



**FULLCAST**



**Fullcast Consolidated Earnings Results  
for the Fiscal Year Ended September 2006**

October 31, 2006

# **Agenda**

**Business Highlights of the Fiscal Year Ended  
September 2006**

**Results by Business Segments**

- **Spot Business**
- **Office Business**
- **Factory Business**
- **Technology Business**

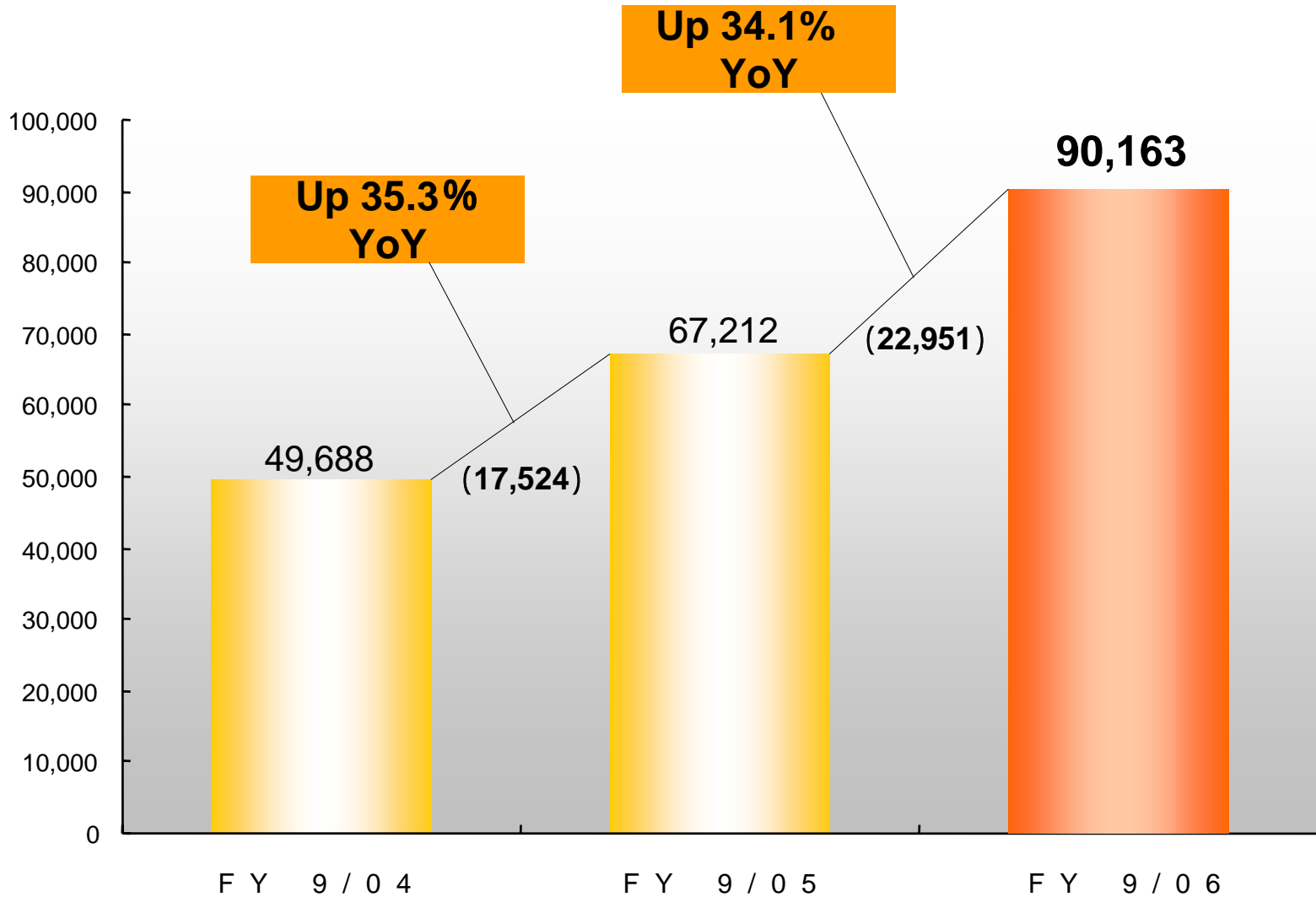
**Projection for the FY ending September 2007**

Unit: Million yen

	FY9/06	FY9/05
<b>Sales</b>	<b>90,163</b> (+34.1%)	<b>67,212</b>
<b>Operating income</b>	<b>4,715</b> (+3.4%)	<b>4,560</b>
<b>Ordinary income</b>	<b>4,550</b> ( 1.3%)	<b>4,611</b>
<b>Net income</b>	<b>2,942</b> (+56.1%)	<b>1,885</b>
<b>EPS:Yen</b>	<b>10,757</b> <sup>.95</sup>	<b>6,896</b> <sup>.52</sup>
<b>ROE:%</b>	<b>21.9</b>	<b>16.1</b>
<b>Avg. shares O/S</b>	<b>273,503</b>	<b>273,312</b>
<b>Capital investment</b>	<b>1,133</b>	<b>576</b>

