



Kura Sushi

TSE Prime

2695

Industry: Food service, retail

Conan & crab popular in March; Kura Sushi is becoming a food amusement park

March SSS: 106.3% vs. 2021, 103.7% vs. 2019 (pre-pandemic)

On April 6, Kura Sushi (2695, the company) disclosed monthly data for March (on a preliminary basis). Same-store sales were 106.3% vs. March 2021 (99.1% for February), 122.7% vs. March 2020, and 103.7% vs. March 2019. The number of holidays (weekends and holidays) was one day more than in March 2021, one day less than in March 2020, and two days less than in March 2019. Compared to March 2021, the guest count was 104.2% (95.6% for February), and the average check was 102.0% (103.7% for February).

We see March sales as extremely strong, given that most of the company's stores were required to shorten their hours until March 21. The collaboration campaign with "Detective Conan" and the crab fair seem to have contributed to the strong performance.

Updates on revolving sushi and family restaurants

Same-store sales of other revolving sushi formats in March (compared to March 2021 and March 2019) were 93.5% and 96.8% for Sushiro (Food & Life Companies), 104.4% and 89.9% for Genki Sushi, and 89.7% and 82.2% for Kappa Sushi, respectively. We have the impression that Kura Sushi was the sole winner in the revolving sushi market in March. The same figures for family restaurants were 99.0% and 71.0% for Skylark HD, 117.0% and 83.9% for Saizeriya, and 110.6% and 91.0% for Royal Host. We believe that overall demand for restaurants has been improving since the lifting of the "priority measures to prevent the spread of the disease" in late March.

Opened 4th global flagship store in front of Tokyo Skytree

The number of stores at the end of February was 510 in Japan (+3 MoM), 37 in the U.S. (+1 MoM), and 45 in Taiwan (+1 MoM). The total number of stores was 592 (+5 MoM).

At the end of March, the company opened its fourth global flagship store with a "digital food park" concept in front of Skytree Oshiage Station, in Oshiage, Sumida-ku, Tokyo (other global flagship stores are in Asakusa ROX, Dotonbori, and Harajuku). This store is the largest for Kura Sushi, and is also the first to launch the state-of-the-art amusement features such as "Bikkura Pon! DX" and "Bikkura Gyo!"

Please refer to the report dated October 20, 2021 for the rationale of the rating and target price.

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Update

Rating

Buy

Target price (JPY)	5,000
Stock price (JPY) (Apr 6)	3,485
Market cap (JPYbn)	144.3

Key changes

Rating	No
Target price	No
Earnings forecast	No

Stock price (JPY)



Source: Bloomberg Finance LP

Earnings

		10/20	10/21	10/22E	10/23E	10/24E
Sales	JPYbn	135.8	147.6	176.7	198.8	223.4
OP	JPYbn	0.4	-2.7	5.5	8.0	10.6
RP	JPYbn	1.1	3.2	6.2	8.7	11.3
NP	JPYbn	-0.3	1.9	3.9	5.6	7.2
EPS	JPY	-6.6	47.9	98.4	140.4	181.9
BPS	JPY	1,116.1	1,216.4	1,280.4	1,396.8	1,548.7
DPS	JPY	20.0	20.0	24.0	30.0	40.0
PER	x	NA	72.7	35.4	24.8	19.2
PBR	x	2.8	2.9	2.7	2.5	2.3
Div. yield	%	0.6	0.6	0.7	0.9	1.1
ROA	%	-0.3	2.1	4.0	5.2	6.2
ROE	%	-0.6	4.1	7.9	10.5	12.4

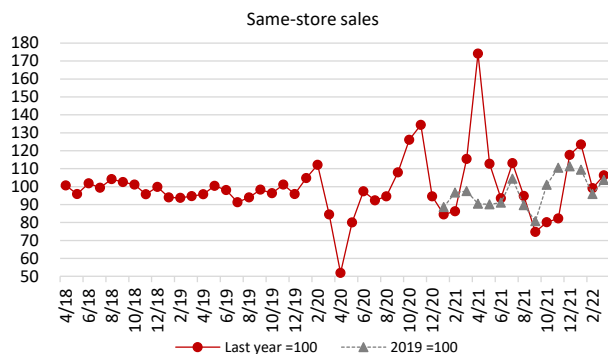
Source: Company data, Mita Securities

Company profile

Kura Sushi is an Osaka-based restaurant company that operates the "Kura Sushi" revolving sushi bar chain nationwide. The company is also active in overseas business and has listed subsidiaries in the US and Taiwan. As of end-October 2021, the company had 567 stores (32 in the US and 40 in Taiwan). Sales in FY10/21 were 147.6bn yen.

