

Balance Sheet

As of September 30, 2021

(In thousands of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	8,897,746	Current liabilities	6,580,346
Cash and deposits	124,211	Accounts payable	3,098,169
Accounts receivable	4,193,674	Accounts payable to affiliates	1,799,214
Accounts receivable from affiliates	55,636	Lease obligations of affiliates (short-term)	204,318
Undelivered coupons	13,506	Accrued payments	163,683
Inventory	91,777	Accrued expenses	8,893
Business prepayments	14,942	Accrued bonuses	100
Prepayments	66,754	Accrued corporate tax, etc.	2,677
Prepaid expenses	23,207	Accrued consumption tax, etc.	6,299
Short-term loans to affiliates	4,121,894	Advances received	1,190,571
Accounts due	156,081	Deposits	102,183
Corporate taxes receivable	20,814	Income in advance	4,235
Advances	15,245		
Fixed assets	629,350	Fixed liabilities	1,236,747
Property, plant and equipment	40,622	Lease obligations of affiliates (long-term)	225,330
Equipment attached to buildings	20,639	Deposits on contracts	406,952
Equipment and fixtures	19,983	Allowance for retirement benefits	557,383
Intangible fixed assets	270,322	Allowance for retirement benefits for officers	20,840
Software	118,571	Long-term accounts payable to affiliates	20,176
Lease assets	151,578	Long-term accrued expenses	6,064
Telephone rights	172		
Investments and other assets	318,405	Total liabilities	7,817,094
Guarantee deposits	236,554	Net assets	
Long-term prepaid expenses	16,541	Shareholders' equity	1,710,002
Deferred tax assets	65,268	Capital stock	490,000
Long-term receivables	9,402	Capital surplus	413,028
Other	40	Other capital surplus	413,028
Allowance for bad debts	△ 9,402	Earned surplus	806,974
		Earned reserve	122,500
		Other earned surplus	684,474
		Contingent reserve	1,900,000
		Earned surplus carried forward	△ 1,215,525
		(Incl. net loss)	(720,593)
		Total net assets	1,710,002
Total assets	9,527,096	Total liabilities and net assets	9,527,096

Notes to Financial Statements

[Notes for the matters associated with the important accounting policy]

1. Asset evaluation standards and method

Inventory asset evaluation standards and method

Cost method by the specific identification method is used. (Values in the balance sheet are calculated by a write-down of book values due to lowering profitability.)

2. Method of depreciation of fixed assets

(1) Property, plant and equipment: Declining-balance method is used.

(Other than lease assets) For the equipment attached to buildings acquired no earlier than April 1, 2016, however, the straight-line method is used.

(2) Intangible fixed assets: The straight-line method is used.

(Other than lease assets) For the software, however, the straight-line method is used subject to the availability period internally expected (five years).

(3) Lease assets: Lease assets associated with the finance lease transactions under ownership transfer

The same depreciation method is used as for the depreciation for self-owned fixed assets.

Lease assets associated with the finance lease transactions under other than ownership transfer.

The straight-line method is used by assuming the lease period as durable life and the remaining value as zero.

3. Standards for recording allowances

(1) Allowance for bad debts: In preparation for a loss from the non-collection of accounts receivable and other credits, the amount expected to be unrecoverable is recorded by individually considering the recoverability for doubtful accounts receivable and other credits.

(2) Allowance for retirement benefits: In preparation for the retirement benefits for employees, the amount considered to have accrued as of the end of such fiscal year is recorded in accordance with the obligations for retirement benefits and the estimated amount of pension assets as of the end of this fiscal year.

For the actuarial difference, the amount prorated under the straight-line method for certain years within the average remaining service period of employee at that time (i.e., 10 years) is recorded as expenses in the fiscal year next to the year when the difference occurs.

(3) Allowance for retirement benefits for officers: In preparation for the payment of retirement benefits

for officers and executive officers, the amounts payable at the end of year are recorded in accordance with internal rules.

4. Significant standards for recording income and expenses

The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) has been adopted, and revenue is recognized at the time of the transfer of control of promised goods or services to customers in the amount expected to be received in exchange for the goods or services concerned. As for our Business Travel Management business, because the settlement payment service offered is deemed a sequential separate service, revenue is recognized on the date according to the contract with the individual counterpart with the transaction fee as remuneration.

5. Other important matters underlying the preparation of financial statements

(1) Accounting of consumption tax, etc.: Net-of-tax method is used.

(2) Others: In the Balance Sheet, Income Statements, Statements of Changes in Net Assets, and Notes to Financial Statements, values less than one thousand yen are discarded.