

BACKS GROUP Inc.

**Presentation of Results for
the Third Quarter of the Fiscal Year Ended March 31, 2011**

February 1, 2011



Table of Contents

Page

Highlights

Results Highlights

3

Strategies

Strategies

13

References

References

18

Shareholders

Shareholders

27





Results Highlights



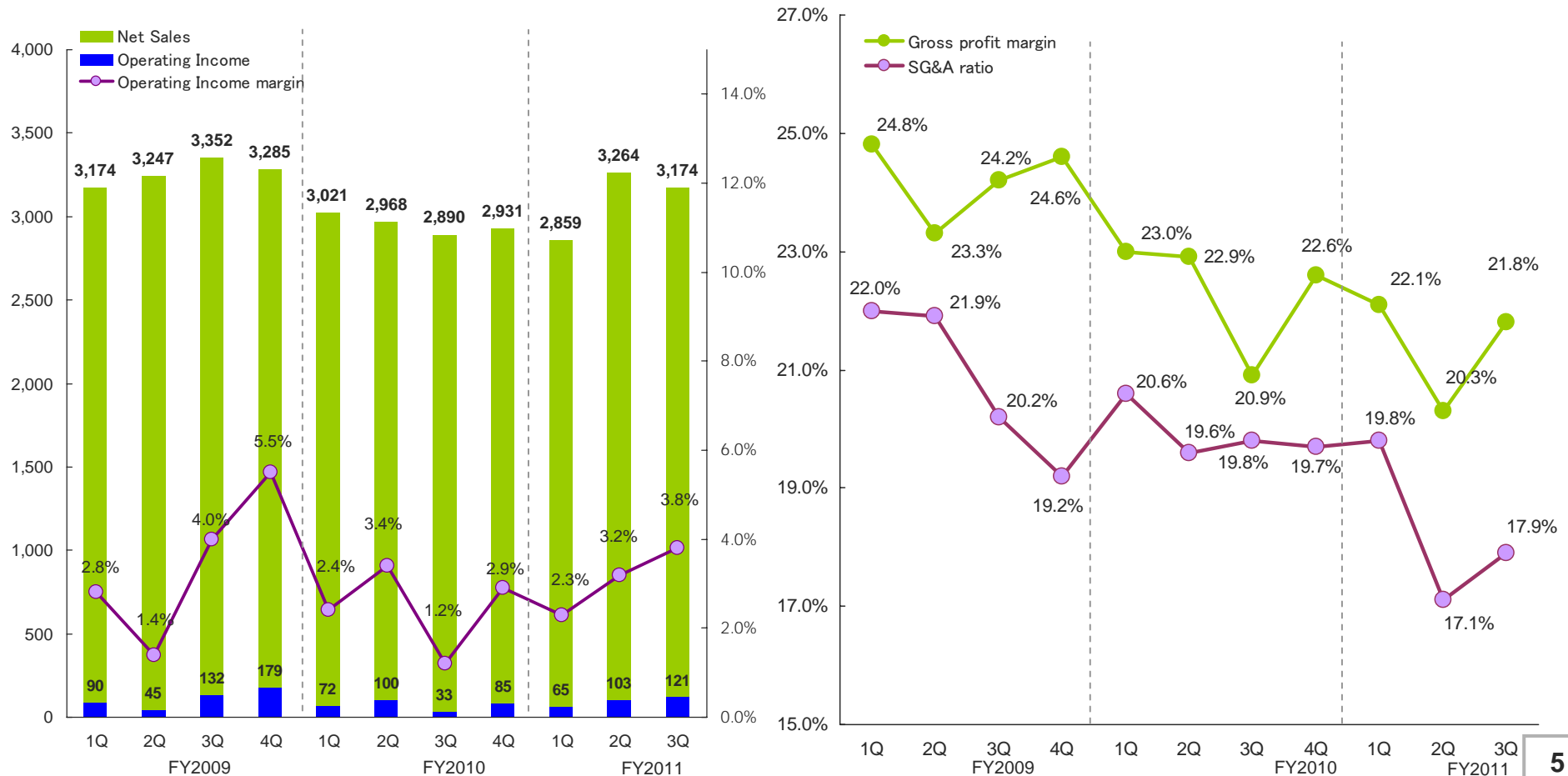
FY2011 3Q Results Highlights

【Unit : million of yen】	FY2010 3Q	FY2011 3Q	Y on Y	Progress ratio for fullterm forecasts
N e t S a l e s	8,880	9,298	4.7%	74.4%
G r o s s P r o f i t	1,979	1,984	0.3%	75.2%
(Gross profit margin)	(22.3%)	(21.3%)	-0.9ppts	-
(S G & A r a t i o)	(19.9%)	(18.2%)	-1.8ppts	-
O p e r a t i n g I n c o m e	208	293	40.7%	84.0%
(Operating income margin)	(2.4%)	(3.2%)	0.8ppts	-
O r d i n a r y I n c o m e	212	284	34.2%	83.7%
N e t I n c o m e	109	148	35.5%	78.4%

Profitability – Quarterly Basis





● **Gross profit margin:** Recovered by 1.5 points, due to steady performance attributable to orders received for wide-area batch consignment contracts on an ongoing basis .

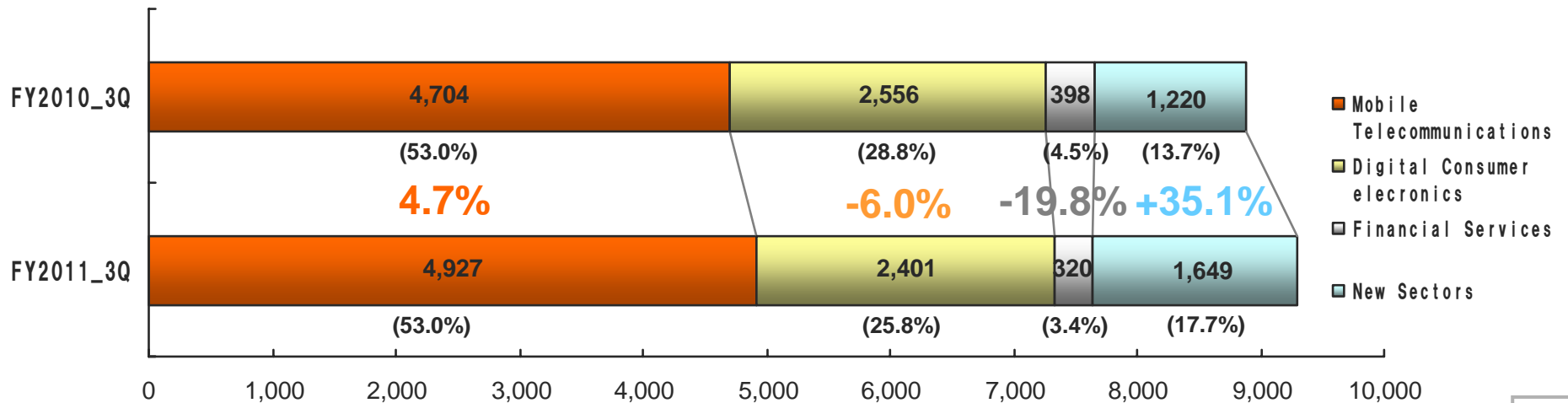
● **SG & A ratio** : Increased by 0.8 points despite continued efforts to reduce costs by streamlining business operations .



