



January 28, 2009

Summary of Consolidated Earnings Report for the Third quarter of the Fiscal Year Ending March 31, 2009

Company Name: Backs Group Inc. (URL: <http://www.backs.co.jp/>)
Code Number: 4306
Stock Listings: JASDAQ
Head Office: 1-19-19 Ebisu, Shibuya-ku, Tokyo
Representative: Tsutomu Okada (President)
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Tel: 03-5793-7836
Board of Director's meeting: January 28, 2008
Use of U.S. accounting standards: No

1. Consolidated Results for the Third quarter of the fiscal year Ending March FY2009 (April 1, 2008 - December 31, 2008)

(1) Business Results (Millions of yen, rounded down; %)

	Net Sales	Operating Income	Ordinary Income	Net Income
	%	%	%	%
FY2009 3Q	9,774 (—)	268 (—)	267 (—)	84 (—)
FY2008 3Q	8,673 (15.7)	306 (15.4)	301 (15.3)	163 (10.2)

	Net Income per Share (yen)	Net Income per Share (Diluted) (yen)
FY2009 3Q	630 33	629 14
FY2008 3Q	1,199 14	1,198 42

(2) Changes in the Company's Financial Condition (Millions of yen, rounded down; %)

	Total Assets	Shareholders' Equity	Equity Ratio	Shareholders' equity per share
			%	(¥mn)
FY2009 3Q	3,005	1,695	56.1	12,584 01
FY2008	2,994	1,655	55.2	12,333 68

References Equity capital FY2009 3Q 1,685 million FY2008 1,652 million

2. Dividends

(Record Date)	Dividend per share				
	1Q	2Q	3Q	4Q	Full year
	yen	yen	yen	yen	yen
FY2008	—	0.00	—	380.00	380.00
FY2009	—	0.00	—	—	—

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FY2009 (forecasts)	—	—	—	300.00	300.00
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References Revision of dividend forecast in this term: None

3. Forecasts for Fiscal Year 2009 (April 1, 2008 - March 31, 2009)

(Values in parentheses are rates of growth or decline compared to the previous year)

	Net Sale		Operating Income		Ordinary Income		Net Income per Share		Net Income per Share (yen)
		%		%		%		%	(¥mn)
Full year	13,000	10.4	410	1.4	409	1.9	165	-21.6	1,231.58

4. Others

(1) Changes in important subsidiaries during the fiscal year (Changes to designated companies that fall within the amended scope of consolidation): Yes

Starting from the current third quarter, we have included Smart Communications, Inc. in the scope of consolidation, in conjunction with the acquisition of said company's entire shares as of December 9, 2008.

(2) Adoption of simplified accounting method or accounting methods specific to quarterly consolidated financial statements: None

(3) Changes in accounting principles, procedures, presentation methods, relating to the preparation of quarterly consolidated financial statements (Items stated under Changes in the Significant Assumptions Underlying the Preparation of the Quarterly Consolidated Financial Statements)

① Changes accompanying changes in accounting standards: Yes

② Changes other than those stated above: Yes

(4) Number of Share outstanding (Common stock)

① Number of Shares outstanding at the end of fiscal year (Included treasury stock)

FY2009 3Q 148,515 shares FY2008 148,515 shares

② Number of shares outstanding at the end of the fiscal year

FY2009 3Q 14,541 shares FY2008 14,541 shares

③ Average number of shares during the period (For the current consolidated first quarter)

FY2009 3Q 148,515 shares FY2008 3Q 148,515 shares

Note Forecasts contained in this report are based on information available at the time of this announcement, and assume that unknown factors may affect future performance. Actual results may differ significantly due to a variety of factors.

【Qualitative Information and Financial Statements】

1. Qualitative Information on Consolidated Business Results

During the period under review, the Japanese economy witnessed the deterioration of corporate earnings including those of the export industries against the backdrop of the rapidly decelerating economies of Europe and the U.S., stemming from the financial crisis and the stronger yen and has been engulfed in a situation where a long-term recessionary phase will be unavoidable. Personal consumption continued to stall, reflecting the severity of the employment/income situation, while tendencies towards contraction were seen in all facets of the economy, making the prospects of a recession all but inevitable.