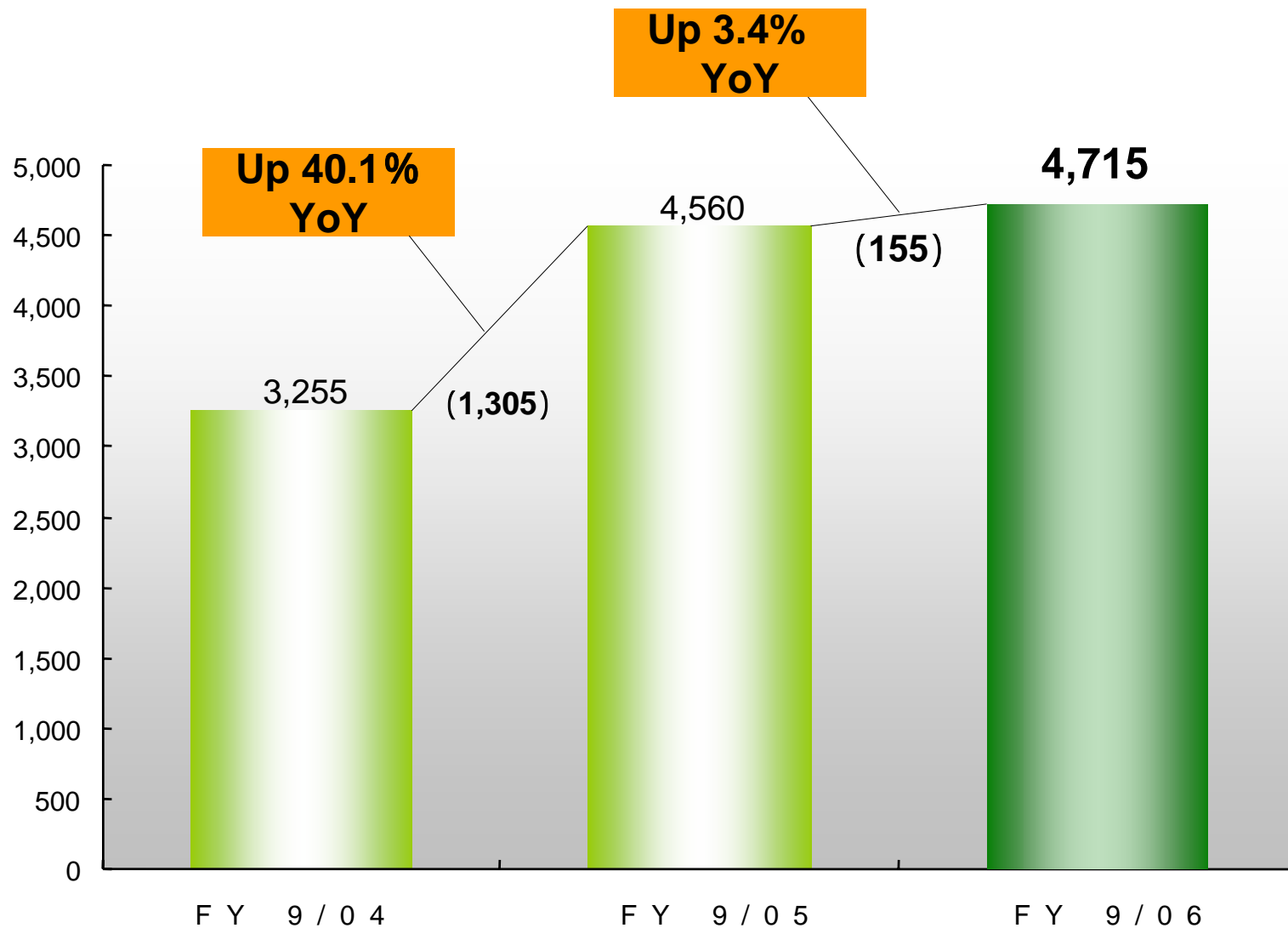
( ) Growth from the previous year

Unit: Million yen



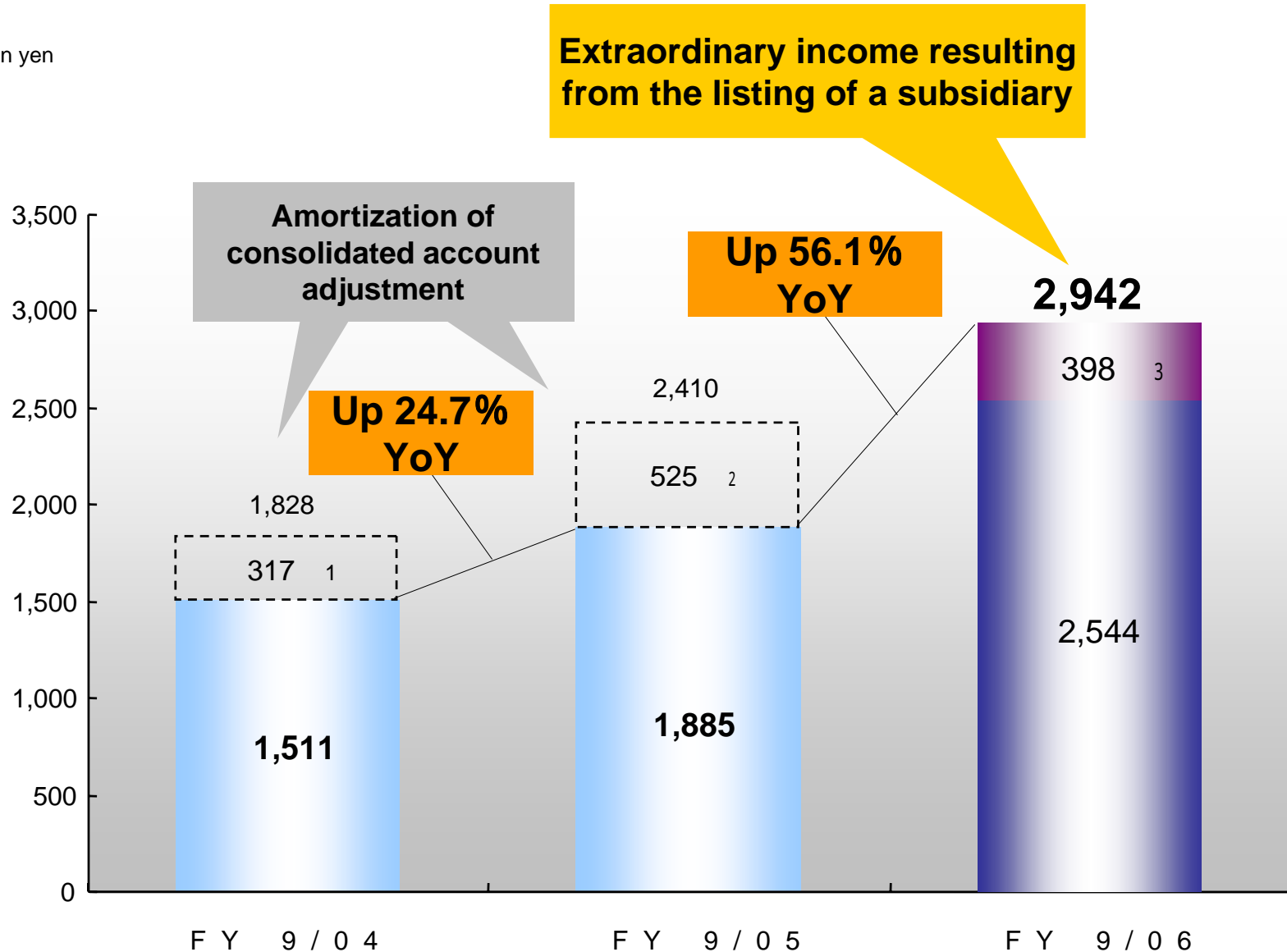
Figures are rounded down to the nearest million yen from the fiscal year ended September 2005.

Unit: Million yen



Figures are rounded down to the nearest million yen from the fiscal year ended September 2005.

Unit: Million yen



\*1 One-time amortization of consolidation account adjustment at Apayours Co., Ltd.

\*2 One-time amortization of consolidation account adjustment at Human Resources Research Institute, Inc.

\*3 Fullcast Technology Co., Ltd. was listed on the Jasdak Securities Exchange on October 21, 2005.

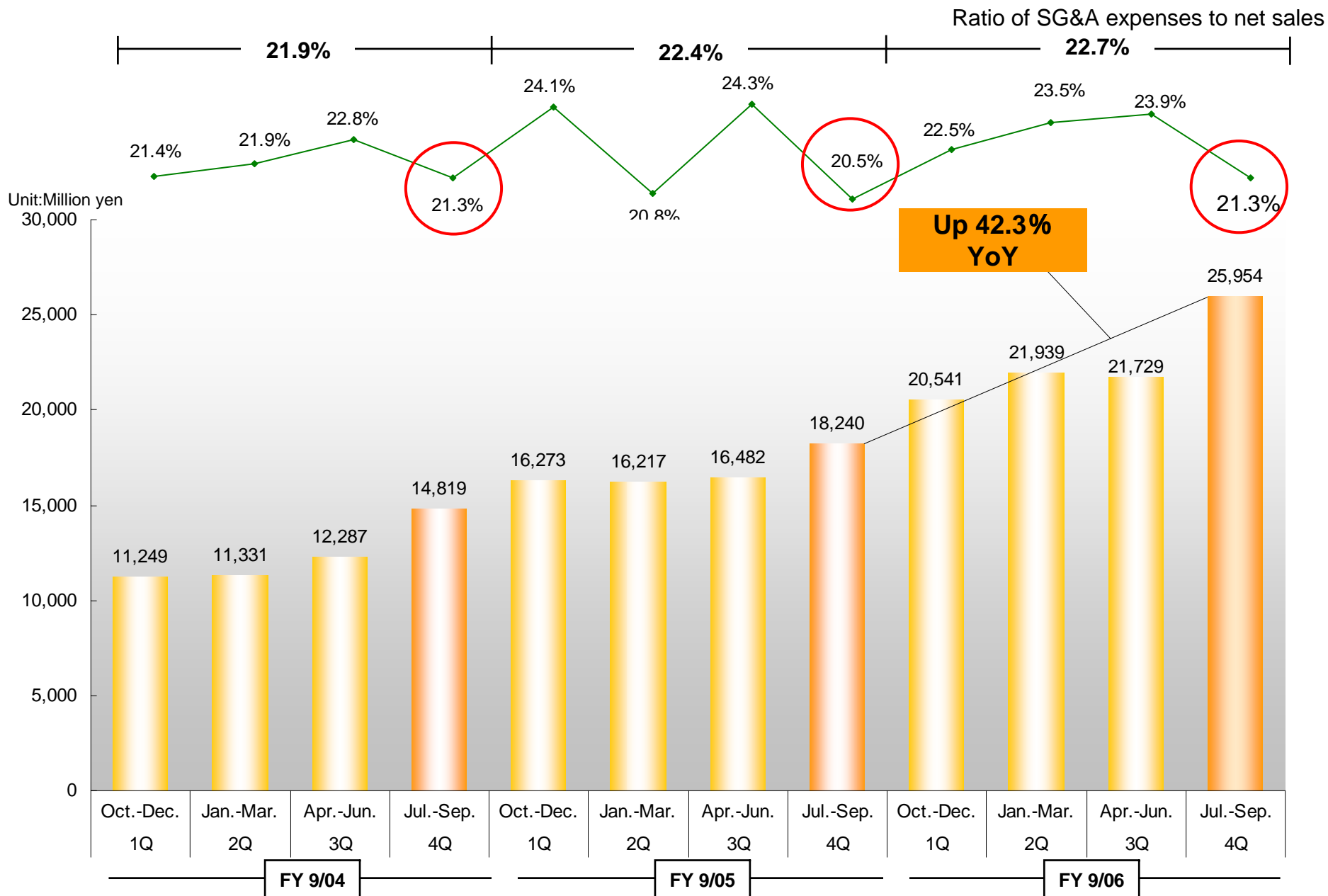
Figures are rounded down to the nearest million yen from the fiscal year ended September 2005.

