



Skylark Holdings

TSE 1st Section 3197 Industry: Food service, retail

February sales significantly affected by Omicron

February SSS: Negatively affected by Omicron

Skylark HD (3197, the company) disclosed monthly data for February (on a preliminary basis). February same-store sales were significantly lower than pre-pandemic levels due to the large number of cases of the new coronavirus and the operating restrictions on restaurants. In February, up to 2,660 stores were operating on shortened hours (total number of stores was 3,097 at the end of February).

Same-store sales were 93.1% vs. February 2021 (115.8% for January), 66.0% vs. February 2020, and 65.7% 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 94.0% (111.8% for January), and the average check was 99.0% (103.6% for January).

However, the worsening of the infection situation in February is well known, and it would not be a surprise to see the SSS numbers worse than in January.

In February, the company opened one new store in Taiwan. The number of stores at the end of February was 3,097 (-2 MoM). The company has deployed 440 cat-like floor service robots at 328 stores.

Please refer to the report dated February 24, 2022 for the rationale of the rating and target price.

MITA SECURITIES Co., Ltd.

Junichi Shimizu

Chief Analyst, Head of Research

jshimizu@mitasec.com

Update

Rating
Hold

| | |
|---------------------------|-------|
| Target price (JPY) | 1,600 |
| Stock price (JPY) (Mar 2) | 1,506 |
| Market cap (JPYbn) | 342.6 |

Key changes

| | |
|-------------------|----|
| Rating | No |
| Target price | No |
| Earnings forecast | No |

Stock price (JPY)



Source: Bloomberg Finance LP

Earnings

| IFRS | | 12/20 | 12/21 | 12/22E | 12/23E | 12/24E |
|----------------|-------|-------|-------|--------|--------|--------|
| Sales | JPYbn | 288.4 | 264.6 | 311.9 | 343.1 | 359.2 |
| OP | JPYbn | -23.0 | 18.2 | 8.8 | 10.0 | 17.6 |
| Pre-tax Profit | JPYbn | -26.4 | 14.3 | 6.2 | 7.4 | 15.1 |
| NP | JPYbn | -17.2 | 8.7 | 3.8 | 4.6 | 10.0 |
| EPS | JPY | -87.2 | 38.4 | 16.7 | 20.4 | 44.2 |
| BPS | JPY | 576 | 730 | 735 | 749 | 784 |
| DPS | JPY | 0.0 | 12.0 | 6.0 | 10.0 | 20.0 |
| PER | x | NA | 39.2 | 90.1 | 73.9 | 34.1 |
| PBR | x | 2.8 | 2.1 | 2.0 | 2.0 | 1.9 |
| Div. yield | % | 0.0 | 0.8 | 0.4 | 0.7 | 1.3 |
| ROA | % | -3.8 | 1.9 | 0.8 | 1.0 | 2.1 |
| ROE | % | -14.0 | 6.2 | 2.3 | 2.7 | 5.8 |

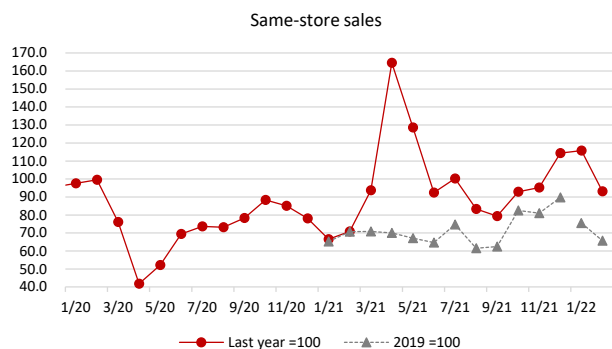
Source: Company data, Mita Securities

Company profile

Skylark HD is Japan's largest operator of family restaurants, including "Gusto," and "Bamiyan." The company had 3,098 stores at the end of December 2021. FY12/21 sales were 264.6bn yen.