The mobile telecommunications industry, the principal market in which the Backs Group operates, achieved robust growth from 82.3% to 90.6% in the percentage of subscriptions for third-generation (3G) handsets. The number of mobile phone subscriptions was 105,420,000 in November 2008, 5.5 % more than in the corresponding period of the previous fiscal year.^{*1} On the other hand, competition for customers is becoming increasingly fierce as reflected in the introduction of low-fee services and the provision of music, video and other contents services, while the intervals at which customers replace their mobile terminals have become longer due in part to the spread of installment sales schemes.

With regard to the digital consumer electronics industry, as the growth of the number of broadband subscribers stalled with 33,080,000 internet connection services contracts^{*2} as of the end of June 2008, demand for fiber-optic communications services has also increased, while a marked decreasing trend in digital subscriber's line services has been noted.

In the credit card industry, the number of cards issued as of the end of March 2007, rose 1.2% year-to-year to 292.66 million; by type of issuer, 114.24million cards were issued by banks, 85.4million cards were issued by retailers, 62.16 million cards were issued by shinpan credit companies and 5.04 million cards were issued by gasoline retailers.^{*3} Growth has slowed down in the credit. Due to the new money lending regulations that went into effect in December 2006, which reduced the maximum allowable interest rate, the trend of reviewing the sales promotion strategies is continuing among some card companies, in spite of the full-scale issuance of cards in affiliation with companies outside the card industry and through other means.

Under these circumstances, we during the third quarter absorbed two consolidated subsidiaries whose business areas and activities overlapped with the Company on October 1, 2008, with the aim of concentrating business resources and improving the efficiency of management of the Backs Group as a whole. Also in order to offer our customers seamless solutions from the research of distribution channels to planning/execution of over-the-counter sales promotions, we acquired the entire shares of Smart Communications, Inc., a company specializing in providing know-how for over-the-counter sales promotions, including "market research," "verification of the effects of sales promotion measures," and "sales training" in the distribution channels, on December 9, 2008, and made it a consolidated subsidiary of the Group.

Net sales for the third quarter reached an all-time high thanks to large-scale contracts which had become fully operational from the previous fiscal year in the digital consumer electronics and other consumer products fields and the strong performance by the temporary staffing business intended for the music industry.

In terms of profits, continued strong performance by high-margin, large-scale contracts in the digital consumer electronics fields and the sustained effects of the measures to enhance the registered staff utilization rate since the previous fiscal year were offset by some low-margin digital consumer electronics contracts which diminished profitability and by the portal site business launched by our subsidiary in the previous fiscal year which turned unprofitable. For these reasons, the gross profit margin decreased 0.6 points year on year. On the other hand, the percentage of selling, general and administrative expenses increased 0.1 points year on year, as a result of the increase in the number of personnel especially due to the recruitment of new graduates, and the 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.

As a result of these efforts, consolidated net sales for the Interim of fiscal year 2009 were ¥9,774 million (up 12.7% from the previous fiscal year). Ordinary income was ¥267 million (decrease 11.2%), and net income was ¥84 million (decrease 48.4%).

Notes:

*1 Source: Calculations based on Telecommunications Business Association report "Numbers of Mobile Phone/IP Connection Services/PHS/Wireless Call Contracts."

*2 Source: Calculations based on Ministry of Internal Affairs and Communications' report "Trends in Numbers of Users of Internet Connection Services, etc (as at June 2007)" (latest data September 17, 2008).

*3 Source: Calculated based on the Japan Consumer Credit Industry Association, "Numbers of Credit cards Issued by Sector (Actual results)"

< Results by Major Segment >

(1) By business segment

(a) Outsourcing

In the outsourcing operations, despite strong performances by large-scale contracts in the digital consumer electronics and other consumer products fields that became fully operational in the previous fiscal year, as a result of the switch in the type of employment in the mobile telecommunications segment from outsourcing contracts to temporary staffing contracts, interim net sales was 3,906 million yen (36.4% decrease year on year) and operating income was 204 million yen (43.7% decrease year on year).

(b) Temporary staffing

In our temporary staffing business, due to the robust sales recorded by our temporary staffing operations intended for the music industry, in addition to the switch in the type of employment contracts of our mobile telecommunications clients, interim net sales reached 5,868 million yen (132.3% increase year on year) and operating income also reached 250 million yen (222.1% increase year on year).

(2) By region

(a) Kanto region*1

As a result of strong sales in the digital consumer electronics and new consumer fields such as operations intended for the entertainment industry, interim sales in the Kanto area reached 5,969 million yen (19.2% increase year on year).

