



BACKS GROUP, Inc.

**Presentation of Results for the Third Quarter
of the Fiscal Year Ending March 31, 2008**

January 22, 2008 BACKS GROUP



BACKS GROUP

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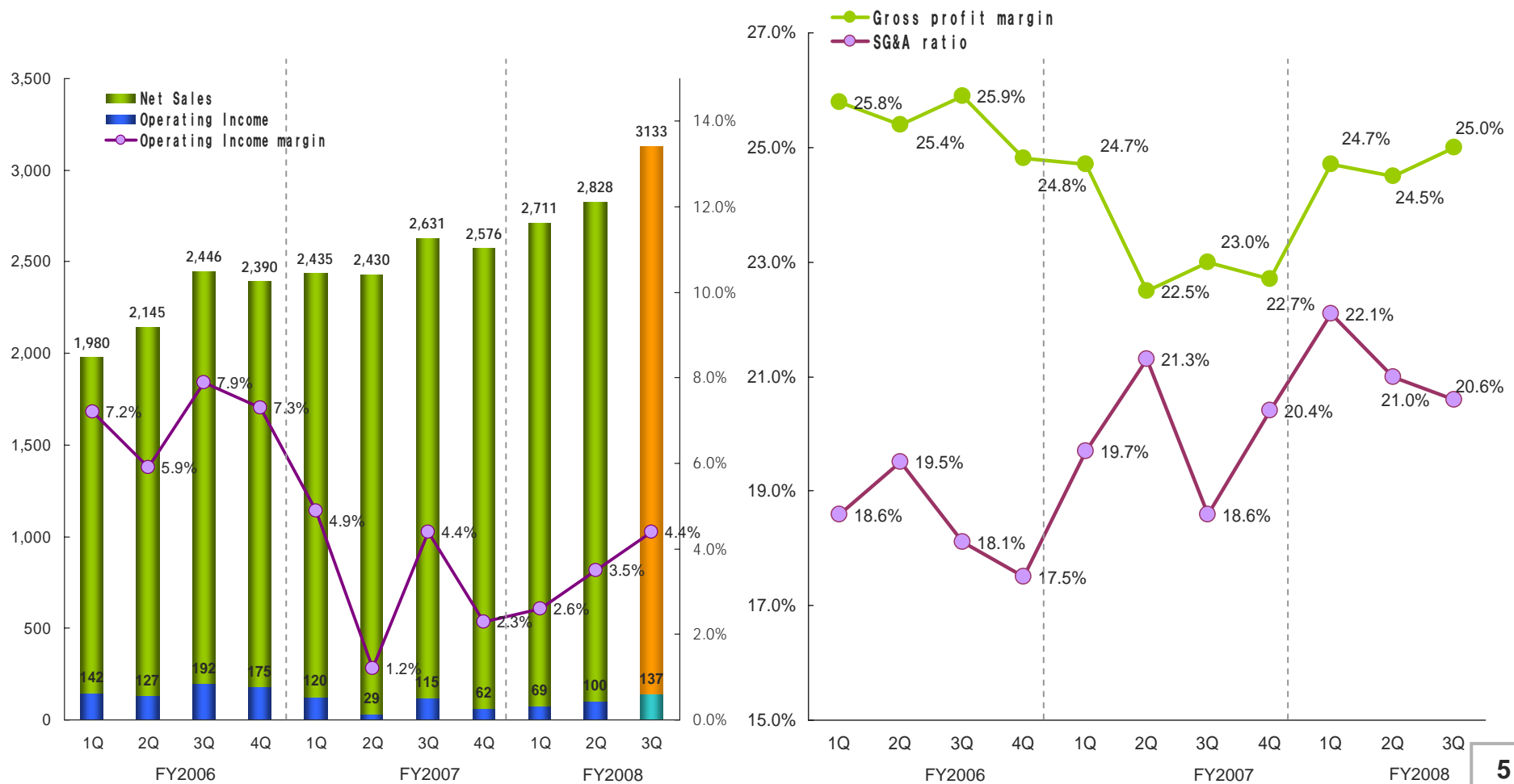
Results Highlights

FY2008 Interim Results Highlights

| <small>【Unit : million of yen】</small> | FY2007 3Q | FY2008 3Q | Y on Y | Rate of Achievement of Full term budgets |
|--|--------------|----------------|----------|--|
| N e t S a l e s | 7,496 | 8,673 | +15.7% | 73.9% |
| G r o s s P r o f i t | 1,753 | 2,144 | +22.3% | 72.7% |
| (Gross profit margin) | (23.4%) | (24.7%) | +1.3ppts | - |
| (SG & A ratio) | (19.8%) | (21.2%) | +1.3ppts | - |
| O p e r a t i n g I n c o m e | 265 | 306 | +15.4% | 87.6% |
| (Operating income m a r g i n) | (3.5%) | (3.5%) | ±0ppts | - |
| O r d i n a r y I n c o m e | 261 | 301 | +15.3% | 86.3% |
| N e t I n c o m e | 148 | 163 | +10.2% | 81.8% |





Profitability-Quarterly Basis

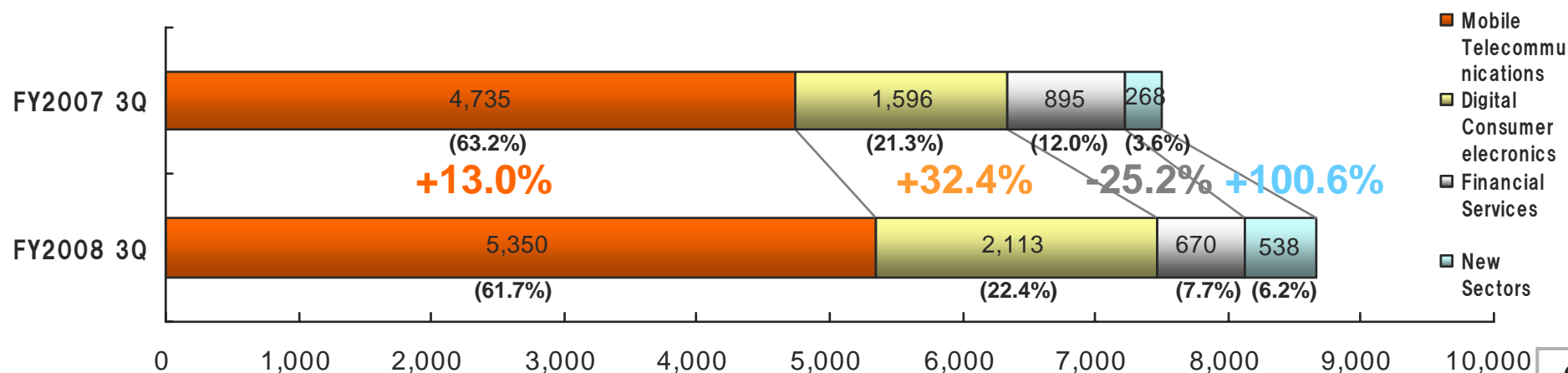
- Gross profit margin: An increase in profit margin due to sales increase in the digital segment
- SG & A ratio : A decline due to improved efficiency of back office





