



Komeda Holdings

TSE Prime 3543 Industry: Food service, wholesale, retail

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Solid wholesale sales in May; Accelerating overseas expansion; Industry update

Komeda's May same-store wholesale sales 109.0% vs. 2021, 104.3% vs. 2019

On June 10, Komeda Holdings (3543) disclosed monthly data for May. Wholesale sales to franchisees (same-store basis) in May were 109.0% vs. May 2021 (103.7% for April), 146.1% vs. May 2020 (195.1% for April), and 104.3% vs. May 2019 (103.6% for April). 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. Our impression is positive.

The number of stores at the end of May was 966 (flat MoM). Komeda opened one new store in Japan.

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

On May 30, the company announced the signing of an area franchise agreement in Hong Kong, and on June 8, it announced the establishment of a subsidiary in Indonesia. We expect the company to accelerate its overseas expansion going forward.

Stock price trends for food service companies: Mostly strong

The average one month return on the stock prices of the 53 food service companies listed on page 5 was +6.2% (based on the closing price on June 9). TOPIX was up +5.7% during the same period.

Among restaurant operators, those that gained significantly in share price were Torikizoku Holdings (3193) +21.0%, Create Restaurants Holdings (3387) +16.9%, Monogatari Corporation (3097) +13.0%, Saizeriya (7581) +13.0%, Ohsho Food Service (9936) +11.3%, etc.

On the other hand, share prices fell for Kura Sushi (2695) -3.2%, KFC Holdings Japan (9873) -3.2%, McDonald's Holdings Japan (2702) -1.8%, etc.

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

Update

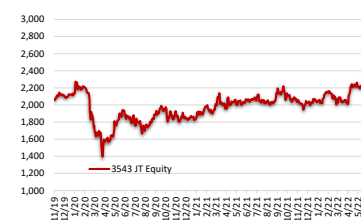
Rating
Buy

Target price (JPY)	3,000
Stock price (JPY) (Jun 10)	2,300
Market cap (JPYbn)	106.2

Key changes

Rating	No
Target price	No
Earnings forecast	No

Stock price (JPY)



Source: Bloomberg Finance LP

Earnings

IFRS		2/20	2/21	2/22	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	21.4	20.1	18.7
PBR	x	2.5	2.5	2.8	2.6	2.4
Div. yield	%	2.8	2.1	2.2	2.3	2.4
ROA	%	6.5	3.5	4.8	5.3	5.6
ROE	%	17.2	10.6	13.6	13.4	13.4

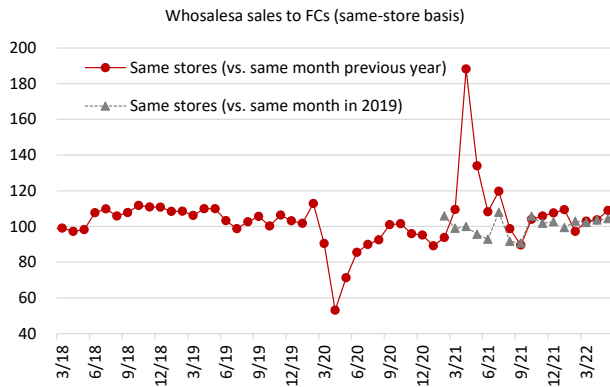
Source: Company data, Mita Securities

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.

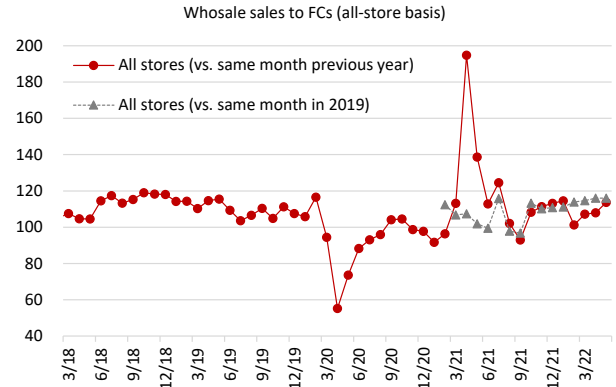
Komeda Holdings monthly and quarterly earnings

