

BACKS GROUP Inc.

**Presentation of Results for the Third Quarter of
the Fiscal Year Ending March 31, 2009**

January 29, 2009



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Results Highlights



FY2009 Interim Results Highlights

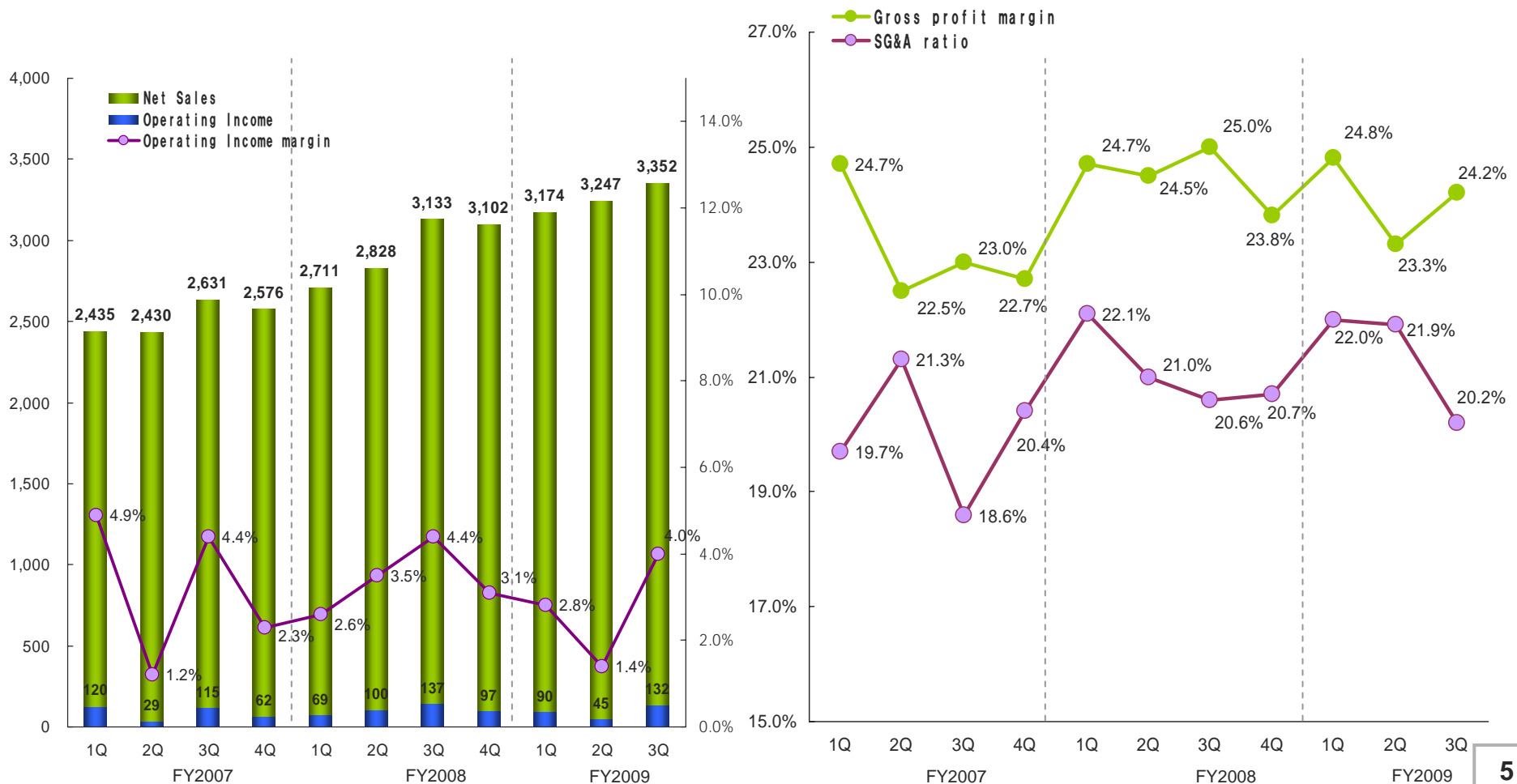
【Unit : million of yen】

	FY2008 3Q	FY2009 3Q	Y on Y
N e t S a l e s	8,673	9,774	+12.7%
G r o s s P r o f i t	2,144	2,354	+9.8%
(Gross profit margin)	(24.7%)	(24.1%)	-0.6ppts
(S G & A r a t i o)	(21.2%)	(21.3%)	+0.1ppts
O p e r a t i n g I n c o m e	306	268	-12.3%
(Operating income margin)	(3.5%)	(2.7%)	-0.8ppts
O r d i n a r y I n c o m e	301	267	-11.2%
N e t I n c o m e	163	84	-48.4%

Profitability – Quarterly Basis

● **Gross profit margin: Regained 0.9 points as a result of selective execution of contracts .**

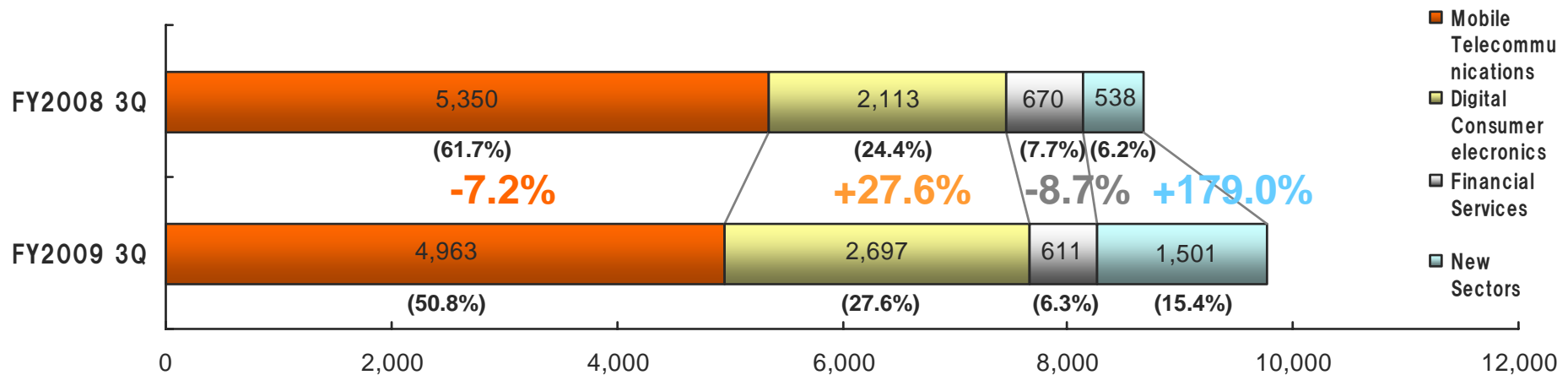
● **SG & A ratio : Decrease of 1.7 points as a result of improved efficiency in the recruitment of staff and withdrawal from unprofitable businesses.**



