FRANCHISE OFFERING CIRCULAR

Eight USA Inc.
a Hawaii corporation
1441 Kapiolani Blvd., Suite 910
Honolulu, Hawaii 96814
(808) 679-2049

Eight USA Inc. operates a restaurant business under the name "Premium Matcha Café Maiko" offering products and services to the general public and compete with other green tea and ice cream chains and restaurants in the U.S.A (local, regional and national).

The total investment necessary to begin operation of a Premium Matcha Café Maiko franchise, ranges from $329,300 - $412,300, including the cost of equipment, inventory, franchise initial fee of $25,000, and real property or leased premise.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements and exhibits carefully. You must receive this disclosure document at least fourteen (14) calendar days before you sign a binding agreement with, or make any payment to, 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 to you. To discuss the availability of disclosures in different formats, contact Eight USA Inc. at 1441 Kapiolani Blvd., Suite 910, Honolulu, Hawaii 96814 or (808) 679-2049 or info@matchacafe-maiko.com.

The terms of your franchise agreement will govern your franchise relationship. Don't rely on the disclosure document alone to understand your franchise agreement. Read all of your franchise agreement carefully. Show your franchise agreement and this disclosure document to an advisor, like a lawyer or accountant.

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, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Also, you can call your state agency at NYS Department of Law, Investor Protection Bureau, 28 Liberty St. 21st fl, New York, NY 10005 or 212-416-8222, or visit your public library for other sources of information on franchising.

There may be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: May 31, 2023

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit B.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Matcha Café Maiko business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Matcha Café Maiko franchisee?	Item 20 or Exhibit B lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if they are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on their own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit E.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Hawaii. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Hawaii than in your own state.

2. **Mandatory Minimum Payments.** You must make minimum royalty, and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

Certain states may require other risks to be highlighted. If so, check the "State Specific Addenda" pages for your state.

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EXHIBITS (A-H)

A. Franchise Agreement

B. List of Franchisees

C. Financial Information / Statement

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E. List of State Agencies

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THE DISCLOSURE ITEMS

ITEM 1: THE FRANCHISOR, ITS PREDECESSORS AND AFFILIATES.

FRANCHISOR:

EIGHT USA INC.

1441 Kapiolani Blvd., Suite 910, Honolulu, HI 96814
Domestic Profit Corporation in Hawaii.

The Franchisor's Parent company:

EIGHT KABUSHIKI GAISHA (Japan)
57-1 Nishiibacho Nakaku, Hamamatsu-shi, SHIZUOKA, JAPAN 432-8028

The Background and Predecessor Information of the Franchisor:

Eight USA Inc. is a corporation organized and existing under the laws of the State of Hawaii and currently does not have affiliates that provide products or services of its licensees. Eight USA Inc. was set up by its parent company, Eight Inc. on June 10, 2019. The agent for service of process is Go Law Group at 1441 Kapiolani Blvd., Suite 910, Honolulu, HI 96814 or info@golaw-hi.com. The parent company of Eight USA Inc, Eight Inc., was incorporated on September 25, 2009 in Japan, located at 57-1 Nishiibacho Nakaku, Hamamatsu-shi, Shizuoka, Japan 432-8028.
Eight USA Inc. purchased the business from EXEO USA, INC. at 2552 Kalakaua Ave. Unit K201, Honolulu, Hawaii 96815 on July 31, 2019. EXEO USA, INC. operated the licensing business with the locations listed in Exhibit B. Since July 2019, Eight USA has operated the pre-existing licensing business that was purchased from EXEO USA, INC.

Eight USA Inc. operates the company-owned outlet in Hawaii and conducts business under the name "Matcha Café Maiko" or "Premium Matcha Café Maiko". Eight USA Inc. currently has 26 locations for licensing businesses as shown in Exhibit B. Eight USA has only offered franchise businesses to one of these licensees listed in Exhibit B as of August 31, 2021. Eight USA has not offered franchises in any other line of business as of August 31, 2021.

To operate the business systematically and expand the matcha business world-wide including the U.S., Eight USA Inc. decided to operate the franchise business as a Franchisor with the similar business model Exeo USA had as a licensor, with the trademark, "Premium Matcha Café Maiko." Starting October 2021, the Franchisor may engage in systematic activities such as supplying goods to its Franchisees and training the Franchisees for their operation of businesses in conformity with criteria and Standard set by the Franchisor.

The Premium Matcha Café Maiko Franchise Business

Eight USA Inc. operates businesses to offer franchise business as the Franchisor to qualified candidates-Franchisees who are familiar with the food industry and related law. The Franchisor is engaged in selling and the Franchisee will sell Matcha drink and ice cream soft and matcha sweets, and accordingly, any businesses engaged in selling green tea, matcha beverage or ice cream are competitors. The Franchisor may, in the future engage in selling goods relating to Matcha Café Maiko and matcha business.

The general market for the product or service the franchisee will offer is based on some factors such as whether the market is developed or developing, whether the goods will be sold primarily to a certain group, whether sales are seasonal, whether the areas the Franchisees choose to operate their business attract certain customers.

Generally, the market for the product or service is in a metropolitan area that is popular with a younger generation in the U.S.

Agent for Service of Process

Our agents for service of process are Go R. Kobayashi, Go Law Group, 1441 Kapiolani Blvd., Suite 910, Honolulu, Hawaii 96814 and (if you are in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington or Wisconsin) the state office or official listed in Exhibit E of this disclosure document.

Industry-Specific Laws and Regulations:

Eight USA Inc. is not aware of any laws or regulations applicable to a Premier Matcha Café Maiko Restaurant that would not apply to restaurant or food business generally. The Franchisee must, however, comply with federal, state and local and health regulations pertaining to restaurants and food handling and labeling generally, including health sanitation, food handling, food preparation, menu labeling, waste disposal, smoking restrictions, discrimination, labor, employment, sexual harassment and advertising laws. Some laws require point of sale disclosures, including statements concerning nutritional and dietary characteristics of the food served at the Franchisee's Restaurant. There are other laws and regulations applicable to businesses generally with which the Franchisee must comply. The Franchisee should consult with its attorney concerning these and other laws and ordinances that may affect the operations of the Franchised Restaurant. The Franchisee also must obtain all applicable real estate permits and operational licenses.

ITEM 2: BUSINESS EXPERIENCE.

President: Hideyuki Hashimoto

Hideyuki Hashimoto established Eight USA in 2019 and started managing the restaurant industry. Hideyuki develops various businesses based in Japan. He is the representative of Eight Kabushiki Gaisha (Eight Co., Ltd. Established in 2009), the parent company of Eight USA, and operates in the business of renewable energy business and the real estate leasing business. He directs and oversees all the operations. He is a graduate of International Budo University of Japan with a bachelors' degree in Physical education. He was born in Shizuoka, Japan.

Manager: Makoto Honoki

Makoto Honoki has been a manager of Eight USA, Inc. since August 1, 2019. Makoto worked as a manager of the Finance Department of Aeon Bank Ltd. in Japan until April 2018. After briefly working for Eight Kabushiki Gaisha (Eight Co. Ltd, Japan), the parent company of Eight USA for over a year, Makoto started acting as the manager of Eight USA Inc.

ITEM 3: LITIGATION.

Washington

Eight USA Inc. dba Matcha Café Maiko – Consent Order. Order No. S-19-2813 -20 - CO01, the State of Washington Dept of Financial Institutions Securities Division ("Securities Division").

Effective July 31, 2019, Eight USA assumed the license agreements for the Washington franchisee from Exeo USA (the predecessor of Eight USA Inc.). On December 3, 2019, the Securities Division issued a subpoena to Eight USA to obtain information relevant to offering and selling franchises for a possible violation of the Franchise Investment Protection Act of Washington, Chapter 19.100 RCW. Eight USA Inc. was operating its businesses as a licensor at the time of the issuance of the subpoena. Eight USA Inc. responded to the subpoena and submitted relevant information to the Securities Division on March 16, 2020. The Securities Division determined that Eight USA Inc. violated the Franchise Investment Protection Act of Washington because the business of the Eight USA Inc was considered the offer or sale of a franchise as defined in RCW 19.100.010 (6), RCW 19.100.010 (12) and RCW 19.100.010 (17).

The Securities Division provided a Consent Order Case No. S-19-2813-20-CO01 to settle this matter on May 27, 2020. Eight USA Inc. signed the Consent Order on June 12, 2020. The Securities Division then countersigned the Consent Order on July 7, 2020. The Order also conditions that Eight USA Inc. would file a franchise registration application with the Securities Division within three months of the entry of the Consent Order.

Eight USA Inc. filed a franchise registration application on October 2, 2020, and was granted Franchise Registration Permit on May 27, 2021.

Virginia

Commonwealth of Virginia, *ex rel.*, State Corporation Commission v. Eight USA Inc. – Settlement Order. Case No. SEC-2021-00021On or about May 5, 2021, Eight USA Inc. received a letter from the Division of Securities and Retail Franchising, of the State Corporation Commission of the State of Virginia ("***Franchising Division***"), requesting records regarding Eight USA's compliance with the Virginia Retail Franchising Act ("***Act***"), to obtain information regarding whether Eight USA violated the Act. Eight USA filed a response to the Division's letter on May 28, 2021.

The Franchising Division provided a Settlement Order to settle this matter on October 19, 2021. Eight USA Inc. signed the Settlement Order on November 21, 2021. The State Corporation Commission entered the Settlement Order on January 24, 2022. The Order requires Eight USA Inc. to pay civil penalties and investigation costs, and to refrain from violating the Act in the future.

California

On February 2, 2022, Eight USA Inc. received a letter from the California Department of Financial Protection and Innovation ("DFPI"), regarding its investigation into whether Eight USA Inc. engaged in activity that is in violation of California's Franchise Investment Law, Corporations Code at section 31000, et seq. Eight USA Inc. has responded to the request for documents in this letter. The investigation is currently pending.

Other than these actions, no litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5: INITIAL FRANCHISE FEE

The franchisee must pay the franchisor an initial fee of $25,000 for its first restaurant. The Initial Fee must be paid within 14 days after signing the Franchise Agreement attached as Exhibit A. This payment has to be made in lumpsum. The Initial Fee is considered earned at the time the Franchise Agreement is signed and is not refundable under any circumstances. The franchisee is not required to pay the Initial Fee when it opens its other Premium Matcha Café Maiko Restaurants so long as it paid the Initial Fee for the first Restaurant and other Restaurants are operated within the Approved Location.

The initial fee is to cover the right to join the franchise, acquire the rights to use the intellectual property associated with the franchise, training of the franchisee, access to franchisee's matcha powder supplier, costs of initial administrative services provided by the franchisor, and marketing of the franchise.

"Approved Location" means the area, city, county or state where the Franchisee has permission to operate the Restaurant (s), which is described in Exhibit A to the Franchise Agreement. This is the territory where the Franchisee can open a Restaurant.

If a Franchisee opens another restaurant outside the Approved Location, the Franchisee will be required to pay another initial fee of $25,000.

The Franchisee may open another Premium Matcha Café Maiko restaurant based on reasonable business reasons i.e. the records of great profitability and geographical advantage, provided that the Franchisee is required to obtain written approval from the Franchisor before opening another restaurant within or outside the Approved Location. The Franchisor will not grant other new Franchisees to operate their businesses within or outside the Approved Location unless the Franchisee is not in good standing or does not have satisfactory performance.

ITEM 6: OTHER FEES.

Item 6 Table

OTHER FEES

Column 1 Type of fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
a) Monthly Fee	$500.00	The 10th every month	Payable to Franchisor
b) Food and Beverage Royalty Fee	5% on all sales from the items approved by the Franchisor.	The 10th every month	$2,000 cap per month, subject to annual increase. Payable to Franchisor
d) Local Advertising Expenditure	2% of the total amount of the Franchisee's gross revenues each calendar quarter.	Quarterly	
e) Audit Costs and Fees	Cost and expenses connected with the examination and audit (including reasonable accounting and attorneys' fees). Precise estimate is unknown.	Upon demand	Triggered by an understatement of the fees due to Franchisor by Franchisee of five percent (5%) or more for the period being audited, or if the inspection reveals that the accounting procedures employed by Franchisee are insufficient to determine the accuracy of the calculation of any payments due. Payable to Franchisor,

f) Late fee	ten percent (10%) on overdue amounts	Upon demand	Triggered if any payment by Franchisee to Franchisor pursuant to this Agreement is not received within seven (7) days following its due date. Payable to Franchisor.
g) Interest on Late Payments	The lesser of 18% per annum or the maximum interest rate on all overdue amounts from date it was due until paid.	Upon demand	Payable to Franchisor.
h) Processing fee	$ 50 per Matcha powder shipment order	When ordered	Optional. Franchisee has an option to purchase directly from suppliers.
i)Cost and attorney's fees	Will vary under circumstances	As incurred	Payable to Eight USA as a reimbursement for costs and attorneys' fees incurred in obtaining injunctive or legal relief for the enforcement of any item of the Franchise Agreement, or for arbitration proceedings.
j) Indemnification	Will vary under Circumstances	As incurred	Franchisee shall reimburse to Eight USA for costs incurred, if and when Eight USA is held liable for any claims arising from the Franchisee's business.

k) Insurance	Will vary according to coverage and area	Upon demand	If Franchisee fails to procure/maintain required insurance, Franchisor has the right to procure such insurance and to charge Franchisee the costs and premiums, plus a reasonable fee for Franchisor's expense in so acting. See Exhibit A for required types of insurance.
l) Transfer Fee	Then-current Initial Fee being charged Premium Matcha Café Maiko Restaurant franchisees	Due at the time the Transferee signs the franchise agreement	If Franchisee wishes to transfer ownership of the Restaurant, with Franchisor's prior written consent, the transferee shall pay to Franchisor the Transfer Fee.
m) Relocation Fee	$25,000.00	At time relocation is granted	The Franchisee must obtain written approval from the Franchisor for a new location that is outside the Approved Location. This fee is not applicable if the Franchisee relocate to another area within the Approved Location.

n) Outside Counsel Costs	Outside Counsel Costs that are necessary due to circumstances surrounding a particular Transfer of the Restaurant, as determined by Franchisor in its Reasonable Business Judgment	Upon demand	Reimburse to Franchisor, outside counsel costs incurred by Franchisor
o)Import Fees (Tariffs and Custom inspection fees)	Import related fees for ingredients from Japan such as matcha powder and other items, will vary under circumstances.	As incurred	Payable to the authority through Shipping Company

ITEM 7: INITIAL INVESTMENT

Item 7 Table:

FRANCHISEE'S ESTIMATED INITIAL INVESTMENT

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When due	Column 5 To whom payment is to
Initial Franchise Fee (1)	$25,000	By check or wire	Within 14 days after signing of the franchise agreement	To Franchisor
Real Estate Rental (2)	$5,000-$15,000	As arranged	As arranged	Seller or Landlord
Construction fees including fixtures and equipment installation (3)	$180,000	As arranged	As incurred	Directly to Vendor
Soft serve machine (5)	$27,000	As required	As incurred	Directly to Vendor
Ice cream freezer (5)	$6,700	As required	As incurred	Directly to Vendor
Ice cube machine (5)	$6,000	As required	As incurred	Directly to Vendor
Refrigerator (5)	$7,100	As required	As incurred	Directly to Vendor
Refrigerator (5)	$4,000	As required	As incurred	Directly to Vendor
Undercounter refrigerator (5)	$2,500	As required	As incurred	Directly to Vendor
Undercounter refrigerator (5)	$2,500	As required	As incurred	Directly to Vendor
Inventory (5)	$12,000	As required	As incurred	Directly to Vendor
Kitchen supplies (5)	$3,000	As required	As incurred	Directly to Vendor
Consultation fees (4)	$3,000	As required	As Arranged	Directly to Consultant
Computer, IT and other systems (6)	$10,000 - $15.000	As arranged	As arranged	Directory to Vendor

Furnishing (7)	$20,000 - $70,000	As arranged	As arranged	Directory to Vendor
Opening Advertising (8)	$3,000 -$10,000	As arranged	As arranged	Directory to Contractors or vendors
Insurance (1 year)	$1,500.00	As required	As required	Directory to Contractors or vendors
Training (9)	$1,000-$2,000 (this is the costs for the trip to Hawaii and accommodation)	As arranged	As arranged	Directory to Contractors or vendors or airlines
Additional Funds (10)	$10,000 - $20,000	As arranged	As needed	As required
Total	$329,300-412,300			

Notes:

The Franchisee does not offer direct or indirect financing to franchisees for any items. Except where otherwise noted, all amount that the Franchisee pays to the Franchisor are non-refundable. Third party suppliers will decide if payments to them are refundable.

1) Initial Franchise Fee. The initial Franchise Fee is $25,000 for an individual franchise, and it is nonrefundable. The Franchisee must open the business within one year after signing the franchise agreement.

2) Real Estate. Franchisee is free to select its own location. The amount will vary depending on whether the location is purchased or lease, and the characteristics of the location. Premium Matcha Café Maiko restaurants typically range from about 380 (kiosk or take out) to 1800 (with dine in space) square feet of space. Rent depends on geographic location, size, local rental rates, businesses in the area, site profile, and other factors and could be considerably higher in large metropolitan areas than in more suburban or small town areas. Stores can be located in strip shopping centers, shopping malls, free-standing units, and other venues in commercial areas and in residential areas. The Franchisor anticipates that the Franchisee will rent the Store's premises.

3) Construction Fee and Leasehold Improvements. This construction fee includes any improvement for the leasehold and installation of the equipment, appliances or fixtures. Leasehold improvement costs, including floor coverings, wall treatments, counters, ceilings, painting, window coverings, electrical, carpentry, and similar work, and contractor's fees

depend on the site's condition, location, and size; the demand for the site among prospective lessees; the site's previous use; the build-out required to conform the site for the Franchisee's store; and any construction or other allowances the landlord grants. The lower figure assumes that the Franchisee has a unique real estate model; the higher figure assumes a high square footage model. The estimate included in the Construction fees reflects the average deduction provided by landlords for tenant improvements and other contractors.

4) Consultation Fee. Depending upon the Franchisee's needs, the Franchisor may refer it to a consultant who could suggest an ideal business for that particular Franchisee's location and leasehold. Please note that Franchisor should not be responsible for any business judgment made by the Franchisee regardless of whether the consultant was referred by the Franchisor.

5) Equipment. The amount included in the chart as the required equipment is necessary for the operation of the franchise business. This includes soft serve machine, ice cream freezer, ice cube machine, 2 refrigerators, one undercounter refrigerator, matcha power and other inventory for matcha café drinks and ice cream and kitchen supplies.

6) Computer, IT and other systems. The Franchisee must purchase and install IT, phone system or a computer system that needs the Franchisor's specifications and requirements.

7) Furniture. Franchisee may incur additional cost to purchase the furniture.

8) Opening Advertising. The Franchisee is required to install signage that contains "Premium Matcha Café Maiko" and its Mark. The manner of installation is governed by local ordinances and the costs of installation may vary.

9) Training Expenses. The Franchisor does not charge the Franchisee a fee for its initial training. The Franchisor may include the Franchisee's employees (management) for training if requested, although the Franchisee is responsible for paying any wages due to its employees as well as travel, food, lodging, and any other living expenses incurred by the Franchisee and its employees during initial training. The training takes place at the Premium Matcha Café Maiko restaurant located in Hawaii and lasts 6 hours per day for 5 days (30 hours). Any trip cost should be incurred by the Franchisee.

10) The amount of additional funds the Franchisee will need will depend on the time necessary to achieve cash flow to cover operating expenses. This amount is the minimum recommended for a three (3) month contingency.

The Franchisee is cautioned to allow for inflation, discretionary expenditures, fluctuating interest rates and other costs of financing, and local market conditions.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.

The Franchisee must use signs at its restaurant that conforms to the standard set by the Franchisor. The Franchisee must conduct training for its employees in accordance with the standards set by the Franchisor. Further, the franchisee may use matcha powder, recipe and menu recommended by the Franchisor.

The Franchisor or its affiliates are neither approved suppliers nor the only approved suppliers of the goods or services. An officer of the Franchisor does not own an interest of any of the suppliers. The Franchisor will provide a list of designated suppliers to the Franchise.

The equipment/machine must be purchased or leased from the approved suppliers or under the Franchisor's specifications. A specification of a supplier for ingredients or signage may be conditioned in accordance with the standard the Franchisor sets.

The Franchisor recommends some suppliers for the purchase of the product or ingredients. However, the Franchisor does not require the Franchisee to use the specific suppliers so long as the Franchisee is in conformity of the recipe provided by the Franchisor and the Franchisee meets the specifications set by the Franchisor. Nonetheless, Franchisor does not allow Franchisees to misrepresent the source of their supplies. Franchisor does not provide material benefits to franchisees based on the franchisee's purchase of particular products or services or use of designated or approved suppliers. Franchisor and its affiliates did not and does not derive revenue, rebates, or other material consideration based on the required purchases or leases. However, Franchisor does charge shipping and handling fees for coordinating the ordering and shipping of matcha supplies from its approved source, when Franchisees opted to order through Franchisor's approved supplier.

For purchases of ingredients and products relating to signage, the Franchisor may, but has not to date, negotiate purchase arrangements with some of its designated manufacturers, suppliers, vendors and distributors for the benefit of the Franchisees in order to take advantage of the Franchisor's relationship with these suppliers and possibly a group discount of the products. There are no purchasing or distribution cooperatives at this time.

The Franchisee must obtain and install at its expense a technology system, including such data processing equipment, machine, computer hardware, software, point of sale system, required dedicated telephone lines, wireless internet connections, modems, printers and other computer related accessory or peripheral equipment. In addition, the Franchisee must use signs at its restaurant that conforms to the standard set by the Franchisor. The Franchisor will notify the Franchisee about any modifications on the Franchisee's obligation in writing. The Franchisor may accommodate the needs of the Franchisee as necessary.

The Franchisor may revoke its approval of a particular item or supplier in writing when it determines that an item or supplier no longer meets the standards or specifications set by the Franchisor. The criteria or standards for approving supplies are available by contacting the Franchisor; the Franchisor evaluates and approves or disapproves suppliers based upon input and/or testing by the personnel. Upon receipt of written notice of revocation, the Franchisee must cease purchasing the item and/or using supplier.

For repair of equipment/machine or change in advertisement or signage, the specific time period for approval is required. If, after written notification from Franchisee of its plans for major repairs, alterations, renewals, replacements or additions to the Restaurant or material alterations to the Restaurant, Franchisor has not responded to such plans, Franchisor's consent shall be deemed granted forty-five (45) days after the receipt of the written notification from Franchisee. For advertisement or signage, the Franchisee will be notified within 10 business days or presumed to be approved if the franchisor does not respond within 10 business days.

The Franchisor estimates that the Franchisee's required purchases and leases (i.e. purchases and leases for the equipment from approved suppliers) will represent between 40% and 90% of their overall purchases and leases in establishing the Franchisee's restaurant. The Franchisor estimates that the Franchisee's required purchases and leases will be approximately 40-50% of the Franchisee's overall purchases and leases in operating its restaurant.

The Franchisee must obtain and maintain, at their sole expense, all of the insurance coverage in accordance with the standard and specifications the Franchisor requires. The required insurance policies include commercial general liability insurance, including coverage for bodily injury, personal injury, products liability, contractual liability, broad form property damage, non-owned automobiles, and completed operations and property damage on an occurrence basis with policy limits of not less than $1,000,000 per occurrence and $2,000,000 in the aggregate. The Franchisee must also pay for workers' compensation and such other insurance as may be required by statute of rule of the state or locality in which the Franchised restaurant is located. Further the Franchisee must obtain automobile liability if it is engaged in any delivery operation. The Franchisor may place restriction or requirements on the insurance the Franchisee must purchase, which can be modified from time to time.

ITEM 9: FRANCHISEE'S OBLIGATIONS.

Item 9 Table

FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS THE FRANCHISEE'S PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AND OTHER AGREEMENTS. IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THIS OFFERING CIRCULAR.

Obligation	Section in Agreement	Disclosure document
a. Site selection and acquisition/lease	Section 2 of the Franchise Agreement.	Item 11
b. Pre-opening purchase/leases	Section 11 of the Franchise Agreement.	Items 5,7 and 11
c. Site development and other pre-opening requirements	Section 5&11 of the Franchise Agreement	Items 7 and 11
d. Initial and ongoing training	Section 9 of Franchise Agreement	Item 11
e. Opening	Section 3 of the Franchise Agreement	Item 11
f. Fees	Section 3 of the Franchise Agreement	Items 5 and 6
g. Compliance with standards and policies/Operating Manual	Section 7& 8 &11 of Franchise Agreement	Items 11 and 14
h. Trademarks and proprietary information	Section 12 of Franchise Agreement.	Items 13 and 14
i. Restrictions on products/services offered	Section 8&11 of the Franchise Agreement.	Items 8 and 16
j. Warranty and customer service requirements	Section 25 of Franchise Agreement	Not Applicable
k. Territorial development and sales quotas	Section 2 of the Franchise Agreement	Item 12
l. Ongoing product/service purchases	Not Applicable	Item 8
m. Maintenance, appearance, and remodeling requirements	Section 5&10 of the Franchise Agreement.	Items 6 and 17
n. Insurance	Section 15 of the Franchise Agreement.	Items 7 and 8

o. Advertising	Section 6 of the Franchise Agreement.	Items 6, 8 and 11
p. Indemnification	Section 15 of the Franchise Agreement.	Item 6
q. Owner's participation/management/staffing	Section 8 of the Franchise Agreement.	Item 15
r. Records and reports	Section 14 of the Franchise Agreement.	Not Applicable
s. Inspections and audits	Section 14 of the Franchise Agreement.	Items 6 and 11
t. Transfer	Section 16 of the Franchise Agreement.	Items 15 and 17
u. Renewal	Section 4 of the Franchise Agreement.	Item 17
v. Post-termination obligations	Section 18 of the Franchise Agreement.	Item 17
w. Non-competition covenants	Section 18(c) of the franchise Agreement.	Item 17
x. Dispute resolution	Section 22 of the Franchise Agreement.	Item 17

ITEM 10: FINANCING.

EIGHT USA INC. does not offer any direct or indirect financing. EIGHT USA INC. does not guarantee your notes, leases or other obligations.

ITEM 11: FRANCHISOR'S OBLIGATIONS.

Except as listed below, Eight USA Inc is not required to provide the Franchisee with any assistance.

A. Franchisor's pre-opening obligations:

(i) The Franchisor may provide inputs regarding the location or lease options, but the Franchisor will defer any decision of the franchisee's business location or lease and related negotiation to the Franchisee. The Franchisor does not own the premises and lease a premise to the Franchisee, and accordingly, the Franchisee is expected to find a business location within the territory it is allowed to operate business. There is no specific time limit of finding a business location so long as the Franchisee signs the Franchise Agreement and open a business within a year after the Franchisee signs the Franchise Agreement and make payment of the initial fee of $25,000. See sections 2.1 and 3.1 of the Franchise Agreement with respect to the last sentence.

(ii) The Franchisor requires the Franchisee to operate the business in compliance with the local laws and codes. See section 20.1 of the Franchise Agreement.

(iii) The Franchisor will not be involved in the construction, remodeling or decorating the premises, but it may advise to the Franchisee to have it maintain the premise in conformity with the standards set by the Franchisor. See section 5, 10, and 11 of the Franchise Agreement for details.

