

To All Concerned Parties

Company Name: Fullcast Co., Ltd.
President: Takehito Hirano, President & CEO
Code Number: 4848 (JASDAQ)
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**Notification that Fullcast Co., Ltd. has decided to split off and absorb a part of
the business operations of Fullcast Lady Co., Ltd.**

Fullcast Co., Ltd. decided at its Board of Directors meeting held on July 15, 2002 to split off part of the business operations of Fullcast Lady Co., Ltd. and directly absorb a portion of its business operations as of October 1, 2002.

1. Purpose for dividing the company

Fullcast Co., Ltd. is a pioneer in the field of short-term contractual work (spot business), and is active in the areas of logistics, warehouse work, food services, sanitation and cleaning, and event services. Through our unique human resources recruiting system we have gathered more than 500,000 registered staff, most of whom are young people in their 20s and 30s, and we now place staff at more than 17,000 locations, thereby earning the trust of a large number of client businesses (figures as of June 2002).

Fullcast Lady Co., Ltd. has focussed on the part of our short-term contractual services (spot business) that uses primarily female workers. They have a staff of approximately 60,000, mostly women in their 20s and 30s, who engage in a wide variety of work, ranging from clerical work (filing, OA input, general office work, reception, etc.), sales promotion, warehouse work, and manufacturing work, to house-moving and deliveries. These staff are working at approximately 3,000 locations (as of June 2002).

Fullcast Co., Ltd. and Fullcast Lady Co., Ltd. have developed a unique system

of staff management, a unique system of staff training, and a unique network system that responds to the needs of client companies. We are able to respond flexibly to changes in customer manufacturing outputs, are able to help cut costs, reduce labor management requirements, and revitalize company life.

In the recent business climate, we see that the restructuring process in many industries is moving from the white collar sector, which has been the main focus of outplacement work, and is now focussing on cutting costs in the front line areas of logistics, manufacturing and production. In this environment, one of the most important questions facing client companies and their human resource or management control systems is how best to increase the variable portion of their costs of doing business. For this reason, in future the trend will continue for companies to hire larger percentages of non-permanent staff, and the types of executive functions and the scope of work required of these non-permanent staff may be expected to expand and become more advanced.

In addition to the logistics and spot business work that we have developed in the past, an increasing number of our client companies are requesting that we provide a wider range of outsourcing services, including spot field work such as simple database input in warehouses and assistance with sales promotions. The types of businesses that are asking for help with outsourcing is also increasing, not only in the area of logistics, but also in manufacturing.

There is an increasing number of clients who wish to contract with us not only for help with logistical work but who also require help with various types of follow up systems that include work both before and after this logistical work. Because of this, we have determined that it is an urgent priority for us to organize an integrated system capable of responding immediately to the needs of these types of customers. In order to accomplish this, it has been decided to split off the logistics, warehouse work, sanitation and cleaning, and event related short-term contractual business from Fullcast Lady Co., Ltd., and to manage this work directly under our own auspices at Fullcast Co., Ltd. This will greatly enhance our work efficiency, and help us to further strengthen and develop our short-term contractual business.

2. Outline of the dividing of the company

(1) Division schedule

Board of Directors meets to approve division contract	July 15, 2002
Signing of division contract	July 15, 2002
Shareholders of Fullcast Lady Co., Ltd. meet to approve division contract	August 5, 2002
Effective date of division	October 1, 2002
Official registration of division	October 1, 2002

(2) Method of division

1. Method of division

Fullcast Co., Ltd. is the absorbing company, Fullcast Lady Co., Ltd. is the dividing company, and the method of division will be by assimilation of personnel. As the absorbing company, Fullcast Co., Ltd. is in full compliance with the conditions for a simple split off as specified by Commercial code clause 374-23-1, and will therefore complete the division without requiring shareholder approval.

2. Reason for adopting this method of division

The purpose is to improve group corporate efficiency, to further strengthen the foundations of the business, and to promote expansion of the business in question by bringing together business divisions that are similar in character.

