

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): January 13, 2020

KURA SUSHI USA, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other Jurisdiction
of Incorporation)

001-39012
(Commission
File Number)

26-3808434
(IRS Employer
Identification No.)

**17932 Sky Park Circle, Suite H
Irvine, California 92614**
(Address of Principal Executive Offices)

92614
(Zip Code)

Registrant's telephone number, including area code: (657) 333-4100
(Former name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.001 per share	KRUS	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On January 13, 2020, certain officers of Kura Sushi USA, Inc. (the “Company”) will be attending the ICR Conference in Orlando, FL. A copy of the Company’s slides that will be used in discussions with prospective investors during the conference is being furnished as Exhibit 99.1 and hereby incorporated by reference.

The information furnished with this Item 7.01 of this Current Report on Form 8-K and Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Presentation Slides

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KURA SUSHI USA, INC.

Date: January 13, 2020 By: /s/ Hajime Uba

Name: Hajime Uba
Title: Chairman, President and CEO



KURA SUSHI USA, INC.
ICR CONFERENCE

January 13th – 15th, 2020

DISCLAIMER

This presentation has been prepared for informational purposes only. No money or other consideration is being solicited, and if sent in response, will not be accepted. This presentation shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. The Company is not under any obligation to make an offering. It may choose to make an offering to some, but not all, of the people who indicate an interest in investing. Any such offering of securities will only be made by means of a registration statement (including a prospectus) filed with the SEC, after such registration statement becomes effective. No such registration statement has been filed as of the date of this presentation. The information included in any registration statement will be more complete than the information the Company is providing now, and could differ in important ways.

This presentation, related video and oral communications made during the course of this presentation may contain forward-looking statements that involve risks and uncertainties. In some cases, you can identify forward-looking statements by terms such as "target," "may," "might," "will," "objective," "intend," "should," "could," "can," "would," "expect," "believe," "design," "estimate," "continue," "predict," "potential," "plan," "anticipate" or the negative of these terms, and similar expressions intended to identify forward-looking statements. These statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. Given these assumptions, risks and uncertainties, you should not place undue reliance on these forward-looking statements. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected. Unless required by United States federal securities laws, we do not intend to update any of these forward-looking statements to reflect circumstances or events that occur after the statement is made. Our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

The market data and certain other statistical information used throughout this presentation are based on independent industry publications, governmental publications, reports by market research firms or other independent sources. Some data are also based on our good faith estimates. Although we believe these third-party sources are reliable, we have not independently verified the information attributed to these third-party sources and cannot guarantee its accuracy and completeness. Similarly, our estimates have not been verified by any independent source.

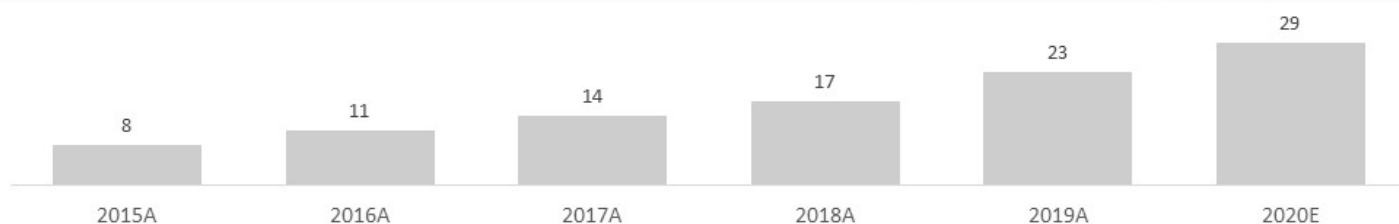
Certain financial measures presented in this presentation, such as Adjusted EBITDA, Adjusted EBITDA margin and Restaurant-level Contribution margin, are not recognized under generally accepted accounting principles in the United States ("GAAP") and are defined in the accompanying Appendix. Such non-GAAP measures are intended as supplemental measures of our performance that are neither required by, nor presented in accordance with, GAAP. We believe that the use of such non-GAAP measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing the Company's financial measures with those of comparable companies, which may present similar non-GAAP financial measures to investors. However, you should be aware that such non-GAAP financial measures are not indicative of overall results for the Company, and Restaurant-level Contribution margin does not accrue directly to the benefit of stockholders because of corporate-level expenses excluded from such measure. Because of these limitations, non-GAAP financial measures should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. See the accompanying Appendix for a reconciliation of non-GAAP measures used in this presentation. Additional financial data and other measures for the company, including Average Unit Volume (AUVs), Comparable restaurant sales growth, Number of restaurant openings and Average check, are defined in the Appendix.

