



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

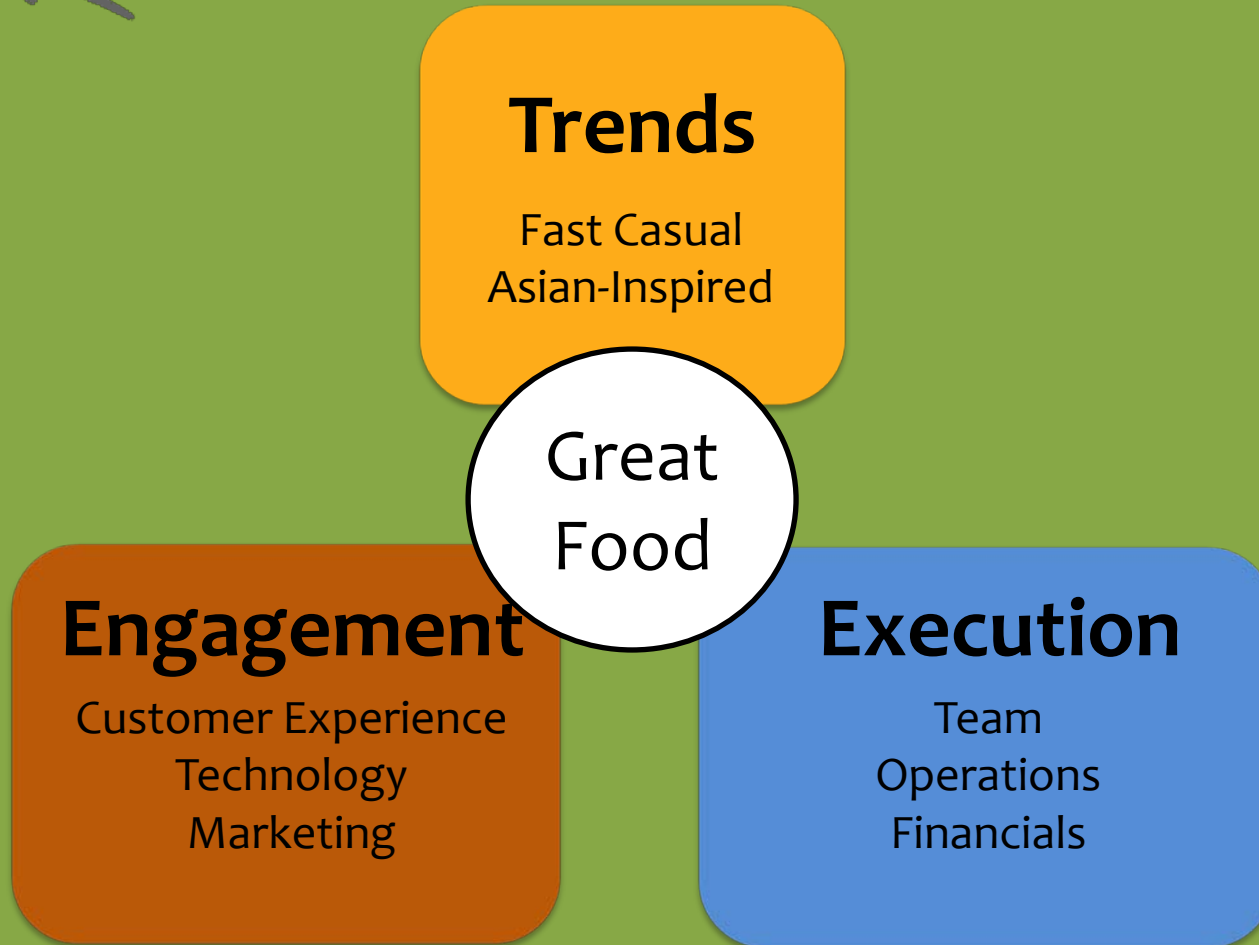
- Social Marketing
- Technology
- Employee Interaction

