

Consolidated Balance Sheets

C&G SYSTEMS INC. and consolidated subsidiaries

As of September 30, 2022, and December 31, 2021

(in thousand Yen)

	December 31, 2021	September 30, 2022
(Assets)		
Current assets		
Cash and bank deposits	2,755,201	3,053,400
Notes and accounts receivable	273,981	—
Notes and accounts receivable - trade, and contract assets	—	362,466
Electronically recorded monetary claims-operating	251,332	238,866
Inventories	89,356	70,402
Other current assets	213,189	269,664
Allowance for doubtful accounts	(4,415)	(111)
Total current assets	3,578,646	3,994,689
Non current assets		
Tangible fixed assets	274,464	298,324
Intangible fixed assets	24,196	21,594
Investments		
Investments securities	170,007	156,456
Net investments in real estates	371,470	366,490
Insurance funds	455,346	465,608
Other investments	495,261	524,076
Allowance for doubtful accounts	(4,349)	(4,122)
Total investments	1,487,735	1,508,509
Total non current assets	1,786,396	1,828,428
Total assets	5,365,043	5,823,117

Consolidated Balance Sheets

C&G SYSTEMS INC. and consolidated subsidiaries
As of September 30, 2022, and December 31, 2021

(in thousand Yen)

	December 31, 2021	September 30, 2022
(Liabilities)		
Current liabilities		
Accounts payable	95,207	59,532
Income taxes payable	104,264	93,657
Provision for bonuses	—	51,013
Advances from customers	766,405	—
Contract liabilities	—	1,009,489
Other current liabilities	198,354	174,857
Total current liabilities	1,164,231	1,388,551
Non current liabilities		
Provision for share-based remuneration for officers	14,265	18,197
Net defined benefit liability	1,066,564	1,090,340
Other non current liabilities	258,718	227,488
Total non current liabilities	1,339,548	1,336,026
Total liabilities	2,503,780	2,724,577
(Net assets)		
Shareholders' equity		
Capital stock	500,000	500,000
Additional paid-in capital	125,000	125,000
Retained earnings	2,216,031	2,385,717
Treasury stock	(117,889)	(117,889)
Total shareholders' equity	2,723,141	2,892,827
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	58,524	53,098
Foreign currency translation adjustments	17,586	76,161
Total accumulated other comprehensive income	76,110	129,260
Non-controlling interests	62,010	76,452
Total net assets	2,861,262	3,098,539
Total liabilities and net assets	5,365,043	5,823,117

Consolidated Statements of Income

C&G SYSTEMS INC. and consolidated subsidiaries
For the nine months ended September 30, 2022

(in thousand Yen)

	For the nine months ended September 30, 2021	For the nine months ended September 30, 2022
Sales	2,796,398	3,331,230
Costs of goods sold	1,002,063	1,255,745
Gross profit	1,794,334	2,075,484
Selling, general and administrative expenses	1,546,847	1,669,342
Operating income	247,486	406,142
Other income		
Interest received and dividends income	2,575	4,292
Rent income	70,572	70,530
Other	42,001	25,104
Total other income	115,148	99,927
Other expenses		
Interest expense	372	266
Loss on valuation of investment securities	267	—
Maintenance of investment properties	49,986	49,374
Other	40	115
Total other expenses	50,666	49,755
Ordinary income	311,968	456,313
Net income before income taxes and minority interests	311,968	456,313
Income tax expense - current	130,715	160,736
Income tax expense - deferred	(34,771)	(14,644)
Total income tax expense	95,943	146,092
Net income	216,024	310,221
Profit and losses attributable to non-controlling interests	15,742	44,522
Profit attributable to owners of parent	200,281	265,699

	For the nine months ended September 30, 2021	For the nine months ended September 30, 2022
Net income	216,024	310,221
Other comprehensive income		
Valuation difference on available-for-sale securities	62,645	(5,425)
Foreign currency translation adjustment	11,756	70,524
Total other comprehensive income	74,401	65,099
Total comprehensive income	290,426	375,320
Total comprehensive income attributable to:		
Owners of the parent	272,625	318,849
Non-controlling interests	17,800	56,471