



BACKS GROUP, Inc.

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

May13, 2008 BACKS GROUP



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Results Highlights

FY2008 Interim Results Highlights

【Unit : million of yen】

	FY2007	FY2008	Y on Y
N e t S a l e s	10,072	11,775	+16.9%
G r o s s P r o f i t	2,338	2,883	+23.3%
(Gross profit margin)	(23.2%)	(24.5%)	+1.3ppts
(S G & A r a t i o)	(20.0%)	(21.1%)	+1.1ppts
O p e r a t i n g I n c o m e	326	404	+23.9%
(Operating income margin)	(3.2%)	(3.4%)	+0.2ppts
O r d i n a r y I n c o m e	319	401	+25.6%
N e t I n c o m e	179	210	+17.2%





Profitability-Quarterly Basis

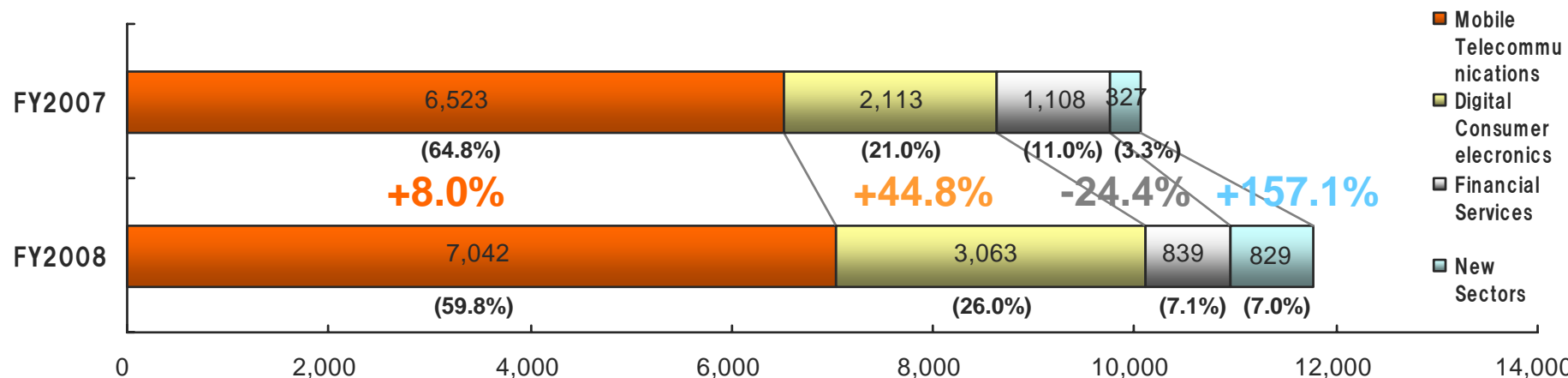
- Gross profit margin: Recovered due to new orders acquired in the digital segment and new sectors.
- SG & A ratio : Remained within the budget, absorbing the increase in sales staff and increase in head office rent.





Sales by Customer Segment

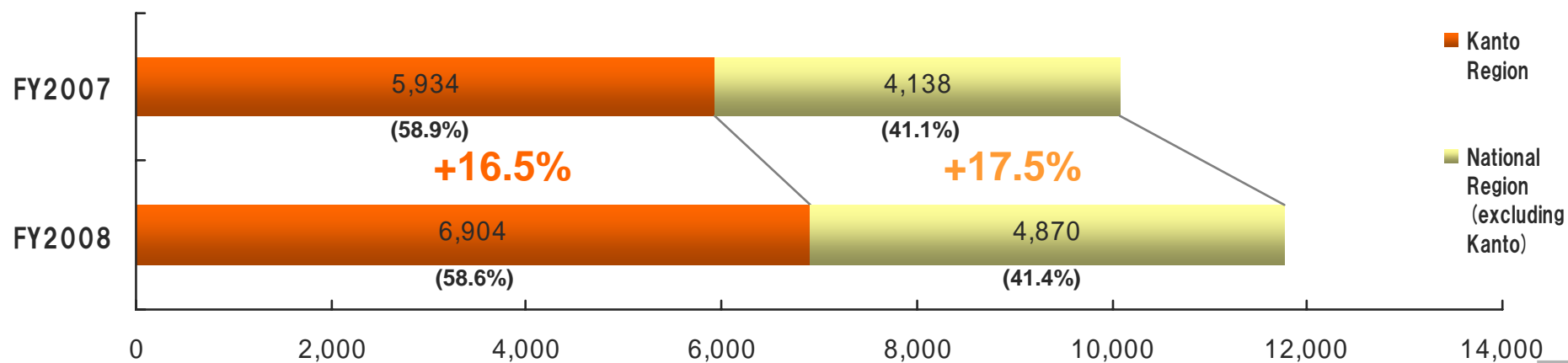
【Unit : Million of yen】

	FY2007	Share	FY2008	Share	Y on Y
 Mobile Telecommunications	6,523	64.8%	7,042	59.8%	+8.0%
 Digital Consumer electronics	2,113	21.0%	3,063	26.0%	+44.8%
 Financial Services	1,108	11.0%	839	7.1%	-24.4%
 New Sectors	327	3.3%	829	7.0%	+157.1%



Sales by Geographic Region

【Unit : million of yen】	FY2007	Share	FY2008	Share	Y on Y
 Kanto Region (o f f i c e s)	5,934 (9)	58.9%	6,904 (13)	58.6%	+16.5% (+4)
 National (excluding K a n t o) (o f f i c e s)	4,138 (14)	41.1%	4,870 (20)	41.4%	+17.5% (+6)



Business Segment Overview

【Unit : million of yen】

FY2007

FY2008

Y on Y

Net Sales 8,154 7,869 -3.2%

(Share) (80.8%) (66.8%)

Outsourcing

Operating Income 388 486 +25.2%

(Operating margin) (4.8%) (6.1%) +1.3ppts

Net Sales 1,940 3,905 +101.2%

(Share) (19.2%) (33.2%)

Temporary Staffing

Operating Income 94 113 +19.6%

(Operating margin) (4.9%) (2.9%) -2.0ppts

※ Temporary Staffing includes recruiting and website operation.

