



Ohsho Food Service

TSE 1st Section 9936 Industry: Food service, retail

Record high sales for December

Monthly data for December: Positive impression

Ohsho Food Service (9936, the company) disclosed monthly data for its directly-owned stores for December (on a preliminary basis). All-store sales for December totaled 7.040bn yen, 107.6% vs. December 2020 (same month last year =100%), setting a new record high for December. Both in-store sales and take-out/delivery sales showed strong growth. Also, on Saturday, December 11, the company recorded its highest-ever sales on a daily basis.

Same-store sales were 105.3% vs. December 2020 (same month last year = 100%; 100.6% for November). The number of holidays (weekends and national holidays) was the same as in December 2020. The breakdown is as follows: number of customers 102.1% (97.6% for November); average spend per customer 103.2% (103.1% for November).

Same-store sales were 101.2% vs. December 2019 (our estimate; 98.1% for November). The number of holidays was one less than in December 2019.

In December, the company opened one new store (one directly-owned store) and closed no store, bringing the total number of directly-owned stores at the end of December to 533 (+1 MoM) and franchised stores to 201 (+/-0 MoM).

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)	7,250
Stock price (JPY) (Dec 30)	6,110
Market cap (JPYbn)	142.3

Key changes

Rating	No
Target price	No
Earnings forecast	No

Stock price (JPY)



Source: Bloomberg Finance LP

Earnings

		3/20	3/21	3/22E	3/23E	3/24E
Sales	JPYbn	85.6	80.6	88.4	94.2	96.9
OP	JPYbn	7.7	6.1	7.5	8.8	9.1
RP	JPYbn	8.1	6.9	8.8	9.2	9.4
NP	JPYbn	5.3	4.3	5.5	5.9	6.1
EPS	JPY	283.0	228.4	295.1	315.9	323.9
BPS	JPY	2,681	2,821	3,016	3,212	3,396
DPS	JPY	120.0	100.0	120.0	140.0	150.0
PER	x	20.4	25.5	20.7	19.3	18.9
PBR	x	2.2	2.1	2.0	1.9	1.8
Div. yield	%	2.1	1.7	2.0	2.3	2.5
ROA	%	8.1	5.4	6.0	6.2	6.4
ROE	%	10.9	8.3	10.1	10.1	9.8

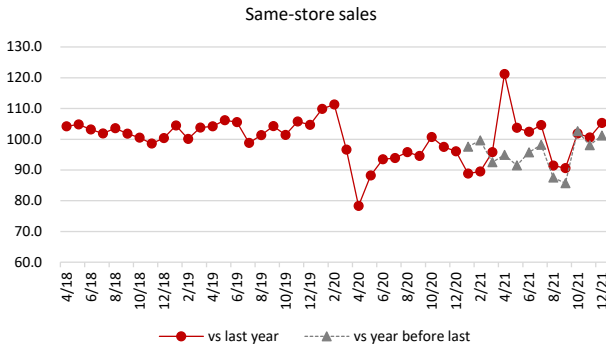
Source: Company data, Mita Securities

Company profile

Ohsho Food Service is a Kyoto-based restaurant company that operates the largest Chinese restaurant chain "Gyoza no Ohsho" nationwide. 734 restaurants (528 directly owned, 206 franchised) at the end of FY3/21. Sales of 80.6bn yen in FY3/21. Take-out and delivery sales are strong.

Monthly data for Ohsho Food Service

Figure: Directly-owned, same-store sales



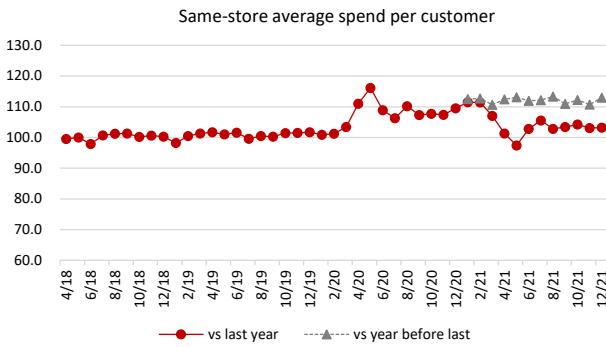
Source: Company data, Mita Securities Note: Same month last year or year before last = 100