(iv) The Franchisor provides the training at a designated store. It takes six hours per day for 5 days. The training generally takes place in Hawaii, where the Franchisor's company-owned outlet is located. See section 9 of the Franchise Agreement.

(v) The Franchisor does not provide for necessary equipment, signs, fixtures, opening inventory and supplies. The Franchisor does not deliver or install these items. The Franchisor does not provide written specifications for these items, except that the signage has to be in conformity with the trademarks approved by the Franchisor. See section 5.2 of the Franchise Agreement.

B. Time of Opening:

The Franchisee is required to commence its business within one year after signing the Franchise Agreement. The franchisee must open a business within 1 year after signing the Franchise Agreement. See section 2.1 of the Franchise Agreement.

It is estimated that the commencement of restaurant operations in an existing structure converted to the Premium Matcha Café Maiko Restaurant is typically two (2) months to ten (10) months, depending upon several factors. This overall development timeline will vary depending on the time necessary to lease the site, obtain financing, complete preparation of the construction documents, obtain the necessary permits and licenses for the construction and operation of the restaurant, address the condition of the existing space and its infrastructure, address the complexity of the proposed construction, and secure the required municipal inspections.

The Franchisor requires the Franchisee to complete training to its satisfaction before the Franchisee opens any restaurant. See section 9 of the Franchise Agreement.

C. On-Going Obligation:

The Franchisor's obligations to the Franchisee during the operation of the franchise are as follows:

(i) The Franchisor may, but is not obligated to, provide assistance in purchasing matcha powder, products and equipment relevant to the franchise business at no cost.

(ii) The Franchisor will require the Franchisee to complete an initial training program to the Franchisor's satisfaction in all aspects of operations of the Premium Matcha Café Maiko Restaurant before the opening of any restaurant. The training should be completed within 5 days (6 hours each day) at the headquarter of the Premium Matcha Café Maiko. The Franchisor can also train Franchisee's employees separately for the management of the restaurant in accordance with the standard set up by the Franchisor. The training program will be conducted without charge for up to 2 individuals who are owners of the franchise or management employees of the franchise. The Franchisee is responsible for any traveling and living expenses and wages of the Franchisee or its employees during the training program. After an initial training, additional trainings will be conducted at the Franchisor's headquarters without charge to the Franchisee as often as necessary to ensure the compliance of the standard set by the Franchisor to its satisfaction. The persons attending training must sign an agreement relating to confidentiality and/or noncompetition in a form specified by the Franchisor before beginning the training program. See section 9 of the Franchise Agreement. The Franchisee is responsible for the hiring of all employees. See section 8 of the Franchise Agreement.

(iii) The Franchisor may change or modify the manuals or menu including menu items and menu formats, product packaging, the required equipment, the

signage, the building and premises of the franchised restaurant, the presentation of the proprietary marks, the adoption of new administrative forms and means of reporting and payment of any monies owed to the Franchisor and the adoption and use of new or modified proprietary marks or copyrighted materials, such as when the changes are expected to improve business or its management. The Franchisor will also incorporate the Franchisees' input relating to the pricing in modifying the menu, because the prices may vary depending upon the location of the Franchisee's business. See section 11 of the Franchise Agreement.

(iv) The Franchisor periodically advise and consult with the Franchisee in connection with the operation of the franchised restaurants as the Franchisor seems appropriate or necessary or upon Franchisee's request. The Franchisor will provide to the Franchisee the knowledge and expertise regarding the technology system and pertinent new developments, techniques and improvements in the areas of restaurant design, management, food and beverage preparation, sales promotion, pricing, service concepts and other areas. The Franchisor may provide these services through visits by the Franchisor's representatives to the franchised restaurants or their offices, the distribution of printed or filmed material or electronic information meetings or seminars, telephone communications, email communications or other communications. See section 9 of the Franchise Agreement.

(v) The Franchisor may, but is not obligated to, conduct inspections of the franchised restaurants and valuations of the products sold and services rendered as it deems appropriate or necessary to identify the restaurants conformity with the Premium Matcha Café Maiko system and potential management issues, to improve overall marketability of the brand. See section 8.1 of the Franchise Agreement.

D. The advertising program for the franchise system:

(i) The Franchisor will advertise individual Franchisees and the Mark and products, to promote the franchise business as a whole. The Franchisor will administer the national brand marketing fund. The goal of the national brand marketing fund is to maximize general public recognition of the Premium Matcha Café Maiko Restaurant and its Trademarks and brand. The Franchisor may use the national brand marketing fund to formulate, develop, produce, and execute advertising and promotional materials and programs and to conduct marketing, community relations, social media and other electronic media support and promotional programs on a national level as the Franchisor determines, in our discretion, to be most effective in achieving the goals of the national brand marketing fund. The Franchisor is not required to spend any

other amounts to place advertising in the Franchisee's local area or in any specific media, nor is it required to report to franchisees on how the fund is spent. No more than 10% of the national brand marketing fund is used to solicit new franchise sales. All expenses of the national brand marketing fund may be paid from the Royalty Fees collected from the Franchisees. Franchisor had not yet allocated any Royalty Fees to the national brand marketing fund or begun administrating the national brand marketing fund in the most recently concluded fiscal year. However, it devotes 10% of the Franchisor's marketing expenses to upkeep of the website advertising all franchise stores, 10% on assistance to franchisees with providing promotional materials, 20% on market research and new product development, and 60% to solicit new franchise sales. The national brand marketing fund is not audited, and no financial statements regarding the national brand marketing fund are made available for review by the franchisee.

(ii) There is no advertising council composed of Franchisees that advises the Franchisor on advertising policies.

(iii) The Franchisee is not required to participate in a local advertising or regional advertising cooperative. However, the Franchisee is expected to spend no less than 2% of the total amount of its gross revenue derived from the items approved by the Franchisor each calendar quarter for local advertising, marketing, promotional, sales and public relations programs, as provided in Section 6.2 of the Franchise Agreement.

(iv) The Franchisee must submit to the Franchisor for approval any local advertising and promotional materials that it obtains from a source other than the Franchisor. The Franchisor will permit Franchisees to use its advertising material to the extent the Franchisees do not violate the terms including the Franchisor's Intellectual Property Rights under the Franchise Agreement. See sections 6 and 12 of the Franchise Agreement.

(v) In addition to not being required to participate in a local or regional advertising cooperative, the Franchisee is not required to participate in any other advertising fund.

(vi) If not all advertising funds under its local advertising, marketing, promotional, sales and public relations programs are spent in the fiscal year in which they accrue, the Franchisee may carry over the remaining funds to the following year. The Franchisor may also require the Franchisee to submit reports on how the advertising fee was spent by the Franchisee. If Franchisee fails to contribute the funds for its advertisement for 2 consecutive years, the Franchisee may be

required to make contributions to the national brand marketing fund that is held by the Franchisor for national marketing.

(vii) The Franchisor may also contribute 2% of the revenue derived from the Royalty Fee for the national brand marketing fund.

E. Electronic /Technology System:

Franchisee must use an electronic cash register or other computer system commonly used in the retail industry, that accurately records all sales, at the time each sale is made, whether wholly or partly for cash, credit, or otherwise, containing records of each sale and a cumulative total for all products and merchandise sold, and all charges made for services performed, at or from any part of the Franchisee's restaurant by Franchisee or anyone acting on Franchisee's behalf, which shall be recorded in a manner in which sales of all items subject to the Food and Beverage Royalty Fee, and Gross Revenues can be determined. However, Franchisor is not requiring Franchisees to use a specific system at this time, as long as the system provides these functions. See section 7 of the Franchise Agreement.

(i) The cost of purchasing or leasing the technology systems depends on the system selected by Franchisee.

(ii) There is no obligation of the Franchisor, any affiliate, or third party to provide ongoing maintenance, repairs, upgrades, or updates.

(iii) Franchisee may be required to upgrade or update their cash register system upon Franchisor's adoption of "Standards" as defined in the Franchise Agreement or requirements to use a uniform electronic cash register or computer system. Cost will be dependent on the new system to be implemented.

(iv) The annual cost of any optional or required maintenance, updating, upgrading, or support contracts is undetermined at this time.

(v) The Franchisor may have independent access to the information that will be generated or stored in any electronic cash register or computer system in the future.

F. Operating Manual:

The operating manual provides the method of operating a Premium Matcha Café Maiko Restaurant. The Franchisor provides the Franchisee with a copy of the most recent confidential operating manuals ("Manual") in any manner the Franchisor chooses. Exhibit

D to this disclosure document sets forth the table of contents of the Manual as of the date of this disclosure document, the number of pages devoted to each subject, and the total number of pages in that Manual.

G. Training:

The training program will be conducted in Hawaii before opening of the franchisee's business and as often as necessary to ensure that the Franchisee's new employees or new Franchisees complete training. The training program must be completed to the Franchisor's satisfaction, within 12 months after signing the Franchise Agreement. The training will last 5 days (6 hours per day) in a Franchisor-owned outlet in Hawaii. The training is overseen by Makoto Honoki, who is the manager of the Franchisor.

The franchisor distributes a menu including method of making matcha. The instructor's minimum length of experience is two (2) years. The training is not required for all employees of the Franchisee; only the manager or the owner of the Franchisee is required to attend the training program in Hawaii. If necessary, Eight USA Inc. assists the Franchisee with operating its business.

The training fee is included in the franchise fee. Franchisee is expected to pay for transportation and lodging fees.

After beginning the operation of the restaurant, the Franchisee must establish and maintain a continual program of training for managers and other employees in accordance with the Franchisor's Standards.

No additional training programs or refresher courses are required. See section 6 of the Franchise Agreement.

Item 11 Table

TRAINING PROGRAM

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On-The-Job Training	Column 4 Location
Introduction to Matcha Culture	1 hour		Hawaii Store
Matcha Process		25 hours	Hawaii Store
Service Operation	2 hours		Hawaii Store
Business Operation	2 hours		Hawaii Store

ITEM 12: TERRITORY.

The Franchisee will not receive exclusive territory to operate the Premium Matcha Café Maiko Restaurant within the Approved Location. The location of the franchise business must be approved by the Franchisor in advance based on the designated Approved Location. ("Approved Location" means the area, city, county or state where the Franchisee has permission to operate the Restaurant (s), which is described in Exhibit A to the Franchise Agreement. This is the territory where the Franchisee can open a Restaurant.)

The Franchisor will not grant other new Franchisees to operate their businesses within the Approved Location unless the Franchisee is not in good standing or does not have satisfactory performance. If the Franchisee's performance is not satisfactory or the Franchisee is not in good standing, the Franchisor reserves the right to have its affiliates or other Franchisees operate businesses and use the licensed Intellectual Property within the Approved Location. Accordingly, the Franchisee may face competition from other Franchisees, from outlets that the Franchisor owns, or from other channels of distribution or competitive brands that the Franchisor controls if the above conditions are not met.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

The performance of the Franchisee will be measured based on the record submitted by the Franchisee to show its profitability and services provided to the customers.
There are no minimum sales quotas or other conditions that must be met in order to maintain the Franchisee's territorial rights. However, if the Franchisee is in default under the Franchise Agreement, the Franchisor may terminate the Franchise Agreement and the Franchisee's territorial rights.

The Franchisor will authorize the relocation of the Franchisee's restaurant if the locations used becomes unusable or unavailable for the Restaurant or the Franchisee requests relocation and has other reasonable business reasons to relocate, so long as the relocation is within the Approved Location. The Franchisee must obtain written approval from the Franchisor for a new location and, if such new location is outside the Approved Location, pay $25,000 Initial Fee. This fee is reasonable because the Franchisor may accept a new franchisee for the fee of $25,000 in the same location where the Franchisee is seeking to relocate its business. Any Franchisee seeking a new location or relocation outside the Approved Location should be treated fairly for the new opportunity given. For approval of additional territories or locations, the Franchisee must show that it is in good standing and its business is profitable.

The relocation within the Approved Location can be achieved without any additional fee. If the Franchisee intends to relocate the franchised business to an area outside the Approved Location, the Franchisee will have to pay the Initial Fee of $25,000.00.

The factors the Franchisor considers for approving relocations are the same factors the Franchisor considers for approving initial locations, including visibility, surrounding population density, competition, income and educational levels, vehicle traffic counts, pedestrian traffic counts, space dimensions, parking availability, signage restrictions, use restrictions, and economic terms. The Franchisee's performance will be also measured in determining approval of relocation, based on its profitability and services provided to the customers. The Franchisor will also consider potential conflict or competition with other Franchisees before approving additional territories.
The Franchisee is not limited in the Approved Location. The Franchisee has the option to choose additional territories outside the Approved Location so long as those territories are not in conflict with other Franchisees or the Franchisor's affiliates and the Franchisee shows it is in good standing.

The Franchisee may establish additional franchise outlets within the Approved Location with the prior written consent of the Franchisor.

The Franchisor may not open for business a Premium Matcha Café Maiko restaurant outlet within any Franchisee's Approved Location, without the affected Franchisee's agreement, unless it is a new restaurant product developed by Franchisor that is not within the Premium Matcha Café Maiko system, or is a restaurant included in a restaurant chain acquisition. Franchisor does, however, reserve the right to use its website or other online system to sell products or services within the franchisee's territory either using the Premium Matcha Café Maiko trademark, or using trademarks other than the Premium Matcha Café Maiko trademark, without compensation to franchisees.

There is no restriction on the Franchisee from soliciting and accepting orders from consumers outside of his or her territory, so long as the location outside the Franchisee's Approved Location is not in competition with other Franchisees. The Franchisee must obtain written approval from the Franchisor prior to its franchise activities outside the Approved Location.

However, the Franchisee does not have the right to offer internet or wholesale sales, use the licensed Marks or Standards in connection with a food truck or mobile, roving, or vehicular food operation business, unless we authorize in writing, nor has the right to solicit or conduct businesses through the use of toll-free telephone numbers, catalogs, direct mail, or other advertising or solicitation methods targeting any other area outside the Approved Location or in any area where other Franchisees operate their business.

Currently, the Franchisor does not operate or franchise, or have any affiliate that operates, franchises, or has any presently formulated plans or policy to operate or franchise any business that sells Premium Matcha Café Maiko under a trademark other than "Matcha Café Maiko." The Franchisor does not have any plan to operate a franchise business under a different or similar mark. The Franchisor does not have any plan to use a different trademark. To minimize the risk of confusion, conflict or competition, the Franchisee should not use any trademark other than the Mark approved by the Franchisor to solicit and accept orders of any beverage or ice cream products.

ITEM 13: TRADEMARKS.

The franchisee must operate its franchise business under the Trademarks as identified below. The principal Trademarks, "Premium Matcha Café Maiko" word and design marks were registered on the Principal Register of the United States Patent and Trademark Office (USPTO) at Registration No. 6,042,108 on April 28, 2020, and No. 5,810,618 as service marks on July 23, 2019, respectively. The registrations are owned by Eight USA Inc. All required affidavits have been filed and the trademark is in good standing. Eight USA Inc. intends to continue to file all required affidavits and renewals for this trademark in a timely manner.

Mark	Registration No.	Date of Registration
PREMIUM MATCHA CAFÉ MAIKO	Reg. No. 6,042,108	Registered Apr. 28, 2020
舞妓 PREMIUM MATCHA Café MAIKO	Reg. No. 5,810,618	Registered Jul. 23, 2019

The franchisee must use the Trademarks only in accordance with the terms of the Franchise Agreement and our Standards. The franchisee must only use the Trademarks in connection with the operation of Premium Matcha Café Maiko restaurants in the manner specified in the Franchise Agreement and the Operating Manual. The franchisee must not use the Trademarks in connection with any products and services not authorized by the franchisor in writing. The franchisee must not use, reproduce or cause to be used or reproduced any Trademarks in any matter in connection with advertising, marketing or promotion without the franchisor's prior written approval.

So long as the executed Franchise Agreement is in place, the Franchisee may use the trademark, "Matcha Café Maiko" and related marks or symbols. However, the Franchisee is not allowed to use the trademark for its company's name without first obtaining approval from the Franchisor. Also, the Franchisee is not allowed to use the trademark or Franchisor's intellectual property to the extent that confuses the consumers regarding the legal ownership of the trademark or intellectual property. These Franchisee's rights to use "Matcha Café Maiko" will be terminated at the time of termination of the franchise agreement.

The Franchise Agreement expires in 5 years with an option to renew for additional 5 years thereafter with 90 days prior written notice. If the Franchisee violates the terms of the Franchise Agreement or it is in default, the Franchisor may cancel the Agreement or modify the terms.

Subject to the Franchisee's compliance with the terms of the Franchise Agreement, the Franchisor will indemnify and hold Franchisee harmless against claims that the Franchisee's use of the licensed trademark infringes upon the rights of any third party unrelated to Franchisee; so long as the Franchisee gives immediate written notice of any such claim to Franchisor, permits Franchisor to have sole control over the defense or settlement of the claim, and cooperates fully with Franchisor in defending or settling the claim.

The Franchisee does not have the right to request modification or termination of the trademark. There is no pending litigation regarding the franchisor's use or ownership rights in a trademark. There are not any currently effective agreements that significantly limit the franchisor's rights to use or license the use of the Trademarks. The Franchisor is not aware of any infringing use of the trademark.

If the Franchisor requires the Franchisee to modify or discontinue using any of the Trademarks, the Franchisee does not have any right to compensation or otherwise under the Franchise Agreement.

ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION.

As of the date of this Disclosure Document, the Franchisor does not own any rights in or to any patents, patent applications or copyrights that are material to the franchise. The Franchisor claims copyright protection for its Operational Manual, and other publications and promotional materials, although the Franchisor has not registered any of the materials with the U.S. Copyright Office. In addition, the Franchisor claims trade secret protection for its proprietary recipes. These materials are considered proprietary and confidential and are considered the Franchisor's property and may be used by the Franchisee only as provided in the Franchise Agreement, Operations Manual and other communications that the Franchisor provided to the Franchisee, but the Franchisor is not obligated to defend Franchisee against claims arising from the Franchisee's use of copyrighted materials. The Franchisor reserves the right to register any of its copyrighted materials at any time it deems appropriate, but is not obligated to protect its copyrights.

The Franchisor knows of no superior prior rights, agreements, or infringing uses that could materially affect the use of the Franchisee's copyrights in the State of New York or anywhere else.

The Franchisee shall not use the Franchisor's confidential information in any unauthorized manner whether or not the Franchisee decided not to pursue the franchise business with the Franchisor. The Franchisor may provide a non-disclosure agreement before discussing any potential franchise business with potential franchisees.

ITEM 15: OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.

(1) The Franchisee does not have obligation to participate personally in the direct operation of the Franchisee's business so long as the Franchisee is responsible for training of its employees who are involved in the business. It is assumed that the Franchisee will participate directly in the business.

(2) Personal "on-premises" supervision by the Franchisee is not required but expected to ensure the proper operation of the business.
There is no limitation on whom the Franchisee can hire as an on-premises supervisor.

Any on-premise supervisor must successfully complete the Franchisor's training program.

If the Franchisee is a business entity, there is no requirement on the amount of equity interest for the on-premises supervisor to hold in the franchise business.

(3) The Franchisee and its manager are collectively responsible in making sure that they comply with the terms of confidential information and other requirements for use of IP and trademark as specified in the Franchise Agreement and will not operate any other businesses that compete against the franchise business. Further, the Franchisee's manager is required to maintain the same standard as that of the franchisee in the franchise business and bound by the terms of the Franchise Agreement signed by the franchisee.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.

The Franchisee may sell only goods or services approved by the Franchisor. Franchisee is not obligated to sell all the goods or services authorized by the Franchisor. If the Franchisee sells other products and services than the items or services required by the Franchisor, the Franchisee must obtain written approval from the Franchisor before selling these unauthorized products or services. The Franchisor has the rights to disapprove or approve any item for sale if they are not authorized by the Franchisor.

The Franchisee should not sell any products on a wholesale basis. Also, the Franchisee should not sell any products that are inconsistent with the Standards set by the Franchisor. The Franchisor has the right to change the types of authorized goods or services.

ITEM 17: RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION.

Item 17 Table

THE FRANCHISE RELATIONSHIP

This Table Lists Certain Important Provisions of the Franchise And Related Agreements. You Should Read These Provisions In The Agreements Attached To This Offering Circular.

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	Section 4 of the Franchise Agreement ("Agreement").	5 years
b. Renewal or extension of the term	Section 4.1 of the Agreement.	The Franchise Agreement may be extended for an additional 5 years for a Franchisee that is not in default of the Agreement, provided prior written notice is given at least 90 days prior to expiration of Term.
c. Requirements for franchisee to renew or extend	Section 4.1 of the Agreement.	The Franchisee is not required to pay a renewal fee but must continue paying the Franchise fee if it remains in the same approved location. A renewal extends the Franchise Agreement under the same terms and conditions for the renewal term. (See also below.)

d. Termination by franchisee	There is no specific section on this in the Agreement.	
e. Termination by franchisor without cause	Not Applicable.	No termination without cause, unless the franchisee is in default or in violation of the Franchise Agreement.
f. Termination by franchisor with cause	Section 17 of the Agreement.	The Franchisor has the right to terminate the Agreement if the Franchisee violates the terms of the Agreement or is in default.
g. "Cause" defined - curable defaults	Section 17.3 of the Agreement.	Franchisee is given not less than 14 days to cure: non-payment of fees to franchisor or its affiliates, open the restaurant within one year of signing the Agreement, renovations, non-procurement of insurance, repair of restaurant, compliance with quality assurance program, standards or applicable law, and any other default not listed in Section 17.2.
h. "Cause" defined - defaults which cannot be cured	Section 17.2 of the Agreement	Non-curable defaults: insolvency, bankruptcy, execution on judgment against restaurant, foreclosure suit, restaurant closure due to danger to public health, disclosure of confidential information, misrepresentation by Franchisee in violation of Section 25, underreporting of sales or underpayment of royalties, felony conviction, unapproved transfers, and cessation of operation of restaurant, loss of possession or right to manage or operate the restaurant.

i. Franchisee's obligations on termination/nonrenewal	Section 18.1 of the Agreement	The Franchisee should cease to operate the franchise business, not use the trademark or IP owned by the Franchisor and not disclose and return confidential information, and change appearance of restaurant, and pay all amounts due to Franchisor, including costs incurred by Franchisor to remove the restaurant from the Franchisor's System (also, see r.
j. Assignment of contract by	Section 16.3 of the Agreement.	The Assignment of contract by Franchisor is allowed.
k. "Transfer" by franchisee – defined	Sections 1, 16.1, and 16.4 of the Agreement.	Includes sale, conveyance, assignment, exchange, pledge, encumbrance, and lease of restaurant or contract, and controlling ownership changes.
l. Franchisor approval of transfer by franchisee	Sections 16.1 and 16.2 of the Agreement.	Written approval by the Franchisor is required, which may be withheld in Franchisor's sole discretion.

m. Conditions for franchisor approval of transfer	Sections 16.1 and 16.2 of the Agreement	The transfer of the business or interest of the business is allowed so long as franchisor does not exercise right of first refusal, there is no uncured breach of the Agreement by Franchisee, and Franchisee is in good standing under the Standards, new franchisee is capable of performing the obligations under the Agreement, new franchisee's financial status qualifies, enters into a new franchise agreement, upgrades the restaurant as necessary, and the Franchisee obtains prior written approval from the Franchisor. Franchisor may disapprove if transferee or affiliate is in conflict with the franchise business.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 16.2 of the Agreement.	The Franchisor has the right of first refusal to acquire franchisee's interest in transferring the business, except when the transfer is to an entity in which Franchisee or the Person that Controls Franchisee has a Controlling Ownership Interest.
o. Franchisor's option to purchase franchisee's business	Section 18.3 of the Agreement	The Franchisor has the option to purchase the franchisee's business within 30 days after termination or expiration of the Agreement.

p. Death or disability of franchisee	Section 17.2 of the Agreement	The Franchisor has the right to terminate the Agreement upon the death or disability of franchisee.
q. Non-competition covenants during the term of the franchise	Sections 8.2 and 16.1 of the Agreement	There is a non-competition covenant to the extent that the franchisee does not promote or divert business to competing businesses, or operate business with a competitor or transfer its interest to a competitor.
r. Non-competition covenants after the franchise is terminated or expires	Section 18.1 (c) of the Agreement	Yes, only to the extent that a state allows non-competition provision.
s. Modification of the agreement	Sections 11 and 24.3 of the Agreement	There may be a modification of the Franchise Agreement.
t. Integration/merger clause	Section 24.3 of the Agreement	Only the terms of the Franchise Agreement are binding (subject to applicable state law). Any representations or promises outside of the Franchise Agreement will not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 22.5 of the Agreement	Any dispute should be resolved by arbitration except in the case of injunctive relief (subject to state law).
v. Choice of forum	Section 22.5 of the Agreement.	The venue for arbitration is in Hawaii (subject to state law).
w. Choice of law	Section 22.1 of the Agreement.	The laws of the State of Hawaii will govern the terms of the franchise agreement to the extent that does not have conflict with the state where the Franchisee is located (subject to state law).

Item 17 (c) – the term “renewal” is used only in case the Franchisee chooses to renew the Franchise Agreement. Any modification of the Agreement will be made if necessary to be in compliance with laws, regulations, ordinances, rules, orders, decrees and requirements of any governmental authority having jurisdiction over the franchise business.

ITEM 18: PUBLIC FIGURES.

This Item does not apply to the Franchisor.

ITEM 19: EARNING CLAIMS.

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 the Franchisee 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.

The Franchisor does not make any representations about a Franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. The Franchisor also does not authorize its employees or representatives to make any such representations either orally or in writing. If the Franchisee is purchasing an existing outlet, however, the Franchisor may provide the Franchisee with the actual records of that outlet. If the Franchisee receives any other financial performance information or projections of their future income, the Franchisee should report it to the Franchisor's management by contacting Makoto Honoki, the manager of Eight USA Inc. located at 1441 Kapiolani Blvd. Suite 910, Honolulu, HI 96814. He can also be reached at info@matchacafe-maiko.com. The Franchisee may also contact the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20: LIST OF OUTLETS.

Table No. 1

Systemwide Outlet Summary
For years 2020 to 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	16	20	+4
	2021	20	22	+2
	2022	22	23	+1
Company-Owned	2020	1	1	0
	2021	1	1	0
	2022	1	1	0
Total Outlets	2020	17	21	+4
	2021	21	23	+2
	2022	23	24	+1

Notes: The Franchisees listed above were licensees under the license agreement prior to approval of the franchise application in the State of New York. These licensees will be notified by the franchisor upon the filing of the franchise filing that they will be required to sign the Franchise Agreement or amendment of the license agreements to continue their businesses.