New Business Overview - Net sales•Operating Income -

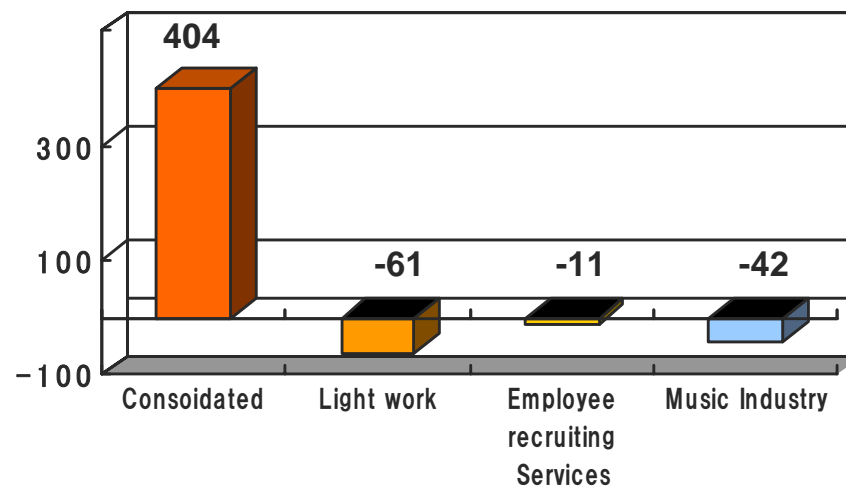
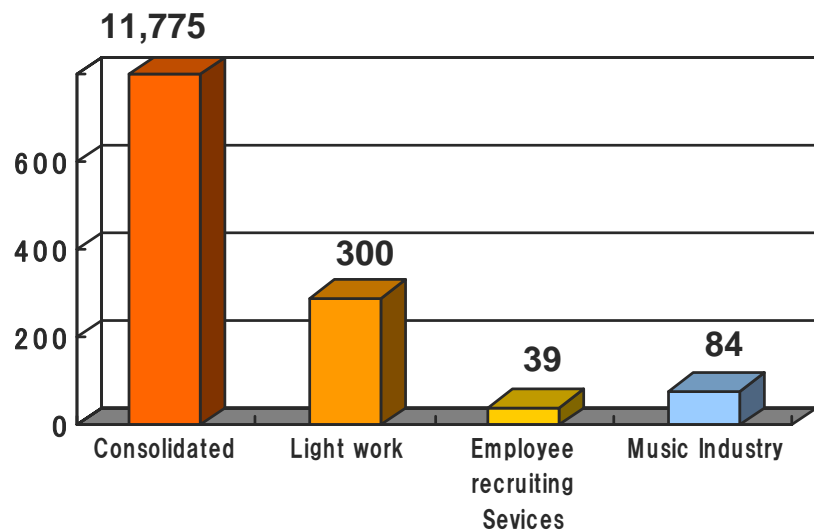
FY2008(actual)

■ Net sales

■ Operating Income

【Unit:million of yen】

【Unit:million of yen】

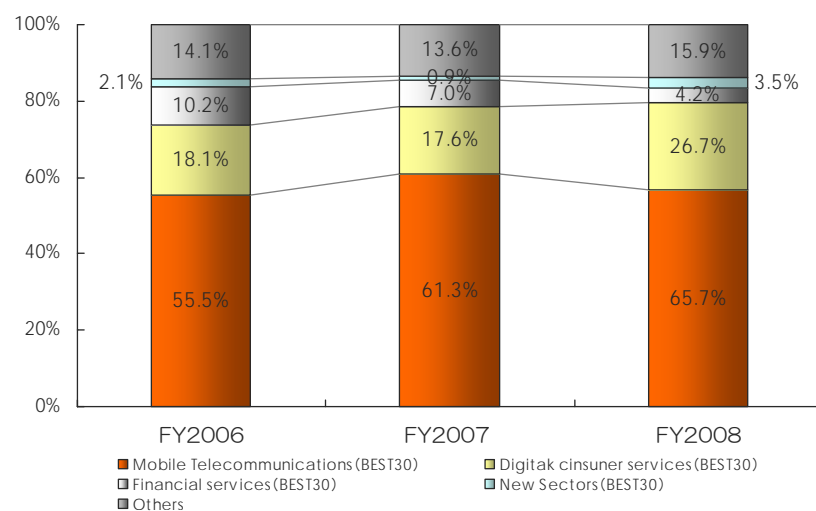


Top 30 Customers-Sales

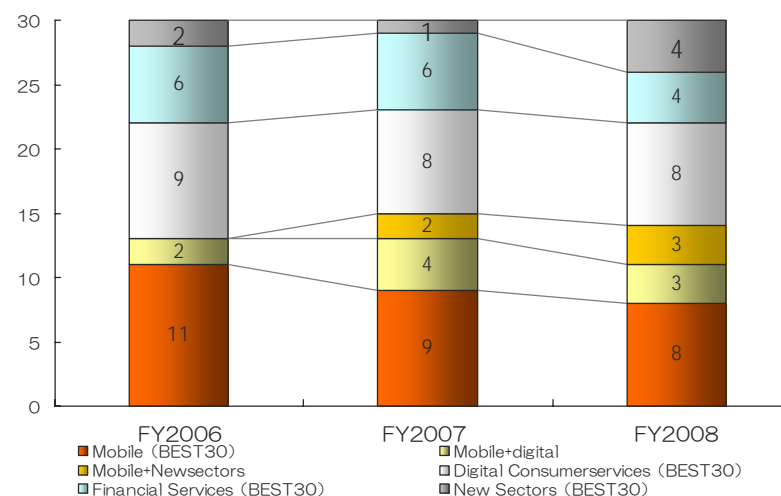
【Unit : million of yen】	FY2006			FY2007			FY2008			Y on Y
	Net Sales	Share	Firm	Net Sales	Share	Firm	Net Sales	share	Firm	
Mobile Telecommunications	4,975	55.5%	13	6,137	61.3%	14	6,503	55.2%	14	6.0%
Digital consumer services	1,626	18.1%	11	1,774	17.6%	12	2,643	22.5%	11	49.0%
Financial Services	911	10.2%	6	707	7.0%	6	413	3.5%	4	-41.6%
New Sectors	187	2.1%	2	88	0.9%	3	345	2.9%	8	292.0%
Top Thirty Total	7,700	85.9%	30	8,707	86.4%	30	9,905	84.1%	30	13.7%
Others	1,262	14.1%	205	1,364	13.6%	265	1,870	15.9%	427	37.0%
Total	8,963	100.0%	235	10,072	100.0%	295	11,775	100.0%	464	16.9%

