



# Komeda Holdings

TSE Prime

3543

Industry: Food service, wholesale, retail

## Solid wholesale sales in April; Food service industry update

### Komeda's April same-store wholesale sales 103.7% vs. 2021, 103.6% vs. 2019

On May 10, Komeda Holdings (3543) disclosed monthly data for April. Wholesale sales to franchisees (same-store basis) in April were 103.7% vs. April 2021 (103.0% for March), 195.1% vs. April 2020 (112.8% for March), and 103.6% vs. April 2019 (102.2% for March). The number of holidays (weekends and holidays) was one day more than in April 2021, April 2020, and April 2019. Our impression is positive.

The number of stores at end-April was 966 (+1 MoM). Komeda opened 2 new stores in Japan.

Menu prices were raised on April 1 for directly-owned stores and on April 28 for franchise stores. Wholesale price hikes are scheduled in 2H.

### Changes in Representative Directors

On May 9, the company announced that, effective May 25, Mr. Okitane Usui, currently President and Representative Director, will become Chairman and Representative Director, and Mr. Yuichi Amari, currently Vice President and Representative Director, will become President and Representative Director.

### 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 -1.2% (based on the closing price on May 9). TOPIX was down -1.8% during the same period.

Among the food service companies, Komeda Holdings (3543) saw its share price rise sharply, +10.7%. On the other hand, the following food service companies saw their share prices fall sharply: Monogatari Corporation (3097) -10.6%, Kushikatsu Tanaka Holdings (3547) -10.6%, and Kura Sushi (2695) -8.0%.

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) (May 10) 2,242

Market cap (JPYbn) 103.5

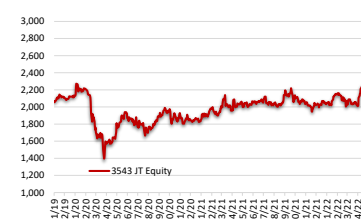
### Key changes

Rating No

Target price No

Earnings forecast No

### Stock price (JPY)



Source: Bloomberg Finance LP

### Earnings

IFRS		2/20	2/21	2/22	2/23E	2/24E
Sales	JPYbn	31.2	28.8	33.3	35.3	37.6
OP	JPYbn	7.9	5.5	7.3	7.8	8.4
Pre-tax Profit	JPYbn	7.8	5.4	7.2	7.8	8.4
NP	JPYbn	5.4	3.6	4.9	5.3	5.7
EPS	JPY	116.7	77.9	106.9	113.9	122.7
BPS	JPY	720	755	814	881	950
DPS	JPY	51.0	39.0	51.0	53.0	56.0
PER	x	15.7	24.4	21.1	19.9	18.4
PBR	x	2.5	2.5	2.8	2.6	2.4
Div. yield	%	2.8	2.1	2.3	2.3	2.5
ROA	%	6.5	3.5	4.8	5.3	5.6
ROE	%	17.2	10.6	13.6	13.4	13.4

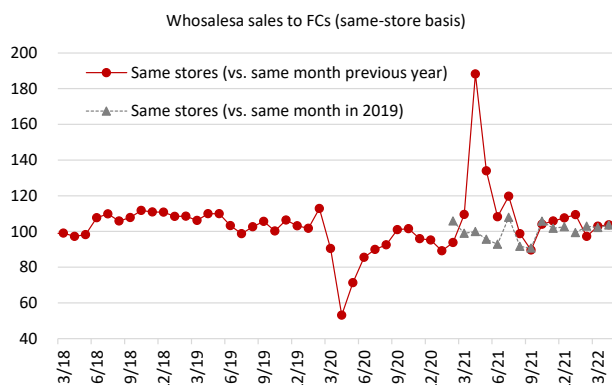
Source: Company data, Mita Securities

### 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.

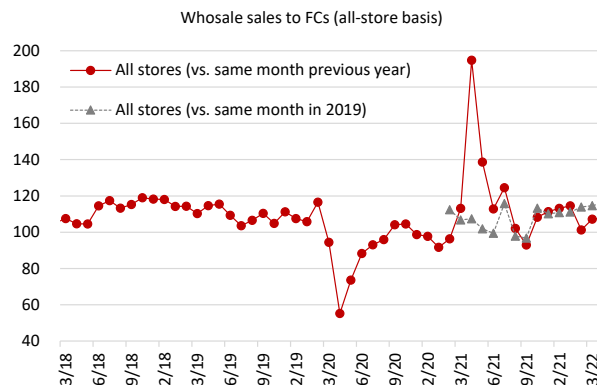
## Komeda Holdings monthly and quarterly earnings

