

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

March 31, 2023 and 2022

| ASSETS | Millions of Yen | |
|--|-----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| CURRENT ASSETS: | | |
| Cash and deposits | ¥ 71,256 | ¥ 56,206 |
| Notes and accounts receivable - trade | - | - |
| Notes and accounts receivable - trade, and contract assets | 43,025 | 27,419 |
| Allowance for doubtful accounts | (172) | (51) |
| Inventories | 73 | 99 |
| Advances paid to suppliers | 8,422 | 5,087 |
| Prepaid expenses and other current assets | 4,248 | 3,205 |
| Total current assets | 126,854 | 91,967 |
| PROPERTY AND EQUIPMENT, at cost: | | |
| Land | 104 | 139 |
| Buildings | 931 | 817 |
| Equipment | 1,289 | 1,401 |
| Other | 335 | 12 |
| Accumulated depreciation | (1,778) | (1,962) |
| Total property and equipment | 882 | 408 |
| INTANGIBLE ASSETS | | |
| Software | 807 | 504 |
| Other | 1 | 0 |
| Total intangible assets | 809 | 505 |
| INVESTMENTS AND OTHER ASSETS: | | |
| Investment securities | 4,013 | 3,891 |
| Allowance for doubtful accounts | (442) | (341) |
| Net defined benefit asset | 1,737 | 1,930 |
| Deferred tax asset | 974 | 5 |
| Other assets | 3,841 | 3,975 |
| Total investments and other assets | 10,124 | 9,460 |
| Total assets | ¥ 138,671 | ¥ 102,341 |

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| LIABILITIES | Millions of Yen | |
|---|------------------|------------------|
| | March 31, 2023 | March 31, 2022 |
| CURRENT LIABILITIES: | | |
| Accounts payable trade | ¥ 26,900 | ¥ 22,676 |
| Advances received | 64,608 | 47,733 |
| Accrued income taxes | 264 | 789 |
| Accrued expenses and other current liabilities | 8,225 | 3,802 |
| Total current liabilities | <u>99,998</u> | <u>75,002</u> |
| Deferred tax liabilities | 766 | 1,125 |
| Allowance for losses on uncollected gift coupon for future use | - | - |
| Other long-term liabilities | 1,980 | 1,896 |
| Total liabilities | <u>102,745</u> | <u>78,025</u> |
| STOCKHOLDERS' EQUITY: | | |
| Common stock, | | |
| Authorized - 38,000,400 shares | | |
| Issued - 27,331,413 shares | 100 | 8,041 |
| Capital surplus | 55,123 | 47,204 |
| Retained earnings | (20,910) | (32,700) |
| Treasury stock | (15) | (14) |
| Total stockholders' equity | <u>34,297</u> | <u>22,531</u> |
| APPRAISAL AND TRANSLATION DIFFERENCES | | |
| Net unrealized holding gains on securities | 1,043 | 1,015 |
| Foreign currency translation adjisument | 502 | 469 |
| Remeasurements of difined benefit plans | 33 | 267 |
| Total appraisal and translation differences | <u>1,580</u> | <u>1,752</u> |
| NON-CONTROLLING INTERESTS | <u>47</u> | <u>31</u> |
| Total Net Assets | <u>35,925</u> | <u>24,315</u> |
| Total liabilities and Net Assets | <u>¥ 138,671</u> | <u>¥ 102,341</u> |