Monthly data for Skylark Holdings

Figure: Same-store sales



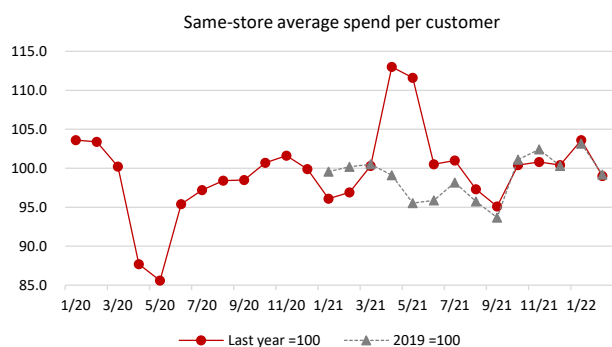
Source: Company data, Mita Securities

Figure: Same-store guest count



Source: Company data, Mita Securities

Figure: Same-store average check



Source: Company data, Mita Securities

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 | |
| | | 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 | |
| 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 | |
| | | 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 | |

Source: Companies' data, Mita Securities

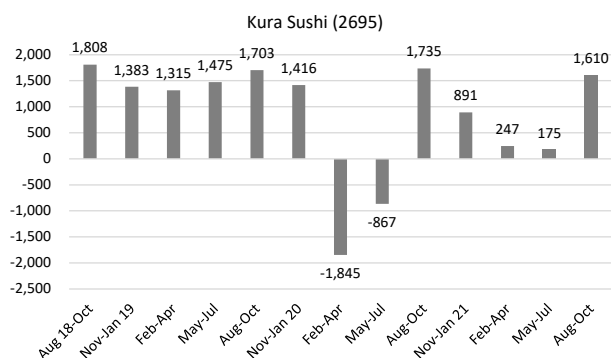
Note: Pre-COVID is indexed with same month in 2019 as 100

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 | |
| | | 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 | |
| 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 | |
| | | 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 | |
| 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 | |
| | | 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 | |
| | 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 | |
| | | 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 | |
| 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 | |
| | | 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 | |
| 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 | |
| | | 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 | |
| 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 | |
| | | 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 | |
| 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 |
| | 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 | |
| | | 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 | |
| | | 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 | |
| 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 | | | | | | | | | | | | | 80.3 | 93.6 | 86.8 | 84.7 | 87.3 | 82.3 | 84.4 | 84.2 | 79.3 | 87.1 | 90.3 | 87.8 | 90.5 | 90.9 |

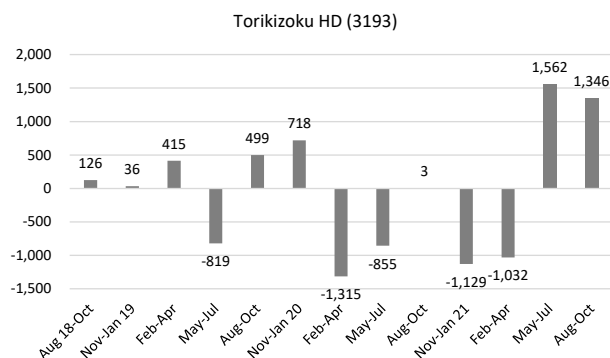
Pre-tax profits for food service companies covered by Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



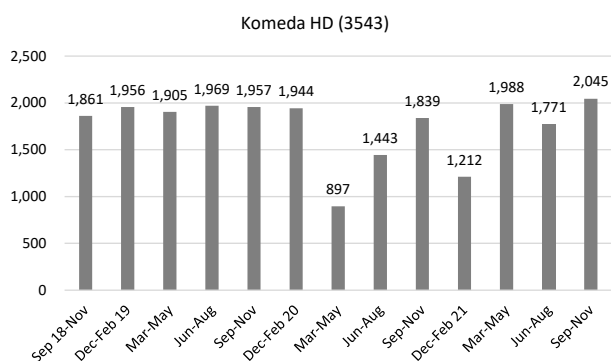
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



