Monogatari Corporation

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TSE Prime 3097 Industry: Food service, retail

Earnings forecast update. Evolving from King of Japanese BBQ to King of Food Service

New TP at 8,900 yen. Reiterate Buy

We update our earnings forecast for Monogatari Corporation (3097, the company) and fine-tune our target price to 8,900 yen. We reiterate our Buy rating. The food service industry in general has been showing positive momentum on the back of the recovery from the pandemic, and the company's mainstay Yakiniku King restaurants have been enjoying particularly strong consumer support. Although inflation is expected to dampen profit margins for the time being, strong same-store sales and the steady opening of new restaurants should support the company's high growth over the medium to long term.

Summary of latest earnings disclosures

On May 10, the company announced 1-3Q sales of 53.989bn yen (+7.7% YoY), OP of 1.966bn yen (-43.0% YoY; OPM 3.6%), and RP of 4.756bn yen (+2.9% YoY). Progress toward the company's full-year guidance was 69% for sales, 41% for OP, and 86% for RP. RP includes subsidy income of 2.656bn yen.

In April, same-store sales for company-owned domestic stores were 123.9% vs. 2021 and 102.7% vs. 2019. In May, 141.7% vs. 2021, and 110.5% vs. 2019. The recovery in the yakiniku (Japanese BBQ) division has been particularly remarkable. The company's mainstay restaurants operate on an all-you-can-eat style with time limits. When requests for shorter hours are removed, table turnover tends to increase, and earnings improve rapidly.

Mita Securities' earnings update

We lower our FY6/22 OP forecast from 5.012bn yen to 3.023bn yen (+18.3% YoY; OPM 4.1%; company guidance 4.798bn yen), but raise our RP forecast from 5.962bn yen to 6.240bn yen (+46.3% YoY; company guidance 5.500bn yen), assuming an upturn in subsidy income. In subsequent years, although we expect a recovery in the guest count from the pandemic and higher average check due to price hikes (except for Yakiniku King), we expect higher costs due to inflation and yen depreciation, lowering our OP forecast from 6.217bn yen to 5.087bn yen for FY6/23 and from 7.117bn yen to 5.838bn yen for FY6/24. Our new assumptions for store count are 628 stores at the end of FY6/22 (previously 625), 675 stores at the end of FY6/23 (previously 671), and 726 stores at the end of FY6/24 (previously 717).

Valuations and risk factors

In calculating our target price, we used a residual income model (RIM) with a cost of equity of 5.0% (unchanged) and a terminal growth rate of 1.2% (unchanged), based on our earnings forecasts for FY6/22-FY6/27 (updated due to progress of the term). Our target price is equivalent to 29.6x our FY6/24 diluted EPS forecast of 300.60 yen.

Risk factors to our view include prolonged requests for shorter operating hours, unexpected deterioration in same-store sales, unexpected increase in operating costs, and customer defection due to food poisoning.

Forecast Change

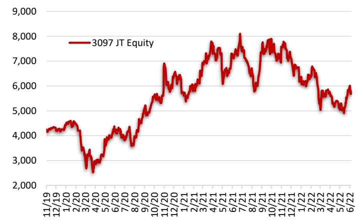
Rating

Buy

Target price (JPY)	**8,900 ← 9,100**
Stock price (JPY) (Jun 16)	5,760
Market cap (JPYbn)	69.8

Key changes	
Rating	No
Target price	Yes
Earnings forecast	Yes

Stock price (JPY)



Source: Bloomberg Finance LP

Earnings

		6/20	6/21	6/22E	6/23E	6/24E
Sales	JPYbn	58.0	64.0	73.4	85.5	94.5
OP	JPYbn	3.0	2.6	3.0	5.1	5.8
RP	JPYbn	3.0	4.3	6.2	5.1	5.9
NP	JPYbn	0.5	2.7	3.7	3.4	3.9
EPS	JPY	37.9	226.0	307.5	280.5	324.0
BPS	JPY	1,444	1,625	1,871	2,086	2,340
DPS	JPY	47.5	60.0	65.0	70.0	80.0
PER	x	110.7	33.1	18.7	20.5	17.8
PBR	x	2.9	4.6	3.1	2.8	2.5
Div. yield	%	1.1	0.8	1.1	1.2	1.4
ROA	%	1.3	6.3	7.5	6.3	6.7
ROE	%	2.6	14.7	17.6	14.2	14.6

Source: Company data, Mita Securities

Company profile

Monogatari Corporation is a restaurant company based in Aichi Prefecture that operates "Yakiniku King" nationwide. As of June 30, 2021, the company had 584 stores in Japan (340 company-owned stores and 229 franchised stores) and 15 overseas stores (company-owned). Sales in FY6/21 were 64.0bn yen.

Investment thesis

Outlook

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

JPYm	6/19 A	6/20 A	6/21 A	6/22 Mita E	6/23 Mita E	6/24 Mita E	6/25 Mita E	6/26 Mita E	6/27 Mita E	6/22 CoE	6/22 Consensus	6/23 Consensus	6/24 Consensus
Earnings													
Sales	58,924	57,961	64,019	73,384	85,504	94,478	104,201	113,687	122,914	78,037	72,988	86,428	95,293
(YoY, %)	13.0	-1.6	10.5	14.6	16.5	10.5	10.3	9.1	8.1				
Operating profit	3,933	3,034	2,555	3,023	5,087	5,838	6,795	7,716	8,302	4,798	3,163	5,445	6,443
(YoY, %)	17.2	-22.9	-15.8	18.3	68.2	14.8	16.4	13.5	7.6				
OPM (%)	6.7	5.2	4.0	4.1	5.9	6.2	6.5	6.8	6.8				
Recurring profit	4,687	3,029	4,266	6,240	5,142	5,893	6,850	7,771	8,357	5,500	5,828	5,650	6,650
(YoY, %)	21.2	-35.4	40.8	46.3	-17.6	14.6	16.2	13.4	7.6				
Net profit	2,938	457	2,727	3,716	3,389	3,915	4,585	5,229	5,640	3,376	3,480	3,440	4,047
(YoY, %)	23.1	-84.5	497.1	36.2	-8.8	15.5	17.1	14.1	7.9				
Depreciation	2,464	2,426	2,682	2,917	3,238	3,545	3,864	4,197	4,524				
Capital expenditure	4,525	4,511	5,575	7,400	6,800	7,600	7,600	6,400	6,400				
Free CF	1,050	-2,044	13	-452	1,166	15	1,646	3,320	4,544				
KPI													
Company-owned store count	294	319	355	392	426	464	502	534	566				
(YoY, %)	10.1	8.5	11.3	10.4	8.7	8.9	8.2	6.4	6.0				
Sales per store (company-owned)	207	184	184	192	207	211	216	221	226				
(YoY, %)	1.6	-11.4	-0.1	4.5	7.6	2.1	2.2	2.3	2.4				
Franchised store count	221	221	229	236	249	262	275	285	295				
(YoY, %)	8.9	0.0	3.6	3.1	5.5	5.2	5.0	3.6	3.5				
Per share indicators (adjusted for stock split)													
EPS (JPY)	244.08	37.90	226.00	307.54	280.48	324.00	379.46	432.79	466.78	279.85	287.36	284.06	334.15
EPS (diluted, JPY)	244.08	37.90	209.66	285.32	260.22	300.60	352.05	401.53	433.06				
BPS (JPY)	1,461.39	1,444.13	1,625.38	1,871.01	2,086.50	2,340.50	2,639.96	2,982.75	3,349.53				
BPS (diluted, JPY)	1,461.39	1,444.13	1,507.83	1,735.86	1,935.78	2,171.43	2,449.26	2,767.28	3,107.57				
DPS (JPY)	45.00	47.50	60.00	65.00	70.00	80.00	90.00	100.00	110.00	65.00			
Valuation, profitability, etc.													
PER (x)	17.6	110.7	33.1	18.7	20.5	17.8	15.2	13.3	12.3				
PER (diluted, x)	17.6	110.7	35.6	20.2	22.1	19.2	16.4	14.3	13.3				
PBR (x)	2.9	2.9	4.6	3.1	2.8	2.5	2.2	1.9	1.7				
PBR (diluted, x)	2.9	2.9	5.0	3.3	3.0	2.7	2.4	2.1	1.9				
Dividend payout ratio (%)	18.4	125.2	26.5	21.1	25.0	24.7	23.7	23.1	23.6				
Dividend yield (%)	1.0	1.1	0.8	1.1	1.2	1.4	1.6	1.7	1.9				
ROA (%)	9.4	1.3	6.3	7.5	6.3	6.7	7.2	7.6	7.6				
ROE (%)	17.9	2.6	14.7	17.6	14.2	14.6	15.2	15.4	14.7				
Financial soundness indicators													
Capital ratio (%)	53.7	45.3	41.1	43.9	44.9	46.6	48.4	50.4	52.2				
Debt/Equity (x)	0.4	0.7	0.9	0.7	0.6	0.6	0.5	0.4	0.4				

