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This Consolidated Financial Results includes forecasts, projections and other predictive statements that represent Fullcast's assumptions and expectations in light of currently available information. These forecasts, etc., are based on industry trends, circumstances involving clients and other factors, and they involve risks, variables and uncertainties. The Group's actual performance results may differ from those projected in this Consolidated Financial Results. Consequently, no guarantee is presented or implied as to the accuracy of specific forecasts, projections or predictive statements contained herein.

Consolidated Third Quarter Financial Results for the Year Ending September 2003

Company name: Fullcast Co., Ltd.
 Stock code: 4848
 Stock Exchange listing: JASDAQ
 Address: Tokyo
 URL: <http://www.fullcast.co.jp>
 President and CEO: Takehito Hirano
 Contact: Yutaka Kubo,
 Corporate Officer and General Manager, Management Strategy Headquarters
 Telephone: +81-(3)-3780-9500
 Board meeting for approving: August 18, 2003
 Parent company (stock code): None (-)
 Accounting Principle: Japanese GAAP
 Accounting principles applied in drawing up financial statements: (Primarily in accordance with the principles applied in drawing up financial statements for the Interim Consolidated Financial Results)

1. Consolidated Financial Results for the Third Quarter Ended June 2003 (October 1, 2002 – June 30, 2003)

(1) Consolidated business results

	Net sales		Operating income		Ordinary income	
	Millions of yen	YoY change (%)	Millions of yen	YoY change (%)	Millions of yen	YoY change (%)
Third quarter ended June 2003	27,890	48.8	1,686	73.8	1,776	91.6
Third quarter ended June 2002	18,739	2.6	970	(37.0)	926	(36.3)
Year ended September 2002	26,319		1,511		1,484	

	Quarterly net income		Quarterly net income per share	Quarterly diluted net income per share
	Millions of yen	%	Yen	Yen
Third quarter ended June 2003	854	198.5	19,575.94	19,454.73
Third quarter ended June 2002	286	(66.1)	6,504.30	6,423.75
Year ended September 2002	346		7,902.31	7,813.33

- Notes:
1. Investment profit and loss on equity method (Millions of yen)

Third quarter ended June 2003:	5
Third quarter ended June 2002:	(2)
Year ended September 2002:	(6)
 2. Average number of shares outstanding (consolidated)

Third quarter ended June 2003:	43,656 shares
Third quarter ended June 2002:	44,021 shares
Year ended September 2002:	43,891 shares
 3. Changes in accounting principles applied: None
 4. Each year-on-year (YoY) change represents its relevant change in percentage compared to the same period of the previous year.

(2) Consolidated financial condition

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Third quarter ended June 2003	13,943	8,332	59.8	190,057.46
Third quarter ended June 2002	13,820	7,417	53.7	170,373.61
Year ended September 2002	13,928	7,443	53.4	171,327.33

Note: Number of shares outstanding

As of June 30, 2003:	44,741 shares
As of June 30, 2002:	44,636 shares
As of September 30, 2002:	43,446 shares

(3) Consolidated cash flows position

	Net cash provided by (used in)			Cash and cash equivalents at end of period
	Operating activities	Investing activities	Financing activities	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Third quarter ended June 2003	1,019	1,161	1,669	4,252
Third quarter ended June 2002	(88)	(768)	(624)	3,459
Year ended September 2002	(27)	(318)	(853)	3,741

(4) Scope of consolidation and application of equity method

Consolidated subsidiaries:	5
Unconsolidated subsidiaries under equity method application:	None
Affiliates under equity method application:	2

(5) Changes in the scope of consolidation and affiliates under the equity method

Consolidated subsidiaries	
Newly added:	None
Excluded:	2
Affiliates accounted for under the equity method	
Newly added:	None
Excluded:	None

**2. Forecast for Consolidated Financial Results for the Year Ending September 2003
(October 1, 2002 - September 30, 2003)**

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Full year	35,800	2,550	1,170

Reference: Estimated net income per common share for the full year: 26,685.83 yen

There has been no change to the plans given in the Revisions of (consolidated/non-consolidated) business results for the September 2003 fiscal year, dated May 12, 2003.

Notes: Figures stated above are rounded down to the nearest million yen.

The above-mentioned forecast is based on the assumptions and other relevant factors discussed in the "Outlook for Fiscal Year" section on page 11.

1. Results of Operations

Consolidated results of operations continued to grow in each business segment thanks to steady needs for employment outsourcing in the industrial world in the third quarter of the September 2003 fiscal year.

