



# Komeda Holdings

TSE Prime

3543

Industry: Food service, wholesale, retail

## FY2/22 OP achieved guidance; FY2/23 guidance targets OP growth while assuming lower OPM

### FY2/22 OP achieved guidance. Store count significantly above target

On April 13, Komeda Holdings (3543) announced FY2/22 full-year IFRS sales of 33.317bn (+15.5% YoY) and OP of 7.305bn (+32.6% YoY; OPM 21.9%). Subsidy income included in OP was a small amount at 0.3bn (only for directly-owned stores). Both sales and OP achieved the company's guidance (sales of 32.9bn yen, and OP of 7.25bn yen). Also, the results were mostly in line with our forecasts (sales of 32.855bn yen and OP of 7.395bn yen), so there were no surprises.

The number of stores at end of FY2/22 was 956 (+42 stores YoY), significantly higher than the company's target of 940-950 stores. New store openings overseas quickly accelerated, with 29 overseas stores at end-FY2/22 (+11 stores YoY).

### 4Q OP down QoQ due to impact of Omicron

4Q (Dec-Feb) OP was 1.458bn yen (+17.9% YoY, -28.8% QoQ), with OPM of 16.8% (16.3% for 4Q FY2/21; 24.8% for 3Q). It appears that the company was negatively affected by the shorter operating hours requested since January. However, March wholesale sales figures announced on April 11 indicate a recovery trend after the lifting of the shorter operating hour requests.

### FY2/23 guidance targets steady OP growth despite rising costs

The company's full-year guidance for FY2/23 is sales of 37bn (+11.1% YoY) and OP of 8bn yen (+9.5% YoY, OPM 21.6%). The company expects a steady growth in OP, although it anticipates a decline in OPM due to higher costs for food ingredients, etc. The guidance is above our forecasts (sales of 35.327bn yen, and OP of 7.780bn yen).

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

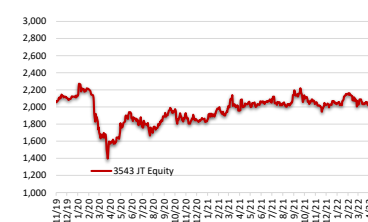
Buy

Target price (JPY)	3,000
Stock price (JPY) (Apr 13)	2,018
Market cap (JPYbn)	93.2

### 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

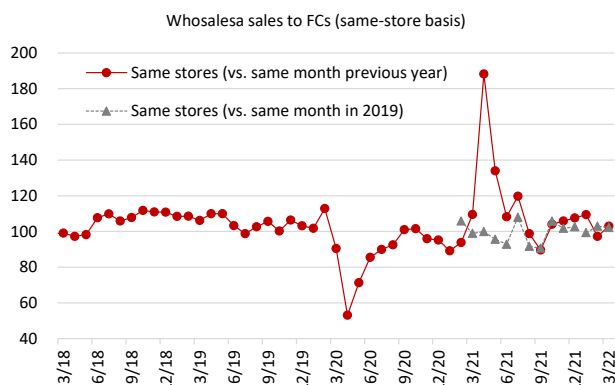
Source: Company data, Mita Securities

### 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 956, including 29 overseas stores. FY2/22 sales were 33.3bn yen.

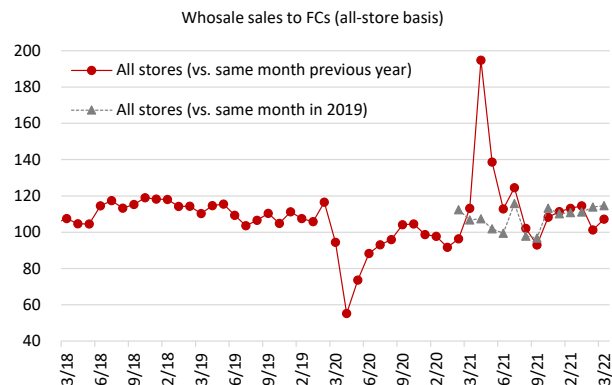
## Komeda Holdings monthly and quarterly earnings