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



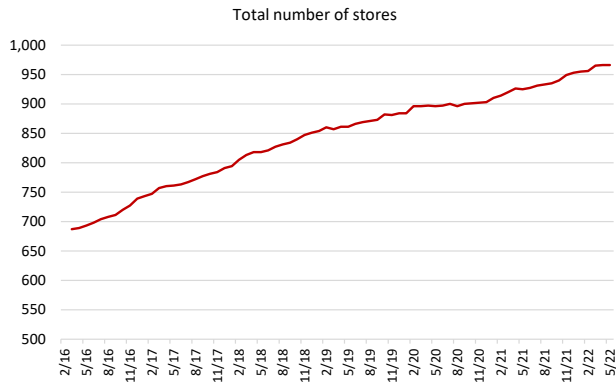
Source: Company data, Mita Securities

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



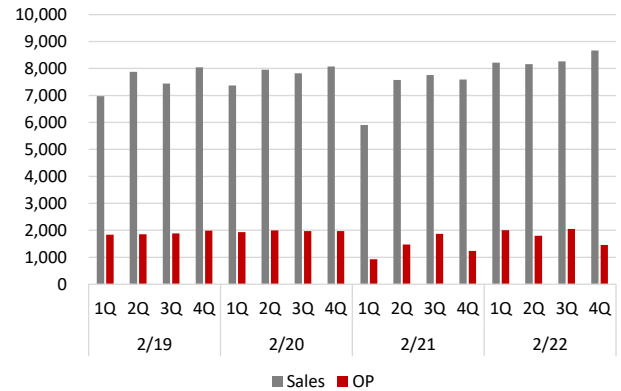
Source: Company data, Mita Securities

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

Companies covered by Mita Securities

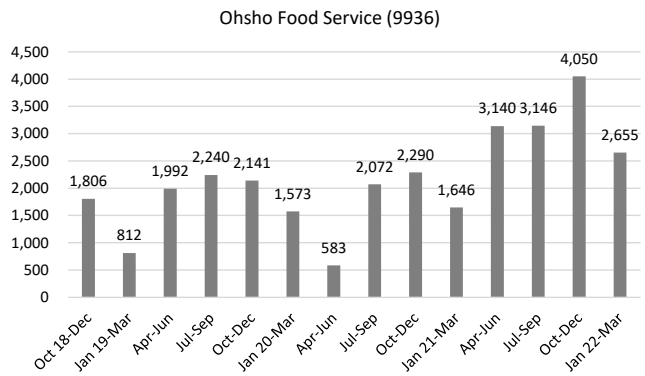
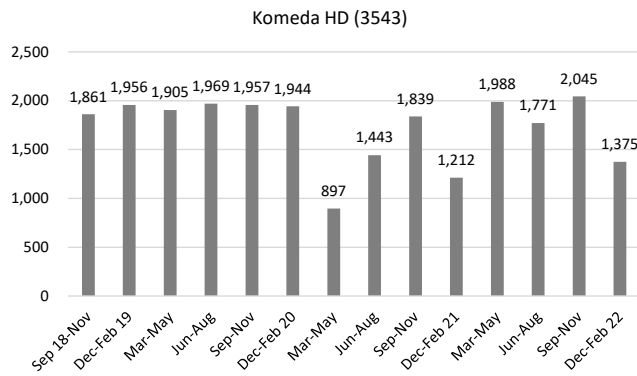
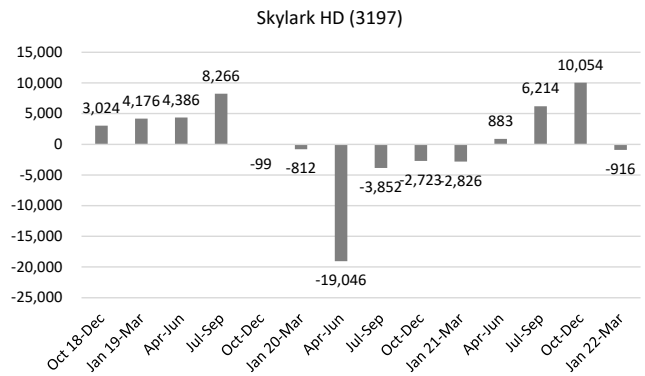
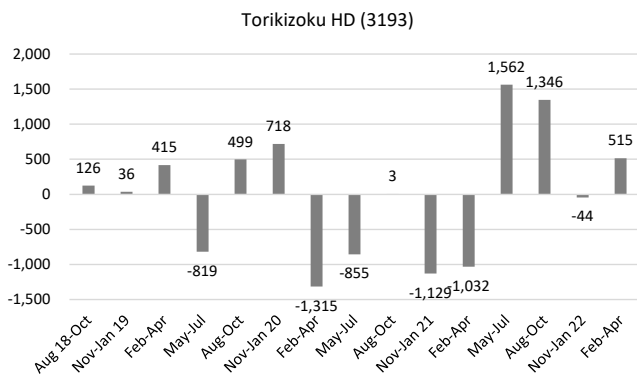
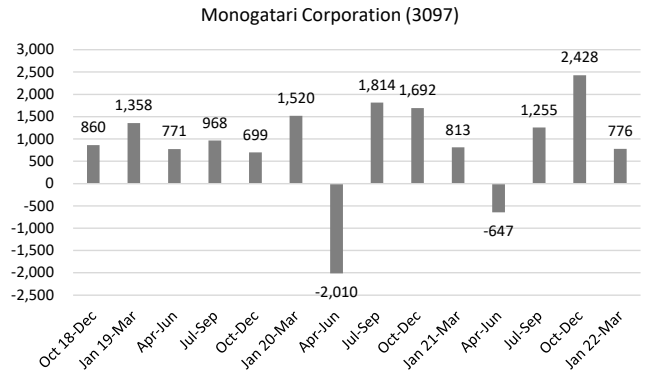
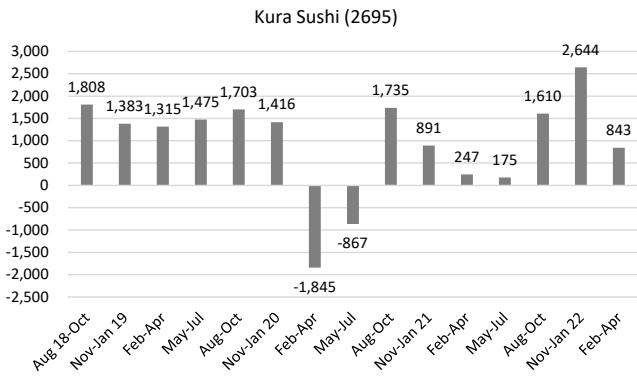
Ticker	Company name	4/20	5/20	6/20	7/20	8/20	9/20	10/20	11/20	12/20	1/21	2/21	3/21	4/21	5/21	6/21	7/21	8/21	9/21	10/21	11/21	12/21	1/22	2/22	3/22	4/22	5/22		
2695	Kura Sushi	vs. prev yr	51.9	80.0	97.4	92.3	94.6	107.9	126.1	134.4	94.6	84.5	86.2	115.4	174.2	112.7	93.5	113.1	94.8	74.8	80.1	82.2	117.6	123.5	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	108.2	119.7	98.7	89.6	104.0	108.2	106.6	99.3	102.9	102.2	103.6	104.3		
		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 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	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 (Ikinari Steak)	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	
		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	
3085	Ardand Service HD (Katsuya)	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
		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 (Doutor Coffee Shop)	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	
		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	
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
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	90.7	107.7		
3563	Food & Life Companies (Sushiro)	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
		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 (Sukiya)	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
		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	Salzeriya	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	80.4	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										

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

Comparison of valuations with similar companies (reference)