**From
the
beginning**

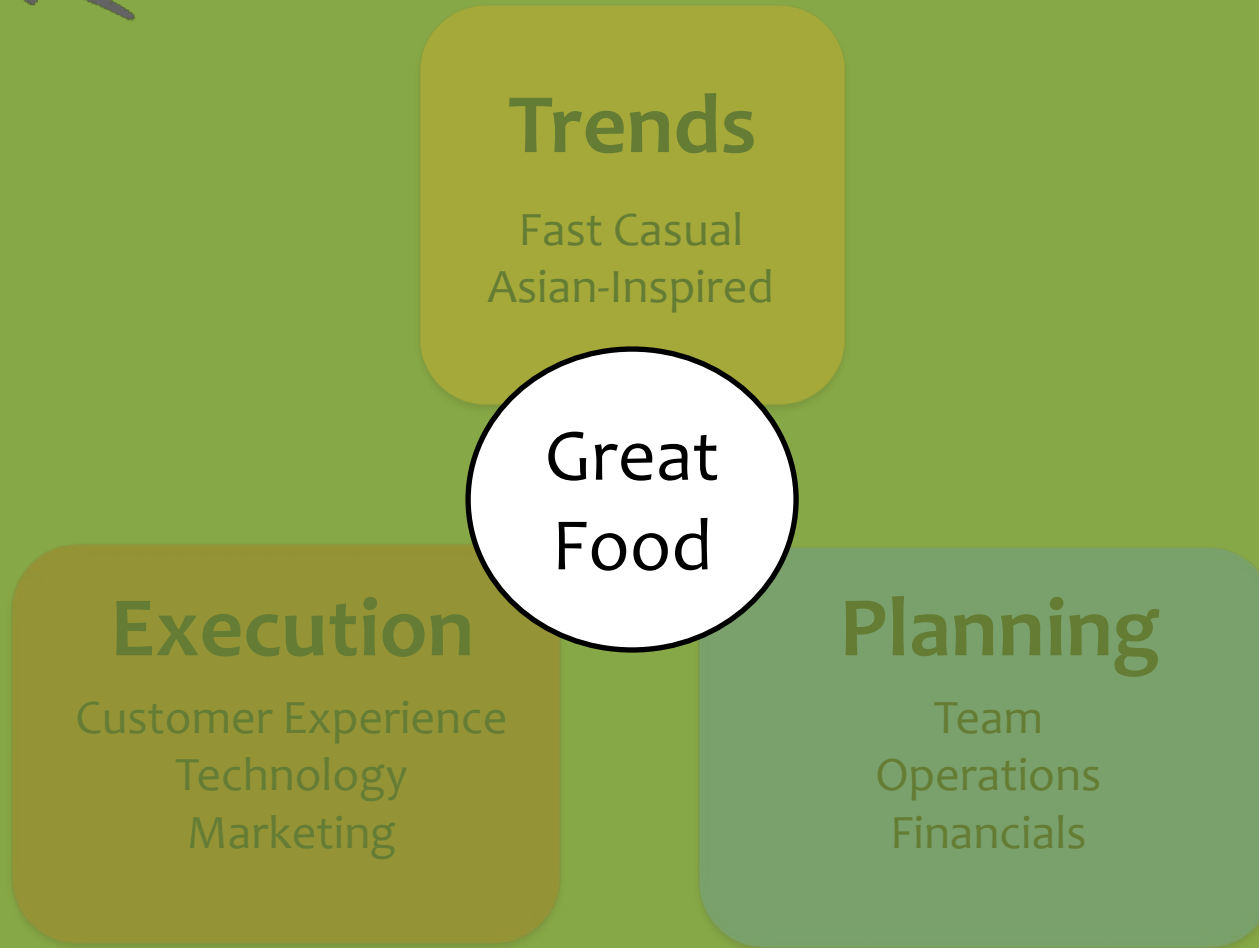
Actual Delivered Value

- Quality Food
- Operations
- In-Store Experience

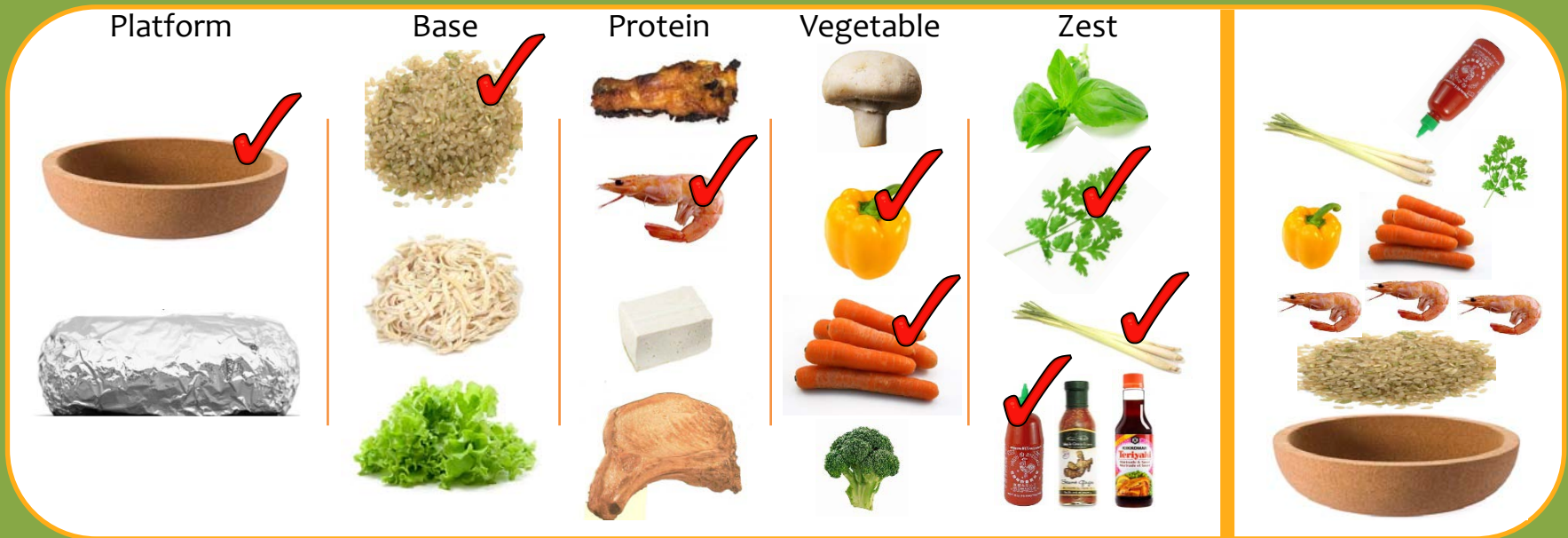
Overview



Food



