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FRANCHISE DISCLOSURE DOCUMENT

KUMON NORTH AMERICA, INC.
A Delaware Corporation
301 Route 17 North
Rutherford, New Jersey 07070
(201) 928-0444
Franchise@Kumon.com
www.kumon.com

The franchisee will operate an after-school center that provides math and reading programs using the Kumon Method of learning ("Kumon Center"). Children are given the opportunity to attend Kumon Centers twice each week throughout the year for approximately 20-30 minutes per subject and complete daily assignments at home on non-Center days.

The total investment necessary to begin operation of a Kumon Center franchise ranges from $68,428 to $146,640. This includes $4,000 that you must pay to us. If you are applying for your first Kumon Center franchise, at the time that you sign the Training Agreement, you must pay us a deposit of $1,000. If you successfully complete our Instructor Development Program and sign a Franchise Agreement, we will apply the deposit towards your franchise fee.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, us or our affiliates in connection with the proposed franchise sale or grant. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our Center Network Development Department at 301 Route 17 North, Rutherford, New Jersey 07070, 201-928-0444.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make 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 ("FTC"). You can contact the FTC by calling 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 7, 2023

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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 Exhibits C and D.
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 Attachment 4 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 Kumon 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 Kumon franchisee?	Item 20 or Exhibits C and D 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.

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What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you 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 your 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 F.

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.

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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 New Jersey. 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 New Jersey than in your own state.
2. **Royalty Rates.** The franchise agreement permits us to change the royalty rates or due dates on at least 60 days' notice. You have the right to terminate the franchise agreement if you are unwilling to pay any increased royalty.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

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THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonably opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

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(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual service.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE ATTORNEY GENERAL'S OFFICE, CONSUMER PROTECTION DIVISION, ATTN.: FRANCHISE SECTION, G. MENNEN WILLIAMS BLDG., 1ST FLOOR, 525 W. OTTAWA STREET, LANSING, MICHIGAN 48913, (517) 373-7117. Kumon authorizes the state agencies shown on Exhibit E to receive service of process for Kumon.

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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TABLE OF CONTENTS

ITEM		PAGE
ITEM 1	THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
ITEM 2	BUSINESS EXPERIENCE	4
ITEM 3	LITIGATION	7
ITEM 4	BANKRUPTCY	7
ITEM 5	INITIAL FEES	7
ITEM 6	OTHER FEES	8
ITEM 7	ESTIMATED INITIAL INVESTMENT	15
ITEM 8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	20
ITEM 9	FRANCHISEE'S OBLIGATIONS	21
ITEM 10	FINANCING	23
ITEM 11	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	23
ITEM 12	TERRITORY	33
ITEM 13	TRADEMARKS	34
ITEM 14	PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	36
ITEM 15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	37
ITEM 16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	38
ITEM 17	RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	39
ITEM 18	PUBLIC FIGURES	39
ITEM 19	FINANCIAL PERFORMANCE REPRESENTATIONS	45
ITEM 20	OUTLETS AND FRANCHISEE INFORMATION	45
ITEM 21	FINANCIAL STATEMENTS	55
ITEM 22	CONTRACTS	55
ITEM 23	RECEIPTS	56

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ATTACHMENTS

1 Training Agreement
2 Kumon Center Franchise Agreement
- 2-A Early Signing Addendum
- 2-B Guarantee
- 2-C General Release
- 2-D (A) Confidentiality/Non-Competition Agreement (Instructors)
- 2-D (B) Confidentiality/Non-Competition Agreement (Assistants)
- 2-E Veteran Instructor Addendum
- 2-F Partnership Addendum
- 2-G Non-Traditional Region Addendum

3 Operations Manual Table of Contents
4 Financial Statements

EXHIBITS

A Price List of Chargeable Items
B List of Non-Cost Items
C Kumon Franchisees as of December 31, 2022
D Franchisees Who Left the System During the Fiscal Year Ending December 31, 2022
E Agents for Service of Process
F State Administrators
G State Addenda to Disclosure Document and Agreement Riders
H Representations & Acknowledgements Statement
I Receipts

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Kumon North America, Inc. is a Delaware corporation incorporated on December 4, 1989, with its principal place of business at 301 Route 17 North, Rutherford, New Jersey 07070. On April 18, 2001, Kumon changed its name to Kumon North America, Inc. from Kumon U.S.A., Inc. Kumon North America, Inc. offers the franchise rights described in this disclosure document. In this disclosure document, "Kumon," "we," "us," and "our" means Kumon North America, Inc., and "you" means the person who acquires the franchise. If a corporation or limited liability company acquires the franchise, "you" means the corporation or limited liability company and all of its owners.