(b) National*2

Nationally, expanded businesses in the digital consumer electronics and other consumer products fields led to strong sales, which more than compensated for the diminished campaign demands in the mobile telecommunications and financial services segments, resulting ultimately in interim net sales of 3,805 million yen (3.8% increase year on year).

(3) By customer industry

(a) Mobile telecommunications*3

In the mobile telecommunication segment, we continued to capture demand from telecommunication carriers and agents and increase the utilization rate of our full-time staff. However, the transfer of our temporary staff as official employees to our client companies during the previous second half and our failure to compensate for the decrease in sales generated by two subsidiaries resulted in net sales of 4,963 million yen (7.2% decrease year on year).

(b) Digital consumer electronics*4

In the digital consumer electronics segment, strong showings by large-scale contracts, which became fully operational in the previous year and dramatic increases in sales stemming from orders from existing clients as well as orders placed by new clients resulted in interim net sales to reach 2,697 million yen (27.6% increase year on year).

(c) Financial services*5

In the financial segment, sales are on a recovery trend, as we have captured a number of large-scale contracts through our continuous efforts to receive orders from existing blue-chip customers. However, as they become fully operational only from the second quarter, we have failed to cover the decrease in demand in the first quarter, resulting

in the second quarter net sales of 611 million yen (8.7% decrease year on year).

(d) New Sectors*6

In the other consumer products segment, in addition to robust sales from new businesses including temporary staffing to sales channels and the music industry, the increased receipt of orders from new clients resulted in interim net sales of 1,501 million yen (179.0% increase year on year).

Notes:

*1: Includes Tokyo, Kanagawa, Saitama, Chiba, Ibaraki, Tochigi, Gunma and Niigata.

*2: Indicates all other regions not listed in note (1) above.

*3: Indicates all mobile telecommunications customers, including carriers and agents.

*4: Indicates manufacturers of personal computers and digital consumer electronics (printers, digital cameras, security software, etc.), as well as broadband service (ADSL, optical fiber) providers.

*5: Indicates the financial industry such as banks and credit-card firms

*6: Indicates consumer products manufacturers, apparel companies, and call centers excluding 3, 4, 5, above.

2. Quantitative Information on Consolidated Financial Conditions

① Assets, liabilities, and capital

Total assets as of the end of the third quarter were ¥3,005 million, an increase of ¥11 million from last year. Liabilities decreased by ¥28 million from last year to ¥1,310 million yen. In addition, shareholders' equity increased by ¥33 million from last year to ¥1,685 million.

② Statement of Cash Flows

At the end of the third quarter, the balance of cash and cash equivalents (hereinafter "cash") on a consolidated basis was ¥1,015 million (up 22.6% from last year), due to an increase of ¥187 million from last year.

(Cash flow in operating activities)

Cash used in operating activities during the current third quarter was ¥276 million. This was due mainly to the decrease in accounts receivable by ¥139 million, the reduction in accrued expenses by ¥49 million and outlays associated with the payment of income taxes in the amount of ¥250 million, while income before income taxes and minority interests for the quarter totaled ¥189 million.

(Cash flow in investing activities)

Cash used in investing activities during the current interim was ¥38 million (decrease of 63.2% compared to the previous third quarter). This was due mainly to the payment of 15 million yen in the form of deposits and guarantees deposited in conjunction with the opening of new office, and payments of 14 million yen and others for the acquisition of software to upgrade the Company's infrastructure.

(Cash flow in financing activities)

Cash used in financing activities during the current interim was ¥50 million (decrease of 90.2% compared to the previous third quarter). This was due mainly to the payment of 50 million yen as dividend payment.

3. Quantitative Information on Consolidated Results Forecast

As stated in the Notice on the Revision to the FY 2009 Full-Year Earnings Forecast, dated January 13, 2009, the Company has made a downward revision to its forecast for sales from its sales promotion business, reflecting the uncertainty surrounding domestic demand for fiscal year-end sales promotion campaigns by manufacturers in the fourth quarter, which, in turn, is due to deteriorating corporate profits resulting from the rapid downturn in the world economy. Furthermore, despite efforts being made to cut back selling, general and administrative expenses from the second half of the year, and the ensuing reduction in the margin of decreases, net sales, operating income, ordinary income and net income are all expected to fall short of the previously published forecasts.