Figure: Directly-owned, same-store number of customers



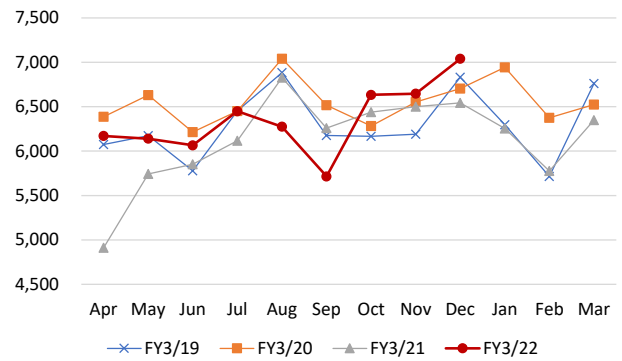
Source: Company data, Mita Securities Note: Same month last year or year before last = 100

Figure: Directly-owned, same-store ave spend per customer



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

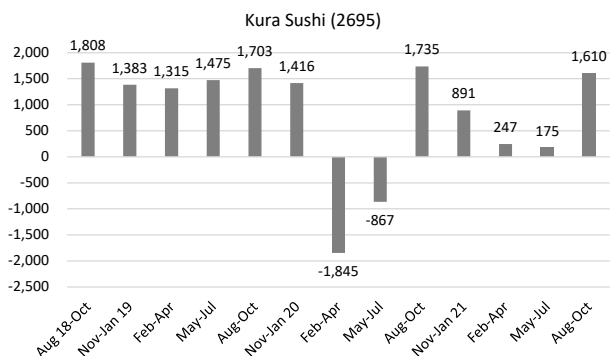
Figure: Directly-owned, all-store sales (JPYm)



Source: Company data, Mita Securities

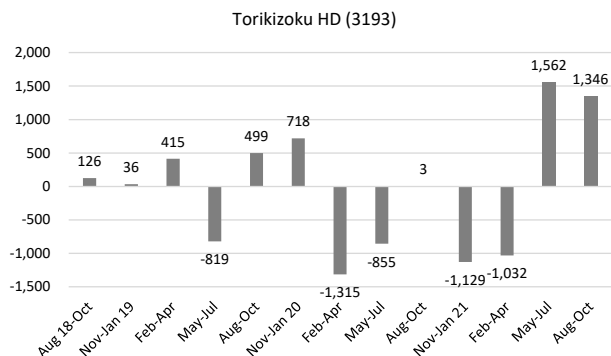
Pre-tax profits for food service companies covered by Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



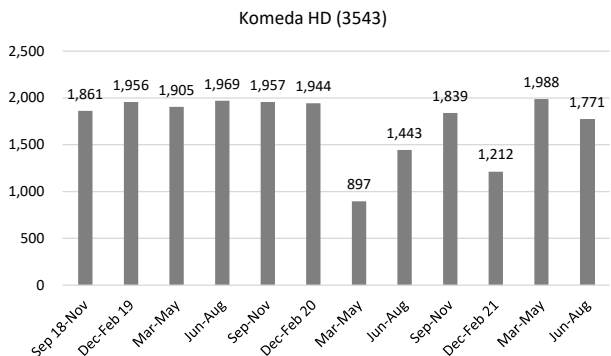
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



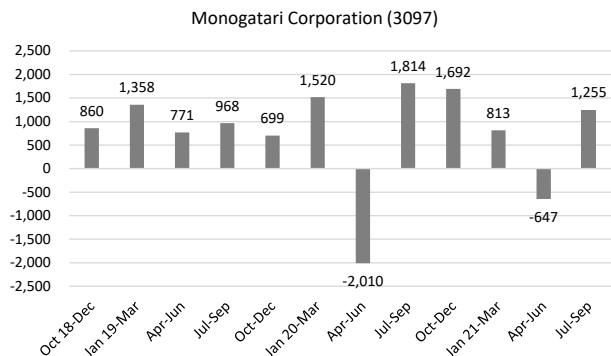
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



