

Tokyo Table founder bets that Americans want more than just sushi

By LISA JENNINGS

(Sept. 15, 2008) At a time of unprecedented challenges for casual-dining contenders, Tetsuya Emura believes he has found a niche with the potential to avert common pitfalls of the sit-down-dining sector.

Emura is the founder of Tokyo Table, a moderately priced Japanese chain where sushi—a perceived budget buster for some consumers—is on the menu but is decidedly not the food focus.

There are no sushi bars at Tokyo Table's three locations. Instead, Emura has tried to recreate the casual-dining, ethnically diverse restaurants of Japan's capital, where comfort foods from around the globe can be found in abundance.

Tokyo Table's offerings range from contemporary Japanese dishes like mochi cheese gratin to a novel rice-based "pizza" with seafood to traditional udon noodles to Korean-style bibimbap rice cooked in a hot stone bowl at the table.

The chain, whose original outlet in Honolulu operates under the name **Shokudo**, is owned and operated by Dream Dining LLC, based in Los Angeles. Emura is president and chief executive of the company, whose fourth restaurant is scheduled to open this month in Irvine, Calif.

Emura plans to open three to five more Tokyo Tables each year going forward. The challenge, he said through a translator, is to convince Americans that Japanese food means more than just sushi, a high-cost menu item that is difficult to do well at lower price points.

Researchers say Americans are hungry for Asian flavor profiles, and cities like New York and Los Angeles have seen a growing number of single-unit concepts that seek to capitalize on what appears to be increasing interest in Japanese cuisine other than sushi.

Not all have been successful, however.

In July, Scottsdale, Ariz.-based **P.F. Chang's China Bistro Inc.** shuttered its lone **Taneko Japanese Tavern**, an upscale-casual izakaya pub concept that opened in Scottsdale less than two years ago and had been seen as a potential chain prototype. P.F. Chang's blamed the economy, but foodservice analysts said Taneko was too sophisticated and suffered an identity crisis after a belated addition of sushi to what had been a sushiless menu.

"It's hard to attract people to a nonsushi concept," said consultant Randall Hiatt, president of Costa Mesa, Calif.-based Fessel International, who has studied dining trends at Japanese restaurants. "It's not a high-frequency category."

On average, Hiatt found that customers go to nonsushi Japanese restaurants once every two months, while customers in certain age groups will have sushi once a week.

Still, Americans perceive Japanese food as “fun,” said Aaron Noveshen, founder of the Culinary Edge consulting firm in San Francisco. The cuisine “is also perceived as healthy” and “has that halo,” despite standard offerings of deep-fried items and mayonnaise-based sauces.

While robata and yakitori grilling and ramen noodles are popular at independent restaurants in larger cities, it’s difficult to combine all of those Japanese elements onto one menu, Noveshen said.



A casual-dining chain with a moderately priced menu that highlights Japanese dishes beyond sushi.

“In Japan, there aren’t restaurants that do all these things,” he said. “They tend to be all-eel restaurants, for example, or all tempura.”

However, Emura believes Americans might be fed up with the occasionally exorbitant cost of sushi and are ready to diversify their appetites.

“The best part of Japanese food is that we have a variety,” he said. “Sushi is part of it, but we want to introduce other items.”

Moderately priced casual dining is Emura’s specialty. For years, he worked for Japan’s Watami Food Service Co. Ltd. conglomerate, lastly as chief operating officer and chief executive of its **T.G.I. Friday’s** franchise operation, a joint venture with brand owner **Carlson Restaurants Worldwide**. Watami currently operates nine brands with more than 500 restaurants in Asia.

In 2004, a year after leaving Watami, Emura created Dream Dining, which first tested Japanese casual dining with the opening of Shokudo in Honolulu. That restaurant now averages about \$4 million in annual sales.

In 2006, a branch of the concept opened on La Cienega Boulevard’s Restaurant Row in Los Angeles, though here Emura named it Tokyo Table. The restaurant has a full bar featuring about 16 types of sake. Overall, alcohol accounts for about 20 percent of sales.

Last year, another Tokyo Table opened in Arcadia, Calif., also home to a large Asian population. The soon-to-open Orange County branch in Irvine is the chain’s first from-the-ground-up building and a likely prototype for future development.

Tokyo Table locations average about 5,000 square feet with about 160 seats. The average ticket is \$21 per person, and the California locations average about \$3 million in annual sales.

At Shokudo in Honolulu, a top seller is the crispy fried-chicken karaage, but in California one of the most popular dishes is the hot “sushi pizza,” which is baked sushi rice topped with salmon, scallops, crabmeat and onions, served in bite-sized pieces.

Like others in casual dining, Tokyo Table has struggled against economic headwinds. Emura said the restaurants have not been hitting sales goals in recent months, though events like sake tastings have helped. Still, Emura feels the brand’s overall appeal will survive the consumer slump.

Other regional players in the Japanese category have grown by playing the sushi card.

Los Angeles-based **Kabuki Japanese Restaurants**, which derives about 60 percent of sales from sushi, now has 13 locations in California, Arizona and Nevada. Young Kim, Kabuki's director of marketing, said the company plans to hold off on new openings in 2009 because of the difficult economic climate, but is planning to resume in 2010 with five new stores.

Kabuki restaurants, typically with about 5,000 square feet, average about \$3.6 million to \$4.4 million in annual sales and have average checks of \$18, Kim said. In past years, the company tried to develop more nonsushi items to eliminate the sushi-veto factor, he explained. However, increasing demand for sushi forced the chain to change plans, and Kabuki this year is promoting "box sushi" as an alternative to a roll, with layered ingredients molded in a box to form neat rectangles.

RA Sushi, a casual-dining chain owned by Miami-based **Benihana Inc.**, also boasts a lively bar scene. The brand has 21 locations with another six in development, said spokesman Raphael Gross.

For the quarter ended July 20, however, RA Sushi's same-store sales fell 9.1 percent, more than the 7.1-percent drop at sister sushi brand Haru or the 3.4-percent decline at Benihana's namesake restaurants.

"There are some tough markets right now," Gross said, though Benihana believes the RA Sushi brand has the potential of growing to 100 or more units nationwide.