## Consolidated Cash Flows

Unit: Million yen

	FY ended Sep. 2006	FY ended Sep. 2005	
<b>Net income before tax and other adjustments</b>	<b>4,701</b>	4,012	
<b>Accounts receivable trade</b>	<b>2,298</b>	1,549	Results from expansion of operations
<b>Payments incl. corporate tax</b>	<b>2,311</b>	1,407	
<b>Other</b>	<b>2,475</b>	408	
<b>Cash flows from operating activities</b>	<b>2,567</b>	1,463	Acquisition of shares accompanying change in scope of consolidation as well as acquisition of fixed assets with opening of new offices
<b>Cash flows from investing activities</b>	<b>3,548</b>	1,238	
<b>Cash flows from financing activities</b>	<b>6,719</b>	218	Increase in long-term debt
<b>Free cash flows</b>	<b>981</b>	225	

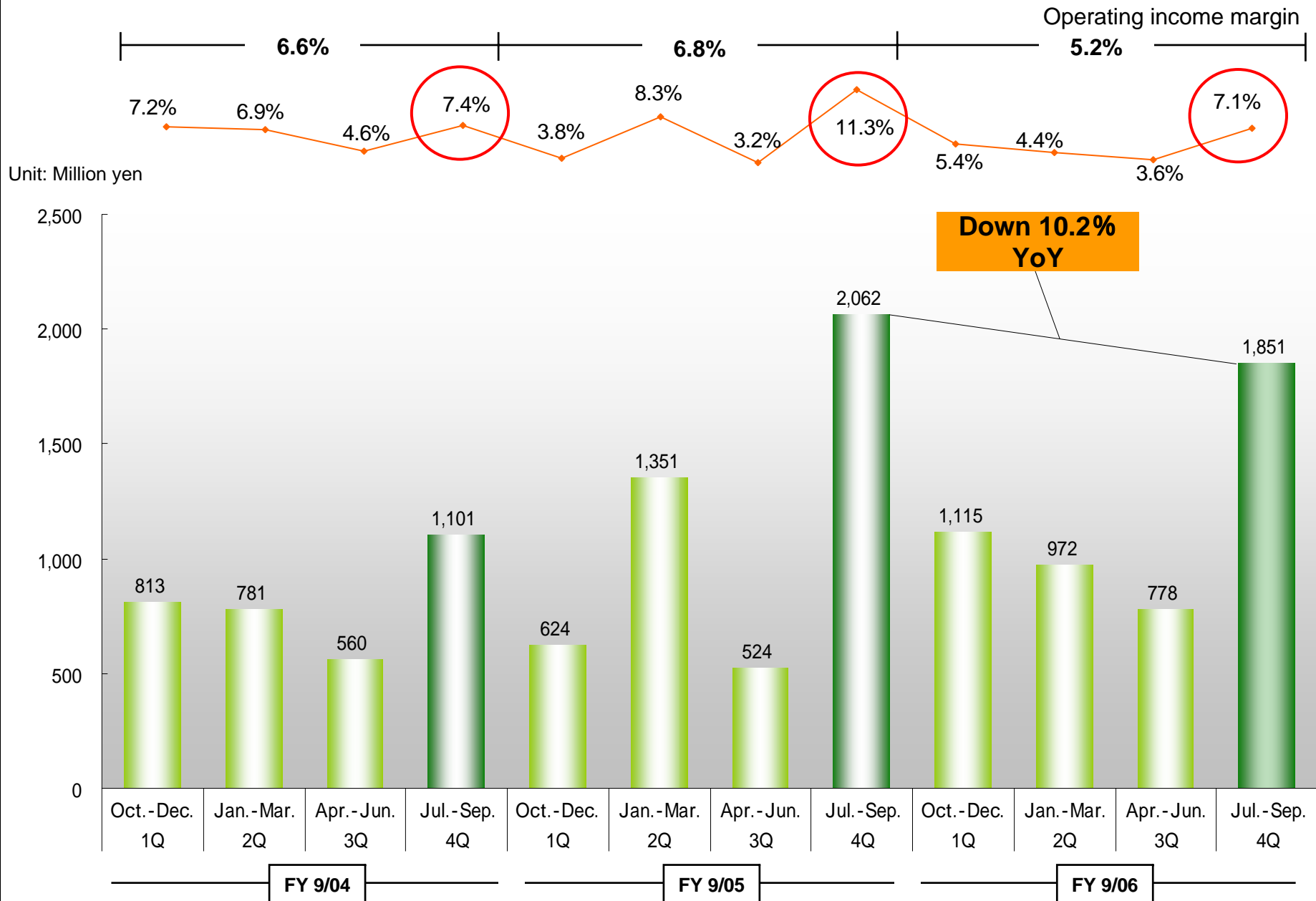
## Consolidated Net Sales



Figures are rounded down to the nearest million yen from the fiscal year ended September 2005.



## Consolidated Operating Income



Figures are rounded down to the nearest million yen from the fiscal year ended September 2005.

Comments on our business results for the of the Fiscal Year Sep. 2006

	FY ended Sep. 2005		FY ending Sep. 2006		The rate of increase and decrease
	〔 Oct. 2004 Sep. 2005 〕		〔 Oct. 2005 Sep. 2006 〕		
	Net sales*	%	Net sales*	%	
Spot Business	39,749	59.1%	49,982	55.4%	25.7%
Office Businesses	5,211	7.8%	7,377	8.2%	41.6%
Factory Business	13,787	20.5%	16,135	17.9%	17.0%
Technology Business	7,707	11.5%	15,169	16.8%	96.8%
Other Businesses	758	1.1%	1,500	1.7%	97.9%
Consolidated total	67,212	100.0%	90,163	100.0%	34.1%

\* Net sales represent sales to external customers.