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**

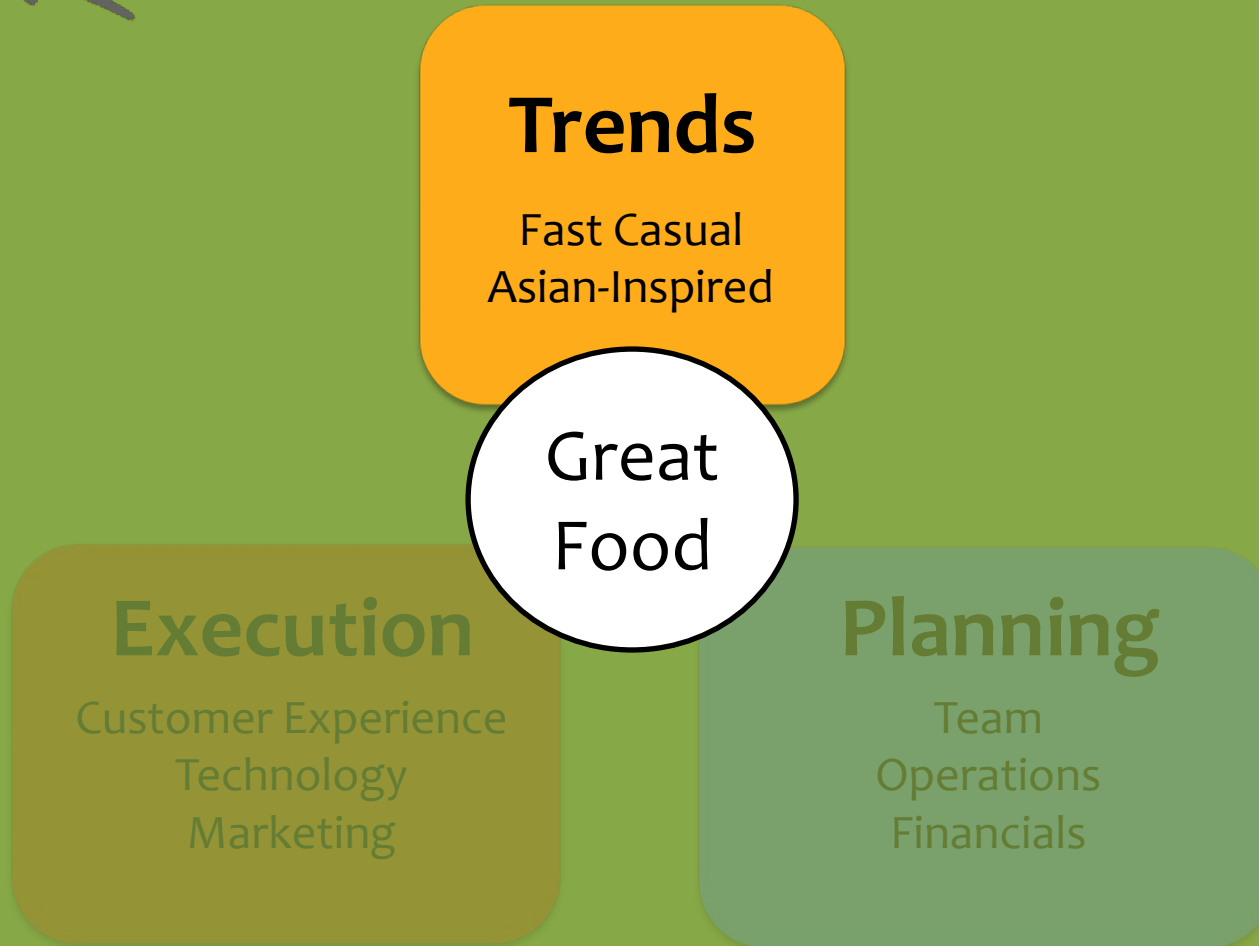
Calories: 463

Fat Grams: 9

Sodium: 522 mg



Trends



Our target customers currently have a wealth of dining options

Quick Service (QSR)