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



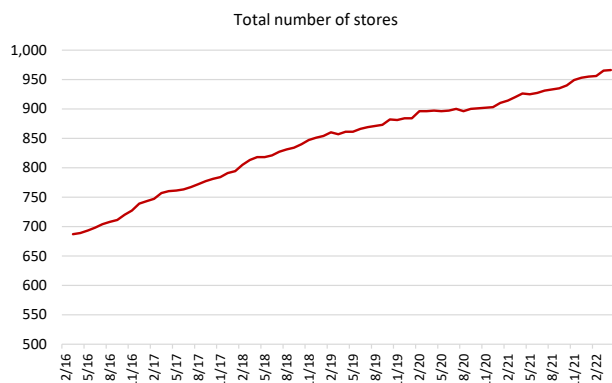
Source: Company data, Mita Securities

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



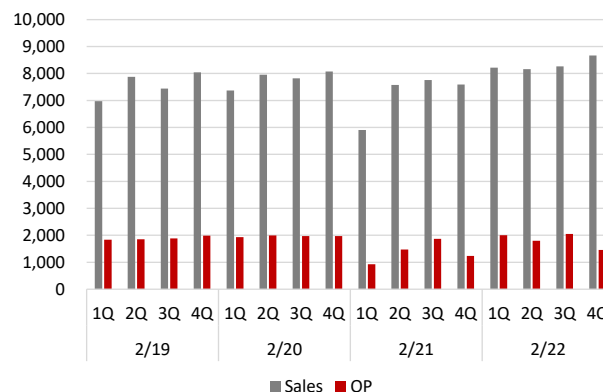
Source: Company data, Mita Securities

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		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	4/22
2695	Kura Sushi	vs. prevyr	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	110.0
		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	99.5
3097	Monogatari Corporation	vs. prevyr	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. prevyr	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. prevyr	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	112.7	
		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	89.7	
	Yuzuan division	vs. prevyr	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. prevyr	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. prevyr	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	110.6
		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	77.4
3543	Komeda HD	vs. prevyr	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	103.7
		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	103.6
9936	Ohsho Food Service	vs. prevyr	78.3	88.2	93.5	93.9	95.8	94.6	100.7	97.5	96.1	88.8	89.5	95.8	121.2	103.7	102.4	104.6	91.4	90.6	101.9	100.6	105.4	107.2	108.5	105.8	105.9
		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	100.5

Source: Companies' data, Mita Securities

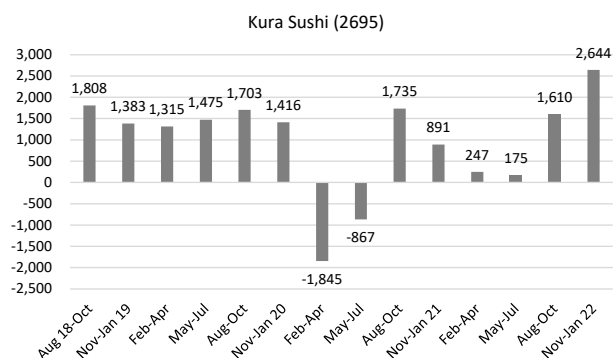
Note: Pre-COVID is indexed with same month in 2019 as 100

