

MEDIROM HEALTHCARE TECHNOLOGIES INC. CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2023, 2022, 2021 AND 2020 (UNAUDITED)
(Yen in thousands, except share data)

ASSETS	June30, 2023 (Unaudited)	June30, 2022 (Unaudited)	June30, 2021 (Unaudited)	June30, 2020 (Unaudited)
Current assets:				
Cash and cash equivalents	117,728	100,718	354,950	225,060
Time deposits	—	26,026	—	32,520
Accounts receivable-trade, net	591,302	374,249	89,416	144,246
Accounts receivable-other	375,823	418,299	305,851	251,348
Due from shareholder	—	—	—	300
Inventories	193,824	29,301	10,904	5,880
Prepaid expenses and other current assets	284,356	287,300	111,057	90,642
Total current assets	<u>1,563,033</u>	<u>1,235,893</u>	<u>872,178</u>	<u>749,996</u>
Non-current assets:				
Property and equipment, net	469,856	412,628	330,692	237,632
Goodwill	486,998	529,939	535,246	163,008
Other intangible assets, net	470,706	371,438	91,036	75,538
Investments	53,020	53,020	53,020	14,044
Long-term accounts receivable-other, net	98,433	96,838	115,247	142,110
Right-of-use asset – operating lease, net	2,058,796	1,881,613	1,709,722	1,631,410
Lease and guarantee deposits	853,133	864,232	784,796	684,781
Deferred tax assets, net	—	—	613,311	211,459
Deferred offering costs	—	—	—	125,574
Other assets	4,646	44,066	94,768	62,419
Total assets	<u>6,058,621</u>	<u>5,489,667</u>	<u>5,200,016</u>	<u>4,097,971</u>
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)				
Current liabilities:				
Accounts payable	209,907	230,318	62,244	70,196
Accrued expenses	945,514	1,051,954	814,390	437,321
Short-term borrowings and current portion of long-term borrowings	92,350	151,641	181,884	357,285
Accrued income taxes	24,548	46,312	13,211	20,939
Contract liability (current)	107,146	96,945	92,988	—
Advances received	358,613	488,056	438,482	358,296
Short-term lease liability	746,993	732,832	702,685	683,026
Other current liabilities	785,153	364,253	141,550	92,097
Total current liabilities	<u>3,270,224</u>	<u>3,162,311</u>	<u>2,447,434</u>	<u>2,019,160</u>
Non-current liabilities:				
Long-term borrowings – net of current portion	1,104,197	697,588	573,275	380,159
Deposit received	288,504	318,655	340,525	408,193
Long-term contract liability - net of current portion	135,593	191,151	297,523	—
Long-term lease liability – net of current portion	1,326,469	1,183,349	1,059,530	964,973
Asset retirement obligation	334,826	299,546	256,967	158,680
Other liabilities	13,252	26,951	18,693	9,719
Total liabilities	<u>6,473,065</u>	<u>5,879,551</u>	<u>4,993,947</u>	<u>3,940,884</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	19,900	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	100
Treasury stock, at cost – 92,500 common shares at June 30, 2020 and December 31, 2019	(3,000)	(3,000)	(3,000)	(3,000)
Additional paid-in capital	238,185	1,265,456	1,210,907	713,267
Accumulated deficit	(669,629)	(2,875,574)	(2,225,072)	(1,148,280)
Total shareholders' equity	<u>(414,444)</u>	<u>(389,884)</u>	<u>206,069</u>	<u>157,087</u>
Total liabilities and shareholders' equity	<u>6,058,621</u>	<u>5,489,667</u>	<u>5,200,016</u>	<u>4,097,971</u>