



Vision of
BACKS GROUP

Presentation of Results
for the First Quarter of
the Fiscal Year Ending March 31, 2007

July 21, 2006

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FY2007 Results Highlights

**The First Quarter of Fiscal Year Ending
March, 2007**

FY2007 1Q Results Highlights

【Unit: million of yen】	FY2006 1Q	FY2007 1Q	Y on Y	Against FY2007 Interim (Forecast)
Net sales	1,980	2,435	+23.0%	43.1%
Gross Profit	510	600	+17.7%	41.1%
(Gross profit margin)	(25.8%)	(24.7%)	-1.1ppts	
(SG&A ratio)	(18.6%)	(19.7%)	+1.2ppts	
Operating Income	142	120	-15.9%	30.9%
(Operating income margin)	(7.2%)	(4.9%)	-2.3ppts	
Ordinary Income	143	119	-16.6%	30.9%
Net Income	84	69	-17.9%	30.6%

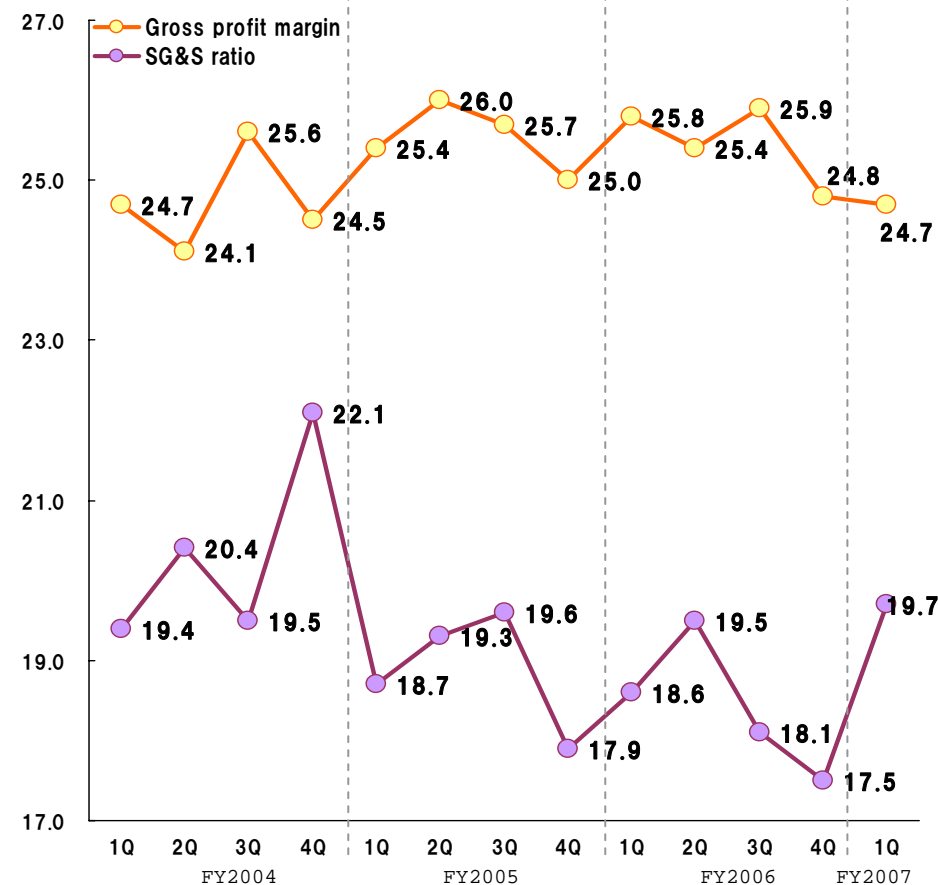
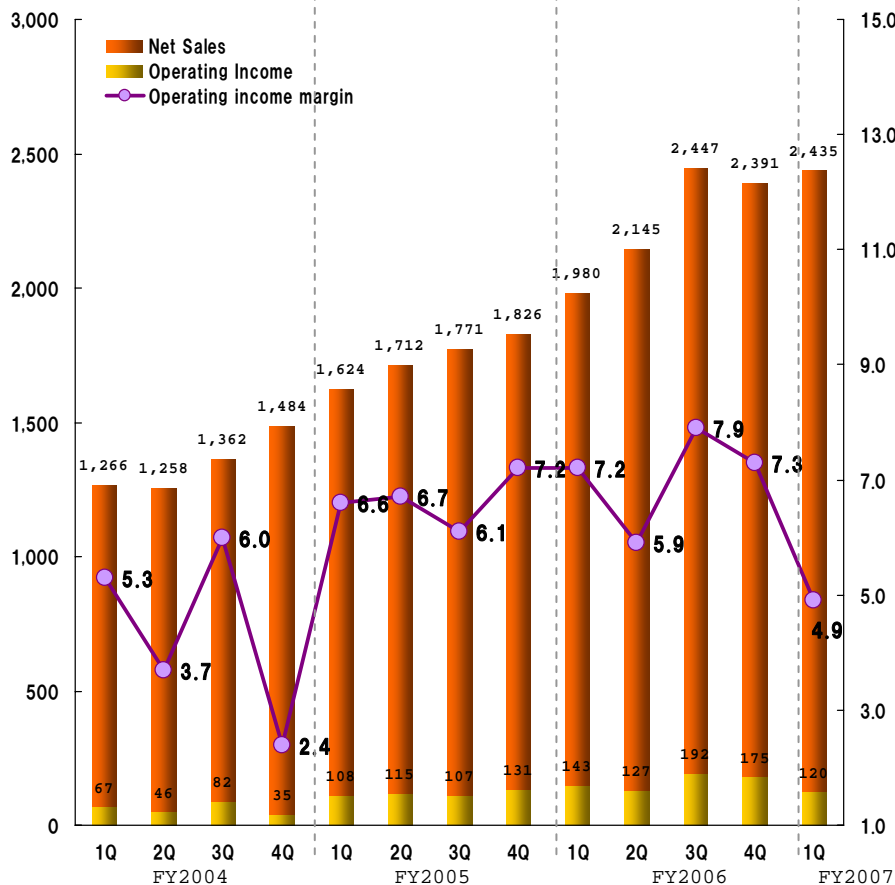
Profitability-Quarterly Basis

Gross profit margin: Decline in digital sector

(Due to increased outsourcing costs and lack of demand for campaigns)

