

## Consolidated Balance Sheets

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

**As of September 30, 2020, and December 31, 2019**

(in thousand Yen)

	<b>December 31, 2019</b>	<b>September 30, 2020</b>
<b>(Assets)</b>		
<b>Current assets</b>		
Cash and bank deposits	2,335,443	2,555,586
Notes and accounts receivable	445,814	345,859
Electronically recorded monetary claims-operating	288,662	208,920
Inventories	119,239	100,134
Other current assets	178,877	178,544
Allowance for doubtful accounts	(1,120)	(886)
<b>Total current assets</b>	<b>3,366,918</b>	<b>3,388,160</b>
<b>Non current assets</b>		
<b>Tangible fixed assets</b>	289,262	295,238
<b>Intangible fixed assets</b>	19,127	9,119
<b>Investments</b>		
Investments securities	77,461	112,653
Net investments in real estates	385,873	380,306
Insurance funds	441,919	446,954
Other investments	457,166	483,516
Allowance for doubtful accounts	(3,980)	(4,466)
<b>Total investments</b>	<b>1,358,441</b>	<b>1,418,964</b>
<b>Total non current assets</b>	<b>1,666,832</b>	<b>1,723,321</b>
<b>Total assets</b>	<b>5,033,750</b>	<b>5,111,481</b>

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**As of September 30, 2020, and December 31, 2019**

(in thousand Yen)

	<b>December 31, 2019</b>	<b>September 30, 2020</b>
<b>(Liabilities)</b>		
<b>Current liabilities</b>		
Accounts payable	65,701	61,693
Short-term loans payable	—	12,452
Current portion of bonds	100,000	100,000
Income taxes payable	88,043	43,872
Provision for bonuses	—	47,577
Advances from customers	774,556	827,760
Other current liabilities	181,618	139,067
<b>Total current liabilities</b>	<b>1,209,920</b>	<b>1,232,422</b>
<b>Non current liabilities</b>		
Provision for share-based remuneration for officers	3,874	7,766
Net defined benefit liability	944,272	1,002,985
Other non current liabilities	252,804	264,726
<b>Total non current liabilities</b>	<b>1,200,952</b>	<b>1,275,478</b>
<b>Total liabilities</b>	<b>2,410,872</b>	<b>2,507,901</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	2,099,914	2,061,435
Treasury stock	(117,889)	(117,889)
<b>Total shareholders' equity</b>	<b>2,607,024</b>	<b>2,568,545</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(43,559)	640
Foreign currency translation adjustments	14,395	(2,565)
<b>Total accumulated other comprehensive income</b>	<b>(29,164)</b>	<b>(1,925)</b>
<b>Non-controlling interests</b>	45,017	36,960
<b>Total net assets</b>	<b>2,622,877</b>	<b>2,603,580</b>
<b>Total liabilities and net assets</b>	<b>5,033,750</b>	<b>5,111,481</b>