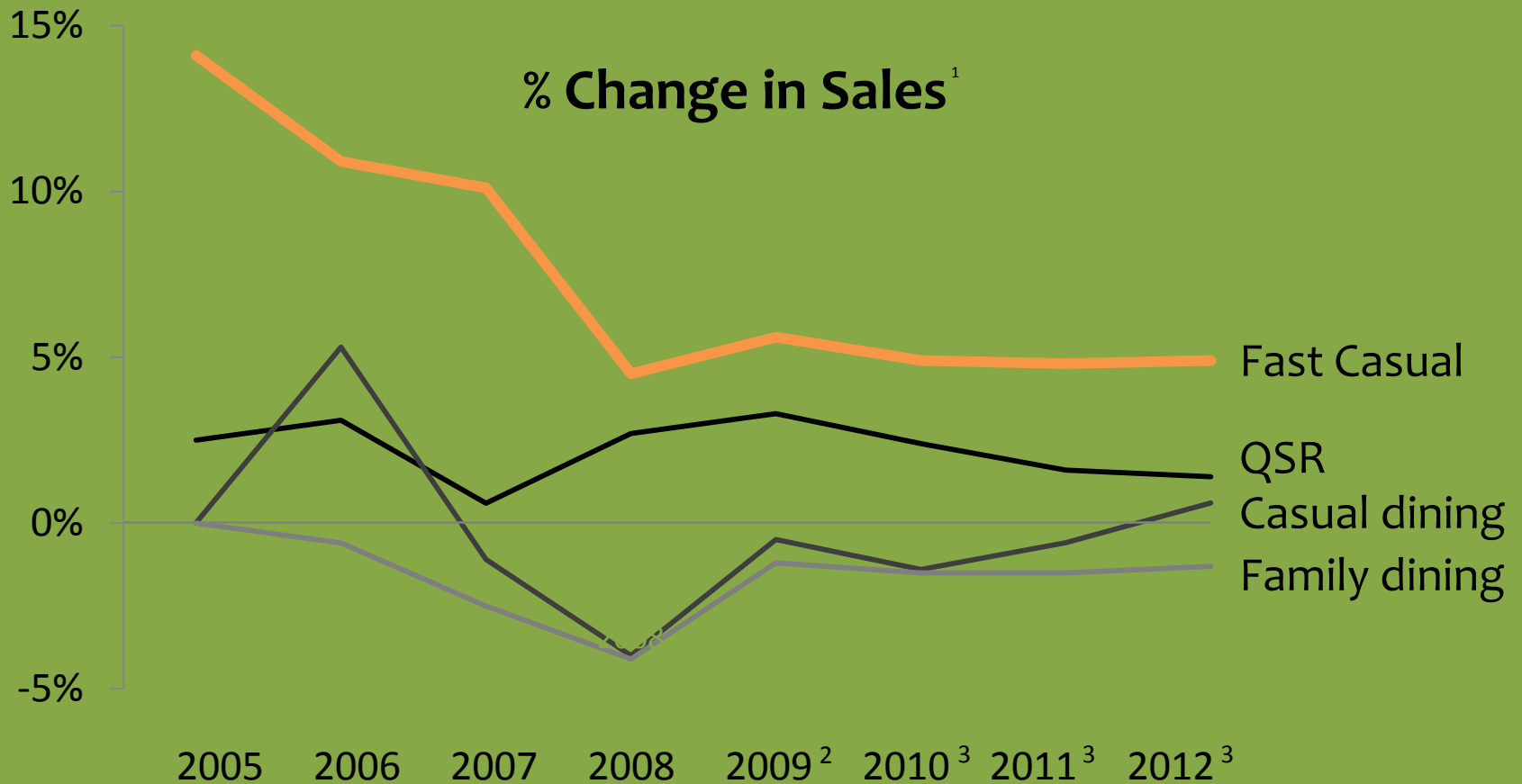
Fast Casual



Casual Dining



The “fast casual” segment consistently outperforms all others

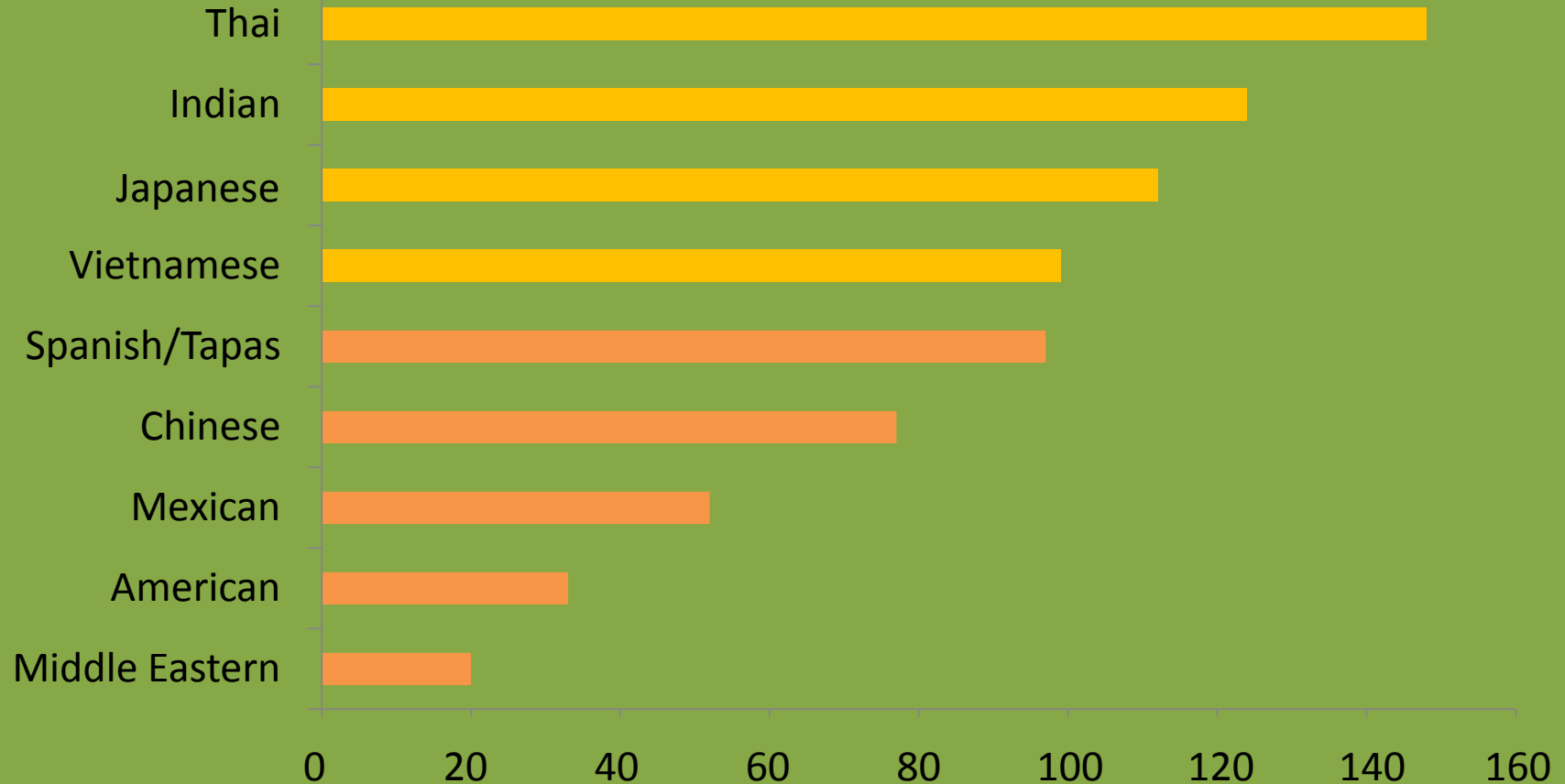