Unit: Million yen

**【Market Environment】**

- Demand for labor outsourcing solutions remains robust, reflecting a labor shortage triggered by the current strength of the economy and corporate earnings.

**【Spot Business】**

- Demand remains strong from a wide variety of industries regardless of company size
- Synergies from naming rights and the opening of offices in regional areas in previous terms boosted sales in local regions.
- We did not achieve our sales target, due to delays in achieving efficiencies in Tokyo, where we increased the number of offices rapidly.

**【Office Business】**

- Earnings of Fullcast Marketing Co., Ltd., which we made a wholly owned subsidiary in July 2006, contributed to results.
- Sales decline due to withdrawal from call center business.

**【Factory Business】**

- Successfully captured strong demand from machinery, consumer electronics and a broad section of other industries.
- Because we were unable to secure the expected number of staff members for automotive factory lines, we failed to achieve our sales target.
- The rise in the average unit contract price and improvements in project management in system development contributed to earnings growth.

**【Technology Business】**

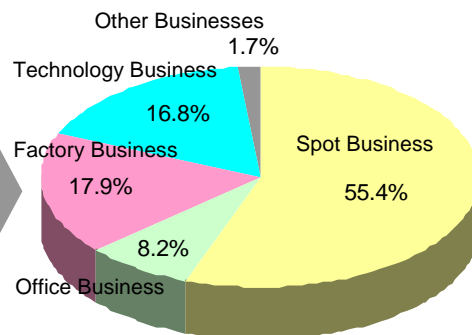
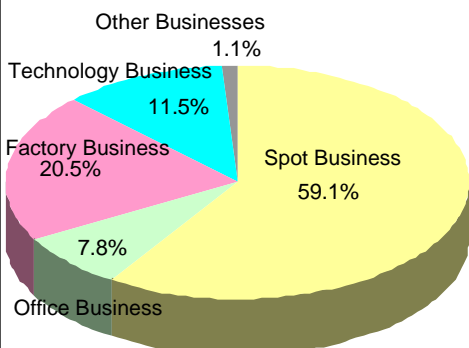
- Strong growth in technician dispatch due to strong demand from clients with active development programs.
- System development orders from finance, communications industries increased.
- A higher average contract unit price and improved project management in system development contributed to earnings growth.

**【Other Business】**

- We made Nihon Sogo Keibi Hoshō (now Fullcast Advance Co., Ltd.) a wholly owned subsidiary in May 2005.
- We sold shares in Fullcast Sports Co., Ltd., making it an affiliate held under the equity accounting method.

Business results of FY Sep. 2005

Business results of FY Sep. 2006



# **1. Spot Business**

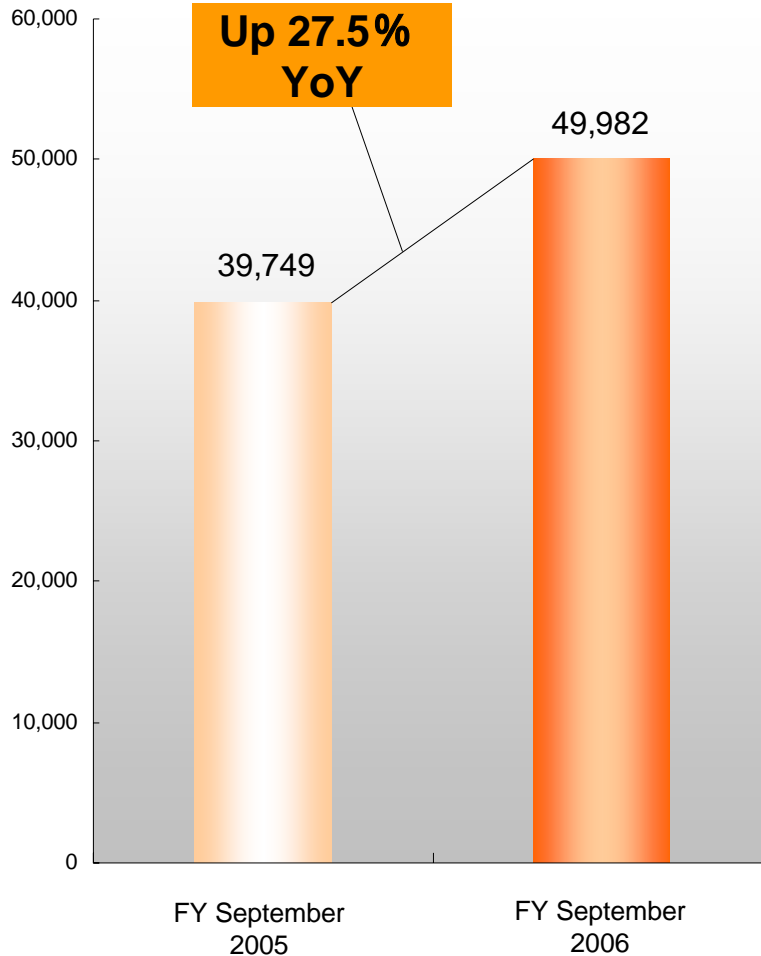
**Results of Spot Business Segment  
for the Fiscal Year September 2006**