Source: Company data, QUICK data, Mita Securities Note: Per share indicators are adjusted for stock split

Figure: Mita Securities' earnings forecast change (consolidated)

JPYm	6/22 CoE	6/22 Old Mita E	6/22 **New Mita E**	6/23 Old Mita E	6/23 **New Mita E**	6/24 Old Mita E	6/24 **New Mita E**
Sales	78,037	74,867	**73,384**	83,789	**85,504**	92,467	**94,478**
Operating profit	4,798	5,012	**3,023**	6,217	**5,087**	7,117	**5,838**
Recurring profit	5,500	5,962	**6,240**	6,218	**5,142**	7,118	**5,893**
Net profit	3,376	3,850	**3,716**	4,024	**3,389**	4,636	**3,915**
EPS (JPY)	279.85	319.01	**307.54**	333.43	**280.48**	384.15	**324.00**

Source: Company data, Mita Securities

Valuations

Stock valuation based on residual income model (RIM)

TP of 8,900 yen based on RIM

In calculating our target price, we used a residual income model (RIM) with a cost of equity of 5.0% (unchanged) and a terminal growth rate of 1.2% (unchanged), based on our earnings forecasts for FY6/22-FY6/27 (updated due to progress of the term). Our target price is equivalent to 29.6x our FY6/24 diluted EPS forecast of 300.60 yen.

Figure: Residual Income Model (RIM)

	Y0	Y1	Y2	Y3	Y4	Y5	Y6~
	MitaE	MitaE	MitaE	MitaE	MitaE	MitaE	MitaE
JPYbn	6/22	6/23	6/24	6/25	6/26	6/27	6/28
Shareholders' equity (EOP)	22.6	25.2	28.3	31.9	36.0	40.5	
Net profit		3.4	3.9	4.6	5.2	5.6	
Cost of equity		1.1	1.3	1.4	1.6	1.8	
Residual income		2.3	2.7	3.2	3.6	3.8	
PV of residual income		2.2	2.4	2.7	3.0	3.0	
PV of terminal value							80.1

Beta	0.90
Risk free rate (%)	0.50
Risk premium (%)	5.00
Cost of equity (%)	5.00
Terminal growth rate (%)	1.20

Total equity value	116.0
Number of shares O/S (fully-dilueted, m)	13.024
Target share price	8,900

Source: Company data, Mita Securities

Figure: Sensitivity of target price to terminal growth rate

Terminal growth rate	0.20	0.40	0.60	0.80	1.00	**1.20**	1.40	1.60	1.80	2.00
Target price	7,600	7,800	8,050	8,300	8,600	**8,900**	9,250	9,650	10,100	10,600

Source: Mita Securities

Risk factors

Risk factors to our view include prolonged requests for shorter operating hours, unexpected deterioration in same-store sales, unexpected increase in operating costs, and customer defection due to food poisoning.

Comparison of valuations with peers

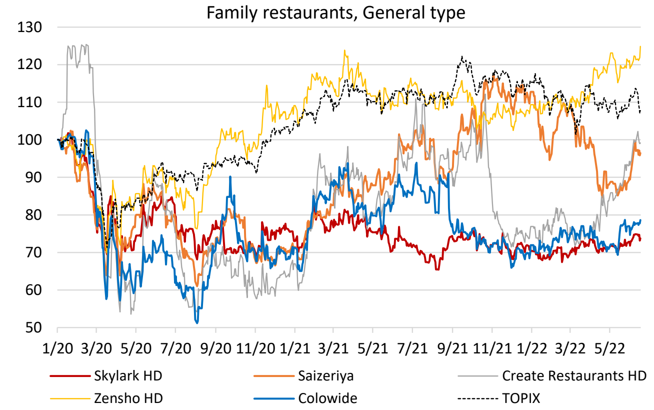
Figure: Comparison of valuations for food service companies