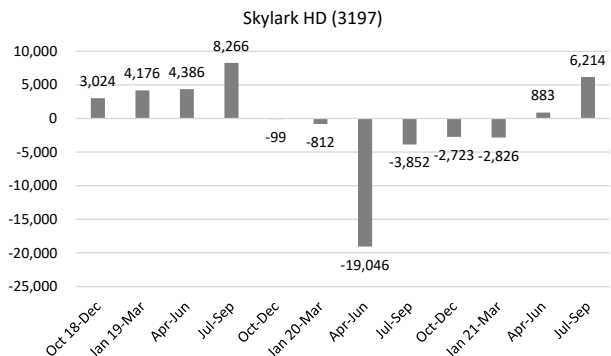
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



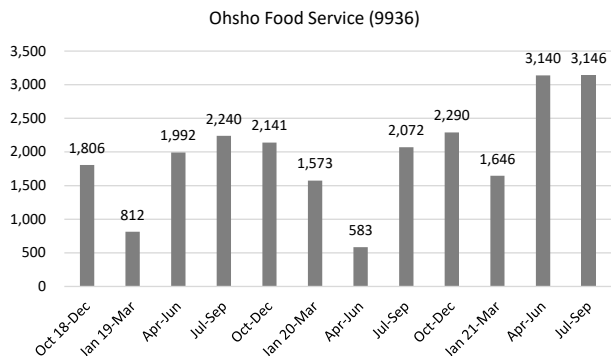
Source: Company data, Mita Securities

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

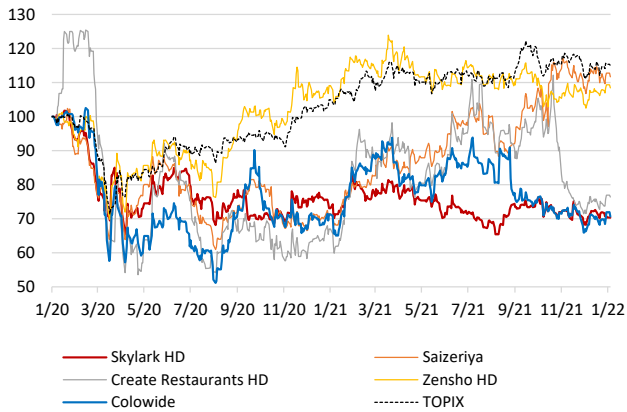
Company name	Ticker	PX 30-Dec	Mkt cap JPYbn	Net D/E Last	Sales YoY LTM	EBITDA Mn LTM	ROE LTM	ROE Cur E	ROE Nxt E	PER LTM	PER Cur E	PER Nxt E	PBR Last	EV/EBITDA Cur E	EV/Sales Cur E	Div yield Cur E	1M Chg	3M Chg	1YR Chg	
KURA SUSHI INC (TP 5,000 Buy)	2695	3,630	151.9	0.1	8.7	2.3	4.1	8.3	10.6	75.6	35.9	23.7	3.0	12.9	0.9	0.6	1.7	-9.2	23.2	
MCDONALD'S HOLDINGS CO JAPAN	2702	5,090	671.4	-0.2	9.1	14.4	12.3	12.0	12.0	30.7	30.0	26.7	3.6	12.5	1.9	0.7	0.6	-3.3	1.8	
OOTOYA HOLDINGS CO LTD	2705	2,700	19.6	0.2	-12.1	6.0	NA	NA	NA	38.2	NA	NA	NA	NA	NA	NA	3.1	-0.7	20.5	
FUJIO FOOD GROUP INC	2752	1,320	59.1	3.6	-12.3	8.8	-12.7	21.2	NA	NA	50.0	36.0	10.8	NA	2.6	0.0	-4.3	-5.3	8.9	
AMIYAKI TEI CO LTD	2753	2,948	20.5	-0.1	-16.2	-13.9	0.2	NA	NA	551.0	38.8	10.7	1.0	NA	0.5	0.0	2.7	2.1	3.9	
HIRAMATSU INC	2764	189	14.2	4.1	9.1	-25.3	-67.3	NA	NA	NA	NA	NA	2.2	NA	NA	NA	-4.5	-15.6	47.3	
PEPPER FOOD SERVICE CO LTD	3053	361	13.8	2.4	NA	-6.2	NA	NA	NA	NA	NA	NA	9.2	NA	NA	NA	-11.1	-12.3	38.2	
CHOUJIMARU CO LTD	3075	1,110	16.2	-0.8	-1.7	1.3	10.2	NA	NA	21.2	NA	NA	2.1	NA	NA	NA	1.7	-7.5	9.1	
ARCLAND SERVICE HOLDINGS CO	3085	2,264	75.0	-0.6	21.1	12.9	19.4	19.4	12.5	16.7	15.8	22.6	3.0	10.8	1.4	1.3	-0.7	-3.7	6.0	
DOUTOR NICHIRETS HOLDINGS CO	3087	1,602	73.8	-0.3	-2.7	3.3	-3.2	4.2	1.6	NA	17.6	24.9	0.8	10.6	0.4	1.5	3.7	-8.7	11.4	