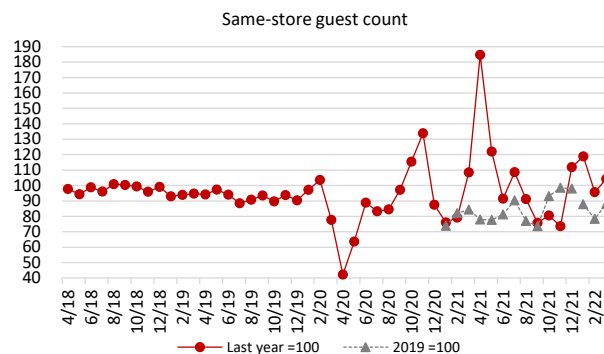
Monthly data for Kura Sushi

Figure: Same-store sales (%)



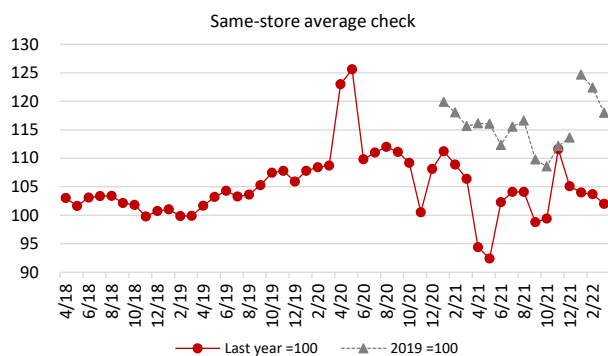
Source: Company data, Mita Securities

Figure: Same-store guest count (%)



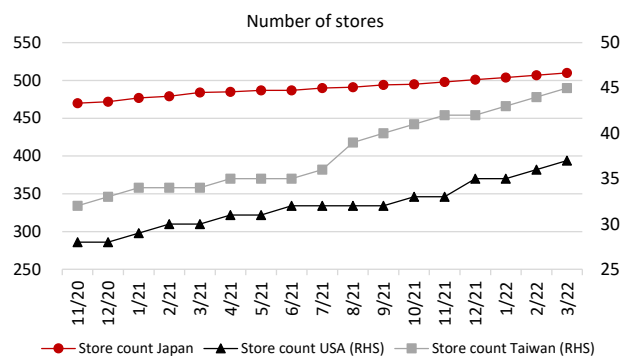
Source: Company data, Mita Securities

Figure: Same-store average check (%)



Source: Company data, Mita Securities

Figure: Number of stores



Source: Company data, Mita Securities

Monthly data for food service companies

Figure: Monthly data for food service companies covered by Mita Securities

Ticker	Company name		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	3/22
2695	Kura Sushi	vs. prevyr	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	106.3
		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	103.7
3097	Monogatari Corporation	vs. prevyr	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. prevyr	103.7	14.9	50.3	103.3	111.5	97.6	101.6	116.7	123.3	99.2	80.1	66.8	84.7	577.0	163.1	74.0	91.5	84.8	90.3	108.6	97.0	118.7	129.9	103.6	
		vs. pre-COVID											85.2	91.9	87.8	86.0	82.0	76.4	102.0	82.8	91.7	126.7	119.6	117.8	110.7	95.2	
	Ramen division	vs. prevyr	90.5	14.3	54.1	90.8	93.7	88.3	94.5	99.7	96.7	91.6	82.2	76.4	87.9	546.9	148.9	82.9	95.4	82.1	76.3	96.1	100.0	111.3	115.2	113.8	
		vs. pre-COVID											86.0	82.3	79.5	78.2	80.6	75.3	89.4	72.5	72.1	95.8	96.7	102.0	99.1	93.6	
	Yuzuan division	vs. prevyr	84.7	10.9	42.6	83.7	96.1	84.9	91.0	101.2	106.6	89.4	71.1	69.1	94.3	697.3	162.7	81.6	90.7	71.4	65.8	94.3	85.6	100.4	116.8	90.4	
		vs. pre-COVID											73.7	74.4	79.9	76.0	69.3	68.3	87.2	60.6	59.9	95.4	91.2	89.8	86.0	67.2	
3193	Torikizoku HD	vs. prevyr	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. prevyr	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	93.0	99.0
		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	71.0
3543	Komeda HD	vs. prevyr	90.5	53.1	71.3	85.5	89.9	92.5	101.0	101.6	96.0	95.2	89.2	93.8	109.5	188.1	134.0	108.2	119.7	98.7	89.6	104.0	105.9	107.6	109.4	97.2	
		vs. pre-COVID											90.8	105.9	99.0	99.9	95.6	92.8	107.9	91.6	90.7	105.8	101.8	102.6	99.3	102.9	
9936	Ohsho Food Service	vs. prevyr	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	106.6	91.4	90.6	101.9	100.6	105.4	99.2	108.5	105.7
		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	97.8

