



Torikizoku Holdings

TSE 1st Section 3193

Industry: Food service, retail

1H FY7/22 results announced. Positive impression on significant reduction of operating loss in 2Q

1H RP 1.3bn yen, of which subsidy income 3.2bn yen

Torikizoku Holdings (3193, the company) announced 1H (Aug-Jan) results. Sales were 8.184bn yen (-24.4% YoY), OP was -1.857bn yen (vs. -1.218bn yen in 1H FY7/21), and RP was 1.302bn yen (vs. -1.035bn yen in 1H FY7/21). RP includes subsidy income of 3.159bn yen (vs. no subsidy income in 1H FY7/21). Same-store sales growth for directly-owned stores was -24.3% YoY. The total number of stores was 618 (+1 from end-FY7/21). The company has not disclosed its guidance for FY7/22.

2Q (Nov-Jan) operating loss significantly reduced to 0.1bn yen. Positive impression

In 2Q (Nov-Jan), sales were 6.047bn yen (+31.3% YoY; +183.0% QoQ), OP was -131m yen (vs. -1.051bn yen in 2Q FY7/21; -1.725bn yen in 1Q), and RP was -44m yen (vs. -1.054bn yen in 2Q FY7/21; 1.346bn in 1Q). Subsidy income was 84m yen (vs. no subsidy income in 2Q FY7/21; 3.075bn yen in 1Q). Prior to the spike in Omicron infections in January, many of its stores had resumed normal operations and their business performance had been recovering. The significant reduction in operating loss looks positive. Subsidies for shorter operating hours requests since late January are expected to be recorded from 3Q onward.

One of the few izakaya chains to survive the pandemic

Under the COVID-19 pandemic, izakaya restaurants in general have been exposed to extremely harsh business conditions, and a reduction of stores has been underway. However, Torikizoku has already completed the closing of unprofitable stores, and there has been no change in the number of izakaya stores since the end of FY7/21. In addition, some izakaya operators chose to temporarily close their stores when the priority measures to prevent the spread of the disease were reinstated in late January, but the company's stores have remained open while complying with the operating restrictions. By continuing operations, the company can maintain amicable relationships with its suppliers and employees, and should be able to resume normal operations smoothly after the operating restrictions are lifted. The company's relative competitiveness in the izakaya market has been further strengthened, and we believe it is well-positioned to reap the survivor benefits.

Second Toriki Burger store just opened in Shibuya

On March 10, the company opened its second Toriki Burger store, a fast food restaurant specializing in chicken burgers, in Udagawa-cho, Shibuya-ku. It should be interesting to see the reaction of consumers in the heart of Shibuya, a fiercely competitive fast food district. This format is capable of capturing daytime dining demand that izakaya restaurants cannot reach, as well as takeout and delivery demand, and if the company succeeds in developing multiple stores, it is likely to help strengthen the company's earnings structure. We are closely watching the development of new Toriki Burger stores as a medium- to long-term growth driver for the company. The chicken burger is a product that has not yet become sufficiently popular in Japan, and therefore the rewards for successfully creating a market for it would be significant. That said, there should be many marketing challenges to overcome going forward.

Please refer to the report dated November 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)	2,100
Stock price (JPY) (Mar 11)	1,643
Market cap (JPYbn)	19.1

Key changes

Rating	No
Target price	No
Earnings forecast	No

Stock price (JPY)



Source: Bloomberg Finance LP

Earnings

		7/20	7/21	7/22E	7/23E	7/24E
Sales	JPYbn	27.5	15.6	17.7	28.4	33.8
OP	JPYbn	1.0	-4.7	-3.5	0.6	1.3
RP	JPYbn	1.0	-0.3	-0.6	0.6	1.3
NP	JPYbn	-0.8	-0.5	-0.5	0.6	1.2
EPS	JPY	-65.9	-40.3	-46.6	49.0	103.9
BPS	JPY	489.1	450.6	404.0	453.0	552.8
DPS	JPY	4.0	0.0	0.0	4.0	8.0
PER	x	NA	NA	NA	33.5	15.8
PBR	x	2.5	3.8	4.1	3.6	3.0
Div. yield	%	0.3	0.0	0.0	0.2	0.5
ROA	%	-4.1	-2.5	-3.3	3.2	6.0
ROE	%	-12.5	-8.6	-10.9	11.4	20.7