BRONCO BILLY CO LTD	3091	2,370	35.5	-0.3	-12.6	6.8	4.4	NA	NA	46.2	NA	NA	2.0	NA	NA	NA	1.6	-9.2	6.4	
MONOGATARI CORP	3097	6,750	81.6	0.1	7.4	9.7	11.7	16.4	16.2	35.9	23.1	20.6	4.0	10.8	1.1	1.0	-6.6	-13.7	13.4	
(TP 9,100 Buy)																				
CHIMNEY CO LTD	3178	1,176	22.8	0.8	-61.2	-34.0	-43.7	NA	NA	NA	NA	NA	3.4	NA	NA	NA	-5.5	-25.2	7.4	
TORIKIZOKU HOLDINGS CO LTD	3193	1,787	20.8	0.6	NA	NA	NA	8.1	11.4	NA	NA	36.5	3.4	NA	1.2	0.0	7.7	-15.6	30.7	
(TP 2,100 Hold)																				
HOTLAND CO LTD	3196	1,289	27.4	0.6	5.8	4.5	15.8	22.3	NA	23.2	15.9	27.0	3.3	NA	1.0	0.4	-4.1	-8.2	9.8	
SKYLARK HOLDINGS CO LTD	3197	1,511	345.1	2.1	-12.9	28.6	-0.2	2.6	5.1	NA	69.1	48.4	2.2	7.2	1.7	0.9	-0.1	-7.2	0.5	
(TP 1,550 Hold)																				
SFP HOLDINGS CO LTD	3198	1,413	36.5	-0.1	-53.8	-1.0	-19.2	14.4	NA	NA	20.2	24.3	3.1	NA	2.4	0.0	4.9	-7.2	15.0	
CREATE RESTAURANTS HOLDINGS	3387	722	155.1	3.5	-28.7	21.7	0.8	27.2	NA	1,164.5	21.4	32.8	6.4	NA	2.6	0.6	3.1	-25.2	25.7	
SAINT MARC HOLDINGS CO LTD	3395	1,463	33.5	-0.2	-7.3	-6.1	-22.2	-12.9	2.8	NA	NA	35.9	1.0	NA	0.5	3.0	4.3	-11.0	6.7	
TORIDOLL HOLDINGS CORP	3397	2,486	215.0	3.0	5.7	12.5	5.1	8.3	6.0	130.0	57.9	45.8	6.1	11.2	2.2	0.3	0.2	-10.5	82.5	
KOMEDA HOLDINGS CO LTD	3543	2,050	95.3	1.5	8.1	23.7	13.0	13.5	13.7	20.8	18.9	17.4	2.6	15.7	4.2	2.5	2.9	-3.9	12.7	
(TP 3,000 Buy)																				
KUSHIKATSU TANAKA HOLDINGS C	3547	2,034	19.6	0.3	-38.7	-22.6	-35.9	2.7	31.4	NA	265.9	36.8	14.4	NA	4.2	0.3	7.7	-10.7	48.5	
CHIKARANOMOTO HOLDINGS CO LT	3561	582	15.7	3.7	-14.9	6.6	-15.0	NA	NA	NA	NA	NA	5.1	NA	NA	NA	-3.3	-6.3	8.2	
