

BACKS GROUP Inc.

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

May 12, 2009



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Results Highlights



FY2009 Interim Results Highlights

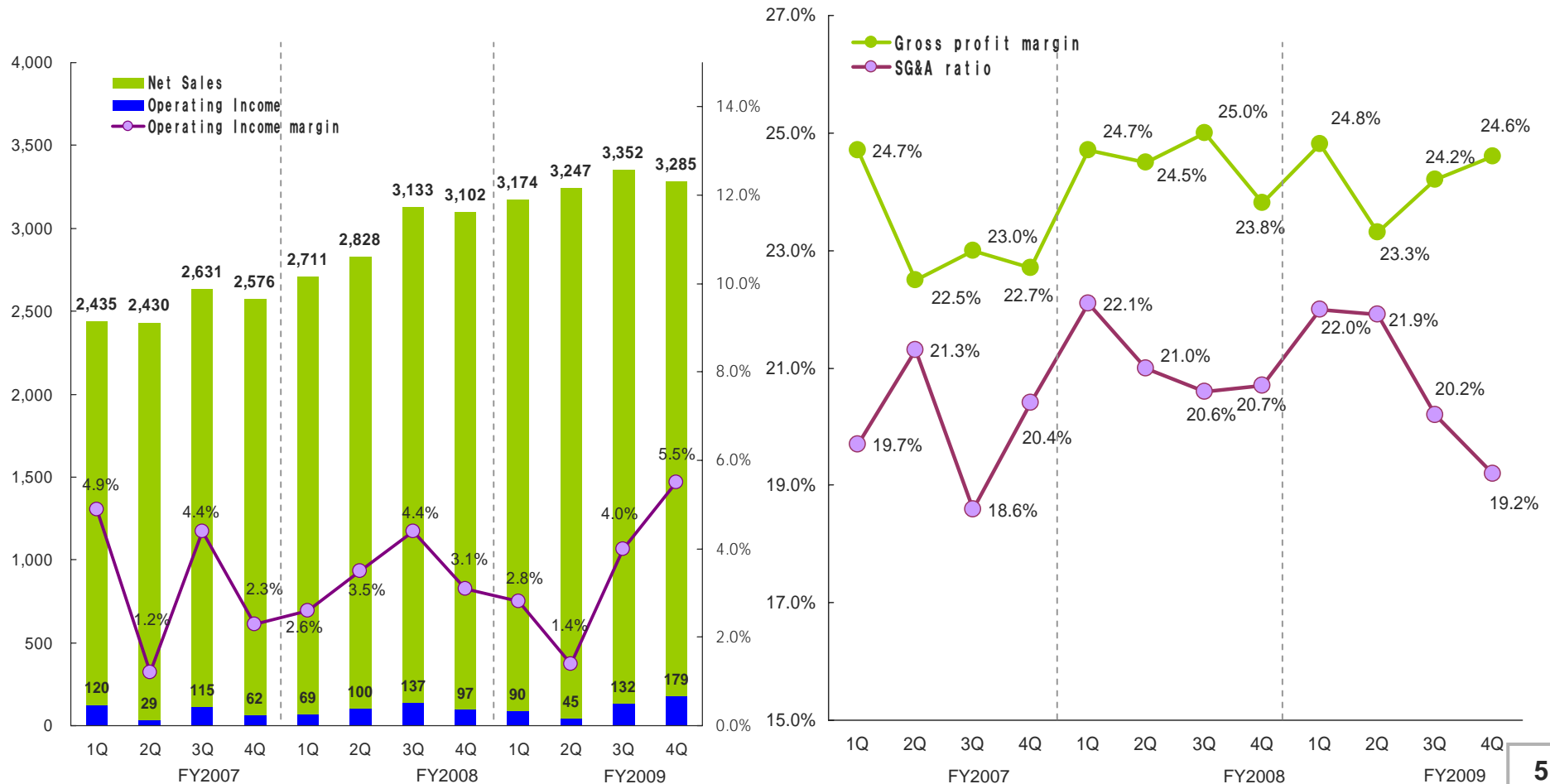
【Unit : million of yen】

	FY2008	FY2009	Y on Y
N e t S a l e s	11,775	13,060	+10.9%
G r o s s P r o f i t	2,883	3,163	+9.7%
(Gross profit margin)	(24.5%)	(24.2%)	-0.3ppts
(S G & A r a t i o)	(21.1%)	(20.8%)	-0.3ppts
O p e r a t i n g I n c o m e	404	448	+10.8%
(Operating income margin)	(3.4%)	(3.4%)	±0.0ppts
O r d i n a r y I n c o m e	401	447	+11.4%
N e t I n c o m e	210	177	-15.7%

Profitability – Quarterly Basis

● **Gross profit margin:** Improvement by 0.4 percentage points due to increased profitability in the digital consumer electronics segment.

● **SG & A ratio** : Improvement by 1 percentage point due to the consolidation of two subsidiaries and reduction of recruitment costs due to changes in the recruitment environment.



Details of extraordinary gain/loss





【Unit: Thousand of yen】	FY2008	FY2009	Y on Y	
Ordinary Income	401,551	447,201	45,650	
Extraordinary income	4,796	2,062	-2,734	
Reversal of reserve for bonuses	4,796	2,062	-2,734	Caused by retirement/resignation of employees
Extraordinary expenses	6,207	98,212	92,005	
Loss on sale of fixed assets	-	530	530	Disposal of PCs past their useful life
Loss on retirement of fixed assets	4,565	238	△4,327	
Write-down of investment securities	-	42,470	42,470	Incurred as a result of fair value assessment of unlisted shares of business partners
Impairment loss	-	31,446	31,446	Incurred in connection with the closing of a subsidiary's portal site (¥26 million), and with the closing of business sites
Expenses for restoration to original state	1,642	11,116	9,474	Incurred in connection with the closing of business sites
Penalty charges for terminating office lease contract	-	10,911	10,911	Increased in connection with the closing of business sites
Cancellation penalties	-	1,500	1,500	Business cancellation expenses resulting from the closing of the subsidiary's portal site
Net income before taxes	400,140	351,051	△ 49,089	
Corporate, inhabitant and enterprise taxes	206,323	208,773	2,449	Increase in effective tax rate due to the posting of loss by a consolidated subsidiary
Income tax adjustment	△ 16,745	△ 35,306	△ 18,561	Increase in deferred tax assets due to the posting of extraordinary losses set forth above
Net income	210,562	177,584	△ 32,977	

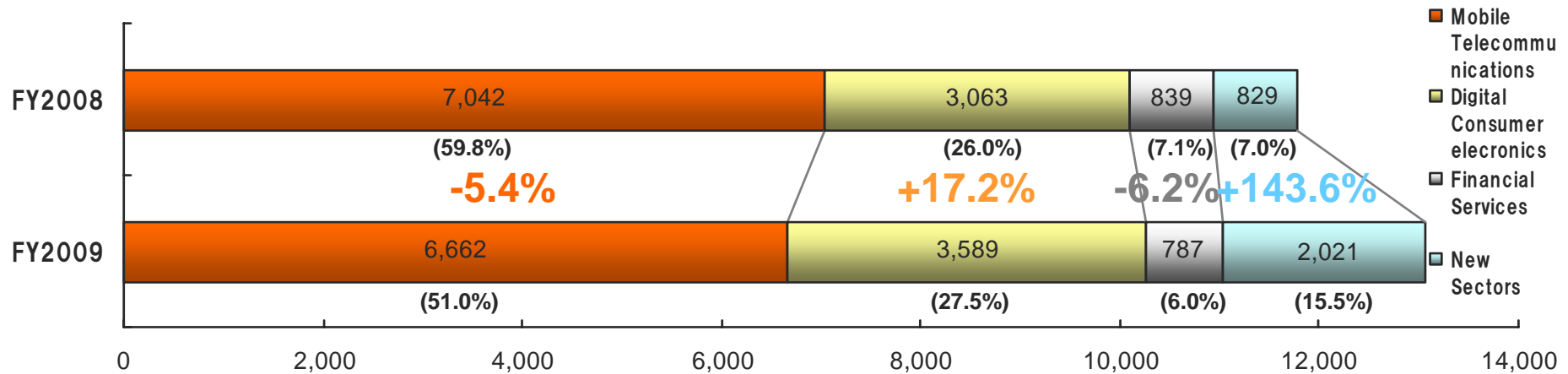
◆Sales of business that became unprofitable (subsidiary's portal site business) due to changes in the recruitment environment as a result of economic fluctuations.

