

Balance Sheet

March 31, 2018

BB Backbone Corp.

(Yen)

Assets		Liabilities	
【Current assets】	1,242,899,352	【Current liabilities】	697,957,936
Cash and deposits	1,056,870,510	Accounts payable	99,649,231
Accounts receivable-trade	87,614,930	Accounts payable - other	127,748,232
Supplies	9,216,456	Income taxes payable	31,041,500
Prepaid expenses	76,666,552	Consumption tax payable	9,546,500
Suspense payments	789,642	Deposits received	27,484
Deferred income tax asset	11,741,262	Reserve for bonuses	26,421,869
【Fixed assets】	1,531,887,598	Advances received	403,523,120
(Tangible fixed assets)	1,481,633,720	【Fixed liabilities】	933,850,649
Machinery and equipment	13,609,953	Assets retirement	200,000
Line facility	1,248,941,442	obligations	
Tools, furniture and fixtures	3,805,072	Long-term advances received	933,650,649
Construction in progress	215,277,253	Total liabilities	1,631,808,585
(Intangible fixed asset)	115,850	Net assets	
Right of trademark	115,850	【Shareholders' equity】	1,142,978,365
(Investments and other assets)	50,138,028	(Capital stock)	210,000,000
Long-term prepaid expenses	31,273,388	(Retained earnings)	932,978,365
Lease deposits	18,864,640	Other Retained earnings	932,978,365
Total assets	2,774,786,950	Total net assets	1,142,978,365
		Total liabilities and net assets	2,774,786,950

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 143,211,184 yen