**Local offices opened in previous  
terms contributed to better sales  
and earnings.**

Year-on-year comparison between FY2005 and FY2006

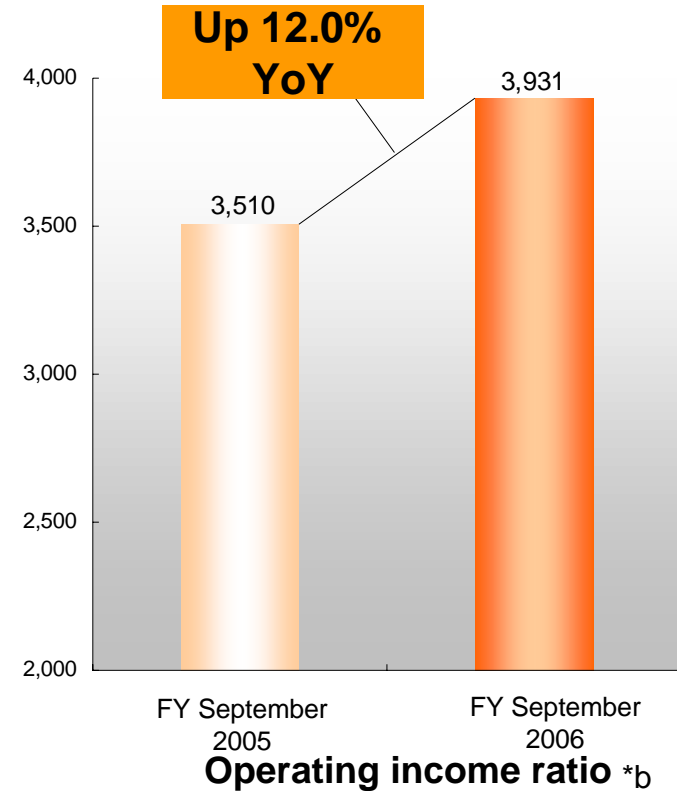
Net sales <sup>\*a</sup>

Unit: Million yen



## Operating income

Unit: Million yen

Operating income ratio <sup>\*b</sup>

8.8%

7.9%

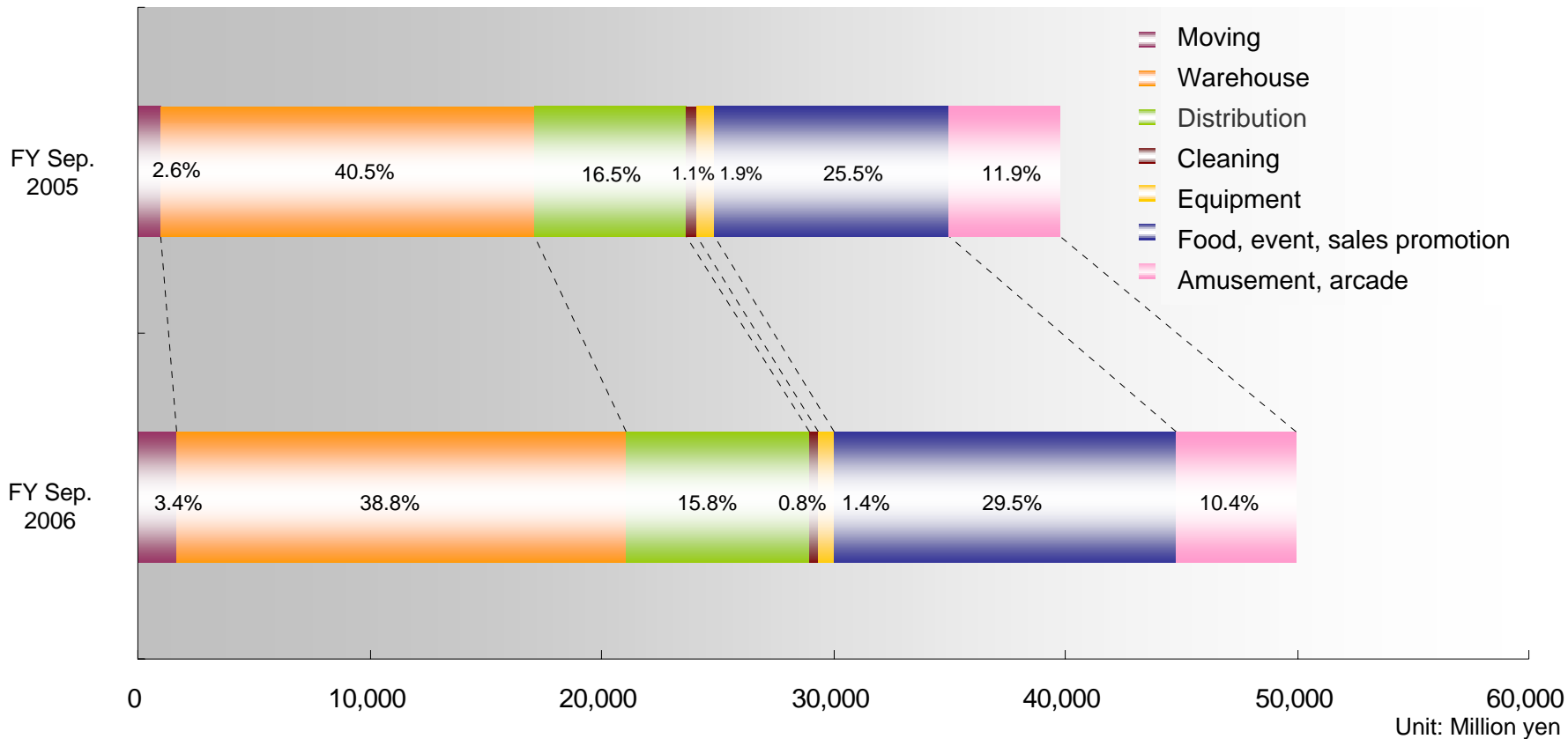
**[Factors for the lower operating income ratio]**  
 Delays in achieving profitability at new offices opened in Tokyo capital area

\*a Net sales represent sales to external customers.

\*b Operating income ratio is calculated by dividing operating income by external sales