※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



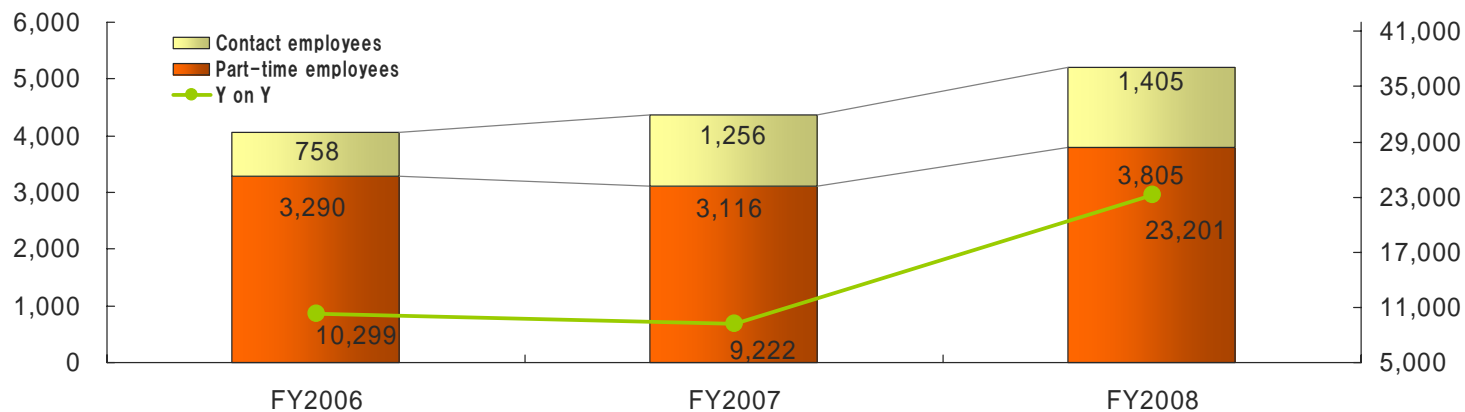
Breakdown to Top 30 Customers by Segment



Number of Staff

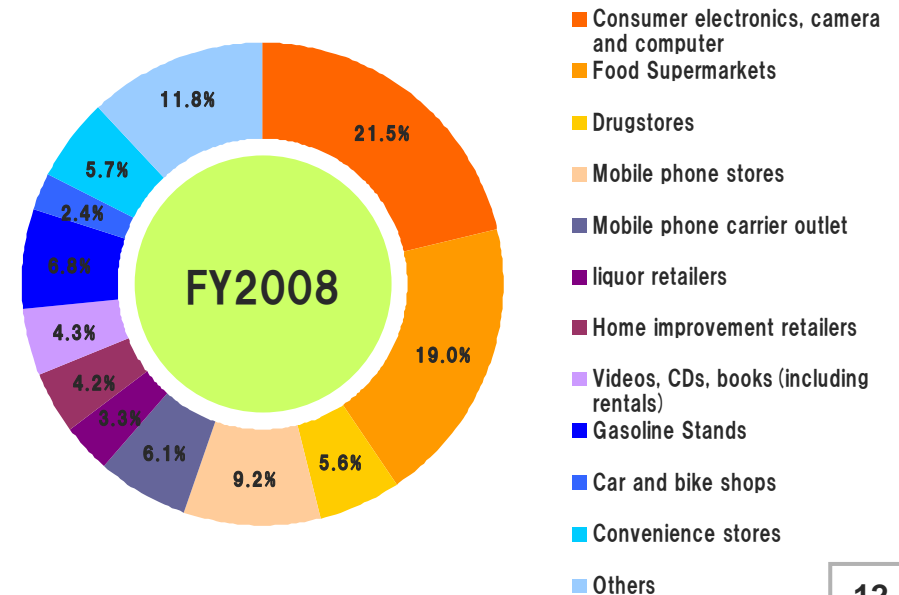
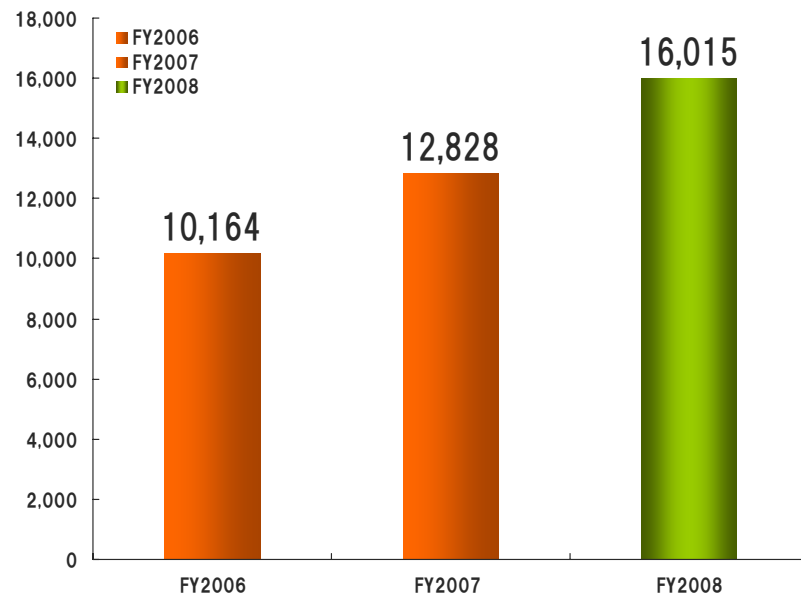
【UNIT: million of yen, person】

	FY2006	FY2007	FY2008
Active Staff (monthly average)	4,048	4,372	5,210
(Contact employees)	758	1,256	1,405
(Part-time employees)	3,290	3,116	3,805
Avg. sales amount per person	185	191	188
Registered staff	38,983	48,205	71,406
(Y on Y)	+10,299	+9,222	+23,201



Total number of stores serviced

	FY2006	FY2007	FY2008
Total number of stores	10,164	12,828	16,015
(Y on Y)		+2,333	+3,187