Sales by Customer Segment

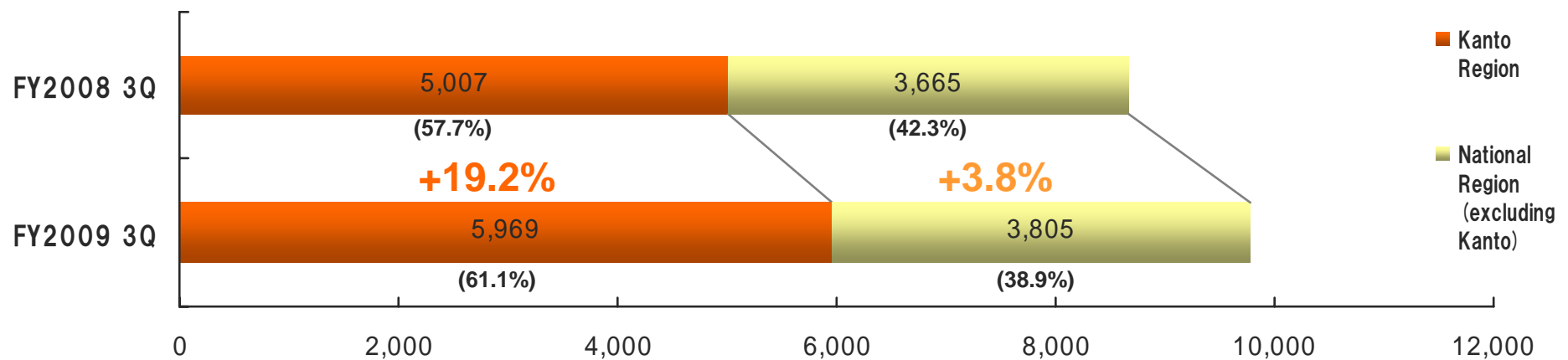
【Unit : Million of yen】

	FY2008 3Q	Share	FY2009 3Q	Share	Y on Y
M o b i l e Telecommunications	5,350	61.7%	4,963	50.8%	-7.2%
D i g i t a l C o n s u m e r e l e c t r o n i c s	2,113	24.4%	2,697	27.6%	+27.6%
F i n a n c i a l S e r v i c e s	670	7.7%	611	6.3%	-8.7%
N e w S e c t o r s	538	6.2%	1,501	15.4%	+179.0%



Sales by Geographic Region

【Unit : million of yen】	FY2008 3Q	Share	FY2009 3Q	Share	Y on Y
Kanto Region (o f f i c e s)	5,007 (13)	57.7%	5,969 (14)	61.1%	+19.2% (+1)
National (excluding Kanto) (o f f i c e s)	3,665 (20)	42.3%	3,805 (20)	38.9%	+3.8% (±0)



Overview of Business Segment

	[Unit : million of yen]	FY2008 3Q	FY2009 3Q	Y on Y
Outsourcing	Net Sales	6,147	3,906	-36.4%
	(Share)	(70.9%)	(40.0%)	
	Operating Income	363	204	-43.7%
	(Operating margin)	(5.8%)	(5.2%)	-0.6ppts
Temporary Staffing	Net Sales	2,525	5,868	+132.3%
	(Share)	(29.1%)	(60.0%)	
	Operating Income	77	250	+222.1%
	(Operating margin)	(3.0%)	(4.2%)	+1.2ppts

※ Temporary Staffing includes recruiting and website operation.

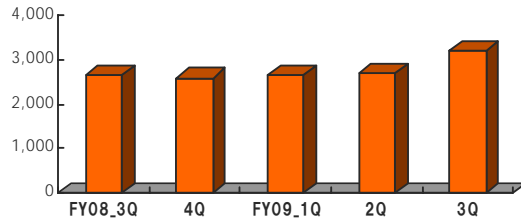
Overview of Group

Net sales	FY2007 3Q	Y on Y	FY2008 3Q	Y on Y	FY2009 3Q	Y on Y
Backs group (non consolidated)	5,968	+12.6%	7,174	+20.2%	8,550	+7.9%
Giga Japan	784	-0.7%	672	-14.3%	absorption	-
Smart	821	+52.2%	902	+9.9%	absorption	-
Entertainment Commons	-	-	16	-	435	+2,884.9%

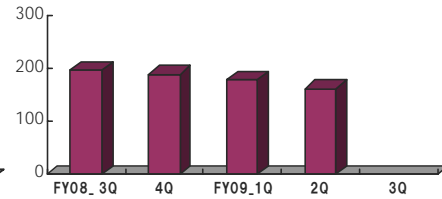
Net sales

[Unit : million of yen]

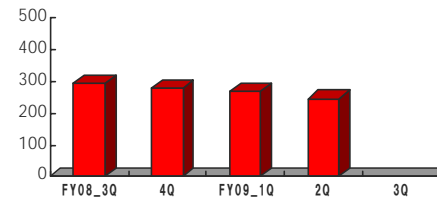
Backs Group(non-consolidated)



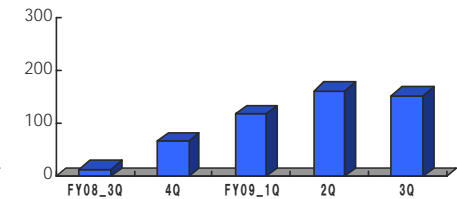
Giga Japan



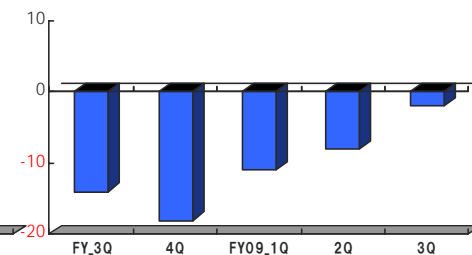
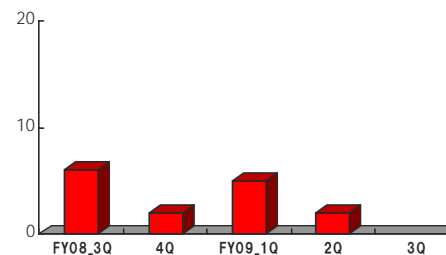
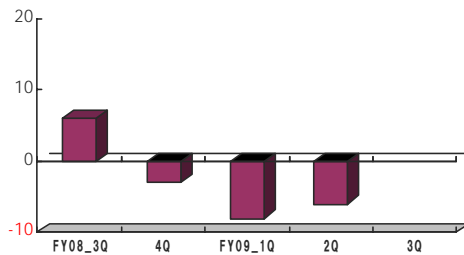
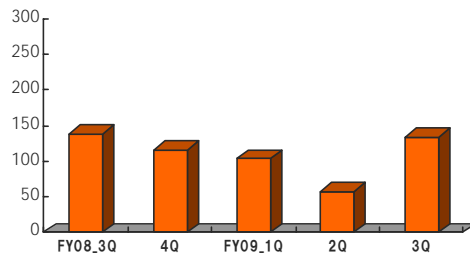
Smart