Sales by Customer Segment

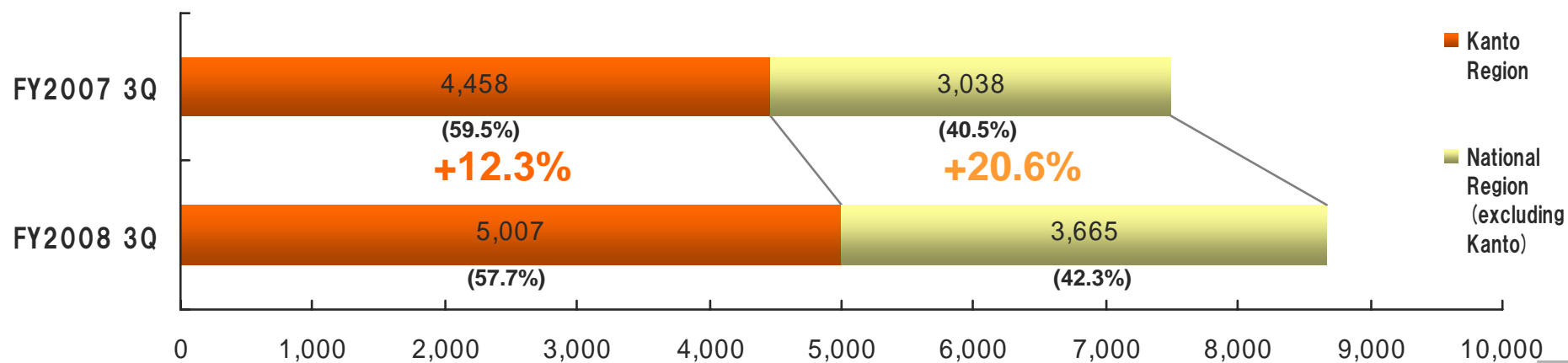
【Unit : Million of yen】

| | FY2007 3Q | Share | FY2008 3Q | Share | Y on Y |
|--|--------------|-------|--------------|--------------|---------|
|  Mobile Telecommunications | 4,735 | 63.2% | 5,350 | 61.7% | +13.0% |
|  Digital Consumer electronics | 1,596 | 21.3% | 2,113 | 24.4% | +32.4% |
|  Financial Services | 895 | 12.0% | 670 | 7.7% | -25.2% |
|  New Sectors | 268 | 3.6% | 538 | 6.2% | +100.6% |



Sales by Geographic Region

| 【Unit : million of yen】 | FY2007 3Q | Share | FY2008 3Q | Share | Y on Y |
|---|---------------|-------|-----------------------------|--------------|----------------|
|  Kanto Region (o f f i c e s) | 4,458 (9) | 59.5% | 5,007 (13) | 57.7% | +12.3% (+4) |
|  National (excluding K a n t o) (o f f i c e s) | 3,038 (14) | 40.5% | 3,665 (20) | 42.3% | +20.6% (+6) |






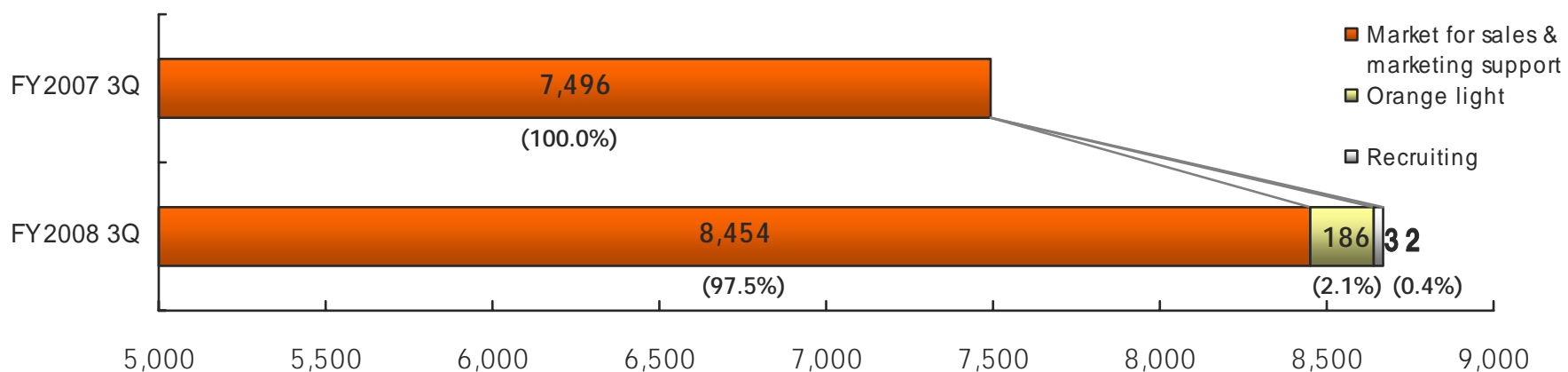
Business Segment Overview

| | 【Unit : million of yen】 | FY2007 3Q | FY2008 3Q | Y on Y |
|--------------------|-------------------------|--------------|----------------|----------|
| Outsourcing | Net Sales | 6,166 | 6,147 | +0.5% |
| | (Share) | (81.6%) | (70.9%) | |
| | Operating Income | 313 | 363 | +16.2% |
| | (Operating margin) | (5.1%) | (5.8%) | +0.7ppts |
| Temporary Staffing | Net Sales | 1,380 | 2,525 | +83.0% |
| | (Share) | (18.4%) | (29.1%) | |
| | Operating Income | 70 | 77 | +10.1% |
| | (Operating margin) | 5.1(%) | (3.0%) | -2.1ppts |

※ Temporary Staffing includes recruiting and website operation.

New Business Overview

| 【Unit : million of yen】 | | FY2007 3Q | Share | FY2008 3Q | Share |
|---|--------------------------------------|--------------|--------|--------------|-------|
|  | Market for sales & marketing support | 7,496 | 100.0% | 8,454 | 97.5% |
|  | Orange light | — | — | 186 | 2.1% |
|  | Recruiting | — | — | 32 | 0.4% |

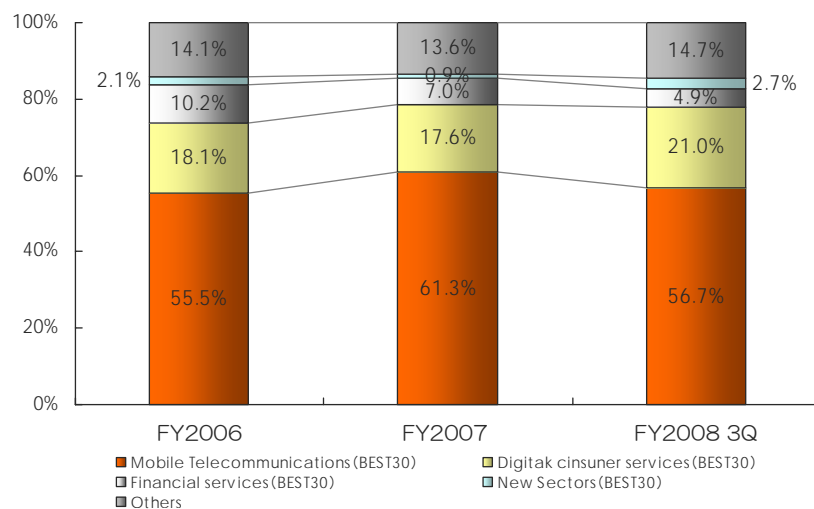


Top 30 Customers-Sales

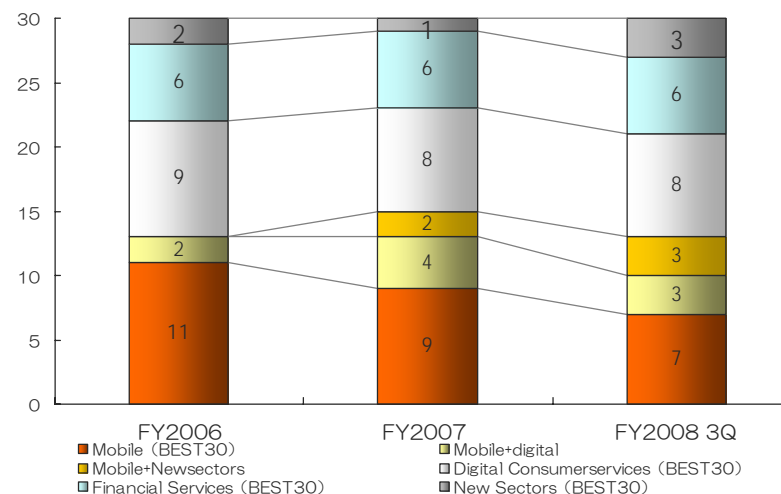
| 【Unit : million of yen】 | FY2006 | | | FY2007 | | | FY2008 3Q | | | Y on Y |
|---------------------------|--------------|---------------|------------|---------------|---------------|------------|--------------|---------------|------------|--------------|
| | Net Sales | Share | Firm | Net Sales | Share | Firm | Net Sales | share | Firm | |
| Mobile Telecommunications | 4,975 | 55.5% | 13 | 6,137 | 61.3% | 14 | 4,919 | 56.7% | 13 | 10.8% |
| Digital consumer services | 1,626 | 18.1% | 11 | 1,774 | 17.6% | 12 | 1,817 | 21.0% | 11 | 33.0% |
| Financial Services | 911 | 10.2% | 6 | 707 | 7.0% | 6 | 425 | 4.9% | 6 | -29.3% |
| New Sectors | 187 | 2.1% | 2 | 88 | 0.9% | 3 | 231 | 2.7% | 6 | 95.3% |
| Top Thirty Total | 7,700 | 85.9% | 30 | 8,707 | 86.4% | 30 | 7,395 | 85.3% | 30 | 13.3% |
| Others | 1,262 | 14.1% | 205 | 1,364 | 13.6% | 265 | 1,277 | 14.7% | 371 | 31.8% |
| Total | 8,963 | 100.0% | 235 | 10,072 | 100.0% | 295 | 8,673 | 100.0% | 401 | 15.7% |

