



Torikizoku Holdings

TSE Prime 3193 Industry: Food service, retail

May SSS recovered to 83% of pre-pandemic levels; No adverse impact seen after price hikes

May SSS 1648.4% vs. 2021, 83.2% vs. 2019 (pre-pandemic)

On June 7, Torikizoku Holdings (3193, the company) disclosed monthly data for May. Same-store sales were 1648.4% vs. May 2021 (208.7% for April), 684.1% vs. May 2020 (1979.9% for April), and 83.2% vs. May 2019 (77.2% for April). Note that both May 2021 and May 2020 were significantly affected by the emergency measures. The number of holidays (weekends and holidays) was one day less than in May 2021 and May 2020, and two more than in May 2019. Compared to May 2021, the guest count was 1591.9% (205.3% for April), and the average check was 103.5% (101.7% for April). Compared to May 2019, the guest count was 73.6% (74.6% for April), and the average check was 112.2% (103.5% for April).

The company's stores are mainly located in metropolitan areas and its customer base is relatively young. The recovery of foot traffic appears to have had a positive effect on May sales.

Effective April 28, all Torikizoku stores revised their menu prices from 327 yen (298 yen without tax) to 350 yen (319 yen without tax) for all items. Although the price hikes have increased the average check, it seems that they have had a limited impact on the guest count so far.

Store count

The number of stores at the end of May was 617 (+1 MoM). The number of company-owned stores was 386 (+1 MoM). On May 2, the company opened Torikizoku Gakuen Toshi Store (company-owned store) in Nishi-ku, Kobe City.

Please refer to the report dated November 1, 2021 for the rationale of the rating and target price.

MITA SECURITIES Co., Ltd.
Junichi Shimizu
Chief Analyst, Head of Research

jshimizu@mitasec.com

Update

Rating
Hold

Target price (JPY)	2,100
Stock price (JPY) (Jun 7)	1,980
Market cap (JPYbn)	23.0

Key changes

Rating	No
Target price	No
Earnings forecast	No

Stock price (JPY)



Source: Bloomberg Finance LP

Earnings

		7/20	7/21	7/22E	7/23E	7/24E
Sales	JPYbn	27.5	15.6	17.7	28.4	33.8
OP	JPYbn	1.0	-4.7	-3.5	0.6	1.3
RP	JPYbn	1.0	-0.3	-0.6	0.6	1.3
NP	JPYbn	-0.8	-0.5	-0.5	0.6	1.2
EPS	JPY	-65.9	-40.3	-46.6	49.0	103.9
BPS	JPY	489.1	450.6	404.0	453.0	552.8
DPS	JPY	4.0	0.0	0.0	4.0	8.0
PER	x	NA	NA	NA	40.4	19.1
PBR	x	2.5	3.8	4.9	4.4	3.6
Div. yield	%	0.3	0.0	0.0	0.2	0.4
ROA	%	-4.1	-2.5	-3.3	3.2	6.0
ROE	%	-12.5	-8.6	-10.9	11.4	20.7

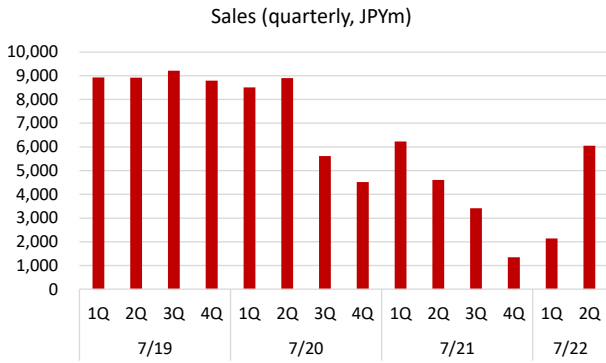
Source: Company data, Mita Securities

Company profile

Torikizoku HD is a restaurant company based in Osaka Prefecture that operates one of Japan's largest izakaya (Japanese style pub) chains "Yakitori-ya Torikizoku." Torikizoku had 615 stores (383 directly-owned stores and 232 franchise stores) as of the end of FY7/21. Sales in FY7/21 were 15.6bn yen, and the peak of sales before the COVID-19 pandemic was 35.8bn yen in FY7/19.