(3) Allocation of shares

Fullcast Co., Ltd. owns all of the outstanding shares of Fullcast Lady Co., Ltd., and will not issue any new shares when the division takes place.

(4) Increase in paid-in-capital due to the division

There will be no increase in paid-in-capital or capital reserves as a result of the division. Increases will be made to the discretionary reserve fund and other retained earnings, in accordance with the limits for capital increases set down in Commercial code 374-21.

(5) Split off subsidiaries

There will be no subsidies paid as a result of this division.

(6) Rights and obligations inherited by the absorbing company

As the absorbing company, Fullcast Co., Ltd. will succeed to all assets, liabilities, rights and obligations, and will assume contractual responsibility with regard to the short-term contractual business of Fullcast Lady Co., Ltd. in the areas of logistics, warehouse work, sanitation and cleaning, and event services.

With regard to the liabilities to be inherited by Fullcast Co., Ltd. upon the division of Fullcast Lady Co., Ltd., these liabilities will be assumed by Fullcast Co., Ltd. on a non-binding basis.

All employees of Fullcast Lady Co., Ltd. who are engaged in work in the operations being split off will become employees of Fullcast Co., Ltd.

(7) Prospects with regard to debt repayment

The dividing company (Fullcast Lady Co., Ltd.), and the absorbing company (Fullcast Co., Ltd.), have taken into consideration the value of their assets, liabilities and net assets, and have concluded that they will have no difficulty in fulfilling their financial obligations.

(8) Reduction in paid-in-capital of the dividing company

There will be no reduction in paid-in-capital or capital reserves of the dividing company as a result of this split off. The amount of discretionary reserves and other retained earnings will be decreased in accordance with the limits for capital increases set down in Commercial code 374-21.

(9) Effacement/amalgamation of the divided company's shares

There will be no effacement/amalgamation of the divided company's shares as a result of this division.

(10) Appointment of new directors to the absorbing company

There will be no new appointment of directors or auditors as a result of this division.

3. Profile of the companies that are party to the division

As of March 31, 2002

Company name	Fullcast Co., Ltd. (absorbing company)	Fullcast Ladies Co., Ltd. (dividing company)
Principal Business	Short-term contractual business	Short-term contractual business
Date of Incorporation	September 14, 1990	October 1, 1997
Location of Head Office	2-6 Sakuragaoka-cho Shibuya-ku, Tokyo, Japan	2-6 Sakuragaoka-cho Shibuya-ku, Tokyo, Japan
Representative (As of June 30, 2002)	Takehito Hirano	Kazuki Sakamaki
Paid-in capital (As of June 30, 2002)	3,260 million yen	40 million yen
Number of shares issued (As of June 30, 2002)	44,636 shares	800 shares
Stockholder equity	7,143 million yen	401 million yen
Total assets	12,404 million yen	900 million yen
Account settlement	September 30	September 30
Number of employees	236	62
Major clients	Nippon Express Co., Ltd.	Fullcast Co., Ltd. Sanyo Chemical Industries Co., Ltd.
Major shareholders and shareholding ratios	1. Takehito Hirano 52.5% 2. Mitsubishi Trust and Banking Trust Fund 5.4% 3. Fullcast Co., Ltd. 2.4% 4. Chase Manhattan Bank NA London 2.2% 5. Banca Commerciale Italiana 1.5%	Fullcast Co., Ltd. 100%
Major banks	UFJ Bank Yokohama Bank Mizuho Bank	UFJ Bank Yokohama Bank
Number of shareholders	2,241	1
Relations between the two companies	Capital	The dividing company is a wholly owned subsidiary of the absorbing company.
	Personnel	Four individuals serve as directors of both companies.
	Business relations	Each company places orders with the other for contractual services.