We have offered Kumon franchises since 1994. Our predecessors offered Kumon franchises from March 1983 to January 1994. We operate under the names "Kumon Math and Reading Centers," "Kumon Method Centers," "Kumon Centers," and "Kumon." Neither we nor any of our affiliates has ever offered franchises in any other line of business. If we have an agent in your state for service of process, we disclose the name and address of that agent in Exhibit E.

We are a subsidiary of Kumon Institute of Education Company, Ltd. ("KIE"), a Japanese corporation with its principal address at Kumon Kyoiku Kaikan, 5-6-6 Nishinakajima Yodogawa-ku, Osaka 532-8511 Japan. KIE was formed to institute a group management concept. Under this concept, we and five of our affiliates operate as six regional Kumon headquarters around the world: Japan, North America, South America, Europe/Africa, China and Asia/Oceania. We are the regional headquarters of North America. KIE, through its six regional headquarters and their subsidiary companies, operates in 58 countries.

The Japan regional headquarters has conducted a business similar to the type being offered here since 1958. The Japan regional headquarters also offers franchises in other subject matters in Japan that are not offered in the U.S.

We own two subsidiary companies, Kumon Canada Inc. ("Kumon Canada") and Kumon Instituto de Educación, S.A. de C.V. ("Kumon Mexico"), that offer similar franchises in their respective countries. Kumon Mexico also offers similar franchises in several Central American countries (currently, Panama, Costa Rica, and Guatemala).

The Kumon Method

Kumon Math and Reading Centers are after-school learning centers that use the Kumon Method of learning. Kumon Centers are open to the public (such as New Parent Orientations, parent and student meetings and class preparation) for at least 40 hours per week for the transaction of business and at least four times a week for a total of 14 hours per week if this will be your first Kumon Center Franchise Agreement, and at least twice a week if you are an existing franchisee up for renewal (see Item 11). Children must be given at least one of the following opportunities: (1) attend Kumon Centers twice each week throughout the year for approximately 20-30 minutes per subject; (2) engage in online video conferencing; or (3) engage in a combination of in-Center and online video conferencing ("hybrid instruction"). No matter the manner of instruction, students complete daily assignments at home on non-Center days. We may also grant you the right to provide educational services based on the Kumon Method through a dedicated online platform using digital worksheets ("Kumon Connect Services"). If granted, Kumon Connect Services will be available to your students, regardless of whether the student enrolls in in-person, hybrid, or online learning.

The Kumon Method is a mastery-based system in which excellence is determined through speed and accuracy. The Kumon Math and Reading curriculum worksheets ("Worksheets") are the essence of the Kumon Method. There are 20 math levels and 27 reading levels covering material ranging from pre-school to high school level. Most levels consist of 200 Worksheets. A comfortable starting point in the Kumon

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Method, repeated practice, and incremental progression through the finely-calibrated Worksheets ensure that students advance to more difficult levels only when they have totally comprehended all the previous, less difficult materials.

In 1954, Toru Kumon developed the Kumon Method in Osaka, Japan. Mr. Kumon, a Japanese high school math teacher, devised a supplemental math program for his son, who was struggling with second grade math. Mr. Kumon's method was so successful that his son reached calculus by the sixth grade. From the initial success of Mr. Kumon's son and other children in the neighborhood who also were introduced to Mr. Kumon's method, Kumon Educational Japan Co., Ltd. ("Kumon Japan") was established in 1958. Kumon Japan initially focused its attention on the use of the Kumon Method to teach mathematics to millions of Japanese children. The immediate success of the Kumon Method in Japan encouraged Kumon Japan to broaden its curriculum and expand its reach internationally.