Information on the business segments

Information on the business segments

Consolidated third quarter accounting period (April 1, 2003 – June 30, 2003)

(Thousands of yen)

	Spot Business	Factory Business	Technology Business	Other Business	Total	Elimination or company total	Consolidated
Net sales and operating income and loss							
Net sales							
(1) Sales to external customers	5,366,655	2,503,612	1,175,817	127,271	9,173,355	–	9,173,355
(2) Inter-segment sales or the amount of transfers	51,637	13,096	3,482	11,088	79,304	(79,304)	–
Total	5,418,293	2,516,708	1,179,299	138,359	9,252,660	(79,304)	9,173,355
Operating expenses	4,976,665	2,440,052	1,108,640	145,199	8,670,557	46,290	8,716,848
Operating income or loss (Δ)	441,627	76,656	70,659	6,840	582,102	(125,595)	456,507

Notes 1. The company's business activities are divided as given below for the purpose of internal management.

2. The business segments

(1) Spot Business: Short-term contractual workers services, short-term employee dispatching services

(2) Factory Business: Personnel outsourcing services for production line work

(3) Technology Business: Human resources contracting of technical staff, engineer dispatching services, data communication services

(4) Other Business: Employee search and placement services, agency services for professional athletes, restaurant chain franchisee, etc.

3. Of the operating expenses during the consolidated third quarter accounting period, the amount of funds, which can not be allocated, included in the elimination or company total item is ¥147,594 thousand. It is mainly expenses associated with the administrative departments of the parent company's head office, such as Accounting.

4. The numbers given above are yet to be audited.

5. Change of the business segments

Due to a realignment of the Group business activities, Fullcast discloses its results of operations according to the aforementioned Note 2. The business segments as from this third quarter. The human resources contracting of technical staff and engineer dispatching services, which made up the Technical Business in the September 2002 fiscal year, has been combined with data communication services, which had been included in Other Business in the previous fiscal year, are provided in the Technology Business segment.

The consolidated third quarter results by business segment in the previous year would have been as follows according to the current business segments:

Consolidated third quarter accounting period of the previous year (April 1, 2002 – June 30, 2002)

(Thousands of yen)

	Spot Business	Factory Business	Technology Business	Other Business	Total	Elimination or company total	Consolidated
Net sales and operating income and loss							
Net sales							
(1) Sales to external customers	3,776,918	1,564,146	786,472	273,125	6,400,663	–	6,400,663
(2) Inter-segment sales or the amount of transfers	92,498	14,736	23,153	4,297	134,685	(134,685)	–
Total	3,869,417	1,578,883	809,625	277,423	6,535,349	(134,685)	6,400,663
Operating expenses	3,564,385	1,549,713	885,162	257,068	6,256,330	(34,908)	6,221,422
Operating income or loss ()	305,032	29,169	75,537	20,354	279,018	(99,777)	179,241

Consolidated third quarter accounting period of the previous year (April 1, 2002 – June 30, 2002)

(Thousands of yen)

	Spot Business	Factory Business	Technical Business	Other Business	Total	Elimination or company total	Consolidated
Net sales and operating income and loss							
Net sales							
(1) Sales to external customers	3,776,918	1,564,146	810,100	249,497	6,400,663	–	6,400,663
(2) Inter-segment sales or the amount of transfers	92,498	14,736	4,698	23,737	135,671	(135,671)	–
Total	3,869,417	1,578,883	814,799	273,234	6,536,334	(135,671)	6,400,663
Operating expenses	3,564,385	1,549,713	850,900	292,380	6,257,379	(35,957)	6,221,422
Operating income or loss ()	305,032	29,169	36,101	19,145	278,954	(99,713)	179,241

Notes 1. The company's business activities are divided as given below for the purpose of internal management.

2. The business segments

(1) Spot Business: Short-term contractual workers services, short-term employee dispatching services

(2) Factory Business: Personnel outsourcing services for production line work

(3) Technology Business: Human resources contracting of technical staff, engineer dispatching services

(4) Other Business: Data communication services, etc.

3. Of the operating expenses during the consolidated third quarter accounting period, the amount of funds, which can not be allocated, included in the elimination or company total item is ¥115,070 thousand. It is mainly expenses associated with the administrative departments of the parent company's head office, such as Accounting.

4. The numbers given above are yet to be audited.

(1) Consolidated Third Quarter Financial Highlights

Third quarter ended June 30, 2003

Third quarter ended June 30, 2002

(Millions of yen)

Three months ended June 30	2003	2002	YoY change
Net sales	9,173	6,400	43.3%
Operating income	456	179	154.7%
Ordinary income	479	112	325.0%
Net income	314	19	1,512.3%
Net income per share	¥7,179.04	¥448.11	—

Operating results

In the third quarter, Japan's employment outsourcing market continued to be strong and demand for outsourcing grew as companies increasingly took measures to reduce personnel expenses and their workforces. The trend toward looking to employment outsourcing actively is still growing not only to slash costs, but to boost operating efficiency as well.