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

Ratio of Each Segment to Total Sales



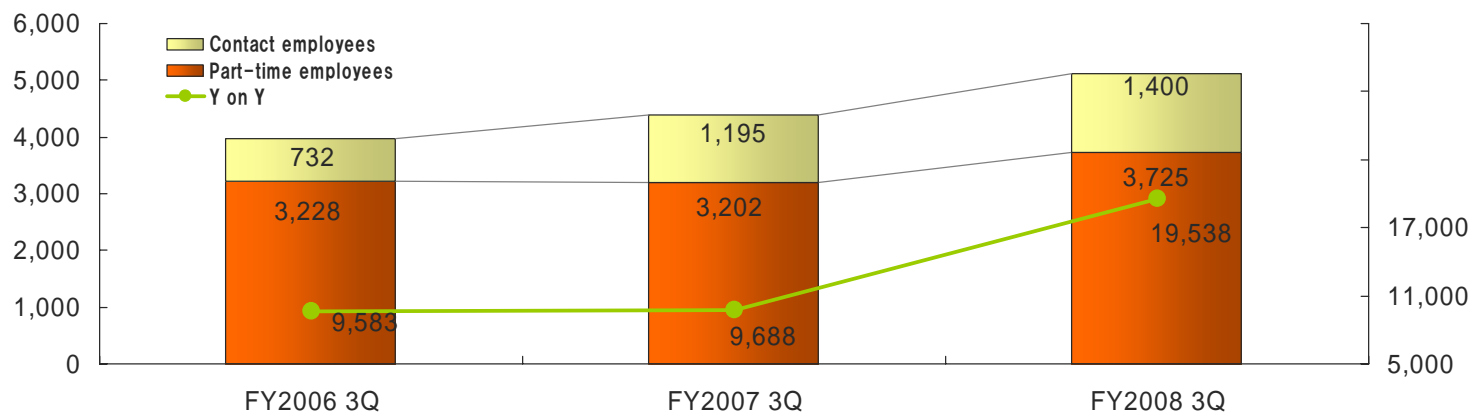
Breakdown to Top 30 Customers by Segment



Number of Staff

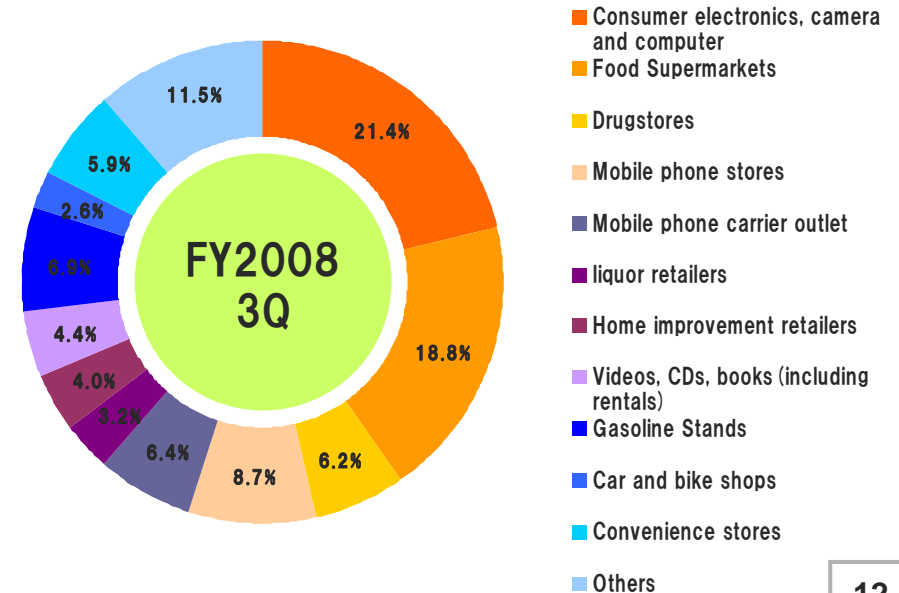
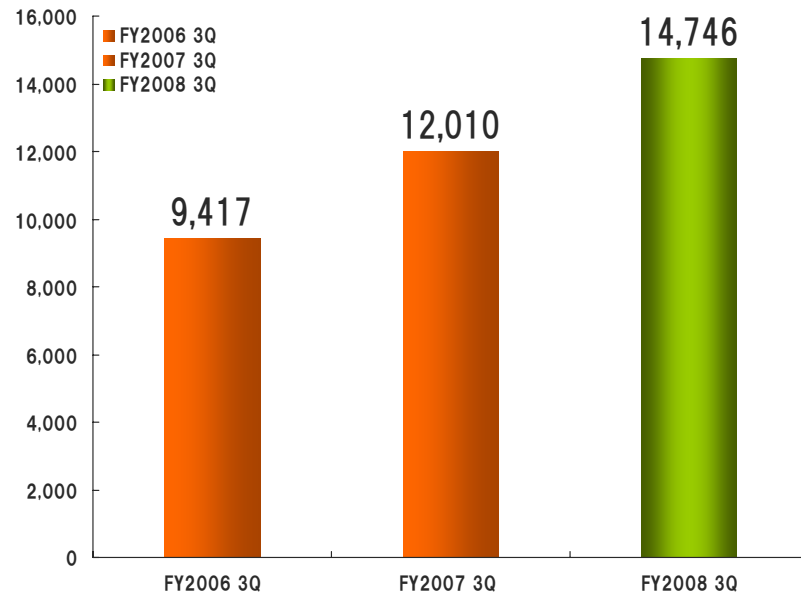
【UNIT: million of yen, person】

| | FY2006 3Q | FY2007 3Q | FY2008 3Q |
|---------------------------------------|--------------|--------------|--------------|
| Active Staff (monthly average) | 3,960 | 4,397 | 5,125 |
| (Contact employees) | 732 | 1,195 | 1,400 |
| (Part-time employees) | 3,228 | 3,202 | 3,725 |
| Avg. sales amount per person | 184 | 189 | 188 |
| Registered staff | 36,249 | 45,397 | 65,475 |
| (Y on Y) | +9,583 | +9,688 | +19,538 |



Total number of stores serviced

| | FY2006 3Q | FY2007 3Q | FY2008 3Q |
|------------------------|--------------|--------------|--------------|
| Total number of stores | 9,417 | 12,010 | 14,746 |
| (Y on Y) | | +4,288 | +2,736 |