As of December 31, 2022, approximately 3,610,000 students were studying the Kumon Method in approximately 24,100 after-school Centers in 61 countries, including Andorra, Argentina, Austria, Australia, Bahrain, Bangladesh, Belgium, Bolivia, Botswana, Brazil, Brunei, Bulgaria, Cambodia, Canada, Chile, China, Colombia, Costa Rica, Croatia, Czech Republic, France, Germany, Greece, Hong Kong, Hungary, India, Indonesia, Ireland, Italy, Japan, Kenya, Korea, Luxembourg, Macau, Malaysia, Mexico, Myanmar, Namibia, Netherlands, New Zealand, Pakistan, Panama, Peru, Philippines, Poland, Portugal, Qatar, Romania, Singapore, Spain, South Africa, Sri Lanka, Switzerland, Taiwan, Thailand, United Arab Emirates, Uruguay, United Kingdom, Vietnam, and the United States. As of December 31, 2022, in North America, there were approximately 388,000 students studying the Kumon Method. We operated 28 company-owned Kumon Centers, and there were 1,618 franchised Kumon Centers.

The Kumon Center Franchise-Application and Approval Procedures

When you apply for your first Kumon Center franchise, you must complete our Prospective Franchisee Application. We will conduct a background check after you complete the Application. If our review of your Application is positive, we will further evaluate you through a personal interview at one of our branch offices (or other suitable locations) and may administer two proficiency tests: a Mathematics Proficiency Test and a Reading Proficiency Test.

You must demonstrate adequate proficiency (as determined by us in our sole discretion) in mathematics and reading to be considered for the next step of the qualification process. If you do not demonstrate adequate proficiency in either mathematics or reading, you cannot proceed with the application process for at least six months from the date of the re-test. After six months, you may start the application process again from the beginning.

In addition to the qualification procedures stated above, we will scrutinize other factors that we deem appropriate, such as communication skills, business acumen, and ability to work with Kumon staff and children. If our review is positive, we will admit you to our Instructor Development Program. Our General Managers in each region have the final decision to admit a prospective franchisee into the Instructor Development Program. Our General Managers in each region decide whether or not to grant a franchise either prior to or following the completion of the Instructor Development Program.

To be admitted to the Instructor Development Program and considered for your first franchise, you must sign a Training Agreement in the form shown in Attachment 1 to this disclosure document. Signing the Training Agreement does not obligate you to purchase a franchise, nor does it obligate us to grant you one. If you are invited to our Instructor Development Program, you must have your fingerprints taken on Form FD- 258, the fingerprinting card used by the Federal Bureau of Investigation ("FBI"), to conduct a criminal background check (See Item 7, Note 8 for more details). If we have not received the FBI background check in a timely manner, this may affect your ability to attend the Instructor Development

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Program. An FBI criminal background check is also required to renew your franchise rights granted under Section 1 of your franchise agreement, to open a second Center and to take over the operation of an existing Center.

The Instructor Development Program consists of two semesters with two courses in the first semester and two courses in the second semester. The Program includes preliminary homework assignments, in-center training in an existing Kumon Center, on-line training, study of our Worksheets and curriculum training. If you successfully complete the first semester of the Instructor Development Program and we grant you a franchise, you must participate in online seminars following the opening of your Center for two additional courses. We may, in our discretion, award you a franchise at the completion of the first course of the Instructor Development Program, in which event you will still be required to complete the balance of the Instructor Development Program. If you are purchasing an existing Center, however, you will not be eligible to be awarded a franchise prior to your completion of the Instructor Development Program. The Training Agreement governs our Instructor Development Program that occurs prior to the grant of a franchise (See Item 11, Training).

If you successfully complete our Instructor Development Program and we approve you to become a Kumon franchisee, or if we in our discretion decide to award you a franchise upon your successful completion of your first course, you will sign a Kumon Center Franchise Agreement in the form shown in Attachment 2 to this disclosure document. If we award you a franchise upon your successful completion of your first course of the Instructor Development Program, you will not only sign a Kumon Center Franchise Agreement but also an "Early Signing" Addendum to the Franchise Agreement (Attachment 2-A to the Franchise Agreement), and you will be required to complete the balance of the Instructor Development Program. You will then begin a Temporary License Period or "TLP." There is a separate TLP for the Kumon Math program and the Kumon Reading program. (We refer to each of the Math and Reading programs as a "Subject-Franchise."). Each TLP will end when you complete certain requirements specified in the Operations Manual. If you fail to complete the TLP in each Subject-Franchise, you will not receive certain instructor awards, as described in our Operations Manual.