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

Ticker	Company name		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	4/22
2702	McDonald's HD Japan	vs. prevyr	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	112.6	111.3
		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	120.9	129.4
3053	Pepper Food Service (Ikinari! Steak)	vs. prevyr	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	95.5	
		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	42.4	
3085	Arcland Service HD (Katsuya)	vs. prevyr	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	101.7
		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	104.0
3087	Doutor Nichires HD (Doutor Coffee Shop)	vs. prevyr	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	105.8	
		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	80.3	
3397	Toridoll HD	vs. prevyr	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	120.4
		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	111.2
	Marugame Seimen	vs. prevyr	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	104.2
		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	96.4
3563	Food & Life Companies (Sushiro)	vs. prevyr	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	105.3
		vs. pre-COVID										101.8	111.9	103.6	90.0	91.7	93.3	99.9	84.5	87.4	98.0	91.2	98.8	97.7	104.7	96.8	104.2
7550	Zensho HD (Sukiya)	vs. prevyr	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	108.3
		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	109.0
7581	Saizeriya	vs. prevyr	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	124.4
		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	92.3
7611	Hiday Hidaka	vs. prevyr	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	132.8
		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	77.5
7630	Ichibanya	vs. prevyr	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	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. prevyr	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	110.0	120.0
		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	90.5	96.8
	Tendon Tenya	vs. prevyr	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	102.5
		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	93.9
8200	Ringer Hut	vs. prevyr	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	108.5
		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	80.1
9861	Yoshinoya HD (Yoshinoya)	vs. prevyr	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	111.6
		vs. pre-COVID										100.6	79.7	87.9	88.3	92.1	87.3	90.4	89.3	89.9	101.5	96.2	104.7	84.6	98.3	96.3	
9887	Matsuya Foods HD (Matsuya)	vs. prevyr	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	89.1	96.5	100.2	96.8	101.8	105.7
		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	88.4	89.3

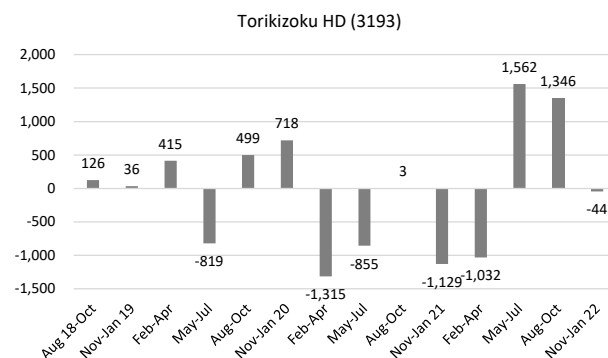
## Pre-tax profits for food service companies covered by Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



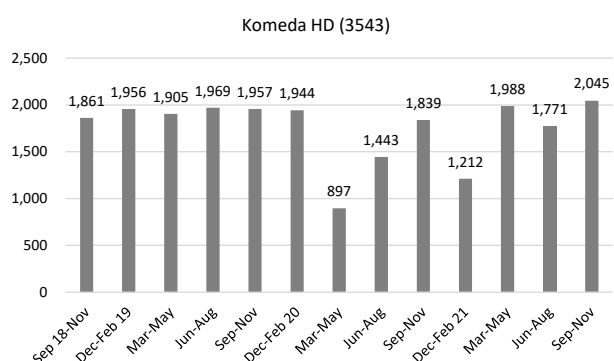
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



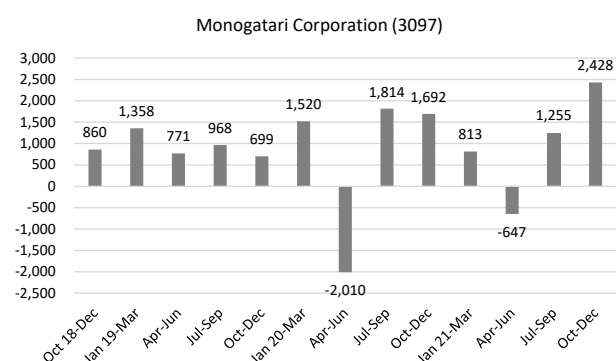
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



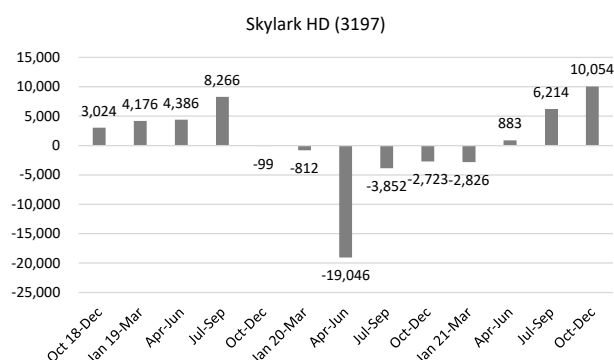
Source: Company data, Mita Securities

Figure: Quarterly pre-tax profit (JPYm)



