

Balance Sheet

31-Mar-19

BB Backbone Corp.

(yen)

Assets		Liabilities	
【Current assets】	2,907,474,848	【Current liabilities】	783,957,094
Cash and deposits	2,689,353,455	Accounts payable	78,321,105
Accounts receivable-trade	54,038,193	Accounts payable - other	208,254,516
Merchandise	11,736,626	Income taxes payable	69,575,500
Supplies	945,481	Deposits received	16,846
Prepaid expenses	126,033,587	Reserve for bonuses	30,615,007
Consumption taxes receivable	23,894,100	Advances received	396,884,302
Suspense payments	1,473,406	Suspense receipt	289,818
【Fixed assets】	2,029,993,595	【Fixed liabilities】	778,987,352
(Tangible fixed assets)	1,486,701,442	Assets retirement obligations	58,481,937
Machinery and equipment	13,683,104	Long-term advances received	720,505,415
Line facility	1,320,788,553		
Tools, furniture and fixtures	3,806,406	Total liabilities	1,562,944,446
Construction in progress	148,423,379	Net assets	
(Intangible fixed asset)	205,352,107	【Shareholders' equity】	3,374,523,997
Software	205,252,807	(Capital stock)	1,260,000,000
Right of trademark	99,300	(Capital surplus)	1,050,000,000
(Investments and other assets)	333,040,046	Legal capital surplus	1,050,000,000
Long-term prepaid expenses	274,948,156	(Retained earnings)	1,064,523,997
Lease deposits	18,864,640	Other Retained earnings	1,064,523,997
Deferred tax assets	39,227,250		
Deferred assets	4,900,000	Total net assets	3,374,523,997
Stock issuance cost	4,900,000		
Total asset	4,937,468,443	Total liabilities and net assets	4,937,468,443

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 10-30 years

Structures 10 years

Tools, furniture and fixtures 5-6 years

Intangible fixed asset Software is valued on a straight-line basis.

The internal use is 5 years and the sales purpose is 3 years.

(3) The standards for recognition of significant allowances

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

(4) How to handle deferred assets

Stock issuance cost Amortized using the straight-line method over three years.

(5) Accounting processing for consumption tax

Consumption tax is accounted for by the tax-exclusion method

2 Net income 131,545,632 yen