



# Kura Sushi

TSE 1st Section 2695

Industry: Food service, retail

## Solid 1Q results. Building competitive advantage through differentiation

### OP successfully on track with company target despite large-scale promotions

On March 9, Kura Sushi (2695, the company) announced 1Q FY10/22 (Nov-Jan) results, with sales of 46.452bn yen (+19.5% YoY; +25.5% QoQ), OP of 687m yen (-22.4% YoY; vs. -1.668bn yen in 4Q FY10/21), and RP of 2.656bn yen (+189.8% YoY; +50.7% QoQ). Subsidy income included in RP was 1.917bn yen (vs. no subsidy in 1QFY10/21). Progress toward the company's full-year guidance (188.869bn yen for sales, 2.827bn yen for OP, 4.955bn yen for RP) was 25% for sales, 24% for OP, and 54% for RP. OP was in line with the company's target, and the subsidy included in RP was above its plan. OPM was slightly lower at 1.5% (vs. 2.3% in 1QFY10/21), but this was mainly due to the implementation of large-scale collaboration campaigns and increased costs from the resumption of operations at overseas stores, which is not surprising.

The company imports food ingredients such as crab, salmon roe, flounder fin, and whelk from Russia. For the time being, the company can cope with the situation with its inventory, but if import difficulties persist for a prolonged period of time, procurement should become an issue. Also, the company imports some salmon and mackerel in part from Norway. The company is prepared to deal with the situation with its inventory for the time being, but it is highly likely that the air transportation will become difficult going forward.

### Segment earnings: Japan, US, and Taiwan entering full-scale recovery phase

Japan posted sales of 39.524bn yen (+12.1% YoY; +23.3% QoQ) and RP of 2.439bn yen (1.474bn yen in 1QFY10/21; 2.166bn yen in 4Q). Same-store sales exceeded the pre-pandemic level. November-December saw a recovery in foot traffic due to fewer cases of the new coronavirus, and January saw a significant increase in overall sales despite the Omicron impact, which resulted in many stores being asked to shorten operating hours from late January onward. During this period, the company successfully differentiated itself from the competition through large-scale collaborations with "Demon Slayer" and "BT21".

In North America, sales were 3.355bn yen (+239.2% YoY; +10.8% QoQ), and RP was -142m yen (-664m yen in 1Q FY10/21; -90m yen in 4Q).

In Asia, sales were 3.573bn yen (+36.1% YoY; +85.5% QoQ), and RP was 359mn yen (106m yen in 1Q FY10/21; -252m yen in 4Q).

### Store openings on track

The number of stores at end-1Q was 579 (+12 QoQ). The breakdown is: 504 stores in Japan (+9 stores QoQ), 33 stores in North America (+1 QoQ), and 42 stores in Asia (+2 QoQ).

### Large-scale collaboration with Detective Conan in March and April

The company will run a collaboration campaign with "Detective Conan" from March 11 to April 30. The timing coincides with the release of the new movie "Detective Conan: Bride of Halloween" on April 15. The "Conan" movie, which has a large fixed fan base, is highly likely to be a hit, and the collaboration is expected to have a solid effect of attracting customers. The company has been running a series of large-scale collaborations with "Demon Slayer," "BT21," and "Detective Conan." The company's strength lies in its ability to plan promotions that attract a variety of customers to its stores.

Please refer to the report dated October 20, 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

Buy

Target price (JPY)	5,000
Stock price (JPY) (Mar 9)	3,360
Market cap (JPYbn)	139.1

### 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	70.5	34.4	24.1	18.6
PBR	x	2.8	2.8	2.6	2.4	2.2
Div. yield	%	0.6	0.6	0.7	0.9	1.2
ROA	%	-0.3	2.1	4.0	5.2	6.2
ROE	%	-0.6	4.1	7.9	10.5	12.4

