



Komeda Holdings

TSE 1st Section

3543

Industry: Food service, wholesale, retail

Earnings forecast update. Komeda's Coffee is popular both in Japan and Taiwan

Maintain our target price of 3,000 yen. Reiterate Buy

We updated our earnings forecast for Komeda Holdings (3543, the company) and maintained our target price of 3,000 yen and Buy rating on the stock.

The company operates Japan's largest full-service coffee shop chain, Komeda's Coffee, through franchise system. Its earnings have been solid even under the COVID-19 pandemic due to the following factors: 1) most of its stores are in suburban roadside areas with a focus on repeat customers, and 2) they attract customers during morning hours and are less dependent on sales during dinner hours. We believe that the company's competitiveness in the domestic coffee shop market is becoming increasingly stronger. Overseas, the opening of Komeda's Coffee stores in Taiwan has been gaining momentum.

We assume that operating restrictions on restaurants will be less strict going forward, even if they are implemented. We expect that the market's evaluation of the company should improve, as it has posted stable profits without relying on subsidies and has been aggressively opening new stores both in Japan and overseas.

Positive 3Q results; full-year wholesale sales and store count exceeded targets

On January 12, the company reported 1-3Q FY2/22 OP (IFRS) of 5.847bn yen (+36.8% YoY; OPM 23.7%), 81% progress toward the company's full-year guidance of 7.25bn yen. Since the majority of the company's stores are franchised, subsidy income (subsidy for shortened operating hours, etc.) included in OP was small at 282m yen.

In addition, its monthly disclosure on March 10 shows that FY2/22 full-year wholesale sales to franchisees grew 10.5% YoY on a same-store basis, exceeding the company's guidance of 8.8% growth. Furthermore, the number of stores at end-FY2/22 totaled 957 (+43 stores YoY), exceeding the company's guidance of 940-950 stores. Of the 53 new stores opened, 12 were overseas (Taiwan and Shanghai).

Mita Securities' earnings forecast update

We revised our OP forecast from 7.3bn yen to 7.4bn yen (+34.2% YoY; OPM 22.5%; company guidance 7.25bn yen) for FY2/22, 8.1bn yen to 7.8bn yen (OPM 22.0%) for FY2/23, and 9.0bn yen to 8.4bn yen (OPM 22.3%) for FY2/24. We lowered our OPM assumptions for FY2/23 and FY2/24 given concerns about rising costs for food ingredients and logistics due to inflation. However, we believe that the company can control margins by improving the utilization of its factories and revising product prices. We assume that the number of stores will increase from 957 at end-FY2/22 (including 30 overseas stores) to 1,049 at end-FY2/24 (56 overseas stores).

Valuations and risk factors

In calculating our target price, we used a residual income model (RIM) with a cost of equity of 4.5% (unchanged) and a terminal growth rate of 0.5% (unchanged), based on our earnings forecasts for FY2/22-FY2/27 (updated due to progress of the term). Our target price is equivalent to 24.4x our FY2/24 EPS forecast of 122.73 yen.

Risk factors for our view include prolonged operating restrictions on restaurants, unexpected underperformance in the new store openings and wholesale sales, unexpected increase in various costs, occurrence of events that prevent overseas store openings, large goodwill impairment, and customer defection due to food poisoning.

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Forecast Change

Rating

Buy

Target price (JPY)	3,000
Stock price (JPY) (Mar 30)	2,040
Market cap (JPYbn)	94.2

Key changes

Rating	No
Target price	No
Earnings forecast	Yes

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	32.9	35.3	37.6
OP	JPYbn	7.9	5.5	7.4	7.8	8.4
Pre-tax Profit	JPYbn	7.8	5.4	7.3	7.8	8.4
NP	JPYbn	5.4	3.6	5.0	5.3	5.7
EPS	JPY	116.7	77.9	107.9	113.9	122.7
BPS	JPY	720	755	818	881	950
DPS	JPY	51.0	39.0	51.0	53.0	56.0
PER	x	15.7	24.4	18.9	17.9	16.6
PBR	x	2.5	2.5	2.5	2.3	2.1
Div. yield	%	2.8	2.1	2.5	2.6	2.7
ROA	%	6.5	3.5	4.8	5.3	5.6
ROE	%	17.2	10.6	13.7	13.4	13.4

Source: Company data, Mita Securities

Company profile

Komeda HD, based in Aichi Prefecture, operates Komeda's Coffee, the largest full-service coffee shop chain in Japan, through franchise system. The total number of stores at the end of February 2022 was 957, including 30 overseas stores. FY2/21 sales were 28.8bn yen.

Investment thesis

Outlook

Figure: Summary of Mita Securities' earnings forecast (consolidated)

JPYm	2/20	2/21	2/22	2/23	2/24	2/25	2/26	2/27	2/22	2/22	2/23	2/24
IFRS	A	A	Mita E	Mita E	Mita E	Mita E	Mita E	Mita E	CoE	Consensus	Consensus	Consensus
Earnings												
Sales	31,219	28,836	32,855	35,327	37,640	40,051	41,919	43,703	32,900	33,008	35,750	38,121
(YoY, %)	2.9	-7.6	13.9	7.5	6.5	6.4	4.7	4.3				
Operating profit	7,878	5,511	7,395	7,780	8,404	9,018	9,444	9,864	7,250	7,538	8,054	8,703
(YoY, %)	4.1	-30.0	34.2	5.2	8.0	7.3	4.7	4.4				
OPM (%)	25.2	19.1	22.5	22.0	22.3	22.5	22.5	22.6				
Pre-tax profit	7,775	5,391	7,333	7,756	8,389	9,012	9,446	9,873	7,100	7,389	7,923	8,589
(YoY, %)	4.2	-30.7	36.0	5.8	8.2	7.4	4.8	4.5				
Net profit	5,376	3,590	4,974	5,251	5,660	6,035	6,226	6,473	4,850	5,049	5,414	5,891
(YoY, %)	5.0	-33.2	38.6	5.6	7.8	6.6	3.2	4.0				
Depreciation and amortization	1,114	1,429	1,441	1,410	1,387	1,392	1,388	1,394				
Capital expenditure	1,376	1,484	1,400	1,000	1,050	1,150	1,200	1,200				
Free CF	7,943	8,875	5,155	5,415	5,761	5,909	6,009	6,271				
KPI												
Number of stores (FC+ directly-owned)	896	914	957	1,003	1,049	1,101	1,153	1,207				
(YoY, %)	4.2	2.0	4.7	4.8	4.6	5.0	4.7	4.7				
Wholesale sales to FC	21,784	19,905	22,929	24,386	25,831	27,168	28,554	29,786				
(YoY, %)	9.7	-8.6	15.2	6.4	5.9	5.2	5.1	4.3				
Wholesale sales to FC per store	26.2	23.3	26.0	26.4	26.7	26.8	26.9	26.8				
(YoY, %)	5.6	-11.2	11.5	1.7	1.2	0.4	0.3	-0.4				
Per share indicators												
EPS (JPY)	116.66	77.86	107.86	113.86	122.73	130.85	134.99	140.35	105.18	109.43	117.34	127.72
BPS (JPY)	720.19	754.54	817.71	880.57	950.30	1,025.14	1,102.13	1,182.48				
DPS (JPY)	51.00	39.00	51.00	53.00	56.00	58.00	60.00	62.00	51.00			
Valuation, profitability, etc.												
PER (x)	15.7	24.4	18.9	17.9	16.6	15.6	15.1	14.5				
PBR (x)	2.5	2.5	2.5	2.3	2.1	2.0	1.9	1.7				
Dividend payout ratio (%)	43.7	50.1	47.3	46.5	45.6	44.3	44.4	44.2				
Dividend yield (%)	2.8	2.1	2.5	2.6	2.7	2.8	2.9	3.0				
ROA (%)	6.5	3.5	4.8	5.3	5.6	5.8	5.9	5.9				
ROE (%)	17.2	10.6	13.7	13.4	13.4	13.2	12.7	12.3				
Financial soundness indicators												
Capital ratio (%)	33.7	31.8	38.5	40.7	43.0	45.2	47.2	49.2				
Debt/Equity (including leases, x)	1.6	1.7	1.3	1.1	1.0	0.9	0.8	0.7				