Sales by Customer Segment

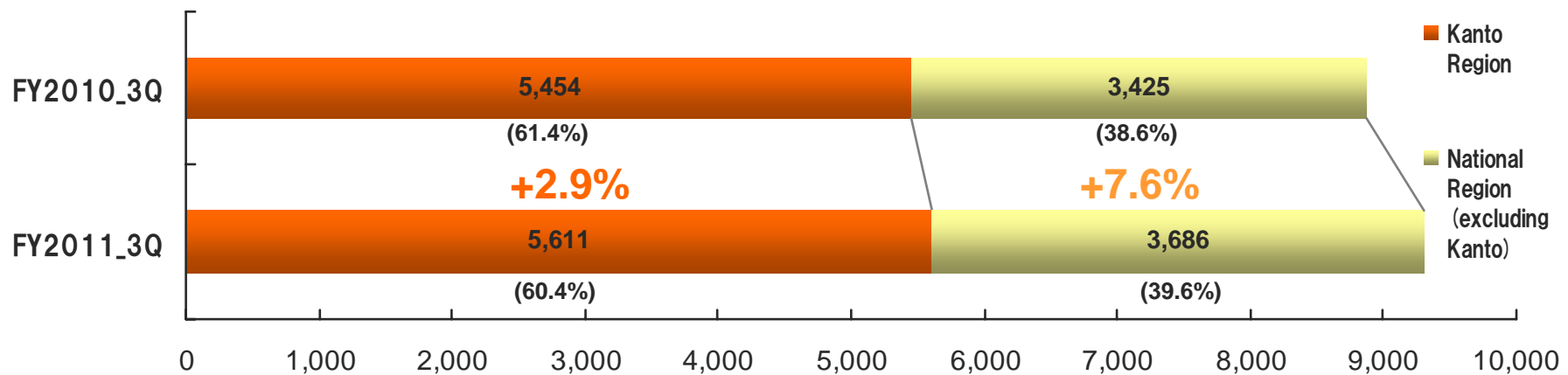
【Unit : Million of yen】

	FY2010 3Q	Share	FY2011 3Q	Share	Y on Y
 M o b i l e Telecommunications	4,704	53.0%	4,927	53.0%	4.7%
 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	2,556	28.8%	2,401	25.8%	-6.0%
 F i n a n c i a l S e r v i c e s	398	4.5%	320	3.4%	-19.8%
 N e w S e c t o r s	1,220	13.7%	1,649	17.7%	35.1%



Sales by Geographic Region

[Unit : million of yen]	FY2010 3Q	Share	FY2011 3Q	Share	Y on Y
Kanto Region (o f f i c e s)	5,454 (11)	61.4%	5,611 (11)	60.4%	2.9% (±0)
National (excluding Kanto) (o f f i c e s)	3,425 (15)	38.6%	3,686 (14)	39.6%	7.6% (-1)



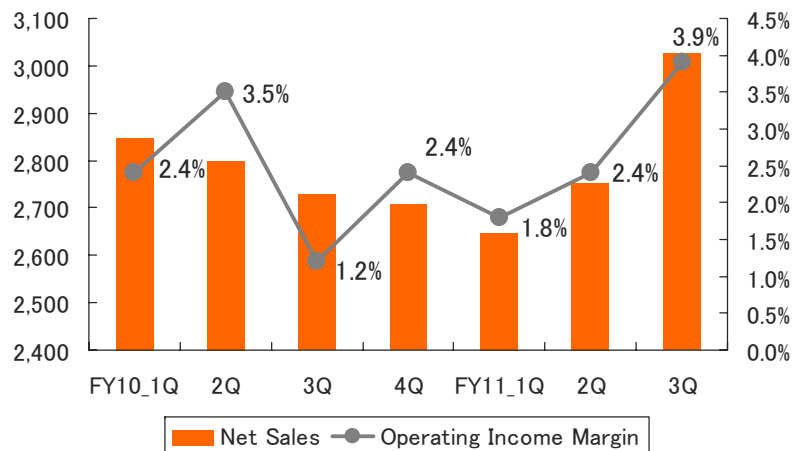
Overview of Group

		FY2010 3Q	FY2011 3Q	Y on Y
Backs group (non consolidated)	Net Sales	8,377	8,444	0.8%
	Operating Income	200	247	23.7%
Consolidated subsidiary	Net Sales	522	966	85.0%
	Operating Income	10	62	499.3%

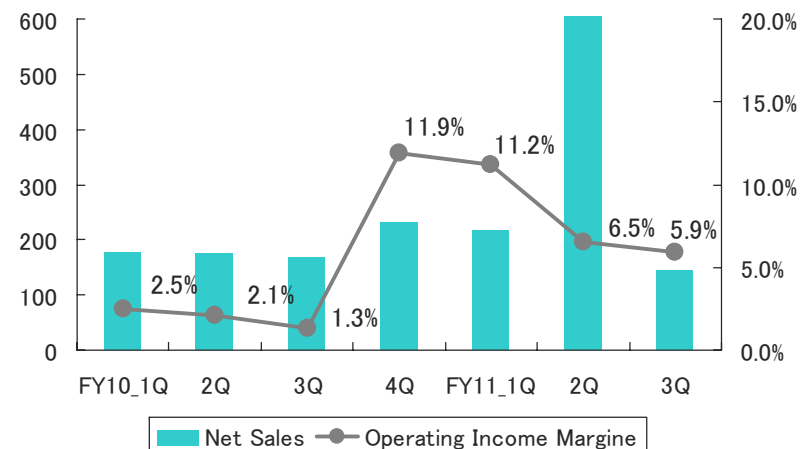
[Unit : million of yen]

■ Net Sales and Operating Income Margin
-Quarterly Basis-

Backs Group (non consolidated)



Consolidated subsidiary



Overview of Business Segment

	FY2010 3Q	FY2011 3Q	Y on Y
【Unit : million of yen】			
Net Sales	3,265	4,031	23.4%
(Share)	(36.8%)	(43.4%)	
Operating Income	109	171	56.7%
(Operating margin)	(3.3%)	(4.2%)	0.9ppts
Net Sales	5,614	5,267	-6.2%
(Share)	(63.2%)	(56.6%)	
Operating Income	99	122	23.2%
(Operating margin)	(1.8%)	(2.3%)	0.5ppts