Entertainment Commons



Operating Income

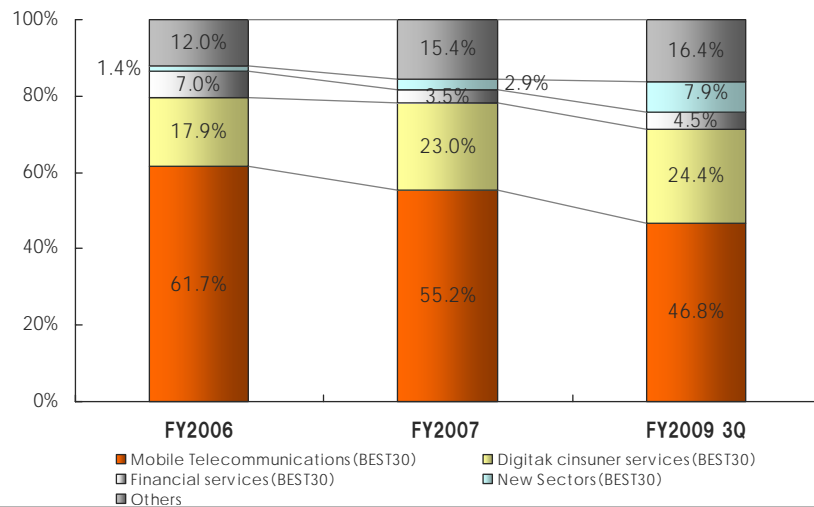


Top 30 Customers -Sales

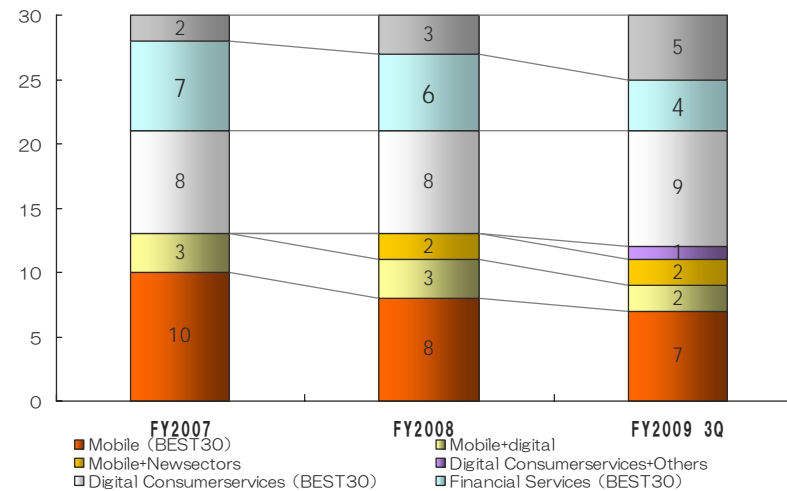
【Unit : million of yen】	FY2007			FY2008			FY2009 3Q			Y on Y
	Net Sales	Share	Firm	Net Sales	Share	Firm	Net Sales	share	Firm	
Mobile Telecommunications	6,215	61.7%	13	6,503	55.2%	13	4,496	46.8%	11	-9.5%
Digital consumer services	1,807	17.9%	11	2,706	23.0%	11	2,401	24.4%	12	+32.1%
Financial Services	703	7.0%	6	413	3.5%	6	456	4.5%	4	+7.2 %
New Sectors	141	1.4%	6	345	2.9%	6	869	7.9%	8	+275.0%
Top Thirty Total	8,867	88.4%	30	9,967	84.6%	30	8,223	83.6%	30	+10.5%
Others	1,205	12.0%	261	1,807	15.4%	420	1,551	16.4%	401	+26.1%
Total	10,072	100.0%	297	11,775	100.0%	456	9,774	100.0%	431	+12.7%

※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



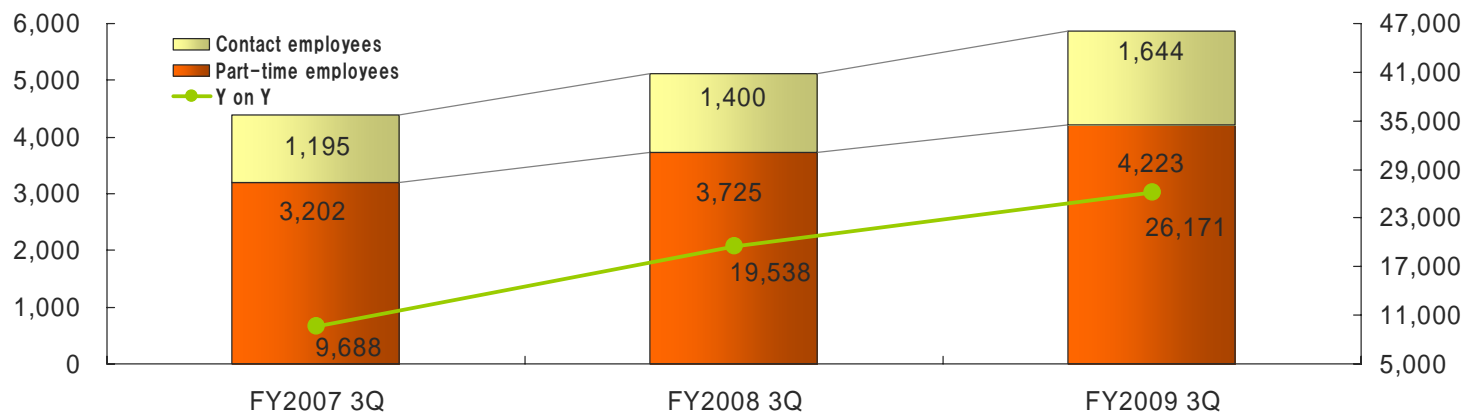
Breakdown to Top 30 Customers by Segment



Number of Staff

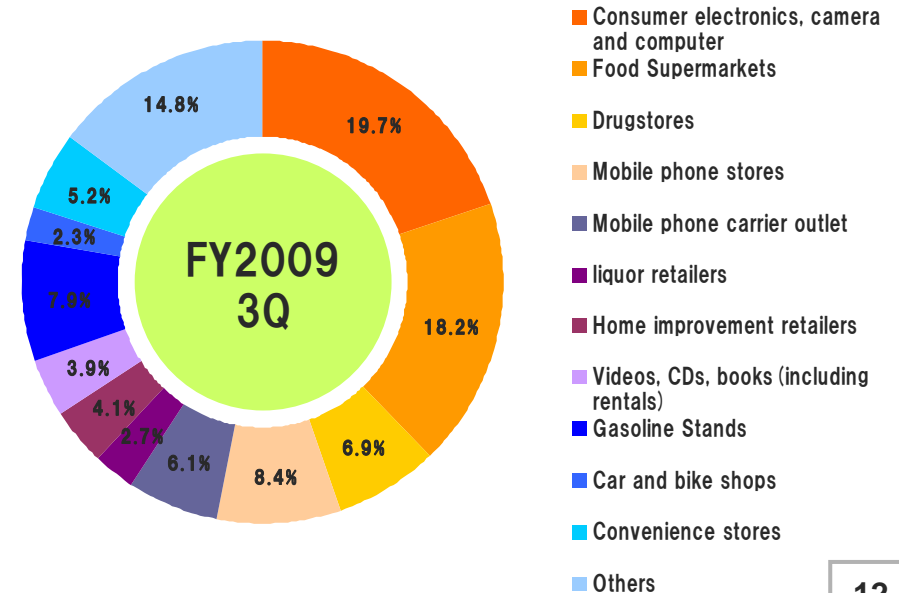
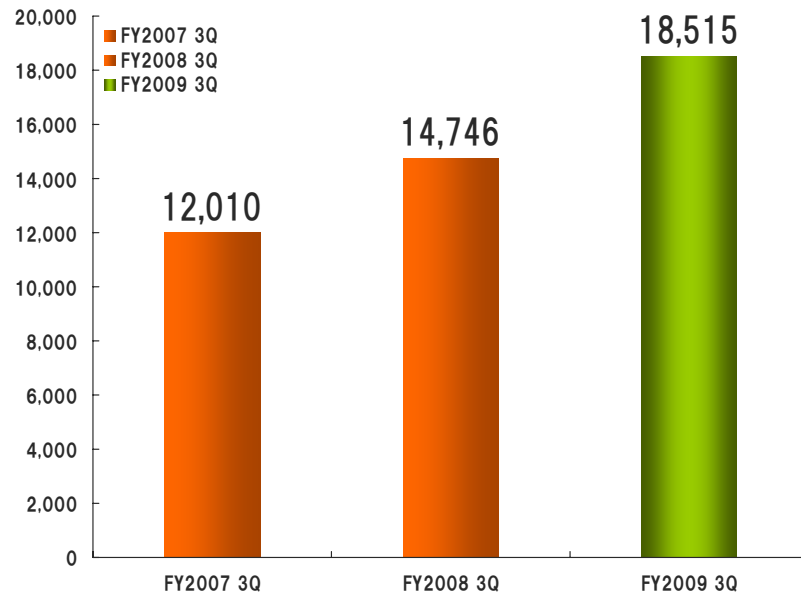
【UNIT: million of yen, person】

	FY2007 3Q	FY2008 3Q	FY2009 3Q
Active Staff (monthly average)	4,397	5,125	5,867
(Contact employees)	1,195	1,400	1,644
(Part-time employees)	3,202	3,725	4,223
Avg. sales amount per person	189	188	185
Registered staff	45,937	65,475	91,646
(Y on Y)	+9,688	+19,538	+26,171



Total number of stores serviced

	FY2007 3Q	FY2008 3Q	FY2009 3Q
Total number of stores	12,010	14,746	18,515
(Y on Y)		+2,593	+3,769





