

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, NW, Washington, DC 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your local 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.

**THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS APRIL 30, 2025 AS AMENDED
SEPTEMBER 3, 2025.**

Operating Experience

We do not operate a business of the type being franchised; however, AMG operated 40 Ace Sushi Bars as of December 31, 2024.

Franchising Experience

We have offered franchises for sale since June 2005. We do not conduct any other business activities. Neither AMG nor Ace has offered franchises for sale in any other line of business.

Forms of Agreements

Item 22 of this Disclosure Document describes the following forms of agreements, copies of which are attached to this Disclosure Document: our Initial Training Agreement (**Exhibit B**), our Franchise Agreement and Attachments (**Exhibit C**); our Candidate Confidentiality Agreement (**Exhibit E**) and our Sushi Robot Purchase Agreement (**Exhibit J**).

Competition

Ace Sushi Bars will generally be located in grocery stores, supermarkets, college and university campuses, hospitals and other locations we select. The market for sushi, Chinese and other Asian fusion food products is well established and very competitive. Ace Sushi Bars will compete with sushi bars in grocery stores, supermarkets, and other locations and with quick service and fine dining restaurants at or near the Non-Traditional Host Venue, including those that offer sushi, Chinese and other Asian fusion food products for both on-premises and off-premises consumption. Typically, restaurant and fast food businesses operate year round, but operating hours and periods for franchises at Non-Traditional Host Venues that are schools or universities may be ~~may be~~ subject to school calendars and prolonged breaks in classes, such as summer break, winter break, spring break and fall break. Sales at restaurant and food businesses are not typically seasonal.

Industry-Specific Regulations

You must comply with all local, state, and federal laws that apply to your Ace Sushi Bar on the preparation, labeling, storage, and sale of seafood and other perishable products, and the operation of your Franchised Business including health, sanitation, weights and measures, no smoking, EEOC, OSHA, discrimination, employment, and sexual harassment laws. You must obtain health, business, and other licenses. ~~You should investigate whether there are regulations, orders or other requirements that may apply in the geographic area in which your Ace Sushi Bar would be located and should consider both their impact and cost of compliance. You should also consult with your attorney concerning these and other local laws and ordinances that may affect your Ace Sushi Bar.~~

ITEM 2 BUSINESS EXPERIENCE

Director, President and Chief Executive Officer:

Harlan H. Chin

Mr. Chin has served as the Director, President and Chief Operating Officer of AMG in Torrance, California since January 1991 and as the President and Chief Executive Officer of Ace since October 7, 2004.

Senior Vice President, Sales and Store Operations

Brian Tan

Mr. Tan has served as the Vice President, Sales and Store Operations of AMG in Torrance, California since June 2006. From June 1997 until June 2004, Mr. Tan served as the Director of Sales and Merchandising for AMG. Mr. Tan has served as the Vice President, Store Operations of Ace since October 7, 2004.

Executive Vice President:

Chris Chin

Mr. Chin has served as the Executive Vice President of AMG in Torrance, California since October 2021. Mr. Chin served as the Vice President, Sales and Marketing of AMG from July 2017 until October 2021.

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERM-INAT	NON- RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASON	OUTLETS AT
CA	2024	1	0	0	0	0	1	0
	2022	9	3	0	0	0	2	10
	2023	10	7	0	0	0	1	16
	2024	16	8 <u>11</u>	4	0	2 <u>5</u>	1	17
CO	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
DC	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
FL	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	7	0	0	0	0	7
GA	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
IA	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	3	0
	2024	0	0	0	0	0	0	0
ID	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	2024	2	2	2	0	0	0	2
IL	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	1	0	0
IN	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	7	0	0	0	0	8
KS	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
KY	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	5	0	0	0	0	5
LA	2022	0	4	0	0	0	0	4
	2023	4	0	0	0	2	2	0
	2024	0	0	0	0	0	0	0
MA	2022	0	0	0	0	0	0	0
	2023	0	4	0	0	0	0	4
	2024	4	4	4	0	0	0	4
MI	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
	2024	0	0	0	0	0	0	0
MO	2022	0	2	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	2	0	0	0	0	4
NC	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	2	0	0	0	0	4
NH	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERM-INAT	NON- RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASON	OUTLETS AT
	2024	2	0	0	0	0	2	0
NJ	2022	0	4	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	5	4	0	0	0	5
NV	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	2	1
NY	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	3	2	0	0	0	3
OH	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	1	0
	2024	0	5	0	0	0	0	5
OR	2022	0	4	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	2	0	0	0	0	6
PA	2022	0	3	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
SD	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	4	0	0	0	0	4
TN	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	4	1	0	0	0	5
TX	2022	5	0	0	0	0	1	4
	2023	4	0	0	0	0	0	4
	2024	4	6	1	0	10	0 1	8
WA	2022	0	0	0	0	0	0	0
	2023	0	4	0	0	0	0	4
	2024	4	1	0	0	0	4	1
TOTAL	2022	25	30	0	0	0	3	52
	2023	52	19	0	0	4	8	59
	2024	59	70 73	18	0	46	10 11	97