SG&A ratio: Rise in personnel costs mainly due to the hiring of new recruits

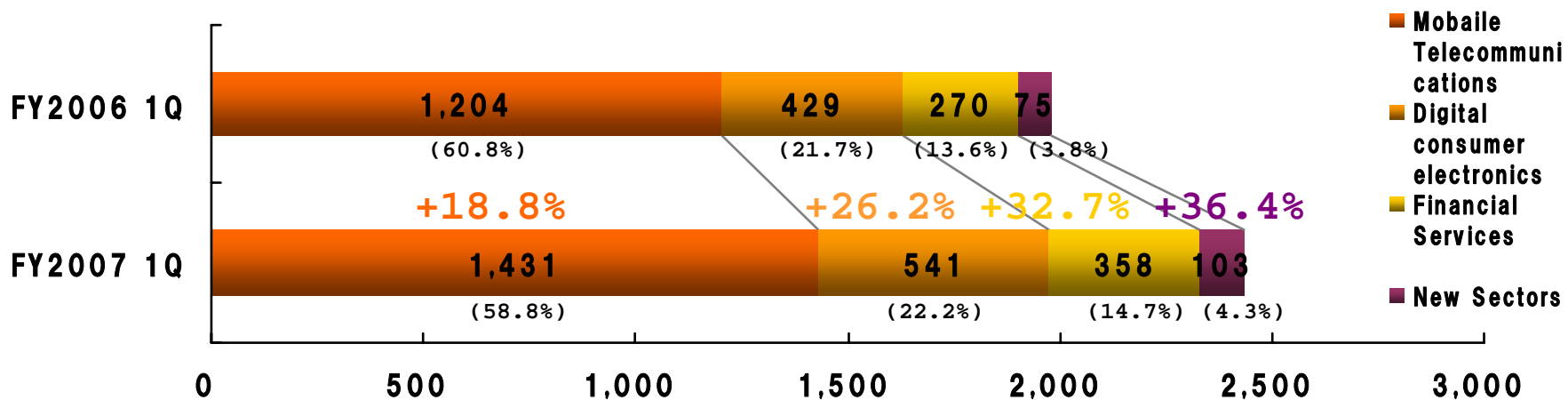
(Already earmarked)





Sales by Customer Segment

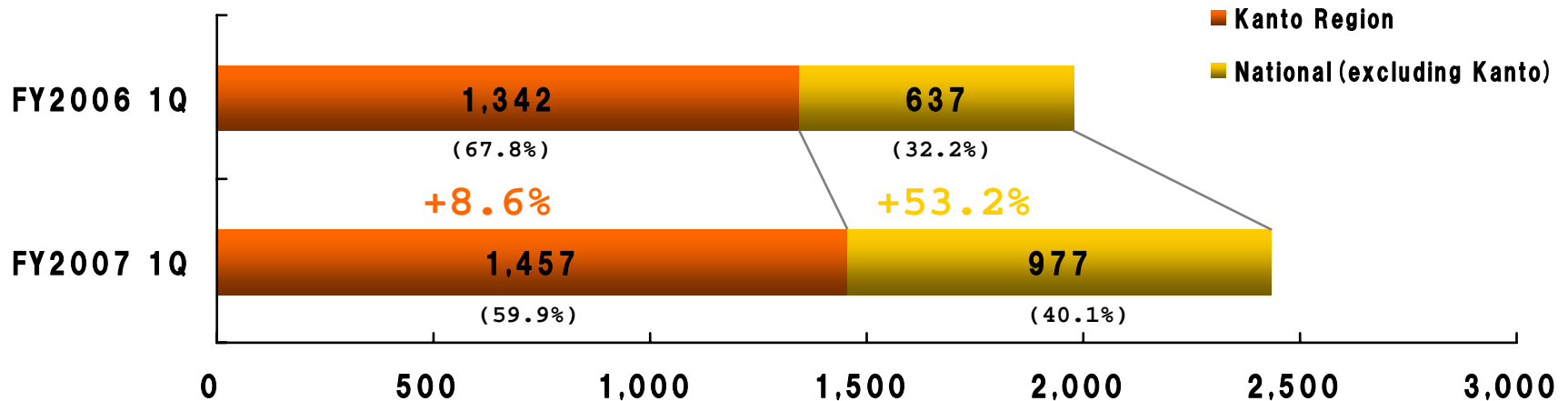
【Unit : Million of yen】

	FY2006 1Q	Share	FY2007 1Q	Share	Y on Y
Mobile Telecommunications	1,204	60.8%	1,431	58.8%	+18.8%
Digital consumer electronics	429	21.7%	541	22.2%	+26.2%
Financial Services	270	13.6%	358	14.7%	+32.7%
New Sectors	75	3.8%	103	4.3%	+36.4%



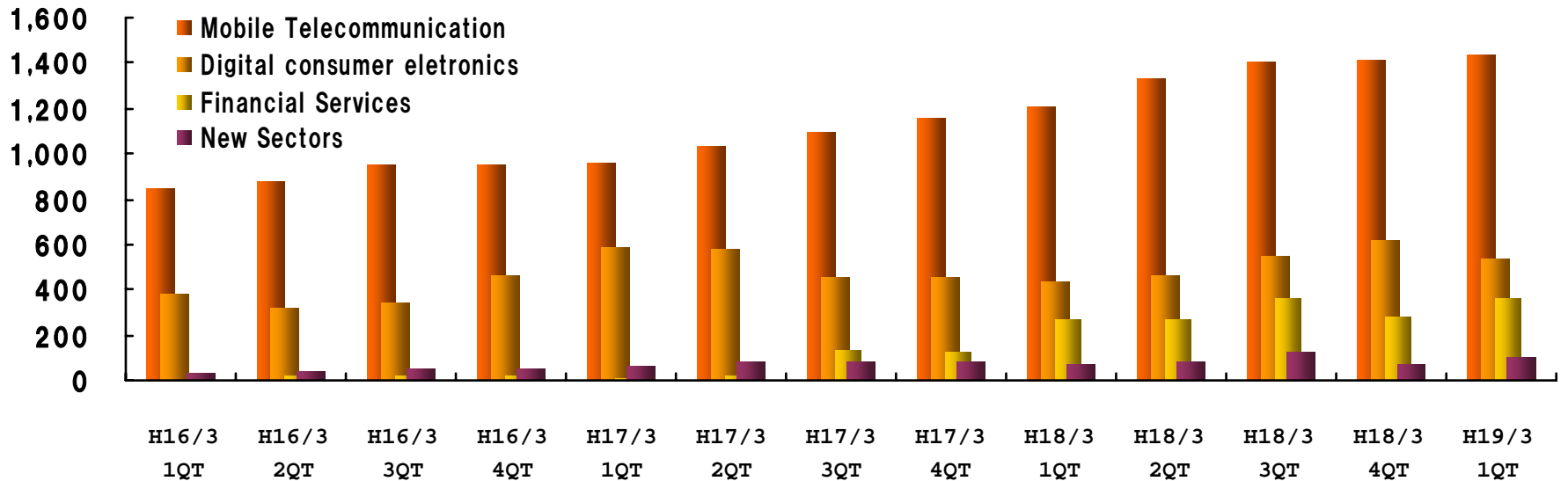
Sales by Geographic Region

<small>【Unit : Million of yen】</small>	FY2006 1Q	Share	FY2007 1Q	Share	Y on Y
 Kanto Region	1,342	67.8%	1,457	59.9%	+8.6%
(offices)	(6)		(9)		(+3)
 National (excluding Kanto)	637	32.2%	977	40.1%	+53.2%
(offices)	(11)		(13)		(+2)

