

Balance Sheet

March 31, 2015

BB Backbone Corp.

(Yen)

Assets		Liabilities	
【Current assets】	1,390,803,958	【Current liabilities】	976,648,257
Cash and deposits	1,232,171,893	Accounts payable	56,463,379
Accounts receivable-trade	68,412,316	Accounts payable - other	203,588,233
Supplies	9,676,414	Accrued expense	505,836
Prepaid expenses	61,958,649	Income taxes payable	83,498,400
Income taxes receivable	68,613	Consumption tax payable	43,474,000
Suspense payments	377,160	Reserve for bonuses	33,006,380
Deferred income tax asset	18,138,913	Advances received	553,738,983
【Fixed assets】	1,773,096,216	Suspense receipt	2,373,046
(Tangible fixed assets)	1,741,976,138	【Fixed liabilities】	1,573,287,488
Machinery and equipment	2,766,722	Assets retirement obligations	200,000
Line facility	1,692,927,010	Long-term advances received	1,573,087,488
Tools, furniture and fixtures	20,004	Total liabilities	2,549,935,745
Construction in progress	46,262,402	Net assets	
(Intangible fixed asset)	14,167,616	【Shareholders' equity】	613,964,429
Software	1,752,116	(Capital stock)	210,000,000
Right of trademark	165,500	(Retained earnings)	403,964,429
Good will	12,250,000	Other Retained earnings	403,964,429
(Investments and other assets)	16,952,462	Total net assets	613,964,429
Long-term prepaid expenses	13,818,342		
Lease deposits	3,134,120		
Total assets	3,163,900,174	Total liabilities and net assets	3,163,900,174

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 235,077,031 yen