

Balance Sheet

As of September 30, 2024

(In thousands of yen)

Assets		Liabilities	
Account Items	Amount	Account Items	Amount
Current assets	26,779,511	Current liabilities	25,616,811
Cash and deposits	843,800	Accounts payable	18,664,842
Accounts receivable	22,168,215	Accounts payable to affiliates	4,381,586
Accounts receivable from affiliates	342,268	Lease obligations of affiliates (short-term)	104,066
Undelivered coupons	34,174	Accrued payments	185,120
Inventories	13,625	Accrued expenses	100,346
Business prepayments	72,356	Accrued bonuses	313,410
Prepayments	116,831	Accrued corporate tax, etc.	1,200
Prepaid expenses	46,747	Accrued consumption tax, etc.	73,734
Short-term loans to affiliates	3,116,101	Advances received	1,645,315
Accounts receivable-other	10,013	Deposits	137,976
Advances	15,375	Income in advance	9,210
		Fixed liabilities	1,324,688
Fixed assets	2,685,844	Lease obligations of affiliates (long-term)	115,881
Property, plant and equipment	150,417	Deposits on contracts	507,175
Equipment attached to buildings	21,961	Allowance for retirement benefits	678,751
Equipment and fixtures	128,456	Allowance for retirement benefits for officers	11,810
Intangible fixed assets	607,587	Long-term accounts payable to affiliates	11,070
Software	402,428		
Lease assets	204,987	Total liabilities	26,941,499
Telephone rights	172	Net assets	
Investments and other assets	1,927,838	Shareholders' equity	2,523,856
Shares in affiliated companies	342,000	Capital stock	100,000
Long-term prepaid expenses	1,000,000	Capital surplus	803,028
Guarantee deposits	230,156	Other capital surplus	803,028
Long-term prepaid expenses	9,518	Earned surplus	1,620,827
Deferred tax assets	346,163	Earned reserve	122,500
Long-term receivables	9,402	Other earned surplus	1,498,327
Allowance for bad debts	△ 9,402	Contingent reserve	1,900,000
		Earned surplus carried forward	△ 401,672
		Total net assets	2,523,856
Total assets	29,465,356	Total liabilities and net assets	29,465,356

Statements of Income

From: April 1, 2024

To: September 30, 2024

(In thousands of yen)

Account Items	Amount	
Sales		5,361,633
Cost of goods sold		1,173,053
Gross profit		<u>4,188,579</u>
Selling, general, and administrative expenses		<u>3,236,088</u>
Operating profit		952,491
Non-operating income		
Interest received	5,078	
Other	<u>13,576</u>	18,654
Non-operating expenses		
miscellaneous losses	<u>12</u>	<u>12</u>
Ordinary profit		971,133
Net income before tax		971,133
Corporate, resident and business taxes	1,200	
Income taxes adjustment	<u>372,309</u>	<u>373,510</u>
Net income		597,622

Notes to Financial Statements

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

1. Asset evaluation standards and method

(1) Evaluation standards and methods for affiliated company stocks

The cost method using the moving average method is applied Inventory.

(2) 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. The primary performance obligation in the business travel management segment is to arrange travel, and revenue is recognized when or as the performance obligation for a series of arrangement services is satisfied, such as when tickets are issued or services are provided.

5. Other important matters underlying the preparation of financial statements

(1) 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.