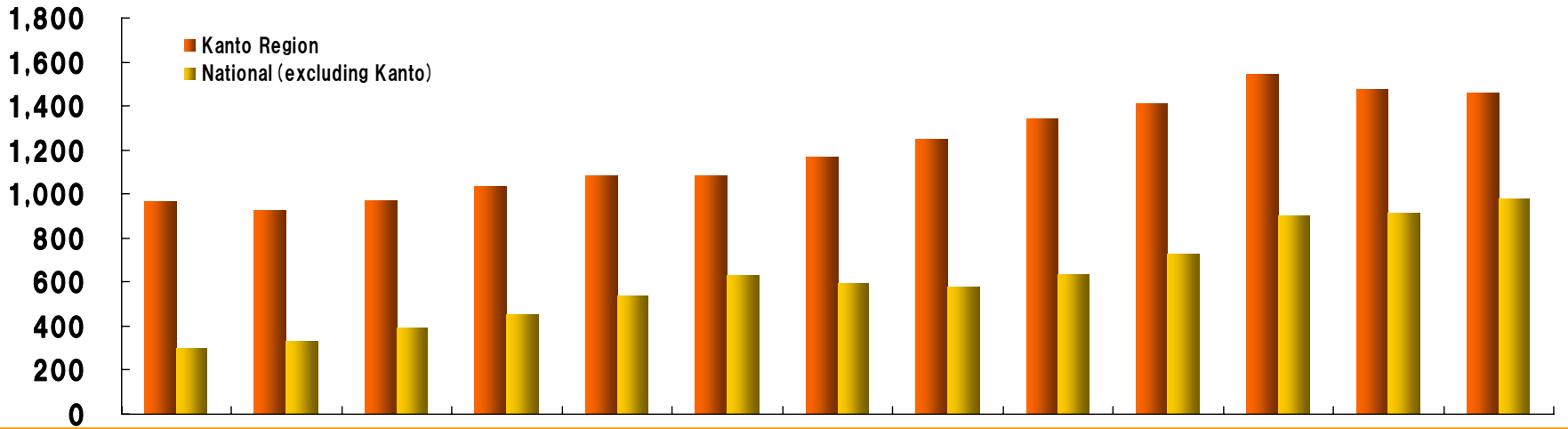


Quarterly Trends In Sales—by Customer Segment and Region

Sales by Customer Segment



Sales by Geographic Region



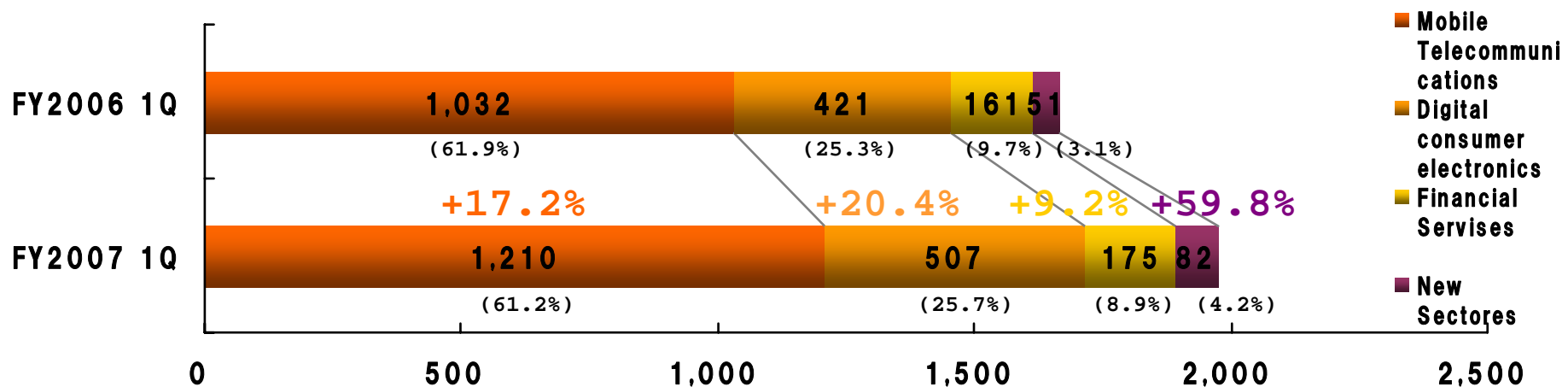
Business Segment Overview

	【Unit : Million of yen】	FY2006 1Q	FY2007 1Q	Y on Y
Outsourcing	Net Sales	1,667	1,976	+18.5%
	(share)	(84.2%)	(81.2%)	
	Operating Income	154	134	-13.3%
	(operating income margin)	(9.3%)	(6.8%)	-2.5ppts
Temporary Staffing	Net Sales	313	458	+46.6%
	(share)	(15.8%)	(18.8%)	
	Operating Income	15	27	+82.1%
	(operating income margin)	(4.9%)	(6.0%)	+1.1ppts

Outsourcing Business Overview

【Unit : Million of yen】

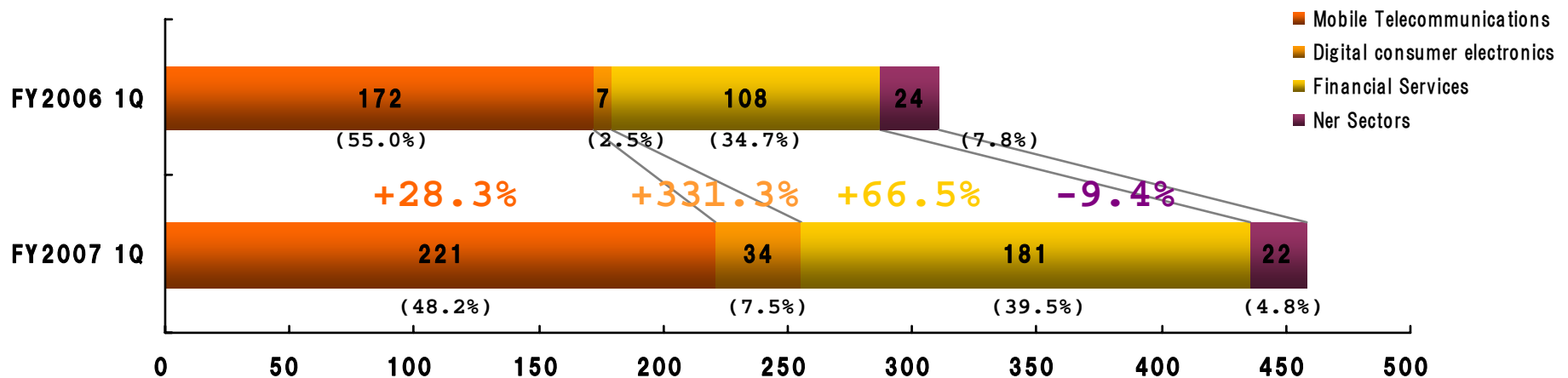
	FY2006 1Q	Share	FY2007 1Q	Share	Y on Y
Mobile Telecommunications	1,032	61.9%	1,210	61.2%	+17.2%
Digital consumer electronics	421	25.3%	507	25.7%	+20.4%
Financial Services	161	9.7%	175	8.9%	+9.2%
New Sectors	51	3.1%	82	4.2%	+59.8%



Temporary Staffing Business Overview

【Unit : Million of yen】

	FY2006 1Q	Share	FY2007 1Q	Share	Y on Y
Mobile Telecommunications	172	55.0%	221	48.2%	+28.3%
Digital consumer electronics	7	2.5%	34	7.5%	+331.3%
Financial Services	108	34.7%	181	39.5%	+66.5%
New Sectors	24	7.8%	22	4.8%	-9.4%

