

## Consolidated Balance Sheets

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

**As of September 30, 2024, and December 31, 2023**

(in thousand Yen)

	<b>December 31, 2023</b>	<b>September 30, 2024</b>
<b>(Assets)</b>		
<b>Current assets</b>		
Cash and bank deposits	2,807,529	2,801,258
Notes and accounts receivable - trade, and contract assets	266,556	342,422
Electronically recorded monetary claims-operating	216,816	295,980
Inventories	36,272	20,313
Other current assets	218,799	286,316
Allowance for doubtful accounts	(184)	(250)
<b>Total current assets</b>	<b>3,545,789</b>	<b>3,746,041</b>
<b>Non current assets</b>		
<b>Tangible fixed assets</b>	<b>355,417</b>	<b>329,673</b>
<b>Intangible fixed assets</b>	<b>25,736</b>	<b>14,758</b>
<b>Investments</b>		
Investments securities	249,747	316,108
Net investments in real estates	358,543	354,074
Insurance funds	557,159	603,530
Other investments	496,373	497,167
Allowance for doubtful accounts	(4,537)	(4,537)
<b>Total investments</b>	<b>1,657,287</b>	<b>1,766,343</b>
<b>Total non current assets</b>	<b>2,038,442</b>	<b>2,110,776</b>
<b>Total assets</b>	<b>5,584,231</b>	<b>5,856,817</b>

## Consolidated Balance Sheets

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

**As of September 30, 2024, and December 31, 2023**

(in thousand Yen)

	December 31, 2023	September 30, 2024
<b>(Liabilities)</b>		
<b>Current liabilities</b>		
Accounts payable	49,153	106,353
Income taxes payable	13,660	62,235
Provision for bonuses	-	52,103
Contract liabilities	794,533	937,750
Other current liabilities	219,133	151,198
<b>Total current liabilities</b>	<b>1,076,481</b>	<b>1,309,641</b>
<b>Non current liabilities</b>		
Provision for share-based remuneration for officers	24,800	28,814
Net defined benefit liability	1,117,934	1,129,160
Other non current liabilities	238,735	228,661
<b>Total non current liabilities</b>	<b>1,381,470</b>	<b>1,386,636</b>
<b>Total liabilities</b>	<b>2,457,952</b>	<b>2,696,277</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	2,357,329	2,354,382
Treasury stock	(117,889)	(117,889)
<b>Total shareholders' equity</b>	<b>2,864,440</b>	<b>2,861,492</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	121,358	170,955
Foreign currency translation adjustments	88,253	100,608
<b>Total accumulated other comprehensive income</b>	<b>209,612</b>	<b>271,563</b>
<b>Non-controlling interests</b>	52,227	27,483
<b>Total net assets</b>	<b>3,126,279</b>	<b>3,160,539</b>
<b>Total liabilities and net assets</b>	<b>5,584,231</b>	<b>5,856,817</b>

## Consolidated Statements of Income

**C&G SYSTEMS INC. and consolidated subsidiaries**  
**For the nine months ended September 30, 2024**

(in thousand Yen)

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2024
<b>Sales</b>	2,968,389	2,803,405
Costs of goods sold	1,028,007	926,844
<b>Gross profit</b>	<b>1,940,381</b>	<b>1,876,561</b>
<b>Selling, general and administrative expenses</b>	<b>1,799,974</b>	<b>1,767,597</b>
<b>Operating income</b>	<b>140,407</b>	<b>108,964</b>
<b>Other income</b>		
Interest received and dividends income	5,996	9,928
Rent income	73,736	73,766
Insurance premiums refunded cancellation	25,962	-
Other	11,550	10,725
<b>Total other income</b>	<b>117,246</b>	<b>94,419</b>
<b>Other expenses</b>		
Interest expense	815	183
Maintenance of investment properties	55,096	46,709
Other	1,410	330
<b>Total other expenses</b>	<b>57,322</b>	<b>47,222</b>
<b>Ordinary income</b>	<b>200,331</b>	<b>156,161</b>
<b>Net income before income taxes and minority interests</b>	<b>200,331</b>	<b>156,161</b>
Income tax expense - current	106,295	97,915
Income tax expense - deferred	(21,985)	(22,521)
<b>Total income tax expense</b>	<b>84,310</b>	<b>75,393</b>
<b>Net income</b>	<b>116,021</b>	<b>80,767</b>
<b>Profit and losses attributable to non-controlling interests</b>	<b>12,441</b>	<b>(12,298)</b>
<b>Profit attributable to owners of parent</b>	<b>103,580</b>	<b>93,066</b>

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2024
<b>Net income</b>	116,021	80,767
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	7,715	49,596
Foreign currency translation adjustment	47,146	13,542
<b>Total other comprehensive income</b>	<b>54,861</b>	<b>63,139</b>
<b>Total comprehensive income</b>	<b>170,882</b>	<b>143,906</b>
Total comprehensive income attributable to:		
Owners of the parent	151,846	155,017
Non-controlling interests	19,036	(11,110)