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



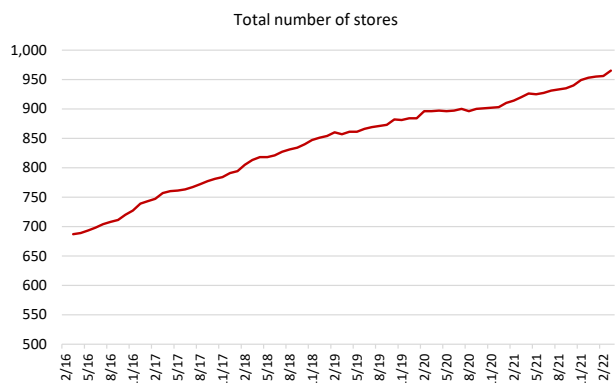
Source: Company data, Mita Securities

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



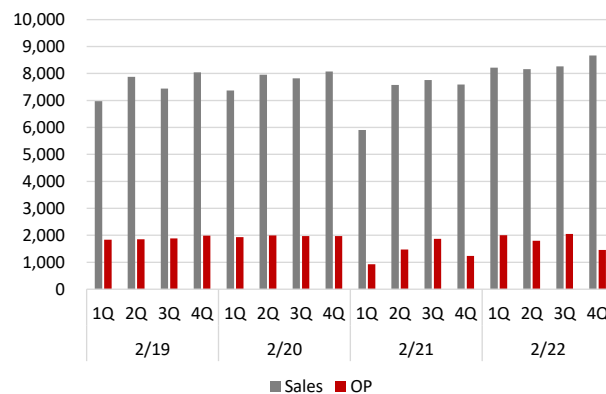
Source: Company data, Mita Securities

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

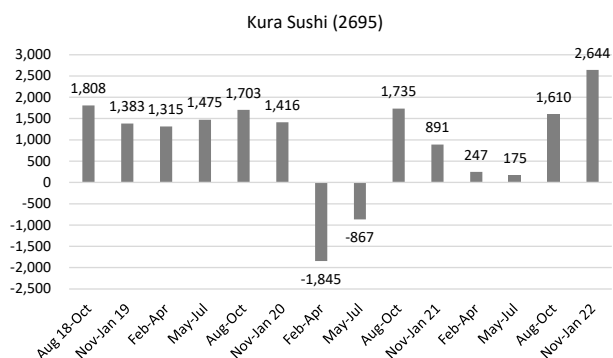
Note: Pre-COVID is indexed with same month in 2019 as 100

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																										
	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	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. 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	96.7	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

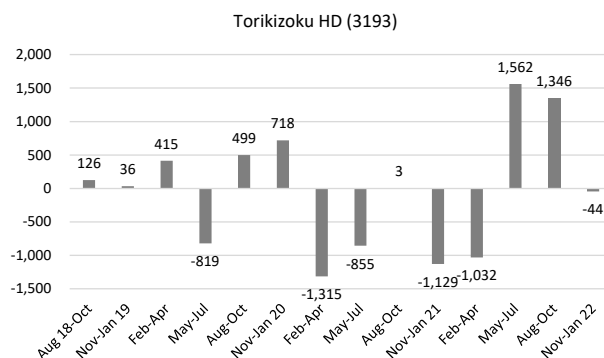
## Pre-tax profits for food service companies covered by Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



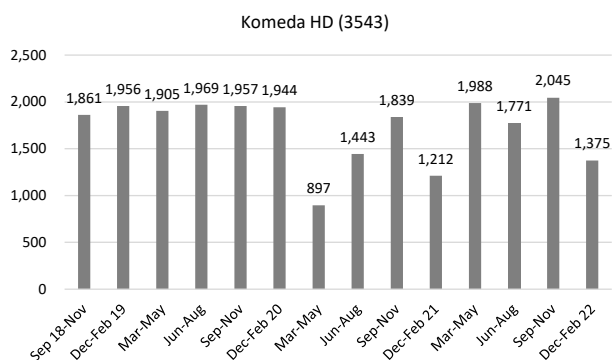
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



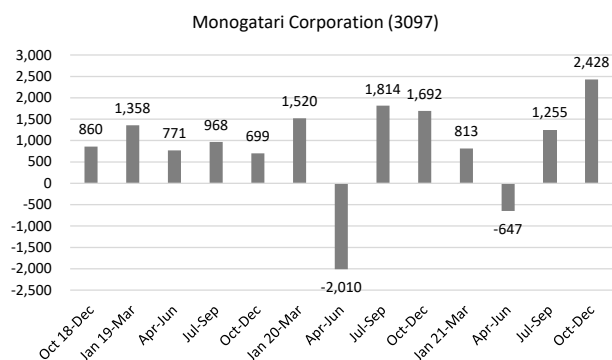
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



