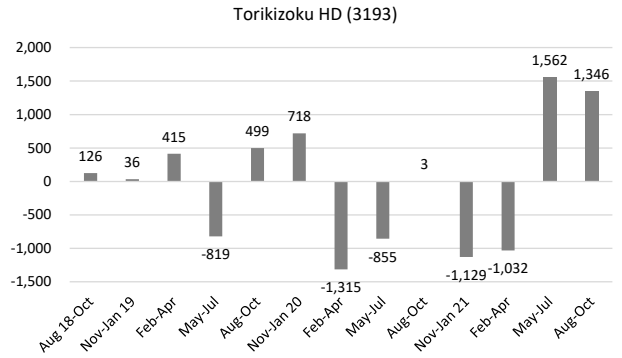
Pre-tax profits for food service companies covered by Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



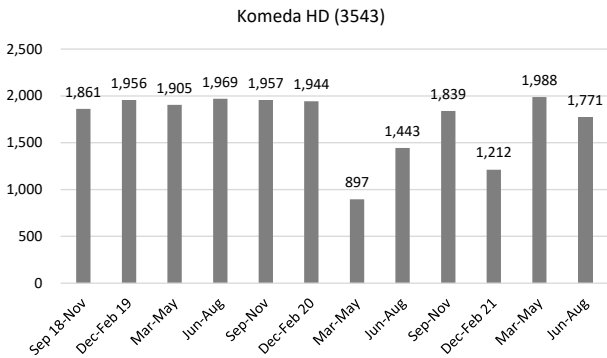
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



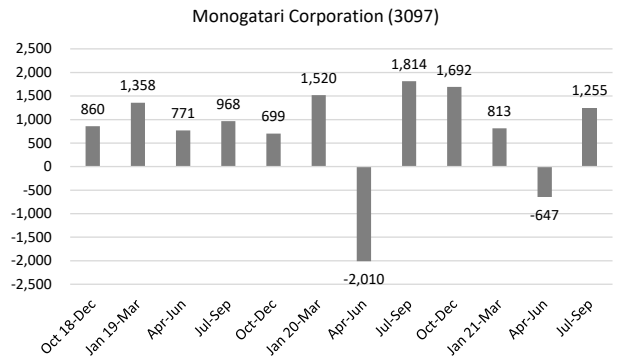
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



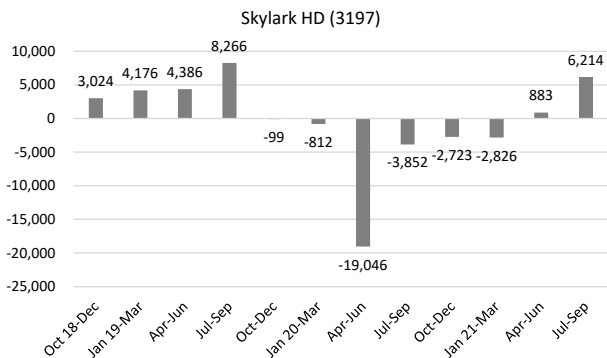
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



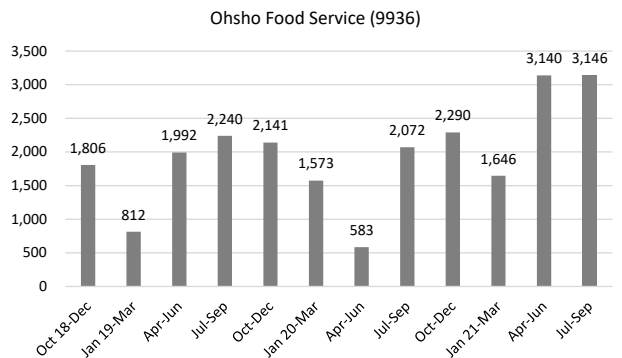
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