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)

For years 2020 to 2022

State	Year	Number of Transfers
CA	2020	2
	2021	0
	2022	0
NC	2020	0
	2021	0
	2022	1
Total	2020	2
	2021	0
	2022	1

Table No. 3

Status of Franchised Outlets
For years 2020 to 2022

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
AZ	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
CA	2020	7	2	1	0	0	0	8
	2021	8	2	1	0	0	1	8
	2022	8	0	0	0	0	0	8
FL	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
GA	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
MA	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
MI	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
NC	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
NJ	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0

	2022	0	1	0	0	0	0	1
NV	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
OR	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
PA	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
TX	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	1	0	0	1
VA	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
WA	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Totals	2020	16	5	1	0	0	0	20
	2021	20	4	1	0	0	1	22
	2022	22	2	0	1	0	0	23

Table No. 4

Status of Company-Owned Outlets
For years 2020 to 2022

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
HI	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Totals	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1

Table No. 5

Projected Openings As Of December 31, 2022

State	Franchise Agreements Signed but Outlet not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Openings in Next Fiscal Year
CA	2	2	0
FL	1	1	0
HI	1	1	0
MD	1	1	0
NY	1	1	0
TX	1	1	0
VA	1	1	0
WA	1	1	0
Total	9	9	0

The information in the tables is as of December 31, 2022.

The names of the Franchisees of the Premium Matcha Café Maiko are listed on Exhibit B.
With the exception of the franchisees in the states of WA, NJ, AZ, the franchisees listed in the above charts operated their businesses as a licensee of the predecessor (Exeo) of Eight USA Inc. After Eight USA Inc. purchased the business from Exeo in August 2019, Eight USA Inc. decided to operate its business with the current licensees as a Franchisor.

A license agreement was signed by licensees located in the States, CA, FL, GA, MA, MD, MI, NC, NV, NY, OR, PA, TX, and VA, but the Franchise Agreement has not been signed by these licensees yet. The franchisor plans to replace the current license agreements signed by the licensees/franchisees listed above with the Franchise Agreement attached as Exhibit A upon approval of the franchise application by each state. The outlets not opened yet should be opened subsequently after the Franchise Agreement is signed by them.

The information of the licensee who voluntarily ceased to do business under the License Agreement during the most recently completed fiscal year is as follows:

Name	City	State	Contact information
T&Q Partners LLC	Houston	Texas	thinh.quach@tqpartnersllc.com

The above licensee did not renew the License Agreement upon its expiration.

The information of licensees who have not communicated with the Franchisor within 10 weeks of the application date is as follows:

Name	City	State	Contact information
Kien Chuong LLC	Annandale	Virginia	605 West Church Rd. Sterling, VA 20164
BTJJ USA, LLC	Maui	Hawaii	1314 S. King St., Ste 415 Honolulu, HI 96816

No other licensee has ceased to do business under the License Agreement or had an outlet terminated, canceled, not renewed during the most recently completed fiscal year or who have not communicated with us, within ten (10) weeks of the application date. If you buy this franchise after the filing, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Eight USA. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them discussing with you their experiences as a franchisee in Eight USA's franchise system.

The Franchisor has not created, sponsored, or endorsed any trademark-specific franchisee organizations associated with the Premium Matcha Café Maiko franchise. There are no independent franchisee organizations that have asked to be included in this disclosure document.

Eight USA expects to sell approximately five (5) franchises during the one (1) year period after the close of its most recent fiscal year.

ITEM 21: FINANCIAL STATEMENTS.

Attached and identified as **EXHIBIT C** is the Franchisor's audited financial statements for the years ended December 31, 2020, December 31, 2021 and December 31, 2022, and the unaudited financial statements for the period January 1, 2023 to March 31, 2023. The Franchisor's fiscal year end is December 31.

ITEM 22: CONTRACTS.

The Franchise Agreement along with Exhibits is attached as **EXHIBIT A.**

ITEM 23: RECEIPTS.

RECEIPT

Two copies of an acknowledgment of your receipt for this disclosure document appear as the last pages of the disclosure document (**Exhibit H**). Please date and sign each of them as the date you received this disclosure document, return one copy to us and keep the other with this disclosure document for your record.

EXHIBIT A

FRANCHISE AGREEMENT

F R A N C H I S E A G R E E M E N T

THIS FRANCHISE AGREEMENT ("Agreement") is effective as of [__ _____], 202__ ("Effective Date") by Eight USA Inc., a corporation organized and existing under the laws of the State of Hawaii ("Franchisor") and_____, a _____ organized and existing under the laws of the State of _____ ("Franchisee").

RECITALS

A. Franchisor and its Affiliates (as defined below) own the System (as defined below) for the Premium Matcha Café Maiko (as defined below); and

B. Franchisee is the owner of the Restaurant (as defined below), and Franchisee desires to operate the Restaurant as a _____and wishes to obtain a license to use the System and the Proprietary Marks (as defined below) for that purpose; and

C. It is the intention of the parties that the Restaurant, together with other Premium Matcha Café Maiko Restaurants will be part of a worldwide chain of restaurants providing distinctive, high-quality restaurant services, and Franchisee agrees that it is important to operate the Restaurant in strict conformity with the System in order to enhance public acceptance of, and demand for, all Premium Matcha Café Maiko Restaurants; and

D. In agreeing to grant the non exclusive license to operate business of Matcha Café Maiko Restaurant under this Agreement to Franchisee, Franchisor is relying upon the business skill, financial capacity, and character of Franchisee and its principals.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Franchisee and Franchisor agree as follows:

SECTION 1 DEFINITIONS

1.1 Definitions. The following terms when used in this Agreement have the following meanings:

"Accounting Period" means any fiscal accounting and reporting period required by Franchisor.

"Affiliate" means, for any Person, a Person that is related directly (or indirectly through one or more intermediaries) Controlling, Controlled by, or under common Control with such Person.

"Applicable Law" means all laws, regulations, ordinances, rules, orders, decrees, and requirements of any governmental authority having jurisdiction over the Restaurant, Franchisee, or any of the Entire Agreements, or applicable to the filing, registration, or approval of any of the Entire Agreements.

"Approved Location" means the area, city, county or state where the Franchisee has permission to operate the Restaurant (s), which is described in Exhibit A to this Agreement. This is the territory where the Franchisee can open a Restaurant, and the Franchisee does not need to pay the Initial Fee in setting up its other Restaurants so long as it paid the Initial Fee for the first Restaurant and other Restaurants are operated within the Approved Location.

"Case Goods" means furniture and fixtures used in the Restaurant, and its Public Facilities, such as chairs, stools, tables, television sets, mirrors, pictures, wall decorations, graphics and all other unspecified items of the same class.

"Competitor" means any Person that: (i) owns, has an interest in, or (ii) is an Affiliate, principal, director, officer, or other individual with management responsibility of a Person that owns or has an interest in a restaurant brand, trade name, trademark, system, or chain (a "Brand") that is comprised of at least two (2) full-service restaurants; provided, such Person will not be deemed to be a Competitor if such

Person has an interest in such Brand merely as a mere passive investor that has no Control or influence over the business decisions concerning the Brand at issue, such as limited partners in a partnership or as a mere non-Controlling stockholder in a corporation.

"Confidential Information" means any or all of the following information, including without limitation, any unpublished financial information, product and business and marketing plans, projections, marketing data, computer data, computer programs and supporting documentation, and any other information that will reasonably be deemed confidential even if not designated as such. For the purpose of this Agreement, Confidential Information specifically includes (i) Standards, documents, or trade secrets approved for use in the System or in the design, construction, renovation or operation of the Restaurant; (ii) any Electronic Systems and accompanying documentation developed for the System or elements thereof; or (iii) any other confidential information, knowledge, trade secrets, business information or know-how obtained (a) through the use of any part of the System or concerning the System or the operation of the Restaurant or (b) under any Entire Agreements. ("**Confidential Information**"). Franchisee must take reasonable steps to prevent any confidential information from being disclosed and prevent the unauthorized duplication or disclosure of such confidential information. Confidential Information does not mean information that is: (a) already in Licensee's possession without obligation of confidentiality; (b) independently developed by Franchisee without reference to Franchisor's Confidential Information, as demonstrated by competent evidence; (c) obtained from source other than Franchisor without obligation of confidentiality; (d) publicly available when received, or thereafter becomes publicly available through no fault of either party; (e) disclosed by Licensor to another party without obligation of confidentiality; (f) incidentally retained in the unaided memories of persons who have had access to Confidential Information;; or (g) disclosed by Franchisee with Franchisor's prior written consent.

"Control" (and any form thereof, such as "Controlling" or "Controlled") means, for any Person, the possession, directly or indirectly (through one or more intermediaries), of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting interests, by contract, or otherwise.

"Data Protection Laws" means data protection and privacy laws and regulations in each relevant jurisdiction.

"Dispute" means any dispute, controversy, or claim arising out of or relating to this Agreement or any other Entire Agreement, or the making, breach, termination, or invalidity of this Agreement or any other Entire Agreement, or the relationship created by those agreements.

"Electronic Systems" means all Software, Hardware and all electronic access to Franchisor's systems and data, licensed or made available to Franchisee relating to the System, and includes any Software or Hardware that results from modifications to the System pursuant to Section 11.2.

"Entire Agreement(s)" means, collectively, this Agreement (including any agreement attached to this Agreement as exhibits, attachments or addenda) and any other agreements executed in connection with any of the foregoing, including any other agreement relating to the Restaurant between Franchisor (or its Affiliates on the one hand) and Franchisee or owner(s) of the Restaurant on the other, as any may be amended, modified, supplemented, or restated.

"FF&E" means furniture, furnishings, fixtures, signage, equipment (including telephone systems; facsimile machines; copiers; vending machines; freezers; refrigerators; electronic systems); Case Goods and Soft Goods.

"Food and Beverage Operations" means all Restaurant food and beverage services, whether performed inside or outside the Restaurant, including: (i) all restaurant, dining, bar, lounge, and retail food and beverage services; (ii) any other food, beverage, or related services of the Restaurant; and (iii) the amount of all lost revenues and receipts from any of the foregoing upon which proceeds of business interruption, loss of income, or other similar insurance are calculated.

"Franchisor Restaurant Facilities" means all restaurants and eating facilities, chains, brands, or restaurant systems owned, leased, under development, or operated or franchised, now or in the future, by Franchisor or any of its Affiliates, including: (i) Premium Matcha Café Maiko Restaurants; and (ii) any other restaurant product or concept developed or utilized by Franchisor or any of its Affiliates in the future.

"Gross Revenues" means all sales and receipts of every kind and nature from the Food and Beverage Operations, including credit charges, charge backs, service charges (other than tips, service charges, or gratuities to Restaurant employees to the extent actually received by the Restaurant employees), and uncollectible amounts, whether or not collected, and guaranteed no-show revenue that is collected from the Food and Beverage Operations, but does not include any sales, restaurant tax, or similar taxes collected from patrons or guests.

"Guarantor" means individually and collectively any Person(s) who guarantee(s) the performance of Franchisee's obligations under this Agreement in connection with a Transfer permitted under Section 16 and in accordance with the Guaranty.

"Guaranty" means any guaranty executed by and among the Guarantor and Franchisor.

"Hardware" means all computer hardware and other equipment (including all future upgrades, enhancements, additions, substitutions, and other modifications thereof) required for the operation of and connection to the applicable system by the Standards for Premium Matcha Café Maiko Restaurants.

"Intellectual Property" means all of the following items, regardless of the form or medium involved (e.g., paper, electronic, tape, tangible or intangible): (i) all Software, including the data and information processed or stored by such Software; (ii) all Proprietary Marks; and (iii) all Confidential Information and all other information, materials, and copyrightable or patentable subject matter developed, acquired, licensed, or used by Franchisor or any of its Affiliates in the operation of the Restaurant or in any other restaurant in the System.

"Interest" means the lesser of eighteen percent (18%) per annum or the maximum interest rate allowable under Applicable Law.

"Inventories" means (i) provisions in storerooms, refrigerators, freezers, pantries, and kitchens; (ii) beverages; (iii) other merchandise intended for sale; (iv) ingredients; (v) mechanical supplies; (vi) paper items; and (vii) other expensed supplies and similar items.

"Licensed Marks" means one or more of the registered trademarks, registered service marks, and registration applications, and any other Proprietary Mark designated in writing as a Licensed Mark by Franchisor, all as may be changed, deleted, added to or otherwise modified by Franchisor in its sole discretion.

"Marketing Materials" means all advertising, marketing, promotional, sales and public relations concepts; press releases; materials; copy; concepts; plans; programs; brochures; or other information to be released to the public whether in digital, electronic or computerized form, or in any form of media now or hereafter developed.

"Other Mark(s)" means any trademark, trade name, symbol, slogan, design, insignia, emblem, device, or service mark that is not a Proprietary Mark.

"Ownership Interest" means all forms of ownership of legal entities or property, both legal and beneficial, voting and non-voting, including stock interests, partnership interests, limited liability company membership or ownership interests, joint tenancy interests, leasehold interests, proprietorship interests, trust beneficiary interests, proxy interests, power-of-attorney interests, and all options, warrants, and any other forms of interest evidencing ownership or Control.

"Person" means an individual (and the heirs, executors, administrators, or other legal representatives of an individual), a partnership, a corporation, a limited liability company, a government, or any department or agency thereof, a trustee, a trust, an unincorporated organization, or any other entity of any kind.

"Premium Matcha Café Maiko Restaurants" or "Matcha Café Maiko Restaurants" means the group of restaurants serving ice cream, desert, beverage and other food or tea products known, as of the Effective Date, as "Matcha Café Maiko", which restaurants are operated by any approved party under the System or are designated by Franchisor as "Premium Matcha Café Maiko Restaurants" or "Matcha Café

Maiko Restaurants". Franchisor or its Affiliates may elect to increase or decrease the number of "Premium Matcha Café Maiko Restaurants."

"Proprietary Marks" means the Licensed Marks, the name "Matcha Café Maiko" or "Premium Matcha Café Maiko" in any form, the Matcha Café Maiko logo, and all other trademarks, trade names, trade dress, words, symbols, logos, slogans, designs, insignia, emblems, devices, service marks, and indicia of origin (including restaurant or store names or other outlet names), or combinations thereof, that are registered by Franchisor or any of its Affiliates, or are used to identify or are otherwise associated by virtue of usage with Premium Matcha Café Maiko Restaurants, all as may be changed, deleted, added to or otherwise modified by Franchisor in its sole discretion. The term applies whether the Proprietary Marks are owned currently by Franchisor or any of its Affiliates, or are later developed or acquired, and whether or not they are registered in any state, foreign country or in the United States Patent and Trademark Office.

"Public Facilities" means any dining facilities, restaurants, lounges, and all other similar public facilities at the Restaurant.

"Reasonable Business Judgment," means (1) with respect to the System, Franchisor's action or inaction has a business basis that is intended to: (i) benefit the System or the profitability of the System, including Franchisor, regardless of whether some individual restaurants may be unfavorably affected; (ii) increase the value of the Proprietary Marks; (iii) increase or enhance overall restaurant guest or franchisee or owner satisfaction; or (iv) minimize possible brand inconsistencies or customer confusion, or (2) with respect to everything other than the System, Franchisor's action or inaction has a business basis and has not acted in bad faith.

"Restaurant" means the restaurant and all land used in connection with the restaurant called "Restricted Territory" for the purpose of this Agreement, which is located or to be located within the Approved Location, including: (i) the freehold or long-term leasehold title to the Restricted Territory within the Approved Location; (ii) all improvements, structures, facilities, entry and exit rights, parking, landscaping, and other appurtenances (including the restaurant building, Public Facilities, and all operating systems) located at the Restricted Territory within the Approved Location; and (iii) all FF&E and Inventories installed or located in such improvements at the Restricted Territory. The details of the Restricted Territory are listed and attached as Exhibit B.

"Quality Assurance Program" means the quality assurance program required by Franchisor or its Affiliates for Premium Matcha Café Maiko Restaurants as set forth in the Standards for evaluating or ensuring compliance of Premium Matcha Café Maiko Restaurants with the Standards.

"Soft Goods" means textile, fabric and vinyl and similar products used in finishing and decorating the Restaurant and its Public Facilities, such as vinyl wall and floor coverings, drapes, sheers, cornice coverings, artwork, upholstery and all other unspecified items of the same class.

"Software" means all computer software and accompanying documentation (including all future enhancements, upgrades, additions, substitutions, and other modifications) provided to Franchisee by or through Franchisor and/or third parties designated by Franchisor or its Affiliates required for the operation of and connection to the applicable Electronic System.

"Standards" means Franchisor's operating rules, manuals, standard operating and other procedures, systems, guides, programs (including the Quality Assurance Program), requirements, directives, standards, specifications, design criteria, and such other information, initiatives and controls that are necessary for planning, constructing, renovating, refurbishing, and operating Premium Matcha Café Maiko Restaurants, as such may be modified, amended or supplemented by Franchisor or its Affiliates. The Standards may be in paper or in electronic form (or with Franchisor's prior approval take into account specific characteristics and conditions of the local market).

"System" means the Standards, Confidential Information and other distinctive, distinguishing elements or characteristics that Franchisor or its Affiliates have developed, designated or authorized for the operation of Premium Matcha Café Maiko Restaurants, including advertising programs and training.

"Taxes" means all taxes (including any sales, gross receipts, value-added or goods and services taxes), levies, charges, impositions, stamp or other duties, fees, deductions, withholdings or other

payments levied or assessed by any competent governmental authority, including by any federal, national, state, provincial, local, or other tax authority.

"Transfer" means any sale, conveyance, assignment, exchange, pledge, encumbrance, lease or other transfer or disposition, directly or indirectly, voluntarily or involuntarily, absolutely or conditionally, by operation of law or otherwise. For purposes of determining whether a Transfer or change of Control has occurred, any prior Transfers of an Ownership Interest to the same Person or an Affiliate of such Person may be considered together.

"Travel Expenses" means all reasonable and documented travel, food and lodging, living, and other out-of-pocket costs and expenses.

SECTION 2 LICENSE

2.1 Limited Grant.

Upon the terms and conditions of this Agreement, Franchisor hereby grants to Franchisee the non exclusive license to use the Licensed Marks and the System and the right to operate the Restaurant as a Matcha Café Maiko Restaurant solely at the Approved Location; provided that Franchisee shall commence operation of at least one (1) Restaurant under the terms of this Agreement by the first anniversary of the Effective Date. Franchisee may operate additional Franchisee Restaurants within the Approved Location under this Agreement with the prior written consent of Franchisor and subject to any other applicable provisions in this Agreement. Franchisee agrees: (i) to operate the Restaurant as a Matcha Café Maiko Restaurant in accordance with the System and this Agreement as and when authorized by Franchisor under this Agreement; and (ii) to identify or name the Restaurant in accordance with the Standards. Franchisee acknowledges that this license does not permit (1) sales on a wholesale basis or (2) use of Marks and the System in connection with a food truck or any roving, mobile, or vehicular food operations..

2.2 Franchisor's Reserved Rights.

(a) Franchisee agrees that, except as set forth below in Section 2.3: (i) Franchisor and its Affiliates retain the right to develop, promote, construct, own, lease, acquire and/or operate, or authorize or otherwise license or franchise to other Persons the right to develop, promote, construct, own, lease, acquire and/or operate: (a) Franchisor Restaurant Facilities; (b) restaurants; and (c) other business operations; (ii) Franchisor or its Affiliates may exercise such right without notice to Franchisee and (iii) Franchisee is not entitled to any protected territory, territorial rights or exclusivity, other than the Approved Location. Franchisee covenants that it will not interfere with the exercise of such right by Franchisor or any of its Affiliates outside the Approved Location.

(b) Franchisee agrees that in the operation or conduct of any Franchisor Restaurant Facilities or any other business activity, Franchisor may use, or benefit from common use of, the System and Standards and other reservations and other systems, communications equipment, services, administrative systems, Electronic Systems, personnel not assigned to work with Franchisee, marketing and advertising programs, central purchasing, approved supplier lists, independent licensed sales representatives, or other independent contractors. Nothing in this Agreement will prevent Franchisor from allowing other Franchisor Restaurant Facilities operated or franchised by Franchisor or its Affiliates to use various components of the System.

2.3 Restricted Territory.

Neither Franchisor nor any of its Affiliates shall open for business to the public, grant a franchise or license or otherwise authorize any other Person to open for business of a Matcha Café Maiko Restaurant in the Approved Location during the Initial Term and any subsequent Renewal Term, unless agreed to in writing otherwise, provided however, that the Franchisor may grant a franchise or license to other persons or businesses within the Approved Location if the Franchisee is found to be in noncompliance with the Standards set by the Franchisor. The details of the Franchisee Restaurants within the Approved Location are listed and attached as Exhibit B (the "Restricted Territory"). The restrictions set forth in this Section

2.3 shall not apply to (i) any future restaurant product developed by Franchisor or one of its Affiliates that is not included within the System; or (ii) to any restaurants (whether under development or already in operation) included in any restaurant chain acquisition.

SECTION 3 FEES

3.1 Initial Fee.

The initial fee, which is nonrefundable, in consideration of Franchisor's investigation, review and approval process and other administrative functions and undertakings in connection with this Agreement is $25,000 (the "Initial Fee"). This Initial Fee is applicable to each Approved Location. The Initial Fee is due and payable within 14 calendar days after signing this Agreement.

3.2 Franchise Fees.

(a) From the earlier of (1) the opening of the Restaurant for business or (2) the first full month after the one year anniversary of the Effective Date, until the expiration or termination of this Agreement, Franchisee shall pay Franchisor each month a non-refundable amount of $500.00 per month (hereinafter referred to as the "Monthly Fee") for each Restaurant. The Monthly Fee must be received by the Franchisor no later than the 10th day of each month for the business operation during the preceding month.

(b) In addition to the Monthly Fee, Franchisee shall pay Franchisor a monthly royalty on the items set forth in Exhibit C attached hereto ("Food and Beverage Royalty Fee"), and with the Monthly Fee (collectively, "Franchise Fee") for each Restaurant; provided that for any months in which Franchisee pays a Food and Beverage Royalty Fee for a particular Restaurant, the amount of Food and Beverage Royalty Fee paid for the month shall be deducted from the Monthly Fee of the applicable Restaurant up to a maximum of $500 for each such month. The Franchise Fee together with the Monthly Fee must be received by the Franchisor no later than the 10th day of each month for the business operation during the preceding month.

(c) For 2022, Food and Beverage Royalty Fee is five percent (5%) on all purchases on the items set forth in Exhibit C the maximum aggregate amount payable in any month by Franchisee for the Monthly Fee and Food and Beverage Royalty Fee shall be capped at $2,000 per month (the "Monthly Cap"). For each subsequent year, the Franchisor may increase the Monthly Cap by up to 5% or by the consumer price index for the previous year (as published by the Bureau of Labor Statistics of the United States Department of Labor), whichever is the greater.

(d) Franchisor has the right, at its sole discretion, to amend, update or change the items listed in Exhibit C, and the Premium Matcha Café Maiko order guide, at any time. Franchisee acknowledges Franchisor's right to collect fees, service charges and tariff that are incurred by the Franchisor to facilitate shipment or delivery of the approved items, rebates, and marketing allowances from food distributors, food manufacturers, food brokers, or other vendors or suppliers, as well as from Franchisee, and to require Franchisee to pay service charges and tariff assessed for shipment or delivery of the approved items. Franchisee shall have no claim for offset or a reduction in fees with respect to any fees Franchisor may negotiate from any other party.

3.3 Making of Payments and Performance of Services.

Payments for the Initial Fee due to Franchisor or its Affiliates will be paid immediately upon signing this Agreement. Payment for the Franchise Fee is due on the 10th of each month for the business operation during the preceding month. The Franchisee shall pay to the Franchisor by any method as Franchisor approves to the accounts designated by Franchisor in Section 3.6. Franchisor has the right to have any service or obligation of Franchisor under this Agreement be performed by an Affiliate of Franchisor.

Franchisor also has the right to designate that payment be made to one of its Affiliates instead of Franchisor, and, provided that such designation is in writing, Franchisee must make such payments as designated. All payments will be made subject to applicable withholding and other taxes.

3.4 Late Fee and Interest on Late Payments.

If any payment by Franchisee to Franchisor pursuant to this Agreement is not received within seven (7) days following its due date, such payment will be deemed overdue, and Franchisee must pay to Franchisor, in addition to the overdue amount, a late fee equal to ten percent (10%) on such overdue amounts. Furthermore, Franchisee will pay Interest on all such overdue amounts from the date it was due until paid. Franchisor's entitlement to Interest will be in addition to any other remedies Franchisor may have under Applicable Law.

3.5 Taxes.

Franchisee must promptly pay when due all Taxes levied or assessed by any Tax authority relating to the Restaurant, Franchisee, this Agreement, any other Entire Agreement or in connection with operating the Restaurant. If any amount to be paid or reimbursed under this Agreement to Franchisor, or any of its Affiliates, is subject to any deductions or withholdings for any present or future Taxes relating to the Restaurant, and to the extent Applicable Law requires such amounts to be withheld and paid by Franchisee directly to a governmental authority, then Franchisee must account for and pay such deductions or withholdings promptly and will provide to Franchisor receipts or other proof of such payments upon receipt. If there is a bona fide Dispute by Franchisee as to liability for Taxes, Franchisee may contest the validity of the amount of the Tax in accordance with the procedures of Applicable Law, provided that Franchisee will not permit a Tax sale or seizure by levy of execution or similar writ or warrant, or attachment by creditor, to occur against any part of the Restaurant.

3.6 Method of Payment.

Any payment to Franchisor, including but not limited to the Initial Fee and Franchise Fee may be made by way of regular check, PayPal at _____ (payment by PayPal limited to payment of monthly fees only), or wire transfer. In the event Franchisee wishes to pay the Fees by wire transfer, Franchisee shall incur the wire transfer transaction fees and handling charges and shall wire it to the following designated bank account in U.S. Dollars.

Name of Bank: Central Pacific Bank
Branch Name: International Banking
Branch Number: 234
Office Address: 2250 Kalakaua Ave. Suite 401, Honolulu, HI 96815, USA
Head Office Address: 220 South King St., Honolulu, HI 96813, USA
Bank's Call Center: (808) 544-0500
Routing Number: 121301578
SWIFT: CEPBUS77
Account Number: _____
Account Title: Eight USA Inc. dba Matcha Café Maiko

SECTION 4 TERM AND RENEWAL

4.1 Term and Renewal.

The term of this Agreement shall begin on the date first set forth above and shall expire on the date that is five (5) years after the Effective Date (the "Initial Term"), unless earlier terminated in accordance with the terms of this Agreement. Provided that Franchisee is not in default of any of the terms of this Agreement, this Agreement may be extended for an additional period of five (5) years thereafter ("Renewal Term") if and when Franchisee provides Franchisor a prior written notice to extend the Term at least ninety (90) calendar days prior to the expiration of the Term. In the event Franchisee wishes to exercise its right to

renew the Agreement, Franchisee shall not be required to pay the Initial Fee for the same Approved Location, except for the Franchise Fee during the Renewal Term.

SECTION 5 CONSTRUCTION; SOURCING AND DESIGN APPROVALS

5.1 Construction, Conversion, and Renovation of the Restaurant.

Franchisee, at its expense, must start and complete in a timely fashion and to Franchisor's satisfaction the construction or renovation, as the case may be, of the Restaurant in accordance with the Standards and in compliance with All Applicable Law.

