

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance of a particular location or under particular circumstances.

Written substantiation for the financial performance representations made in this Item 19 will be made available to you upon reasonable request.

Some Boutiques have earned these amounts. Your individual results may differ. There is no assurance you'll earn as much.

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Table 1
GROSS SALES, GROSS PROFIT, WAGES, OTHER OPERATING EXPENSES AND NET PROFIT
FOR 56 FRANCHISED LOCATIONS
FOR THE PERIOD FROM JULY 1, 2024 THROUGH JUNE 30, 2025
(NOTES 1-7, 16)

	Age of Boutique (Years) (Note 1)	Count (Note 1)	Average (Note 7)	Median (Note 7)	# Attaining or Exceeding Average	% Attaining or Exceeding Average	High	Low
Gross Sales (Note 2)	1-2	16	\$900,818	\$922,050	8	50%	\$1,781,559	\$367,460
	2-3	19	\$1,448,955	\$1,375,234	9	47%	\$2,398,274	\$682,873
	3-4	13	\$1,625,230	\$1,541,764	5	38%	\$2,212,389	\$1,090,346
	4+	8	\$1,687,731	\$1,669,666	4	50%	\$2,494,374	\$1,223,984
	Total	56	\$1,367,376	\$1,366,900	28	50%	\$2,494,374	\$367,460
Gross Profit (Note 3)	1-2	16	\$796,290	\$808,903	8	50%	\$1,606,487	\$304,370
	2-3	19	\$1,297,006	\$1,208,441	8	42%	\$2,149,651	\$592,952
	3-4	13	\$1,459,955	\$1,377,760	5	38%	\$2,007,636	\$967,836
	4+	8	\$1,515,985	\$1,466,168	4	50%	\$2,209,820	\$1,084,199
	Total	56	\$1,223,054	\$1,208,284	26	46%	\$2,209,820	\$304,370
Wages (Note 4)	1-2	16	\$489,041	\$449,729	4	25%	\$990,106	\$249,003
	2-3	19	\$741,060	\$702,908	8	42%	\$1,046,138	\$422,947
	3-4	13	\$823,162	\$795,820	6	46%	\$1,081,712	\$537,237
	4+	8	\$847,035	\$828,810	4	50%	\$1,214,003	\$639,458
	Total	56	\$703,253	\$683,056	24	43%	\$1,214,003	\$249,003
Other Operating Expenses (Note 5)	1-2	16	\$311,271	\$283,612	7	44%	\$595,792	\$181,937
	2-3	19	\$411,745	\$415,826	10	53%	\$666,738	\$234,267
	3-4	13	\$434,494	\$404,903	5	38%	\$536,821	\$343,626
	4+	8	\$466,056	\$414,337	3	38%	\$778,222	\$349,726
	Total	56	\$396,078	\$394,998	26	46%	\$778,222	\$181,937

	Age of Boutique (Years) (Note 1)	Count (Note 1)	Average (Note 7)	Median (Note 7)	# Attaining or Exceeding Average	% Attaining or Exceeding Average	High	Low
Net Profit (Note 6)	1-2	16	-\$4,022	-\$15,660	7	44%	\$213,436	-\$246,526
	2-3	19	\$144,201	\$90,918	7	37%	\$496,088	-\$165,698
	3-4	13	\$202,299	\$192,057	5	38%	\$462,345	\$25,697
	4+	8	\$202,894	\$206,777	4	50%	\$347,912	\$71,580
	Total	56	\$123,723	\$125,894	28	50%	\$496,088	-\$246,526

Table 2
AVERAGE AND MEDIAN GROSS SALES FOR 56 FRANCHISED LOCATIONS
BY YEAR OF OPENING FOR THE PERIOD FROM JULY 1, 2024 THROUGH JUNE 30, 2025
(NOTES 1, 2, 7 and 16)

Opening Year (Note 1)	Number of Franchised Boutiques (Note 1)	Average Gross Sales (Notes 2 and 7)	Median Gross Sales (Notes 2 and 7)	High Gross Sales	Low Gross Sales
2021	8	\$1,687,731	\$1,669,666	\$2,494,374	\$1,223,984
2022	13	\$1,625,230	\$1,541,764	\$2,212,389	\$1,090,346
2023	19	\$1,448,955	\$1,375,234	\$2,398,274	\$682,873
2024	16	\$900,818	\$922,050	\$1,781,559	\$367,460
Total	56	\$1,367,376	\$1,366,900	\$2,494,374	\$367,460