Strategies

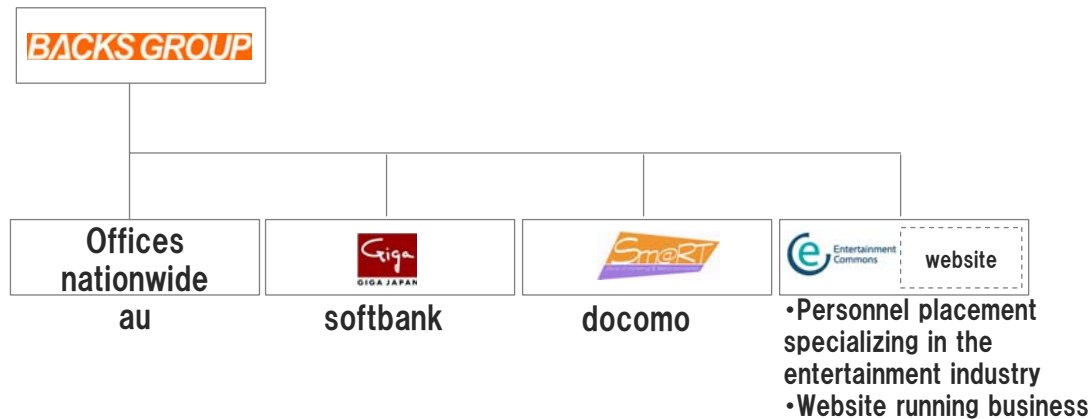


FY2009 Full year Forecasts

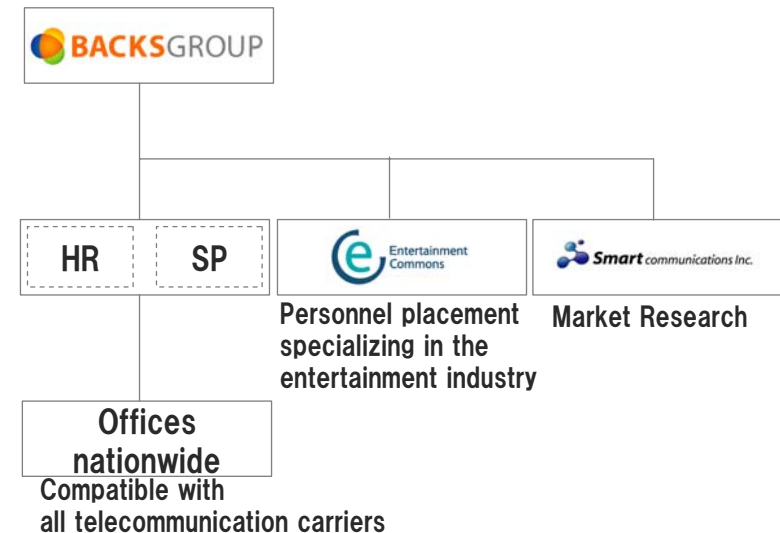
[Unit : million of yen]	FY2008 (Actual)	FY2009 (Forecasts)	Y on Y
N e t S a l e s	11,775	13,000	+10.4%
G r o s s P r o f i t	2,883	3,146	+19.1%
(Gross profit margin)	(24.5%)	(24.2%)	-0.3ppts
(S G & A r a t i o)	(21.1%)	(21.0%)	-0.1ppts
O p e r a t i n g I n c o m e	404	410	+1.4%
(Operating income margin)	(3.4%)	(3.2%)	-0.2ppts
O r d i n a r y I n c o m e	401	409	+1.9%
N e t I n c o m e	210	165	-21.6%

Reorganization

Before reorganization
(until September 30)



After reorganization
(October 1 and thereafter)



Merged the businesses of Giga Japan Inc. and Smart Inc., whose business areas and activities overlapped.

Consolidation of Smart Communications(December 9)



Reduce selling, general and administrative expenses by concentrating business resources and improving the efficiency of operations.

Expansion of business domain.

Market Research – Smart communications Inc. –



Business Contents

Market Research

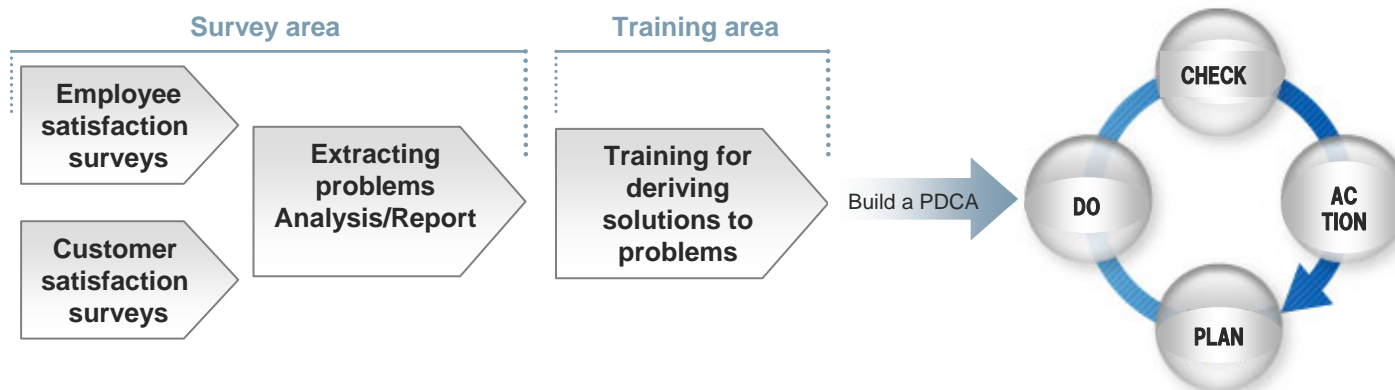
- Customer satisfaction surveys
- Employee satisfaction surveys
- Market Research (Marketing situation surveys, surveys on mobile phone prices)

Educational training

- Training for shop staff
- Management training for store managers and assistant store managers
- Training to enhance total shop capabilities

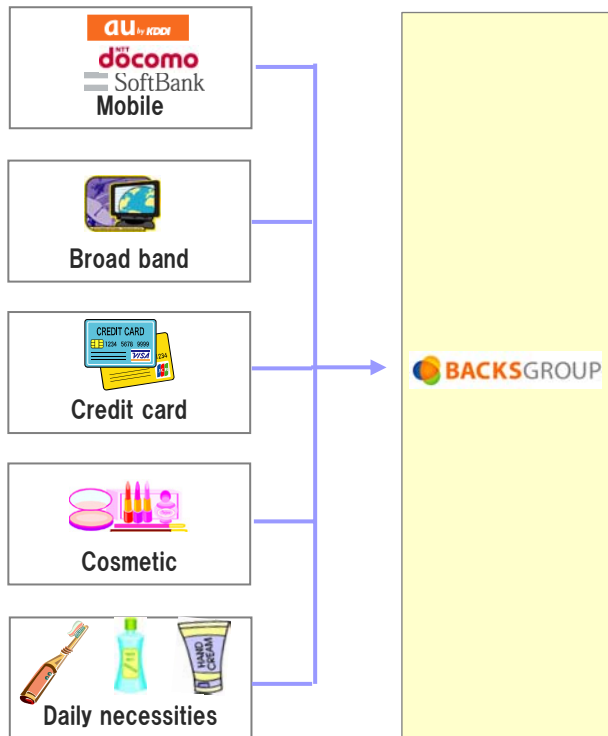
Consulting

- Comprehensive consulting to assist the market introduction of new businesses and new products / services