◆Decision made at the end of the fiscal year to abolish and consolidated business sites for recruiting in an attempt to reduce fixed costs from the next fiscal year onwards.

Sales by Customer Segment

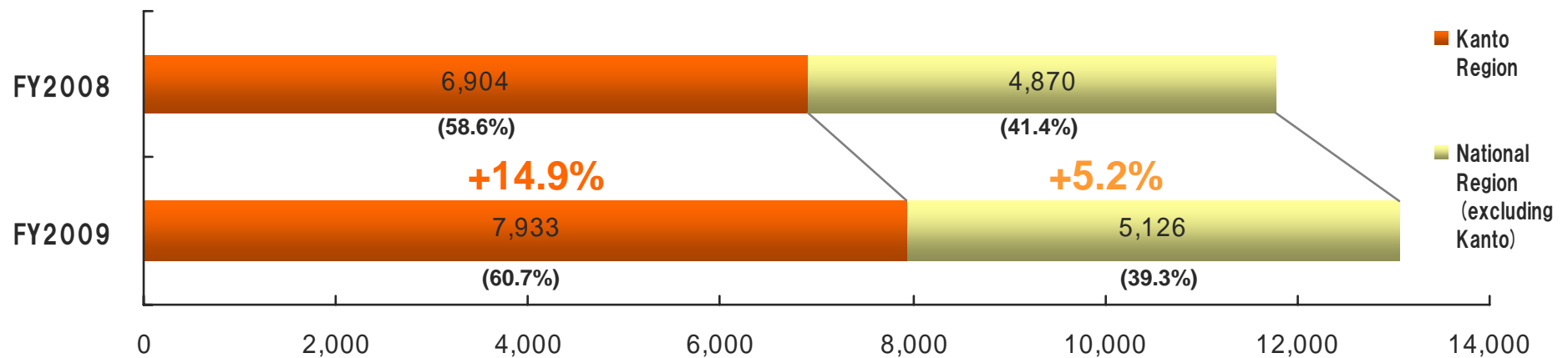
【Unit : Million of yen】

	FY2008	Share	FY2009	Share	Y on Y
 M o b i l e Telecommunications	7,042	59.8%	6,662	51.0%	-5.4%
 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	3,063	26.0%	3,589	27.5%	+17.2%
 F i n a n c i a l S e r v i c e s	839	7.1%	787	6.0%	-6.2%
 N e w S e c t o r s	829	7.0%	2,021	15.5%	+143.6%



Sales by Geographic Region

【Unit : million of yen】	FY2008	Share	FY2009	Share	Y on Y
Kanto Region	6,904	58.6%	7,933	60.7%	+14.9%
(offices)	(13)		(13)		(-)
National (excluding Kanto)	4,870	41.1%	5,126	39.3%	+5.2%
(offices)	(20)		(17)		(-2)



Overview of Business Segment

【Unit : million of yen】

FY2008

FY2009

Y on Y

Net Sales

7,869

5,076

-35.5%

(Share)

(66.8%)

(38.9%)

Outsourcing

Operating Income

486

302

-37.8%

(Operating margin)

(6.1%)

(6.0%)

-0.1ppts

Net Sales

3,905

7,983

+104.4%

(Share)

(33.2%)

(61.1%)

Temporary Staffing

Operating Income

113

397

+250.8%

(Operating margin)

(2.9%)

(5.0%)

+2.1ppts

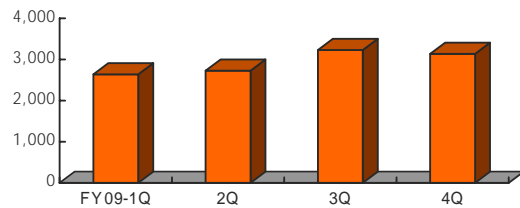
Overview of Group

Net sales	FY2008	Y on Y	FY2009	Y on Y
B a c k s g r o u p (n o n c o n s o l i d a t e d)	9,764	+23.1%	12,538	+19.7%
E n t e r t a i n m e n t C o m m o n s	83	-	587	+602.7%

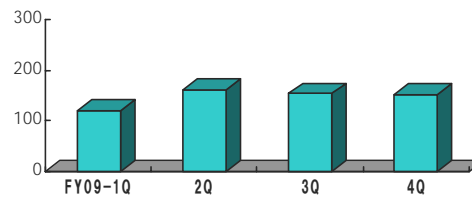
Net sales

[Unit : million of yen]

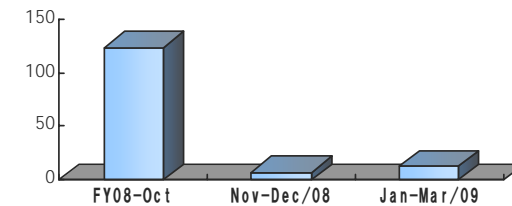
Backs Group (non-consolidated)



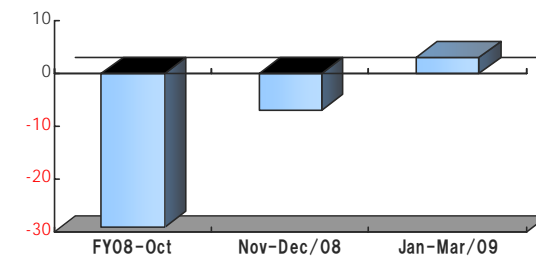
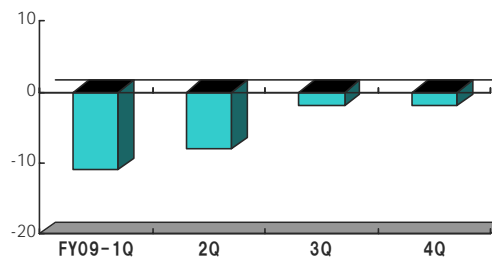
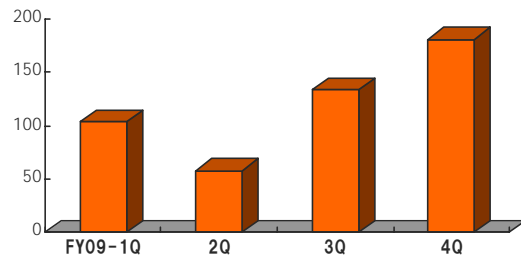
Entertainment Commons



Smart Communications



Operating Income



※Backs Group absorbed Giga Japan and Smart as of October 1, 2008.

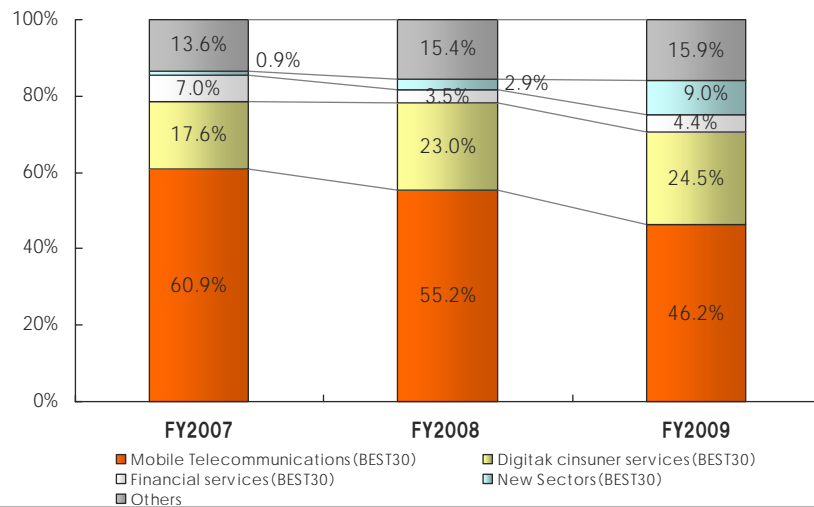
※The company was included in the scope of consolidation as of January 1, 2009.