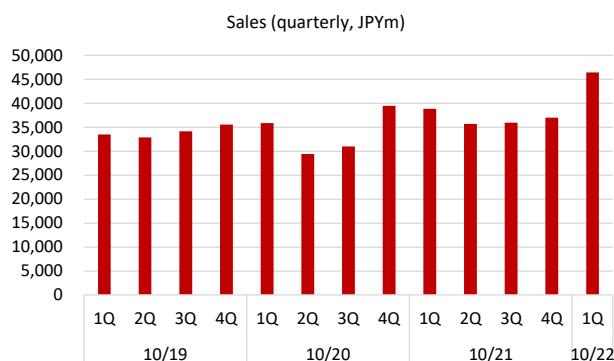
Source: Company data, Mita Securities

### 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.

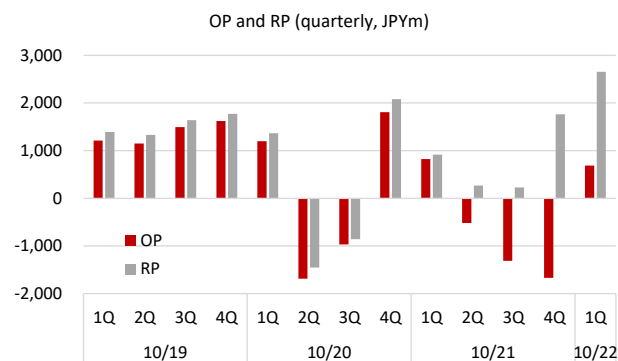
## Quarterly results for Kura Sushi

Figure: Sales (JPYm)



Source: Company data, Mita Securities

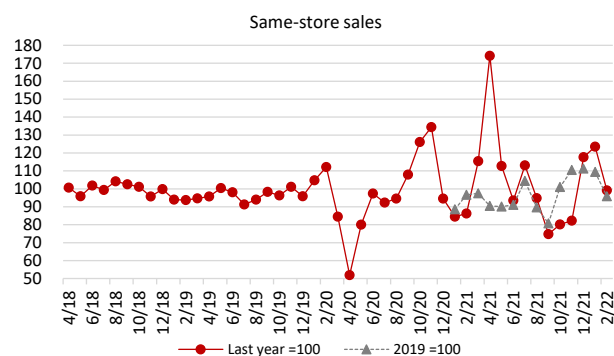
Figure: Operating profit and recurring profit (JPYm)



Source: Company data, Mita Securities

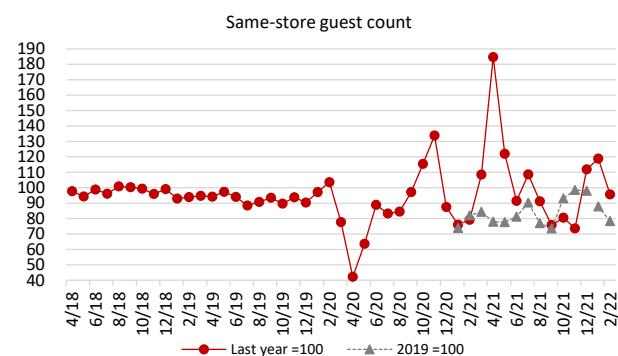
## Monthly data for Kura Sushi

Figure: Same-store sales (%)



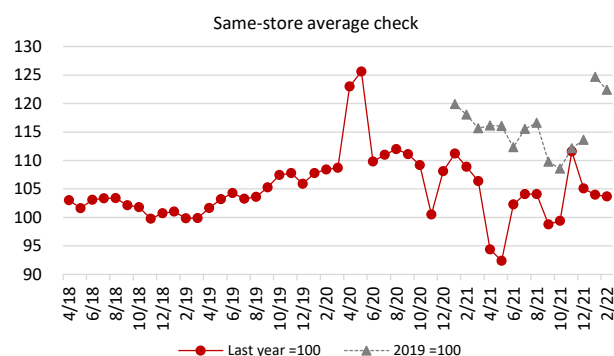
Source: Company data, Mita Securities

Figure: Same-store guest count (%)



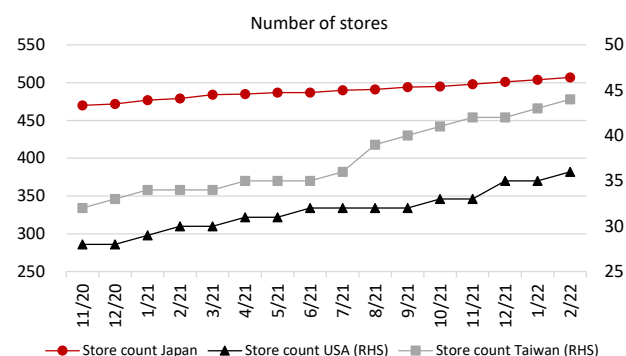
Source: Company data, Mita Securities

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	125.0	102.9
		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	101.5	88.2
	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	103.6
		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	95.2
	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	113.8
		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	93.6
	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	90.4
		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	67.2
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	155.0	200.1	112.8
		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	36.9
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

