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Department of
Business Oversight**FRANCHISE DISCLOSURE DOCUMENT**

SANSAI NORTH AMERICA FRANCHISING, LLC
(A California Limited Liability Company)
373 Van Ness Avenue, Suite 180
Torrance, CA 90501
(310) 787-1888
www.sansaigrill.com

The franchise we offer is for the operation of quick casual restaurants featuring and serving a variety of proprietary menu items and other goods, beverages and services under the trade name SANSAI Fresh Japanese Grill ®.

The total estimated investment necessary to begin operation of a new SanSai franchise ranges from \$440,900 to \$801,000. This includes the initial franchise fee of \$35,000 that must be paid to us.

We may offer to individuals or entities the opportunity to become an Area Developer within a specific geographical area. Upon signing an Area Development Agreement, you will pay a Development Fee of \$35,000 for your first restaurant location plus one-half of the multi-restaurant discounted initial franchise fee for each of the remaining restaurant locations agreed upon. Part of the Development Fee must be paid at the time you sign the Development Agreement. The balance is collected by us as payment is made by you of the balance owed on each of the remaining restaurants upon signing the Franchise Agreement for each franchise being developed. The minimum number of restaurants required by an Area Development Agreement is two locations, which requires an initial Development Fee of \$35,000 for the initial franchise, plus \$15,000 (one-half of the \$30,000 discounted fee for the second restaurant), for a total initial Development Fee of \$50,000. The maximum number of franchised locations that can be developed under an Area Development Agreement is negotiated and is dependent upon the territory requested (See Item 5 for information on further discounts available for additional restaurant locations to be opened under an Area Development Agreement). The minimum total estimated to begin operation as an Area Developer is \$455,900 but the maximum total investment will vary based upon the number of restaurants to be developed. (See Items 5 & 7 for additional information).

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English (the "Disclosure Document"). Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Note, however, that no governmental agency has verified the information contained in this document.

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Administration Department at SanSai North America Franchising, LLC, 373 Van Ness Avenue, Torrance, CA 90501, (310) 787-1888.

The terms of your Franchise Agreement will govern your franchise relationship. Do not rely solely upon this Disclosure Document to understand your Franchise Agreement. You should read and review all of your Franchise Agreement carefully with an advisor, such as an attorney or an accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission ("FTC"). You can contact the FTC at 1-877-FTC-HELP or in writing at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency, listed in Exhibit G, or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Date of Issuance: _____

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state authority listed in Exhibit G for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE POSSIBLE SUCCESS OF YOUR SANSAI FRANCHISE MAY BE DEPENDENT UPON THE LOCATION OR AREA YOU CHOOSE, THE LOCAL MARKET FOR THE PRODUCTS AND SERVICES OFFERED, COMPETITION AND OTHER FACTORS. THESE FACTORS, ALONG WITH YOUR OWN BUSINESS ABILITY IN OPERATING YOUR SANSAI FRANCHISED BUSINESS AND THE EXTENT TO WHICH YOU FOLLOW THE SANSAI® SYSTEM, TOGETHER WITH YOUR FINANCIAL AND OTHER RESOURCES, ARE THE THINGS MOST LIKELY TO DETERMINE YOUR POSSIBLE SUCCESS. THERE ARE NO ASSURANCES THAT YOU WILL BE SUCCESSFUL AND THIS IS A SPECULATIVE INVESTMENT.

2. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US FIRST BY MEDIATION IN CALIFORNIA (IN THE COUNTY WHERE OUR HEADQUARTERS ARE LOCATED), AND IF THE DISPUTE REMAINS UNRESOLVED AFTER MEDIATION, THEN THE DISPUTE MUST BE RESOLVED WITH US BY ARBITRATION ONLY IN CALIFORNIA (IN THE COUNTY WHERE OUR HEADQUARTERS ARE LOCATED). OUT-OF-STATE MEDIATION AND ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE OR ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.

3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

4. YOUR TERRITORY WILL NOT BE AN EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FRANCHISOR OWNED OUTLETS, OR COMPETITIVE BRANDS OR DISTRIBUTION CHANNELS THAT FRANCHISOR, OR ITS AFFILIATES, CONTROL.

The Issuance Date of this Disclosure Document is _____.

Effective Dates of States Requiring Registration are on the Following Page.

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