



Komeda Holdings

TSE 1st Section 3543 Industry: Food service, wholesale, retail

Solid February wholesale sales amid difficult environment; Food service industry update

Komeda's February same-store wholesale sales 97.2% vs. 2021, 102.9% vs. 2019

Komeda Holdings (3543) disclosed monthly data for February. Wholesale sales to franchisees (same-store basis) in February were 97.2% vs. February 2021 (109.4% for January), 91.4% vs. February 2020, and 102.9% 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. Despite the adverse effects of bad weather and requests for shorter operating hours, the company focused on marketing efforts, including the launch of a collaborative product with GODIVA, "Shiro-Noir Kyun Heart," media exposure such as Fuji Television's "Uwasa no Okyakusama," and the release of new cakes for spring and summer.

The number of stores at end-February was 957 (+2 MoM, +43 YoY), exceeding its target of 940-950 stores at end-FY2/22. Komeda opened 4 stores and closed 2 stores in February.

SSS vs. 2019 for food service companies: Omicron impact in February

The table on page 3 summarizes the situation of major food service companies that have disclosed their same-store sales for February. Many of them were affected by the high number of cases of new coronavirus, as well as the application of priority measures to prevent the spread of the virus in wide areas.

- Major family restaurant operators experienced difficult results, with SSS of Skylark HD at 65.7% vs. February 2019 (same as follows) (75.5% for January) and Saizeriya at 78.0% (81.6% for January).
- Izakaya (Japanese-style pubs) operators were hardest hit, with Torikizoku HD at 36.9% (56.2% for January).
- Revolving sushi restaurants continued to maintain their relative strength, with Sushiro at 104.7% (97.7% for January) and Kura Sushi at 95.8% (109.4% for January).
- In the yakiniku (Japanese-style BBQ) category, Monogatari Corporation performed relatively well at 88.2% (101.5% for January), of which the Yakiniku division, including Yakiniku King, achieved 95.2% (110.7% for January), despite offering all-you-can-eat meals on a timed basis at many of its restaurants.
- In the Chinese cuisine category, Ohsho Food Service continued to perform well at 108.1% (104.6% for January), far ahead of Hiday Hidaka's 62.7% (72.5% for January).

Stock price trends for restaurant companies: Outperforming TOPIX despite downtrend

The average one month return on the stock prices of the 53 food service companies listed on page 5 was -3.5% (based on the closing price on March 9). The stock prices declined for most of the companies due to heightened geopolitical risks. Nevertheless, the decline in food service stocks was moderate compared to the -6.8% decline in the TOPIX.

Among food service companies, the major izakaya stocks saw their share prices fall sharply, including Torikizoku HD (3193) -10.9%, SFPHD (3198) -12.3%, and Kushikatsu Tanaka HD (3547) -12.2%. Relatively small number of stocks saw share price gains, such as Ohsho Food Service (9936) +1.0% and Skylark Holdings (3197) +0.2%.

Please refer to the report dated July 8, 2021 for the rationale of the rating and target price.

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Update

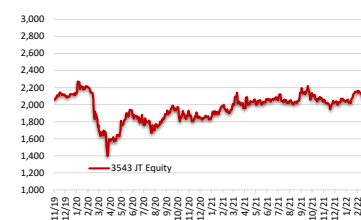
Rating
Buy

Target price (JPY)	3,000
Stock price (JPY) (Mar 10)	2,066
Market cap (JPYbn)	95.4

Key changes

Rating	No
Target price	No
Earnings forecast	No

Stock price (JPY)



Source: Bloomberg Finance LP

Earnings

IFRS		2/20	2/21	2/22E	2/23E	2/24E
Sales	JPYbn	31.2	28.8	33.6	36.4	39.6
OP	JPYbn	7.9	5.5	7.3	8.1	9.0
Pre-tax Profit	JPYbn	7.8	5.4	7.2	8.0	8.9
NP	JPYbn	5.4	3.6	4.8	5.4	6.0
EPS	JPY	116.7	77.9	105.0	117.2	130.2
BPS	JPY	720	755	821	887	955
DPS	JPY	51.0	39.0	51.0	62.0	68.0
PER	x	15.7	24.4	19.2	17.2	15.5
PBR	x	2.5	2.5	2.5	2.3	2.1
Div. yield	%	2.8	2.1	2.5	3.1	3.4
ROA	%	6.5	3.5	4.4	4.8	5.2
ROE	%	17.2	10.6	13.3	13.7	14.1