HR sales department - Enhancement of speed and ample supply capacity -

B to C companies



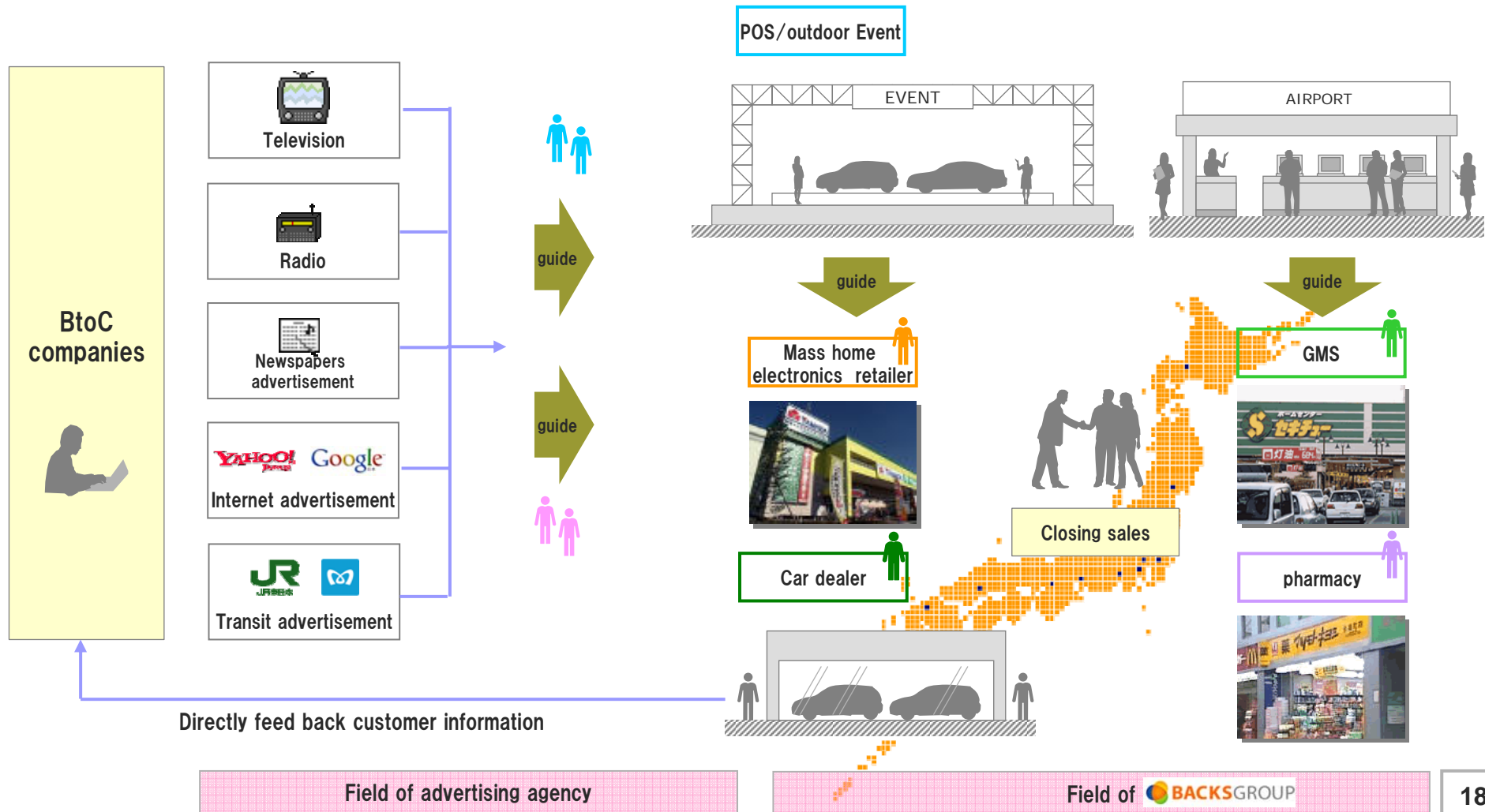
Talented people



Sales Promotion department - Enhancement of SP business -

Mass marketing (advertisement)

Field marketing (sales promotion)



Sales Promotion and Personnel Placement

【HR sales department】

●By integrating the businesses of Giga Japan Inc. and Smart Inc., the Company will become compatible with all carriers in all nation-wide area, however, the advantages of scale are not being fully utilized.

⇒Reinforcing our speed and supply capability will be our most pressing tasks.

【SP department】

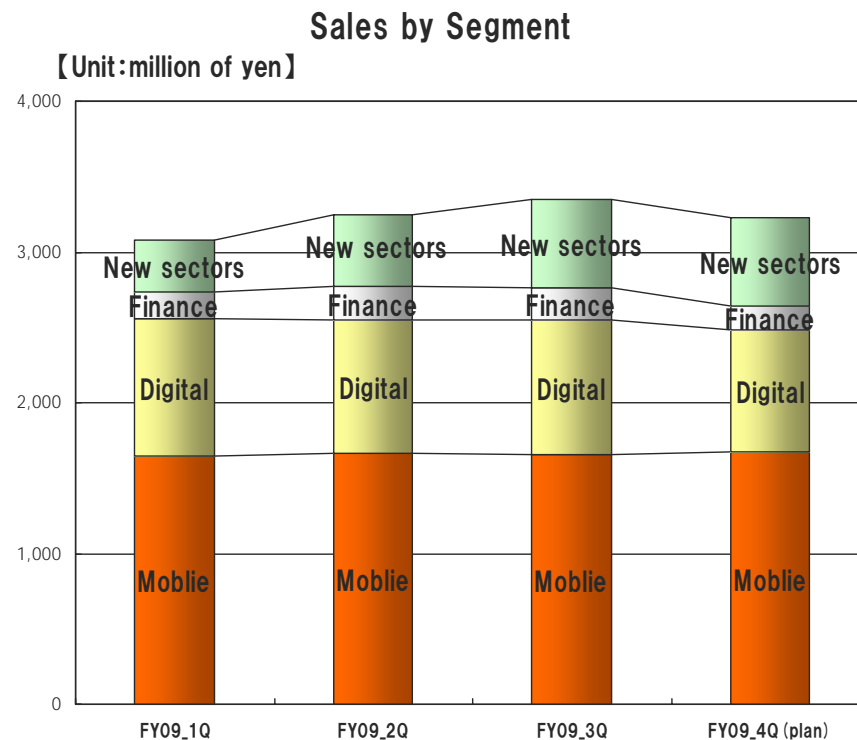
●During the third quarter, large-scale contracts were acquired thanks to our one-stop system, which covers every step from planning to staff training/education to operations and fully utilizes our strengths in the sales promotion and field marketing areas

●Compliant with the Revised Worker Dispatch Law (compatible with completely outsourced type of dispatching).



By adopting market research, which will become the main business of Smart Communications, Inc, existing businesses can also expect to enjoy added value.

Business Policy – Sales by segment –



【Mobile】

(Progress Ratio : +74.7%)

- Increase in the dispatch of full-time staff by becoming compatible with all telecommunication carriers.

【Digital】

(Progress Ratio : +77.0%)

- Increase of administrative contracts from further cultivating existing clients.

【Finance】

(Progress Ratio : +79.1%)

- Further cultivation of new clients acquired during the third quarter.

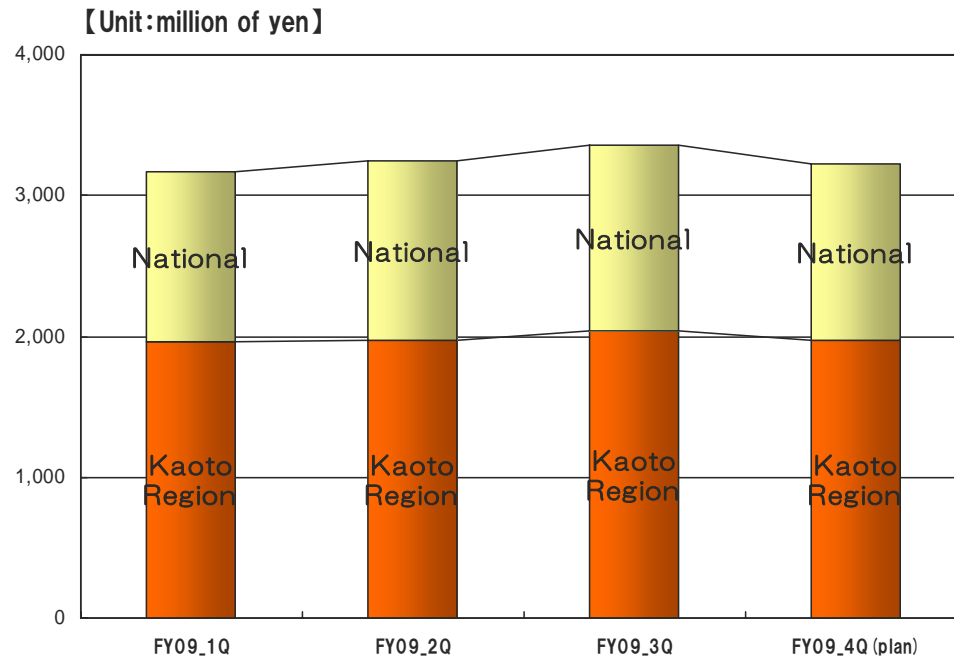
【New Sectors】

(Progress Ratio : +72.1%)

- Continue to focus on consumer products manufacturers.

