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To Whom It May Concern:

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Notice Regarding Revision of Group Earnings Forecast

BB Net corp. (the “Company”) hereby revises its consolidated earnings forecast and its non-consolidated earning forecast for the first half and the full year for the fiscal year ending July 31, 2007 as below. Concerning measures to improve profits, details regarding the ongoing business restructuring efforts presently being implemented by the BB Net Group (the “Group”) are presented in “Notice Regarding Progress concerning the BB Net Group’s Business Restructuring,” which has been separately released today. Therefore, please refer thereto as well.

1. Outline of earnings forecast and non-consolidated earning forecast of the company for the first half

- (1) Revision of the consolidated earnings forecast for the first half (Units: millions of yen)

	Net sales	Current profit	Net income
Previously announced forecast (September 21, 2006) (A)	10,000	50	70
Current revised forecast (B)	9,334	-52	-243
Amounts of increase or decrease (B - A)	-666	-102	-313
Percentages of increase or decrease (%)	-6.7	—	—
Achievement of the previous fiscal year (fiscal year ending July 31, 2006)	19,916	-421	-3,389

(2) Revision of non-consolidated earning forecast for the first half (Units: millions of yen)

	Net sales	Current profit	Net income
Previously announced forecast (September 21, 2006) (A)	1,650	10	60
Current revised forecast (B)	1,828	49	23
Amounts of increase or decrease (B - A)	178	39	-37
Percentages of increase or decrease (%)	10.8	390.0	-30.0
Achievement of the previous fiscal year (fiscal year ending July 31, 2006)	3,918	-338	-3,129

2. Factors in revision of earnings forecast for the first half

(Non-consolidated base)

In regards to the half-year period, the sales were achieved beyond expectation concerning system operations. Sales resulted in 1,828 million yen (an increase of 178 million yen over forecast values). Due to prior investments regarding new branch shops for Victoire business, costs increased. However, due to an increase of sales, such costs were absorbed and a current profit of 49 million yen (an increase of 39 million yen over forecast values) was realized. Also, net incomes were 23 million yen (37 million yen below forecast values) because of use of deferred tax assets, etc.

(Consolidated base)

In regards to the half-year period, the market for the fresh produce wholesale business softened. Additionally, profits from the financing business for small and medium-sized enterprises and the franchise introduction and mediation business were less than forecasted values. Thus, consolidated net sales were 9,334 million yen (666 million yen below forecast values). Also, the figures for consolidated current profit represented 52 million yen of ordinary loss (102 million yen below forecast values). Moreover, in relation to consolidated net incomes, because of the securitization of investments in securities, the consolidated gain on sales of investment securities was 126 million yen less than the non-consolidated gain on sales of investment securities. Due to this factor, a net loss of 243 million yen (313 million yen below forecast values) was recorded.

3. Outline of revision of earnings forecast for the full year

Revision of earnings forecast for the full year of the fiscal year ending July 31, 2007 is as follows.

(1) Consolidated earnings forecast for the full year (Units: millions of yen)

	Net sales	Current profit	Net income
Previously announced forecast (September 21, 2006) (A)	20,500	220	200
Current revised forecast (B)	19,000	150	150
Amounts of increase or decrease (B - A)	-1,500	-70	-50
Percentages of increase or decrease (%)	-7.3	-31.8	-25.0
Achievement of the previous fiscal year (fiscal year ending July 31, 2006)	19,916	-421	-3,389

(2) Non-consolidated earnings forecast for the full year (Units: millions of yen)

	Net sales	Current profit	Net income
Previously announced forecast (September 21, 2006) (A)	3,500	50	150
Current revised forecast (B)	3,700	200	150
Amounts of increase or decrease (B - A)	200	150	-
Percentages of increase or decrease (%)	5.7	300.0	-
Achievement of the previous fiscal year (fiscal year ending July 31, 2006)	3,918	-338	-3,129

4. Factors in revision of earnings forecast for the full year

(Non-consolidated base)

In regards to the second half of the fiscal year, it is expected that the system operations will steadily continue to be in a good condition and that the Victoire business will recover and become more profitable. The Company expects that a figure of 3,700 million yen will be achieved for sales, that current profit will be 200 million yen, and that net incomes will be 150 million yen.