Source: Mintel, Fast Casual Restaurants – November 2009

¹inflation-adjusted ²estimated ³forecast



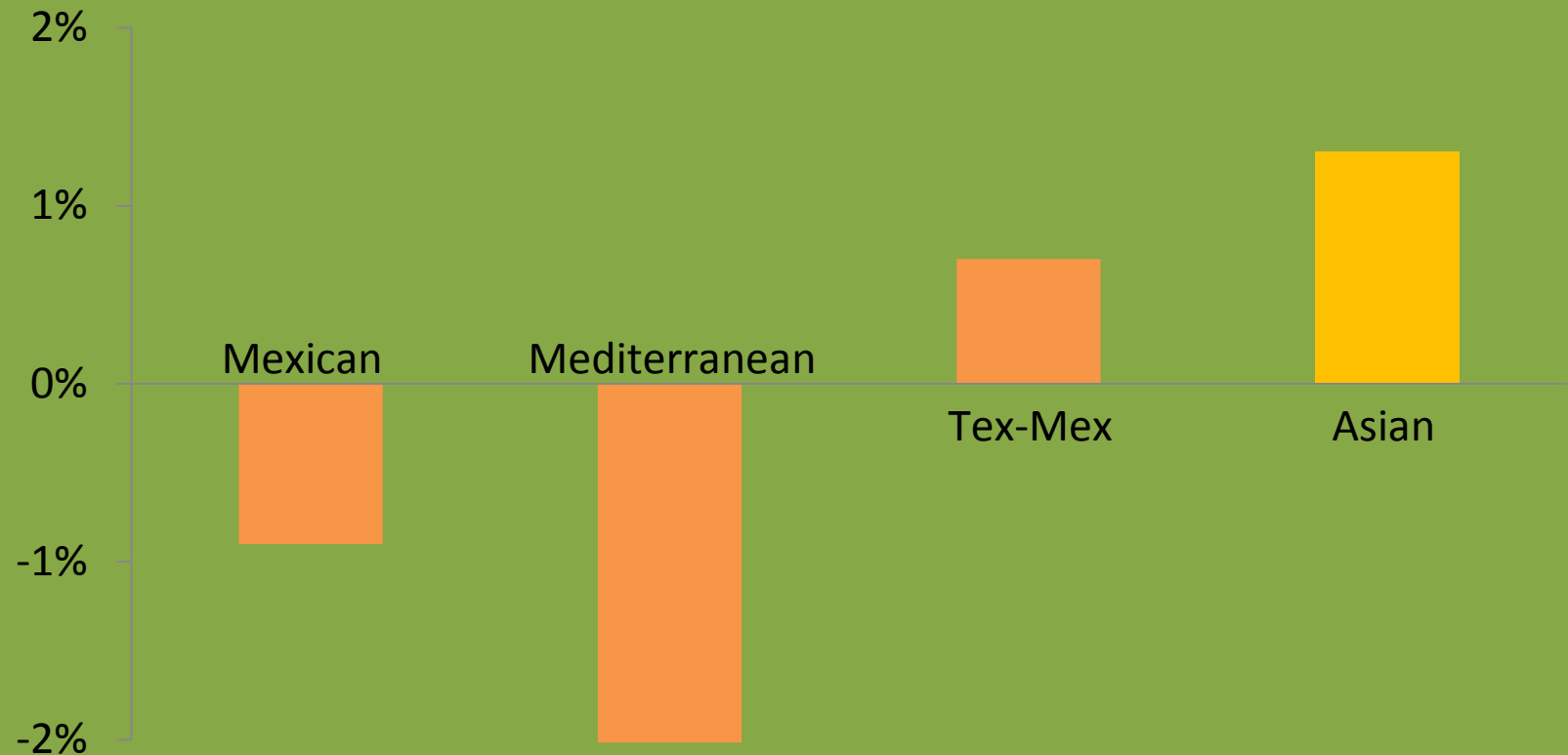
Asian-inspired is the most desired fast casual cuisine; “Asian is the new Mexican”