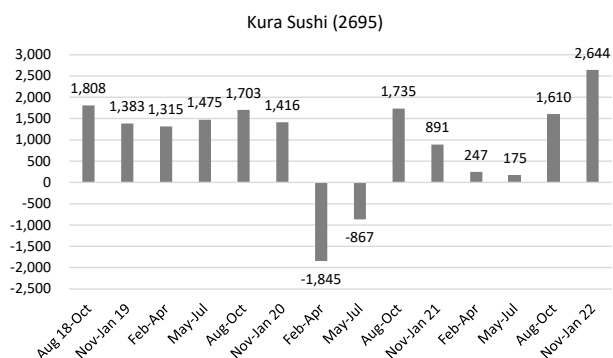
Note: Pre-COVID is indexed with same month in 2019 as 100

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	80.5	81.2	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
7590	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	97.6
		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	124.4
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	118.0	140.6	105.4
	Royal Host	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	98.8
		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	73.5
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	80.3	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	84.7	87.3	82.3	84.4	84.2	79.3	87.1	90.3	87.8	90.5	90.7

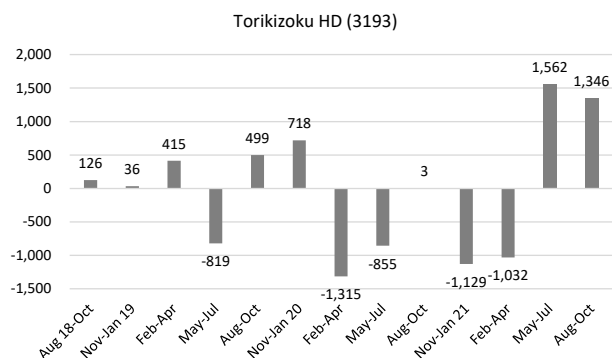
## Pre-tax profits for food service companies covered by Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



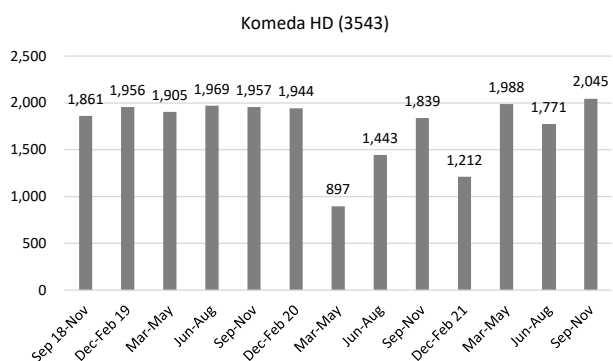
Source: Company data, Mita Securities

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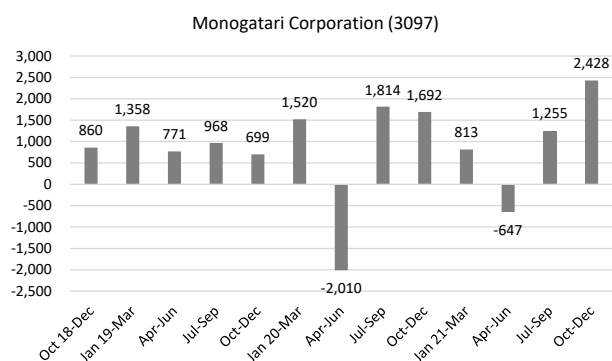
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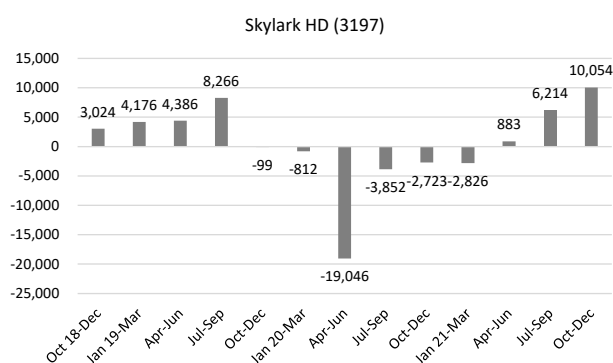
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Figure: Quarterly pre-tax profit (JPYm)