Source: Company data, Mita Securities

Comparison of valuations with peers

Figure: Comparison of valuations for food service companies

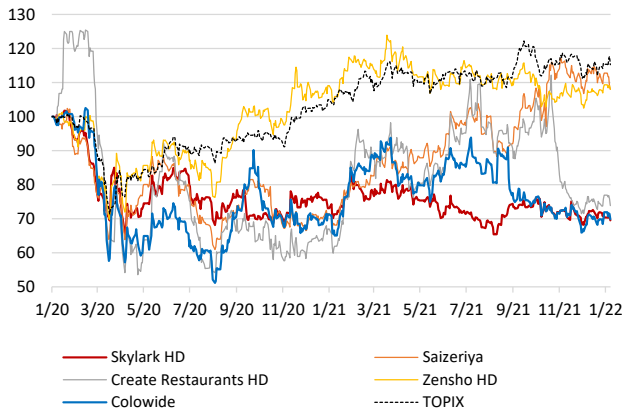
Company name	Ticker	PX 6-Jan	Mkt cap JPYbn	Net D/E Last	Sales YoY LTM	EBITDA Mgn LTM	ROE LTM	ROE Cur E	ROE Nxt E	PER LTM	PER Cur E	PER Nxt E	PBR Last	EV/EBITDA Cur E	EV/Sales Cur E	Div yield Cur E	1M Chg	3M Chg	1YR Chg
<b>KURA SUSHI INC</b> (TP 5,000 Buy)	2695	3,680	152.4	0.1	8.7	2.3	4.1	8.3	10.6	76.7	36.3	24.1	3.0	12.9	0.9	0.6	-1.2	4.8	25.4
MCDONALD'S HOLDINGS CO JAPAN	2702	5,110	679.4	-0.2	9.1	14.4	12.3	12.0	12.0	30.9	30.1	26.8	3.6	12.7	1.9	0.7	1.2	0.0	1.8
OOTOYA HOLDINGS CO LTD	2705	2,701	19.6	0.2	-12.1	6.0	NA	NA	NA	38.2	NA	NA	NA	NA	NA	NA	1.8	1.8	22.8
FUIJO FOOD GROUP INC	2752	1,316	58.7	3.6	-12.3	8.8	-12.7	21.2	NA	NA	49.8	35.9	10.7	NA	2.6	0.0	-6.7	-1.8	9.6
AMIYAKI TEI CO LTD	2753	2,970	20.3	-0.1	-14.5	-13.9	2.0	2.6	NA	50.1	39.1	37.6	1.0	NA	0.5	0.3	-0.3	4.1	3.7
HIRAMATSU INC	2764	179	13.4	4.1	9.1	-25.3	-67.3	NA	NA	NA	NA	NA	2.1	NA	NA	NA	-12.7	-13.5	28.8
PEPPER FOOD SERVICE CO LTD	3053	325	12.8	2.4	NA	-6.2	NA	NA	NA	NA	NA	NA	8.5	NA	NA	NA	-18.3	-13.1	33.7
CHOLUSHIMARU CO LTD	3075	1,116	16.2	-0.8	-1.7	1.3	10.2	NA	NA	21.3	NA	NA	2.1	NA	NA	NA	0.5	-4.3	10.2
ARCLAND SERVICE HOLDINGS CO	3085	2,233	73.9	-0.6	21.1	12.9	19.4	19.4	12.5	16.5	15.6	22.3	3.0	10.6	1.4	1.3	-4.2	0.3	6.1
DOUTOR NICHIREI HOLDINGS CO	3087	1,598	72.9	-0.3	-2.7	3.3	-3.2	4.2	1.5	NA	17.6	24.8	0.7	10.4	0.4	1.6	0.1	-6.3	10.0
BRONCO BILLY CO LTD	3091	2,415	36.4	-0.3	-12.6	6.8	4.4	NA	NA	47.1	NA	NA	2.0	NA	NA	0.7	-0.3	-1.4	10.1
<b>MONOGATARI CORP</b> (TP 9,100 Buy)	3097	6,180	74.7	0.1	7.4	9.7	11.7	16.4	16.2	32.9	21.1	18.9	3.7	9.9	1.0	1.1	-15.7	-15.1	7.5
CHIMNEY CO LTD	3178	1,147	22.2	0.8	-61.2	-34.0	-43.7	NA	NA	NA	NA	NA	3.3	NA	NA	NA	-10.8	-20.0	2.2
<b>TORIKIZOKU HOLDINGS CO LTD</b> (TP 2,100 Hold)	3193	1,670	19.4	0.6	NA	NA	NA	8.1	11.4	NA	NA	34.1	3.2	NA	1.1	0.0	-2.4	-14.0	21.7
HOTLAND CO LTD	3196	1,246	26.9	0.6	5.8	4.5	15.8	22.3	NA	22.5	15.3	26.1	3.2	NA	1.0	0.4	-8.0	-5.7	8.0
