



Kura Sushi

TSE 1st Section 2695

Industry: Food service, retail

February same-store sales flat YoY due to Omicron

February SSS: 99.1% vs. 2021, 95.8% vs. 2019 (pre-pandemic)

On March 4, Kura Sushi (2695, the company) disclosed monthly data for February (on a preliminary basis). Same-store sales were 99.1% vs. February 2021 (123.5% for January), 85.4% vs. February 2020, and 95.8% vs. February 2019. The number of holidays (weekends and national holidays) was the same as in February 2021, one day fewer than in February 2020, and one more than in February 2019. Compared to February 2021, the guest count was 95.6% (118.8% for January), and the average check was 103.7% (104.0% for January).

In February, the business environment was extremely difficult, as the number of new coronavirus cases remained high and 436 of the company's stores, or 86%, were subject to requests for shorter operating hours. The company ran the "Toro (fatty tuna) Fair" to commemorate the 500-store milestone in Japan and a campaign in collaboration with BT21, and achieved same-store sales on par with February 2021.

According to the company, trends in customer traffic following the Omicron outbreak began to deteriorate in late January and reached its worst point in mid-February, but showed signs of recovery by the end of February.

Revolving sushi continues to enjoy competitive advantage even in a difficult environment

Same-store sales of other revolving sushi formats in February (compared to February 2021 and February 2019) were 93.6% and 104.7% for Sushiro (Food & Life Companies), 93.4% and 88.0% for Genki Sushi, and 92.1% and 84.7% for Kappa Sushi, respectively. The same figures for family restaurants were 93.1% and 65.7% for Skylark HD and 109.1% and 78.0% for Saizeriya. Comparisons with the pre-pandemic period (compared to February 2019) show that the revolving sushi formats are dominating the family restaurants. In addition, Kura Sushi and Sushiro are competing at a high level in the revolving sushi category. While March is likely to see a return of foot traffic at restaurants in general compared to February, we expect the revolving sushi restaurants, led by the company, to continue to enjoy a competitive advantage.

Continuing store openings in Japan, the U.S., and Taiwan

The number of stores at the end of February was 507 in Japan (+3 MoM), 36 in the U.S. (+1 MoM), and 44 in Taiwan (+1 MoM). The total number of stores was 587 (+5 MoM).

Please refer to the report dated October 20, 2021 for the rationale of the rating and target price.

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Update

Rating

Buy

Target price (JPY)	5,000
Stock price (JPY) (Mar 4)	3,600
Market cap (JPYbn)	149.0

Key changes

Rating	No
Target price	No
Earnings forecast	No

Stock price (JPY)



Source: Bloomberg Finance LP

Earnings

		10/20	10/21	10/22E	10/23E	10/24E
Sales	JPYbn	135.8	147.6	176.7	198.8	223.4
OP	JPYbn	0.4	-2.7	5.5	8.0	10.6
RP	JPYbn	1.1	3.2	6.2	8.7	11.3
NP	JPYbn	-0.3	1.9	3.9	5.6	7.2
EPS	JPY	-6.6	47.9	98.4	140.4	181.9
BPS	JPY	1,116.1	1,216.4	1,280.4	1,396.8	1,548.7
DPS	JPY	20.0	20.0	24.0	30.0	40.0
PER	x	NA	75.1	36.6	25.6	19.8
PBR	x	2.8	3.0	2.8	2.6	2.3
Div. yield	%	0.6	0.6	0.7	0.8	1.1
ROA	%	-0.3	2.1	4.0	5.2	6.2
ROE	%	-0.6	4.1	7.9	10.5	12.4

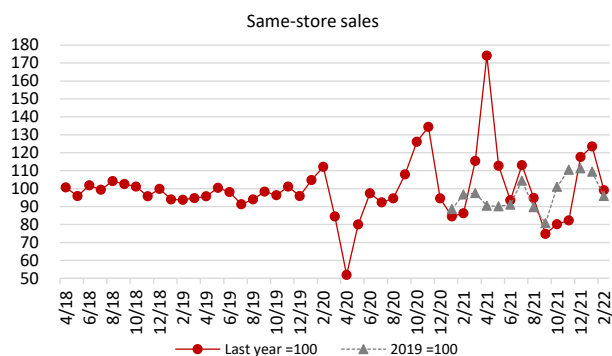
Source: Company data, Mita Securities

Company profile

Kura Sushi is an Osaka-based restaurant company that operates the "Kura Sushi" revolving sushi bar chain nationwide. The company is also active in overseas business and has listed subsidiaries in the US and Taiwan. As of end-October 2021, the company had 567 stores (32 in the US and 40 in Taiwan). Sales in FY10/21 were 147.6bn yen.