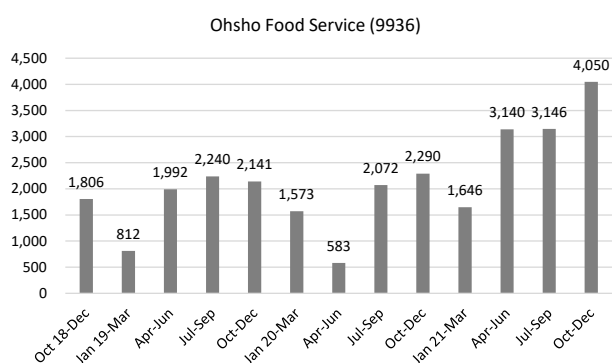
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



Source: Company data, Mita Securities

## Comparison of valuations with peers

Figure: Comparison of valuations for food service companies

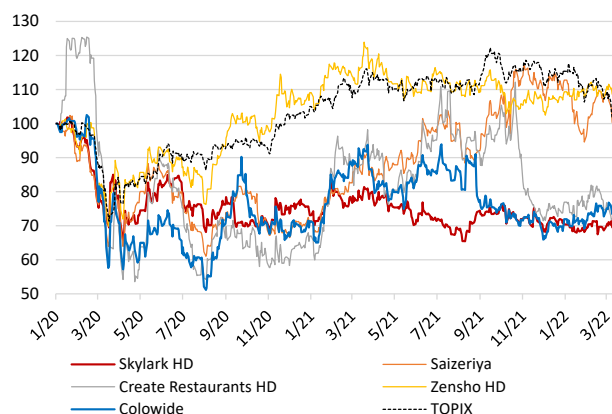
Company name	Ticker	PX 8-Mar	Mkt cap JPYbn	Net D/E Last	Sales YoY LTM	EBITDA Mn LTM	ROE LTM	ROE Cur E	ROE Nxt E	PER LTM	PER Cur E	PER Nxt E	PBR Last	EV/EBITDA Cur E	EV/Sales Cur E	Div yield Cur E	1M Chg	3M Chg	1YR Chg
KURA SUSHI INC (TP 5,000 Buy)	2695	3,380	139.9	0.1	8.7	2.3	4.1	8.3	10.6	70.5	34.2	23.8	2.8	11.9	0.8	0.6	-6.2	-7.7	-9.3
MCDONALD'S HOLDINGS CO JAPAN	2702	4,930	655.5	-0.3	10.2	14.0	13.0	10.9	10.8	27.4	28.9	26.8	3.4	11.6	1.7	0.8	-1.2	-3.1	-4.1
OTOYA HOLDINGS CO LTD	2705	2,884	20.9	0.2	-0.4	11.7	NA	NA	NA	15.5	NA	NA	NA	NA	NA	NA	2.1	7.6	3.9
FUJIO FOOD GROUP INC	2752	1,264	56.4	1.7	-5.0	-10.0	16.3	17.7	NA	78.0	67.6	38.9	10.8	NA	2.0	0.0	-6.6	-10.4	-9.3
AMIYAKI TEI CO LTD	2753	2,895	19.8	-0.1	-14.5	-14.1	2.0	2.6	NA	48.8	38.1	36.7	1.0	NA	0.5	0.3	-0.6	-3.2	-5.1
HIRAMATSU INC	2764	192	14.4	4.1	23.5	-21.8	-48.7	NA	NA	NA	NA	NA	2.1	NA	NA	NA	-1.5	-6.8	12.3
PEPPER FOOD SERVICE CO LTD	3053	335	13.2	-0.1	NA	-8.4	20.7	NA	NA	42.4	NA	NA	4.0	NA	NA	NA	-5.1	-14.8	18.4
CHOUSHIMARU CO LTD	3075	1,111	16.1	-0.8	-1.7	1.3	10.2	NA	NA	21.3	NA	NA	2.1	NA	NA	0.5	-0.6	-0.4	-1.7
ARCLAND SERVICE HOLDINGS CO	3085	2,124	70.3	-0.7	14.4	8.2	12.0	13.4	13.0	25.8	19.6	19.0	3.0	8.8	1.1	1.4	-3.2	-9.8	0.9
DOUTOR NICHIRETS HOLDINGS CO	3087	1,524	69.5	-0.3	3.3	5.0	-2.2	4.5	1.3	NA	15.6	47.8	0.7	14.6	0.4	1.6	-5.3	-4.9	-13.6
BRONCO BILLY CO LTD	3091	2,091	31.5	-0.3	-8.7	8.0	5.4	NA	NA	33.0	NA	NA	1.8	NA	NA	0.8	-7.0	-13.8	-12.5
MONOGATARI CORP (TP 9,100 Buy)	3097	5,410	65.4	0.1	6.8	11.2	13.2	16.7	16.4	23.8	16.6	16.7	3.0	11.6	0.9	1.2	-14.8	-24.8	-17.8
CHIMNEY CO LTD	3178	1,075	20.8	0.8	-50.5	-28.7	-8.9	NA	NA	NA	NA	NA	3.0	NA	NA	NA	-6.8	-16.1	-23.3
TORIKIZOKU HOLDINGS CO LTD (TP 2,100 Hold)	3193	1,623	18.9	0.6	NA	NA	NA	8.1	11.4	NA	NA	33.1	3.1	NA	1.1	0.0	-13.5	-6.1	-3.9
HOTLAND CO LTD	3196	1,244	26.8	0.3	3.3	6.2	28.1	13.6	NA	12.9	20.0	18.4	3.1	NA	0.9	0.4	-2.6	-7.0	0.2