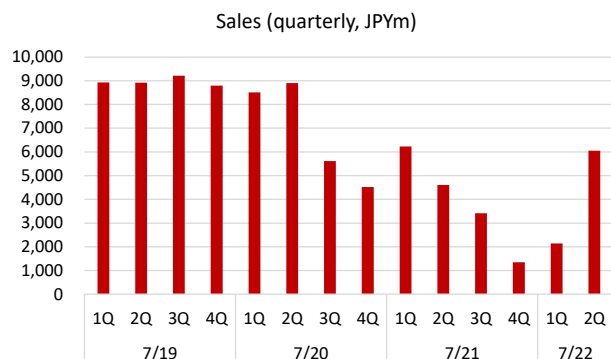
Source: Company data, Mita Securities

Company profile

Torikizoku HD is a restaurant company based in Osaka Prefecture that operates one of Japan's largest izakaya (Japanese style pub) chains "Yakitori-ya Torikizoku." Torikizoku had 615 stores (383 directly-owned stores and 232 franchise stores) as of the end of FY7/21. Sales in FY7/21 were 15.6bn yen, and the peak of sales before the COVID-19 pandemic was 35.8bn yen in FY7/19.

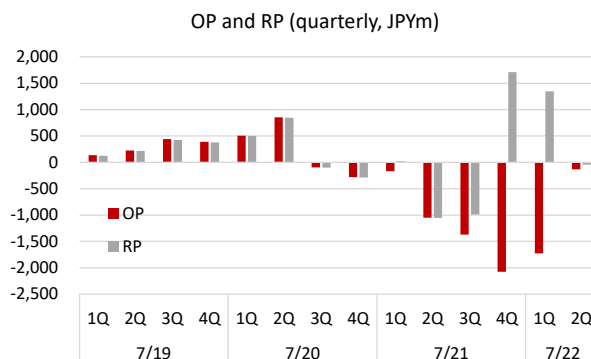
Quarterly results for Torikizoku Holdings

Figure: Sales (JPYm)



Source: Company data, Mita Securities

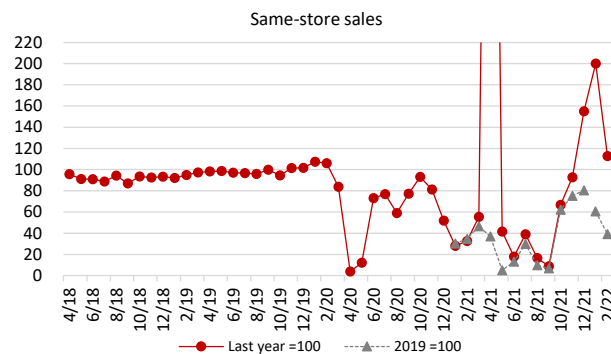
Figure: Operating profit and recurring profit (JPYm)



Source: Company data, Mita Securities

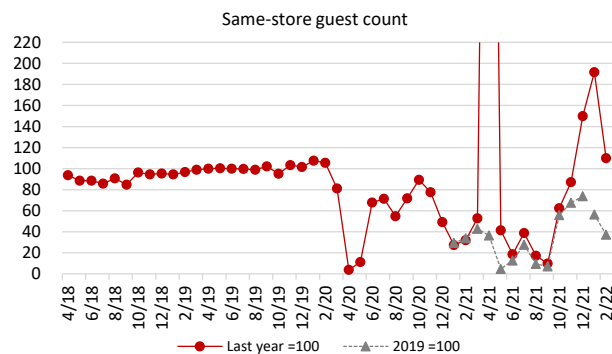
Monthly data for Torikizoku Holdings

Figure: Same-store sales (%)



