

## **ITEM 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

To simplify the language in this disclosure document, the words “we” and “us” refer to Reins USA Franchise Company, Inc., the franchisor. “You” means the individual or entity buying the franchise. All persons who own 10% or more of the franchisee are “Principal Equity Owners”.

### **The Franchisor, Parents and Affiliates**

We are the franchisor for the “Gyu-Kaku” restaurant system in the United States. Our principal business address is 20000 Mariner Avenue, Suite 500, Torrance, California 90503.

Our parent company is Reins International (USA) Co., Ltd. (“RIU”). ~~RIU’s~~, whose principal business address is 20000 Mariner Avenue, Suite 500, Torrance, California 90503.

### **Predecessors**

We have no direct predecessor. However, since July 2001, RIU has been operating Gyu-Kaku restaurants, directly or through its wholly owned subsidiaries. Gyu-Kaku restaurants that are equivalent to the type you will operate are now operating in the United States and Canada.

In December 2016, RIU became a subsidiary of Colowide Co., Ltd. (“Colowide”), a Japanese corporation. RIU was formerly a subsidiary of Reins International, Inc., a Japanese corporation organized (“Reins Japan”), which was a subsidiary of Rex Holdings, Co. Ltd. (“Rex Holdings Japan”), also a Japanese corporation. RIU and its subsidiaries, including us, were spun off by Reins Japan in December 2006, and are no longer subsidiaries of Rex Holdings Japan or Reins Japan. In March 2009, RIU entered into a Master License Agreement (the “Trademark License”) with Rex Holdings Japan under which RIU was granted the exclusive license and right to use itself or through subsidiaries the Gyu-Kaku trademarks owned by Rex Holdings Japan in the United States and Canada.

### **Name Used by the Franchisor**

We do business under the names “Gyu-Kaku” and “Gyu-Kaku Japanese BBQ”. We do not do business under any other names.

### **Agent for Service of Process**

Our agents for service of process are Akitsugu Yamaguchi, whose address is 20000 Mariner Avenue, Suite 500, Torrance, California 90503 and (if you are in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington or Wisconsin) the state office or official listed in Exhibit E of this disclosure document.

### **Business Organization Used by the Franchisor**

We are a corporation organized in California on February 27, 2008.

the business premises; (ii) set standards pertaining to employee health and safety; (iii) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements for restaurants; employee practices concerning the storage, handling, cooking, and preparation of food; restrictions on smoking; availability of and requirements for public accommodations and requirements for fire safety and general emergency preparedness; and (iv) establish procedures for the disposal of hazardous wastes. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating your business and should consider both their effect and cost of compliance.

You must have a liquor license before you open your Licensed Restaurant. The difficulty and cost of obtaining a liquor license, and the procedures for securing the license, vary greatly depending on the location of your Licensed Restaurant. There is also wide variation in state and local laws and regulations that govern the sale of alcoholic beverages (beer and wine only). State “dram shop” laws give rise to potential liability for injuries directly or indirectly related to the sale or consumption of alcohol.

## **Competition**

As a Gyu-Kaku franchisee, you will compete with various established independent local restaurants and regional or national chain outlets specializing in Japanese-style food, as well as other restaurants and facilities selling all kinds of food, including franchised and company owned restaurants, independent restaurants and restaurant chains. Competition in the restaurant business in general is intense.

## **Prior Experience of Franchisor, Predecessors and Affiliates**

We have been operating since February 2008 and we began offering Gyu-Kaku franchises in 2008. We have not previously offered franchises providing the type of business you will operate. Nor have we ever offered franchises in other lines of business.

As of January 31, 2024, RIU (or companies affiliated with RIU) operate 33 “Gyu-Kaku” restaurants in the United States, and Rex Holdings Japan and Reins Japan operate and franchise hundreds of Gyu-Kaku restaurants in Japan.

Neither RIU nor any of its subsidiaries currently offers franchises in any line of business, however, in 2007, RIU’s subsidiary, Reins International California, Inc., acquired from Reins Japan all the outstanding ownership interests in VR Partners, Inc. (“VRP”), a California corporation that had previously licensed one of VRP’s shareholders in March 2003 to operate a “Gyu-Kaku” restaurant in Torrance, California.

## **ITEM 2. BUSINESS EXPERIENCE**

### Ryo Tozu, Chief Executive Officer and Secretary

Mr. Tozu was named our Chief Executive Officer and Secretary in March 2017. He also serves as Director of Colowide, Yokohama, Japan (since June 2014), and as Director of Colowide MD Co., Ltd., Yokohama, Japan (since April 2015).