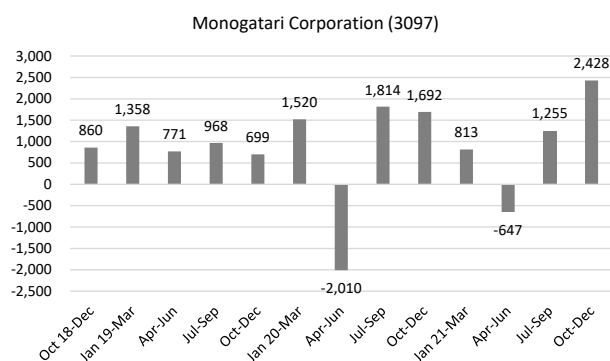
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



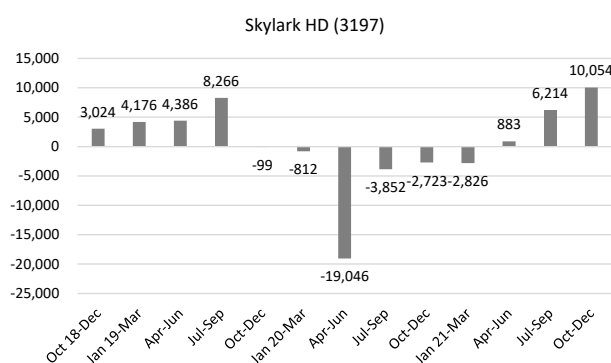
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