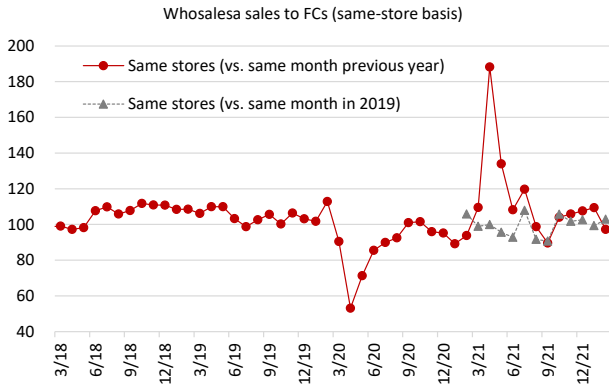
Source: Company data, Mita Securities

Company profile

Komeda HD, based in Aichi Prefecture, operates "Komeda's Coffee" through franchise system nationwide. The company has 914 stores at the end of February 2021 and is the largest full-service coffee shop operator in Japan. FY2/21 sales were 28.8bn yen.

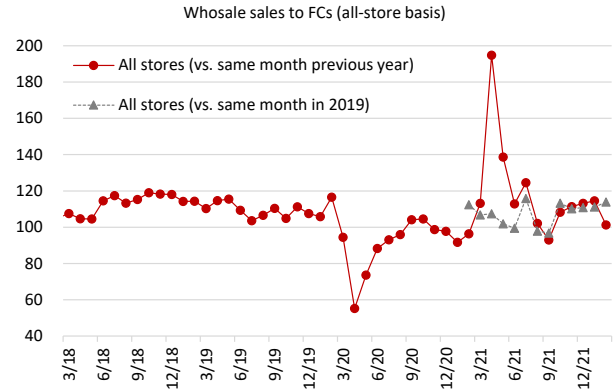
Komeda Holdings monthly wholesale sales data

Figure: Wholesale sales to FCs (same-store basis)



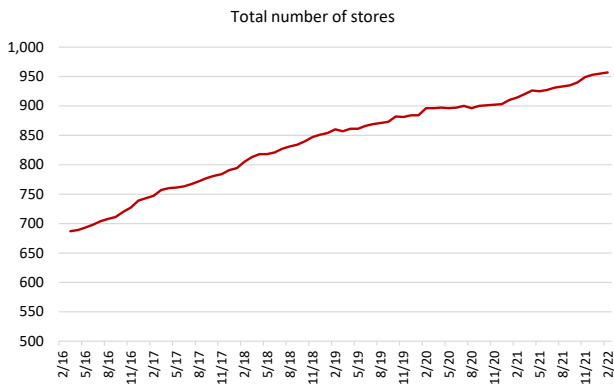
Source: Company data, Mita Securities

Figure: Wholesale sales to FCs (all-store basis)



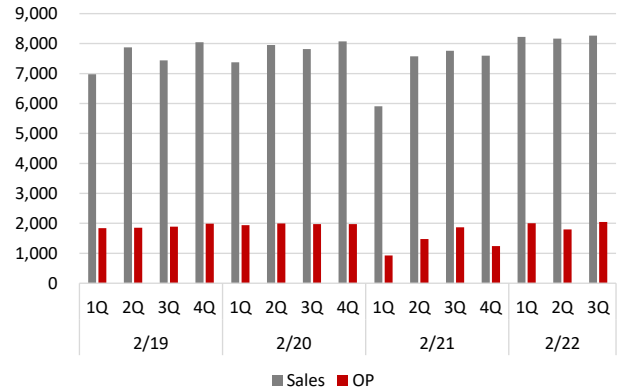
Source: Company data, Mita Securities

Figure: Store count



Source: Company data, Mita Securities

Figure: Quarterly earnings (JPYm)