Outsourcing

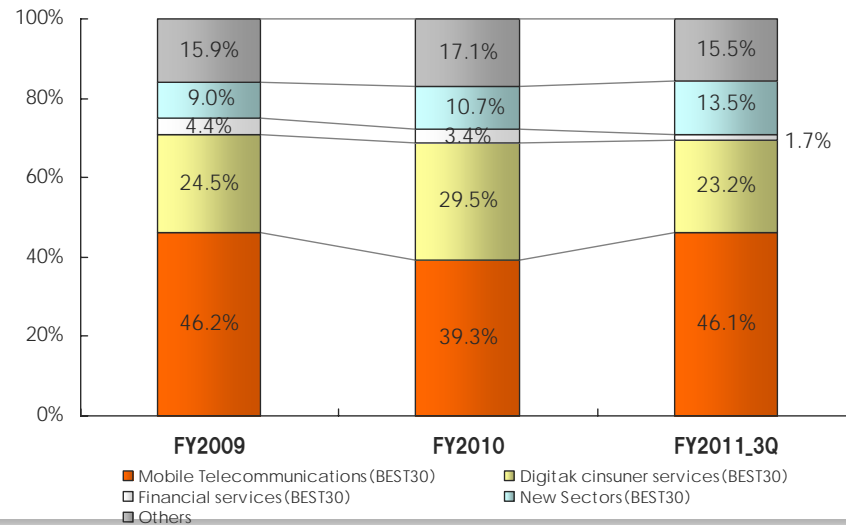
Temporary Staffing

Top 30 Customers -Sales

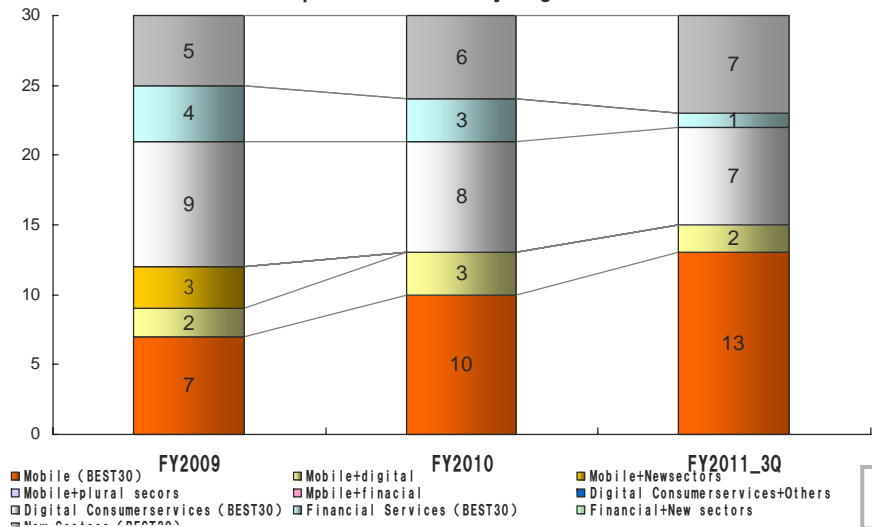
【Unit : million of yen】	FY2009			FY2010			FY2011_3Q			Y on Y
	Net Sales	Share	Firm	Net Sales	Share	Firm	Net Sales	share	Firm	
Mobile Telecommunications	6,035	46.2%	12	5,448	46.1%	13	4,285	46.1%	15	3.5%
Digital consumer services	3,201	24.5%	12	3,014	25.5%	11	2,153	23.2%	9	-2.9%
Financial Services	572	4.4%	4	377	2.9%	3	160	1.7%	1	-49.3%
New Sectors	1,176	9.0%	8	1,051	8.9%	6	1,254	13.5%	7	60.4%
Top Thirty Total	10,986	84.1%	30	9,792	82.9%	30	7,853	84.0%	30	5.3%
Others	2,073	15.9%	451	2,019	17.1%	469	1,444	16.0%	432	1.4%
Total	13,060	100.0%	481	11,811	100.0%	499	9,298	100.0%	462	4.7%

※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



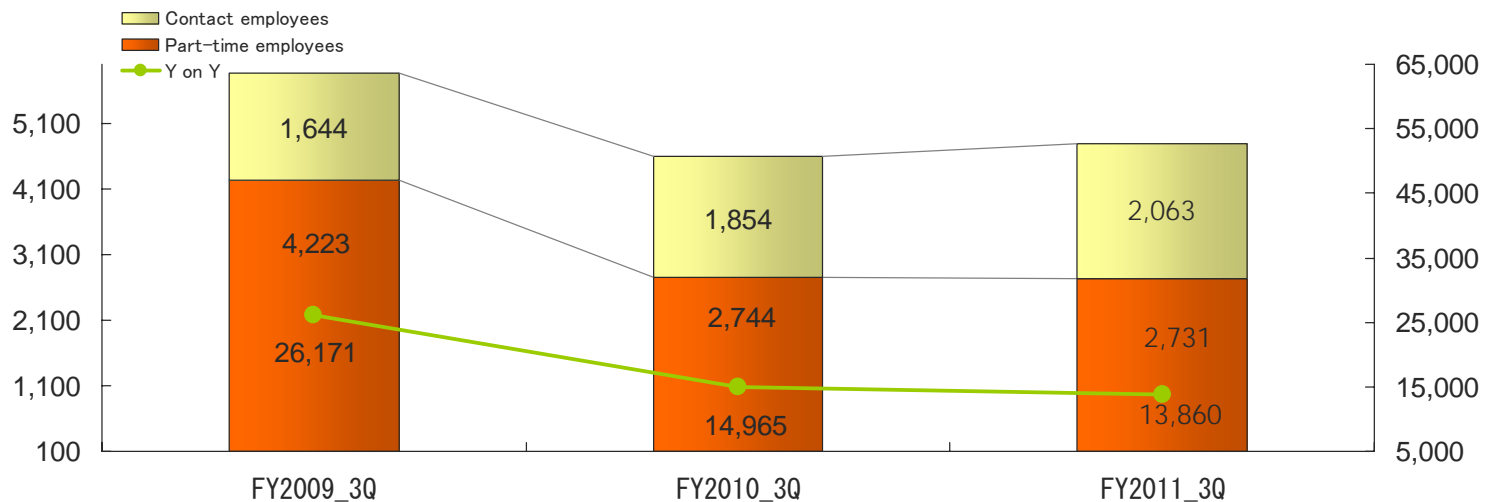
Breakdown to Top 30 Customers by Segment



Number of Staff

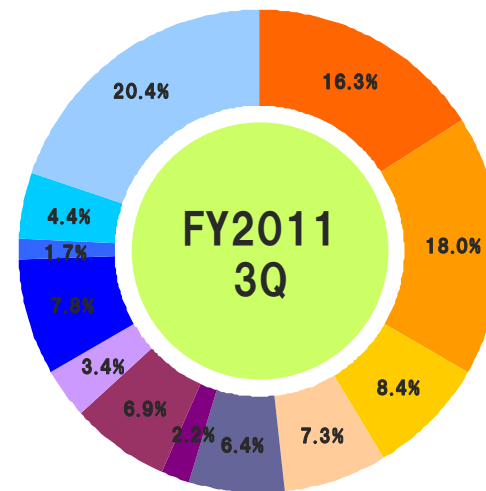
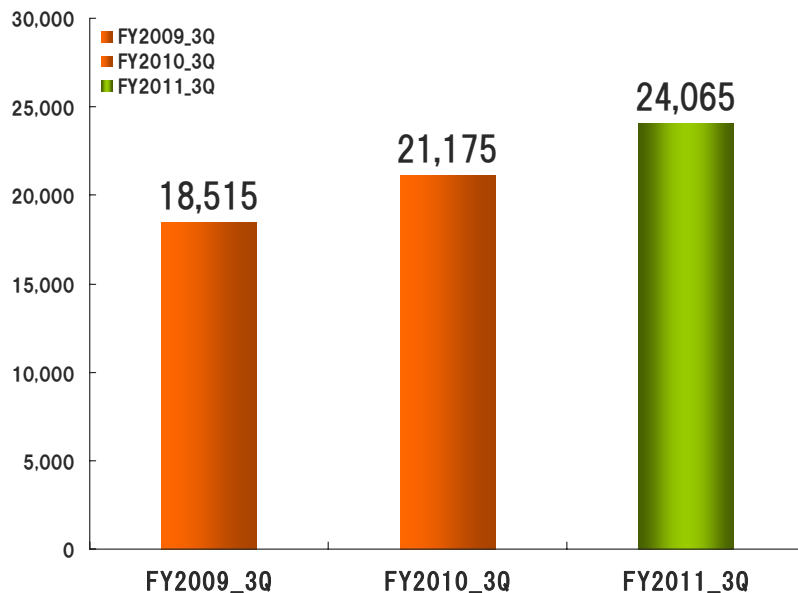
【UNIT: million of yen, person】