FOOD & LIFE COMPANIES LTD	3563	4,350	504.3	2.2	17.5	16.2	23.0	21.3	23.5	38.3	35.3	27.0	7.9	14.7	2.1	0.5	-2.2	-16.3	15.7	
ATOM CORP	7412	770	149.6	0.2	-19.3	1.6	-10.9	NA	NA	NA	NA	NA	18.9	NA	NA	NA	1.4	-1.8	-8.8	
KAPPA CREATE CO LTD	7421	1,341	65.7	0.4	0.9	3.7	8.2	NA	NA	75.9	NA	NA	5.9	NA	NA	NA	-2.1	-3.9	-6.7	
WATAMI CO LTD	7522	903	38.6	3.5	-18.0	-7.4	-75.2	NA	NA	NA	NA	NA	2.8	NA	NA	NA	2.6	-19.6	9.2	
ZENSHO HOLDINGS CO LTD	7550	2,704	421.7	2.2	4.3	7.2	12.4	17.1	12.9	38.8	25.4	31.3	4.6	12.2	0.9	0.8	4.0	0.0	4.2	
KOURAKUEN HOLDINGS CORP	7554	1,438	24.1	1.1	-14.4	4.7	13.5	13.6	NA	48.9	43.3	2,054.3	6.1	NA	1.0	0.3	-1.6	-5.5	-5.2	
ANRAKUTEI CO LTD	7562	6,280	13.4	1.6	27.2	-4.7	2.7	NA	NA	117.5	NA	NA	3.1	NA	NA	NA	4.8	5.9	27.8	
SAIZERIYA CO LTD	7581	3,005	156.3	-0.2	-0.3	6.3	2.2	9.8	6.8	82.8	17.4	22.4	1.7	8.0	0.9	0.6	0.4	2.6	60.8	
HIDAY HIDAKA CORP	7611	1,732	66.1	-0.3	-24.5	-10.2	-1.2	NA	NA	NA	NA	NA	3.1	NA	NA	NA	1.4	5.9	-0.9	6.4
COLOWIDE CO LTD	7616	1,629	143.0	3.6	-7.6	12.0	-16.2	NA	NA	NA	NA	NA	4.1	NA	NA	NA	4.4	-6.0	8.2	
UKAI CO LTD	7621	2,969	15.6	1.5	-3.1	-8.0	-40.6	NA	NA	NA	NA	NA	7.0	NA	NA	NA	-1.4	-3.2	-0.8	
GLOBAL-DINING INC	7625	338	3.7	0.9	34.8	7.0	25.6	NA	NA	5.3	NA	NA	1.2	NA	NA	NA	-12.4	-25.3	75.2	
ICHIBANYA CO LTD	7630	4,645	149.6	-0.5	-3.7	9.4	8.7	8.9	NA	57.3	54.9	39.0	5.1	NA	3.0	1.7	4.3	2.9	-8.9	
ASAKUMA CO LTD	7678	1,539	8.3	-0.4	-22.5	-22.4	-29.2	NA	NA	NA	NA	NA	3.2	NA	NA	NA	0.7	-0.3	2.6	
MOS FOOD SERVICES INC	8153	3,080	99.6	-0.2	12.3	10.5	8.1	6.3	NA	25.8	32.0	30.7	2.0	NA	1.1	0.9	0.0	-3.9	8.4	
KISOJU CO LTD	8160	2,197	58.4	0.0	-12.5	NA	-13.7	NA	NA	NA	NA	NA	2.4	NA	NA	NA	4.9	-7.1	-5.8	