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	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
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	98.5	104.5	105.9	102.6	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	

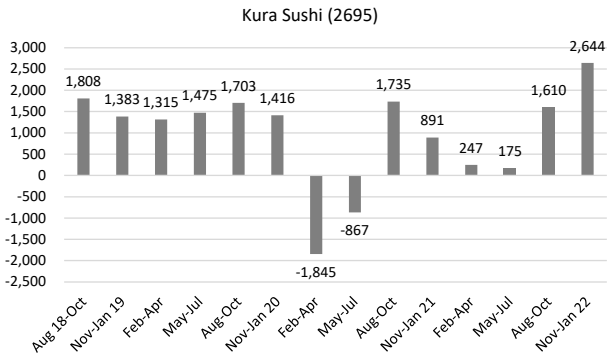
Source: Companies' data, Mita Securities Note: Pre-COVID is indexed with same month in 2019 as 100

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	
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	
7500	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	60.3	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	78.2	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	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	1										

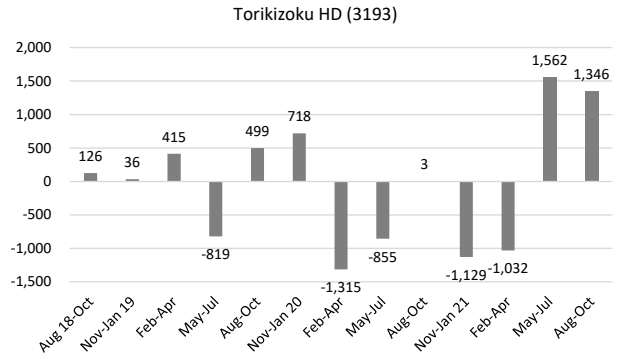
Pre-tax profits for food service companies covered by Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



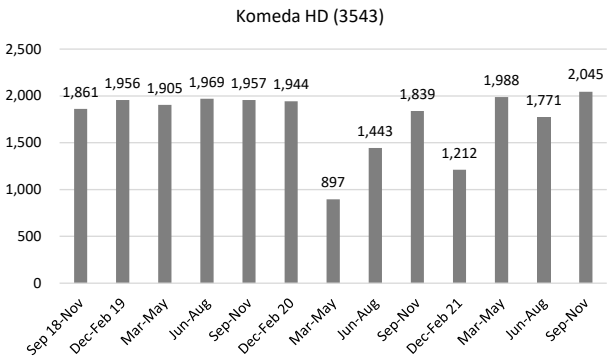
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