SKYLARK HOLDINGS CO LTD (TP 1,600 Hold)	3197	1,494	339.9	0.5	-8.3	22.3	6.2	4.2	4.0	39.5	62.7	57.0	2.0	6.7	1.4	0.5	-2.5	-3.1	-12.8
SFP HOLDINGS CO LTD	3198	1,246	32.1	-0.1	-58.6	17.7	0.3	14.4	NA	798.7	17.9	45.8	2.5	NA	2.9	0.0	-13.2	-9.6	-13.7
CREATE RESTAURANTS HOLDINGS	3387	681	144.9	3.5	-24.0	28.2	10.2	16.9	NA	55.4	21.3	36.6	3.7	NA	2.6	0.7	-8.1	-3.7	-19.9
SAINT MARC HOLDINGS CO LTD	3395	1,512	34.4	-0.2	0.0	-6.4	-16.6	-12.9	2.8	NA	NA	55.6	1.0	NA	0.5	2.9	-5.8	4.2	-14.2
TORIDOLL HOLDINGS CORP	3397	2,200	192.8	3.0	9.3	15.8	14.2	13.1	6.1	34.5	30.8	45.9	3.9	9.8	1.9	0.3	-6.3	-10.9	27.9
KOMEDA HOLDINGS CO LTD (TP 3,000 Buy)	3543	2,006	92.6	1.5	10.0	24.0	13.3	13.5	13.7	19.8	18.5	17.1	2.5	15.1	4.1	2.6	-6.6	-0.9	1.1
KUSHIKATSU TANAKA HOLDINGS C	3547	1,851	17.4	1.6	-42.8	-50.3	-38.2	51.1	35.2	NA	23.4	23.7	14.3	19.3	1.5	0.8	-12.4	-11.9	-1.2
CHIKARANOMOTO HOLDINGS CO LT	3561	554	15.0	3.7	-0.9	7.7	-9.8	NA	NA	NA	NA	NA	4.9	NA	NA	NA	-1.4	-8.6	-11.4
FOOD & LIFE COMPANIES LTD	3563	3,285	381.3	2.2	21.1	15.5	21.4	19.6	22.6	30.5	29.0	21.4	6.0	12.4	1.7	0.7	-8.9	-27.3	-26.8
ATOM CORP	7412	765	148.1	0.2	-13.6	1.2	-9.5	NA	NA	NA	NA	NA	19.6	NA	NA	NA	-0.4	-0.3	-8.7
KAPPA CREATE CO LTD	7421	1,329	65.7	0.4	2.6	3.5	6.3	NA	NA	98.2	NA	NA	6.0	NA	NA	NA	-2.9	-1.3	-17.2
WATAMI CO LTD	7522	855	36.5	3.5	-9.8	-2.1	-43.2	NA	NA	NA	NA	NA	2.3	NA	NA	NA	-7.3	-7.2	-17.9
ZENSHO HOLDINGS CO LTD	7550	2,709	419.5	2.2	6.8	6.8	18.1	16.6	5.7	25.8	26.6	42.9	4.2	15.0	0.9	0.8	-1.0	1.4	-6.8
KOURAKUEN HOLDINGS CORP	7554	1,297	21.8	1.1	-11.2	8.4	30.2	13.6	NA	18.4	39.1	1,852.9	4.8	NA	0.9	0.4	-5.9	-12.4	-26.5
ANRAKUTEI CO LTD	7562	6,350	13.6	1.6	5.1	-5.4	22.0	NA	NA	12.5	NA	NA	2.5	NA	NA	NA	0.5	5.1	19.8
SAIZERIYA CO LTD	7581	2,698	141.0	-0.2	5.0	7.9	4.8	10.6	7.0	33.1	14.2	19.1	1.5	6.7	0.8	0.7	-5.5	-11.8	11.9
HIDAY HIDAKA CORP	7611	1,749	66.7	-0.3	-24.5	-12.0	-1.2	NA	NA	NA	NA	NA	3.1	NA	NA	0.7	0.6	5.7	-0.6
COLOWIDE CO LTD	7616	1,693	147.1	3.6	-4.4	13.1	-11.0	NA	NA	NA	NA	NA	4.1	NA	NA	NA	0.9	3.0	-20.9
UKAI CO LTD	7621	2,986	15.7	1.5	4.8	-5.1	-28.3	NA	NA	NA	NA	NA	6.1	NA	NA	NA	-1.3	-1.1	-2.9