<b>SKYLARK HOLDINGS CO LTD</b> (TP 1,550 Hold)	3197	1,494	339.9	2.1	-12.9	28.6	-0.2	2.6	5.1	NA	68.3	47.9	2.1	7.1	1.6	1.0	-2.6	-1.5	-2.6
SFP HOLDINGS CO LTD	3198	1,374	35.4	-0.1	-53.8	-1.0	-19.2	14.4	NA	NA	19.7	23.6	3.0	NA	2.4	0.0	-0.4	-3.2	10.5
CREATE RESTAURANTS HOLDINGS	3387	698	148.5	3.5	-28.7	21.7	0.8	27.2	NA	1,125.8	20.7	31.7	6.1	NA	2.6	0.6	-3.5	-21.4	19.3
SAINT MARC HOLDINGS CO LTD	3395	1,467	33.4	-0.2	-7.3	-6.1	-22.2	-12.9	2.8	NA	NA	36.0	1.0	NA	0.5	3.0	1.9	-6.3	7.9
TORIDOLL HOLDINGS CORP	3397	2,435	213.3	3.0	5.7	12.5	5.1	8.3	6.0	127.4	56.8	44.9	6.1	11.2	2.2	0.3	-2.6	-1.0	81.9
<b>KOMEDA HOLDINGS CO LTD</b> (TP 3,000 Buy)	3543	2,044	94.3	1.5	8.1	23.7	13.0	13.5	13.7	20.7	18.8	17.4	2.6	15.6	4.2	2.5	-0.2	-0.6	11.5
KUSHIKATSU TANAKA HOLDINGS C	3547	1,936	18.2	0.3	-38.7	-22.6	-36.9	2.7	31.4	NA	253.1	35.1	13.4	NA	3.9	0.3	-5.1	-7.1	35.8
CHIKARANOMOTO HOLDINGS CO LT	3561	573	15.5	3.7	-14.9	6.6	-15.0	NA	NA	NA	NA	NA	5.0	NA	NA	NA	-5.0	-4.3	6.3
FOOD & LIFE COMPANIES LTD	3563	4,120	478.2	2.2	17.5	16.2	23.0	21.3	23.5	36.3	33.4	25.6	7.5	14.1	2.0	0.6	-8.3	-14.1	15.2
ATOM CORP	7412	762	147.5	0.2	-19.3	1.6	-10.9	NA	NA	NA	NA	NA	18.7	NA	NA	NA	-0.3	2.8	-9.0
KAPPA CREATE CO LTD	7421	1,317	65.1	0.4	0.9	3.7	8.2	NA	NA	74.6	NA	NA	5.9	NA	NA	NA	-4.4	-0.2	-7.6
WATAMI CO LTD	7522	875	37.3	3.5	-18.0	-7.4	-75.2	NA	NA	NA	NA	NA	2.8	NA	NA	NA	-3.1	-14.0	5.7
ZENSHO HOLDINGS CO LTD	7550	2,694	417.2	2.2	4.3	7.2	12.4	17.1	12.9	38.6	25.3	31.2	4.5	12.1	0.9	0.8	0.3	5.0	2.0
KOURAKUEN HOLDINGS CORP	7554	1,400	23.5	1.1	-14.4	4.7	13.5	13.6	NA	47.6	42.2	2,000.0	6.0	NA	1.0	0.4	-6.3	-3.6	-8.8
ANRAKUTEI CO LTD	7562	6,330	13.5	1.6	27.2	-4.7	2.7	NA	NA	118.5	NA	NA	3.2	NA	NA	NA	5.3	6.4	26.7
SAIZERIYA CO LTD	7581	2,906	151.9	-0.2	-0.3	6.3	2.2	9.8	6.8	80.1	16.8	21.7	1.7	7.7	0.9	0.6	-5.3	9.2	58.5
HIDAY HIDAKA CORP	7611	1,690	64.5	-0.3	-24.5	-10.2	-1.2	NA	NA	NA	NA	NA	3.0	NA	NA	NA	0.7	2.1	2.7
COLOWIDE CO LTD	7616	1,611	140.0	3.6	-7.6	12.0	-16.2	NA	NA	NA	NA	NA	4.0	NA	NA	NA	-1.1	-1.5	7.4
UKAI CO LTD	7621	2,994	15.7	1.5	-3.1	-8.0	-40.6	NA	NA	NA	NA	NA	7.0	NA	NA	NA	-0.9	-1.8	0.8