Top 30 Customers -Sales

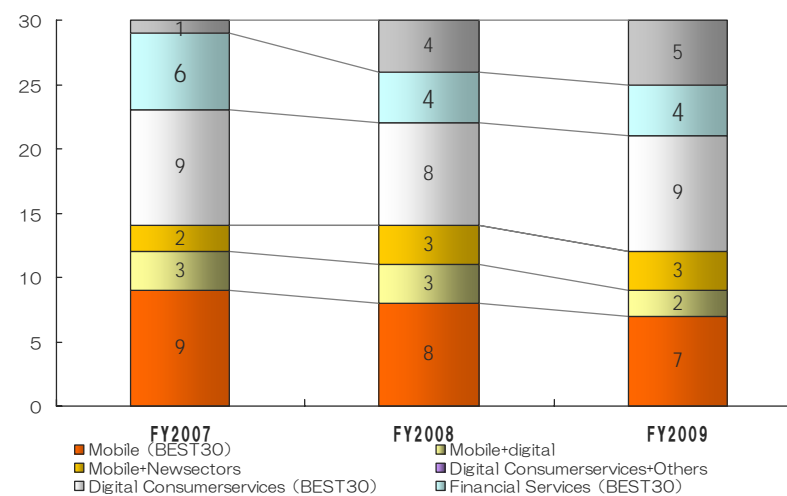
【Unit : million of yen】	FY2007			FY2008			FY2009			Y on Y
	Net Sales	Share	Firm	Net Sales	Share	Firm	Net Sales	share	Firm	
Mobile Telecommunications	6,137	60.9%	14	6,503	55.2%	14	6,035	46.2%	12	-7.2%
Digital consumer services	1,774	17.6%	12	2,706	23.0%	11	3,201	24.5%	12	+18.3%
Financial Services	707	7.0%	6	413	3.5%	4	572	4.4%	4	+38.5%
New Sectors	88	0.9%	3	345	2.9%	7	1,176	9.0%	8	+240.9%
Top Thirty Total	8,707	86.4%	30	9,967	84.6%	30	10,986	84.1%	30	+10.2%
Others	1,364	13.6%	265	1,807	15.4%	409	2,073	15.9%	451	+14.7%
Total	10,072	100.0%	295	11,775	100.0%	445	13,060	100.0%	481	+10.9%

※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



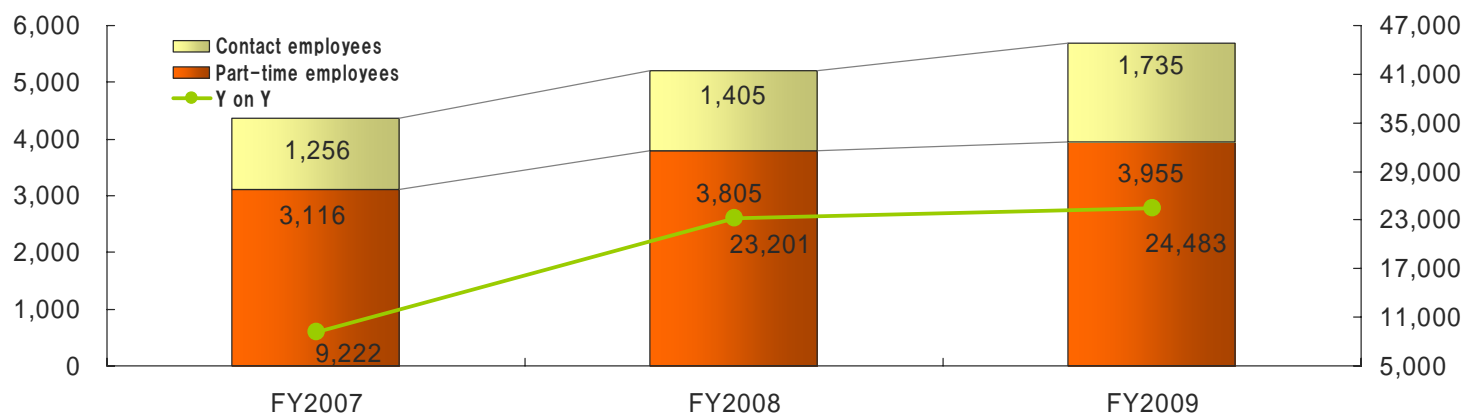
Breakdown to Top 30 Customers by Segment



Number of Staff

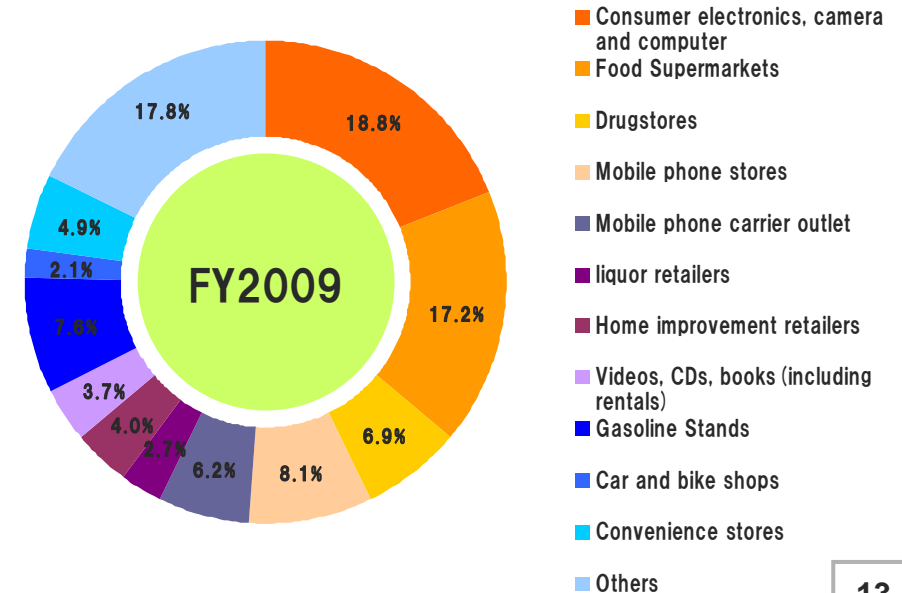
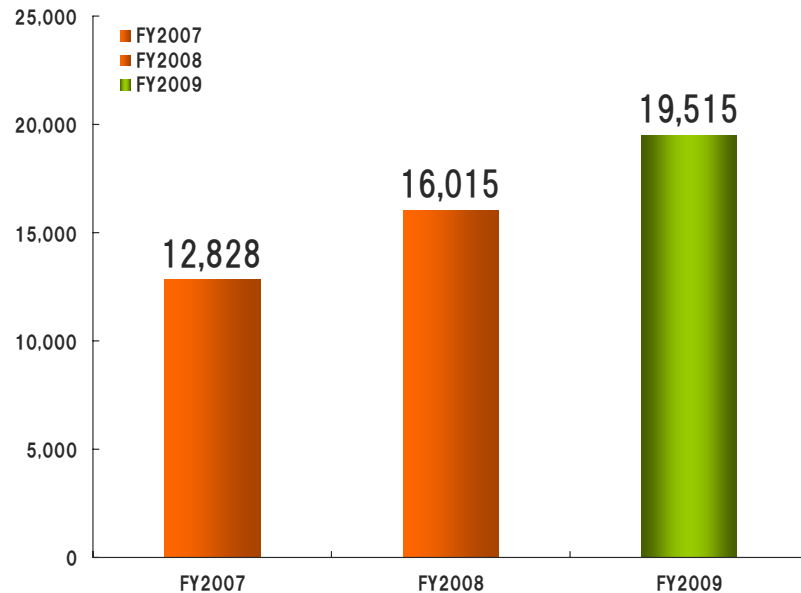
【UNIT: million of yen, person】

	FY2007	FY2008	FY2009
Active Staff (monthly average)	4,372	5,210	5,690
(Contact employees)	1,256	1,405	1,735
(Part-time employees)	3,116	3,805	3,955
Avg. sales amount per person	191	188	191
Registered staff	48,205	71,406	95,889
(Y on Y)	+9,222	+23,201	+24,483



Total number of stores serviced

	FY2007	FY2008	FY2009
Total number of stores	12,828	16,015	19,515
(Y on Y)	+2,664	+3,187	+3,500





Strategies



FY2010 Full year Forecasts

[Unit : million of yen]	FY2009 (Actual)	FY2010 (Forecasts)	Y on Y
N e t S a l e s	13,060	14,000	+7.2%
G r o s s P r o f i t	3,163	3,406	+7.7%
(Gross profit margin)	(24.2%)	(24.3 %)	+0.1ppts
(S G & A r a t i o)	(20.8%)	(20.8 %)	±0.0ppts
O p e r a t i n g I n c o m e	448	496	+10.7%
(Operating income margin)	(3.4%)	(3.5 %)	+0.1ppts
O r d i n a r y I n c o m e	447	492	+10.0%
N e t I n c o m e	177	276	+55.4%

FY2010 Interim Forecasts

【Unit : million of yen】

	FY2009 Interim (Actual)	FY2010 Interim (Forecasts)	Y on Y
N e t S a l e s	6,421	6,530	+1.7%
G r o s s P r o f i t	1,543	1,590	+3.0%
(Gross profit margin)	(24.0%)	(24.4 %)	+0.4ppts
(S G & A r a t i o)	(21.9%)	(22.3 %)	+0.4ppts
O p e r a t i n g I n c o m e	135	135	-0.6%
(Operating income margin)	(2.1%)	(2.1 %)	±0.0ppts
O r d i n a r y I n c o m e	135	132	-2.5%
N e t I n c o m e	13	62	+360.3%

Industry Outlook: Trends in the temporary staffing and outsourcing industries

<Controversy over amendment of the Worker Dispatch Law>

◆Reinforcement of guidance on the “2009 issue”

Reinforcement of guidance on re-dispatching workers after the cooling off period.

