

KNT-CT HOLDINGS CO., LTD.
CONSOLIDATED BALANCE SHEETS

March 31, 2016 and December 31, 2015

ASSETS	Millions of Yen	
	March 31, 2016	December 31, 2015
CURRENT ASSETS:		
Cash and deposits	¥ 65,437	¥ 67,382
Notes and accounts receivable trade	21,152	22,000
Allowance for doubtful accounts	(19)	(31)
Inventories	111	114
Advances paid to suppliers	13,380	13,065
Deferred tax asset	3,124	1,927
Prepaid expenses and other current assets	3,487	2,861
Total current assets	<u>106,675</u>	<u>107,321</u>
PROPERTY AND EQUIPMENT, at cost:		
Land	956	982
Buildings	4,342	4,314
Equipment	3,619	3,773
Construction in progress	0	0
Accumulated depreciation	(6,405)	(6,593)
Total property and equipment	<u>2,513</u>	<u>2,477</u>
INTANGIBLE ASSETS		
Software	3,041	3,122
Other	14	14
Total intangible assets	<u>3,055</u>	<u>3,136</u>
INVESTMENTS AND OTHER ASSETS:		
Investment securities	4,682	5,335
Lease deposits	4,976	4,994
Long-term loans receivable	140	140
Allowance for doubtful accounts	(418)	(431)
Deferred tax asset	1,185	1,225
Other assets	1,458	1,480
Total investments and other assets	<u>12,025</u>	<u>12,744</u>
Total assets	<u>¥ 124,270</u>	<u>¥ 125,679</u>

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LIABILITIES	Millions of Yen	
	March 31, 2016	December 31, 2015
CURRENT LIABILITIES:		
Accounts payable trade	¥ 24,406	¥ 15,286
Advances received	65,920	74,034
Employees' savings deposits	778	860
Accrued income taxes	84	645
Deferred tax liability	0	1
Accrued expenses and other current liabilities	4,863	2,874
Total current liabilities	<u>96,053</u>	<u>93,702</u>
DEFERRED TAX LIABILITY	411	723
ALLOWANCE FOR LOSSES ON UNCOLLECTED GIFT COUPON FOR FUTURE USE	1,189	1,252
NET DIFINED BENEFIT LIABILITY	146	559
OTHER LONG-TERM LIABILITIES	2,684	2,656
Total liabilities	<u>100,484</u>	<u>98,893</u>
STOCKHOLDERS' EQUITY:		
Common stock,		
Authorized - 380,000,000 shares		
Issued - 271,397,635 shares	7,918	7,915
Capital surplus	7,081	7,078
Retained earnings	7,647	9,490
Treasury stock	(7)	(7)
Total stockholders' equity	<u>22,639</u>	<u>24,476</u>
APPRAISAL AND TRANSLATION DIFFERENCES		
Net unrealized holding gains on securities	1,379	1,803
Gains or losses on deffered hedge accountings	(915)	(277)
Foreign currency translation adjisument	392	461
Remeasurements of difined benefit plans	212	235
Total appraisal and translation differences	<u>1,069</u>	<u>2,223</u>
NON-CONTROLLING INTERESTS		
Total Net Assets	<u>23,785</u>	<u>26,786</u>
Total liabilities and Net Assets	<u>¥ 124,270</u>	<u>¥ 125,679</u>