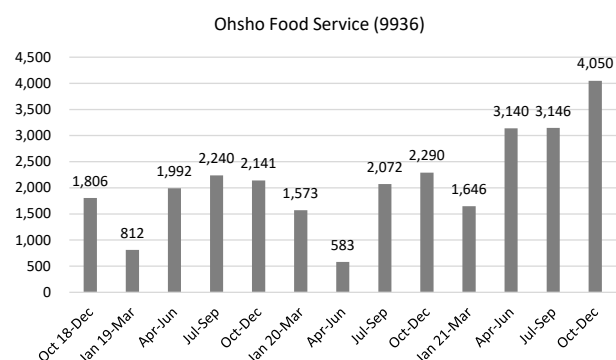
Source: Company data, Mita Securities

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 9-May	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	3,060	127.9	0.1	11.8	2.3	6.4	8.0	10.0	40.2	30.7	22.2	2.5	12.0	0.7	0.7	-8.0	-16.4	-20.8
MCDONALD'S HOLDINGS CO JAPAN	2702	5,050	682.1	-0.3	10.2	14.0	13.0	10.9	10.8	28.0	29.6	27.5	3.5	12.1	1.8	0.8	-0.2	3.7	2.6
OTOYA HOLDINGS CO LTD	2705	2,844	20.6	0.2	-0.4	11.7	NA	NA	NA	15.3	NA	NA	NA	NA	NA	NA	1.9	0.5	6.2
FUJIO FOOD GROUP INC	2752	1,332	58.8	1.7	-5.0	-9.6	16.3	15.9	NA	82.2	71.2	41.0	11.3	NA	2.0	0.0	3.5	-3.7	-9.1
AMIYAKI TEI CO LTD	2753	2,901	19.9	-0.2	-2.6	-13.9	3.1	2.7	NA	31.7	36.1	20.1	1.0	NA	0.4	1.0	-1.7	-1.3	1.4
HIRAMATSU INC	2764	190	14.0	4.1	23.5	-21.8	-48.7	NA	NA	NA	NA	NA	2.0	NA	NA	NA	-3.6	-4.1	15.4
PEPPER FOOD SERVICE CO LTD	3053	375	14.7	-0.1	NA	-8.4	20.7	NA	NA	47.3	NA	NA	4.5	NA	NA	NA	3.6	3.9	29.5
CHOUSHIMARU CO LTD	3075	1,155	16.7	-0.8	0.7	9.9	13.8	NA	NA	15.6	NA	NA	2.0	NA	NA	0.5	0.8	2.9	-2.5
ARCLAND SERVICE HOLDINGS CO	3085	2,082	68.0	-0.7	9.8	8.2	9.7	13.2	12.6	30.4	19.7	19.4	2.9	9.1	1.1	1.5	-7.2	-7.5	-10.1
DOUTOR NICHIRETS HOLDINGS CO	3087	1,490	68.7	-0.4	13.8	6.7	1.3	0.9	2.1	53.9	56.8	30.6	0.7	5.5	0.3	1.7	1.8	-6.5	-8.7
BRONCO BILLY CO LTD	3091	2,306	34.4	-0.3	6.5	15.3	6.0	NA	NA	33.2	NA	NA	1.9	NA	NA	0.7	0.8	0.1	-6.3
MONOGATARI CORP (TP 9,100 Buy)	3097	5,110	62.4	0.1	15.5	11.2	13.2	16.7	16.4	22.5	15.7	15.8	2.8	11.1	0.9	1.3	-10.6	-19.8	-22.4
CHIMNEY CO LTD	3178	1,163	22.0	0.8	-50.5	-28.7	-8.9	NA	NA	NA	NA	NA	3.2	NA	NA	NA	1.1	-3.2	-9.6
TORIKIZOKU HOLDINGS CO LTD (TP 2,100 Hold)	3193	1,739	20.1	0.6	NA	NA	NA	1.4	11.4	NA	143.7	31.5	3.3	NA	1.0	0.0	-2.9	-8.3	5.8
HOTLAND CO LTD	3196	1,371	29.3	0.3	3.3	6.2	28.1	13.6	NA	14.2	22.8	22.6	3.4	NA	1.0	0.4	3.1	5.3	-0.5
SKYLARK HOLDINGS CO LTD (TP 1,600 Hold)	3197	1,534	346.7	1.1	-8.3	22.5	6.2	2.9	3.0	40.5	72.2	66.5	2.1	9.0	1.7	0.4	0.9	-0.3	-6.5
SFP HOLDINGS CO LTD	3198	1,382	35.6	-0.4	-40.3	26.4	15.1	13.1	NA	20.4	19.8	25.5	2.9	NA	1.2	1.5	2.0	-4.8	4.2
