

## Balance Sheet

As of March 31, 2022

(In thousands of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	11,062,889	Current liabilities	10,371,450
Cash and deposits	333,839	Accounts payable	4,916,168
Accounts receivable	6,901,710	Accounts payable to affiliates	3,173,663
Accounts receivable from affiliates	74,374	Lease obligations of affiliates (short-term)	191,040
Undelivered coupons	15,128	Accrued payments	180,740
Inventory	85,216	Accrued expenses	39,440
Business prepayments	34,281	Accrued bonuses	161,000
Prepayments	53,649	Accrued corporate tax, etc.	494
Prepaid expenses	49,431	Accrued consumption tax, etc.	47,442
Short-term loans to affiliates	3,315,244	Advances received	1,580,654
Accounts due	117,824	Deposits	79,813
Advances	82,186	Income in advance	990
Fixed assets	1,642,997	Fixed liabilities	1,163,147
Property, plant and equipment	45,392	Lease obligations of affiliates (long-term)	126,515
Equipment attached to buildings	30,672	Deposits on contracts	412,896
Equipment and fixtures	14,720	Allowance for retirement benefits	594,286
Intangible fixed assets	278,586	Allowance for retirement benefits for officers	17,860
Software	162,225	Long-term accounts payable to affiliates	11,589
Lease assets	116,188	<b>Total liabilities</b>	<b>11,534,598</b>
Telephone rights	172	<b>Net assets</b>	
Investments and other assets	1,319,018	Shareholders' equity	1,171,288
Long-term loans to affiliates	1,000,000	Capital stock	100,000
Guarantee deposits	225,560	Capital surplus	803,028
Long-term prepaid expenses	14,112	Other capital surplus	803,028
Deferred tax assets	79,305	Earned surplus	268,259
Long-term receivables	9,402	Earned reserve	122,500
Other	40	Other earned surplus	145,759
Allowance for bad debts	△ 9,402	Contingent reserve	1,900,000
		Earned surplus carried forward	△ 1,754,240
		(Inc.Net loss)	(1,259,308)
		<b>Total net assets</b>	<b>1,171,288</b>
<b>Total assets</b>	<b>12,705,886</b>	<b>Total liabilities and net assets</b>	<b>12,705,886</b>

## 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.