Source: Company data, QUICK data, Mita Securities

Note: Consensus forecasts are by QUICK consensus

Figure: Mita Securities' earnings forecast change (consolidated)

JPYm	2/22	2/22	2/22	2/23	2/23	2/24	2/24
IFRS	CoE	Old Mita E	New Mita E	Old Mita E	New Mita E	Old Mita E	New Mita E
Sales	32,900	33,618	32,855	36,395	35,327	39,585	37,640
Operating profit	7,250	7,261	7,395	8,097	7,780	8,996	8,404
Pre-tax profit	7,100	7,158	7,333	8,009	7,756	8,922	8,389
Net profit	4,850	4,843	4,974	5,405	5,251	6,003	5,660
EPS (JPY)	105.18	105.04	107.86	117.21	113.86	130.19	122.73

Source: Company data, Mita Securities

Valuations

Stock valuation based on residual income model (RIM)

Figure: Residual Income Model (RIM)

	Y0	Y1	Y2	Y3	Y4	Y5	Y6~
	Mita E	Mita E	Mita E	Mita E	Mita E	Mita E	Mita E
JPYbn	2/22	2/23	2/24	2/25	2/26	2/27	2/28
Shareholders' equity (EOP)	37.7	40.6	43.8	47.3	50.8	54.5	
Net profit		5.3	5.7	6.0	6.2	6.5	
Cost of equity		1.7	1.8	2.0	2.1	2.3	
Residual income		3.6	3.8	4.1	4.1	4.2	
PV of residual income		3.4	3.5	3.6	3.4	3.4	
PV of terminal value							84.4
Beta	0.80						
Risk free rate (%)	0.50						
Risk premium (%)	5.00						
Cost of equity (%)	4.50						
Terminal growth rate (%)	0.50						
Total equity value							139.4
Number of shares O/S (m)							46.119
Target share price (JPY)							3,000

Source: Company data, Mita Securities

Figure: Sensitivity of target price to terminal growth rate

Terminal growth rate (%)	0.0	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.9	1.0	1.1	1.2
Target Price	2,800	2,850	2,900	2,950	3,000	3,000	3,050	3,100	3,200	3,250	3,300	3,350	3,450

Source: Mita Securities

Comparison of valuations with similar companies (reference)