4. Others

- (1) Changes in important subsidiaries during the fiscal year (Changes to designated companies that fall within the amended scope of consolidation)

Starting from the current third quarter, we have included Smart Communications, Inc. in the scope of consolidation, in conjunction with the acquisition of said company's entire shares as of December 9, 2008.

It should be noted that as the date of acquisition of said company's shares has been deemed to be the end of the current third quarter, during the current quarter only the balance sheet of said company has been included in the scope of consolidation.

- (2) Changes in accounting principles, procedures, presentation methods, relating to the preparation of quarterly consolidated financial statements

①Application of Accounting Standards for Quarterly Financial Statements

Starting from the current consolidated fiscal year, we have adopted the "Accounting Standard for quarterly financial statements" (Accounting Standards Board of Japan Statement No. 12) and the "Implementation Guidance for accounting standards for quarterly financial statements" (Accounting Standards Board of Japan Guidance No. 14). The quarterly consolidated financial statements have been prepared in accordance with the "The Regulations Concerning the Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements."

②Changes in Accounting Methods

(Change in accounting method of claims expenses)

Expenses for dealing with complaints about services provided to customers were conventionally processed as non-operating expenses. Since the first quarter of FY2009, such expenses have been processed as cost of sales.

As a result of such change in accounting method, cost of sales in the second quarter was ¥486,000 more than it would have been under the conventional method, while gross profit on sales and operating income each decreased by the same amount. The change in accounting method has no impact on ordinary income or income before income taxes and minority interests for the quarter.

5. Consolidated Balance sheet and Income statement

(1) Consolidated for the Third Quarter Balance Sheets

(Unit: Thousands of yen)

Item	FY2009 3Q (December 31, 2008)	FY2008 Full term
	Amount	Amount
Assets		
I Current Assets		
1. Cash and cash equivalents	1, 019, 772	828, 350
2. Notes and accounts receivable	1, 496, 048	1, 625, 655
3. Deferred tax assets	29, 493	48, 168
4. Others	82, 859	63, 278
Allowance for doubtful accounts	△6, 117	△2, 269
Total currents assets	2, 622, 056	2, 563, 182
II Fixed Assets		
1. Property and equipment		
(1) Buildings and structures	40, 899	39, 133
(2) Intangible fixed assets	25, 695	29, 727
Total fixed assets	66, 594	68, 861
2. Intangible fixed assets		
(1) Software	44, 252	91, 106
(2) Others	19, 339	5, 611
Total intangible fixed assets	63, 592	96, 718
3. Investments and other assets		
(1) Investments in securities	20, 642	60, 000
(2) Deposits and guarantees	210, 875	203, 584
(3) Deferred tax assets	21, 429	1, 626
(5) Others	605	397
Allowance for doubtful accounts(△=decrease)	-	△172
Total investments and other assets	253, 552	265, 435
Total fixed assets	383, 739	431, 015
TOTAL ASSETS	3, 005, 795	2, 994, 198

(Note) Figures have been rounded down to the nearest thousandth of yen.

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(Unit: Thousands of yen)

Item	FY2009 3Q (December 31, 2008)	FY2008 Full term
	Amount	Amount
LIABILITIES		
I Current Liabilities		
1. Notes and accounts payable	59,945	100,311
2. Long-term borrowing due within 1 year	4,896	—
3. Trade liabilities	84,207	103,790
4. Accrued payable	16,629	151,616
5. Income taxes payable	160,024	124,705
6. Accrued expenses	754,773	703,101
7. Provision for bonuses	39,899	65,023
8. Others	171,555	90,231
TOTAL CURRENT LIABILITIES	1,291,931	1,338,781
II TOTAL FIXED LIABILITIES		
1. Long-term loans payable	18,542	—
TOTAL FIXED LIABILITIES	18,542	—
TOTAL LIABILITIES	1,310,473	1,338,781
SHAREHOLDERS' EQUITY		
I Shareholder's equity		
1. Capitalization	406,970	406,970
2. Capital surplus	432,958	432,958
3. Retained earnings	1,134,471	1,100,934
4. Treasury stock (△=decrease)	△288,470	△288,470
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,685,930	1,652,392
II Stock acquisition rights		
TOTAL NET ASSETS	1,695,322	1,655,416
LIABILITIES AND NET ASSETS	3,005,795	2,994,198

(Note) Figures have been rounded down to the nearest thousandth of yen.