Year-on-year comparison for the FY2005 and FY2006

## Sales breakdown by industry



## Share of the top 20 companies

FY Sep. 2005

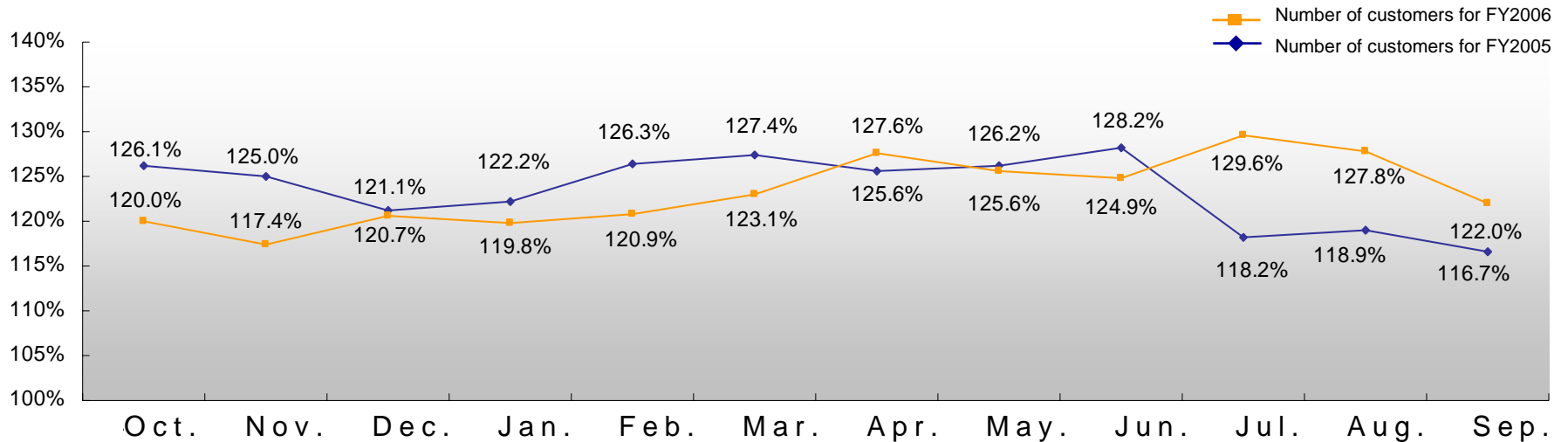
**14.3%**



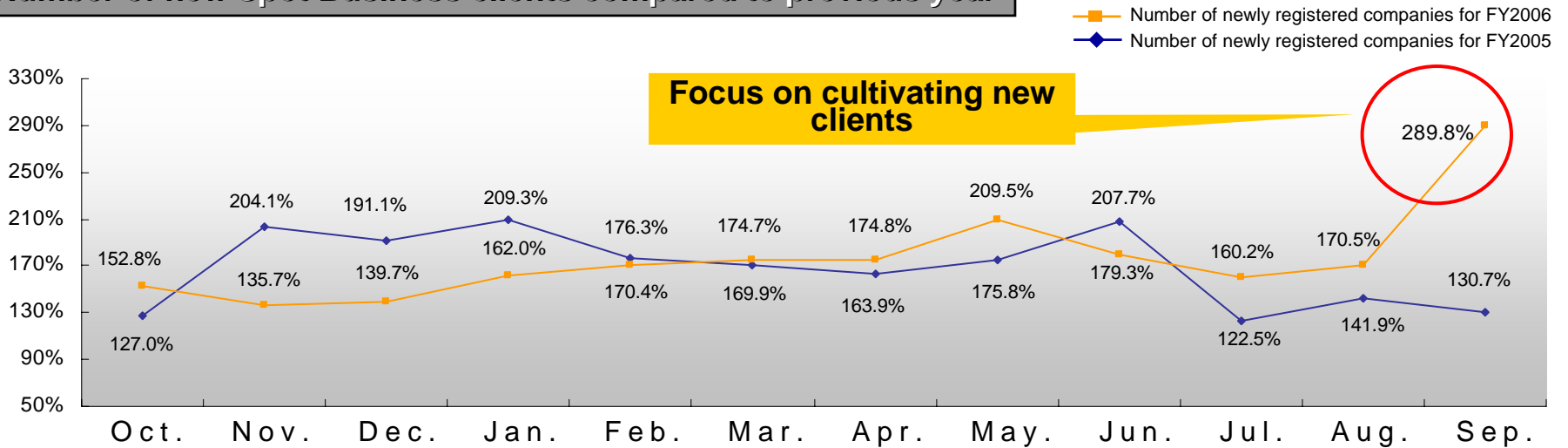
FY Sep. 2006

**14.7%**

## Number of existing Spot Business clients compared to previous year

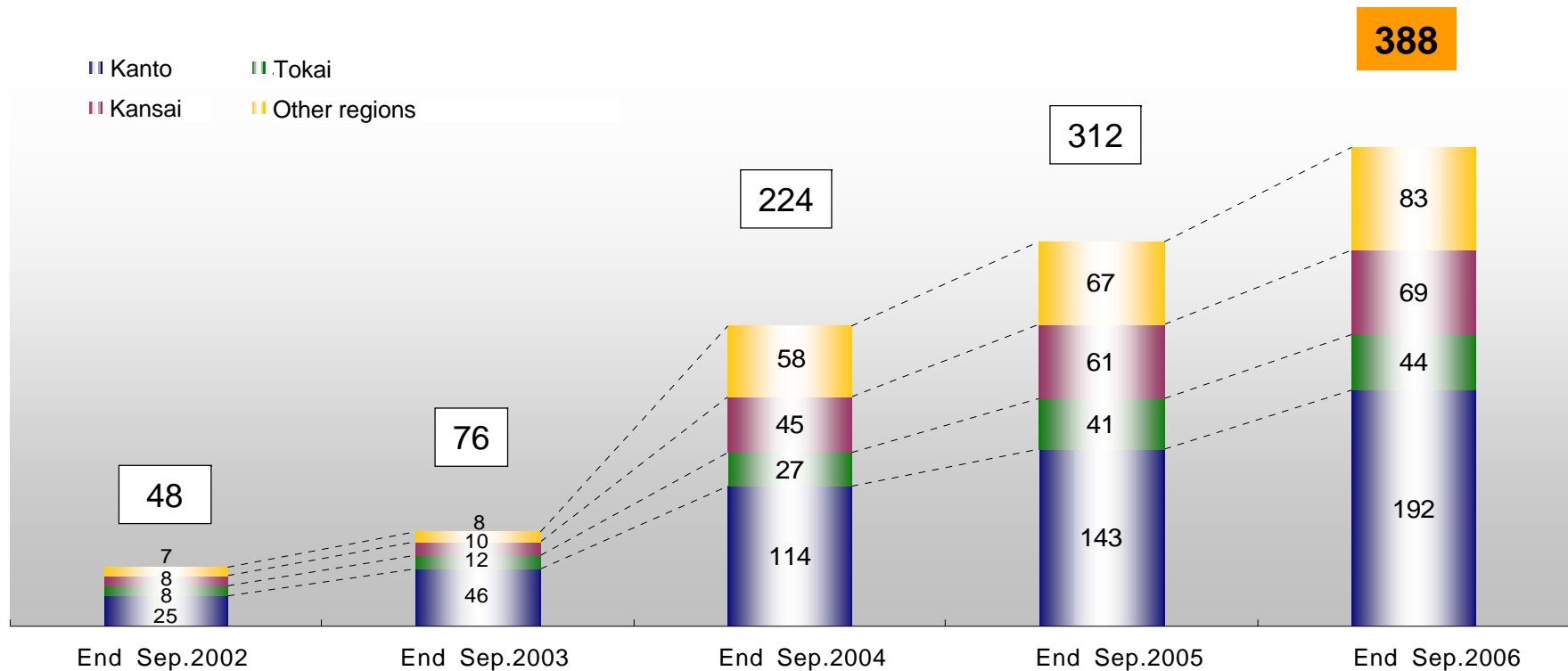


## Number of new Spot Business clients compared to previous year



As of FY ended Sept. 2005, results of Fullcast and Fullcast Office Support (current Fullcast HR Institute) are combined.  
 As of FY ended Sept. 2006, results of the Spot Business excluding the pachinko parlor business and NISSO Co.,LTD are shown.  
 Fullcast HR Institute has been re-categorized to the Office Business segment.

## Change in the number of offices by region



## Number of registered staff members \*

628,987

779,961

964,799

1,179,954

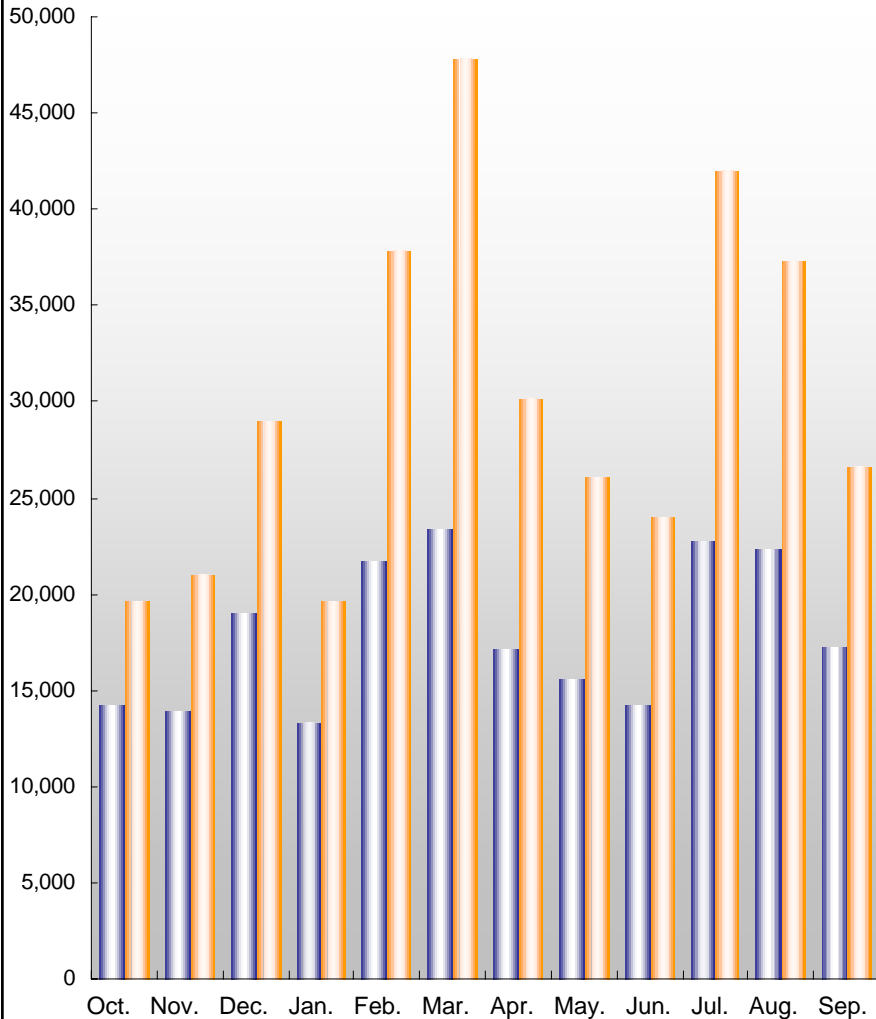
1,541,232

\*Excluding Apayours, Amusecast (pachinko parlor operations-related)