Figure: Comparison of valuations for food service companies

Company name	Ticker	PX 9-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	2,990	123.8	0.1	11.9	2.4	7.2	8.1	10.0	34.5	30.0	22.6	2.3	11.9	0.7	0.7	-3.2	-10.9	-23.3
MCDONALD'S HOLDINGS CO JAPAN	2702	5,040	670.1	-0.3	11.7	13.9	13.1	11.0	10.6	27.6	29.4	27.6	3.5	12.1	1.8	0.8	-1.8	2.9	1.2
OTOYA HOLDINGS CO LTD	2705	2,907	21.1	-0.6	16.7	9.2	207.2	NA	NA	11.7	NA	NA	62.1	NA	NA	NA	2.2	0.1	1.4
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	4.5	5.8	-0.6
AMIYAKI TEI CO LTD	2753	2,967	20.3	-0.2	-2.6	-13.9	3.1	2.7	NA	32.4	36.9	20.5	1.0	NA	0.4	1.0	2.1	0.4	-0.4
HIRAMATSU INC	2764	207	15.5	1.7	47.2	-17.8	-57.6	NA	NA	NA	NA	NA	2.7	NA	NA	NA	10.7	5.1	-8.8
PEPPER FOOD SERVICE CO LTD	3053	418	16.5	-0.1	NA	-9.2	31.1	NA	NA	22.4	NA	NA	5.1	NA	NA	NA	12.1	19.8	-8.1
CHOSHIMARU CO LTD	3075	1,110	16.1	-0.8	0.7	9.9	13.8	NA	NA	15.0	NA	NA	2.0	NA	NA	0.5	-3.7	0.2	-3.1
ARCLAND SERVICE HOLDINGS CO	3085	2,121	70.2	-0.7	9.8	7.8	9.7	13.2	12.6	30.9	20.1	19.7	2.9	9.5	1.2	1.4	3.3	-3.2	-8.3
DOUTOR NICHIRETS HOLDINGS CO	3087	1,535	70.0	-0.3	13.8	6.7	1.3	0.9	2.1	55.6	58.5	31.6	0.7	5.8	0.3	1.7	1.9	-1.7	-11.5
BRONCO BILLY CO LTD	3091	2,463	37.1	-0.3	6.5	15.3	6.0	NA	NA	35.5	NA	NA	2.1	NA	NA	0.7	7.9	12.2	-3.0
MONOGATARI CORP (TP 9,100 Buy)	3097	5,830	70.6	0.1	15.5	11.6	12.8	15.8	16.4	26.2	19.8	20.2	3.2	12.5	1.0	1.2	13.0	6.6	-20.0
CHIMNEY CO LTD	3178	1,225	23.7	0.4	-23.6	5.6	21.4	NA	NA	19.3	NA	NA	3.6	NA	NA	NA	7.9	11.6	-12.6
TORIKIZOKU HOLDINGS CO LTD (TP 2,100 Hold)	3193	2,088	24.3	0.6	NA	NA	NA	1.4	11.4	NA	172.6	37.9	4.0	NA	1.2	0.0	21.0	24.5	6.6
HOTLAND CO LTD	3196	1,346	29.0	0.3	6.7	6.4	23.8	14.8	NA	14.7	21.3	22.2	3.1	NA	1.0	0.4	-1.0	4.7	-5.2
SKYLARK HOLDINGS CO LTD (TP 1,600 Hold)	3197	1,609	366.1	1.1	0.1	23.6	7.4	2.6	2.6	35.5	82.9	77.1	2.2	7.7	1.5	0.4	5.6	5.0	1.0
SFP HOLDINGS CO LTD	3198	1,565	40.4	-0.4	-40.3	26.4	15.1	13.1	NA	23.1	22.4	28.8	3.2	NA	1.4	1.3	13.5	23.2	1.6