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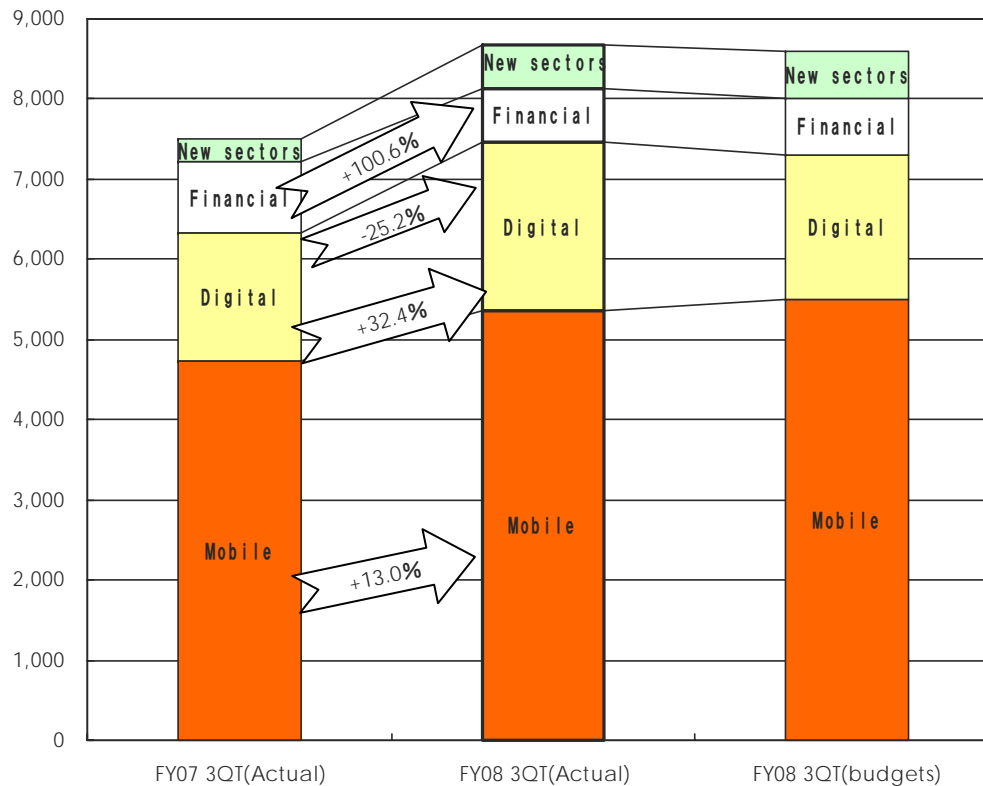
Strategies



Business Overview — Sales by segment —

Sales by Segment

[Unit: Million of yen]



【 Mobile 】

- More than 20% increase from last year nationwide, due in part to the opening of new locations
- Became possible to address customers needs not only for “campaign” staff but also “full-time” staff, due to enhanced staffing capacity

【 Digital 】

- Significant increase in sales due to acquisition of large-scale campaign projects

【 Financial 】

- Decrease in order volume supplemented by securing affiliated credit card projects

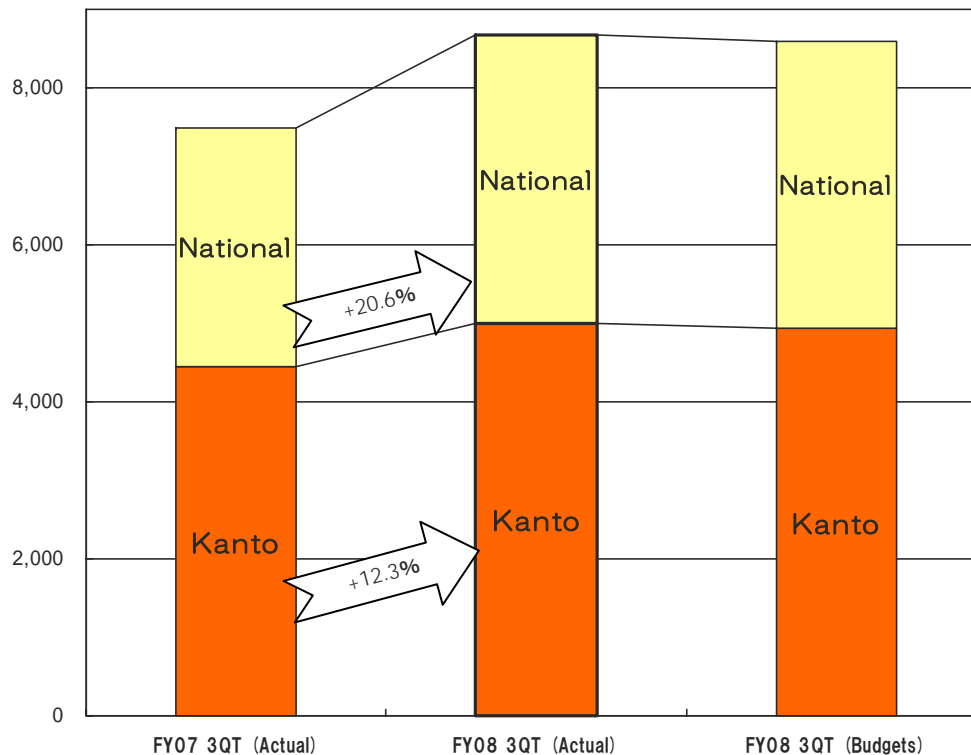
【 New businesses 】

- Temporary staffing for the music industry (Commons) launched on a full scale
- Time required to start up Orange Light

Business Overview —Sales by region—

Sales by Customer segment

【Unit: Million of yen】



【Kanto Region】

- More than 20% increase from last year nationwide, due in part to the opening of new locations
- Became possible to address customers needs not only for “campaign” staff but also “full-time” staff, due to enhanced staffing capacity

【National (excluding Kanto)】

- Full-time service lines increased in the mobile segment and sales campaign orders increased in the digital segment.
- Sales campaign orders increased in the new businesses segment.
- Orders from the financial sector decreased due to a reduction of the sales campaign budget.

Strategy — Expansion of Service Domains —

Expansion of Service Areas

33 Offices

Segmentation of locations nationwide and establishment of employment locations in the Tokyo Metropolitan area

Open new locations nationwide

Mainly Kanto Region

Expansion of Service Domains

Personnel placement business

Light work

Sales/operation support

Field staff

Sales promotion

Expansion of Customer Segments

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Mobile Industry

Digital Consumer Electronics Industry

Financial Industry

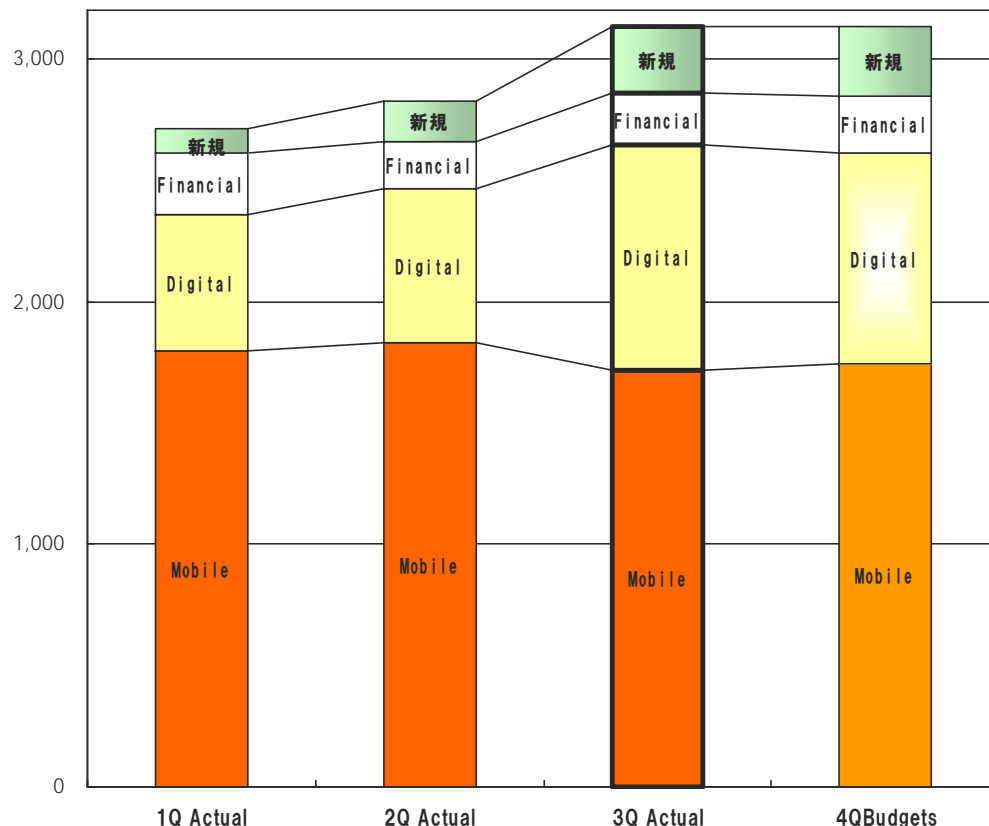
Retail Distribution Industry

Entertainment Industry

Improve our growth foundation —Office Locations—

Sales by segment -quarterly Basis-

[Unit: Million of yen]



