

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 at a particular location or under particular circumstances.

TABLE

HISTORICAL GROSS SALES FOR THE PERIOD JANUARY 1, 2024 TO DECEMBER 31, 2024 AT FRANCHISED RAKKAN OUTLETS OPEN MORE THAN ONE YEAR ON DECEMBER 31, 2024

	Gross Sales	Open Date	Square Feet
1	\$1,118,816.05	7.26.2021	1778
2	\$946,257.74	8.22.2022	1654
3	\$1,064,930.32	6.5.2023	2475
4	\$549,727.12	10.30.2023	1650
5	\$1,133,739.36	5.3.2021	1681
6	\$891,229.62	1.25.2021	2500
7	\$524,775.78	2.24.2023	2062
8	\$804,486.11	10.25.2022	2228
9	\$1,564,457.29	9.25.2023	1723
10	\$1,012,334.15	8.29.2022	2200
11	\$838,426.51	10.7.2023	1969

We have not audited this information. However, upon written request, we will provide you with substantiation of the data used in preparing this financial performance representation.

The characteristics of the franchised RAKKAN Outlets are generally similar to the franchises offered to prospective franchisees under this disclosure document.

Before signing any documents or making any investment, you must make your own independent investigation regarding the purchase of a RAKKAN franchise. You must consult with your own independent advisors, such as attorneys and accountants, to assist in determining the suitability of this investment for you.

The term "Gross Sales" means all revenues generated by franchisees through RAKKAN Outlets, excluding applicable sales or use taxes and legitimate refunds, and is not modified for uncollected accounts.

The Gross Sales figures do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from the Gross Sales figures to obtain your net income or profit.

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.

Other than the preceding financial performance representation, we do not make any financial performance representation. 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 the franchisor's management by contacting Ryohei Ito, 1025 W. 190th St., Suite 160, Gardena, California 90248; telephone number (424) 329-0513; the Federal Trade Commission; and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary For years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	3	6	3
	2023	6	12	6
	2024	12	12	0
Company-Owned	2022	4	3	-1
	2023	3	3	0
	2024	3	3	0
Total Outlets	2022	7	9	2
	2023	9	15	6
	2024	15	15	0

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor) For years 2022 to 2024

State	Year	Number of Transfers
	2022	0
	2023	0
	2024	0
TOTALS		

Table No. 3
Status of Franchised Outlets For years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
California	2022	0	1	0	0	0	0	1
	2023	1	2	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Colorado	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Georgia	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Illinois	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Nevada	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1