Under such circumstances, the Fullcast Group (the "Group") accurately targeted the temporary staffing needs of companies seeking ways to improve productivity. Priority was placed in particular on rendering services that precisely address the needs of each client company. As a result, sales grew. At the same period, it strove to reduce selling, general and administrative expenses. In consequence, an operating income margin rose 2.2 percentage point from the same period last year to 5.0%.

As a result, net sales increased 43.3% from a year earlier to ¥9,173 million, operating income increased 154.7% to ¥456 million and net income increased 1,512.3% to ¥314 million.

To streamline management resources and boost operating efficiency by consolidating the head office function, the Group sold fixed assets. As a result, proceeds from the sale of ¥105 million were reported as special profit.

(2) Third Quarter Business Segment Results

Spot Business

Third quarter ended June 30, 2003

Third quarter ended June 30, 2002

(Millions of yen)

Three months ended June 30	2003	2002	YoY change
External customers	5,366	3,776	42.1%
Inter-segment	51	92	(44.2%)
Total sales	5,418	3,869	40.0%
Operating income	441	305	44.8%
Operating income margin	8.2%	7.9%	—

In the nation's logistics and warehouse industries, the use of temporary staffing services to meet workforce needs is on the rise. From a perspective of streamlining business transactions, some of our main client companies narrowed down the sources from which they procure workers under outsourcing contract. Given these trends, the employment outsourcing market is required to meet customer needs comprehensively. In response, the Group has been constantly enlarging its service network and reviewing its sales structure to identify customer needs faster and more accurately to better meet each individual order, as well as stepping up the follow-up system covering its client companies. As a result, the Group received a greater volume of work primarily from existing customers. Measures also targeted qualitative improvements in services in order to set it apart from competition. Thanks to all these measures, demand from the logistics and warehouse industries continued to be brisk. As a result, segment sales increased 42.1% from a year earlier to ¥5,366 million.

Despite the fact that the Group opened 3 sales offices, it consistently strove to reduce selling, general and administrative expenses. At the end of the third quarter, there were a total of 76 sales offices nationwide, including offices operated by Fullcast Co., Ltd. and Fullcast Office Support Co., Ltd.

As a result, operating income increased 44.8% to ¥441 million.

Factory Business

Third quarter ended June 30, 2003

Third quarter ended June 30, 2002

(Millions of yen)

Three months ended June 30	2003	2002	YoY change
External customers	2,503	1,564	60.1%
Inter-segment	13	14	(11.1%)
Total sales	2,516	1,578	59.4%
Operating income	76	29	162.8%
Operating income margin	3.0%	1.8%	—

In this quarter business performance by Fullcast Central Co., Ltd., a specialist company that provides production line work for the automobile industry, was robust. In addition, Fullcast Factory Co., Ltd., which provides production line work for other industries than the automotive one, improved business performance smoothly thanks to a growing demand for high-performance cellular phones with camera functionality, digital cameras and others. This was attributable to the fact that the Group was able to use newly opened sales offices and expertise in labor management gained through the Spot Business to offer services that are speedy and precisely address customers' requirements; thereby receiving increased orders. At the end of the third quarter, there was a total of 30 sales offices nationwide, including 18 offices at Fullcast Factory Co., Ltd. and 12 offices at Fullcast Central Co., Ltd.

Segment sales increased 60.1% to ¥2,503 million and operating income rose 162.8% to ¥76 million.

Technology Business

Third quarter ended June 30, 2003

Third quarter ended June 30, 2002

(Millions of yen)

Three months ended June 30	2003	2002 (Under current segment classification)	2002	Change (Under previous segment classification)
External customers	1,175	786	810	49.5%
Inter-segment	3	23	4	(85.0%)
Total sales	1,179	809	814	45.7%
Operating income	70	(75)	(36)	—
Operating income margin	6.0%	—	—	—

In the third quarter development of digital consumer electronics, such as cellular phones or DVDs, in the electronics industry became active. Results were supported by strong demand for the engineer dispatching services. Thanks to brisk orders we received, demand for assigning new graduates was strong. The third quarter average utilization rate remained high at 92.3% and unit prices of new orders remained level. In the development outsourcing sector, unprofitable operations were shut down and sales activities were focused on profitable operations and thereby bolstered to increase orders received.

As a result, segment sales were ¥1,175 million and operating income was ¥70 million. Under the current business segments, sales of the same period last year were ¥786 million, up 49.5% from a year earlier, and operating income improved from a loss of ¥75 million in the previous year.