The 4QT Strategies

① Mobile

⇒ Reinforce staffing capability by utilizing Company's own recruiting website and stores intended for training

② Digital

⇒ Increase SP orders

③ Financial

⇒ Acquire spring campaign orders

④ New sectors

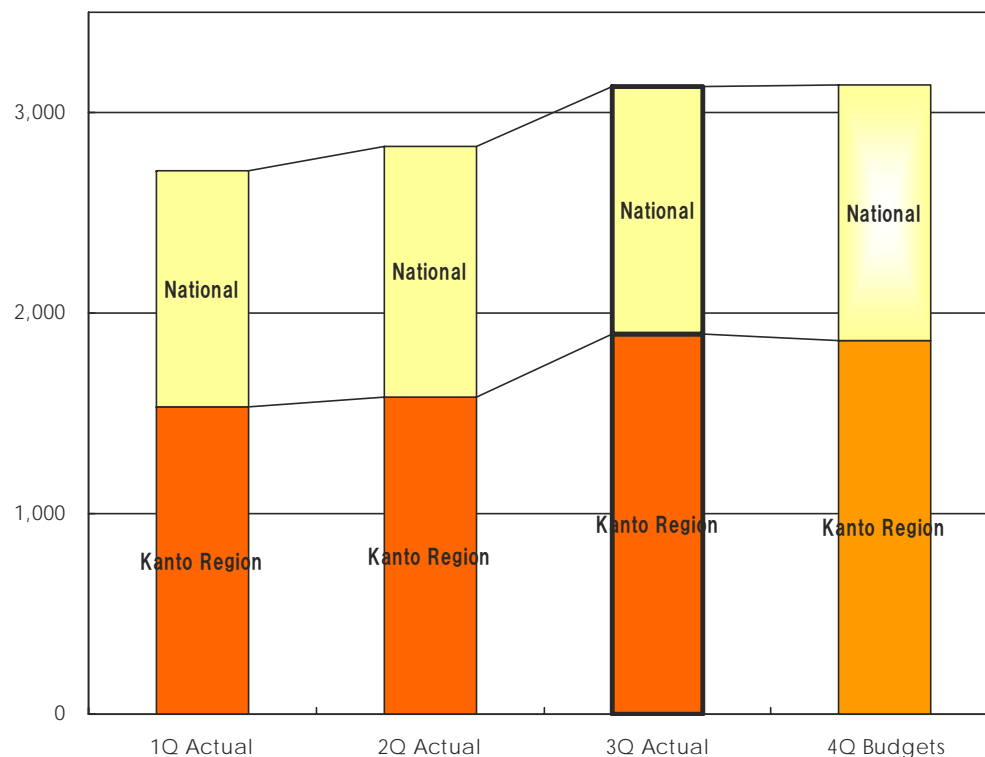
⇒ Expand customers in the distribution and event industries (Light) and the music industry (Commons)

Improve our growth foundation —Office Locations—

The 4QT Strategies

FY08 Sales by Region - Quarterly basis-

【Unit: Million of yen】



① Kanto Region

⇒ Reinforce marketing in the mobile and digital segments as mass home electronics retailers aggressively open outlets in the Tokyo Metropolitan area

② National (Excluding Kanto)

⇒ Continue with the pattern of opening new locations in response to the acquisition of large projects

⇒ Increase the sales of the five locations, which were opened by Q3, in the mobile and digital segments

⇒ Respond aggressively to the new businesses segment and nationwide SP projects, leveraging the increase in the number of registered staff



Improve our growth foundation —Office Locations—

33 Offices Nationwide

Aomori Office
(Oct 1 Open)

Okazaki Office
(Sep 1 Open)

Umeda Office
(Sep 1 Open)

Kikakyusyu office
(Aug 10 Open)

Ikebukuro Office
(Jun 11 Open)

Shinjuku Office
(May 1 Open)

Machida Office
(May 1 Open)

Yokohama ekimae Office
(May 7 Open)

Nagano Office
(Nov 1 Open)

Renewal of “my Haken”

< 1 > Free-word search engine friendly to users unaccustomed to running searches

Free-word search field is displayed towards the top of the page for ease of use. Users, who are unsure about such requirements as job type and location, can also set the search conditions with ease and speed using key word search. “Free word being searched the most,” which is an indication of the current popularity, is displayed as a hint in free-word searching.

< 2 > “Three Entrances” for pinpoint leads to desired jobs

The following three entrances original to myHaken have been prepared for users who have experience working as temporary staff and have clearly defined requirements, such as job time and duration of work. Leads to desired jobs can be obtained smoothly by running a search using a combination of the job type and duration. The [three entrances] are...

- “My Haken White Page” mainly for long-term office work
- “My Haken Orange Page” mainly for sales, marketing, and service jobs
- “My Haken Blue Page” mainly for short-term, spot, and light duty work

< 3 > Improved “Featured Jobs of the Week”

Featured jobs of the week are displayed for each “entrance,” and the contents have been improved to show the jobs in greater detail. The visual aspect of the “Featured Jobs of the Week” was also reinforced and the design was renewed to make it easier to see job information and to better convey the attractiveness of a job.

< 4 > Reinforcement of “Members Only” functions

Such members-only functions as browsing sample resumes are displayed on the top page to increase the appeal of registering as a member, as well as to enhance user friendliness and improve the repeat user rate.



Renewal of "Digibeit"



<1> Use of Flash to present the website concept for greater appeal

<2> Creation of the feature article section
Posting of feature articles that match user needs

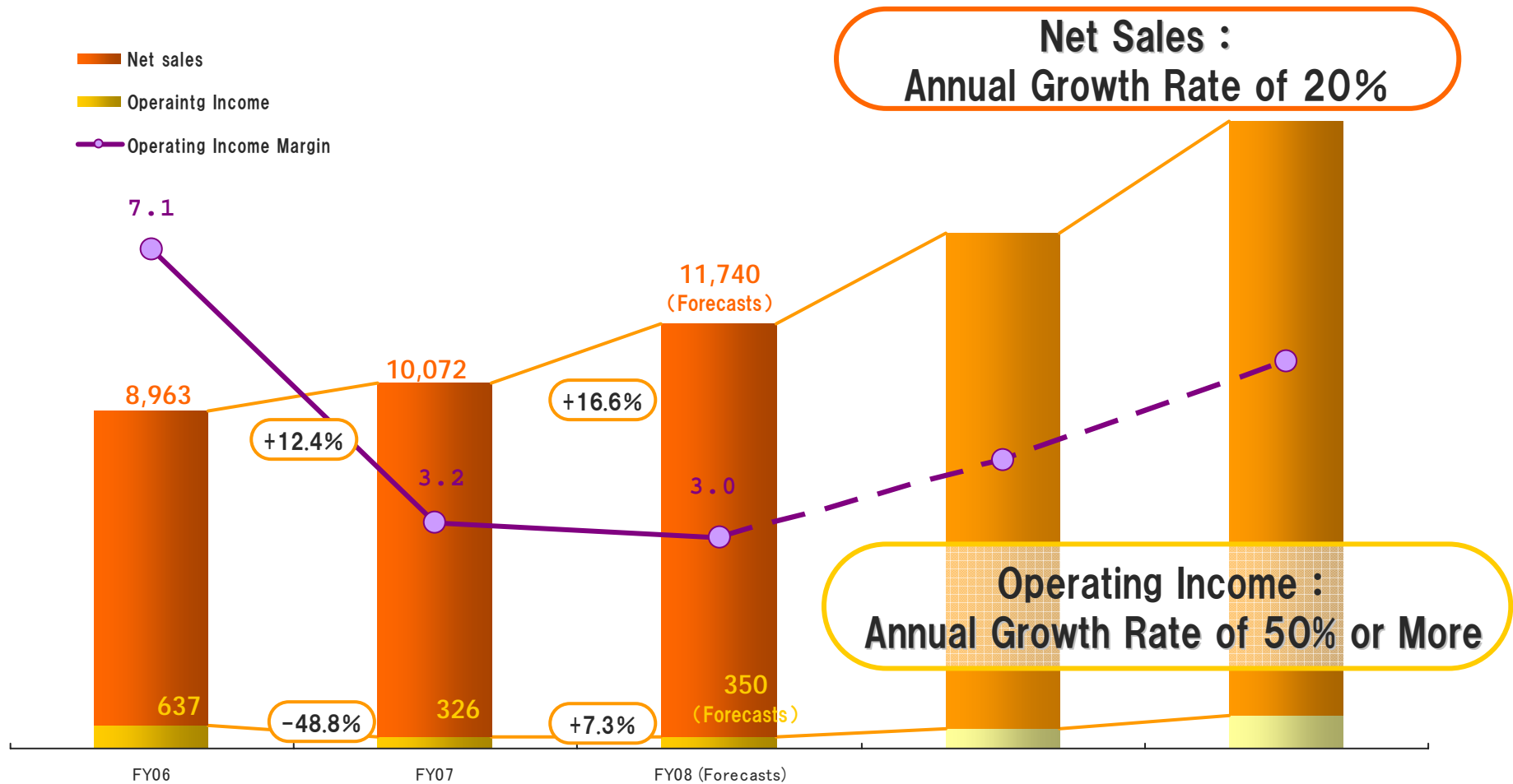
<3> Creation of a featured job section along the side
Display of randomly selected jobs with each click for site freshness appeal to visitors