Source: Companies' data, Mita Securities

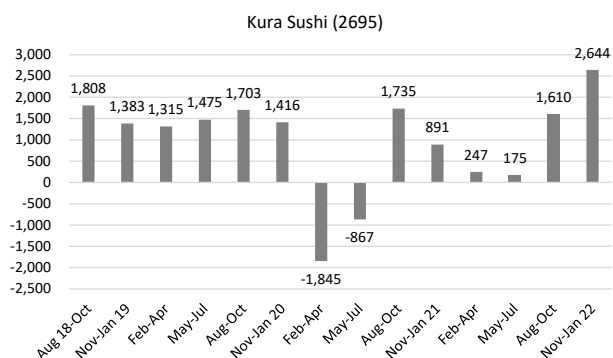
Note: Pre-COVID is indexed with same month in 2019 as 100

Figure: Monthly data for food service companies not covered by Mita Securities

Ticker	Company name		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	3/22
2702	McDonald's HD Japan	vs. prevyr	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	109.4
		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	117.5
3053	Pepper Food Service (Ikinari! Steak)	vs. prevyr	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. prevyr	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	110.4
		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	105.4
3087	Doutor Nichires HD (Doutor Coffee Shop)	vs. prevyr	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	Toridoll HD	vs. prevyr	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	109.4
		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	92.2
	Marugame Seimen	vs. prevyr	86.5	50.3	63.6	85.2	86.2	90.0	86.5	94.4	83.8	88.0	78.0	82.0	99.5	184.0	147.9	109.1	115.4	94.7	105.6	102.4	101.4	104.8	112.0	104.1	110.4
		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	95.0
3563	Food & Life Companies (Sushi & Life)	vs. prevyr	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	93.5
		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	96.8
7550	Zensho HD (Sukiya)	vs. prevyr	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	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	107.4
7581	Saizeriya	vs. prevyr	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	117.0
		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	83.9
7611	Hiday Hidaka	vs. prevyr	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	118.1
		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	68.3
7630	Ichibanya	vs. prevyr	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	99.5
		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	81.9
8153	Mos Food Services	vs. prevyr	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. prevyr	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	104.9	110.6
		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	83.3	91.0
	Tendon Tenya	vs. prevyr	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	107.9
		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	92.8
8200	Ringer Hut	vs. prevyr	74.8	42.6	51.3	70.9	74.9	73.3	76.9	87.2	84.7	79.5	69.2	76.3	96.2	173.4	136.2	101.6	107.8	98.0	97.3	100.5	103.7	109.0	114.5	98.8	106.0
		vs. pre-COVID											67.9	74.4	72.0	73.9	69.9	72.0	80.7	71.8	74.8	87.6	87.8	86.7	77.7	73.5	76.3
9861	Yoshinoya HD (Yoshinoya)	vs. prevyr	98.2	96.0	92.7	87.7	94.3	83.2	90.9	100.4	93.4	89.6	91.9	81.4	89.5	89.9	99.4	99.6	95.9	107.3	102.2	98.7	108.7	107.4	104.0	106.1	111.9
		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	98.3
9887	Matsuya Foods HD (Matsuya)	vs. prevyr	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	96.8	102.2
		vs. pre-COVID											90.3	93.6	86.8	84.7	87.3	82.3	84.4	84.2	79.3	87.1	90.3	87.8	90.5	90.6	88.7

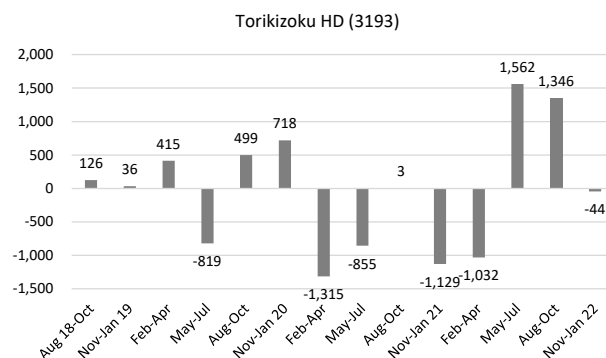
Pre-tax profits for food service companies covered by Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



