

	Provision	Section in Multi-Unit Development Agreement	Summary
			foregoing, nothing in the Multi-Unit Development Agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Sections 10.1, 10.2, 10.3, and 10.4	At our option, claims that are not resolved internally may be submitted to non-binding mediation at our headquarters, and then to binding arbitration, excluding claims related to injunctive relief, anti-trust, the trademarks, possession of the Franchised Business premises and post-termination obligations. Subject to state law.
v.	Choice of forum	Section 10.5	Litigation takes place in Delaware, subject to applicable state law.
w.	Choice of law	Section 10.5	Delaware, subject to applicable state law.

See the state addenda to this Franchise Disclosure Document and the Franchise Agreement for special state disclosures.

ITEM 18: PUBLIC FIGURES

We do not currently use any public figures to promote our franchise.

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 Franchise 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 performance at a particular location or under particular circumstances.

As of the most recent fiscal year ended December 31, 2025, we had four (4) affiliate-owned outlets in operation and no franchised outlets open and operating. Our most recently opened outlet began operations in July 2025 and has not been in operation for a full twelve (12) months; therefore, its results are not included in this Financial Performance Representation.

This Financial Performance Representation reflects the historical performance of affiliate-owned outlets that have been in operation for at least twelve (12) full months. These affiliate-owned outlets operate under substantially the same business model, offer the same products and services, and utilize similar systems and procedures as those that will be used by franchised outlets.

Financial Performance¹
January 1 – December 31, 2025

	San Jose – Coleman Ave CA	Palo Alto CA	Pleasanton CA
Date Opened	January 2003	June 2021	February 2023
Square Footage	3,533	5,215	2,800
Number of Students	425	415	200
Gross Revenue ²	\$ 1,381,229	\$ 1,277,651	\$ 615,614
Cost of Goods Sold ³	\$ 22,876	\$ 22,337	\$ 10,765
Gross Profit	\$ 1,358,353	\$ 1,255,314	\$ 604,849
Expenses			
Payroll ⁴	\$ 311,122	\$ 295,296	\$ 189,629
Occupancy	\$ 310,000	\$ 325,283	\$ 139,217
Insurance	\$ 29,524	\$ 27,741	\$ 27,741
Marketing	\$ 51,279	\$ 51,279	\$ 51,279
Utilities, Security, Phone ⁵	\$ 20,699	\$ 0	\$ 2,878
Repair, Maintenance	\$ 26,134	\$ 13,169	\$ 606
Supplies, Printing, Technology	\$ 22,708	\$ 5,525	\$ 1,813
Bank Charge	\$ 41,826	\$ 39,825	\$ 18,273
Other Expenses ⁶	\$ 37,984	\$ 5,257	\$ 5,191
Total Expenses	\$ 851,276	\$ 723,590	\$ 436,627
EBITDA⁷	\$ 486,940	\$ 548,504	\$ 171,579
Imputed Fees⁸			
Royalties	\$ 107,057	\$ 101,768	\$ 48,656
Brand Fund Contribution	\$ 33,455	\$ 31,802	\$ 10,371
Adjusted EBITDA	\$ 366,427	\$ 398,154	\$ 109,195

Notes:

¹ The information contained in this Table has not been audited.

² Gross Revenue is defined as total revenue derived from the sale of products and services less state/local taxes and customer refunds.

³ Costs of Goods Sold includes the cost of uniforms, shoes, belts, and retail items.

⁴ Payroll is defined as all wages, payroll taxes, and benefits paid to our employees. It does not include owners' compensation.

⁵ Our Palo Alto outlet did not incur utility expenses. Utilities are included in the lease for this outlet.

⁶ Other Expenses include licenses and permits, interest expense, legal and accounting costs, dues and subscriptions, and employee training.

⁷ Earnings before Interest, Taxes, Depreciation, and Amortization are deducted.

⁸ Our affiliate-owned outlets are not subject to the same territorial restrictions or fees that a franchisee will experience. Item 6 of this disclosure document outlines the fees to which a franchisee will be subject.

Wushu Central's Kung Fu Kids 2026 A



Specifically, a franchisee who achieved the same sales results that our affiliate achieved would incur royalty fees and Brand Fund contributions.

Written substantiation of the data used in preparing these figures will be made available to you upon reasonable request. The information presented above has not been audited.

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

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. 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, 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 David Chang at 879 Coleman Avenue, #40, San Jose, California, 95110, or 888-591-8999, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For 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	0	0	0
	2024	0	0	0
	2025	0	0	0
Company – Owned	2023	2	3	+1
	2024	3	3	0
	2025	3	4	+1
Total Outlets	2023	2	3	+1
	2024	3	3	0
	2025	3	4	+1

Table No. 2
Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)
For Years 2023 to 2025

State	Year	Number of Transfers
None	2023	0
	2024	0
	2025	0
Total	2023	0
	2024	0
	2025	0