Akitsugu Yamaguchi, Director and Chief Operating Officer

Mr. Yamaguchi was named the sole member of our Board of Directors and our Chief Operating Officer in January 2017, after previously serving as our Vice President (Development, Franchise, and Marketing) from our inception in 2008 to December 2016. He also serves as Manager for RIU, overseeing restaurant chain development and marketing and assisting in operations (since January 2002).

Motoo Noda, Chief Financial Officer

Mr. Noda was named our Chief Financial Officer in January 2024. From April 2014 to December 2023, he served as Chief Financial Officer of Jamgle Jam USA, Inc., Newport Beach, California.

Masaki Koyama, Director (Franchise Operations)

Mr. Masaki Koyama was named our Director (Franchise Operations) in January 2017. He also serves as Franchise Regional Manager for RIU, overseeing restaurant chain training and assisting in operations (since January 2013).

**ITEM 3. LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4. BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

**ITEM 5. INITIAL FEES**

The “Initial Franchise Fee” is \$50,000, one half of which (\$25,000) is due and payable when you sign your Franchise Agreement. This portion of the Initial Franchise Fee is not refundable. You will have six months after the “Effective Date” of your Franchise Agreement to secure a lease for the Licensed Restaurant in the “Reserved Area” defined in Exhibit 1 of the Franchise Agreement. If you are unable to secure a lease for the Licensed Restaurant within six months after the Effective Date, you may either extend the exclusive rights to the Reserved Area for an additional three months by paying a nonrefundable extension fee of \$15,000, or the exclusive Reserved Area will lapse, and other Gyu-Kaku Restaurants may be opened by other Gyu-Kaku franchisees or affiliates of Franchisor.

When you execute a lease for the Licensed Restaurant, you must pay us the remaining half of the Initial Franchise Fee (\$25,000). We will refund this portion (\$25,000) of your Initial Franchise Fee, less expenses that we have incurred, if: (1) you do not complete the Initial Training Program; (2) you are unable to locate an acceptable location for your Licensed Restaurant within six months of signing a Franchise Agreement; (3) you are unable to obtain the appropriate building permits necessary to build and open the Licensed Restaurant; or (4) you are unable to obtain the licenses and permits necessary to sell alcoholic beverages (beer and wine only) at your Licensed Restaurant. Except under these limited circumstances, the Initial Franchise Fee is non-refundable. The Initial Franchise Fee is uniform for all franchises which we presently offer in this State.

If you fail to sign a Franchise Agreement within 90 days after you receive this disclosure document, we will withdraw our offer to grant you a franchise under this disclosure

Name of Fee <sup>1</sup>	Amount	Due Date	Remarks
Continuing Royalty <sup>2</sup>	5% on the first \$1,500,000 of annual Gross Sales  4.5% on annual Gross Sales from \$1,500,000.01 to \$2,000,000  4% on annual Gross Sales of \$2,000,000.01 or more	The 7th day of each month.	<p>“Gross Sales” means the total of all revenues received or receivable as payment, whether in cash or for credit or barter or other means of exchange (and, if for credit or barter, whether or not payment is actually received), on account of any and all goods, merchandise, services, or products sold in or from the Licensed Restaurant, or which are promoted or sold under any of the Marks, during each month of the term of the Franchise Agreement, whether or not we offer such services or products in our other restaurants, including revenues from sales of any nature or kind whatsoever, derived by you or by another person or entity (including your affiliates) from the Licensed Restaurant; sales of Authorized Gyu-Kaku Products (as defined in the Franchise Agreement) in contravention of the Franchise Agreement at locations other than the Location; proceeds of any business interruption insurance, after the satisfaction of any applicable deductible; and sales from vending devices, including pay phones. “Gross Sales” does not include the following: (i) sums representing sales taxes collected directly from your customers in the operation of your Licensed Restaurant, and any <del>sales, value added, or other tax, excise or duty charged to customers which is levied or assessed against you by any Federal, state, municipal or local authority, based on sales of specific goods, products, merchandise or services sold or provided at or from the Licensed Restaurant, provided that such taxes are actually transmitted to the appropriate Governmental Authority;</del> (ii) sums representing tips, gratuities or service charges paid directly by customers to your employees in lieu of direct tips or gratuities; and (iii) proceeds from</p>
Continuing Royalty <sup>2</sup> [continued]			<p><del>sales, value added, or other tax, excise or duty charged to customers which is levied or assessed against you by any Federal, state, municipal or local authority, based on sales of specific goods, products, merchandise or services sold or provided at or from the Licensed Restaurant, provided that such taxes are actually transmitted to the appropriate Governmental Authority;</del> (ii) sums representing tips, gratuities or service charges paid directly by customers to your employees in lieu of direct tips or gratuities; and (iii) proceeds from isolated sales of equipment and trade fixtures not constituting any part of your products and services offered for resale as the Licensed Restaurant nor having any material affect upon the ongoing operation of your Licensed Restaurant under the Franchise Agreement.</p>
Advertising Fee	1.5% of Gross Sales	Same as Continuing Royalty fee.	The Advertising Fee is equal to 1.5% of your Gross Sales during the preceding month.