<4> Presentation of featured contents in the blog format

FY2008 Full year Forecasts

| 【Unit : million of yen】 | FY2007 (Actual) | FY2008 (Forecasts) | Y on Y |
|--------------------------------------|--------------------|-----------------------|----------|
| N e t S a l e s | 10,072 | 11,740 | +16.6% |
| G r o s s P r o f i t | 2,338 | 2,950 | +26.2% |
| (Gross profit margin) | (23.2%) | (25.1%) | +1.9ppts |
| (S G & A r a t i o) | (20.0%) | (22.1%) | +2.1ppts |
| O p e r a t i n g I n c o m e | 326 | 350 | +7.3% |
| (Operating income margin) | (3.2%) | (3.0%) | -0.2ppts |
| O r d i n a r y I n c o m e | 319 | 350 | +9.5% |
| N e t I n c o m e | 179 | 200 | +11.3% |

Envisioned Medium-Term Growth



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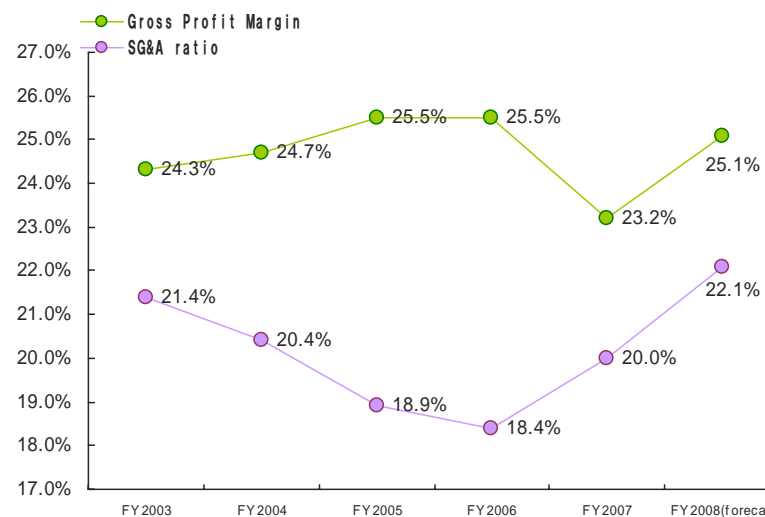
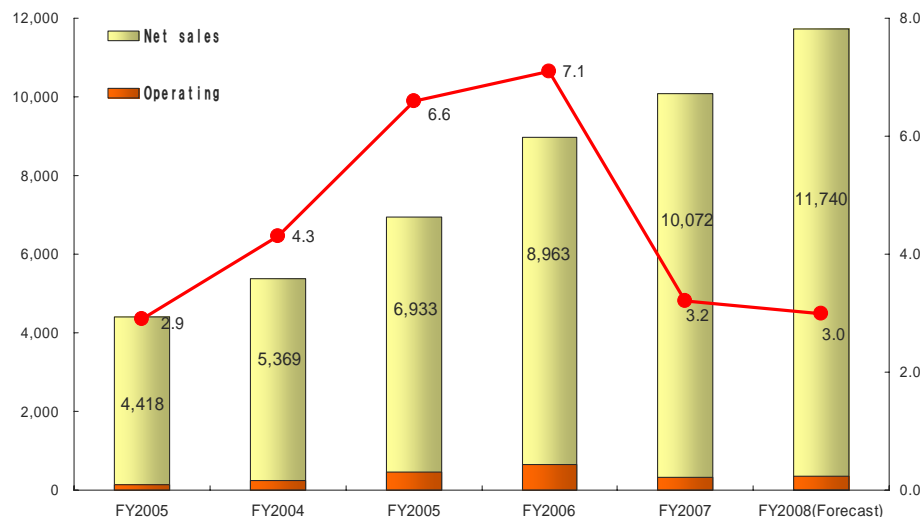
References



Performance Trends

[Unit: Million of yen]

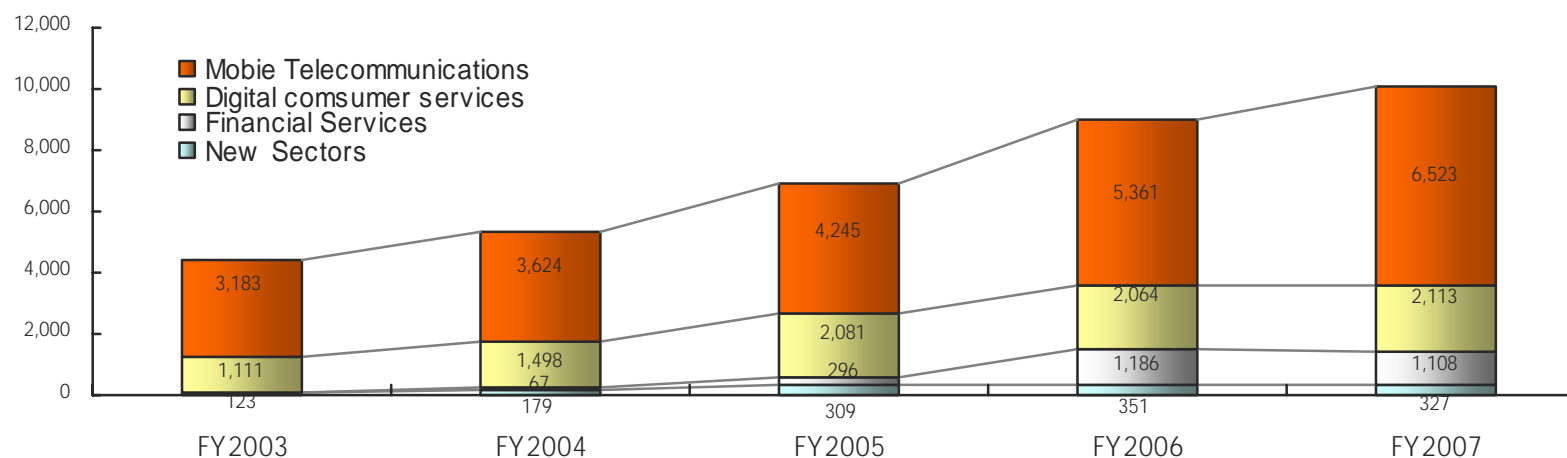
| | FY2003 | FY2004 | FY2005 | FY2006 | FY2007 | FY2008 (forecast) |
|----------------------------------|---------|---------|---------|---------|---------|-------------------|
| Net Sales | 4,418 | 5,369 | 6,933 | 8,963 | 10,072 | 11,740 |
| Gross Profit | 1,073 | 1,328 | 1,769 | 2,283 | 2,338 | 2,950 |
| (Gross Profit Margin) | (24.3%) | (24.7%) | (25.5%) | (25.5%) | (23.2%) | (25.1%) |
| (SG&A ratio) | (21.4%) | (20.4%) | (18.9%) | (18.4%) | (20.0%) | (22.1%) |
| Operating Income | 129 | 230 | 460 | 637 | 326 | 350 |
| (Operating Income margin) | (2.9%) | (4.3%) | (6.6%) | (7.1%) | (3.2%) | (3.0%) |
| Ordinary Income | 145 | 226 | 457 | 637 | 319 | 350 |
| Net Income | 77 | 133 | 258 | 371 | 179 | 200 |