(2) Consolidated Interim Statements of Income

(Unit: Thousands of yen)

Item	FY2009 3Q (April 1, 2008 - December 31, 2008)
	Amount
I Net sales	9,774,870
II Cost of sales	7,420,270
Gross profit on sales	2,354,599
III selling, general and administrative expenses	2,085,898
Operating Income	268,700
IV Non-operating revenues	
1. Interest received	494
2. Interest income	151
3. Commissions receivable	155
4. Reversal of unpaid dividends	280
5. Interest on refund of income taxes	135
6. Others	47
Total non-operating revenues	1,263
V Non-operating income	
1. Fee to establish a commitment line	1,906
2. Others	86
Total Non-operating Income	1,993
Ordinary income	267,971
VI Extraordinary gains	
1. Reversal of reserve for bonuses	2,062
Total Extraordinary gains	2,062
VII Extraordinary Loss	
1. Loss on sale of fixed assets	199
2. Loss on retirement of fixed assets	238
3. Write-down of investment securities	42,470
4. Impairment loss	28,657
5. Expenses for restoration to original state	4,390
6. Penalty charges for terminating office lease contract	3,347
7. Cancellation penalties	1,500
Total Extraordinary Loss	80,803
Net income before taxes	189,230
Corporate tax, resident tax and business tax	105,910

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Income taxes adjustments (△=decrease)	△1, 127
Total Corporate tax	104, 783
Net Income	84, 447

(Note) Figures have been rounded down to the nearest thousandth of yen.

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(The Third quarter of FY2009)

(Unit: Thousands of yen)

Item	FY2009 3Q (October 1, 2008 - December 31, 2008)
	Amount
I Net sales	3,352,964
II Cost of sales	2,542,284
Gross profit on sales	810,680
III selling, general and administrative expenses	677,802
Operating Income	132,877
IV Non-operating revenues	
1. Interest received	54
2. Others	3
Total non-operating revenues	58
V Non-operating income	
1. Fee to establish a commitment line	302
Total Non-operating Income	302
Ordinary income	132,633
VII Extraordinary Loss	
1. Impairment loss	1,641
2. Expenses for restoration to original state	507
3. Penalty charges for terminating office lease contract	499
4. Cancellation penalties	1,500
Total Extraordinary Loss	4,148
Net income before taxes	128,485
Corporate tax, resident tax and business tax	34,867
Income taxes adjustments	22,640
Total Corporate tax	57,508
Net Income	70,977

(Note) Figures have been rounded down to the nearest thousandth of yen.

(3) Consolidated Interim Statements of Cash Flows

(Unit: Thousands of yen)

	FY2009 3Q (April 1, 2008 - December 31, 2008)
	Amount
I Cash flow operating activities	
Income before income taxes and minority interests	189,230
Depreciation and amortization	37,057
Impairment loss	28,657
Changes in provision for doubtful accounts	1,099
Changes in provision for bonuses (△=decrease)	△25,124
Interest and dividend income (△=decrease)	△645
Loss on retirement of property and equipment	238
Loss on sale of property and equipment	199
Write-down of investment securities	42,470
Change in accounts receivable	139,628
Change in accounts payable(△=decrease)	△44,493
Change in consumption tax payable	35,280
Changes in accrued expenses	49,199
Change in trade liabilities(△=decrease)	△15,633
Others	89,001
Subtotal	526,167
Interest and dividends received	645
Income taxes paid(△=decrease)	△250,101
Net cash from operating activities	276,711
II Net cash from operating	
Payments for purchases of property and equipment(△=decrease)	△14,889
Proceeds from sales of property and equipment	8
Payments for purchases of intangible fixed assets(△=decrease)	△14,376
Proceeds from business transfer	3,000
Payment of deposits and guarantees (△=decrease)	△15,603
Proceeds from cancel of the deposits and guarantees	3,879
Payments for purchase of shares of subsidiaries accompanying changes in the scope of consolidation(△=decrease)	△493
Net cash from investing activities (△=decrease)	△38,474
III Cash flow from financing activities	
Payments for dividends(△=decrease)	△50,814
Cash flow from Financing Activities (△=decrease)	△50,814
IV Change in cash and cash equivalents	187,422
V Cash and cash equivalents at the beginning of the period	828,350

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VI Cash and cash equivalents, end of 4Q (fiscal year)	1,015,772
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(Note) Figures have been rounded down to the nearest thousandth of yen.