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Strategies



FY2009 Full year Forecasts

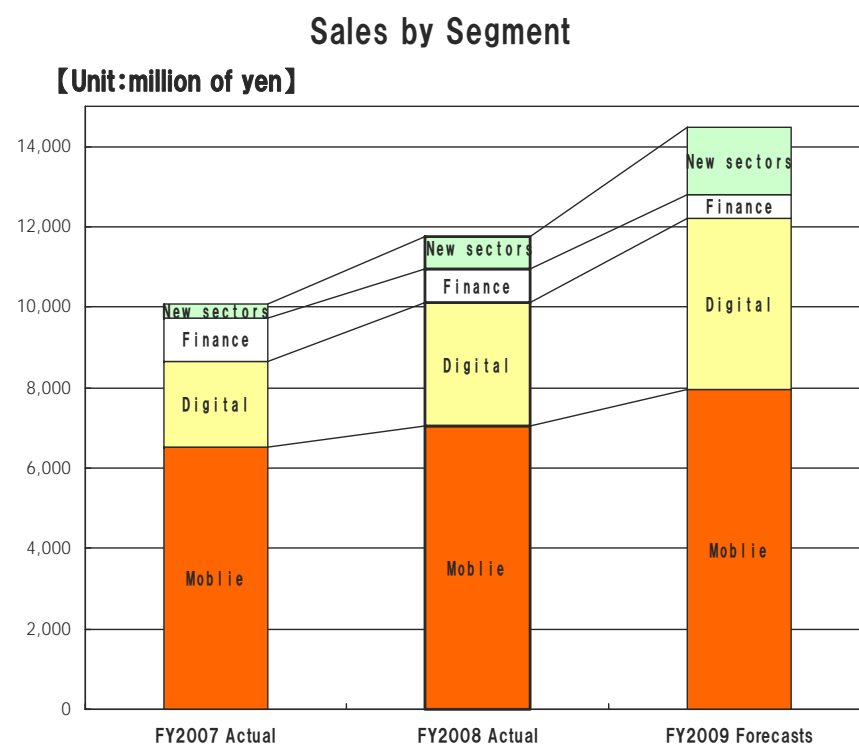
【Unit : million of yen】	FY2008 (Actual)	FY2009 (Forecasts)	Y on Y
Net Sales	11,175	14,040	+19.2%
Gross Profit	2,883	3,550	+23.1%
(Gross profit margin)	(24.5%)	(25.3%)	+0.8ppts
(SG & A ratio)	(21.1%)	(21.7%)	+0.6ppts
Operating Income	404	500	+23.0%
(Operating income margin)	(3.4%)	(3.6%)	+0.2ppts
Ordinary Income	401	500	+24.5%
Net Income	210	290	+37.7%

FY2009 Interim Forecasts

【Unit : million of yen】

	FY2008 Interim (Actual)	FY2009 Interim (Forecasts)	Y on Y
N e t S a l e s	5,539	6,700	+20.9%
G r o s s P r o f i t	1,362	1,660	+21.9%
(Gross profit margin)	(24.6%)	(24.8%)	+0.2ppts
(S G & A r a t i o)	(21.5%)	(22.2%)	+0.7ppts
O p e r a t i n g I n c o m e	168	170	+0.6%
(Operating income margin)	(3.1%)	(2.5%)	-0.6ppts
O r d i n a r y I n c o m e	165	170	+2.5%
N e t I n c o m e	92	98	+6.0%

Business Policy — Sales by segment —



【Mobile】

(Expected growth Ratio : +13.2%)

- Enhanced staffing capacity due to increase in hiring locations in the Tokyo Metropolitan area.
- Increase in sales due to opening of new offices nationwide.

【Digital】

(Expected growth Ratio : +37.9%)

- Acquisition of repetitive orders through extensive sales efforts targeted at existing clients.
- Acquisition of new large-scale projects.

【Finance】

(Expected growth Ratio : -27.7%)

- Securing of stable orders from large clients.

【New Sectors】

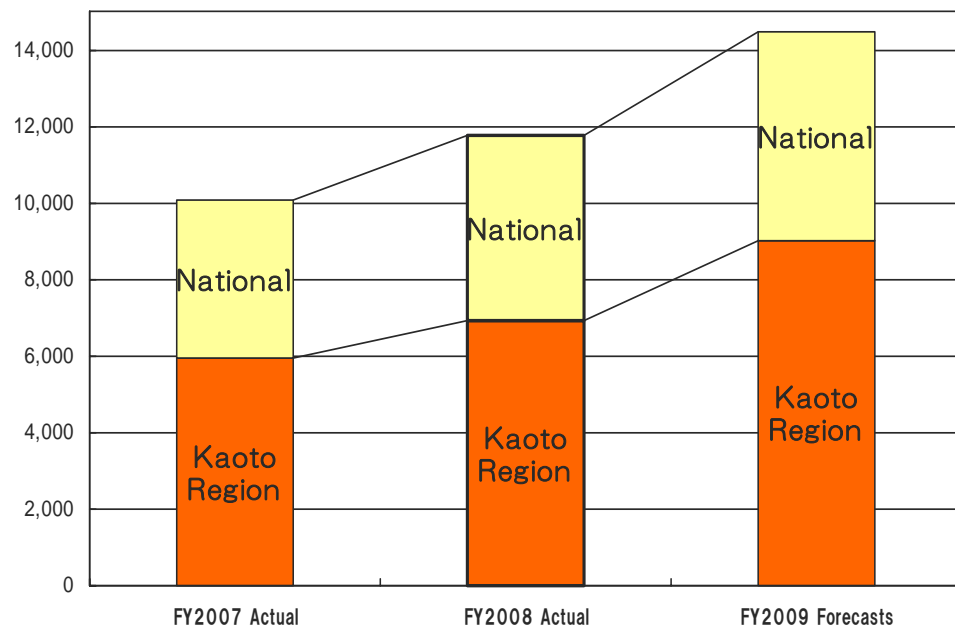
(Expected growth Ratio : +100.6%)

- Full-scale launch of Entertainment Commons.
- Expansion of temporary staffing for distribution channels.

Business Policy — Sales by Region —

Sales by Region

【Unit: million of yen】



【Kanto Region】

(Expected growth Ratio : +30.6%)

- Full operation of offices and subsidiaries established during the previous fiscal year.

【National (excluding Kanto)】

(Expected growth Ratio : +11.8%)

