

## ■Financial Highlights of FY2008 4Q Earnings

### FY2008 4Q Earnings Sales for the FY2008 Mark a New Record High

#### **Net sales increase 16.9% year-on-year, operating income increase 23.9%**

The Backs Group consolidated earnings for the 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 Fiscal Year Ending March 31, 2008.

#### Financial Highlight

- Results for the fiscal year ending March 2008 term were an increase of 16.9% for sales, a increase of 23.9% for operating income, a increase of 25.6 % for ordinary income, and a increase of 17.2% for net income, all figures compared to the corresponding period of the previous fiscal year.

#### [Causes]

- Sales for this fiscal year marked a new record high. Sales in the mobile communications segment increased 8.0% 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 44.8% 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 24.4%. The new businesses segment saw a year-on-year increase of 157.1% in sales, owing to orders for new projects related to household consumer goods, distribution, mass retailers, and entertainment projects secured.
  - Gross profit increased by 1.3 points year on year (gross profit margin: 24.5%) 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 1.1 points year on year (consolidate SG&A: 21.1%), 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 100.3% for net sales, 97.7% for gross profit, 115.5% for operating income, 114.7% for ordinary income, and 105.3% for net income.

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

(Units : Millions of yen)

	FY2007	FY2008	Y on Y	FY2008 Full term budget	Progress Ratio for Full term forecasts
Sales	10,072	11,175	+16.9%	11,740	100.3%
Gross profit on sales	2,338	2,883	+23.3%	2,950	97.7%
(Gross profit margin)	(23.2%)	(24.5%)	+1.3ppts	(25.1%)	—
(SG&A ratio)	(20.0%)	(21.1%)	+1.1ppts	(22.1%)	—
Operating income	326	404	+23.9%	350	115.5%
(Operating income margin)	(3.2%)	(3.4%)	+0.2ppts	(3.0%)	—
Ordinary Income	319	401	+25.6%	350	114.7%
Net Income	179	210	+17.2%	200	105.3%

FY2008 Forecast for Full Fiscal Year is based on the figures announced in the Notice on Revision of FY2008 Full-Year (Consolidated/ Non-consolidated) Earnings Forecast dated October 25, 2007.

■Results by segment

①By business segment

(Units : Millions of yen)

	Sales			Operating income		
	FY2007	FY2008	% Change	FY2007 Full term earnings	FY2008 Full term earnings	% Change
Outsourcing Business	8,154	7,869	-3.2%	388	486	+25.2%
Temporary Staffing Business	1,940	3,905	+101.2%	94	113	+19.6%

\*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	FY2008 Full term earnings	% Change
Kanto Region*1	5,934	6,904	+16.5%
National*2	4,138	4,870	+17.5%

\*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	FY2008	% Change
Mobile telecommunications*1	6,523	7,042	+8.0%
Digital consumer electronics*2	2,113	3,063	+44.8%
Financial services*3	1,108	839	-24.4%
New Sectors*4	327	829	+157.1%

\*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 fiscal Year Ending March 31, 2008, page5-6.

■ Cash flows

For details please refer to the Summary of Consolidated Earnings Report for the 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】

This document contains forward looking statements with respect to, current management plans, strategies and beliefs that are not historical facts. All such forward looking statements were based on management's assumptions, projections and beliefs in light of the information currently available. There are a number of risks and uncertainties that could cause actual results to differ materially from those discussed in this document. This document is intended solely to provide information, and is not a solicitation to buy or sell securities. Backs Group assumes no liability whatsoever for any damages that may result from the use of information presented in this document.

■IR Inquiry

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