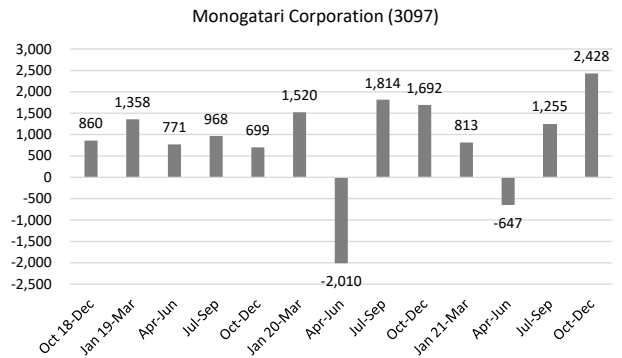
Source: Company data, Mita Securities

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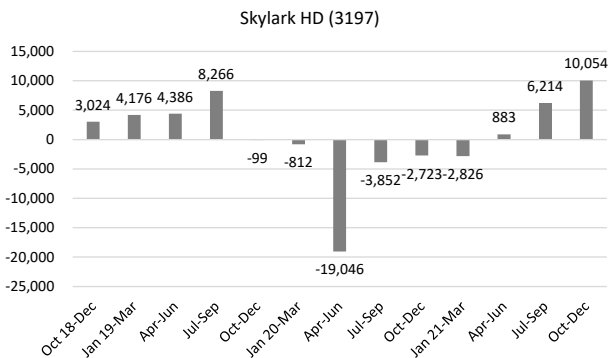
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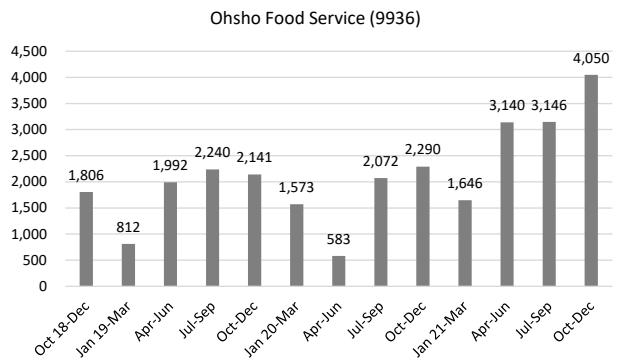
Source: Company data, Mita Securities

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 similar companies (reference)