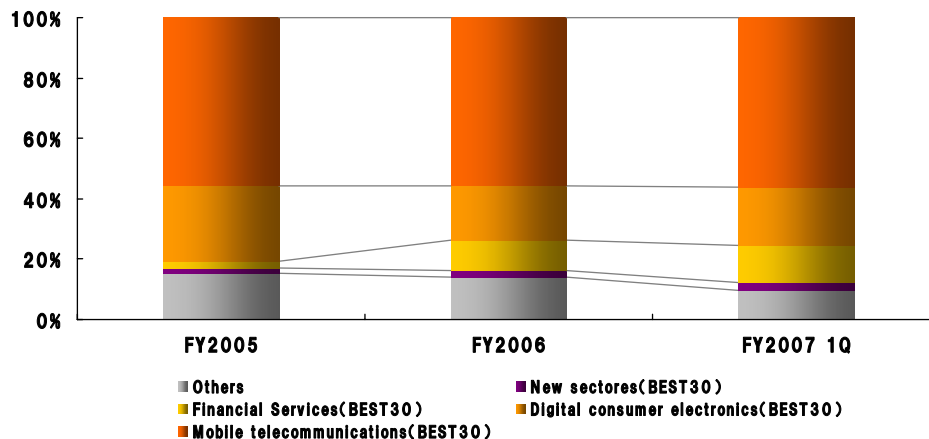


Top 30 Customers-Sales

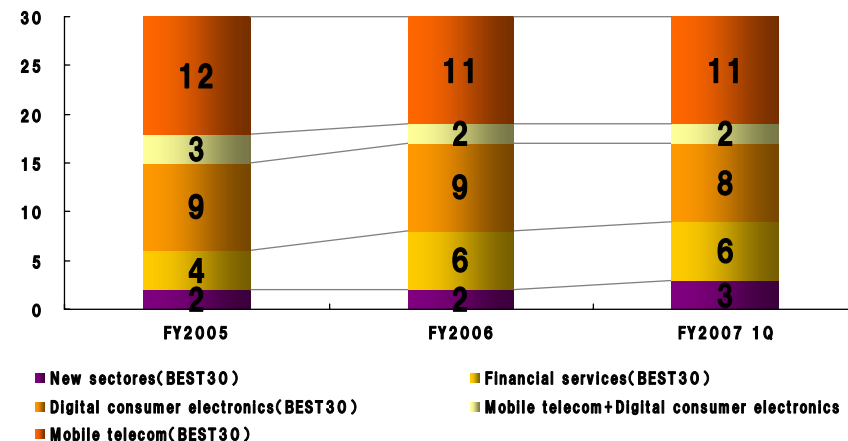
【Unit: Million of yen】	FY2006			FY2007			FY2007 1Q			FY2006 1Q
	Net Sales	Share	Firm	Net Sales	Share	Firm	Net Sales	Share	Firm	Y on Y
Mobile Communications	3,860	55.7%	15	4,975	55.5%	13	1,369	56.2%	13	+23.8%
Digital consumer electronics	1,733	25.0%	12	1,626	18.1%	11	468	19.2%	10	+24.6%
Financial Services	165	2.4%	4	911	10.2%	6	293	12.1%	6	+36.1%
New Sectors	121	1.8%	2	187	2.1%	2	71	2.9%	3	+93.0%
Top Thirty Total	5,881	84.8%	30	7,700	85.9%	30	2,202	90.5%	30	+27.0%
Others	1,052	15.2%	237	1,262	14.1%	205	232	9.5%	116	-5.1%
Total	6,933	100.0%	267	8,963	100.0%	235	2,435	100.0%	146	+23.0%

※The number of customers in each customer segment and the total number differ because customers in mobile and digital segments are included.

Ratio of Each Segment to Total Sales

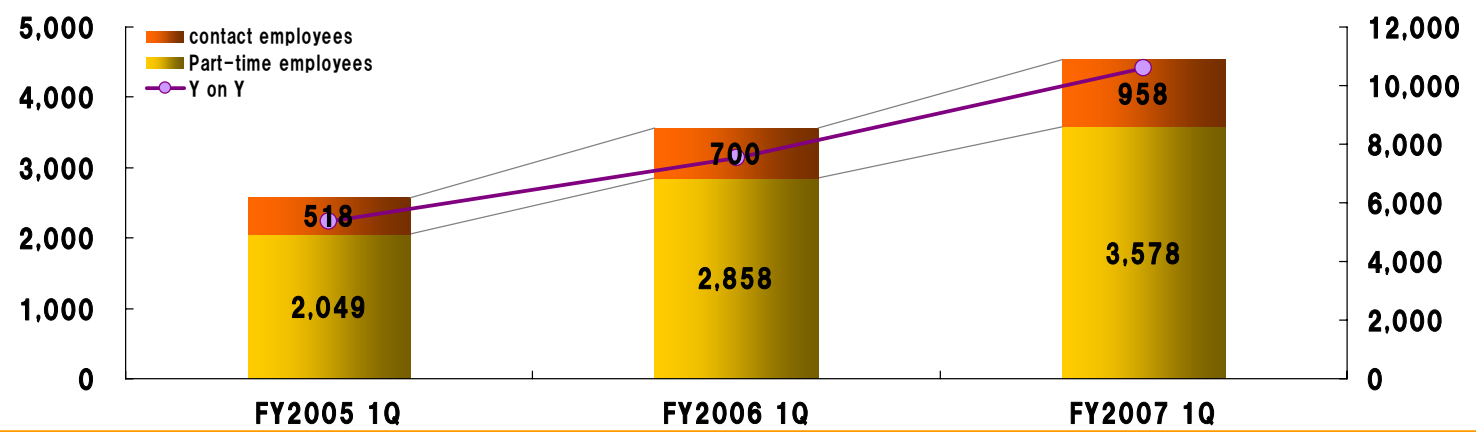


Breakdown of Top 30 Customers by Segment



Business Facts①-Number of Staff

	FY2005 1Q	FY2006 1Q	FY2007 1Q
Active Staff (monthly average)	2,567	3,558	4,536
(Contact employees)	518	692	958
(Part-time employees)	2,049	2,866	3,578
Avg. sales amount per person	211	186	179
Registered staff	23,334	30,856	41,454
(Y on Y)	+5,346	+7,522	+10,598