Sales by Customer Segment

[Unit: Million of yen]

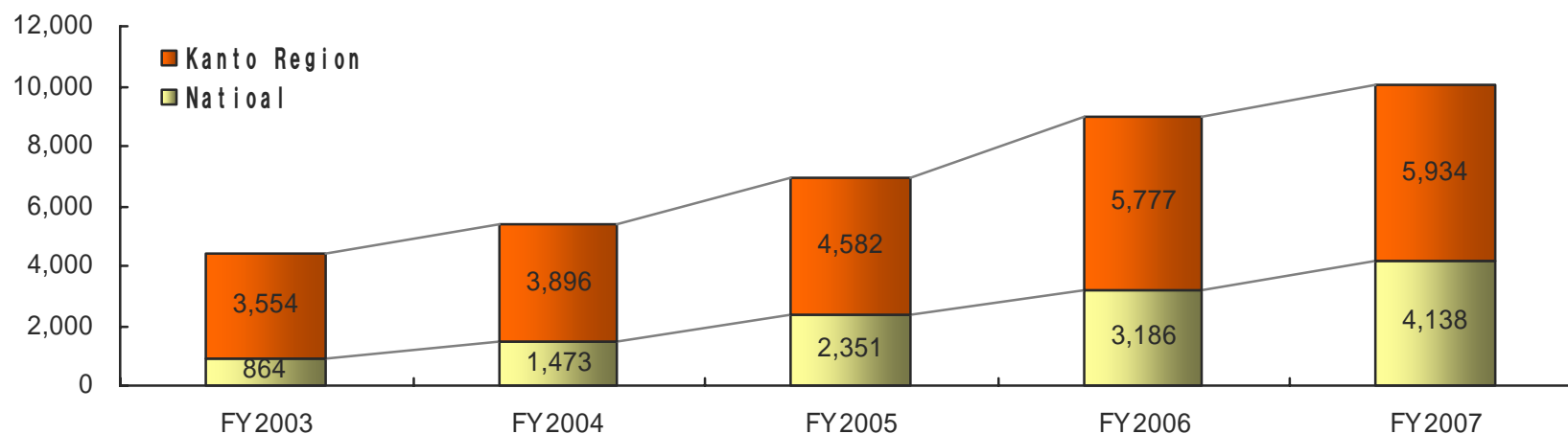
| | | FY2003 | FY2004 | FY2005 | FY2006 | FY2007 |
|------------------------------|-----------|--------|--------|--------|--------|--------|
| Mobile Telecommunications | Net Sales | 3,183 | 3,624 | 4,245 | 5,361 | 6,523 |
| | Share | 72.0% | 67.5% | 61.2% | 59.8% | 64.8% |
| Digital consumer electronics | Net Sales | 1,111 | 1,498 | 2,081 | 2,064 | 2,113 |
| | Share | 25.2% | 27.9% | 30.0% | 23.0% | 21.0% |
| Financial Services | Net Sales | — | 67 | 296 | 1,186 | 1,108 |
| | Share | — | 1.2% | 4.3% | 13.2% | 11.0% |
| New Sectors | Net Sales | 123 | 179 | 309 | 351 | 327 |
| | Share | 2.8% | 3.2% | 4.5% | 4.0% | 3.3% |



Sales by Geographic Region

【Unit: Million of yen】

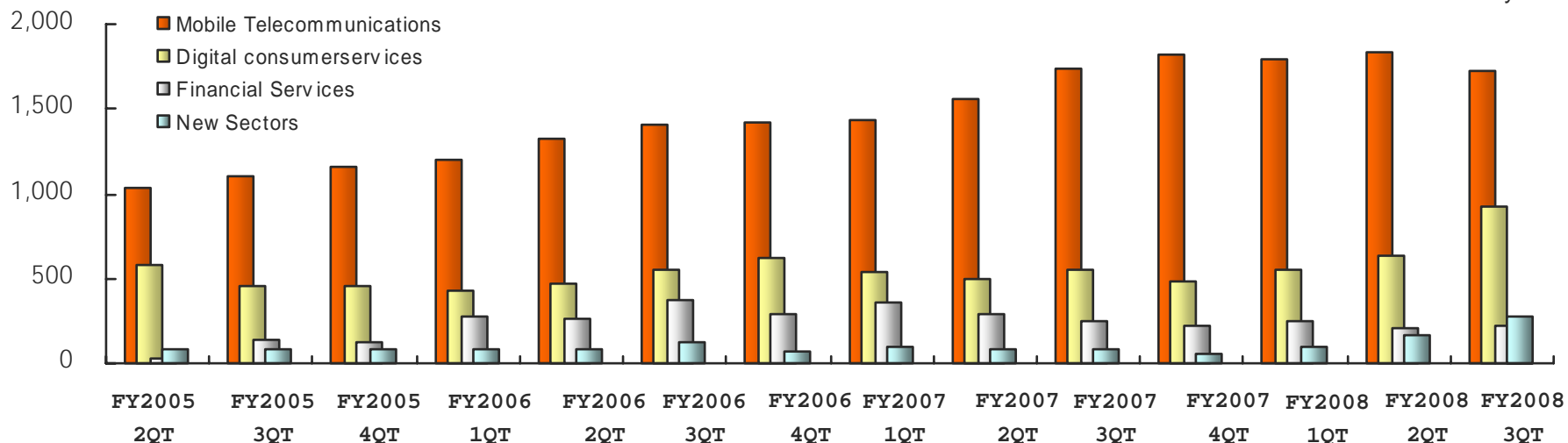
| | | FY2003 | FY2004 | FY2005 | FY2006 | FY2007 |
|-----------------------------------|-----------|--------|--------|--------|--------|--------|
| Kanto Region | Net Sales | 3,554 | 3,896 | 4,582 | 5,777 | 5,934 |
| | Share | 80.4% | 72.6% | 66.1% | 64.5% | 58.9 |
| | Offices | (1) | (5) | (6) | (9) | (9) |
| National (excluding Kanto) | Net Sales | 864 | 1,473 | 2,351 | 3,186 | 4,138 |
| | Share | 19.6% | 27.4% | 33.9% | 35.5% | 41.1 |
| | Offices | (6) | (6) | (11) | (13) | (14) |



