

**ITEM 3
LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Item.

**ITEM 5
INITIAL FEES**

Initial Franchise Fee

You must pay us an initial franchise fee in an amount to be negotiated between us and you depending on the Development Territory granted (the “**Initial Franchise Fee**”). This fee will range from \$1,389 to \$69,398. These amounts are expressed in U.S. Dollars (“**USD**”) for convenience, based on the JPY/USD exchange rate of ¥1 = \$0.006939 as published on June 13, 2025 (the issuance date of this Disclosure Document), and have been rounded up to the nearest whole dollar. All fees imposed on franchisees are denominated in Japanese Yen (“**JPY**”), and actual USD equivalents may fluctuate depending on the exchange rate in effect at the time of payment. The Initial Franchise Fee is due as a lump sum and payable when you sign the MFA unless otherwise agreed, fully earned by us when paid, and non-refundable.

For Minnesota, North Dakota and South Dakota franchisees, please see state ~~addendum~~addenda regarding deferral of initial fees.

**ITEM 6
OTHER FEES**

Type of Fee (See Note 1)	Amount (See Note 2)	Date Due	Remarks
Royalty Fees (see Note 3)	40% of (i) the initial franchise fees collected from subfranchisees and (ii) royalty fees collected from subfranchisees based on the Gross Sales of their Franchised Shops	By the last day of each month, you will pay Royalty Fees related to (i) initial franchise fees collected from subfranchisees during the preceding month and (ii) royalty fees collected from subfranchisees for the preceding month	
Renewal Fee	\$10,410	Upon renewal	
Liquidated Damages	\$69,398	Upon demand after breach	This fee applies only in the event of a breach of the non-competition covenant.
False Statement Fee	\$69,398	Upon invoice	This fee applies only if you intentionally or through gross negligence report false monthly Gross Sales.

MINNESOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

For Minnesota residents and nonresidents acquiring master franchise rights for a territory in Minnesota, the applicable sections of the Franchise Disclosure Document are amended to reflect the following wherever appropriate:

1. We will not refuse to renew the Master Franchise Agreement in order to convert your subfranchises to an operation that will be owned by us or one of our affiliates.

2. Minn. Stat. Sec. 80C.21 declares void any condition, stipulation or provision purporting to bind a person to waive compliance with the Minnesota franchise law (Minn. Stat. sections 80C.01 to 80C.22) and the rules promulgated thereunder (the "Minnesota Act"). To the extent that any of the contracts that you sign with us contain a general release, or require you to sign a general release at a later date, in favor of us, the general release will not operate to extinguish claims arising under, or relieve any person from liability imposed by, the Minnesota Act.

3. The Minnesota Act protects your right to require that the venue of any dispute be in Minnesota and that Minnesota law govern all contracts with us. It furthermore protects your right to a jury trial. To the extent any contract that you sign with us is inconsistent with the Minnesota Act, the contract shall be modified to conform with the Minnesota Act.

4. If any contract that you sign with us contains procedures for terminating the contract that are inconsistent with the Minnesota Act, the contract shall be modified to add the following:

"Provided, however, with respect to franchises governed by Minnesota law, Company agrees to comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which, as of the date of this Agreement, require, except in certain specified cases enumerated in the referenced statute, that Company give Franchisee a minimum of 90 days' notice of termination (with a minimum of 60 days to cure) and a minimum of 180 days' notice for non-renewal of the franchise agreement."

5. If any contract that you sign with us requires you to consent to our obtaining injunctive relief, the contract shall be amended to provide that, pursuant to Minn. Rule 2860.4400J, Franchisee cannot give such consent; provided, however, nothing shall prevent us from applying to a forum for injunctive relief.

6. If any contract that you sign with us contains a limitations period for bringing claims against us that is shorter than the limitations period provided under the Minnesota Act, the contract shall be modified to conform to the Minnesota Act.

7. The Minnesota Act requires us to indemnify you from any loss, costs or expenses that you might incur arising out of a third-party challenge to your authorized use of our service marks.

8. Fee Deferral. Notwithstanding anything to the contrary in this Disclosure Document or the Franchise Agreement, if you are a North Dakota franchisee, we will not collect any initial fees (including the Initial Franchise Fee and any other fees payable before you open for business) until we have fulfilled our pre-opening obligations to you. Our pre-opening obligations include providing the training, site selection/build-out assistance, and other initial support required under the Franchise Agreement. Once these obligations have been fulfilled, the deferred fees will become immediately due and payable.

9. ~~8-~~No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any

SOUTH DAKOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following information is required by South Dakota’s Franchises for Brand-Name Goods and Services Law (S.D. Codified Laws §37-5B (2008)) (“South Dakota Law”) and supplements the information in this Disclosure Document:

1. Item 17 is supplemented by the addition of the following language immediately after the table:
Despite anything to the contrary in the table, the law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota. Any non-binding mediation will be conducted at a mutually agreed upon site. You are not required to submit to venue or a forum outside the State of South Dakota for any claims you may have under the South Dakota Franchises for Brand-Name Goods and Services Law (S.D. Codified Laws §37-5B (2008)).
2. Notwithstanding anything in the Disclosure Document or Franchise Agreement to the contrary, for South Dakota franchisees, the Initial Franchise Fee will be deferred as required by South Dakota law. The Initial Franchise Fee will not be collected at the time you sign the Franchise Agreement and will become payable only after the franchised business is open and operational. The South Dakota Division of Securities has approved this fee-deferral arrangement in lieu of an escrow or impound of initial fees.
3. ~~2-~~This Addendum is effective only to the extent that the jurisdictional requirements of the South Dakota Law are met independent of and without reference to this Addendum. This Addendum will have no effect if the jurisdictional requirements of the South Dakota Law are not met.

By signing below, the parties acknowledge and agree to the terms of this South Dakota addendum.

<u>FRANCHISOR</u>	<u>FRANCHISEE</u>
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____