5.2 FF&E, Supplies, and Signage.

(a) Franchisee must use only such signs, FF&E, and Inventories that conform to the Standards and are purchased from a vendor, supplier or manufacturer designated as "approved" by Franchisor. Franchisor may designate approved vendors and suppliers, including Franchisor or any of its Affiliates, as the only approved supplier for certain items. The requirements imposed by this Section 5.2 are to insure that the FF&E, Inventories, and other items used by Premium Matcha Café Maiko Restaurants will be uniform and of high-quality, and Franchisee agrees that the restrictions imposed on Franchisee in this Section 5.2 constitute the measures necessary to maintain the identity, integrity and reputation of the System.

(b) Franchisee must prominently display in, on, and around the Restaurant signs using the Licensed Marks and other advertising signs of such nature, form, color, number, location, and size, and containing such material, as Franchisor provides in the Standards or otherwise approves. All signs will comply with all Applicable Law. Franchisee must not display in or upon the Restaurant premises or elsewhere, any sign or Marketing Materials of any kind that does not comply with Section 6 or to which Franchisor objects.

5.3 Design Approval.

(a) If Franchisee elects or is required by this Agreement (including, pursuant to Section 10) to perform construction work or significant renovations or refurbishment of the Restaurant affecting the design, character, or appearance of the Restaurant, Franchisee will obtain the prior approval of Franchisor that any such construction work or significant renovations or refurbishment complies with the Standards and the requirements set forth in Section 5. Prior to commencing such construction, renovation, or refurbishment, Franchisee will engage a qualified designer and other qualified consultants and cause them to prepare and submit to Franchisor for its review and approval for compliance with the Standards, complete design drawings and specifications based on the Standards. If such drawings and specifications are not approved by Franchisor, Franchisor will provide recommendations to Franchisee related to the Standards that Franchisee must incorporate into such designs and drawings. Once approved, no changes will be made to any design, drawings, and specifications previously approved by Franchisor without Franchisee re-submitting such changes to Franchisor for its review and approval. Each party will act promptly in the preparation, submission, approval, and revision of all of said design drawings and specifications.

(b) Franchisee agrees that Franchisee, and not Franchisor or its Affiliates, is responsible for: (i) ensuring that any design, working drawings, specifications, construction, renovation, or refurbishment complies with any Applicable Law, including any requirements relating to disabled persons; (ii) any errors or omissions; or (iii) discrepancies (of any nature) in any drawings or specifications. Franchisor's review and approval under this Section 5.3 is limited solely to confirming Franchisee's compliance with the Standards. Except for Franchisee's own uses related to its construction or operation of the Restaurant, Franchisee must not reproduce, use or permit the use of any of the design concepts, drawings, or Standards without the prior approval of Franchisor.

SECTION 6 ADVERTISING AND MARKETING

6.1 General.

Franchisee will prominently use and display, in connection with the Restaurant, (i) Marketing Materials and signs only in the combination, arrangement, and manner approved or required by Franchisor, and (ii) such other trade names, trademarks, logos, and designs as may be provided, approved, or required by Franchisor.

6.2 Local Advertising Programs.

(a) Franchisee agrees to spend not less than two (2%) percent of the total amount of its Gross Revenues each calendar quarter for local advertising, marketing, promotional, sales and public relations programs and activities for the Restaurant ("Local Advertising Programs"). Franchisor may request that Franchisee prepare and submit a quarterly report to Franchisor which accounts for the use of the Local Advertising no later than ten (10) days following the end of each quarter during the Term of this Agreement.

(b) Local Advertising Programs will be at Franchisee's expense and will be conducted to the extent that Franchisee deems necessary, but in accordance with the Standards and in a respectable and dignified manner that will not detract from the reputation of Franchisor or the System. Prior to public use of any Marketing Materials for Local Advertising Programs or for other purposes, Franchisee must submit for Franchisor's approval samples of Marketing Materials that have not been previously approved by Franchisor. If Franchisor does not respond to Franchisee's submittal within ten (10) business days of the receipt of such Marketing Materials, such Marketing Materials shall be deemed approved by Franchisor. If Franchisor, subsequent to its approval of such Marketing Materials or Local Advertising Programs, withdraws its approval, Franchisee must immediately cease the use, distribution, and dissemination thereof. Any Marketing Materials developed by Franchisee for the Restaurant, and approved by Franchisor, may be used by other restaurant facilities owned, operated, or franchised by Franchisor or its Affiliates without any compensation to Franchisee.

SECTION 7 ELECTRONIC SYSTEMS

7.1 Systems Installation.

Franchisor may provide to Franchisee the specifications for the Electronic Systems and other systems required to be utilized at the Restaurant, as necessary. Upon Franchisor's written request, Franchisee must, at its expense: purchase or lease, install, maintain, and use at the Restaurant all Electronic Systems necessary for the proper and efficient utilization and operation of such systems.

7.2 Electronic Systems Provided Under License.

The Electronic Systems will remain the sole property of any third party vendors, as applicable. Franchisee will at all times treat the Electronic Systems as confidential. Franchisee acknowledges that the Electronic Systems will be modified, enhanced, replaced, become obsolete, and that new Electronic Systems will be created to meet the needs of the System and restaurants operating in it and the continual changes in technology. Franchisee agrees that Franchisee shall, at its expense, purchase, install, maintain and use the Electronic Systems required by Franchisor during the Term of this Agreement.

SECTION 8 OPERATIONS

8.1 Operating the Restaurant.

Franchisee will operate the Restaurant using the System and in compliance with Standards in such a manner as to provide courteous, uniform, respectable, and high-quality food and beverage, and other services and conveniences to the public. Franchisee will maintain a high moral and ethical standard and atmosphere at the Restaurant. Franchisee will comply with all of the terms of this Agreement and will:

(a) permit the duly authorized representatives of Franchisor to: (i) enter Franchisee's facilities and inspect same at all reasonable times to confirm that Franchisee is

complying with the terms of this Agreement and the Standards, and operating in compliance with the System; and (ii) test any and all equipment, food products, and supplies located at the Restaurant.

(b) not sell, display or use in the Restaurant any vending machines, entertainment devices, or similar products that have not been previously approved by Franchisor;
(c) honor at the Restaurant all credit cards specified in the Standards;
(d) fully participate in all complaint resolution programs that may be specified in the Standards or in any Exhibit to this Agreement;
(e) except as otherwise set forth herein, make when due all payments in accordance with the terms of all contracts, agreements, and invoices, except for payments that are disputed by Franchisee in good faith;
(f) not offer or sell services or products from or through the Restaurant that have not been previously authorized by Franchisor; and
(g) prepare such trademarked items strictly in accordance with the specifications, recipes, and formulas supplied by Franchisor (Franchisee's right to use such trademarked food and beverage items may be revoked by Franchisor at any time).

8.2 System Promotion and Diversion to Other Businesses.

Franchisee must use all reasonable means to encourage and promote the use of Premium Matcha Café Maiko Restaurants everywhere by the public. If Franchisee receives a request for reservations or restaurant services or use of Public Facilities in any other area outside the Approved Location where a Premium Matcha Café Maiko Restaurants is located, Franchisee must promptly refer such request to that Premium Matcha Café Maiko Restaurant. Franchisee will not, without obtaining Franchisor's prior consent, associate or affiliate with any other restaurant business organization that requires Franchisee to refer business to other members of that organization. Unless Franchisee obtains Franchisor's prior approval, which approval may be withheld in Franchisor's sole discretion, Franchisee will ensure that no part of the Restaurant or the System is used to further or promote or divert business to:

(a) any restaurant business (including any other restaurant operated by Franchisee or in which Franchisee or a principal of Franchisee owns or holds an Ownership Interest) not operated under a trade name or trademark owned by Franchisor or any of its Affiliates, including advertising or promotion of restaurants facilities; or

(b) except as expressly permitted by the Standards or by Franchisor, any other business or concession, and in connection herewith, any such permitted business shall comply with Section 12.3 with respect to Other Marks.

8.3 Employees

(a) Franchisee must employ suitable individuals and qualified personnel sufficient to staff all positions at the Restaurant as required by the Standards or Franchisor. Franchisee must use its best efforts to ensure that Franchisee's employees: (i) at all times conduct themselves in a competent and courteous manner in accordance with the image and reputation of Franchisor and the System; and (ii) maintain a neat and clean appearance and render competent, sober, and courteous service to all Persons at all times.

(b) Franchisee agrees that Franchisor has the right to communicate directly with the employee(s) at the Restaurant regarding day-to-day operations of the Restaurant, and such communications will be deemed made to Franchisee, as the agents of Franchisee.

(c) Unless the employee(s) in question first solicits Franchisee or Franchisor (as applicable), neither Franchisee nor Franchisor will seek to employ or employ any person who is employed by the other without obtaining the other party's prior written consent.

SECTION 9 TRAINING, COUNSELING, AND ADVISORY SERVICES

9.1 Training.

(a) The Restaurant must be managed or operated by a Person or Persons who have successfully completed the training program(s) required by Franchisor. Franchisor will have the right to require the Restaurant's or Franchisee's management personnel to attend specific training program(s) before the opening of the Restaurant. Franchisee will advise Franchisor of all newly hired management personnel to successfully complete such training program(s) within thirty (30) days after the hiring of such management personnel.

(b) Franchisee must conduct such training for Franchisee's employees as is required for them to properly operate, administer and manage the Restaurant in accordance with the Standards.

(c) Franchisor may offer, and Franchisee may elect to participate in, optional training courses for personnel engaged in operating or managing Matcha Café Maiko Restaurants.

(d) For all activities under Section 9, Franchisee will be responsible for paying all Travel Expenses, and the salary and other compensation for individuals while they attend such training. Franchisor reserves the right to require Franchisee to pay and/or reimburse Travel Expenses of the providers of such training programs and services.

9.2 Counseling and Advisory Services.

Franchisor will make its representatives available at Franchisor's designated offices at reasonable hours to consult with and advise (but not provide legal counsel or advice to) Franchisee regarding the design, operation, and management of the Restaurant as a Matcha Café Maiko Restaurant.

SECTION 10 PHYSICAL FACILITIES

10.1 Repairs and Maintenance.

Franchisee will maintain the Restaurant in good repair and condition and in conformity with Applicable Law, and will make or cause to be made such routine maintenance, repairs, and alterations, as Franchisee or Franchisor deems necessary to ensure compliance with the Standards. Franchisee will not make any major repairs, alterations, renewals, replacements, or additions to the Restaurant or carry out any material alterations to the Restaurant (including the design, character, or appearance thereof) without first obtaining the prior consent of Franchisor unless such repairs, alterations, renewals, replacements, or additions are required by any Applicable Law or are otherwise required for the continued safe and orderly operation of the Restaurant. If, after written notification from Franchisee of its plans for major repairs, alterations, renewals, replacements or additions to the Restaurant or material alterations to the Restaurant, Franchisor has not responded to such plans, Franchisor's consent shall be deemed granted forty-five(45) days after the receipt of the written notification from Franchisee.

10.2 Renovation.

Franchisee shall complete a significant renovation of dining areas and Public Facilities, including (i) replacement of Soft Goods at least every five (5) years after the date such Soft Goods were installed and (ii) replacement of Case Goods at least every ten (10) years after the date such Case Goods were installed; provided, however, Franchisee acknowledges that earlier or more frequent renovations or replacements may be required to maintain the quality level of the Restaurant and to comply with the Quality Assurance Program. In connection with any replacement required in the immediately preceding sentence, the replacement of all Soft Goods or all Case Goods, as the case may be, shall be done at the same time rather than being done in a piecemeal fashion or in phases. If the date of installation of Soft Goods or Case Goods cannot be demonstrated by Franchisee, Franchisor shall determine the date of installation for purposes of the first sentence of this Section 10.2 after consultation with Franchisee.

SECTION 11 SYSTEM AND STANDARDS

11.1 Compliance with System and Standards.

(a) Franchisee agrees that conformity with all aspects of the System and the Standards is essential in order to maintain the uniform quality and guest service of Premium Matcha Café Maiko Restaurants and to enhance public acceptance of and demand for Premium Matcha Café Maiko Restaurants. Therefore, Franchisee agrees that it will comply with the Standards in all matters involving the Restaurant, and operate the Restaurant in compliance with the System, this Agreement, and the other Entire Agreements.

(b) Franchisor will provide access to or make the Standards available to Franchisee either as paper copy or in digital, electronic, or computerized form or in some other form now existing or hereafter developed. Franchisee must pay any and all costs to retrieve, review, use, or access the Standards not in paper form. The Standards will at all times remain the sole property of Franchisor and its Affiliates. Franchisee will at all times ensure that Franchisee's copy of the Standards is kept up-to-date, and if there is any dispute as to the contents of the Standards, the Standards then being provided or made available to new franchisees will be controlling.

11.2 Modification of the System and Standards.

(a) Franchisor and its Affiliates expressly reserve the right, in their Reasonable Business Judgment, to revise, modify, amend, delete or change the System and Standards or any part of either; provided, however, that any modification of the Proprietary Marks pursuant to Section 12.2(b)(3) may be made in Franchisor's sole discretion. Franchisee agrees that modifications to the System (including the Intellectual Property, Proprietary Marks, the Quality Assurance Program, the Standards, and any and all other aspects of the System) may be made for all Premium Matcha Café Maiko Restaurants. The System and Standards, as so revised, modified, amended, or changed, will for all purposes be deemed to be the System and the Standards referred to in this Agreement and the other Entire Agreements.

(b) Franchisee agrees that certain modifications or additions to the System or the Standards may require Franchisee to contribute to the cost of such modifications or additions on a fair and consistent basis with other participating Premium Matcha Café Maiko Restaurants or other restaurants, as determined by Franchisor.

SECTION 12 PROPRIETARY MARKS AND INTELLECTUAL PROPERTY

12.1 Franchisor's Representations and Responsibility Regarding Ownership and Use.

(a) Franchisor represents with respect to the Licensed Marks that (i) Franchisor and its Affiliates are the owners of all right, title, and interest in and to the Licensed Marks or have the right to grant Franchisee's use thereof in accordance with this Agreement; and (ii) Franchisor will take all steps reasonably necessary to preserve and protect the ownership and validity of the Licensed Marks; provided, however, this provision will not require Franchisor to maintain any registration for the Licensed Marks that Franchisor determines, in its sole discretion, cannot or should not be maintained.

(b) Subject to Franchisee's compliance with the terms of this Agreement, Franchisor will indemnify and hold Franchisee harmless against claims that Franchisee's use of the Licensed Marks, infringes upon the rights of any third party unrelated to Franchisee; so long as, Franchisee gives immediate written notice of any such claim to Franchisor, permits Franchisor to have sole control over the defense or settlement of the claim, and cooperates fully with Franchisor in defending or settling the claim.

12.2 Franchisee's Use of System and Intellectual Property.

(a) With respect to Franchisee's use of the System and Intellectual Property under this Agreement:

(1) Franchisee will use the System and Intellectual Property only for such uses regarding the operation of the Restaurant as are expressly authorized under this Agreement or otherwise authorized by Franchisor and only in the form and manner authorized by Franchisor, and any use thereof not so authorized will constitute an infringement of Franchisor's rights as well as a material default of this Agreement.

(2) Operation of the Restaurant and all marketing materials related to the Restaurant will use the Licensed Marks in substantially the same combination, arrangement, and manner as provided in the Standards so that the Restaurant will be readily recognizable by the general public as an integral part of the chain of Premium Matcha Café Maiko Restaurants. Franchisee will use the symbol "©," "™," "℠" or such symbols or words as Franchisor may designate to protect the Licensed Marks. *See* Exhibit D.

(3) Upon Franchisor's request, or as provided in the Standards, Franchisee must identify itself as a franchisee or licensee of Franchisor and the owner and/or operator of the Restaurant in a manner and form designated by Franchisor at conspicuous locations at the Restaurant and with respect to any use of the Licensed Marks (including, on invoices, order forms, receipts, and contracts), and Franchisee will not use the Licensed Marks in any manner that would or could imply that Franchisee has an Ownership Interest in the Licensed Marks, including, on Franchisee's corporate letterhead or business cards, except as set forth in the Standards.

(4) Franchisee does not have any right to and will not Transfer, sublicense, or allow any Person to use any of the Intellectual Property, except as set forth in this Agreement.

(5) Franchisee will not use the Intellectual Property to incur any obligation or indebtedness on behalf of Franchisor or any of its Affiliates.

(6) Franchisee will not use any Proprietary Mark or marks or names that are similar, in Franchisor's sole opinion or the opinion of the applicable governmental authority, as part of Franchisee's corporate or legal name or in connection with any business activity or venture (other than the Restaurant), or apply for trademark or service mark registration of any Proprietary Mark, any variation thereof or any mark similar to any Proprietary Mark, in the United States or any other jurisdiction, whether alone or in combination with other trademarks, trade names, trade dress, symbols, logos, slogans, designs, insignia, emblems, devices, or service marks; provided that Franchisee may been given permission to use "Matcha Café Maiko" as its entity name with the express written consent of the Franchisor, so long as the Agreement is in effect, provided however, that the Franchisee shall stop using "Matcha Café Maiko" or similar names or marks for its entity name upon the termination or the expiration of this Agreement.

(7) Franchisee must: (i) comply with Franchisor's instructions in filing and maintaining any required business, trade, fictitious, assumed, or similar name registrations; (ii) obtain Franchisor's prior approval of any name to be so registered; and (iii) indicate in the registration documents that Franchisee has the right to use such name only subject to the terms of this Agreement, and Franchisee must also execute any documents and take such other action deemed necessary by Franchisor or its counsel to protect the Proprietary Marks or maintain their validity and enforceability.

(8) If litigation involving the Proprietary Marks is instituted or threatened against Franchisee or any notice of such infringement is received by Franchisee, or if Franchisee becomes aware of any infringement, Franchisee will promptly notify Franchisor in writing and will cooperate fully with Franchisor in Franchisor's defense or settlement of such litigation. Franchisee will not make any demand or serve any notice orally or in writing, or institute any legal action, or negotiate, litigate, compromise or settle any controversy with respect to any such litigation without first obtaining Franchisor's prior consent, which consent may be withheld in Franchisor's sole discretion. Franchisor will have the right to bring such action and to join Franchisee as a party to any action in which Franchisor is or may be a party as to which Franchisee is or would be a necessary or proper party.

(b) Franchisee agrees that:

(1) Franchisor and its Affiliates are, in the aggregate, the owners or licensees of all

right, title, and interest in and to the Intellectual Property (other than Electronic Systems provided by or licensed by third parties) and the goodwill associated with and symbolized by the Proprietary Marks.

(2) The Proprietary Marks are valid and serve to identify the System and those who hold rights to operate restaurants under the System.

(3) The Proprietary Marks are subject to replacement, addition, deletion, and other modification by Franchisor (or the Affiliate that owns the Proprietary Marks) in its sole discretion, and if any such action is taken by Franchisor (or the Affiliate that owns the Proprietary Marks), Franchisee will promptly accept and use such replacement, addition, deletion, and other modification, and, in the case of Licensed Marks, display such changed Licensed Marks as if they were part of the System as of the Effective Date (and replace, add, remove or modify the Licensed Mark(s) that have been so changed), and Franchisee will bear the cost of conforming the Restaurant to any such replacement, modification, addition, deletion, or other change.

(4) During the Term and thereafter, Franchisee will not directly or indirectly (i) attack the ownership, title or rights of Franchisor or its Affiliates in and to any part of the System or Intellectual Property, including the Proprietary Marks; (ii) contest the validity of any part of the Intellectual Property, including the Proprietary Marks, or the right of Franchisor to grant to Franchisee the use of the System and Intellectual Property, including the Proprietary Marks (other than Electronic Systems provided by or licensed by third parties) in accordance with this Agreement; (iii) take any action or refrain from taking any action that could impair, jeopardize, violate, or infringe the Intellectual Property, including the Proprietary Marks; (iv) claim adversely to Franchisor or its Affiliates any right, title, or interest in and to the Intellectual Property, including the Proprietary Marks; or (v) misuse or harm or bring into dispute the Intellectual Property, including the Proprietary Marks.

(5) Franchisee has no Ownership Interest in the System or the Intellectual Property, and Franchisee's use of the Intellectual Property and other aspects of the System pursuant to this Agreement (including any addition or other modification to the Intellectual Property or any other aspect of the System proposed by Franchisee and adopted by Franchisor) will not give Franchisee any Ownership Interest or other interest in or to the Intellectual Property or any other aspect of the System, except the non exclusive license to operate Matcha Café Maiko Restaurant within the Approved Location granted by this Agreement.

(6) All goodwill arising from Franchisee's use of the Intellectual Property (other than Electronic Systems provided by or licensed by third parties) and any other aspect of the System will inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement, no monetary amount will be assigned as attributable to any goodwill associated with Franchisee's use of the Intellectual Property or any other aspect of the System.

(7) The rights in, and license of, the Intellectual Property granted hereunder to Franchisee are non exclusive, and thus Franchisor and its Affiliates may (i) use and may grant franchises and/or licenses to others to use the Intellectual Property, and otherwise profit from the Intellectual Property; and (ii) establish, develop, franchise, and license other systems that use the Intellectual Property and other aspects of the System, without offering or providing Franchisee any rights in, to, or under such other systems.

(c) The provisions of this Section 12.2 will survive the expiration or termination of this Agreement.

12.3 Franchisee's Use of Other Trademarks

(a) Franchisee will not use in any manner any of the Proprietary Marks in connection with any Other Mark(s), without Franchisor's prior approval, which approval may be granted or withheld in Franchisor's sole discretion.

(b) Franchisee will not use any name or Other Mark in connection with any Public Facilities that may infringe upon or tend to be confused with a third party's trade name, trademark, or other rights in intellectual property.

(c) Franchisee will not use or permit the use of any Other Mark in or at the Restaurant or in any advertising material of, for, relating to or involving the Restaurant or its operation without Franchisor's prior approval, which approval may be granted or withheld in Franchisor's sole discretion.

12.4 Internet Website.

(a) With the exception of a website that describes Franchisee's franchise relationship with Franchisor and as set forth in this Section 12.4, the Standards or any Exhibit to this Agreement, Franchisee will not display the Proprietary Marks on or associate the System with (through a link or otherwise) any website, electronic Marketing Materials, domain name, address, designation, or listing on the Internet or other communication system without the express written consent of Franchisor. Franchisee acknowledges that the https://www.matchacafe-maiko.com/domain name is the sole property of Franchisor and its Affiliates. Franchisee will not, directly or indirectly, use, register, obtain or maintain a registration for any Internet domain name, address, or other designation that contains any Proprietary Mark or any mark that is in Franchisor's sole opinion confusingly similar, including misspellings and acronyms. Upon Franchisor's request, Franchisee must, at Franchisor's option, promptly take all steps to cancel or transfer to Franchisor or its designee any such domain name, address, or other designation under its control.

(b) To the extent and for such period that any Applicable Law entitles Franchisee to display or otherwise use the Licensed Marks in connection with its own Internet site, such use will be governed by this Agreement or Exhibits and the Standards, including Section 8.2 and the requirements contained in Section 12.4(b)(1) through Section 12.4(b)(3) below.

(1) Franchisee must obtain Franchisor's prior approval to use any domain name, address, or other designation that contains any Proprietary Mark or a confusingly similar variation thereof, and such domain name, address, or other designation will be registered in Franchisor's name and licensed to Franchisee by Franchisor for the Term. The form, content and appearance of Franchisee's Internet site, and any modifications thereto, must comply with the Standards and be approved by Franchisor before it is posted on the Internet so that Franchisor can maintain the common identity of the Matcha Café Maiko Restaurants and the Proprietary Marks;

(2) Franchisee must obtain independent legal advice concerning the content of Franchisee's Internet website and ensure that at all times it complies with all laws, rules or regulations; and

(3) Franchisee acknowledges that the Internet and e-commerce is a rapidly developing field and agrees that the provisions of this Section 12.4 may need to be modified in the future in the Standards, which will be legally binding on Franchisee to the fullest extent permitted by Applicable Law.

(4) Franchisee's Internet website shall not be used to provide Food and Beverage Operations outside of the Approved Location, without Franchisor's prior written consent.

SECTION 13 CONFIDENTIAL INFORMATION; DATA PROTECTION LAWS

13.1 Confidential Information.

Franchisee will not during the Term or thereafter, without Franchisor's prior consent, which consent may be granted or withheld in Franchisor's sole discretion, copy, duplicate, record, reproduce, in whole or in part, or otherwise transmit or make available to any "unauthorized" Person (see below) any Confidential Information. Franchisee may divulge such Confidential Information only to such of Franchisee's employees or agents as require access to it in order to operate the Restaurant; provided, that such

employees or agents are apprised of the confidential nature of such information before it is divulged to them and agree to comply with confidentiality obligations substantially similar to those listed above. All other Persons are "unauthorized" for purposes of this Agreement. Franchisee agrees that the Confidential Information has commercial value and is not publicly available. Franchisee further agrees that Franchisor and its Affiliates have taken measures to maintain its confidentiality, and, as such, the Confidential Information is proprietary and a trade secret of Franchisor and its Affiliates. Franchisee will be liable to Franchisor for any breaches of the confidentiality obligations in this Section 13.1 by its employees and agents. Franchisee will maintain the Confidential Information in a safe and secure location and will immediately report to Franchisor the theft or loss of all or any part of the Confidential Information.

13.2 Data Protection Laws.

During the Term, Franchisee will: (i) comply with all applicable Data Protection Laws; (ii) comply with all of Franchisor's requirements regarding the Data Protection Laws contained in the Standards or otherwise; (iii) refrain from any action or inaction that could cause Franchisor or its Affiliates to breach any of the Data Protection Laws; (iv) do and execute, or arrange to be done and executed, each act, document and thing necessary or desirable to keep Franchisor and its Affiliates in compliance with any of the Data Protection Laws; and (v) permit Franchisor and its Affiliates to use any data or other information each of them gathers concerning Franchisee and its Affiliates in connection with the establishment and operation of Premium Matcha Café Maiko Restaurants by Franchisor and its Affiliates.

SECTION 14 ACCOUNTING AND REPORTS

14.1 Books, Records, and Accounts.

Franchisee at its expense must maintain and preserve for the Restaurant for at least three (3) years from the dates of their preparation, complete and accurate books, records, and accounts in accordance with generally accepted accounting principles of the United States, consistently applied, Applicable Law and the Standards. Franchisee's obligation to preserve such books, records and accounts will survive the expiration or termination of this Agreement.

14.2 Reports.

(a) Franchisee must, at its expense, submit to Franchisor within fifteen (15) days after the close of each Accounting Period-quarterly, an operating statement containing such information required by Franchisor. In addition, within ninety (90) days after the close of each calendar or fiscal year, whichever is used by Franchisee for income tax purposes, Franchisee must furnish Franchisor a full and complete statement of income and expense from the operation of the Restaurant for such preceding year, which will be prepared in accordance with generally accepted accounting principles of the United States consistently applied, Applicable Law and the Standards.

(b) Franchisee must, at its expense, submit to Franchisor such other miscellaneous forms, periodic and other reports, records, financial statements, and other information relating to Franchisee, the Restaurant and the Restaurant's marketing, sales and guests as Franchisor may reasonably request, in the form and at the times and places specified by Franchisor.