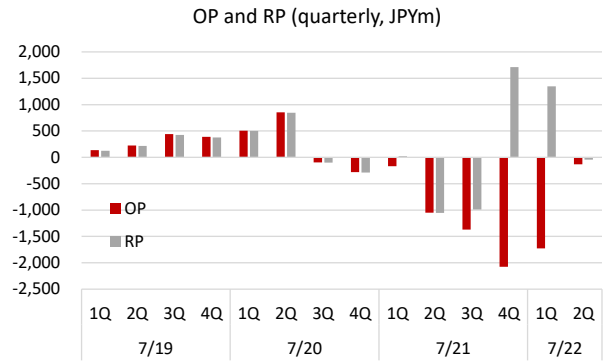
Quarterly results for Torikizoku Holdings

Figure: Sales (JPYm)



Source: Company data, Mita Securities

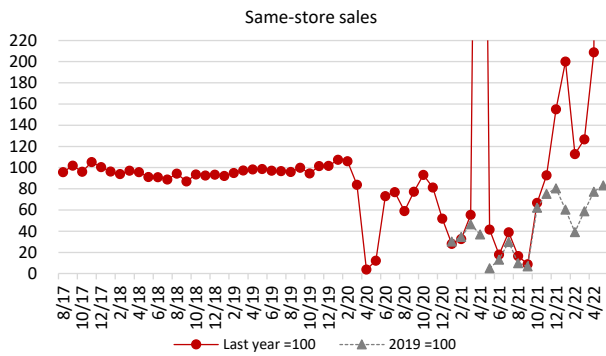
Figure: Operating profit and recurring profit (JPYm)



Source: Company data, Mita Securities

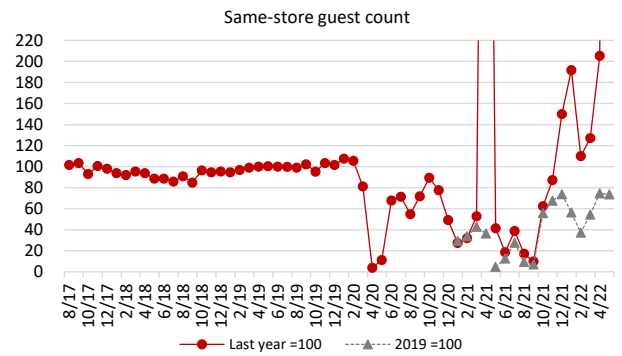
Monthly data for Torikizoku Holdings

Figure: Same-store sales (%)



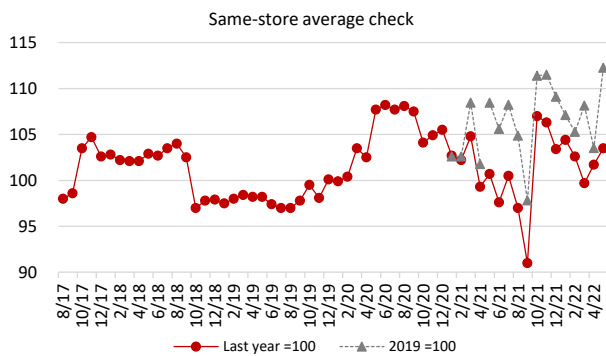
Source: Company data, Mita Securities

Figure: Same-store guest count (%)



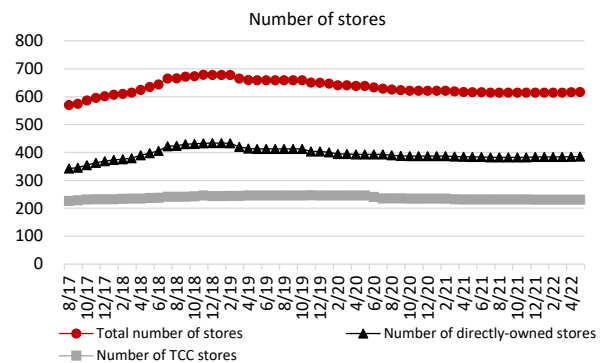
Source: Company data, Mita Securities

Figure: Same-store average check (%)



Source: Company data, Mita Securities

Figure: Number of stores



Source: Company data, Mita Securities

Monthly data for food service companies

Figure: Monthly data for food service companies

Companies covered by Mita Securities

Table with columns: Ticker, Company name, and monthly data from 4/20 to 5/22 for companies like Kura Sushi, Monogatari Corporation, Torikizoku HD, etc.

Companies not covered by Mita Securities

Table with columns: Ticker, Company name, and monthly data from 4/20 to 5/22 for companies like McDonald's HD Japan, Pepper Food Service, Arcland Service HD, etc.