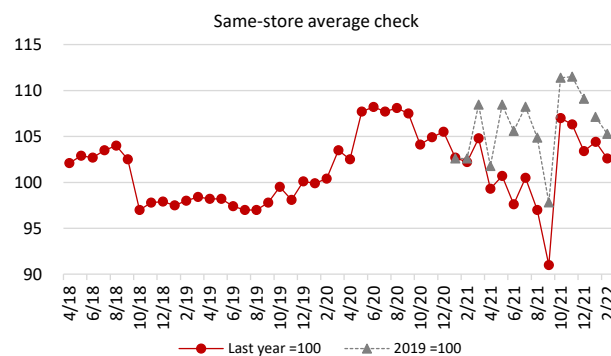
Source: Company data, Mita Securities

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													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	97.2
		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	102.9
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

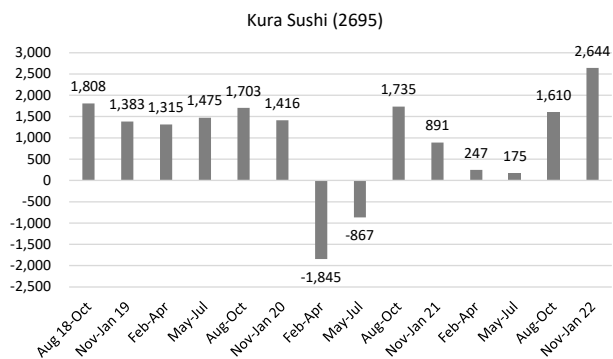
Note: Pre-COVID is indexed with same month in 2019 as 100

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		
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																													
		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	89.3	92.9	99.1	101.5	96.2	104.0	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	

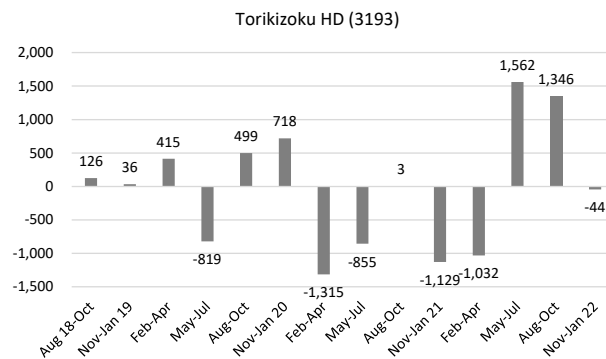
Pre-tax profits for food service companies covered by Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



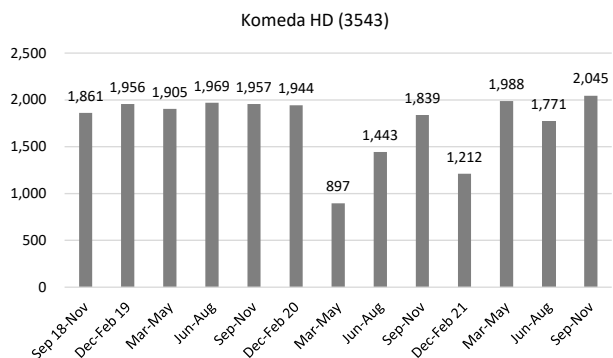
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



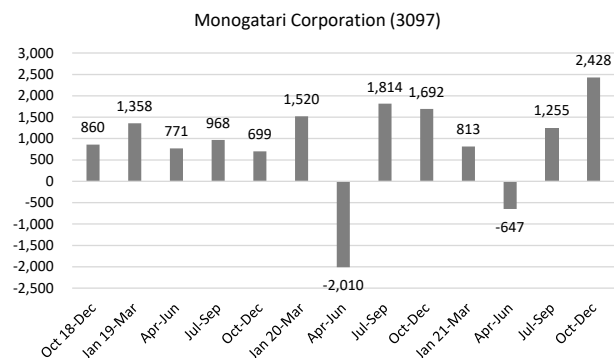
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



