

FRANCHISE DISCLOSURE DOCUMENT

ZENSHI

Advanced Fresh Concepts Franchise Corp.

a California corporation
19700 Mariner Avenue
Torrance, California 90503
Telephone: 310-604-3200
info@afcsushi.com
www.afcsushi.com



Advanced Fresh Concepts Franchise Corp. (“AFC”) will grant you a franchise to use our system to offer prepared sushi and other Asian style foods from one or more (i) Zenshi Counters at a grocery store, retail center or other location that someone else owns (“Zenshi Counter”); (ii) AFC food service counters at a grocery store, retail center or other location that someone else owns (“AFC Food Service Counter”); (iii) Wild Blue Counters at a university or other select locations (“Wild Blue Counter”).

The total investment necessary to begin operation of a Zenshi Counter/AFC Food Service Counter/Wild Blue Counter is as follows: (1) if you are a new franchisee, the estimated total investment for one full-time or part-time Zenshi Counter/AFC Food Service Counter/Wild Blue Counter is between \$45,004 and \$151,404 for a non-AFC operated location and between \$46,004 and \$251,404 if you purchase an existing AFC operated location. This includes \$42,244 to \$237,074 that must be paid to us; (2) if you are an existing franchisee purchasing an additional full-time or part-time Zenshi Counter/AFC Food Service Counter/Wild Blue Counter, the estimated total investment necessary to begin operation of each additional Zenshi Counter/AFC Food Service Counter/Wild Blue Counter is between \$42,019 and \$130,324 for a non-AFC operated location and \$43,019 and \$230,324 for an existing AFC operated location. This includes \$40,769 to \$227,524 that must be paid to us; (3) if you are an existing franchisee purchasing a self-service Zenshi Counter/AFC Food Service Counter/Wild Blue Counter, the estimated total investment necessary to begin operations is between \$4,025 and \$20,900. This includes \$4,025 to \$20,000 that must be paid to us.

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 before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Vincenzo Calcagni, at 19700 Mariner Avenue, Torrance, California 90503, Telephone: 310-604-3200.

The terms of your contract will govern your franchise relationship. Don’t rely on the disclosure document alone to understand your contract. Read all of your 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 your mind. More information on franchising, such as “A Consumer Guide’s 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, D.C. 20580. You can also visit the FTC’s home page at 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.

FTC Issuance Date: July 22, 2025, amended August 28, 2025

Senior Vice President of Product Management & Fruit: Noriyuki Honda

Mr. Honda has been our Senior Vice President of Product Management & Fruit since July 2025. Mr. Honda served as Senior Vice President of Product for our affiliate, JFE Franchising, Inc in Houston, Texas from April 2024 to June 2025. Mr. Honda served as our General Manager of Product Management from June 2022 to March 2024. Mr. Honda served as our General Manager of Research and Development from August 2021 to June 2022. Mr. Honda served as Chief Operating Officer for Zensho Food Indian Private Limited in Delhi, India from April 2019 to June 2021. Mr. Honda served as the Senior Manager for Zensho Holdings in Tokyo, Japan from April 2018 to September 2021.

Vice President of Business Development: Michelle Narain

Ms. Narain has been our Vice President of Business Development since May 2025. Ms. Narain was unemployed from March 2025 to April 2025. Ms. Narain served as Vice President of Sales & Marketing for Sofidel in Horsham, Pennsylvania from November 2024 to February 2025. Ms. Narain served as Vice President of Sales & Marketing for Clearwater in Spokane, Washington from February 2022 to October 2024. Ms. Narain was unemployed in January 2022. Ms. Narain served as Vice President of Private Label for Smart & Final in Commerce, California from May 2018 to December 2021.

Vice President of Product Management Division: Yoshiya Kohda

~~Mr. Kohda has been our Vice President of Product Management since May 2025. Mr. Kohda was our General Manager of Product Management from April 2024 to May 2025. Mr. Kohda was our Senior Manager of Product Management from February 2023 to March 2024. Mr. Kohda was our Field Manager from November 2021 to January 2023. Mr. Kohda was our Manager of Product Management from May 2021 to October 2021. Mr. Kohda was a Global Data Analyst for Zensho in Tokyo, Japan from 2014 to December 2021.~~

Senior Vice President of Operations: Eddie Y. Fujita

Mr. Fujita has been our Senior Vice President of Operations since April 2025. Mr. Fujita was our Deputy General Manager from February 2021 to March 2025. Mr. Fujita was our Division Manager from September 2019 to January 2021.

