

May 16, 2002

Summary of Consolidated Earnings Report FY Ending March 2002

Company Name: BACKS GROUP Inc.
Code Number: 4306
Stock Listings: JASDAQ
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Board of Directors Meeting for Approval of Results: May 15, 2002

SEC Accounting Standards: The Company does not apply SEC accounting standards.

1. Consolidated Results of Operations for FY2002 (April 1, 2001 – March 31, 2002)

(1) Consolidated Business Results

(Rounded down to ¥ million)

	Net Sales	Operating Income	Ordinary Income
	¥ million; %	¥ million; %	¥ million; %
FY2002	4,430 (6.2)	49 (77.0)	101 (51.0)
FY2001	4,171 (34.0)	215 (229.0)	206 (276.3)

	Net Income	Net Income per Share	Net Income per Share (diluted)	Return on Equity	Return on Total Assets	Return on Sales
	¥ million; %	¥	¥	%	%	%
FY2002	51 (53.9)	15,233.95	13,261.12	8.3	7.3	2.3
FY2001	111 (106.1)	57,251.86	—	35.2	17.4	5.0

Notes:

- Returns on investments under equity method:
FY2002: N/A; FY2001: N/A.
- Weighted average number of shares (consolidated):
FY2002: 3,370; FY2001: 1,944
- No changes in accounting standards were applicable to the above figures.
- The percentage figures accompanying net sales, operating income, ordinary income, and net income represent year-on-year change.

(2) Consolidated Financial Statement

	Total Assets	Shareholders' Equity	Equity Ratio	Shareholders' Equity per Share
	¥ million	¥ million	%	¥
FY2002	1,474	857	58.2	230,971.32
FY2001	1,282	382	29.8	191,624.54

Note: Number of shares issued (consolidated) as of the end of fiscal year:

FY2002: 3,713; FY2001: 1,997

(3) Consolidated Cash Flow

	From Operating Activities	From Investing Activities	From Financing Activities	Cash and Cash Equivalents, end of Fiscal Year
	¥ million	¥ million	¥ million	¥ million
FY2002	50	34	160	756
FY2001	144	4	16	580

(4) Scope of Consolidation and Application of Equity Method

Number of consolidated subsidiaries: 4

Number of non-consolidated subsidiaries subject to equity method: none

Number of affiliates subject to equity method: none

(5) Changes in Scope of Consolidation and Application of Equity Method

Newly consolidated: none

Removed from consolidation: none

Newly subject to equity method: none

Removed from equity method: none

2. Projected Consolidated Results for FY2003 (April 1, 2002 — March 31, 2003)

	Net Sales	Ordinary Income	Net Income
	¥ million	¥ million	¥ million
Interim	2,220	3	29
Full Term	4,450	105	54

(Reference) Projected net income per share (full term): ¥14,613.86