

© 2013 KIGO Kitchen, Inc.



A Fast-Casual, Asian-Inspired Restaurant Experience

www.kigokitchen.com





Concept

A Fast-Casual, Asian-Inspired Restaurant Experience

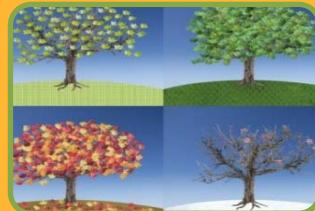
- Build your own bowl or wrap
- Nutritious, quality ingredients
- Affordable: \$6-\$9/meal
- Target customer: 18-34, well educated, income \$50-\$75k



Kigo



Japanese Origin



Seasonal, Of the Seasons



Fresh, Balanced, Sustainable

Value Proposition

Customer Engagement

- Social Marketing
- Technology
- Employee Interaction

Actual Delivered Value

- Quality Food
- Operations
- In-Store Experience

From
the
beginning



Overview

Trends

Fast Casual
Asian-Inspired

Great
Food

Engagement

Customer Experience
Technology
Marketing

Execution

Team
Operations
Financials



Food

Trends

Fast Casual
Asian-Inspired

Great
Food

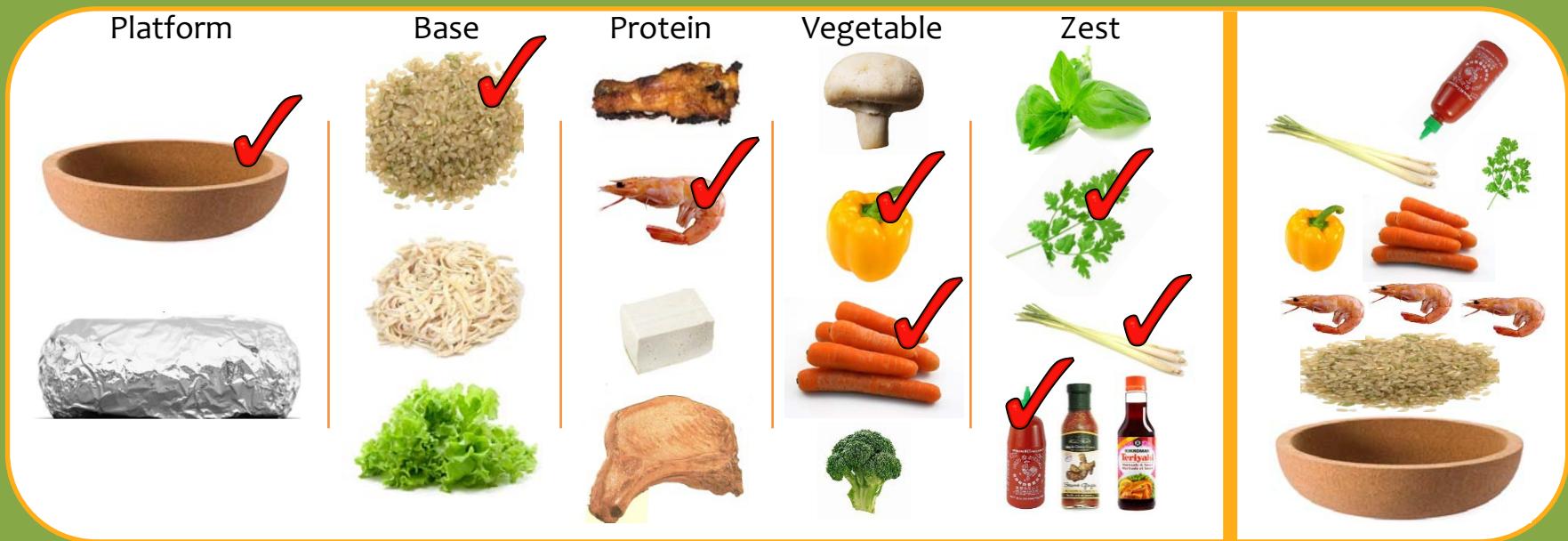
Execution

Customer Experience
Technology
Marketing

Planning

Team
Operations
Financials

Customers build Kigo meals to suit individual tastes and preferences



Or customers can choose a chef's creation

“Kigo Classic”



“Shrimp Bowl”



“Seth’s Bowl”