By attending or receiving this presentation and viewing the related video, you acknowledge that you will be solely responsible for your own assessment of the market and our market position and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of our business.



FINANCIAL SNAPSHOT

HISTORICAL RESTAURANT GROWTH



ROBUST FINANCIAL PROFILE

(US\$ in thousands)

	Fiscal Year 2018	Fiscal Year 2019	FY19 Q1	FY20 Q1
Average Unit Volumes	\$3,457	\$3,498	n.a.	n.a.
Comparable Restaurant Sales Growth	2.9%	6.2%	4.4%	7.9%
Sales	\$51,744	\$64,245	\$13,420	\$17,440
Operating Income	\$1,863	\$1,661	(\$420)	(\$1,391)
Net Income	\$1,742	\$1,456	(\$391)	(\$1,224)
Restaurant-Level Contribution⁽¹⁾	\$10,380	\$12,945	\$2,510	\$3,045
Restaurant-Level Contribution Margin⁽¹⁾	20.1%	20.1%	18.7%	17.5%
Adjusted EBITDA⁽²⁾	\$4,506	\$5,782	\$501	(\$143)
Adjusted EBITDA margin⁽²⁾	8.7%	9.0%	3.7%	-0.8%



(1) Non-GAAP: See Appendix A for Reconciliation

(2) Non-GAAP: See Appendix B for Reconciliation



Section 1: Growth Strategy

Section 1 | Growth Strategy

Section 2 | Financial Overview & Model Discussion

Appendix



OUR GROWTH STRATEGY

We have a multi-faceted and disciplined growth strategy

1

Pursue New Restaurant
Development

2

Deliver Consistent
Comparable-
Restaurant Sales
Growth

3

Increase Profitability

4

Heighten Brand
Awareness



PURSUING NEW RESTAURANT DEVELOPMENT IN EXISTING AND NEW MARKETS

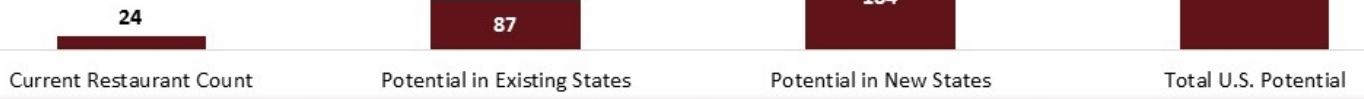
UNDERPENETRATED IN
EXISTING MARKETS



VAST UNTAPPED WHITE
SPACE IN NEW MARKETS



SIGNIFICANT NATIONAL
GROWTH OPPORTUNITY



POTENTIAL FOR OVER 290 RESTAURANTS IN 70 MARKETS⁽¹⁾



Source: Buxton analysis
1. Core-Based Statistical Areas, as defined by the U.S. Office of Management and Budget.

PURSUE NEW RESTAURANT DEVELOPMENT IN EXISTING AND NEW MARKETS (CONT'D)

DISCIPLINED SITE SELECTION PROCESS

KEY SITE SELECTION CRITERIA

FLEXIBLE PHYSICAL FOOTPRINT



Diverse population and above-average household income



Residential and commercial population density



Proximity to highways, universities, shopping areas, and office parks



Degree of competition within the market area



Availability of suitable parking

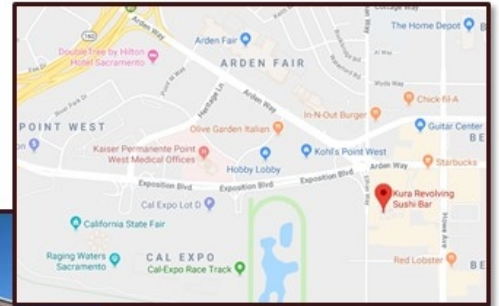


Restaurant visibility & accessibility and traffic patterns



General availability of restaurant-level employees

- Current restaurants range from 1,600 to 6,800 square feet
- In-line and end-cap formats
- Strip malls and shopping centers
- Suburban and urban areas