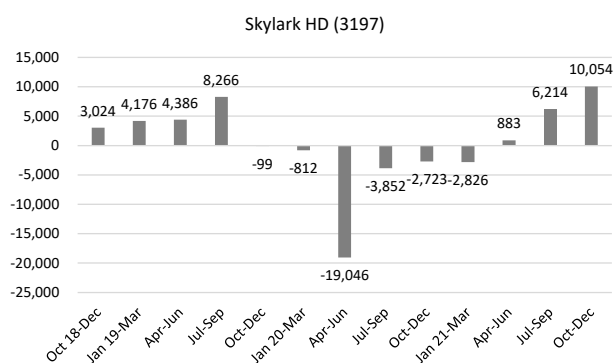
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



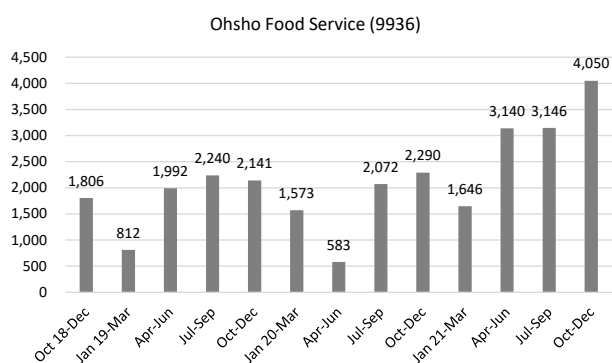
Source: Company data, Mita Securities

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 12-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	3,290	136.2	0.1	11.8	2.3	6.4	8.0	10.5	43.2	33.1	23.0	2.6	12.4	0.8	0.6	7.2	-9.7	-19.0
MCDONALD'S HOLDINGS CO JAPAN	2702	5,080	675.4	-0.3	10.2	14.0	13.0	10.9	10.8	28.2	29.8	27.6	3.5	12.0	1.8	0.8	3.9	2.9	0.6
OOTOA HOLDINGS CO LTD	2705	2,781	20.2	0.2	-0.4	11.7	NA	NA	NA	14.9	NA	NA	NA	NA	NA	NA	-4.1	1.5	6.2
FUJIO FOOD GROUP INC	2752	1,295	57.8	1.7	-5.0	-9.6	16.3	15.9	NA	79.9	69.3	39.8	11.1	NA	2.0	0.0	1.4	1.3	-9.7
AMIYAKI TEI CO LTD	2753	2,909	19.9	-0.2	-2.6	-13.9	3.1	2.7	NA	31.7	36.2	20.1	1.0	NA	0.4	1.0	-1.2	0.4	1.7
HIRAMATSU INC	2764	190	14.2	4.1	23.5	-21.8	-48.7	NA	NA	NA	NA	NA	2.1	NA	NA	NA	-1.6	6.7	18.0
PEPPER FOOD SERVICE CO LTD	3053	361	14.2	-0.1	NA	-8.4	20.7	NA	NA	45.5	NA	NA	4.3	NA	NA	NA	3.7	-0.8	19.5
CHOUSHIMARU CO LTD	3075	1,135	16.5	-0.8	0.7	9.9	13.8	NA	NA	15.3	NA	NA	2.0	NA	NA	0.5	3.9	2.3	-9.3
ARCLAND SERVICE HOLDINGS CO	3085	2,191	72.5	-0.7	14.4	8.2	12.0	13.4	13.0	26.6	20.2	19.6	3.1	9.2	1.2	1.4	2.3	1.8	-4.2
DOUTOR NICHIRE HOLDINGS CO	3087	1,420	64.8	-0.3	3.3	5.0	-2.2	4.5	1.4	NA	14.5	44.5	0.7	12.9	0.3	1.8	-6.9	-8.2	-16.3
BRONCO BILLY CO LTD	3091	2,247	33.9	-0.3	-8.7	13.8	5.4	NA	NA	35.5	NA	NA	1.9	NA	NA	0.8	2.1	-4.0	-6.1
MONOGATARI CORP (TP 9,100 Buy)	3097	5,690	68.8	0.1	6.8	11.2	13.2	16.7	16.4	25.1	17.4	17.5	3.1	12.1	1.0	1.2	12.9	-6.3	-23.7
CHIMNEY CO LTD	3178	1,121	21.7	0.8	-50.5	-28.7	-8.9	NA	NA	NA	NA	NA	3.2	NA	NA	NA	1.4	-1.1	-12.5
TORIKIZOKU HOLDINGS CO LTD (TP 2,100 Hold)	3193	1,830	21.3	0.6	NA	NA	NA	1.4	11.4	NA	151.2	33.2	3.5	NA	1.0	0.0	11.4	3.3	10.4
HOTLAND CO LTD	3196	1,318	28.4	0.3	3.3	6.2	28.1	13.6	NA	13.6	21.9	21.7	3.3	NA	0.9	0.4	1.9	5.9	0.7
SKYLARK HOLDINGS CO LTD (TP 1,600 Hold)	3197	1,502	341.7	1.1	-8.3	22.5	6.2	2.7	4.3	39.7	62.9	55.5	2.1	9.2	1.7	0.5	-1.8	2.2	-10.6