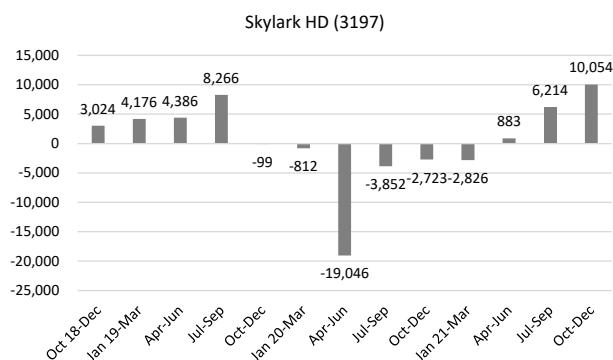
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



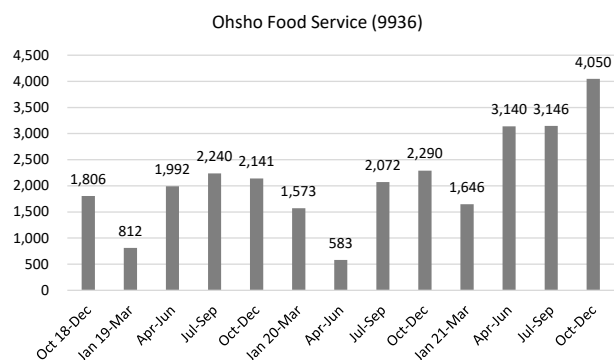
Source: Company data, Mita Securities

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 (reference)