## Number of newly registered workers

Unit: People

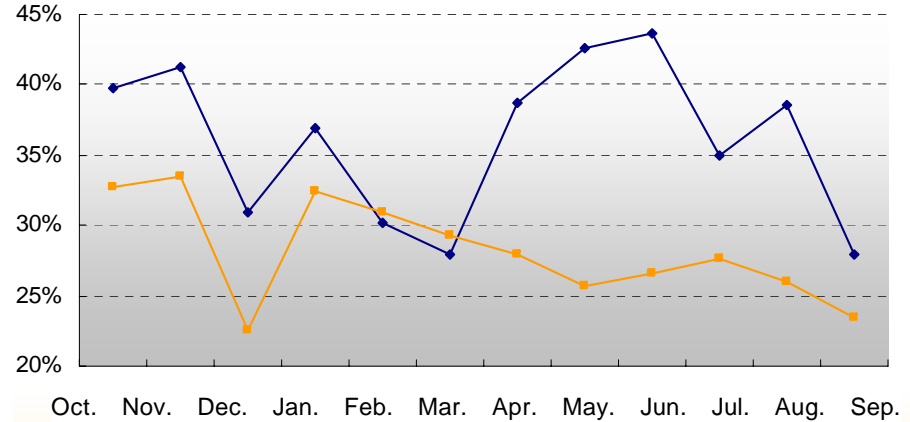
■ Number of those registered for FY2006  
■ Number of those registered for FY2005



The number of registered workers in the Spot Business segment, excluding those involved in operations related to pachinko parlors is shown.

## Ratio of workers registering via our unique portal website

■ Ratio of those registered on the Web for FY2006  
◆ Ratio of those registered on the Web for FY2005

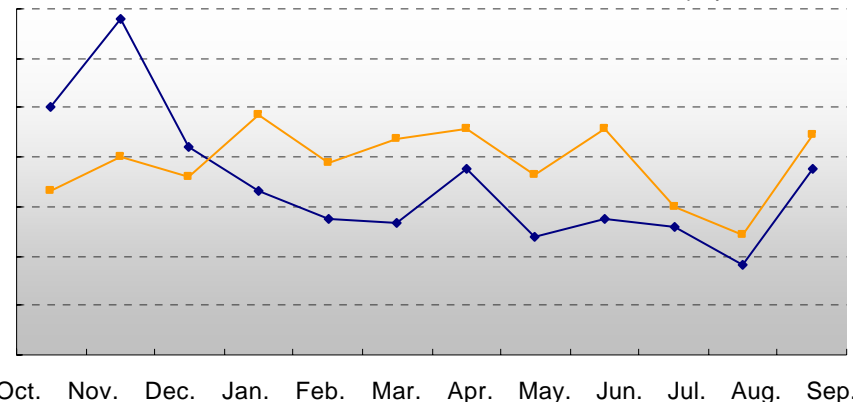


**[Highlight]**  
 We took steps to bolster registrations through our website and renewed the mobile version of our site in December

## Unit cost of employment

\*1 scale = ¥500

■ Unit cost of employment for FY2006  
◆ Unit cost of employment for FY2005



Oct. Nov. Dec. Jan. Feb. Mar. Apr. May. Jun. Jul. Aug. Sep.



## **2. Office Business**

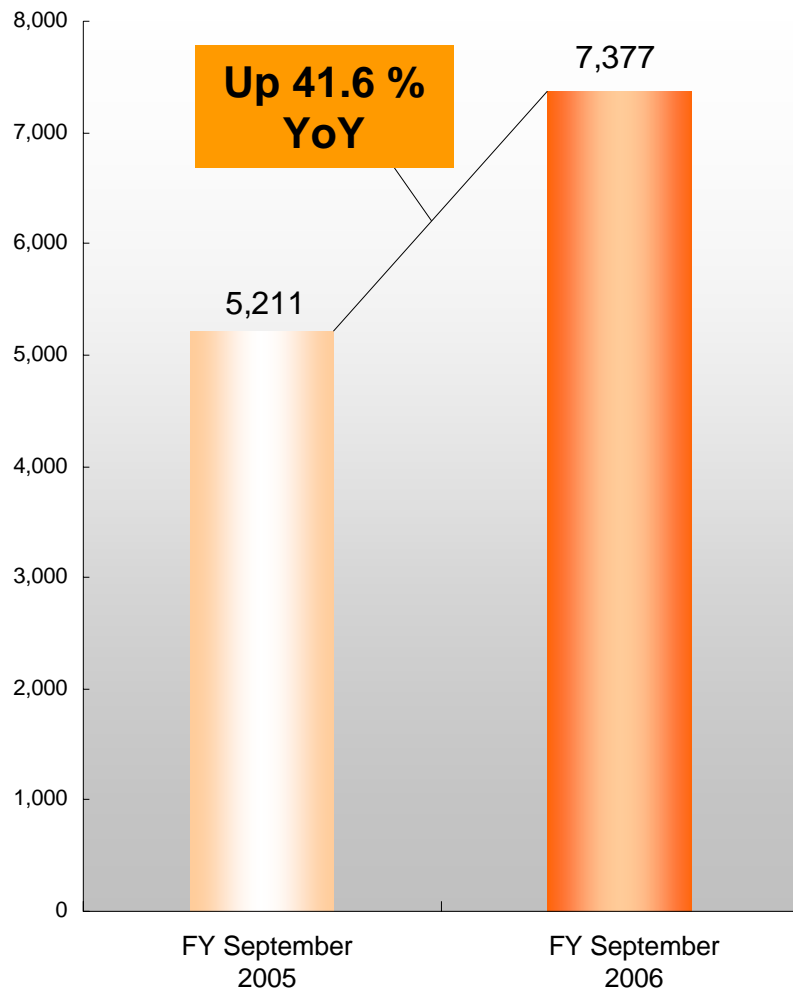
**Results of Office Business Segment for  
the Fiscal Year September 2006**

**Despite growth in the HR service  
segment, the sluggish performance of  
the call center business impacted  
earnings**

Year-on-year comparison between FY2005 and FY2006

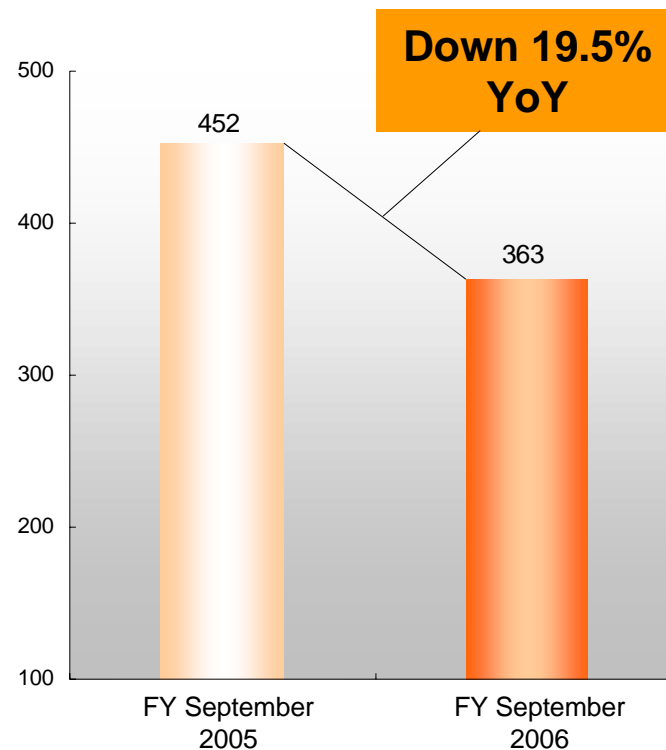
## Net sales <sup>\*a</sup>

Unit: Million yen



## Operating income

Unit: Million yen



## Operating income ratio <sup>\*b</sup>

8.7%

4.9%

**[Factors behind the lower operating income ratio]**  
**The sluggish performance of the call center division <sup>\*c</sup>**