We may designate, in our sole discretion, that your Center is located in a "non-traditional market." "Non-traditional markets" are typically markets which are in rural areas that have a lower number of households with school-aged children and are more than 25 miles from any other Kumon Center. If your Center is a located in a "non-traditional market," you may be excused from certain requirements imposed upon Kumon franchisees whose Center are not located in "non-traditional" areas, such as the requirement of minimum Center hours of operation (See Item 11, Training). If we deem your Center as a Non-Traditional Center, you will sign a Non-Traditional Area Addendum to your Franchise Agreement (See Attachment 2-G).

The royalty during the TLP for each Subject-Franchise is higher than the royalty that we charge after the TLP ends (See Item 6).

Market Competition

Kumon's services are generally marketed to parents of school-aged children. The supplemental educational market continues to experience increasing competition. You will face competition from educational services offered on the Internet, tutoring institutes, tutoring centers, learning centers, test-prep centers, cram schools, individual tutors, self-tutoring programs, other Kumon Centers, and other individuals, companies and organizations. Although Kumon is not a school and does not compete with public or private schools, some schools have utilized the Kumon Method to supplement their math and reading curricula.

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Kumon Publishing Company Workbooks. The Kumon Publishing Company ("KPC") is a subsidiary of KIE. KPC conducts business in the U.S. through its own subsidiary company, Kumon Publishing North America, Inc. ("KPNA"). KPNA publishes workbooks and has developed a web-app directed at developing the nascent learning skills of young children. KPNA currently distributes these Workbooks through the Internet, bookstores, toy stores, chain stores (such as Barnes & Noble, Amazon.com and Target) and teachers' supply and educational stores across the United States. KPNA offers its web-app for sale online. KPNA may sell workbooks on the Internet or through other channels of distribution. We do not have a financial stake in KPNA, and we do not financially benefit from their business activities. Each workbook contains a full page explaining the history and philosophy of the Kumon Method and a full page advertisement, which includes our website and toll free number should a parent want to enroll their child in a Kumon Center, seek additional information about our programs or inquire about franchising opportunities. Kumon franchisees can order the workbooks from our warehouse at a discounted price (from the retail price listed on the cover) and resell them exclusively at their Centers. Workbooks are not intended to be an alternative to enrollment in the Kumon program, or as a supplement to instruction at a Kumon Center. Therefore, you cannot use Kumon workbooks at your Center for instruction or for any other purpose.

Tuition, Registration Fees, Placement Test Fees and Other Fees. Making the Kumon Method accessible to all children is a touchstone of Kumon's founder, Toru Kumon, and The Mission of Kumon North America. Our mission states that "we will bring the maximum benefits of the Kumon Method to as many children as possible, regardless of ability, age, race, cultural or economic backgrounds." In an effort to stay true to the core values mentioned above, encourage efficient operation, and distinguish Kumon from competitors as the only affordable, long-term supplemental education provider, Kumon has the right, upon 60 days' notice, to institute limits on the registration and tuition fees that Kumon Centers may charge, which will be set forth in the Operations Manual. Currently, Kumon imposes a $50 limit for the registration fee, but this limit will be increased to $80, beginning on July 1, 2023. You may only charge one registration fee regardless of whether a student enrolls in one or two subjects. We do not currently have a tuition limit. If we decide to implement a tuition policy, you will have the opportunity to present market, demographic, and any other data that supports your reasoning for wanting to charge more than the limit that we impose. You may charge parents of students enrolled at your Center only those additional fees identified in the Operations Manual and only in the amounts set forth in the Operations Manual. To charge such additional fees, however, you must maintain a written policy at your Center regarding the imposition of additional fees. Kumon may change or eliminate those additional fees at any time. Kumon will not supply you with forms of contracts for use at your Center. Should you decide to use contracts for the payment of tuition at your Center, your contract must comply with the requirements for tuition contracts set forth in our Operations Manual.

