

■Financial Highlights of FY2009 Interim Earnings

FY2009 Interim Earnings Sales for the FY2009 Mark a New Record High

Net sales increase 15.9% year-on-year, operating income decrease 19.6%

The Backs Group consolidated earnings for the interim of FY2009 (from April 1, 2008, to September 30, 2008) have been finalized, and are summarized here. For details please refer to the Summary of Consolidated Earnings Report for the interim of the Fiscal Year Ending March 31, 2009.

Financial Highlight

- Results for the Second quarter of the fiscal year ending March 2009 term were an increase of 15.9% for sales, a decrease of 19.6% for operating income, a decrease of 18.4 % for ordinary income, and a decrease of 85.4% for net income, all figures compared to the corresponding period of the previous fiscal year.

[Causes]

- Sales for the second quarter reached an all-time record high. In the mobile communications segment, despite continued strong demand from telecommunication carriers and agents on the national level, failure to supplement the decrease in sales generated by two subsidiaries resulted in an 8.9% decrease in sales year on year. In the digital consumer electronics segment, sales increased by 51.6% year on year as a result of the jump in sales brought about by the increase in orders received from existing customers and the acquirement of new customers, in addition to the fact that new large-scale contracts secured in the previous term became fully operational. In the financial services segment, on the other hand, sales decreased 12.6% year on year despite the recovery trend, as large-scale contracts received from existing clients are slated to become fully operational after the second quarter. Furthermore, in the other consumer products segment, sales increased by 242.6% year on year as a result of the smooth expansion of new businesses such as temporary staffing targeted at the music industry and the increase in orders received from distribution channels.
 - In the digital consumer electronics segment, our strong performance in high-margin large-scale contracts and successful measures to enhance our registered staff utilization rate were offset by some low-margin digital consumer electronics contracts which diminished profitability and by our subsidiary's portal site business that turned unprofitable. For these reasons, the gross profit margin decreased 0.6 points (gross profit margin: 24.0%) year on year. (gross profit margin: 24.0%) year on year.
 - In terms of selling, general and administrative expenses, a year-on-year increase of 0.4 points was recorded as a result of increases in personnel expenses stemming from the recruitment of new graduates and growing initial costs arising from the opening of new offices, in addition to the burden of operating costs of our subsidiary's portal site business (consolidated cost of sales and general administration ratio: 21.9%).
- The FY2008 Interim budget achievement rate are 99.9% for net sales, 99.9% for gross profit, 99.3% for operating income, 99.4% for ordinary income, and 100.9% for net income.

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

(Units : Millions of yen)

	FY2008 2Q	FY2009 2Q	Y on Y	FY2009 Interim budget	Progress Ratio for Interim forecasts
Sales	5,359	6,421	+15.9%	6,422	99.9%
Gross profit on sales	1,362	1,543	+13.3%	1,544	99.9%
(Gross profit margin)	(24.6%)	(24.0%)	-0.5ppts	(24.0%)	—
(SG&A ratio)	(21.5%)	(21.9%)	+0.4ppts	(21.9%)	—
Operating income	168	135	-19.6%	136	99.3%
(Operating income margin)	(3.1%)	(2.1%)	-1.0ppts	(2.1%)	—
Ordinary Income	165	135	-18.4%	136	99.4%
Net Income	92	13	-85.4%	13	100.9%

■Results by segment

①By business segment

(Units : Millions of yen)

	Sales			Operating income		
	FY2008 2Q	FY2009 2Q	% Change	FY2008 Interim earnings	FY2009 Interim earnings	% Change
Outsourcing Business	4,131	2,726	-34.0%	214	129	-39.8%
Temporary Staffing Business	1,408	3,695	+162.5%	43	130	+200.3%

*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)

	FY2008 2Q earnings	FY2009 2Q earnings	% Change
Kanto Region*1	3,114	3,929	+26.2%
National*2	2,425	2,492	+2.8%

*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)

	FY2008 2Q	FY2009 2Q	% Change
Mobile telecommunications*1	3,632	3,310	-8.9%
Digital consumer electronics*2	1,187	1,800	+51.6%
Financial services*3	452	395	-12.6%
New Sectors*4	267	915	+242.6%

*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 Second Quarter of the Fiscal Year Ending March 31, 2009, page 6-7.

■ Cash flows

For details please refer to the Summary of Consolidated Earnings Report for the Second Quarter of the Fiscal Year Ending March 31, 2008. Page 7 and Statements of Cash Flows page 14.

(Reference)

■ Outlook for the current term (FY 2009)

(Units : Millions of yen)

	FY2008 earnings	FY2009 Full year forecasts	% Change
Sales	11,775	13,762	+16.9%
Gross profit on sales	2,883	3,434	+19.1%
(Gross profit margin)	(24.5%)	(24.9%)	+0.4ppts
(SG&A ratio)	(21.1%)	(21.4%)	+0.3ppts
Operating income	404	479	+18.5%
(Operating income margin)	(3.4%)	(3.4%)	±0.0ppts
Ordinary Income	401	479	+19.3%
Net Income	210	215	+2.1%

【Disclaimer】

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■IR Inquiry

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