SRS HOLDINGS CO LTD	8163	783	30.0	0.5	-0.7	8.0	8.8	NA	NA	29.7	NA	NA	2.2	NA	NA	NA	2.0	-2.9	-2.1	
ROYAL HOLDINGS CO LTD	8179	1,898	86.5	2.3	-15.6	-10.7	-47.6	-13.8	10.9	NA	NA	47.0	3.1	NA	1.6	0.0	1.7	-15.8	8.5	
RINGER HUT CO LTD	8200	2,223	58.3	1.0	-14.1	-2.2	-13.0	6.3	NA	NA	88.2	217.9	5.2	NA	1.9	0.4	1.6	-9.6	2.1	
GIFT INC	9279	2,665	26.3	0.0	22.7	9.2	29.8	28.0	NA	24.8	17.9	18.2	6.4	NA	1.5	0.9	-5.6	-9.9	54.0	
GENKI SUSHI CO LTD	9828	2,547	22.7	0.6	6.7	5.8	6.3	NA	NA	43.2	NA	NA	2.7	NA	NA	NA	3.9	-13.7	12.2	
GOURMET KINEYA CO LTD	9850	1,006	23.0	1.5	-20.1	6.3	-16.2	NA	NA	NA	NA	NA	2.7	NA	NA	NA	-0.7	1.3	5.9	
GINZA RENOIR CO LTD	9853	835	5.2	0.1	-25.9	-39.4	-37.8	NA	NA	NA	NA	NA	1.7	NA	NA	NA	1.2	1.0	3.3	
YOSHINOYA HOLDINGS CO LTD	9861	2,321	151.4	0.8	-14.9	8.1	3.2	11.2	2.5	112.6	30.0	136.3	3.5	17.3	1.1	0.0	3.9	4.1	23.2	
KFC HOLDINGS JAPAN LTD	9873	2,895	65.3	-0.8	11.3	8.6	16.5	NA	NA	16.2	NA	NA	2.5	NA	NA	NA	-0.3	-0.4	-1.0	
MATSUYAFOODS HOLDINGS CO LTD	9887	3,620	69.0	0.3	-4.7	0.8	2.3	NA	NA	72.9	NA	NA	1.7	NA	NA	NA	1.4	-3.9	9.7	
SAGAMI HOLDINGS CORP	9900	1,052	31.9	-0.2	-6.9	-5.6	-5.7	NA	NA	NA	NA	NA	2.2	NA	NA	NA	2.4	4.0	-8.7	
OHSHO FOOD SERVICE CORP (TP 7,250 Buy)	9936	6,110	142.5	-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	2.3	1.2	6.3	
JOYFULL CO LTD	9942	810	25.8	4.9	-22.8	-6.6	105.9	NA	NA	9.9	NA	NA	6.0	NA	NA	NA	0.5	0.7	18.8	
DAISYO CORP	9979	982	21.0	0.9	-21.0	3.0	-35.7	NA	NA	NA	NA	NA	1.9	NA	NA	NA	3.6	-11.4	5.8	
Average				1.0	-6.6	1.5	-3.5	11.1	11.2	102.4	43.4	115.3	4.2	12.0	1.7	0.8	0.7	-6.7	14.3	
Median				0.5	-6.9	4.7	2.2	11.6	10.9	38.3	30.0	30.7	3.1	11.7	1.5	0.6	1.6	-6.0	8.4	

