

## Consolidated Statements of Income

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

**For the six months ended June 30, 2017**

(in thousand Yen)

	For the six months ended June 30, 2016	For the six months ended June 30, 2017
<b>Sales</b>	2,179,647	2,087,034
Costs of goods sold	864,639	774,500
<b>Gross profit</b>	1,315,008	1,312,533
<b>Selling, general and administrative expenses</b>	1,089,543	1,078,878
<b>Operating income</b>	<b>225,464</b>	<b>233,654</b>
<b>Other income</b>		
Interest received	592	476
Dividends income	2,017	2,002
Rent income	43,774	43,638
Reversal of allowance for doubtful accounts	5,300	6,182
Other	2,214	6,991
<b>Total other income</b>	<b>53,900</b>	<b>59,292</b>
<b>Other expenses</b>		
Interest expense	216	65
Maintenance of investment properties	35,394	34,968
Other	2,715	424
<b>Total other expenses</b>	<b>38,327</b>	<b>35,457</b>
<b>Ordinary income</b>	<b>241,037</b>	<b>257,488</b>
<b>Net income before income taxes and minority interests</b>	<b>241,037</b>	<b>257,488</b>
Income tax expense - current	81,050	111,522
Income tax expense - deferred	1,548	(11,194)
<b>Total income tax expense</b>	<b>82,598</b>	<b>100,328</b>
<b>Net income</b>	<b>158,438</b>	<b>157,160</b>
<b>Profit attributable to non-controlling interests</b>	21,115	13,365
<b>Profit attributable to owners of parent</b>	<b>137,323</b>	<b>143,794</b>

	For the six months ended June 30, 2016	For the six months ended June 30, 2017
<b>Net income</b>	158,438	157,160
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(1,529)	19,721
Foreign currency translation adjustment	(45,685)	(10,380)
<b>Total other comprehensive income</b>	<b>(47,214)</b>	<b>9,341</b>
<b>Total comprehensive income</b>	<b>111,223</b>	<b>166,501</b>
Total comprehensive income attributable to:		
Owners of the parent	97,423	155,618
Non-controlling interests	13,799	10,883