14.3 Franchisor Examination and Audit of Restaurant Records.

(a) Franchisor and its authorized representatives have the right, with notice of at least five (5) business days, at any time during normal business hours, to: (i) examine and copy, at Franchisee's expense, all books, records, accounts, and tax returns of Franchisee related to the operation of the Restaurant; and (ii) have an independent audit made of any of such books, records, accounts, and tax returns. Franchisee must provide such other assistance as may be reasonably requested related to the audit. If an examination reveals that Franchisee has made underpayments to Franchisor or any of its Affiliates, Franchisee must immediately pay to Franchisor or such Affiliate upon demand, the amount underpaid plus Interest thereon from the date such amount was due until paid.

(b) If an inspection discloses an understatement of payments due to Franchisor by Franchisee of five percent (5%) or more for the period being audited, or if the inspection reveals that the accounting procedures employed by Franchisee are insufficient to determine the accuracy of the calculation of any payments due, Franchisee must reimburse Franchisor for all costs and expenses connected with the examination and audit (including reasonable accounting and attorneys' fees). If the inspection establishes a pattern of underreporting, Franchisor has the right to require that the various items due under Section 14.2 be audited by an accounting firm approved by Franchisor. The foregoing remedies are in addition to any other remedies that Franchisor may have under this Agreement, including the right to terminate this Agreement in accordance with Section 17. If an examination or audit reveals that Franchisee has made overpayments to Franchisor or any of its Affiliates, the amount of any such overpayment, without interest, will be promptly credited against future payments due and payable by Franchisee to Franchisor or such Affiliate.

SECTION 15 INDEMNIFICATION AND INSURANCE

15.1 Indemnification.

Franchisee must and hereby does indemnify, defend, and hold harmless Franchisor and its Affiliates, their officers, directors, agents and employees, and their respective successors and assigns, from and against all losses, costs, liabilities, damages, claims, and expenses of every kind and description, including allegations of negligence by Franchisor and its Affiliates and their officers, employees, and agents, to the fullest extent permitted by Applicable Law, and including reasonable attorneys' fees, arising out of or resulting from: (i) the unauthorized use of the Proprietary Marks; (ii) the violation of Applicable Law; or (iii) the construction, renovation, upgrading, alteration, remodeling, repair, operation, or use of the Restaurant or the Approved Location or of any other business conducted on, related to, or in connection with the Restaurant by Franchisee or any Person acting for or on behalf of Franchisee. Franchisee must promptly give notice to Franchisor of any action, suit, proceeding, claim, demand, inquiry, or investigation related to the foregoing. Franchisee shall not be required to indemnify Franchisor for claims in which Franchisor, its Affiliates or their respective officers, employees or agents are found to be solely responsible by final non-appealable judicial decision for such damages or losses based upon such person's or entity's willful misconduct or gross negligence.
Franchisor will in any event have the right, through counsel of its choice, at Franchisee's expense, to control the defense or response to any such action to the extent such action affects the interests of Franchisor, and such undertaking by Franchisor will not, in any manner or form, diminish Franchisee's obligations to Franchisor hereunder. Under no circumstances will Franchisor (or any of its Affiliates) be required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain a claim under this indemnification and against Franchisee, and the failure of Franchisor (or any of its Affiliates) to pursue such recovery or mitigate a loss will in no way reduce the amounts recoverable by Franchisor from Franchisee. Franchisee's obligations under this Section 15.1 will survive the termination or expiration of this Agreement.

15.2 Insurance Requirements.

(a) Franchisee shall be solely responsible for obtaining and maintaining all insurance necessary to run the Restaurant, including but not limited to, statutory worker's compensation in the minimum amount required by law, comprehensive liability insurance, including products liability coverage, in the minimum amount of $2,000,000, and business vehicle coverage, including owned vehicle liability and non-owned vehicle liability coverage, in the minimum of $1,000,000. Franchisee shall maintain all insurance policies in force for the mutual benefit of the parties.

(b) Franchisor will have the right to require Franchisee to obtain additional or different types of insurance and/or increase the amount of coverage if, Franchisor determines such type of insurance or an increase is required to comply with the Standards or as otherwise prescribed by Franchisor.

(c) Insurance coverage obtained by Franchisee pursuant to this Agreement will not relieve Franchisee of any liability under any indemnity provisions of this Agreement (including Section 15.1 hereof).

15.3 Blanket Insurance.

If Franchisee seeks to comply with the requirements of this Section 15 under policies of insurance that cover other properties of Franchisee and its Affiliates as well as the Restaurant, such other insurance policies must fulfill all the requirements of this Section 15.

15.4 Franchisee's Failure to Procure Insurance.

If Franchisee for any reason fails to procure or maintain the insurance required by this Agreement, Franchisor will have the right (but not any obligation) to procure such insurance and to charge Franchisee the costs and premiums, plus a reasonable fee for Franchisor's expense in so acting. Such costs, premiums, and fees will be payable by Franchisee immediately upon Franchisor's demand and will accrue Interest thereon until paid.

SECTION 16 TRANSFERABILITY OF INTERESTS

16.1 Transfers by Franchisee.

(a) Franchisee agrees that Franchisee's rights and duties stated in this Agreement are personal to Franchisee, and that Franchisor has entered into this Agreement in reliance on the business skill, financial capacity, and character of Franchisee and its principals and Affiliates. Accordingly, except as otherwise provided in this Section 16, a Transfer of any Ownership Interest in Franchisee, the Restaurant, or a Transfer of any of Franchisee's rights or obligations under this Agreement, or a Transfer of or change of Control of Franchisee or in any Person that Controls Franchisee, without the prior written approval of Franchisor, which approval may be withheld in Franchisor's sole discretion, is prohibited and shall be a breach of this Agreement.

(b) Notwithstanding any other provision in this Section 16.1 and provided that there is no uncured breach of this Agreement by Franchisee, Franchisee may, with prior written notice to Franchisor, Transfer its Ownership Interests in the Restaurant to an entity in which Franchisee or the Person that Controls Franchisee has a Controlling Ownership Interest provided that (i) Franchisee or another party acceptable to Franchisor in its sole discretion, has executed a Guaranty, (ii) Franchisor receives documents and information with respect to transferee's corporate organization, authority, and ownership as if transferee were submitting a franchise application as set forth in the then current franchise disclosure document for Premium Matcha Café Maiko Restaurants, (iii) such transferee provides to Franchisor documentation evidencing the Transfer by which the transferee expressly assumes the obligations of Franchisee hereunder; (iv) upon Franchisor's request, management for the Restaurant is retained pursuant to, and Franchisee otherwise complies with, Section 8.3.; and (vi) all other obligations of Franchisee under this Agreement are satisfied.

16.2 Transfer of Controlling Ownership Interests.

(a) If Franchisee or any Person who directly or indirectly Controls Franchisee wishes to engage in a transaction that will result in a Transfer of the Restaurant, Franchisee's Ownership Interest in the Restaurant or a direct or indirect Controlling Ownership Interest in Franchisee (not otherwise meeting the requirements of Section 16.1(b)), Franchisee shall provide or cause to be provided notice of such transaction to Franchisor, stating the full name and identity of all of the parties to the transaction including the owners or holders of the Ownership Interests of such parties, the price or rental and the terms and conditions of such proposed transaction together with all other information with respect thereto that is reasonably requested by Franchisor and reasonably available to Franchisee. Within thirty (30) days after

receipt by Franchisor of such notice and required data, Franchisor shall elect by notice to Franchisee, one of the following alternatives:

(1) In accordance with the provisions of Section 16.2(b), to consent to such Transfer, provided Franchisor may, in its sole discretion, require any or all of the following as a condition of its consent:

(i) Franchisee shall deliver to Franchisor a complete and accurate copy of the sale and purchase agreement or similar document covering the transaction or Transfer.

(ii) Franchisee shall satisfy all of its accrued monetary obligations to Franchisor and its Affiliates and shall execute a general release in a form prescribed by Franchisor of any and all claims against Franchisor and its Affiliates, and their respective officers, directors, agents and employees.

(iii) The proposed transferee shall submit to Franchisor an application, in the form prescribed by Franchisor, for a new franchise together with the then-current Initial Fee being charged Matcha Café Maiko Restaurant franchisees, which fee, in part, is intended to cover Franchisor's costs associated with the Transfer. If, prior to the submission of an application, Franchisee desires Franchisor to review the Restaurant to determine the renovations necessary to bring the Restaurant into good repair and to conform the Restaurant to Franchisor's then current Standards, Franchisor may charge its then current review fee to cover Franchisor's costs associated with such review under this Section 16.2(a)(1)(iii) and Franchisor shall have the right to charge outside counsel costs in connection with any such Transfer; provided, however, that such costs are necessary due to the circumstances surrounding a particular Transfer, as determined by Franchisor in its Reasonable Business Judgment.

(iv) Franchisor and the transferee will, upon approval of transferee's application, enter into a new franchise agreement that shall require transferee to upgrade the Restaurant to conform to Franchisor's then-current Standards, and which new franchise agreement shall contain the standard terms (except for duration which shall be the then unexpired Term of this Agreement) then being issued for newly franchised restaurants under the System.

(v) The transferee will certify in writing that: (x) Franchisor did not endorse, recommend, or otherwise concur with the terms of the Transfer, (y) Franchisor did not comment upon any financial projections submitted by Franchisee to transferee, and (z) Franchisor did not participate in the decision of the price to be paid, which decision was made without any intervention, support or participation by Franchisor.

(2) To refuse consent in accordance with Section 16.2(b), in which event Franchisee shall be in breach of this Agreement if Franchisee were to consummate such Transfer.

(3) To notify Franchisee that Franchisor desires to exercise its right of first refusal to engage in the proposed transaction contained in the notice, provided that Franchisor shall have the right to substitute the cash equivalent of any noncash consideration described in such notice or set off all amounts due from Franchisee under this Agreement or any other Entire Agreement. The following additional terms shall apply to Franchisor's exercise of this right:

(i) The closing for the purchase will take place no later than sixty (60) days after delivery to Franchisee of written notice of Franchisor's exercise of its option. Franchisor has the unrestricted right to assign this option to purchase at any time to a third party, who then will have the rights described in this Section 16.2(a). Franchisor will pay the purchase price in full at the closing or, at its option, in twenty-four (24) equal consecutive monthly installments, with interest at a rate equal to the prime lending rate as of the closing at Franchisor's primary bank. Franchisee must sign all documents of transfer reasonably necessary for purchase of the Restaurant by Franchisor or the third party assignee, which documents shall include all customary representations and warranties from Franchisee as to ownership and condition of, and title to, the assets of the Restaurant being transferred. All assets must be transferred free and clear of all liens and encumbrances, with all sales and transfer

taxes paid by Franchisee. Franchisee further agrees to sign general releases, in a form satisfactory to Franchisor, of any and all claims against Franchisor and their respective shareholders, officers, directors, employees, agents, successors, and assigns.

(ii) Franchisee agrees that it shall be obligated to operate the Restaurant, according to this Agreement's terms, during the period in which Franchisor or the third party assignee is deciding whether to exercise its option to purchase and until the closing takes place, and that a condition to closing is that the Restaurant has remained open during that time period. Franchisor or the third party assignee may decide not to exercise its option to purchase at any time before closing if it determines that any of the conditions noted above have not been or cannot be satisfied.

(iii) If Franchisor does not exercise this option during such thirty (30) day period then Franchisee may, during the following one hundred twenty (120) days, transfer the Restaurant and assign this Agreement to the proposed assignee on the terms in the notice, provided that the assignment shall be made, without limitation, in compliance with this Section 16.2. Any proposed transfer not completed within such one hundred twenty (120) day period or any material change in the terms of the proposed transaction prior to closing shall constitute a new offer to which Franchisor shall have the right of first refusal and shall require compliance again with this Section 16.2.

(b) In providing its consent or refusing consent to Transfer pursuant to this Section 16, Franchisor shall have the right to withhold its consent to such Transfer if such transferee is, in the sole judgment of Franchisor, not operationally capable of performing the duties and obligations of Franchisee hereunder. Also, Franchisor reserves the right to disapprove (and Franchisee agrees that such disapproval shall be reasonable) such Transfer (i) if Franchisor, in its Reasonable Business Judgment, deems the proposed transferee's debt service or overall financial status to be such as will not permit the Restaurant to be operated pursuant to the Standards, or (ii) if the proposed transferee or any of its Affiliates is a Competitor, or (iii) the Restaurant is not in good standing under the Standards. Notwithstanding the foregoing, Franchisor shall have no obligation to consent or refuse consent, and Franchisee shall have no right to effect a Transfer pursuant to the provisions of Section 16.2(a), if an uncured breach of this Agreement by Franchisee exists.

16.3 Transfers by Franchisor.

Franchisor will have the right to Transfer this Agreement to any Person without prior notice to, or consent of, Franchisee, provided the transferee assumes Franchisor's obligations to Franchisee under this Agreement, is an Affiliate of Franchisor or acquires substantially all of the Premium Matcha Café Maiko Restaurants, and is a Person reasonably capable of performing Franchisor's obligations under this Agreement. Franchisee agrees that any such Transfer will constitute a release and novation of Franchisor with respect to this Agreement. This Agreement will be binding on and inure to the benefit of Franchisor and the successors and assigns of Franchisor.

16.4 Security Interests in the Restaurant or Franchisee.

Franchisee may, in connection with any financing benefiting the Restaurant, Transfer the Restaurant, an Ownership Interest in Franchisee, or in a Person Controlling Franchisee solely as a mortgage, pledge, grant of a security interest, or otherwise as collateral, to banks or other bona fide reputable lending institutions that are not Competitors; provided, that: (i) such financing meets the requirements of the Standards (ii) if such lender forecloses on, or otherwise exercises its rights against, the Restaurant or such Ownership Interests, Franchisor will have the rights under Section 18.1; and (iii) this Agreement will not be the subject of a security interest, pledge, or mortgage or assigned as collateral for any financing.

SECTION 17 DEFAULT AND TERMINATION

17.1 General.

Franchisor may terminate this Agreement for any breach of this Agreement by giving Franchisee notice of default and termination as set forth in this Section 17. As set forth in Section 24.2, any notice of default or any decision not to place Franchisee in default at any given time shall not prejudice any rights of

Franchisor under this Agreement, and Franchisor may, in its sole discretion, determine when to exercise its rights under this Section 17.

17.2 Immediate Termination.

Franchisor may terminate this Agreement and all rights granted to Franchisee under this Agreement without affording Franchisee any opportunity to cure the default, effective immediately upon notice to Franchisee (or upon such notice period or cure period given by Franchisor in its sole discretion or required by Applicable Law), if:

(a) Franchisee or any Guarantor becomes insolvent, generally does not pay its debts as they become due, admits that any of them is unable to pay its debts as they become due, or makes a general assignment for the benefit of creditors; or proceedings for a compromise with creditors are instituted by, against, or consented to by Franchisee or any Guarantor.

(b) Franchisee or any Guarantor files a voluntary petition under any bankruptcy, insolvency, or similar law, or consents to an involuntary petition under any bankruptcy, insolvency, or similar law filed against it, or an order approving an involuntary petition in bankruptcy, insolvency, or similar declaration filed against Franchisee or any Guarantor remains unvacated ninety (90) days after the date of entry thereof.

(c) A court of competent jurisdiction enters an order, judgment, or decree, on the application of a creditor, adjudicating Franchisee or any Guarantor as bankrupt, insolvent, or similar status or approving a petition seeking reorganization or appointing a receiver, trustee, or liquidator of all or a substantial part of Franchisee's or any Guarantor's assets, and such order, judgment, or decree remains unstayed and in effect for a period of ninety (90) days or will be consented to by Franchisee or such Guarantor.

(d) Execution is levied against the Restaurant, Franchisee, or any material real or personal property comprising the Restaurant in connection with a final judgment for the payment of money.

(e) A suit to foreclose any lien, mortgage, or security interest in the Restaurant or any material real or personal property that is a part of the Restaurant, or any security interest in Franchisee is initiated.

(f) A danger to public health or safety results from the construction, renovation, repair, refurbishment, upgrading, remodeling, maintenance, or operation of the Restaurant, and an immediate closing of the Restaurant (or any part thereof) is determined by Franchisor to be necessary to: (i) avoid substantial liability; or (ii) adversely affecting the Restaurant, other Premium Matcha Café Maiko Restaurants, the System, the Proprietary Marks, or the goodwill associated therewith; provided, however, Franchisee may request that Franchisor reinstate this Agreement if within thirty (30) days after termination under this Section 17.2(f), the threat or danger to public health or safety is eliminated and Franchisor shall reinstate this Agreement if it determines that reopening of Restaurant would not cause substantial liability or loss of good will.

(g) Franchisee or any principal, director, officer, shareholder, or agent of Franchisee contrary to the provisions of this Agreement discloses or causes to be disclosed any Confidential Information provided to Franchisee or fails to exercise reasonable care to prevent such disclosure.

(h) If any of the representations and warranties by Franchisee pursuant to Section 25 fails to be true and correct in any material respect when made, deemed made, furnished or as of the date of this Agreement.

(i) An inspection of Franchisee's books and records pursuant to Section 14.3(b) establishes a pattern of underreporting or underpaying by Franchisee involving three (3) or more Accounting Periods within any twenty-four (24) month period.

(j) Franchisee or any Person holding or owning a Controlling Ownership Interest in Franchisee or an individual with management responsibility of a Person is or has been convicted of a felony or other similar crime or offense or has engaged in a pattern or practice of acts or conduct that is likely in Franchisor's judgment to, as a result of the adverse publicity that has occurred in connection with such offense, acts, or conduct, adversely affect the Restaurant, other Premium Matcha Café Maiko Restaurants, the System, the Proprietary Marks, the goodwill associated therewith or Franchisor's interests therein, any Franchisor Restaurant Facility or any other business conducted by Franchisor or any of its Affiliates.

(k) There occurs a Transfer that violates or does not comply with the provisions of Section 16.

(l) The Restaurant ceases to operate as a Matcha Café Maiko Restaurant or Franchisee (i) loses its right to manage or operate the Restaurant, or (ii) loses ownership or the right to possession of the Restaurant or at the Approved Location.

(m) Franchisee, the Person holding or owning a Controlling Ownership Interest in Franchisee, or an individual with management responsibility of such Person dies, or becomes physically or mentally incapable of performing his or her duties under this Agreement.

17.3 Termination Upon Notice with Opportunity to Cure.

Franchisor may terminate this Agreement and all rights granted to Franchisee hereunder for the reasons set forth below if (i) Franchisor gives Franchisee notice of default that provides fourteen (14) days for cure of the default (or such greater number of days given by Franchisor in its sole discretion or required by Applicable Law) and identifies the breach or breaches of this Agreement, and (ii) Franchisee fails to cure in the time and manner specified in the notice of default or as specifically provided in this Section 17.3:

(a) Franchisee, as applicable, fails to do any of the following in a timely manner to Franchisor's satisfaction: (i) perform any of the requirements stated in this Agreement by the dates required for completion of such requirements; or (ii) begin or complete any renovation, repair, refurbishment, upgrading or remodeling of the Restaurant as required by Franchisor pursuant to Section 6 and Section 10 or any Standards for the renovation, repair, refurbishment, upgrading or remodeling of the Restaurant.

(b) Franchisee fails to fully comply with any of Section 12, 13.2, 15 or 19.

(c) Franchisee and its Affiliates fail to pay any indebtedness to Franchisor or any of its Affiliates when same becomes due and payable.

(d) Franchisee fails to comply with or satisfy the thresholds of performance established by the Quality Assurance Program and such failure has not been cured within the applicable cure period for such failure under the Quality Assurance Program.

(e) Any of the Entire Agreements or other franchise agreements entered into between Franchisor and Franchisee or any of their respective Affiliates is terminated based on default of Franchisee or its Affiliates (and the notice of default of this Agreement may run concurrently with the notice of default of the other Entire Agreement).

(f) Franchisee fails to fully comply with the Standards or the Applicable Law and such failure has not been cured within the applicable cure period for such failure under the Standards or the Applicable Law.

17.4 Force Majeure.

Except for Franchisee's obligations to make payments, or as otherwise provided under this Agreement, neither party is liable for failing to fulfill its obligations due to acts of God or government, civil commotion, military authority, war, riots, strikes, fire, or other causes beyond its reasonable control of

that party and not caused by the negligence of the non-performing party ("Force Majeure"). If any Force Majeure conditions occur, the non-performing party shall make reasonable efforts to notify the other party of the nature of any such condition and the extent of the delay, and shall make reasonable, good faith efforts to resume performance as soon as possible, as specified in Section 19.2. If Franchisee suffers such Force Majeure event and the Force Majeure continues for longer than sixty (60) calendar days, either party may terminate this Agreement effective immediately upon written notice to the other.

SECTION 18 POST-TERMINATION

18.1 Franchisee Obligations.

(a) Upon expiration or other termination of this Agreement, all rights granted under this Agreement to Franchisee will immediately terminate, and Franchisee, at its expense, will comply with each of the following obligations:

(1) Franchisee must immediately cease to operate the Restaurant as a Matcha Café Maiko Restaurant and will not directly or indirectly represent or give the impression that it is a present or former franchisee or licensee of Franchisor or that the Restaurant was previously part of the System.

(2) Franchisee must immediately and permanently cease to use and remove from the Restaurant and any other place of business any Intellectual Property and any other identifying characteristics and marks of the System, including, any Electronic Systems, signs, fixtures, furniture, furnishings, equipment, advertising materials, stationery, supplies, forms, or other articles that display any Proprietary Marks or any trade dress or other distinctive features or designs associated with Franchisor or the System. Any signs containing any Proprietary Marks that Franchisee is unable to remove from the Restaurant despite its best efforts upon termination of this Agreement will be completely covered by Franchisee from view and physically removed within seventy-two (72) hours after termination. Franchisee also will immediately remove all content regarding Franchisor, the System, and the Proprietary Marks from any Internet sites under its control and will take all necessary actions required by Franchisor to disassociate itself from Franchisor on the Internet. Franchisee will, at Franchisor's option and within thirty (30) days, cancel or assign to Franchisor or its designee, any domain name owned by or under the control of Franchisee or its Affiliates that contains any Proprietary Mark, or any mark that is in Franchisor's sole opinion confusingly similar, including misspellings and acronyms.

(3) Franchisee must take such action as may be necessary to cancel use of any fictitious, trade, or assumed name or equivalent registration that contains the name "Matcha Café Maiko" or any other Proprietary Mark or any variations thereof, and Franchisee must furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination of this Agreement.

(4) Franchisee will immediately turn over to Franchisor the originals and all copies of any Confidential Information, Intellectual Property, and all other System materials relating to the operation of the Restaurant and the System, or such other information generated by Franchisee through its use of the System that is deemed confidential by Franchisor, all of which are acknowledged by Franchisee to be Franchisor's property. Franchisee will retain no copy or record of any of the foregoing, except for Franchisee's copy of this Agreement, any correspondence between the parties, and any other documents that Franchisee reasonably needs for compliance with any provisions of Applicable Law. If Franchisor permits Franchisee to continue to use any Intellectual Property after the termination date (such permission to be explicit and specific), such use by Franchisee will be in accordance with the terms of this Agreement.

(5) Franchisee agrees that it will make no use of any of the Confidential Information or System or disclose or reveal it or any portion thereof to anyone not employed by Franchisor or its franchisees or licensees. Additionally, Franchisee will not assist anyone not franchised or licensed to use the System in constructing or equipping any restaurant premises incorporating the

distinctive features or equipment layout that Franchisor (or any of its Affiliates) owns, has originated, or developed and which are identifying characteristics of businesses using the System.

(6) Franchisee must immediately make such alterations as may be necessary to distinguish the Restaurant clearly from its former appearance and other Matcha Café Maiko Restaurants in order to prevent any possibility of confusion by the public. Franchisee must make such specific additional changes as Franchisor may reasonably request for this purpose. Until all alterations required by this Section 18.1(a) are completed, Franchisee must maintain a conspicuous sign at the registration desk in a form specified by Franchisor, stating that the Restaurant is no longer associated with Premium Matcha Café Maiko Restaurants. Franchisee will advise all customers and prospective customers telephoning the Restaurant that the Restaurant is no longer associated with Match Café Maiko Restaurants. Franchisee agrees that its failure to comply with any of the requirements of this Section 18.1(a) will cause irreparable injury to Franchisor.

(b) Upon expiration or other termination of this Agreement, Franchisee must promptly pay: (i) all amounts owing to Franchisor and any of its Affiliates; (ii) any costs and expenses incurred by Franchisor in connection with removing the Restaurant from the System; and (iii) an amount equal to a reasonable estimate of costs and fees not yet accumulated and/or invoiced. Franchisor is entitled to receive Interest on any amount not paid when due hereunder from earlier of the date due or the date on which Franchisee is notified of the amount owed to Franchisor or its Affiliate.

(c) For a period of eighteen (18) months from the date of termination or expiration of this Agreement for any reason, or the date on which Franchisee begins to comply with this Section 18.1(c), whichever is later, Franchisee shall not, and shall cause its Affiliates or other Persons not to, directly or indirectly engage in, operate, manage, consult with, advise, partner with, lease or license any assets or provide financing to or invest in any Person that engages in a Matcha Café Maiko business or similar business located or operating within a five (5) mile radius of the former Restricted Territory (including at the former Approved Location) or within a five (5) mile radius of any other Matcha Café Maiko Restaurant existing on the later of the date of termination or expiration of this Agreement or the date on which Franchisee and its Affiliates begin to comply with this Section 18.1(c). Franchisee and its Affiliates expressly acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section 18.1(c) will not deprive them of their personal goodwill or ability to earn a living. Franchisee agrees to pay Franchisor the applicable monthly Franchise Fees for each business Franchisee owns or operates in violation of this Section 18.1(c) during the eighteen (18) month period. Furthermore, in addition to the aforementioned fees, Franchisor reserves the right to enjoin or seek injunctive relief for any Franchisee activities in contravention of this Section 18.1(c).

(d) The provisions of Section 18.1 will survive the expiration or termination (for any reason) of this Agreement.

18.2 Franchisor's Termination Rights.

(a) If this Agreement is terminated, Franchisor will be entitled to pursue all remedies whether legal, equitable, or statutory, to compensate Franchisor for the damages it incurs as a result of such termination. In determining damages or compensation to Franchisor, a court, arbitrator, or other trier of fact must consider that Franchisee has agreed to operate the Restaurant as a Matcha Café Maiko Restaurant in compliance with this Agreement for the full Term, and Franchisee acknowledges that should it fail to do so, Franchisor would be damaged in several ways, including: (i) loss of future Franchise Fees and fees used to market the System; (ii) loss of System representation in the area served by the Restaurant; (iii) confusion of customers; (iv) injury to the goodwill in the Proprietary Marks; and (v) lost opportunities to operate or franchise restaurants in the formerly Approved Location served by the Restaurant. Franchisee acknowledges that it will be difficult to estimate the revenues of the Restaurant over a period of years, and that elements of Franchisor's damages not directly calculated from the Restaurant's revenues also will be difficult to calculate, and that such damages are real and meaningful to Franchisor, and the proofs thereof would be burdensome and costly. Franchisor and Franchisee agree that liquidated damages (as calculated below) are not a penalty and represent a reasonable estimate of just and

fair compensation of Franchisor for the damages that it would suffer. If this Agreement is terminated, Franchisee must promptly pay to Franchisor, in addition to any amounts otherwise payable to Franchisor, liquidated damages in an amount equal to the sum of the Franchise Fees payable to Franchisor under this Agreement. In addition to such damages, Franchisor will have the right to recover reasonable attorneys' fees and court costs incurred in collecting such sums, plus Interest on all amounts due pursuant to this Section 18.2(a) from the date of such termination until paid.

