

Balance Sheet
As of September 30, 2022

(In thousands of yen)

Assets		Liabilities	
Account Items	Amount	Account Items	Amount
Current assets	16,470,557	Current liabilities	15,918,644
Cash and deposits	354,961	Accounts payable	10,055,687
Accounts receivable	13,040,152	Accounts payable to affiliates	3,696,055
Accounts receivable from affiliates	57,780	Lease obligations of affiliates (short-term)	169,256
Undelivered coupons	52,381	Accrued payments	177,987
Inventories	79,248	Accrued expenses	23,361
Business prepayments	97,066	Accrued bonuses	99,921
Prepayments	100,701	Accrued corporate tax, etc.	1,220
Prepaid expenses	49,590	Accrued consumption tax, etc.	81,971
Short-term loans to affiliates	2,557,577	Advances received	1,490,284
Accounts due	56,514	Deposits	122,176
Income Tax receivable	0	Income in advance	720
Advances	24,581		
		Fixed liabilities	1,185,158
Fixed assets	1,794,519	Lease obligations of affiliates (long-term)	123,774
Property, plant and equipment	39,973	Deposits on contracts	423,302
Equipment attached to buildings	28,573	Allowance for retirement benefits	605,758
Equipment and fixtures	11,399	Allowance for retirement benefits for officers	20,330
		Long-term accounts payable to affiliates	11,992
Intangible fixed assets	329,633		
Software	176,232	Total liabilities	17,103,802
Lease assets	153,228		
Telephone rights	172	Net assets	
		Shareholders' equity	1,161,274
Investments and other assets	1,424,912	Capital stock	100,000
Long-term loan to affiliates	1,000,000	Capital surplus	803,028
Guarantee deposits	224,180	Other capital surplus	803,028
Long-term prepaid expenses	11,798	Earned surplus	258,245
Deferred tax assets	188,893	Earned reserve	122,500
Long-term receivables	9,402	Other earned surplus	135,745
Other	40	Contingent reserve	1,900,000
Allowance for bad debts	△ 9,402	Earned surplus carried forward	△ 1,764,254
		(Inc. net loss)	(10,013)
		Total net assets	1,161,274
Total assets	18,265,077	Total liabilities and net assets	18,265,077

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. 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) 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.