



Komeda Holdings

TSE Prime

3543

Industry: Food service, wholesale, retail

Wholesale sales on a recovery track in March; Food service industry update

Komeda's March same-store wholesale sales 103.0% vs. 2021, 102.2% vs. 2019

Komeda Holdings (3543) disclosed monthly data for March. Wholesale sales to franchisees (same-store basis) in March were 103.0% vs. March 2021 (97.2% for February), 112.8% vs. March 2020 (91.4% for February), and 102.2% vs. March 2019 (102.9% for February). 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. We see wholesale sales in March as being on a recovery track.

The number of stores at end-March was 965 (+9 MoM). Komeda opened 5 stores in Japan and 4 stores in Taiwan.

SSS vs. 2019 for food service companies: In-store dining mostly on a recovery track

The table on page 3 summarizes the situation of major food service companies that have disclosed their same-store sales for March. We have the impression that in-store dining sales have been improving generally due to lifting of the shorter operating hours requests.

- Major family restaurants: Skylark HD 71.0% vs. March 2019 (same as follows) (65.7% for February), Saizeriya 83.9% (78.0% for February), and Royal Host 91.0% (83.3% for February).
- Izakaya (Japanese-style pubs): Torikizoku HD 58.9% (39.1% for February).
- Revolving sushi restaurants: Sushiro 96.8% (104.7% for February), and Kura Sushi 103.7% (95.8% for February).
- Yakiniku (Japanese-style BBQ) restaurants: Monogatari Corporation 91.4% (88.2% for February), of which the Yakiniku division, including Yakiniku King, 96.1% (95.2% for February).
- Chinese cuisine restaurants: Ohsho Food Service 97.9% (108.1% for February), and Hiday Hidaka 68.3% (62.7% for February).

Stock price trends for food service companies

The average one month return on the stock prices of the 53 food service companies listed on page 5 was +2.3% (based on the closing price on April 8). It appears that the market responded positively to the lifting of the shorter operating hour requests in late March. TOPIX was up +5.4% during the same period.

The following food service companies saw large share price gains: Monogatari Corporation (3097) +14.5%, Toridoll HD (3397) +13.8%, Create Restaurants HD (3387) +10.8%, Kura Sushi (2695) +9.4%, Torikizoku HD (3193) +8.2%, SFPD (3198) +8.0%, Zensho HD (7550) +8.0%, etc.

The stock price fell sharply -8.9% for Saizeriya (7581), which operates a large number of stores in China.

Please refer to the report dated March 31, 2022 for the rationale of the rating and target price.

MITA SECURITIES Co., Ltd.

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Update

Rating

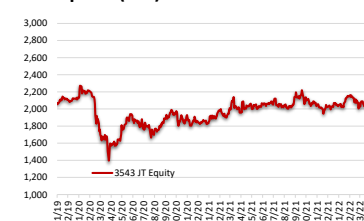
Buy

Target price (JPY)	3,000
Stock price (JPY) (Apr 11)	2,010
Market cap (JPYbn)	92.8

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	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	18.6	17.7	16.4
PBR	x	2.5	2.5	2.5	2.3	2.1
Div. yield	%	2.8	2.1	2.5	2.6	2.8
ROA	%	6.5	3.5	4.8	5.3	5.6
ROE	%	17.2	10.6	13.7	13.4	13.4

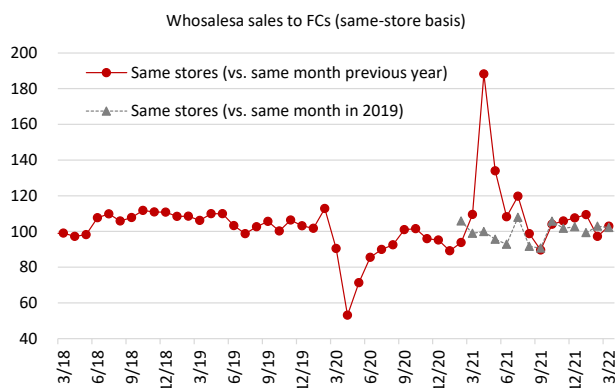
Source: Company data, Mita Securities

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.

