

## Consolidated Balance Sheets

**C&G SYSTEMS INC. and consolidated subsidiaries**

**As of March 31, 2022 and December 31, 2021**

(in thousand Yen)

	<b>December 31, 2021</b>	<b>March, 31 2022</b>
<b>(Assets)</b>		
<b>Current assets</b>		
Cash and bank deposits	2,755,201	2,743,508
Notes and accounts receivable	273,981	—
Notes and accounts receivable - trade, and contract assets	—	344,777
Electronically recorded monetary claims-operating	251,332	304,108
Inventories	89,356	88,631
Other current assets	213,189	261,717
Allowance for doubtful accounts	(4,415)	(3,179)
<b>Total current assets</b>	<b>3,578,646</b>	<b>3,739,563</b>
<b>Non current assets</b>		
<b>Tangible fixed assets</b>	274,464	271,267
<b>Intangible fixed assets</b>	24,196	24,487
<b>Investments</b>		
Investments securities	170,007	173,456
Net investments in real estates	371,470	369,810
Insurance funds	455,346	457,024
Other investments	495,261	508,681
Allowance for doubtful accounts	(4,349)	(4,121)
<b>Total investments</b>	<b>1,487,735</b>	<b>1,504,851</b>
<b>Total non current assets</b>	<b>1,786,396</b>	<b>1,800,606</b>
<b>Total assets</b>	<b>5,365,043</b>	<b>5,540,169</b>

	<b>December 31, 2021</b>	<b>March, 31 2022</b>
<b>(Liabilities)</b>		
<b>Current liabilities</b>		
Accounts payable	95,207	100,417
Income taxes payable	104,264	73,935
Provision for bonuses	—	49,821
Advances from customers	766,405	—
Contract liabilities	—	932,289
Other current liabilities	198,354	184,630
<b>Total current liabilities</b>	<b>1,164,231</b>	<b>1,341,093</b>
<b>Non current liabilities</b>		
Provision for share-based remuneration for directors	14,265	15,565
Net defined benefit liability	1,066,564	1,076,532
Other non current liabilities	258,718	216,970
<b>Total non current liabilities</b>	<b>1,339,548</b>	<b>1,309,068</b>
<b>Total liabilities</b>	<b>2,503,780</b>	<b>2,650,161</b>
<b>(Net assets)</b>		
<b>Shareholders' equity</b>		
Capital stock	500,000	500,000
Additional paid-in capital	125,000	125,000
Retained earnings	2,216,031	2,209,128
Treasury stock	(117,889)	(117,889)
<b>Total shareholders' equity</b>	<b>2,723,141</b>	<b>2,716,238</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	58,524	64,723
Foreign currency translation adjustments	17,586	40,955
<b>Total accumulated other comprehensive income</b>	<b>76,110</b>	<b>105,679</b>
<b>Non-controlling interests</b>	62,010	68,090
<b>Total net assets</b>	<b>2,861,262</b>	<b>2,890,008</b>
<b>Total liabilities and net assets</b>	<b>5,365,043</b>	<b>5,540,169</b>

## Consolidated Statements of Income

**C&G SYSTEMS INC. and consolidated subsidiaries**

**For the three months ended March 31, 2022**

(in thousand Yen)

	For the three months ended March 31, 2021	For the three months ended March 31, 2022
<b>Sales</b>	1,000,084	1,015,857
Costs of goods sold	363,153	345,539
<b>Gross profit</b>	636,931	670,317
<b>Selling, general and administrative expenses</b>	505,238	530,489
<b>Operating income</b>	<b>131,692</b>	<b>139,828</b>
<b>Other income</b>		
Interest received and dividends income	31	39
Rent income	23,393	23,374
Gain on forgiveness of debts	13,030	—
Other	10,478	7,367
<b>Total other income</b>	<b>46,932</b>	<b>30,782</b>
<b>Other expenses</b>		
Interest expense	204	101
Maintenance of investment properties	17,972	17,862
Other	0	2,260
<b>Total other expenses</b>	<b>18,177</b>	<b>20,225</b>
<b>Ordinary income</b>	<b>160,448</b>	<b>150,384</b>
<b>Net income before income taxes and minority interests</b>	<b>160,448</b>	<b>150,384</b>
Income tax expense - current	73,895	75,430
Income tax expense - deferred	(27,831)	(15,022)
<b>Total income tax expense</b>	<b>46,064</b>	<b>60,408</b>
<b>Net income</b>	<b>114,383</b>	<b>89,976</b>
<b>Profit attributable to non-controlling interests</b>	6,367	865
<b>Profit attributable to owners of parent</b>	<b>108,015</b>	<b>89,110</b>

	For the three months ended March 31, 2021	For the three months ended March 31, 2022
<b>Net income</b>	114,383	89,976
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	13,668	6,199
Foreign currency translation adjustment	20,073	28,583
<b>Total other comprehensive income</b>	33,741	34,782
<b>Total comprehensive income</b>	148,125	124,759
Total comprehensive income attributable to:		
Owners of the parent	139,119	118,679
Non-controlling interests	9,005	6,079