Table 3
GROSS SALES, GROSS PROFIT, WAGES, OTHER OPERATING EXPENSES, IMPUTED ROYALTY AND NET PROFIT
FOR 4 AFFILIATE BOUTIQUES
FOR THE PERIOD FROM JULY 1, 2024 THROUGH JUNE 30, 2025
(NOTES 8-16)

	Number of Affiliate Boutiques (Note 8)	Average (Note 14)	Median (Note 14)	# Attaining or Exceeding Average	% Attaining or Exceeding Average	High	Low
Gross Sales (Note 9)	4	\$2,950,456	\$2,612,051	1	25%	\$4,398,509	\$2,179,212
Gross Profit (Note 10)	4	\$2,731,602	\$2,428,698	2	50%	\$4,081,761	\$1,987,251
Wages (Note 11)	4	\$1,524,259	\$1,364,062	1	25%	\$2,156,333	\$1,212,580
Other Operating Expenses (Note 12)	4	\$418,088	\$419,213	2	50%	\$450,474	\$383,450
Imputed Royalty (Note 15)	4	\$158,481	\$139,051	1	25%	\$241,003	\$114,819
Net Profit (Note 13)	4	\$321,666	\$240,642	1	25%	\$861,564	-\$56,183

Table 4
AVERAGE AND MEDIAN GROSS SALES FOR 4 AFFILIATE BOUTIQUES
BY YEAR OF OPENING FOR THE PERIOD FROM JULY 1, 2024 THROUGH JUNE 30, 2025
(NOTES 8, 9, 14 AND 16)

Opening Year (Note 8)	Number of Affiliate Boutiques (Note 8)	Average Gross Sales (Notes 9 and 14)	Median Gross Sales (Notes 9 and 14)	High Gross Sales	Low Gross Sales
2015	1	\$2,505,720	\$2,505,720	\$2,505,720	\$2,505,720
2016	1	\$2,179,212	\$2,179,212	\$2,179,212	\$2,179,212
2017	2	\$3,558,445	\$3,558,445	\$4,398,509	\$2,718,382
Total	4	\$2,950,456	\$2,612,051	\$4,398,509	\$2,179,212

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NOTE 1:

There were a total of 75 franchised Boutiques in operation as of the fiscal year ended June 30, 2025. Of the 75 franchised Boutiques, 60 franchised Boutiques were open and in continuous operation for 12-months or longer as of the fiscal year ended June 30, 2025 and 15 franchised Boutiques first opened for business in the fiscal year ended June 30, 2025. These 15 franchised Boutiques were excluded from the information presented in this Item 19.

Four of the 60 franchised Boutiques that were open and in continuous operation for 12-months or longer as of the fiscal year ended June 30, 2025 had operations that were not typical of a franchised Boutique. We took over management of these Boutiques and these Boutiques were excluded from the information presented in this Item 19.

Table 1 presents actual historical information we have accumulated from our franchisees for 56 franchised Boutiques for the period from July 1, 2024 through June 30, 2025 on Gross Sales (as defined in Note 2), Gross Profit (as defined in Note 3), Wages (as defined in Note 4), Other Operating Expenses (as defined in Note 5), and Net Profit (as defined in Note 6). All of these franchised Boutiques' operations are similar to the franchise offered in this Disclosure Document. All information is unaudited.

For purposes of Table 1, we divided the franchised Boutiques into four subsets: (i) franchised Boutiques that have been open for between 1-2 years (16 franchised Boutiques); (ii) franchised Boutiques that have been open for between 2-3 years (19 franchised Boutiques); (iii) franchised Boutiques that have been open for between 3-4 years (13 franchised Boutiques); and (iv) franchised Boutiques that have been open for more than 4 years (8 franchised Boutiques).

Table 2 presents the average and median Gross Sales for the 56 franchised Boutiques by the year of opening for the period from July 1, 2024 through June 30, 2025.