Kigo food is better for you



Orange Chicken With Rice

Calories: 1220

Fat Grams: 44

Sodium: 1280 mg



Chicken Burrito With Rice

Calories: 990

Fat Grams: 32

Sodium: 2860 mg



Kigo Classic Bowl With Chicken

Calories: 463

Fat Grams: 9

Sodium: 522 mg



Trends

Trends

Fast Casual
Asian-Inspired



Great Food

Execution

Customer Experience
Technology
Marketing

Planning

Team
Operations
Financials

Our target customers currently have a wealth of dining options

Quick Service (QSR)



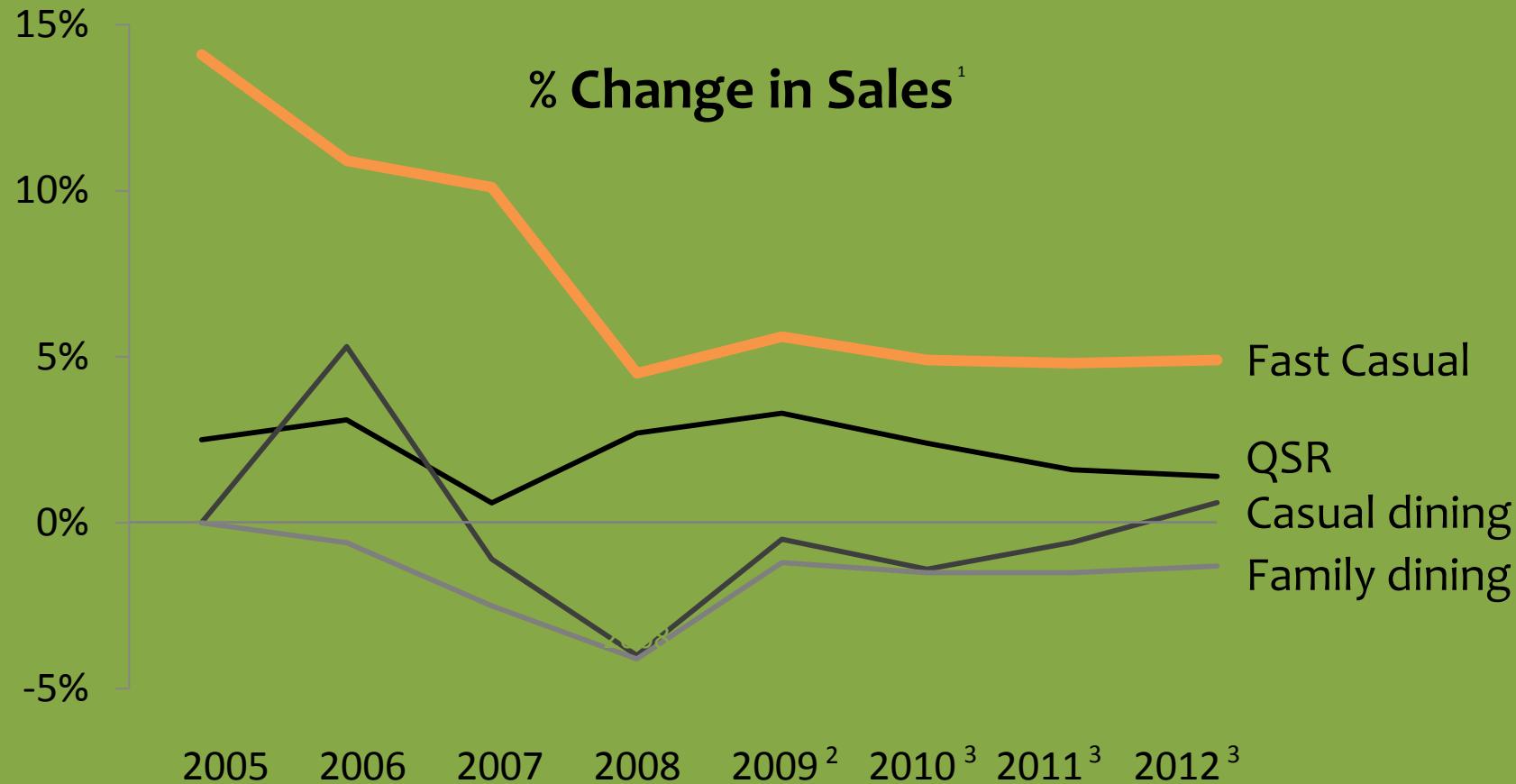
Fast Casual



Casual Dining



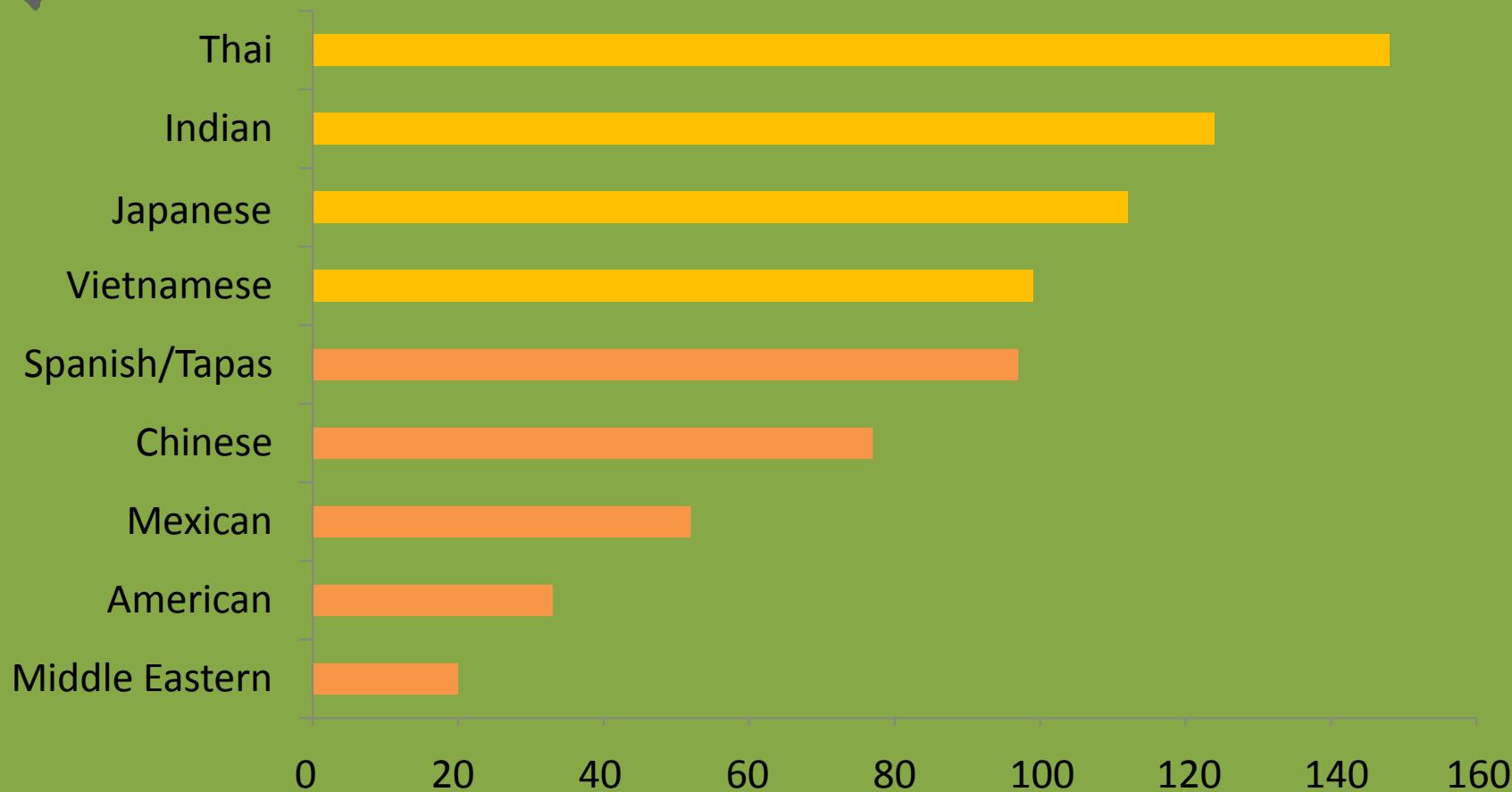
The “fast casual” segment consistently outperforms all others