*Sacramento location,
opened March 2019*



NEW STORE PIPELINE

THREE RESTAURANTS UNDER ICONSTRUCTION, AND ROBUST PIPELINE FOR FY 2020

UNDER CONSTRUCTION

- Fort Lee, NJ
- Glendale, CA
- Koreatown, Los Angeles, CA

EXECUTED LEASES FOR FY 2020

- Bellevue, WA
- Washington, DC
- Sherman Oaks, CA

IDENTIFIED MARKETS FOR FUTURE RESTAURANTS

- Aventura, FL (Lease executed)
- King of Prussia, PA (Negotiating lease)
- Troy, MI
- Watertown, MA (Lease executed)
- Stonestown Galleria, San Francisco, CA (Negotiating lease)

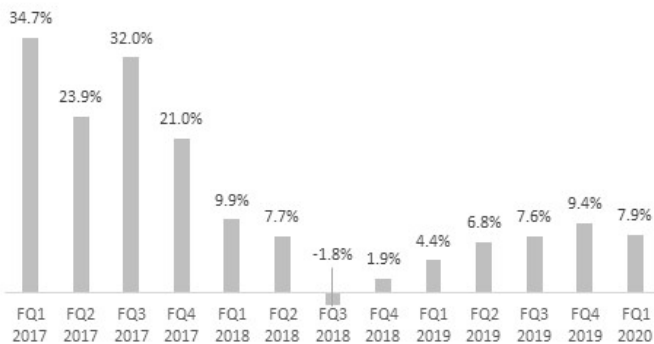
NEW RESTAURANT ASSUMPTIONS

- Square Feet: 2,500 - 4,000
- Cost to Build: Approximately \$1.8 to \$2.0 million
- AUV: \$3.5 million



DELIVER COMPARABLE RESTAURANT SALES GROWTH AND INCREASE PROFITABILITY

12 QUARTERS OF POSITIVE COMP SALES GROWTH OUT OF THE PAST 13 QUARTERS



STRATEGIES TO GENERATE FUTURE COMPARABLE RESTAURANT SALES GROWTH

- Grow traffic through:
 - Increased brand awareness
 - Consistent delivery of a unique and engaging dining experience
 - New menu offerings
 - Restaurant renovations
- Additional growth initiatives we are evaluating:
 - Increase sales of alcoholic beverages
 - Touch panel drink orders
 - Expanding our rewards program

INCREASE RESTAURANT-LEVEL AND CORPORATE PROFITABILITY

- Capitalize on increasing buying power with suppliers
- Leverage existing support infrastructure
- Optimize labor costs at existing restaurants



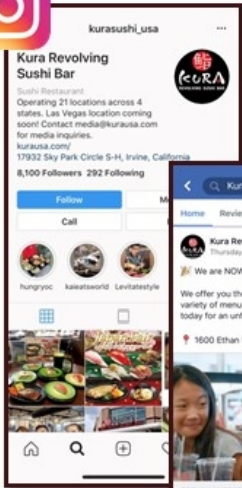
HEIGHTEN BRAND AWARENESS

BUILD BRAND AWARENESS THROUGH A COMPREHENSIVE MARKETING STRATEGY

DIGITAL CHANNELS

MONTHLY DISCOVERIES

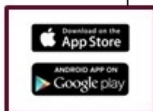
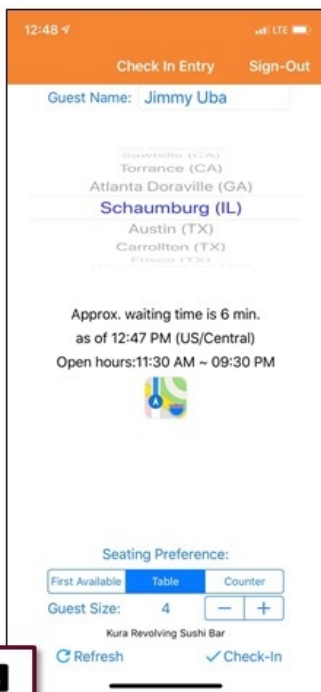
BIKKURA-PON REWARDS



MOBILE APP AND KURA REWARDS PROGRAM

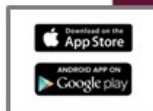
USE OUR MOBILE APP TO CHECK IN REMOTELY

- Check wait times at any restaurant
- Check in to the queue
- Receive a text before your table is ready