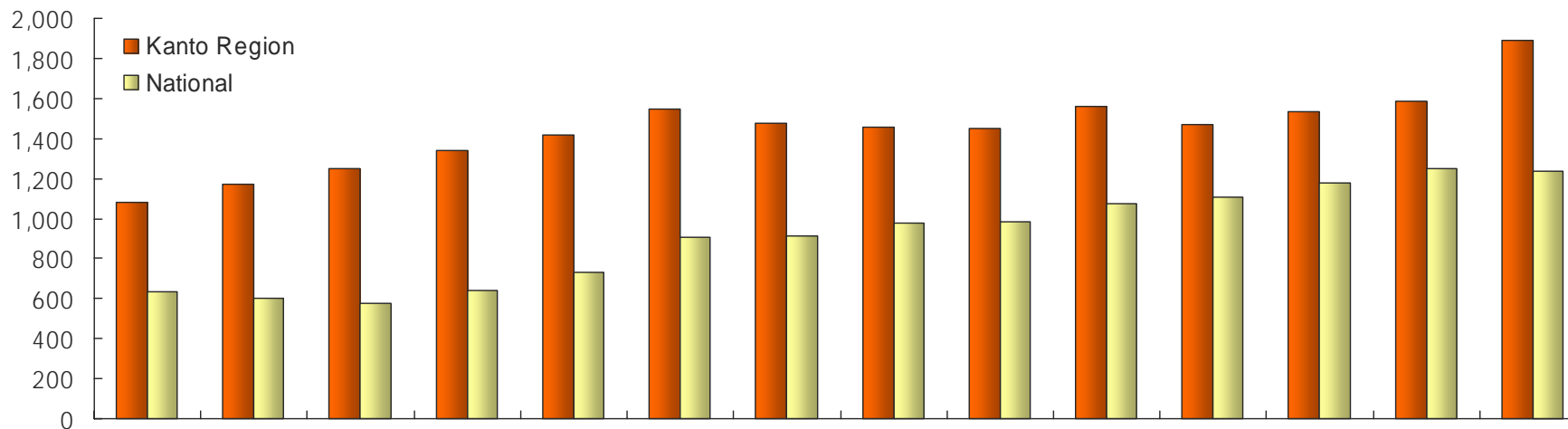
Quarterly Trends In Sales—by Customer Segment and Region

Sales by Customer Segment

【Unit: Million of yen】



Sales by Geographic Region



Consolidated Cash Flows

| | FY2007 3Q | FY2008 3Q | Y on Y | Changing Factors |
|--|--------------|--------------|--------|---|
| [Unit: Million of yen] | | | | |
| Cash flows from operating activities | △20 | △135 | — | increase in accounts receivable, and the payment of corporate tax. |
| Cash flows from investing activities | △43 | △104 | — | The expenditures for the start-up of the Internet employment information services and for the payment of deposit and guarantee money in connection with the opening of new offices. |
| Cash flows from financing activities | 79 | △518 | — | repayments of short-term borrowings |
| Cash and cash equivalents at the end of the period | 1,243 | 716 | -42.3% | |
| Change in Cash and Cash Equivalents | 16 | △758 | — | |

Consolidated Statement of Cash Flows

| 【Unit: Million of yen】 | FY2003 | FY2004 | FY2005 | FY2006 | FY2007 |
|---|--------|--------|--------|--------|--------|
| Cash flows from operating activities | 74 | 182 | 328 | 342 | 247 |
| Cash flows from investing activities | -75 | -145 | -64 | -101 | -78 |
| Cash flows from financing activities | 7 | -27 | 42 | -92 | 79 |
| Cash and cash equivalents at the end of the period | 762 | 771 | 1,078 | 1,226 | 1,474 |
| Change in cash equivalents at the end of the period | +5 | +9 | +306 | +147 | +248 |

Sales and Profits Trends—by Group Company

| 【Million of yen】 | FY2007 3Q | FY2008 3Q | Y on Y |
|------------------------------|--------------|--------------|--------|
| Net Sales | 7,496 | 8,673 | +15.7% |
| Backs Group | 5,968 | 7,174 | +20.2% |
| Giga Japan | 784 | 672 | -14.3% |
| Smart | 821 | 902 | +9.9% |
| Entertainment Commons | — | 16 | — |
| Gross Profit | 1,753 | 2,144 | +24.7% |
| Backs Group | 1,478 | 1,864 | +26.1% |
| Giga Japan | 165 | 154 | -6.9% |
| Smart | 149 | 166 | +11.7% |
| Entertainment Commons | — | 1 | — |
| Operating Income | 265 | 306 | +15.4% |
| Backs Group | 174 | 270 | +55.2% |
| Giga Japan | 44 | 28 | -36.1% |
| Smart | 46 | 31 | -31.6% |
| Entertainment Commons | — | -23 | — |

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

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Shareholders



Shareholder Breakdown by Segment

| Shareholder Segment | FY2007 Interim | | | | FY2007 | | | | FY2008 Interim | | | |
|----------------------------------|----------------|---------------|-------------------|---------------|----------------|---------------|-------------------|---------------|----------------|---------------|-------------------|---------------|
| | 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 | 0.00 | 0 | 0.00 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0.00 |
| Bank and trust companies | 9 | 0.13 | 30,715.00 | 20.68 | 4 | 0.05 | 5,384.00 | 3.63 | 1 | 0.01 | 500.00 | 0.34 |
| Insurance companies | 0 | 0.00 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0.00 | 0 | 0.00 | 0.00 | 0.00 |
| Other financial institutions | 3 | 0.04 | 2,991.00 | 2.01 | 3 | 0.04 | 3,198.00 | 2.15 | 3 | 0.04 | 1,480.00 | 1.00 |
| Securities companies | 17 | 0.25 | 2,336.00 | 1.57 | 19 | 0.25 | 4,165.00 | 2.80 | 14 | 0.20 | 4,673.00 | 3.15 |
| Other corporations | 39 | 0.58 | 12,533.00 | 8.44 | 40 | 0.53 | 12,359.00 | 8.32 | 44 | 0.64 | 12,962.00 | 8.73 |
| Foreign corporations | 29 | 0.43 | 17,652.00 | 11.89 | 19 | 0.25 | 5,928.00 | 3.99 | 13 | 0.19 | 2,012.00 | 1.35 |
| Individual / others | 6,583 | 98.53 | 75,728.00 | 50.99 | 7,427 | 98.86 | 107,921.00 | 72.67 | 6,773 | 98.89 | 112,347.00 | 75.64 |
| Treasury stock | 1 | 0.01 | 6,560.00 | 4.42 | 1 | 0.01 | 9,560.00 | 6.44 | 1 | 0.01 | 14,541.00 | 9.79 |
| Total | 6,681 | 100.00 | 148,515.00 | 100.00 | 7,513 | 100.00 | 148,515.00 | 100.00 | 6,849 | 100.00 | 148,515.00 | 100.00 |
| Big shareholders | 10 | 0.15 | 75,893.00 | 51.10 | 10 | 0.13 | 55,011.00 | 37.04 | 10 | 0.14 | 49,072.00 | 33.04 |
| Fund | 7 | 0.13 | 26,150.00 | 17.60 | 2 | 0.02 | 2,817.00 | 1.89 | 0 | 0.00 | 0.00 | 0.00 |
| Floating stocks | 6,542 | 97.91 | 32,033.00 | 21.56 | 7,248 | 98.86 | 45,643.00 | 30.73 | 6,525 | 95.26 | 44,068.00 | 29.67 |
| Special socks | 18 | 0.27 | 85,699.00 | 57.70 | 17 | 0.22 | 67,817.00 | 45.66 | 20 | 0.29 | 51,063.00 | 34.38 |

Returns to Shareholders

Improved liquidity by Stock Split

| Date | Contents |
|----------------------------------|-----------|
| April 26 th , 2001 | 1.5 for 1 |
| December 19 th , 2003 | 4 for 1 |
| May 20 th , 2004 | 2 for 1 |
| January 20 th , 2006 | 4 for 1 |

Dividend Policy

| | FY2003 | FY2004 | FY2005 | FY2006 | FY2007 | FY2008 |
|---------------------|-----------|-----------|-----------|---------|---------|---------|
| Divided price (yen) | 3,500 yen | 1,500 yen | 2,000 yen | 625 yen | 950 yen | 250 yen |
| Payout ratio (%) | 16.4% | 16.2% | 25.0% | 23.8% | 74.1% | 16.7% |

Acquisition of treasury stocks

Our company acquired treasury stocks for the purpose of implementing dynamic capital strategies.

Outlines of the acquisition

- (1) The number of treasury stocks acquired should be up to 4,981 stocks (3.35% of the total number of stocks outstanding).
- (2) Costs total: 90,183,940 yen
- (3) The treasury stocks was acquired from May 22, 2007 to Sep 28.

Forward-Looking Statements

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