TABLE NO. 4
STATUS OF COMPANY OWNED OUTLETS
FOR YEARS 2022 TO 2024

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEE	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT END OF THE YEAR
AL	2022	0	4	0	0	0	4
	2023	4	0	0	4	0	0
	2024	0	0	0	0	0	0
AR	2022	0	0	0	0	0	0
	2023	0	3	0	0	0	3

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEE	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT END OF THE YEAR
	2024	3	0	0	3	0	0
CA	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	5	0	0	5
FL	2022	0	0	0	0	0	0
	2023	0	3	0	0	0	3
	2024	3	2	0	3	0	2
GA	2022	0	0	0	0	0	0
	2023	0	2	0	0	0	2
	2024	2	0	0	1	1	0
ID	2022	0	1	0	0	0	1
	2023	1	0	0	0	1	0
	2024	0	0	0	0	0	0
IL	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	1	0	0	1
IN	2022	0	0	0	0	0	0
	2023	0	7	0	0	0	7
	2024	7	0	0	0	7	0
KY	2022	0	0	0	0	0	0
	2023	0	4	0	0	0	4
	2024	4	0	0	0	4	0
LA	2022	0	0	0	0	0	0
	2023	0	0	2	0	0	2
	2024	2	0	0	2	0	0
MD	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0 1	0	1 0
MO	2022	0	0	0	0	0	0
	2023	0	0	2	0	0	2
	2024	2	0	0	2	0	0
NC	2022	0	0	0	0	0	0
	2023	0	1	0	0	0	1
	2024	1	0	0	0	1	0
OR	2022	1	0	0	0	1	0
	2023	0	1	0	0	0	1
	2024	1	0	0	0	1	0
SD	2022	0	0	0	0	0	0
	2023	0	4	0	0	0	4
	2024	4	1	0	0 1	4	4 0
TN	2022	0	0	0	0	0	0
	2023	0	3	0	0	0	3
	2024	3	0	0	0	3	0

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEE	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT END OF THE YEAR
TX	2022	0	0	0	0	0	0
	2023	0	5	0	0	0	5
	2024	5	12	10	1	5	1
UT	2022	2	0	0	0	0	2
	2023	2	0	0	2	0	0
	2024	0	0	0	0	0	0
WA	2022	6	5	0	0	0	11
	2023	11	0	0	0	4	7
	2024	7	0	0	7	0	0
TOTAL	2022	9	11	0	0	1	19
	2023	19	33	4	6	5	45
	2024	45	25	06	19 21	26	9

ACE SUSHI FRANCHISE CORPORATION

(A WHOLLY OWNED SUBSIDIARY OF ASIANA MANAGEMENT GROUP, INC.)

FINANCIAL STATEMENTS

December 31, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

To the Stockholder of
Ace Sushi Franchise Corporation:

Opinion

We have audited the accompanying financial statements of Ace Sushi Franchise Corporation (a California corporation), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income, changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ace Sushi Franchise Corporation as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ace Sushi Franchise Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Correction of Error

As discussed in Note 3 to the financial statements, certain line items on the accompanying statements of income have been restated for the correction of an error. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ace Sushi Franchise Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ace Sushi Franchise Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ace Sushi Franchise Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Irvine, California
August 28, 2025

ACE SUSHI FRANCHISE CORPORATION

BALANCE SHEETS

ASSETS

	December 31,	
	2024	2023
CURRENT ASSETS		
Cash	\$ 100,000	\$ 100,000
Accounts receivable, net	116,925	301,990
Related-party receivables	924,716	952,672
TOTAL ASSETS	\$ 1,141,641	\$ 1,354,662

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES		
Unearned franchise fees	\$ 473,922	\$ 469,804
	473,922	469,804
NONCURRENT LIABILITIES		
Unearned franchise fees, net of current portion	617,719	834,858
	617,719	834,858
STOCKHOLDER'S EQUITY		
Common stock, \$1 par value; 1,000,000 shares authorized, 50,000 shares issued and outstanding	50,000	50,000
Retained earnings	-	-
	50,000	50,000
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 1,141,641	\$ 1,354,662

The accompanying notes are an integral part of these financial statements.