Figure: Comparison of valuations for food service companies

Company name	Ticker	PX 30-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	3,320	139.5	0.1	11.8	2.3	6.4	8.0	10.0	43.6	33.3	24.0	2.7	13.0	0.8	0.6	-9.0	-7.2	-9.5
MCDONALD'S HOLDINGS CO JAPAN	2702	5,100	678.1	-0.3	10.2	14.0	13.0	10.9	10.8	28.3	29.9	27.7	3.5	12.0	1.8	0.8	3.2	0.2	0.0
OOTOA HOLDINGS CO LTD	2705	2,904	20.3	0.2	-0.4	11.7	NA	NA	NA	15.0	NA	NA	NA	NA	NA	NA	-3.0	3.7	1.1
FUJIO FOOD GROUP INC	2752	1,372	61.3	1.7	-5.0	-9.6	16.3	17.7	NA	84.7	73.4	42.2	11.8	NA	2.1	0.0	4.5	4.0	0.6
AMIYAKI TEI CO LTD	2753	2,962	20.3	-0.1	-14.5	-14.1	2.0	2.6	NA	49.9	39.0	37.5	1.0	NA	0.5	0.3	-2.3	0.4	-0.3
HIRAMATSU INC	2764	209	15.8	4.1	23.5	-21.8	-48.7	NA	NA	NA	NA	NA	2.3	NA	NA	NA	2.4	12.2	35.0
PEPPER FOOD SERVICE CO LTD	3053	370	14.7	-0.1	NA	-8.4	20.7	NA	NA	46.8	NA	NA	4.5	NA	NA	NA	4.2	3.6	24.7
CHOUSHIMARU CO LTD	3075	1,158	16.8	-0.8	0.7	9.9	13.8	NA	NA	15.6	NA	NA	2.0	NA	NA	0.5	3.1	4.1	-6.8
ARCLAND SERVICE HOLDINGS CO	3085	2,196	73.1	-0.7	14.4	8.2	12.0	13.4	13.0	26.7	20.3	19.7	3.1	9.3	1.2	1.4	-2.6	-2.4	1.4
DOUTOR NICHIRETS HOLDINGS CO	3087	1,544	70.3	-0.3	3.3	5.0	-2.2	4.5	1.3	NA	15.8	48.4	0.7	14.9	0.4	1.6	-4.9	-3.7	-10.3
BRONCO BILLY CO LTD	3091	2,310	35.0	-0.3	-8.7	13.8	5.4	NA	NA	36.5	NA	NA	1.9	NA	NA	0.7	3.3	-2.1	-1.9
MONOGATARI CORP (TP 9,100 Buy)	3097	5,800	70.1	0.1	6.8	11.2	13.2	16.7	16.4	25.5	17.8	17.9	3.2	12.4	1.0	1.2	-8.9	-14.1	-19.4
CHIMNEY CO LTD	3178	1,139	22.2	0.8	-50.5	-28.7	-8.9	NA	NA	NA	NA	NA	3.3	NA	NA	NA	2.2	-2.5	-12.8
TORIKIZOKU HOLDINGS CO LTD (TP 2,100 Hold)	3193	1,904	22.1	0.6	NA	NA	NA	1.4	11.4	NA	157.4	34.5	3.7	NA	1.2	0.0	7.0	6.3	15.4
HOTLAND CO LTD	3196	1,333	28.8	0.3	3.3	6.2	28.1	13.6	NA	13.8	22.2	21.9	3.3	NA	1.0	0.4	1.4	3.8	4.0
SKYLARK HOLDINGS CO LTD (TP 1,600 Hold)	3197	1,582	361.0	0.5	-8.3	22.3	6.2	4.0	4.0	41.8	66.2	58.5	2.2	7.7	1.4	0.5	5.3	5.0	-3.4
SFP HOLDINGS CO LTD	3198	1,349	34.8	-0.1	-58.6	17.7	0.3	14.4	NA	864.7	19.3	49.6	2.7	NA	3.2	0.0	0.3	-4.5	-4.2
CREATE RESTAURANTS HOLDINGS	3387	724	155.4	3.5	-24.0	28.2	10.2	16.9	NA	58.9	22.7	38.9	3.9	NA	2.8	0.6	0.7	1.1	-15.4
SAINT MARC HOLDINGS CO LTD	3395	1,563	35.7	-0.2	0.0	-6.4	-16.6	-12.9	2.8	NA	NA	57.5	1.0	NA	0.5	2.8	-2.4	7.2	-8.9
TORIDOLL HOLDINGS CORP	3397	2,470	229.6	3.0	9.3	15.8	14.2	13.1	6.1	38.8	34.7	43.2	4.7	11.0	2.2	0.3	7.1	5.4	57.8
KOMEDA HOLDINGS CO LTD (TP 3,000 Buy)	3543	2,040	94.7	1.5	10.0	24.0	13.3	13.5	13.7	20.1	18.8	17.4	2.6	15.4	4.2	2.5	-2.9	0.0	1.8
KUSHIKATSU TANAKA HOLDINGS C	3547	1,963	18.4	1.6	-42.8	-50.3	-38.2	51.1	35.2	NA	24.8	25.1	15.2	20.4	1.6	0.8	-1.4	-3.7	5.6
CHIKARANOMOTO HOLDINGS CO LT	3561	577	15.6	3.7	-0.9	7.7	-9.8	NA	NA	NA	NA	NA	5.1	NA	NA	NA	2.5	-0.7	-7.4
FOOD & LIFE COMPANIES LTD	3563	3,530	405.7	2.2	21.1	15.5	21.4	19.0	22.1	32.8	31.5	23.3	6.4	12.9	1.8	0.6	-8.0	-19.7	-28.5
ATOM CORP	7412	752	145.9	0.2	-13.6	1.2	-9.5	NA	NA	NA	NA	NA	19.3	NA	NA	NA	-2.3	-2.1	-1.4
KAPPA CREATE CO LTD	7421	1,347	67.6	0.4	2.6	3.5	6.3	NA	NA	99.6	NA	NA	6.2	NA	NA	NA	-1.3	2.1	-7.6
WATAMI CO LTD	7522	917	40.0	3.5	-9.8	-2.1	-43.2	NA	NA	NA	NA	NA	2.6	NA	NA	NA	0.6	3.8	-6.7
ZENSHO HOLDINGS CO LTD	7550	2,789	440.6	2.2	6.8	6.8	18.1	16.6	5.7	26.6	27.4	44.2	4.4	15.6	0.9	0.8	3.2	5.2	0.5
KOURAKUEN HOLDINGS CORP	7554	1,322	22.3	1.1	-11.2	8.4	30.2	13.6	NA	18.8	39.8	1,888.6	4.9	NA	0.9	0.4	-6.9	-7.5	-22.3
ANRAKUTEI CO LTD	7562	6,250	13.4	1.6	5.1	-5.4	22.0	NA	NA	12.3	NA	NA	2.5	NA	NA	NA	-2.5	-0.2	22.5
SAIZERIYA CO LTD	7581	2,708	142.0	-0.2	5.0	7.9	4.8	10.6	7.5	33.2	14.5	19.2	1.5	6.7	0.8	0.7	-7.3	-9.6	19.4
HIDAY HIDAKA CORP	7611	1,800	69.4	-0.3	-24.5	-12.0	-1.2	NA	NA	NA	NA	NA	3.2	NA	NA	0.7	1.6	5.0	1.2
COLOWIDE CO LTD	7616	1,735	156.7	3.6	-4.4	13.1	-11.0	NA	NA	NA	NA	NA	4.4	NA	NA	NA	4.2	10.7	-5.1
UKAI CO LTD	7621	2,998	15.7	1.5	4.8	-5.1	-28.3	NA	NA	NA	NA	NA	6.1	NA	NA	NA	0.0	1.0	-2.0
GLOBAL-DINING INC	7625	321	3.3	0.1	68.9	9.6	41.0	NA	NA	3.2	NA	NA	1.1	NA	NA	NA	1.6	-5.0	14.2
ICHIHANYA CO LTD	7630	4,670	149.1	-0.5	-3.7	9.2	8.7	8.9	NA	57.6	55.2	39.2	5.0	NA	3.0	1.7	-0.2	0.5	-3.1
ASAKUMA CO LTD	7678	1,557	8.3	-0.4	-22.1	-19.3	-21.5	NA	NA	NA	NA	NA	3.2	NA	NA	NA	-3.6	0.3	-2.2
MOS FOOD SERVICES INC	8153	2,884	93.3	-0.2	9.9	11.1	8.4	6.9	NA	23.0	27.0	28.8	1.9	NA	1.0	1.0	-4.2	-5.3	-10.2
KISOJI CO LTD	8160	2,048	57.0	0.0	0.1	NA	0.9	NA	NA	NA	NA	NA	2.2	NA	NA	NA	-2.5	-4.2	-9.9
SRS HOLDINGS CO LTD	8163	810	31.8	0.5	-5.4	6.4	2.1	NA	NA	161.7	NA	NA	2.3	NA	NA	NA	-3.4	2.8	-6.3
ROYAL HOLDINGS CO LTD	8179	2,094	104.1	1.1	-0.6	-0.3	-11.8	1.0	5.4	NA	108.8	37.3	3.3	19.1	1.4	0.4	7.9	11.9	6.4
RINGER HUT CO LTD	8200	2,271	59.6	1.0	-10.6	-2.6	-6.8	6.3	NA	NA	77.9	155.0	5.0	NA	2.0	0.4	2.0	2.8	0.5
GIFT HOLDINGS INC	9279	2,402	24.1	0.0	22.2	10.2	37.9	32.3	NA	16.6	13.2	14.8	5.4	NA	1.4	1.0	7.8	-9.1	15.9
GENKI SUSHI CO LTD	9828	2,529	22.6	0.6	10.6	8.9	13.5	NA	NA	19.3	NA	NA	2.5	NA	NA	NA	0.1	0.1	-3.6
GOURMET KINEYA CO LTD	9850	1,040	23.9	1.5	-8.2	11.2	-1.7	NA	NA	NA	NA	NA	2.6	NA	NA	NA	-2.4	3.8	8.3
GINZA RENIOR CO LTD	9853	819	5.1	0.1	-13.2	-36.3	-16.3	NA	NA	NA	NA	NA	1.4	NA	NA	NA	-3.3	-2.5	-0.7
YOSHINOYA HOLDINGS CO LTD	9861	2,347	155.1	0.8	-14.3	11.3	9.5	18.0	2.8	36.6	19.5	77.4	3.4	17.0	1.1	0.1	-0.2	2.6	8.2
KFC HOLDINGS JAPAN LTD	9873	2,839	63.9	-0.8	9.9	8.0	16.7	NA	NA	15.4	NA	NA	2.5	NA	NA	NA	-1.6	-1.2	-3.7
MATSUYAFOODS HOLDINGS CO LTD	9887	3,620	69.1	0.3	-4.5	-0.8	5.0	NA	NA	33.1	NA	NA	1.6	NA	NA	NA	-1.5	0.1	3.6
SAGAMI HOLDINGS CORP	9900	1,178	36.1	-0.2	-4.1	-6.2	1.5	NA	NA	434.7	NA	NA	2.4	NA	NA	NA	-0.7	13.1	4.7
OHSO FOOD SERVICE CORP (TP 7,250 Buy)	9936	6,040	140.6	-0.2	0.9	11.0	14.8	12.1	10.1	14.0	15.6	19.2	2.0	NA	1.4	1.8	-0.2	-1.1	3.8
JOYFULL CO LTD	9942	777	24.8	4.9	-17.5	-6.8	72.4	NA	NA	9.0	NA	NA	4.8	NA	NA	NA	-2.4	-4.1	10.5
DAISYO CORP	9979	1,068	22.5	0.9	-23.9	13.1	-10.6	NA	NA	NA	NA	NA	1.8	NA	NA	NA	5.4	8.0	9.4
Average				0.8	-2.8	2.5	4.4	12.4	10.5	72.3	39.5	107.8	3.8	13.4	1.5	0.8	-0.2	0.3	1.2
Median				0.3	-0.6	7.7	6.2	13.1	10.0	30.6	27.2	37.3	3.2	13.0	1.4	0.7	-0.2	0.3	-0.3