Type of expenditure	Amount		Method of payment	When due	To whom payment is to be made
	Low	High			
Construction Assistance (3)	\$10,000	\$35,000	Lump Sum	When Franchise Agreement Is Signed.	Us or RIU
Equipment, Furniture, Fixtures and Signage	\$135,052	\$164,256	As Arranged	Before Opening	Suppliers
Computers and Telecommunications (4)	\$23,038	\$28,850	As Arranged	Before Opening	Suppliers
Initial Opening Assistance by Franchisor (5)	\$6,500	\$21,500	As Incurred	First 10 Days After Opening	Us
Pre-Opening Labor	\$26,600	\$31,590	As Incurred	Before Opening	Employees
Travel and Living Expenses (6)	\$11,000	\$23,500	As Incurred	During Training	Hotels, Airlines, etc.
Professional Fees – Architects	\$36,000	\$45,000	As Arranged	Before Opening	Architect
Legal / Professional Fees	\$2,700	\$3,300	As Arranged	Before Opening	Attorney / Accountant
Opening Inventory	\$12,960	\$15,840	As Arranged	Before Opening	Suppliers
Opening Supplies	\$15,895	\$20,455	As Arranged	Before Opening	Suppliers
Insurance Deposits and Premiums (7)	\$2,700	\$3,300	As Arranged	Before Opening	Insurance Carrier(s)
Market Introduction	\$12,600	\$15,400	As Arranged	Month Before and Month After Opening	Media
Licenses, Permits and Deposits	\$5,400	\$6,600	As Incurred	Before Opening	Governmental Agencies, Landlord, etc.
Miscellaneous Expenditures	\$10,000	\$20,000	As Arranged	As Incurred	Suppliers, etc.
Additional funds – 3 months (8)	\$15,000	\$60,000	As Arranged	As Incurred	Employees, Suppliers, utilities, etc.
<b>TOTAL (9)</b>	<b>\$1,215,444</b>	<b>\$1,504,591</b>			

\$25,000 to \$30,000 (which includes vendor provided training). You must obtain high-speed communications access for your point-of-sale system. You must also maintain a functioning e-mail address for your business.

The required Information Systems includes electronic cash registers, a point-of-sale server, receipt printers and a PC-compatible back-office computer running the software we specify. You must purchase this system from suppliers we designate. The system will store information concerning your sales, inventory, accounting and other operations.

You must provide all assistance we require to bring your point-of-sale system on-line with our headquarters computer at the earliest possible time and to maintain this connection as we require. We may retrieve all information that we consider necessary, desirable or appropriate. There are no contractual limitations on our right to independent access to the information and data generated and stored on your Information Systems.

Neither we nor any affiliate has an obligation to provide ongoing maintenance, repairs, upgrades or updates to the system. You may obtain support and optional maintenance contracts from third parties at additional cost that we cannot estimate. There are no contractual limitations on our ability to require you to update, upgrade or replace the Information Systems, add components to the Information Systems, and upgrade, update or replace components of the Information Systems. We may require you to update, upgrade or replace the Information Systems, including hardware and software, upon written notice, and these costs might not be fully amortizable over the time remaining in the term of your License Agreement. We cannot estimate the cost of maintaining, updating or upgrading the Information Systems or its components because it will depend on your repair history, local costs of computer maintenance services in your area and technological advances which we cannot predict at this time.

We may, at our option, establish an Intranet through which our franchisees may communicate with each other, and through which we may communicate with you and may disseminate the Manual, updates to the Manual and other confidential information to you. We will have sole discretion and control over all aspects of the Intranet, including content and functionality (Franchise Agreement, Section 7.14).