Industry-Specific Laws and Regulations

Certain states may require you to possess specific certification in connection with your instructional duties as a franchisee. Furthermore, your Kumon Center may be considered a "school" under applicable zoning codes. Classification of your Kumon Center as a "school" may entail additional requirements such as separate bathrooms for boys and girls, water fountains, special exit doors equipped with panic bars, and accommodations for disabled persons. Although we do not regard Kumon Centers as schools, we urge you to consult with an attorney concerning any special requirements that may apply to you or your Kumon Center. Under the Franchise Agreement, you alone are responsible for complying with all applicable laws, government orders and regulations despite any advice or information that we may give you.

ITEM 2
BUSINESS EXPERIENCE

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The following is the list of our principal officers and other executives who have management responsibility relating to the sale or operation of franchises offered by this disclosure document. The principal occupation and business experience of each person during the past 5 years, including the names and locations of prior employers, is described below.

President and Chief Executive Officer: Minoru Tanabe

Mr. Tanabe was appointed President in October 2013, and in July 2021, he was appointed Chief Executive Officer. Mr. Tanabe has also served as Chair of our Board of Directors since October 2013. Mr. Tanabe was also appointed as President and Chief Board Member of Kumon South America in July 2022, as President and Chief Executive Officer of Kumon Canada in July 2021, and as a Director of Kumon Canada since October 2013. Mr. Tanabe has been with Kumon in various leadership roles since 1991.

Executive Senior Vice President and Chief Support Officer: Daisuke Kodama

Mr. Kodama was appointed Executive Senior Vice President in February 2018, and in July 2021, he was also appointed as our Chief Support Officer. He oversees the departments in our Field Support Center (corporate headquarters) in Rutherford, New Jersey. Mr. Kodama has also served as a member of our Board of Directors since February 2018. Mr. Kodama has also served as Kumon Canada's Executive Senior Vice President and Chief Support Officer since July 2021. From April 1996 to January 2018, he held various positions with KIE. Mr. Kodama has been with Kumon and its affiliates since April 1996.

Executive Senior Vice President and Chief Operating Officer: Yusuke Nakamura

Mr. Nakamura has served as our and Kumon Canada's Executive Senior Vice President and Chief Operating Officer since July 2021. He also has served as a member of our Board of Directors and Kumon Canada's Board of Directors since July 2021. From February 2019 to June 2021, Mr. Nakamura was the President of Kumon Philippines, Inc. From February 2015 to January 2019, he served as the General Manager for the Tokai region of KIE. Mr. Nakamura has been with the Kumon organization since 1997.

Executive Senior Vice President, Chief Administrative Officer and Chief Financial Officer: Joseph Nativo

Mr. Nativo has served as our Chief Financial Officer since August 1999, and in July 2021, he was appointed as an Executive Senior Vice President and our Chief Administrative Officer. In February 2022, he was appointed a member of our Board of Directors. Mr. Nativo has also served as Kumon Canada's Executive Senior Vice President, Chief Administrative Officer and Chief Financial Officer since July 2021. Mr. Nativo also served as the Director of our Human Resources Department from April 2019 to June 2021. He has been with Kumon since 1992.

Senior Vice President and Director, Field Operations: Mike Shim

Mr. Shim was appointed as our and Kumon Canada's Senior Vice President and Director, Field Operations in July 2021. Mr. Shim served as Kumon Canada Inc.'s President from April 2016 to June 2021 and as Kumon Canada's Director from March 2017 to June 2021. Mr. Shim has been with Kumon and its affiliates since 1992.

Senior Vice President, Director, Information Technology and Director, Customer Service Department: Ruben Manoim

Mr. Manoim has served as our Senior Vice President, Director, Information Technology since March 2013, Senior Vice President and Director, Information Technology for Kumon Canada since June 2021 and Director, Customer Service Department since July 2021. He has been a member of our Executive

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Team since March 2013. Mr. Manoim served as our Director of Marketing and Communications from August 2017 to June 2021. Mr. Manoim has been with Kumon since 1997.

Vice President, Corporate Counsel: Robert Germain

Mr. Germain has served as our Vice President, Corporate Counsel since January 2023. He has served as our Deputy Corporate Counsel and a member of Kumon's Executive Team since January 2019. In January 2023, he was also appointed as Kumon Canada's Corporate Counsel. Mr. Germain has been with Kumon since September 2006.