Note: Due to a realignment of the Group business activities, the human resources contracting of technical staff and engineer dispatching services, which made up the Technical Business in the September 2002 fiscal year, has been combined with data communication services, which had been included in Other Business in the previous year, are provided in the Technology Business segment. Due to this change, year-on-year comparisons for the Technology Business are provided on the basis of the current fiscal year's business segments.

Note: Net sales represent sales to external customers.

(3) Consolidated 9-Month Cumulative Financial Highlights

Nine months ended June 30, 2003

Nine months ended June 30, 2002

(Millions of yen)

Nine months ended June 30	2003	2002	YoY change
Net sales	27,890	18,739	48.8%
Operating income	1,686	970	73.8%
Ordinary income	1,776	926	91.6%
Net income	854	286	198.5%
Net income per share	¥19,575.94	¥6,504.30	—

(4) 9-Month Cumulative Financial Highlights By Business Segment

Nine months ended June 30, 2003

Nine months ended June 30, 2002

Spot Business

(Millions of yen)

Nine months ended June 30	2003	2002	YoY change
External customers	16,548	11,965	38.3%
Inter-segment	283	287	(1.3%)
Total sales	16,831	12,252	37.4%
Operating income	1,725	1,278	35.0%
Operating income margin	10.3%	10.4%	—

Factory Business

(Millions of yen)

Nine months ended June 30	2003	2002	YoY change
External customers	7,766	3,825	103.0%
Inter-segment	28	27	2.9%
Total sales	7,795	3,853	102.3%
Operating income	357	55	546.3%
Operating income margin	4.6%	1.4%	—

Technology Business

(Millions of yen)

Nine months ended June 30	2003	2002 (Under current segment classification)	2002	Change (Under previous segment classification)
External customers	3,105	2,370	2,388	31.0%
Inter-segment	42	243	14	(82.4%)
Total sales	3,148	2,614	2,403	20.4%
Operating income	57	(106)	(52)	—
Operating income margin	1.8%	—	—	—

Note: On October 1, 2002, Fullcast System Consulting Co., Ltd., which was primarily engaged in software development under consignment, merged with Fullcast With Co., Ltd. to form Fullcast Technology Co., Ltd. In the September 2002 fiscal year, the operations of these two companies were included in Other Business.

(5) Changes in Consolidated Financial Condition

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2003	13,943	8,332	59.8	190,057.46
As of June 30, 2002	13,820	7,417	53.7	170,373.61

[Consolidated cash flows]

(Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Cumulative of FY ended September 2003	1,019	1,161	(1,669)	4,252
Cumulative of FY ended September 2002	(88)	(768)	(624)	3,459
(Reference)				
Third quarter of FY ended September 2003	675	1,644	(1,754)	4,252
Third quarter of FY ended September 2002	(324)	(81)	188	3,459

Changes in consolidated financial condition

As of the end of June 30, 2003, cash and cash equivalents totaled ¥4,252 million on a consolidated basis, ¥792 million more than a year earlier.

Operating activities

Net cash provided by operating activities was ¥1,019 million compared with ¥88 million used in the previous fiscal year's third quarter.

This was primarily attributable to the fact that net income before income taxes and minority interests was ¥1,823 million, trade receivables increased ¥435 million (trade payables increased ¥274 million) and income tax paid was ¥789 million.

Investing activities

Net cash gained in investing activities was ¥1,161 million compared with ¥768 million used in the previous year.

This was mainly due to proceeds from the sale of tangible fixed assets, such as land and buildings, of ¥1,959 million.

Financing activities

Net cash used in financing activities was ¥1,669 million (A year earlier, financing activities used net cash of ¥624 million).

The main reason was that proceeds of ¥1,398 million from the sale of tangible fixed assets were appropriated to repayment of long-term debts.

(6) Outlook for Fiscal Year

There has been no change to the plans given in the Revisions of (consolidated/non-consolidated) business results for the September 2003 fiscal year, dated May 12, 2003.

Note: Comparisons with prior-year figures and planned figures are computed as follows:

Prior-year comparisons = (This third quarter figure – prior-year third quarter figure) / Prior-year third quarter figure × 100

Note: Estimated earnings per share = Forecast for net income applicable to common stock / {[Average number of common stocks outstanding during the third quarter × 3/4 + (Number of common stocks outstanding at the end of the third quarter + Number of common stocks outstanding at the end of the third quarter + Estimated shares issued from exercise of incentive warrants*) × 1/2] × 1/4}

* Estimated shares from exercise of incentive warrants is 595 shares of the total of 1,258 shares that can be issued from the exercise of all outstanding warrants (as of the end of June).