

■Financial Highlights of FY2009 Third Quarter Earnings

FY2009 the Third quarter Earnings Sales for the FY2009 Mark a New Record High

Net sales increase 12.7% year-on-year, operating income decrease 12.3%

The Backs Group consolidated earnings for the Third Quarter of FY2009 (from April 1, 2008, to December 31, 2008) 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, 2009.

Financial Highlight

- Results for the Third quarter of the fiscal year ending March 2009 term were an increase of 12.7% for sales, a decrease of 12.3% for operating income, a decrease of 11.2 % for ordinary income, and a decrease of 48.4% for net income, all figures compared to the corresponding period of the previous fiscal year.

[Causes]

- In the mobile telecommunications segment, despite continued strong demand from telecommunications carriers and agents on the national level and the ensuing increase in the utilization rate of our full-time staff, our failure to supplement the decrease in sales of our consolidated subsidiary (acquired through a merger on October 1, 2008) resulted in a 7.2% decrease in sales year on year. In the digital consumer electronics segment, sales increased by 27.6% 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 8.7% 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 179.0% 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, despite the stable receipt of high-margin orders, the relative increase in the percentage of sales of the temporary staffing business and our consolidated subsidiary's portal site business becoming unprofitable resulted in the gross profit margin to decrease 0.6 points (gross profit margin: 24.1%) year on year.
- In terms of selling, general and administrative expenses, a year-on-year increase of 0.1 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: 21.3%).
- The FY2008 the Third Quarter budget achievement rate are 75.2% for net sales, 74.8% for gross profit, 65.5% for operating income, 65.5% for ordinary income, and 51.2% for net income.

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

(Units : Millions of yen)

	FY2008 3Q	FY2009 3Q	Y on Y	FY2009 Fullterm budget	Progress Ratio for fullterm forecasts
Sales	8,673	9,774	+12.7%	13,000	75.2%
Gross profit on sales	2,144	2,354	+9.8%	3,146	74.8%
(Gross profit margin)	(24.7%)	(24.1%)	-0.6ppts	(24.2%)	—
(SG&A ratio)	(21.2%)	(21.3%)	+0.1ppts	(21.0%)	—
Operating income	306	268	-12.3%	410	65.5%
(Operating income margin)	(3.5%)	(2.7%)	-0.8ppts	(3.2%)	—
Ordinary Income	301	267	-11.2%	409	65.5%
Net Income	163	84	-48.4%	165	51.2%

(NOTE) The figures in the Full Year Forecast for Fiscal Year 2009 are based on the forecast figures announced in the Notice of Changes to the FY 2009 Full-Year Earnings Forecast, dated January 13, 2009.

■Results by segment

①By business segment

(Units : Millions of yen)

	Sales			Operating income		
	FY2008 3Q	FY2009 3Q	% Change	FY2008 3Q earnings	FY2009 3Q earnings	% Change
Outsourcing Business	6,147	3,906	-36.4%	363	204	-43.7%
Temporary Staffing Business	2,525	5,868	+132.3%	77	250	+222.1%

*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 3Q earnings	FY2009 3Q earnings	% Change
Kanto Region*1	5,007	5,969	+19.2%
National*2	3,665	3,805	+3.8%

*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 3Q	FY2009 3Q	% Change
Mobile telecommunications*1	5,350	4,963	-7.2%
Digital consumer electronics*2	2,113	2,697	+27.6%
Financial services*3	670	611	-8.7%
New Sectors*4	538	1,501	+179.0%

*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 3-4.

■ 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 X and Statements of Cash Flows page X.**

(Reference)

■ Outlook for the current term (FY 2009)

(Units : Millions of yen)

	FY2008 earnings	FY2009 Full f year forecasts	% Change
Sales	11,775	13,000	+10.4%
Gross profit on sales	2,883	3,146	+9.1%
(Gross profit margin)	(24.5%)	(24.2%)	-0.3ppts
(SG&A ratio)	(21.1%)	(21.0%)	-0.1ppts
Operating income	404	410	+1.4%
(Operating income margin)	(3.4%)	(3.2%)	-0.2ppts
Ordinary Income	401	409	-17.5%
Net Income	210	165	-21.6%

【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.

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