Figure: Comparison of valuations for food service companies

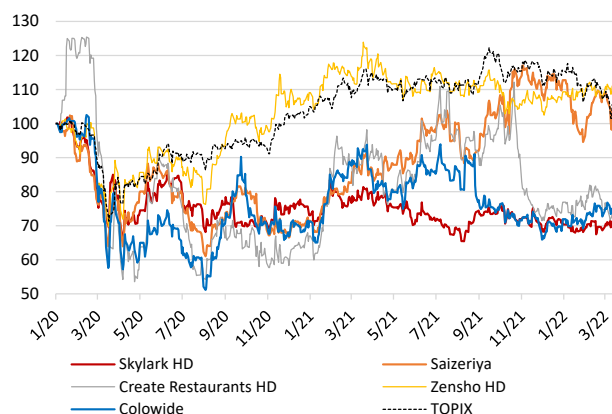
Company name	Ticker	PX 10-Mar	Mkt cap JPYbn	Net D/E Last	Sales YoY LTM	EBITDA Mgn LTM	ROE LTM	ROE Cur E	ROE Nxt E	PER LTM	PER Cur E	PER Nxt E	PBR Last	EV/EBITDA Cur E	EV/Sales Cur E	Div yield Cur E	1M Chg	3M Chg	1YR Chg
KURA SUSHI INC (TP 5,000 Buy)	2695	3,355	138.9	0.1	11.8	2.3	6.4	8.3	10.6	44.1	33.9	23.6	2.7	11.7	0.8	0.6	-9.2	-5.8	-1.0
MCDONALD'S HOLDINGS CO JAPAN	2702	4,900	651.5	-0.3	10.2	14.0	13.0	10.9	10.8	27.2	28.7	26.6	3.4	11.5	1.7	0.8	-0.9	-4.3	-3.5
OTOYA HOLDINGS CO LTD	2705	2,903	21.1	0.2	-0.4	11.7	NA	NA	NA	15.6	NA	NA	NA	NA	NA	NA	2.6	8.6	1.5
FUJIO FOOD GROUP INC	2752	1,300	58.0	1.7	-5.0	-9.6	16.3	17.7	NA	80.2	69.5	40.0	11.1	NA	2.0	0.0	-4.8	-8.7	-3.7
AMIYAKI TEI CO LTD	2753	2,954	20.2	-0.1	-14.5	-14.1	2.0	2.6	NA	49.8	38.9	37.4	1.0	NA	0.5	0.3	0.3	0.1	-3.0
HIRAMATSU INC	2764	197	14.7	4.1	23.5	-21.8	-48.7	NA	NA	NA	NA	NA	2.2	NA	NA	NA	1.0	-1.5	18.0
PEPPER FOOD SERVICE CO LTD	3053	349	13.8	-0.1	NA	-8.4	20.7	NA	NA	44.2	NA	NA	4.2	NA	NA	NA	-2.8	-10.3	25.1
CHOUSHIMARU CO LTD	3075	1,108	16.1	-0.8	-1.7	1.3	10.2	NA	NA	21.2	NA	NA	2.1	NA	NA	0.5	-1.2	-1.1	-3.7
ARCLAND SERVICE HOLDINGS CO	3085	2,191	72.5	-0.7	14.4	8.2	12.0	13.4	13.0	26.7	20.2	19.6	3.1	9.2	1.2	1.4	-1.4	-6.3	5.5
DOUTOR NICHIRETS HOLDINGS CO	3087	1,562	71.2	-0.3	3.3	5.0	-2.2	4.5	1.3	NA	16.0	49.0	0.7	15.3	0.4	1.6	-3.0	-1.4	-9.6
BRONCO BILLY CO LTD	3091	2,196	33.1	-0.3	-8.7	8.0	5.4	NA	NA	34.7	NA	NA	1.8	NA	NA	0.8	-3.6	-8.6	-7.5
MONOGATARI CORP (TP 9,100 Buy)	3097	5,470	66.1	0.1	6.8	11.2	13.2	16.7	16.4	24.1	16.8	16.9	3.0	11.7	0.9	1.2	-14.9	-23.0	-21.1
CHIMNEY CO LTD	3178	1,107	21.4	0.8	-50.5	-28.7	-8.9	NA	NA	NA	NA	NA	3.1	NA	NA	NA	-5.5	-11.8	-20.0
TORIKIZOKU HOLDINGS CO LTD (TP 2,100 Hold)	3193	1,677	19.5	0.6	NA	NA	NA	8.1	11.4	NA	NA	34.2	3.2	NA	1.1	0.0	-10.9	-0.8	0.9
HOTLAND CO LTD	3196	1,286	27.7	0.3	3.3	6.2	28.1	13.6	NA	13.3	20.7	19.0	3.2	NA	0.9	0.4	-0.5	-3.2	3.9