## **Operations Manual**

We will loan you a copy of the Manual, which contains mandatory and suggested specifications, standards and procedures. This manual is confidential and remains our property. We may modify this manual, but any modification will not alter in any significant way your status and rights under the Franchise Agreement (Franchise Agreement, Section 7.4).

The following is the Table of Contents of the Manual as of the issuance date of this disclosure document:

<b>Topic</b>	<b>Number of Pages</b>
The Franchise System Manual	2
Acknowledgment of Receipt and Confidentiality Agreement	1
Use of this Manual	2
Manual Updates	1

available of this obligation of confidence, and have them sign a written non-disclosure, and submit a copy to us for our files.

There are no infringing uses known to us that could materially affect your use of the copyrights, trade secrets, processes, methods, procedures, or other proprietary information described above. There are no agreements currently in effect that limit our rights to use or license the above-mentioned copyrights in any manner.

The Franchise Agreement does not require us to take affirmative action if or when notified of infringement of our copyrights. If we require you to modify or discontinue using the subject matter covered by any patent or copyright, you must implement the changes at your cost and expense unless we otherwise direct.

The Franchise Agreement grants us the right at any time to use the name, image and likeness of you and all Principal Equity Owners for commercial purposes in connection with the marketing and promotion of the Marks, any Gyu-Kaku retail location and the Gyu-Kaku System, without any form of compensation or remuneration.

#### **ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE LICENSE BUSINESS**

You must designate an "Operating Principal" acceptable to us who will serve as your authorized representative, who will acknowledge and agree to act as your authorized representative and who has the authority to act on your behalf during the term of your Franchise Agreement. Your Operating Principal will be principally responsible for communicating with us about business, operational and other ongoing matters concerning your Licensed Restaurant. The Operating Principal must devote full time and best efforts solely to operation of all Licensed Restaurants owned or operated, directly or indirectly, by you and to no other business activities until a designated general manager reasonably acceptable to us assumes these duties on a full-time basis. Before you begin operation of your Licensed Restaurant, and always during the term of your Franchise Agreement, you must also designate a Restaurant Manager (or Managers) who has direct control over your Licensed Restaurant and who must be approved by us. ~~Your Operating Principal and Restaurant Manager (who will be the on-premises supervisors) must successfully complete the Initial Training Program. You must operate your Licensed Restaurant and implement all reasonable procedures we periodically prescribe to prevent unauthorized use and disclosure of our "Trade Secrets" (as defined in the Franchise Agreement), including, implementing restrictions and limitations on what may be disclosed to the Restaurant Manager and use of non-disclosure and non-competition provisions in employment agreements with employees who may have access to the Trade Secrets. During the term of the Franchise Agreement, no Restaurant Manager may, either directly or indirectly, (i) operate or assist in the operation of any Japanese restaurant other than the Licensed Restaurant, (ii) engage in any "Competitive Activities" (as defined in the Franchise Agreement) at any location unless we consent in writing, or (iii) divert or attempt to divert any business or any customers of the Licensed Restaurant to any other person or entity.~~

#### **ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

We require you to offer and sell at the Licensed Restaurant only those goods and services that we have approved.

	Provision	Section in franchise agreement	Summary
m.	Conditions for franchisor approval of transfer	13.2, 13.3	<p>New franchisee: must qualify, assume the Franchise Agreement or sign a new Franchise Agreement, complete training and pay our training fee, refurbish the Restaurant. You must provide us with an estoppel agreement and a list of all persons having an interest in the Franchise Agreement or in the Franchisee, pay all amounts then-due to us, sign a general release, provide us with all documents relating to the transfer, disclose to us all material information that we request regarding the transferee, the purchase price, and the terms of the transfer, must not be in default of the Franchise Agreement and pay a transfer fee of \$10,000 (which becomes nonrefundable when we consent to the assignment). (See also "r" below). Within 60 days after our receipt of all necessary information and documentation required under the Franchise Agreement, or as specified by written agreement between us and you, we will notify you of the approval or disapproval of the proposed transfer of the Franchise by you. This notice will be in writing and delivered to you by business courier. With our written consent, you may transfer a franchise agreement to an entity of which you directly own at least 51% interest for convenience of ownership. If the new franchisee is a business entity, all holders of a 10% or greater interest in the new franchisee must sign a personal guarantee. You must reimburse us for all costs and expenses that we incur in connection with such a transfer, including attorneys' fees.</p> <p><u>Before shares of a Franchisee which is a business entity may be offered by private offering, you must provide us with copies of all offering materials; indemnify us, our Affiliates, officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each in connection with the offering; and pay us a non-refundable \$5,000 fee to reimburse us for our costs and expenses associated with reviewing the proposed offering.</u></p>
<del>m.</del>	<del>Conditions for franchisor approval of transfer [continued]</del>	<del>13.2, 13.3</del>	<del>Before shares of a Franchisee which is a business entity may be offered by private offering, you must provide us with copies of all offering materials; indemnify us, our Affiliates, officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each in connection with the offering; and pay us a non-refundable \$5,000 fee to reimburse us for our costs and expenses associated with reviewing the proposed offering.</del>
n.	Franchisor's right of first refusal to acquire franchisee's business	13.2.3, 15.1.2	We can match any offer for your business. However, we waive our right to match an offer if the proposed transferee/assignee is an immediate family member of yours or immediate family member of one of your Principal Equity Owners.
o.	Franchisor's option to purchase franchisee's business	15.1.2	When the Franchise Agreement is terminated or expires, we have the option to match the terms of any third party offer to purchase the assets of the Licensed Restaurant. If no third-party offer to purchase the assets that then exist, we have the right but not the obligation to purchase these assets at their net book value, based on variable depreciations by asset class.
p.	Franchisee's death or disability	13.2.2	Same requirements as for transfer in "m" above.

