

## ■Financial Highlights of FY2008 3Q Earnings

### FY2008 3Q Earnings Sales for the Third Quarter of FY2008 Mark a New Record High

### Net sales increase 15.7% year-on-year, operating income increase 15.4%

The Backs Group consolidated earnings for the Third Quarter of FY2008 (from April 1, 2007, to December 31, 2007) have been finalized, and are summarized here. For details please refer to the Summary of Consolidated Earnings Report for the Third Quarter of the Fiscal Year Ending March 31, 2008.

#### Financial Highlight

- Results for the Third quarter of the March 2008 term were an increase of 15.7% for sales, a increase of 15.4% for operating income, a increase of 15.3 % for ordinary income, and a increase of 10.2% for net income, all figures compared to the corresponding period of the previous fiscal year.

#### [Causes]

- Sales for this quarter marked a new record high. Sales in the mobile communications segment increased 13.0% year on year as a result of our continued success with the nationwide demand from telecommunications carriers and sales agents. Sales in the digital consumer electronics segment increased 32.4% year on year due to the large contracts newly secured this term becoming fully operational. In the financial segment, however, a decline in demand due to existing credit company clients revising their sales promotion policies in conjunction with the enactment of the new lending regulations reducing the allowable maximum interest rate led to a year-on-year decrease in sales by 25.2%. The new businesses segment saw a year-on-year increase of 100.6% in sales, owing to orders for new retail and entertainment projects secured.
- Gross profit increased by 1.3 points year on year (gross profit margin: 24.7%) owing in part to progress in the switch from lower profitability projects to new large projects in the digital and new businesses segments, as well as to improved utilization of our registered staff.
- Selling, general and administrative expenses increased 1.3 points year on year (consolidate SG&A: 21.2%), reflecting, among other things, the increase in personnel expenses due to a large number of staff, an increase in initial costs required for the opening of new offices, and an increase in recruiting expenses due to the stepped up hiring of staff.
- The FY2008 budget achievement rate are 73.9% for net sales, 72.7% for gross profit, 87.6% for operating income, 86.3% for ordinary income, and 81.8% for net income.

■Year-on-year change in earnings and progress toward forecast for the full fiscal year forecast

(Units : Millions of yen)

	FY2007 3Q earnings	<b>FY2008</b> <b>3Q earnings</b>	<b>Y on Y</b>	FY2008 Full term budget	Progress Ratio for Full term forecasts
Sales	7,496	<b>8,673</b>	<b>+15.7%</b>	11,740	73.9%
Gross profit on sales	1,753	<b>2,144</b>	<b>+22.3%</b>	2,950	72.7%
(Gross profit margin)	(23.4%)	<b>(24.7%)</b>	<b>+1.3ppts</b>	(25.1%)	—
(SG&A ratio)	(19.8%)	<b>(21.2%)</b>	<b>+1.3ppts</b>	(22.1%)	—
Operating income	265	<b>306</b>	<b>+15.4%</b>	350	87.6%
(Operating income margin)	(3.5%)	<b>(3.5%)</b>	<b>0ppts</b>	(3.0%)	—
Ordinary Income	261	<b>301</b>	<b>+15.3%</b>	350	86.3%
Net Income	148	<b>163</b>	<b>+10.2%</b>	200	81.8%

■Results by segment

①By business segment

(Units : Millions of yen)

	Sales			Operating income		
	FY2007 3Q earnings	<b>FY2008</b> <b>3Q earning</b>	<b>% Change</b>	FY2007 Full term earnings	<b>FY2008</b> <b>Full term earnings</b>	<b>% Change</b>
Outsourcing Business	6,116	6,147	+0.5%	313	<b>363</b>	<b>+16.2%</b>
Temporary Staffing Business	1,380	2,525	+83.0%	70	<b>77</b>	<b>+10.1%</b>

\*1: The selling, general and administrative expenses under business expenses are proportionally distributed and allocated according to the segment sales ratios of each company.

②Sales by region

(Units : Millions of yen)

	FY2007 Full term earnings	<b>FY2008</b> <b>Full term earnings</b>	<b>% Change</b>
Kanto Region*1	4,458	<b>5,007</b>	<b>+12.3%</b>
National*2	3,038	<b>3,665</b>	<b>+20.6%</b>

\*1: Includes Tokyo, Kanagawa, Saitama, Chiba, Ibaraki, Tochigi, Gunma and Niigata.

\*2: Indicates all other regions not listed in note \*1 above.

□ Sales by customer industry

(Units : Millions of yen)

	FY2007 3Q earnings	FY2008 3Q earnings	% Change
Mobile telecommunications*1	4,735	5,350	+13.0%
Digital consumer electronics*2	1,596	2,113	+32.4%
Financial services*3	895	670	-25.2%
New Sectors*4	268	538	+100.6%

\*1: Indicates all mobile telecommunications customers, including carriers and agents.

\*2: Indicates PCs, digital consumer electronic products (printer, digital cameras, security software) and broadband service providers (Broadband, optical fibers)

\*3: Indicates the financial industry including banks and credit card companies.

\*4: Indicates producers of general consumer goods, retail distribution, entertainment, other than those indicated in \*1, \*2, \*3

For details please refer to the Summary of Consolidated Earnings Report for the Third Quarter of Fiscal Year Ending March 31, 2008, page5-6.

■ Cash flows

For details please refer to the Summary of Consolidated Earnings Report for the Third Quarter of Fiscal Year Ending March 31, 2008., page6 and Statements of Cash Flows page12.

(Reference)

■ Outlook for the current term (FY 2008)

(Units : Millions of yen)

	FY2007 earnings	FY2008 Full fiscal year forecasts	% Change
Sales	10,072	11,740	+16.6%
Gross profit on sales	2,338	2,950	+26.2%
(Gross profit margin)	(23.2%)	(25.1%)	+1.9ppts
(SG&A ratio)	(20.0%)	(22.1%)	+2.1ppts
Operating income	326	350	+7.3%
(Operating income margin)	(3.2%)	(3.0%)	-0.2pts
Ordinary Income	319	350	+9.5%
Net Income	179	200	+11.3%

【Disclaimer】

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■IR Inquiry

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