(b) Upon termination or expiration of this Agreement, Franchisor may give notice of the pending expiration or termination of this Agreement to, and take such other action relating to, customers, suppliers and other Persons that might be affected by such expiration or termination.

18.3 Franchisor Option to Purchase.

(a) Upon termination or expiration of this Agreement, Franchisor will have the right, but not the duty, to be exercised by notice of intent to do so within thirty (30) days after termination or expiration of this Agreement, to purchase any signs, advertising materials, Inventories, or other items bearing any Proprietary Marks. The purchase price to be paid by Franchisor for any such items will be the fair market value for such items. With respect to any such purchase, Franchisor will have the right to set off all amounts due from Franchisee under this Agreement or any other Entire Agreement.

(b) Upon termination or expiration of this Agreement, Franchisor will have the right, but not the duty, to be exercised by notice of intent to do so within thirty (30) days after termination or expiration of this Agreement, to purchase the Restaurant or a portion of the assets of the Restaurant (including any FF&E or improvements) which may include, at Franchisor's option, all of Franchisee's leasehold interest in and to the real estate upon which the Restaurant is located, but not including any other interest in real property. The purchase price to be paid by Franchisor for any such items will be the fair market value for such items. With respect to any such purchase, Franchisor will have the right to set off all amounts due from Franchisee under this Agreement or any other Entire Agreement. The following additional terms shall apply to Franchisor's exercise of this option:

(1) Franchisor's option shall be exercisable by providing Franchisee with written notice of its intention to exercise the option no later than thirty (30) days after termination of this Agreement, in the case of termination, or at least thirty (30) days prior to the expiration of the Term, in circumstances where no renewal is granted.

(2) Franchisor and Franchisee agree that the terms and conditions of this right and option to purchase may be recorded, if deemed appropriate by Franchisor, in the real property records, and Franchisor and Franchisee further agree to execute such additional documentation as may be necessary and appropriate to effectuate such recording.

(3) The closing for the purchase will take place no later than sixty (60) days after delivery to Franchisee of written notice of Franchisor's exercise of its option. Franchisor has the unrestricted right to assign this option to purchase at any time to a third party, who then will have the rights described in this Section 18.3(b). Franchisor will pay the purchase price in full at the closing or, at its option, in twenty-four (24) equal consecutive monthly installments, with interest at a rate equal to the prime lending rate as of the closing at Franchisor's primary bank. Franchisee must sign all documents of transfer reasonably necessary for purchase of the Restaurant by Franchisor or the third party assignee, which documents shall include all customary representations and warranties from Franchisee as to ownership and condition of, and title to, the assets of the Restaurant being transferred. All assets must be transferred free and clear of all liens and encumbrances, with all sales and transfer taxes paid by Franchisee. Franchisee further agrees to sign general releases, in a form satisfactory to Franchisor, of any and all claims against Franchisor and their respective shareholders, officers, directors, employees, agents, successors, and assigns.

(4) Franchisee agrees that it shall be obligated to operate the Restaurant, according to this Agreement's terms, during the period in which Franchisor or the third party assignee is deciding whether to exercise its option to purchase and until the closing takes place, and that a condition

to closing is that the Restaurant has remained open during that time period. Franchisor or the third party assignee may decide not to exercise its option to purchase at any time before closing if it determines that any of the conditions noted above have not been or cannot be satisfied.

(c) Should Franchisor or a third party assignee choose to not exercise its right to purchase under Section 18.3(b), the Franchisee will be free, after such termination or expiration, to keep or to sell to any third party all of the physical assets of its Restaurant; provided, however, that all Proprietary Marks are first removed in a manner approved in writing by Franchisor. The provisions of Section 18.3 will survive the expiration or termination (for any reason) of this Agreement.

SECTION 19 CONDEMNATION AND CASUALTY

19.1 Condemnation.

Franchisee will, at the earliest possible time, give Franchisor notice of any proposed taking by nationalization, expropriation, eminent domain, condemnation, compulsory acquisition, or similar proceeding. If such taking is substantial enough in Franchisor's opinion to render impractical the continued operation of the Restaurant in accordance with the System and guest expectations, this Agreement will terminate upon notice by Franchisor to Franchisee, and Franchisor and Franchisee will share equitably in the award; provided, however, Franchisor's portion shall be limited to compensating Franchisor for Franchisor's lost Franchise Fees under this Agreement. If such taking, in Franchisor's opinion, will not render the continued operation of the Restaurant impractical, Franchisee must promptly make whatever repairs and restoration are necessary to make the Restaurant conform substantially to the then-current Standards. Franchisee will take all measures necessary to ensure that the resumption of normal operation of the Restaurant is not unreasonably delayed.

19.2 Casualty.

If the Restaurant is damaged by Force Majeure events, fire or other casualty, this Agreement will not terminate, and Franchisee, at its sole cost and expense will expeditiously repair the damage. If the damage or repair requires closing the Restaurant, Franchisee must, at its sole cost and expense: (i) immediately notify Franchisor; (ii) repair or rebuild the Restaurant in accordance with then-current Standards; (iii) begin reconstruction as soon as practicable; (iv) reopen the Restaurant for continuous business operations as soon as practicable; and (v) give Franchisor ample advance notice of the date of reopening. If the casualty will require the closing of the Restaurant in excess of thirty (30) days or Franchisee invokes a Force Majeure event as provided in Section 17.4 of this Agreement, Franchisee must provide Franchisor with a schedule for completing the repairs and/or re-opening of the Restaurant within thirty (30) days after such closing. If the Restaurant, or a substantial portion thereof, will be closed and cannot be re-opened within one-hundred eighty (180) days, and Franchisee fails to provide evidence that re-opening is possible within a timeframe acceptable to Franchisor beyond such date, Franchisor will have the right to terminate this Agreement and treat it as a default by Franchisee.

SECTION 20 COMPLIANCE WITH LAWS; LEGAL ACTIONS

20.1 Compliance with Laws.

(a) Franchisee must comply with all Applicable Law, and will obtain in a timely manner all permits, certificates, and licenses necessary for the full and proper operation of the Restaurant and compliance with the Entire Agreements. Franchisee must forward to Franchisor within seven (7) days of Franchisee's receipt copies of all inspection reports, warnings, certificates, letters and ratings issued by any governmental entity related to the Restaurant that indicate a material failure to meet or maintain governmental standards regarding health or life safety or any other material violation of Applicable Law that may adversely affect the operation or financial condition of the Restaurant or Franchisee.

(b) Franchisee must, if required by Applicable Law, timely file, register, or report this Agreement or the payments to be made hereunder, as applicable, to the appropriate governmental authorities having jurisdiction over the Restaurant or this Agreement. Franchisee must provide a copy of

all materials prepared in satisfaction of such Applicable Law to Franchisor for Franchisor's approval prior to furnishing such materials to any governmental authority.

(c) If required by any Applicable Law: (i) the effectiveness of this Agreement will be the date on which all requirements for the effectiveness of this Agreement under such Applicable Law have been met and complied with; and (ii) payment of fees will be deferred until all requirements for the payment of such fees under such Applicable Law have been met and complied with; provided, however, that to the extent not prohibited by Applicable Law, Franchisee will pay, as provided in Section 3, all invoices submitted by Franchisor to Franchisee for costs and expenses incurred by Franchisor or its Affiliates (including Travel Expenses) arising out of or related to its review and investigation of the proposed Restaurant (including, the Initial Fee), any plans, designs, development, or construction related thereto, and Franchisor's negotiation, preparation, and implementation of this Agreement. If Franchisee makes such reimbursement payments, Franchisor will adjust fees so as to avoid a duplication of charges to Franchisee.

20.2 Notice Regarding Legal Actions. Franchisee must notify Franchisor within seven (7) days: (i) after the commencement of any material action, suit, or other proceeding that involves the Restaurant or Franchisee; or (ii) after the commencement of any action, suit, or other proceeding that involves Franchisor or Franchisor's relationship with Franchisee or the Restaurant, and within seven (7) days of the issuance of any judgment, order, writ, injunction, award, or other decree of any court, agency, or other governmental instrumentality that may adversely affect the operation or financial condition of the Restaurant or Franchisee. Nothing in this Section 20.2, however, will abrogate any notice requirement that Franchisee may have under any insurance program or contract.

SECTION 21 RELATIONSHIP OF PARTIES

21.1 Reasonable Business Judgment.

Except where Franchisor has reserved "sole discretion" or as otherwise indicated in this Agreement, Franchisor agrees to use Reasonable Business Judgment when discharging its obligations or exercising its rights or discretion under this Agreement, including with respect to any consents and approvals and the administration of Franchisor's relationship with Franchisee. Franchisee will have the burden of establishing that Franchisor failed to exercise Reasonable Business Judgment, and neither the fact that Franchisor benefited economically from an action nor the existence of other "reasonable" alternatives will, by themselves, establish such failure. To the extent that any implied covenant, such as the implied covenant of good faith and fair dealing, or civil law duty of good faith is applied to this Agreement, Franchisor and Franchisee intend that Franchisor will not have violated such covenant or duty if Franchisor has exercised Reasonable Business Judgment.

21.2 Independent Contractor.

This Agreement does not create a fiduciary relationship between Franchisor and Franchisee. Franchisee is an independent contractor, and nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose. Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf or to incur any debt or other obligation in Franchisor's name.

SECTION 22 GOVERNING LAW; DISPUTE RESOLUTION

22.1 Governing Law.

The validity of this Franchise Agreement and any of its terms or provisions, as well as the rights and duties of the parties hereunder will be governed by, construed and enforced in accordance with the laws of the State of Hawaii.

22.2 Waiver of Jury Trial.

Each party hereby waives, without limitation, any right it might otherwise have to trial by jury on any and all claims asserted against the other.

22.3 Injunctive Relief.

Franchisor will be entitled to injunctive or other equitable or judicial relief, without the necessity of proving the inadequacy of money damages as a remedy, without the necessity of posting a bond, and without waiving any other rights or remedies at law or in equity, for any actual or threatened material breach or violation of this Agreement or the Standards.

22.4 Costs of Enforcement.

If for any reason it becomes necessary for either party to initiate any legal or equitable action to secure or protect its rights under this Agreement, the prevailing party will be entitled to recover all costs incurred by it in successfully enforcing said rights, including reasonable attorneys' fees.

22.5 Arbitration.

(a) Any dispute, controversy, or claim arising out of or relating to this Agreement or the breach thereof, except for the case of Injunctive Relief, shall be settled by arbitration. The arbitration shall be administered by an arbitration agency, such as the American Arbitration Association or the American Dispute Resolution Center, in accordance with the respective administrative rules. Any judgment rendered by the Arbitrator may be entered in any court having jurisdiction thereof. The costs of the arbitration will be borne equally by the parties. The parties agree that Honolulu, Hawaii shall be the site for all hearings held under this Section 22.5, and that such hearings shall be conducted before a single arbitrator, not a panel. Neither party shall pursue class action type claims and/or consolidate the arbitration with any other proceedings to which Franchisor is a party.

(b) Franchisee may only seek damages or any remedy under law or equity for any arbitrable claim against Franchisor or Franchisor's successors or assigns. Franchisee agrees that Franchisor's Affiliates, shareholders, directors, officers, employees, agents, and representatives, and their Affiliates, shall not be liable nor named as a party to this Agreement. Franchisee further agrees that the foregoing parties are intended beneficiaries of the arbitration clause; and that all claims against them that arise out of or relate to this Agreement must be resolved with Franchisor through arbitration. Should Franchisee name a party in any arbitration or litigation proceeding in violation of this Section 22.5, Franchisee will reimburse Franchisor for costs incurred, including but not limited to attorney's fees, arbitration fees, court costs, witness fees, management preparation time, Travel Expenses, and incidental expenses.

(c) Notwithstanding the arbitration clause in Section 22.5(a), Franchisor may bring an action for injunctive relief in any court having jurisdiction to enforce Franchisor's trademarks or proprietary rights, the covenants not to compete, or the restriction on disclosure of Confidential Information in order to avoid irreparable harm to Franchisor, Franchisor's Affiliates, and the System as a whole. Franchisor may, without waiving any rights it has under this Agreement, seek from a court having jurisdiction any interim or provisional relief that may be necessary to protect its rights or property (including any aspect of the System, or any reason concerning the safety of the Restaurant or the health and welfare of any of the Restaurant's guests, invitees or employees).

(d) The provisions of this Section 22 will survive the expiration or termination of this Agreement.

22.6 Limitation on Damages.

(a) FRANCHISEE HEREBY WAIVES, WITHOUT LIMITATION, ANY RIGHT IT MIGHT OTHERWISE HAVE TO ASSERT A CLAIM FOR AND/OR TO RECOVER LOST PROFITS AND OTHER FORMS OF CONSEQUENTIAL, INCIDENTAL, CONTINGENT, PUNITIVE, AND EXEMPLARY DAMAGES FROM FRANCHISOR EXCEPT AS PROVIDED HEREIN.

(b) FRANCHISOR'S LIABILITY SHALL BE LIMITED TO THE ACTUAL COMPENSATORY DAMAGES, SUCH DAMAGES BEING THE GREATER OF (1) $50,000.00 OR (2) AT FRANCHISEE'S SOLE OPTION, ALL AMOUNTS PAID TO FRANCHISOR FOR FRANCHISE FEES FOR THIS AGREEMENT FOR UP TO THREE (3) YEARS PRECEDING THE DATE OF ANY AWARD HEREIN. SHOULD FRANCHISEE ELECT OPTION (2), FRANCHISOR RESERVES THE RIGHT TO REPURCHASE FRANCHISEE'S EQUIPMENT, PURCHASED FROM OR THROUGH FRANCHISOR, AT DEPRECIATED VALUE USING THE FIVE YEAR, STRAIGHT LINE METHOD OF CALCULATION.

SECTION 23 NOTICES

23.1 Notices.

All notices, requests, demands, statements, and other communications required or permitted to be given under the terms of this Agreement will be in writing, and delivered by certified mail or email with receipt confirmation requested or carried by reputable overnight courier service, to the respective party at the following addresses:

To Franchisor: Eight USA Inc.
Address:

Email:

Attn:

To Franchisee: _____
Address:
Email:
Attn:

or at such other address as designated by notice from the respective party to the other party. Any such notice or communication will be deemed to have been given at the date and time of: (i) receipt confirmation; or (ii) first refusal of delivery. Franchisee expressly consents to service of process at the above address or at such other address as it may designate pursuant to Section 23.1. Notwithstanding the foregoing, Franchisor may provide Franchisee with routine information, the Standards and other System requirements and programs, such as the Quality Assurance Program, by regular mail or by e-mail, or by making such information available to Franchisee on the Internet, an extranet, or other electronic means.

SECTION 24 MISCELLANEOUS

24.1 Construction and Severability; Bluepencil Doctrine.

(a) Except as expressly provided to the contrary in this Agreement, each section, part, term and/or provision of this Agreement (including, Section 16), will be considered severable; and if, for any reason any section, part, term, or provision is determined to be invalid, unenforceable or contrary to, or in conflict with, any existing or future Applicable Law or by an arbitral tribunal, court or agency having valid jurisdiction, such will not impair the operation of, or have any other effect upon, such other sections, parts, terms, and provisions of this Agreement as may remain otherwise intelligible, and the latter will continue to be given full force and effect and bind Franchisor and Franchisee; and said invalid or unenforceable sections, parts, terms, or provisions will be deemed to be replaced with a provision that is valid and enforceable and most nearly reflects the original intent of the invalid or unenforceable provision. If any provision herein for any reason and to any extent are construed or held to be invalid or unenforceable by any court, arbitrator and/or tribunal, the same shall reduce the scope, geographical and/or term thereof only to the extent thereby allowing the maximum enforceable scope, geographical area, term and/or otherwise.

(b) Nothing in this Agreement is intended, or will be deemed, to create any third party beneficiary or confer any rights or remedies under or by reason of this Agreement upon any Person

other than Franchisor (and its Affiliates) or Franchisee, and their respective permitted successors and assigns.

(c) When this Agreement provides that Franchisor may take or refrain from taking any action or exercise discretion, such as rights of approval, or to modify the System or any part of it, or to make other determinations or modifications under this Agreement, Franchisor may do so from time to time.

(d) Unless otherwise stated, references to Sections are to Sections of this Agreement. Unless otherwise stated, references to exhibits, attachments or addenda are to exhibits, attachments and addenda to this Agreement, and all of such are incorporated by reference into this Agreement.

(e) Words importing the singular include the plural and vice versa as the context may imply. Words importing a gender include every gender as the context may imply. References to days, months, and years are to calendar days, calendar months, and calendar years, respectively.

(f) The words "include," "included" and "including" will be terms of enlargement or example (meaning that, for instance, "including" will be read as "including but not limited to") and will not imply any restriction or limitation unless the context clearly requires otherwise. Captions and section headings are used for convenience only. They are not part of this Agreement and will not be used in construing it.

(g) The parties agree that no one party shall be deemed to be the drafter of this Agreement in the event this Agreement is ever construed by a court of law or equity, and such court shall not construe this Agreement or any provision of this Agreement against any party as the drafter of the Agreement.

24.2 Approvals and Waivers.

Approvals, designations, and consents required under this Agreement will not be effective unless evidenced by a writing or signed by the duly authorized officer or agent of the party giving such approval or consent. No waiver, delay, omission, or forbearance on the part of Franchisor or Franchisee to exercise any right, option or power arising from any default or breach by the other party will affect or impair the rights of Franchisor or Franchisee, respectively, with respect to any such default or breach or subsequent default or breach of the same or of a different kind. Any delay or omission of either party to exercise any right arising from any such default or breach will not affect or impair such party's rights with respect to such default or breach or any future default or breach. Franchisor shall not be liable to Franchisee for providing (or denying) any waiver, approval, consent, or suggestion to Franchisee in connection with this Agreement or by reason of any delay or denial of any request.

24.3 Entire Agreement.

The Entire Agreement, including, all exhibits, attachments, and addenda, and this Agreement, and any execution copies executed simultaneously or in connection with, this Agreement, contain the entire agreement between the parties as it relates to the Restaurant and the Approved Location as of the date of this Agreement. This is a fully integrated agreement. No agreement of any kind relating to the matters covered by this Agreement will be binding upon either party unless and until the same has been made in a written, non-electronic instrument that has been duly executed by the non-electronic signature of all interested parties. This Agreement may not be amended or modified by conduct manifesting assent, or by electronic signature, and each party is hereby put on notice that any individual purporting to amend or modify this Agreement by conduct manifesting assent or by electronic signature is not authorized to do so. In entering this Agreement, Franchisee represents and warrants that it did not rely on in entering this Agreement or otherwise, and Franchisor and Franchisor's representatives have not made, any promises, representations or agreements relating to franchising the Restaurant or Approved Location, except as expressly contained in this Agreement.

24.4 Confidentiality.

The terms of this Agreement and all exhibits, attachments or addenda or other agreements ancillary to, or executed in connection with this Agreement, that have been negotiated ("Negotiated Terms") from the standard form of Agreements are strictly confidential. Except as otherwise required by Applicable Law, or as may be necessary to enforce this Agreement in any legal proceedings, those Negotiated Terms will be disclosed only to those of Franchisee's managers, members, officers, directors, employees, attorneys, accountants, agents or lenders as is necessary for the operation or financing of the Restaurant. Franchisee agrees that it will be a material default hereunder if Franchisee, its managers, members, officers, directors, employees, attorneys, accountants, agents or lenders disclose the Negotiated Terms to any unauthorized Person without the prior consent of Franchisor.

24.5 Multiple Counterparts.

This Agreement may be executed in a number of identical counterparts, each of which will be deemed an original for all purposes and all of which will constitute, collectively, one agreement. Delivery of an executed signature page to this Agreement by facsimile transmission will be effective as delivery of a manually signed counterpart of this Agreement.

SECTION 25 REPRESENTATIONS, WARRANTIES AND COVENANTS

25.1 Existence and Power.

Franchisee represents, warrants and covenants that: (i) it is a legal entity duly formed, validly existing, and in good standing under the laws of the jurisdiction of its formation; (ii) it and its Affiliates have and will continue to have throughout the Term hereof the ability to perform its obligations under this Agreement; and (iii) it has and will continue to have throughout the Term hereof all necessary power and authority to execute and deliver this Agreement.

25.2 Authorization.

Franchisee represents, warrants and covenants that the execution and delivery of this Agreement and the performance by Franchisee of its obligations hereunder: (i) have been duly authorized by all necessary action; (ii) do not require the consent, vote, or approval of any third parties (including lenders) except for such consents as have been properly obtained; and (iii) do not and will not contravene, violate, result in a breach of, or constitute a default under (a) its certificate of formation, operating agreement, articles of incorporation, by-laws, or other governing documents, (b) any Applicable Law; or (c) any agreement, indenture, contract, commitment, restriction or other instrument to which it or any of its Affiliates is a party or by which it or any of its Affiliates is bound.

25.3 Contravention.

Franchisee represents and warrants that all of the representations and warranties in the application, and any information provided in addition to the application in connection with this Agreement, is true, correct and complete as of the time made and as of the date hereof, regardless of whether such was provided by Franchisee, one of its Affiliates, or by a third party on behalf of Franchisee, unless Franchisee has notified Franchisor of a change in the representations and warranties or the information and Franchisor has approved the change.

25.4 Ownership of the Restaurant.

Franchisee hereby represents, warrants and covenants to Franchisor that (i) Franchisee is the sole owner of the Restaurant and will be the sole owner of any Restaurants subsequently approved under Section 2.1, and (ii) Franchisee holds good title and updated registrations in compliance with the Applicable Law.

25.5 Additional Franchisee Acknowledgments and Representations.

(a) FRANCHISEE AGREES THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS, AND ITS SUCCESS WILL BE LARGELY DEPENDENT UPON THE ABILITY OF FRANCHISEE AS AN

INDEPENDENT BUSINESS. FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISEE AGREES FRANCHISEE HAS NOT RECEIVED, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS, OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT. IF FRANCHISOR FURNISHES ADVICE, CONSULTATION, TRAINING, OR OTHER FORMS OF ASSISTANCE IN CONNECTION WITH THE RESTAURANT WITH REGARD TO MATTERS SUCH AS FINANCING, DESIGN, CONSTRUCTION, RENOVATION, MENU PLANNING, OPERATION AND MANAGEMENT OF THE RESTAURANT, FRANCHISOR DOES NOT GUARANTEE OR ASSURE THE SUCCESS OR SATISFACTORY RESULT OF SUCH MATTERS AND FRANCHISOR WILL NOT THEREBY INCUR ANY LIABILITY OR BE RESPONSIBLE IN ANY WAY FOR ANY ERROR, OMISSION OR FAILURE OF WHATEVER NATURE IN SUCH FINANCING, DESIGN, CONSTRUCTION, RENOVATION, MENU PLANNING, OPERATION OR MANAGEMENT OF THE RESTAURANT.

(b) FRANCHISEE AGREES THAT IT HAS READ AND UNDERSTOOD THE DISCLOSURE DOCUMENT PROVIDED TO FRANCHISEE, THIS AGREEMENT, INCLUDING ALL EXHIBITS, ATTACHMENTS AND ADDENDA, AND RELATED AGREEMENTS, IF ANY, AND FRANCHISEE HAS HAD AMPLE TIME AND OPPORTUNITY TO CONSULT WITH ADVISORS AND LEGAL COUNSEL OF FRANCHISEE'S OWN CHOOSING ABOUT THE POTENTIAL BENEFITS AND RISKS OF ENTERING INTO THIS AGREEMENT. FRANCHISEE AGREES THAT FRANCHISEE HAS HAD AN OPPORTUNITY TO NEGOTIATE, AND HAS FULLY NEGOTIATED, THE ESSENTIAL STIPULATIONS OF THIS AGREEMENT AND THAT SUCH STIPULATIONS WERE NOT UNILATERALLY IMPOSED ON IT BY FRANCHISOR.

(Signatures on following page)

IN WITNESS WHEREOF, Franchisee and Franchisor have duly executed and delivered this Agreement, as of the Effective Date.

FRANCHISOR:

Eight USA Inc.

a Corporation registered under the laws of the State of Hawaii

By: _____
Name:
Title:

FRANCHISEE:

_____

a _____registered under the laws of the State of _____

By:_____
Name:
Title:

EXHIBIT A

Approved Location

Area: _____, State of _____

EXHIBIT B

Restricted Territory

Street Address:

City / Town:

State:

Zip code:

Country:

EXHIBIT C

ITEMS SUBJECT TO FOOD AND BEVERAGE ROYALTY FEE

All items sold at the Restaurant, including but not limited to the items on the list attached hereto, which may be updated from time to time at the sole discretion of the Franchisor, and any merchandise or other non-food or beverage products approved by Franchisor.