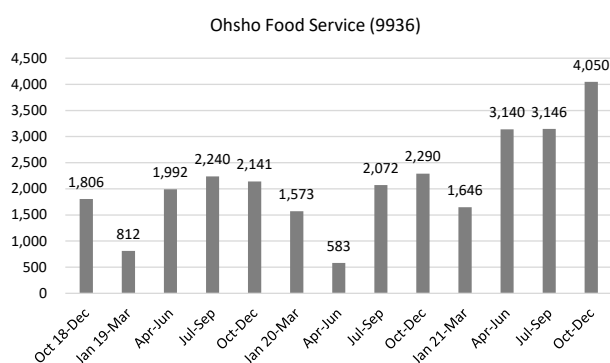
Source: Company data, Mita Securities

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 1-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 | 3,765 | 155.9 | 0.1 | 8.7 | 2.3 | 4.1 | 8.4 | 10.7 | 78.5 | 38.1 | 26.5 | 3.1 | 13.2 | 0.9 | 0.6 | 5.9 | 4.3 | 2.0 |
| MCDONALD'S HOLDINGS CO JAPAN | 2702 | 4,960 | 659.5 | -0.3 | 10.2 | 14.0 | 13.0 | 10.9 | 10.8 | 27.5 | 29.1 | 27.0 | 3.4 | 11.7 | 1.8 | 0.8 | -0.8 | -1.8 | -5.7 |
| OOTOA HOLDINGS CO LTD | 2705 | 2,877 | 20.9 | 0.2 | -0.4 | 11.7 | NA | NA | NA | 15.4 | NA | NA | NA | NA | NA | NA | 3.2 | 13.9 | 7.8 |
| FUJIO FOOD GROUP INC | 2752 | 1,306 | 58.3 | 1.7 | -5.0 | -10.0 | 16.3 | 21.2 | NA | 80.6 | 35.6 | 39.0 | 11.2 | NA | 1.8 | 0.0 | -2.4 | -2.9 | -3.7 |
| AMIYAKI TEI CO LTD | 2753 | 3,055 | 20.9 | -0.1 | -14.5 | -14.1 | 2.0 | 2.6 | NA | 51.5 | 40.3 | 38.7 | 1.0 | NA | 0.5 | 0.3 | 3.4 | 7.9 | 3.4 |
| HIRAMATSU INC | 2764 | 207 | 15.5 | 4.1 | 23.5 | -21.8 | -48.7 | NA | NA | NA | NA | NA | 2.3 | NA | NA | NA | 8.9 | 8.4 | 13.1 |
| PEPPER FOOD SERVICE CO LTD | 3053 | 362 | 14.3 | -0.1 | NA | -8.4 | 20.7 | NA | NA | 45.8 | NA | NA | 4.3 | NA | NA | NA | 0.6 | -5.0 | 29.3 |
| CHOUSHIMARU CO LTD | 3075 | 1,132 | 16.4 | -0.8 | -1.7 | 1.3 | 10.2 | NA | NA | 21.7 | NA | NA | 2.1 | NA | NA | 0.5 | 0.8 | 3.7 | 2.3 |
| ARCLAND SERVICE HOLDINGS CO | 3085 | 2,227 | 73.7 | -0.7 | 14.4 | 8.2 | 12.0 | 13.4 | 13.0 | 27.1 | 20.6 | 19.9 | 3.1 | 9.4 | 1.2 | 1.3 | 0.8 | 0.6 | 3.7 |
| DOUTOR NICHIREI HOLDINGS CO | 3087 | 1,620 | 73.9 | -0.3 | 3.3 | 5.0 | -2.2 | 4.5 | 1.3 | NA | 16.6 | 50.8 | 0.7 | 16.3 | 0.4 | 1.5 | 2.5 | 6.9 | -1.0 |
| BRONCO BILLY CO LTD | 3091 | 2,222 | 33.5 | -0.3 | -8.7 | 8.0 | 5.4 | NA | NA | 35.1 | NA | NA | 1.9 | NA | NA | 0.8 | 0.6 | -1.3 | -3.1 |
| MONOGATARI CORP (TP 9,100 Buy) | 3097 | 6,390 | 77.2 | 0.1 | 6.8 | 11.2 | 13.2 | 17.7 | 16.4 | 28.1 | 18.5 | 18.7 | 3.5 | NA | 1.1 | 1.1 | -1.1 | -8.8 | 4.8 |
| CHIMNEY CO LTD | 3178 | 1,121 | 21.7 | 0.8 | -50.5 | -28.7 | -8.9 | NA | NA | NA | NA | NA | 3.2 | NA | NA | NA | -4.0 | -7.6 | -19.9 |
| TORIKIZOKU HOLDINGS CO LTD (TP 2,100 Hold) | 3193 | 1,791 | 20.8 | 0.6 | NA | NA | NA | 17.6 | 11.4 | NA | NA | 36.6 | 3.4 | NA | 1.2 | 0.0 | -2.7 | 12.4 | 4.7 |
| HOTLAND CO LTD | 3196 | 1,324 | 28.5 | 0.3 | 3.3 | 6.2 | 28.1 | 13.6 | NA | 13.7 | 21.3 | 19.6 | 3.3 | NA | 1.0 | 0.4 | 3.8 | 2.4 | 8.2 |
| SKYLARK HOLDINGS CO LTD (TP 1,600 Hold) | 3197 | 1,517 | 345.1 | 0.5 | -8.3 | 22.3 | 6.2 | 4.2 | 4.0 | 40.1 | 63.6 | 57.9 | 2.1 | 6.8 | 1.4 | 0.5 | 0.2 | 4.3 | -7.8 |
| SFP HOLDINGS CO LTD | 3198 | 1,338 | 34.5 | -0.1 | -58.6 | 17.7 | 0.3 | 14.4 | NA | 857.7 | 19.2 | 49.2 | 2.7 | NA | 3.1 | 0.0 | -4.6 | 4.0 | -3.8 |