	FY2009 3Q	FY2010 3Q	FY2011 3Q
Active Staff (monthly average)	5,867	4,598	4,749
(Contact employees)	1,644	1,854	2,063
(Part-time employees)	4,223	2,744	2,731
Avg. sales amount per person	185	214	215
Registered staff	91,646	106,611	120,471
(Y on Y)	+26,171	+14,965	+13,860



Total number of stores serviced

	FY2009 3Q	FY2010 3Q	FY2011 3Q
Total number of stores	18,515	21,175	24,065
(Y on Y)	+3,769	+2,660	+2,890



- Consumer electronics, camera and computer
- Food Supermarkets
- Drugstores
- Mobile phone stores
- Mobile phone carrier outlet
- liquor retailers
- Home improvement retailers
- Videos, CDs, books (including rentals)
- Gasoline Stands
- Car and bike shops
- Convenience stores
- Others



Strategies



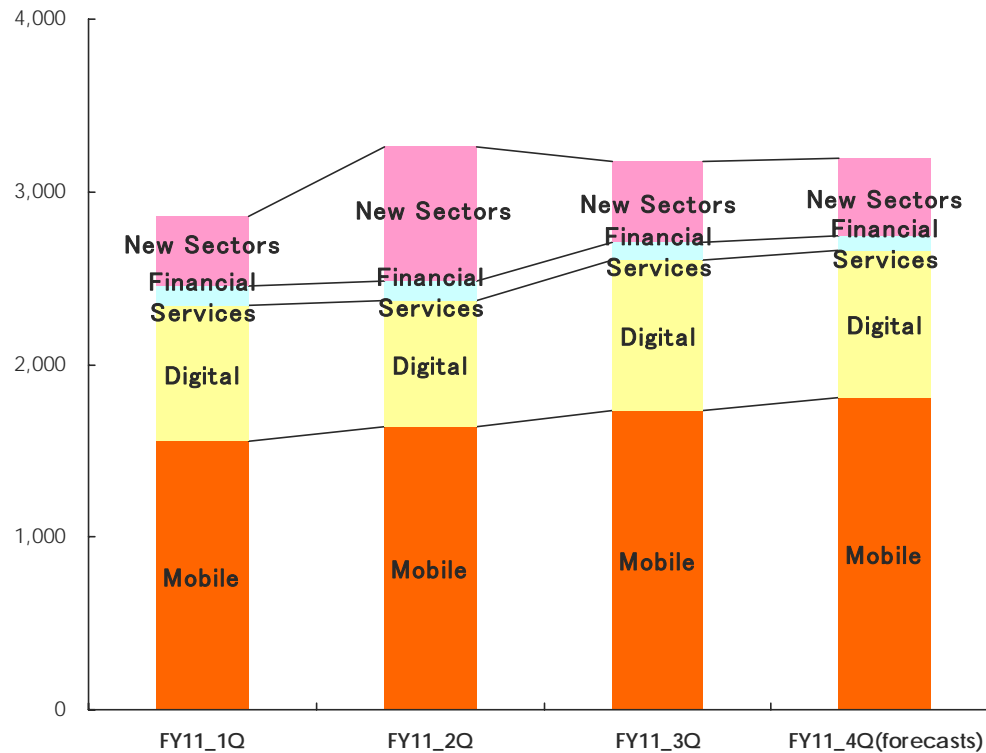
FY2011 Full year Forecasts

[Unit : million of yen]	FY2010 (Actual)	FY2011 (Forecasts)	Y on Y
N e t S a l e s	11,811	12,490	5.7%
G r o s s P r o f i t	2,641	2,640	-0.1%
(Gross profit margin)	(22.4%)	(21.1%)	-1.2ppts
(S G & A r a t i o)	(19.9%)	(18.3%)	-1.5ppts
O p e r a t i n g I n c o m e	294	350	18.8%
(Operating income margin)	(2.5%)	(2.8%)	0.3ppts
O r d i n a r y I n c o m e	298	340	14.0%
N e t I n c o m e	159	190	19.5%

Strategies –Sales by Customer Segment–

Sales by customer segment

【Unit : Million of yen】



【 Mobile Telecommunications 】

- ① Improve profit margin through stable secretariat operation by leveraging accumulated know-how .
- ② Promote the receipt of orders for spring campaigns, mainly of smart phones and other new models, as well as provide education and training to allow staff to acquire specialized knowledge.

【 Digital Consumer electronics 】

- ① Enhance customer satisfaction regarding wide-area batch consignment contracts by improving quality .

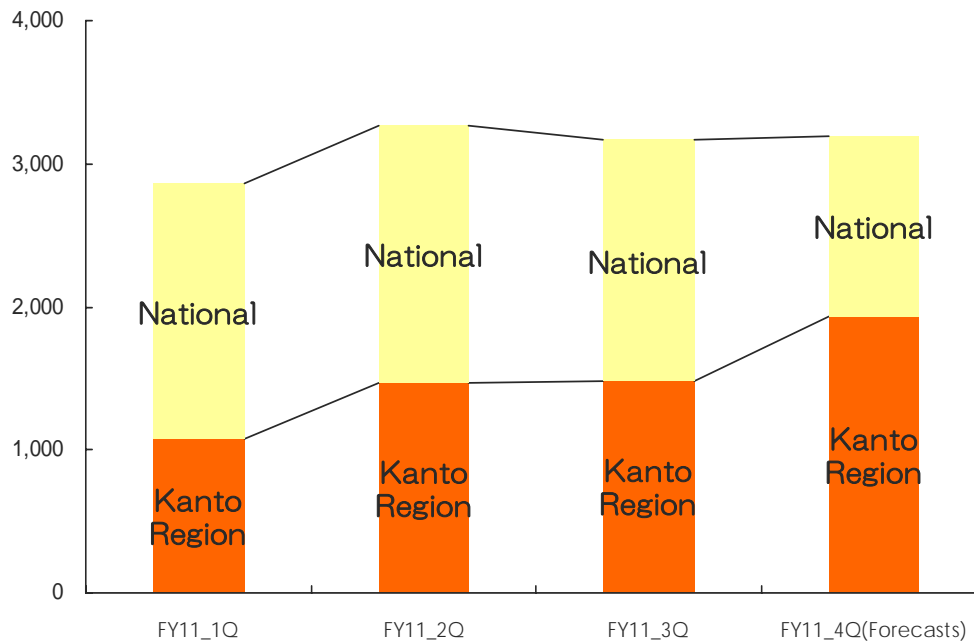
【 New Sectors 】

- ① Horizontal dissemination of know-how on in-store promotion to other businesses.
- ② Increase orders received through collaboration with Group companies.

