

Balance Sheet
As of September 30, 2018

(Unit in thousand yen)

Accounts	Amount	Accounts	Amount
ASSETS		LIABILITIES	
CURRENT ASSETS	26,335,167	CURRENT LIABILITIES	21,959,620
Cash on hand & in banks	109,641	Operating accounts payable	14,083,451
Operating accounts receivable	20,358,591	Operating accounts payable to affiliated companies	5,508,305
Operating accounts receivable from affiliated companies	232,012	Lease obligations of affiliate	264,382
Inventories -tickets and coupons	114,153	Other account payable	508,167
Prepayment for trading purpose	429,911	Accrued expenses	57,084
Prepayment	128,795	Accrued bonuses	359,878
Prepaid expenses	22,199	Income taxes payable	197,987
Income taxes receivable	4,780,972	Accrued consumption tax	63,595
Advances paid	122,969	Received in advance	613,283
Other	35,920	Deposit received	277,505
		Unearned revenue	25,979
FIXED ASSETS	3,432,854	LONG-TERM LIABILITIES	1,634,333
Tangible fixed assets	274,213	Lease obligations of affiliate	521,908
Structures	126,414	Guaranty deposits	447,652
Equipment and furniture	146,922	Accrued retirement allowance	588,514
Leased assets	876	Accrued retirement allowance for directors	33,030
Intangible fixed assets	1,031,212	Long-term other account payable for affiliate	41,727
Software	245,162	Long-term accrued expenses	1,499
Leased assets	785,414		
Telephone subscription rights	634		
		TOTAL LIABILITIES	23,593,954
		NET ASSETS	
Investments and other assets	2,127,429	SHAREHOLDERS' EQUITY	6,174,068
Long-term lending to affiliated companies	1,500,000	Capital stock	490,000
Long-term deposit	236,524	Capital surplus	413,028
Long-term prepaid expenses	37,648	Other capital surplus	413,028
Deferred tax credit (fixed)	353,216	Earned surplus	5,271,039
Bad debts	9,509	Legal reserve	122,500
Other	40	Retained earnings	5,148,539
Allowance for doubtful accounts	△ 9,509	General reserve	1,900,000
		Retained earnings brought forward	3,248,539
		(Inc. net income)	(547,918)
		TOTAL NET ASSETS	6,174,068
TOTAL ASSETS	29,768,022	TOTAL LIABILITIES AND NET ASSETS	29,768,022

List of Individual Notes

[Notes on Items Regarding Significant Accounting Policies]

1. Evaluation standard and method for assets
 - (1) Evaluation standard and method for inventories

Cost method of first-in, first-out method (value on the balance sheet is calculated so that the book value is marked down in accordance with the decline in profitability) is applied.
2. Depreciation method for fixed assets
 - (1) Tangible fixed assets (except Leased assets)

The declining balance method is applied.

For buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998, and facilities attached to buildings and structures on or after April 1, 2016, the straight-line method is applied.
 - (2) Intangible fixed assets (except Leased assets)

The straight-line method is applied.

For software, the straight-line method is applied based on the expected usable period within the company (five years).
 - (3) Leased assets

For finance lease transfers ownership of property to the lessee at the end of the lease term, these transactions are accounted for following depreciation methods used for own fixed assets.
3. Standard for recording allowance reserve
 - (1) Allowance for bad debts

In order to prepare for losses from defaults of accounts receivable and other claims, the amount seen as uncollectible from reviewing the individual probability of collection of certain debts, such as debts with the possibility of defaulting, is recorded.
 - (2) Employee retirement benefit reserve

In order to prepare for employee retirement benefits, the retirement allowance as of the end of this accounting period is recorded based on the simulation.

Actuarial differences are charged to expenses from the fiscal year following their occurrence using the straight-line method over certain years within the average remaining service period of employees when incurred (10 years).
 - (3) Reserve for retirement benefit for directors

In order to prepare for payment of retirement benefits for directors, the amount to be paid at the end of the accounting period based on internal rules is recorded.
4. Significant Fundamental Items for Preparing Other Accounting Statements
 - (1) Accounting method for consumption tax, etc.

Tax exclusive method is applied.
 - (2) Other

In the Balance Sheet values less than one thousand yen are discarded.