◆Prohibition in principle of the dispatch of day workers

Prohibition in principle of temporary staff dispatch agreements providing for daily labor or a contract period of 30 days or less.

◆Enhance regulations on “temporary staff dispatched to specific corporations”.

Regulate the percentage of temporary staff dispatched to specific destinations, such as companies within the same group.

Thorough enforcement of compliance and improvement of staff treatment are the issues to be addressed.

[Measures]

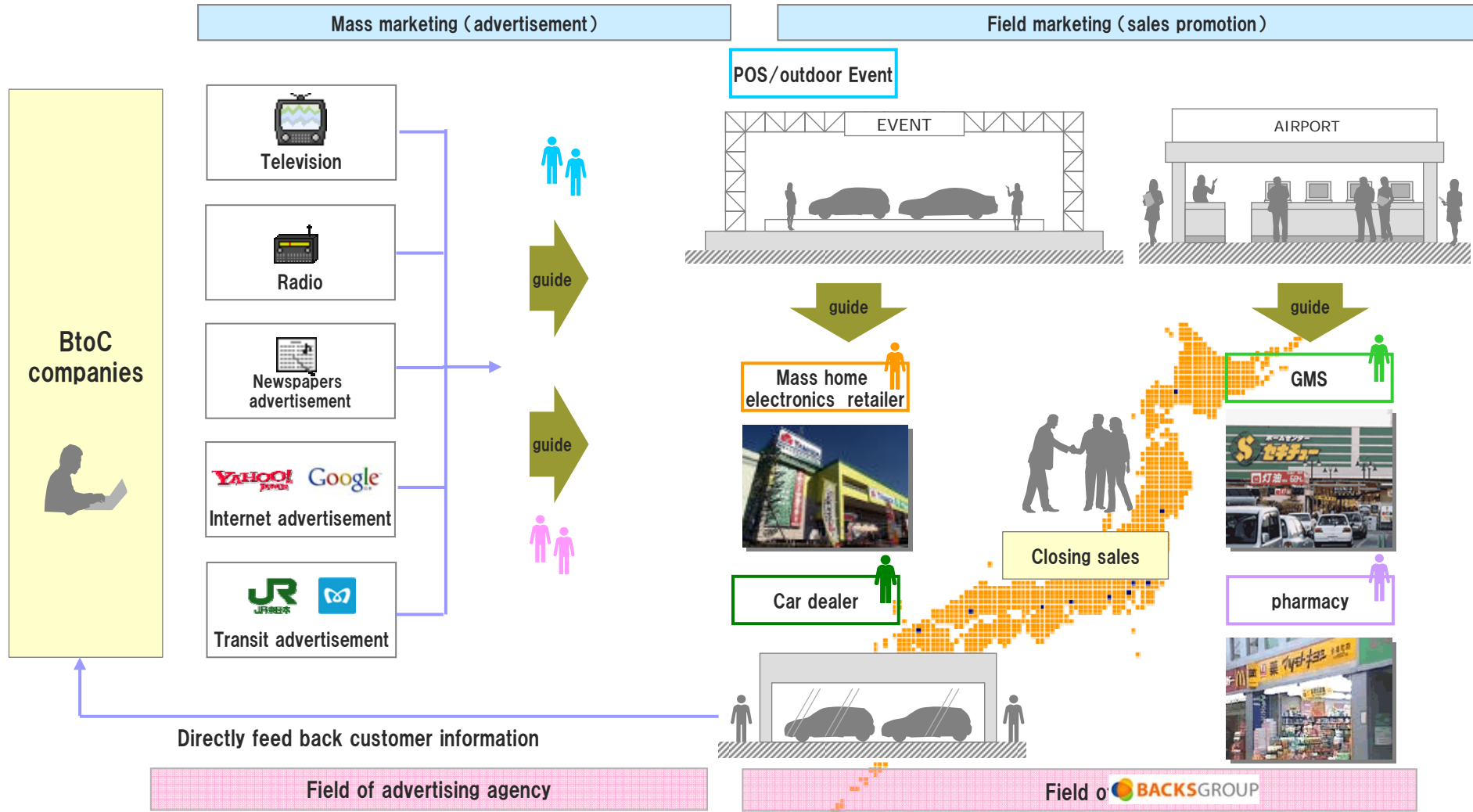
◎Provision of high value-added outsourcing services

◎Lengthening of the term of temporary staff dispatch agreement

◎Enhancement of specialization through improved education and training, and acquisition of qualification

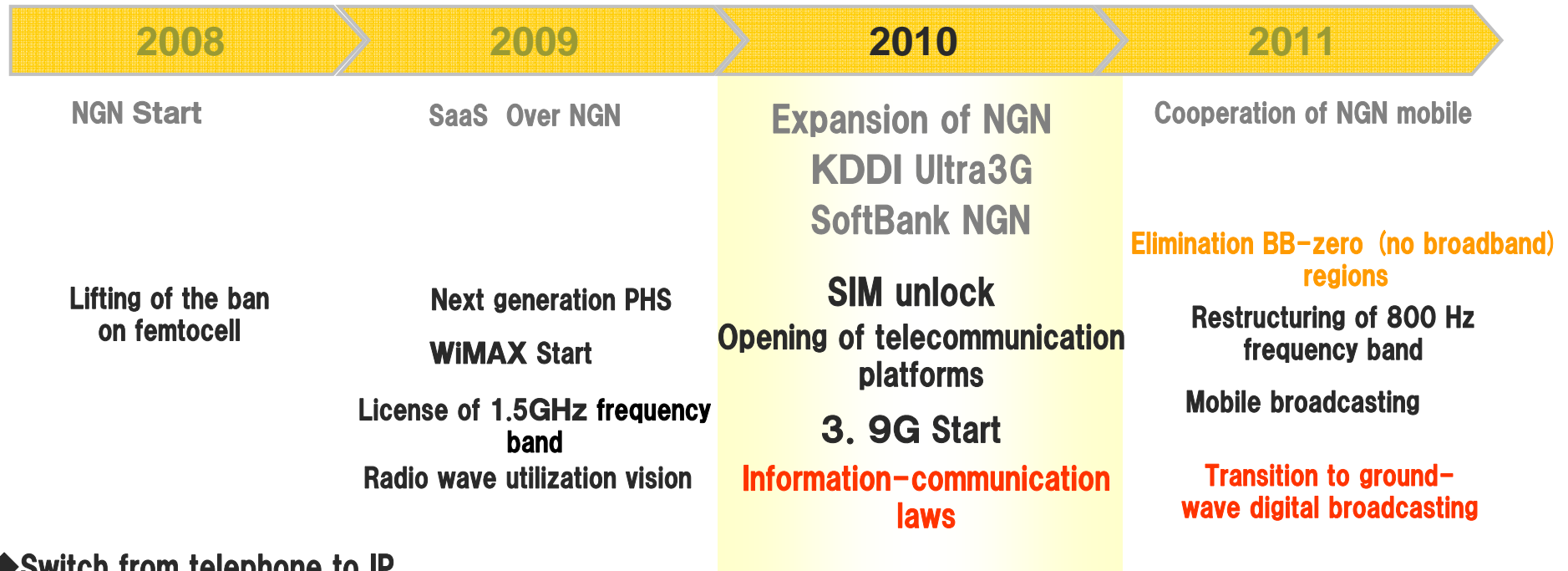


Industry Outlook: Advertising and SP industries



◆ Reduction of advertising budget: mounting client need for SP that produces visible results

Industry Outlook: —Telecommunications industry—



◆ Switch from telephone to IP

IP services, giga network, declining telephone-related revenue, progressively increasing IP-related revenue, emergence of NGN and a new business model.

◆ Shift from fixed-line to mobile communication

Reversal of traffic, reversal of profit, entry of internet companies, change in players, progressing FMC.