Business Policy - Sales by Region -

Sales by Region



【Kanto Region】

(Progress Ratio : +75.2%)

- Focus on acquiring SP contracts.
- Expansion of temporary staffing contracts intended for channels.

【National (excluding Kanto)】

(Progress Ratio : +75.2%)

- Focus on long-term utilization of mobile telecommunications staff in the Nagoya/Osaka areas.

モバイル検定

MCPCQualifying Examinations

- Mobile Computing Promotion Consortium (MCPC) was established in 1997 as a cross-sector organization for promoting the dissemination of mobile computing. Mobile telecommunications carriers, computer hardware/software, manufacturers of mobile phones and terminals gathered to make a contribution to the expansion of the mobile market through activities such as the standardization of interface and promoting the dissemination of mobile systems.
- MCPC Mobile Phone Business Qualifying Examinations (sponsored by the Ministry of Internal Affairs and Communications) are intended for mobile phone sales staff, future mobile phone sales staff and those who would like to learn more about mobile phones, etc. and serve as certification of mobile phone advisor skills.
- Employees with expertise in the area of mobile phones and sales supervise official tests that are compatible with the qualifying examinations.



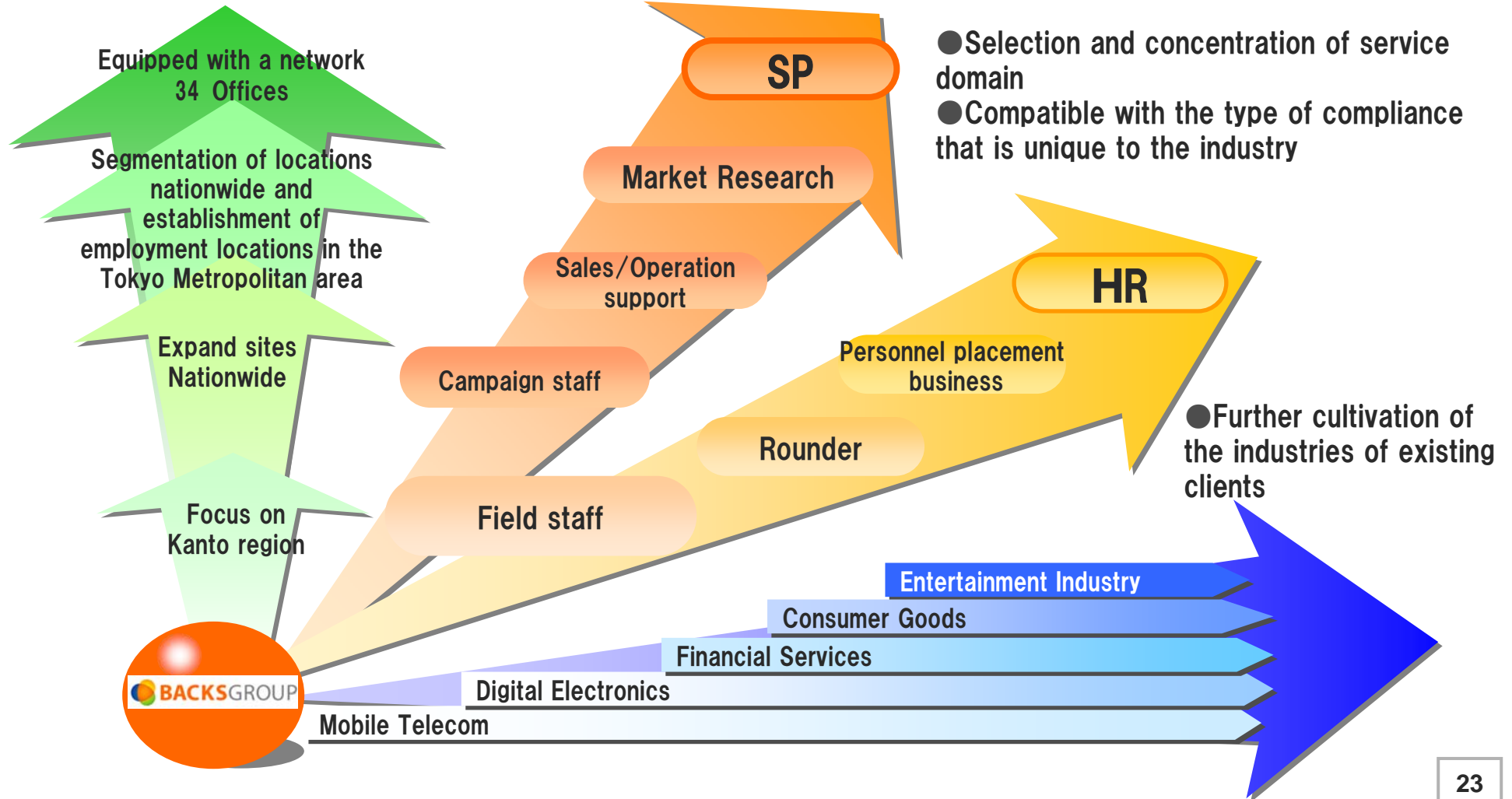
through the qualifying examinations



- Staff are able to study primarily the basic functions, the service functions and the basic information required for consumer protection in the sales of mobile phones, and utilize such knowledge at the workplace and for future employment.
- Knowledge required for sales staff may be acquired.
- Basic and legal knowledge relating to telecommunications from the perspective of consumer protection in the sales of mobile phone services, etc. may be acquired.

Revision of sales strategy

● Build a national network





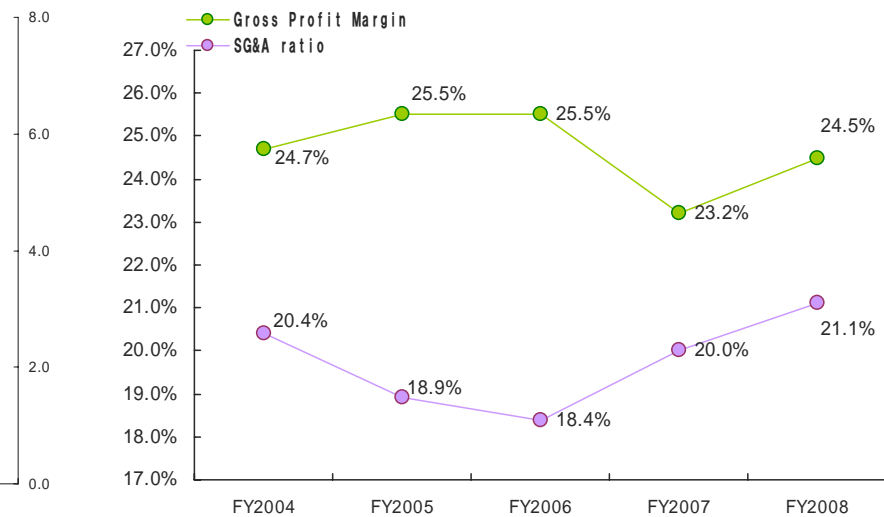
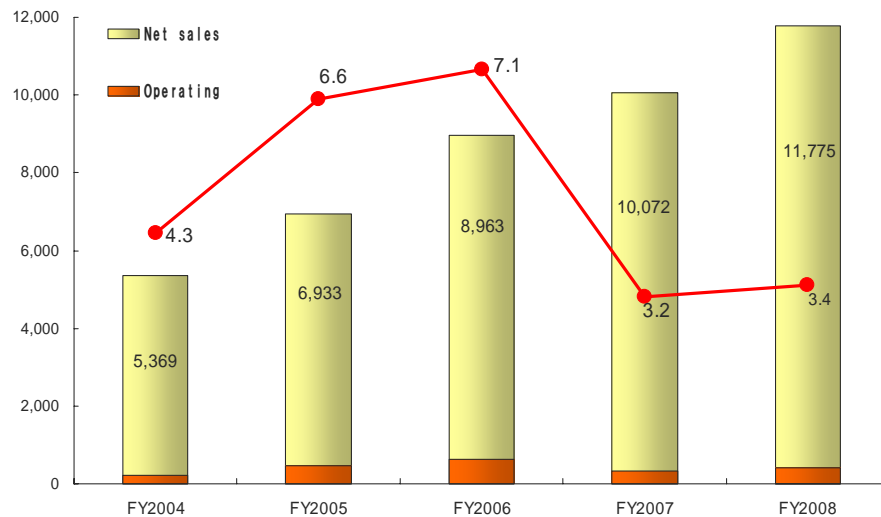
References



