

■Financial Highlights of the FY2010 1Q Earnings

FY2010 Earnings Sales for the first quarter of the FY2010

Net sales decrease 4.8% year-on-year, operating income decrease 19.7%

The Backs Group consolidated earnings for the First Quarter of the FY2010 (from April 1, 2009, to June 30, 2009) have been finalized, and are summarized here. For details please refer to the Summary of Consolidated Earnings Report for the First Quarter of the Fiscal Year Ending March 31, 2010.

Financial Highlight

- Results for the first quarter of the fiscal year ending March 2010 term were a decrease of 4.8% for sales, a decrease of 19.7% for operating income, a decrease of 19.1% for ordinary income, and a decrease of 26.3% for net income, all figures compared to the corresponding period of the previous fiscal year.

[Causes]

- Sales in the mobile communications segment decreased 1.9% 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. Meanwhile, sales in the digital consumer electronics segment decreased 8.3% year on year as a result of a decline in seasonal campaign-related demand, in addition to a decrease in orders under some large-scale contracts. Sales in the financial segment decreased 44.7% year on year, due to a decline in nationwide contracts involving credit-card promotion operations, despite continuing efforts since the previous period to secure orders from existing blue-chip customers. Sales in the financial segment decreased 44.7% year on year, due to a decline in nationwide contracts involving credit-card promotion operations, despite continuing efforts since the previous period to secure orders from existing blue-chip customers. Sales in the new business segment increased 7.6% year on year, owing to the successful growth of the temporary staffing business targeted at the music industry.
 - Gross profit decreased 1.8 points year on year (gross profit margin of 23.0%) as a result of a decrease in sales pursuant to some large-scale contracts in the digital consumer electronics segment, in addition to an increase in the percentage of total sales that the temporary staffing business accounts for.
 - Selling, general and administrative expenses decreased 1.4 points year on year (consolidated SG&A: 20.6%), owing to the effects of efforts made during the previous period to improve business efficiency by consolidating and abolishing subsidiaries and business sites.
- The FY2010 Interim budget achievement rate are 46.3% for net sales, 43.6% for gross profit, 42.7% for operating income, 54.4% for ordinary income, and 57.5% for net income.

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

(Units : Millions of yen)

	FY2009 1Q	FY2010 1Q	Y on Y	FY2010 Interim budget	Progress Ratio for Interim forecasts
Sales	3,174	3,021	-4.8%	6,530	46.3%
Gross profit on sales	787	694	-11.8%	1,590	43.6%
(Gross profit margin)	(24.8%)	(23.0%)	-1.8ppts	(24.4%)	—
(SG&A ratio)	(22.0%)	(20.6%)	-1.4ppts	(22.3%)	—
Operating income	90	72	-19.7%	135	53.6%
(Operating income margin)	(2.8%)	(2.4%)	-0.4ppts	(2.1%)	—
Ordinary Income	89	72	-19.1%	132	54.4%
Net Income	48	35	-26.3%	62	57.5%

■Results by segment

①By business segment

(Units : Millions of yen)

	Sales			Operating income		
	FY2009 1Q	FY2010 1Q	% Change	FY2009 1Q	FY2010 1Q	% Change
Outsourcing Business	1,421	1,051	-26.1%	76	49	-35.6%
Temporary Staffing Business	1,752	1,970	+12.5%	69	90	+30.1%

*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)

	FY2009 1Q	FY2010 1Q	% Change
Kanto Region*1	1,961	1,887	-3.7%
National*2	1,213	1,133	-6.5%

*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)

	FY2009 1Q	FY2010 1Q	% Change
Mobile telecommunications*1	1,648	1,617	-1.9%
Digital consumer electronics*2	910	835	-8.3%
Financial services*3	176	97	-44.7%
New Sectors*4	438	471	+7.6%

*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 First Quarter of the Fiscal Year Ending March 31, 2010, page 4-5.

■ Cash flows

For details please refer to the Summary of Consolidated Earnings Report for the First Quarter of the Fiscal Year Ending March 31, 2010, Page 5-6 and Statements of Cash Flows page 10.

(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

Backs Group Inc. Business Planning Department

Ebisu Business Tower 14F, 1-19-19 Ebisu, Shibuya-ku, Tokyo 150-0013

TEL:03-5793-7836 FAX:03-5793-7964

e-mail:backs-ir@backs.co.jp

URL: <http://www.backs.co.jp/ir/index.html>