

Balance Sheet

March 31, 2009

BB Backbone Corp.

(Yen)

Assets		Liabilities	
【Current assets】	355,731,843	【Current liabilities】	181,027,739
Cash and deposits	268,502,682	Accounts payable	28,169,659
Accounts receivable-trade	2,697,975	Accounts payable-other	544,980
Supplies	3,207,028	Accrued salary	1,571,746
Prepaid expenses	80,112,571	Income taxes payable	954,200
Accrued income	26,048	Long-term advances	145,632,820
Consumption taxes	1,108,700	Deposits received	13,500
receivable		Reserve for bonuses	4,140,834
Income taxes receivable	76,839		
【Fixed assets】	21,963,941		
(Tangible fixed assets)	19,771,992	Total liabilities	181,027,739
Machinery and equipment	7,499,229		
Line facility	10,177,732	Net assets	
Structures	1,101,060	【Shareholders' equity】	196,668,045
Tools, furniture and	993,971	(Capital stock)	210,000,000
fixtures		(Retained earnings)	-13,331,955
(Intangible fixed asset)	602,045	Other Retained earnings	-13,331,955
Software	52,000	Reserve for special	255,580
Right of trademark	550,045	depreciation	
(Investments and other	1,589,904	Retained earnings brought	-13,587,535
assets)		forward	
Lease deposits	1,589,904	Total net assets	196,668,045
Total assets	377,695,784	Total liabilities and net	377,695,784
		assets	

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 – 21 years
Structures	10 year
Tools, furniture and fixtures	5 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 72,005,876 yen