

## Consolidated Balance Sheets

**CGS HOLDINGS INC. and consolidated subsidiaries**  
**As of March 31, 2026 and December 31, 2025**

(in thousand Yen)

	<b>December 31, 2025</b>	<b>March, 31 2026</b>
<b>(Assets)</b>		
<b>Current assets</b>		
Cash and bank deposits	2,780,424	2,627,968
Notes and accounts receivable - trade, and contract assets	486,349	511,780
Electronically recorded monetary claims-operating	212,704	182,786
Inventories	41,073	68,931
Prepaid expenses	453,586	496,671
Other current assets	249,704	159,346
Allowance for doubtful accounts	(477)	(499)
<b>Total current assets</b>	<b>4,223,365</b>	<b>4,046,984</b>
<b>Non current assets</b>		
<b>Tangible fixed assets</b>	<b>418,115</b>	<b>451,820</b>
<b>Intangible fixed assets</b>		
Goodwill	298,113	282,423
Other intangible fixed assets	21,145	12,198
<b>Total intangible fixed assets</b>	<b>319,259</b>	<b>294,621</b>
<b>Investments</b>		
Investments securities	411,936	370,598
Net defined benefit asset	17,470	29,689
Net investments in real estates	346,941	345,653
Insurance funds	680,815	696,272
Other investments	700,639	727,198
Allowance for doubtful accounts	(3,063)	(3,121)
<b>Total investments</b>	<b>2,154,739</b>	<b>2,166,290</b>
<b>Total non current assets</b>	<b>2,892,114</b>	<b>2,912,731</b>
<b>Total assets</b>	<b>7,115,480</b>	<b>6,959,716</b>

	<b>December 31, 2025</b>	<b>March, 31 2026</b>
<b>(Liabilities)</b>		
<b>Current liabilities</b>		
Accounts payable	108,121	125,021
Income taxes payable	108,248	87,202
Provision for bonuses	15,469	79,717
Contract liabilities	1,205,820	1,151,925
Other current liabilities	460,595	434,924
<b>Total current liabilities</b>	<b>1,898,255</b>	<b>1,878,792</b>
<b>Non current liabilities</b>		
Provision for share-based remuneration for directors	35,877	37,253
Net defined benefit liability	1,393,924	1,368,247
Other non current liabilities	276,761	273,011
<b>Total non current liabilities</b>	<b>1,706,563</b>	<b>1,678,512</b>
<b>Total liabilities</b>	<b>3,604,819</b>	<b>3,557,304</b>
<b>(Net assets)</b>		
<b>Shareholders' equity</b>		
Capital stock	500,000	500,000
Additional paid-in capital	114,318	114,318
Retained earnings	2,551,124	2,494,378
Treasury stock	(106,689)	(106,689)
<b>Total shareholders' equity</b>	<b>3,058,752</b>	<b>3,002,006</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	168,647	138,454
Foreign currency translation adjustments	134,516	134,156
<b>Total accumulated other comprehensive income</b>	<b>303,163</b>	<b>272,610</b>
<b>Non-controlling interests</b>	<b>148,744</b>	<b>127,794</b>
<b>Total net assets</b>	<b>3,510,660</b>	<b>3,402,412</b>
<b>Total liabilities and net assets</b>	<b>7,115,480</b>	<b>6,959,716</b>

## Consolidated Statements of Income

**CGS HOLDINGS INC. and consolidated subsidiaries**  
**For the three months ended March 31, 2026**

(in thousand Yen)

	For the three months ended March 31, 2025	For the three months ended March 31, 2026
<b>Sales</b>	1,144,931	1,457,144
Costs of goods sold	448,847	604,983
<b>Gross profit</b>	696,084	852,160
<b>Selling, general and administrative expenses</b>	634,261	744,365
<b>Operating income</b>	<b>61,822</b>	<b>107,795</b>
<b>Other income</b>		
Interest received and dividends income	1,352	3,066
Rent income	23,848	23,879
Other	26,255	6,971
<b>Total other income</b>	<b>51,455</b>	<b>33,917</b>
<b>Other expenses</b>		
Maintenance of investment properties	17,684	17,708
Other	1,247	724
<b>Total other expenses</b>	<b>18,931</b>	<b>18,433</b>
<b>Ordinary income</b>	<b>94,346</b>	<b>123,279</b>
<b>Net income before income taxes and minority interests</b>	<b>94,346</b>	<b>123,279</b>
Income tax expense - current	36,768	84,110
Income tax expense - deferred	(24,412)	(16,185)
<b>Total income tax expense</b>	<b>12,356</b>	<b>67,925</b>
<b>Net income</b>	<b>81,990</b>	<b>55,354</b>
<b>Profit attributable to non-controlling interests</b>	28,552	15,086
<b>Profit attributable to owners of parent</b>	<b>53,437</b>	<b>40,268</b>

	For the three months ended March 31, 2025	For the three months ended March 31, 2026
<b>Net income</b>	81,990	55,354
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(30,696)	(30,193)
Foreign currency translation adjustment	(22,475)	1,035
<b>Total other comprehensive income</b>	<b>(53,171)</b>	<b>(29,157)</b>
<b>Total comprehensive income</b>	28,818	26,197
Total comprehensive income attributable to:		
Owners of the parent	5,706	9,715
Non-controlling interests	23,111	16,481