[current list of menu items attached]

List of Menu Items
(Current as of December 2022)

1	Soft serve matcha
	Soft serve mixed
	Soft serve vanilla
2	Maiko special matcha
	Maiko special mixed
3	Iced Matcha
4	Matcha Lemon
5	Iced Hojicha
6	Matcha Latte
7	Matcha Cream
8	Matcha Kuromitsu Kinako
9	Matcha Kuromitsu Kinako Cream
10	Matcha Chocolate
11	Matcha Chocolate Cream
12	Hojicha Latte
13	Hojicha Cream
14	Kokuto Iced Matcha
15	Kokuto Matcha Late
16	Kokuto Macha Cream
17	Kokuto Macha Kuromitsu Kinako
18	Kokuto Macha Kuromitsu
19	Kokuto Iced Hojicha
20	Kokuto Hojicha Latte
21	Kokuto Hojicha Cream
22	Matcha Frappe
23	Hojicha Frappe
24	Matcha Float
25	Matcha Latte Float
26	Matcha Lemon Float
27	Matcha Chocolate Float
28	Matcha Kuromitsu Kinako Float
29	Hojicha Float
30	Hojicha Latte Float
31	Kokuto Matcha Float
32	Kokuto Matcha Latte Float
33	Kokuto Matcha Kuromitsu Kinako Float

34	Kokuto Hojicha Float
35	Kokuto Hojicha Latte Float
36	Chestnut
37	Shiratama
38	Azuki Bean
39	Matcha Powder
40	Hojicha Powder
41	Chocolate Syrup
42	Kuromitsu
43	Kinako
44	Uji-Kintoki
45	Matcha Shaved Ice Matcha
	Matcha Shaved Ice Mixed
	Matcha Shaved Ice Vanilla
46	Hot Matcha
47	Hot Matcha Latte
48	Hot Hojicha
49	Hot Hojicha Latte
50	Ozenzai
51	Oshiruko
52	Matcha Frappe Cream
53	Hojicha Frappe Cream
54	Cheese Matcha Latte
55	Hot Plain Matcha
56	Hot Plain Hojicha
57	Matcha Yogurt Frappe
58	Matcha Yogurt Frappe Cream
07.2018	Yuzu Frappe
08.2018	Cheese Tea
02.2019	Matcha Mochi Ice Cream
03.2019	Matcha Panna Cotta
04.2019	Matcha and Coffee Jelly
05.2019	Matcha Pineapple Shaved Ice
06.2019	Hojicha Shaved Ice
07.2019	Matcha Oreo Frappe, Hojicha Oreo Frappe Cream
08.2019	Sparkling Matcha
09.2019	Matcha Baked Cheesecake
10.2019	Strawberry Milk Shaved ice

11.2019	Pumpkin Panna cotta
12.2019	Marble Cookie
01.2020	Matcha Chocolate Scone with Yuzu Glaze
02.2020	Matcha Swiss Roll
04.2020	Strawberry Soft Serve Ice Cream
07.2020	Matcha Acai Bowl
10.2020	Pumpkin Spice Ice Cream
01.2021	Matcha and Strawberry Mousse
04.2021	Yuzu Soft Serve
07.2021	Ube Soft Serve
10.2021	Earl Grey Soft Serve
01.2022	Haupia Soft Serve
04.2022	Sakura Soft Serve
07.2022	Calpico Soft Serve
10.2021	Earl Grey Soft Serve
01.2022	Haupia Soft Serve
04.2022	Sakura Soft Serve
07.2022	Calpico Soft Serve
10.2022	Matcha Cream Puff
10.2022	Pumpkin Soft Serve
10.2022	Pumpkin Spice Soft Serve
12.2022	Gingerbread Waffle Cones
12.2022	Matcha Cream Cheese Tart

EXHIBIT D

Licensed Marks

Mark	Registration No.	Date of Registration
	Reg. No. 5,810,618	Registered Jul. 23, 2019
PREMIUM MATCHA CAFÉ MAIKO	Reg. No. 6,042,108	Registered Apr. 28, 2020

EXHIBIT B

LIST OF FRANCHISEES

Exhibit B

As of 12.31.22

Matcha Café Maiko Outlet	Name	State(province)	Contry	Address	Telephone number
Tempe	The Gratitudeco, LLC.	AZ	USA	920 E University Dr Suite 106, Tempe, AZ 85281	(480)318-3896
Escondido	Foodmasters, LLC	CA	USA	1024 W Valley Pkwy, Escondido, CA 92025	(760)546-6409
Garden Grove	Siemhong Ngor	CA	USA	9738 Garden Grove Blvd. Unit #8, Garden Grove, CA 92844	(714)591-5282
Rowland Heights	Susan Doung	CA	USA	18180 Colima Rd., Rowland Heights, CA 91748	(626)764-4888
San Diego	Foodmasters, LLC	CA	USA	8072 Clairemont Mesa Blvd, San Diego, CA 92111	(858)262-3970
San Francisco Japantown	TMC Ventures LLC	CA	USA	1581 Webster Street Suite 175, San Francisco, CA 94115	(415)757-0919
San Francisco Stonestown	TMC Ventures LLC	CA	USA	3251 20th Ave Ste 250K, San Francisco, CA 94132	(415)680-9650
San Francisco Chinatown	TMC Ventures LLC	CA	USA	756 Grant Ave, San Francisco, CA 94108	(415)658-7748
Sacramento	LUCKY 888 LLC	CA	USA	6905 Stockton Blvd Ste 240, Sacramento, CA 95823	(916)594-9967
Orland	M.I.I.K LLC	FL	USA	639 N Mills Ave, Orlando, FL 32803	(407)730-9090
Atlanta	Colin Su	GA	USA	5306 Buford Highway NE Ste B, Atlanta, GA 30340	(470)459-3142
Duluth	Colin Su	GA	USA	2131 Pleasant Hill Rd ste #139, Duluth, GA 30096	(470)359-6152
Boston	Y & C Group LLC	MA	USA	115 Jersey Street Boston, MA 02215	(617)322-5360
Troy	Matcha in Troy LLC	MI	USA	5082 Rochester Rd, Troy, MI 48085	(248)250-6886
Charlotte	MANMEHAR LLC	NC	USA	8128 Providence Rd #900, Charlotte, NC 28277	(980)430-3918
Fort Lee	FLCM LLC	NJ	USA	1630 Lemoine Ave, Fort Lee, NJ 07024	(201)685-5378
Las Vegas	Loyalty Group LLC	NV	USA	3400 S Jones Blvd #3, Las Vegas, NV 89146	(702)247-1779
Portland	Tan's Sichuan LLC	OR	USA	3416 SE Cesar Estrada Chavez Blvd., Portland, OR 97202	(971) 279-4637
Philadelphia	Philly Matcha LLC	PA	USA	923 Race St, Philadelphia, PA 19107	(267) 861-0251
San Antonio	Tan's Sichuan LLC	TX	USA	7115 Blanco Rd Ste 112, San Antonio, TX 78216	(210) 267-1020
Centreville	Ying Lin	VA	USA	5947 Centreville Crest Ln, Centreville, VA 20121	(703)830-0036
Tysons	Matcha Café Tysons, LLC	VA	USA	1961 Chain Bridge Rd. 7920 KU, McLean, VA 22102	(240) 486-4166
Seattle	Matcha Café Maiko (Phat Duc Vu)	WA	USA	400 Pine St. Ste 324, Seattle, WA 98101	(424)521-722

EXHIBIT C

FINANCIAL INFORMATION / STATEMENTS

Financial Statements

Eight USA Inc.
(A Wholly-Owned Subsidiary of Eight Inc.)

Year Ended December 31, 2022
with Independent Auditor's Report

EOS
ACCOUNTANTS LLP

Eight USA Inc.
(A Wholly-Owned Subsidiary of Eight Inc.)

Financial Statements

Year Ended December 31, 2022

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EOS ACCOUNTANTS LLP
500 Ala Moana Blvd., Suite 7-240
Honolulu, HI 96813
Phone: 808-599-7949 Fax: 808-356-0148
URL: http://www.eosllp.com

Independent Auditor's Report

To the Stockholder of
Eight USA Inc.

Opinion

We have audited the financial statements of Eight USA Inc. (the "Company"), a wholly-owned subsidiary of Eight, Inc, which comprise the balance sheet as of December 31, 2022, and the related statements of operations, changes in stockholder's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the Company for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on April 22, 2022.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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 the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

EOS
ACCOUNTANTS LLP

Auditor's 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 auditor's 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 U.S. GAAS 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 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 U.S. GAAS, 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 the Company'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 the Company'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.

EOS
ACCOUNTANTS LLP

Emphasis of Matter

As discussed in Notes 4 and 8 to the financial statements, because of extensive transactions with the Parent, the accompanying financial statements may not be indicative of the financial position or the results of operations if the Company had operated without such affiliation. Our opinion is not modified with respect to this matter.

EOS Accountants LLP

Honolulu, Hawaii
May 30, 2023

Eight USA Inc.

(A Wholly-Owned Subsidiary of Eight, Inc.)

Balance Sheets

December 31, 2022 and 2021

Assets

	2022	2021
Current assets:		
Cash and cash equivalents	$ 366,545	$ 372,949
Accounts receivable, less allowance for doubtful accounts of $53,000 and $47,000 as of December 31, 2022 and 2021, respectively	20,175	21,149
Inventories	8,094	17,607
Prepaid rent	5,154	5,189
Prepaid insurance	3,336	4,941
Prepaid income taxes	6,800	106
Total current assets	410,104	421,941
Property and equipment:		
Leasehold improvements	89,994	89,994
Equipment	110,450	88,175
Vehicles	80,806	80,806
	281,250	258,975
Less accumulated depreciation and amortization	(95,886)	(62,048)
Net property and equipment	185,364	196,927
Operating lease right-of-use asset	318,576	-
Security deposit	27,351	27,351
Goodwill, net	230,417	265,417
Total assets	$ 1,171,812	$ 911,636

See accompanying notes to financial statements and independent auditor's report.

Eight USA Inc.

(A Wholly-Owned Subsidiary of Eight, Inc.)

Balance Sheets (continued)

December 31, 2022 and 2021

Liabilities and Stockholder's Equity

	2022	2021
Current liabilities:		
Accounts payable	$ 1,963	$ 2,350
Accrued expenses and other liabilities	33,209	25,793
Unearned revenue	17,655	9,272
Due to Eight, Inc.	114,497	246,377
Penalties payable	50,000	-
Operating lease liability, current	48,104	-
Total current liabilities	265,428	283,792
Deferred rent payable	-	1,898
Operating lease liability, noncurrent	275,237	-
Total liabilities	540,665	285,690
Commitments and contingencies		
Stockholder's equity		
Common stock, $1 par value; 1,000,000 shares authorized, 700,000 shares issued and outstanding	700,000	700,000
Accumulated deficit	(68,853)	(74,054)
Total stockholder's equity	631,147	625,946
Total liabilities and stockholder's equity	$ 1,171,812	$ 911,636

See accompanying notes to financial statements and independent auditor's report.

Eight USA Inc.

(A Wholly-Owned Subsidiary of Eight, Inc.)

Statements of Operations

Years Ended December 31, 2022 and 2021

	2022	2021
Revenue:		
Store sales	$ 622,286	$ 569,341
Matcha powder sales	612,745	553,959
Franchise revenue	143,309	215,063
Other sales	-	13,965
Total revenue	1,378,340	1,352,328
Cost of sales	615,179	646,540
Gross profit	763,161	705,788
Operating and administrative expenses:		
Payroll	233,850	219,759
Professional fees and outside contract services	96,302	139,688
Depreciation and amortization	71,250	68,085
Rent	72,682	65,945
Penalties	50,000	-
Office	48,765	46,520
Bad debts	6,000	33,500
Insurance	40,190	35,459
General excise tax	27,763	25,767
Travel	39,306	25,357
Commission	25,548	18,436
Utilities	21,815	17,238
Meals and entertainment	18,938	12,717
Management fee	9,187	10,937
Repairs and maintenance	12,247	9,379
Parking	4,585	2,870
Automobile	2,317	1,918
License and permit	1,222	903
Bank charges and other	503	585
Total operating and administrative expenses	782,470	735,063
Loss from operations	(19,309)	(29,275)
Other income (expenses):		
Gain on extinguishment of SBA PPP loan	-	28,132
Loss on sale of equipment	(6,736)	-
Gain on foreign exchange transactions	32,052	18,208
Other income, net	25,316	46,340
Income before provision for income taxes	6,007	17,065
Provision for income taxes	806	1,165
Net income	$ 5,201	$ 15,900

See accompanying notes to financial statements and independent auditor's report.

Eight USA Inc.
(A Wholly-Owned Subsidiary of Eight, Inc.)

Statements of Changes in Stockholder's Equity

Years Ended December 31, 2022 and 2021

	Common Stock			
	Shares	Amount	Accumulated Deficit	Total
Balance as of December 31, 2020	700,000	$ 700,000	$ (89,954)	$ 610,046
Net income	-	-	15,900	15,900
Balance as of December 31, 2021	700,000	700,000	(74,054)	625,946
Net income	-	-	5,201	5,201
Balance as of December 31, 2022	700,000	$ 700,000	$ (68,853)	$ 631,147

See accompanying notes to financial statements and independent auditor's report.

Eight USA Inc.
(A Wholly-Owned Subsidiary of Eight, Inc.)

Statements of Cash Flows

Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Net income	$ 5,201	$ 15,900
Adjustments to reconcile net income to net cash provided by operating activities:		
Non-cash lease expense	50,647	-
Depreciation and amortization	71,250	68,085
Gain on extinguishment of SBA PPP loan	-	(28,132)
Loss on sale of equipment	6,736	-
Bad debts	6,000	35,500
(Increase) decrease in assets:		
Accounts receivable	(5,026)	(34,649)
Inventories	9,513	(11,952)
Prepaid rent	35	(5,189)
Prepaid insurance	1,605	-
Prepaid income taxes	(6,694)	1,165
Increase (decrease) in liabilities:		
Accounts payable	(387)	2,350
Accrued expenses and other liabilities	7,416	17,071
Penalties payable	50,000	-
Unearned revenue	8,383	(53,107)
Due to Eight, Inc.	(131,880)	28,531
Deferred rent payable	-	(348)
Operating lease liability	(47,780)	-
Net cash provided by operating activities	25,019	35,225
Cash flows from investing activities:		
Proceeds from sale of equipment	500	-
Purchases of equipment	(31,923)	(12,341)
Net cash used in investing activities	(31,423)	(12,341)
Cash flows from financing activities:		
Proceeds from SBA PPP loan	-	28,132
Net cash provided by financing activities	-	28,132
Net (decrease) increase in cash and cash equivalents	(6,404)	51,016
Cash and cash equivalents, at beginning of year	372,949	321,933
Cash and cash equivalents, at end of year	$ 366,545	$ 372,949
Supplemental disclosure of cash flow information:		
Income taxes paid	$ 7,500	$ -

Supplemental disclosure of non-cash financing activity:
Upon adoption of Accounting Standards Codification ("ASC") 842 as of January 1, 2022, the Company recorded an operating lease right-of-use asset and corresponding lease liability of approximately $369,000 and $371,000, respectively.

See accompanying notes to financial statements and independent auditor's report.

Eight USA Inc.

(A Wholly-Owned Subsidiary of Eight, Inc.)

Notes to Financial Statements

December 31, 2022 and 2021

1. Organization and operations

Eight USA Inc. (the "Company") was established on June 10, 2019 in the State of Hawaii, and operates a café restaurant business specializing in Japanese green tea and other Japanese desserts under the tradename "Matcha Café Maiko" with one leased retail location in Honolulu, Hawaii, and license agreements to permit licensees across the United States of America, Canada, Thailand, and China to use the Matcha Café Maiko tradename, recipes and other intellectual property necessary to operate a café restaurant. The Company acquired the restaurant and tradename from Exeo USA Inc. in July 2019. Exeo USA Inc. opened the Matcha Café Maiko restaurant in Waikiki in 2016 and began offering licenses in November 2016. The Company began offering licenses in August 2019, and currently has 34 licensed locations. The Company is wholly owned by Eight, Inc., a Japan Corporation (the "Parent Company").

Under the Company's franchise agreement, a franchisee is granted the right to operate a store under the "Premium Matcha Café Maiko" service mark and other marks. A store specializes in the sale of Japanese green tea and other Japanese dessert products authorized by the Company for retail sale to the public. Menu items are prepared according to specified recipes and procedures and use high-quality ingredients, including specially formulated lines of Japanese green tea and other Japanese dessert products. Each store operates under the name "Premium Matcha Café Maiko" and other marks designated by the Company. Each licensee/potential franchisee who received training and a territory is expected to provide service under the terms of the franchise agreement. A new franchisee will receive training and a territory in which to provide services and is responsible for paying the franchise fees according to the franchise agreement.

2. Summary of significant accounting policies

a. Basis of accounting

The Company prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

b. Use of estimates

The preparation of the financial statements in conformity with U.S. GAAP requires that management of the Company make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

2. Summary of significant accounting policies (continued)

c. Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less, to be cash equivalents. The Company's cash and cash equivalents balances are primarily maintained in bank deposit accounts, which were fully insured by the Federal Deposit Insurance Corporation limits of $250,000 as of December 31, 2022 and 2021. Management believes that the Company is not exposed to any significant credit risks related to the cash and cash equivalents.

d. Accounts receivable

Accounts receivable are recorded based on the invoice amount of license contracts with franchisees net of an allowance for doubtful accounts to the extent considered necessary by the Company's management. Accounts receivable are non-interest bearing. Management reviews outstanding receivables for collectability periodically and provides an allowance for doubtful accounts as required. Allowance for doubtful accounts was $53,000 and $47,000 as of December 31, 2022 and 2021, respectively.

The opening and closing balances of the accounts receivable on the accompanying balance sheets were $68,149 and $73,175, respectively, as of December 31, 2022 and $38,000 and $68,149, respectively, as of December 31, 2021.

e. Inventories

Inventories consisting of raw materials and supplies of Japanese green tea and other Japanese desserts are stated at the lower of cost or net realizable value, with cost being determined using the first-in first-out method.

f. Property and equipment

Property and equipment are carried at cost and include expenditures which substantially increase the useful life of existing assets. Depreciation and amortization are provided principally on the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over their estimated useful lives or remaining lease term, whichever is shorter. Gains and losses from disposals of property and equipment are included in income. The estimated useful lives are summarized as follows:

Leasehold improvements	15 years
Equipment	7 years
Vehicles	5-7 years

2. Summary of significant accounting policies (continued)

f. Property and equipment (continued)

Expenditures incurred after the acquisition or completion of assets are capitalized only when it is probable that future economic benefits associated with the item will flow to the Company, which includes any increase in productivity, extension of the useful life of the related assets, significant reduction of cost or enhancement of the value of the related assets over their recently appraised value and the fair value for the related cost can be reliably measured. All other routine maintenance and repairs are charged to expense as incurred.

Depreciation and amortization expense on property and equipment was $36,250 and $33,085 for the years ended December 31, 2022 and 2021, respectively.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows (undiscounted and without interest charges) expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of assets. Assets to be disposed of by sale are reported at the lower of the carrying amount or estimated fair value less costs to sell.

g. Leases – newly adopted accounting pronouncement

Prior to January 1, 2022, the Company accounted for leases in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 840, "Leases." At lease inception, the Company determined if an arrangement was an operating or capital lease. For operating leases, the Company recognized rent expensive, inclusive of rent escalation, on a straight-line basis over the lease term.

In February 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-02, "Leases (Topic 842)" to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Under the new guidance, lessees are required to recognize a right-of-use ("ROU") operating lease liability, which represents the discounted obligation to make future minimum lease payments, and a corresponding ROU operating lease asset on the balance sheet.

Effective January 1, 2022, the Company adopted FASB ASC 842, "Leases." The Company has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Company accounted for its existing operating lease as an operating lease under the new guidance, without reassessing (a) whether the contract contains a

2. Summary of significant accounting policies (continued)

g. Leases – newly adopted accounting pronouncement (continued)

lease under ASC Topic 842, (b) whether classification of the operating lease would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments (as of December 31, 2021) would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. As a result of the adoption of the new lease accounting guidance, the Company recognized on January 1, 2022 (a) a lease liability of $371,000, which represents the present value of the remaining lease payments of $392,000, discounted using the risk-free rate of 1.55%, and (b) a ROU asset of $369,000, which represents the lease liability of $371,000 adjusted for accrued rent of $2,000. Based on the results of the Company's evaluation, the adoption of FASB ASC 842 did not have a material impact on its lease expense recognition policies.

h. Revenue recognition

The Company derives its revenues primarily from the sale of Japanese green tea and other Japanese desserts at the restaurant in Waikiki, wholesale of Matcha powder to its franchisees, and franchise contracts.

Revenues from the restaurant are recognized when products are sold and the control of these products or services is transferred to its customers, in the amount that reflects the consideration the Company receives in exchange for those products or services.

Revenues from the wholesale of Matcha powder are recognized when the Company transfers control upon delivery of products to customers and the customers take ownership and assumes the risk of loss.

Franchise revenue is generated from initial franchise fees and royalties. Initial franchise fees are due for payment at the time of signing the franchise agreement and recognized by the Company when substantially all of its initial obligations as a franchisor have been met by providing each franchisee with initial operating support and use of trade names and trademark. Royalties from franchise restaurants are charged to each franchisee and recognized as income on a monthly basis after a franchisee begins its operations.

The initial fees were $15,419 and $68,063 and royalty income were $127,890 and $147,000 for the years ended December 31, 2022 and 2021, respectively, and are included in franchise revenue.

2. Summary of significant accounting policies (continued)

i. Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Intangible assets are assets that are amortized as there is a foreseeable limit to cash flows generated from them. Goodwill of $350,000 resulted from the acquisition of the restaurant from Exeo USA Inc. in July 2019 and is amortized on a straight-line basis over 10 years.

When impairment indicators are identified, the Company compares the fair value of the reporting unit to its carrying amount, including goodwill. An impairment loss is recognized as the difference, if any, between the reporting unit's carrying amount and its fair value to the extent the difference does not exceed the total amount of goodwill allocated to the reporting unit. Management has determined that there is no impairment of the carrying amount of goodwill as of December 31, 2022 and 2021.

Goodwill amortization expense was $35,000 for each of the years ended December 31, 2022 and 2021.

j. Hawaii general excise taxes

The State of Hawaii imposes a general excise tax of 4.5% on the gross income or receipts, as defined. The Company collects general excise taxes from customers on certain transactions and are included in gross revenue. The amounts collected are paid and presented separately in the statement of operations.

k. Income taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards by using tax rates expected for the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income or expense in the period that includes the enactment date. A valuation allowance is provided for to reduce the deferred tax assets to a level which, more likely than not, will be realized.

The Company recognizes tax positions in the financial statements only when it is more likely than not that the position will be sustained upon examination by the relevant taxing authority. The Company reports interest and penalties relating to income tax matters in the provision for income taxes in the statement of operations, if any. To the extent that

2. Summary of significant accounting policies (continued)

k. Income taxes (continued)

accrued interest and penalties do not ultimately become payable, amounts accrued will be reduced and reflected as a reduction of the overall provision for income taxes in the period that such determination is made.

l. Subsequent events

Management has reviewed all subsequent events that have occurred from January 1, 2023 through the issuance date of this financial report for proper accounting and disclosure in the financial statements. Management has determined that there are no subsequent events required to be recorded or disclosed.

3. Operating leases, right-of-use assets and commitments

The Company has a non-cancelable operating lease for its store space at 2310 Kuhio Avenue, Suite 143, Honolulu, Hawaii. Rental payments include monthly fixed base rent and the lease term expires on December 31, 2028. Additional percentage rent based on the store's monthly gross sales are also paid to the lessor and excluded from the lease payments for ROU assets and lease liabilities calculation due to its variable nature.

Below is a summary of the Company's ROU assets and lease liabilities as of December 31, 2022.

Operating lease right-of-use assets	318,576
Operating lease liabilities - current	48,104
Operating lease liabilities - noncurrent	275,237

Total rent expense under the non-cancellable lease agreement for the years ended December 31, 2022 and 2021 amounted to $72,682 and $65,945, respectively. The payments associated with the leases have been discounted using the risk-free rate of 1.55%.

3. Operating leases, right-of-use assets and commitments (continued)

The following table summarizes the future undiscounted minimum rental payments which are discounted to calculate the lease liability for the operating lease:

Year Ending December 31,	
2023	$ 52,775
2024	54,226
2025	55,717
2026	57,250
2027	58,824
2027 and therafter	60,442
Total undiscounted rental payments	339,234
Less: imputed interest	(15,893)
Total lease liabilities	323,341

4. Related party transactions

The Company purchases matcha powder and other raw materials for its café and franchisees from a Japanese vendor and the Parent Company settles payment to the vendor on behalf of the Company. The Parent Company also pays some of the operating expenses such as legal fees and travel expenses and receives reimbursement from the Company. The Company's purchases from the Parent Company totaled $514,746 and $572,173 for the years ended December 31, 2022 and 2021, respectively. The Company had a payable of $114,497 and $246,377 due to the Parent Company as of December 31, 2022 and 2021, respectively.

The Parent Company manages the Company's daily and overall business operations in accordance with the terms of a management agreement. The management agreement requires the monthly payment of fixed management fees of 100,000 Japanese yen. The management fees were $9,187 and $10,937 for the years ended December 31, 2022 and 2021, respectively.

5. Income taxes

Provision for income taxes for the years ended December 31, 2022 and 2021 are as follows:

Current:	2022	2021
Federal	$ -	$ -
States	806	1,165
	$ 806	$ 1,165

5. Income taxes (continued)

The income tax provision differs from the income tax expense that would result from applying the federal statutory tax rate of 21% to income before provision for income taxes primarily due to the valuation allowance to reduce deferred tax assets to an amount that is more likely than not to be realized.

The provision for income taxes consists of the current income taxes due or refundable and deferred income taxes. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

The Company had gross deferred tax assets of $8,000 and $14,000 as of December 31, 2022 and 2021, respectively. The balance mainly consists of book versus tax differences related to property and equipment, intangible assets, allowances for bad debts, and operating loss carry forwards.

The valuation allowance for deferred tax assets was approximately $8,000 and $14,000 as of December 31, 2022 and 2021, respectively. The valuation allowances as of December 31, 2022 and 2021 were primarily related to deferred income taxes that, in the judgement of management, are not more likely than not to be realized. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will not realize the deferred tax assets as of December 31, 2022 and 2021.

As of December 31, 2022, the Company had gross federal operating loss carryforwards totaling approximately $58,000 which is available to offset future taxable income, if any, without expiration.

The Company has not been subject to U.S. federal or state income tax examinations.

The Company concluded that it is not required to record any reserves for tax contingencies including interest and penalties arising from the years ended December 31, 2022 and 2021. The Company's 2019 through 2022 tax years remain subject to examination by the Internal Revenue Service for federal tax purposes and 2019 through 2022 for state tax purposes.

6. Franchises in operations

The number of franchise locations in the United States, Canada, and China as of December 31, 2022 and 2021 is summarized as follows:

	2022	2021
Franchised outlets in operations at beginning of year	25	24
Franchise additions	2	4
Franchise terminations	(2)	(2)
Franchise ceased operations	-	(1)
Franchised outlets in operations at end of year	25	25
Franchise in pending operations	9	11
Total franchise locations	34	36

7. Foreign currency transactions

Foreign currency transactions are measured into U.S. dollars using the exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognized in the statement of operations. Gain on foreign exchange transactions was $32,052 and $18,208 for the years ended December 31, 2022 and 2021, respectively.

8. Significant risks including business and credit concentrations

The financial statements are prepared on a going concern basis, which assumes that the Company will continue its operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The ability of the Company to continue as a going concern is predicated upon, among other things, the ability of the Company to generate cash flow from operations, and where necessary, obtaining financing sources, including stockholder's commitment, to provide financial support sufficient to satisfy future obligations.

The Company purchases a substantial portion of its matcha powder and other raw materials from a Japanese vendor and the Parent Company supports the related procurement process. The Company fully relies on its Parent Company for purchases of these raw materials and continuance of its operations.

9. Unearned revenue

The following table provides information about significant changes in unearned revenue for the years ended December 31, 2022 and 2021:

	2022	2021
Unearned revenue, beginning of year	$ 9,272	$ 62,379
Decrease in unearned revenue due to revenue recognized during the year	(125,144)	(154,340)
Increase in unearned revenue due to cash received during the year	133,527	101,233
Unearned revenue, end of year	$ 17,655	$ 9,272

10. Commitments and contingencies

On February 2, 2022, the Company received a letter from the California Department of Financial Protection and Innovation ("DFPI"), regarding its investigation into whether the Company engaged in activity that is in violation of California's Franchise Investment Law. The Company reached a tentative agreement with the DFPI to resolve the complaint by entering into a consent order under which the Company agreed to pay an administrative penalty of $50,000 and other provisions. The Company recorded an expense of $50,000 related to this matter in the accompanying financial statements.

The Company is subject to legal proceedings, claims, and litigations arising in the ordinary course of business. Management was not aware of any such matters as of December 31, 2022 and 2021.

GILFORD SATO & ASSOCIATES, CPAS, INC.
PACIFIC PARK PLAZA
711 KAPIOLANI BOULEVARD, SUITE 1000
HONOLULU, HAWAII 96813
PHONE (808) 942-8868 FAX (808) 947-3628

INDEPENDENT AUDITOR'S REPORT

To the Stockholder
Eight USA Inc.