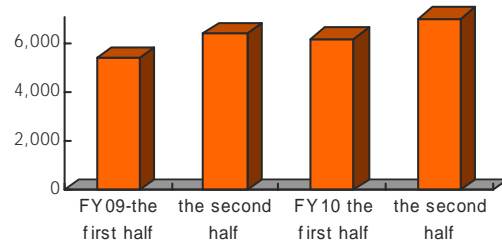
◆ From infrastructure-oriented to service-oriented business

From facility-based competition to service-based competition; full-scale integration of telecommunications/broadcasting, FMC and services, and promotion of services that transcend all barriers and boundaries; globalization of services and applications; dawning of the age of ground computing.

Sales Strategy —Backs Group (non-consolidated)—

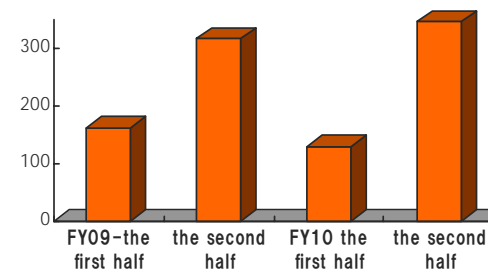
■ Net sales

【Unit: Million of yen】



■ Operating Income

【Unit: Million of yen】



Backs absorbed Giga Japan and Smart as of October 1,2008.

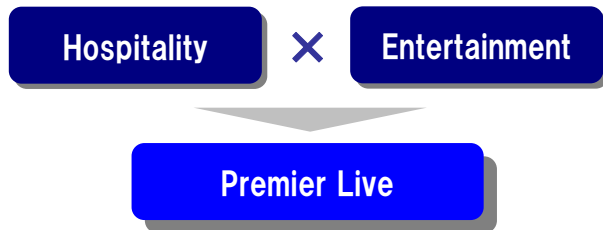
- Expansion of the field marketing segment.
- Extend full-time employment by utilizing the nationwide network.
- Compliance measures to prepare for the amendment of the Worker Dispatch Law.
→ Build and standardize outsourcing models.
- Streamline business through the consolidation and abolition of business sites.
→ Consolidate from 34 to 26 business sites.



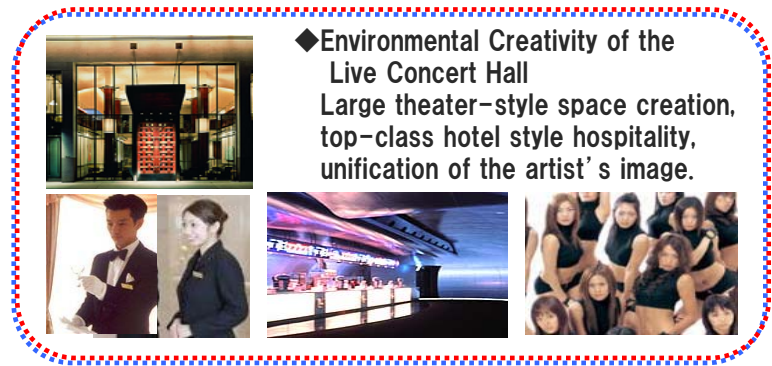
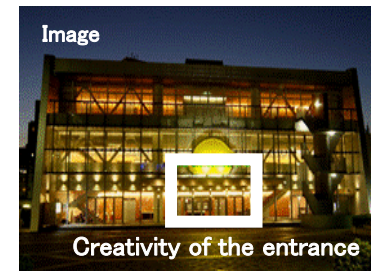
Commencement of new services

● Full scale entry into the entertainment industry

Commencement of business with a major entertainment company

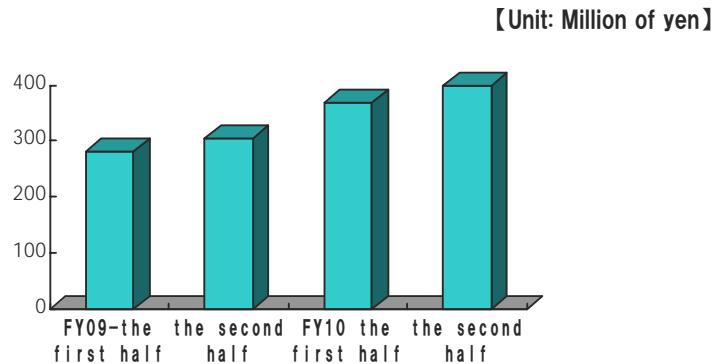


- One-stop provision of everything from production to operation by utilizing the nationwide network.
- Enhance hospitality to the audience of live concerts
- Reinforce the entertainment aspect through the artist branding of live concert halls.
- Unification of education, training, and target in conformity with the artist's image.

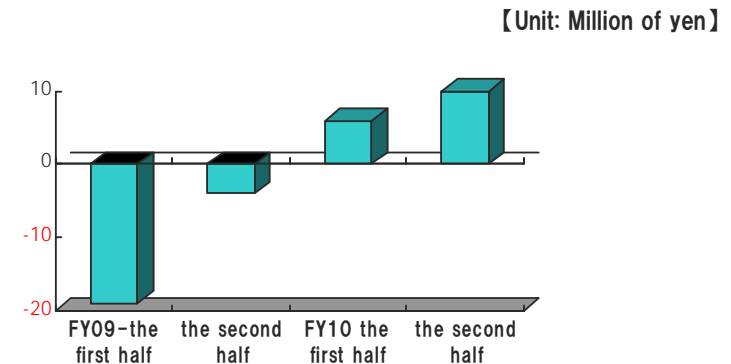


Sales Strategy —Entertainment Commons—

■ Net sales



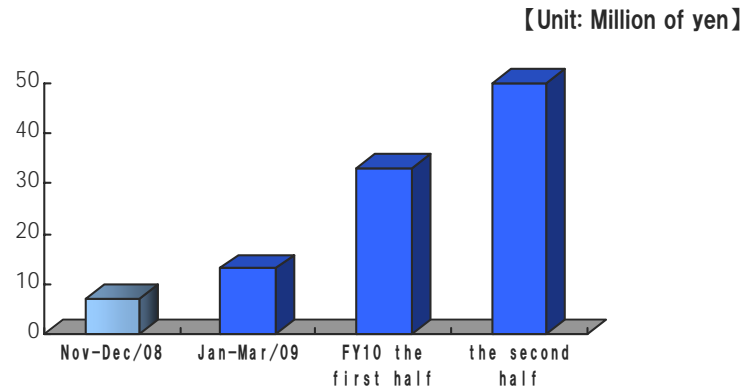
■ Operating Income



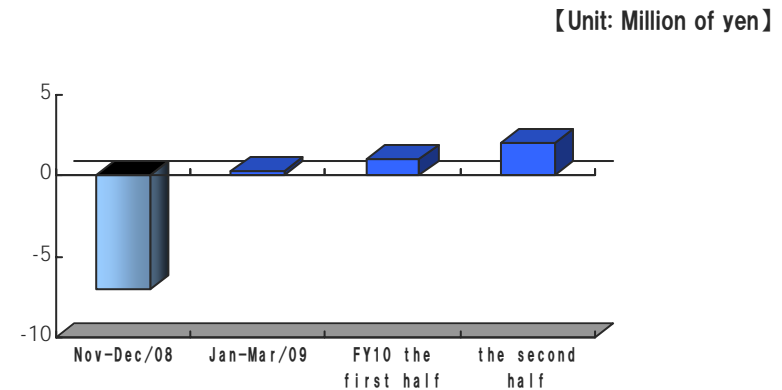
- Increase sales by further cultivating existing clients and developing new clients.
- Launch a full-scale approach on the video and game industries from the music industry.
- Seek to reinforce leasing proposals (Japanese version of PEO) in addition to temporary staffing.

Sales Strategy —Smart Communications—

■ Net sales



■ Operating Income



The company was included in the scope of consolidation as of January 1, 2009.

- **Market Research:** Store research conducted in order to improve CS/ES on the sales floor.
- Add value to the sales promotion segment of the Backs Group by incorporating market research, thereby differentiating the Group from competitors.

