

**MEDIROM HEALTHCARE TECHNOLOGIES INC. CONDENSED CONSOLIDATED BALANCE SHEETS**  
**AS OF JUNE 30, 2020, 2021 AND 2022 (UNAUDITED)**  
(Yen in thousands, except share data)

<b>ASSETS</b>	June30, 2022 (Unaudited)	June30, 2021 (Unaudited)	June30, 2020 (Unaudited)
<b>Current assets:</b>			
Cash and cash equivalents	100,718	354,950	225,060
Time deposits	26,026	—	32,520
Accounts receivable-trade, net	374,249	89,416	144,246
Accounts receivable-other	418,299	305,851	251,348
Due from shareholder	—	—	300
Inventories	29,301	10,904	5,880
Prepaid expenses and other current assets	287,300	111,057	90,642
Total current assets	<u>1,235,893</u>	<u>872,178</u>	<u>749,996</u>
<b>Non-current assets:</b>			
Property and equipment, net	412,628	330,692	237,632
Goodwill	529,939	535,246	163,008
Other intangible assets, net	371,438	91,036	75,538
Investments	53,020	53,020	14,044
Long-term accounts receivable-other, net	96,838	115,247	142,110
Right-of-use asset – operating lease, net	1,881,613	1,709,722	1,631,410
Lease and guarantee deposits	864,232	784,796	684,781
Deferred tax assets, net	—	613,311	211,459
Deferred offering costs	—	—	125,574
Other assets	44,066	94,768	62,419
Total assets	<u>5,489,667</u>	<u>5,200,016</u>	<u>4,097,971</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>			
<b>Current liabilities:</b>			
Accounts payable	230,318	62,244	70,196
Accrued expenses	1,051,954	814,390	437,321
Short-term borrowings and current portion of long-term borrowings	151,641	181,884	357,285
Accrued income taxes	46,312	13,211	20,939
Contract liability (current)	96,945	92,988	—
Advances received	488,056	438,482	358,296
Short-term lease liability	732,832	702,685	683,026
Other current liabilities	—	141,550	92,097
Total current liabilities	<u>364,253</u>	<u>2,447,434</u>	<u>2,019,160</u>
<b>Non-current liabilities:</b>	3,162,311		
Long-term borrowings – net of current portion	697,588	573,275	380,159
Deposit received	318,655	340,525	408,193
Long-term contract liability - net of current portion	191,151	297,523	—
Long-term lease liability – net of current portion	1,183,349	1,059,530	964,973
Asset retirement obligation	299,546	256,967	158,680
Other liabilities	26,951	18,693	9,719
Total liabilities	<u>5,879,551</u>	<u>4,993,947</u>	<u>3,940,884</u>
<b>SHAREHOLDERS' EQUITY (DEFICIT):</b>			
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	1,223,134	595,000
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	1,265,456	1,210,907	713,267
Accumulated deficit	(2,875,574)	(2,225,072)	(1,148,280)
Total shareholders' equity	<u>(389,884)</u>	<u>206,069</u>	<u>157,087</u>
Total liabilities and shareholders' equity	<u>5,489,667</u>	<u>5,200,016</u>	<u>4,097,971</u>