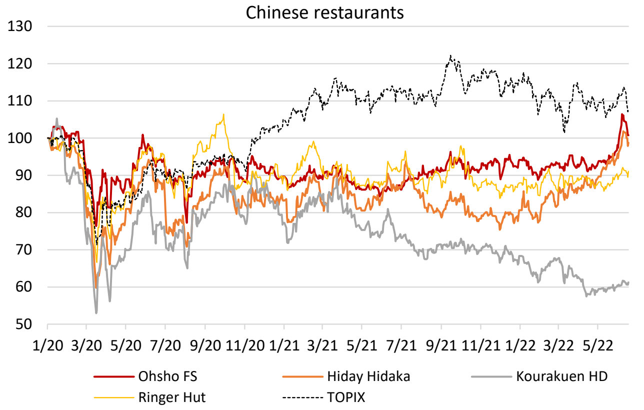
Company name	Ticker	PX 16-Jun	Mkt cap JPYbn	Net D/E Last	Sales YoY LTM	EBITDA Mgn LTM	ROE LTM	ROE Cur E	ROE Nxt E	PER LTM	PER Cur E	PER Nxt E	PBR Last	EV/EBITDA Cur E	EV/Sales Cur E	Div yield Cur E	1M Chg	3M Chg	1YR Chg
KURA SUSHI INC (TP 5,000 Buy)	**2695**	**3,005**	**124.4**	**0.1**	**11.9**	**2.4**	**7.2**	**7.2**	**9.6**	**34.7**	**33.0**	**23.8**	**2.4**	**13.2**	**0.7**	**0.7**	**-1.8**	**-5.1**	**-28.5**
MCDONALD'S HOLDINGS CO JAPAN	2702	5,000	664.8	-0.3	11.7	13.9	13.1	11.0	10.6	27.4	29.2	27.4	3.4	12.0	1.8	0.8	-2.3	-0.6	0.5
OOTOYA HOLDINGS CO LTD	2705	2,919	21.2	-0.6	16.7	9.2	207.2	NA	NA	11.7	NA	NA	62.3	NA	NA	NA	1.4	-0.6	4.2
FUJIO FOOD GROUP INC	2752	1,375	61.7	1.7	0.7	-11.4	8.6	15.9	NA	172.7	73.5	42.3	13.1	NA	2.2	0.0	1.6	1.5	2.2
AMIYAKI TEI CO LTD	2753	2,890	19.8	-0.2	-2.6	-13.9	3.1	2.7	NA	31.5	36.0	20.0	1.0	NA	0.4	1.0	-1.2	-4.6	-1.9
HIRAMATSU INC	2764	199	14.9	1.7	47.2	-17.8	-57.6	NA	NA	NA	NA	NA	2.6	NA	NA	NA	0.5	-3.9	-11.6
PEPPER FOOD SERVICE CO LTD	3053	389	15.3	-0.1	NA	-9.2	31.1	NA	NA	20.8	NA	NA	4.8	NA	NA	NA	0.0	1.0	-23.1
CHOUSHIMARU CO LTD	3075	1,105	16.0	-0.8	0.7	9.9	13.8	NA	NA	14.9	NA	NA	1.9	NA	NA	0.5	-0.5	-1.1	-3.7
ARCLAND SERVICE HOLDINGS CO	3085	2,116	70.0	-0.7	9.8	7.8	9.7	13.2	12.6	30.9	20.0	19.7	2.9	9.5	1.2	1.4	4.8	-4.2	-5.3
DOUTOR NICHIRES HOLDINGS CO	3087	1,539	70.2	-0.3	13.8	6.7	1.3	0.9	2.1	55.7	58.6	31.7	0.7	5.8	0.3	1.7	3.1	-2.8	-11.4
BRONCO BILLY CO LTD	3091	2,442	36.8	-0.3	6.5	15.3	6.0	NA	NA	35.2	NA	NA	2.1	NA	NA	0.7	2.6	7.6	0.1
MONOGATARI CORP (TP 8,900 Buy)	**3097**	**5,760**	**69.8**	**0.1**	**15.5**	**11.6**	**12.8**	**15.8**	**16.4**	**25.9**	**19.6**	**19.6**	**3.2**	**12.3**	**1.0**	**1.2**	**10.3**	**-0.9**	**-19.8**
CHIMNEY CO LTD	3178	1,206	23.3	0.4	-23.6	5.6	21.4	1.6	NA	19.0	231.9	39.4	3.6	NA	1.1	0.0	1.9	4.0	-11.7
TORIKIZOKU HOLDINGS CO LTD (TP 2,100 Hold)	**3193**	**2,355**	**27.4**	**0.6**	**NA**	**1.8**	**NA**	**3.9**	**11.4**	**12.8**	**82.6**	**35.5**	**4.3**	**NA**	**1.4**	**0.0**	**32.2**	**24.5**	**23.8**
HOTLAND CO LTD	3196	1,336	28.8	0.3	6.7	6.4	23.8	14.8	NA	14.6	21.1	22.0	3.1	NA	0.9	0.4	-1.5	0.9	-5.0
SKYLARK HOLDINGS CO LTD (TP 1,600 Hold)	**3197**	**1,586**	**360.8**	**1.1**	**0.1**	**23.6**	**7.4**	**2.6**	**2.6**	**35.0**	**81.7**	**76.0**	**2.2**	**7.7**	**1.4**	**0.4**	**2.9**	**1.2**	**1.0**
SFP HOLDINGS CO LTD	3198	1,534	39.6	-0.4	-40.3	26.4	15.1	13.1	NA	22.7	22.0	28.3	3.2	NA	1.4	1.3	8.6	14.5	4.9
CREATE RESTAURANTS HOLDINGS	3387	937	199.4	2.1	5.2	26.5	29.0	9.6	NA	29.0	46.9	37.2	8.3	NA	2.3	0.6	12.6	30.9	5.3
SAINT MARC HOLDINGS CO LTD	3395	1,546	35.2	-0.3	8.5	-8.0	-13.7	3.7	4.8	NA	27.5	22.6	1.0	6.2	0.5	2.8	1.9	-3.7	-5.4
TORIDOLL HOLDINGS CORP	3397	2,210	193.8	1.3	13.8	29.2	21.5	6.2	6.0	22.3	39.8	31.2	3.7	9.8	1.8	0.4	1.4	-7.5	19.9
KOMEDA HOLDINGS CO LTD (TP 3,000 Buy)	**3543**	**2,245**	**103.6**	**1.1**	**15.5**	**26.3**	**13.6**	**13.5**	**13.8**	**22.1**	**19.3**	**17.6**	**2.8**	**15.2**	**3.9**	**2.4**	**2.1**	**7.5**	**8.7**
KUSHIKATSU TANAKA HOLDINGS C	3547	1,839	17.3	1.6	-11.4	-20.8	16.1	36.7	38.0	73.2	31.4	26.8	11.2	369.2	1.6	0.8	6.4	-5.8	-4.5
CHIKARANOMOTO HOLDINGS CO LT	3561	699	18.9	0.6	17.3	10.3	36.1	NA	NA	20.5	NA	NA	5.0	NA	NA	NA	13.7	20.7	6.2
FOOD & LIFE COMPANIES LTD	3563	2,700	313.4	2.2	21.4	14.1	17.7	16.1	19.9	28.6	29.2	20.6	4.8	11.6	1.6	0.8	-13.7	-22.4	-43.8
ATOM CORP	7412	776	150.2	0.0	-3.4	8.0	3.5	NA	NA	518.0	NA	NA	18.3	NA	NA	NA	1.8	-1.6	-0.1
KAPPA CREATE CO LTD	7421	1,410	69.7	-0.1	3.6	3.9	6.5	NA	NA	94.5	NA	NA	6.0	NA	NA	NA	0.0	-0.3	-4.9
WATAMI CO LTD	7522	921	39.3	1.0	5.8	-8.8	-23.6	NA	NA	NA	NA	NA	2.6	NA	NA	NA	0.5	-2.6	-7.4
ZENSHO HOLDINGS CO LTD	7550	3,115	482.4	1.8	10.7	4.7	14.7	9.5	9.5	34.2	46.2	36.5	4.6	14.8	0.9	0.7	4.4	10.7	13.9
KOURAKUEN HOLDINGS CORP	7554	1,291	21.7	1.3	-5.8	10.8	11.0	6.8	NA	51.9	74.6	74.6	5.4	NA	0.9	0.0	2.4	-5.8	-20.0
ANRAKUTEI CO LTD	7562	6,500	13.9	1.5	-11.5	-7.2	10.4	NA	NA	28.8	NA	NA	2.9	NA	NA	NA	1.1	0.6	21.3
SAIZERIYA CO LTD	7581	2,595	135.6	-0.2	17.8	6.9	8.7	8.5	6.9	17.2	17.4	22.3	1.4	8.4	0.7	0.7	10.4	-6.9	-1.7
HIDAY HIDAKA CORP	7611	2,048	78.1	-0.4	-10.7	-9.8	7.1	NA	NA	49.3	NA	NA	3.5	NA	NA	1.2	5.3	12.7	12.8
COLOWIDE CO LTD	7616	1,813	157.6	1.9	4.4	14.1	3.7	NA	NA	156.4	NA	NA	4.5	NA	NA	NA	1.7	2.1	-8.9
UKAI CO LTD	7621	3,110	17.4	1.5	4.8	-5.1	-28.3	NA	NA	NA	NA	NA	6.3	NA	NA	NA	2.5	3.7	0.0
GLOBAL-DINING INC	7625	320	3.3	0.1	60.0	9.7	30.8	NA	NA	4.0	NA	NA	1.0	NA	NA	NA	17.2	2.9	-41.5
ICHIBANYA CO LTD	7630	4,830	154.2	-0.5	1.8	10.3	9.7	NA	NA	52.8	40.0	37.6	5.1	NA	2.7	1.7	-2.0	1.3	0.2
ASAKUMA CO LTD	7678	1,528	8.2	-0.6	-17.8	-7.1	2.6	NA	NA	135.3	NA	NA	3.4	NA	NA	NA	-0.1	-3.5	-2.1
MOS FOOD SERVICES INC	8153	3,015	96.5	-0.3	9.0	10.2	7.3	5.1	NA	27.2	36.8	35.5	1.9	NA	0.9	0.9	0.5	-0.6	-1.7
KISOJI CO LTD	8160	2,101	60.0	-0.2	18.4	-7.7	0.9	NA	NA	83.6	NA	NA	2.1	NA	NA	NA	1.2	-0.7	-11.4
SRS HOLDINGS CO LTD	8163	846	34.3	0.0	-1.9	8.8	13.2	NA	NA	19.7	NA	NA	2.4	NA	NA	NA	2.2	1.7	2.3
ROYAL HOLDINGS CO LTD	8179	2,251	110.4	1.1	16.8	0.5	-5.0	1.3	5.4	NA	322.4	45.6	3.2	19.1	1.5	0.2	6.8	10.6	0.8
RINGER HUT CO LTD	8200	2,316	60.4	0.5	-0.4	-1.3	8.5	NA	NA	62.4	121.3	82.5	4.8	NA	1.7	0.4	4.0	1.3	-0.7
GIFT HOLDINGS INC	9279	2,089	20.8	0.0	25.7	11.0	37.8	31.8	NA	13.6	12.3	13.6	4.4	NA	1.2	1.2	-1.9	-15.3	-15.8
GENKI SUSHI CO LTD	9828	2,475	22.0	0.4	16.6	4.9	15.2	NA	NA	16.4	NA	NA	2.3	NA	NA	NA	-1.8	-4.4	-7.2
GOURMET KINEYA CO LTD	9850	996	22.8	1.2	5.0	11.8	6.0	NA	NA	44.5	NA	NA	2.6	NA	NA	NA	-3.5	-8.6	2.2
GINZA RENOIR CO LTD	9853	815	5.1	-0.2	9.2	-12.6	10.2	NA	NA	14.5	NA	NA	1.4	NA	NA	NA	0.1	-3.2	-1.8
YOSHINOYA HOLDINGS CO LTD	9861	2,432	158.4	0.2	-9.8	14.0	18.5	6.3	4.8	19.4	60.7	59.0	3.3	16.0	1.0	0.5	1.3	3.4	17.1
KFC HOLDINGS JAPAN LTD	9873	2,729	61.2	-0.8	8.8	7.3	18.1	NA	NA	13.4	19.8	20.1	2.3	NA	0.4	1.8	-3.3	-5.6	-1.8
MATSUYAFOODS HOLDINGS CO LTD	9887	3,810	72.6	0.2	0.1	-3.6	2.7	NA	NA	65.7	NA	NA	1.8	NA	NA	NA	1.2	4.4	7.3
SAGAMI HOLDINGS CORP	9900	1,127	34.2	-0.4	4.9	-3.9	9.0	NA	NA	28.1	NA	NA	2.3	NA	NA	NA	-1.1	-9.3	9.4
OHSHO FOOD SERVICE CORP (TP 7,200 Buy)	**9936**	**6,550**	**152.5**	**-0.4**	**5.2**	**11.2**	**15.7**	**9.1**	**7.7**	**14.0**	**21.4**	**20.8**	**2.1**	**14.5**	**1.5**	**1.8**	**5.6**	**5.6**	**15.9**
JOYFULL CO LTD	9942	814	26.0	4.9	-6.9	-6.4	63.6	NA	NA	9.9	NA	NA	4.8	NA	NA	NA	2.3	5.9	3.8
DAISYO CORP	9979	1,162	24.6	0.9	-10.9	12.3	-7.3	NA	NA	NA	NA	NA	2.2	NA	NA	NA	9.0	10.7	7.0
Average				0.5	5.8	4.8	13.8	10.3	10.7	49.7	57.8	34.1	4.9	34.1	1.3	0.9	2.9	1.1	-2.1
Median				0.1	5.2	6.9	10.0	8.8	9.5	28.1	36.0	28.3	3.2	12.1	1.2	0.8	1.7	-0.3	-0.7