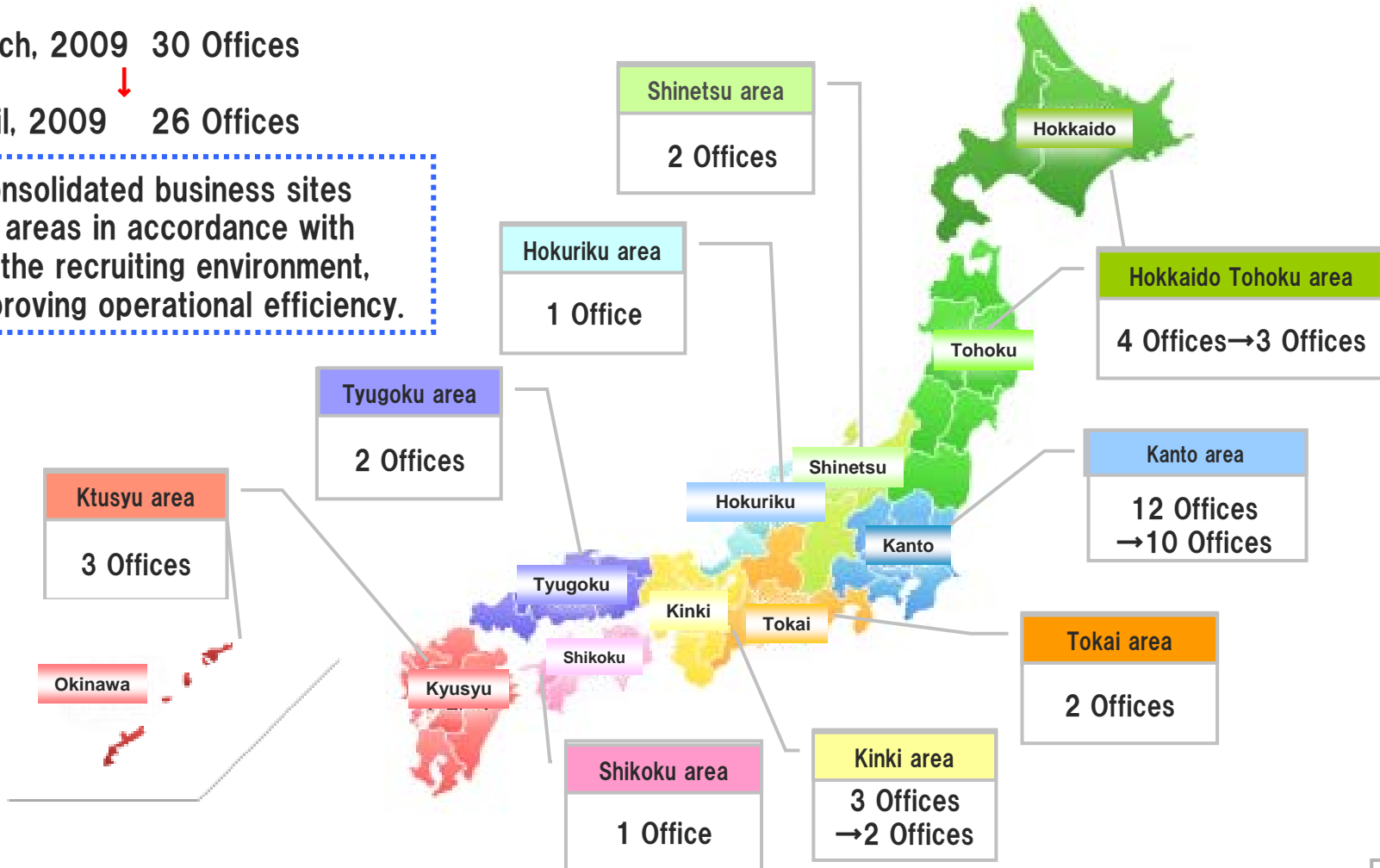
Re-examine the site strategy

● Consolidation of sales sites

As of March, 2009 30 Offices

As of April, 2009 26 Offices

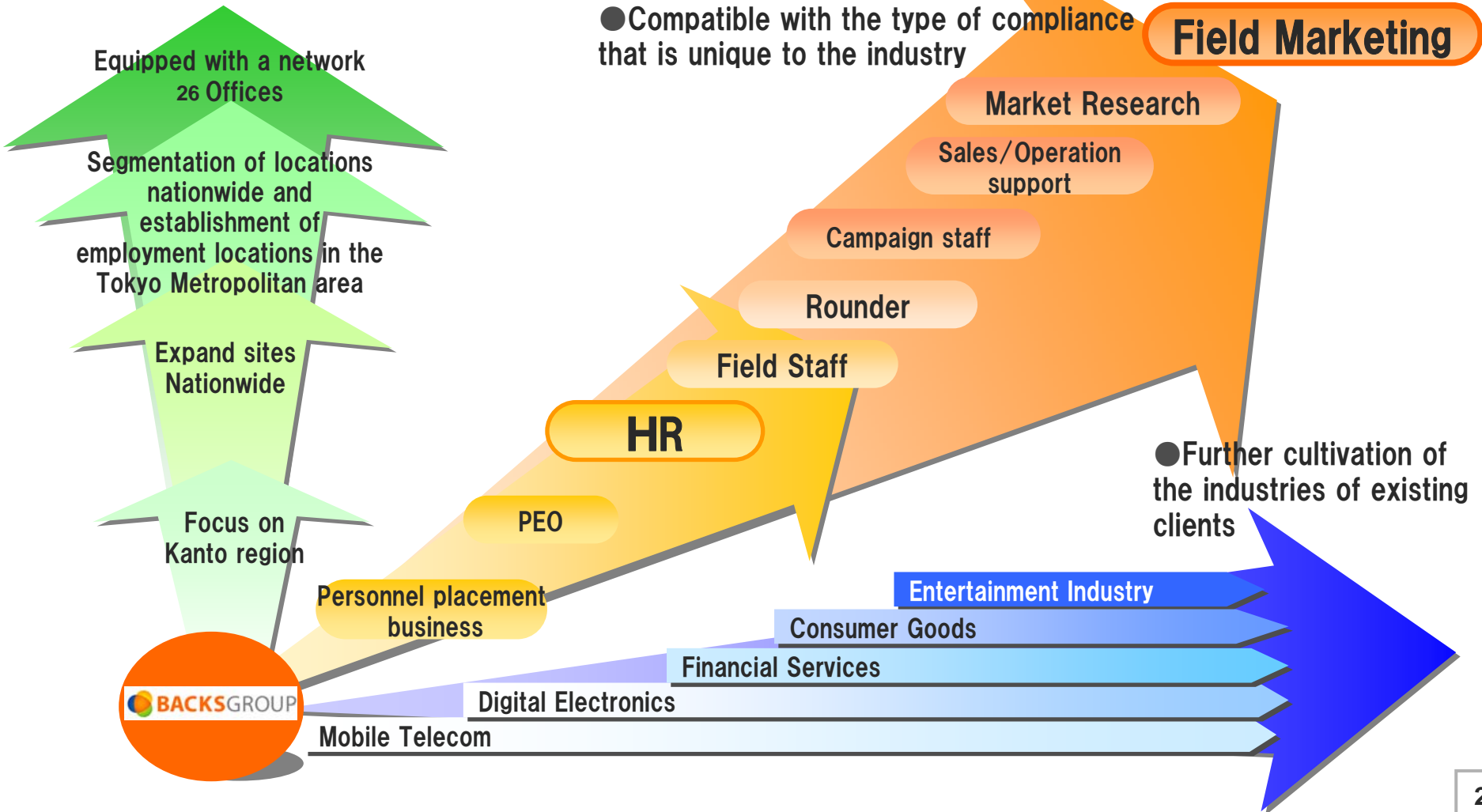
Close or consolidated business sites in adjacent areas in accordance with changes in the recruiting environment, thereby improving operational efficiency.



