

■Financial Highlights of the FY2010 Earnings

Earnings Sales for the FY2010

Net sales decrease 9.6% year-on-year, operating income decrease 34.2%

The Backs Group consolidated earnings for the FY2010 (from April 1, 2009, to March 31, 2010) 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, 2010.

Financial Highlight

- Results for the fiscal year ending March 2010 term were a decrease of 9.6 % for sales, a decrease of 34.2% for operating income, a decrease of 33.3% for ordinary income, and a decrease of 10.5% for net income, all figures compared to the corresponding period of the previous fiscal year.

[Causes]

- In the mobile communications segment, retail support and sales promotion campaign contracts decreased significantly in connection with stagnant mobile phone sales attributable to slumping personal consumption and changes in the form of sales, as a result, net sales decreased by 6.4% year on year. In the digital consumer electronics segment, demands for campaigns, the strength of the Group, tended to decrease due to the reduction by manufacturers of selling, general and administrative expenses, and, as a result, net sales decreased by 5.3% year on year. In the financial service segment, efforts were made to enhance the specialization of staff, for example, by reinforcing training/education on compliance. However, due to a decrease in the number of new stores opening in shopping malls and the ongoing efforts by credit card companies to reduce sales promotion and other costs related to the acquisition of cardholders, net sales decreased significantly by 33.9% year on year. In the new business segment, demand for temporary staff increased as retail chains opened branch shops handling low-price clothing and other products, while demand in the music industry remained stagnant due to sluggish music sales and that in distribution channels decreased. As a result, net sales declined 17.9% year on year.
 - The gross profit margin on sales decreased 1.8 points year on year (gross profit margin: 22.4%), due to a drop in sales promotion campaigns in the mobile communications segment attributable to a decline in the number of mobile phones sold, as well as a decrease in the sales of wide-area contracts in the digital consumer electronics segment.
 - Selling, general and administrative expenses during the consolidated fiscal year under review decreased 0.9 points year on year, owing to the effects of efforts to reduce fixed costs by abolishing and consolidating business sites, reducing recruitment costs by improving recruiting efficiency, and implementing Group-wide cost reduction activities.
- The FY2010 budget achievement rate are 98.4% for net sales, 98.6% for gross profit, 94.8 % for operating

income, 95.0% for ordinary income, and 88.3% for net income.

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

(Units : Millions of yen)

	FY2009	FY2010	Y on Y	FY2010 Full term budget	Progress Ratio for fullterm forecasts
Sales	13,060	11,811	-9.6%	12,000	98.4%
Gross profit on sales	3,163	2,641	-16.5%	2,680	98.6%
(Gross profit margin)	(24.2%)	(22.4%)	-1.8ppts	(22.3%)	—
(SG&A ratio)	(20.8%)	(19.9%)	-0.9ppts	(19.7%)	—
Operating income	448	294	-34.2%	311	94.8%
(Operating income margin)	(3.4%)	(2.5%)	-0.9ppts	(2.6%)	—
Ordinary Income	447	298	-33.3%	314	95.0%
Net Income	177	159	-10.5%	180	88.3%

* FY2010 Full-Year Forecast is based on the figures announced in the Notice of Revision of the Full-Term Consolidated Performance Forecast and the Fiscal Year-End Dividend Forecast announced on January 12, 2010.

■Results by segment

①By business segment

(Units : Millions of yen)

	Sales			Operating income		
	FY2009	FY2010	% Change	FY2009	FY2010	% Change
Outsourcing Business	5,076	4,373	-13.8	302	231	-23.5
Temporary Staffing Business	7,983	7,437	-6.8	397	320	-19.4

*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	FY2010	% Change
Kanto Region*1	7,933	7,242	-8.7
National*2	5,126	4,569	-10.9

*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	FY2010	% Change
Mobile telecommunications*1	6,662	6,232	-6.4%
Digital consumer electronics*2	3,589	3,399	-5.3%
Financial services*3	787	520	-33.9%
New Sectors*4	2,021	1,659	-17.9%

*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, 2010, page 5-7.

■ Cash flows

For details please refer to the Summary of Consolidated Earnings Report for the Fiscal Year Ending March 31, 2010, Page 8 and Statements of Cash Flows page 21.

(Reference)

■ Outlook for the current term (FY 2011)

(Units : Millions of yen)

	FY2010 Actual	FY2011 Full year forecasts	% Change
Sales	11,811	11,911	+0.8%
Gross profit on sales	2,641	2,755	+4.3%
(Gross profit margin)	(22.4%)	(23.1%)	+0.7ppts
(SG&A ratio)	(19.9%)	(20.9%)	+1.0ppts
Operating income	294	261	-11.4%
(Operating income margin)	(2.5%)	(2.2%)	-0.3ppts
Ordinary Income	298	261	-12.5%
Net Income	159	132	-17.0%

【Disclaimer】

This document contains forward looking statements with respect to, current management plans, strategies and beliefs that are not historical facts. All such forward looking statements were based on management's assumptions, projections and beliefs in light of the information currently available. There are a number of risks and uncertainties that could cause actual results to differ materially from those discussed in this document. This document is intended solely to provide information, and is not a solicitation to buy or sell securities. Backs Group assumes no liability whatsoever for any damages that may result from the use of information presented in this document.

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