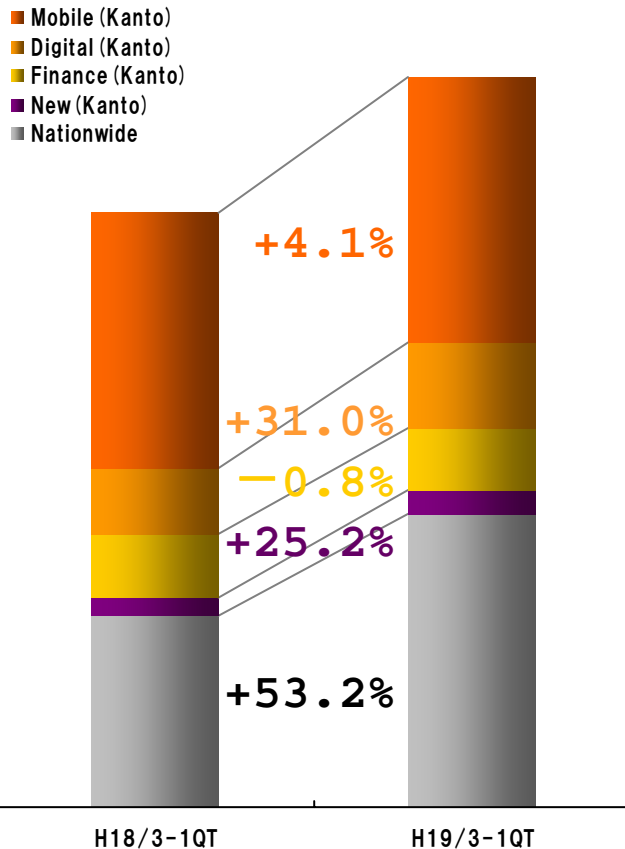


Sales Strategies for FY2007 Summary of 1Q

**The First Quarter of Fiscal Year Ending
March, 2007**

Strategies to Increase Sales

Strengthen sales activities in the Kanto region to boost overall sales



【Contributing factors in Q1】

Sales growth rate has remained at a steady pace nationwide except in the Kanto region

① Mobile segment (Kanto region)

⇒ Uncertainty in the adoption of MNP (Mobile Number Portability) worked against receiving new orders

② Financial segment (Kanto region)

⇒ Decrease in demand for large-scale campaigns in contrast to FY2006

【Strategies for Q2 and Later】

① Revamp growth in the Kanto region, especially in the areas of Mobile and Finance

Maintain/increase nationwide growth

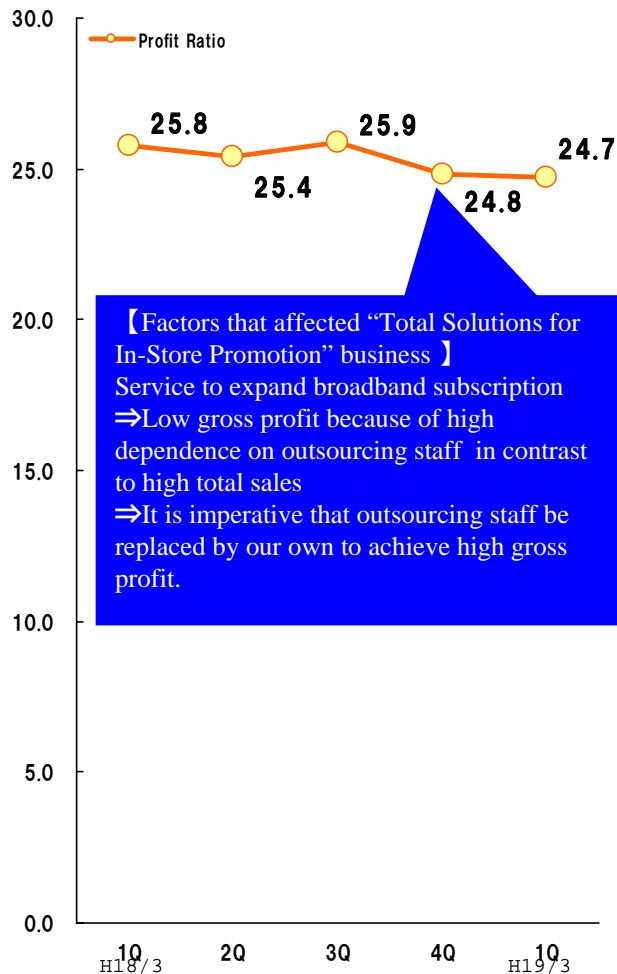
⇒ Reinforce sales branches to expand the coverage of areas for existing clients

⇒ Strengthen sales activities to increase demands for MNP (Mobile Number Portability)

② Reinforce sales activities for “Total Solutions for In-Store Promotion”

Strategies to Increase Gross Profit Margin

Revamp gross profit margin in the digital area



【Contributing Factors in Q1】

- ① **Slowdown in orders for large-scale campaigns**
 ⇒Demands for high-margin campaigns fell compared with FY2006
- ② **Broadband-related orders carried over from the previous 4Q**
 ⇒The gross profit margin has not improved due to delays in switching outsourcing staff

【Strategies from Q2 onward】

- ① **Boost sales activities to obtain large-scale campaign orders**
 ⇒Beef up sales activities at headquarters to obtain orders nationwide
- ② **Reduce cost**
 ⇒Utilize our own staff, and decrease outsourcing costs

Total Solutions for In-Store Promotion

Total Solutions for stores with big sales contributions

1Q in FY2007 【Millions of yen】	Sales	Ratio to Sales	Clients	Sales per client
Total Solutions for In-Store Promotion	250	10.3%	3	83
Conventional Services	2,185	89.7%	143	15
Total	2,435	100.0%	146	16

Sales activities targeted to win new clients

【Target industries for “Total Solutions for In-Store Promotion” packages】

Digital Consumer Electronics Makers : Target domestic makers with attractive product releases this year

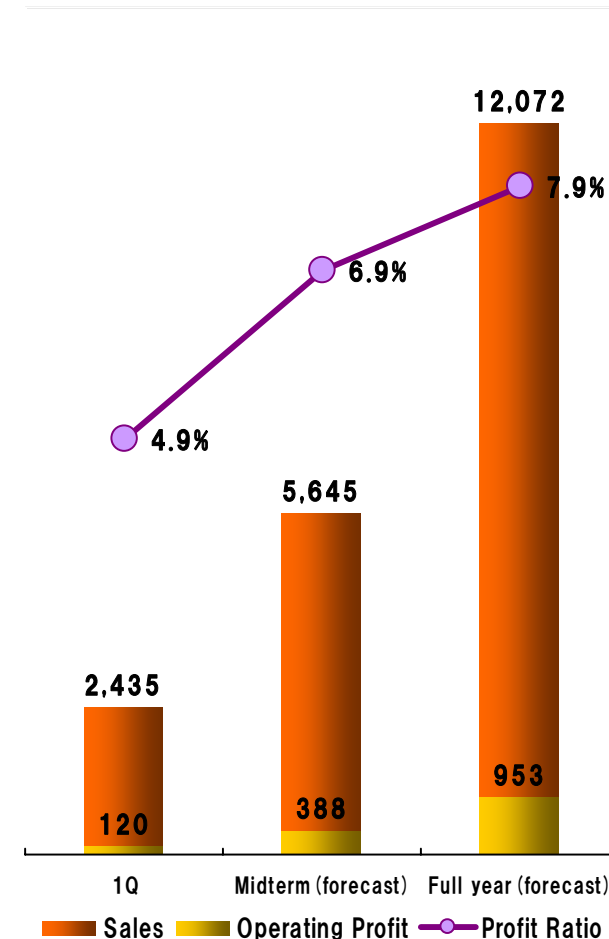
Advertisement Agencies : Establish strong relationships to receive orders for operating In-store promotions

