

■Financial Highlights of FY2009 Earnings

FY2009 Earnings Sales for the FY2009 Mark a New Record High

Net sales increase 10.9% year-on-year, operating income increase 10.8%

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

Financial Highlight

- Results for the fiscal year ending March 2009 term were an increase of 10.9% for sales, a increase of 10.8% for operating income, a increase of 11.4% for ordinary income, and a decrease of 15.7% for net income, all figures compared to the corresponding period of the previous fiscal year.

[Causes]

- Sales in the mobile communications segment decreased 5.4% year on year as a result of, despite our continued success with the nationwide demand from telecommunication carriers and sales agents and the ensuing increase in the utilization rate of our full-time staff, a decline in campaign-related demand during sales seasons, due to the lengthening of consumer replacement cycle caused by the change in the mobile terminal sales methods of various companies. Sales in the digital consumer electronics segment, on the other hand, increased 17.2% year on year as a result of a jump in sales brought about by the increase in orders from existing customers and the development of new customers, in addition to the strong performance by large-scale contracts that became fully operational in the previous term. Sales in the financial segment decreased 6.2% year on year, despite securing large-scale contracts from new customers in the third quarter, due to the failure to compensate for the decrease in demand in the first quarter. Sales in the new business segment increased 143.6% year on year as a result of the smooth expansion of new businesses such as temporary staffing targeted at the music industry, as well as increase in orders from distribution channels where we focused our efforts during the current term.
- Gross profit decreased 0.3 points year on year (gross profit margin 24.2 %) owing to, despite the strong performance by profitable large-scale contracts, lower profitability in parts of the digital project in the digital consumer electronics segment and our consolidated subsidiary's portal site business turning unprofitable in the previous term.
- Selling, general and administrative expenses decreased 0.3 points year-on-year (consolidated SG&A: 20.8%) owing to effective efforts to improve business efficiency by absorbing two subsidiaries during the second half of the fiscal year.
- The FY2009 budget achievement rate are 100.5% for net sales, 100.6% for gross profit, 109.3% for operating income, 109.3% for ordinary income, and 107.6% for net income.

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

(Units : Millions of yen)

	FY2008	FY2009	Y on Y	FY2009 Fullterm budget	Progress Ratio for fullterm forecasts
Sales	11,775	13,060	+10.9%	13,000	100.5%
Gross profit on sales	2,883	3,163	+9.7%	3,146	100.6%
(Gross profit margin)	(24.5%)	(24.2%)	-0.3ppts	(24.2%)	—
(SG&A ratio)	(21.1%)	(20.8%)	-0.3ppts	(21.0%)	—
Operating income	404	448	+10.8%	410	109.3%
(Operating income margin)	(3.4%)	(3.4%)	±0.0ppts	(3.2%)	—
Ordinary Income	401	447	+11.4%	409	109.3%
Net Income	210	177	-15.7%	165	107.6%

(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	FY2009	% Change	FY2008	FY2009	% Change
Outsourcing Business	7,869	5,076	-35.5%	486	302	-37.8%
Temporary Staffing Business	3,905	7,983	+104.4%	113	397	+250.8%

*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	FY2009	% Change
Kanto Region*1	6,904	7,933	+14.9%
National*2	4,870	5,126	+5.2%

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

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

□ Sales by customer industry

(Units : Millions of yen)

	FY2008	FY2009	% Change
Mobile telecommunications*1	7,042	6,662	-5.4%
Digital consumer electronics*2	3,063	3,589	+17.2%
Financial services*3	839	787	-6.2%
New Sectors*4	829	2,021	+143.6%

*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 Fiscal Year Ending March 31, 2009, page 5-6

■ Cash flows

For details please refer to the Summary of Consolidated Earnings Report for the Fiscal Year Ending March 31, 2009. Page 7 and Statements of Cash Flows page 21.

(Reference)

■ Outlook for the current term (FY 2009)

(Units : Millions of yen)

	FY2009 earnings	FY2010 Full year forecasts	% Change
Sales	13,060	14,000	+7.2%
Gross profit on sales	3,163	3,406	+7.7%
(Gross profit margin)	(24.2%)	(24.3%)	+0.1ppts
(SG&A ratio)	(20.8%)	(20.8%)	±0.0ppts
Operating income	448	496	+10.7%
(Operating income margin)	(3.4%)	(3.5%)	+0.1ppts
Ordinary Income	447	492	+10.0%
Net Income	177	276	+55.4%

【Disclaimer】

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■IR Inquiry

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