| CREATE RESTAURANTS HOLDINGS | 3387 | 713 | 151.7 | 3.5 | -24.0 | 28.2 | 10.2 | 16.9 | NA | 58.0 | 22.4 | 38.3 | 3.8 | NA | 2.7 | 0.6 | -4.6 | 5.5 | -7.8 |
| SAINT MARC HOLDINGS CO LTD | 3395 | 1,594 | 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 | 5.1 | 14.8 | -5.1 |
| TORIDOLL HOLDINGS CORP | 3397 | 2,474 | 216.8 | 3.0 | 9.3 | 15.8 | 14.2 | 13.1 | 6.1 | 38.8 | 34.7 | 51.6 | 4.4 | 10.6 | 2.1 | 0.3 | 5.5 | 6.3 | 58.0 |
| KOMEDA HOLDINGS CO LTD (TP 3,000 Buy) | 3543 | 2,096 | 96.8 | 1.5 | 10.0 | 24.0 | 13.3 | 13.5 | 13.7 | 20.7 | 19.3 | 17.8 | 2.6 | 15.6 | 4.3 | 2.4 | -1.6 | 5.8 | 10.3 |
| KUSHIKATSU TANAKA HOLDINGS C | 3547 | 1,985 | 18.7 | 1.6 | -42.8 | -50.3 | -38.2 | 51.1 | 35.2 | NA | 25.1 | 25.4 | 15.4 | 20.6 | 1.6 | 0.8 | -3.8 | 7.4 | 5.2 |
| CHIKARANOMOTO HOLDINGS CO LT | 3561 | 576 | 15.6 | 3.7 | -0.9 | 7.7 | -9.8 | NA | NA | NA | NA | NA | 5.1 | NA | NA | NA | 3.0 | -2.2 | -5.7 |
| FOOD & LIFE COMPANIES LTD | 3563 | 3,855 | 447.4 | 2.2 | 21.1 | 15.5 | 21.4 | 19.6 | 22.6 | 35.9 | 34.0 | 25.1 | 7.1 | 14.0 | 2.0 | 0.6 | 6.8 | -17.9 | -13.8 |
| ATOM CORP | 7412 | 781 | 151.2 | 0.2 | -13.6 | 1.2 | -9.5 | NA | NA | NA | NA | NA | 20.0 | NA | NA | NA | 2.4 | 4.1 | -18.3 |
| KAPPA CREATE CO LTD | 7421 | 1,375 | 67.9 | 0.4 | 2.6 | 3.5 | 6.3 | NA | NA | 101.6 | NA | NA | 6.2 | NA | NA | NA | 2.9 | 3.5 | -9.4 |
| WATAMI CO LTD | 7522 | 935 | 39.9 | 3.5 | -9.8 | -2.1 | -43.2 | NA | NA | NA | NA | NA | 2.5 | NA | NA | NA | 1.7 | 12.1 | -5.2 |
| ZENSHO HOLDINGS CO LTD | 7550 | 2,767 | 428.5 | 2.2 | 6.8 | 6.8 | 18.1 | 16.6 | 5.7 | 26.3 | 27.1 | 43.8 | 4.3 | 15.3 | 0.9 | 0.8 | -0.4 | 8.3 | -1.6 |
| KOURAKUEN HOLDINGS CORP | 7554 | 1,428 | 24.0 | 1.1 | -11.2 | 8.4 | 30.2 | 13.6 | NA | 20.3 | 43.0 | 2,040.0 | 5.3 | NA | 1.0 | 0.4 | 4.3 | 0.3 | -17.9 |
| ANRAKUTEI CO LTD | 7562 | 6,440 | 13.8 | 1.6 | 5.1 | -5.4 | 22.0 | NA | NA | 12.7 | NA | NA | 2.6 | NA | NA | NA | 1.9 | 7.7 | 23.6 |
| SAIZERIYA CO LTD | 7581 | 2,932 | 153.3 | -0.2 | 5.0 | 7.9 | 4.8 | 10.6 | 7.0 | 36.0 | 15.4 | 20.7 | 1.7 | 7.4 | 0.8 | 0.6 | 6.9 | 2.1 | 28.1 |
| HIDAY HIDAKA CORP | 7611 | 1,799 | 68.6 | -0.3 | -24.5 | -12.0 | -1.2 | NA | NA | NA | NA | NA | 3.2 | NA | NA | 0.7 | 5.5 | 12.4 | 7.9 |
| COLOWIDE CO LTD | 7616 | 1,734 | 150.7 | 3.6 | -4.4 | 13.1 | -11.0 | NA | NA | NA | NA | NA | 4.2 | NA | NA | NA | 2.1 | 13.4 | -14.5 |
| UKAI CO LTD | 7621 | 3,010 | 15.8 | 1.5 | 4.8 | -5.1 | -28.3 | NA | NA | NA | NA | NA | 6.1 | NA | NA | NA | 0.5 | -0.2 | -3.1 |
| GLOBAL-DINING INC | 7625 | 318 | 3.3 | 0.1 | 68.9 | 9.6 | 41.0 | NA | NA | 3.1 | NA | NA | 1.0 | NA | NA | NA | -4.5 | -17.4 | 52.2 |
| ICHIBANYA CO LTD | 7630 | 4,680 | 149.4 | -0.5 | -3.7 | 9.2 | 8.7 | 8.9 | NA | 57.8 | 55.3 | 39.3 | 5.1 | NA | 3.0 | 1.7 | 0.5 | 6.1 | -2.5 |