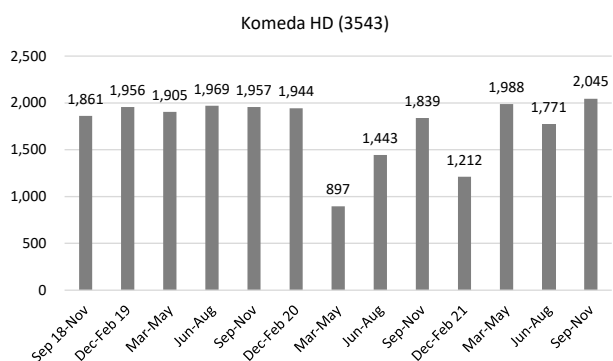
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



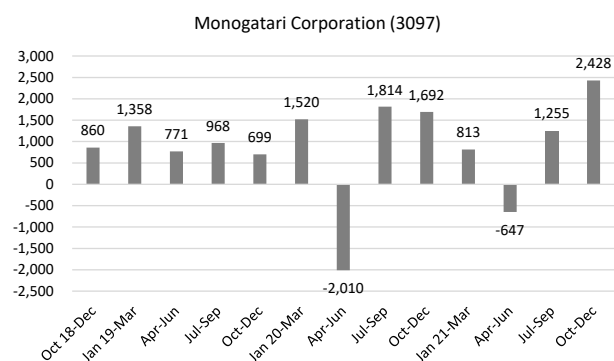
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Figure: Quarterly pre-tax profit (JPYm)



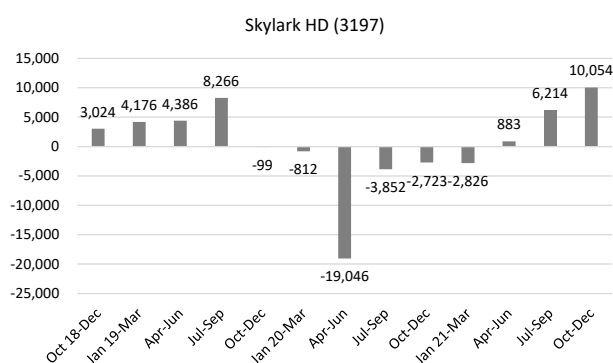
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Figure: Quarterly pre-tax profit (JPYm)



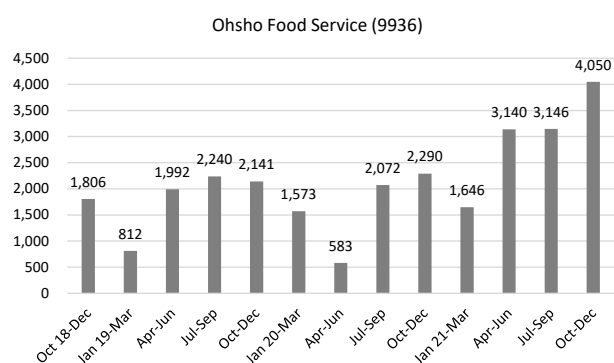
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