GLOBAL-DINING INC	7625	277	2.9	0.1	68.9	9.6	41.0	NA	NA	2.7	NA	NA	0.9	NA	NA	NA	-15.0	-35.4	31.9
ICHIBANYA CO LTD	7630	4,675	149.3	-0.5	-3.7	9.2	8.7	8.9	NA	57.7	55.3	39.3	5.0	NA	3.0	1.7	-0.1	2.0	-6.5
ASAKUMA CO LTD	7678	1,589	8.5	-0.4	-22.1	-19.3	-21.5	NA	NA	NA	NA	NA	3.3	NA	NA	NA	1.6	3.2	-2.5
MOS FOOD SERVICES INC	8153	2,989	95.7	-0.2	9.9	11.1	8.4	6.9	NA	23.9	28.0	29.8	1.9	NA	1.0	0.9	-1.8	-5.7	-8.6
KISOJI CO LTD	8160	1,999	54.1	0.0	0.1	NA	0.9	NA	NA	NA	NA	NA	2.1	NA	NA	NA	-11.6	-8.2	-18.5
SRS HOLDINGS CO LTD	8163	821	32.5	0.5	-5.4	6.4	2.1	NA	NA	163.9	NA	NA	2.3	NA	NA	NA	-0.1	5.4	-10.3
ROYAL HOLDINGS CO LTD	8179	1,816	82.4	1.1	-0.6	-0.3	-11.8	6.0	5.4	NA	63.0	32.4	2.8	16.3	1.2	0.5	-6.0	-4.6	-3.9
RINGER HUT CO LTD	8200	2,208	57.6	1.0	-10.6	-2.6	-6.8	6.3	NA	NA	75.7	150.7	4.8	NA	1.9	0.5	-4.1	0.0	-4.7
GIFT HOLDINGS INC	9279	2,003	19.9	0.0	22.7	9.0	29.8	28.0	NA	18.7	13.5	13.7	4.8	NA	1.2	1.2	-16.7	-29.6	-1.1
GENKI SUSHI CO LTD	9828	2,385	21.2	0.6	10.6	8.9	13.5	NA	NA	18.2	NA	NA	2.3	NA	NA	NA	-6.0	-6.3	-6.4
GOURMET KINEYA CO LTD	9850	1,014	23.2	1.5	-8.2	11.2	-1.7	NA	NA	NA	NA	NA	2.5	NA	NA	NA	-0.3	-1.5	0.5
GINZA RENOIR CO LTD	9853	835	5.2	0.1	-13.2	-36.3	-16.3	NA	NA	NA	NA	NA	1.4	NA	NA	NA	0.6	0.8	-0.7
YOSHINOYA HOLDINGS CO LTD	9861	2,355	153.4	0.8	-14.3	11.3	9.5	18.0	2.8	36.7	18.6	69.2	3.3	16.8	1.1	0.0	-3.0	1.4	9.2
KFC HOLDINGS JAPAN LTD	9873	2,859	64.1	-0.8	9.9	8.0	16.7	NA	NA	15.5	NA	NA	2.5	NA	NA	NA	-2.2	-2.1	-4.9
MATSUYAFOODS HOLDINGS CO LTD	9887	3,540	67.5	0.3	-4.5	-0.8	5.0	NA	NA	32.4	NA	NA	1.6	NA	NA	NA	-2.6	-1.9	-1.8
SAGAMI HOLDINGS CORP	9900	1,145	34.7	-0.2	-4.1	-6.2	1.5	NA	NA	422.5	NA	NA	2.3	NA	NA	NA	-2.6	8.9	-5.8
OHSHO FOOD SERVICE CORP (TP 7,250 Buy)	9936	5,930	138.1	-0.2	0.9	11.0	14.8	12.1	10.1	13.8	15.4	18.8	1.9	NA	1.4	1.8	-1.2	-3.4	1.0
JOYFULL CO LTD	9942	761	24.3	4.9	-17.5	-6.8	72.4	NA	NA	8.8	NA	NA	4.7	NA	NA	NA	-6.9	-5.6	9.8
DAISYO CORP	9979	986	20.9	0.9	-23.9	13.1	-10.6	NA	NA	NA	NA	NA	1.6	NA	NA	NA	-5.5	1.8	-3.0
Average				0.8	-2.9	2.2	4.1	12.7	10.5	70.0	31.7	104.9	3.7	12.6	1.5	0.8	-4.6	-5.5	-4.4
Median				0.3	-0.9	6.8	5.4	13.1	10.1	29.0	26.6	33.1	2.9	12.2	1.2	0.7	-3.2	-3.7	-4.7