SKYLARK HOLDINGS CO LTD (TP 1,600 Hold)	3197	1,532	348.5	0.5	-8.3	22.3	6.2	4.2	4.0	40.5	64.3	58.5	2.1	6.8	1.4	0.5	0.2	-0.5	-8.9
SFP HOLDINGS CO LTD	3198	1,270	32.8	-0.1	-58.6	17.7	0.3	14.4	NA	814.1	18.2	46.7	2.5	NA	3.0	0.0	-12.3	-6.5	-10.0
CREATE RESTAURANTS HOLDINGS	3387	696	148.1	3.5	-24.0	28.2	10.2	16.9	NA	56.6	21.8	37.4	3.7	NA	2.7	0.6	-9.4	-2.4	-15.9
SAINT MARC HOLDINGS CO LTD	3395	1,593	36.3	-0.2	0.0	-6.4	-16.6	-12.9	2.8	NA	NA	58.6	1.0	NA	0.5	2.8	-0.7	10.7	-7.5
TORIDOLL HOLDINGS CORP	3397	2,254	197.5	3.0	9.3	15.8	14.2	13.1	6.1	35.4	31.6	47.0	4.0	10.0	2.0	0.3	-5.8	-8.4	33.9
KOMEDA HOLDINGS CO LTD (TP 3,000 Buy)	3543	2,066	95.4	1.5	10.0	24.0	13.3	13.5	13.7	20.4	19.0	17.6	2.6	15.5	4.2	2.5	-4.4	2.1	2.8
KUSHIKATSU TANAKA HOLDINGS C	3547	1,860	17.5	1.6	-42.8	-50.3	-38.2	51.1	35.2	NA	23.5	23.8	14.4	19.4	1.5	0.8	-12.2	-10.7	-2.5
CHIKARANOMOTO HOLDINGS CO LT	3561	565	15.3	3.7	-0.9	7.7	-9.8	NA	NA	NA	NA	NA	5.0	NA	NA	NA	-0.7	-6.1	-7.7
FOOD & LIFE COMPANIES LTD	3563	3,450	400.4	2.2	21.1	15.5	21.4	19.6	22.6	32.1	30.4	22.5	6.3	12.9	1.8	0.7	-4.6	-21.2	-24.4
ATOM CORP	7412	777	150.4	0.2	-13.6	1.2	-9.5	NA	NA	NA	NA	NA	19.9	NA	NA	NA	0.3	0.8	-0.6
KAPPA CREATE CO LTD	7421	1,365	67.5	0.4	2.6	3.5	6.3	NA	NA	100.9	NA	NA	6.2	NA	NA	NA	-2.1	1.9	-13.8
WATAMI CO LTD	7522	897	38.3	3.5	-9.8	-2.1	-43.2	NA	NA	NA	NA	NA	2.4	NA	NA	NA	-3.8	-1.5	-11.8
ZENSHO HOLDINGS CO LTD	7550	2,768	428.7	2.2	6.8	6.8	18.1	16.6	5.7	26.4	27.2	43.8	4.3	15.3	0.9	0.8	0.0	3.5	-4.5
KOURAKUEN HOLDINGS CORP	7554	1,335	22.4	1.1	-11.2	8.4	30.2	13.6	NA	19.0	40.2	1,907.1	5.0	NA	0.9	0.4	-4.5	-8.9	-25.1
ANRAKUTEI CO LTD	7562	6,400	13.7	1.6	5.1	-5.4	22.0	NA	NA	12.6	NA	NA	2.5	NA	NA	NA	0.6	5.4	20.1
SAIZERIYA CO LTD	7581	2,788	145.7	-0.2	5.0	7.9	4.8	10.6	7.0	34.2	14.7	19.7	1.6	6.9	0.8	0.6	-3.8	-8.0	20.0
HIDAY HIDAKA CORP	7611	1,764	67.3	-0.3	-24.5	-12.0	-1.2	NA	NA	NA	NA	NA	3.1	NA	NA	0.7	0.0	6.3	-0.4
COLOWIDE CO LTD	7616	1,731	150.4	3.6	-4.4	13.1	-11.0	NA	NA	NA	NA	NA	4.2	NA	NA	NA	-1.9	6.1	-17.5
UKAI CO LTD	7621	2,997	15.7	1.5	4.8	-5.1	-28.3	NA	NA	NA	NA	NA	6.1	NA	NA	NA	-0.1	-0.8	-1.3