Source: Company data, Mita Securities

Comparison of valuations with peers

Figure: Comparison of valuations for food service companies

Company name	Ticker	PX 6-Apr	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	3,485	144.3	0.1	11.8	2.3	6.4	8.0	10.4	45.8	35.1	24.3	2.8	13.1	0.8	0.6	0.9	-5.8	-14.4
MCDONALD'S HOLDINGS CO JAPAN	2702	5,110	679.4	-0.3	10.2	14.0	13.0	10.9	10.8	28.4	29.9	27.8	3.5	12.0	1.8	0.8	4.0	0.4	0.0
OTOYA HOLDINGS CO LTD	2705	2,810	20.4	0.2	-0.4	11.7	NA	NA	NA	15.1	NA	NA	NA	NA	NA	NA	-2.8	3.2	6.4
FUJIO FOOD GROUP INC	2752	1,390	62.0	1.7	-5.0	-9.6	16.3	15.9	NA	85.8	74.3	42.8	11.9	NA	2.1	0.0	8.3	8.3	-6.4
AMIYAKI TEI CO LTD	2753	2,955	20.2	-0.2	-2.6	-13.9	3.1	NA	NA	32.2	37.5	14.6	1.0	NA	0.4	0.3	0.4	-0.5	-0.3
HIRAMATSU INC	2764	200	14.9	4.1	23.5	-21.8	-48.7	NA	NA	NA	NA	NA	2.2	NA	NA	NA	3.1	13.6	25.8
PEPPER FOOD SERVICE CO LTD	3053	370	14.6	-0.1	NA	-8.4	20.7	NA	NA	46.7	NA	NA	4.4	NA	NA	NA	7.6	14.2	21.3
CHOUSHIMARU CO LTD	3075	1,153	16.7	-0.8	0.7	9.9	13.8	NA	NA	15.6	NA	NA	2.0	NA	NA	0.5	2.9	3.6	-9.9
ARCLAND SERVICE HOLDINGS CO	3085	2,217	73.4	-0.7	14.4	8.2	12.0	13.4	13.0	27.0	20.5	19.9	3.1	9.4	1.2	1.4	2.0	0.2	-4.7
DOUTOR NICHIRETS HOLDINGS CO	3087	1,495	68.2	-0.3	3.3	5.0	-2.2	4.5	1.3	NA	15.3	46.9	0.7	14.1	0.3	1.7	-3.9	-5.9	-14.2
BRONCO BILLY CO LTD	3091	2,303	34.7	-0.3	-8.7	13.8	5.4	NA	NA	36.4	NA	NA	1.9	NA	NA	0.7	8.0	-4.1	-6.2
MONOGATARI CORP (TP 9,100 Buy)	3097	5,790	70.0	0.1	6.8	11.2	13.2	16.2	16.4	25.5	17.8	17.9	3.2	12.4	1.0	1.2	5.9	-6.6	-25.7
CHIMNEY CO LTD	3178	1,136	22.0	0.8	-50.5	-28.7	-8.9	NA	NA	NA	NA	NA	3.2	NA	NA	NA	4.8	1.0	-13.7
TORIKIZOKU HOLDINGS CO LTD (TP 2,100 Hold)	3193	1,819	21.1	0.6	NA	NA	NA	7.5	11.4	NA	150.3	33.0	3.5	NA	1.0	0.0	9.2	8.7	6.4
HOTLAND CO LTD	3196	1,340	28.9	0.3	3.3	6.2	28.1	13.6	NA	13.9	22.3	22.1	3.3	NA	1.0	0.4	2.4	7.4	1.3
SKYLARK HOLDINGS CO LTD (TP 1,600 Hold)	3197	1,568	356.7	1.1	-8.3	22.5	6.2	2.7	4.3	41.4	65.6	58.0	2.1	9.5	1.8	0.5	2.1	6.7	-8.0
SFP HOLDINGS CO LTD	3198	1,372	35.4	-0.1	-58.6	17.7	0.3	14.4	NA	879.5	19.7	50.4	2.7	NA	3.2	0.0	9.4	1.0	-5.2
CREATE RESTAURANTS HOLDINGS	3387	734	156.2	3.5	-24.0	28.2	10.2	16.9	NA	59.7	23.0	39.5	3.9	NA	2.8	0.6	8.3	6.2	-15.6
SAINT MARC HOLDINGS CO LTD	3395	1,565	35.6	-0.2	0.0	-6.4	-16.6	-12.9	2.8	NA	NA	57.5	1.0	NA	0.5	2.8	0.7	6.5	-11.7
TORIDOLL HOLDINGS CORP	3397	2,480	217.4	3.0	9.3	15.8	14.2	13.1	6.1	38.9	34.8	43.4	4.4	10.6	2.1	0.3	8.6	6.5	42.4
KOMEDA HOLDINGS CO LTD (TP 3,000 Buy)	3543	2,057	95.0	1.5	10.0	24.0	13.3	13.6	13.7	20.3	19.0	17.8	2.6	15.5	4.2	2.5	-0.8	1.2	2.3
KUSHIKATSU TANAKA HOLDINGS C	3547	1,890	17.8	1.6	-42.8	-50.3	-38.2	51.1	35.2	NA	22.7	26.6	14.6	19.7	1.5	1.1	1.2	-2.2	-2.8
CHIKARANOMOTO HOLDINGS CO LT	3561	562	15.2	3.7	-0.9	7.7	-9.8	NA	NA	NA	NA	NA	5.0	NA	NA	NA	1.1	-0.4	-14.2
FOOD & LIFE COMPANIES LTD	3563	3,415	396.4	2.2	21.1	15.5	21.4	18.9	22.0	31.8	30.4	22.5	6.3	12.7	1.8	0.7	1.3	-15.4	-34.6
ATOM CORP	7412	753	145.8	0.2	-13.6	1.2	-9.5	NA	NA	NA	NA	NA	19.3	NA	NA	NA	-3.0	-0.7	-2.2