NOTE 2:

For purposes of Tables 1 and 2, "**Gross Sales**" means the total of all revenues derived from sales of Massage Services, Memberships, Products and Gift Cards. For the purposes of clarity, this includes Gift Cards sold, but not yet redeemed. The amounts shown do not conform to standard accounting procedures as Gift Cards Sales are considered liabilities to our Franchisees and only convert to actual revenue upon redemption. Gross Sales excludes the amount of bona fide refunds paid to customers and the amount of sales or use taxes actually paid to any governmental authority.

NOTE 3:

For purpose of Table 1, "**Gross Profit**" means Gross Sales minus Cost of Goods Sold, which includes items such as massage supplies, linen services, credit card processing fees and product cost.

NOTE 4:

For purposes of Table 1, "**Wages**" means all wages for Massage Therapist, Experience Guides, General Managers and all associated benefits and taxes associated with employee wages.

NOTE 5:

For purposes of Table 1, “**Other Operating Expenses**” means all operating expenses associated with managing your boutique not listed above such as, but not limited to, marketing, technology fees, royalty fees, insurance office supplies, rent, repairs and maintenance, utilities, gift card redemptions and more.

NOTE 6:

For purposes of Table 1, “**Net Profit**” means Gross Profit less Wages less Other Operating Expenses.

NOTE 7:

For purposes of Tables 1 and 2, “**Average**” means the aggregate in each category divided by the total number of franchised Boutiques included in Tables 1 and 2.

For purposes of Tables 1 and 2, “**Median**” means the midpoint dollar and percentage value in each category for all franchised Boutiques included in Tables 1 and 2. The Median for a category with an odd number of data points will be the center number in that set. The Median for a category with an even number of data points is determined by taking the mean (average) of the two middlemost values in that category, which is calculated by adding those two values together and then dividing the aggregate by two.

NOTE 8:

For the fiscal year ended June 30, 2025, there were a total of 4 Boutiques owned and operated by our Affiliate (the “**Affiliate Boutiques**”). All Affiliate Boutiques are included in Table 3. Table 3 includes actual historical unaudited information we accumulated for the Affiliate Boutiques that were owned and operated by our Affiliate on June 30, 2025. All Affiliate Boutiques included in Table 3 are located in California. All of these Affiliate Boutiques’ operations are similar to the franchise offered in this Disclosure Document. All information is unaudited.

Our Affiliate Boutiques are between 9 and 11 years old. All 4 Affiliate Boutiques were open and operating for more than one year as of June 30, 2025.

The figures in Table 3 are taken from reports submitted to us by our Affiliate on Gross Sales (as defined in Note 9), Gross Profit (as defined in Note 10), Wages (as defined in Note 11), Other Operating Expenses (as defined in Note 12), and Net Profit (as defined in Note 13). We have also included imputed Royalty Fees that our Affiliate Boutiques did not incur (defined in Note 15).

Table 4 presents the average and median Gross Sales for the 4 Affiliate Boutiques by the year of opening for the period from July 1, 2024 through June 30, 2025.

NOTE 9:

For purposes of Tables 3 and 4, “**Gross Sales**” means the total of all revenues derived from sales of Massage Services, Memberships, Products and Gift Cards. For the purposes of clarity, this includes Gift Cards sold, but not yet redeemed. The amounts shown do not conform to standard accounting procedures as Gift Cards Sales are considered liabilities to our Franchisees and only convert to actual revenue upon redemption. Gross Sales includes the amount of bona fide refunds paid to customers.

NOTE 10:

For purposes of Table 3, “**Gross Profit**” means Gross Sales minus Cost of Goods Sold, which includes items such as massage supplies, linen services, credit card processing fees and product cost.

NOTE 11:

For purposes of Table 3, “**Wages**” means all wages for Massage Therapist, Experience Guides, General Managers and all associated benefits and taxes associated with employee wages.

Wages in Los Angeles, California may be higher than in other parts of the United States and should be accounted for accordingly. In addition, our pay structure for our Massage Therapists, in our Affiliate Boutiques, is different than any of our franchised Boutiques. We pay a flat hourly rate to our Massage Therapists, regardless of whether or not they are providing a service, whereas our franchised Boutiques pay less when a Massage Therapists is not in service. As a result, we have deducted 4% of total payroll related to 3% higher wages and 1% for worker’s compensation. In addition we removed a one-time workers compensation audit adjustment of \$122,000, which related to the fiscal year ended June 30, 2024.