Source: Mintel, Fast Casual Restaurants – November 2009

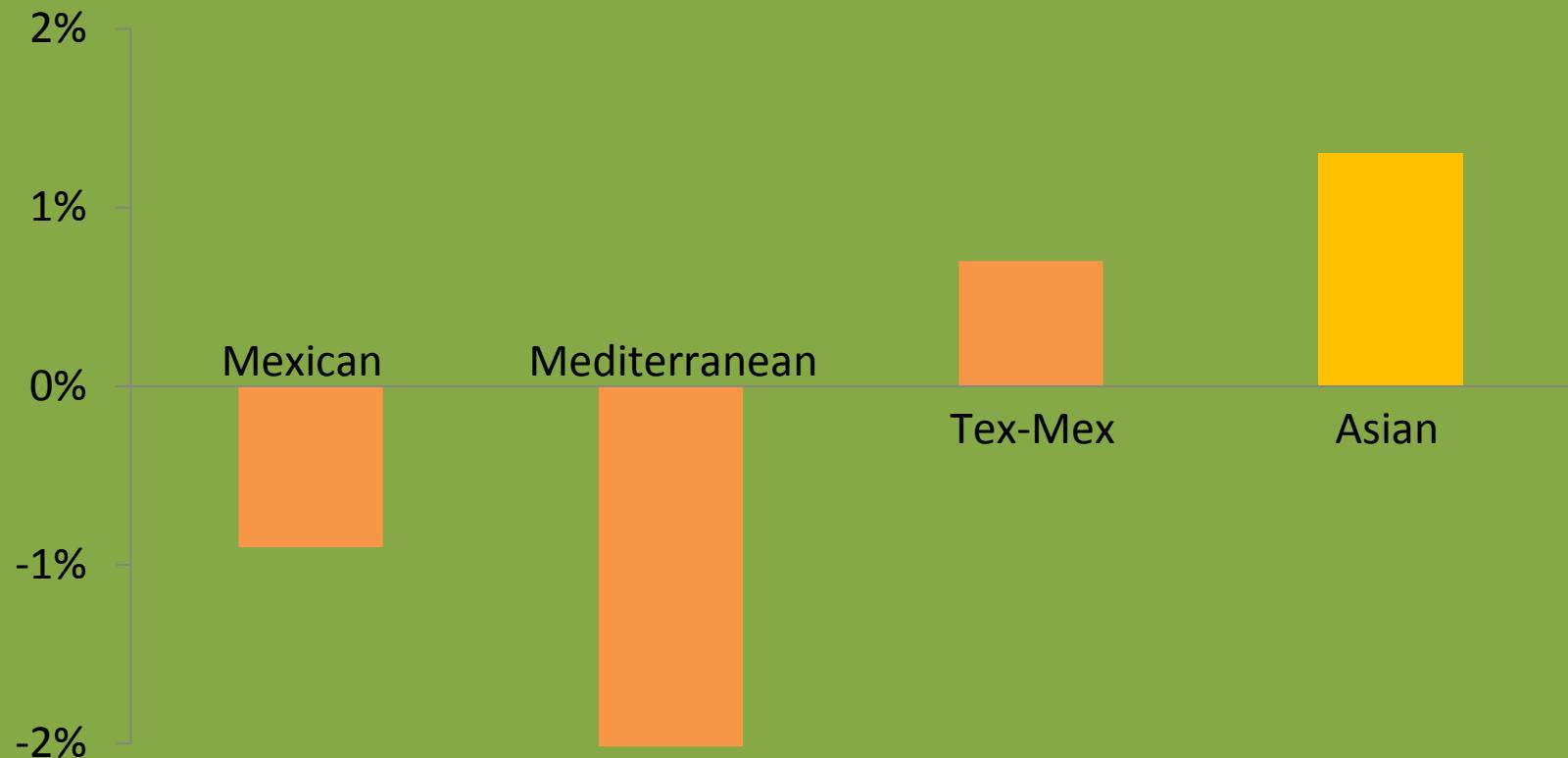
¹inflation-adjusted ²estimated ³forecast

Asian-inspired is the most desired fast casual cuisine; “Asian is the new Mexican”



Source: National Survey research; conducted 3/2010; 795 respondents

In 2009 more restaurants added Asian-inspired menu items than any other cuisine type



Source: Mintel – Fast Casual – US, September 2009 - FIGURE 47; Q2 2007-Q2 2009

The ‘Asian-inspired fast casual restaurant’ segment is rapidly expanding



“Wagamama announces a 650-restaurant U.S. expansion”

11/5/2010



“Get ready for the Asian noodle wars”

11/21/2010



“Chipotle to open Asian fast-casual Food.”