Figure: Comparison of valuations for food service companies

Company name	Ticker	PX 9-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	3,360	138.9	0.1	11.8	2.3	6.4	8.3	10.6	44.1	34.0	23.6	2.7	11.7	0.8	0.6	-9.2	-5.8	-2.8
MCDONALD'S HOLDINGS CO JAPAN	2702	4,880	651.5	-0.3	10.2	14.0	13.0	10.9	10.8	27.1	28.6	26.5	3.4	11.5	1.7	0.8	-0.9	-4.3	-4.1
OOTOYA HOLDINGS CO LTD	2705	2,886	21.1	0.2	-0.4	11.7	NA	NA	NA	15.5	NA	NA	NA	NA	NA	NA	2.6	8.6	2.1
FUJIO FOOD GROUP INC	2752	1,269	58.0	1.7	-5.0	-9.6	16.3	17.7	NA	78.3	67.9	39.0	11.1	NA	2.0	0.0	-4.8	-8.7	-4.3
AMIYAKI TEI CO LTD	2753	2,880	20.2	-0.1	-14.5	-14.1	2.0	2.6	NA	48.5	37.9	36.5	1.0	NA	0.5	0.3	0.3	0.1	-2.2
HIRAMATSU INC	2764	192	14.7	4.1	23.5	-21.8	-48.7	NA	NA	NA	NA	NA	2.2	NA	NA	NA	1.0	-1.5	15.2
PEPPER FOOD SERVICE CO LTD	3053	335	13.8	-0.1	NA	-8.4	20.7	NA	NA	42.4	NA	NA	4.2	NA	NA	NA	-2.8	-10.3	24.6
CHOSHIMARU CO LTD	3075	1,107	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	-3.1
ARCLAND SERVICE HOLDINGS CO	3085	2,131	72.5	-0.7	14.4	8.2	12.0	13.4	13.0	25.9	19.7	19.1	3.1	9.2	1.2	1.4	-1.4	-6.3	5.2
DOUTOR NICHIRETS HOLDINGS CO	3087	1,516	71.2	-0.3	3.3	5.0	-2.2	4.5	1.3	NA	15.5	47.5	0.7	15.3	0.4	1.6	-3.0	-1.4	-10.1
BRONCO BILLY CO LTD	3091	2,100	33.1	-0.3	-8.7	8.0	5.4	NA	NA	33.2	NA	NA	1.8	NA	NA	0.8	-3.6	-8.6	-7.8
MONOGATARI CORP (TP 9,100 Buy)	3097	5,280	66.1	0.1	6.8	11.2	13.2	16.7	16.4	23.3	16.2	16.3	3.0	11.7	0.9	1.2	-14.9	-23.0	-17.4
CHIMNEY CO LTD	3178	1,074	21.4	0.8	-50.5	-28.7	-8.9	NA	NA	NA	NA	NA	3.1	NA	NA	NA	-5.5	-11.8	-20.2
TORIKIZOKU HOLDINGS CO LTD (TP 2,100 Hold)	3193	1,598	19.5	0.6	NA	NA	NA	8.1	11.4	NA	NA	32.6	3.2	NA	1.1	0.0	-10.9	-0.8	0.0
HOTLAND CO LTD	3196	1,233	27.7	0.3	3.3	6.2	28.1	13.6	NA	12.8	19.8	18.2	3.2	NA	0.9	0.4	-0.5	-3.2	4.0
SKYLARK HOLDINGS CO LTD (TP 1,600 Hold)	3197	1,513	348.5	0.5	-8.3	22.3	6.2	4.2	4.0	40.0	63.5	57.7	2.1	6.8	1.4	0.5	0.2	-0.5	-8.6
SFP HOLDINGS CO LTD	3198	1,228	32.8	-0.1	-58.6	17.7	0.3	14.4	NA	787.2	17.6	45.1	2.5	NA	3.0	0.0	-12.3	-6.5	-10.6
CREATE RESTAURANTS HOLDINGS	3387	685	148.1	3.5	-24.0	28.2	10.2	16.9	NA	55.7	21.5	36.8	3.7	NA	2.7	0.6	-9.4	-2.4	-16.4
SAINT MARC HOLDINGS CO LTD	3395	1,511	36.3	-0.2	0.0	-6.4	-16.6	-12.9	2.8	NA	NA	55.6	1.0	NA	0.5	2.8	-0.7	10.7	-8.7
TORIDOLL HOLDINGS CORP	3397	2,208	197.5	3.0	9.3	15.8	14.2	13.1	6.1	34.7	30.9	46.1	4.0	10.0	2.0	0.3	-5.8	-8.4	32.7
KOMEDA HOLDINGS CO LTD (TP 3,000 Buy)	3543	2,012	95.4	1.5	10.0	24.0	13.3	13.5	13.7	19.8	18.5	17.1	2.6	15.5	4.2	2.5	-4.4	2.1	4.2
KUSHIKATSU TANAKA HOLDINGS C	3547	1,821	17.5	1.6	-42.8	-50.3	-38.2	51.1	35.2	NA	23.0	23.3	14.4	19.4	1.5	0.8	-12.2	-10.7	-4.1
CHIKARANOMOTO HOLDINGS CO LT	3561	546	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	3,280	400.4	2.2	21.1	15.5	21.4	19.6	22.6	30.5	28.9	21.4	6.3	12.9	1.8	0.7	-4.6	-21.2	-24.5
ATOM CORP	7412	762	150.4	0.2	-13.6	1.2	-9.5	NA	NA	NA	NA	NA	19.9	NA	NA	NA	0.3	0.8	-0.9
KAPPA CREATE CO LTD	7421	1,334	67.5	0.4	2.6	3.5	6.3	NA	NA	98.6	NA	NA	6.2	NA	NA	NA	-2.1	1.9	-14.0