Source: Bloomberg Finance LP data, Mita Securities

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

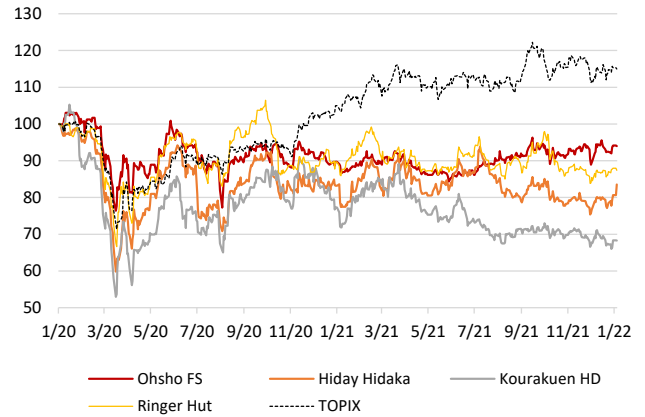
Stock price trends for food service companies

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



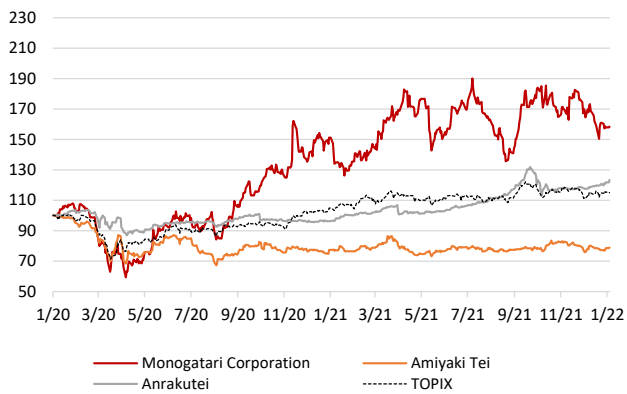
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Chinese restaurants)



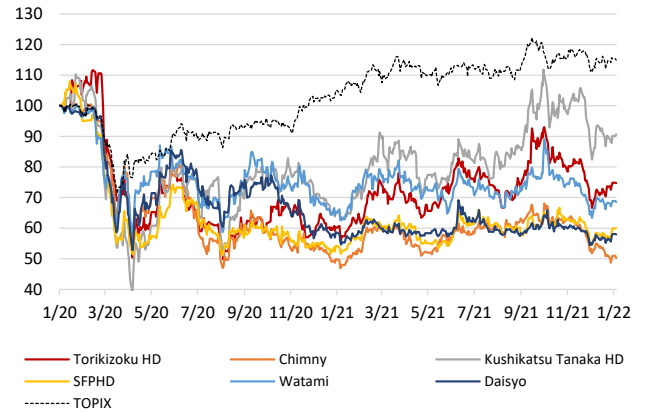
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese BBQ)



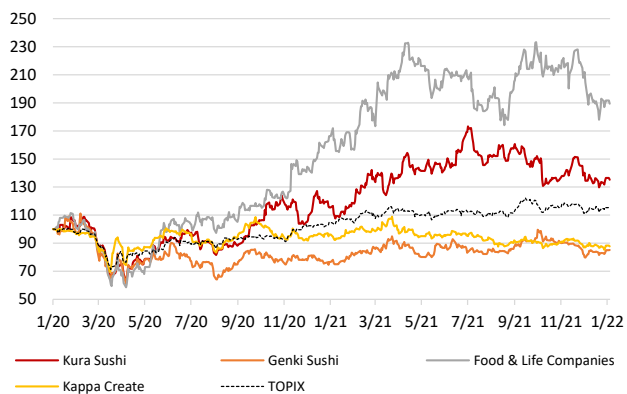
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese style pubs)



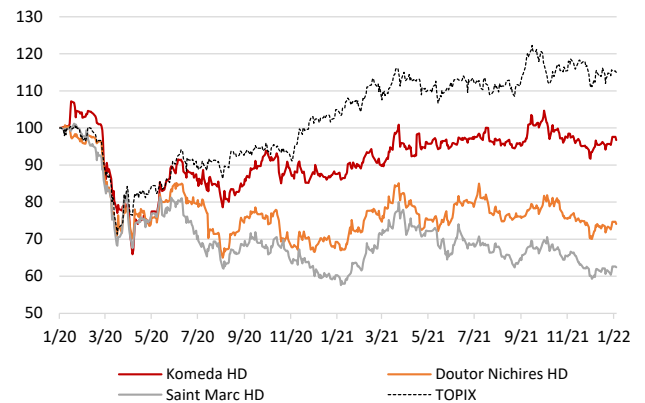
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

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]

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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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