Senior Vice President of Administration: Ray Fekrinia

Mr. Fekrinia has been our Senior Vice President of Administration since July 2021. Mr. Fekrinia was the President of Diplomat Consulting Services in Manhattan Beach, California from November 2018 to July 2021.

ITEM 3 LITIGATION

PENDING LITIGATION:

A. Pending Cases We Brought Against Franchisees in Fiscal Year Ending March 2025:

None

B. Cases Pending Against Us:

Provision	Sections In General Release	Summary
r. Non-competition covenants after franchise is terminated or expires	Not Applicable	Not Applicable (subject to state law)
s. Modification of the agreement	General Release Section 8.1	The General Release cannot be modified, altered or otherwise amended except by an agreement in writing.
t. Integration/merger clause	General Release Section 8.2	Only the terms of the Release Agreement is binding (subject to state law). Other promises and representations are not enforceable. <u>Nothing in the agreement is intended to disclaim our representations made in the franchise disclosure document.</u>
u. Dispute resolution by arbitration or mediation	General Release Sections 6 and 8.8	All disputes must be arbitrated in Los Angeles, California, according to the rules of the American Arbitration Association (subject to state law). Failure to appear may cause a judgment of money to be awarded.
v. Choice of forum	General Release Sections 8.7 and 8.8	All claims, except as precluded by applicable law, must be arbitrated in Los Angeles, California and are subject to state law.
w. Choice of law	General Release Section 8.7	California law applies, except that if any provision of the Agreement would not be enforceable under California law, and if the Food Service Counter is located outside of California and such provision would be enforceable under the laws of the state in which the Food Service Counter is located, then such provision will be interpreted and construed under the laws of the state where the Food Service Counter is located.

This table lists certain important provisions of the Asset Sale and Purchase Agreement. You should read these provisions in the agreement attached to this Disclosure Document.

Provision	Sections In Asset Sale and Purchase Agreement	Summary
a. Length of Franchise Term	Not Applicable	Not Applicable
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for you to renew or extend	Not Applicable	Not Applicable
d. Termination by you	Secs. 6 & 9.1	You can terminate the Asset Purchase Agreement if the parties do not comply with the Bulk Sales Laws and this requirement has not been waived by you (subject to state law).
e. Termination by us without cause	Sec. 2.1	If the parties are not able to close the sale by the agreed on date we can terminate the Agreement.

This table lists certain important provisions of the Promissory Note. You should read these provisions in the agreement attached to this Disclosure Document.

Provision	Sections In Promissory Note	Summary
a. Length of Note Term	Sec. 1	The repayment term varies. You may pay off the Note earlier than its term.
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for you to renew or extend	Not Applicable	Not Applicable
d. Termination by you	Sec. 2	The Note is pre-payable on 30 days' notice(subject to state law).
e. Termination by us without cause	Not Applicable	Not Applicable
f. Termination by us with cause	Not Applicable	Not Applicable (subject to state law)
g. "Cause" defined – defaults which can be cured	Sec. 4	Failure to make any payment within 10 days after due date (subject to state law).
h. "Cause" defined – defaults which cannot be cured:	Sec. 4	Non-curable defaults are listed in the Franchise Agreement and in the Franchise Agreement chart above (subject to state law).
i. Your obligations on termination/non-renewal	Sec. 4	You must immediately pay remaining balance.
j. Assignment of contract by AFC	Sec. 13	No restrictions on our right to assign.
k. "Transfer" by you – defined	Sec. 13	You may not transfer or assign your obligations under the Note.
l. AFC's approval of your transfer	Sec. 13	You may not transfer or assign your obligations under the Note.
m. Conditions for AFC's approval of transfer	Sec. 13	You may not transfer or assign your obligations under the Note.
n. AFC's right of first refusal to buy your business	Not Applicable	Not Applicable
o. AFC's option to buy your business	Not Applicable	Not Applicable
p. Your death or disability	Not Applicable	Not Applicable
q. Non-competition covenants during term of franchise	Not Applicable	Not Applicable (subject to state law)
r. Non-competition covenants after franchise is terminated or expires	Not Applicable	Not Applicable (subject to state law)
s. Modification of the Note	Sec. 14	The Note cannot be modified or amended unless both parties agree in writing.
t. Integration/merger clause	Sec. 15	Only the terms of the Note are binding (subject to state law). <u>Other promises and representations are not enforceable. You can't claim there are any other promises. Nothing in the Note is intended to disclaim our representations made in the franchise disclosure document.</u>
u. Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable (subject to state law).
v. Choice of forum	Sec. 12	Litigation may be brought in Los Angeles, California (subject to state law). We are not precluded from bringing an action in another court.

this Release Agreement shall be in all respects final and effective and not subject to termination or rescission by any such difference in facts.