KAPPA CREATE CO LTD	7421	1,391	68.7	0.4	2.6	3.5	6.3	NA	NA	102.8	NA	NA	6.3	NA	NA	NA	4.9	4.8	-10.4
WATAMI CO LTD	7522	940	40.1	3.5	-9.8	-2.1	-43.2	NA	NA	NA	NA	NA	2.6	NA	NA	NA	6.1	8.7	-5.2
ZENSHO HOLDINGS CO LTD	7550	2,973	460.4	2.2	6.8	6.8	18.1	16.6	5.7	28.3	29.2	47.1	4.6	16.1	0.9	0.7	8.0	10.4	-1.1
KOURAKUEN HOLDINGS CORP	7554	1,307	21.9	1.1	-11.2	8.4	30.2	13.6	NA	18.6	39.4	1,867.1	4.8	NA	0.9	0.4	-1.7	-6.3	-24.8
ANRAKUTEI CO LTD	7562	6,320	13.5	1.6	5.1	-5.4	22.0	NA	NA	12.5	NA	NA	2.5	NA	NA	NA	-1.7	-1.4	21.3
SAIZERIYA CO LTD	7581	2,588	135.3	-0.2	5.0	7.9	4.8	10.6	7.5	31.7	14.0	18.2	1.5	6.3	0.7	0.7	-7.9	-7.7	10.9
HIDAY HIDAKA CORP	7611	1,800	68.7	-0.3	-24.5	-12.0	-1.2	NA	NA	NA	NA	NA	3.2	NA	NA	NA	0.7	0.5	-1.2
COLOWIDE CO LTD	7616	1,748	151.9	3.6	-4.4	13.1	-11.0	NA	NA	NA	NA	NA	4.3	NA	NA	NA	1.1	8.6	-8.8
UKAI CO LTD	7621	3,010	16.9	1.5	4.8	-5.1	-28.3	NA	NA	NA	NA	NA	6.1	NA	NA	NA	-0.3	0.5	-1.6
GLOBAL-DINING INC	7625	335	3.5	0.1	68.9	12.0	41.0	NA	NA	3.3	NA	NA	1.1	NA	NA	NA	18.0	-16.5	15.9
ICHIBANYA CO LTD	7630	4,645	148.3	-0.5	1.8	9.2	8.7	NA	NA	57.3	39.0	36.1	5.0	NA	2.7	1.7	-1.3	0.9	-6.1
ASAKUMA CO LTD	7678	1,529	8.2	-0.4	-22.1	-19.3	-21.5	NA	NA	NA	NA	NA	3.2	NA	NA	NA	-4.0	-0.7	-2.4
MOS FOOD SERVICES INC	8153	2,905	93.0	-0.2	9.9	11.1	8.4	6.9	NA	23.2	27.2	29.0	1.9	NA	1.0	1.0	-3.1	-6.1	-10.8
KISOJI CO LTD	8160	2,081	57.0	0.0	0.1	NA	0.9	NA	NA	NA	NA	NA	2.2	NA	NA	NA	3.0	-5.0	-13.5
SRS HOLDINGS CO LTD	8163	803	32.0	0.5	-5.4	6.4	2.1	NA	NA	160.3	NA	NA	2.3	NA	NA	NA	-3.4	5.8	-6.5
ROYAL HOLDINGS CO LTD	8179	2,120	103.9	1.1	-0.6	-0.3	-11.8	1.0	5.4	NA	110.1	37.8	3.3	19.1	1.4	0.4	15.1	16.4	5.1
RINGER HUT CO LTD	8200	2,290	59.7	1.0	-10.6	-2.6	-6.8	6.3	NA	NA	69.1	119.9	5.0	NA	2.0	0.4	0.3	5.7	-3.1
GIFT HOLDINGS INC	9279	2,543	25.3	0.0	22.2	10.2	37.9	32.3	NA	17.6	14.0	15.6	5.7	NA	1.5	1.0	23.3	2.6	10.3
GENKI SUSHI CO LTD	9828	2,570	22.8	0.6	10.6	8.9	13.5	NA	NA	19.6	NA	NA	2.5	NA	NA	NA	3.9	3.0	-5.5
GOURMET KINEYA CO LTD	9850	1,034	23.7	1.5	-8.2	11.2	-1.7	NA	NA	NA	NA	NA	2.6	NA	NA	NA	-0.9	4.7	7.7
GINZA RENOIR CO LTD	9853	820	5.1	0.1	-13.2	-36.3	-16.3	NA	NA	NA	NA	NA	1.4	NA	NA	NA	-2.4	-1.6	-0.4
YOSHINOYA HOLDINGS CO LTD	9861	2,379	154.9	0.8	-14.3	11.3	9.5	18.0	2.8	37.1	19.8	78.5	3.3	17.0	1.1	0.1	-1.6	5.4	6.1
KFC HOLDINGS JAPAN LTD	9873	2,864	64.2	-0.8	9.9	8.0	16.7	NA	NA	15.6	NA	NA	2.5	NA	NA	NA	-0.4	-1.1	-3.2
MATSUYAFOODS HOLDINGS CO LTD	9887	3,735	71.2	0.3	-4.5	-0.8	5.0	NA	NA	34.1	NA	NA	1.7	NA	NA	NA	5.1	4.0	5.7
SAGAMI HOLDINGS CORP	9900	1,189	36.0	-0.2	-4.1	-6.2	1.5	NA	NA	438.7	NA	NA	2.4	NA	NA	NA	-0.7	15.9	5.6
ONSHO FOOD SERVICE CORP (TP 7,250 Buy)	9936	6,120	142.5	-0.2	0.9	11.0	14.8	13.1	10.1	14.2	15.8	19.4	2.0	NA	1.5	1.7	2.0	1.7	4.6
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	2.7	-2.8	11.3
DAISYO CORP	9979	1,084	23.0	0.9	-23.9	13.1	-10.6	NA	NA	NA	NA	NA	1.8	NA	NA	NA	9.9	11.8	9.2
Average				0.8	-2.5	2.6	4.4	13.0	10.5	72.6	38.3	104.9	3.8	13.4	1.5	0.8	2.9	2.2	-1.4
Median				0.3	-0.4	7.7	6.2	13.4	10.1	30.1	28.2	33.0	3.1	12.9	1.4	0.7	2.0	1.7	-2.4

