

**MEDIROM HEALTHCARE TECHNOLOGIES INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF (LOSS) INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2023, 2022, 2021 AND 2020**  
(Yen in thousands, except share and per share data)

	<b>Six Months Ended June30,</b>			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Revenue</b>				
Revenue from directly-operated salons	2,690,467	2,524,149	1,421,413	751,267
Franchise revenue	489,593	580,859	689,148	593,236
Other revenues	62,730	42,037	16,918	11,774
Total revenues	<u>3,242,790</u>	<u>3,147,045</u>	<u>2,127,479</u>	<u>1,356,277</u>
<b>Cost of revenues and operating expenses:</b>				
Cost of revenue from directly-operated salons	2,238,417	2,001,921	1,415,685	866,297
Cost of franchise revenue	269,229	279,223	335,458	394,906
Cost of other revenues	56,185	50,106	17,764	8,017
Selling, general and administrative expenses	989,222	969,503	840,760	521,364
Impairment loss on long-lived assets	—	1,173	—	—
Total cost of revenues and operating expenses	<u>3,553,053</u>	<u>3,301,926</u>	<u>2,609,667</u>	<u>1,790,584</u>
<b>Operating (loss) income</b>	<u>(310,263)</u>	<u>(154,881)</u>	<u>(482,188)</u>	<u>(434,307)</u>
Other income (expense):				
Dividend income	2	2	2	2
Interest income	1	357	506	674
Interest expense	(16,859)	(5,707)	(6,683)	(6,076)
Gain from bargain purchases	—	—	1,014	1,624
Subsidies	10,877	18,677	1,065	12,230
Other, net	(35,089)	(17,302)	19,733	1,912
Total other income	<u>(41,068)</u>	<u>(3,973)</u>	<u>15,637</u>	<u>10,366</u>
(Loss) income before income tax expense and equity in earnings of investment	(351,331)	(158,854)	(466,551)	(423,941)
Income tax expense	3,735	22,687	55,291	19,030
Equity in earnings of investment	—	—	—	—
<b>Net (loss) income</b>	<u>(355,066)</u>	<u>(181,541)</u>	<u>(466,551)</u>	<u>(442,971)</u>
Net (loss) earnings per share				
Basic	(72.72)	(37.18)	(107.09)	(110.12)
Diluted	(72.72)	(37.18)	(107.09)	(110.12)
Weighted average shares outstanding				
Basic	4,882,500	4,882,500	4,872,224	4,022,501
Diluted	4,882,500	4,882,500	4,872,224	4,022,501