GLOBAL-DINING INC	7625	362	3.8	0.9	34.8	7.0	25.6	NA	NA	5.7	NA	NA	1.3	NA	NA	NA	-11.3	-26.6	89.5
ICHIBANYA CO LTD	7630	4,585	146.4	-0.5	-3.7	9.4	8.7	8.9	NA	56.6	54.2	38.5	4.9	NA	2.9	1.7	-0.2	4.2	-10.8
ASAKUMA CO LTD	7678	1,544	8.3	-0.4	-22.5	-22.4	-29.2	NA	NA	NA	NA	NA	3.2	NA	NA	NA	0.3	0.1	2.3
MOS FOOD SERVICES INC	8153	3,090	98.9	-0.2	12.3	10.5	8.1	6.3	NA	25.9	32.1	30.8	2.0	NA	1.1	0.9	-2.5	-0.3	4.9
KISSOJI CO LTD	8160	2,196	58.4	0.0	-12.5	NA	-13.7	NA	NA	NA	NA	NA	2.4	NA	NA	NA	1.9	-0.7	-5.8
SRS HOLDINGS CO LTD	8163	775	30.1	0.5	-0.7	8.0	8.8	NA	NA	29.4	NA	NA	2.2	NA	NA	NA	-0.6	2.0	-1.9
ROYAL HOLDINGS CO LTD	8179	1,846	83.8	2.3	-15.6	-10.7	-47.6	-13.8	10.9	NA	NA	45.7	3.0	NA	1.6	0.0	-3.8	-10.9	10.7
RINGER HUT CO LTD	8200	2,261	58.9	1.0	-14.1	-2.2	-13.0	6.3	NA	NA	89.7	221.7	5.3	NA	2.0	0.4	2.0	-1.7	1.4
GIFT INC	9279	2,467	24.6	0.0	22.7	9.2	29.8	28.0	NA	23.0	16.6	16.8	6.0	NA	1.4	1.0	-13.6	-13.1	44.2
GENKI SUSHI CO LTD	9828	2,501	22.2	0.6	6.7	5.8	6.3	NA	NA	42.4	NA	NA	2.6	NA	NA	NA	-1.2	-8.3	11.4
GOURMET KINEYA CO LTD	9850	990	22.7	1.5	-20.1	6.3	-16.2	NA	NA	NA	NA	NA	2.7	NA	NA	NA	-3.4	2.3	3.9
GINZA RENOI CO LTD	9853	828	5.2	0.1	-25.9	-39.4	-37.8	NA	NA	NA	NA	NA	1.7	NA	NA	NA	-0.1	0.5	2.2
YOSHINOYA HOLDINGS CO LTD	9861	2,266	147.6	0.8	-14.9	8.1	3.2	11.2	2.5	109.9	29.3	133.1	3.4	16.9	1.1	0.0	-1.6	7.3	20.1
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	0.0	-0.2	2.2
MATSUYA FOODS HOLDINGS CO LTD	9887	3,605	68.7	0.3	-4.7	0.8	2.3	NA	NA	72.6	NA	NA	1.7	NA	NA	NA	0.3	-1.0	8.1
SAGAMI HOLDINGS CORP	9900	1,026	31.1	-0.2	-6.9	-5.6	-5.7	NA	NA	NA	NA	NA	2.2	NA	NA	NA	-1.6	5.7	-10.9
<b>OHSO FOOD SERVICE CORP</b> (TP 7,250 Buy)	9936	6,110	142.3	-0.2	-0.3	11.6	12.8	12.0	10.1	16.7	16.6	19.8	2.0	NA	1.5	1.8	-0.5	5.5	8.1
JOYFULL CO LTD	9942	805	25.7	4.9	-22.8	-6.6	105.9	NA	NA	9.9	NA	NA	6.0	NA	NA	NA	-0.4	0.2	20.0
DAISYO CORP	9979	972	20.6	0.9	-21.0	3.0	-35.7	NA	NA	NA	NA	NA	1.8	NA	NA	NA	-0.7	-4.2	4.5
Average				1.0	-6.5	1.5	-3.5	10.8	11.2	83.2	42.4	113.8	4.1	11.8	1.7	0.8	-2.9	-3.4	12.7
Median				0.5	-6.9	4.7	2.2	11.2	10.9	38.2	29.7	31.2	3.0	11.6	1.4	0.6	-1.2	-1.4	7.9