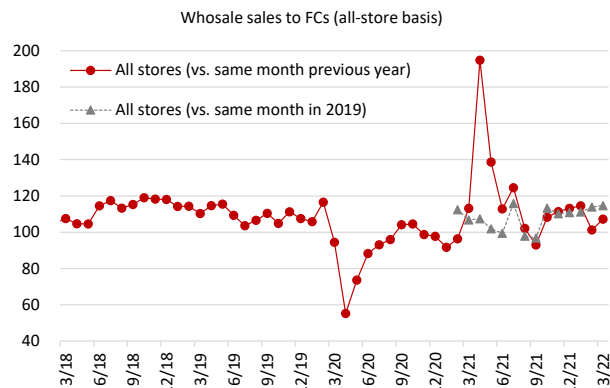
Komeda Holdings monthly and quarterly earnings

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



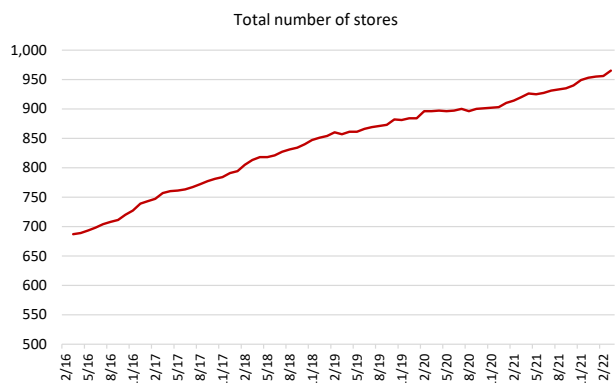
Source: Company data, Mita Securities

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



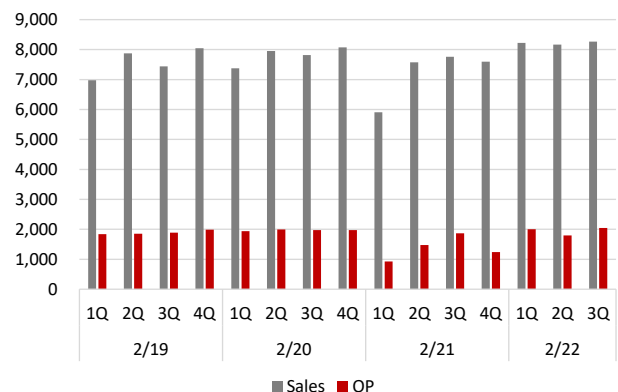
Source: Company data, Mita Securities

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		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. prev yr	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. prev yr	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	108.2
		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	91.4
	Yakiniku division	vs. prev yr	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	109.4
		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	96.1
	Ramen division	vs. prev yr	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	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	90.5
	Yuzuan division	vs. prev yr	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	101.7
		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	81.2
3193	Torikizoku HD	vs. prev yr	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	126.7
		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	60.4	39.1	58.9
3197	Skylark HD	vs. prev yr	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. prev yr	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	103.0
		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	102.2
9936	Ohsho Food Service	vs. prev yr	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	99.2	108.5	105.8
		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	97.9

Source: Companies' data, Mita Securities

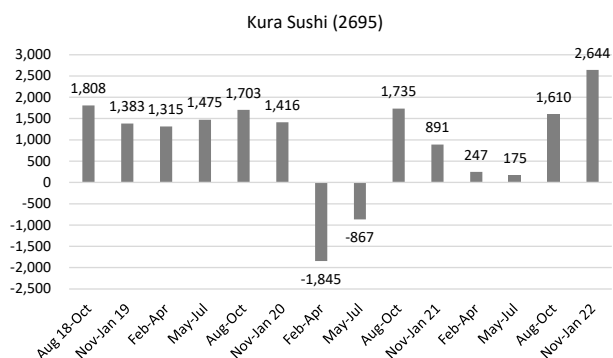
Note: Pre-COVID is indexed with same month in 2019 as 100