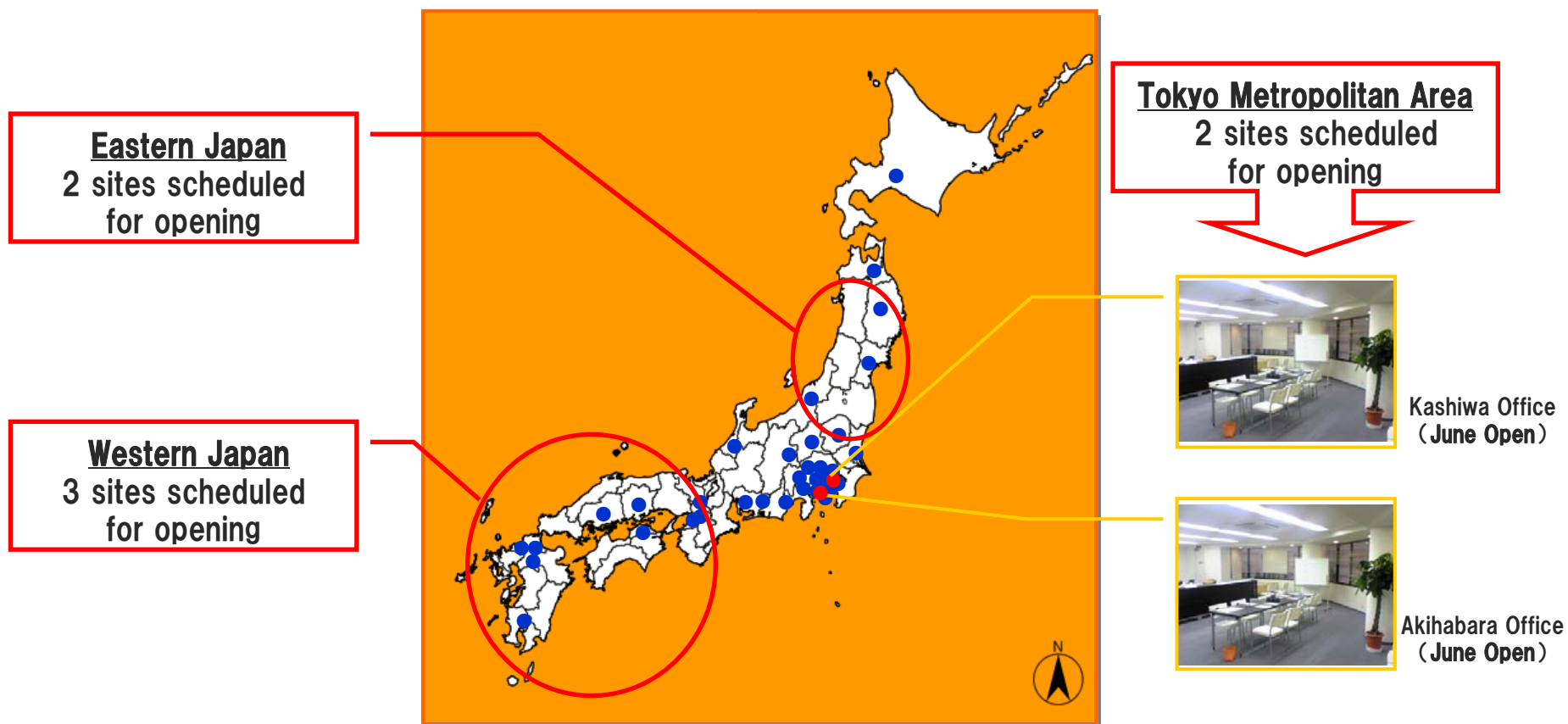
- Opening of offices that meet client needs.

Improve our growth foundation – Office Locations –

33 Offices Nationwide (As of FY2008)



40 Offices Nationwide (As of FY2009)



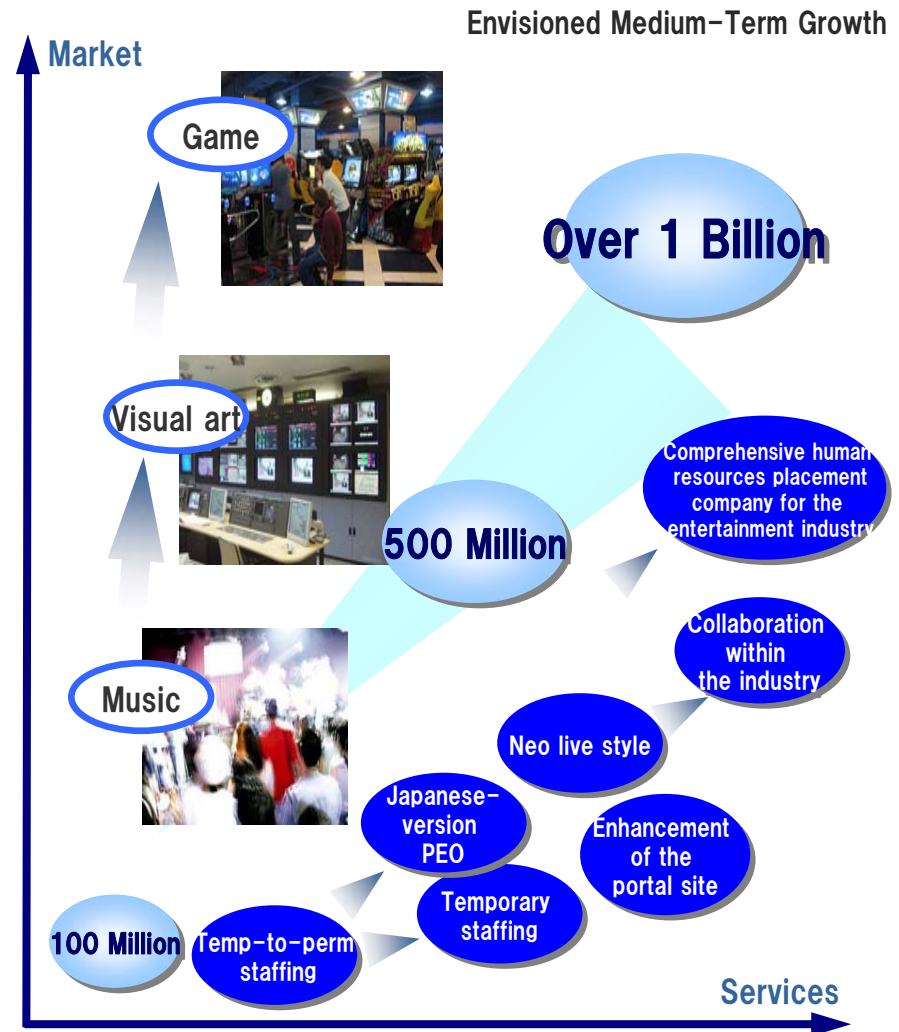
Entertainment Commons Inc. – Business Expansion Process –

Market

- ◆ 3-billion demand for assistants evident in the music, visual arts, and game industries
 - ◆ Potential market of several tens of billions of yen, including Internet business related to the aforementioned target industries
- Previous FY** Commenced business with a major music company
Acquire top share in the temporary staffing of assistants.
- This FY** Expansion of business with other than above major music company.
From the proposal of new services to music companies to collaboration.
- From Next FY** Expansion to visual arts and amusement companies
Sales promotion of new services to music companies.