ACE SUSHI FRANCHISE CORPORATION

STATEMENTS OF INCOME

	For the Year Ended December 31,	
	2024	2023
	(Restated)	
REVENUE		
Franchise fees	\$ 850,418	\$ 831,715
Initial training fees	348,055	293,400
	<u>1,198,473</u>	<u>1,125,115</u>
GENERAL AND ADMINISTRATIVE EXPENSES		
Related-party management fees	1,175,773	1,108,948
Bad debt expense	21,900	15,367
	<u>1,197,673</u>	<u>1,124,315</u>
INCOME BEFORE PROVISION FOR FRANCHISE TAXES	<u>800</u>	<u>800</u>
PROVISION FOR FRANCHISE TAXES	<u>800</u>	<u>800</u>
NET INCOME	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

ACE SUSHI FRANCHISE CORPORATION

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total</u>
BALANCE, DECEMBER 31, 2022	\$ 50,000	\$ -	\$ 50,000
NET INCOME	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE, DECEMBER 31, 2023	50,000	-	50,000
NET INCOME	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE, DECEMBER 31, 2024	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>

The accompanying notes are an integral part of these financial statements.

ACE SUSHI FRANCHISE CORPORATION

STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ -	\$ -
Adjustments to reconcile net income to net cash from operating activities:		
Change in allowance for credit losses	21,900	15,367
Changes in operating assets and liabilities:		
Accounts receivable	163,165	(162,824)
Related-party receivables	27,956	(57,534)
Unearned franchise fees	(213,021)	204,991
Net Cash Provided By Operating Activities	<u>-</u>	<u>-</u>
NET CHANGE IN CASH	-	-
CASH AT BEGINNING OF YEAR	<u>100,000</u>	<u>100,000</u>
CASH AT END OF YEAR	<u>\$ 100,000</u>	<u>\$ 100,000</u>

The accompanying notes are an integral part of these financial statements.

ACE SUSHI FRANCHISE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

NOTE 1 - Organization

Ace Sushi Franchise Corporation (the Company) is engaged in the business of selling franchises in various states for the operation of sushi bars in grocery stores, supermarkets, and other locations under the trade name "Ace Sushi." The Company was incorporated in California in 2004 and is a wholly owned subsidiary of Asiana Management Group, Inc. (AMG). The Company enters into franchise agreements with franchisees, which govern their arrangement and provide for franchise fees, training fees, and other terms. As of December 31, 2024, there were 648 locations franchised by the Company and there were 123 franchises sold during 2024.

NOTE 2 – Summary of Significant Accounting Policies

This summary of significant accounting policies of the Company is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting policies generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements (U.S. GAAP).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Significant items subject to estimates and assumptions include the carrying amounts of franchise agreements and the allowances for credit losses. Actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to credit risk consist primarily of cash and accounts receivable. Accounts receivable subject the Company to the potential for credit risk as the Company grants credit to nearly all of its customers.

ACE SUSHI FRANCHISE CORPORATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are recorded at their estimated net realizable value. The Company generally does not charge interest on past-due balances and requires no collateral from its customers. Accounts receivable are considered delinquent if payment is not received by the due date in accordance with payment terms, however, the franchise agreements provide the Company the right to terminate the franchise for nonpayment of royalties and advertising funds. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

The Company measures expected credit losses on a collective basis when similar risk characteristics exist. The Company considers factors such as historical loss experience, current economic conditions, credit ratings, and other relevant factors in its credit loss estimation process and provides for probable uncollectible amounts through a charge to earnings and a credit to an allowance for credit losses based on its assessment. Balances that are still outstanding after management has made reasonable collection efforts are written off through a charge to the allowance for credit losses and a credit to accounts receivable. Although the Company expects to collect amounts due, actual collections may differ. The allowance for credit losses totaled \$26,650 and \$15,367 at December 31, 2024 and 2023, respectively.

Revenue Recognition

The Company's revenue consists of franchise fees and initial training fees.

Franchise fees represent the granting of a license to the franchisee to use the Company's intellectual property over the franchise period and, therefore, is recognized ratably over the period covered by the franchise agreement as the performance obligation is satisfied. Until such obligation is satisfied, fees collected are recorded as a contract liability, unearned franchise fees.

Initial training fees represent a single performance obligation and are recognized upon completion of training activities.

ACE SUSHI FRANCHISE CORPORATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Income Taxes

The Company's stockholder has elected to be taxed as an S corporation for federal and state income tax purposes and, as such, the income is included in the stockholder's individual tax return. There are, however, certain states that charge a franchise tax on income at the corporate level.

The Company accounts for uncertainty in income taxes in accordance with the provisions of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 740, *Income Taxes*, which requires companies to evaluate tax positions in a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained under audit, including resolution of related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon settlement. The Company reviews its tax positions periodically and adjusts the balances as new information becomes available.

