

June 14, 2004

Company name: Fullcast Co., Ltd.
President and CEO: Takehito Hirano
(Stock Exchange listing: 4848 Second Section of the Tokyo Stock Exchange)
Contact: Yutaka Kubo, Corporate Executive Officer in charge
of management strategy
Telephone: 03-3780-9507

Dear Client:

Re: Medium-term Business Plan (FY September 2005 - FY September 2007)

Fullcast targets consolidated net sales of 100 billion yen or more, operating income margin of 7.7% and current net income of 4.8 billion yen for the fiscal year ending September 30, 2007. The Fullcast Group aims at both ensuring growth and shoring up the profit-earning structure for further expansion of business.

The Fullcast Group has drawn up a medium-term business plan from fiscal 2005 to fiscal 2007. By executing the plan, it aims at posting consolidated net sales of more than 100 billion yen and consolidated operating income of 8,900 million yen in the final fiscal year under the plan ending September 30, 2007.

1 . Business goal and numerical plan

(1) Business goal

September 2007 fiscal year

- Net sales of 100 billion yen or more
- Operating income margin of 7.7% (up 1% from a year earlier)
- ROE of 20% or higher

	FY2004 (Estimate)	FY2005 (Plan)	FY2006 (Plan)	FY2007 (Plan)
Market size (100 millions of yen)*	17,300	20,760	23,895	28,674
Consolidated net sales (millions of yen)	48,000	69,000	91,000	116,000
Group's market share (%)	2.8%	3.3%	3.8%	4.0%
Consolidated operating income (millions of yen)	3,200	5,000	6,700	8,900
Consolidated operating income margin (%)	6.7%	7.2%	7.3%	7.7 %
Current net income (millions of yen)	1,300	2,700	3,600	4,800
Net income per share (yen)	4,818.37	9,687.42	12,916.56	17,222.08

*Source: Our estimate based on data compiled by Fuji Chimera Research Institute, Inc.

(2) Numerical plan

(Millions of yen)

	FY2004 (Estimate)	YoY change	FY2005 (Plan)	YoY change	FY2006 (Plan)	YoY change	FY2007 (Plan)	YoY change
Net sales	48,000	26.5%	69,000	43.8%	91,000	31.9%	116,000	27.5%
Spot Business	28,812	29.8%	42,620	47.9%	56,350	32.2%	70,600	25.3%
Apayours	1,159	-	4,220	264.1%	7,000	65.9%	10,000	42.9%
Factory Business	12,713	18.7%	17,000	33.7%	22,360	31.5%	29,300	31.0%
Technology Business	5,879	36.3%	8,700	48.0%	11,300	29.9%	14,800	31.0%
Others	596	16.3%	680	14.1%	990	45.6%	1,300	31.3%
Operating income	3,200	30.3%	5,000	56.3%	6,700	34.0%	8,900	32.8%

*As for sales by Apayours for the September 2004 fiscal year, those from June to September 2004 are given.

2. Group strategy and strategy by business segment

(1) Group strategy

The Fullcast Group recognizes the needs for implementing strategy to anticipate what the market will need in the future, while flexibly responding to changes in the market. To do this, it will keep groping for new business opportunities, while expanding its existing business.

Specifically, with short-term manpower dispatching services as the nucleus of the business, the Company intends to further expand its services to dispatch technical experts or contract production line/clerical work and dispatch factory workers and short-term clerical workers, which are currently carried out by its subsidiaries. Meanwhile, it will try to unite each business segment into a single organic body with new business ventures included.

In addition, it will also move ahead with M & A strategy or new ventures to broaden the range of business it covers so that synergetic effects with the existing business may be produced. Thereby, it aims at enhancing corporate value of the Group as a whole further.

The Group will deal with all the human resources outsourcing needs to be arisen in the entire business cycle of the client not only by providing work under contract, but also by working hard to build up the system, which can offer "one-stop total solution," which helps the client maximize its performance. Through these efforts, it plans to continue to grow in the medium and long term.

To achieve the aforementioned goal, the Group is in the middle of carrying out the following measures:

- 1) Improve customer satisfaction
- 2) Expand a menu of human resources-related services
- 3) Promote M & A strategy
- 4) Improve skills of registered staffs and employees through training
- 5) Expand the scale of business and promote system building to match such expansion
- 6) Improve corporate image and name recognition

(2) Strategy by business segment

1) Spot Business

- Meet the client company's needs accurately and step up highly value-added services (high-quality solutions)
- Step up hiring of staffs as the business outlet network expands
- Promote operation efficiency and reduce SG & A

In the Spot Business segment the Company will open sales outlets rapidly in an active and efficient manner, while stepping up hiring of staff members, in a bid to better meet the customer's needs. In addition, it will expand the range of industries it covers into other market segments, such as food, event management or amusement. Furthermore, it intends to increase the percentage of highly value-added services, which will not be influenced by business cycles.

2) Factory Business

- Step up flexibility to be able to provide work under contract or dispatch manpower systematically according to each individual client company's needs
- Nurture human resources that can meet the increasingly sophisticated client's needs
- Provide high-performance business activities, which bring the benefits to the client company

In the Factory Business segment the Company will put the emphasis on training of our registered staff members; thereby improving the ability to respond to the client's needs readily and expanding the scale of business.