SFP HOLDINGS CO LTD	3198	1,336	34.5	-0.1	-58.6	17.7	0.3	14.4	NA	856.4	19.1	49.1	2.7	NA	3.1	0.0	6.7	-1.8	-5.9
CREATE RESTAURANTS HOLDINGS	3387	739	157.3	3.5	-24.0	28.2	10.2	16.9	NA	60.1	23.2	39.7	4.0	NA	2.8	0.6	8.2	7.3	-13.1
SAINT MARC HOLDINGS CO LTD	3395	1,469	33.5	-0.2	0.0	-6.4	-16.6	-12.9	2.8	NA	NA	54.0	1.0	NA	0.5	3.0	-6.4	1.8	-14.2
TORIDOLL HOLDINGS CORP	3397	2,434	213.3	3.0	9.3	15.8	14.2	13.1	6.1	38.2	34.1	42.6	4.4	10.5	2.1	0.3	14.7	4.7	48.6
KOMEDA HOLDINGS CO LTD (TP 3,000 Buy)	3543	2,011	92.8	1.5	10.0	24.0	13.3	13.6	13.6	19.8	18.6	17.4	2.5	15.3	4.2	2.6	-0.8	-1.9	2.2
KUSHIKATSU TANAKA HOLDINGS C	3547	1,830	17.2	1.6	-42.8	-50.3	-38.2	51.1	35.2	NA	22.0	25.8	14.2	19.1	1.5	1.1	-0.3	-4.1	-4.0
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	-3.1	-12.3
FOOD & LIFE COMPANIES LTD	3563	3,075	356.9	2.2	21.1	15.5	21.4	18.7	21.9	28.6	27.7	20.4	5.6	11.8	1.7	0.7	-6.3	-21.9	-42.1
ATOM CORP	7412	735	142.3	0.2	-13.6	1.2	-9.5	NA	NA	NA	NA	NA	18.8	NA	NA	NA	-5.3	-3.9	-3.8
KAPPA CREATE CO LTD	7421	1,328	65.6	0.4	2.6	3.5	6.3	NA	NA	98.2	NA	NA	6.0	NA	NA	NA	-0.6	0.8	-13.1
WATAMI CO LTD	7522	897	38.3	3.5	-9.8	-2.1	-43.2	NA	NA	NA	NA	NA	2.4	NA	NA	NA	0.3	2.5	-7.5
ZENSHO HOLDINGS CO LTD	7550	2,900	449.1	2.2	6.8	6.8	18.1	16.6	5.7	27.6	28.5	45.9	4.5	15.8	0.9	0.8	6.0	8.8	0.4
KOURAKUEN HOLDINGS CORP	7554	1,211	20.3	1.1	-11.2	8.4	30.2	13.6	NA	17.2	36.5	1,730.0	4.5	NA	0.9	0.4	-8.0	-13.2	-28.6
ANRAKUTEI CO LTD	7562	6,410	13.7	1.6	5.1	-5.4	22.0	NA	NA	12.7	NA	NA	2.6	NA	NA	NA	-0.9	-0.8	24.0
SAIZERIYA CO LTD	7581	2,349	122.8	-0.2	5.0	7.9	4.8	10.6	7.5	28.8	12.7	16.5	1.3	5.6	0.6	0.8	-13.2	-12.6	3.0
HIDAY HIDAHA CORP	7611	1,860	71.0	-0.4	-10.7	-9.8	7.1	NA	NA	44.7	NA	NA	3.2	NA	NA	NA	1.3	6.9	11.1
COLOWIDE CO LTD	7616	1,649	143.3	3.6	-4.4	13.1	-11.0	NA	NA	NA	NA	NA	4.0	NA	NA	NA	-4.1	0.9	-14.0
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	0.4	0.3	-0.5
GLOBAL-DINING INC	7625	302	3.1	0.1	68.9	12.0	41.0	NA	NA	3.0	NA	NA	1.0	NA	NA	NA	5.2	-15.9	8.6
ICHIHANYA CO LTD	7630	4,695	149.9	-0.5	1.8	10.3	9.7	NA	NA	51.3	38.9	36.5	4.9	NA	2.6	1.7	1.8	3.6	-3.9
