

Balance Sheet

As of March 31, 2023

(In thousands of yen)

Assets		Liabilities	
Account Items	Amount	Account Items	Amount
Current assets	20,359,769	Current liabilities	19,192,109
Cash and deposits	715,629	Accounts payable	11,737,378
Accounts receivable	14,060,789	Accounts payable to affiliates	4,191,836
Accounts receivable from affiliates	179,404	Lease obligations of affiliates (short-term)	132,171
Undelivered coupons	29,280	Accrued payments	291,097
Inventories	72,745	Accrued expenses	136,589
Business prepayments	63,556	Accrued bonuses	433,608
Prepayments	95,630	Accrued corporate tax, etc.	2,401
Prepaid expenses	45,992	Accrued consumption tax, etc.	205,114
Short-term loans to affiliates	5,044,837	Advances received	1,891,826
Accounts due	13,736	Deposits	169,635
Advances	38,164	Income in advance	450
Fixed assets	1,596,230	Fixed liabilities	1,231,688
Property, plant and equipment	53,336	Lease obligations of affiliates (long-term)	144,218
Equipment attached to buildin	26,417	Deposits on contracts	430,178
Equipment and fixtures	26,918	Allowance for retirement benefi	620,142
Intangible fixed assets	401,717	Allowance for retirement benefits for officers	22,800
Software	209,808	Long-term accounts payable to affiliates	14,348
Lease assets	191,736		
Telephone rights	172	Total liabilities	20,423,797
Investments and other assets	1,141,176	Net assets	
Long-term loan to affiliates	500,000	Shareholders' equity	1,532,201
Guarantee deposits	223,192	Capital stock	100,000
Long-term prepaid expenses	10,814	Capital surplus	803,028
Deferred tax assets	407,129	Other capital surplus	803,028
Long-term receivables	9,402	Earned surplus	629,172
Other	40	Earned reserve	122,500
Allowance for bad debts	△ 9,402	Other earned surplus	506,672
		Contingent reserve	1,900,000
		Earned surplus carried forwar	△ 1,393,327
		(Inc. net income)	(360,913)
		Total net assets	1,532,201
Total assets	21,955,999	Total liabilities and net assets	21,955,999

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.