	Provision	Section in franchise agreement	Summary
u.	Dispute resolution by arbitration or mediation	18.1 – 18.5	Except for certain claims, the parties agree in the Franchise Agreement to submit disputes (not including your failure to pay us sums due or an act of yours allowing us to immediately terminate the Franchise Agreement) initially to a meeting in person of our executive officers and your Principal Equity Owners at our principal executive office (without our respective legal counsel) within five business days after a party requests this meeting to conduct a good faith discussion and negotiation of the issues with a view to arriving at a settlement. If this meeting does not resolve the dispute (or the meeting does not occur), within 10 business days after the meeting takes place (or should have taken place), the parties may submit the dispute to a mutually acceptable mediator who is a State Bar of California Board of Legal Specialization Certified Specialist in Franchise and Distribution Law. If a mediation takes place but does not resolve the dispute or if no mediation occurs, the dispute will be resolved by arbitration by and before JAMS, Inc. in accordance with (i) its Streamlined Arbitration Rules and Procedures (if the amount in controversy is less than \$250,000) or (ii) its Comprehensive Arbitration Rules and Procedures (if the amount in controversy is \$250,000 or more). Or if the parties mutually agree, the dispute may be submitted to arbitration by and before another mutually agreeable arbitration organization. <del>We will maintain a position of strict neutrality regarding any disputes between owners of a franchisee entity, and we will not assist any specific owner of your entity, nor will we take a position or issue an opinion on the validity of a specific claim by an owner of your entity or the respective liabilities of owners of your entity involved in a dispute. (This provision is subject to state law.)</del> We will
<u>u.</u>	<u>Dispute resolution by arbitration or mediation [continued]</u>		<u>maintain a position of strict neutrality regarding any disputes between owners of a franchisee entity, and we will not assist any specific owner of your entity, nor will we take a position or issue an opinion on the validity of a specific claim by an owner of your entity or the respective liabilities of owners of your entity involved in a dispute. (This provision is subject to state law.)</u>
v.	Choice of forum	18.1, 18.2	You and we agree that Los Angeles County, California will be the venue for any mediation, arbitration or litigation arising under the Franchise Agreement. (This provision is subject to state law.)
w.	Choice of law	19.7	The Federal Arbitration Act governs arbitration of disputes under the Franchise Agreement. Otherwise, the laws of the state in which the Licensed Restaurant operated hereunder is located govern the Franchise Agreement. (This provision is subject to state law.)

## ITEM 18. PUBLIC FIGURES

We do not currently pay or provide any other benefit to a public figure for the right to use his or her name to promote the sale of Gyu-Kaku franchises.

## ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information is included in the disclosure document. Financial

performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a specific location or under specific circumstances.

~~On~~ We do not make any representation about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting our Chief Operating Officer, Akitsugu Yamaguchi, Reins USA Franchise Company, Inc., 20000 Mariner Avenue, Suite 500, Torrance, California 90503, (310) 214-9572, the Federal Trade Commission and the appropriate state regulatory agencies.