Consumer Product Makers : Introduce “rounders” organized for in-store operations

Measures to Achieve Sales Quota in FY2007

Carry out measures to achieve sales goals based on the conditions in 1Q

Business Conditions in 1Q	To materialize goals...
<p>■Sales</p> <p>Remained at a steady pace nationwide</p> <p>Slowdown in sales in the Kanto region</p> <p>→No new demand in the mobile segment</p> <p>→Lack of sales campaign in Financial segment</p>	<p>■Sales</p> <p>Keep and improve growth nationwide</p> <p>Recover growth in the Kanto region</p> <p>→Expansion of deals with existing clients by covering all segments</p> <p>Promote “Total Solutions for In-Store Promotions” aggressively</p> <p>→Approach target industries</p> <p>Double the number of clients</p>
<p>■Gross Profit Margin</p> <p>Decline in profits in digital area</p> <p>→Lack of high-margin campaigns</p> <p>→High dependence on outsourcing staff</p>	<p>■Gross Profit Margin</p> <p>Strengthen sales activities to generate large-scale campaigns</p> <p>→Strengthen sales headquarters to receive orders nationwide</p> <p>Reduce costs</p> <p>→Reduce cost of outsourcing staff</p>
<p>■SG&A Ratio</p> <p>Rise in personnel expenses</p> <p>→Increased with hiring new recruits (Already earmarked in the budget)</p>	<p>■SG&A Ratio</p> <p>Reduce SG&A with the rise in sales</p> <p>→Take advantage of scale</p>



Forward-Looking Statements

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Supplementary Material

**The First Quarter of Fiscal Year Ending
March, 2007**

FY2007 Full year Forecasts

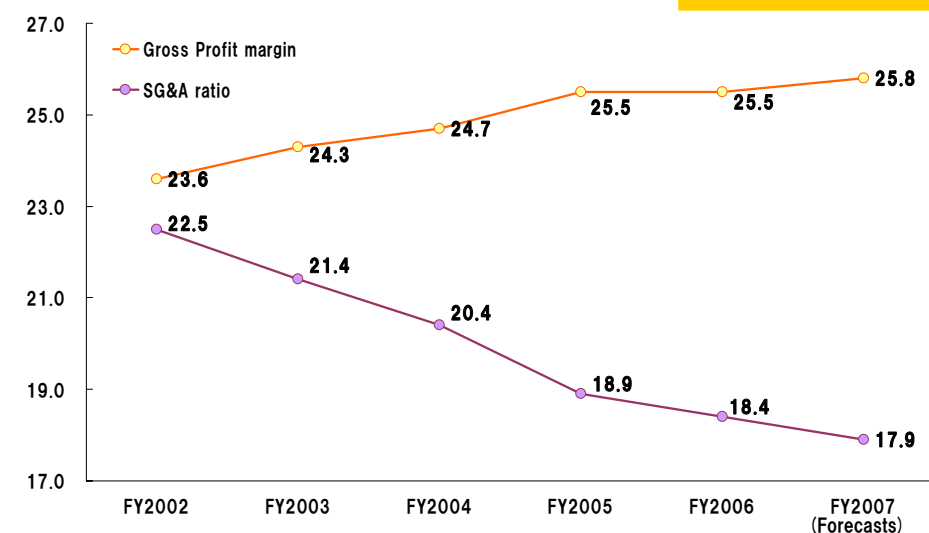
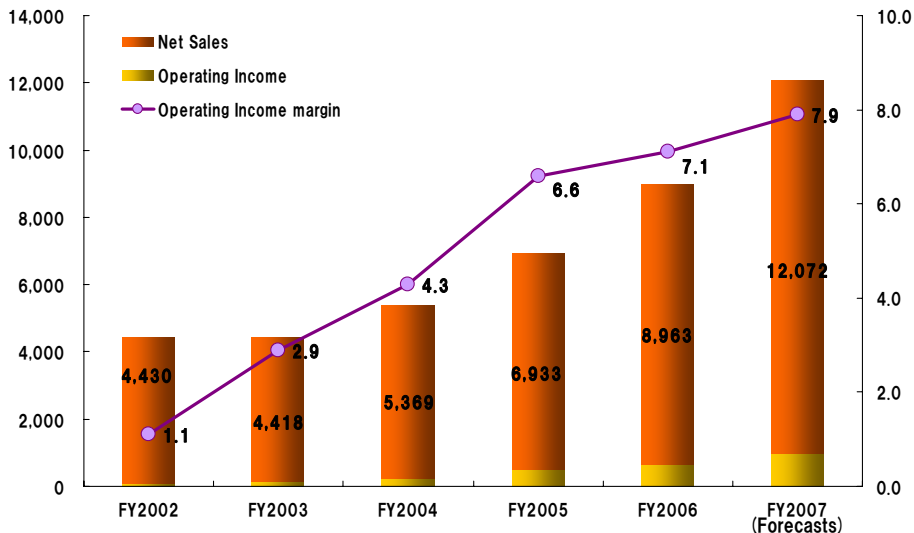
【Unit : Million of yen】	FY2006 (Actual)	FY2007 (Forecasts)	Y on Y
Net Sales	8,963	12,072	+34.7%
Gross Profit	2,283	3,109	+36.2%
(Gross profit margin)	(25.5%)	(25.8%)	+0.3ppts
(SG & A ratio)	(18.4%)	(17.9%)	-0.5ppts
Operating Income	637	953	+49.5%
(Operating Income Margin)	(7.1%)	(7.9%)	+0.8ppts
Ordinary Income	637	927	+45.6%
Net Income	371	546	+47.0%

FY2007 Interim Forecasts

【Unit : Million of yen】	FY2006 Interim (Actual)	FY2007 Interim (Forecasts)	Y on Y
Net Sales	4,125	5,645	+36.8%
Gross Profit	1,056	1,462	+38.5%
(Gross profit margin)	(25.6%)	(25.9%)	+0.3ppts
(SG & A ratio)	(19.1%)	(19.0%)	-0.1ppts
Operating Income	269	388	+43.9%
(Operating income margin)	(6.5%)	(6.9%)	+0.4ppts
Ordinary Income	269	387	+43.6%
Net Income	154	387	+47.0%

