

Consolidated Balance Sheets

CGS HOLDINGS INC. and consolidated subsidiaries

As of September 30, 2025, and December 31, 2024

(in thousand Yen)

	December 31, 2024	September 30, 2025
(Assets)		
Current assets		
Cash and bank deposits	2,866,225	2,933,833
Notes and accounts receivable - trade, and contract assets	312,662	304,753
Electronically recorded monetary claims-operating	339,146	205,265
Inventories	63,204	48,155
Other current assets	352,784	325,484
Allowance for doubtful accounts	(446)	(306)
Total current assets	3,933,577	3,817,187
Non current assets		
Tangible fixed assets	330,070	320,521
Intangible fixed assets	16,232	11,410
Investments		
Investments securities	320,212	357,066
Deferred tax assets	328,160	411,932
Net investments in real estates	352,585	348,352
Insurance funds	618,987	665,358
Other investments	150,803	143,083
Allowance for doubtful accounts	(2,944)	(3,060)
Total investments	1,767,804	1,922,733
Total non current assets	2,114,107	2,254,664
Total assets	6,047,684	6,071,852

	December 31, 2024	September 30, 2025
(Liabilities)		
Current liabilities		
Accounts payable	73,719	57,847
Income taxes payable	66,496	107,691
Provision for bonuses	-	54,467
Contract liabilities	1,054,042	907,028
Other current liabilities	226,734	227,260
Total current liabilities	1,420,992	1,354,295
Non current liabilities		
Provision for share-based remuneration for officers	30,146	34,077
Net defined benefit liability	1,136,082	1,099,805
Other non current liabilities	228,803	228,340
Total non current liabilities	1,395,031	1,362,224
Total liabilities	2,816,024	2,716,519
(Net assets)		
Shareholders' equity		
Capital stock	500,000	500,000
Additional paid-in capital	125,518	114,318
Retained earnings	2,383,183	2,529,306
Treasury stock	(117,889)	(106,689)
Total shareholders' equity	2,890,811	3,036,934
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	174,777	129,948
Foreign currency translation adjustments	124,647	114,832
Total accumulated other comprehensive income	299,424	244,780
Non-controlling interests	41,423	73,617
Total net assets	3,231,659	3,355,332
Total liabilities and net assets	6,047,684	6,071,852

Consolidated Statements of Income

CGS HOLDINGS INC. and consolidated subsidiaries

For the nine months ended September 30, 2025

(in thousand Yen)

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2025
Sales	2,803,405	3,486,577
Costs of goods sold	926,844	1,282,944
Gross profit	1,876,561	2,203,633
Selling, general and administrative expenses	1,767,597	1,893,643
Operating income	108,964	309,989
Other income		
Interest received and dividends income	9,928	12,814
Rent income	73,766	71,999
Other	10,725	12,919
Total other income	94,419	97,733
Other expenses		
Interest expense	183	-
Maintenance of investment properties	46,709	50,366
Other	330	1,568
Total other expenses	47,222	51,934
Ordinary income	156,161	355,787
Net income before income taxes and minority interests	156,161	355,787
Income tax expense - current	97,915	118,171
Income tax expense - deferred	(22,521)	(58,429)
Total income tax expense	75,393	59,742
Net income	80,767	296,045
Profit and losses attributable to non-controlling interests	(12,298)	53,908
Profit attributable to owners of parent	93,066	242,137

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2025
Net income	80,767	296,045
Other comprehensive income		
Valuation difference on available-for-sale securities	49,596	(44,829)
Foreign currency translation adjustment	13,542	(15,586)
Total other comprehensive income	63,139	(60,415)
Total comprehensive income	143,906	235,629
Total comprehensive income attributable to:		
Owners of the parent	155,017	187,492
Non-controlling interests	(11,110)	48,136