Revision of sales strategy

● Build a national network

● Selection and concentration of service domain
 ● Compatible with the type of compliance that is unique to the industry





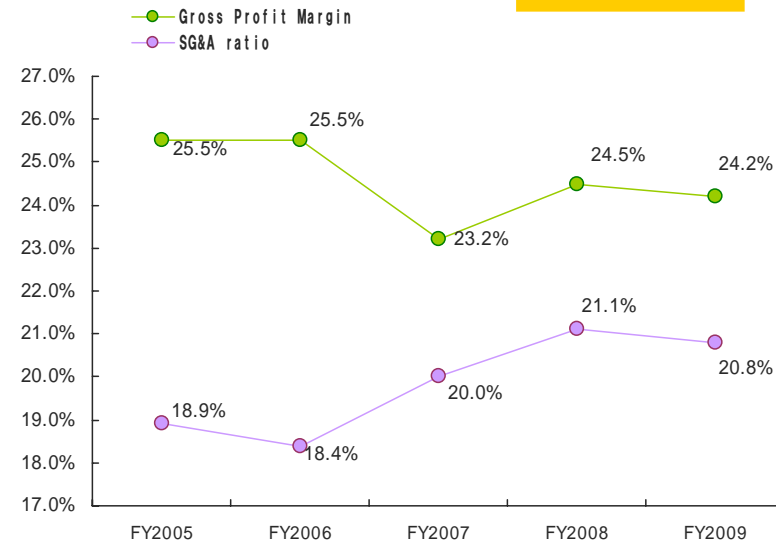
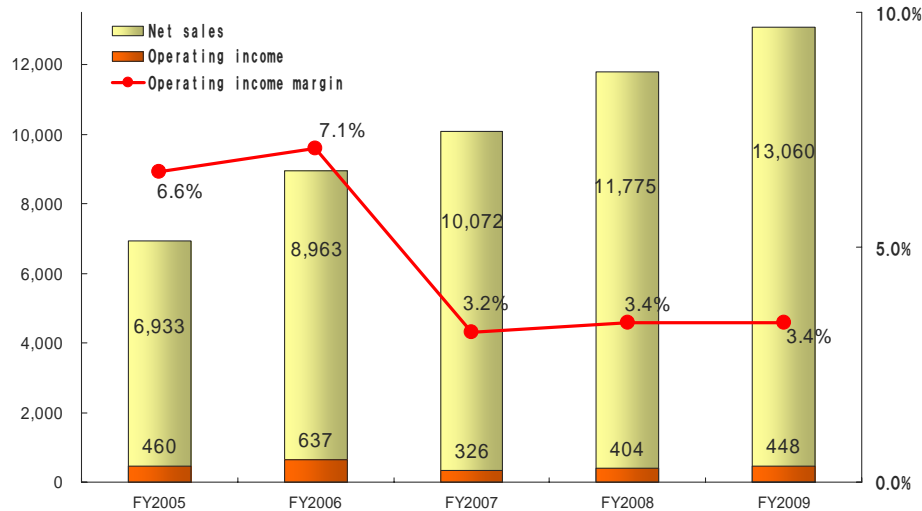
References



Performance Trends

[Unit: Million of yen]

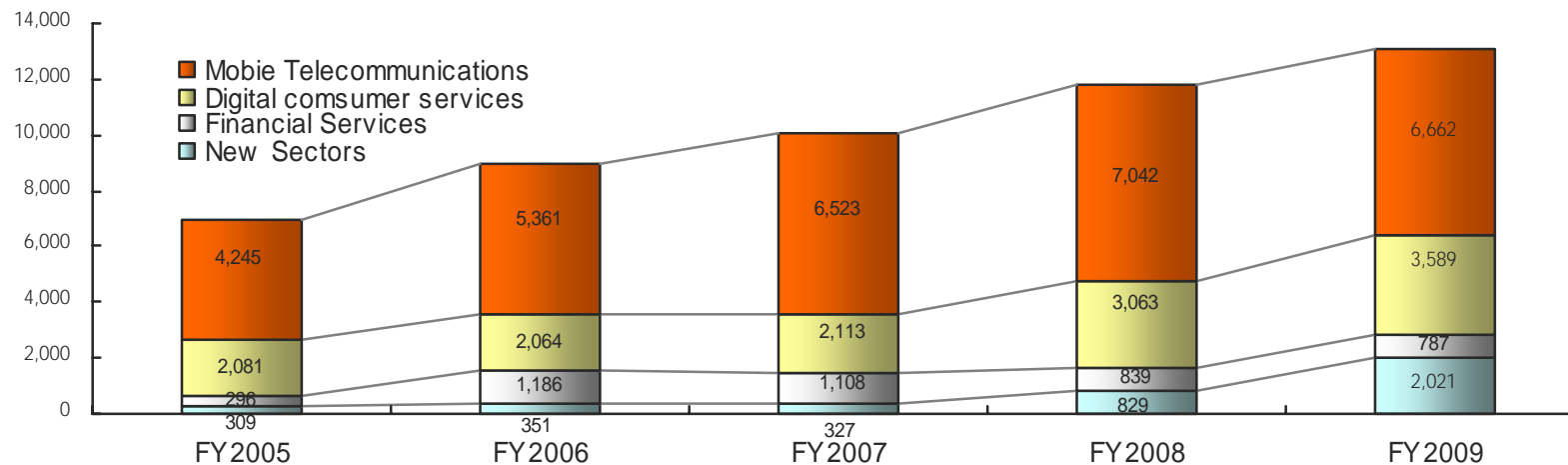
	FY2005	FY2006	FY2007	FY2007	FY2009
Net Sales	6,933	8,963	10,072	11,775	13,060
Gross Profit	1,769	2,283	2,338	2,883	3,163
(Gross Profit Margin)	(25.5%)	(25.5%)	(23.2%)	(24.5%)	(24.2%)
(SG&A ratio)	(18.9%)	(18.4%)	(20.0%)	(21.1%)	(20.8%)
Operating Income	460	637	326	404	448
(Operating Income margin)	(6.6%)	(7.1%)	(3.2%)	(3.4%)	(3.4%)
Ordinary Income	457	637	319	401	447
Net Income	258	371	179	210	177



Sales by Customer Segment

【Unit: Million of yen】

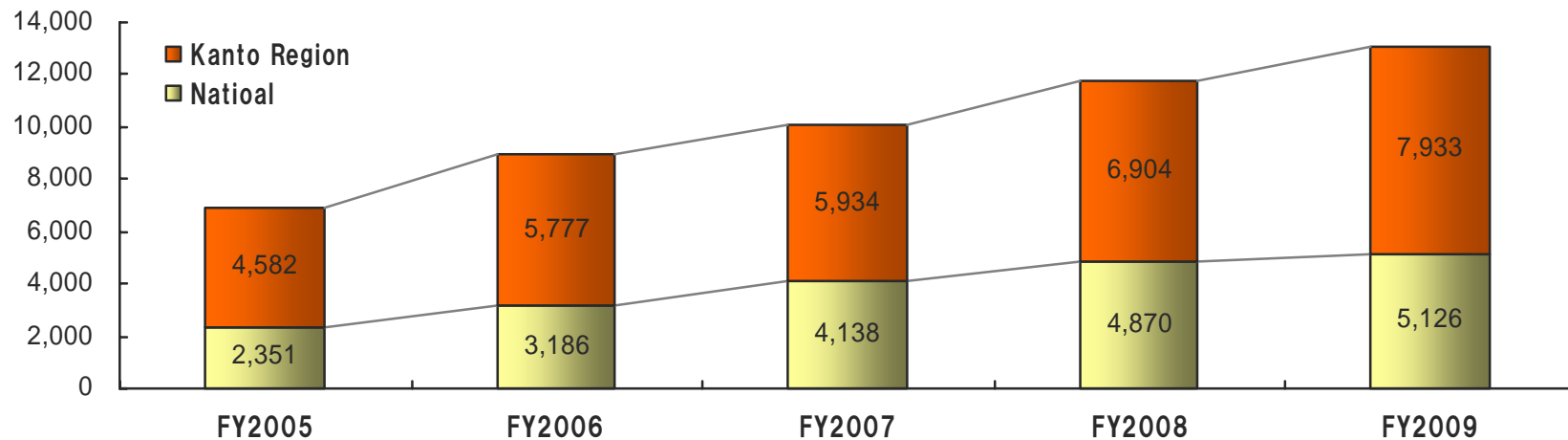
		FY2005	FY2006	FY2007	FY2008	FY2009
Mobile Telecommunications	Net Sales	4,245	5,361	6,523	7,042	6,662
	Share	61.2%	59.8%	64.8%	59.8%	51.0%
Digital consumer electronics	Net Sales	2,081	2,064	2,113	3,063	3,589
	Share	30.0%	23.0%	21.0%	26.0%	27.5%
Financial Services	Net Sales	296	1,186	1,108	839	787
	Share	4.3%	13.2%	11.0%	7.1%	6.0%
New Sectors	Net Sales	309	351	327	829	2,021
	Share	4.5%	4.0%	3.3%	7.0%	15.5%