11/3/2010

There is plenty of room for new entrants in the segment



U.S. restaurant industry is enormous (\$580B U.S. sales in 2010)



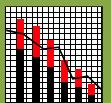
Not a “winner take all” industry (e.g., burgers: McDonald’s, Burger King, Wendy’s, In-N-Out, Five Guys, Fuddrucker’s, White Castle, A&W, Carl’s Jr., etc.)



Fast casual segment still young



Chipotle’s ShopHouse to start in Washington, DC



Established players not always good at replicating success (e.g., P.F. Chang → Pei Wei; McDonald’s → Boston Market)

Planning

Trends

Fast Casual
Asian-Inspired

Great
Food

Execution

Customer Experience
Technology
Marketing

Planning

Team
Operations
Financials



Team



Steve Hooper
CEO
Cascadia Capital, M/C
Ventures



Seth Gilmore
VP
The New York Times



Edgar Pastrana
COO
Sikorsky Aircraft, Monitor



Heather Nucifora
Chef, Nutritionist,
Registered Dietician



Ken Batali
Restaurant Consultant
with 25 years of
experience

Directors and Advisors

Directors

John Pepper

Scott Heydon

Gregg Fairbrothers

Founder, CEO of Boloco

V.P. Global Strategy, Starbucks

Professor of E-Ship, Tuck School of Business

Advisors

Jim Womack

Founder, Lean Enterprise Institute

We're not just a restaurant – “We are in the operations business”

RESEARCH

Industry Analysis
Best Practices

BOLOCO

Summer 2010



EXPERTS

Jim Womack
Scott Heydon
Edgar Pastrana

LEAN OPERATIONS

Lean operations is the foundation for delivering value to our investors

LEAN OPERATIONS



For example, at first glance, bulk ordering is less costly than lean ordering

need
9000
cups/week



Order Quantity (cups)	Deliveries/Week (#)	Ship Cost/Delivery (\$)	Total Ship Cost/Week (\$)	Total Ship Cost/Year (\$)
9000	1	\times \$12 = \$12	\$12	\$624
3000	3	\times \$10 = \$30	\$30	\$1560
<hr/>				\$936 loss/year

However, bulk ordering implies several hidden costs

need
9000
cups/week

Tied Up Cash/Week (\$)	Storage Space/Week (\$)	Shrinkage/ Week (\$)	Total Cost/ Week (\$)	Total Cost/ Year (\$)
------------------------------	-------------------------------	----------------------------	-----------------------------	-----------------------------



$$\$50 + \$60 + \$15 = \$125$$



$$\$30 + \$20 + \$5 = \$55$$

\$6245

\$2860

\$3380
saved/year

Lean ordering is in fact more cost effective than bulk ordering

need
9000
cups/week



Total Ship Cost/Year (\$)	Total Hidden Costs/Year (\$)	Total Costs/Year (\$)
\$624	\$6245	\$6869
\$1560	\$2860	\$4420
		\$2449 saved/year

$$\begin{array}{r} \$2449 \\ \text{saved/year} \end{array} \times \begin{array}{r} 17,000 \\ \text{stores} \end{array} = \begin{array}{r} \$41.6M \\ \text{saved/year} \end{array}$$

