

Balance Sheet

March 31, 2014

BB Backbone Corp.

(Yen)

Assets		Liabilities	
【Current assets】	2,459,399,740	【Current liabilities】	3,690,166,404
Cash and deposits	2,288,515,671	Accounts payable	79,093,003
Accounts receivable-trade	12,808,290	Accounts payable - other	1,469,763,316
Supplies	9,644,412	Accrued expense	316,684
Prepaid expenses	70,296,093	Income taxes payable	103,515,700
Consumption taxes receivable	57,934,238	Long-term advances	2,008,278,144
Income taxes receivable	41,359	Deposits received	15,852
Suspense payments	40,000	Reserve for bonuses	29,183,705
Deferred income tax asset	20,119,677	【Fixed liabilities】	2,005,881
【Fixed assets】	1,611,659,943	Assets retirement obligations	2,005,881
(Tangible fixed assets)	1,581,765,805		
Machinery and equipment	3,356,722		
Line facility	1,478,903,008	Total liabilities	3,692,172,285
Structures	115,045		
Tools, furniture and fixtures	221,985	Net assets	
Construction in progress	99,169,045	【Shareholders' equity】	378,887,398
(Intangible fixed asset)	24,561,762	(Capital stock)	210,000,000
Software	5,240,017	(Retained earnings)	168,887,398
Right of trademark	71,745	Other Retained earnings	168,887,398
Good will	19,250,000		
(Investments and other assets)	5,332,376		
Long-term prepaid expenses	805,050		
Lease deposits	3,160,120	Total net assets	378,887,398
Deferred tax assets	1,367,206		
Total assets	4,071,059,683	Total liabilities and net assets	4,071,059,683

Notes on non-consolidated financial statements

1 Explanatory Notes Concerning Matters Pertaining to Significant Accounting Policies

(1) Valuation bases and methods of inventories

Supplies Cost method by moving average method.

(2) Depreciation method for fixed asset

Tangible fixed assets Evaluated by straight-line method

Major service life is as follows:

Machinery and equipment	5 – 9 years
Line facilities	10 – 27 years
Structures	10 year
Tools, furniture and fixtures	5 – 6 years

Intangible fixed asset Evaluated by straight-line method

Software is evaluated by the straight-line method based on the availability period (5 years) (Usage inside the company).

(3) the standards for recognition of significant allowances

Reserve for bonuses To appropriate the reserve fund for bonuses paid to employees, the current obligation amount (among future estimated amount to be paid) is recorded.

(4) Accounting processing for consumption tax

Consumption tax is accounted for by the tax-exclusion method

2. Current net income 152,759,922 yen