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. prev yr	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. prev yr	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	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. prev yr	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. prev yr	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. prev yr	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 (Sushiro)	vs. prev yr	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. prev yr	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. prev yr	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. prev yr	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. prev yr	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. prev yr	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	101.5
		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	111.9
8179	Royal HD	vs. prev yr	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
	Royal Host	vs. prev yr	79.7	42.1	54.2	78.2	86.1	81.2	83.5	95.3	90.8	79.8	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. prev yr	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. prev yr	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. prev yr	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. prev yr	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	73.3	87.1	90.3	87.5	90.5	90.6	88.8

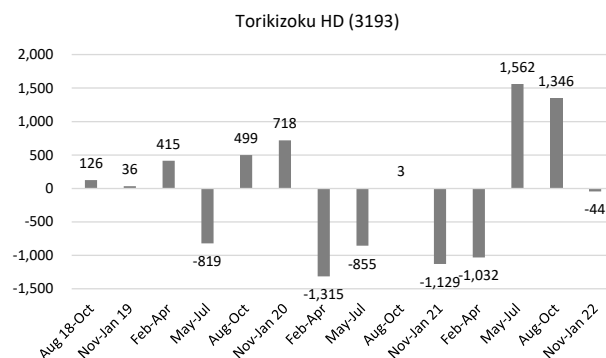
Pre-tax profits for food service companies covered by Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



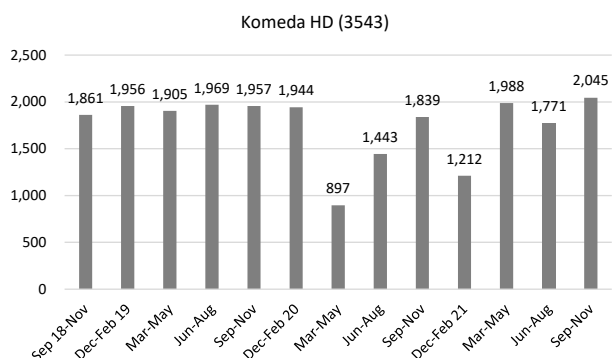
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



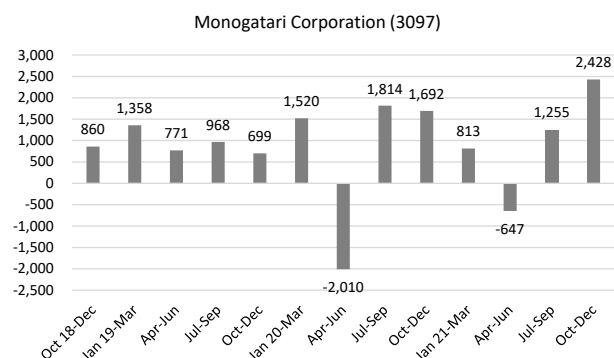
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



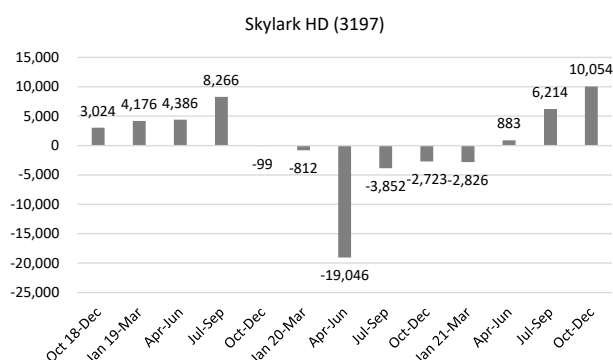
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