Strategies –Sales by Geographic Region–

Sales by geographic region

【Unit : Million of yen】



【Kanto Region】

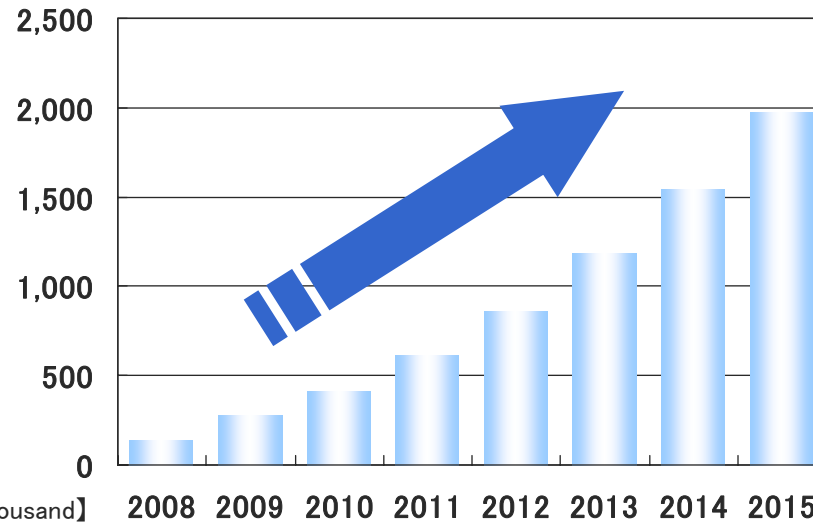
Seek to spread business nationwide by acquiring consignment contracts for new product campaigns.

【National (excluding Kanto)】

Seek to expand consignment areas through high-quality secretariat operations.

Market Forecast for High Functionality Terminals

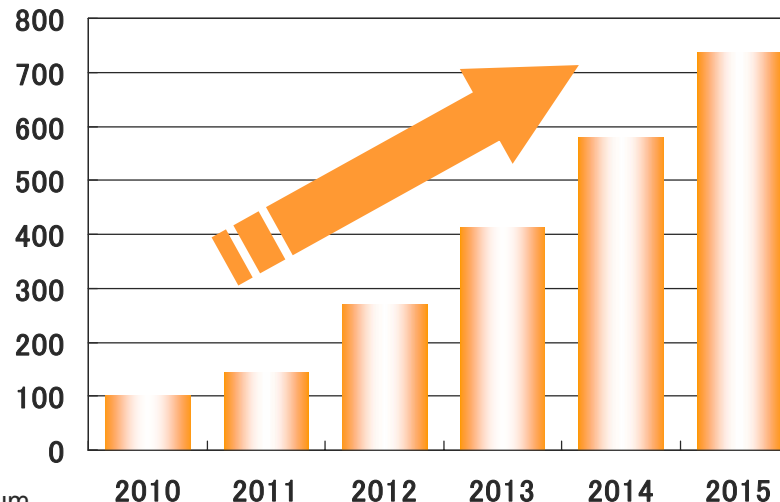
Smart phone shipment



**Average growth rate (5 years)
Consumer: 41%**

【Unit: 10 thousand】

Tablet PC shipment



**Average growth rate (5 years)
Consumer: 46%**

Source: Mobile Computing Promotion Consortium, "Global Dynamism: Press Release on Latest Smartphone and Tablet Market Forecasts"



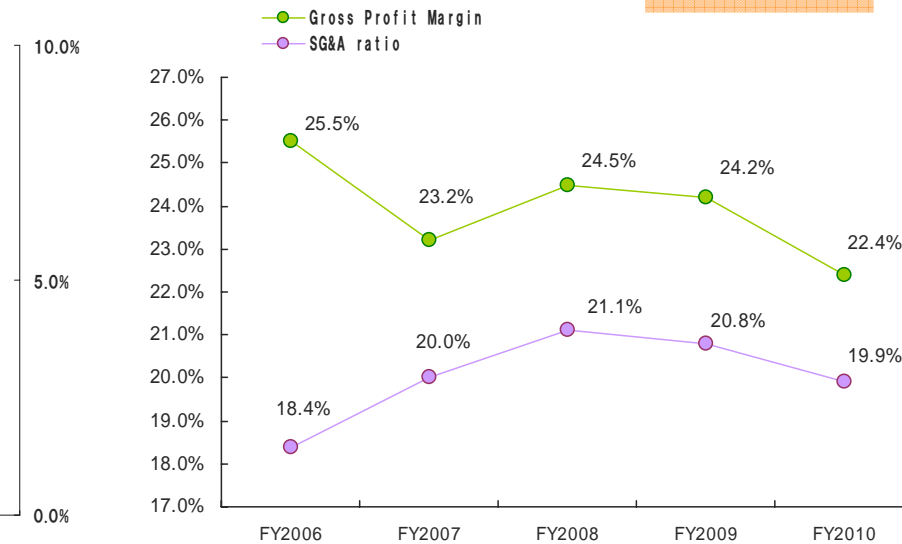
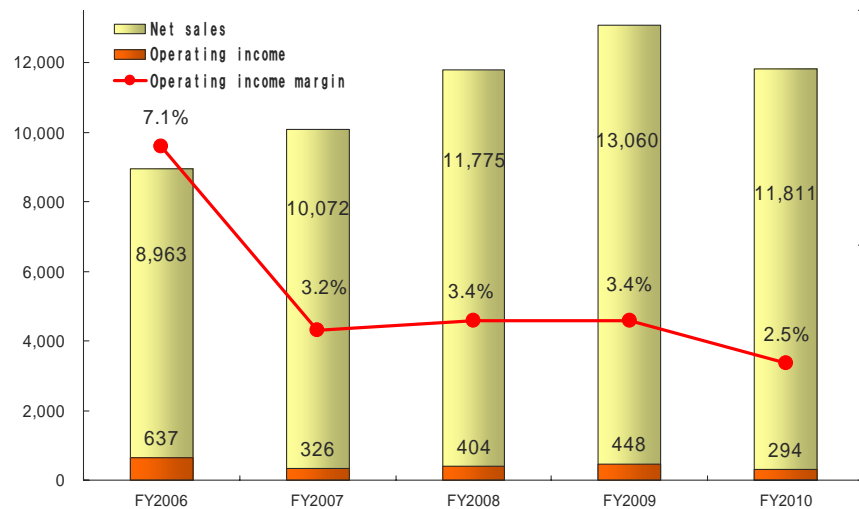
References