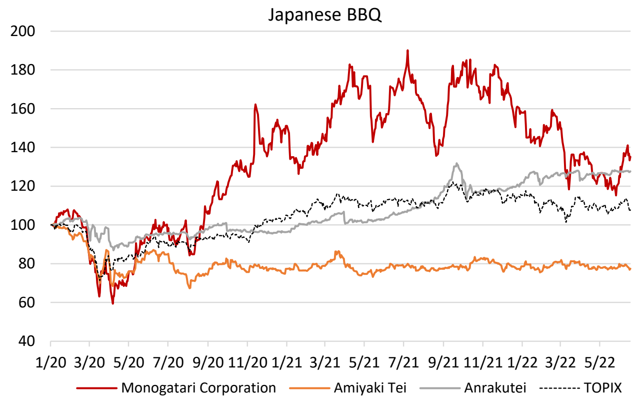
Source: Bloomberg Finance LP data, Mita Securities Note: Forecasts are based on Bloomberg consensus. Shading indicates stocks covered by Mita Securities

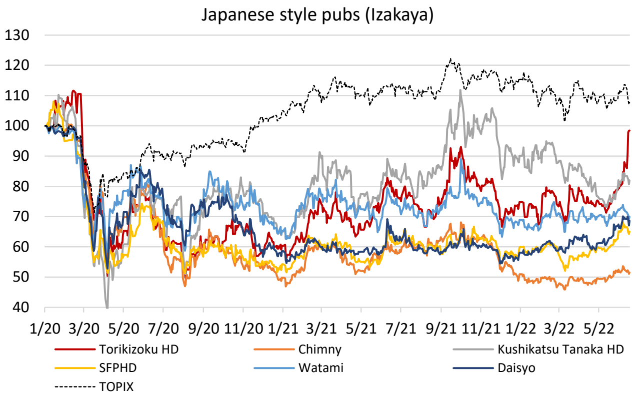
Stock price trends for food service companies

