

**Balance Sheet**  
As of September 30, 2023

(In thousands of yen)

Assets		Liabilities	
Account Items	Amount	Account Items	Amount
Current assets	18,522,947	Current liabilities	17,793,742
Cash and deposits	825,304	Accounts payable	11,187,750
Accounts receivable	14,759,579	Accounts payable to affiliates	3,821,821
Accounts receivable from affiliates	250,742	Lease obligations of affiliates (short-term)	108,658
Undelivered coupons	45,415	Accrued payments	263,556
Inventories	46,360	Accrued expenses	48,298
Business prepayments	144,287	Accrued bonuses	289,904
Prepayments	111,069	Accrued corporate tax, etc.	1,200
Prepaid expenses	41,901	Accrued consumption tax, etc.	77,932
Short-term loans to affiliates	2,273,722	Advances received	1,761,300
Accounts due	6,869	Deposits	224,643
Advances	17,695	Income in advance	8,674
Fixed assets	2,173,149	Fixed liabilities	1,290,078
Property, plant and equipment	66,115	Lease obligations of affiliates (long-term)	191,060
Equipment attached to buildi	24,696	Deposits on contracts	449,578
Equipment and fixtures	41,419	Allowance for retirement benefits	621,092
Intangible fixed assets	619,184	Allowance for retirement benefits for officers	9,260
Software	367,801	Long-term accounts payable to affiliates	19,088
Lease assets	251,210		
Telephone rights	172		
Investments and other assets	1,487,849	<b>Total liabilities</b>	<b>19,083,821</b>
Long-term loan to affiliates	1,000,000		
Guarantee deposits	228,197	<b>Net assets</b>	
Long-term prepaid expenses	7,822	Shareholders' equity	1,612,275
Deferred tax assets	251,788	Capital stock	100,000
Long-term receivables	9,402	Capital surplus	803,028
Other	40	Other capital surplus	803,028
Allowance for bad debts	△ 9,402	Earned surplus	709,246
		Earned reserve	122,500
		Other earned surplus	586,746
		Contingent reserve	1,900,000
		Earned surplus carried forward	△ 1,313,253
		(Net income)	(260,535)
		<b>Total net assets</b>	<b>1,612,275</b>
<b>Total assets</b>	<b>20,696,096</b>	<b>Total liabilities and net assets</b>	<b>20,696,096</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) 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.