Starting from the current consolidated fiscal year, we have adopted the “Accounting Standard for quarterly financial statements” (Accounting Standards Board of Japan Statement No. 12) and the “Implementation Guidance for accounting standards for quarterly financial statements” (Accounting Standards Board of Japan Guidance No. 14). The quarterly consolidated financial statements were prepared in accordance with the “The Regulations Concerning the Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements.”

(4) Segment Information

[Industry segments]

FY2009 3Q (April 1, 2008 – December 31, 2008)

(Unit: Thousands of yen)

	O u t s o u r c i n g b u s i n e s s	T e m p o r a r y S t a f f i n g	T o t a l	E l i m i n a t i o n s a n d c o r p o r a t e	C o n s o l i d a t e d
Net Sales	3,917,748	5,868,193	9,785,941	△11,071	9,774,870
Operating expenses	3,712,937	5,617,945	9,330,883	175,286	9,506,169
Operating Income	204,810	250,247	455,058	△186,357	268,700

Geographical segments

FY2009 3Q (April 1, 2008 – December 31, 2008)

This section has been abridged, as the Company has no overseas consolidated subsidiaries or important overseas offices.

[References]
(Supplementary material)

(1) Consolidated for the Interim Balance Sheets (abbreviated)

(Unit: Thousands of yen)

Item	FY2008 3Q (April 1, 2007 - December 31, 2007)
	Amount
Assets	
I Current Assets	
1. Cash and cash equivalents	716, 118
2. Notes and accounts receivable	1, 591, 384
3. Deferred tax assets	27, 942
4. Others	74, 527
Allowance for doubtful accounts(△=decrease)	△2, 498
Total currents assets	2, 407, 474
II Fixed Assets	
1. Property and equipment	
(1) Buildings and structures	39, 561
(2) Intangible fixed assets	31, 804
Total fixed assets	71, 365
2. Intangible fixed assets	
(1) Software	85, 458
(2) Others	5, 746
Total intangible fixed assets	91, 205
3. Investments and other assets	
(1) Deposit and guarantees	60, 000
(2) Deposits and guarantees	203, 297
(3) Others	492
Total investments and other assets	263, 789
Total fixed assets	426, 360
TOTAL ASSETS	2, 833, 835

(Note) Figures have been rounded down to the nearest thousandth of yen.

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(Unit: Thousands of yen)

Item	FY2008 3Q (April 1, 2007 - December 31, 2007)
	Amount
LIABILITIES	
I Current Liabilities	
1. Notes and accounts payable, trade	96,784
2. Accounts payable	79,992
3. Consumption tax payable	70,661
4. Income taxes payable	109,912
5. Accrued expenses	698,689
6. Provision for bonuses	34,246
7. Others	136,096
TOTAL CURRENT LIABILITIES	1,226,383
TOTAL LIABILITIES	1,226,383
SHAREHOLDERS' EQUITY	
I Shareholder's equity	
1. Capitalization	406,970
2. Capital surplus	432,958
3. Retained earnings	1,053,978
4. Treasury stock (△=decrease)	△288,470
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,605,436
II Stock acquisition rights	2,015
TOTAL NET ASSETS	1,607,452
LIABILITIES AND NET ASSETS	2,833,835

(Note) Figures have been rounded down to the nearest thousandth of yen.

(2) Consolidated 3Q Statements of Income (abbreviated)

(Unit: Thousands of yen)

Item	FY2008 3Q (April 1, 2007 - December 31, 2007)
	Amount
I Net sales	8,673,037
II Cost of sales	6,528,687
Gross profit on sales	2,144,349
III Selling, general and administrative expenses	1,837,881
Operating Income	306,467
IV Non-operating revenues	
1. Interest received	928
2. Interest on refund of corporate tax	407
3. Others	914
Total non-operating revenues	2,249
V Non-operating Income	
1. Interest expense	1,954
2. Stock buy-back costs	781
3. Fee to establish a commitment line	2,640
4. Claims expenses	1,230
5. Others	207
Total Non-operating Income	6,814
Ordinary income	301,903
VI Extraordinary gains	
1. Reversal of allowance for bounces	4,796
Total Extraordinary gains	4,796
VII Extraordinary losses	
1. Loss on retirement of fixed assets	4,565
Total Extraordinary losses	4,565
(Current) income before income taxes and minority interests	302,134
Corporate tax, resident tax and business tax	133,421
Income tax adjustment	5,107
Net Income	163,606

(Note) Figures have been rounded down to the nearest thousandth of yen.