GLOBAL-DINING INC	7625	287	3.0	0.1	68.9	9.6	41.0	NA	NA	2.8	NA	NA	0.9	NA	NA	NA	-12.5	-29.5	35.4
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	-1.3	1.6	-6.7
ASAKUMA CO LTD	7678	1,586	8.5	-0.4	-22.1	-19.3	-21.5	NA	NA	NA	NA	NA	3.3	NA	NA	NA	1.1	3.5	-2.9
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	-2.1	-5.1	-9.9
KISOJI CO LTD	8160	2,034	55.0	0.0	0.1	NA	0.9	NA	NA	NA	NA	NA	2.1	NA	NA	NA	-9.7	-6.6	-16.7
SRS HOLDINGS CO LTD	8163	822	32.5	0.5	-5.4	6.4	2.1	NA	NA	164.1	NA	NA	2.4	NA	NA	NA	-0.7	5.5	-9.4
ROYAL HOLDINGS CO LTD	8179	1,865	84.6	1.1	-0.6	-0.3	-11.8	6.0	5.4	NA	64.7	33.2	2.9	16.5	1.2	0.4	-4.7	-1.9	0.3
RINGER HUT CO LTD	8200	2,256	58.8	1.0	-10.6	-2.6	-6.8	6.3	NA	NA	77.3	154.0	5.0	NA	1.9	0.4	-3.5	2.1	-2.3
GIFT HOLDINGS INC	9279	2,107	21.0	0.0	22.7	9.0	29.8	28.0	NA	19.6	14.2	14.4	5.1	NA	1.2	1.2	-13.7	-24.1	3.7
GENKI SUSHI CO LTD	9828	2,429	21.6	0.6	10.6	8.9	13.5	NA	NA	18.5	NA	NA	2.4	NA	NA	NA	-5.3	-3.1	-9.0
GOURMET KINEYA CO LTD	9850	1,055	24.2	1.5	-8.2	11.2	-1.7	NA	NA	NA	NA	NA	2.6	NA	NA	NA	3.7	2.4	5.0
GINZA RENAISSANCE CO LTD	9853	836	5.2	0.1	-13.2	-36.3	-16.3	NA	NA	NA	NA	NA	1.4	NA	NA	NA	0.5	1.2	-0.6
YOSHINOYA HOLDINGS CO LTD	9861	2,376	154.7	0.8	-14.3	11.3	9.5	18.0	2.8	37.0	18.7	69.8	3.3	17.0	1.1	0.0	-2.7	1.7	10.7
KFC HOLDINGS JAPAN LTD	9873	2,874	64.4	-0.8	9.9	8.0	16.7	NA	NA	15.6	NA	NA	2.5	NA	NA	NA	-2.2	-1.1	-4.0
MATSUYA FOODS HOLDINGS CO LTD	9887	3,620	69.0	0.3	-4.5	-0.8	5.0	NA	NA	33.1	NA	NA	1.6	NA	NA	NA	-1.1	1.7	-0.3
SAGAMI HOLDINGS CORP	9900	1,185	35.9	-0.2	-4.1	-6.2	1.5	NA	NA	437.3	NA	NA	2.3	NA	NA	NA	-2.2	11.8	-1.3
OHSO FOOD SERVICE CORP (TP 7,250 Buy)	9936	6,060	141.1	-0.2	0.9	11.0	14.8	12.1	10.1	14.1	15.7	19.3	2.0	NA	1.4	1.8	1.0	-1.0	3.2
JOYFULL CO LTD	9942	768	24.5	4.9	-17.5	-6.8	72.4	NA	NA	8.9	NA	NA	4.7	NA	NA	NA	-6.0	-4.7	10.8
DAISYO CORP	9979	1,009	21.4	0.9	-23.9	13.1	-10.6	NA	NA	NA	NA	NA	1.7	NA	NA	NA	-3.9	6.0	1.9
Average				0.8	-2.9	2.2	4.2	12.7	10.5	70.8	32.4	107.7	3.8	12.8	1.5	0.8	-3.5	-2.9	-1.6
Median				0.3	-0.9	6.8	6.2	13.1	10.1	29.6	27.2	34.2	3.0	12.3	1.2	0.6	-2.2	-1.4	-2.5