**ITEM 20: OUTLETS AND FRANCHISEE INFORMATION**

[Table No. 1]  
System-wide Outlet Summary For Years 2022 to 2024\*

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	29	28	-1
	2023	28	32	+4
	2024	32	<del>32</del> 31	<del>0</del> -1
Company-Owned	2022	31	34	+3
	2023	34	33	-1
	2024	33	33	0
<b>Total Outlets</b>	<b>2022</b>	<b>60</b>	<b>62</b>	<b>+2</b>
	<b>2023</b>	<b>62</b>	<b>65</b>	<b>+3</b>
	<b>2024</b>	<b>65</b>	<b><del>65</del>64</b>	<b><del>0</del>-1</b>

\* The year stated in all tables in this Item 20 is the 12 months ending January 31 of that year.

[Table No. 2]  
Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)  
For Years 2022 to 2024

State	Year	Number of Transfers
Pennsylvania	2022	0
	2023	1
	2024	0
<b>Total</b>	<b>2022</b>	<b>0</b>
	<b>2023</b>	<b>1</b>
	<b>2024</b>	<b>0</b>

[Table No. 3]  
Status of Franchised Outlets For Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2022	9	0	0	0	0	0	9

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened</u>	<u>Terminations</u>	<u>Non-Renewals</u>	<u>Reacquired by Franchisor</u>	<u>Ceased Operations - Other Reasons</u>	<u>Outlets at End of the Year</u>
Nevada	2022	1	0	1	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
New York	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
North Carolina	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	40	0	0	0	0	21
Ohio	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Pennsylvania	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Texas	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Virginia	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Washington	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
<b>Totals</b>	<b>2022</b>	<b>29</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28</b>
	<b>2023</b>	<b>28</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32</b>
	<b>2024</b>	<b>32</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>3231</b>

On January 31, 2024, we had 8 franchised Outlets open and operating in Canada.

[Table No. 4]  
Status of Company-Owned Outlets For Years 2022 to 2024

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened</u>	<u>Outlets Reacquired from Franchisees</u>	<u>Outlets Closed</u>	<u>Outlets Sold to Franchisees</u>	<u>Outlets at End of the Year</u>
California	2022	11	1	0	0	0	12
	2023	12	0	0	0	0	12
	2024	12	0	0	0	0	12
Colorado	2022	1	1	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
Georgia	2022	1	0	0	0	0	1
	2023	1	0	0	0	1	0
	2024	0	0	0	0	0	0
	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Hawaii	2024	2	0	0	0	0	2
Illinois	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
	2024	4	0	0	0	0	4
Massachusetts	2022	3	1	0	0	0	4
	2023	4	0	0	0	0	4
	2024	4	0	0	0	0	4
New York	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
	2024	4	0	0	0	0	4
Texas	2022	5	0	0	0	0	5
	2023	5	0	0	0	0	5
	2024	5	0	0	0	0	5
<b>Totals</b>	<b>2022</b>	<b>31</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34</b>
	<b>2023</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>33</b>
	<b>2024</b>	<b>33</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>33</b>

**[Table No. 5]  
Projected Openings as of January 31, 2024**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	2	0	0
District of Columbia	1	0	0
Florida	2	0	0
Maryland	1	0	0
New York	<u>4</u>	1	0
<u>North Carolina</u>	<u>1</u>	<u>1</u>	<u>0</u>
<u>Oregon</u>	<u>1</u>	<u>1</u>	<u>0</u>
<u>Texas</u>	<u>1</u>	<u>1</u>	<u>0</u>
Washington	1	1	0
<b>TOTALS</b>	<b><u>8-12</u></b>	<b><u>2-5</u></b>	<b>0</b>

Exhibit C lists, as of January 31, 2024, all franchise outlets that were then open and operating, all franchisees who had signed franchise agreements but not yet opened their outlets, and all Gyu-Kaku restaurants owned and operated by RIU.

Exhibit D lists, as of January 31, 2024, the contact information of every franchisee that had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business during our most recently completed fiscal year, or that has not communicated with us within 10 weeks of the date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, we have not signed any confidentiality clauses with current or former franchisees.

We have not created, sponsored or endorsed any trademark-specific franchisee organizations associated with the Gyu-Kaku franchise system being offered. There are no independent franchisee organizations that have asked to be included in this disclosure document.

## **ITEM 21: FINANCIAL STATEMENTS**

Attached as Exhibit B are our ~~(i)~~ audited financial statements for the fiscal years ended January 31, 2024, January 31, 2023, and January 31, 2022, ~~(ii) unaudited balance sheet as of April 30, 2024, and (iii) unaudited statement of earnings and retained earnings for the three months ended April 30, 2024.~~ Our fiscal year end date is January 31.