REWARDS PROGRAM PILOT

- Guests earn 10 points for every \$1 spent, and receive a \$5 coupon for every \$50 spent (500 points)
- Guests sign up with their email address and download the rewards card into their mobile wallet
- Program is now live at 17 restaurants



Section 2: Financial Overview & Model Discussion

Section 1	Growth Strategy
Section 2	Financial Overview & Model Discussion
Appendix	



MIDTERM MODEL DRIVERS & ASSUMPTIONS

NEW RESTAURANTS

- Significant whitespace opportunity – potential for 290 restaurants nationwide
- Average restaurant size of 3,200 square feet
- Six restaurants opened in FY 2019
- Plan to open six new restaurants in FY 2020
- Approximately 20% unit growth annually in subsequent years
- First full fiscal year AUV of \$3.5 million

EXISTING RESTAURANTS

- Consistent track record of comparable restaurant sales growth
- 2% - 3% annual comparable restaurant sales growth in the projected period





Thank You





Appendix

KEY FINANCIAL DEFINITIONS

- **EBITDA**, a non-GAAP measure, is defined as net income before interest, income taxes and depreciation and amortization.
- **Adjusted EBITDA**, a non-GAAP measure, is defined as EBITDA plus stock-based compensation expense, pre-opening lease expense, pre-opening costs, non-cash lease expense, impairment of long-lived assets, as well as certain items that the Company believes are not indicative of its core operating results. Adjusted EBITDA margin is defined as adjusted EBITDA divided by sales.
- **Restaurant-level Contribution**, a non-GAAP measure, is defined as operating income plus depreciation and amortization, stock-based compensation expense, pre-opening lease expense, pre-opening costs, non-cash lease expense and asset disposals, impairment of long-lived assets, general and administrative expenses, less corporate-level stock-based compensation expense and corporate-level pre-opening costs. Restaurant-level contribution margin is defined as restaurant-level contribution divided by sales.
- **Average Unit Volumes (“AUVs”)** consist of the average annual sales of all restaurants that have been open for 18 months or longer at the end of the fiscal year presented. AUVs are calculated by dividing (x) annual sales for the fiscal year presented for all such restaurants by (y) the total number of restaurants in that base. The Company makes fractional adjustments to sales for restaurants that were not open for the entire fiscal year presented (e.g., a restaurant is closed for renovation) to annualize sales for such period of time.
- **Comparable Restaurant Sales Growth** refers to the change in year-over-year sales for the comparable restaurant base. The Company include restaurants in the comparable restaurant base that have been in operation for at least 18 months prior to the start of the accounting period presented, including those temporarily closed for renovations during the year. For restaurants that were temporarily closed for renovations during the year, the Company makes fractional adjustments to sales such that sales are annualized in the associated period. Growth in comparable restaurant sales represents the percent change in sales from the same period in the prior year for the comparable restaurant base.



NON-GAAP FINANCIAL MEASURES

- Certain financial measures, such as EBITDA, adjusted EBITDA, adjusted EBITDA margin, restaurant-level contribution and restaurant-level contribution margin (“Non-GAAP measures”) are not recognized under GAAP. These Non-GAAP measures are intended as supplemental measures of our performance that are neither required by, nor presented in accordance with, GAAP. The Company is presenting these Non-GAAP measures because the Company believes that they provide useful information to management and investors regarding certain financial and business trends relating to our financial condition and operating results. Additionally, the Company presents restaurant-level contribution because it excludes the impact of general and administrative expenses which are not incurred at the restaurant-level. The Company also uses restaurant-level contribution to measure operating performance and returns from opening new restaurants.
- The Company believes that the use of these Non-GAAP measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing the Company’s financial measures with those of comparable companies, which may present similar non-GAAP financial measures to investors. However, you should be aware that restaurant-level contribution and restaurant-level contribution margin are financial measures which are not indicative of overall results for the Company, and restaurant-level contribution and restaurant-level contribution margin do not accrue directly to the benefit of stockholders because of corporate-level expenses excluded from such measures. In addition, you should be aware when evaluating these Non-GAAP measures that in the future the Company may incur expenses similar to those excluded when calculating these measures. The Company’s presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Our computation of these Non-GAAP measures may not be comparable to other similarly titled measures computed by other companies, because all companies may not calculate these Non-GAAP measures in the same fashion. Because of these limitations, these Non-GAAP measures should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. The Company compensates for these limitations by relying primarily on our GAAP results and using these Non-GAAP measures on a supplemental basis.