CREATE RESTAURANTS HOLDINGS	3387	805	171.3	2.1	5.2	26.5	29.0	9.6	NA	24.9	40.3	31.9	7.1	NA	2.1	0.7	6.3	4.8	0.2
SAINT MARC HOLDINGS CO LTD	3395	1,487	34.0	-0.2	0.0	-6.4	-16.6	NA	NA	NA	NA	121.9	1.0	NA	0.5	2.9	-0.7	-7.0	-12.2
TORIDOLL HOLDINGS CORP	3397	2,223	196.3	3.0	9.3	15.8	14.2	13.1	6.1	34.9	31.2	38.9	4.0	9.9	2.0	0.3	-7.3	-6.4	27.7
KOMEDA HOLDINGS CO LTD (TP 3,000 Buy)	3543	2,261	103.5	1.1	15.5	26.8	13.6	13.5	13.8	21.1	19.6	17.9	2.8	15.2	4.0	2.4	10.7	3.7	9.3
KUSHIKATSU TANAKA HOLDINGS C	3547	1,647	15.6	1.6	-11.4	-20.8	16.1	36.7	38.0	65.5	28.2	24.0	10.1	335.0	1.5	0.9	-10.6	-21.8	-3.2
CHIKARANOMOTO HOLDINGS CO LT	3561	591	15.7	3.7	-0.9	7.7	-9.8	NA	NA	NA	NA	NA	5.1	NA	NA	NA	4.3	1.8	-5.7
FOOD & LIFE COMPANIES LTD	3563	2,950	369.1	2.2	21.4	14.1	17.7	18.3	21.1	31.2	28.6	20.9	5.6	12.6	1.7	0.7	-2.5	-12.0	-32.7
ATOM CORP	7412	741	143.2	0.2	-13.6	1.2	-9.5	NA	NA	NA	NA	NA	18.9	NA	NA	NA	-1.5	-4.5	-3.9
KAPPA CREATE CO LTD	7421	1,320	65.6	0.4	2.6	3.5	6.3	NA	NA	97.6	NA	NA	6.0	NA	NA	NA	-1.5	-4.8	-11.2
WATAMI CO LTD	7522	904	38.2	3.5	-9.8	-2.1	-43.2	NA	NA	NA	NA	NA	2.4	NA	NA	NA	-2.7	-4.0	-9.0
ZENSHO HOLDINGS CO LTD	7550	2,974	455.0	2.2	6.8	6.8	18.1	16.6	5.7	28.3	29.2	47.1	4.6	16.0	0.9	0.7	-0.6	6.1	4.1
KOURAKUEN HOLDINGS CORP	7554	1,242	20.9	1.1	-11.2	8.4	30.2	13.6	NA	17.7	NA	NA	4.6	NA	NA	NA	0.3	-10.9	-23.8
ANRAKUTEI CO LTD	7562	6,410	13.8	1.6	5.1	-5.4	22.0	NA	NA	12.7	NA	NA	2.6	NA	NA	NA	0.2	1.3	23.4
SAIZERIYA CO LTD	7581	2,350	120.7	-0.2	17.8	6.9	8.7	8.5	6.9	15.6	15.4	19.4	1.3	6.8	0.6	0.8	-6.3	-20.3	-6.1
HIDAY HIDAKA CORP	7611	1,903	72.6	-0.4	-10.7	-9.8	7.1	NA	NA	45.8	NA	NA	3.2	NA	NA	NA	1.3	2.8	7.9
COLOWIDE CO LTD	7616	1,649	140.3	3.6	-4.4	13.1	-11.0	NA	NA	NA	NA	NA	3.9	NA	NA	NA	-5.5	-8.5	-13.3
UKAI CO LTD	7621	3,015	16.8	1.5	4.8	-5.1	-28.3	NA	NA	NA	NA	NA	6.1	NA	NA	NA	0.2	0.2	-2.1
GLOBAL-DINING INC	7625	276	2.8	0.1	60.0	12.0	30.8	NA	NA	3.4	NA	NA	0.9	NA	NA	NA	-14.7	-17.1	-24.0