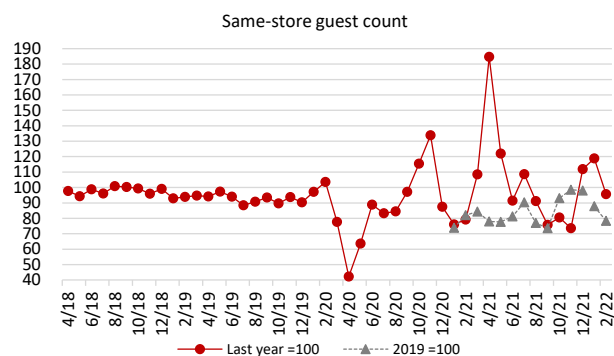
Monthly data for Kura Sushi

Figure: Same-store sales (%)



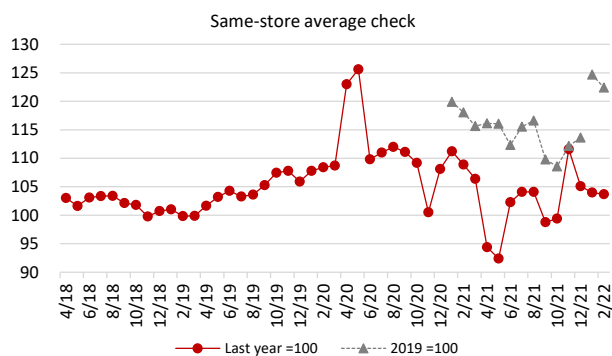
Source: Company data, Mita Securities

Figure: Same-store guest count (%)



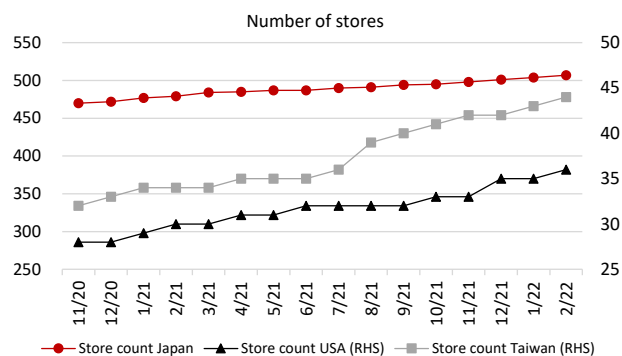
Source: Company data, Mita Securities

Figure: Same-store average check (%)



Source: Company data, Mita Securities

Figure: Number of stores



Source: Company data, Mita Securities

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	1/22	2/22		
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	117.6	123.5	99.1		
		vs. pre-COVID														88.6	96.7	97.5	90.4	90.2	91.1	104.4	89.7	80.7	101.0	110.5	111.2	109.4	95.8	
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	113.9	125.1			
		vs. pre-COVID														81.2	85.7	84.5	82.9	78.0	73.9	95.4	75.2	78.6	112.1	108.5	107.0	101.6		
		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	118.7	129.9		
			vs. pre-COVID														85.2	91.9	87.8	86.0	82.0	76.4	102.0	82.8	91.7	126.7	119.6	117.8	110.7	
		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	100.0	111.3	115.2		
			vs. pre-COVID														86.0	82.3	79.5	78.2	80.6	75.3	89.4	72.5	72.1	95.8	96.7	102.0	99.1	
	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	100.4	116.8			
		vs. pre-COVID														73.7	74.4	79.9	76.0	69.3	68.3	87.2	60.6	59.9	95.4	91.2	89.8	86.0		
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	155.0	200.1			
		vs. pre-COVID														30.2	34.7	46.5	37.0	5.0	13.2	29.9	9.8	6.8	62.1	75.4	80.4	56.2		
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	115.8	93.1		
		vs. pre-COVID														65.3	70.7	70.9	70.0	67.1	64.7	74.7	61.5	62.5	82.5	81.0	89.8	75.5	65.7	
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	107.6	109.4			
		vs. pre-COVID														90.8	105.9	99.0	99.9	95.6	92.8	107.9	91.6	90.7	105.8	101.8	102.6	99.3		
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	105.4	107.2	108.5		
		vs. pre-COVID														97.6	99.6	92.5	94.9	91.5	95.7	98.2	87.6	85.7	102.6	98.1	101.3	104.6	108.1	

Source: Companies' data, Mita Securities

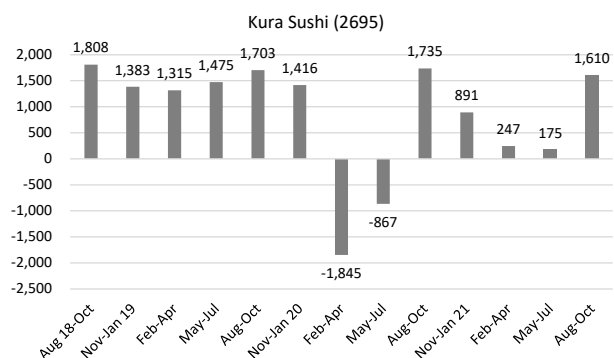
Note: Pre-COVID is indexed with same month in 2019 as 100