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 30-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	3,805	1,043.8	-0.3	8.6	8.5	28.7	25.3	25.2	41.1	39.9	34.5	10.5	28.7	2.6	0.6	0.8	-14.4	28.7
KOMEDA HOLDINGS CO LTD (TP 3,000 Buy)	3543	2,040	94.7	1.5	10.0	24.0	13.3	13.5	13.7	20.1	18.8	17.4	2.6	15.4	4.2	2.5	-2.9	0.0	1.8
IBI INC (TP 1,450 Buy)	6071	807	33.7	-0.1	7.7	15.3	18.4	20.9	21.1	30.7	22.7	18.9	5.2	14.7	2.0	1.1	5.2	-11.5	-15.7
CURVES HOLDINGS CO LTD	7085	726	67.0	0.8	8.3	NA	19.3	NA	NA	42.9	NA	NA	7.3	NA	NA	NA	1.1	-10.1	-29.0
FAST FITNESS JAPAN INC (TP 5,600 Buy)	7092	1,868	34.6	-0.2	NA	29.0	21.5	15.9	18.0	19.4	25.0	19.0	3.7	NA	2.5	0.5	4.3	-33.9	-37.2
WORKMAN CO LTD	7564	5,090	415.0	-0.4	10.2	24.5	19.4	NA	NA	23.1	22.8	21.5	4.2	NA	NA	1.3	0.6	-7.8	-36.1

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)

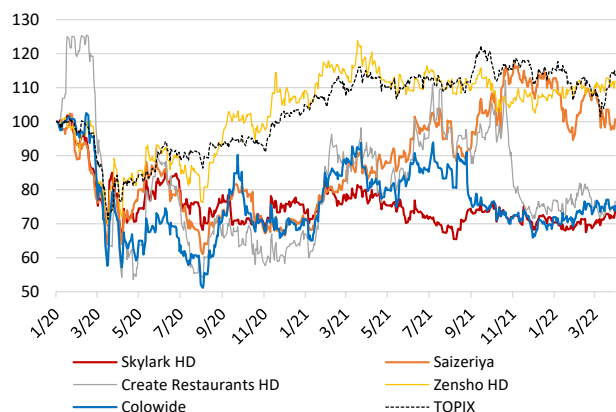


Figure: Stock price trends (Chinese restaurants)

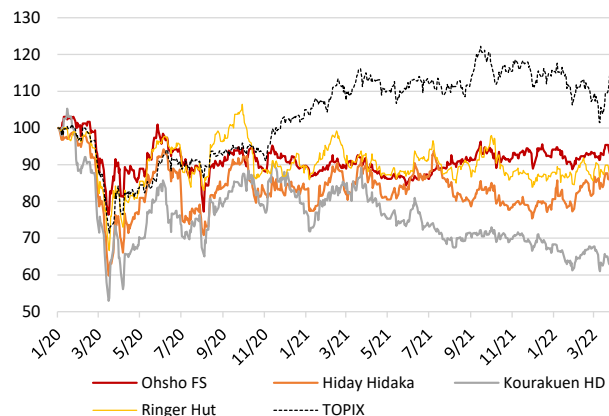


Figure: Stock price trends (Japanese BBQ)

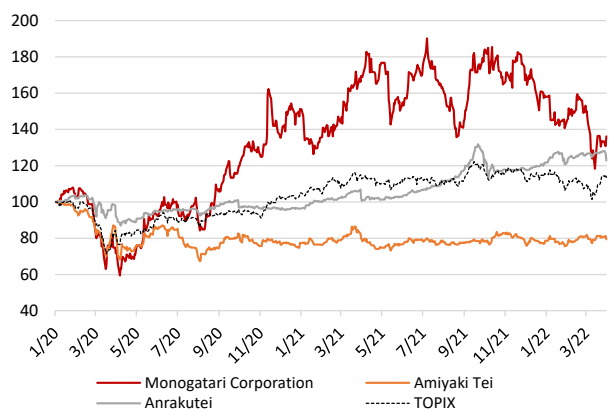


Figure: Stock price trends (Japanese style pubs)