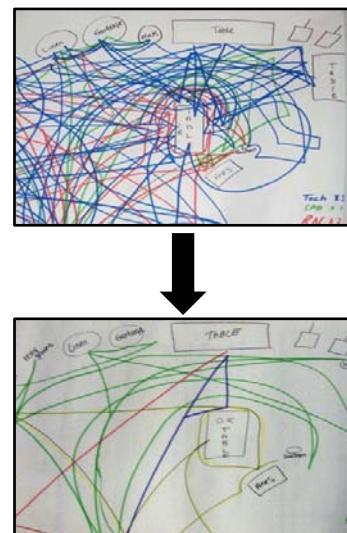


Lean thinking means we continuously seek ways to eliminate waste

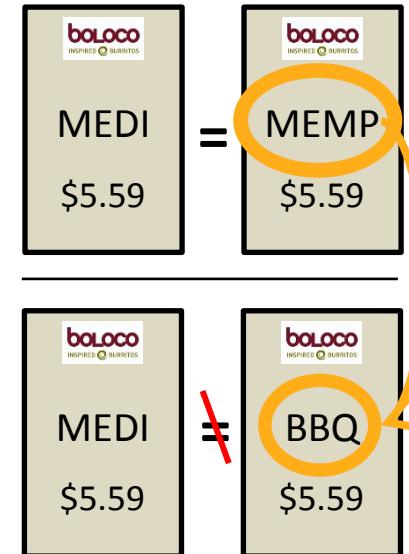
Products



People



Information



Our focus on operational excellence is a significant competitive advantage



John Pepper, Founder & CEO, Boloco

“In just a few months the Kigo team has meaningfully improved our operations strategy. I have no doubt that they’ll be able to execute at a higher level from the beginning at Kigo.”



Execution

Trends

Fast Casual
Asian-Inspired

Great
Food

Execution

Customer Experience
Technology
Marketing

Planning

Team
Operations
Financials

Kigo Kitchens will be located in dense, high foot-trafficked areas



In Downtown

Near offices, hotel and tourist areas.



Near Universities

Among coffee houses and near greens.



At Malls

Not at food courts, but outside, walkup spots.

Our dining experience appeals to all five senses: SIGHT (exterior)

- Highly distinctive look
- Glass walls
- Digital signage
- Sightline from street through entire restaurant



Our dining experience appeals to all five senses: SIGHT (interior)

- Modern
- Warm and inviting
- Natural aesthetics
- Comfortable seating
- Fully-visible kitchen
- Natural flow



Our dining experience appeals to all five senses: SMELL

- Fresh herbs
- Cooking oils
- Strong ventilation



Our dining experience appeals to all five senses: TASTE

- Fresh ingredients
- Locally sourced (as possible)
- Seasonal options
- Evolving menu



Our dining experience appeals to all five senses: TOUCH

- Compostable leaf plates
- Solid utensils



Our dining experience appeals to all five senses: SOUND

- Sizzling grills
- Muted conversation
- Occasional live music



We'll capture orders through multiple avenues to match customer preferences

Ordering Options



Walkup



Website



Phone/App

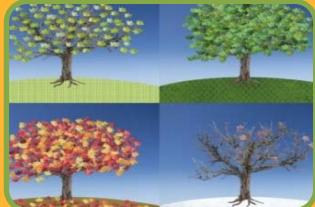


Kiosk

Kigo is a memorable, distinctive brand name



Japanese Origin



Seasonal, Of the Seasons



Fresh, Balanced, Sustainable



Our name and logo offer a cornucopia of marketing opportunities



Distinctive Name – not easily confused with other restaurants



Alliteration – “We go Kigo!”



KK – The double K's in Kigo Kitchen can be played with creatively



Fluid Logo – Leaves can change with the seasons



We will engage customers through social media and innovative loyalty programs



Repeat Customer Program (standard)

Instead of loyalty card, use cell phone number



Kigo Marketplace

- “Trademark” and “sell” your creations to friends on Facebook
- Receive 5% of proceeds as Kigo credit
- Most popular customer creations featured in-store