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	1/22	2/22	
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	101.2	115.3	
		vs. pre-COVID														121.8	115.8	107.4	116.3	121.8	111.0	122.2	118.4	121.9	125.5	115.5	109.8	123.2	133.6
3053	Pepper Food Service (Ikinari! 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	104.4	106.3		
		vs. pre-COVID														43.0	43.8	44.4	54.1	77.8	46.4	52.0	49.5	51.2	62.9	69.8	70.6	45.7	
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	105.8	101.9	
		vs. pre-COVID														104.5	105.2	95.5	102.2	102.4	97.6	114.2	98.2	94.5	104.4	108.3	104.8	110.6	107.2
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	110.6	117.6		
		vs. pre-COVID														68.8	70.7	75.9	73.5	70.2	76.2	77.9	67.0	69.1	81.4	83.5	85.7	80.9	
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	113.3	104.0	
		vs. pre-COVID														84.2	85.4	84.3	92.4	93.3	90.5	97.0	83.5	89.0	96.4	95.0	92.4	95.4	88.8
		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	112.0	104.1
		vs. pre-COVID														84.3	90.2	86.1	92.6	94.1	93.0	99.5	85.2	91.3	96.7	85.0	92.2	94.4	93.9
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	96.0	93.6	
		vs. pre-COVID														101.8	111.9	103.6	99.0	91.7	93.3	99.9	84.5	87.4	98.0	91.2	98.8	97.7	104.7
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	110.9	111.4	
		vs. pre-COVID														101.7	101.3	96.4	100.6	107.2	99.4	111.6	99.3	101.4	110.6	105.1	119.7	112.8	112.9
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	125.3	109.1	
		vs. pre-COVID														65.2	71.5	71.7	74.2	66.8	65.8	73.7	59.6	59.3	88.9	87.9	87.1	81.6	78.0
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	129.2	110.2	
		vs. pre-COVID														56.1	56.9	57.8	58.3	47.7	51.9	54.8	47.4	50.2	71.0	78.5	80.6	72.5	62.7
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	106.7	96.6	
		vs. pre-COVID														84.5	82.9	82.4	87.8	87.5	81.5	85.7	81.3	79.2	91.9	87.5	94.0	90.1	80.1
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	98.5	113.7		
		vs. pre-COVID														118.4	127.5	110.3	116.8	135.2	117.9	120.9	114.7	117.7	124.0	120.4	112.5	134.6	
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	118.0	140.6	105.4	
		vs. pre-COVID														72.1	79.4	82.3	80.7	80.6	78.0	83.7	69.8	71.1	95.5	96.2	94.2	101.4	83.7
		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	111.3	111.3	100.9
		vs. pre-COVID														85.6	94.9	86.0	91.6	93.9	88.2	93.1	90.3	90.0	100.0	99.5	93.6	95.3	95.7
8200	Ringer Hut	vs. prev yr	98.1	97.5	74.8	42.6	51.3	70.9	74.9	73.3	76.9	87.2	84.7	79.5	69.2	76.3	96.2	173.4	136.2	101.6	107.8	98.0	97.3	100.5	103.7	109.0	114.5		
		vs. pre-COVID														67.9	74.4	72.0	73.9	69.9	72.0	80.7	71.8	74.8	87.6	87.8	86.7	77.7	
9861	Yoshinoya HD (Yoshinoya)	vs. prev yr	109.5	97.9	98.2	96.0	92.7	87.7	94.3	83.2	90.9	100.4	93.4	89.6	91.9	81.4	89.5	89.9	99.4	99.6	95.9	107.3	102.2	98.7	108.7	107.4	104.0	106.1	
		vs. pre-COVID														100.6	79.7	87.9	86.3	92.1	87.3	90.4	89.3	92.9	99.1	101.5	96.2	104.7	84.6
9887	Matsuya Foods HD (Matsuya)	vs. prev yr	106.4	115.5	94.8	77.8	77.8	83.3	88.4	87.6	85.3	97.1	91.1	91.0	84.9	81.0	91.6	108.9	112.2	98.8	95.5	96.1	93.0	89.7	99.1	96.5	100.2	97.0	
		vs. pre-COVID														90.3	93.6	86.8	84.3	82.3	84.4	84.2	79.3	87.1	90.3	87.8	90.5	90.7	