Source: Bloomberg Finance LP data, Mita Securities

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

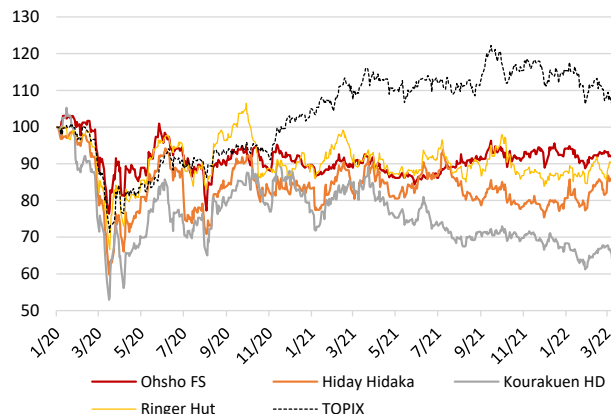
Stock price trends for food service companies

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



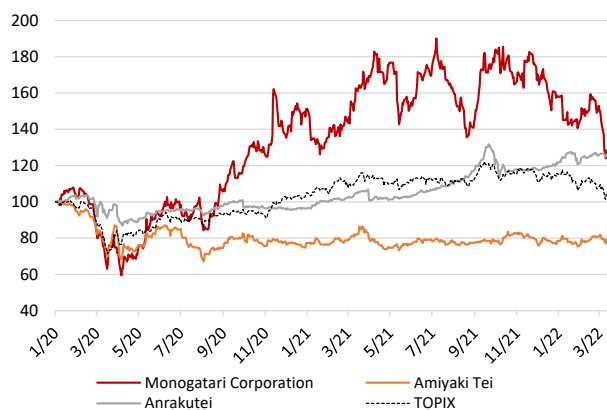
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Chinese restaurants)



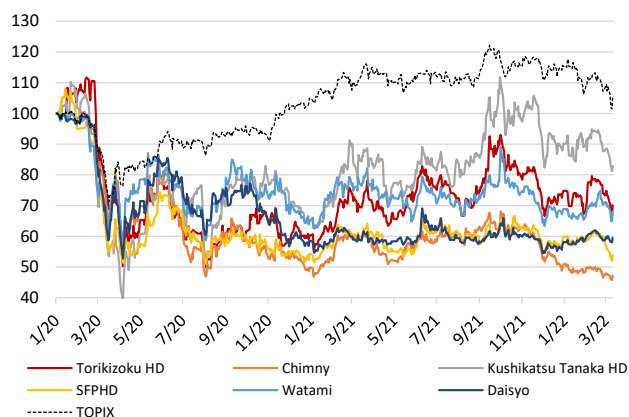
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese BBQ)



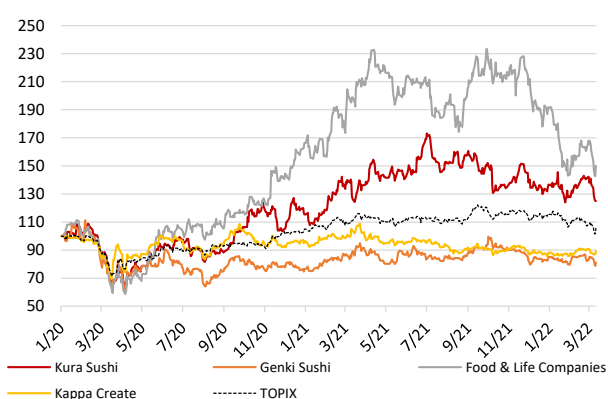
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese style pubs)



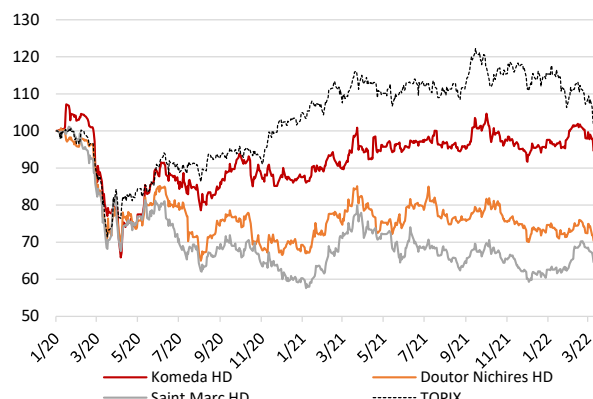
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

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

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