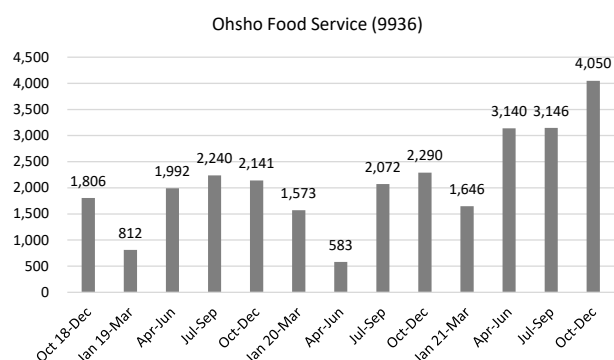
Source: Company data, Mita Securities

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 similar companies (reference)

Figure: Comparison of valuations for food service companies

Company name	Ticker	PX 8-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	3,360	139.1	0.1	11.8	2.3	6.4	8.0	10.5	44.1	33.8	23.5	2.7	12.6	0.8	0.6	9.4	-10.5	-18.9
MCDONALD'S HOLDINGS CO JAPAN	2702	5,140	683.4	-0.3	10.2	14.0	13.0	10.9	10.8	28.5	30.1	27.9	3.5	12.1	1.8	0.8	5.1	-0.6	0.6
OOTOYA HOLDINGS CO LTD	2705	2,790	20.2	0.2	-0.4	11.7	NA	NA	NA	15.0	NA	NA	NA	NA	NA	NA	-3.8	2.4	5.6
FUJIO FOOD GROUP INC	2752	1,272	56.8	1.7	-5.0	-9.6	16.3	15.9	NA	78.5	68.0	39.1	10.9	NA	2.0	0.0	-0.4	-1.5	-9.7
AMIYAKI TEI CO LTD	2753	2,956	20.2	-0.2	-2.6	-13.9	3.1	2.7	NA	32.3	36.8	20.4	1.0	NA	0.4	1.0	0.4	-0.3	2.1
HIRAMATSU INC	2764	194	14.5	4.1	23.5	-21.8	-48.7	NA	NA	NA	NA	NA	2.1	NA	NA	NA	0.5	9.0	23.6
PEPPER FOOD SERVICE CO LTD	3053	360	14.2	-0.1	NA	-8.4	20.7	NA	NA	45.4	NA	NA	4.3	NA	NA	NA	3.4	11.8	20.8
CHOUSHIMARU CO LTD	3075	1,144	16.6	-0.8	0.7	9.9	13.8	NA	NA	15.5	NA	NA	2.0	NA	NA	0.5	4.8	3.3	-9.4
ARCLAND SERVICE HOLDINGS CO	3085	2,213	73.2	-0.7	14.4	8.2	12.0	13.4	13.0	26.9	20.4	19.8	3.1	9.3	1.2	1.4	3.3	0.5	-3.5
DOUTOR NICHIRE HOLDINGS CO	3087	1,479	67.5	-0.3	3.3	5.0	-2.2	4.5	1.3	NA	15.1	46.4	0.7	13.9	0.3	1.7	-3.0	-6.8	-13.2
BRONCO BILLY CO LTD	3091	2,263	34.1	-0.3	-8.7	13.8	5.4	NA	NA	35.7	NA	NA	1.9	NA	NA	0.8	2.8	-6.4	-5.6
MONOGATARI CORP (TP 9,100 Buy)	3097	5,770	69.7	0.1	6.8	11.2	13.2	16.2	16.4	25.4	17.7	17.8	3.2	12.3	1.0	1.2	14.5	-6.8	-25.5
CHIMNEY CO LTD	3178	1,123	21.7	0.8	-50.5	-28.7	-8.9	NA	NA	NA	NA	NA	3.2	NA	NA	NA	1.6	-1.2	-11.0
TORIKIZOKU HOLDINGS CO LTD (TP 2,100 Hold)	3193	1,778	20.7	0.6	NA	NA	NA	1.4	11.4	NA	146.9	32.2	3.4	NA	1.0	0.0	8.2	3.7	6.8
HOTLAND CO LTD	3196	1,319	28.4	0.3	3.3	6.2	28.1	13.6	NA	13.7	22.0	21.7	3.3	NA	1.0	0.4	2.0	4.0	1.7
SKYLARK HOLDINGS CO LTD (TP 1,600 Hold)	3197	1,510	343.5	1.1	-8.3	22.5	6.2	2.7	4.3	39.9	63.2	55.8	2.1	9.3	1.7	0.5	-1.3	1.1	-9.9