Source: Bloomberg Finance LP data, Mita Securities

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

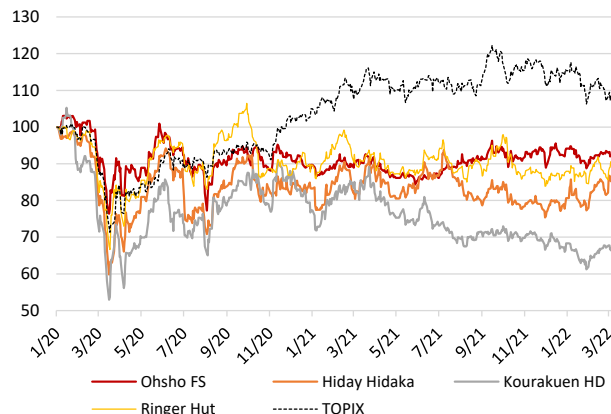
## Stock price trends for food service companies

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



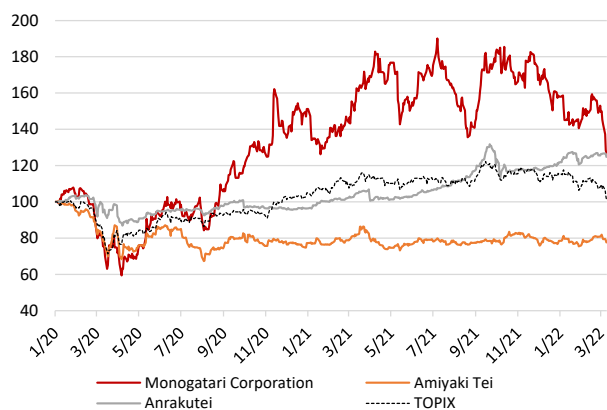
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Chinese restaurants)



