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Notice of Changes to Forecast of Annual Consolidated and Non-consolidated Results for Fiscal Year 2007

The forecast of the Corporation's annual consolidated and non-consolidated results for fiscal year 2007 (from April 1, 2006 to March 31, 2007) published in its Summary of Consolidated Earning report for the Interim Period of Fiscal Year 2007 and Summary of Financial Statements for the Interim Period of the Fiscal Year 2007, both dated November 1, 2006, have been changed as follows:

1. Changes to Forecast of Annual Consolidated and Non-consolidated Results for Fiscal Year 2007

(1) Consolidated (April 1, 2006 – March 31, 2007)

(Units: millions of yen)

	Net Sales	Ordinary Income	Annual Net Income
Initial Forecast (A)	10,525	500	292
Current Forecast (B)	10,071	320	182
Increase(Decrease) (B – A)	△454	△180	△110
YoY	△4.3%	△36.0%	△37.7%
《Reference》 FY2006 full Year (April 1, 2005 – March 31, 2006)	8,963	637	371

(2) Non-Consolidated (April 1, 2006 – March 31, 2007)

(Units: millions of yen)

	Net Sales	Ordinary Income	Annual Net Income
Initial Forecast (A)	8,138	289	166
Current Forecast (B)	8,013	208	120
Increase(Decrease) (B – A)	△125	△81	△46
YoY	△1.5%	△28.0%	△27.7%
《Reference》 FY2006 full Year (April 1, 2005 – March 31, 2006)	7,294	524	308

2. Reasons for Changes

Regarding sales, mobile business was steady. Kanto region sales, initially slow in the first half, have trended toward recovery; business was good throughout the year for Japan as a whole. The digital and financial businesses floundered, however, as a major promotional campaign failed to produce substantial new orders. As a result, sales are now expected to be below the forecast announced on November 1, 2006.

As for ordinary income and net Income, orders from the major promotion, which would have yielded high profit margins, were insufficient. This combined with the increase in the percentage of sales in the digital area from clients where product margins are low and subcontract rate is high, resulted in a relatively lower gross profit margin. Also, although sales and administrative expenses were kept within the amended budget, the ratio of these expenses to sales rose because of lagging sales.

For the above reasons, the numbers forecast for the full fiscal year ended March 2007 (consolidated) are all being adjusted downward: sales -- ¥10,071 million (95.7% of original plan), ordinary income -- ¥320 million (64.0% of original plan), current net Income-- ¥182 million (62.3% of original plan).

The numbers for the full fiscal year ended March 2007 (non-consolidated) are also all being adjusted downward: sales -- ¥8,013 million (98.4% of original plan), ordinary income -- ¥208 million (71.9% of original plan), current net earnings -- ¥120 million (72.2% of original plan).

In view of our financial condition and our fundamental profit distribution policy of stable return for our shareholders, we are planning to keep dividend pay-out for the year at ¥950 per share (72.5% of forecast consolidated payout ratio) as announced at the beginning of the fiscal year.

* This financial forecast was prepared based on information available as of its date of issue and contains elements of uncertainty. Actual performance may differ from the above forecast due to changes in business conditions and other unpredictable factors.

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