

 <b>YOSHINOYA®</b>	<b>FRANCHISE DISCLOSURE DOCUMENT</b> <b>Yoshinoya America, Inc.</b> <b>991 Knox Street Torrance,</b> <b>California 90502</b> <b>(310) 527-6060 (tel)</b> <b>(310) 217-2180 (fax)</b> <a href="http://www.yoshinoyafranchise.com">http://www.yoshinoyafranchise.com</a> <a href="http://www.yoshinoyaamerica.com">http://www.yoshinoyaamerica.com</a>
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Department of  
Business Oversight

**Franchise Business:** You will own and operate a restaurant featuring freshly-prepared, quality Japanese style foods.

**Total Initial Investment:** The total investment necessary to open a single YOSHINOYA restaurant (not yet in operation) will range from \$385,000 – \$1,360,300. The total investment necessary to purchase an existing YOSHINOYA restaurant will range from \$156,000 - \$2,137,200.

For area development rights, which let you open an agreed number of YOSHINOYA restaurants in a protected area, provided you meet development deadlines, you pay us a Territorial Rights Fee. It is the product of \$13,750 (50% of the \$27,500 Initial Franchise Fee) times the number of YOSHINOYA restaurants in your development commitment. We credit \$13,750 to the Initial Franchise Fee for each Franchise Agreement you sign. We discount the Initial Franchise Fee up to 50% depending on the number of YOSHINOYA restaurants in your commitment.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days (or earlier date required by your state law - see State Addenda) before you sign a binding agreement with, or make any payment to, the franchisor or affiliate. **No government agency verified the information in this document.**

You can receive your disclosure document in another format that is more convenient for you. To discuss availability of the disclosure document in another format, contact Sara Melena, Yoshinoya America, Inc., 991 Knox Street, Torrance, California 90502 (phone: 310/217- 2114; fax: 310/217-2180; e-mail: sara.melena@yoshinoyaamerica.com).

The terms of your contract govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer 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. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency 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.

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## 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 OR VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in **Exhibit A** for information about the franchisor, about other franchisors, 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:

THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT EACH REQUIRE ALL DISAGREEMENTS TO BE RESOLVED FIRST BY TRYING NON-BINDING MEDIATION, AND IF THAT PROCESS DOES NOT RESULT IN RESOLUTION, THEN BY ARBITRATION. MEDIATION IS AT OUR OFFICES IN TORRANCE, CALIFORNIA, AND ARBITRATION IS IN LOS ANGELES, CALIFORNIA. IF YOU LIVE OUTSIDE CALIFORNIA, OUT OF STATE MEDIATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT OF DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE OR ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.

THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT EACH SAY CALIFORNIA LAW GOVERNS THEIR INTERPRETATION AND ENFORCEMENT FOR ALL MATTERS, EXCEPT LOCAL LAW IN YOUR STATE MAY GOVERN ENFORCEMENT OF THE COVENANT NOT TO COMPETE THAT APPLIES AFTER TERMINATION OR EXPIRATION OF THE FRANCHISE, IN STATED CIRCUMSTANCES. CALIFORNIA LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAWS IN YOUR STATE. YOU MAY WANT TO COMPARE THESE LAWS.

IF YOU ARE A BUSINESS ENTITY AND ANY INDIVIDUAL OWNING 10% OR MORE OF YOUR OWNERSHIP INTERESTS IS MARRIED, WE MAY REQUIRE THAT THE OWNER'S SPOUSE SIGN OUR PERSONAL GUARANTY AND THE SEPARATE PERSONAL GUARANTY OF SUBLEASE AS A CO-GUARANTOR. BY SIGNING A PERSONAL GUARANTY, THE SPOUSE WILL BE JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISEE WHETHER OR NOT THE SPOUSE IS INVOLVED IN OPERATION OF THE FRANCHISE BUSINESS. A PERSONAL GUARANTY PLACES THE PERSONAL ASSETS OF EACH OWNER AND HIS OR HER SPOUSE AT RISK. ALTERNATIVELY, AT OUR DISCRETION, IF AN INDIVIDUAL OWNING 10% OR MORE OF YOUR OWNERSHIP INTERESTS IS MARRIED, WE MAY REQUIRE THE OWNER'S SPOUSE TO SIGN OUR SPOUSAL CONSENT FORM. THE PERSONAL GUARANTY AND CONSENT OF SPOUSE FORMS ARE EXHIBITS TO THIS FRANCHISE DISCLOSURE DOCUMENT.

THERE ARE FINANCIAL AND LEGAL RISKS TO MOST BUSINESS EFFORTS, INCLUDING THIS FRANCHISE. TAKE YOUR TIME TO DECIDE. YOU MAY FIND IT USEFUL TO REVIEW THIS DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT AND OTHER EXHIBITS WITH YOUR OWN ACCOUNTING, FINANCIAL AND LEGAL ADVISORS.

IF YOU BUY AN EXISTING STORE FROM US OR OUR AFFILIATE, YOU SHOULD INVESTIGATE THE STORE'S HISTORY AND OPERATIONS CAREFULLY TO ASSESS VIABILITY. THE STORE MAY HAVE A HISTORY OF LOSING MONEY. TO CONTINUE OPERATIONS, IT MAY BE ESSENTIAL FOR YOU TO RE-NEGOTIATE THE LEASE OR RELOCATE.

IF YOU BUY A FRANCHISE IN A NON-TRADITIONAL LOCATION (LOCATIONS WITHIN A MALL, SCHOOL, AIRPORT, RAIL OR BUS TERMINAL, STADIUM, SPORTS ARENA, AMUSEMENT PARK, PUBLIC PARK, THEATER, MILITARY BASE, RACE TRACK, HOSPITAL OR HEALTH CARE FACILITY, EDUCATIONAL FACILITY OR OTHER HIGH DENSITY OFFICE LOCATION OR OTHER MASS GATHERING PLACE), YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS THAT WE OWN, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS THAT WE CONTROL.

IN TRADITIONAL LOCATIONS, THERE ARE EXCEPTIONS TO YOUR TERRITORY. ACCORDINGLY, YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS THAT WE OWN, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS THAT WE CONTROL.

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 franchises. 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 make sure to do your own investigation of the franchise.

Effective Date: See next page for state effective dates.

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