Average for the above companies

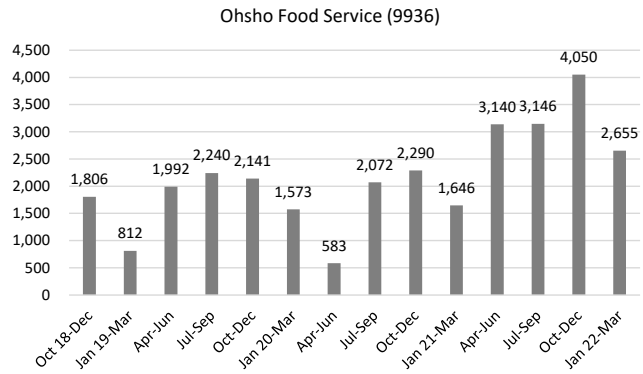
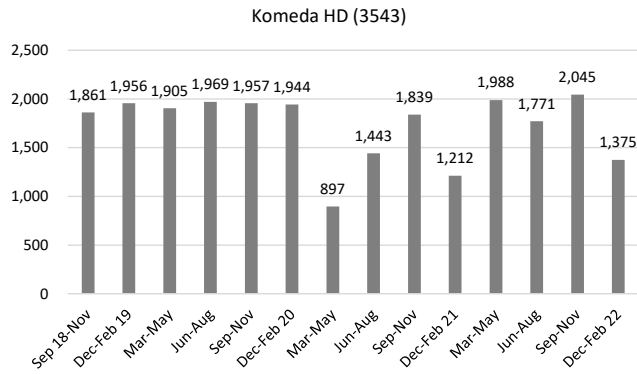
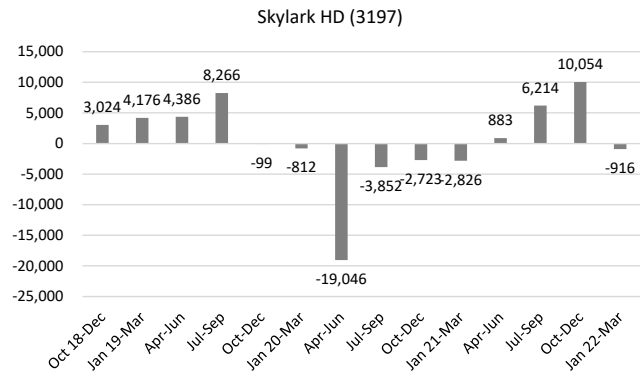
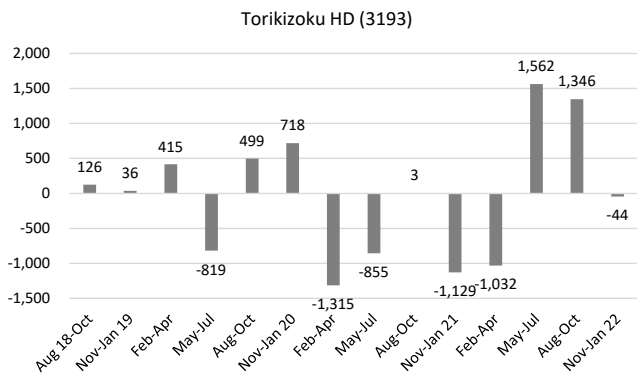
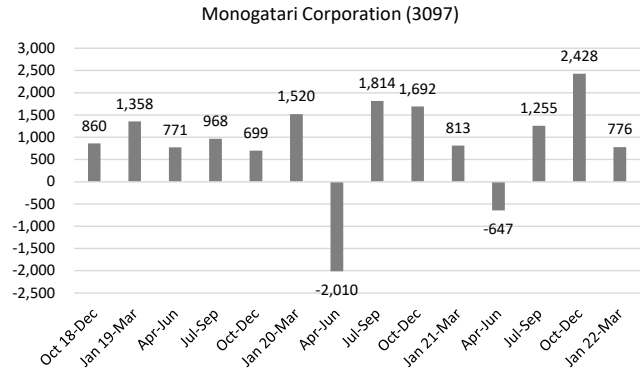
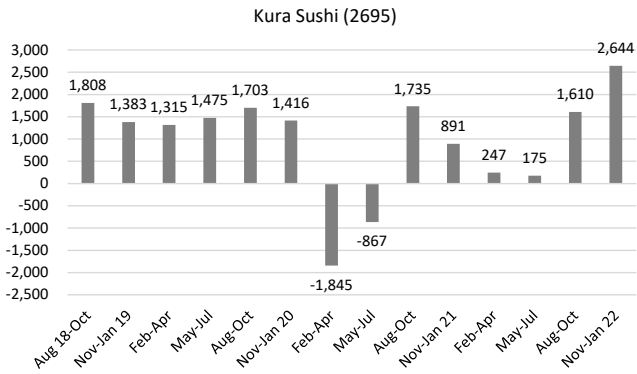
Summary table showing average values for 21 companies across the same time period.