Source: Bloomberg Finance LP data, Mita Securities

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

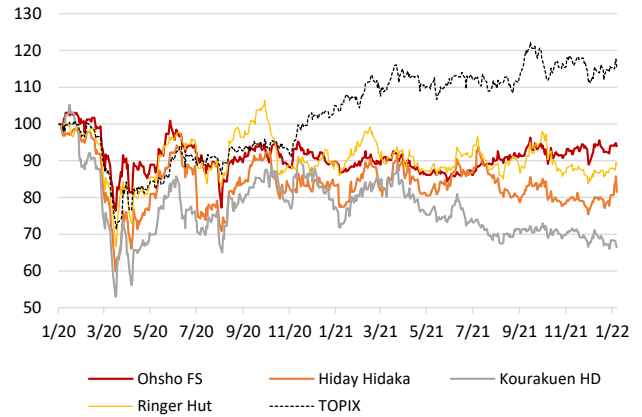
Stock price trends for food service companies

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



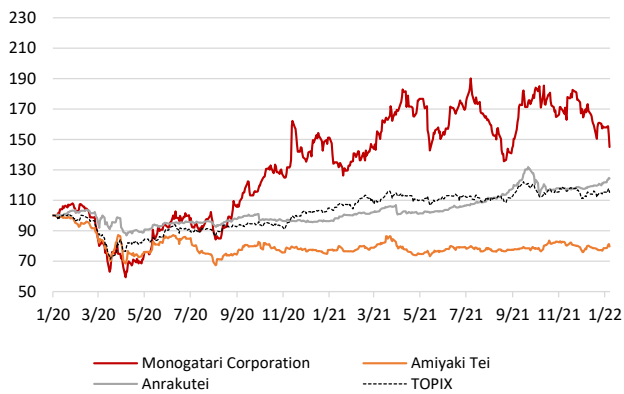
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Chinese restaurants)



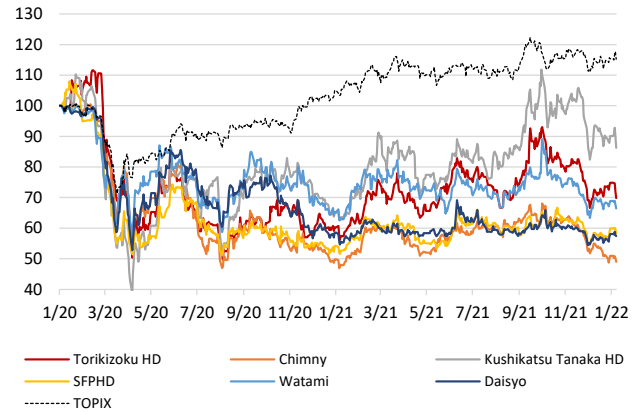
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese BBQ)



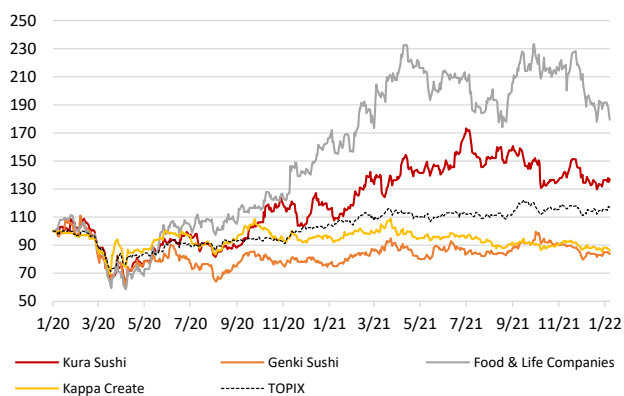
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese style pubs)



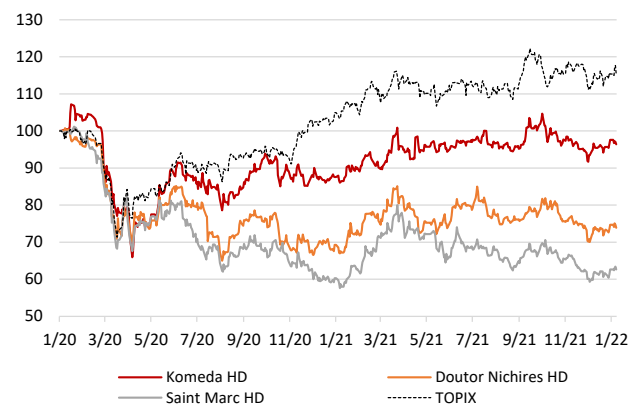
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

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

## 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.

### [Ratings]

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.

