Balance Sheet

As of March 31, 2024

(Amounts in 1,000 JPY)

Assets		Liabilities		
Item	Amount	Item	Amount	
[Current Assets]	1,046,826	[Current Liabilities]	975,255	
Cash and cash equivalents	308,780	Accounts payable	128,793	
Accounts receivable	112,166	Other accounts payable	122,607	
Merchandise	3,162	Income taxes payable	2,700	
Supplies	1,440	Allowance for Bonuses	118,677	
Prepaid expenses	113,259	Contract liability	585,639	
Deposits paid	507,761	Consumption taxes payable	16,552	
Other current assets	256	Other current liabilities	284	
[Noncurrent Assets]	2,685,065	[Noncurrent Liabilities]	722,733	
(Property, Plant, and Equipment)	2,602,326	Asset retirement obligations	77,406	
Machinery and equipment	280,343	Long-term contract liability	644,827	
Rail facilities	2,036,414	Other noncurrent liabilities	500	
Facilities attached to buildings	2,324	Total Liabilities	1,697,988	
Tools, Fixtures, and Equipment	16,821	Net Assets		
Construction in progress	266,423	[Shareholder's Equity]	2,033,903	
(Intangible Assets)	1,222	(Capital stock)	100,000	
Software	0	(Capital surplus)	2,210,000	
Trademarks	514	Capital reserve	1,050,000	
Patents	707	Other capital surplus	1,160,000	
Other intangible assets	0	(Retained earnings)	△ 276,906	
(Investments and Other Assets)	81,516	Other retained earnings	△ 276,906	
Long-term prepaid expenses	73,665	Retained earnings brought forward	△ 276,906	
Leasehold deposits	7,851	Total Net Assets	2,033,903	
Total Assets	3,731,891	Total Liabilities and Net Assets	3,731,891	

(Note) Amounts are rounded down less than 1,000 JPY.

Notes on Specific Items

	Notes on important accounting policies (1) Evaluation standards and methods for inventory Merchandise and supplies Cost method based on the moving average method (Amount on Balance Sheet calculated by writing down carrying amount based on a decline in profitability).				
	by writing down carrying amount bas	eu on a decrine in profitability).			
(2) Depreciation method for noncurrent ass Property, Plant, and Equipment	ets Straight-line method is used. Primary useful life listed below.				
	Machinery and equipment	5-10 years			
	Rail facilities	9-30 years			
	Buildings and accompanying facilit	10 years			
	Tools, furniture, and fixtures	4-15 years			
Intangible assets	For software intended for sale, the or straight-line method over a rema	zed by the straight-line method over the estimated useful life of 5 years. larger of an amortizable amount based on estimated sales revenue ining period of 3 years is recorded. ed on a straight-line basis over the contractual term.			
(3) Standards for recording important allo	wances				
Allowance for bonuses	The amount expected to be paid in t in order to provide bonuses for emp	he future is recorded for the current period loyees.			
(4) Standards for converting foreign curre Receivables and payables denominated and the translation differences recogn	in foreign currencies are translated at	into Japanese currency the exchange rates at the end of fiscal period			
 Revenue recognition is as follows. Provision of fiber optic lines We identify its performance obligat and monthly usage fees are recorded We also recognizes revenues from the as the performance obligation is sa Provision of sXGP based communication We identify its performance obligat and monthly usage fees are recorded For sales of merchandises such as si at the time these are received and 	ion to provide fiber optic line services as revenues for each month. e initial installation service fees rece tisfied over the contract period. on services ion to provide sXGP based communication as revenues for each month. XGP-compatible devices, We recognize rev inspected by the customer. installation fees and administrative fee	3P (shared Xtended Global Platform) based communication services to our custor s to customers over the contract period eived from customers over the contract period, services to customers over the contract period venue when the performance obligation is satisfied es received from customers over the contract period,			
 Notes on Balance Sheet Accumulated depreciation of property, 	plant, and equipment	1,382,644 Thousand yen			
(2) Receivables from and payables to affil	iated companies				
Short-term receivables		545, 983 Thousand yen			
Short-term payables		35,862 Thousand yen			
3. Notes on tax effect accounting Significant components of deferred tax ass Deferred tax assets Depreciated assets Asset retirement obligations Allowance for bonuses Inventory assets, etc. Contract liability Losses brought forward Subtotal of deferred tax assets Valuation allowance Total of deferred tax assets	ets and liabilities -	26, 904 Thousand yen 26, 774 36, 063 51, 979 179, 984 347, 768 669, 475 △ 655, 796 13, 678			
Deferred tax liabilities Expenses for asset retirement obligat	ions	△ 13,678			
Total of deferred tax liabilities Net deferred tax assets	-	△ 13,678			

4. Notes on transactions with related parties

(Unit: Thousand yen)

Category	Company Name	Ratio of voting rights, etc. held (owned)	Relationship with related party		Transaction amount	Item	Balance at the end of period
Parent Company	SoftBank Corp.	Owned 100% Direct		Provision of telecommunications services (Note 1)	1, 617, 292	Accounts receivable	38, 222
						Contract liability	382, 256
						Long-term contract liability	466,071
				Payroll payment of seconded employees (Note 2)	613, 161	Other accounts payable	31, 968
				Deposit of funds (Note 3)	500, 000	Deposits paid	507, 761
				Receipt of interest (Note 3)	2,070		

Transaction terms and method of deciding transaction terms, etc.

(Note 1) Prices and other terms of trade are determined by the asking price we offer after price negotiations, taking into account market conditions. (Note 2) Salary payments to seconded employees are determined based on contractual arrangements.

(Note 3) Deposit of funds relates to a cash consumption deposit agreement (cash management service) that we have entered into with the parent company, and the transaction amount represents the balance at the end of the fiscal year.

Interest is reasonably determined by taking into account market interest rates.

5. Notes on per-share information

Net	assets per	share	80, 710. 43 yen
Net	income per	share this period	riangle 27, 121. 12 yen

6. Notes of significant subsequent events There is nothing to report.

7. Net income or loss

△683, 452, 318 yen