

# Balance Sheet

As of March 31, 2020

(Unit: 1,000 JPY)

Assets		Liabilities	
Item	Amount	Item	Amount
<b>【Current Assets】</b>	3,117,424	<b>【Current Liabilities】</b>	1,559,123
Cash	2,564,535	Accounts Payable	116,185
Accounts Receivable	456,721	Arrearage	580,688
Products	14,352	Corporate Tax Arrearage, etc	189,553
Stored Goods	276	Deposits	306
Prepaid Expenses	79,066	Reserve for Bonuses	118,636
Other	2,471	Advances Received	486,206
<b>【Fixed Assets】</b>	2,644,755	Consumption Tax Arrearage, etc	53,781
(Tangible Fixed Assets)	1,874,418	Asset Retirement Obligations	13,766
Mechanical Equipment	58,870	<b>【Fixed Liabilities】</b>	813,852
Rail Equipment	1,710,461	Asset Retirement Obligations	51,877
Tools, Fixtures, and Equipment	8,754	Long-Term Advances Received	761,974
Construction in Progress	96,331	<b>Total Liabilities</b>	<b>2,372,975</b>
(Intangible Fixed Assets)	419,000	<b>Net Assets</b>	
Software	75,155	<b>【Shareholder Capital】</b>	3,391,653
Trademark Rights	82	(Capital)	1,260,000
Software in Development	207,163	(Capital Surplus)	1,050,000
Other Intangible Assets	136,598	Capital Reserve	1,050,000
(Investments and Other Assets)	351,336	(Retained Earnings)	1,081,653
Long-Term Advances Paid	87,951	Other Retained Earnings	1,081,653
Security Deposits	19,524	Retained Earnings Carried	1,081,653
Forward Deferred Tax Assets	243,860		
<b>【Deferred Assets】</b>	2,450	<b>Total Net Assets</b>	<b>3,391,653</b>
Stock Delivery Expenses	2,450	<b>Total Net Assets and Liabilities</b>	<b>5,764,629</b>
<b>Total Assets</b>	<b>5,764,629</b>		

(Note) Amounts listed are shown rounding down amounts of less than 1,000 JPY.

# Profit and Loss Statement

From April, 2019  
To March 31, 2020

(Unit: 1,000 JPY)

Item	Amount	
【Sales】		2,057,709
【Cost of Goods Sold】		989,019
Gross Profit		1,068,689
【Selling Costs and General Administrative Expenses】		794,853
Operating Income		273,836
【Non-Operating Income】		
Interest Received	26	
Profit on Currency Exchange	548	
Insurance Premium Revenue	5,740	
Other	170	6,486
【Non-Operating Expenses】		
Amortization of Stock Delivery	2,450	2,450
Expenses Ordinary Income		277,872
【Extraordinary Losses】		
Impairment Losses	249,993	249,993
Net Income Before Taxes		27,879
Corporate, Residential, and Business Taxes	215,383	
Deferred Corporate Taxes	△ 204,633	10,749
Net Profit for Period		17,129

(Note) Amounts listed are shown rounding down amounts of less than 1,000 JPY.

# Notes and Specific Items

## 1. Notes on important accounting policies

### (1) Appraisal standards and methods for inventory

Products and stored goods      Base cost method via average movement (Amounts on profit and loss statements are calculated by rounding remaining amounts down on the basis of reduced profitability).

### (2) Method of depreciation of fixed assets

Tangible fixed assets      Straight-line method.

Primary service lives are as follows.

Mechanical Equipment      4-9 years

Rail Equipment      10-30 years

Tools, Fixtures, and Equipment      5 years

Intangible Fixed Assets      Straight-line method.

\* Software used by the Company is depreciated over its internally-usable period (5 years) with the straight-line method, while software intended for market sales is depreciated by recording the higher average distribution of depreciation or remaining period (3 years) on the basis of anticipated software sales proceeds, and other intangible fixed assets use the straight-line method based on agreement term.

### (3) Recording standards for important reserves

Reserve for Bonuses      Recorded as a liability for the current period, from the amount anticipated for provision in the future, in order to provide bonuses to employees.

### (4) Method of processing deferred assets

Stock Delivery Expenses      Depreciated over 3 years with the straight-line method.

### (5) Accounting process for consumption tax, etc.

The tax-excluded method is used for the consumption tax, etc. accounting process.

### (6) Standards for conversion of assets and liabilities denominated in foreign currency into Japanese currency

Benefits and liabilities denominated in foreign currency are converted at the market rate on the closing date, and differences in conversion amounts are recorded as profits or losses.

## 2. Notes on profit and loss statement

(1) Cumulative depreciation of tangible fixed assets      864,045 (Unit:1,000JPY)

### (2) Monetary claims and liabilities toward related company

Short-term monetary claims      436,250 (Unit:1,000JPY)

Short-term monetary liabilities      45,896 (Unit:1,000JPY)

### 3. Notes on tax effect accounting

#### (1) Breakdown by primary causes of deferred tax assets and deferred tax liabilities

##### Deferred tax assets

Depreciable assets	85,783 (Unit:1,000JPY)
Asset retirement obligations	20,100
Reserve for bonuses	32,568
Inventory, etc.	4,762
Business Tax Arrearage	11,460
Advances received and income received in advance	102,072
Deferred tax asset subtotal	256,747
Reserve for valuation	—
Deferred tax asset total	256,747

##### Deferred tax liabilities

Removal expenses relating to asset retirement obligations	△ 12,887
Deferred tax liabilities total	△ 12,887
Net deferred tax assets	243,860

### 4. Notes on transactions with concerned parties

(Unit: 1,000 JPY)

Category	Company Name	Ratio of voting rights, etc. held (owned)	Relationship with concerned party	Details of transaction	Transaction Amount (Note 2)	Item	Balance at End of Period (Note 2)
Parent Company	SoftBank Corp.	Owned 100% Direct	Operating Transactions Concurrent Officer Roles	Provision of telecommunications services (Note 1)	1,773,644	Account Receivable	436,250
						Advances Received	412,462
						Long-Term Advances Received	761,371

Transaction terms and term-setting guidelines, etc.

(Note 1) Prices and other transaction terms are resolved through price negotiations after display of a Company asking price based on market forces.

(Note 2) Transaction amounts do not include consumption tax, etc. Balances at term ends include consumption tax, etc.

### 5. Notes on per-share information

Net assets per share 134,589.42 JPY

Net income this period per share 679.74 JPY