## **ITEM 22: CONTRACTS**

The following agreements and other required exhibits are attached to this disclosure document in the exhibits listed below:

- Exhibit A: Franchise Agreement
- Exhibit G: Brand Standards Agreement
- Exhibit H: Franchise Operator Construction Management Agreement

## **ITEM 23: RECEIPTS**

You will find copies of a detachable receipt in Exhibit J at the very end of this disclosure document.

**GYU-KAKU**

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**LIST OF FRANCHISE OUTLETS**

## LIST OF FRANCHISE OUTLETS

The following franchise outlets were open and operating on January 31, 2024:

STATE	CONTACT NAME	ADDRESS	PHONE NO.
CALIFORNIA	Xiao Ming Sun	120 S. Brea Blvd., Brea, CA 92821	714-671-9378
	Chris Muradyan, Roger Moussa	116 S. San Fernando Blvd., Burbank, CA 91502	818-846-0779
	Eiji Fukushima	11324 South St., Cerritos, CA 90703	562-809-3800
	Edward Chan	19620 Stevens Creek Blvd., Ste. 150, Cupertino, CA 95014	408-865-0149
	Chris Muradyan, Roger Moussa	514 W. 7th St., Los Angeles, CA 90014	213-988-7178
	Naveed Merchan, Amar Ali, Anil Ali	459 8th St., Ste. A, Oakland, CA 94607	510-361-0117
	Eiji Fukushima	9844 Hibert St., Ste. 1, San Diego, CA 92131	562-809-3800
	Edward Chan	329 S. Ellsworth Ave., San Mateo, CA 94401	650-343-3255
	Eiji Fukushima	14181 Newport Ave., Tustin, CA 92780	714-731-1719
	Oak Sangmanee	27025 McBean Pkwy., Valencia, CA 91355	661-254-2355
FLORIDA	Mario Contreras, Jesus Urdaneta	11327 S. Dixie Hwy., Pinecrest, FL 33156	305-613-0051
	Mario Contreras, Jesus Urdaneta	34 SW 13th St., Unit R1, Miami, FL 33130	305-613-0051
	Yutaro Iwamura	7858 Turkey Lake Rd., Ste. 100, Orlando, FL 32819	407-342-2085
	Yutaro Iwamura	140 Sugar Belle Dr., Ste. F, Winter Garden, FL 34787	407-951-0066
GEORGIA	Charles Lin	265 18th St. NW, Ste. 4130, Atlanta, GA 30363	404-253-2989
HAWAII	Ted Davenport, Rick Nakashima, Lyle Matsuoka	46-056 Kamehameha Hwy., Ste. F1, Kaneohe, HI 96744	808-744-2157
	Ted Davenport, Rick Nakashima, Lyle Matsuoka	4450 Kapolei Pkwy., Space 510, Kapolei, HI 96707	808-744-2157
	Ted Davenport, Rick Nakashima, Lyle Matsuoka	95-1830 Meheula Pkwy., Spaces C-12 and C-13, Mililani, HI 96789	808-600-5848
KANSAS	Szuyin Chen	7865 W. 159th St., Overland Park, KS 66223	913-681-9788
LOUISIANA	Khai Nguyen	400 Lafayette St., Ste. 101, New Orleans, LA 70130	504-507-8800
MARYLAND	Hai Nguyen, Sang Nguyen, Khanhchi Dang	8865 Stanford Blvd., Ste. 109, Columbia, MD 21045	804-491-4134
MINNESOTA	Yuwei (George) Xu	3025 Lyndale Ave. S., Minneapolis, MN 55408	612-224-9888
NEW YORK	Charles Lin	40-52 Main St., Flr. 2, Flushing, NY 11354	347-996-6840
	Ning Chen	159 Main St., White Plains, NY 10601	914-358-5206
NORTH CAROLINA	Quan Hong (Helen) Xia	650 E. Stonewall St., Unit A, Charlotte, NC 28202	980-585-3012
	<del>Quan Hong (Helen) Xia</del>	<del>3920 Cotswold Ave., Greensboro, NC 27410</del>	<del>980-585-3012</del>
OHIO	Ai Lin	5901 E. Galbraith Rd., Ste. 216, Cincinnati, OH 45236	513-888-7879