Vice President and Manager, Center Network Development Department: John Collins

Mr. Collins was appointed Vice President and Manager of our Center Network Development Department in January 2019, and he has served in the same role for Kumon Canada since July 2021. In this position, he is responsible for franchisee recruitment and the successful opening of new Kumon Centers. From January 2017 to December 2018, Mr. Collins was General Manager for the Northeast Region, and from May 2016 to December 2016, Mr. Collins was Assistant to the General Manager for the Northeast Region. Mr. Collins has been with Kumon since 2012.

General Managers:

General Manager, Northeast Region: Dawn Bledsoe

Ms. Bledsoe was appointed General Manager for the Northeast Region in July 2022, holding the previous position of Co-General Manager from April 2022 to June 2022. In this position, she is responsible for the operation of Kumon's branches located in New York, Rutherford, and Princeton. From January 2020 to March 2022, she was the Assistant General Manager for our South Region and served as the Houston Branch Manager at various points, most recently from September 2018 to January 2020. Ms. Bledsoe has been with Kumon since May 2004 and has held various positions throughout her tenure.

General Manager, Southern Region: Anita Scales

Ms. Scales was appointed Co-General Manager for the Southern Region in January 2019 and now serves as sole General Manager for the Southern Region as of August 2019. In this position, she is responsible for the operation of Kumon's branches in Washington D.C., Atlanta, Florida, and Houston. From January 2018 to December 2018, she was General Manager of our Central Region. From April 2017 to December 2017, she was Assistant General Manager for the Northeast Region, and from August 2012 to March 2017, she was Branch Manager for the Atlanta Branch. Ms. Scales has been with Kumon since July 2007.

General Manager, Central Region: Peter Tu

Mr. Tu was appointed General Manager for the Central Region in July 2021 after serving as General Manager for the Northeast Region from January 2018 to June 2021. As General Manager for the Central Region, Mr. Tu is responsible for the operation of Kumon's branches in Chicago and Detroit. From January 2013 to December 2017, he was General Manager for the Western Division of our affiliate, Kumon Canada. Mr. Tu has been with Kumon since 1990.

General Manager, Western Region: Prateek Mehta

Mr. Mehta was appointed General Manager for the Western Region in July 2021. In this position, he is responsible for the operation of Kumon's branches in San Francisco, Los Angeles, Phoenix, and Seattle. From April 2018 to June 2021, Mr. Mehta served as our Vice President, Corporate Strategy and

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Planning, and from April 2015 through May 2018, Mr. Mehta served as Kumon Mexico's President. Mr. Mehta has been with Kumon since 2009.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

The Initial Franchise Fee is $2,000. You must pay the entire fee when you sign the Franchise Agreement. The Initial Franchise Fee is not refundable.

The initial fee for your purchase of materials you shall need to operate your Kumon Center, such as instruction answer books, student achievement tests, student placement tests and promotional material, is $2,000. This fee will also apply if you are granted a second center or you are taking over an existing center. You must pay this entire fee when you sign the Franchise Agreement. This fee is not refundable.

If you are applying for your first Kumon Center franchise, the Deposit Fee is $1,000 for your Training Kit for the Instructor Development Program. We will apply the Deposit Fee toward your Initial Franchise Fee if you successfully complete the Instructor Development Program and sign a Franchise Agreement. If either you or we cancel the Training Agreement, at your expense, you must return to us the Training Kit and all other material we lent to you in connection with your participation in the Instructor Development Program. We will return your deposit if we receive the training materials within 15 days after the notice of cancellation (see Section 7 of the Training Agreement).

