Consolidated Statements of Income

C&G SYSTEMS INC. and consolidated subsidiaries
For the nine months ended September 30, 2020 (in thousand Yen)

	For the nine months ended September 30, 2019	For the nine months ended September 30, 2020
Sales	3,187,106	2,824,093
Costs of goods sold	1,176,783	1,038,509
Gross profit	2,010,322	1,785,583
Selling, general and administrative expenses	1,749,514	1,617,965
Operating income	**260,808**	**167,618**
Other income		
Interest received and dividends income	3,662	2,968
Rent income	66,719	70,173
Other	1,197	10,994
Total other income	**71,579**	**84,137**
Other expenses		
Interest expense	397	346
Loss on valuation of investment securities	—	59,608
Maintenance of investment properties	49,850	51,124
Other	5,562	2,646
Total other expenses	**55,810**	**113,726**
Ordinary income	**276,577**	**138,029**
Net income before income taxes and minority interests	**276,577**	**138,029**
Income tax expense - current	129,901	90,326
Income tax expense - deferred	(32,493)	(29,345)
Total income tax expense	**97,407**	**60,981**
Net income	**179,169**	**77,048**
Profit and losses attributable to non-controlling interests	24,772	19,513
Profit attributable to owners of parent	**154,396**	**57,534**

	For the nine months ended September 30, 2019	For the nine months ended September 30, 2020
Net income	179,169	77,048
Other comprehensive income		
Valuation difference on available-for-sale securities	(49,686)	44,200
Foreign currency translation adjustment	(1,377)	(19,336)
Total other comprehensive income	(51,063)	24,864
Total comprehensive income	128,105	101,912
Total comprehensive income attributable to:		
Owners of the parent	103,929	84,773
Non-controlling interests	24,176	17,139