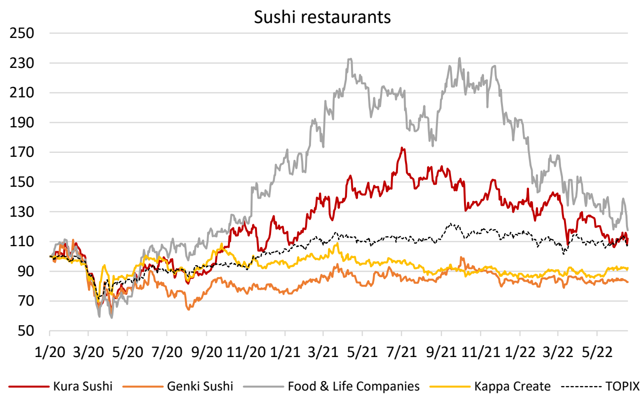
Figure: Stock price trends for food service companies

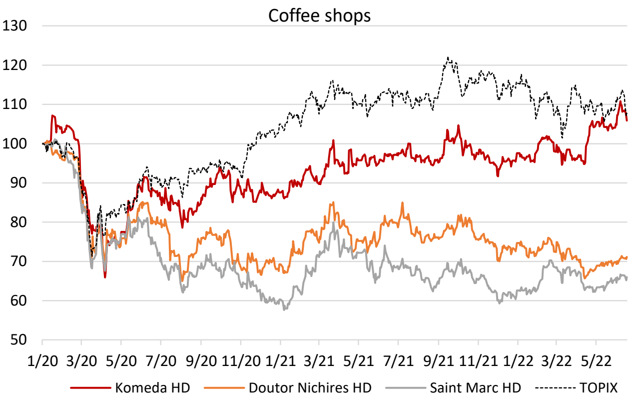












Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Mita Securities' earnings forecast

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

Various indicators Consolidated	6/19 A	6/20 A	6/21 A	6/22 Mita E	6/23 Mita E	6/24 Mita E	6/25 Mita E	6/26 Mita E	6/27 Mita E	5-yr ave growth (CAGR, %)
Sales growth (%)	13.0	-1.6	10.5	14.6	16.5	10.5	10.3	9.1	8.1	
Co-owned same-store sales growth (%)	2.0	-9.0	0.7	4.5	7.6	2.1	2.2	2.3	2.4	
Company-owned store count growth (%)	10.1	8.5	11.3	10.4	8.7	8.9	8.2	6.4	6.0	
OP growth (%)	17.2	-22.9	-15.8	18.3	68.2	14.8	16.4	13.5	7.6	
RP growth (%)	21.2	-35.4	40.8	46.3	-17.6	14.6	16.2	13.4	7.6	
NP growth (%)	23.1	-84.5	497.1	36.2	-8.8	15.5	17.1	14.1	7.9	
Gross profit margin (%)	65.5	65.6	65.8	64.9	64.5	64.8	64.9	65.0	65.0	
OP margin (%)	6.7	5.2	4.0	4.1	5.9	6.2	6.5	6.8	6.8	
EBITDA margin (%)	10.9	9.4	8.2	8.1	9.7	9.9	10.2	10.5	10.4	
ROA (%)	9.4	1.3	6.3	7.5	6.3	6.7	7.2	7.6	7.6	
ROE (%)	17.9	2.6	14.7	17.6	14.2	14.6	15.2	15.4	14.7	

Source: Company data, Mita Securities

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

PL Consolidated, JPYm	6/19 A	6/20 A	6/21 A	6/22 Mita E	6/23 Mita E	6/24 Mita E	6/25 Mita E	6/26 Mita E	6/27 Mita E	5-yr ave growth (CAGR, %)
Sales	58,924	57,961	64,019	73,384	85,504	94,478	104,201	113,687	122,914	10.9
COGS	20,311	19,961	21,907	25,778	30,354	33,256	36,575	39,790	43,020	
Gross profit	38,613	37,999	42,112	47,606	55,150	61,221	67,627	73,896	79,894	
SGA	34,680	34,966	39,557	44,583	50,063	55,384	60,832	66,181	71,592	
Operating profit	3,933	3,034	2,555	3,023	5,087	5,838	6,795	7,716	8,302	22.4
Non-operating income	853	97	1,805	3,270	107	107	107	107	107	
Non-operating expense	99	102	95	53	52	52	52	52	52	
Recurring profit	4,687	3,029	4,266	6,240	5,142	5,893	6,850	7,771	8,357	6.0
Extraordinary gains	0	0	36	0	0	0	0	0	0	
Extraordianry losses	466	1,852	629	610	300	300	300	300	300	
Pre-tax profit	4,220	1,177	3,673	5,630	4,842	5,593	6,550	7,471	8,057	7.4
Corporate taxes	1,279	724	945	1,914	1,452	1,678	1,965	2,241	2,417	
Minority interests	3	-3	0	0	0	0	0	0	0	
Net profit	2,938	457	2,727	3,716	3,389	3,915	4,585	5,229	5,640	8.7
EBITDA	6,397	5,460	5,238	5,940	8,324	9,383	10,660	11,912	12,827	16.6
Shares O/S	6.020	6.027	12.068	12.083	12.083	12.083	12.083	12.083	12.083	
Shares O/S (fully-diluted)	6.020	6.027	13.009	13.024	13.024	13.024	13.024	13.024	13.024	
EPS	488.16	75.79	226.00	307.54	280.48	324.00	379.46	432.79	466.78	
EPS (fully-diluted)	488.16	75.79	209.66	285.32	260.22	300.60	352.05	401.53	433.06	
BPS	2,922.79	2,888.26	1,625.38	1,871.01	2,086.50	2,340.50	2,639.96	2,982.75	3,349.53	
BPS (fully-diluted)	2,922.79	2,888.26	1,507.83	1,735.86	1,935.78	2,171.43	2,449.26	2,767.28	3,107.57	
DPS	90.0	95.0	60.0	65.0	70.0	80.0	90.0	100.0	110.0	
Payout ratio (%)	18.4	125.2	26.5	21.1	25.0	24.7	23.7	23.1	23.6	

Source: Company data, Mita Securities

Note: Per share indicators are not adjusted for stock splits, and therefore do not match the figures on pages 1 and 2

Figure: Mita Securities' earnings forecast (sales and store count by division, JPYm)