ICHIBANYA CO LTD	7630	4,805	155.5	-0.5	1.8	10.3	9.7	NA	NA	52.5	39.8	37.4	5.1	NA	2.7	1.6	3.0	2.9	-0.6
ASAKUMA CO LTD	7678	1,540	8.3	-0.4	-22.1	-19.3	-21.5	NA	NA	NA	NA	NA	3.2	NA	NA	NA	0.7	-2.0	1.0
MOS FOOD SERVICES INC	8153	2,998	96.5	-0.2	9.9	11.1	8.4	6.9	NA	24.0	28.1	29.9	1.9	NA	1.1	0.9	2.7	-1.7	-1.9
KISQII CO LTD	8160	2,077	57.5	0.0	0.1	NA	0.9	NA	NA	NA	NA	NA	2.2	NA	NA	NA	1.7	-7.7	-8.8
SRS HOLDINGS CO LTD	8163	816	32.6	0.5	-5.4	6.4	2.1	NA	NA	162.9	NA	NA	2.3	NA	NA	NA	1.2	-1.8	-2.0
ROYAL HOLDINGS CO LTD	8179	2,075	99.5	1.1	-0.6	-0.3	-11.8	1.0	5.4	NA	107.8	37.0	3.1	18.5	1.4	0.4	2.5	3.7	4.0
RINGER HUT CO LTD	8200	2,182	57.1	0.5	-0.4	-1.3	8.5	NA	NA	59.0	114.2	77.7	4.5	NA	1.7	0.5	-3.7	-6.2	-3.4
GIFT HOLDINGS INC	9279	2,142	20.5	0.0	22.2	10.2	37.9	32.3	NA	14.8	11.8	13.2	4.6	NA	1.2	1.2	-17.7	-15.6	-4.1
GENKI SUSHI CO LTD	9828	2,463	21.8	0.6	10.6	8.9	13.5	NA	NA	18.8	NA	NA	2.4	NA	NA	NA	-1.0	-4.4	0.0
GOURMET KINEYA CO LTD	9850	1,002	22.9	1.5	-8.2	11.2	-1.7	NA	NA	NA	NA	NA	2.5	NA	NA	NA	-1.4	-1.7	4.2
GINZA RENIOR CO LTD	9853	818	5.1	0.1	-13.2	-36.3	-16.3	NA	NA	NA	NA	NA	1.4	NA	NA	NA	0.4	-1.6	0.1
YOSHINOYA HOLDINGS CO LTD	9861	2,386	154.7	0.2	-9.8	14.0	18.5	6.3	4.8	19.0	59.5	57.9	3.2	15.6	1.0	0.6	0.3	-2.7	14.7
KFC HOLDINGS JAPAN LTD	9873	2,883	64.6	-0.8	9.9	8.0	16.7	NA	NA	15.7	NA	NA	2.5	NA	NA	NA	1.4	-1.6	-1.5
MATSUYAFOODS HOLDINGS CO LTD	9887	3,750	71.4	0.3	-4.5	-0.8	5.0	NA	NA	34.3	NA	NA	1.7	NA	NA	NA	-0.9	2.3	6.2
SAGAMI HOLDINGS CORP	9900	1,098	33.7	-0.2	-4.1	-6.2	1.5	NA	NA	405.2	NA	NA	2.2	NA	NA	NA	-3.6	-8.3	6.9
OHSHO FOOD SERVICE CORP (TP 7,200 Buy)	9936	6,080	142.3	-0.2	0.9	11.0	14.8	14.7	7.9	14.1	13.5	21.1	2.0	14.2	1.5	1.7	0.8	1.8	7.4
JOYFULL CO LTD	9942	783	25.2	4.9	-17.5	-6.8	72.4	NA	NA	9.1	NA	NA	4.8	NA	NA	NA	1.0	-3.4	11.6
DAISYO CORP	9979	1,031	21.7	0.9	-10.9	12.3	-7.3	NA	NA	NA	NA	NA	1.9	NA	NA	NA	-4.5	-1.8	3.5
Average				0.8	0.6	3.5	6.7	12.1	11.0	44.8	43.4	35.3	3.7	33.5	1.4	1.0	-1.2	-3.8	-1.3
Median				0.3	0.1	6.9	8.5	13.1	8.9	28.2	29.6	28.7	2.9	12.1	1.2	0.8	0.2	-2.7	-1.5