STATE	CONTACT NAME	ADDRESS	PHONE NO.
PENNSYLVANIA	Ning Chen, Dennis Wang	1901 Callowhill St., Philadelphia, PA 19130	267-603-9482
TEXAS	Winston Pham, Christian Le	5290 Belt Line Rd., Ste. 115, Addison, TX 75254	714-454-3538
	Winston Pham, Christian Le	8240 Preston Rd., Ste. 155, Plano, TX 75024	714-454-3538
VIRGINIA	Ki Jun Sung, David Chung, Pierre Lee	1119 N. Hudson St., Arlington, VA 22207	571-527-0445
WASHINGTON	Cecilia Gao	14506 NE 20th St., Ste. 2, Bellevue, WA 98007	425-296-8818

As of January 31, 2024, the following franchisees had signed franchise agreements, but their outlets had not yet opened:

STATE	NAME	CITY/AREA	PHONE NO.
CALIFORNIA	Naveed Merchan, Amar Ali, Anil Ali	Milpitas	510-361-0117
	Edward Chan	San Francisco Bay Area	408-865-0149
DISTRICT OF COLUMBIA	Ki Jun Sung, David Chung, Pierre Lee	Washington DC	571-527-0445
FLORIDA	Mario Contreras, Jesus Urdaneta	Boca Raton, Doral, Fort Lauderdale, Miramar	305-613-0051
	Yutaro Iwamura	Parkview (Millennia Mall)	407-342-2085
MARYLAND	Khanhchi Dang	Baltimore County, Anne Arundel County	202-590-2895
NEW YORK	Mike Chen	Long Island	914-358-5206
	<a href="#">Charles Lin</a>	<a href="#">New York Metro</a>	<a href="#">347-542-3653</a>
<a href="#">NORTH CAROLINA</a>	<a href="#">Helen Xia</a>	<a href="#">Durham, Greensboro</a>	<a href="#">980-585-3012</a>
<a href="#">OREGON</a>	<a href="#">Toshio Kuriyama</a>	<a href="#">Wilsonville Oregon</a>	<a href="#">503-803-0811</a>
<a href="#">TEXAS</a>	<a href="#">Ran Fredell</a>	<a href="#">El Paso, TX</a>	<a href="#">619-395-7785</a>
WASHINGTON	Cecilia Gao	Tacoma (Tacoma Mall)	425-296-8818

The following Gyu-Kaku restaurants owned by our parent company Reins International (USA) Co., Ltd. (or entities affiliated with it) were open and operating on January 31, 2024:

STATE	ADDRESS
CALIFORNIA	163 N. La Cienega Blvd., Beverly Hills, CA 90211
	6600 Topanga Canyon Blvd., Ste. 1010-B, Canoga Park, CA 91303
	7862 Warner Ave., Ste. 109, Huntington Beach, CA 92647
	10925 W. Pico Blvd., Los Angeles, CA 90064
	70 W. Green St., Pasadena, CA 91105
	7893 Monet Ave., Rancho Cucamonga, CA 91739
	801 5th Ave., San Diego, CA 92101
	855 Howard St., San Francisco, CA 94103
	28 N. Almaden St., Ste. 70, San Jose, CA 95110
	231 Arizona Ave., Santa Monica, CA 90401
	14457 Ventura Blvd., Sherman Oaks, CA 91423

STATE	ADDRESS
	24631 Crenshaw Blvd., Torrance, CA 90505
COLORADO	1998 18th St., Denver, CO 80202
	100 Steele St., Ste. 100, Denver, CO 80206
HAWAII	1221 Kapiolani Blvd., Ste. 105, Honolulu, HI 96814
	307 Lewers St., Honolulu, HI 96815
ILLINOIS	2813 N. Broadway St., Chicago, IL 60657
ILLINOIS	210 E. Ohio St., Chicago, IL 60611
	1364 W. Randolph St., Chicago, IL 60607
	47 E. Chicago Ave., 108, Naperville, IL 60540
MASSACHUSETTS	1002 Beacon St., Brookline, MA 02446
	85 Middlesex Turnpike, Ste. 3010, Burlington, MA 01803
	16-18 Eliot St., 2nd Floor, Cambridge, MA 02138
	23 District Ave., Dorchester, MA 02125
NEW YORK	805 3rd Ave., 2nd Flr., New York, NY 10022
	321 W. 44th St., Ste. 103, New York, NY 10036
	620 Amsterdam Ave., New York, NY 10024
	34 Cooper Sq., New York, NY 10003
TEXAS	1211 E. 5th St., Ste. 100, Austin, TX 78702
	7748 Cypress Creek Pkwy., Houston, TX 77070
	510 Gray St., Ste. A, Houston, TX 77002
	11301 Katy Fwy., Houston, TX 77079
	1531 Highway 6 S., Ste. 130, Sugar Land, TX 77478