Secret Menu

“Unlisted” marketplace creations that can be asked for by name

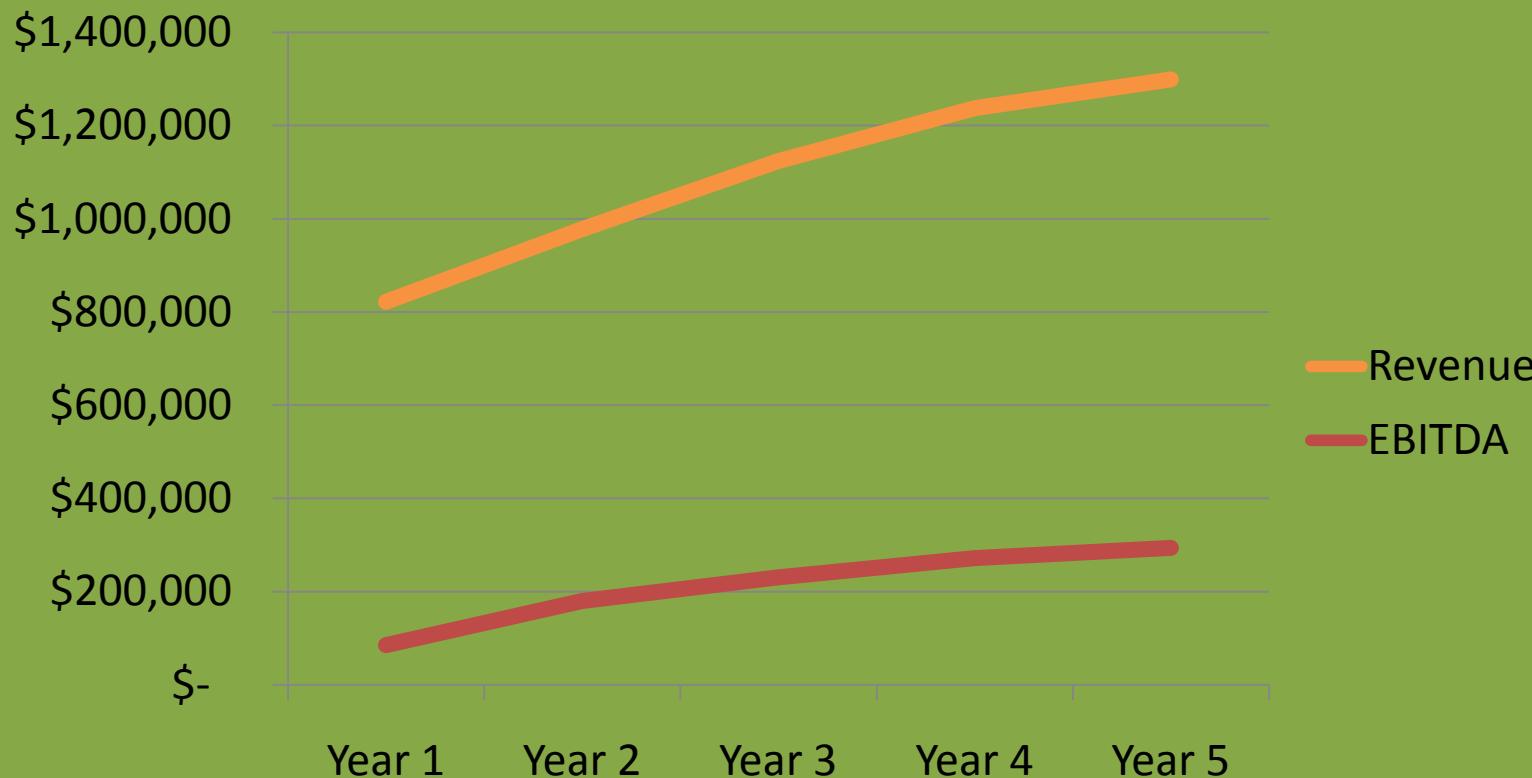


Our single meal economics are in line with the competition

	Industry Average	Kigo
Price	\$6.79	\$6.95
- Food & Packaging	\$2.00	\$2.08
<hr/>	<hr/>	<hr/>
= Contribution Margin	\$4.79	\$4.87
Food & Packaging =	29.5%	29.9%
Contribution Margin =	70.5%	70.1%



Single meal profitability leads to impressive SINGLE STORE economics



After starting in Seattle, we'll expand into other attractive markets



Metro Selection Criteria

Age: 18-34
population 100,000

Income: \$50-\$75k
25,000 professionals

College Students
25,000 in area

Proven interest in:
fast casual ethnic cuisine
(Chipotle)
local/organic/natural foods
(Whole Foods)