Sales by Geographic Region

【Unit: Million of yen】

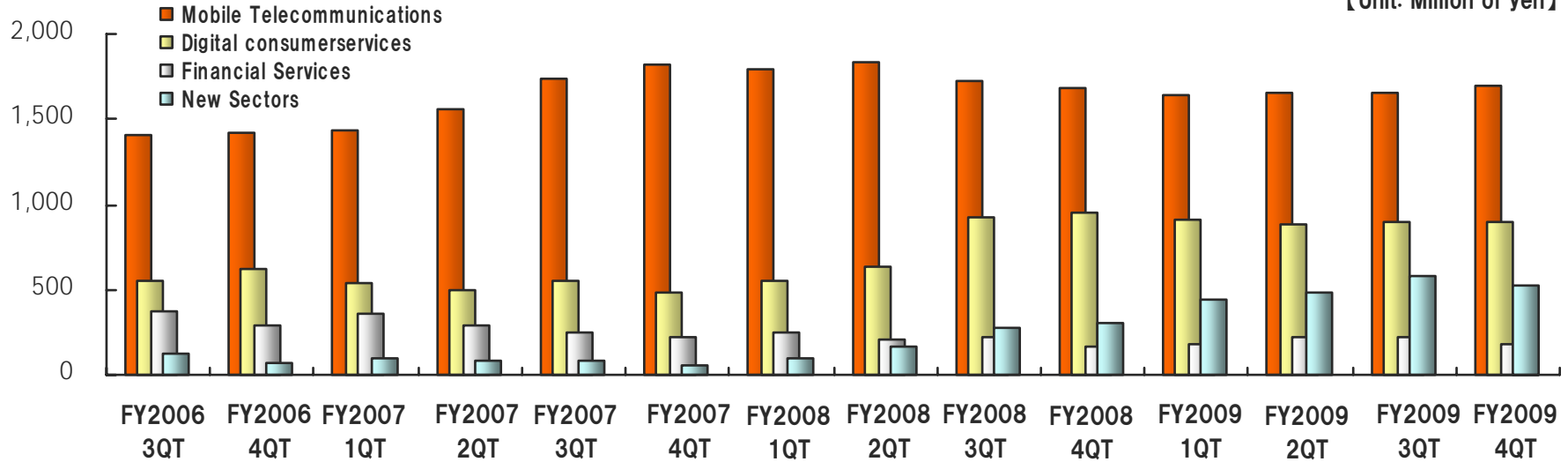
		FY2005	FY2006	FY2007	FY2008	FY2009
Kanto Region	Net Sales	4,582	5,777	5,934	6,904	7,933
	Share	66.1%	64.5%	58.9%	58.6%	60.7%
	Offices	(6)	(9)	(9)	(13)	(13)
National (excluding Kanto)	Net Sales	2,351	3,186	4,138	4,870	5,126
	Share	33.9%	35.5%	41.1%	41.4%	39.3%
	Offices	(11)	(13)	(14)	(20)	(17)



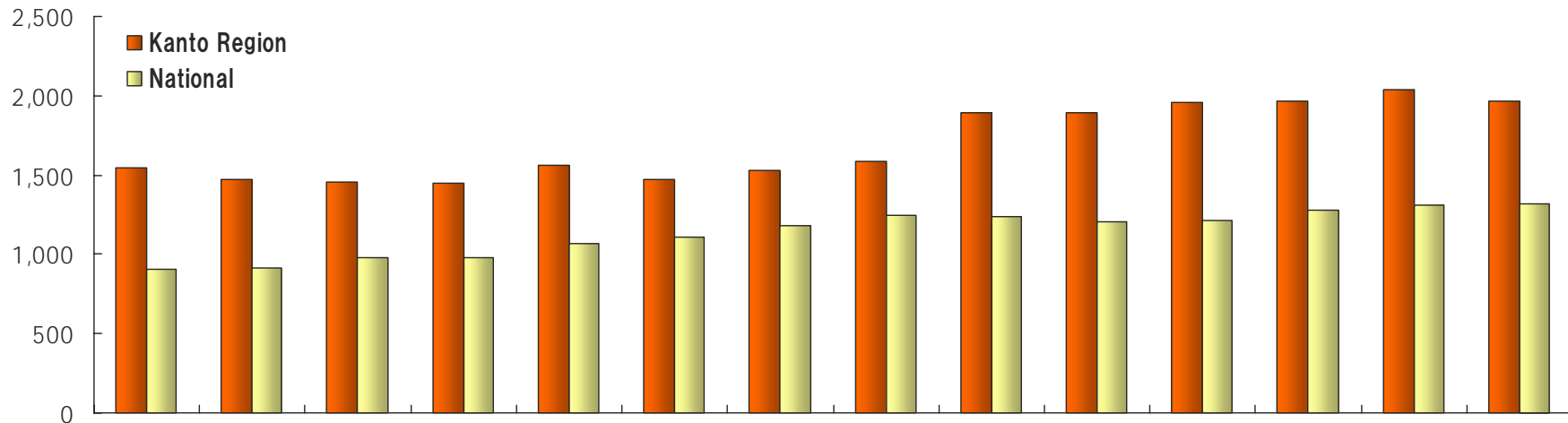
Quarterly Trends In Sales—by Customer Segment and Region

Sales by Customer Segment

[Unit: Million of yen]



Sales by Geographic Region



Consolidated Cash Flows

【Unit: Million of yen】	FY2008	FY2009	Y on Y	Changing Factors
Cash flows from operating activities	-14	346	—	Due to the 351 million yen in net income before taxes and changes in accounts payable and receivable.
Cash flows from investing activities	-112	-31	+252.4%	Due to the opening of business sites during the previous fiscal year and decline in investments in new business.
Cash flows from financing activities	-518	-169	+206.5%	Due to the reduction in the previous fiscal year of the 300 million yen in interest-bearing debts.
Cash and cash equivalents at the end of the period	828	973	+17.5%	
Change in Cash and Cash Equivalents	-646	145	—	

Consolidated Statement of Cash Flows

【Unit: Million of yen】	FY2005	FY2006	FY2007	FY2008	FY2009
Cash flows from operating activities	328	342	247	-14	346
Cash flows from investing activities	-64	-101	-78	-112	-31
Cash flows from financing activities	42	-92	79	-518	-169
Cash and cash equivalents at the end of the period	1,078	1,226	1,474	828	973
Change in cash equivalents at the end of the period	+306	+147	+248	-646	145

Sales and Profits Trends—by Group Company

【Million of yen】		FY2008	FY2009	Y on Y
Backs Group	Net sales	9,701	11,683	+19.7%
	Gross Profit	2,525	2,968	+17.5%
	Operating Income	386	479	+24.0%
Giga Japan ※平成21年10月1日付けて吸収合併	Net sales	836	341	-60.3%
	Gross Profit	193	67	-64.9%
	Operating Income	24	-14	-159.4%
Smart ※平成21年10月1日付けて吸収合併	Net sales	1,156	513	-56.6%
	Gross Profit	214	92	-56.7%
	Operating Income	34	7	-79.5%
Entertainment Commons	Net sales	83	587	+602.7%
	Gross Profit	7	70	+880.5%
	Operating Income	-42	-24	-42.8%

※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	3	0.05	9,900.00	6.67	4	0.07	12,575.00	8.47	3	0.05	1,686	1.14
Insurance/Non-life 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	0.05	1,882.00	1.27	3	0.06	6,832.00	4.60	2	0.04	1,846	1.24
Securities companies	18	0.29	2,331.00	1.57	13	0.23	5,534.00	3.72	18	0.32	1,897	1.28
Other corporations	40	0.64	12,508.00	8.42	32	0.59	11,822.00	7.96	34	0.61	12,389	8.34
Foreign corporations	18	0.29	1,213.00	0.82	15	0.28	1,947.00	1.31	8	0.14	257	0.17
Individual / others	6,205	98.68	106,140.00	71.47	5,359	98.75	95,264.00	64.14	5,549	98.82	107,899	72.65
Treasury stock	1	0.02	14,541.00	9.79	1	0.02	14,541.00	9.79	1	0.02	22,541	15.18
Total	6,288	100.00	148,515.00	100.00	5,427	100.00	148,515.00	100.00	5,615	100.00	148,515.00	100.00
Big shareholders	10	0.15	56,406.00	37.98	10	0.18	66,227.00	44.59	10	0.17	51,088	34.39
Fund	1	0.01	1,700.00	1.14	2	0.03	3,575.00	2.40	2	0.03	1,186	0.79
Floating stocks	5,999	95.40	40,244.00	27.09	5,186	95.55	34,144.00	22.99	5,331	94.94	35,428	23.85
Special socks	15	0.23	71,737	48.30	16	0.29	81,423.00	54.82	16	0.28	74,589	50.22

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
Divided price (yen)	3,500 yen	1,500 yen	2,000 yen	625 yen	950 yen	380yen	340yen
Payout ratio (%)	16.4%	16.2%	25.0%	23.8%	74.1%	24.2%	25.4%

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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