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)

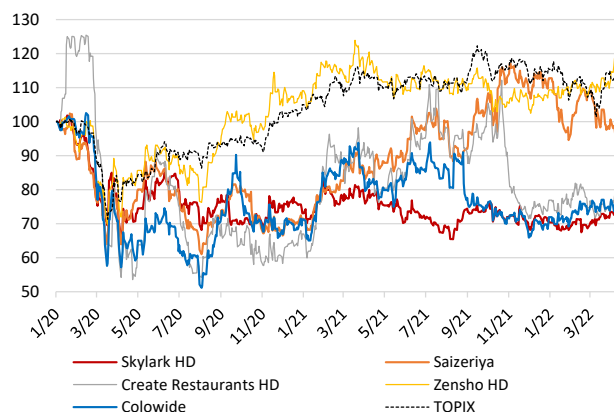


Figure: Stock price trends (Chinese restaurants)

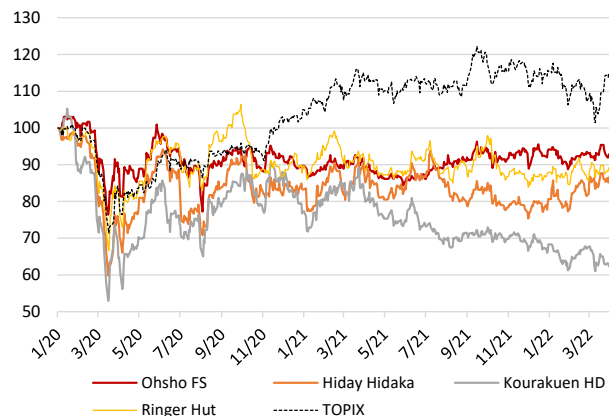


Figure: Stock price trends (Japanese BBQ)

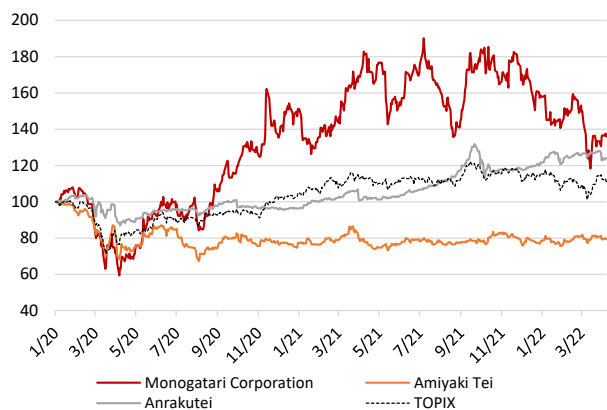


Figure: Stock price trends (Japanese style pubs)