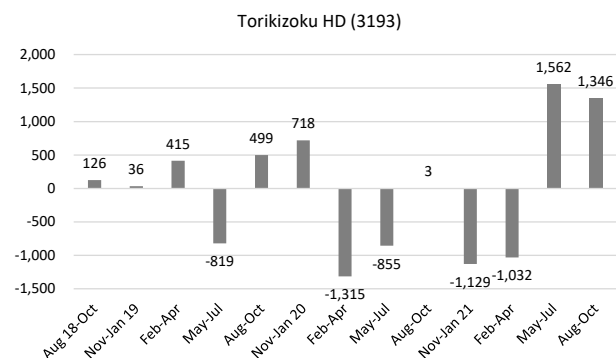
Pre-tax profits for food service companies covered by Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



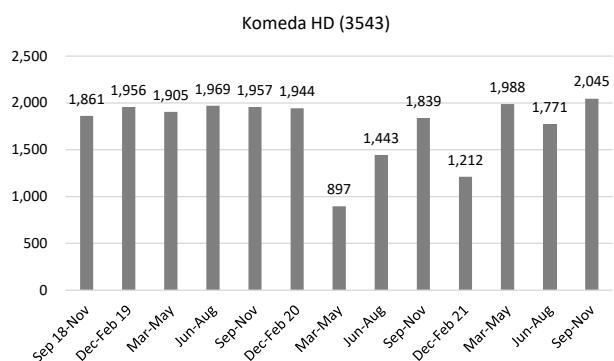
Source: Company data, Mita Securities

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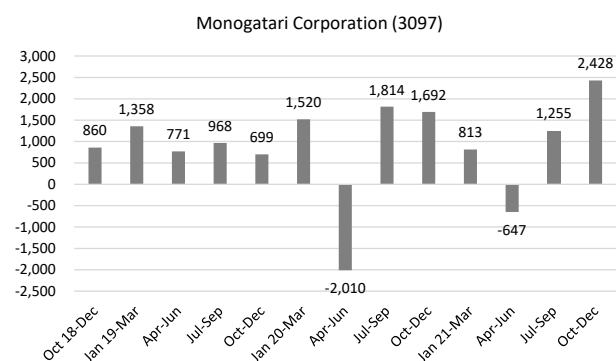
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Figure: Quarterly pre-tax profit (JPYm)



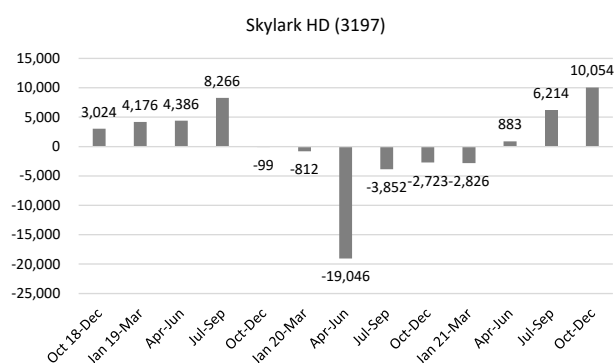
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