Sales and store count by division JPYm	6/19 A	6/20 A	6/21 A	6/22 Mita E	6/23 Mita E	6/24 Mita E	6/25 Mita E	6/26 Mita E	6/27 Mita E	5-yr ave growth (CAGR, %)
Yakiniku division										
Sales	29,378	29,462	32,813	38,471	41,096	44,932	48,934	52,862	56,703	8.1
(YoY, %)	10.6	0.3	11.4	17.2	6.8	9.3	8.9	8.0	7.3	
Company-owned store count (end-FY)	137	149	163	174	186	198	210	220	230	5.7
(YoY, %)	6.2	8.8	9.4	6.7	6.9	6.5	6.1	4.8	4.5	
Sales/Ave store count	221	206	213	228	228	234	240	246	252	
(YoY, %)	3.1	-6.7	3.5	7.1	0.0	2.5	2.5	2.5	2.5	
Ramen division										
Sales	7,606	8,433	9,210	10,974	13,721	15,650	17,633	19,525	21,319	14.2
(YoY, %)	24.7	10.9	9.2	19.2	25.0	14.1	12.7	10.7	9.2	
Company-owned store count (end-FY)	60	72	80	91	103	115	127	137	147	10.1
(YoY, %)	27.7	20.0	11.1	13.8	13.2	11.7	10.4	7.9	7.3	
Sales/Ave store count	142	128	127	128	141	144	146	148	150	
(YoY, %)	0.2	-10.1	-0.9	1.4	10.2	1.5	1.5	1.5	1.5	
Okonomiyaki division										
Sales	2,498	1,754	1,746	1,727	1,951	1,932	1,913	1,893	1,875	1.7
(YoY, %)	-8.1	-29.8	-0.5	-1.1	13.0	-1.0	-1.0	-1.0	-1.0	
Company-owned store count (end-FY)	18	16	17	17	17	17	17	17	17	0.0
(YoY, %)	-18.2	-11.1	6.3	0.0	0.0	0.0	0.0	0.0	0.0	
Sales/Ave store count	125	103	100	102	115	114	113	111	110	
(YoY, %)	-1.2	-17.4	-3.0	1.5	13.0	-1.0	-1.0	-1.0	-1.0	
Yuzuan division										
Sales	10,608	10,518	11,564	12,745	16,658	17,719	18,780	19,628	20,265	9.7
(YoY, %)	18.9	-0.8	9.9	10.2	30.7	6.4	6.0	4.5	3.2	
Company-owned store count (end-FY)	55	62	70	76	81	86	91	94	97	5.0
(YoY, %)	17.0	12.7	12.9	8.6	6.6	6.2	5.8	3.3	3.2	
Sales/Ave store count	208	180	176	175	212	212	212	212	212	
(YoY, %)	-2.1	-13.6	-2.2	-0.7	21.5	0.0	0.0	0.0	0.0	
Specialty store division										
Sales	1,728	1,503	1,398	2,065	2,722	3,318	4,169	5,019	5,870	23.2
(YoY, %)	12.9	-13.0	-7.0	47.7	31.8	21.9	25.6	20.4	16.9	
Company-owned store count (end-FY)	7	9	10	15	17	22	27	32	37	19.8
(YoY, %)	0.0	28.6	11.1	50.0	13.3	29.4	22.7	18.5	15.6	
Sales/Ave store count	247	188	145	165	170	170	170	170	170	
(YoY, %)	4.9	-23.9	-22.7	13.8	3.0	0.0	0.0	0.0	0.0	
Other (overseas)										
Sales	3,056	2,092	2,776	2,463	4,100	5,280	6,720	8,320	10,080	32.6
(YoY, %)	18.4	-31.5	32.7	-11.3	66.5	28.8	27.3	23.8	21.2	
Company-owned store count (end-FY)	17	11	15	19	22	26	30	34	38	14.9
(YoY, %)	13.3	-35.3	36.4	26.7	15.8	18.2	15.4	13.3	11.8	
Sales/Ave store count	191	149	214	145	200	220	240	260	280	
(YoY, %)	-7.5	-21.8	42.9	-32.2	38.1	10.0	9.1	8.3	7.7	
Franchise division										
Sales	4,047	4,196	4,512	4,939	5,255	5,647	6,053	6,439	6,802	6.6
(YoY, %)	9.2	3.7	7.5	9.5	6.4	7.5	7.2	6.4	5.6	
Franchised store count (end-FY)	221	221	229	236	249	262	275	285	295	4.6
(YoY, %)	8.9	0.0	3.6	3.1	5.5	5.2	5.0	3.6	3.5	
Sales/Ave store count	19	19	20	21	22	22	23	23	23	
(YoY, %)	1.8	-0.5	5.6	5.9	2.0	2.0	2.0	2.0	2.0	
Total store count	515	540	584	628	675	726	777	819	861	6.5
Company-owned domestic store count	277	308	340	373	404	438	472	500	528	7.2
Franchised domestic store count	221	221	229	236	249	262	275	285	295	4.6
Overseas store count	17	11	15	19	22	26	30	34	38	14.9

Source: Company data, Mita Securities

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

BS Consolidated, JPYm	6/19 A	6/20 A	6/21 A	6/22 Mita E	6/23 Mita E	6/24 Mita E	6/25 Mita E	6/26 Mita E	6/27 Mita E	5-yr ave growth (CAGR, %)
Assets										
Total current assets	8,931	13,065	18,105	16,243	16,524	16,028	16,635	19,588	23,240	
Cash and deposits	6,260	9,888	14,215	12,002	12,382	11,552	12,232	14,464	17,800	
Accounts receivable	1,131	1,436	1,674	2,347	2,338	2,838	2,871	3,358	3,377	
Inventories	394	427	464	584	637	713	776	848	908	
Other	1,146	1,313	1,752	1,310	1,166	925	756	917	1,155	
Total fixed assets	23,805	25,357	29,647	35,219	39,632	44,626	49,236	51,978	54,320	
Tangible assets	18,878	20,026	24,059	28,542	32,104	36,159	39,894	42,098	43,973	
Intangible assets	296	316	340	450	524	579	639	697	754	
Investment and other	4,631	5,016	5,249	6,227	7,004	7,888	8,703	9,184	9,593	
Total assets	32,736	38,422	47,753	51,462	56,156	60,654	65,871	71,566	77,560	8.6
Liabilities										
Total current liabilities	8,118	13,829	15,945	17,244	19,027	20,157	21,450	22,703	23,962	
Accounts payable	2,056	2,130	1,847	2,173	2,559	2,803	3,083	3,354	3,627	
Short-term debt	1,287	7,517	7,409	7,200	7,200	7,200	7,200	7,200	7,200	
Other	4,775	4,183	6,689	7,871	9,268	10,154	11,167	12,149	13,135	
Total lon-term liabilities	6,936	7,100	11,846	11,301	11,608	11,906	12,212	12,512	12,816	
Long-term debt	4,871	5,001	9,628	8,800	8,800	8,800	8,800	8,800	8,800	
Other	2,065	2,099	2,219	2,501	2,808	3,106	3,412	3,712	4,016	
Total liabilities	15,054	20,929	27,791	28,544	30,635	32,064	33,662	35,215	36,777	5.2
Net assets										
Shareholders' equity	17,594	17,407	19,616	22,608	25,211	28,280	31,899	36,041	40,472	12.4
Warrants	74	87	346	310	310	310	310	310	310	
Minorities	14	0	0	0	0	0	0	0	0	
Total net assets	17,682	17,493	19,962	22,918	25,521	28,590	32,209	36,351	40,782	12.2
Debt	6,158	12,517	17,037	16,000	16,000	16,000	16,000	16,000	16,000	0.0
Debt/EBITDA (x)	1.0	2.3	3.3	2.7	1.9	1.7	1.5	1.3	1.2	
D/E (x)	0.4	0.7	0.9	0.7	0.6	0.6	0.5	0.4	0.4	
Shareholders' equity ratio (%)	53.7	45.3	41.1	43.9	44.9	46.6	48.4	50.4	52.2	