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ITEM 6

OTHER FEES

Type of Fee (See Note 1)	Amount	Due Date	Remarks
Royalty (See Notes 1 and 2)	Initial Enrollment Royalty Fee: For each reporting month, $15 times the number of newly enrolled students. Monthly Royalty During Temporary License Period ("TLP"): $38.25 times the number of full-payment students enrolled, and $19.13 times the number of partially exempt and/or prorated tuition students for each Subject-Franchise. On July 1, 2023, these fees will increase to $40.50 and $20.25, respectively. Monthly Royalty after completing the TLP: $34 times the number of full-paying students enrolled, and $17 times the number of partially exempt and/or prorated tuition students for each Subject-Franchise. On July 1, 2023, these fees will increase to $36.00 and $18.00, respectively. You must allow us to make monthly electronic debits to your account equal to the amount you owe us.	Through Electronic Funds Transfer ("EFT"), we will debit your account each month. We currently debit franchisee accounts on the 17th or on the next business day, but we have the right to change that date in our discretion.	If a student drops out of a Kumon Center and wants to return, the student can return without paying another Initial Enrollment fee if the student returns within one reporting period (one calendar month). If the student returns after one reporting period, then the student must register again. If a student is enrolled in both Subjects, the student is required to reenroll if he or she is absent for more than one month in both subjects concurrently. A $15 initial enrollment royalty fee is due each time a student registers unless the student currently is enrolled in at least one subject at your Kumon Center and registers for a second or subsequent subject.
Administrative Fee for Late Payment (See Note 3)	1.5% on the overdue amount each month or $75, whichever is higher	When we debit your account by EFT for a late payment	This fee is charged on the monthly statement and paid through EFT.
Late or Inaccurate Report Fee (See Note 3)	$200 for the first month you fail to submit a complete and accurate report on time; $500 for the second month that this occurs; $1,000 the third month that this occurs, with increments of $1,000 per month thereafter.	When we debit your account by EFT for a late or inaccurate submission	This fee is charged on the monthly statement and paid through EFT.

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Type of Fee (See Note 1)	Amount	Due Date	Remarks
Insufficient Funds	$25 per EFT attempt that has insufficient funds to cover the amount owed	When requested by Kumon	Charge covers Kumon's costs of failed EFT attempts
Insurance (See Note 4)	$4.80 per Math student per year	When billed by us twice a year	
Indemnification (See Note 5)			
Shipping Costs for Materials (See Note 6)		As stated on invoice	Other than the initial materials fee, we will provide you with "Kumon Materials" (Placement Tests, Achievement Tests, Worksheets, Record Books and Progress Charts) reasonably necessary for the operation of your Center at no additional charge; however, you must pay the shipping costs.
Relocation Fee (See Note 7)	$2,000	When your Center opens at the new location	Payable if fewer than 80% of your enrolled students transfer to the new location
Payments for "Chargeable Items" Purchased from Kumon	See Exhibit A	As stated on invoice	If you wish, you can purchase from us supplemental teaching materials and promotional items for use or sale. These are called "Chargeable Items." (See Item 8.) We can discontinue the sale of or change the prices for Chargeable Items without notice.

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Type of Fee (See Note 1)	Amount	Due Date	Remarks
Liquidated Damages (See Note 8)	Three times your average monthly royalty in the three months immediately prior to your last day of operating your Center	Immediately upon notice	Applies if: - You terminate your Franchise Agreement voluntarily without giving us the required advance written notice specified in Section 14.4 of the Franchise Agreement. - You propose to transfer your Center before we give you final approval of your candidate, or if we disapprove the candidate, and you fail to resume operating. - The Franchise Agreement is automatically terminated under the circumstances detailed in Section 14.3 of the Franchise Agreement.
Temporary Transfer to Us (See Note 9)	10% of the average tuition charged by the 5 Kumon Centers that are closest to your Center, multiplied by the number of students enrolled at your Center for so long as Kumon has assumed operation of the Center(s) and reimbursement of any out-of-pocket costs that we incur.	Each month that it applies	Payable under the conditions described in Note 9.
New Center Marketing	$1,000 in both the fifth and sixth month after your Center is open	5th and 6th month after you open your Center	You must reimburse us for a total of $2,000 for advertising on your behalf. See Note 10.
Advertising Contribution (See Note 11)	At least the minimum amount set forth in the Operations Manual.	Annually	Currently, and except for the New Center Marketing requirement, we do not require you to spend any minimum amount on advertising your Center, but we recommend that you spend at least $2,400 annually on such advertising.

NOTES

[1] All costs and fees set forth in Item 6 above are current as of the effective date of this franchise disclosure document. However, Kumon reserves the right to increase or decrease, in its discretion, the amount of such costs and fees. The current amount of all costs and fees shall be set forth in the Operations Manual.