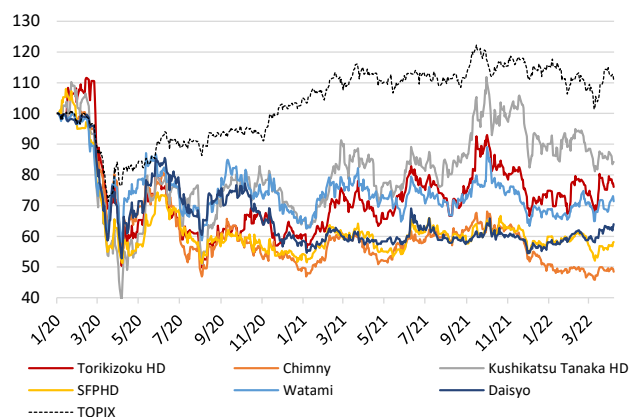


Figure: Stock price trends (sushi restaurants)

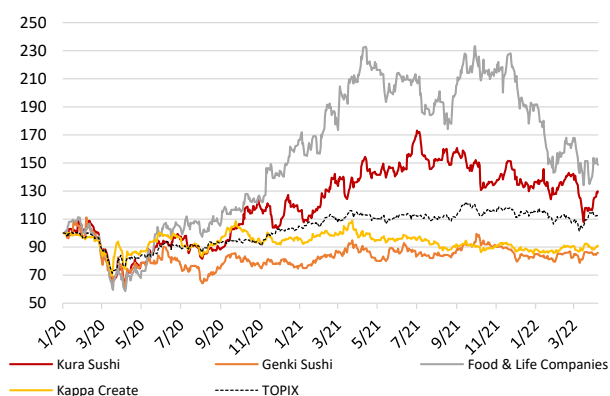
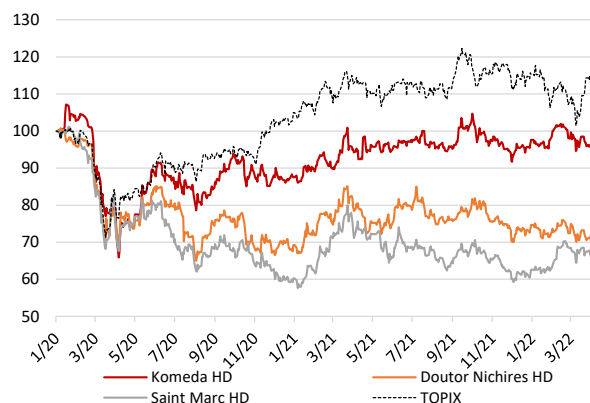
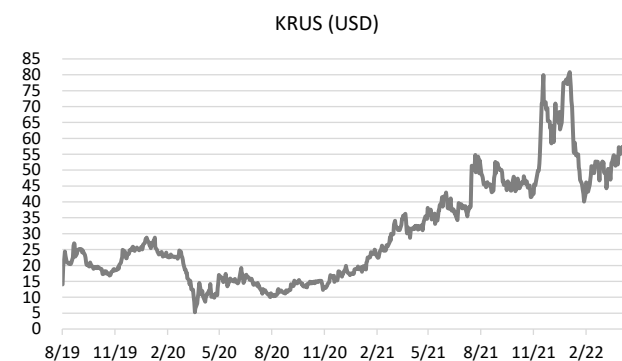


Figure: Stock price trends (coffee shops)



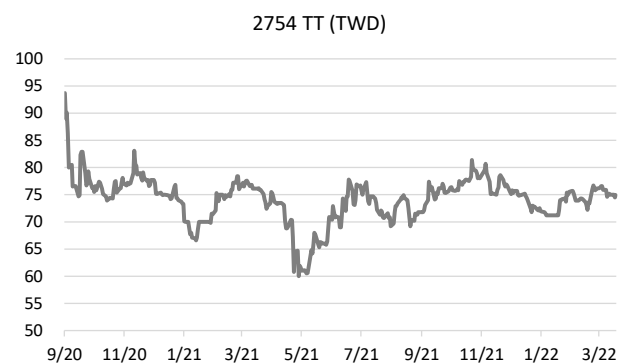
Stock price trends for overseas subsidiaries

Figure: Kura Sushi USA's stock price (USD)



Source: Bloomberg Finance LP data, Mita Securities

Figure: Kura Sushi Asia's stock price (TWD)



Source: Bloomberg Finance LP data, Mita Securities

APPENDIX

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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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