Performance Trends

[Unit: Million of yen]

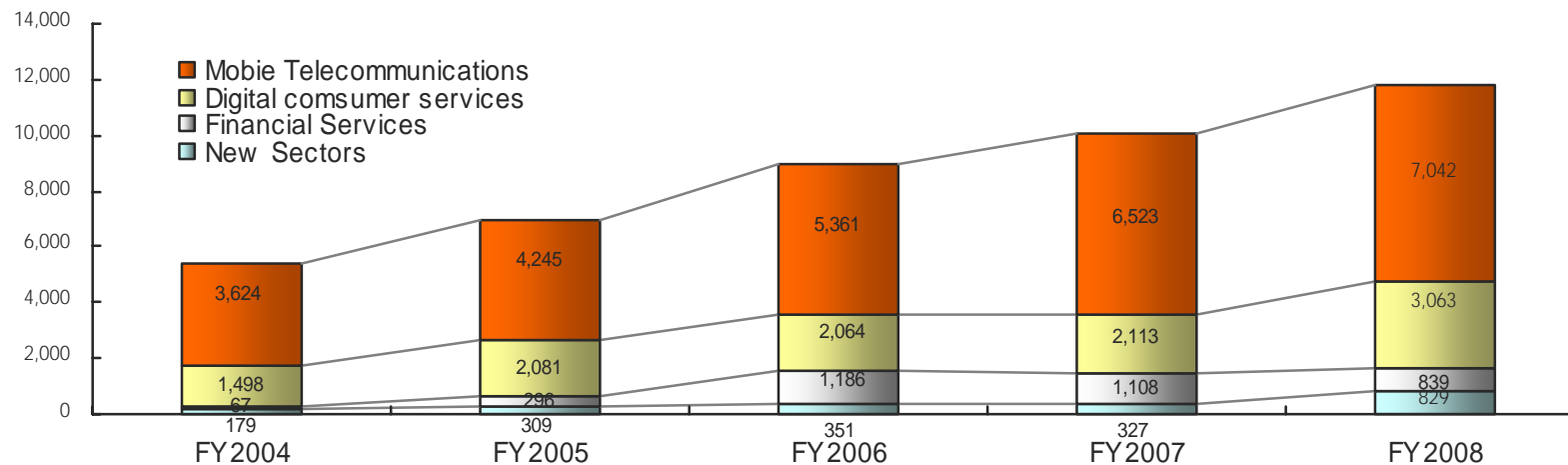
	FY2004	FY2005	FY2006	FY2007	FY2008
Net Sales	5,369	6,933	8,963	10,072	11,775
Gross Profit	1,328	1,769	2,283	2,338	2,883
(Gross Profit Margin)	(24.7%)	(25.5%)	(25.5%)	(23.2%)	(24.5%)
(SG&A ratio)	(20.4%)	(18.9%)	(18.4%)	(20.0%)	(21.1%)
Operating Income	230	460	637	326	404
(Operating Income margin)	(4.3%)	(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】

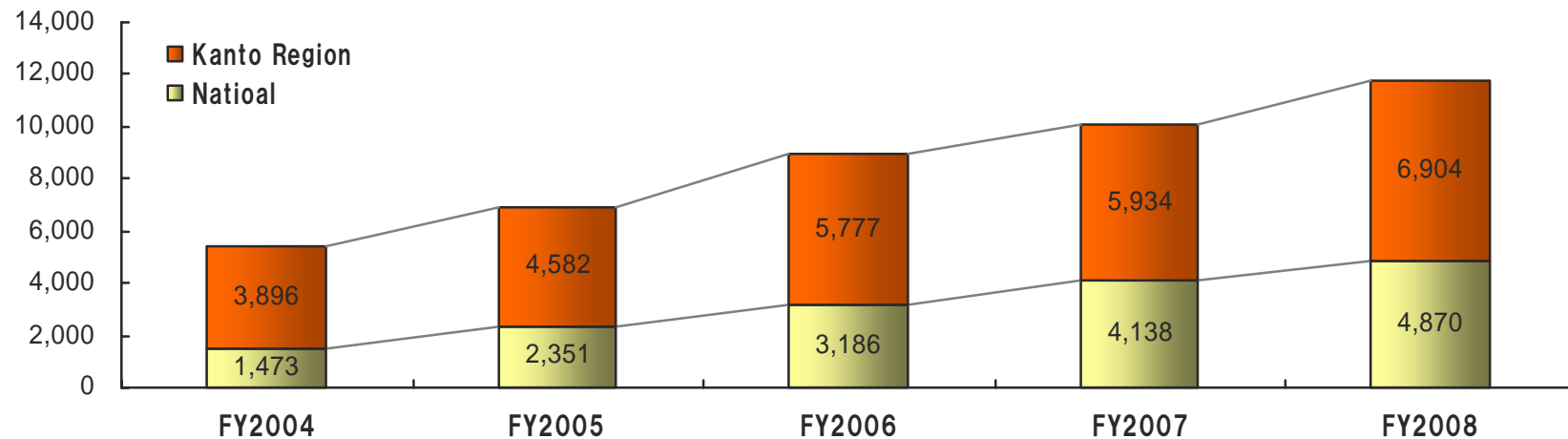
		FY2004	FY2005	FY2006	FY2007	FY2008
Mobile Telecommunications	Net Sales	3,624	4,245	5,361	6,523	7,042
	Share	67.5%	61.2%	59.8%	64.8%	59.8%
Digital consumer electronics	Net Sales	1,498	2,081	2,064	2,113	3,063
	Share	27.9%	30.0%	23.0%	21.0%	26.0%
Financial Services	Net Sales	67	296	1,186	1,108	839
	Share	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】