CREATE RESTAURANTS HOLDINGS	3387	941	200.3	2.1	5.2	26.5	29.0	9.6	NA	29.2	47.1	37.3	8.3	NA	2.3	0.6	16.9	35.2	0.7
SAINT MARC HOLDINGS CO LTD	3395	1,558	35.5	-0.3	8.5	-8.0	-13.7	3.7	4.8	NA	27.7	22.8	1.0	6.3	0.5	2.8	4.4	-2.2	-8.4
TORIDOLL HOLDINGS CORP	3397	2,309	202.4	1.3	13.8	29.2	21.5	6.2	6.0	23.3	41.6	32.6	3.9	10.1	1.8	0.3	3.1	2.4	23.4
KOMEDA HOLDINGS CO LTD (TP 3,000 Buy)	3543	2,293	105.9	1.1	15.5	26.3	13.6	13.5	13.8	22.6	19.7	18.0	2.8	15.5	4.0	2.4	2.3	11.0	11.1
KUSHIKATSU TANAKA HOLDINGS C	3547	1,868	17.6	1.6	-11.4	-20.8	16.1	36.7	38.0	74.3	31.9	27.2	11.4	374.6	1.6	0.8	12.7	0.4	-5.5
CHIKARANOMOTO HOLDINGS CO LT	3561	723	19.6	0.6	17.3	10.3	36.1	NA	NA	21.2	NA	NA	5.1	NA	NA	NA	24.9	28.0	7.0
FOOD & LIFE COMPANIES LTD	3563	3,190	370.3	2.2	21.4	14.1	17.7	16.5	20.1	33.7	34.6	24.3	5.6	13.0	1.8	0.7	0.3	-7.5	-33.7
ATOM CORP	7412	769	148.8	0.0	-3.4	8.0	3.5	NA	NA	513.4	NA	NA	18.1	NA	NA	NA	3.9	-1.0	-3.8
KAPPA CREATE CO LTD	7421	1,416	70.0	-0.1	3.6	3.9	6.5	NA	NA	94.9	NA	NA	6.0	NA	NA	NA	6.7	3.7	-6.0
WATAMI CO LTD	7522	946	40.4	1.0	5.8	-8.8	-23.6	NA	NA	NA	NA	NA	2.7	NA	NA	NA	5.7	5.5	-9.0
ZENSHO HOLDINGS CO LTD	7550	3,025	468.5	1.8	10.7	4.7	14.7	9.5	9.5	33.2	44.9	35.5	4.5	14.4	0.9	0.7	3.0	9.3	7.8
KOURAKUEN HOLDINGS CORP	7554	1,299	21.8	1.3	-5.8	10.8	11.0	6.8	NA	52.3	75.1	75.1	5.4	NA	0.9	0.0	4.3	-2.7	-22.9
ANRAKUTEI CO LTD	7562	6,510	13.9	1.5	-11.5	-7.2	10.4	NA	NA	28.8	NA	NA	2.9	NA	NA	NA	1.1	1.7	21.7
SAIZERIYA CO LTD	7581	2,610	136.4	-0.2	17.8	6.9	8.7	8.5	6.9	17.3	17.5	22.4	1.4	8.4	0.7	0.7	13.0	-6.4	-3.6
HIDAY HIDAKA CORP	7611	2,107	80.4	-0.4	-10.7	-9.8	7.1	NA	NA	50.7	NA	NA	3.6	NA	NA	1.1	10.7	19.4	13.3
COLOWIDE CO LTD	7616	1,790	155.6	1.9	4.4	14.1	3.7	NA	NA	154.4	NA	NA	4.4	NA	NA	NA	10.8	3.4	-12.9
UKAI CO LTD	7621	3,135	17.6	1.5	4.8	-5.1	-28.3	NA	NA	NA	NA	NA	6.4	NA	NA	NA	4.3	4.6	1.6
GLOBAL-DINING INC	7625	333	3.4	0.1	60.0	9.7	30.8	NA	NA	4.1	NA	NA	1.1	NA	NA	NA	22.4	16.0	-32.7