ASAKUMA CO LTD	7678	1,530	8.2	-0.4	-22.1	-19.3	-21.5	NA	NA	NA	NA	NA	3.2	NA	NA	NA	-3.7	-1.1	-2.3
MOS FOOD SERVICES INC	8153	2,896	92.7	-0.2	9.9	11.1	8.4	6.9	NA	23.1	27.1	28.9	1.9	NA	1.0	1.0	-2.8	-3.9	-7.9
KISOJI CO LTD	8160	2,034	55.8	0.0	0.1	NA	0.9	NA	NA	NA	NA	NA	2.1	NA	NA	NA	0.3	-6.5	-13.8
SRS HOLDINGS CO LTD	8163	777	31.0	0.5	-5.4	6.4	2.1	NA	NA	155.1	NA	NA	2.2	NA	NA	NA	-5.1	0.6	-8.5
ROYAL HOLDINGS CO LTD	8179	1,990	97.6	1.1	-0.6	-0.3	-11.8	1.0	5.4	NA	103.4	35.5	3.1	18.2	1.4	0.4	7.6	11.6	-2.3
RINGER HUT CO LTD	8200	2,266	59.1	1.0	-10.6	-2.6	-6.8	6.3	NA	NA	68.4	118.6	5.0	NA	2.0	0.4	1.4	2.3	-1.7
GIFT HOLDINGS INC	9279	2,411	24.0	0.0	22.2	10.2	37.9	32.3	NA	16.7	13.3	14.8	5.4	NA	1.4	1.0	16.5	-2.6	-1.6
GENKI SUSHI CO LTD	9828	2,453	21.8	0.6	10.6	8.9	13.5	NA	NA	18.7	NA	NA	2.4	NA	NA	NA	0.9	-0.8	-8.0
GOURMET KINEYA CO LTD	9850	1,009	23.1	1.5	-8.2	11.2	-1.7	NA	NA	NA	NA	NA	2.5	NA	NA	NA	-3.4	2.0	6.4
GINZA RENOIR CO LTD	9853	813	5.1	0.1	-13.2	-36.3	-16.3	NA	NA	NA	NA	NA	1.4	NA	NA	NA	-2.5	-1.6	-0.6
YOSHINOYA HOLDINGS CO LTD	9861	2,294	149.4	0.8	-14.3	11.3	9.5	18.0	2.8	35.7	19.1	75.7	3.2	16.4	1.1	0.1	-1.5	0.8	6.3
KFC HOLDINGS JAPAN LTD	9873	2,830	63.5	-0.8	9.9	8.0	16.7	NA	NA	15.4	NA	NA	2.4	NA	NA	NA	-0.1	-0.9	-2.7
MATSUYAFOODS HOLDINGS CO LTD	9887	3,715	70.8	0.3	-4.5	-0.8	5.0	NA	NA	34.0	NA	NA	1.7	NA	NA	NA	3.9	3.8	6.0
SAGAMI HOLDINGS CORP	9900	1,123	34.0	-0.2	-4.1	-6.2	1.5	NA	NA	414.4	NA	NA	2.2	NA	NA	NA	-4.9	9.5	1.6
OHSHO FOOD SERVICE CORP (TP 7,200 Buy)	9936	6,010	140.0	-0.2	0.9	11.0	14.8	14.7	7.9	14.0	13.7	20.3	2.0	14.0	1.4	1.7	-0.3	0.8	4.7
JOYFULL CO LTD	9942	782	25.0	4.9	-17.5	-6.8	72.4	NA	NA	9.1	NA	NA	4.8	NA	NA	NA	2.2	-3.3	9.5
DAISYO CORP	9979	1,046	22.2	0.9	-23.9	13.1	-10.6	NA	NA	NA	NA	NA	1.7	NA	NA	NA	3.4	7.1	5.9
Average				0.8	-2.2	2.6	4.6	12.5	10.4	69.2	37.0	99.1	3.7	13.0	1.5	0.9	1.0	-0.4	-2.5
Median				0.3	-0.4	7.7	6.3	13.5	7.9	28.6	27.4	33.2	3.1	12.4	1.4	0.8	0.3	0.6	-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