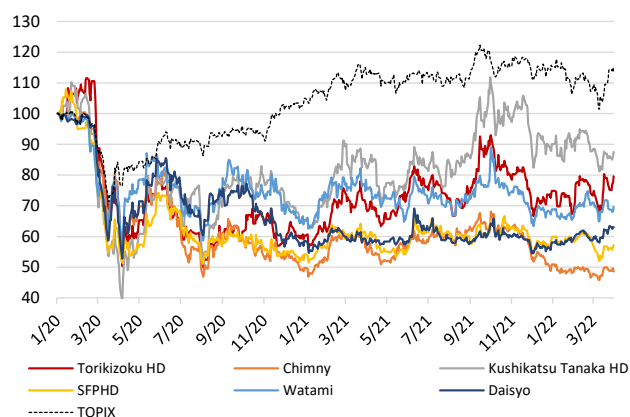


Figure: Stock price trends (sushi restaurants)

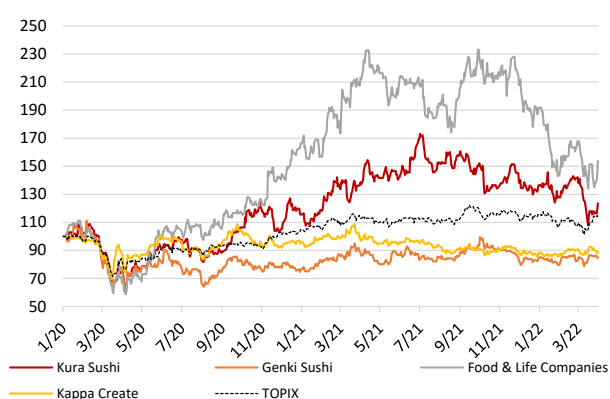
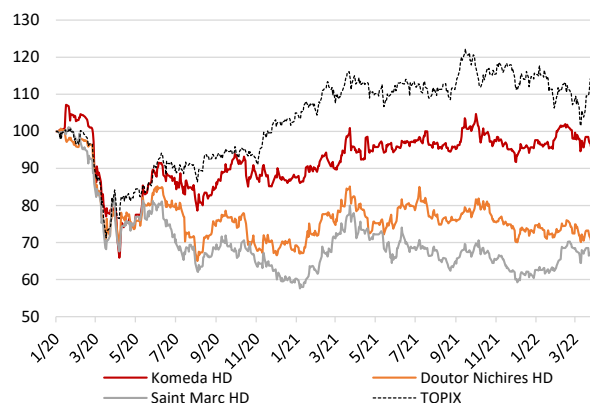


Figure: Stock price trends (coffee shops)



Risk factors

Risk factors for our view include prolonged operating restrictions on restaurants, unexpected underperformance in the new store openings and wholesale sales, unexpected increase in various costs, occurrence of events that prevent overseas store openings, large goodwill impairment, and customer defection due to food poisoning.

Mita Securities' earnings forecast

Figure: Mita Securities' earnings forecast (consolidated, various indicators)

Various indicators	2/20	2/21	2/22	2/23	2/24	2/25	2/26	2/27	5y CAGR
Consolidated	A	A	MitaE	MitaE	MitaE	MitaE	MitaE	MitaE	(%)
Sales growth (%)	2.9	-7.6	13.9	7.5	6.5	6.4	4.7	4.3	
Wholesale sales growth (%)	9.7	-8.6	15.2	6.4	5.9	5.2	5.1	4.3	
Same-store wholesale sales growth (%)	4.9	-11.5	10.5	1.5	1.0	0.5	0.0	0.0	
Store count growth (%)	4.2	2.0	4.7	4.8	4.6	5.0	4.7	4.7	
Operating profit growth (%)	4.1	-30.0	34.2	5.2	8.0	7.3	4.7	4.4	
Net profit growth (%)	5.0	-33.2	38.6	5.6	7.8	6.6	3.2	4.0	
Gross margin (%)	38.7	35.9	36.2	36.5	36.9	37.3	37.4	37.5	
Operating profit margin (%)	25.2	19.1	22.5	22.0	22.3	22.5	22.5	22.6	
EBITDA margin (%)	28.8	24.1	26.9	26.0	26.0	26.0	25.8	25.8	
FCF/Sales (%)	25.4	30.8	15.7	15.3	15.3	14.8	14.3	14.3	
ROA (%)	6.5	3.5	4.8	5.3	5.6	5.8	5.9	5.9	
ROE (%)	17.2	10.6	13.7	13.4	13.4	13.2	12.7	12.3	

Source: Company data, Mita Securities

Figure: Mita Securities' earnings forecast (consolidated, PL, JPYm)

P/L	2/20	2/21	2/22	2/23	2/24	2/25	2/26	2/27	5y CAGR
Consolidated, JPYm	A	A	MitaE	MitaE	MitaE	MitaE	MitaE	MitaE	(%)
Sales	31,219	28,836	32,855	35,327	37,640	40,051	41,919	43,703	5.9
Wholesale	21,784	19,905	22,929	24,386	25,831	27,168	28,554	29,786	5.4
Directly-owned store sales	3,867	3,900	4,557	5,093	5,828	6,435	6,765	7,095	9.3
Store development income	1,149	975	1,050	1,200	1,200	1,320	1,320	1,320	4.7
Lease-related earnings	1,278	1,340	1,342	1,404	1,470	1,540	1,615	1,691	4.7
Other services	3,141	2,716	2,977	3,245	3,312	3,588	3,664	3,811	5.1
CGS	19,132	18,477	20,963	22,424	23,746	25,130	26,240	27,308	
Gross profit	12,087	10,359	11,892	12,903	13,894	14,921	15,678	16,394	6.6
Other operating income	166	307	515	205	125	125	125	125	
SGA	4,301	4,620	4,872	5,207	5,485	5,837	6,169	6,465	5.8
Other operating expense	74	535	140	120	130	190	190	190	
Operating profit	7,878	5,511	7,395	7,780	8,404	9,018	9,444	9,864	5.9
Finance income	21	19	46	51	55	58	62	64	
Finance expense	125	139	109	75	70	65	60	55	
Pre-tax profit	7,775	5,391	7,333	7,756	8,389	9,012	9,446	9,873	6.1
Corporate taxes	2,406	1,789	2,346	2,482	2,684	2,884	3,023	3,159	
Net profit	5,369	3,602	4,986	5,274	5,704	6,128	6,423	6,714	
NP attributable to non-controlling interests	7	12	12	23	44	94	197	241	
NP attributable to owner of the company	5,376	3,590	4,974	5,251	5,660	6,035	6,226	6,473	5.4
EBITDA	8,992	6,940	8,835	9,190	9,792	10,411	10,832	11,258	5.0
Shares outstanding (m)	46.080	46.110	46.119	46.119	46.119	46.119	46.119	46.119	
EPS	116.66	77.86	107.86	113.86	122.73	130.85	134.99	140.35	5.4
BPS	720.19	754.54	817.71	880.57	950.30	1,025.14	1,102.13	1,182.48	7.7
DPS	51.00	39.00	51.00	53.00	56.00	58.00	60.00	62.00	4.0
Payout ratio (%)	43.7	50.1	47.3	46.5	45.6	44.3	44.4	44.2	