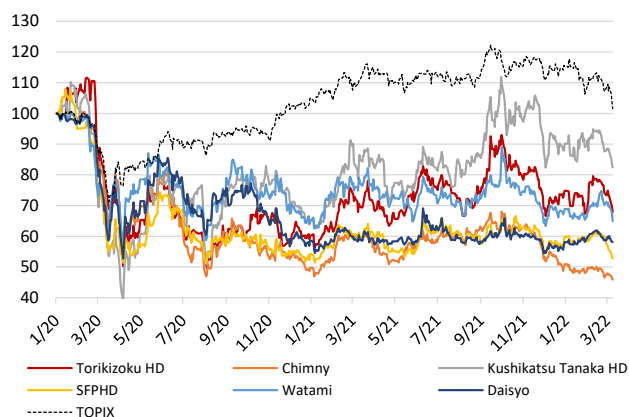
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese BBQ)



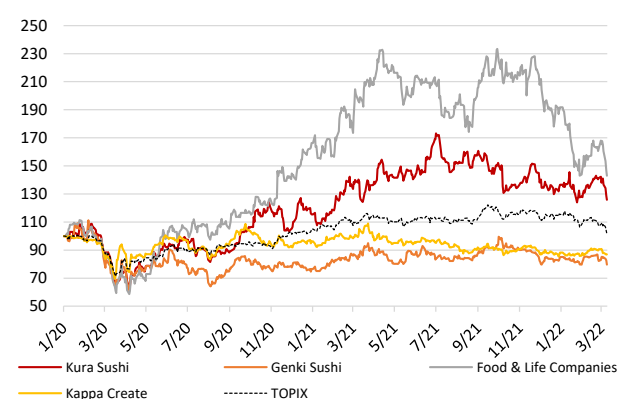
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese style pubs)



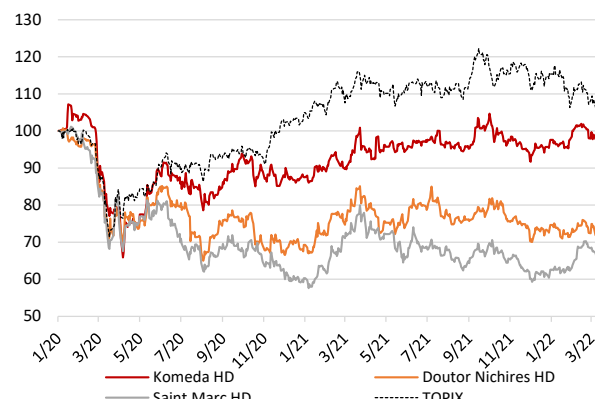
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (sushi restaurants)



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

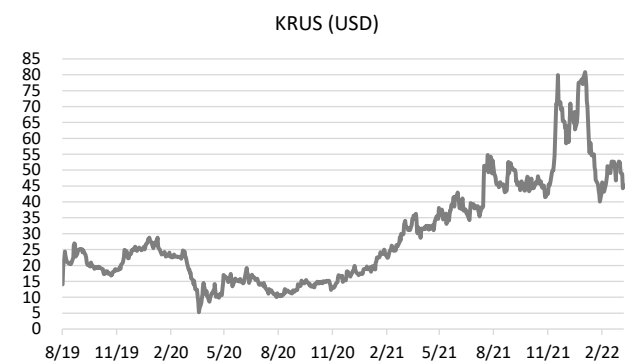
Figure: Stock price trends (coffee shops)



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

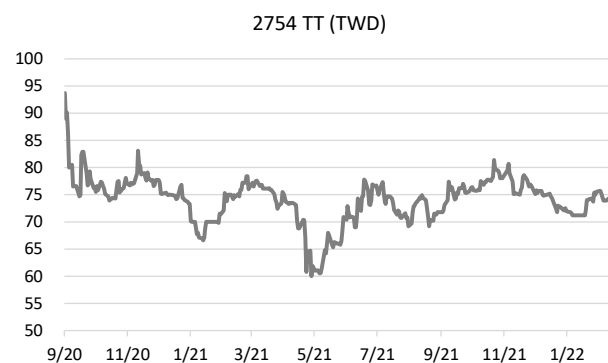
## Stock price trends for overseas subsidiaries

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

### [Analyst Certification]

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