ICHIBANYA CO LTD	7630	4,915	156.9	-0.5	-1.8	10.3	9.7	NA	NA	53.7	40.8	38.2	5.2	NA	2.7	1.6	0.9	5.1	0.3
ASAKUMA CO LTD	7678	1,537	8.3	-0.6	-17.8	-7.1	2.6	NA	NA	136.1	NA	NA	3.4	NA	NA	NA	-0.1	-3.1	-1.5
MOS FOOD SERVICES INC	8153	3,035	97.2	-0.3	9.0	10.2	7.3	5.1	NA	27.4	37.0	35.7	1.9	NA	1.0	0.9	0.7	1.1	-1.7
KISOJII CO LTD	8160	2,146	61.2	-0.2	18.4	-7.7	0.9	NA	NA	85.3	NA	NA	2.2	NA	NA	NA	3.2	5.5	-11.4
SRS HOLDINGS CO LTD	8163	863	35.0	0.0	-1.9	8.8	13.2	NA	NA	20.1	NA	NA	2.4	NA	NA	NA	6.2	5.0	2.9
ROYAL HOLDINGS CO LTD	8179	2,219	108.8	1.1	16.8	0.5	-5.0	1.3	5.4	NA	317.8	45.0	3.1	18.9	1.4	0.2	9.4	19.0	-5.4
RINGER HUT CO LTD	8200	2,324	60.6	0.5	-0.4	-1.3	8.5	NA	NA	62.6	121.7	82.8	4.8	NA	1.7	0.4	6.1	3.0	-2.0
GIFT HOLDINGS INC	9279	2,220	22.1	0.0	22.2	10.2	37.9	32.3	NA	15.3	12.2	13.6	4.9	NA	1.3	1.1	7.7	5.4	-5.4
GENKI SUSHI CO LTD	9828	2,522	22.4	0.4	16.6	4.9	15.2	NA	NA	16.8	NA	NA	2.4	NA	NA	NA	2.9	3.8	-9.3
GOURMET KINEYA CO LTD	9850	1,034	23.7	1.2	5.0	11.8	6.0	NA	NA	46.2	NA	NA	2.7	NA	NA	NA	3.4	-2.0	5.0
GINZA RENOIIR CO LTD	9853	822	5.1	-0.2	9.2	-12.6	10.2	NA	NA	14.6	NA	NA	1.4	NA	NA	NA	0.4	-1.7	-2.5
YOSHINOYA HOLDINGS CO LTD	9861	2,490	162.2	0.2	-9.8	14.0	18.5	6.3	4.8	19.8	62.1	60.4	3.3	16.3	1.0	0.5	4.8	4.8	18.5
KFC HOLDINGS JAPAN LTD	9873	2,791	62.6	-0.8	8.8	7.3	18.1	NA	NA	13.7	20.2	20.6	2.3	NA	0.4	1.8	-3.2	-2.5	-0.1
MATSUYAFOODS HOLDINGS CO LTD	9887	3,875	73.9	0.2	0.1	-3.6	2.7	NA	NA	66.8	NA	NA	1.8	NA	NA	NA	3.5	7.0	8.4
SAGAMI HOLDINGS CORP	9900	1,167	35.4	-0.4	4.9	-3.9	9.0	NA	NA	29.1	NA	NA	2.3	NA	NA	NA	5.0	-1.5	10.6
OHSHO FOOD SERVICE CORP (TP 7,200 Buy)	9936	6,800	158.3	-0.4	5.2	11.2	15.7	9.1	7.7	14.5	22.5	21.4	2.2	15.1	1.5	1.8	11.3	12.2	20.8
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	3.2	6.0	4.8
DAISYO CORP	9979	1,175	24.9	0.9	-10.9	12.3	-7.3	NA	NA	NA	NA	NA	2.2	NA	NA	NA	14.6	16.5	3.5
Average				0.5	5.7	4.8	13.8	10.6	10.8	50.9	55.1	34.4	5.0	34.5	1.4	0.9	6.2	5.9	-2.1
Median				0.1	5.2	7.1	10.0	9.1	9.5	29.0	35.7	28.2	3.1	12.3	1.2	0.7	4.4	4.7	-1.7