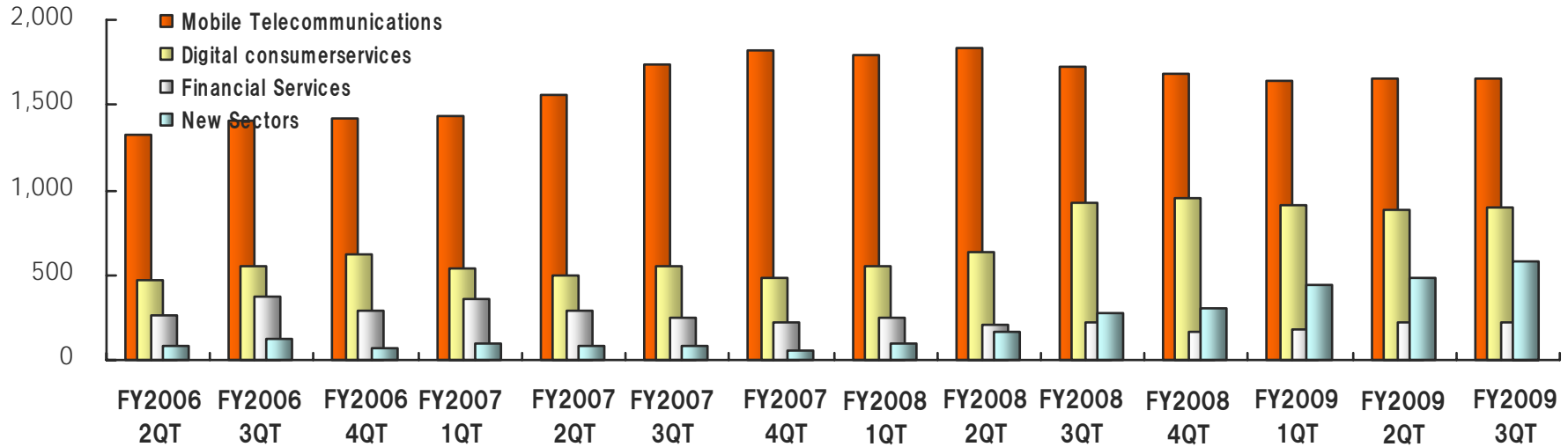
		FY2004	FY2005	FY2006	FY2007	FY2008
Kanto Region	Net Sales	3,896	4,582	5,777	5,934	6,904
	Share	72.6%	66.1%	64.5%	58.9%	58.6%
	Offices	(5)	(6)	(9)	(9)	(13)
National (excluding Kanto)	Net Sales	1,473	2,351	3,186	4,138	4,870
	Share	27.4%	33.9%	35.5%	41.1%	41.4%
	Offices	(6)	(11)	(13)	(14)	(20)



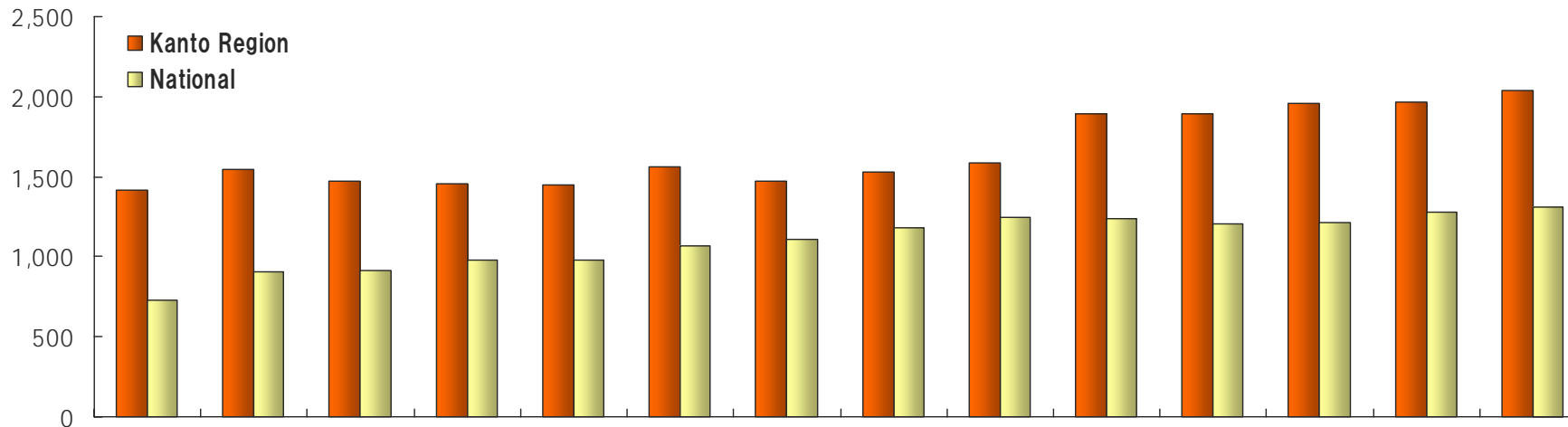
Quarterly Trends In Sales—by Customer Segment and Region

Sales by Customer Segment

[Unit: Million of yen]



Sales by Geographic Region



Consolidated Cash Flows

【Unit: Million of yen】	FY2008 3Q	FY2009 3Q	Y on Y	Changing Factors
Cash flows from operating activities	-135	276	—	Decrease in accounts receivable, the reduction in accrued expenses and outlays associated with the payment of income taxes.
Cash flows from investing activities	-104	-38	-63.2%	The payments in the form of deposits and guarantees deposited in conjunction with the opening of new office and others for the acquisition of software to upgrade the Company's infrastructure.
Cash flows from financing activities	-518	-50	-90.2%	The payments as dividend payment.
Cash and cash equivalents at the end of the period	716	1,015	+41.8%	
Change in Cash and Cash Equivalents	-758	187	—	

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】	FY2008 3Q	FY2009 3Q	Y on Y
Net Sales	8,673	9,774	+12.7%
Backs Group	7,174	8,550	+19.2%
Giga Japan	672	-	-
Smart	902	-	-
Entertainment Commons	16	435	+2,884.9%
Gross Profit	2,144	2,354	+9.8%
Backs Group	1,864	2,176	+16.8%
Giga Japan	154	-	-
Smart	166	-	-
Entertainment Commons	1	51	+4,601.6%
Operating Income	306	268	-12.3%
Backs Group	270	297	+10.2%
Giga Japan	28	-	-
Smart	31	-	-
Entertainment Commons	-23	-21	-

※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.



Shareholders



Shareholder Breakdown by Segment

Shareholder Segment	FY2008				FY2009 Interim				FY2009			
	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	1	0.01	500.00	0.34	3	0.05	9,900.00	6.67	4	0.07	12,575.00	8.47
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	1,480.00	1.00	3	0.05	1,882.00	1.27	3	0.06	6,832.00	4.60
Securities companies	14	0.20	4,673.00	3.15	18	0.29	2,331.00	1.57	13	0.23	5,534.00	3.72
Other corporations	44	0.64	12,962.00	8.73	40	0.64	12,508.00	8.42	32	0.59	11,822.00	7.96
Foreign corporations	13	0.19	2,012.00	1.35	18	0.29	1,213.00	0.82	15	0.28	1,947.00	1.31
Individual / others	6,773	98.89	112,347.00	75.64	6,205	98.68	106,140.00	71.47	5,359	98.75	95,264.00	64.14
Treasury stock	1	0.01	14,541.00	9.79	1	0.02	14,541.00	9.79	1	0.02	14,541.00	9.79
Total	6,849	100.00	148,515.00	100.00	6,288	100.00	148,515.00	100.00	5,427	100.00	148,515.00	100.00
Big shareholders	10	0.14	49,072.00	33.04	10	0.15	56,406.00	37.98	10	0.18	66,227.00	44.59
Fund	0	0.00	0.00	0.00	1	0.01	1,700.00	1.14	2	0.03	3,575.00	2.40
Floating stocks	6,525	95.26	44,068.00	29.67	5,999	95.40	40,244.00	27.09	5,186	95.55	34,144.00	22.99
Special socks	20	0.29	51,063.00	34.38	15	0.23	71,737	48.30	16	0.29	81,423.00	54.82

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	FY2009 (Forecasts)
Divided price (yen)	3,500 yen	1,500 yen	2,000 yen	625 yen	950 yen	380yen	300yen
Payout ratio (%)	16.4%	16.2%	25.0%	23.8%	74.1%	24.2%	24.4%

Improved liquidity by Stock Split

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 8,000 stocks (5.97% of the total number of stocks outstanding)
- (2) Costs total: 100,000,000 of yen
- (3) The treasury stocks was acquired from January 15, 2009 to March 31.

Forward-Looking Statements

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