| ASAKUMA CO LTD | 7678 | 1,599 | 8.6 | -0.4 | -22.1 | -19.3 | -21.5 | NA | NA | NA | NA | NA | 3.3 | NA | NA | NA | 2.3 | 4.6 | -1.7 |
| MOS FOOD SERVICES INC | 8153 | 3,065 | 98.1 | -0.2 | 9.9 | 11.1 | 8.4 | 6.9 | NA | 24.5 | 28.7 | 30.6 | 2.0 | NA | 1.1 | 0.9 | 0.8 | 0.8 | -2.5 |
| KISOJI CO LTD | 8160 | 2,171 | 58.8 | 0.0 | 0.1 | NA | 0.9 | NA | NA | NA | NA | NA | 2.3 | NA | NA | NA | -1.3 | 4.1 | -10.6 |
| SRS HOLDINGS CO LTD | 8163 | 830 | 32.8 | 0.5 | -5.4 | 6.4 | 2.1 | NA | NA | 165.7 | NA | NA | 2.4 | NA | NA | NA | 3.9 | 11.4 | -7.5 |
| ROYAL HOLDINGS CO LTD | 8179 | 1,952 | 88.6 | 1.1 | -0.6 | -0.3 | -11.8 | 4.3 | 5.7 | NA | 67.7 | 34.8 | 3.0 | 17.1 | 1.3 | 0.4 | 5.9 | 8.7 | 2.4 |
| RINGER HUT CO LTD | 8200 | 2,262 | 59.0 | 1.0 | -10.6 | -2.6 | -6.8 | 6.3 | NA | NA | 77.5 | 154.4 | 5.0 | NA | 1.9 | 0.4 | 0.8 | 5.2 | -1.4 |
| GIFT HOLDINGS INC | 9279 | 2,267 | 22.6 | 0.0 | 22.7 | 9.0 | 29.8 | 28.0 | NA | 21.1 | 15.2 | 15.5 | 5.5 | NA | 1.3 | 1.1 | -8.3 | -14.3 | 9.2 |
| GENKI SUSHI CO LTD | 9828 | 2,551 | 22.7 | 0.6 | 10.6 | 8.9 | 13.5 | NA | NA | 19.4 | NA | NA | 2.5 | NA | NA | NA | 0.6 | 7.0 | -1.5 |
| GOURMET KINEYA CO LTD | 9850 | 1,079 | 24.7 | 1.5 | -8.2 | 11.2 | -1.7 | NA | NA | NA | NA | NA | 2.7 | NA | NA | NA | 6.5 | 9.3 | 8.4 |
| GINZA RENOIR CO LTD | 9853 | 843 | 5.3 | 0.1 | -13.2 | -36.3 | -16.3 | NA | NA | NA | NA | NA | 1.5 | NA | NA | NA | 2.6 | 2.7 | 0.7 |
| YOSHINOYA HOLDINGS CO LTD | 9861 | 2,427 | 158.1 | 0.8 | -14.3 | 11.3 | 9.5 | 18.0 | 2.8 | 37.8 | 19.1 | 71.3 | 3.4 | 17.3 | 1.1 | 0.0 | 1.6 | 11.1 | 16.2 |
| KFC HOLDINGS JAPAN LTD | 9873 | 2,929 | 65.7 | -0.8 | 9.9 | 8.0 | 16.7 | NA | NA | 15.9 | NA | NA | 2.5 | NA | NA | NA | 1.3 | 3.9 | 1.2 |
| MATSUYAFOODS HOLDINGS CO LTD | 9887 | 3,635 | 69.3 | 0.3 | -4.5 | -0.8 | 5.0 | NA | NA | 33.2 | NA | NA | 1.6 | NA | NA | NA | 0.3 | 4.5 | 0.7 |
| SAGAMI HOLDINGS CORP | 9900 | 1,208 | 36.6 | -0.2 | -4.1 | -6.2 | 1.5 | NA | NA | 445.8 | NA | NA | 2.4 | NA | NA | NA | 14.0 | 21.5 | 0.8 |
| OHSO FOOD SERVICE CORP (TP 7,250 Buy) | 9936 | 6,060 | 141.1 | -0.2 | 0.9 | 11.0 | 14.8 | 13.1 | 10.1 | 14.1 | 15.7 | 19.3 | 2.0 | NA | 1.4 | 1.8 | 1.5 | 3.6 | 2.7 |
| JOYFULL CO LTD | 9942 | 786 | 25.1 | 4.9 | -17.5 | -6.8 | 72.4 | NA | NA | 9.1 | NA | NA | 4.8 | NA | NA | NA | -3.4 | -2.2 | 14.1 |
| DAISYO CORP | 9979 | 1,014 | 21.5 | 0.9 | -23.9 | 13.1 | -10.6 | NA | NA | NA | NA | NA | 1.7 | NA | NA | NA | -0.7 | 9.5 | 2.4 |
| Average | | | | 0.8 | -2.9 | 2.2 | 4.1 | 13.2 | 10.5 | 74.1 | 32.1 | 113.7 | 3.9 | 13.5 | 1.5 | 0.8 | 1.5 | 3.9 | 2.8 |
| Median | | | | 0.3 | -0.9 | 6.8 | 5.4 | 13.4 | 10.1 | 30.7 | 27.1 | 36.6 | 3.1 | 14.0 | 1.3 | 0.6 | 1.3 | 4.3 | 0.7 |