Source: Bloomberg Finance LP data, Mita Securities

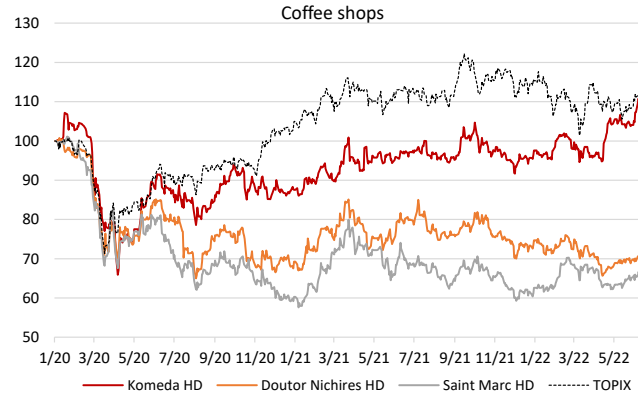
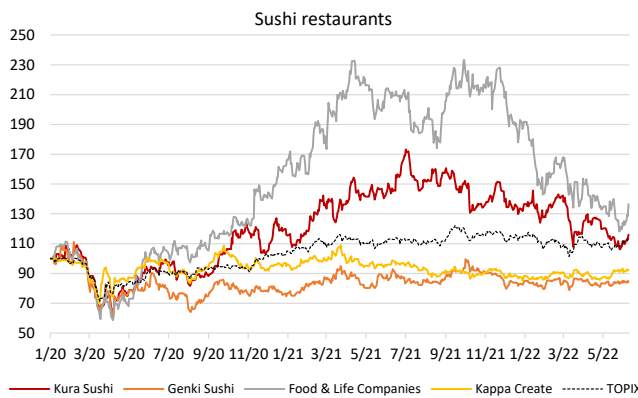
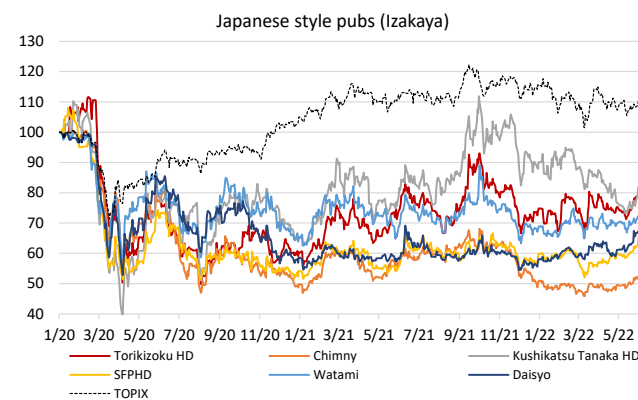
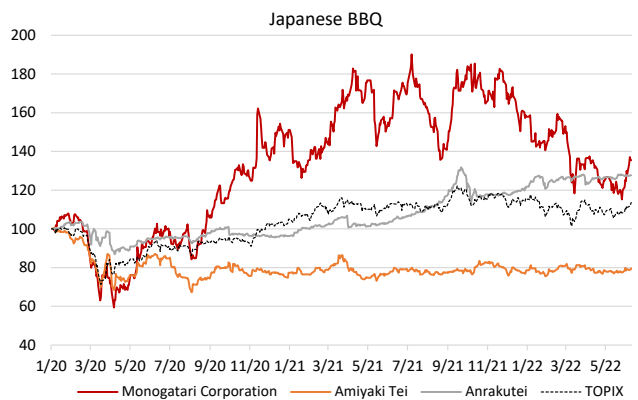
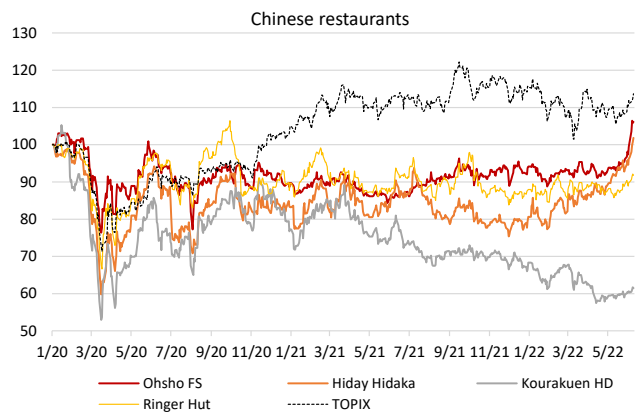
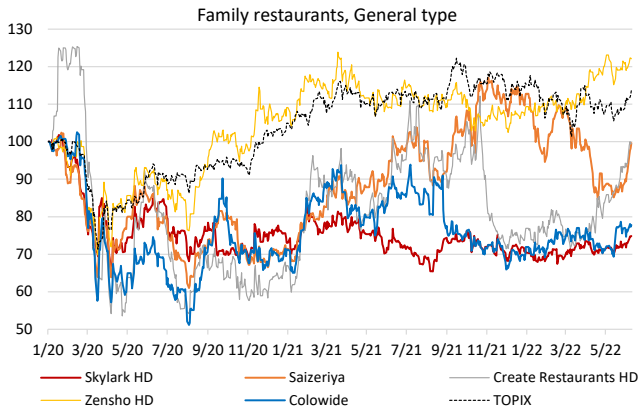
Note: Forecasts are based on Bloomberg consensus. Shading indicates stocks covered by Mita Securities

Figure: Comparison of valuations for FC business operators

Company name	Ticker	PX 9-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
KOBE BUSSAN CO LTD	3038	3,235	885.1	-0.3	8.6	8.5	28.7	25.3	26.1	34.9	33.7	29.1	8.9	24.1	2.2	0.7	11.2	-14.9	13.6
KOMEDA HOLDINGS CO LTD (TP 3,000 Buy)	3543	2,293	105.9	1.1	15.5	26.3	13.6	13.5	13.8	22.6	19.7	18.0	2.8	15.5	4.0	2.4	2.3	11.0	11.1
IBJ INC (TP 1,300 Buy)	6071	734	30.8	-0.1	11.9	15.2	20.0	18.9	19.8	25.3	22.7	18.6	4.6	12.2	1.9	1.0	10.4	9.1	-36.4
CURVES HOLDINGS CO LTD	7085	700	65.7	0.8	16.4	NA	23.8	21.8	31.8	32.9	31.5	18.7	7.0	NA	2.8	1.1	4.2	4.2	-23.6
FAST FITNESS JAPAN INC (TP 2,650 Buy)	7092																		

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

[Analyst Certification]

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[Ratings]

Ratings are based on the following definitions.

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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NR: No Rating - Stocks for which no target price or rating is assigned.

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