

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

March 31, 2020 and 2019

| ASSETS | Millions of Yen | |
|---|-----------------|------------------|
| | March 31, 2020 | March 31, 2019 |
| CURRENT ASSETS: | | |
| Cash and deposits | ¥ 49,071 | ¥ 71,348 |
| Notes and accounts receivable trade | 11,869 | 26,722 |
| Allowance for doubtful accounts | (5) | (24) |
| Inventories | 119 | 107 |
| Advances paid to suppliers | 11,386 | 19,467 |
| Prepaid expenses and other current assets | 3,167 | 3,900 |
| Total current assets | <u>75,608</u> | <u>121,521</u> |
| PROPERTY AND EQUIPMENT, at cost: | | |
| Land | 135 | 135 |
| Buildings | 2,666 | 2,984 |
| Equipment | 3,144 | 2,937 |
| Construction in progress | - | 3 |
| Accumulated depreciation | (5,033) | (4,627) |
| Total property and equipment | <u>913</u> | <u>1,434</u> |
| INTANGIBLE ASSETS | | |
| Software | 2,462 | 2,253 |
| Other | 13 | 13 |
| Total intangible assets | <u>2,476</u> | <u>2,267</u> |
| INVESTMENTS AND OTHER ASSETS: | | |
| Investment securities | 4,265 | 5,673 |
| Lease deposits | 4,382 | 4,451 |
| Long-term loans receivable | 15 | - |
| Allowance for doubtful accounts | (329) | (373) |
| Net defined benefit asset | 1,626 | 1,736 |
| Deferred tax asset | - | 3,262 |
| Other assets | 1,670 | 1,506 |
| Total investments and other assets | <u>11,631</u> | <u>16,256</u> |
| Total assets | <u>¥ 90,630</u> | <u>¥ 141,479</u> |

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March 31, 2020 and 2019

| LIABILITIES | Millions of Yen | |
|---|-----------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| CURRENT LIABILITIES: | | |
| Accounts payable trade | ¥ 13,679 | ¥ 28,876 |
| Advances received | 52,150 | 78,253 |
| Accrued income taxes | 196 | 234 |
| Accrued expenses and other current liabilities | 2,560 | 3,860 |
| Total current liabilities | 68,587 | 111,224 |
| Deferred tax liabilities | 383 | - |
| Allowance for losses on uncollected gift coupon for future use | 938 | 990 |
| Other long-term liabilities | 2,296 | 2,314 |
| Total liabilities | 72,204 | 114,529 |
| STOCKHOLDERS' EQUITY: | | |
| Common stock, | | |
| Authorized - 38,000,000 shares | | |
| Issued - 27,331,013 shares | 8,041 | 8,041 |
| Capital surplus | 7,204 | 7,204 |
| Retained earnings | 1,605 | 9,010 |
| Treasury stock | (13) | (12) |
| Total stockholders' equity | 16,838 | 24,244 |
| APPRAISAL AND TRANSLATION DIFFERENCES | | |
| Net unrealized holding gains on securities | 1,048 | 1,994 |
| Gains or losses on deferred hedge accountings | 83 | (65) |
| Foreign currency translation adjustment | 88 | 249 |
| Remeasurements of defined benefit plans | 308 | 459 |
| Total appraisal and translation differences | 1,529 | 2,637 |
| NON-CONTROLLING INTERESTS | | |
| Total Net Assets | 18,425 | 26,950 |
| Total liabilities and Net Assets | ¥ 90,630 | ¥ 141,479 |