Source: Bloomberg Finance LP data, Mita Securities

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

Figure: Comparison of valuations for FC business operators

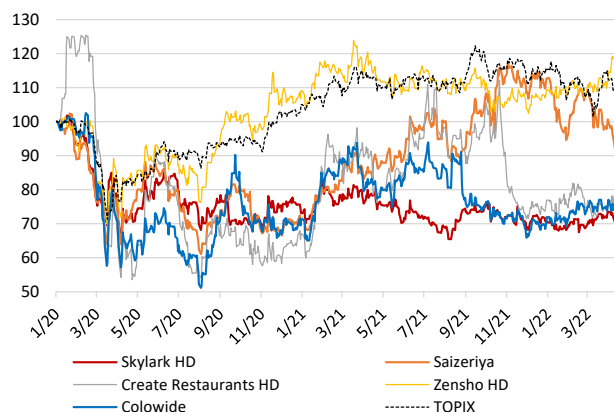
Company name	Ticker	PX 9-May	Mkt cap JPYbn	Net D/E Last	Sales YoY LTM	EBITDA Mgn LTM	ROE LTM	ROE Cur E	ROE Nxt E	PER LTM	PER Cur E	PER Nxt E	PBR Last	EV/EBITDA Cur E	EV/Sales Cur E	Div yield Cur E	1M Chg	3M Chg	1YR Chg
KOBE BUSSAN CO LTD	3038	2,855	796.2	-0.3	8.6	8.5	28.7	25.2	25.2	30.8	30.1	25.9	8.0	21.7	1.9	0.7	-23.6	-22.2	-0.2
KOMEDA HOLDINGS CO LTD (TP 3,000 Buy)	3543	2,261	103.5	1.1	15.5	26.8	13.6	13.5	13.8	21.1	19.6	17.9	2.8	15.2	4.0	2.4	10.7	3.7	9.3
IBJ INC (TP 1,300 Buy)	6071	690	27.9	-0.1	7.7	15.3	18.4	18.6	19.1	26.2	21.7	18.3	4.3	11.0	1.6	1.1	-13.0	-21.0	-27.1
CURVES HOLDINGS CO LTD	7085	701	63.1	0.8	16.4	NA	23.8	21.8	31.8	33.0	31.6	18.7	6.8	NA	2.7	1.2	-5.8	-6.5	-18.1
FAST FITNESS JAPAN INC (TP 2,650 Buy)	7092	1,851	33.9	-0.2	NA	29.0	21.5	16.4	16.4	19.3	24.0	20.8	3.6	7.8	2.5	0.6	-5.5	-16.4	-56.5
WORKMAN CO LTD	7564	4,600	374.9	-0.4	9.9	24.5	18.9	NA	NA	20.5	22.1	20.5	3.6	NA	NA	1.6	-3.8	-10.4	-39.2

