

The 5nd finance year

Financial Statement

September 1st 2011 - August 31th 2012

iWave Japan, Inc.

President : Osamu Kanno

Balance Sheet

(Unit : JPY)

【Assets】

I	Current Assets	(67,153,107)
	Cash and Deposit		47,682,705	
	Account Receivable		19,447,898	
	Inventory Asset		0	
	Prepaid Expenses		136,920	
	Accrued Corporate Income Taxes		1,753	
	Allowance for Doubtful Accounts		116,169	

II	Fixed Assets	(1,076,380)
	Tangible Fixed Assets	(44,567)
	Tools / Equipment and others		44,567	

Intangible Fixed Assets (0)

Investments and other Assets (1,031,813)
 Deposit as Key Money 391,200
 Long term Prepaid Expenses 640,613

III Deferred Assets (0)

Total Assets 68,229,487

【Liabilities】

I	Current Liabilities	(38,539,452)
	Account Payable		3,961,373	
	Short Term Debt		28,004,690	
	Refund of Long Term Debt		5,978,000	
	Unsettled Cost		278,019	
	Accrued Corporate Income Taxes		180,000	
	Accrued Excise Tax and Others		51,000	
	Money in Custody		86,370	

II Fixed Liabilities (16,439,000)
 Long-Term Debt 16,439,000

Total Liabilities (54,978,452)

【Net Assets】

I	Share Holder Assets	(13,251,035)
	(1) Capital		30,000,000	
	(2) Capital Surplus	(0)
	(3) Earned Surplus	(△ 16,748,965)
	Other Surplus	(-16,748,965)
	① Deferred Profit Surplus	△	16,748,965	

II Valuation and Translation adjustments (0)

III New Stock Acquisition Right (0)

Net Asset Sub Total 13,251,035
Liabilities and New Assets 68,229,487

Profit and Loss Statement

(Unit : JPY)

I Sale		
Sale		75,200,982
II Cost of Sales		
The beginning of a Term Base Stock	0	
Outsourcing Cost	51,518,679	
The Part Stocking Amount	1,448,503	
Total	<u>52,967,182</u>	
The end of a Term Base Stock	0	52,967,182
Sales Net Profit		<u>22,233,800</u>
III Selling and General Administrative Expenses		
Selling and General Administrative Expenses	<u>18,983,612</u>	<u>18,983,612</u>
Operating Profit		<u>3,250,188</u>
IV Non-operating Income		
Interest Received	8,776	
Miscellaneous Income	<u>546,216</u>	554,992
V Non-operating Expenses		
Interest Paid	<u>450,601</u>	450,601
Ordinary Profit		<u>3,354,579</u>
VI Extraordinary Profit		
Extraordinary Profit	<u>0</u>	0
VII Extraordinary Loss		
Extraordinary Loss	<u>0</u>	0
Net Profit Before Tax		<u>3,354,579</u>
Corporate Tax/Inhabitant Tax	<u>180,000</u>	<u>180,000</u>
Net Profit		<u><u>3,174,579</u></u>

Sales/General and Admiexpenses Break up

	(JPY)
Engineers' Salary	2,466,933
Engineers' Travel	2,111,886
Advertisement	182,700
Courie	796,561
Meeting Charge	23,820
Directors' remuneration	2,400,000
Administrative staff salary	4,011,539
Legal Welfare	858,288
Public welfare	37,082
Depreciation	51,155
Office Rent	1,643,040
Stationary	45,836
Communications	350,942
Water / Electricity	262,807
Sundry taxis	541,500
Entertainment cost	60,000
Insurance	0
Equipment not capitalized	308,565
Management fee	2,444,000
Membership fees	0
News paper / periodicals	0
Allowance for doubtful account:	66,972
Miscellaneous	319,986
Total	18,983,612