SFP HOLDINGS CO LTD	3198	1,352	34.9	-0.1	-58.6	17.7	0.3	14.4	NA	866.7	19.4	49.7	2.7	NA	3.2	0.0	8.0	-2.4	-5.2
CREATE RESTAURANTS HOLDINGS	3387	757	161.1	3.5	-24.0	28.2	10.2	16.9	NA	61.5	23.7	40.7	4.1	NA	2.8	0.6	10.8	5.6	-11.6
SAINT MARC HOLDINGS CO LTD	3395	1,502	34.2	-0.2	0.0	-6.4	-16.6	-12.9	2.8	NA	NA	55.2	1.0	NA	0.5	2.9	-4.3	1.6	-12.7
TORIDOLL HOLDINGS CORP	3397	2,415	211.7	3.0	9.3	15.8	14.2	13.1	6.1	37.9	33.9	42.2	4.3	10.4	2.1	0.3	13.8	1.7	42.9
KOMEDA HOLDINGS CO LTD (TP 3,000 Buy)	3543	2,026	93.5	1.5	10.0	24.0	13.3	13.6	13.7	20.0	18.8	17.6	2.6	15.4	4.2	2.5	-0.1	-0.7	3.3
KUSHIKATSU TANAKA HOLDINGS C	3547	1,853	17.4	1.6	-42.8	-50.3	-38.2	51.1	35.2	NA	22.2	26.1	14.3	19.4	1.5	1.1	1.0	-7.1	-3.1
CHIKARANOMOTO HOLDINGS CO LT	3561	555	15.0	3.7	-0.9	7.7	-9.8	NA	NA	NA	NA	NA	4.9	NA	NA	NA	-0.5	-2.6	-11.6
FOOD & LIFE COMPANIES LTD	3563	3,260	378.4	2.2	21.1	15.5	21.4	18.9	22.0	30.3	29.1	21.5	6.0	12.2	1.8	0.7	-0.6	-20.4	-39.0
ATOM CORP	7412	751	145.4	0.2	-13.6	1.2	-9.5	NA	NA	NA	NA	NA	19.2	NA	NA	NA	-3.2	-2.5	-2.3
KAPPA CREATE CO LTD	7421	1,347	66.6	0.4	2.6	3.5	6.3	NA	NA	99.6	NA	NA	6.1	NA	NA	NA	0.8	0.9	-10.3
WATAMI CO LTD	7522	920	39.3	3.5	-9.8	-2.1	-43.2	NA	NA	NA	NA	NA	2.5	NA	NA	NA	2.9	4.3	-4.0
ZENSHO HOLDINGS CO LTD	7550	2,957	457.9	2.2	6.8	6.8	18.1	16.6	5.7	28.2	29.0	46.8	4.6	16.0	0.9	0.7	8.0	8.6	0.5
KOURAKUEN HOLDINGS CORP	7554	1,242	20.8	1.1	-11.2	8.4	30.2	13.6	NA	17.7	37.4	1,774.3	4.6	NA	0.9	0.4	-5.7	-11.3	-26.8
ANRAKUTEI CO LTD	7562	6,430	13.8	1.6	5.1	-5.4	22.0	NA	NA	12.7	NA	NA	2.6	NA	NA	NA	-0.6	0.0	22.9
SAIZERIYA CO LTD	7581	2,465	128.9	-0.2	5.0	7.9	4.8	10.6	7.5	30.2	13.3	17.3	1.4	5.9	0.7	0.7	-8.9	-11.4	7.4
HIDAY HIDAKA CORP	7611	1,853	70.7	-0.4	-10.7	-9.8	7.1	NA	NA	44.6	NA	NA	3.1	NA	NA	0.6	6.5	8.0	4.2
COLOWIDE CO LTD	7616	1,709	148.5	3.6	-4.4	13.1	-11.0	NA	NA	NA	NA	NA	4.2	NA	NA	NA	-0.6	3.5	-9.7
UKAI CO LTD	7621	#N/A N/A	16.8	1.5	4.8	-5.1	-28.3	NA	NA	NA	NA	NA	6.1	NA	NA	NA	0.1	0.0	-1.2