NOTE 12:

For purposes of Table 3, “**Other Operating Expenses**” means all operating expenses associated with operating an Affiliate Boutique not listed above such as, but not limited to, marketing, technology fees, insurance office supplies, rent, repairs and maintenance, utilities, gift card redemptions and more.

Certain operating expenses of the Affiliate Boutiques have been excluded from Other Operating Expenses in Table 4 because they pertain to higher costs associated with the 4 Affiliate Boutiques located in California such as: Insurance Expenses. The 4 Affiliate Boutiques carry a higher level of insurance than the minimum required under the FDD. These expenses have been adjusted to show \$20,000 per year. Certain taxes associated with being in the City and County of Los Angeles have also been excluded. Costs associated with employee benefits are excluded due to the unique rules pertaining to benefit offerings and employment status. Additionally, expenses associated with other unique items have been excluded, including but not limited to, portable restroom rental, pest control, parking, accounting and legal expenses and charitable donations. For the period from July 1, 2024 to June 30, 2025, these exclusions range between \$16,000 to \$30,000 per Affiliate Boutique. Our Silverlake boutique is also 50% greater square footage than our average boutique so we adjusted rent downwards by \$53,584 annually to more accurately reflect the typical square footage of a franchised Boutique. Lastly, our Affiliate Boutiques are between 9 and 11 years old. We made extensive renovations in the past year to bring them up to current brand standards. In the fiscal year ended June 30, 2025, we spent over \$200,000 for all 4 Affiliate Boutiques to do so, but adjusted this expense downward by 50% to more accurately reflect what 4 typical franchised Boutiques will spend on renovations and remodels each year to \$137,567 for all 4 Affiliate Boutiques.

NOTE 13:

For purposes of Table 3, “**Net Profit**” means Gross Profit less Imputed Royalty (defined in Note 15) less Wages less Other Operating Expenses.

NOTE 14:

For purposes of Tables 3 and 4, “**Average**” means the aggregate in each category divided by the total number of Affiliate Boutiques included in Tables 3 and 4.

For purposes of Tables 3 and 4, “**Median**” means the midpoint dollar and percentage value in each category across for all Affiliate Boutiques included in Tables 3 and 4. The Median for a category with an odd number of data points will be the center number in that set. The Median for a category with an even number of data points is determined by taking the mean (average) of the two middlemost values in that category, which is calculated by adding those two values together and then dividing the aggregate by two.

NOTE 15:

For purposes of Table 3, based upon Gross Sales of the Affiliate Boutiques, we imputed Royalty Fees that a franchisee would incur at 6% of Gross Sales, which the Affiliate Boutiques did not incur.

Each of the Affiliate Boutiques incurred costs and operating expenses related to marketing, advertising and technology (included in Other Operating Expenses in the charts above) that a new franchisee must spend for (i) Brand Fund Contributions and Local Marketing Requirement payments, and (ii) Technology Fees. We did not estimate or adjust any additional amounts in the Charts disclosed above in this Item 19.

We have no reasonable basis to conclude that there will be material financial and operational differences between the Affiliate Boutiques and operational franchised outlets, other than the Royalty Fees that a franchisee would incur.

NOTE 16:

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to Franchisor’s management by contacting Jason Post at 8149 Santa Monica Boulevard PMB 298, Los Angeles, California, 90046, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
SYSTEM-WIDE OUTLET SUMMARY
FOR FISCAL YEARS 2023 TO 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised				
	2023	23	44	+21
	2024	44	60	+16
	2025	60	75	+15
Company-owned*				
	2023	4	4	0
	2024	4	4	0
	2025	4	4	0
Total Outlets				
	2023	27	48	+21
	2024	48	64	+16
	2025	64	79	+15

*These Boutiques are owned and operated by our affiliate(s).

Table 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR FISCAL YEARS 2023 TO 2025

State	Year	Number of Transfers
All States	2023	0
	2024	0
	2025	0

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