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

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

11/5/2010

sensēbowl
Fast, Fresh, Sensible

“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)



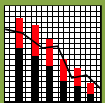
Not a “winner take all” industry (e.g., burgers: McDonald’s, Burger King, Wendy’s, In-N-Out, Five Guys, Fuddrucker’s, White Castle, A&W, Carl’s Jr., etc.)



Fast casual segment still young



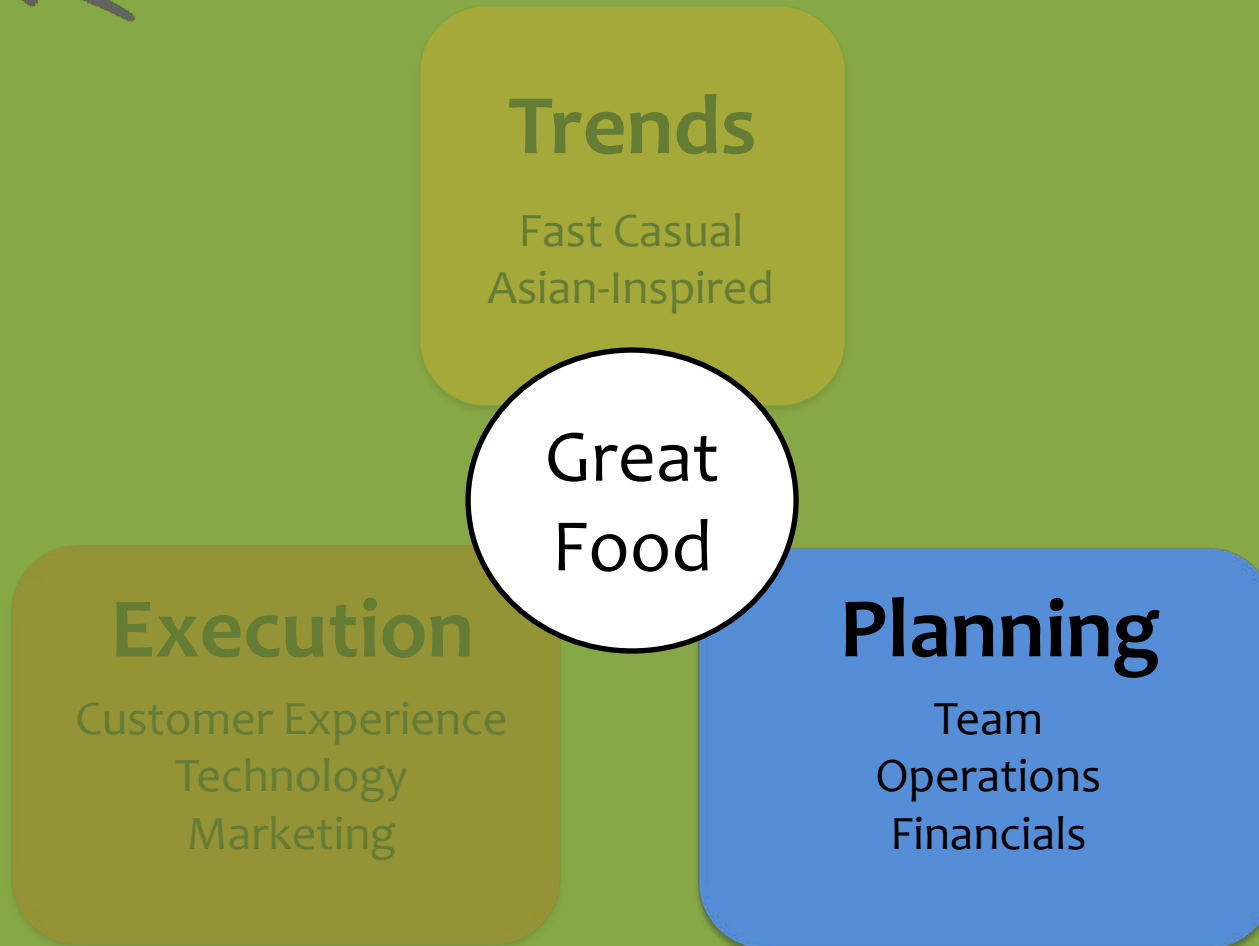
Chipotle’s ShopHouse to start in Washington, DC