5. **REPRESENTATIONS AND WARRANTIES.** Releasing Parties hereby represent and warrant that, in entering into this Release Agreement, Releasing Parties: (i) are doing so freely and voluntarily, either upon the advice of counsel and business advisors of Releasing Parties' own choosing, or without such advice because Releasing Parties, free from coercion, duress or fraud, declined to obtain such advice; (ii) have read and fully understand the terms and scope of this Release Agreement; (iii) understand that this Release Agreement is final and conclusive, and intends to be final and conclusive, as to the matters set forth in this Release Agreement; and (iv) have not assigned, transferred, or conveyed to any third party all or any part of their interest, or any contingent interest, in any of the Claims released by this Release Agreement now or in the future, and are aware of no third party who contends or claims otherwise, and shall not purport to assign, transfer, or convey any interest in any such Claim after the Effective Date.

6. **COVENANTS NOT TO SUE.** Releasing Parties hereby irrevocably covenant that they will not, directly or indirectly: (i) commence, initiate, or cause to be commenced or initiated any proceeding, claim, or demand of any kind against Franchisor Released Parties based upon any Claims released under this Release Agreement; or (ii) assist or encourage any person or entity to investigate, inquire into, commence, initiate, or cause to be commenced or initiated any proceeding, claim, or demand of any kind against Franchisor Released Parties based upon any Claims released under this Release Agreement.

7. **INDEMNITY.** Without in any way limiting any of the rights and remedies otherwise available to the Franchisor Released Parties, Releasing Parties shall defend, indemnify and hold harmless each Franchisor Released Party from and against all Claims whether or not involving third-party Claims, arising directly or indirectly from or in connection with: (i) the assertion by or on behalf of Releasing Parties or their Constituents of any Claim or other matter released pursuant to this Release Agreement; (ii) the assertion by any third party of any Claim or demand against any Franchisor Released Party which Claim or demand arises directly or indirectly from, or in connection with, any Claim or other matter released pursuant to this Release Agreement; (iii) any breach of representations, warranties or covenants hereunder by Releasing Parties or its Constituents; or (iv) the Franchise Agreement, the Food Service Counter(s), the Franchised Location, and/or any and all claims of creditors, customers, vendors, suppliers or invitees of the Food Service Counter(s), or other third parties, for obligations incurred and/or acts or omissions to act by Franchisee, both prior to and following the Effective Date.

8. **GENERAL PROVISIONS.**

8.1 **Amendment.** This Release Agreement cannot be modified, altered or otherwise amended except by an agreement in writing signed by all of the parties.

8.2 **Entire Agreement.** This Release Agreement, together with the agreements referenced in this Release Agreement, constitute the entire understanding between and among the parties with respect to the subject matter of this Release Agreement and supersedes any prior negotiations, understandings, representations, and agreements ~~oral or written~~, with respect to the subject matter of this Release Agreement. Nothing in this Release Agreement is intended to disclaim the representations made to Franchisee in the Franchise Disclosure Document. The Recitals set forth in Paragraphs A through C of this Release Agreement are true and correct and are incorporated into this Release Agreement as part of this Release Agreement.

8.3 **Counterparts and Electronic Transmission; Electronic Signatures.** This Release Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Release Agreement with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original

demand, dishonor and nonpayment of this Note and (b) any release or discharge arising from any extension of time, discharge of any party liable for payment of this Note, release of any or all of the security for this Note, or other cause of release or discharge other than actual payment in full of this Note.

7. No Waiver. Holder shall not be deemed, by any act or omission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by Holder and then only to the extent specifically set forth in such writing. A waiver with reference to one event shall not be construed as a bar to or waiver of any right or remedy as to any subsequent event. No delay or omission of Holder to exercise any right, whether before or after a default hereunder, shall impair any such right or shall be construed to be a waiver of any right or default, and the acceptance at any time by Holder of any past-due amount shall not be deemed to be a waiver of the right to require prompt payment when due of any other amounts then or thereafter due and payable.

8. Severability. Any provision of this Note which may be prohibited by law or otherwise held invalid shall be ineffective only to the extent of such prohibition or invalidity and shall not invalidate or otherwise render ineffective the remaining provisions of this Note.