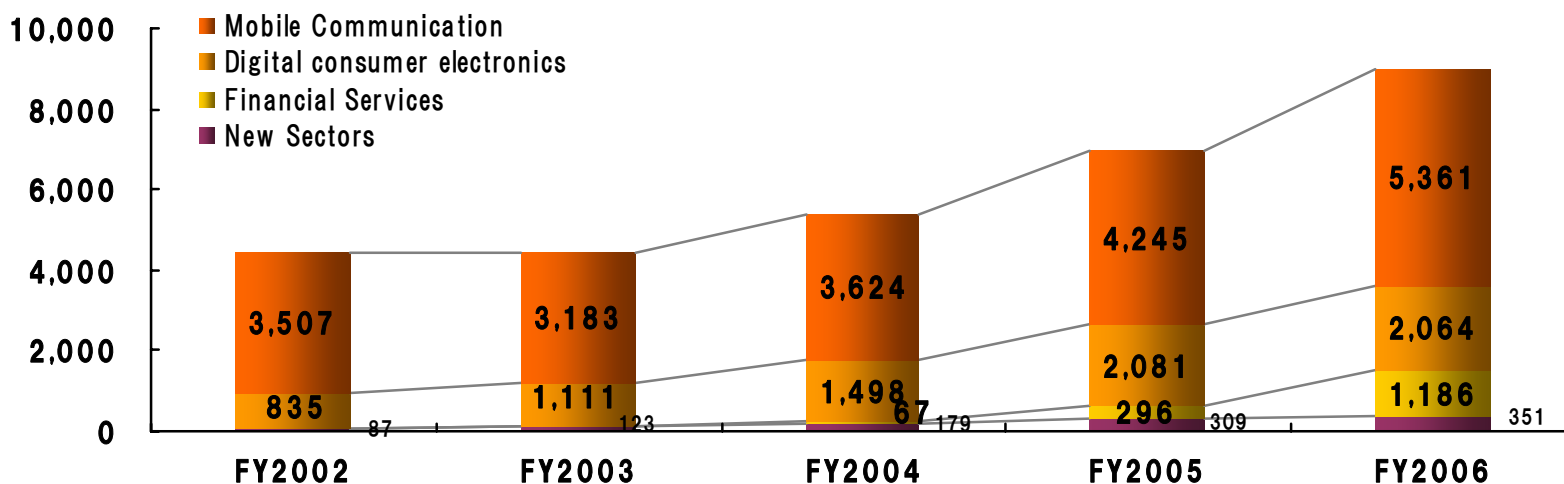
Performance Trends

[Unit : Million of yen]	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007 (Forecasts)
Net Sales	4,430	4,418	5,369	6,933	8,963	12,072
Gross Profit	1,048	1,073	1,328	1,769	2,283	3,109
(Gross profit margin)	(23.6%)	(24.3%)	(24.7%)	(25.5%)	(25.5%)	(25.8%)
(SG&A ratio)	(22.5%)	(21.4%)	(20.4%)	(18.9%)	(18.4%)	(17.9%)
Operating Income	49	129	230	460	637	953
(Operating income margin)	(1.1%)	(2.9%)	(4.3%)	(6.6%)	(7.1%)	(7.9%)
Ordinary Income	101	145	226	457	637	927
Net Income	51	77	133	258	371	546



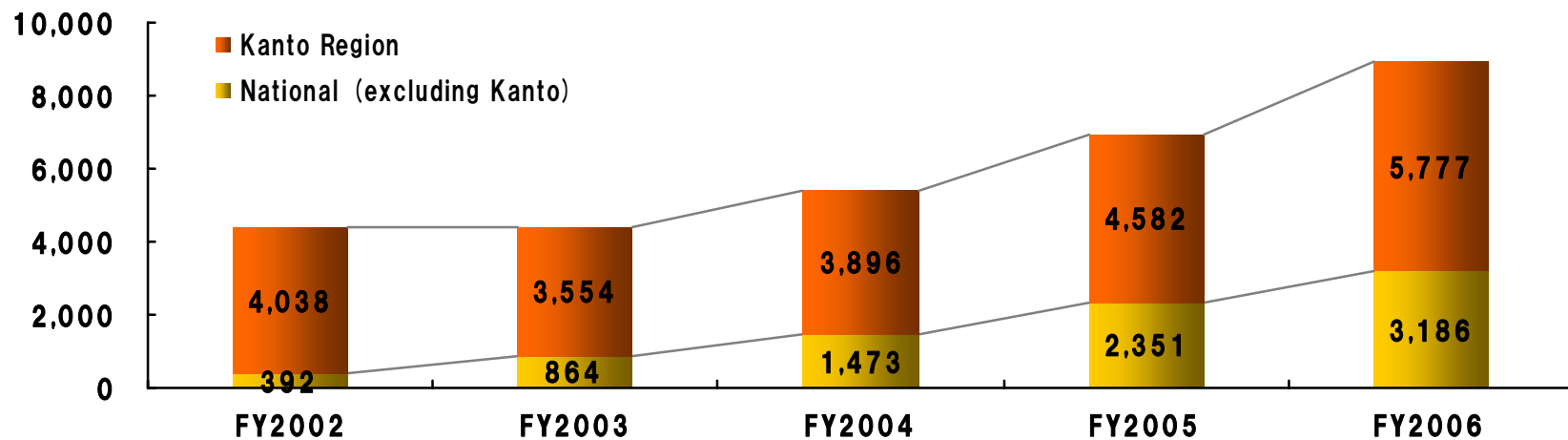
Sales by Customer Segment

【Unit : Million of yen】		FY2002	FY2003	FY2004	FY2005	FY2006
Mobile Telecommunications	Net Sales	3,507	3,183	3,624	4,245	5,361
	Share	79.2%	72.0%	67.5%	61.2%	59.8%
Digital consumer electronics	Net Sales	835	1,111	1,498	2,081	2,064
	Share	18.9%	25.2%	27.9%	30.0%	23.0%
Financial Services	Net Sales	—	—	67	296	1,186
	Share	—	—	1.2%	4.3%	13.2%
New Sectors	Net Sales	87	123	179	309	351
	Share	1.9%	2.8%	3.2%	4.5%	4.0%



Sales by Geographic Region

【Unit : Million of yen】		FY2002	FY2003	FY2004	FY2005	FY2006
Kanto Region	Net Sales	4,038	3,554	3,896	4,582	5,777
	Share	91.1%	80.4%	72.6%	66.1%	64.5%
	offices	(1)	(1)	(5)	(6)	(9)
National (excluding Kanto)	Net Sales	392	864	1,473	2,351	3,186
	Share	8.9%	19.6%	27.4%	33.9%	35.5%
	Offices	(5)	(6)	(6)	(11)	(13)