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



Planning



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

Founder, CEO of Boloco

Scott Heydon

V.P. Global Strategy, Starbucks

Gregg Fairbrothers

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	x \$12	= \$12	\$624
3000	3	x \$10	= \$30	\$1560
				\$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

\$6245

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

\$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

\$2449 x **17,000** = **\$41.6M**
saved/year stores saved/year



Lean thinking means we continuously seek ways to eliminate waste

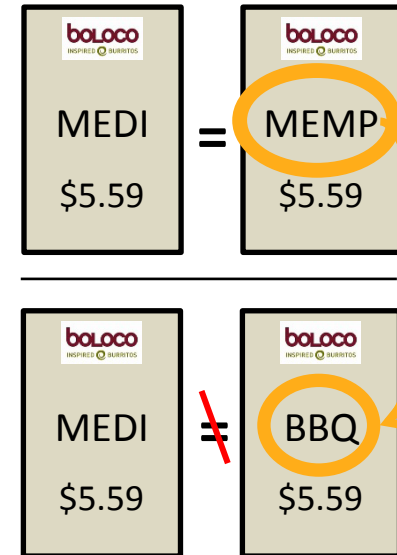
Products



People



Information



Our focus on operational excellence is a significant competitive advantage

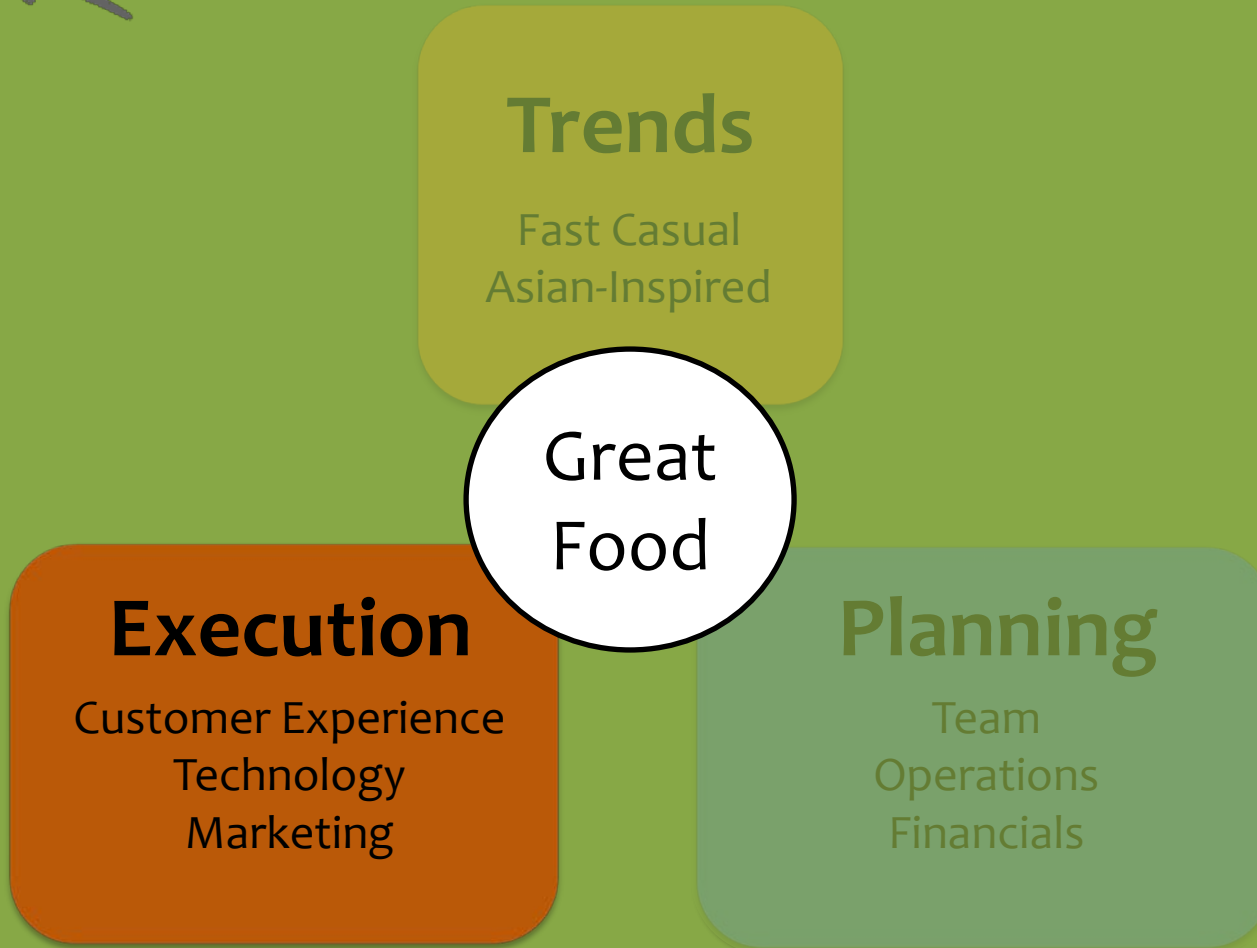