Source: Company data, Mita Securities

Figure: Mita Securities' earnings forecast (store count)

Store count data	2/20	2/21	2/22	2/23	2/24	2/25	2/26	2/27	5y CAGR
	A	A	MitaE	MitaE	MitaE	MitaE	MitaE	MitaE	(%)
Store count at end-FY (FC + directly-owned)									
Komeda's coffee	873	899	941	987	1,033	1,085	1,137	1,191	4.8
East Japan	256	274	293	312	331	352	373	394	6.1
Chukyo (Central Japan)	324	313	310	305	300	295	290	285	-1.7
West Japan	284	294	308	327	346	367	388	409	5.8
Overseas	9	18	30	43	56	71	86	103	28.0
Okagean	11	11	12	12	12	12	12	12	0.0
East Japan	4	4	4	4	4	4	4	4	0.0
Chukyo (Central Japan)	7	7	8	8	8	8	8	8	0.0
Other	12	4	4	4	4	4	4	4	0.0
Total	896	914	957	1,003	1,049	1,101	1,153	1,207	4.8
(YoY, %)	4.2	2.0	4.7	4.8	4.6	5.0	4.7	4.7	
FC store ratio (%)	94.4	94.5	94.3	94.2	94.2	94.2	94.2	94.2	
Wholesale sales to FC per store (JPYm)	26.2	23.3	26.0	26.4	26.7	26.8	26.9	26.8	0.6
(YoY, %)	5.6	-11.2	11.5	1.7	1.2	0.4	0.3	-0.4	
New store openings	58	46	53	56	56	62	62	64	

Source: Company data, Mita Securities

Figure: Mita Securities' earnings forecast (consolidated, BS, JPYm)

B/S	2/20	2/21	2/22	2/23	2/24	2/25	2/26	2/27	5y CAGR
Consolidated, JPYm	A	A	MitaE	MitaE	MitaE	MitaE	MitaE	MitaE	(%)
Total current assets	18,220	27,938	16,341	17,124	18,184	19,201	20,190	21,434	5.6
Cash and cash equivalents	6,609	7,301	5,087	5,150	5,466	5,792	6,126	6,629	
Trade and other receivables	6,341	5,195	5,328	5,531	5,759	6,105	6,507	6,886	
Other financial assets	4,133	14,128	5,130	5,516	5,877	6,254	6,545	6,824	
Inventories	201	317	340	366	386	415	424	450	
Other current assets	936	997	456	560	695	635	588	645	
Total non-current assets	80,218	81,598	81,640	82,558	83,646	85,423	87,457	89,359	1.8
Property, plant and equipment	12,162	12,819	12,779	12,369	12,031	11,789	11,601	11,407	
Goodwill	38,354	38,354	38,354	38,354	38,354	38,354	38,354	38,354	
Other intangible assets	163	217	238	254	270	286	302	318	
Trade and other receivables	25,932	26,473	26,014	27,006	28,116	29,807	31,771	33,620	
Other financial assets	3,004	3,206	3,653	3,928	4,185	4,453	4,661	4,859	
Deferred tax assets	298	325	370	398	424	451	472	493	
Other non-current assets	305	204	232	250	266	283	297	309	
Total assets	98,438	109,536	97,981	99,682	101,830	104,624	107,647	110,793	2.5
Total current liabilities	11,273	23,771	11,188	11,448	11,730	12,049	12,297	12,533	2.3
Trade payables	1,550	1,488	1,688	1,806	1,912	2,024	2,113	2,199	
Short-term borrowings	3,095	12,705	2,300	2,300	2,300	2,300	2,300	2,300	
Lease liabilities	2,292	3,056	3,400	3,291	3,201	3,137	3,087	3,035	
Income tax payable	1,222	2,652	1,100	1,164	1,258	1,352	1,417	1,481	
Other financial liabilities	1,740	1,955	1,650	1,765	1,869	1,978	2,065	2,149	
Other current liabilities	1,374	1,915	1,050	1,123	1,189	1,259	1,314	1,368	
Non-current liabilities	53,952	50,932	49,028	47,546	46,152	45,082	44,109	43,073	-2.6
Long-term borrowings	17,452	14,861	12,700	11,700	10,700	9,700	8,700	7,700	
Lease liabilities	29,753	29,335	29,242	28,304	27,532	26,978	26,547	26,103	
Other financial liabilities	6,129	6,057	6,387	6,827	7,191	7,653	8,087	8,476	
Provisions	225	308	307	297	289	283	279	274	
Other non-current liabilities	394	371	391	418	440	469	495	519	
Total liabilities	65,225	74,703	60,216	58,995	57,882	57,131	56,406	55,605	-1.6
Total equity	33,213	34,833	37,765	40,687	43,948	47,493	51,241	55,188	7.9
Equity attributable to owner of the company	33,186	34,792	37,712	40,611	43,827	47,279	50,830	54,535	
Non-controlling interests	27	41	53	76	120	214	411	653	
Total liabilities and equity	98,438	109,536	97,981	99,682	101,830	104,624	107,647	110,793	2.5
Debt (including lease)	52,591	59,957	47,642	45,595	43,733	42,114	40,634	39,138	
D/E (including lease, x)	1.6	1.7	1.3	1.1	1.0	0.9	0.8	0.7	
Debt/EBITDA (including lease, x)	5.8	8.6	5.4	5.0	4.5	4.0	3.8	3.5	
Capital ratio (%)	33.7	31.8	38.5	40.7	43.0	45.2	47.2	49.2	

Source: Company data, Mita Securities

Figure: Mita Securities' earnings forecast (consolidated, CF, JPYm)