9. Choice of Law. This Note, and the rights and obligations hereunder of each of the parties hereto, shall be governed by and construed in accordance with the laws of the State of California, without reference to principles of conflicts of law.

10. Successors and Assigns. The terms, covenants and conditions contained herein shall be binding upon the heirs and successors of Maker and shall inure to the benefit of the successors and assigns of Holder.

11. Costs and Expenses. If any amount under this Note is not paid when due, Maker promises to pay immediately upon demand all costs and expenses of collection, including without limitation actual attorneys' fees, incurred by Holder to enforce the terms of this Note.

12. Venue and Jurisdiction. Maker agrees that any suit, action or proceeding arising out of or relating to this Note, or the interpretation, performance or breach of this Note, may be instituted in the United States District Court for the Central District of California or any court of the State of California located in Los Angeles County, and Maker irrevocably submits to the jurisdiction of those courts and waives any and all objections to jurisdiction or venue that it may have under the laws of the State of California or otherwise in those courts in any such suit, action or proceeding. The provisions of this paragraph shall not be deemed to preclude Holder from filing any suit, action or proceeding in any other appropriate forum.

13. Assignment. Holder may assign this Note and any security for this Note without notice to Maker or the consent of Maker. Maker shall have no right or power to assign or delegate any obligations under this Note.

14. Entire Agreement. This Note contains all of the terms and conditions agreed on by Maker and Holder with respect to the subject matter of this Note. This Note supersedes all prior negotiations, understandings, representations, discussions, correspondence and agreements between Maker and Holder on its subject. Nothing in this Note is intended to disclaim the representations made to Maker in the Franchise Disclosure Document. This Note cannot be modified or changed except by written instrument signed by Maker and Holder.

15. Miscellaneous. If this Note is executed by more than one person or entity as Maker, the

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	Exempt
Hawaii	Pending
Illinois	Exempt
Indiana	July 30, 2025, <u>amended</u>
Maryland	Exempt
Michigan	July 28, 2025
Minnesota	Pending
North Dakota	July 28, 2025, <u>amended</u>
New York	Exempt
Rhode Island	August 1, 2025, <u>amended</u>
South Dakota	July 28, 2025
Virginia	Exempt
Washington	August 14, 2025, <u>amended</u>
Wisconsin	July 28, 2025, <u>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
(Franchisee's Copy)

This disclosure document summarizes provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If AFC offers you a franchise, AFC must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires 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. Michigan requires 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 that relates to the franchise relationship, whichever occurs first.

If AFC 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 state administrator listed in Exhibit N to the disclosure document.

The name, principal business address and phone number of each franchise seller offering the franchise is:

Franchisor:

Advanced Fresh Concepts Franchise Corp.
19700 Mariner Avenue
Torrance, California 90503
Telephone: 310-604-3200
info@afcsushi.com
www.afcsushi.com

Franchise Seller:

Name of Individual(s) selling on behalf of Franchisor:

Advanced Fresh Concepts Franchise Corp.
19700 Mariner Avenue
Torrance, California 90503
Telephone: 310-604-3200

Issuance Date: July 22, 2025, amended August 28, 2025.

We authorize Incorp Services, Inc. 5716 Corsa Avenue, Suite 110, Westlake Village, California 91362-7354 to receive service of process for us or see Exhibit N if you are located outside California.

I received a Disclosure Document dated July 22, 2025, amended August 28, 2025, that included the following Exhibits:

A.	Financial Statements	J.	Food Service Counter Transfer Agreement
B.	Franchise Application	K.	Promissory Note
C.	Franchise Agreement	L.	Table of Contents of Manuals
D.	Full-Time Location Franchise Addendum	M.	List of Franchisees, Company Owned Locations, Transfers, Terminations, Non-Renewals, Ceased Operations/Other in our Last Fiscal Year
E.	Part-Time Location Franchise Addendum	N.	List of State Administrators and Agents for Service of Process
F.	Self-Service Location Addendum	O.	State Specific Addenda
G.	General Release	P.	Confidentiality Agreement
H.	Assignment of Franchise Agreement and Franchisor Consent	Q.	Tablet and Rice Sheeter Specifications
I.	Asset Sale and Purchase Agreement	R.	Receipts

Date: _____

PROSPECTIVE FRANCHISEE'S SIGNATURE

(Print Name)

Keep This Copy for Your Records.

RECEIPT
(Franchisor's Copy)

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Name of Individual(s) selling on behalf of Franchisor:

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Date: _____

PROSPECTIVE FRANCHISEE'S SIGNATURE

(Print Name)

Return this copy to us.