(Consolidated base)

In regards to the first half of the fiscal year, there were factors concerning stagnant market condition in regards to the fresh produce wholesale business and slumps in the financing business and the franchise introduction and mediation business. However, in relation to the second half of the fiscal year, in addition to factors relating to strong changes concerning

non-consolidated system operations, the fresh produce wholesale business will see a highly profitable period due to seasonal factors. Business development in the financing business will advance. Due to the aforementioned factors, profitability will be restored. In light of such matters, a figure of 19,000 million yen will be achieved for consolidated net sales, while the consolidated current profits will be 150 million yen. In regards to the consolidated net incomes, due to further promotion of securitization of investments in securities, it is expected that 150 million yen will be gained.

5. BB Net Group's Business Restructuring

The Group has made progress in its business restructuring efforts this term, as separately treated in the "Notice Regarding Progress concerning the BB Net Group's Business Restructuring" released today. The essential features are as follows.

(1) Enhancement of profitability in system operations

For the first half, upward momentum was clear in regards to system operations. In the 2nd quarter, 39 system units were sold. The figure for system sales was 10 units in the 3rd quarter term of the fiscal year ended July 31, 2006, 22 units in the 4th quarter term of the fiscal year ended July 31, 2006, and 31 units in the 1st quarter term of the fiscal year ending July 31, 2007. Thus, a steady upward trend is indicated.

At the same time, in regards to system-production-related costs, skyrocketing costs resulting from release support, such as intensive system customization during the fiscal year ended July 31, 2006, have almost been recovered. A new system called "Type4.0," which allows realization of high efficiency and low costs, was adopted in February 2007.

As mentioned above, in regards to these operations, from the second half of the fiscal year ending July 31, 2007, due to lowering of costs for system production based on the adoption of Type4.0 and the steady acceptance of new orders, greatly improved high profitability is expected to be achieved. Moreover, in order to respond to increases of acceptances of orders and upgrading of required specifications, the Company will further enhance our system so as to promptly and efficiently implement customization and content productions of such system.

(2) Victoire business

The Company operates the "Victoire" business of unique café bakery shops. These are a series of select Western confectionery shops and bakeries that carry well-known European patissier (confectioners) and boulanger brands. The Company expanded its sales channels with a new Yokohama Bay Quarter shop for the first half. It also experienced declining incomes due to initial costs associated with investments.

However, such situation will stabilize during the second half of the fiscal year, and no expenses associated with prior investments will be borne. The Company has also achieved certain outcomes, such as displaying a remarkable ability to attract more customers into the Yokohama Bay Quarter shop as a flagship. Thus, the Company thinks that the profitability of this business area will be improved.

(3) Franchise introduction and mediation business

In regards to the franchise introduction and mediation business (hereinafter referred to as "FC"), due to a slump in new development at franchising headquarters, profits expected for the first half could not be achieved. Thus, the functions for development at franchising

headquarters were transferred from Wintegrator Inc. (hereinafter referred to as “Wintegrator”) to the sales department of the Company. And the organization of Wintegrator was restructured so that it now focuses on B2B matching, which introduces and mediates franchisees, and media advertisement making use of its expertise. Due to such measures, from the second half, the Company will perform development at franchising headquarters in a positive manner, and Wintegrator will perform support operations through the utilization of its strengths. Therefore, the Group is expecting to see a return to profitability.

(4) Promotion of the financing business

The Group started its financing business for small and medium-sized enterprises in May 2006. This business area is meeting strong needs of small and medium-sized enterprises, which are the members of “Hanjo Nets” held by the Company and alliance companies. While this is a promising area, the environment surrounding the financial industry was severe in the first half. The initial model, whereby fund procurement is performed in-house and a financing business is undertaken, had to be reviewed, and a delay in development of the business took place.

Recently, due to an alliance with the Incubator Bank of Japan, Limited, it became possible to promote a business model that does not require large fund procurements. Thus, the Group will positively develop the business based on such model and will improve the profits from the second half.

(5) Promotion of securitization of investments in securities

The Company pays strict attention to securitization of investments in securities as part of the “System & Investment” business model. In the first half, securitization of 1,195 million yen in cash was realized. And in terms of gain on sales of investment securities, a figure of 390 million yen was recorded on a consolidated basis and a figure of 516 million yen was recorded on a non-consolidated basis. The securitization is steadily advanced and the Company will also continue to promote it strongly during the second half.

As mentioned above, the Group will restore the profits during the second half of the fiscal year ending July 31, 2007. In order to achieve its earnings forecast for the entire fiscal year, the Group will vigorously push forward with its best efforts.

* Explanations of this press release results represent BB Net’s future assumptions, expectations, and plans as of today in light of currently available information. As such, these projections entail risks and uncertainties. Readers should be aware that actual results might differ substantially from these projections.

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