

Consolidated Balance Sheets

C&G SYSTEMS INC. and consolidated subsidiaries

As of September 30, 2021, and December 31, 2020

(in thousand Yen)

	December 31, 2020	September 30, 2021
(Assets)		
Current assets		
Cash and bank deposits	2,503,310	2,679,493
Notes and accounts receivable	306,936	336,893
Electronically recorded monetary claims-operating	193,745	224,824
Inventories	89,814	134,996
Other current assets	157,743	184,966
Allowance for doubtful accounts	(808)	(875)
Total current assets	3,250,742	3,560,299
Non current assets		
Tangible fixed assets	288,281	278,458
Intangible fixed assets	21,103	25,144
Investments		
Investments securities	118,100	186,059
Net investments in real estates	378,474	373,221
Insurance funds	448,633	453,668
Other investments	470,803	501,659
Allowance for doubtful accounts	(4,362)	(4,361)
Total investments	1,411,650	1,510,246
Total non current assets	1,721,034	1,813,849
Total assets	4,971,777	5,374,149

Consolidated Balance Sheets

C&G SYSTEMS INC. and consolidated subsidiaries

As of September 30, 2021, and December 31, 2020

(in thousand Yen)

	December 31, 2020	September 30, 2021
(Liabilities)		
Current liabilities		
Accounts payable	56,724	65,912
Short-term loans payable	12,181	16,684
Income taxes payable	44,325	94,160
Provision for bonuses	—	49,977
Advances from customers	751,045	848,568
Other current liabilities	192,818	142,759
Total current liabilities	1,057,095	1,218,063
Non current liabilities		
Provision for share-based remuneration for officers	9,066	12,965
Net defined benefit liability	1,017,536	1,050,415
Other non current liabilities	268,243	263,080
Total non current liabilities	1,294,846	1,326,461
Total liabilities	2,351,941	2,544,525
(Net assets)		
Shareholders' equity		
Capital stock	500,000	500,000
Additional paid-in capital	125,000	125,000
Retained earnings	2,064,352	2,197,423
Treasury stock	(117,889)	(117,889)
Total shareholders' equity	2,571,462	2,704,533
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,043	72,689
Foreign currency translation adjustments	(2,029)	7,669
Total accumulated other comprehensive income	8,014	80,358
Non-controlling interests	40,359	44,731
Total net assets	2,619,836	2,829,624
Total liabilities and net assets	4,971,777	5,374,149

Consolidated Statements of Income

C&G SYSTEMS INC. and consolidated subsidiaries
For the nine months ended September 30, 2021

(in thousand Yen)

	For the nine months ended September 30, 2020	For the nine months ended September 30, 2021
Sales	2,824,093	2,796,398
Costs of goods sold	1,038,509	1,002,063
Gross profit	1,785,583	1,794,334
Selling, general and administrative expenses	1,617,965	1,546,847
Operating income	167,618	247,486
Other income		
Interest received and dividends income	2,968	2,575
Rent income	70,173	70,572
Other	10,994	42,001
Total other income	84,137	115,148
Other expenses		
Interest expense	346	372
Loss on valuation of investment securities	59,608	267
Maintenance of investment properties	51,124	49,986
Other	2,646	40
Total other expenses	113,726	50,666
Ordinary income	138,029	311,968
Net income before income taxes and minority interests	138,029	311,968
Income tax expense - current	90,326	130,715
Income tax expense - deferred	(29,345)	(34,771)
Total income tax expense	60,981	95,943
Net income	77,048	216,024
Profit and losses attributable to non-controlling interests	19,513	15,742
Profit attributable to owners of parent	57,534	200,281

	For the nine months ended September 30, 2020	For the nine months ended September 30, 2021
Net income	77,048	216,024
Other comprehensive income		
Valuation difference on available-for-sale securities	44,200	62,645
Foreign currency translation adjustment	(19,336)	11,756
Total other comprehensive income	24,864	74,401
Total comprehensive income	101,912	290,426
Total comprehensive income attributable to:		
Owners of the parent	84,773	272,625
Non-controlling interests	17,139	17,800