

Consolidated Balance Sheets

C&G SYSTEMS INC. and consolidated subsidiaries

As of March 31, 2024 and December 31, 2023

(in thousand Yen)

	December 31, 2023	March, 31 2024
(Assets)		
Current assets		
Cash and bank deposits	2,807,529	2,695,086
Notes and accounts receivable - trade, and contract assets	266,556	254,318
Electronically recorded monetary claims-operating	216,816	268,737
Inventories	36,272	20,506
Other current assets	218,799	218,169
Allowance for doubtful accounts	(184)	(213)
Total current assets	3,545,789	3,456,605
Non current assets		
Tangible fixed assets	355,417	351,361
Intangible fixed assets	25,736	22,330
Investments		
Investments securities	249,747	305,518
Net investments in real estates	358,543	357,053
Insurance funds	557,159	572,616
Other investments	496,373	507,086
Allowance for doubtful accounts	(4,537)	(4,537)
Total investments	1,657,287	1,737,738
Total non current assets	2,038,442	2,111,430
Total assets	5,584,231	5,568,035

	December 31, 2023	March, 31 2024
(Liabilities)		
Current liabilities		
Accounts payable	49,153	28,687
Income taxes payable	13,660	51,641
Provision for bonuses	-	52,699
Contract liabilities	794,533	729,626
Other current liabilities	219,133	208,425
Total current liabilities	1,076,481	1,071,081
Non current liabilities		
Provision for share-based remuneration for directors	24,800	26,149
Net defined benefit liability	1,117,934	1,138,618
Other non current liabilities	238,735	235,892
Total non current liabilities	1,381,470	1,400,660
Total liabilities	2,457,952	2,471,741
(Net assets)		
Shareholders' equity		
Capital stock	500,000	500,000
Additional paid-in capital	125,000	125,000
Retained earnings	2,357,329	2,285,589
Treasury stock	(117,889)	(117,889)
Total shareholders' equity	2,864,440	2,792,699
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	121,358	161,273
Foreign currency translation adjustments	88,253	103,160
Total accumulated other comprehensive income	209,612	264,434
Non-controlling interests	52,227	39,159
Total net assets	3,126,279	3,096,294
Total liabilities and net assets	5,584,231	5,568,035

Consolidated Statements of Income

C&G SYSTEMS INC. and consolidated subsidiaries

For the three months ended March 31, 2024

(in thousand Yen)

	For the three months ended March 31, 2023	For the three months ended March 31, 2024
Sales	937,846	935,379
Costs of goods sold	290,801	313,139
Gross profit	647,045	622,240
Selling, general and administrative expenses	589,266	585,040
Operating income	57,778	37,200
Other income		
Interest received and dividends income	233	1,795
Rent income	23,382	25,216
Insurance premiums refunded cancellation	25,962	-
Other	3,603	11,854
Total other income	53,182	38,865
Other expenses		
Interest expense	394	-
Maintenance of investment properties	17,647	19,574
Other	5,484	95
Total other expenses	23,526	19,669
Ordinary income	87,434	56,396
Net income before income taxes and minority interests	87,434	56,396
Income tax expense - current	68,470	62,415
Income tax expense - deferred	(29,607)	(27,714)
Total income tax expense	38,863	34,700
Net income	48,571	21,695
Loss attributable to non-controlling interests	(9,530)	(2,577)
Profit attributable to owners of parent	58,102	24,273

	For the three months ended March 31, 2023	For the three months ended March 31, 2024
Net income	48,571	21,695
Other comprehensive income		
Valuation difference on available-for-sale securities	4,052	39,914
Foreign currency translation adjustment	7,768	18,050
Total other comprehensive income	11,821	57,965
Total comprehensive income	60,393	79,661
Total comprehensive income attributable to:		
Owners of the parent	69,132	79,095
Non-controlling interests	(8,739)	565