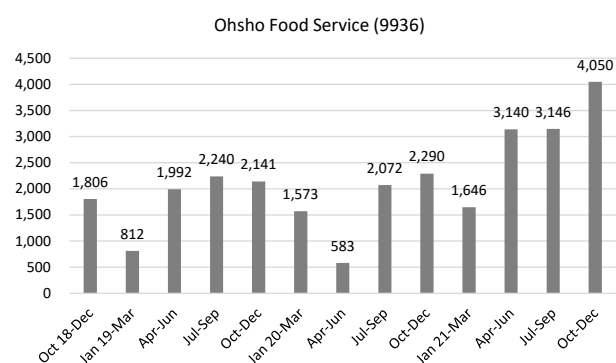
Source: Company data, Mita Securities

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

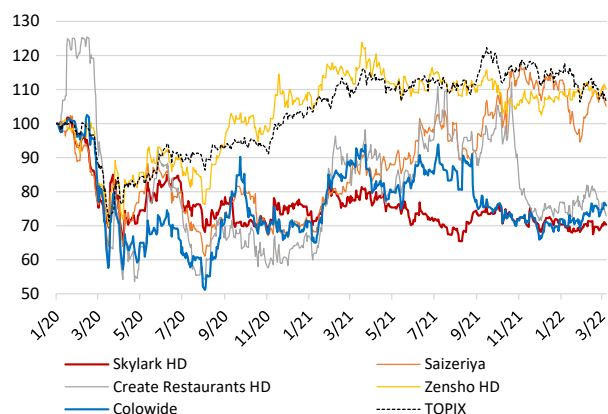
Company name	Ticker	PX 4-Mar	Mkt cap JPYbn	Net D/E Last	Sales YoY LTM	EBITDA Mgn LTM	ROE LTM	ROE Cur E	ROE Nxt E	PER LTM	PER Cur E	PER Nxt E	PBR Last	EV/EBITDA Cur E	EV/Sales Cur E	Div yield Cur E	1M Chg	3M Chg	1YR Chg
KURA SUSHI INC (TP 5,000 Buy)	2695	3,600	149.0	0.1	8.7	2.3	4.1	8.4	10.7	75.0	36.4	25.3	2.9	12.7	0.9	0.6	-1.4	-3.4	-3.0
MCDONALD'S HOLDINGS CO JAPAN	2702	4,905	652.2	-0.3	10.2	14.0	13.0	10.9	10.8	27.2	28.7	26.7	3.4	11.5	1.7	0.8	-1.8	-2.9	-4.0
OTOYA HOLDINGS CO LTD	2705	2,892	21.0	0.2	-0.4	11.7	NA	NA	NA	15.5	NA	NA	NA	NA	NA	NA	2.8	9.0	5.8
FUJIO FOOD GROUP INC	2752	1,300	58.0	1.7	-5.0	-10.0	16.3	17.7	NA	80.2	69.5	40.0	11.1	NA	2.0	0.0	-3.7	-7.8	-3.8
AMIYAKI TEI CO LTD	2753	2,969	20.3	-0.1	-14.5	-14.1	2.0	2.6	NA	50.0	39.1	37.6	1.0	NA	0.5	0.3	2.4	-0.4	-1.7
HIRAMATSU INC	2764	198	14.8	4.1	23.5	-21.8	-48.7	NA	NA	NA	NA	NA	2.2	NA	NA	NA	4.8	-3.4	8.2
PEPPER FOOD SERVICE CO LTD	3053	353	13.9	-0.1	NA	-8.4	20.7	NA	NA	44.7	NA	NA	4.2	NA	NA	NA	0.3	-11.3	29.8
CHOUSHIMARU CO LTD	3075	1,130	16.4	-0.8	-1.7	1.3	10.2	NA	NA	21.6	NA	NA	2.1	NA	NA	0.5	0.5	1.7	1.8
ARCLAND SERVICE HOLDINGS CO	3085	2,172	71.9	-0.7	14.4	8.2	12.0	13.4	13.0	26.4	20.0	19.5	3.1	9.1	1.2	1.4	-1.1	-6.9	5.2
DOUTOR NICHIREI HOLDINGS CO	3087	1,554	70.9	-0.3	3.3	5.0	-2.2	4.5	1.3	NA	15.9	48.7	0.7	15.1	0.4	1.6	-3.2	-2.6	-8.1
BRONCO BILLY CO LTD	3091	2,142	32.3	-0.3	-8.7	8.0	5.4	NA	NA	33.8	NA	NA	1.8	NA	NA	0.8	-3.7	-11.6	-7.3
MONOGATARI CORP (TP 9,100 Buy)	3097	5,850	70.7	0.1	6.8	11.2	13.2	17.7	16.4	25.8	17.0	17.1	3.2	NA	1.0	1.2	-6.8	-20.2	-10.1
CHIMNEY CO LTD	3178	1,102	21.3	0.8	-50.5	-28.7	-8.9	NA	NA	NA	NA	NA	3.1	NA	NA	NA	-5.2	-14.3	-21.3
TORIKIZOKU HOLDINGS CO LTD (TP 2,100 Hold)	3193	1,687	19.6	0.6	NA	NA	NA	17.6	11.4	NA	NA	34.4	3.2	NA	1.1	0.0	-8.0	-1.4	-1.2
HOTLAND CO LTD	3196	1,303	28.1	0.3	3.3	6.2	28.1	13.6	NA	13.5	20.9	19.2	3.2	NA	0.9	0.4	1.9	-3.6	5.8
SKYLARK HOLDINGS CO LTD (TP 1,600 Hold)	3197	1,511	343.8	0.5	-8.3	22.3	6.2	4.2	4.0	40.0	63.4	57.6	2.1	6.7	1.4	0.5	0.7	-0.7	-8.4
SFP HOLDINGS CO LTD	3198	1,286	33.2	-0.1	-58.6	17.7	0.3	14.4	NA	824.4	18.4	47.3	2.6	NA	3.0	0.0	-9.1	-6.7	-9.1
CREATE RESTAURANTS HOLDINGS	3387	689	146.6	3.5	-24.0	28.2	10.2	16.9	NA	56.0	21.6	37.0	3.7	NA	2.7	0.7	-9.3	-4.7	-15.9
SAINT MARC HOLDINGS CO LTD	3395	1,573	35.8	-0.2	0.0	-6.4	-16.6	-12.9	2.8	NA	NA	57.8	1.0	NA	0.5	2.8	-1.1	9.2	-7.6
TORIDOLL HOLDINGS CORP	3397	2,379	208.5	3.0	9.3	15.8	14.2	13.1	6.1	37.3	33.3	49.6	4.3	10.3	2.0	0.3	2.1	-4.8	48.9
KOMEDA HOLDINGS CO LTD (TP 3,000 Buy)	3543	2,073	95.7	1.5	10.0	24.0	13.3	13.5	13.7	20.4	19.1	17.7	2.6	15.5	4.2	2.5	-3.4	1.2	6.4
KUSHIKATSU TANAKA HOLDINGS C	3547	1,914	18.0	1.6	-42.8	-50.3	-38.2	51.1	35.2	NA	24.2	24.5	14.8	19.9	1.6	0.8	-7.1	-6.2	4.6
CHIKARANOMOTO HOLDINGS CO LT	3561	567	15.3	3.7	-0.9	7.7	-9.8	NA	NA	NA	NA	NA	5.0	NA	NA	NA	1.1	-6.0	-7.4
FOOD & LIFE COMPANIES LTD	3563	3,525	409.1	2.2	21.1	15.5	21.4	19.6	22.6	32.8	31.1	23.0	6.5	13.1	1.8	0.6	-0.7	-21.6	-22.2
