

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

December 31, 2013 and 2012

ASSETS	Millions of Yen	
	2013	2012
CURRENT ASSETS:		
Cash and deposits	¥ 57,369	¥ 28,541
Notes and accounts receivable trade	23,674	21,150
Allowance for doubtful accounts	(25)	(53)
Inventories	120	50
Advances paid to suppliers	16,073	11,628
Deferred tax asset	2,444	595
Prepaid expenses and other current assets	3,435	5,229
Total current assets	103,092	67,142
PROPERTY AND EQUIPMENT, at cost:		
Land	1,282	1,548
Buildings	4,304	4,030
Equipment	4,133	3,104
	9,720	8,683
Accumulated depreciation	(6,590)	(5,192)
Total property and equipment	3,130	3,490
INTANGIBLE ASSETS		
Software	5,755	6,644
Goodwill	2,902	—
Other	81	84
Total intangible assets	8,739	6,728
INVESTMENTS AND OTHER ASSETS:		
Investment securities	4,202	3,070
Lease deposits	5,192	4,336
Long-term loans receivable	194	285
Allowance for doubtful accounts	(414)	(461)
Deferred tax asset	2,319	510
Other assets	2,853	2,657
Total investments and other assets	14,347	10,398
Total assets	¥ 129,308	¥ 87,760

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LIABILITIES	Millions of Yen	
	2013	2012
CURRENT LIABILITIES:		
Accounts payable trade	¥ 16,340	¥ 14,076
Advances received	79,169	60,844
Employees' savings deposits	86	776
Accrued income taxes	554	332
Deferred tax liability	147	0
Accrued expenses and other current liabilities	2,499	1,132
Total current liabilities	98,797	77,162
SEVERANCE AND RETIREMENT ALLOWANCE	2,578	1,166
DEFERRED TAX LIABILITY	238	—
ALLOWANCE FOR LOSSES ON UNCOLLECTED GIFT COUPON FOR FUTURE USE	1,138	1,015
OTHER LONG-TERM LIABILITIES	2,602	2,697
Total liabilities	6,556	4,879
STOCKHOLDERS' EQUITY:		
Common stock,		
Authorized - 380,000,000 shares		
Issued - 269,434,135 shares	7,825	7,579
Capital surplus	6,988	4,812
Retained earnings	7,131	(7,203)
Treasury stock	(2)	(143)
Total stockholders' equity	21,943	5,043
APPRAISAL AND TRANSLATION DIFFERENCES		
Net unrealized holding gains on securities	844	301
Gains or losses on deferred hedge accountings	882	453
Foreign currency translation adjustment	267	(161)
Total appraisal and translation differences	1,994	593
MINORITY INTERESTS	17	81
Total Net Assets	23,954	5,718
Total liabilities and Net Assets	¥ 129,308	¥ 87,760