RECONCILIATION OF OPERATING INCOME (LOSS) TO RESTAURANT-LEVEL CONTRIBUTION

Appendix A

Reconciliation of GAAP Operating Income (Loss) to Restaurant-level Contribution (amounts in thousands)

	Three Months Ended		Fiscal Years Ended	
	November 30,		August 31,	
	2019	2018	2019	2018
Operating income (loss)	\$ (1,391)	\$ (420)	\$ 1,661	\$ 1,863
Depreciation and amortization	685	471	2,165	1,675
Stock-based compensation expense ⁽¹⁾	121	160	590	105
Pre-opening lease expense ⁽²⁾	174	136	556	197
Pre-opening costs ⁽³⁾	141	36	273	77
Non-cash lease expense ⁽⁴⁾	127	118	462	353
Impairment of long-lived assets, net ⁽⁵⁾	-	-	-	236
General and administrative expenses	3,326	2,148	7,748	5,965
Corporate-level stock based compensation and pre-opening costs included in General and administrative expenses	(138)	(139)	(510)	(91)
Restaurant-level contribution	\$ 3,045	\$ 2,510	\$ 12,945	\$ 10,380
Operating profit margin	-8.0%	-3.1%	2.6%	3.6%
Restaurant-level contribution margin	17.5%	18.7%	20.1%	20.1%

⁽¹⁾ Stock-based compensation expense includes non-cash stock-based compensation, which is comprised of restaurant-level stock-based compensation included in other costs in the statements of income and of corporate-level stock-based compensation included in general and administrative expenses in the statements of operations.

⁽²⁾ Pre-opening lease expense includes lease expenses incurred between date of possession and opening of our restaurants.

⁽³⁾ Pre-opening costs consist of labor costs and travel expenses for new employees and trainers during the training period, recruitment fees, legal fees and other related pre-opening costs.

⁽⁴⁾ Non-cash lease expense includes lease expense after the opening date of our restaurants that did not require cash outlay in the respective periods.

⁽⁵⁾ Impairment of long-lived assets, net includes losses incurred due to the impairment of property and equipment related to a restaurant closure partially offset by a reimbursement from the landlord for the termination of the lease.



RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA

Appendix B

Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA (amounts in thousands)

	Three Months Ended		Fiscal Years Ended	
	November 30,		August 31,	
	2019	2018	2019	2018
Net income (loss)	\$ (1,224)	\$ (391)	\$ 1,456	\$ 1,742
Net interest (income) expense	(163)	36	137	116
Taxes	(4)	(65)	68	5
Depreciation and amortization	685	471	2,165	1,675
EBITDA	(706)	51	3,826	3,538
Stock-based compensation expense ⁽¹⁾	121	160	590	105
Pre-opening lease expense ⁽²⁾	174	136	556	197
Pre-opening costs ⁽³⁾	141	36	273	77
Non-cash lease expense ⁽⁴⁾	127	118	462	353
Impairment of long-lived assets, net ⁽⁵⁾	-	-	-	236
Other adjustments ⁽⁶⁾	-	-	75	-
Adjusted EBITDA	\$ (143)	\$ 501	\$ 5,782	\$ 4,506
Adjusted EBITDA margin	-0.8%	3.7%	9.0%	8.7%

⁽¹⁾ Stock-based compensation expense includes non-cash stock-based compensation, which is comprised of restaurant-level stock-based compensation included in other costs in the statements of income and of corporate-level stock-based compensation included in general and administrative expenses in the statements of operations.

⁽²⁾ Pre-opening lease expense includes lease expenses incurred between date of possession and opening of our restaurants.

⁽³⁾ Pre-opening costs consist of labor costs and travel expenses for new employees and trainers during the training period, recruitment fees, legal fees and other related pre-opening costs.

⁽⁴⁾ Non-cash lease expense includes lease expense after the opening date of our restaurants that did not require cash outlay in the respective periods.

⁽⁵⁾ Impairment of long-lived assets, net includes losses incurred due to the impairment of property and equipment related to a restaurant closure partially offset by a reimbursement from the landlord for the termination of the lease.

⁽⁶⁾ Other adjustments include a \$75 thousand expense related to a legal settlement.