Performance Trends

【Unit: million of yen】

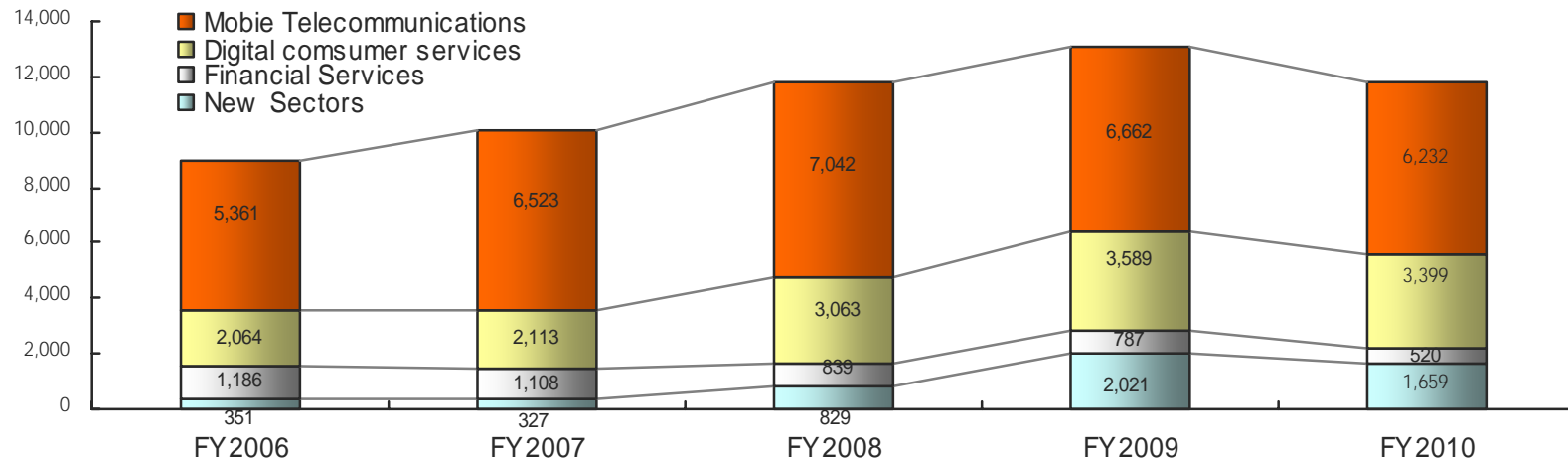
	FY2006	FY2007	FY2008	FY2009	FY2010
Net Sales	8,963	10,072	11,775	13,060	11,811
Gross Profit	2,283	2,338	2,883	3,163	2,641
(Gross Profit Margin)	(25.5%)	(23.2%)	(24.5%)	(24.2%)	(22.4%)
(SG&A ratio)	(18.4%)	(20.0%)	(21.1%)	(20.8%)	(19.9%)
Operating Income	637	326	404	448	294
(Operating Income margin)	(7.1%)	(3.2%)	(3.4%)	(3.4%)	(2.5%)
Ordinary Income	637	319	401	447	298
Net Income	371	179	210	177	159



Sales by Customer Segment

【Unit: million of yen】

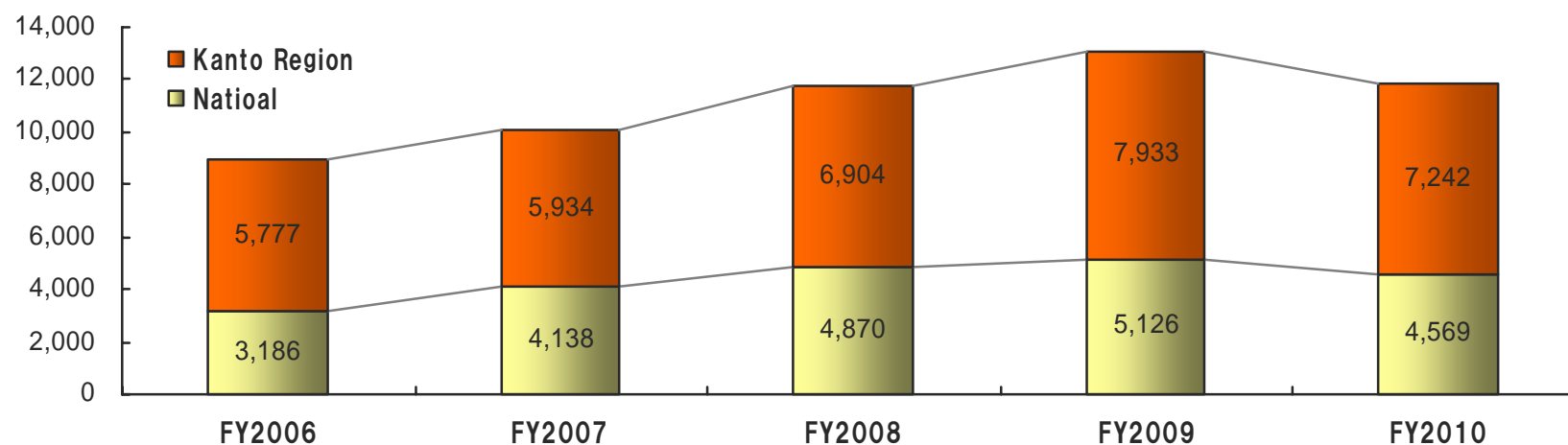
		FY2006	FY2007	FY2008	FY2009	FY2010
Mobile Telecommunications	Net Sales	5,361	6,523	7,042	6,662	6,232
	Share	59.8%	64.8%	59.8%	51.0%	52.8%
Digital consumer electronics	Net Sales	2,064	2,113	3,063	3,589	3,399
	Share	23.0%	21.0%	26.0%	27.5%	28.8%
Financial Services	Net Sales	1,186	1,108	839	787	520
	Share	13.2%	11.0%	7.1%	6.0%	4.4%
New Sectors	Net Sales	351	327	829	2,021	1,659
	Share	4.0%	3.3%	7.0%	15.5%	14.0%



Sales by Geographic Region

【Unit: million of yen】

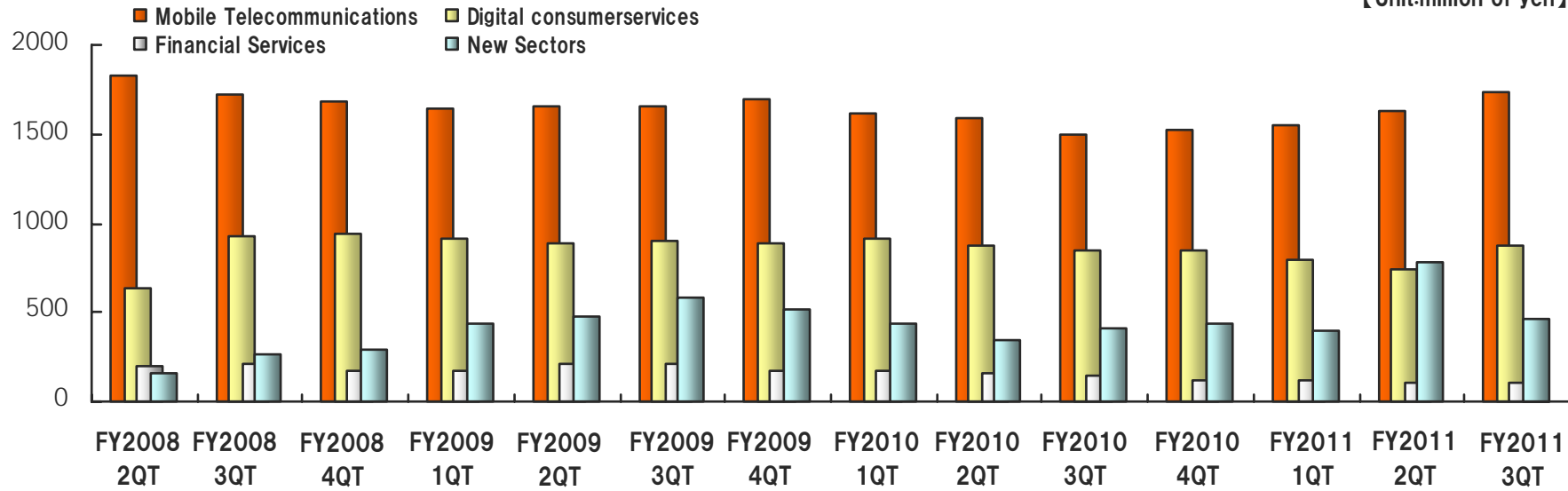
		FY2006	FY2007	FY2008	FY2009	FY2010
Kanto Region	Net Sales	5,777	5,934	6,904	7,933	7,242
	Share	64.5%	58.9%	58.6%	60.7%	61.3%
	Offices	(9)	(9)	(13)	(13)	(11)
National (excluding Kanto)	Net Sales	3,186	4,138	4,870	5,126	4,569
	Share	35.5%	41.1%	41.4%	39.3%	38.7%
	Offices	(13)	(14)	(20)	(17)	(15)