GLOBAL-DINING INC	7625	319	3.3	0.1	68.9	12.0	41.0	NA	NA	3.2	NA	NA	1.1	NA	NA	NA	11.1	-14.0	11.5
ICHIBANYA CO LTD	7630	4,730	151.0	-0.5	1.8	10.3	9.7	NA	NA	51.7	39.7	36.8	5.0	NA	2.7	1.7	2.6	2.2	-2.7
ASAKUMA CO LTD	7678	1,528	8.2	-0.4	-22.1	-19.3	-21.5	NA	NA	NA	NA	NA	3.2	NA	NA	NA	-3.8	-1.1	-3.1
MOS FOOD SERVICES INC	8153	2,935	93.9	-0.2	9.9	11.1	8.4	6.9	NA	23.4	27.5	29.3	1.9	NA	1.0	1.0	-1.5	-4.6	-7.1
KISOJI CO LTD	8160	2,044	56.0	0.0	0.1	NA	0.9	NA	NA	NA	NA	NA	2.1	NA	NA	NA	0.8	-7.2	-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	-2.0	3.9	-4.4
ROYAL HOLDINGS CO LTD	8179	1,979	97.0	1.1	-0.6	-0.3	-11.8	1.0	5.4	NA	102.8	35.3	3.1	18.2	1.4	0.4	7.0	7.4	-0.6
RINGER HUT CO LTD	8200	2,276	59.3	1.0	-10.6	-2.6	-6.8	6.3	NA	NA	68.7	119.2	5.0	NA	2.0	0.4	1.8	3.1	-1.8
GIFT HOLDINGS INC	9279	2,505	24.9	0.0	22.2	10.2	37.9	32.3	NA	17.3	13.8	15.4	5.6	NA	1.5	1.0	21.0	2.2	3.8
GENKI SUSHI CO LTD	9828	2,478	22.0	0.6	10.6	8.9	13.5	NA	NA	18.9	NA	NA	2.4	NA	NA	NA	1.9	-0.9	-6.9
GOURMET KINEYA CO LTD	9850	1,014	23.2	1.5	-8.2	11.2	-1.7	NA	NA	NA	NA	NA	2.5	NA	NA	NA	-3.0	1.8	7.6
GINZA RENOIIR CO LTD	9853	816	5.1	0.1	-13.2	-36.3	-16.3	NA	NA	NA	NA	NA	1.4	NA	NA	NA	-2.2	-2.2	-0.1
YOSHINOYA HOLDINGS CO LTD	9861	2,368	154.2	0.8	-14.3	11.3	9.5	18.0	2.8	36.9	19.7	78.1	3.3	16.9	1.1	0.1	1.6	5.3	9.2
KFC HOLDINGS JAPAN LTD	9873	2,842	63.7	-0.8	9.9	8.0	16.7	NA	NA	15.4	NA	NA	2.4	NA	NA	NA	0.3	-1.7	-3.2
MATSUYAFOODS HOLDINGS CO LTD	9887	3,780	72.1	0.3	-4.5	-0.8	5.0	NA	NA	34.6	NA	NA	1.7	NA	NA	NA	5.7	4.7	9.1
SAGAMI HOLDINGS CORP	9900	1,153	34.9	-0.2	-4.1	-6.2	1.5	NA	NA	425.5	NA	NA	2.3	NA	NA	NA	-2.4	11.0	5.0
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	0.5	-0.5	5.8
JOYFULL CO LTD	9942	781	24.9	4.9	-17.5	-6.8	72.4	NA	NA	9.0	NA	NA	4.8	NA	NA	NA	2.1	-3.5	10.2
DAISYO CORP	9979	1,073	22.7	0.9	-23.9	13.1	-10.6	NA	NA	NA	NA	NA	1.8	NA	NA	NA	6.0	10.5	8.9
Average				0.8	-2.2	2.6	4.6	12.4	10.5	70.3	37.3	101.1	3.8	13.1	1.5	0.9	2.3	-0.1	-1.4
Median				0.3	-0.4	7.7	6.3	13.2	10.1	30.2	28.3	32.2	3.1	12.5	1.4	0.7	1.0	0.0	-2.3