WATAMI CO LTD	7522	856	38.3	3.5	-9.8	-2.1	-43.2	NA	NA	NA	NA	NA	2.4	NA	NA	NA	-3.8	-1.5	-13.1
ZENSHO HOLDINGS CO LTD	7550	2,713	428.7	2.2	6.8	6.8	18.1	16.6	5.7	25.8	26.6	43.0	4.3	15.3	0.9	0.8	0.0	3.5	-4.0
KOURAKUEN HOLDINGS CORP	7554	1,285	22.4	1.1	-11.2	8.4	30.2	13.6	NA	18.3	38.7	1,835.7	5.0	NA	0.9	0.4	-4.5	-8.9	-25.9
ANRAKUTEI CO LTD	7562	6,360	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	20.3
SAIZERIYA CO LTD	7581	2,642	145.7	-0.2	5.0	7.9	4.8	10.6	7.0	32.4	13.9	18.7	1.6	6.9	0.8	0.6	-3.8	-8.0	16.8
HIDAY HIDAKA CORP	7611	1,730	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	0.5
COLOWIDE CO LTD	7616	1,708	150.4	3.6	-4.4	13.1	-11.0	NA	NA	NA	NA	NA	4.2	NA	NA	NA	-1.9	6.1	-18.7
UKAI CO LTD	7621	2,985	15.7	1.5	4.8	-5.1	-28.3	NA	NA	NA	NA	NA	6.1	NA	NA	NA	-0.1	-0.8	-1.9
GLOBAL-DINING INC	7625	271	3.0	0.1	68.9	9.6	41.0	NA	NA	2.7	NA	NA	0.9	NA	NA	NA	-12.5	-29.5	36.7
ICHIBANYA CO LTD	7630	4,565	149.3	-0.5	-3.7	9.2	8.7	8.9	NA	56.3	54.0	38.4	5.0	NA	3.0	1.7	-1.3	1.6	-6.4
ASAKUMA CO LTD	7678	1,585	8.5	-0.4	-22.1	-19.3	-21.5	NA	NA	NA	NA	NA	3.3	NA	NA	NA	1.1	3.5	-3.2
MOS FOOD SERVICES INC	8153	2,968	96.2	-0.2	9.9	11.1	8.4	6.9	NA	23.7	27.8	29.6	1.9	NA	1.1	0.9	-2.1	-5.1	-8.5
KISQO CO LTD	8160	1,985	55.0	0.0	0.1	NA	0.9	NA	NA	NA	NA	NA	2.1	NA	NA	NA	-9.7	-6.6	-16.6
SRS HOLDINGS CO LTD	8163	813	32.5	0.5	-5.4	6.4	2.1	NA	NA	162.3	NA	NA	2.4	NA	NA	NA	-0.7	5.5	-10.1
ROYAL HOLDINGS CO LTD	8179	1,807	84.6	1.1	-0.6	-0.3	-11.8	6.0	5.4	NA	62.7	32.2	2.9	16.5	1.2	0.4	-4.7	-1.9	-1.3
RINGER HUT CO LTD	8200	2,202	58.8	1.0	-10.6	-2.6	-6.8	6.3	NA	NA	75.5	150.3	5.0	NA	1.9	0.4	-3.5	2.1	-2.4
GIFT HOLDINGS INC	9279	2,009	21.0	0.0	22.7	9.0	29.8	28.0	NA	18.7	13.5	13.7	5.1	NA	1.2	1.2	-13.7	-24.1	3.3
GENKI SUSHI CO LTD	9828	2,359	21.6	0.6	10.6	8.9	13.5	NA	NA	18.0	NA	NA	2.4	NA	NA	NA	-5.3	-3.1	-7.6
GOURMET KINEYA CO LTD	9850	1,014	24.2	1.5	-8.2	11.2	-1.7	NA	NA	NA	NA	NA	2.6	NA	NA	NA	3.7	2.4	4.8
GINZA RENOIR CO LTD	9853	839	5.2	0.1	-13.2	-36.3	-16.3	NA	NA	NA	NA	NA	1.4	NA	NA	NA	0.5	1.2	-0.1
YOSHINOYA HOLDINGS CO LTD	9861	2,328	154.7	0.8	-14.3	11.3	9.5	18.0	2.8	36.3	18.4	68.4	3.3	17.0	1.1	0.0	-2.7	1.7	11.0
KFC HOLDINGS JAPAN LTD	9873	2,855	64.4	-0.8	9.9	8.0	16.7	NA	NA	15.5	NA	NA	2.5	NA	NA	NA	-2.2	-1.1	-5.0
MATSUYAFOODS HOLDINGS CO LTD	9887	3,535	69.0	0.3	-4.5	-0.8	5.0	NA	NA	32.3	NA	NA	1.6	NA	NA	NA	-1.1	1.7	0.0
SAGAMI HOLDINGS CORP	9900	1,147	35.9	-0.2	-4.1	-6.2	1.5	NA	NA	423.2	NA	NA	2.3	NA	NA	NA	-2.2	11.8	-2.1
OHSO FOOD SERVICE CORP (TP 7,250 Buy)	9936	5,940	141.1	-0.2	0.9	11.0	14.8	12.1	10.1	13.8	15.4	18.9	2.0	NA	1.4	1.8	1.0	-1.0	2.9
JOYFULL CO LTD	9942	761	24.5	4.9	-17.5	-6.8	72.4	NA	NA	8.8	NA	NA	4.7	NA	NA	NA	-6.0	-4.7	11.3
DAISYO CORP	9979	983	21.4	0.9	-23.9	13.1	-10.6	NA	NA	NA	NA	NA	1.7	NA	NA	NA	-3.9	6.0	1.1
Average				0.8	-2.9	2.2	4.2	12.7	10.5	68.8	31.6	104.1	3.8	12.8	1.5	0.8	-3.5	-2.9	-1.8
Median				0.3	-0.9	6.8	6.2	13.1	10.1	28.8	26.6	32.6	3.0	12.3	1.2	0.6	-2.2	-1.4	-2.8