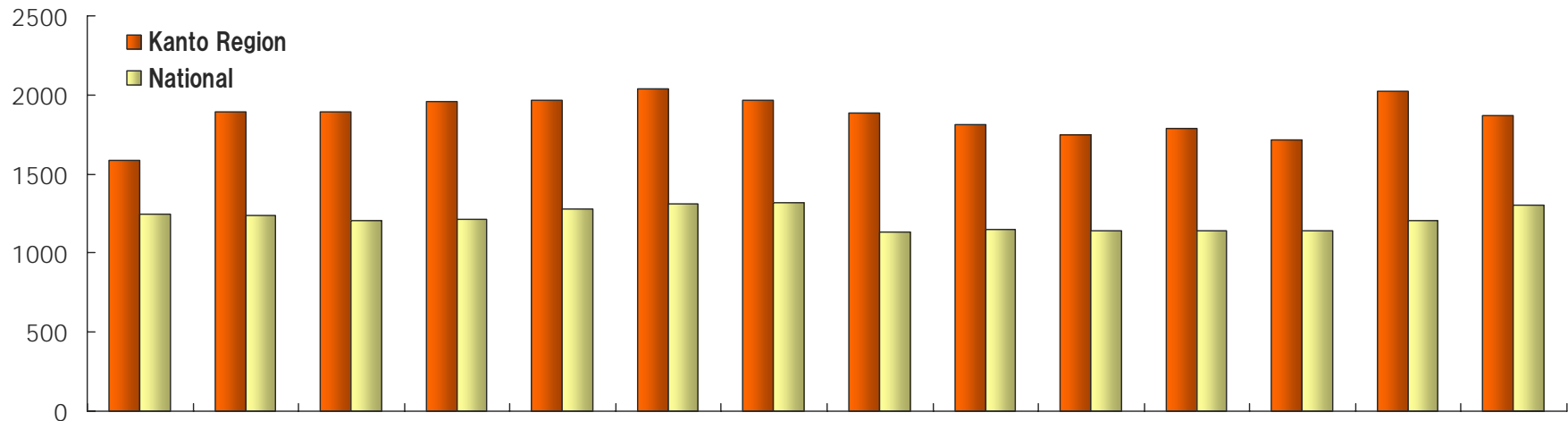
Quarterly Trends In Sales—by Customer Segment and Region

Sales by Customer Segment

[Unit:million of yen]



Sales by Geographic Region

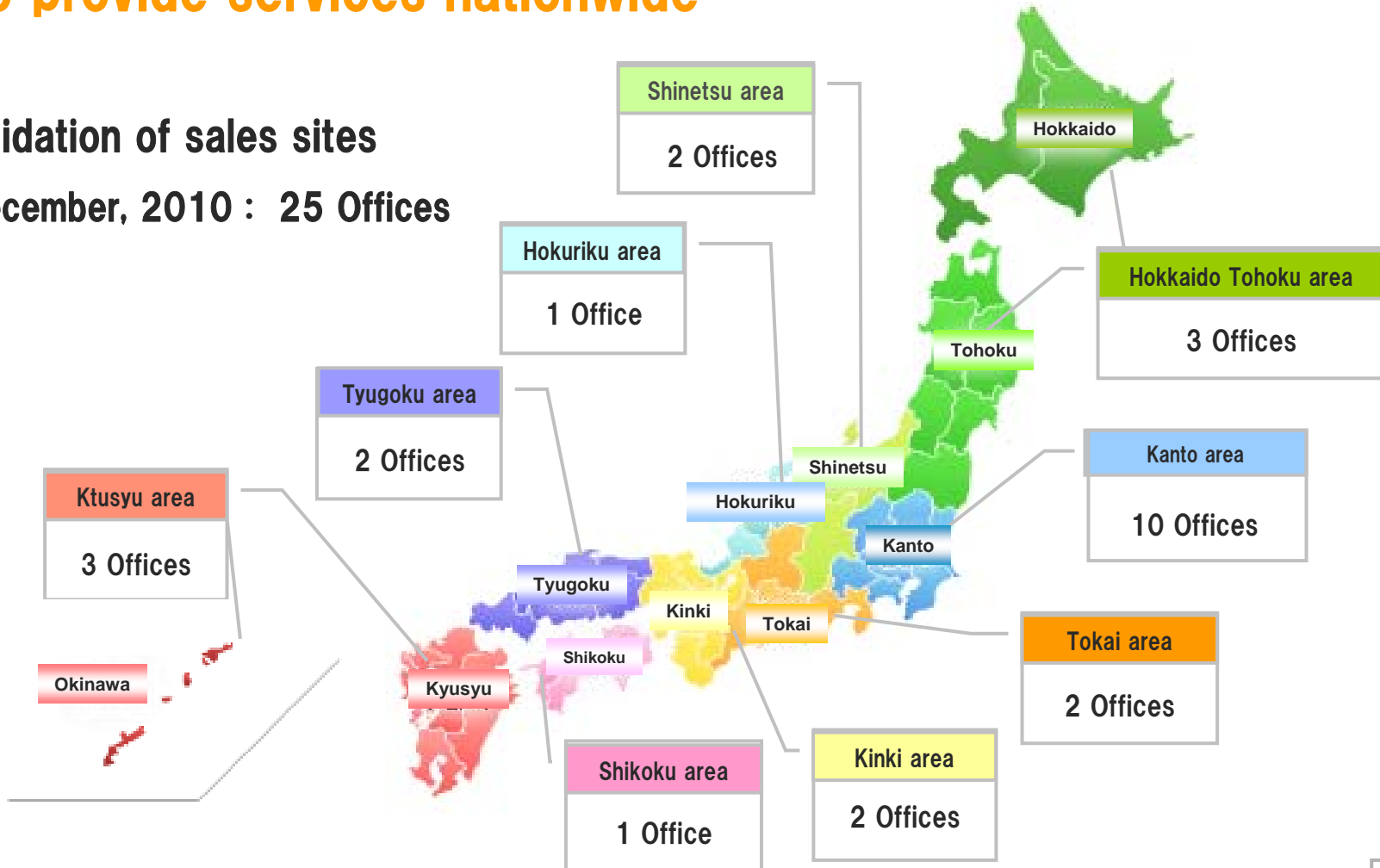


Sales sites

Able to provide services nationwide

● Consolidation of sales sites

As of December, 2010 : 25 Offices



Consolidated Cash Flows

【Unit: million of yen】	FY2010_3Q	FY2011_3Q	Y on Y	Changing Factors
Cash flows from operating activities	209	345	64.7%	This was primarily due to the ¥282 million in net quarterly income before taxes, ¥22 million in depreciation and amortization, ¥20 million in impact due to the adoption of the accounting standard for asset retirement obligations, and ¥17 million in amortization of goodwill.
Cash flows from investing activities	△91	△99	8.6%	This was due mainly to the payment of ¥50 million yen for the acquisition of shares of subsidiaries according to change in the scope of consolidation, as well as of ¥41 million for investments in securities.
Cash flows from financing activities	△45	△48	8.1%	This is due to the payment of ¥47 million dividend payment.
Cash and cash equivalents at the end of the period	1,046	1,220	16.6%	
Change in Cash and Cash Equivalents	72	196	170.0%	