Services

- ◆ Expansion of assistant staffing services (temp-to-perm staffing, Japanese-version PEO)
 - ◆ "Neo live style" from launching to packaging.
 - ◆ Development of an entertainment portal site business on homepage.
- Previous FY** Commencement of assistant staffing services
Commencement of operation of homepage
- This FY** Assistant staffing ~ promotion of Japanese-version PEO
Establishment of "neo live style" ~ full-scale operation
- From Next FY** Planned use of homepage as a portal
Packaged sales of "neo live style"



Neo Live Style – New Service Menu –



Neo live Style

- Improve quality by delivering everything from production to management as a unit
- Enhance hospitality to the audience of live concerts
- Reinforce the entertainment aspect through the artist branding of live concert halls
- Unification of education, training, and target in conformity with the artist's image

◆ Packaging of Live Concert Production Company and Operating Company ◆



Growth Strategy – Becoming a Comprehensive Orange Collar Company –

Expand services area

40 Offices (FY2009)

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

Expand sites Nationwide

Focus on Kanto region

Enhance services lineup

Entertainment Promotion

Personnel placement business

Light work

Sales/operation support

Field staff

Sales promotion

Expand target industry

Entertainment Industry

Retail Distribution Industry

Financial Services

Digital Electronics

Mobile Telecom

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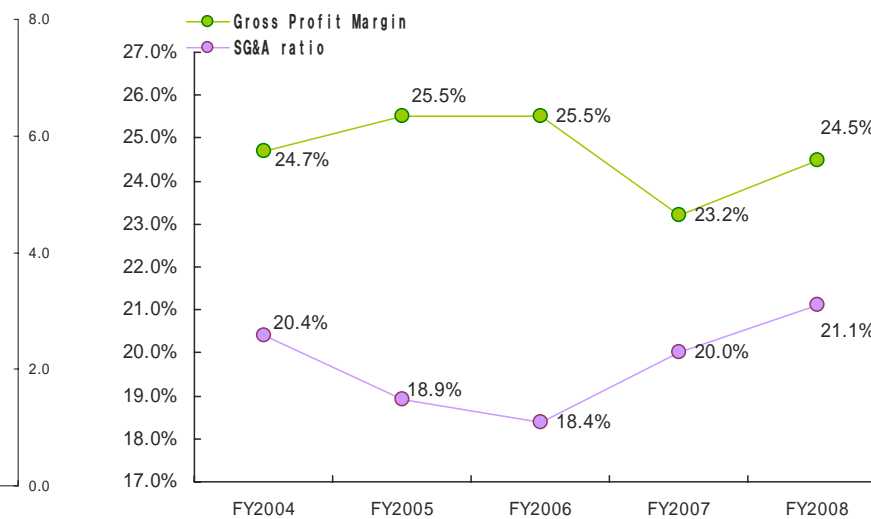
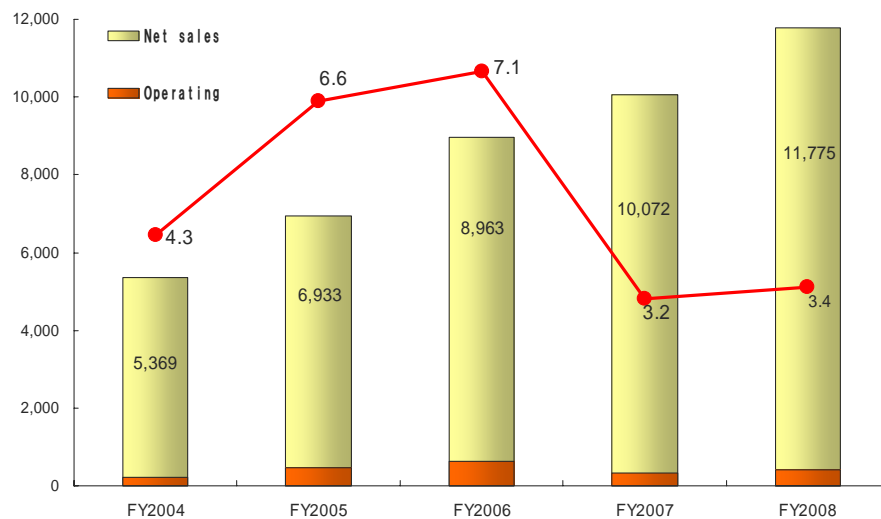


References

Performance Trends

[Unit: Million of yen]

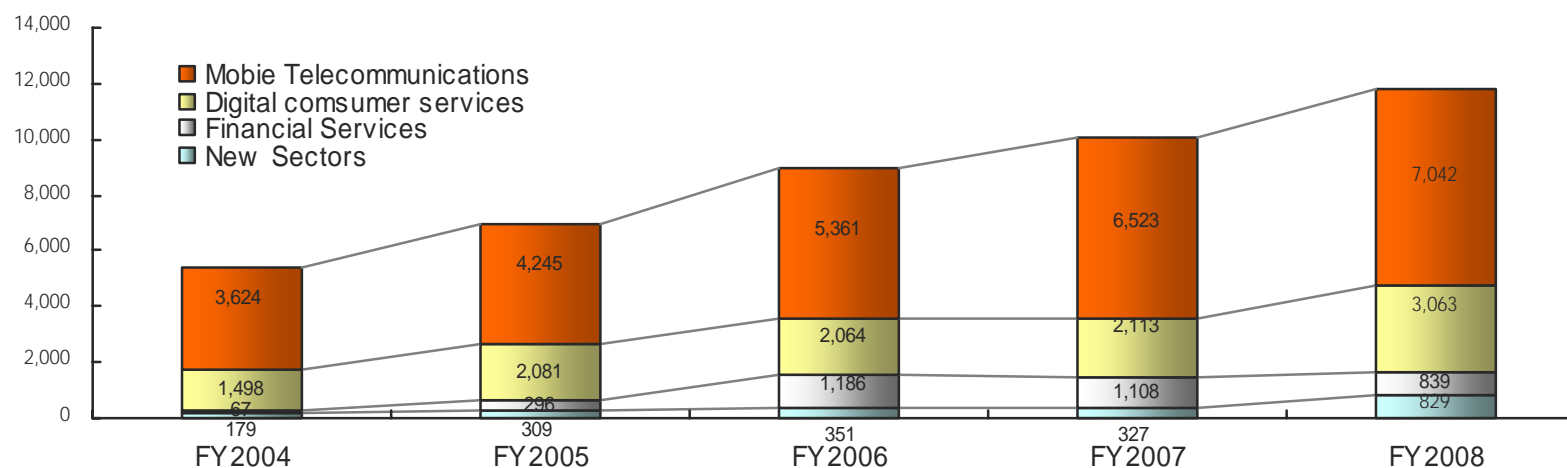
	FY2004	FY2005	FY2006	FY2007	FY2008
Net Sales	5,369	6,933	8,963	10,072	11,775
Gross Profit	1,328	1,769	2,283	2,338	2,883
(Gross Profit Margin)	(24.7%)	(25.5%)	(25.5%)	(23.2%)	(24.5%)
(SG&A ratio)	(20.4%)	(18.9%)	(18.4%)	(20.0%)	(21.1%)
Operating Income	230	460	637	326	404
(Operating Income margin)	(4.3%)	(6.6%)	(7.1%)	(3.2%)	(3.4%)
Ordinary Income	226	457	637	319	401
Net Income	133	258	371	179	210