### [Potential Conflicts of Interest]

Mita Securities Co., Ltd. and its affiliates have or may in the future have transactions with the companies mentioned in this report, such as providing investment banking services to them. Therefore, investors viewing this report should be aware that Mita Securities Co., Ltd. and its affiliates may have conflicts of interest that could affect the objectivity of this report. Mita Securities Co., Ltd. may in the future hold or trade shares of the stocks listed in this report. Mita Securities Co., Ltd. may also take positions to sell or buy in a manner that conflicts or is inconsistent with the investment decisions and views expressed in this report. Please refer to this report only as one factor for reference in making investment decisions.

### [Important Disclosures]

1. Mita Securities Co., Ltd. has a parent company, subsidiary, affiliated company or related company relationship with the company covered by this report: N/A
2. An officer of Mita Securities Co., Ltd. is concurrently an officer of the company covered by this report: N/A
3. Mita Securities Co., Ltd. owns 5% or more of the total number of issued common shares, etc. of the company covered by this report (as of the end of the previous month): N/A
4. Mita Securities Co., Ltd. has acted as lead manager or joint lead manager for the public offering of securities of the company covered by this report in the past 12 months: N/A
5. The analyst(s) listed on the cover of this report is a director or advisor of the company covered by this report: N/A
6. Any family member of the analyst(s) listed on the cover of this report is a director or an advisor of the company covered by this report: N/A
7. The analyst(s) listed on the cover of this report or their family members hold securities (common stock, corporate bonds, convertible bonds, etc.) of the company covered by this report: N/A

### [General Disclaimer]

The contents and descriptions in this report are based on publicly available information, and have been prepared by analysts with necessary supplements through interviews. The authors of this report are prohibited from using insider information as well as from obtaining such information. The information contained in this report is believed to be accurate and reliable, but its accuracy has not been objectively verified. This report is not intended to contain all the information required by investors. The information contained in this report may be out of date due to changes in the financial market or economic environment. Stocks mentioned directly or indirectly in this report are subject to the risk of losing the principal amount invested due to factors such as changes in stock prices, changes in the management and financial conditions of the issuer, and fluctuations in interest rates and exchange rates. Past performance does not imply or guarantee future performance. The views expressed in this report are subject to change without notice, and Mita Securities Co., Ltd. assumes no obligation to update the information or views contained in this report. Mita Securities Co., Ltd. assumes no responsibility whatsoever for any direct or indirect loss or damage, including lost profits, resulting from the use of or reliance on this report by investors. The information provided by the Company is intended to serve as a reference for investment decisions and is not intended to promise future results. Final investment decisions should be made by investors themselves. The copyright of this report belongs to Mita Securities Co., Ltd. and may not be reproduced, transcribed, or quoted without permission. This report does not constitute a prospectus or other offering document and is not intended as an offer to sell or a solicitation of an offer to buy any securities in any country or region where the solicitation of securities is not permitted. No person to whom this report has been delivered may deliver, circulate or distribute this report, or reproduce, grant or make available for inspection, this report to any other person.

### [Disclaimer for the English version of the report]

The Japanese version of this report is the official version, and the English version is a translation of the Japanese version. In the event of any discrepancy between the Japanese and English versions, the Japanese version shall always take precedence. Mita Securities Co., Ltd. makes no guarantee as to the accuracy and completeness of the content of the English version of this report.

### [Important notes concerning the Financial Instruments and Exchange Act]

When conducting transactions in accordance with the contents of this report, the customer may be required to bear the prescribed fees and expenses for each service or product. In addition, there is a possibility that each service or product may incur losses due to price fluctuations, etc. Since each service or product has different fees, etc. and risks, please read carefully the documents for listed securities, etc., pre-contract documents for the relevant service or product, etc., or materials for customers.

### Company Name

Mita Securities Co., Ltd. / Financial Instruments Business Operator, Director-General of the Kanto Local Finance Bureau (Kinsho) No. 175

### Memberships

Japan Securities Dealers Association