3) Technology Business

- Improve training programs designed for technical experts
- Beef up engineers specialized in development in the electronics/semiconductor areas

In the Technology Business segment the Company will improve the educational/training/evaluation system involved in workers to be dispatched in a bid to gain as many technical experts as possible, including new graduates, and have them stay with the Company as long as they can.

3. Basic policy for profit distribution, investment unit and liquidity

(1) The Company's basic policy for profit distribution

The Company will try its best to strengthen the fiscal structure and pile up retained earnings as the core of the Group. In addition, it has positioned returning profits to its shareholders as one of the key objectives of management so that they may own shares in the Company in the medium and long term.

As for dividends, with paying a dividend stably in mind, the Company makes it a rule to decide the amount of a dividend with the dividend payout ratio of 20% as a yardstick and in consideration of its business performance.

As regards retained earnings, the Company plans to earmark them for stepping up the nucleus of our business activities, such as system development to streamline business activities further, opening of new business outlets and hiring footholds, or improvement of the internal system for hiring or training staffs, in an effort to establish the business foundation even more solidly.

Dividend payout ratio over the past 3 years

Financial year	September 2001	September 2002	September 2003
Dividend payout ratio (%)	18.5%	44.2%	23.9%

(2) The Company's policy/philosophy for lowering the investment unit

The Company has regarded that improving liquidity of shares in the Company and expanding the base of investors as one of the key issues under our capital policy. It will decide whether to lower the investment unit after having carefully deliberated on business performance, market conditions, cost efficiency and others on the basis of the interest of shareholders.

4. Business philosophy and policy

With "contributing to society through creating jobs by attaching greater importance to growth as a human being" as its basic philosophy, the Group hopes to act as a company which can keep offering job opportunities in any stage of one's life as a place where he/she beams with happiness. Furthermore, from the standpoint of thinking much of shareholders, it intends to maximize shareholder value.

To fulfill such goals, it is putting the following into practice:

- 1) In the 21st century, in which the economic structure keeps changing and employment becomes increasingly mobile, the Group responds to each and individual client's needs and nurtures as many energetic persons as possible through the manpower outsourcing business.
- 2) The Groups tries to establish its position not only as the leading company in Japan's manpower dispatching industry, but as a human resources company, which can influence even the world, as well, while taking up challenges all the time without contenting itself with the status quo at any moment.

5. External environment analysis (the economic trend, an environment surrounding employment, the trend in the human resources outsourcing industry)

(1) The economic trend, an environment surrounding employment

The Japanese economy, which depends on external demand-driven economic recovery, such as the twin deficits-ridden U.S. economy, such as trade and fiscal deficits, or the Chinese economy showing a bubble economy tendency, can be expected to keep picking up with fragility, hanging in the balance, for the next three years. Under such circumstances, the Company assumes that the situation, where anxiety about employment or income can not be gotten rid of, will most likely remain unchanged.

(2) The trend in the human resources outsourcing industry

The situation and needs on the part of the company

- 1) Japanese companies will very likely continue to outsource various services not only to absorb seasonal fluctuations in demand, or slash costs, but also to help them streamline business activities or improve efficiency further; thereby focusing on their core business.
- 2) In addition, whereas Japanese baby boomers will reach mandatory retirement age by around 2007, the nation's companies have shown the tendency to minimize the number of full-time employees they hire. Because of this, the demand for outsourcing human resources has been on the rise.
- 3) The revised Worker Dispatch Law has taken effect as from March 1, 2004. Due to this deregulation, the Company is now allowed to dispatch manpower to the manufacturing sector. Thanks to this, its recognition will improve in the sector, while a wider variety of services can be provided for companies as well. As a result, the industry will most likely grow as a whole.

The situation and needs on the part of the worker

- 1) The working population can be expected to diminish from 68.7 million, which will peak in 2005, to 67.5 million in 2010.
- 2) The population of freelance part-time workers, who ask for various ways of working, has been increasingly consistently, which is estimated to have reached 4 million as of now.

3) The unemployment rate among youths has not improved yet though the overall unemployment rate has improved. The unemployment rates among men aged 15-24 and 25-34 stand at around 10% and 6%, respectively, still staying at high levels. As the young workforce diminishes, it can be expected to improve slightly in the future. However, it appears to take time until outsourcing companies will sharply boost unit wages for workers.

The situation surrounding the industry

1) The trend toward the oligopoly situation, in which there are only a handful of leading players as a result of friendly acquisitions, will likely remain unchanged. In consequence, unit prices of orders that outsourcing company receive for services they render will likely be stable more or less as the young workforce diminishes.

2) It can be surmised that how to better match the company's needs and the worker's needs at low cost will become increasingly a big element. In addition, it is also important to reduce the cost of registration or hiring, to offer workers opportunities to improve their skills, and to present an appropriate career plan efficiently as well. On top of these, the trend toward outsourcing companies' enclosing excellent workers will grow from this point onward.

6. Target business model

(1) The Group will focus on the human resources business and meets all the client's needs on a one-stop basis as a general manpower outsourcing company with the aim at ensuring the industry's No. 1 position in terms of the quality of services. To meet this goal, the Group will be united in stepping up its services.

(2) The Group will step up the educational/training system to enable each individual registered staff member to improve his/her skills.

(3) The Group aims at establishing the steadfast brand - "When it comes to human resources, it's Fullcast," thereby appealing it to both companies and those wishing to get a job.