ATOM CORP	7412	774	149.8	0.2	-13.6	1.2	-9.5	NA	NA	NA	NA	NA	19.8	NA	NA	NA	2.4	1.3	-9.2
KAPPA CREATE CO LTD	7421	1,332	65.8	0.4	2.6	3.5	6.3	NA	NA	98.4	NA	NA	6.0	NA	NA	NA	-1.1	-3.3	-12.1
WATAMI CO LTD	7522	902	38.5	3.5	-9.8	-2.1	-43.2	NA	NA	NA	NA	NA	2.5	NA	NA	NA	-2.2	-0.1	-9.9
ZENSHO HOLDINGS CO LTD	7550	2,749	425.7	2.2	6.8	6.8	18.1	16.6	5.7	26.2	27.0	43.5	4.3	15.2	0.9	0.8	-0.7	2.3	-1.2
KOURAKUEN HOLDINGS CORP	7554	1,380	23.1	1.1	-11.2	8.4	30.2	13.6	NA	19.6	41.6	1,971.4	5.1	NA	1.0	0.4	1.6	-7.6	-20.0
ANRAKUTEI CO LTD	7562	6,450	13.8	1.6	5.1	-5.4	22.0	NA	NA	12.7	NA	NA	2.6	NA	NA	NA	1.4	7.3	23.3
SAIZERIYA CO LTD	7581	2,828	147.8	-0.2	5.0	7.9	4.8	10.6	7.0	34.7	14.9	20.0	1.6	7.1	0.8	0.6	2.5	-7.9	20.2
HIDAY HIDAKA CORP	7611	1,787	68.2	-0.3	-24.5	-12.0	-1.2	NA	NA	NA	NA	NA	3.2	NA	NA	0.7	4.0	8.0	4.9
COLOWIDE CO LTD	7616	1,751	152.2	3.6	-4.4	13.1	-11.0	NA	NA	NA	NA	NA	4.3	NA	NA	NA	3.7	7.5	-13.6
UKAI CO LTD	7621	2,996	15.7	1.5	4.8	-5.1	-28.3	NA	NA	NA	NA	NA	6.1	NA	NA	NA	0.2	-0.8	-2.4
GLOBAL-DINING INC	7625	296	3.1	0.1	68.9	9.6	41.0	NA	NA	2.9	NA	NA	1.0	NA	NA	NA	-5.4	-27.5	45.8
ICHIBANYA CO LTD	7630	4,655	148.6	-0.5	-3.7	9.2	8.7	8.9	NA	57.5	55.0	39.1	5.0	NA	2.9	1.7	-0.2	1.3	-6.1
ASAKUMA CO LTD	7678	1,598	8.6	-0.4	-22.1	-19.3	-21.5	NA	NA	NA	NA	NA	3.3	NA	NA	NA	2.2	3.8	-1.9
MOS FOOD SERVICES INC	8153	3,005	96.2	-0.2	9.9	11.1	8.4	6.9	NA	24.0	28.2	30.0	1.9	NA	1.1	0.9	-0.7	-5.2	-5.7
KISOJII CO LTD	8160	2,065	55.9	0.0	0.1	NA	0.9	NA	NA	NA	NA	NA	2.1	NA	NA	NA	-7.1	-4.2	-13.6
SRS HOLDINGS CO LTD	8163	834	33.0	0.5	-5.4	6.4	2.1	NA	NA	166.5	NA	NA	2.4	NA	NA	NA	2.6	6.9	-7.5
ROYAL HOLDINGS CO LTD	8179	1,854	84.1	1.1	-0.6	-0.3	-11.8	6.0	5.4	NA	64.3	33.0	2.9	16.5	1.2	0.4	-1.7	-3.1	-1.5
RINGER HUT CO LTD	8200	2,291	59.7	1.0	-10.6	-2.6	-6.8	6.3	NA	NA	78.5	156.4	5.0	NA	2.0	0.4	0.9	3.3	1.1
GIFT HOLDINGS INC	9279	2,191	21.8	0.0	22.7	9.0	29.8	28.0	NA	20.4	14.7	14.9	5.3	NA	1.3	1.1	-10.9	-23.3	9.2
GENKI SUSHI CO LTD	9828	2,509	22.3	0.6	10.6	8.9	13.5	NA	NA	19.1	NA	NA	2.4	NA	NA	NA	-1.6	-0.9	0.3
GOURMET KINEYA CO LTD	9850	1,056	24.2	1.5	-8.2	11.2	-1.7	NA	NA	NA	NA	NA	2.7	NA	NA	NA	4.3	3.0	5.7
GINZA RENOIR CO LTD	9853	839	5.2	0.1	-13.2	-36.3	-16.3	NA	NA	NA	NA	NA	1.5	NA	NA	NA	1.0	1.2	-0.1
YOSHINOYA HOLDINGS CO LTD	9861	2,413	157.2	0.8	-14.3	11.3	9.5	18.0	2.8	37.6	19.0	70.9	3.4	17.2	1.1	0.0	0.9	4.8	15.2
KFC HOLDINGS JAPAN LTD	9873	2,910	65.3	-0.8	9.9	8.0	16.7	NA	NA	15.8	NA	NA	2.5	NA	NA	NA	0.3	0.1	-2.2
MATSUYAFOODS HOLDINGS CO LTD	9887	3,570	68.1	0.3	-4.5	-0.8	5.0	NA	NA	32.6	NA	NA	1.6	NA	NA	NA	-1.5	-0.7	0.1
SAGAMI HOLDINGS CORP	9900	1,190	36.1	-0.2	-4.1	-6.2	1.5	NA	NA	439.1	NA	NA	2.4	NA	NA	NA	10.3	14.1	-1.1
OHSHO FOOD SERVICE CORP (TP 7,250 Buy)	9936	5,970	139.0	-0.2	0.9	11.0	14.8	12.1	10.1	13.9	15.5	19.0	1.9	NA	1.4	1.8	0.3	-2.8	0.8
JOYFULL CO LTD	9942	772	24.7	4.9	-17.5	-6.8	72.4	NA	NA	8.9	NA	NA	4.7	NA	NA	NA	-5.2	-4.5	11.6
DAISYO CORP	9979	991	21.0	0.9	-23.9	13.1	-10.6	NA	NA	NA	NA	NA	1.6	NA	NA	NA	-4.0	1.2	0.9
Average				0.8	-2.9	2.2	4.1	13.1	10.5	72.2	32.7	110.4	3.8	13.1	1.5	0.8	-1.0	-2.7	0.3
Median				0.3	-0.9	6.8	5.4	13.4	10.1	29.9	27.0	34.4	3.0	13.1	1.2	0.6	-0.7	-2.6	-1.5