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

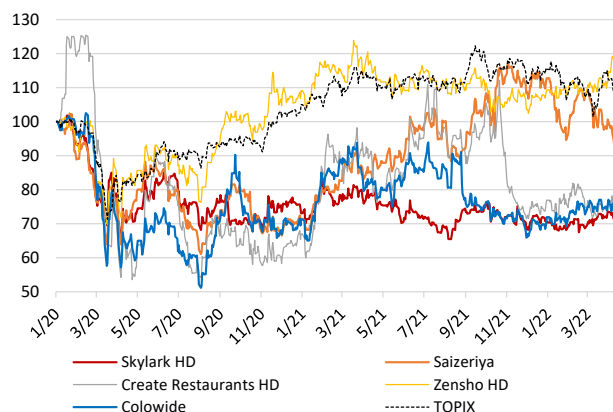
Company name	Ticker	PX 8-Apr	Mkt cap JPYbn	Net D/E Last	Sales YoY LTM	EBITDA Mgn LTM	ROE LTM	ROE Cur E	ROE Nxt E	PER LTM	PER Cur E	PER Nxt E	PBR Last	EV/EBITDA Cur E	EV/Sales Cur E	Div yield Cur E	1M Chg	3M Chg	1YR Chg
KOBE BUSSAN CO LTD	3038	3,810	1,042.4	-0.3	8.6	8.5	28.7	25.3	25.2	41.1	40.0	34.6	10.5	28.6	2.6	0.6	4.4	-3.1	28.5
KOMEDA HOLDINGS CO LTD (TP 3,000 Buy)	3543	2,026	93.5	1.5	10.0	24.0	13.3	13.6	13.7	20.0	18.8	17.6	2.6	15.4	4.2	2.5	-0.1	-0.7	3.3
IBJ INC (TP 1,450 Buy)	6071	764	32.1	-0.1	7.7	15.3	18.4	20.9	21.1	29.1	21.5	17.9	5.0	14.0	1.9	1.1	16.1	-8.7	-21.2
CURVES HOLDINGS CO LTD	7085	713	66.9	0.8	16.4	18.9	23.8	21.8	31.8	33.5	32.1	19.0	7.2	NA	2.8	1.1	9.4	-4.8	-29.5
FAST FITNESS JAPAN INC (TP 2,650 Buy)	7092	1,919	35.9	-0.2	NA	29.0	21.5	16.4	16.4	20.0	24.9	21.5	3.8	8.3	2.6	0.6	23.7	-26.3	-45.2
WORKMAN CO LTD	7564	4,760	389.6	-0.4	10.2	24.5	19.4	NA	NA	21.6	21.3	20.1	3.9	NA	NA	1.4	-3.9	-7.0	-41.5

Source: Bloomberg Finance LP data, Mita Securities

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

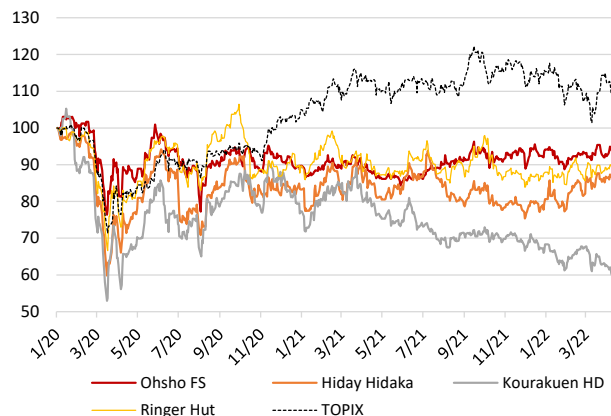
Stock price trends for food service companies

