

Balance Sheet
As of March 31, 2018

(Unit in thousand yen)

Accounts	Amount	Accounts	Amount
ASSETS		LIABILITIES	
CURRENT ASSETS	21,280,202	CURRENT LIABILITIES	16,872,932
Cash on hand & in banks	29,475	Operating accounts payable	11,816,391
Operating accounts receivable	16,017,361	Operating accounts payable to affiliated companies	2,882,369
Operating accounts receivable from affiliated companies	199,350	Lease obligations of affiliate	212,544
Inventories -tickets and coupons	81,689	Other account payable	331,487
Prepayment for trading purpose	86,277	Accrued expenses	90,205
Prepayment	107,290	Accrued bonuses	561,782
Prepaid expenses	23,824	Accrued income tax	377,529
Deferred tax credit (current)	235,763	Accrued consumption tax	31,325
Short-term lending to affiliated companies	4,415,643	Received in advance	418,543
Advances paid	40,024	Deposit received	121,631
Other	43,500	Unearned revenue	29,119
FIXED ASSETS	3,289,752	LONG-TERM LIABILITIES	1,343,527
Tangible fixed assets	265,458	Lease obligations of affiliate	339,611
Structures	130,459	Guaranty deposits	393,125
Equipment and furniture	133,946	Accrued retirement allowance	554,040
Leased assets	1,052	Accrued retirement allowance for directors	29,610
Intangible fixed assets	762,904	Long-term other account payable for affiliate	27,140
Software	211,178		
Leased assets	551,104	TOTAL LIABILITIES	18,216,460
Telephone subscription rights	622	NET ASSETS	
Investments and other assets	2,261,389	SHAREHOLDERS' EQUITY	6,353,494
Long-term lending to affiliated companies	1,800,000	Capital stock	490,000
Long-term deposit	222,396	Capital surplus	413,028
Long-term prepaid expenses	51,463	Other capital surplus	413,028
Deferred tax credit (fixed)	187,489	Earned surplus	5,450,466
Bad debts	15,164	Legal reserve	122,500
Other	40	Retained earnings	5,327,966
Allowance for doubtful accounts	△ 15,164	General reserve	1,900,000
		Retained earnings brought forward	3,427,966
		(Incl. net income)	(1,212,241)
TOTAL ASSETS	24,569,954	TOTAL NET ASSETS	5,636,960
		TOTAL LIABILITIES AND NET ASSETS	24,569,954

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.