Source: Bloomberg Finance LP data, Mita Securities

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

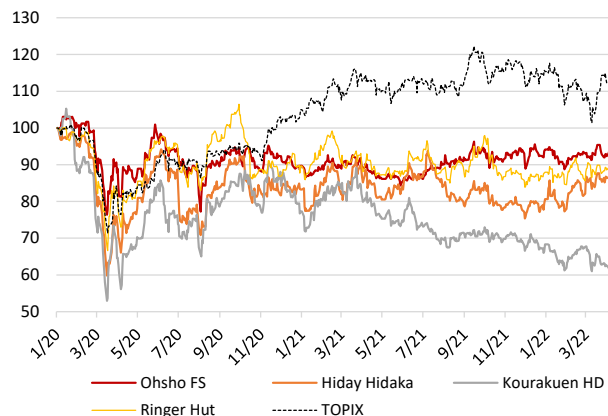
## Stock price trends for food service companies

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



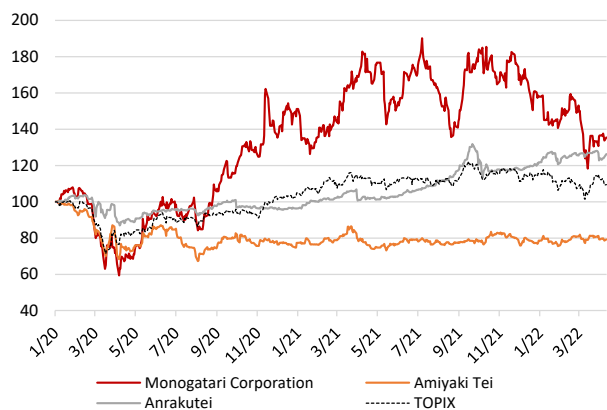
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Chinese restaurants)



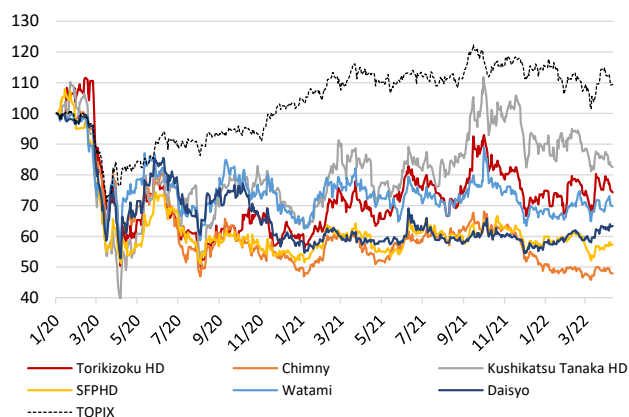
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese BBQ)



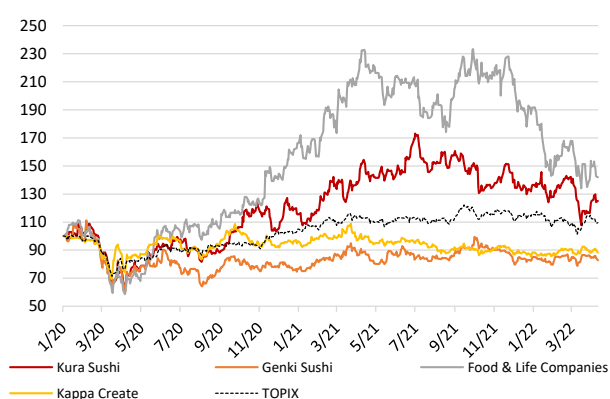
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese style pubs)



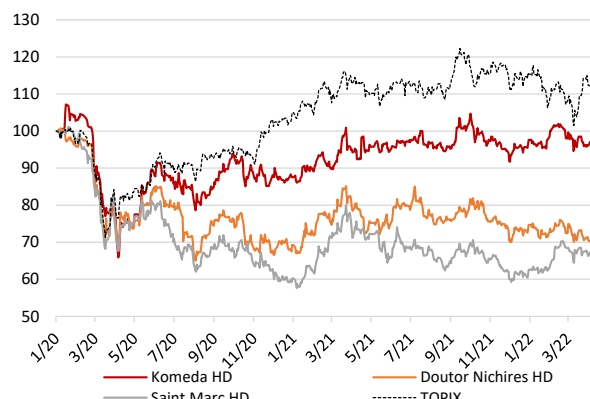
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

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.

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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