Business results from the three most recent accounting periods

Account settlement	Fullcast Co., Ltd. (absorbing company)			Fullcast Ladies Co., Ltd. (dividing company)		
	September 1999	September 2000	September 2001	September 1999	September 2000	September 2001
Sales (million yen)	6,212	13,567	15,077	986	1,922	3,280
Operating income (million yen)	222	1,579	1,309	30	188	302
Ordinary profit (million yen)	185	1,467	1,239	28	185	298
Net profit (million yen)	3	748	482	1	96	162
Net earnings per share (yen)	5,351.74	478,338.81	11,744.53	13,070.61	485,509.22	203,438.40
Dividend per share (yen)	0	10,000	2,000	0	0	0
Shareholder equity per share (yen)	987,629.24	1,133,314.8	167,065.41	214,057.34	185,094.91	388,533.31

4. Content of the business to be absorbed

(1) Content of the short-term contractual business in the areas of logistics, warehouse work, sanitation and cleaning, and event services.

The business divisions to be absorbed are involved in the provision of short-term contractual services in the areas of logistics, warehouse work, sanitation and cleaning, and event services as required by client companies during busy periods or as required by changes in client company work volume.

All the employees belonging to the above business departments will become employees of the absorbing company.

(2) Interim business results of the logistics, warehouse work, sanitation and cleaning, and event services short-term contractual business departments of Fullcast Ladies Co., Ltd. as of September 2002

	Short-term contractual business in logistics, warehouse work, sanitation, and event services (a)	Interim business results for parent company Fullcast Co., Ltd., September 2002 (b)	Ratio a/b
Sales	1,356 million yen	7,448 million yen	18.2%
Gross income	460 million yen	2,589 million yen	17.8%
Operating income	142 million yen	621 million yen	23.0%
Ordinary profit	142 million yen	672 million yen	21.2%

(3) Value of transferred assets and liabilities (as of March 31, 2002)

(Units: million yen)

Assets		Liabilities	
Category	Book value	Category	Book value
Bank deposits	106	Accounts due	31
Accounts receivable	365	Short term debt	150
Inventories		Other current liabilities	64
Other current assets	13	Retirement reserve fund	8
Tangible fixed assets	14		
Intangible fixed assets	2		
Other investments	39		
Total	542	Total	254

5. Status of Fullcast Lady Co., Ltd. after the division

- (1) There will be no change in the name of the company, content of business operations, location of Head Office, Representative officer, or paid-in-capital.
- (2) Total assets will decrease only by the amount of assets absorbed by the parent company.

6. Status of the parent company after the division

- (1) There will be no change in the name of the company, content of business operations, location of Head Office, Representative officer, or paid-in-capital.
- (2) Total assets will increase only by the amount of assets absorbed from Fullcast Lady Co., Ltd.

7. Effect on operating results

There will be no effect on the operating results for the period ending September, 2002.

8. Future prospects

With the addition of logistics, warehouse work, sanitation and cleaning, and event related short-term contractual business operations from Fullcast Lady Co., Ltd., the present company acquires an enhanced ability to offer new services to prospective clients, and strengthened sales capacity without incurring the cost of hiring new staff. For example, we acquire an improved ability to respond to the needs of client companies for women needed to work on Saturdays, Sundays or evenings when the client companies' directly hired part-time workers (primarily housewives) are in short supply, and we will be able to promote among our present and new clients a new type of "Super light work" contract business consisting of work that requires relatively little physical strength. On the whole, it will become possible for us to respond more flexibly to the needs of our client companies.

The addition of this portion of the business operations of Fullcast Lady Co., Ltd. enables us to establish a comprehensive system for responding to the increasingly diverse needs of our clients for short-term business services, strengthens our business foundation, and helps us to position ourselves for further growth in future.

With regard to Fullcast Lady Co., Ltd., it will reorganize itself around its former Office staff department, and will utilize its already registered staff to focus on offering short-term clerical contracting services. Further, it will strive to take advantage of group synergies by cooperating with Fullcast HR Consulting Co., Ltd., in its "Arperm" project, which is designed to help dispatched staff that begin work at a client firm on a temporary basis to later move to permanent employee status.

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