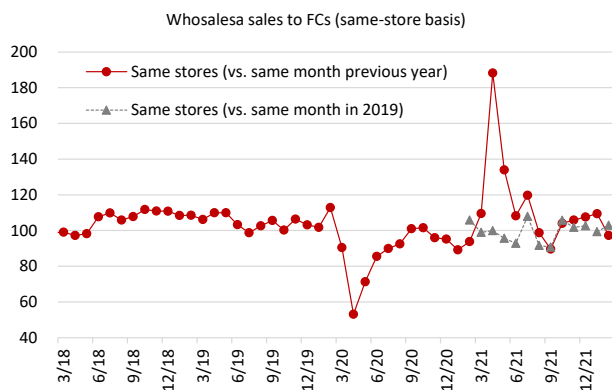
CF	2/20	2/21	2/22	2/23	2/24	2/25	2/26	2/27	5y CAGR
Consolidated, JPYm	A	A	MitaE	MitaE	MitaE	MitaE	MitaE	MitaE	(%)
Net cash from operating activities	9,318	10,359	6,555	6,415	6,811	7,059	7,209	7,471	
NP attributable to owner of the company	5,376	3,590	4,974	5,251	5,660	6,035	6,226	6,473	
Depreciation and amortization	1,114	1,429	1,441	1,410	1,387	1,392	1,388	1,394	
Other	2,829	5,340	140	-246	-237	-368	-405	-396	
Net cash from investing activities	-1,372	-11,556	7,600	-1,000	-1,050	-1,150	-1,200	-1,200	
Inflows/outflows from term deposit	0	-10,000	9,000	0	0	0	0	0	
Purchase of non-current assets	-1,376	-1,484	-1,400	-1,000	-1,050	-1,150	-1,200	-1,200	
Disposal of non-current assets	0	0	0	0	0	0	0	0	
Other	4	-72	0	0	0	0	0	0	
Net cash from financing activities	-7,169	1,889	-16,369	-5,352	-5,444	-5,583	-5,675	-5,767	
Debt issuance/repayment	-5,874	3,899	-12,315	-1,000	-1,000	-1,000	-1,000	-1,000	
Share capital issuance/buy-back	89	20	0	0	0	0	0	0	
Dividends paid	-2,283	-2,030	-2,054	-2,352	-2,444	-2,583	-2,675	-2,767	
Other	898	0	-2,000	-2,000	-2,000	-2,000	-2,000	-2,000	
Cash and cash equivalents	6,609	7,301	5,087	5,150	5,466	5,792	6,126	6,629	
Free CF	7,943	8,875	5,155	5,415	5,761	5,909	6,009	6,271	

Source: Company data, Mita Securities

Monthly and quarterly earnings

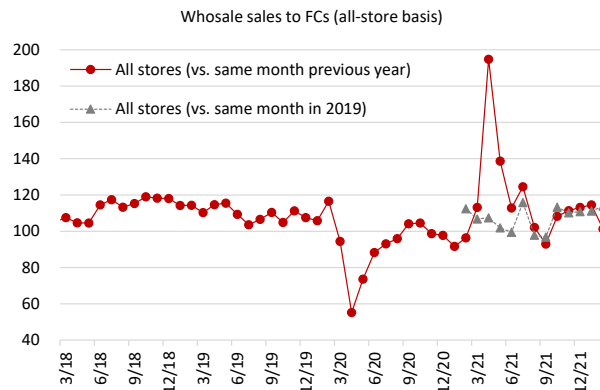
Komeda Holdings monthly and quarterly earnings

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



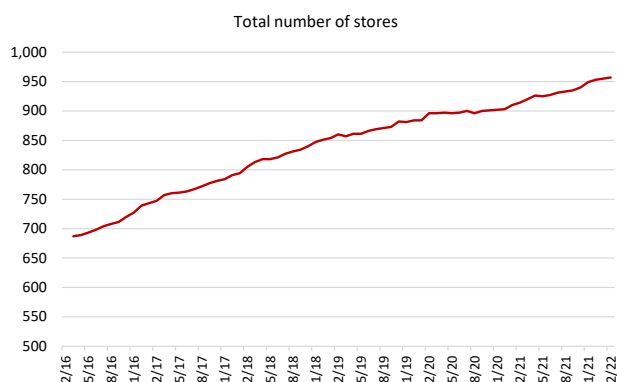
Source: Company data, Mita Securities

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



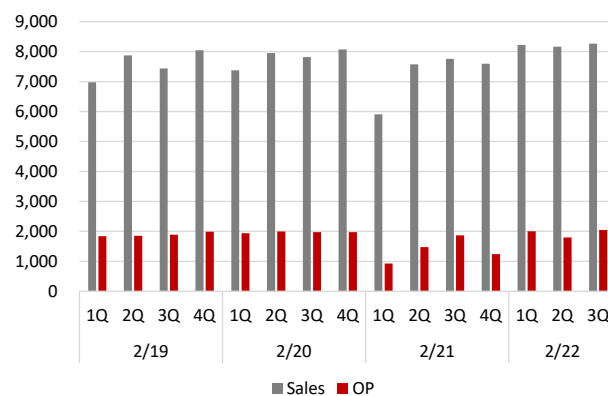
Source: Company data, Mita Securities

Figure: Store count



Source: Company data, Mita Securities

Figure: Quarterly earnings (JPYm)



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	100.0	96.1	104.0	92.2	97.3	109.3	114.0	93.9		88.6	96.7	97.5	104.0	90.2	91.1	103.4	89.7	80.7	101.0	110.5	112.1	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	60.4	160.4	76.9	91.7	81.6	80.8	102.6	95.2	113.9	125.0	107.9		
		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	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	108.2		
	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	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	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		
	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	68.3	87.2	60.6	59.9	95.4	91.2	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	46.4	37.0	5.0	13.2	29.9	9.8	6.8	62.1	75.4	80.4	30.2	34.7	46.4	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	74.5	71.6	61.5	62.5	82.5	81.0	65.3	70.9	70.7	70.9	70.0	67.1	64.7	74.5	71.6	61.5	62.5	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	95.5	95.8	92.9						90.8	105.9	99.0	99.9	95.5	95.8	92.9									
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	91.4	91.6	90.6	101.9	106.0	105.4	107.2	108.5		
		vs. pre-COVID	92.6	89.6	92.5	84.2	91.5	95.7	98.3	97.4	97.6	97.4	97.6	91.9	92.6	89.5	92.5	84.2	91.5	95.7	98.3	97.4	97.6	97.4	97.6	91.9	106.1	107.2	108.5	