Office Locations

■ Kanto Region

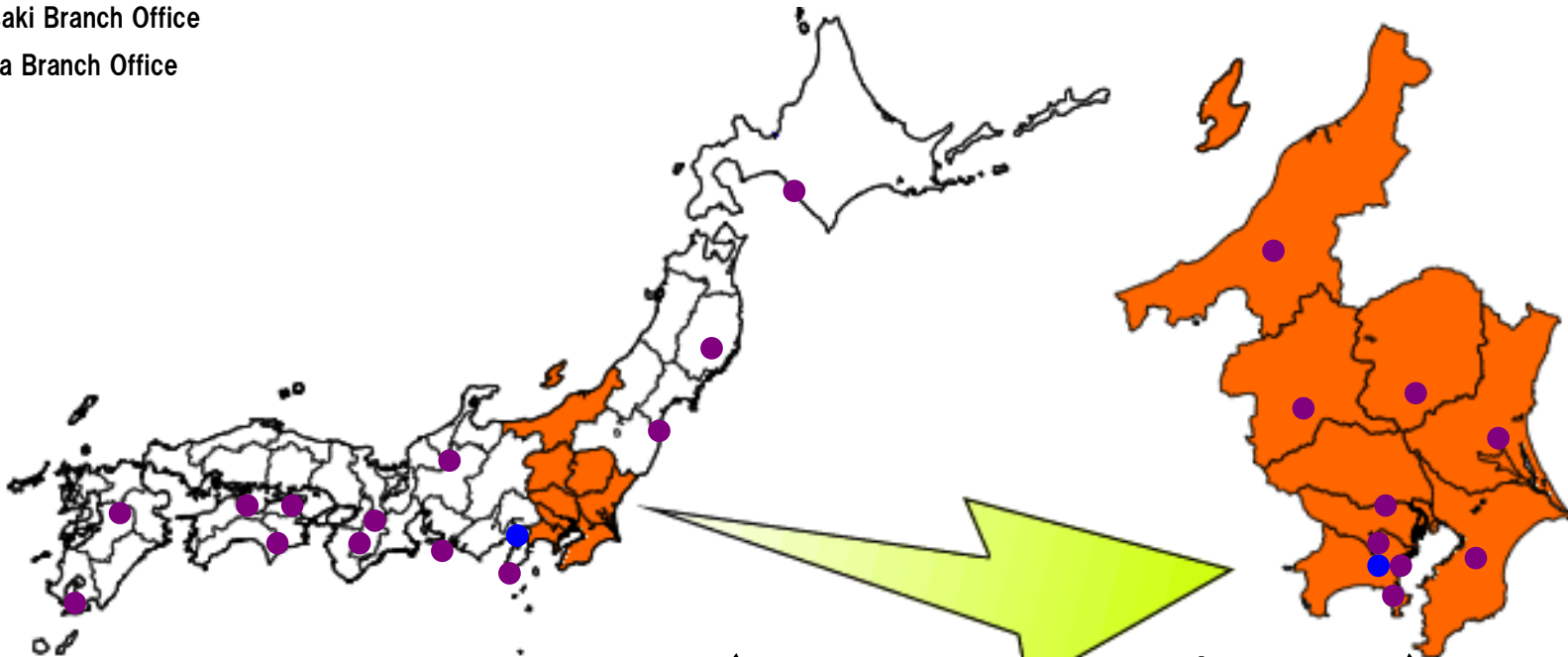
- Tokyo Head Office
- Chiba Branch Office
- Yokohama Branch Office
- Saitama Branch Office
- West Tokyo Branch Office
- Mito Branch Office
- Utsunomiya Branch Office
- Takasaki Branch Office
- Niigata Branch Office

■ National (excluding Kanto)

- Sapporo Branch Office
- Morioka Branch Office
- Sendai Branch Office
- Shizuoka Branch Office
- Nagoya Branch Office
- Hokuriku Branch Office
- Kyoto Branch Office
- Osaka Branch Office
- Okayama Branch Office
- Hiroshima Branch Office
- Shikoku Branch Office
- Fukuoka Branch Office
- North Kyusyu Branch Office

Office locations planned for FY2007

- Machida Branch Office
- Kofu Branch Office



22 Offices Nationwide (As of March 31st, 2006)

Consolidated Cash Flows

[Unit: Thousands of yen]

	FY2006 1Q	FY2007 1Q	Y on Y	Changing Factors
Cash flows from operating activities	△3	△114	+3,610.6%	Reduction in accrued expenses Payment for income taxes
Cash flows from investing activities	△12	△13	+13.0%	Expenditure associated with the acquisition of plant, property and equipment
Cash flows from financing activities	△61	△70	+15.1%	Payment of dividends
Cash and cash equivalents at the end of the period	1,001	1,027	-16.2%	
Change in Cash and Cash Equivalents	△76	△199		

Consolidated Statement of Cash Flows

【Unit: Million of yen】

	FY2002	FY2003	FY2004	FY2005	FY2006
Cash flows from operating activities	50	74	182	328	342
Cash flows from investing activities	△34	△75	△145	△64	△101
Cash flows from financing activities	160	7	△27	42	△92
Cash and cash equivalents at the end of the period	756	762	771	1,078	1,226
Change in cash equivalents at the end of the period	+176	+5	+9	+306	+147

Sales and Profits Trends—by Group Company

【Unit : Million of yen】	FY2006 1Q	FY2007 1Q	Y on Y
Net Sales	1,980	2,435	+23.0%
Backs Group	1,573	1,981	+25.9%
Giga Japan	243	257	+5.7%
Smart	181	218	+20.8%
Gross Profit	510	600	+17.7%
Backs Group	432	518	+19.9%
Giga Japan	57	53	-6.5%
Smart	31	40	+29.1%
Operating Income	142	120	-15.9%
Backs Group	113	94	-16.3%
Giga Japan	21	14	-36.2%
Smart	7	11	+49.1%

※Net sales, gross profits, and operating incomes of each group company are not yet adjusted for consolidation. Thus, the total of group companies and the consolidated figure differ.

Shareholder Breakdown by Segment

Shareholder Segment	FY2005 (Year end)				FY2006 (Interim)				FY2006 (Year end)			
	No. of holders	Share	No. of stocks	Share	No. of holders	Share	No. of stocks	Share	No. of holders	Share	No. of stocks	Share
Government and local authorities	0	0.00	0.00	0.0	0	0.00	0.00	0.0	0	0.00	0.00	0.0
Bank and trust companies	6	0.28	5,884.00	15.9	7	0.39	7,752.00	21.0	8	0.13	26,681.00	18.0
Insurance companies	0	0.00	0.00	0.0	0	0.00	0.00	0.0	0	0.00	0.00	0.0
Other financial institutions	2	0.09	432.00	1.2	2	0.11	238.00	0.6	3	0.05	2,420.00	1.6
Securities companies	17	0.79	341.00	0.9	14	0.78	186.00	0.5	15	0.24	1,793.00	1.2
Other corporations	15	0.70	3,027.00	8.2	15	0.83	3,023.00	8.2	36	0.57	12,108.00	8.2
Foreign corporations	20	0.93	5,258.00	14.2	18	1.00	6,380.00	17.2	29	0.46	23,406.00	15.8
Individual / others	2,097	97.17	20,325.97	55.1	1,742	96.83	17,776.97	48.1	6,279	98.56	75,271.88	50.8
Treasury stock	1	0.05	1,639.92	4.4	1	0.06	1,639.92	4.4	1	0.02	6,559.68	4.4
Total	2,158	100.00	36,907.89	100.0	1,799	100.00	36,995.89	100.0	6,371	100.00	148,239.56	100.0

Big shareholders	10	0.46	18,688.00	50.63	10	0.55	21,496.00	58.10	10	0.15	77,322.00	52.16
Fund	5	0.23	4,742.00	12.84	5	0.27	6,287.00	16.99	5	0.07	20,138.00	13.58
Floating stocks	2,106	97.59	7,403.97	20.06	1,751	97.33	5,572.97	15.06	6,245	98.02	28,105.92	18.95
Special stocks	17	0.78	21,622.92	58.58	16	0.88	23,793.92	64.31	17	0.23	87,637.68	59.11

Returns to Shareholders

Improved liquidity by Stock Split

D a t e	C o n t e n t s
April 26th, 2001	1.5 for 1
December 19th, 2003	4 for 1
May 20th, 2004	2 for 1
January 20th, 2006	4 for 1

Dividend Policy: Realizing stable returns to shareholders while securing financial resources for growth at hand

Our Goal : Consolidated Payout Ratio 25 %

	FY2003	FY2004	FY2005	FY2006	FY2007 (Forecasts)
Divided price (yen)	3,500	1,500	2,000	625	950
Payout ratio (%)	16.4%	16.2%	25.0%	23.8%	24.6%