Consolidated Statement of Cash Flows

【Unit: million of yen】	FY2006	FY2007	FY2008	FY2009	FY2010
Cash flows from operating activities	342	247	△14	346	129
Cash flows from investing activities	△101	△78	△112	△31	△34
Cash flows from financing activities	△92	79	△518	△169	△45
Cash and cash equivalents at the end of the period	1,226	1,474	828	973	1,023
Change in cash equivalents at the end of the period	+147	+248	△646	+145	+49

Sales and Profits Trends—by Group Company

【Unit: million of yen】		FY2010_3Q	FY2011_3Q	Y on Y
Backs Group	Net sales	8,377	8,444	0.8%
	Gross Profit	1,911	1,793	-6.2%
	Operating Income	200	247	23.7%
Entertainment Commons	Net sales	481	743	54.2%
	Gross Profit	56	58	4.6%
	Operating Income	0.3	19	- ※1
Smart Communications	Net sales	40	74	83.1%
	Gross Profit	18	26	42.2%
	Operating Income	10	14	48.7%

※1: The year-on-year change was omitted for Entertainment Commons, as it was more than 100%.

※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

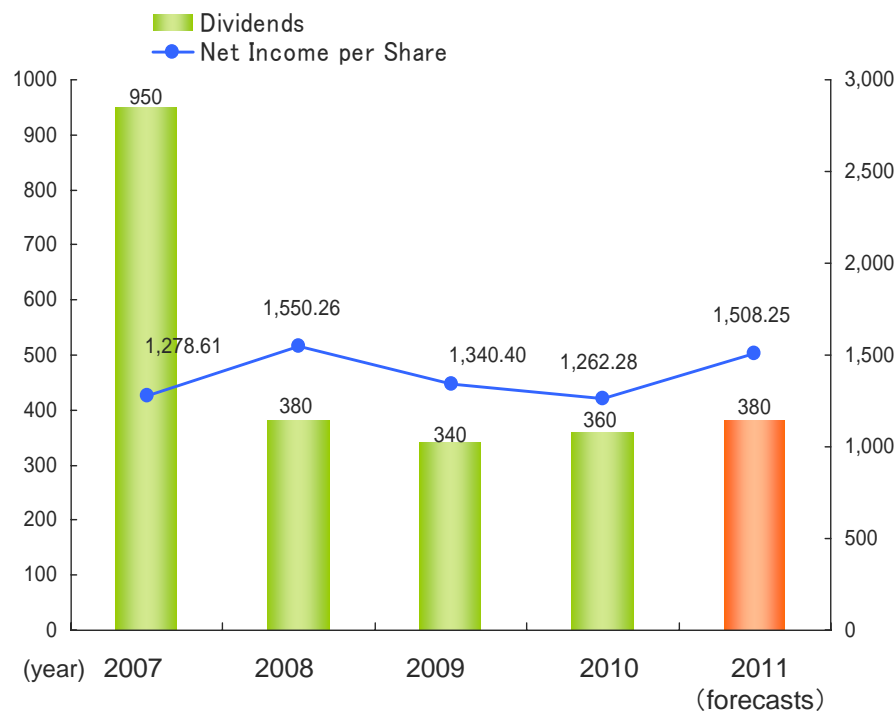


Shareholder Breakdown by Segment

Shareholder Segment	FY2010 Interim				FY2010				FY2011 Interim			
	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	0.00	0	0.00	0	0.00
Bank and trust companies	3	0.05	2,362	1.59	1	0.01	500	0.33	1	0.01	500	0.33
Insurance/Non-life insurance companies	0	0.00	0.00	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Other financial institutions	2	0.03	1,046	0.70	2	0.03	548	0.36	2	0.03	650	0.43
Securities companies	9	0.15	1,382	0.93	9	0.16	1,203	0.81	12	0.22	1,745	1.17
Other corporations	35	0.61	11,668	7.85	34	0.61	11,610	7.81	30	0.56	11,704	7.88
Foreign corporations	7	0.12	123	0.08	7	0.12	84	0.05	8	0.15	95	0.06
Individual / others	5,611	98.99	109,393	73.65	5,477	99.02	112,029	75.43	5,270	98.98	111,280	74.92
Treasury stock	1	0.01	22,541	15.17	1	0.01	22,541	15.17	1	0.01	22,541	15.17
Total	5,668	100.00	148,515	100.00	5,531	100.00	148,515	100.00	5,324	100.00	148,515.00	100.00
Big shareholders	10	0.17	50,894	34.26	10	0.18	52,425	35.29	10	0.18	52,714	35.49
Floating stocks	5,378	94.88	35,836	24.12	5,243	94.79	35,701	24.03	5,036	94.59	33,867	22.8
Special socks	16	0.28	75,119	50.58	17	0.3	76,133	51.26	15	0.28	75,765	51.01

Dividend Policy

【Unit : yen】



【FY2010】

- Total amount of dividends: approximately 45 million yen annually
- Dividends per share: approximately 360 yen annually

【FY2011】

- Total amount of dividends (forecasts): approximately 47 million of yen annually
- Dividends per share (forecasts): approximately 380 yen annually

* Dividend forecast revised from 265 yen to 380 yen in the revision of initial forecast announced on October 12, 2010

【Basic policy】

- Holding the returning of profit to shareholders as a management task, the Company will maintain sustained payment of dividends, while ensuring sufficient internal reserves for the improvement of its finances and promotion of corporate growth.
- Determine the amount of dividends, aiming for a payout ratio of 25% and taking the Company's performance into consideration.

Forward-Looking Statements

This presentation and its related materials contain forward-looking statements about the plans, strategies, beliefs, and performance of Backs Group Inc. that are not historical facts. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the industries in which Backs Group Inc. operates; on management's beliefs; and on assumptions made by management. As expectations, estimates, forecasts and projections are subject to a number of risks, uncertainties, and assumptions, actual results may differ materially from those projected. Backs Group Inc. therefore wishes to caution readers not to place undue reliance on forward-looking statements. Furthermore, Backs Group Inc. undertakes no obligation to update any forward-looking statements as a result of new information, future events, or other developments.

This material is intended for informational purposes only and is not a solicitation or offer to buy or sell securities or related financial instruments.

You may not copy or redistribute any portion of this presentation without the permission of Backs Group Inc. for any reason.