Source: Bloomberg Finance LP data, Mita Securities

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

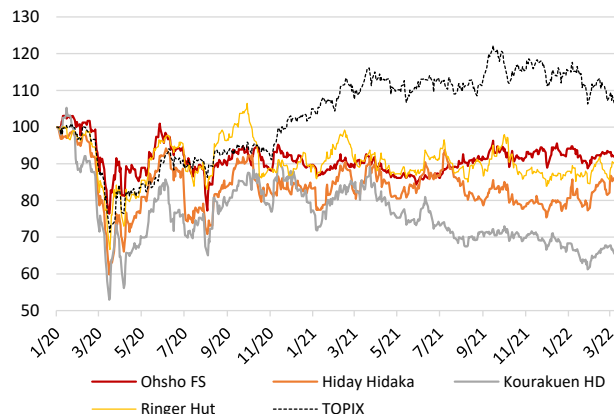
Stock price trends for food service companies

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



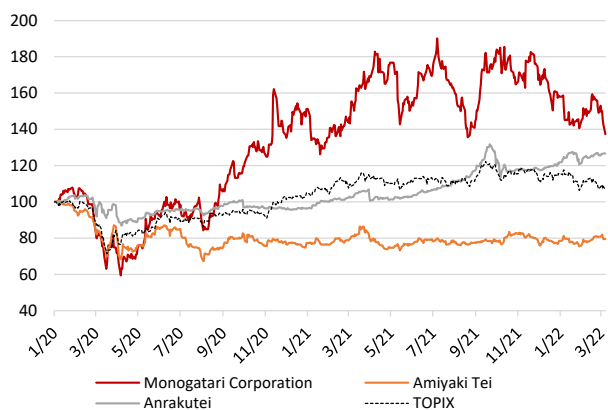
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Chinese restaurants)