(3) Consolidated Statement of Retained Earnings

FY2008 3Q (April 1, 2007 — December 31, 2007)

(Unit: Thousands yen of yen)

	Shareholders' equity					Stock acquisition rights	Total Net Assets
	Capital Stock	Total Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity		
Balance of March (thousands of yen)	406,970	432,958	1,022,379	△198,286	1,664,021	—	1,664,021
Changes in fiscal year							
Dividends	—	—	△132,007	—	△132,007	—	△132,007
Net Income	—	—	163,606	—	163,606	—	163,606
Treasury stock disposal	—	—	—	△90,183	△90,183	—	△90,183
Treasury stock acquisition (Net Amount)	—	—	—	—	—	2,015	2,015
Total changes in fiscal year (thousands of yen)	—	—	31,598	△90,183	△58,585	2,015	△56,569
Balance of December 31, 2007 (Thousands of yen)	406,970	432,958	1,053,978	△288,470	1,605,436	2,015	1,607,452

(4) Consolidated 3Q Statements of Cash Flows (abbreviated)

(Unit: Thousands of yen)

	FY2008 3Q (April 1, 2007 - December 31, 2007)
	Amount
I Cash flow operating activities	
Income before income taxes and minority interests	302,134
Depreciation and amortization	37,249
Changes in provision for doubtful accounts	1,124
Changes in provision for bonuses (△=decrease)	△13,244
Interest and dividend income	△929
Interest expenses	1,954
Gain on interest of fixed assets	4,565
Change in accounts receivable (△=increase)	△443,927
Changes in purchase liabilities (△=decrease)	75,051
Changes in consumption tax payable (△=decrease)	12,665
Changes in accrued expenses	20,484
Others	△45,067
Subtotal	△47,939
Interest and dividends received	929
Interest expenses paid	△2,535
Income taxes paid	△86,280
Cash flow from Operating Activities	△135,826
II Cash flow from Investing Activities	
Payments for purchases of property and equipment	△26,089
Payments for purchases of intangible fixed assets	△4,015
Payments for business transfer	△37,800
Proceeds from return of deposits and guarantees	△36,696
Cash flow from Investing Activities	△104,601
III Cash flow from Financing Activities	
Net change in short-term borrowing	△300,000
Payments for dividends	△127,245
Proceeds from sale of treasury stock	△90,965
Cash flow from Financing Activities	△518,211
IV Change in cash and cash equivalents (△=decrease)	△758,639
V Cash and cash equivalents at the beginning of the period	1,474,758
VI Cash and cash equivalents, end of 4Q (fiscal year)	716,118

(Note) Figures have been rounded down to the nearest thousandth of yen.

(5) Segment Information

[Industry segments]

FY2008 3Q

(Unit: Thousands yen of yen)

	Outsourcing business	Temporary Staffing	Total	Eliminations and corporate	Consolidated
Net Sales	6,172,079	2,525,957	8,698,037	△25,000	8,673,037
Operating expenses	5,808,399	2,448,253	8,256,652	109,916	8,366,569
Operating Income	363,680	77,704	441,384	△134,917	306,467

Geographical segments

This section has been abridged, as the Company has no overseas consolidated subsidiaries or important overseas offices.

6. **Production, Orders and Sales**

(1) Production

This section has been abridged, as there is no relevant information concerning production due to the nature of the services that the Company provides (outsourcing and temporary staffing).

(2) Orders

This section has been abridged because orders for the services that the Company provides (outsourcing and temporary staffing) consist of both long-term contracts and short-term appointments, which makes accurate analysis of order volume difficult.

(3) Sales

Sales by business segment for the fiscal period under review are as follows:

(Unit: Thousands yen of yen, %)

Business Segment	FY2008 3Q		FY2007 3Q	
	Amount	Share	Amount	Share
Outsourcing business	3,906,676	40.0	6,147,079	70.9
Temporary Staffing	5,868,193	60.0	2,525,957	29.1
Total	9,774,870	100.0	8,673,037	100.0

Note: Amounts do not include consumption tax.