Source: Bloomberg Finance LP data, Mita Securities

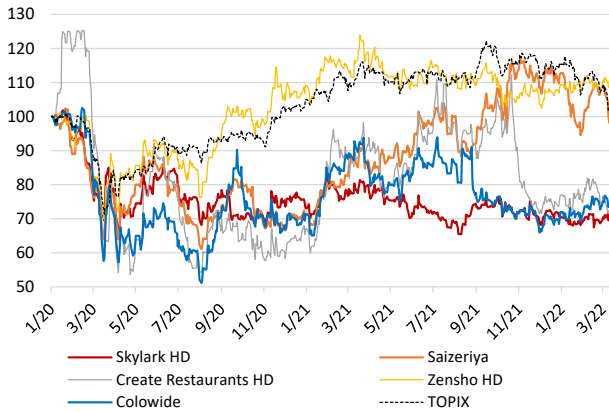
Note: Forecasts are based on Bloomberg consensus. Shading indicates stocks covered by Mita Securities

Figure: Comparison of valuations for FC business operators

Company name	Ticker	PX 9-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
KOBE BUSSAN CO LTD	3038	3,785	1,039.7	-0.3	6.2	8.6	28.5	25.3	25.2	41.8	39.3	34.3	10.6	28.2	2.6	0.6	1.6	-6.2	33.1
KOMEDA HOLDINGS CO LTD (TP 3,000 Buy)	3543	2,012	95.4	1.5	10.0	24.0	13.3	13.5	13.7	19.8	18.5	17.1	2.6	15.5	4.2	2.5	-4.4	2.1	4.2
IBI INC (TP 1,450 Buy)	6071	638	28.3	-0.1	7.7	15.3	18.4	20.9	21.1	24.3	17.9	15.0	4.4	12.2	1.6	1.3	-20.1	-31.5	-37.2
CURVES HOLDINGS CO LTD	7085	624	63.1	0.8	8.3	NA	19.3	21.8	31.8	36.9	28.1	16.6	6.9	NA	2.7	1.2	-6.5	-17.8	-26.4
FAST FITNESS JAPAN INC (TP 5,600 Buy)	7092	1,533	30.6	-0.2	NA	29.0	21.5	15.9	18.0	16.0	20.5	15.6							

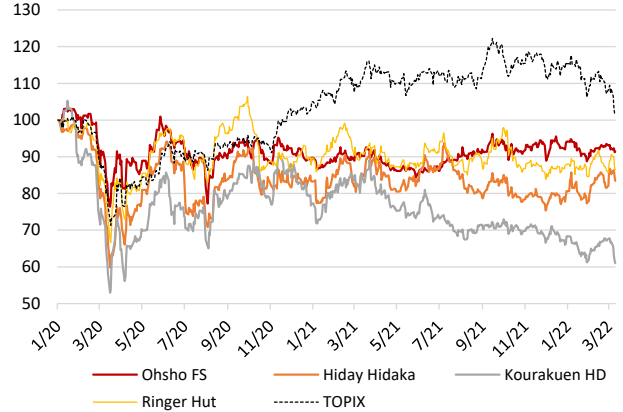
Stock price trends for food service companies