Source: Companies' data, Mita Securities

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

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

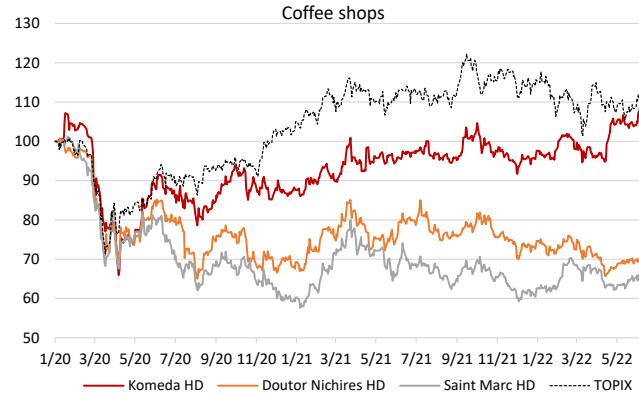
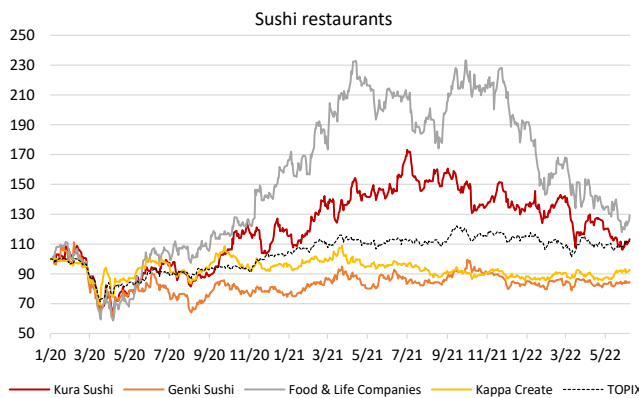
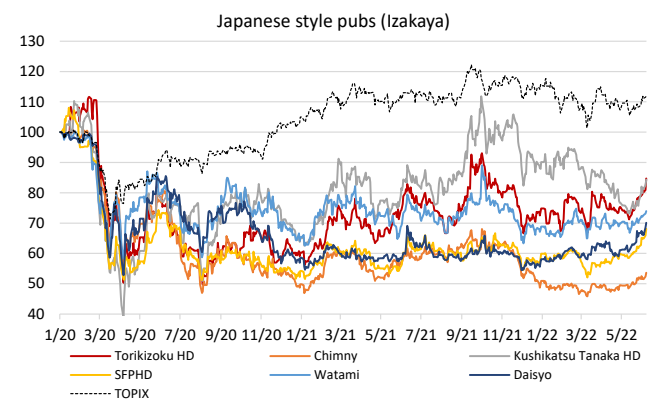
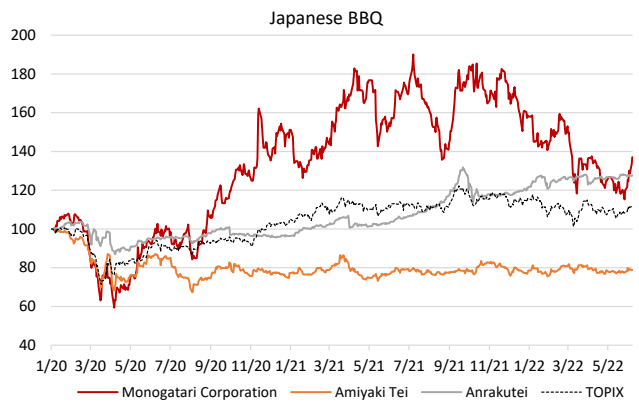
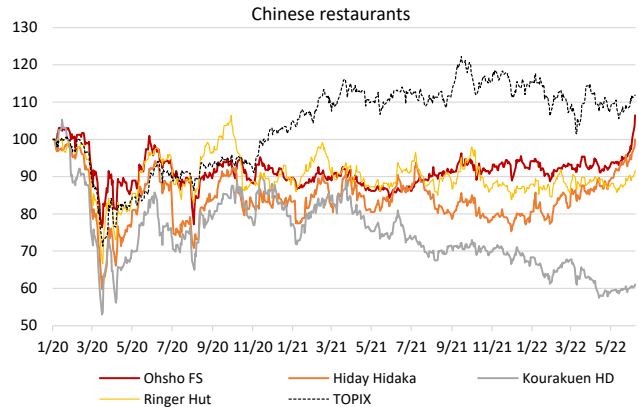
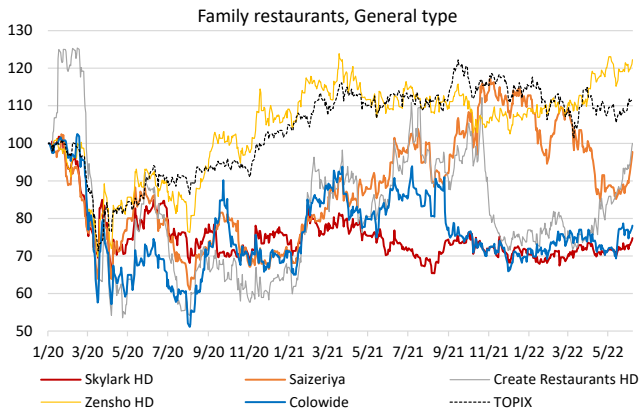
Figure: Quarterly pre-tax profit for food service companies (JPYm)



Source: Companies' data, Mita Securities

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

APPENDIX

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