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We impose and collect all fees described in this table. Unless otherwise specified, all fees payable to us are non-refundable and are uniformly imposed on our franchisees.

[2] You pay us the monthly royalty prescribed in the Operations Manual for each Subject-Franchise. Electronic debits are the only acceptable method for payment of royalties. You must allow us to make monthly electronic debits from your EFT account equal to the amounts you owe us. We will debit your account each month for royalties due from each prior month. We will provide a form that you must sign, authorizing us to make electronic debits to your account.

We can change royalty rates or the monthly due date (or both) at any time on at least 60 days' notice. If you are unwilling to pay any increased royalty rate, you can terminate the Franchise Agreement on 60 days' written notice to us. There is no contractual limit on the amount by which we can change the royalty rates.

The royalty during the TLP is higher than the royalty payable after completing the TLP. If and when you complete the TLP requirements for a Subject-Franchise, the lower royalty for that Subject- Franchise will take effect during the next full reporting month. If you underreport students enrolled at your Center and we elect not to terminate your franchise agreement, for 3 years, you will pay the higher TLP royalty rate.

The current requirements to complete the TLP for each Subject-Franchise are listed below. Each and every requirement must be met at the time of consideration; requirements cannot be accumulated separately at different times during the TLP. We have the right to modify, add to, and/or delete the TLP requirements.

Topic	**Time Period**	**Requirement**
Worksheet Study and Completion	When you apply to be fully licensed in each Subject-Franchise	You must complete selected Worksheet study and pass the Instructor Achievement Test in both the Math and Reading subjects. Each Subject-Franchise has differing requirements for Worksheet study, IDP participation and a Knowledge Check. These requirements are included in our Operations Manual and may be changed by us in our discretion.
Compliance with Agreements	Entire TLP	You must be in compliance with the Franchise Agreement and all other agreements with us.
Compliance with the Kumon Method	Entire TLP	Includes: 1. Appropriate Placement Tests administered and Starting Point assigned; 2. Individualized Assessment (Accuracy and Standard Completion Time) and Lesson Planning; 3. Proper Grading and Record Keeping; 4. Progress Goals and Communication; and 5. Appropriate Achievement Testing. (The Operations Manual contains more detailed information regarding these requirements.)

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Topic	Time Period	Requirement
Satisfactory Center Management and Center Communication Skills	Throughout the TLP	Includes: 1. Thorough orientation and communication with parents and students during the pre-enrollment period; 2. Effective communication with parents and students concerning each child's Achievement Test and ongoing progress; 3. Center's professional appearance, including appropriate layout, displays, and furnishings; 4. Well-trained and professional staff; 5. Clearly-defined and communicated Center policies, including Center procedures and tuition collection; and 6. Correct usage of the Kumon proprietary software program and customer management system assigned by us for use at your Center (see below Item 11 "Computer Software"). (The Operations Manual contains more detailed information regarding these requirements.)
Professional Development Credits	During the 12 months immediately preceding completion of the TLP	You must obtain a minimum of 12 Professional Development Credits (PDCs). Our Operations Manual contains a list of the activities that can be used to obtain PDCs. We may add to or delete items from this list from time to time.
Monthly Reports	Entire TLP	You must have a record of timely and accurate submission of these reports.
Financial Obligations	Entire TLP	You must be current with all payments you owe us.
Training	When you apply to be fully licensed in each Subject-Franchise.	You must attend and successfully complete additional training. (The Operations Manual contains more detailed information regarding this requirement).
Student Enrollment	When you apply to be fully licensed in each Subject-Franchise.	You must have cumulatively enrolled 600 or more students in the Math Subject-Franchise and 400 or more students in the Reading Subject-Franchise.
Formal Evaluation (required only when we request)	Immediately prior to completing TLP	We may ask you to pass a formal evaluation, demonstrating your understanding of the materials and concepts explained in the Instructor Development Program.

After you have successfully completed the TLP Requirements for each Subject-Franchise, you must comply with our Ongoing Training and Performance Requirements as set forth in our Operations Manual. If you do not meet the minimum Ongoing Training and Performance Requirements, you will revert to the higher royalty for a period of at least one calendar year. Some examples of the current activities and programs that may be used for the purpose of

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