

Balance Sheet

As of September 30, 2020

(In thousands of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	7,208,042	Current liabilities	6,126,916
Cash and deposits	465,413	Accounts payable	2,759,391
Accounts receivable	3,669,817	Accounts payable to affiliates	1,797,304
Accounts receivable from affiliates	27,526	Lease obligations of affiliates (short-term)	223,039
Undelivered coupons	20,824	Accrued payments	182,147
Business prepayments	17,974	Accrued expenses	11,064
Prepayments	69,860	Accrued bonuses	3,405
Prepaid expenses	27,004	Accrued corporate tax, etc.	3,859
Short-term loans to affiliates	2,243,770	Advances received	1,011,561
Receivable	308,945	Deposits	122,699
Corporate taxes receivable	206,869	Income in advance	12,442
Consumption taxes receivable	121,141		
Advances	28,895	Fixed liabilities	1,546,620
Fixed assets	5,514,544	Lease obligations of affiliates (long-term)	360,257
Property, plant and equipment	187,840	Deposits on contracts	467,437
Equipment attached to buildings	98,095	Allowance for retirement benefits	670,675
Equipment and fixtures	89,569	Allowance for retirement benefits for officers	17,870
Lease assets	175	Long-term accounts payable to affiliates	30,379
Intangible fixed assets	948,072		
Software	364,316	Total liabilities	7,673,536
Lease assets	583,121	Net assets	
Telephone rights	634	Shareholders' equity	5,049,050
Investments and other assets	4,378,631	Capital stock	490,000
Long-term loan to affiliates	4,000,000	Capital surplus	413,028
Guarantee deposits	238,019	Other capital surplus	413,028
Long-term prepaid expenses	72,102	Earned surplus	4,146,021
Deferred tax assets	68,470	Earned reserve	122,500
Long-term receivables	9,402	Other earned surplus	4,023,521
Other	40	Contingent reserve	1,900,000
Allowance for bad debts	△ 9,402	Earned surplus carried forward	2,123,521
		(Incl. net loss)	(1,566,197)
Total assets	12,722,587	Total net assets	5,049,050
		Total liabilities and net assets	12,722,587

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 first-in first-out system 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, the amount payable at the end of year is recorded in accordance with internal rules.

4. 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 values less than one thousand yen are discarded.