

MEDIROM HEALTHCARE TECHNOLOGIES INC. CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2020, 2021 (UNAUDITED) AND DECEMBER 31, 2020
(Yen in thousands, except share data)

ASSETS	June30, 2021 (Unaudited)	June30, 2020 (Unaudited)	December31, 2020
Current assets:			
Cash and cash equivalents	354,950	225,060	1,439,733
Time deposits	—	32,520	—
Accounts receivable-trade, net	89,416	144,246	148,540
Accounts receivable-other	305,851	251,348	411,278
Due from shareholder	—	300	—
Inventories	10,904	5,880	7,956
Prepaid expenses and other current assets	111,057	90,642	79,717
Total current assets	<u>872,178</u>	<u>749,996</u>	<u>2,087,224</u>
Non-current assets:			
Property and equipment, net	330,692	237,632	235,930
Goodwill	535,246	163,008	150,720
Other intangible assets, net	91,036	75,538	97,615
Investments	53,020	14,044	500
Long-term accounts receivable-other, net	115,247	142,110	116,942
Right-of-use asset – operating lease, net	1,709,722	1,631,410	1,578,828
Lease and guarantee deposits	784,796	684,781	710,636
Deferred tax assets, net	613,311	211,459	655,591
Deferred offering costs	—	125,574	—
Other assets	94,768	62,419	79,480
Total assets	<u>5,200,016</u>	<u>4,097,971</u>	<u>5,713,466</u>
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)			
Current liabilities:			
Accounts payable	62,244	70,196	67,016
Accrued expenses	814,390	437,321	889,112
Short-term borrowings and current portion of long-term borrowings	181,884	357,285	242,281
Accrued income taxes	13,211	20,939	43,198
Contract liability (current)	92,988	—	172,063
Advances received	438,482	358,296	461,665
Short-term lease liability	702,685	683,026	658,320
Other current liabilities	141,550	92,097	118,933
Total current liabilities	<u>2,447,434</u>	<u>2,019,160</u>	<u>2,652,588</u>
Non-current liabilities:			
Long-term borrowings – net of current portion	573,275	380,159	668,380
Deposit received	340,525	408,193	375,463
Long-term contract liability - net of current portion	297,523	—	333,978
Long-term lease liability – net of current portion	1,059,530	964,973	992,892
Asset retirement obligation	256,967	158,680	191,192
Other liabilities	18,693	9,719	7,716
Total liabilities	<u>4,993,947</u>	<u>3,940,884</u>	<u>5,222,209</u>
SHAREHOLDERS' EQUITY (DEFICIT):			
Common stock, no par value; 9,999,999 shares authorized; 4,115,000 shares issued and 4,022,500 shares outstanding at June 30, 2020 and December 31, 2019	1,223,134	595,000	1,179,313
Class A common stock, no par value; 1 share authorized; 1 share issued and 1 share outstanding at June 30, 2020 and December 31, 2019	100	100	100
Treasury stock, at cost – 92,500 common shares at June 30, 2020 and December 31, 2019	(3,000)	(3,000)	(3,000)
Additional paid-in capital	1,210,907	713,267	1,018,146
Accumulated deficit	(2,225,072)	(1,148,280)	(1,703,302)
Total shareholders' equity	<u>206,069</u>	<u>157,087</u>	<u>491,257</u>
Total liabilities and shareholders' equity	<u>5,200,016</u>	<u>4,097,971</u>	<u>5,713,466</u>