Source: Company data, Mita Securities

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

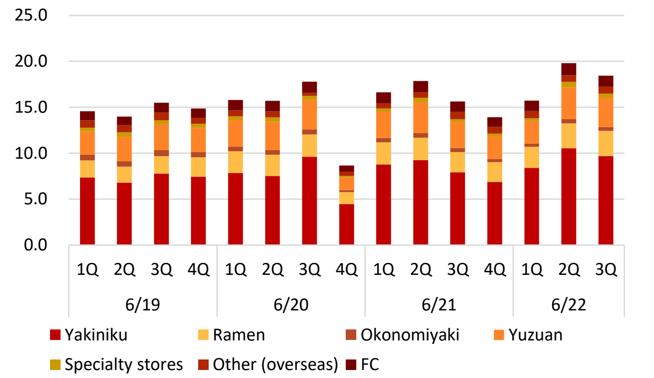
CF Consolidated, JPYm	6/19 A	6/20 A	6/21 A	6/22 Mita E	6/23 Mita E	6/24 Mita E	6/25 Mita E	6/26 Mita E	6/27 Mita E	5-yr ave growth (CAGR, %)
Cashflow from operations	5,804	2,827	5,789	7,348	8,366	8,015	9,646	10,120	11,344	
Net profit	2,938	457	2,727	3,716	3,389	3,915	4,585	5,229	5,640	
Depreciation and amortization	2,464	2,426	2,682	2,917	3,238	3,545	3,864	4,197	4,524	
Other	401	-56	379	715	1,739	555	1,197	694	1,180	
Cashflow from investing	-4,754	-4,871	-5,777	-7,800	-7,200	-8,000	-8,000	-6,800	-6,800	
Capital expenditure	-4,525	-4,511	-5,575	-7,400	-6,800	-7,600	-7,600	-6,400	-6,400	
Disposal of fixed assets	0	0	0	0	0	0	0	0	0	
Other	-229	-360	-201	-400	-400	-400	-400	-400	-400	
Cashflow from financing	-206	5,688	4,226	-1,761	-785	-846	-967	-1,087	-1,208	
Debt issuance/repayment	313	6,359	4,778	-1,037	0	0	0	0	0	
Share issuance/buyback	4	5	2	0	0	0	0	0	0	
Dividend paid	-513	-603	-542	-724	-785	-846	-967	-1,087	-1,208	
Other	-11	-74	-12	0	0	0	0	0	0	
Cash and cash equivalents	6,260	9,888	14,215	12,002	12,382	11,552	12,232	14,464	17,800	
Free cashflow	1,050	-2,044	13	-452	1,166	15	1,646	3,320	4,544	

Source: Company data, Mita Securities

Monthly and quarterly earnings

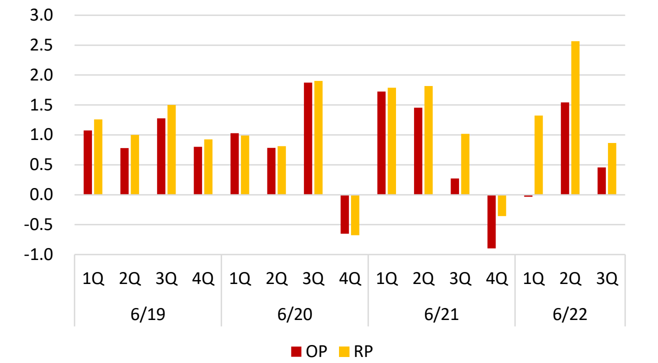
Quarterly data for Monogatari Corporation

Figure: Sales by division (JPYbn)



Source: Company data, Mita Securities

Figure: OP and RP(JPYbn)



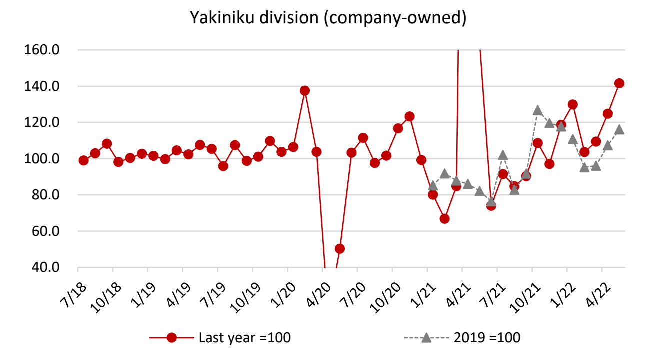
Source: Company data, Mita Securities

Monthly same-store sales data for Monogatari Corporation

Figure: Total (company-owned stores)

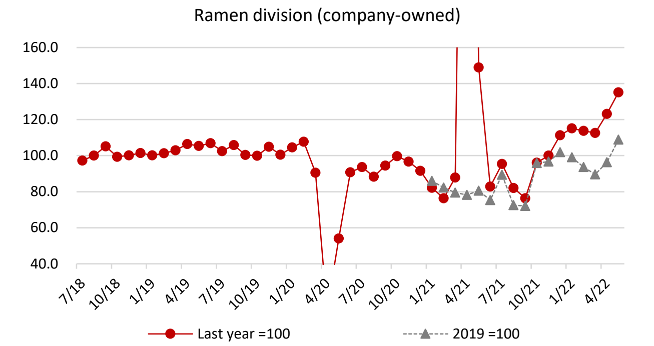
Source: Company data, Mita Securities

Figure: Yakiniku division (company-owned stores)



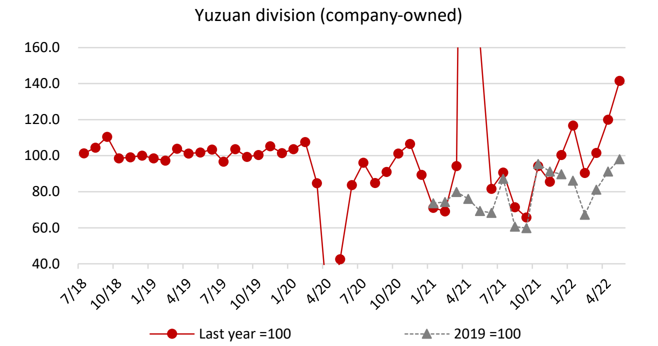
Source: Company data, Mita Securities

Figure: Ramen division (company-owned stores)



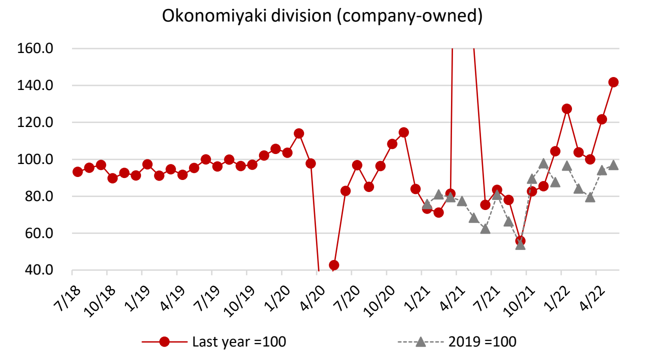
Source: Company data, Mita Securities

Figure: Yuzuan division (company-owned stores)



Source: Company data, Mita Securities

Figure: Okonomiyaki division (company-owned stores)