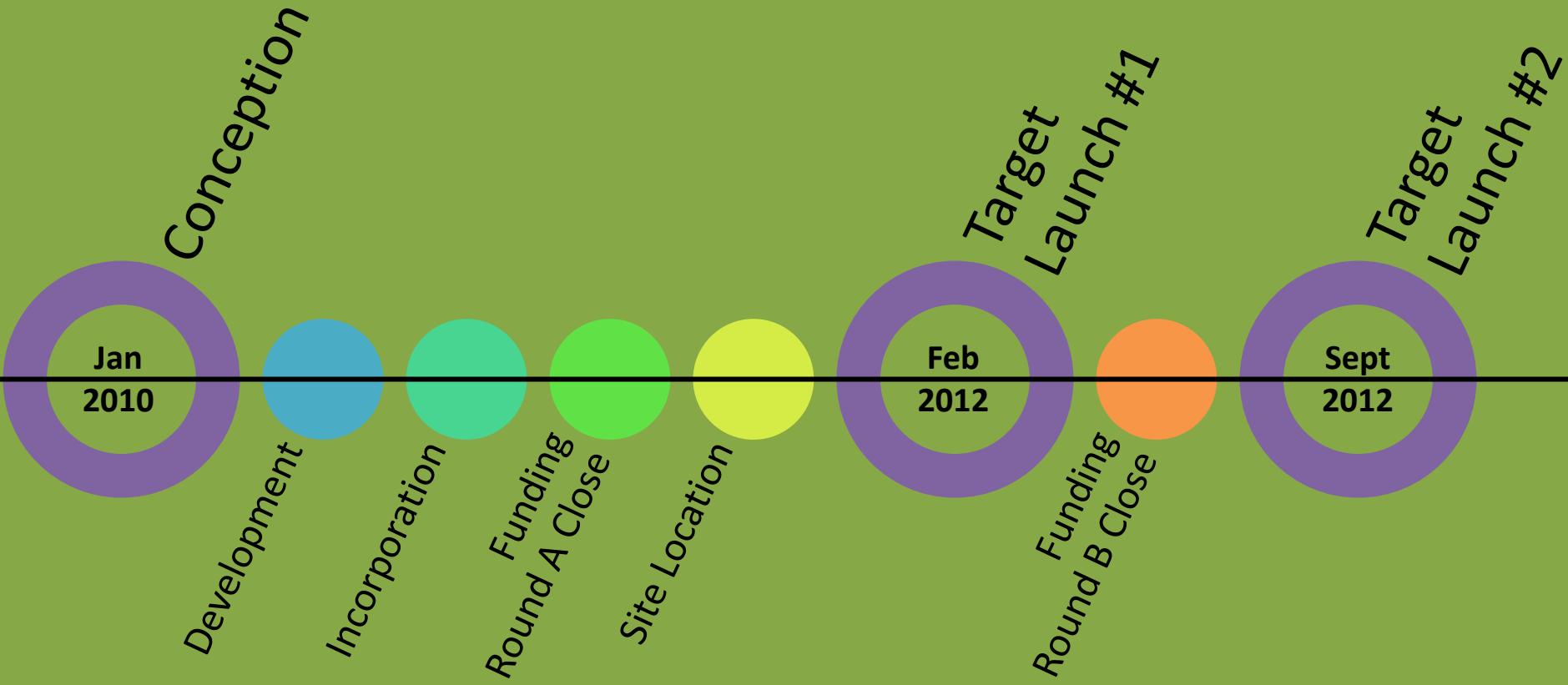


MULTIPLE STORES yield increasing returns to scale

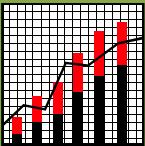
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Restaurants	-	2	4	11	13	15
Net Sales	-	\$947,163	\$2,328,656	\$6,592,555	\$11,645,983	\$14,367,943
Gross Profit	-	\$644,871	\$1,604,275	\$4,539,830	\$8,093,465	\$10,068,215
% of NsIs	NA	68.1%	68.9%	68.9%	69.5%	70.1%
Store-Level EBITDA	-	90,747	342,875	943,740	2,052,045	2,905,548
% of NsIs	NA	9.6%	14.7%	14.3%	17.6%	20.2%
Corporate EBITDA	(\$84,900)	(\$111,503)	(\$62,100)	(\$180,860)	\$530,045	\$1,312,448
% of NsIs	NA	-11.8%	-2.7%	-2.7%	4.6%	9.1%



We've come a long way, and we've only yet begun



Now is the time to invest in Kigo Kitchen



Timely Concept

- Fast casual exploding (\$15B industry, 5% growth)
- Asian is the new Mexican (underserved market; major players validating)



Right Team

- Research
- Practice
- Industry Experience

Superior Product

- People-focused
- Lean processes maximize value creation for all stakeholders

Currently Raising
\$600K
to fund first
restaurant in Seattle



© 2013 KIGO Kitchen, Inc.



A Fast-Casual, Asian-Inspired Restaurant Experience

www.kigokitchen.com

