

MEDIROM HEALTHCARE TECHNOLOGIES INC.
CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2020 AND 2019
(Yen in thousands, except share data)

ASSETS	Years Ended December 31,	
	2020	2019
Current assets:		
Cash and cash equivalents	1,439,733	513,621
Time deposits	32,524	38,520
Accounts receivable-trade, net	148,540	337,048
Accounts receivable-other	411,278	428,278
Due from shareholder	0	8,266
Inventories	7,956	5,511
Prepaid expenses and other current assets	47,193	47,485
Total current assets	<u>2,087,224</u>	<u>1,378,729</u>
Non-current assets:		
Property and equipment, net	235,930	168,955
Goodwill	150,720	78,282
Other intangible assets, net	97,615	77,638
Investments	500	14,044
Long-term accounts receivable-other, net	116,942	106,208
Right-of-use asset—operating lease, net	1,578,828	1,829,968
Lease and guarantee deposits	710,636	769,104
Deferred tax assets, net	655,591	222,505
Deferred offering costs	0	57,509
Other assets	79,480	54,523
Total assets	<u>5,713,466</u>	<u>4,757,465</u>
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	67,016	122,590
Accrued expenses	889,112	447,974
Short-term borrowings and current portion of long-term borrowings	242,281	371,570
Accrued income taxes	43,198	17,834
Contract liability (current)	172,063	0
Advances received	461,665	483,124
Short-term lease liability	658,320	704,024
Other current liabilities	118,933	115,573
Total current liabilities	<u>2,652,588</u>	<u>2,262,689</u>
Non-current liabilities:		
Long-term borrowings – net of current portion	668,380	150,531
Deposit received	375,463	474,388
Long-term contract liability - net of current portion	333,978	0
Long-term lease liability – net of current portion	992,892	1,136,799
Asset retirement obligation	191,192	127,411
Other liabilities	7,716	5,589
Total liabilities	<u>5,222,209</u>	<u>4,157,407</u>
SHAREHOLDERS' EQUITY:		
Common stock, no par value; 9,999,999 shares authorized; 4,915,000 shares issued and 4,822,500 shares outstanding at December 31, 2020; 4,115,000 shares issued and 4,022,500 shares outstanding at December 31, 2019	1,179,313	595,000
Class A common stock, no par value; 1 share authorized; 1 share issued and 1 share outstanding at December 31, 2019 and 2018	100	100
Treasury stock, at cost – 92,500 common shares at December 31, 2019 and 2018	(3,000)	(3,000)
Additional paid-in capital	1,018,146	713,267
Accumulated deficit	(1,703,302)	(705,309)
Total shareholders' equity	<u>491,257</u>	<u>600,058</u>
Total liabilities and shareholders' equity	<u>5,713,466</u>	<u>4,757,465</u>