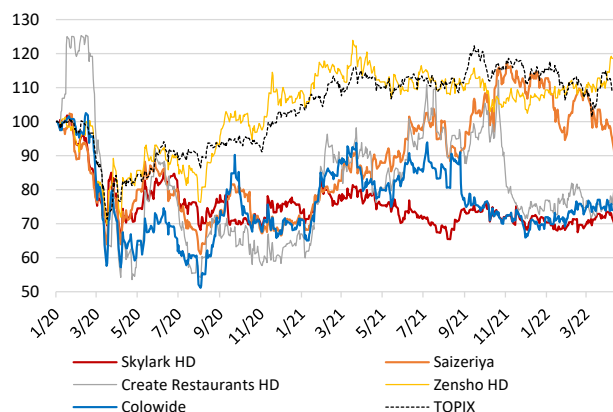
Company name	Ticker	PX 12-Apr	Mkt cap JPYbn	Net D/E Last	Sales YoY LTM	EBITDA Mgn LTM	ROE LTM	ROE Cur E	ROE Nxt E	PER LTM	PER Cur E	PER Nxt E	PBR Last	EV/EBITDA Cur E	EV/Sales Cur E	Div yield Cur E	1M Chg	3M Chg	1YR Chg
KOBE BUSSAN CO LTD	3038	3,705	1,013.7	-0.3	8.6	8.5	28.7	25.3	25.2	40.0	38.9	33.6	10.2	27.8	2.5	0.6	1.5	-7.7	26.0
KOMEDA HOLDINGS CO LTD (TP 3,000 Buy)	3543	2,011	92.8	1.5	10.0	24.0	13.3	13.6	13.6	19.8	18.6	17.4	2.5	15.3	4.2	2.6	-0.8	-1.9	2.2
IBJ INC (TP 1,450 Buy)	6071	731	30.7	-0.1	7.7	15.3	18.4	20.9	21.1	27.8	20.5	17.1	4.7	13.3	1.8	1.2	11.1	-9.3	-23.1
CURVES HOLDINGS CO LTD	7085	765	71.8	0.8	16.4	18.9	23.8	21.8	31.8	36.0	34.5	20.4	7.7	NA	3.0	1.0	17.3	5.7	-27.2
FAST FITNESS JAPAN INC (TP 2,650 Buy)	7092	1,992	37.3	-0.2	NA	29.0	21.5	16.4	16.4	20.7	25.8	22.3	3.9	8.6	2.7	0.6	28.4	-23.0	-46.0
WORKMAN CO LTD	7564	4,490	367.5	-0.4	10.2	24.5	19.4	NA	NA	20.3	20.1	19.0	3.7	NA	NA	1.5	-9.4	-10.7	-44.3