John Pepper, Founder & CEO, Boloco

“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



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
= 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)

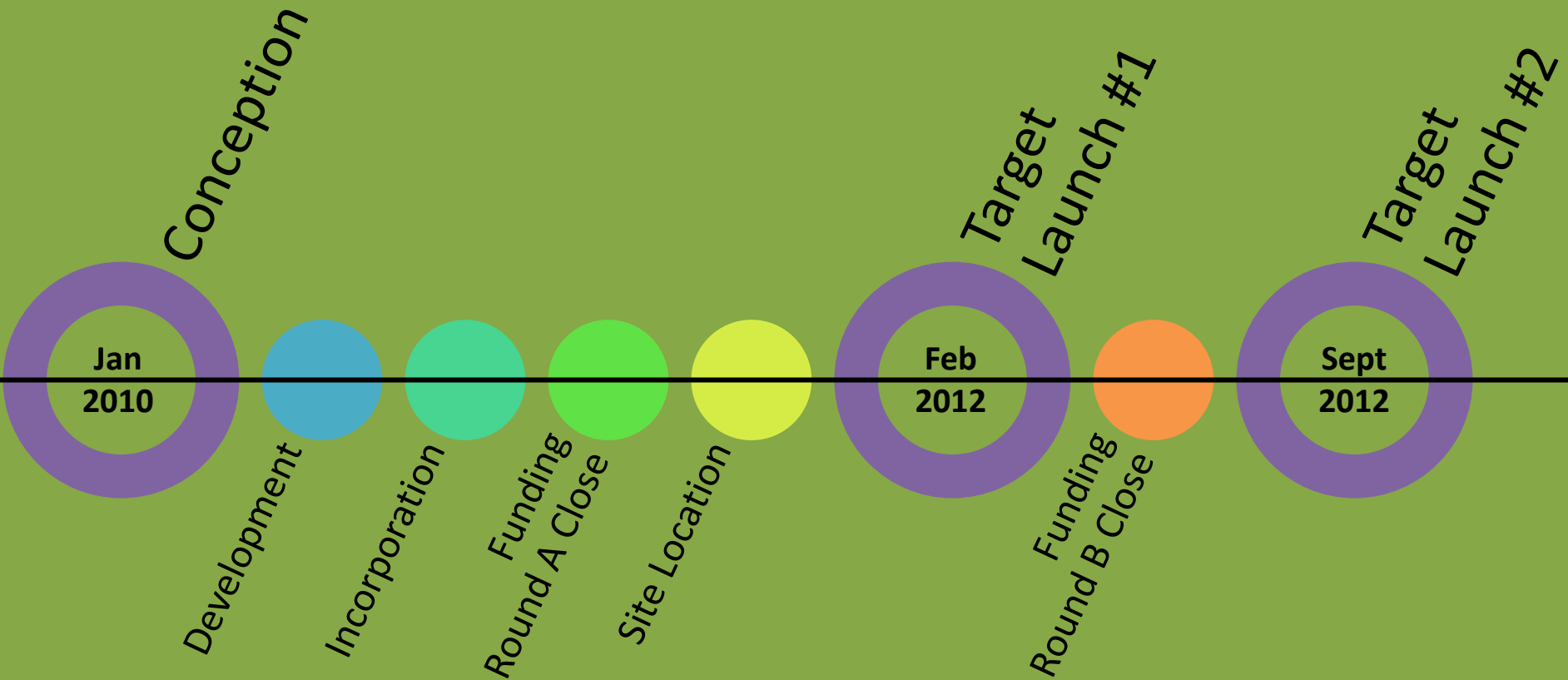


MULTIPLE STORES yield increasing returns to scale

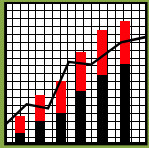
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Restaurants	-	2	4	11	13	15
Net Sales	-	\$947,163	\$2,328,656	\$6,592,555	\$11,645,983	\$14,367,943
Gross Profit	-	\$644,871	\$1,604,275	\$4,539,830	\$8,093,465	\$10,068,215
% of Nsls	NA	68.1%	68.9%	68.9%	69.5%	70.1%
Store-Level EBITDA	-	90,747	342,875	943,740	2,052,045	2,905,548
% of Nsls	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 Nsls	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**





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