For the years ended December 31, 2024 and 2023, the Company believes there are no uncertain tax positions affecting the Company, resulting in no gross interest or penalties being recorded and no effect on the effective tax rate.

Subsequent Events

The Company has evaluated subsequent events through August 28, 2025, the date the financial statements were available to be issued.

NOTE 3 – Restatement

Subsequent to the issuance of the financial statements for the year ended December 31, 2024, the Company identified an error requiring restatement. The Company determined that initial training fees revenue and related-party management fees expense previously reported were each understated by \$330,055 due to an enterprise resource planning implementation error. There was no effect on previously reported net income. These errors have been corrected in the accompanying restated financial statements.

ACE SUSHI FRANCHISE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

NOTE 4 – Unearned Franchise Fees

Unearned franchise fees represent contract liabilities resulting from initial and renewal franchise fees, which are generally recognized on a straight-line basis over the term of the underlying franchise agreement and billed in advance of satisfaction of the Company's performance obligation.

The following table reflects the change in contract liabilities between December 31, 2024 and 2023:

	December 31,	
	2024	2023
Balance at beginning of year	\$ 1,304,662	\$ 1,099,671
Revenue recognized during the year	(850,418)	(831,715)
New franchise fees sold during the year	637,397	1,036,706
Balance at end of year	<u>\$ 1,091,641</u>	<u>\$ 1,304,662</u>

The following table illustrates the estimated contract liabilities expected to be recognized as future revenue which is being amortized over the term of the franchise agreement:

Year Ending December 31,	Amount
2025	\$ 473,922
2026	321,661
2027	235,072
2028	<u>60,986</u>
	<u>\$ 1,091,641</u>

ACE SUSHI FRANCHISE CORPORATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 5 – Related-Party Transactions

AMG provides various management functions on behalf of the Company, including substantially all of the Company's responsibilities under the franchise agreements and collections of cash from franchisees. As consideration for these services, the Company pays a management fee to AMG equal to the Company's net income, which is disclosed as related party management fees on the statements of income.

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Not Registered
Illinois	Pending <u>May 8, 2025 as amended</u>
Indiana	Pending <u>May 8, 2025 as amended</u>
Maryland	Pending <u>June 3, 2025 as amended</u>
Michigan	Pending <u>June 3, 2025 as amended</u>
Minnesota	Pending <u>June 2, 2025 as amended</u>
New York	Pending
North Dakota	May 8, 2025 <u>as amended</u>
Rhode Island	Pending <u>June 3, 2025 as amended</u>
South Dakota	Pending <u>May 8, 2025</u>
Virginia	Pending <u>July 15, 2025 as amended</u>
Washington	See Separate FDD
Wisconsin	May 8, 2025 <u>as amended</u>

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This Disclosure Document summarizes provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Ace Sushi Franchise Corporation offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Several states, including New York, require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Several states, including Michigan and Oregon, require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever comes first.

If Ace Sushi Franchise Corporation does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to The Federal Trade Commission, Washington D.C. 20580 and the appropriate State Agency identified on **Exhibit A**.

The franchisor is Ace Sushi Franchise Corporation, located at 22771 S Western Avenue, Torrance, California 90501.

The name, principal business address and telephone number of each Franchise Seller offering the Franchise: Angela Swe and Brian Tan, 22771 S Western Avenue, Torrance, California 90501 (310) 327-2223.

Issuance Date: April 30, 2025 as amended September 3, 2025

We authorize the agents listed in **Exhibit A** to receive service of process for us.

I have received a Disclosure Document dated April 30, 2025 as amended September 3, 2025. This Disclosure Document includes the following Exhibits:

- A Agents for Service of Process & State Administrators**
- B Initial Training Agreement**
- C Franchise Agreement and Attachments**
 - C1 – Hot Food Addendum**
 - C2 – Fresh Juice Addendum**
- D State-Specific Addenda**
- E Candidate Confidentiality Agreement**
- F List of Franchisees**
- G List of Terminated Franchisees**
- H Financial Statements**
- I Franchise Application**
- J Sushi Robot Purchase Agreement**
- K Receipts**

DATED: _____
SIGNED: _____
NAME: _____
E-MAIL: _____

ADDRESS: _____
PHONE: _____

Please sign this copy of the Receipt, date your signature, and return it to: Chris Chin, 22771 S Western Avenue, Torrance, California 90501, 310-327-2223.

RECEIPT

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- K Receipts**

DATED: _____

SIGNED: _____

NAME: _____

E-MAIL: _____

ADDRESS: _____

PHONE: _____

Keep this copy for your records. This disclosure document may be available in several formats including on paper, on a CD, in pdf format or on our website: www.acesushi.com