Source: Bloomberg Finance LP data, Mita Securities

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

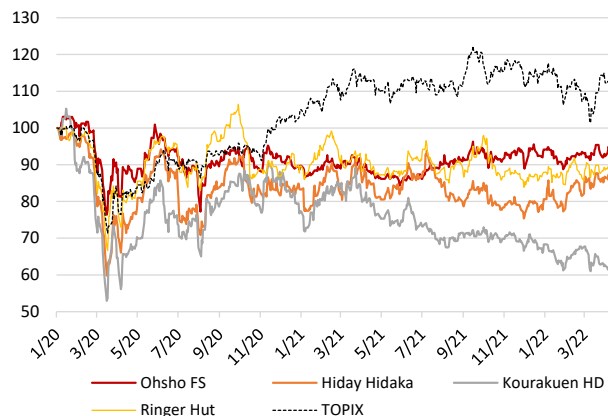
## Stock price trends for food service companies

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



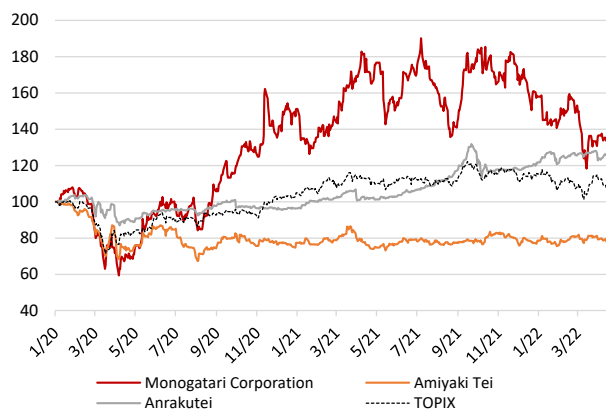
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Chinese restaurants)



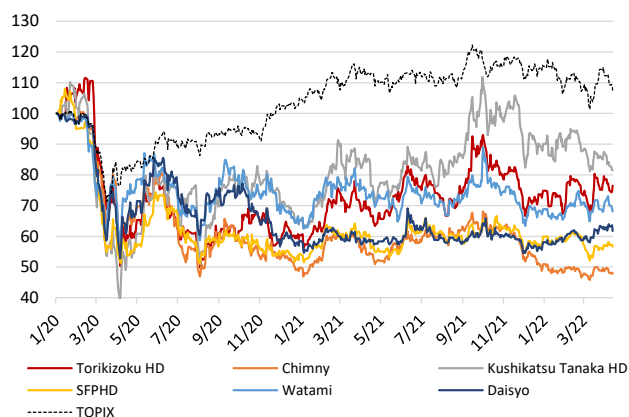
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese BBQ)



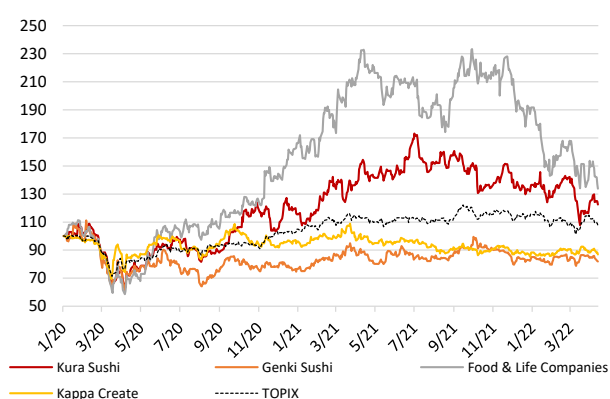
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese style pubs)



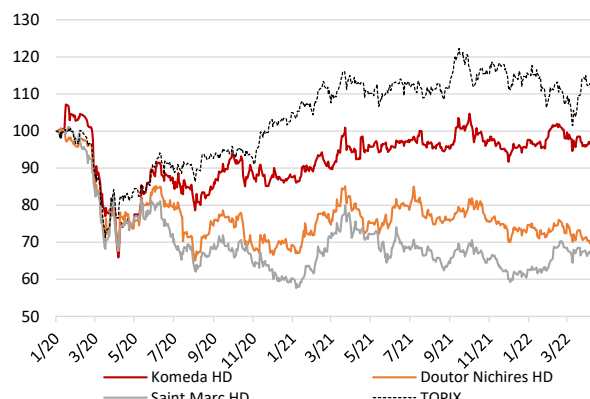
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

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]

We hereby certify that the views on securities and issuers expressed in this report accurately reflect the personal views of the analyst(s) listed on the cover page of this report. The analyst(s) also certifies that the analyst(s) has not been compensated, directly or indirectly, or promised to be compensated, for expressing any particular view in this report.

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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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