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	92.1
		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	40.4
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	101.6	106.8	95.2	99.8	102.7	103.4	104.2	105.6	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	107.7
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	103.6
		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	73.3
3397	Toridori 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	147.8	103.3	113.5	94.5	103.2	101.9	107.1	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	95.9	184.0	147.9	109.1	115.4	94.7	105.6	102.4	101.4	104.8	112.0	104.1
		vs. pre-COVID													84.3	90.2	86.1	92.6	94.1	93.0	99.5	85.2	91.3	96.7	85.0	92.2	94.4	93.9
3563	Food & Life Companies (Sushiro)	vs. prev yr	107.0	112.0	86.3	55.6	81.4	97.9	96.5	87.7	97.1	104.3	94.7	98.7	95.1	99.9	120.0	178.0	112.6	95.3	103.5	96.4	90.0	94.0	96.3	100.1	96.0	93.6
		vs. pre-COVID													101.8	111.9	103.6	99.0	91.7	93.3	99.9	84.5	87.4	98.0	91.2	98.8	97.7	104.7
7550	Zensho HD (Sukiya)	vs. prev yr	101.9	110.0	92.2	88.1	90.8	91.3	102.7	98.8	98.4	104.9	100.5	101.3	99.8	99.1	104.6	114.2	118.1	108.9	108.7	100.5	103.4	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	101.1	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	82.3	47.7	51.9	54.8	47.4	50.2	71.0	78.5	80.6	72.5	61.7
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	121.4
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	87.2	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	109.9	104.5	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	77.5	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	104.4	106.1
		vs. pre-COVID													100.6	79.7	87.9	86.3	92.1	87.3	90.4	89.3	92.9	99.1	101.5	96.2	104.7	84.6
9887	Matsuya Foods HD (Matsuya)	vs. prev yr	106.4	115.5	94.8	77.8	77.8	83.3	88.4	87.6	85.3	97.1	91.1	91.0	84.9	81.0	91.6	108.9	112.2	98.8	95.5	96.1	93.0	87.9	99.1	96.5	100.2	97.0
		vs. pre-COVID													90.3	93.6	95.8	84.7	87.3	82.3	84.4	84.2	79.3	87.1	90.3	87.8	90.5	90.7

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

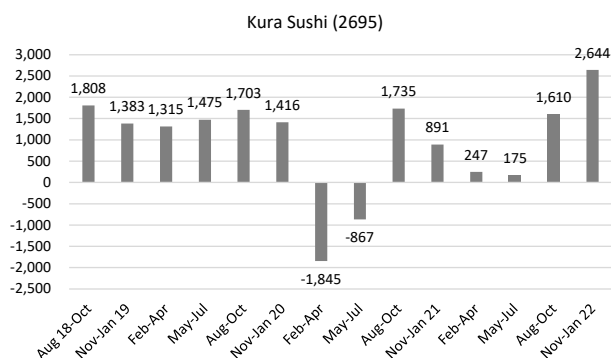
Figure: Monthly data for food service companies (average for companies covered by Mita Securities and non-covered companies above)

		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
Simple average for 21 companies	vs. prev.yr	102.0	105.4	86.1	58.6	68.8	83.2	87.5	85.6	88.4	97.4	94.9	97.8	80.7	80.9	96.6	205.0	124.2	95.8	100.5	89.7	88.1	97.3	100.7	110.2	117.2	102.8
	vs. pre-COVID	82.2	85.8	83.4	84.9	88.4	85.4	88.6	88.4	97.4	94.9	97.8	80.7	82.5	85.8	96.6	205.0	124.2	95.8	100.5	89.7	88.1	97.3	100.7	110.2	117.2	102.8

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

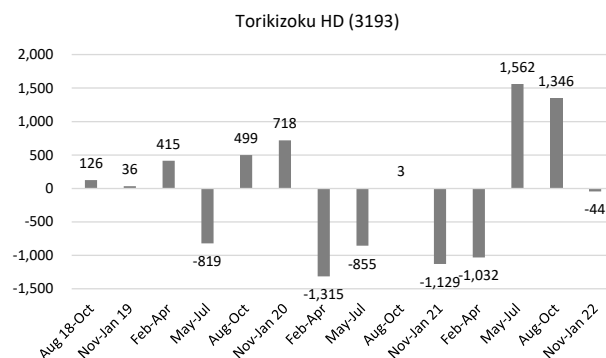
Pre-tax profits for food service companies covered by Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



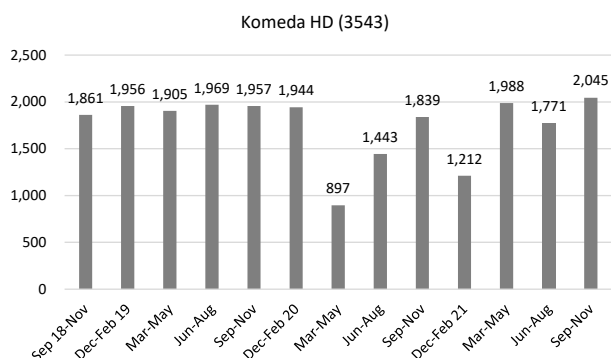
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



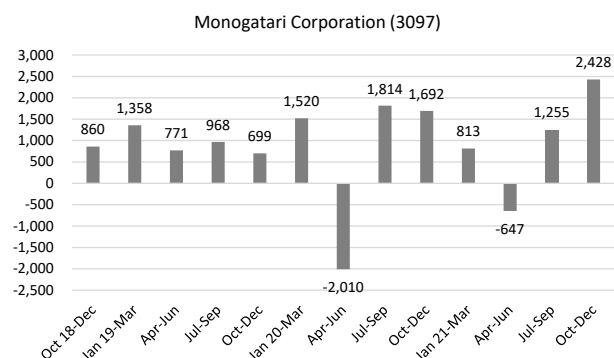
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



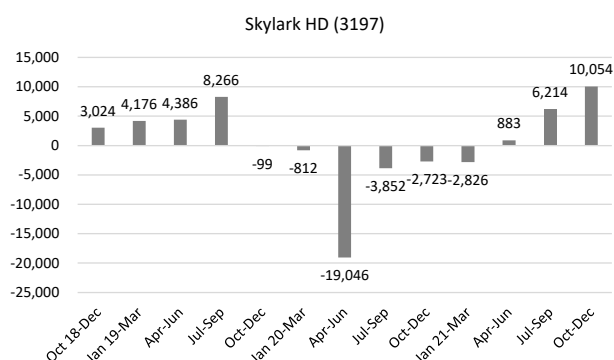
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



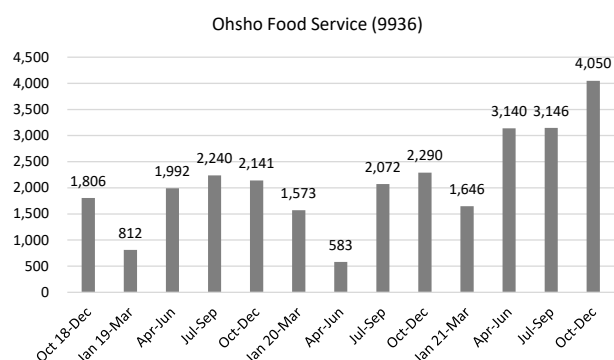
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



Source: Company data, Mita Securities

APPENDIX

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

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