Source: Company data, Mita Securities

Food service industry data

Monthly data for food service companies

Figure: Monthly same-store sales data for food service companies

Companies coverd 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	5/22
2695	Kura Sushi	vs. prev yr	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	113.6
		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	102.4
3097	Monogatari Corporation	vs. prev yr	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	108.1	123.9	141.7
		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	91.3	102.7	110.5
	Yakiniku division	vs. prev yr	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	124.8	141.6
		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	96.1	107.3	116.2
	Ramen division	vs. prev yr	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	112.6	123.2	135.1
		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	89.6	96.4	108.8
	Yuzuan division	vs. prev yr	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	101.6	120.0	141.5
		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	91.2	98.1
3193	Torikizoku HD	vs. prev yr	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	208.7	1,648.4
		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	77.2	83.2
3197	Skylark HD	vs. prev yr	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	122.0
		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	77.4	81.7
3543	Komeda HD	vs. prev yr	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	109.0
		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	103.6	104.3
9936	Ohsho Food Service	vs. prev yr	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	106.0	117.6
		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	100.6	107.6

Companies not coverd 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	5/22
2702	McDonald's HD Japan	vs. prev yr	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	105.1
		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	128.0
3053	Pepper Food Service	vs. prev yr	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	102.1	113.1
	(Ikinari! Steak)	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	55.3	87.9
3085	Arcland Service HD	vs. prev yr	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	111.3
	(Katsuya)	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	114.0
3087	Doutor Nichires HD	vs. prev yr	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	108.2	119.5
	(Doutor Coffee Shop)	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	79.5	83.9
3397	Toridoll HD	vs. prev yr	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	119.7	137.7
		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	110.6	128.5
	Marugame Seimen	vs. prev yr	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	105.6	114.5
		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	97.7	107.7
3563	Food & Life Companies	vs. prev yr	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	107.8
	(Sushiro)	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	104.2	98.8
7550	Zensho HD	vs. prev yr	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	106.3
	(Sukiya)	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	114.0
7581	Saizeriya	vs. prev yr	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	138.8
		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	92.7
7611	Hiday Hidaka	vs. prev yr	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	171.8
		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	81.9
7630	Ichibanya	vs. prev yr	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	99.0	103.9
		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	87.0	90.9
8153	Mos Food Services	vs. prev yr	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	107.4	94.0
		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	125.4	127.1
8179	Royal HD																											
	Royal Host	vs. prev yr	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	119.5	131.3
		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	96.4	105.9
	Tendon Tenya	vs. prev yr	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	110.2
		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	103.5
8200	Ringer Hut	vs. prev yr	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	123.9
		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	86.6
9861	Yoshinoya HD	vs. prev yr	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	109.8
	(Yoshinoya)	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	96.3	101.2
9887	Matsuya Foods HD	vs. prev yr	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	101.8	105.6	107.6
	(Matsuya)	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	89.5	93.9

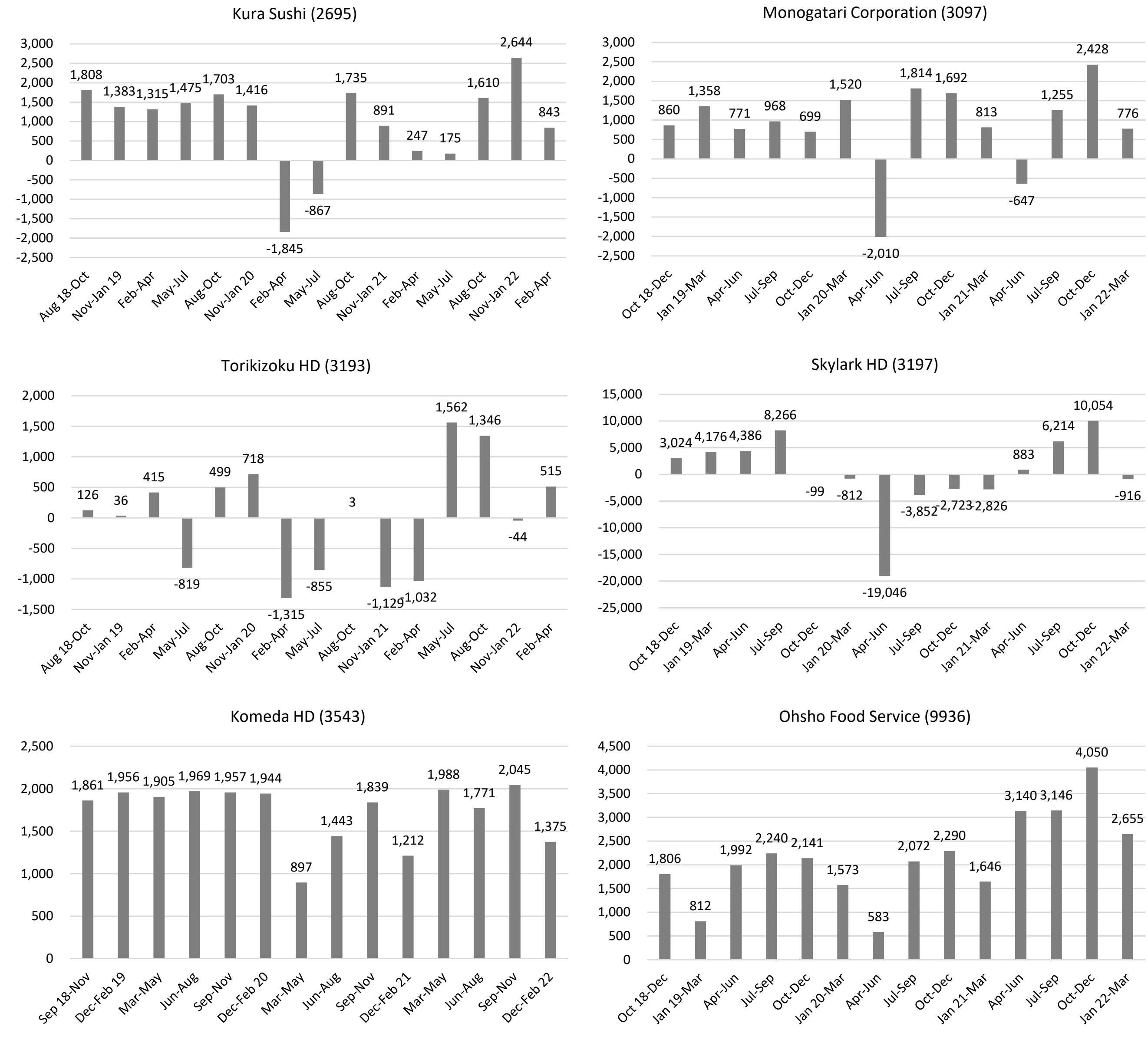
Average for the above companies

		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	5/22
Simple average for	vs. prev yr	58.6	68.8	83.2	87.5	85.6	88.4	97.4	94.9	87.8	80.7	80.9	96.6	205.0	124.2	95.8	100.5	89.7	88.1	97.3	100.7	110.2	117.2	102.6	107.3	115.0	188.4
21 companies	vs. pre-COVID										82.7	85.8	83.4	84.9	84.2	80.5	88.8	78.4	78.8	95.0	95.1	95.8	93.9	87.9	89.2	95.1	101.3

Source: Companies' data, Mita Securities Note: "vs. pre-COVID" is indexed to the same month in 2019 as 100

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

Figure: Quarterly pre-tax profit for food service companies (JPYm)



Source: Companies' data, Mita Securities

APPENDIX

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