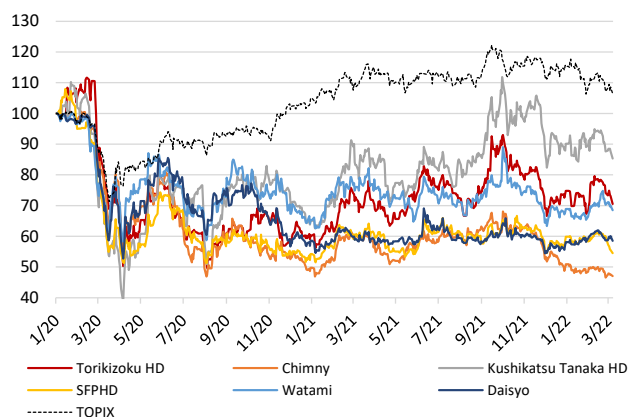
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese BBQ)



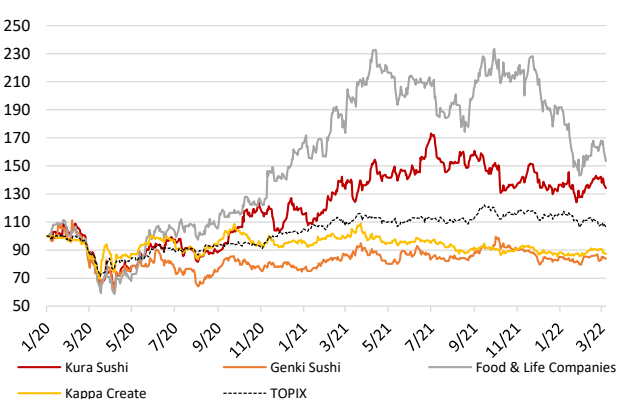
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese style pubs)



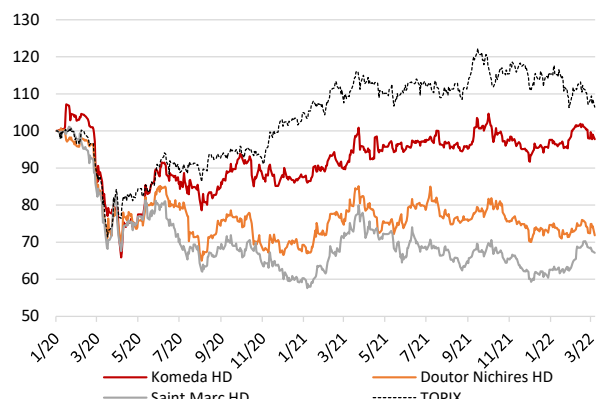
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (sushi restaurants)



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

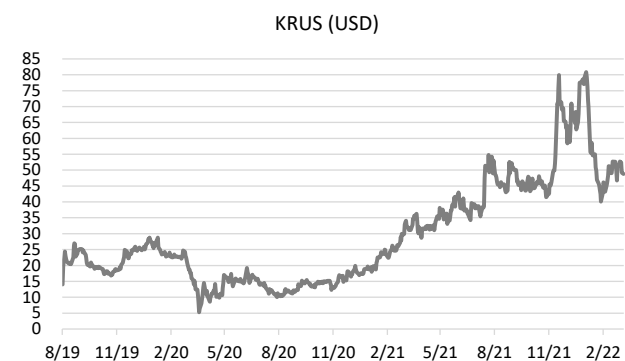
Figure: Stock price trends (coffee shops)



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

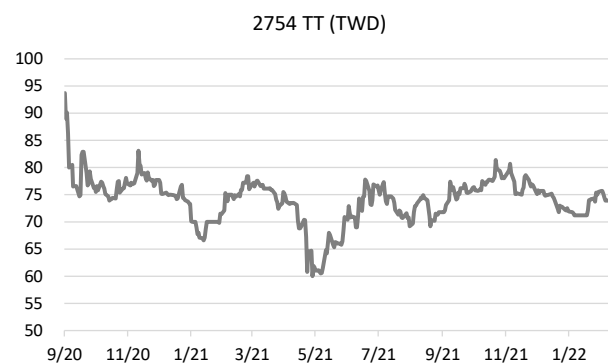
Stock price trends for overseas subsidiaries

Figure: Kura Sushi USA's stock price (USD)



Source: Bloomberg Finance LP data, Mita Securities

Figure: Kura Sushi Asia's stock price (TWD)



Source: Bloomberg Finance LP data, Mita Securities

APPENDIX

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The target price and ratings are based on our views for the next 12 months or so.

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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.

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