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)

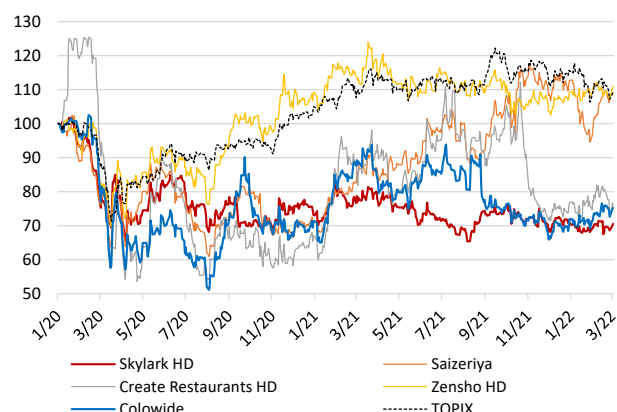


Figure: Stock price trends (Chinese restaurants)

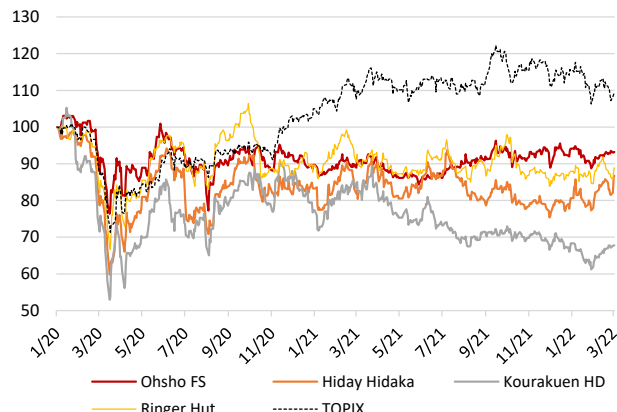


Figure: Stock price trends (Japanese BBQ)