Sales by Customer Segment

[Unit: Million of yen]

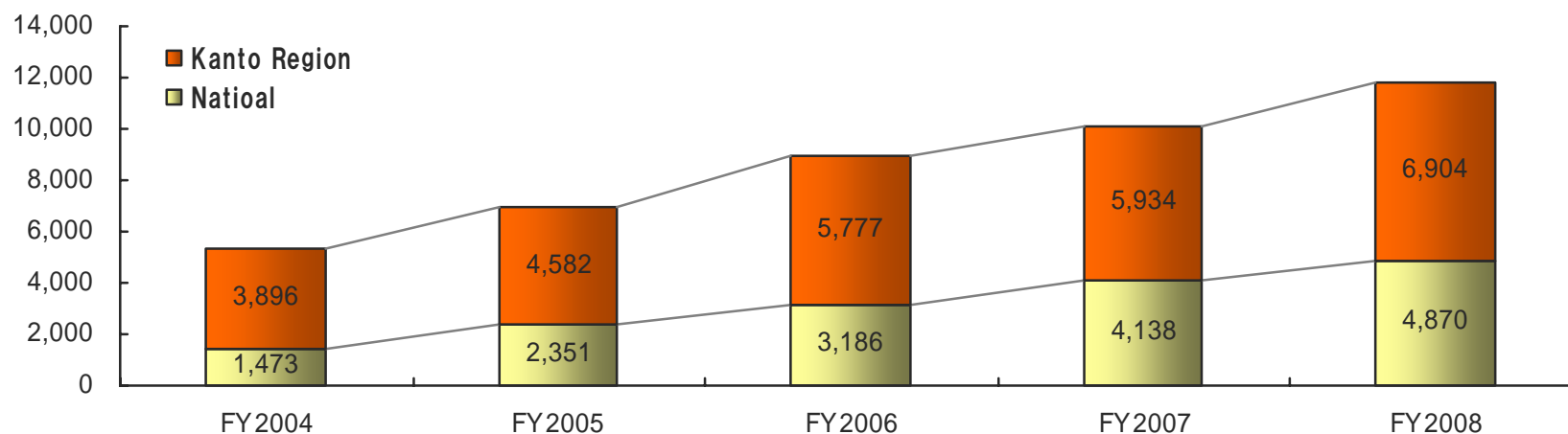
		FY2004	FY2005	FY2006	FY2007	FY2008
Mobile Telecommunications	Net Sales	3,624	4,245	5,361	6,523	7,042
	Share	67.5%	61.2%	59.8%	64.8%	59.8%
Digital consumer electronics	Net Sales	1,498	2,081	2,064	2,113	3,063
	Share	27.9%	30.0%	23.0%	21.0%	26.0%
Financial Services	Net Sales	67	296	1,186	1,108	839
	Share	1.2%	4.3%	13.2%	11.0%	7.1%
New Sectors	Net Sales	179	309	351	327	829
	Share	3.2%	4.5%	4.0%	3.3%	7.0%



Sales by Geographic Region

【Unit: Million of yen】

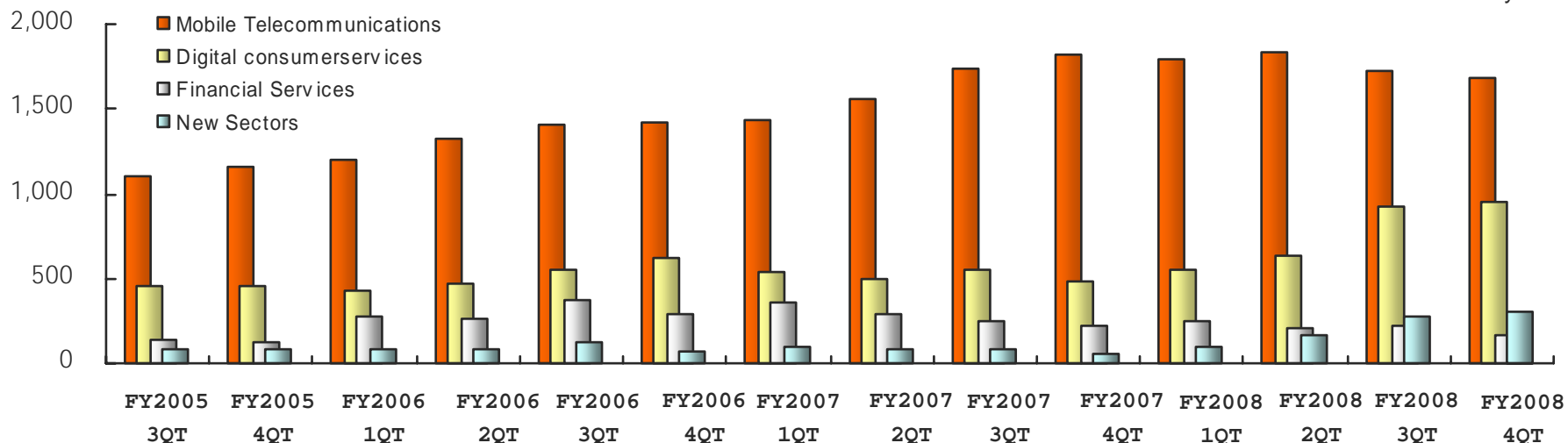
		FY2004	FY2005	FY2006	FY2007	FY2008
Kanto Region	Net Sales	3,896	4,582	5,777	5,934	6,904
	Share	72.6%	66.1%	64.5%	58.9%	58.6%
	Offices	(5)	(6)	(9)	(9)	(13)
National (excluding Kanto)	Net Sales	1,473	2,351	3,186	4,138	4,870
	Share	27.4%	33.9%	35.5%	41.1%	41.4%
	Offices	(6)	(11)	(13)	(14)	(20)



