

Balance Sheet

March 31, 2017

BB Backbone Corp.

(Yen)

Assets		Liabilities	
【Current assets】	1,278,051,491	【Current liabilities】	580,245,433
Cash and deposits	1,144,075,101	Accounts payable	54,103,967
Accounts receivable-trade	38,396,417	Accounts payable - other	78,667,788
Supplies	9,942,781	Income taxes payable	30,871,500
Prepaid expenses	75,377,624	Consumption tax payable	11,187,300
Accounts receivable-other	33,480	Deposits received	1,687
Suspense payments	160,725	Reserve for bonuses	26,454,392
Deferred income tax asset	10,065,363	Advances received	378,958,799
【Fixed assets】	1,448,957,193	【Fixed liabilities】	1,146,996,070
(Tangible fixed assets)	1,411,791,245	Assets retirement obligations	200,000
Machinery and equipment	2,019,416	Long-term advances received	1,146,796,070
Line facility	1,406,709,452	Total liabilities	1,727,241,503
Tools, furniture and fixtures	625,808	Net assets	
Construction in progress	2,436,569	【Shareholders' equity】	999,767,181
(Intangible fixed asset)	132,400	(Capital stock)	210,000,000
Right of trademark	132,400	(Retained earnings)	789,767,181
(Investments and other assets)	37,033,548	Other Retained earnings	789,767,181
Long-term prepaid expenses	34,068,908	Total net assets	999,767,181
Lease deposits	2,964,640	Total liabilities and net assets	2,727,008,684
Total assets	2,727,008,684		

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 175,591,633 yen