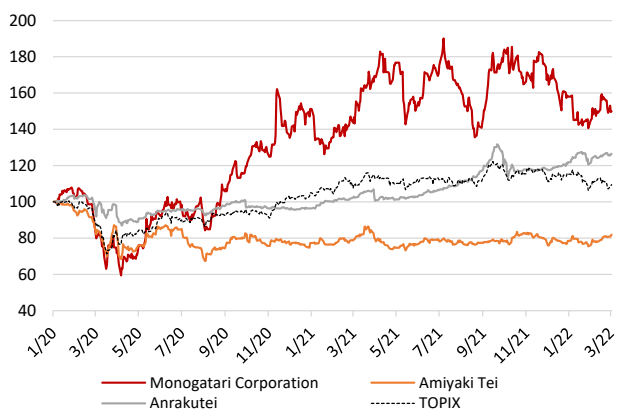


Figure: Stock price trends (Japanese style pubs)

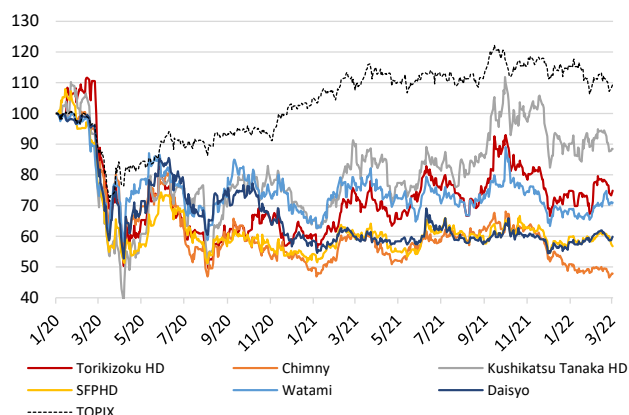


Figure: Stock price trends (sushi restaurants)

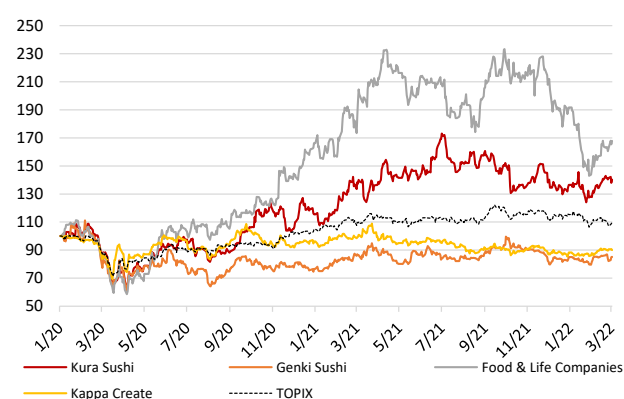
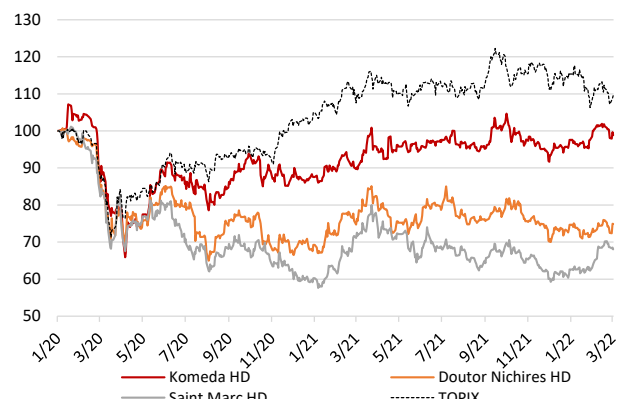


Figure: Stock price trends (coffee shops)



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