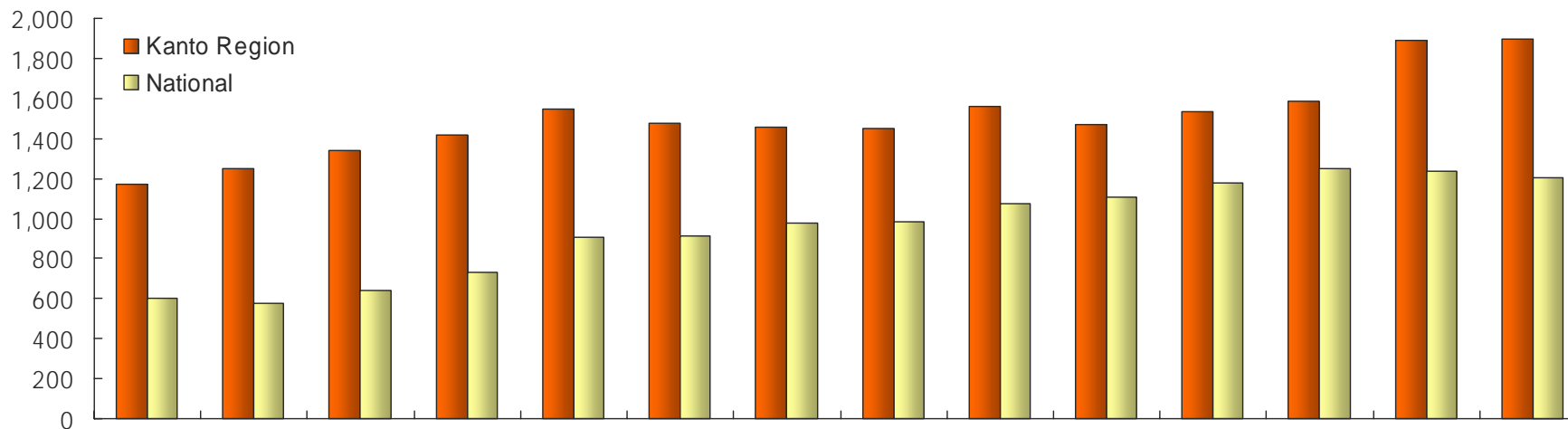
Quarterly Trends In Sales—by Customer Segment and Region

Sales by Customer Segment

【Unit: Million of yen】



Sales by Geographic Region



Consolidated Cash Flows

【Unit: Million of yen】	FY2007	FY2008	Y on Y	Changing Factors
Cash flows from operating activities	247	-14	—	Decreased due to increase in accounts receivable and the payment of corporate taxes
Cash flows from investing activities	-78	-112	—	Decreased due to investment in the Internet employment site and initial investments in new offices
Cash flows from financing activities	79	-518	—	Decreased due to payments of short-term borrowings and payout of dividends
Cash and cash equivalents at the end of the period	1,474	828	-56.2%	
Change in Cash and Cash Equivalents	+248	-646	—	

Consolidated Statement of Cash Flows

【Unit: Million of yen】	FY2004	FY2005	FY2006	FY2007	FY2008
Cash flows from operating activities	182	328	342	247	-14
Cash flows from investing activities	-145	-64	-101	-78	-112
Cash flows from financing activities	-27	42	-92	79	-518
Cash and cash equivalents at the end of the period	771	1,078	1,226	1,474	828
Change in cash equivalents at the end of the period	+9	+306	+147	+248	-646

Sales and Profits Trends—by Group Company

【Million of yen】	FY2007	FY2008	Y on Y
Net Sales	10,072	11,775	+16.9%
Backs Group	7,930	9,701	+22.3%
Giga Japan	1,030	836	-18.8%
Smart	1,112	1,156	+4.0%
Entertainment Commons	—	80	—
Gross Profit	2,392	2,883	+23.3%
Backs Group	1,965	2,525	+28.5%
Giga Japan	221	193	-12.5%
Smart	206	214	+3.8%
Entertainment Commons	—	7	—
Operating Income	326	404	+23.9%
Backs Group	203	386	+89.7%
Giga Japan	58	24	-58.0%
Smart	64	34	-45.6%
Entertainment Commons	—	-42	—

※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				FY2007 Interim				FY2008			
	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	4	0.05	5,384.00	3.63	1	0.01	500.00	0.34	3	0.05	9,900.00	6.67
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	3,198.00	2.15	3	0.04	1,480.00	1.00	3	0.05	1,882.00	1.27
Securities companies	19	0.25	4,165.00	2.80	14	0.20	4,673.00	3.15	18	0.29	2,331.00	1.57
Other corporations	40	0.53	12,359.00	8.32	44	0.64	12,962.00	8.73	40	0.64	12,508.00	8.42
Foreign corporations	19	0.25	5,928.00	3.99	13	0.19	2,012.00	1.35	18	0.29	1,213.00	0.82
Individual / others	7,427	98.86	107,921.00	72.67	6,773	98.89	112,347.00	75.64	6,205	98.68	106,140.00	71.47
Treasury stock	1	0.01	9,560.00	6.44	1	0.01	14,541.00	9.79	1	0.02	14,541.00	9.79
Total	7,513	100.00	148,515.00	100.00	6,849	100.00	148,515.00	100.00	6,288	100.00	148,515.00	100.00
Big shareholders	10	0.13	55,011.00	37.04	10	0.14	49,072.00	33.04	10	0.15	56,406.00	37.98
Fund	2	0.02	2,817.00	1.89	0	0.00	0.00	0.00	1	0.01	1,700.00	1.14
Floating stocks	7,248	98.86	45,643.00	30.73	6,525	95.26	44,068.00	29.67	5,999	95.40	40,244.00	27.09
Special socks	17	0.22	67,817.00	45.66	20	0.29	51,063.00	34.38	15	0.23	71,737	48.30

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	380yen
Payout ratio (%)	16.4%	16.2%	25.0%	23.8%	74.1%	24.2%

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 4,981stocks (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

This presentation and its related materials contain forward-looking statements about the plans, strategies, beliefs, and performance of Backs Group Inc. that are not historical facts. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the industries in which Backs Group Inc. operates; on management's beliefs; and on assumptions made by management. As expectations, estimates, forecasts and projections are subject to a number of risks, uncertainties, and assumptions, actual results may differ materially from those projected. Backs Group Inc. therefore wishes to caution readers not to place undue reliance on forward-looking statements. Furthermore, Backs Group Inc. undertakes no obligation to update any forward-looking statements as a result of new information, future events, or other developments.

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