

July 31, 2002

## Summary of Consolidated Earnings Report for the First Quarter of FY Ending March 2003

Company Name: BACKS GROUP Inc.  
 Code Number: 4306  
 Stock Listings: JASDAQ  
 Head Office: 4-6-1, Ebisu, Shibuya-ku, Tokyo  
 Inquiries: Naoyuki Honda, Executive Managing Director  
 Tel: (03) 5793-7911  
 Board of Directors Meeting for Approval of Results: July 30, 2002

### 1. Consolidated Results of Operations for the First Quarter of FY Ending March 2003

The figures for the first quarter (June 2002) were unaudited.

#### (1) Consolidated Business Results

(Rounded down to ¥ million)

	Net Sales	Operating Income	Ordinary Income
	¥ million; %	¥ million; %	¥ million; %
<b>First Quarter (June 2002)</b>	976 ( )	7 ( )	5 ( )
<b>First Quarter (June 2001)</b>	( )	( )	( )

	Net Income	Net Income per Share	Net Income per Share (diluted)	Return on Equity	Return on Total Assets	Return on Sales
	¥ million; %	¥	¥	%	%	%
<b>First Quarter (June 2002)</b>	0 ( )	210.93	¥	0.1	0.4	0.6
<b>First Quarter (June 2001)</b>	( )					

Notes:

1. Returns on investments under equity method:

First Quarter June 2002: N/A; First Quarter June 2001: N/A.

2. Loss from revaluation of securities: N/A.

3. No changes in accounting standards were applicable to the above figures.

4. The percentage figures for net sales, operating income, ordinary income, and net income for the First Quarter (June 2002) are not available because no quarterly settlement was made for the First Quarter (June 2001).

## (2) Consolidated Financial Statement

	Total Assets	Shareholders' Equity	Equity Ratio	Shareholders' Equity per Share
	¥ million	¥ million	%	¥
<b>First Quarter (June 2002)</b>	1,375	859	62.5	226,954.77
<b>First Quarter (June 2001)</b>				

## (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
<b>First Quarter (June 2002)</b>	86	4	22	688
<b>First Quarter (June 2001)</b>				

## (4) Scope of Consolidation and Application of Equity Method

Number of consolidated subsidiaries: 3

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
<b>Interim</b>	2,220	3	29
<b>Full Term</b>	4,450	105	54

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