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



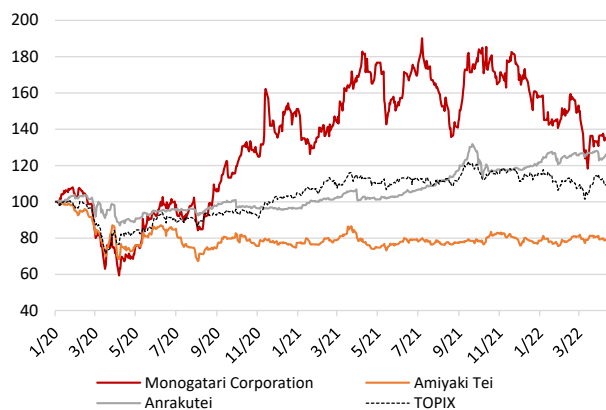
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Chinese restaurants)



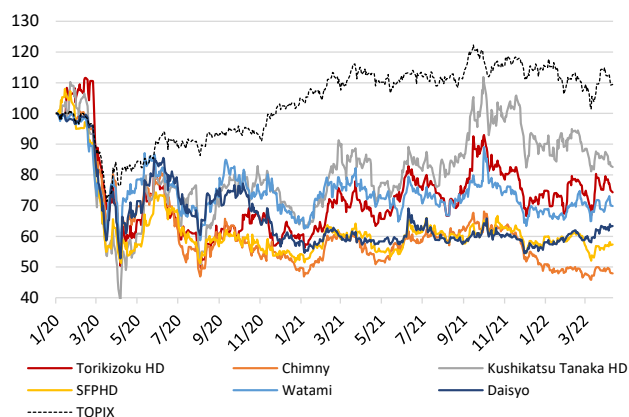
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese BBQ)



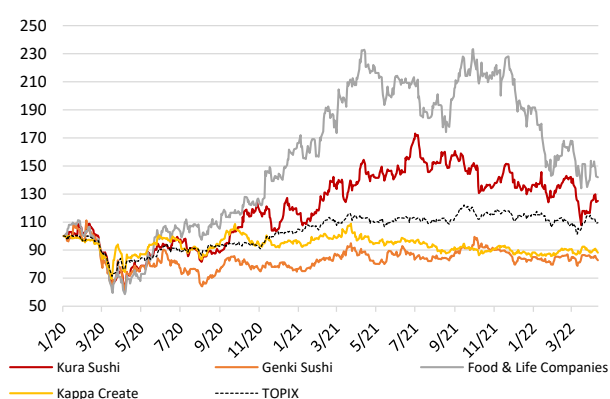
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese style pubs)



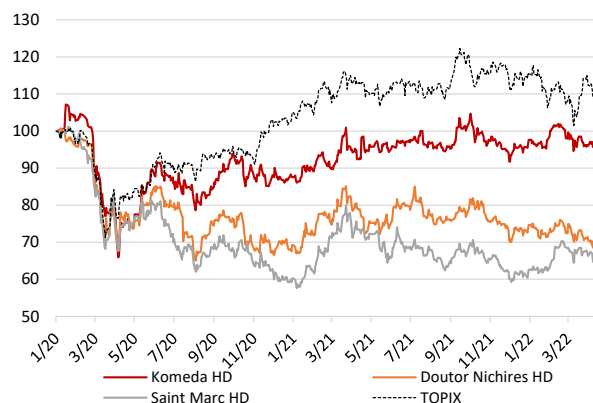
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (sushi restaurants)



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

Figure: Stock price trends (coffee shops)



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

APPENDIX

[Analyst Certification]

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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.

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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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