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



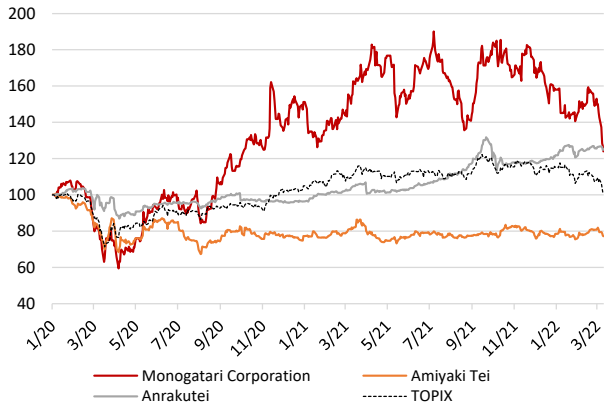
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Chinese restaurants)



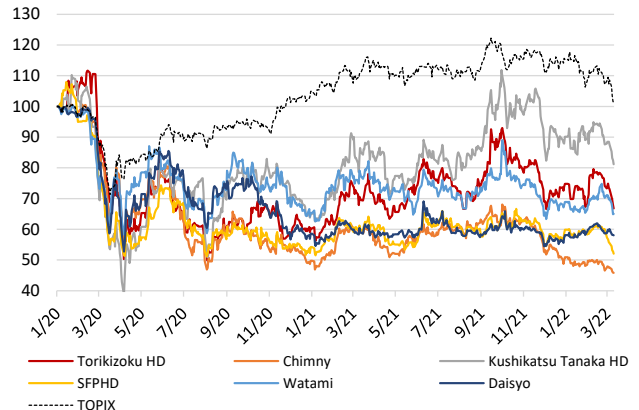
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese BBQ)



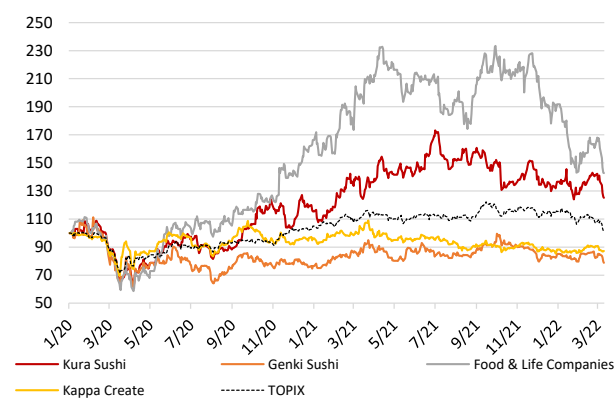
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese style pubs)



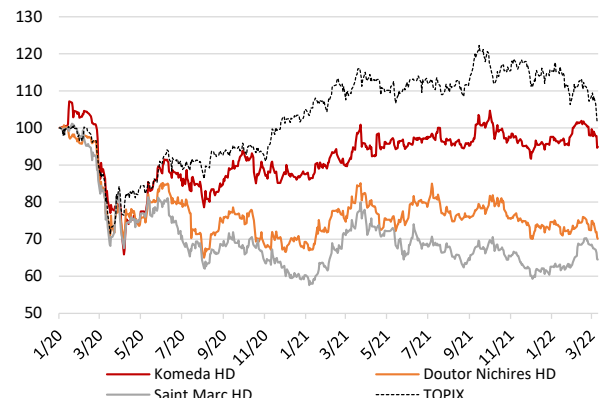
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

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

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

Buy: Stocks whose total return (percentage change in share price from current price to projected target price plus projected dividend yield), as of the time the target price is set or changed, is expected to be 15% or more.

Hold: Stocks whose total return (percentage change in share price from current price to projected target price plus projected dividend yield), as of the time the target price is set or changed, is expected to be between -15% and +15%.

Sell: Stocks whose total return (percentage change in share price from current price to projected target price plus projected dividend yield), as of the time the target price is set or changed, is expected to be -15% or less.

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