Opinion

We have audited the accompanying financial statements of Eight USA Inc. (a Hawaii corporation), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of operations, 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 Eight USA Inc. as of December 31, 2021 and 2020, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Eight USA Inc. 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.

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 Eight USA Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 Eight USA Inc.'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 Eight USA Inc.'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.

Honolulu, Hawaii
April 22, 2022

EIGHT USA INC.
BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

ASSETS

	2021	2020
CURRENT ASSETS:		
Cash	$ 372,949	$ 321,933
Accounts receivable, less allowance for doubtful accounts of $47,000 and $16,000 as of December 31, 2021 and 2020, respectively	21,149	22,000
Inventories	17,607	5,655
Prepaid rent	5,189	-
Prepaid insurance	4,941	4,941
Prepaid income taxes	106	1,271
Total current assets	421,941	355,800
PROPERTY AND EQUIPMENT:		
Leasehold improvements	89,994	89,994
Equipment	88,175	75,834
Vehicles	80,806	80,806
Total property and equipment	258,975	246,634
Accumulated depreciation	(62,048)	(28,963)
Net property and equipment	196,927	217,671
Security deposit	27,351	27,351
Goodwill, net	265,417	300,417
Total assets	$ 911,636	$ 901,239

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES:		
Accounts payable	$ 2,350	$ -
Accrued expenses and other liabilities	25,793	8,722
Unearned revenue	9,272	62,379
Due to Eight, Inc.	246,377	217,846
Total current liabilities	283,792	288,947
Deferred rent payable	1,898	2,246
Total liabilities	285,690	291,193
STOCKHOLDER'S EQUITY		
Common stock; $1 par value; 1,000,000 shares authorized, 700,000 shares issued and outstanding	700,000	700,000
Accumulated deficit	(74,054)	(89,954)
Total stockholder's equity	625,946	610,046
Total liabilities and stockholder's equity	$ 911,636	$ 901,239

See accompanying notes to financial statements.

EIGHT USA INC.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
REVENUE:		
Store sales	$ 569,341	$ 194,121
Matcha powder sales	553,959	264,384
Franchise revenue	215,063	181,000
Other sales	13,965	6,721
Total revenue	1,352,328	646,226
COST OF SALES	646,540	309,335
GROSS PROFIT	705,788	336,891
OPERATING AND ADMINISTRATIVE EXPENSES:		
Payroll	219,759	96,853
Professional fees and outside contract services	139,688	133,970
Depreciation and amortization	68,085	59,638
Rent	65,945	66,496
Office	46,520	27,450
Bad debts	33,500	16,000
Insurance	35,459	13,779
General excise tax	25,767	8,742
Travel	25,357	41,116
Commission	18,436	6,464
Utilities	17,238	14,253
Meals and entertainment	12,717	872
Management fee	10,937	11,241
Repairs and maintenance	9,379	1,868
Parking	2,870	1,907
Automobile	1,918	1,567
License and permit	903	404
Bank charges	555	669
Other	30	275
Total operating and administrative expenses	735,063	503,564
LOSS FROM OPERATIONS	(29,275)	(166,673)
OTHER INCOME (EXPENSE):		
Gain on extinguishment of SBA PPP loan	28,132	19,100
Other income	-	483
Interest expense	-	(9)
Gain (loss) on foreign exchange transactions	18,208	(6,410)
Total other income	46,340	13,164
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	17,065	(153,509)
PROVISION FOR INCOME TAXES	(1,165)	-
NET INCOME (LOSS)	$ 15,900	$ (153,509)

See accompanying notes to financial statements.

EIGHT USA INC.
STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Common Stock	Retained Earnings (Accumulated Deficit)	Total
BALANCE - DECEMBER 31, 2019	$ 700,000	$ 63,555	$ 763,555
NET LOSS	-	(153,509)	(153,509)
BALANCE - DECEMBER 31, 2020	$ 700,000	$ (89,954)	$ 610,046
NET INCOME	-	15,900	15,900
BALANCE - DECEMBER 31, 2021	$ 700,000	$ (74,054)	$ 625,946

See accompanying notes to financial statements.

EIGHT USA INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 15,900	$ (153,509)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	68,085	59,638
Gain on extinguishment of SBA PPP loan	(28,132)	(19,100)
Bad debts	35,500	16,000
(Increase) decrease in assets:		
Accounts receivable	(34,649)	(22,804)
Inventories	(11,952)	-
Prepaid rent	(5,189)	2,351
Prepaid income taxes	1,165	-
Increase (decrease) in liabilities:		
Accounts payable	2,350	(911)
Accrued expenses and other liabilities	17,071	(17,402)
Unearned revenue	(53,107)	(21,357)
Due to Eight, Inc.	28,531	125,415
Deferred rent payable	(348)	1,156
Net cash provided by (used in) operating activities	35,225	(30,523)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of equipment	(12,341)	(116,573)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from SBA PPP loan	28,132	19,100
NET INCREASE (DECREASE) IN CASH	51,016	(127,996)
CASH, at beginning of the year	321,933	449,929
CASH, at end of the year	$ 372,949	$ 321,933

See accompanying notes to financial statements.

EIGHT USA INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. Organization

Eight USA Inc. (the Company) was established on June 10, 2019 in the State of Hawaii, and operates a café restaurant business specializing in Japanese green tea and other Japanese desserts under the tradename "Matcha Café Maiko" with one leased retail location in Honolulu, Hawaii, and license agreements to permit licensees across the United States of America, Canada, Thailand, and China to use the Matcha Café Maiko tradename, recipes and other intellectual property necessary to operate a café restaurant. The Company acquired the restaurant and tradename from Exeo USA Inc. in July 2019. Exeo USA Inc. opened the Matcha Café Maiko restaurant in Waikiki in 2016 and began offering licenses in November 2016. The Company began offering licenses in August 2019, and currently has 37 licensed locations. The Company is wholly owned by Eight, Inc., a Japan Corporation (the Parent Company).

Under the Company's franchise agreement, a franchisee is granted the right to operate a store under the "Premium Matcha Café Maiko" service mark and other marks. A store specializes in the sale of Japanese green tea and other Japanese dessert products authorized by the Company for retail sale to the public. Menu items are prepared according to specified recipes and procedures and use high-quality ingredients, including specially formulated lines of Japanese green tea and other Japanese dessert products. Each store operates under the name "Premium Matcha Café Maiko" and other marks designated by the Company. Each licensee/potential franchisee who received training and a territory is expected to provide service under the terms of the franchise agreement. A new franchisee will receive training and a territory in which to provide services and is responsible for paying the franchise fees according to the franchise agreement.

2. Summary of significant accounting policies

a. Basis of accounting

The Company prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, revenues are recognized in the period in which they are earned, and costs and expenses are recognized in the period which they are incurred.

b. 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, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

c. Cash

The Company's cash balances are primarily maintained in bank deposit accounts, which were fully insured by the Federal Deposit Insurance Corporation limits of $250,000 as of December 31, 2021 and 2020. Management believes that the Company is not exposed to any significant credit risks related to the cash.

d. Accounts receivable

Accounts receivable are recorded based on the invoice amount of license contracts with franchisees and an allowance for doubtful accounts to the extent considered necessary by the

2. Summary of significant accounting policies (continued)

d. Accounts receivable (continued)

Company's management. Accounts receivable are non-interest bearing. Management reviews outstanding receivables for collectability periodically and provides an allowance for doubtful accounts as required. Allowance for doubtful accounts was $47,000 and $16,000 as of December 31, 2021 and 2020, respectively.

e. Inventories

Inventories consisting of raw materials and supplies of Japanese green tea and other Japanese desserts are stated at the lower of cost or market.

f. Property and equipment

Property and equipment are carried at cost and include expenditures which substantially increase the useful life of existing assets. Depreciation and amortization are provided principally on the straight-line method over the estimated useful lives of the assets. Gains and losses from disposals of property and equipment are included in income. The estimated useful lives are summarized as follows:

Leasehold improvements	15 years
Equipment	7 years
Vehicles	5-7 years

Expenditures incurred after the acquisition or completion of assets are capitalized only when it is probable that future economic benefits associated with the item will flow to the Company, which includes any increase in productivity, extension of the useful life of the related assets, significant reduction of cost or enhancement of the value of the related assets over their recently appraised value and the fair value for the related cost can be reliably measured. All other routine maintenance and repairs are charged to expense as incurred.

Depreciation and amortization expense was $33,085 and $24,638 for the years ended December 31, 2021 and 2020, respectively.

Leasehold improvements, equipment and vehicles are reviewed for impairment, in which the Company has the option to perform a qualitative assessment. If it is more likely than not that the asset is impaired, the amount that the carrying value exceeds the fair value is recorded as an impairment loss. The Company performed its annual impairment review of the assets as of December 31, 2021 and 2020 and no impairment was recognized for the years ended December 31, 2021 and 2020.

g. Income taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards by using exacted tax rates expected for the years in which those temporary differences are expected to be recovered or settled. The effect on

2. Summary of significant accounting policies (continued)

g. Income taxes (continued)

deferred tax assets and liabilities of a change in tax rates is recognized in income or expense in the period that includes the enactment date.

The Company evaluates all significant tax positions as required by U.S. GAAP. As of December 31, 2021 and 2020, the Company does not believe that it has taken any positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next year.

h. Revenue recognition

The Company adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2021-02, "Franchisors – Revenue from Contracts with Customers (Subtopic 952-606, Practical Expedient)", effective January 1, 2021, subsequent to the adoption of ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" effective January 1, 2020. The Company determined that there was no significant impact on the Company's financial statements. Based on the Company's evaluation and review of its contracts, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard.

The Company derives its revenues primarily from the sale of Japanese green tea and other Japanese desserts at the restaurant in Waikiki, wholesale of Matcha powder to its franchisees, and franchise contracts.

Revenues from the restaurant are recognized when products are sold and the control of these products or services is transferred to its customers, in the amount that reflects the consideration the Company receives in exchange for those products or services.

Revenues from the wholesale of Matcha powder are recognized when the Company transfers control upon delivery of products to customers and the customers take ownership and assumes the risk of loss.

Franchise revenue is generated from initial franchise fees and royalties. Initial franchise fees are due for payment at the time of signing the franchise agreement and recognized by the Company when substantially all of its initial obligations as a franchisor have been met by providing each franchisee with initial operating support and use of trade names and trademark. Royalties from franchise restaurants are charged to each franchisee and recognized as income on a monthly basis after a franchisee begins its operations. The initial fees were $68,063 and $60,000 and royalty income were $121,000 and $147,000 for the years ended December 31, 2021 and 2020, respectively, and included in franchise revenue.

i. Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Intangible assets are assets that are amortized as there is a foreseeable limit to cash flows generated from them. Goodwill of $350,000 resulted from the acquisition of the restaurant from Exeo USA Inc. in July 2019.

2. Summary of significant accounting policies (continued)

i. Goodwill (continued)

The Company adopted ASU 2021-03, "Accounting Alternative for Evaluating Triggering Events of Goodwill". Goodwill relating to each business combination, acquisition by a not-for-profit entity, or reorganization event resulting in fresh-start reporting is allowed to be amortized on a straight-line basis over 10 years, or less than 10 years if the Company demonstrates that another useful life is more appropriate. When impairment indicators are identified, the Company compares the fair value of the reporting unit to its carrying amount, including goodwill. An impairment loss is recognized as the difference, if any, between the reporting unit's carrying amount and its fair value to the extent the difference does not exceed the total amount of goodwill allocated to the reporting unit. Management has determined that there is no impairment of the carrying amount of goodwill as of December 31, 2021 and 2020.

Goodwill amortization expense was $35,000 for each of the years ended December 31, 2021 and 2020.

j. Hawaii general excise taxes

The State of Hawaii imposes a general excise tax of 4.5% on the gross income or receipts, as defined. The Company collects general excise taxes from customers on certain transactions and are included in gross revenue. The amounts collected and paid are presented separately in the statement of operations.

k. Evaluation of subsequent events

Management has reviewed all subsequent events that have occurred from January 1, 2022 through the issuance date of this financial report for proper accounting and disclosure in the financial statements. There were no subsequent events that require adjustments to or disclosures in the financial statements

3. Leasing arrangements

The Company leases store space at 2310 Kuhio Avenue, Suite 143, Honolulu, Hawaii. The lease agreement provides for monthly base rent, common area maintenance fees, pro rata landlord operating expenses, and other charges described in the lease agreement. The lease term expires in December 2022.

The Company records minimum rental expense on a straight-line basis over the non-cancelable lease term. When a lease contains a predetermined fixed escalation of the minimum rent, the Company recognizes the related rent expense on a straight-line basis and records the difference between the rental expense recognized on a straight-line basis and the actual amount payable under the lease as deferred rent.

Estimated future minimum annual lease payments required under the non-cancelable lease as of December 31, 2021 totals $53,194 to be paid through December 31, 2022.

Total rent expense comprised of minimum rentals applicable to the operating lease was $65,945 and $66,496 for the years ended December 31, 2021 and 2020, respectively.

3. Small Business Administration (SBA) PPP loan

On February 3, 2021 and May 1, 2020, the Company received loan proceeds in the amount of $28,132 and $19,100, respectively, under the SBA Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provided for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans were to mature in five years of origination bearing an interest rate of 1% per annum. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels during the 24-week covered period from the loan origination.

The Company had used 100% of the PPP loan proceeds during the 24-week covered period for purposes eligible for forgiveness of the loans. The Company obtained the loan forgiveness for the full loan amounts of $28,132 and $19,100 during the years ended December 31, 2021 and 2020, respectively, and recorded the amounts as other income in the statement of operations.

4. Related party transactions

The Company purchases matcha powder and other raw materials for its café and franchisees from the Parent Company. The Parent Company also pays some of the operating expenses such as legal fees and travel expenses and receives reimbursement from the Company. The Company had a payable of $246,377 and $ 217,846 due to the Parent Company as of December 31, 2021 and 2020, respectively.

The Parent Company manages the Company's daily and overall business operations in accordance with the terms of a management agreement. The management agreement requires the monthly payment of fixed management fees of 100,000 Japanese yen. The management fees were $10,937 and $11,241 for the years ended December 31, 2021 and 2020, respectively.

6. Income taxes

The income tax provision was $1,165 for the year ended December 31, 2021. There was no income tax provision for the year ended December 31, 2020.

The income tax provision or credit differs from the income tax expense or credit that would result from applying the federal statutory tax rate of 21% to income (loss) before income taxes primarily due to the valuation allowance to reduce deferred tax assets to an amount that is more likely than not to be realized.

The provision or credit for income taxes consists of the current income taxes due or refundable and provides for deferred income taxes for temporary differences that existed in the recognition of revenues and expenses for financial statement and income tax purposes, net of the valuation allowance for deferred tax assets. The primary temporary differences represent the use of accelerated depreciation and amortization for property and equipment and goodwill and non-recognition of net operating losses for income tax purposes.

The valuation allowance for deferred tax assets was approximately $14,000 and $42,000 as of December 31, 2021 and 2020, respectively. The valuation allowance as of December 31, 2021 and 2020 was primarily related to deferred income taxes that, in the judgement of management, are not more likely than not to be realized. In assessing the realizability of deferred tax assets, management

6. Income taxes (continued)

considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will not realize the deferred tax assets as of December 31, 2021 and 2020.

As of December 31, 2021, the Company had federal loss carryforwards totaling approximately $54,000 which is available to offset future taxable income, if any.

The Company has not been subject to U.S. federal or state income tax examinations.

7. Franchises in operations

The number of franchise locations in the United States, Canada, China, and Thailand as of December 31, 2021 and 2020 is summarized as follows:

	2021	2020
Franchised outlets in operations at beginning of year	24	19
Franchise additions	4	6
Franchise terminations	(2)	(1)
Franchised outlets in operations at end of year	26	24
Franchise in pending operations	11	12
Total franchise locations	37	36

8. Foreign currency translation

Foreign currency transactions are translated into U.S. dollars using the exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognized in the statement of operations. Gain (loss) on foreign exchange transactions was $18,208 and $(6,410) for the years ended December 31, 2021 and 2020, respectively.

9. Commitments and contingencies

The Company is subject to legal proceedings, claims, and litigations arising in the ordinary course of business. Management was not aware of any such matters as of December 31, 2021 and 2020.

10. COVID-19

The COVID-19 pandemic was still ongoing in 2021. Measures taken by various governments to contain the virus has affected economic activity. The Company has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for people. The Company will continue to follow the various government policies and advice and, in parallel, the Company will do its utmost to continue its operations without jeopardizing the health of its employees and customers.

EIGHT USA INC. dba Matcha Cafe Maiko

Balance Sheet

As of March 31, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
11000 FHB - Checking	81,571.39
11200 CPB - Match Cafe	184,935.36
11300 Deposit in Transit	3,340.85
11900 PayPal Account	208,510.38
CPB (Trust Account)	15.00
Total Bank Accounts	**$478,372.98**
Accounts Receivable	
12200 Royalty Sales Receivable	78,000.00
Total Accounts Receivable	**$78,000.00**
Other Current Assets	
13300 Prepaid Tax	6,800.00
14100 Food Inventory	7,280.00
Supplies Inventory	814.00
Total Other Current Assets	**$14,894.00**
Total Current Assets	**$571,266.98**
Fixed Assets	
15100 Leasehold Improvement	89,994.00
15300 Machine and Equipment	110,450.22
15350 Auto Purchase	80,806.04
17000 Accumulated Depreciation	-105,370.71
Total Fixed Assets	**$175,879.55**
Other Assets	
18700 Security Deposits Asset	27,351.00
18800 Goodwill	350,000.00
18805 Acc. Ammortization - Goodwill	-128,333.48
Foreign Tax Credit Receivable	675.00
Right-of-use Asset	318,576.34
Total Other Assets	**$568,268.86**
TOTAL ASSETS	**$1,315,415.39**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	-1,962.75
Total Accounts Payable	**$ -1,962.75**
Other Current Liabilities	
21000 Other Payable	5,987.50
21100 Unearned Revenue	56,115.06
21300 GET Payable	2,291.08

EIGHT USA INC. dba Matcha Cafe Maiko

Balance Sheet

As of March 31, 2023

	TOTAL
21600 AP to Eight Japan	178,859.89
24100 Allowance for Doubtful Account	53,000.00
24200 Lease Liability	48,103.89
25100 Employee Tips Payable	-1,007.98
AP to Bridge Inc	748.00
Penalty Payable	50,000.00
Total Other Current Liabilities	**$394,097.44**
Total Current Liabilities	**$392,134.69**
Long-Term Liabilities	
Deposit Received	3,000.00
Long Term Lease Liability	275,237.44
Total Long-Term Liabilities	**$278,237.44**
Total Liabilities	**$670,372.13**
Equity	
30100 Capital Stock	700,000.00
32000 Retained Earnings	-69,619.66
Net Income	14,662.92
Total Equity	**$645,043.26**
TOTAL LIABILITIES AND EQUITY	**$1,315,415.39**

EIGHT USA INC. dba Matcha Cafe Maiko

Profit and Loss

January - March, 2023

	TOTAL
Income	
40000 Store Sales	146,185.11
41000 Matcha Powder Sales	182,762.49
42000 Delivery Sales	24.99
48000 Royalty and License Income	34,384.58
Total Income	**$363,357.17**
Cost of Goods Sold	
50000 Match purchase - Hawaii	6,002.68
50100 Food Purchases - Hawaii	28,277.46
53100 Restaurant Supplies	8,204.21
55000 Whole sale purchase- Matcha	115,921.60
68300 Shipping	678.28
Total Cost of Goods Sold	**$159,084.23**
GROSS PROFIT	**$204,272.94**
Expenses	
60000 Advertising and Promotion	3,500.00
60400 Bank Service Charges	126.27
60500 Card Expense	5,471.96
60600 Commission - PayPal	8,625.15
61000 Business Licenses and Permits	799.79
61500 GET Expense	6,507.36
62400 Depreciation Expense	9,484.74
62500 Amortization Exepnse	8,750.01
63300 Insurance Expense	4,503.00
63400 Health Insurance	5,756.03
64700 Auto Expense	384.26
64800 Office Expense	1,019.64
64900 Office Supplies	392.52
66000 Payroll Expenses	48,281.31
66100 Payroll Tax	9,513.90
66500 Payroll Service Fee	3,105.00
66800 Consultant fee	15,298.15
67100 Rent Expense	19,607.63
67200 Repairs and Maintenance	14,422.29
67400 Travel expense	5,700.67
67500 Parking	1,000.92
68100 Telephone Expense	93.90
68200 Internet Expense	1,049.19
68400 Electric Charge	2,459.27
Management Fee	2,266.14
Meals and Entertainment	11,283.91
QuickBooks Payments Fees	169.35
Total Expenses	**$189,572.36**

EIGHT USA INC. dba Matcha Cafe Maiko

Profit and Loss

January - March, 2023

	TOTAL
NET OPERATING INCOME	**$14,700.58**
Other Income	
71000 Gain on Currency	-37.66
Total Other Income	**$ -37.66**
NET OTHER INCOME	**$ -37.66**
NET INCOME	**$14,662.92**

EXHIBIT D

FRANCHISOR'S OPERATING MANUAL (TABLE OF CONTENTS)

Premium Matcha Café Maiko

Operation Manual Contents

Section A. Operation of Restaurant 2

- Confidentiality 2
- Hours of Operation 2
- Daily Operation Procedures 2
- Use Daily Tasks Lists 3
- Customer Service Procedures 3
- Handling Customer Complaints 3
- Safety and Security 3
- Employees 3

Section B. Product Preparation Guides (Recipes) 5

- Regular menu items 5
- Beverages 10
- Special items and other products 12

EXHIBIT E

LIST OF
STATE AGENCIES

STATE FRANCHISE ADMINISTRATORS
AND AGENTS FOR SERVICE OF PROCESS

State	State Franchise Administrator	Agent for Service of Process
California	Commissioner Department of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, CA 95834 866-275-2677	Commissioner Department of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, CA 95834 866-275-2677
Hawaii	Commissioner of Securities Dept. of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 808-586-2722	Commissioner of Securities Dept. of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 808-586-2722
Illinois	Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, IL 62701 217-782-4465	Attorney General 500 South Second Street Springfield, IL 62701 217-782-4465
Indiana	Secretary of State Securities Division, Franchise Section 302 West Washington, Room E-111 Indianapolis, IN 46204 317-232-6681	Secretary of State Securities Division, Franchise Section 302 West Washington, Room E-111 Indianapolis, IN 46204 317-232-6681
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 410-576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 410-576-6360
Michigan	Michigan Office of Attorney General Consumer Protection Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, MI 48933 517-373-7117	Michigan Office of Attorney General Consumer Protection Division Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, MI 48933 517-373-7117
Minnesota	Commissioner of Commerce Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101 651-539-1500	Commissioner of Commerce Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101 651-539-1500

STATE FRANCHISE ADMINISTRATORS
AND AGENTS FOR SERVICE OF PROCESS

State	State Franchise Administrator	Agent for Service of Process
New York	Office of the New York State Attorney General, Department of Law Investor Protection Bureau New York State Department of Law 28 Liberty Street, 21st Floor New York, NY 10005 212-416-8285	Attention: New York Secretary of State Department of State Division of Corporations One Commerce Plaza, 6th Floor 99 Washington Avenue Albany, NY 12231 518-473-2492
North Dakota	North Dakota Securities Department 600 E. Boulevard Avenue, State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 701-328-4712	North Dakota Securities Commissioner 600 E. Boulevard Avenue, State Capitol, Fifth Floor Bismarck, ND 58505-0510 701-328-4712
Rhode Island	Department of Business Regulation Securities Division Bldg. 69, 1st Floor, John O. Pastore Center 1511 Pontiac Avenue Cranston, RI 02920 401-462-9527	Director of Dept. of Business Regulation Securities Division Bldg. 69, 1st Floor, John O. Pastore Center 1511 Pontiac Avenue Cranston, RI 02920 401-462-9527
South Dakota	Department of Labor and Regulation Division of Securities 124 S. Euclid, Suite 104 Pierre, SD 57501 605-773-4823	Department of Labor and Regulation Director of the Division of Securities 124 S. Euclid, Suite 104 Pierre, SD 57501 605-773-4823
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 804-371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 804-371-9733
Washington	Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, S.W. Tumwater, WA 98501 360-902-8760	Director of Dept. of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, S.W. Tumwater, WA 98501 360-902-8760
Wisconsin	Office of the Commissioner of Securities Wisconsin Department of Financial Institutions 201 West Washington Avenue, Suite 300 Madison, WI 53703 608-261-9555	Commissioner of Securities Wisconsin Department of Financial Institutions201 West Washington Avenue, Suite 300 Madison, WI 53703 608-261-9555

If a state is not listed, we are not required to appoint an agent for service of process in that state in order to comply with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

EXHIBIT F

STATE
EFFECTIVE DATES

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	
Maryland	
Michigan	July 19, 2021
New York	April 3, 2023
Virginia	January 27, 2023
Washington	May 27, 2021

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.

EXHIBIT G

New York State Addendum

NEW YORK STATE ADDENDUM

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, with regard to the franchisor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or

is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**": You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**", and Item 17(w), titled "**Choice of law**":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

EXHIBIT H

RECEIPTS

RECEIPT (Your copy)
Eight USA Inc.

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

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

New York requires that we must give you this disclosure document by the earliest of:

(1) The first personal meeting to discuss our franchise; or
(2) Ten business days before the execution of the franchise or other agreement; or
(3) Ten business days before payment of any consideration that relates to the franchise relationship.

If we do 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 to the New York Department of Law, 28 Liberty Street, 21st Floor, New York, N.Y. 10005.

The Franchisor is Eight USA, Inc., located at 1441 Kapiolani Blvd., Suite 910, Honolulu, Hawaii 96814. Its telephone number is (808) 679-2049.

Issuance date: May 31, 2023

The franchise seller for this offering is Makoto Honoki or Yuriko Matsumura, located at 1441 Kapiolani Blvd., Suite 910, Honolulu, Hawaii 96814. Its telephone number is (808) 679-2049. Eight USA authorizes the following state agency to receive service of process for New York:

New York Secretary of State
Department of State, Division of Corporations
One Commerce Plaza, 6th Floor, 99 Washington Avenue
Albany, New York 12231
518-473-2492

I received a disclosure document dated May 31, 2023 that included the following Exhibits:

A: Franchise Agreement
B: List of Franchisees
C: Financial Information/Statements
D: Franchisor's Operating Manual
E: List of State Agencies
F: State Effective Dates
G: Receipts
H: New York State Addendum

Date	Signature	Printed Name

You may return the signed receipt either by signing, dating, and mailing it to Eight USA, Inc., at 1441 Kapiolani Blvd., Suite 910, Honolulu, Hawaii 96814, by faxing a copy of the signed and dated receipt to Eight USA at (808) 679-2049 or by emailing a copy of the signed and dated receipt to info@matchacafe-maiko.com

RECEIPT (Franchisor Copy)
Eight USA Inc.

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

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

New York requires that, we must give you this disclosure document by the earliest of:

(4) The first personal meeting to discuss our franchise; or
(5) Ten business days before the execution of the franchise or other agreement; or
(6) Ten business days before payment of any consideration that relates to the franchise relationship.

If we do 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 to the New York Department of Law, 28 Liberty Street, 21st Floor, New York, N.Y. 10005.

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