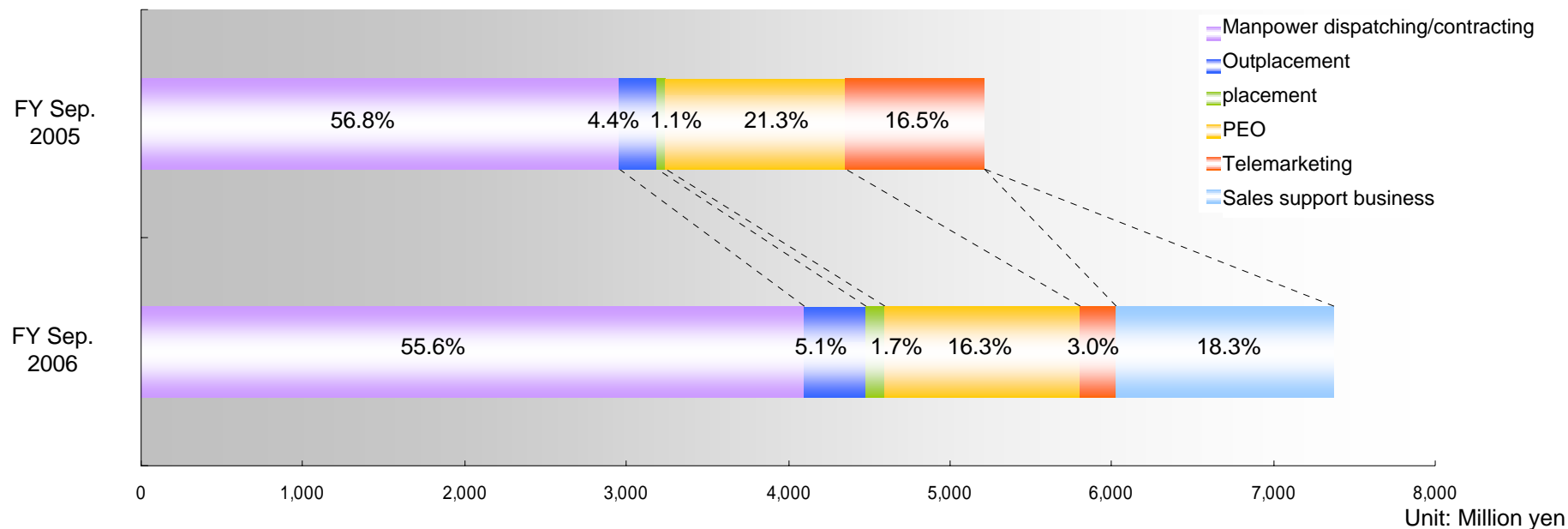
<sup>\*a</sup> Net sales represent sales to external customers.

<sup>\*b</sup> Operating income ratio is calculated by dividing operating income by external sales

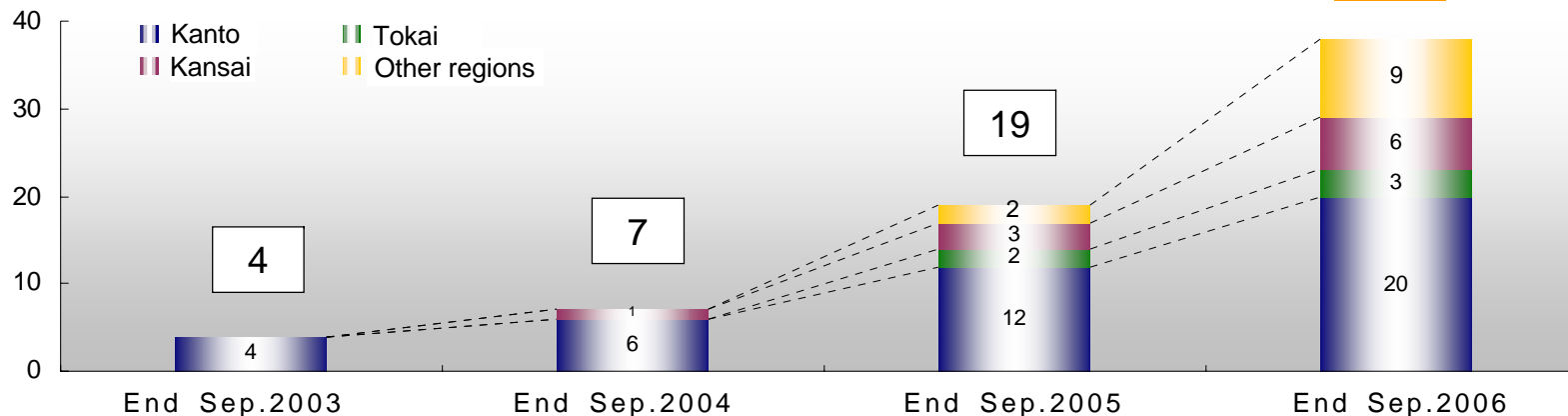
<sup>\*c</sup> All shares of the call center division were transferred in February 2006.

Year-on-year comparison for the FY2005 and FY2006

## Sales breakdown by division



## Change in number of offices by region



## **3. Factory Business**

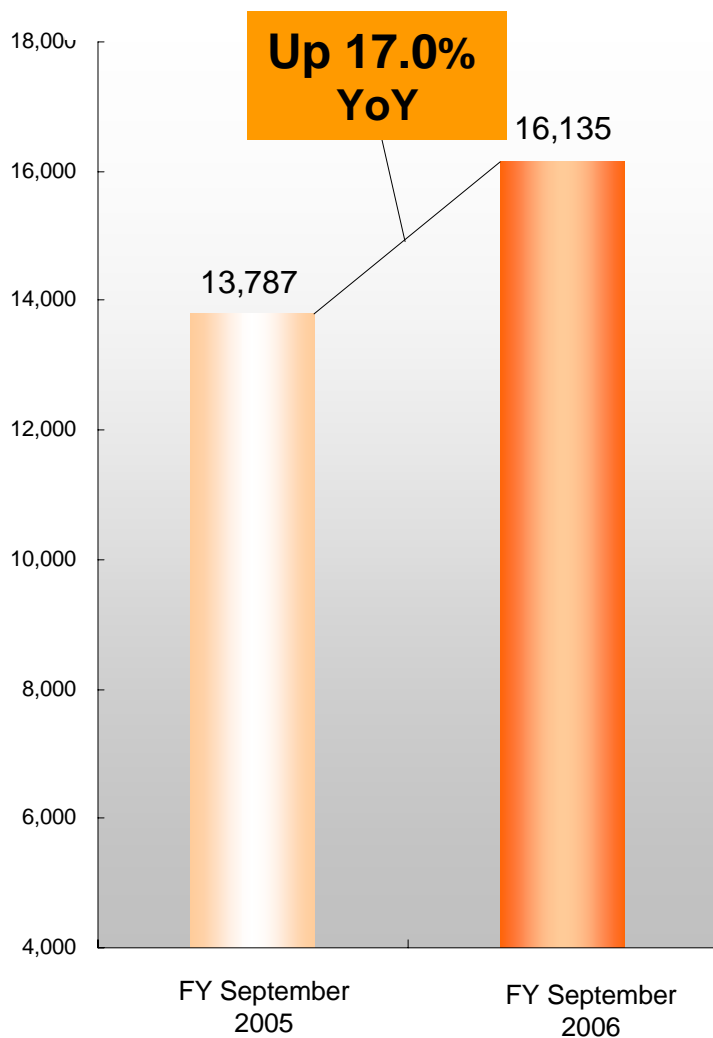
**Results of Factory Business Segment  
for the Fiscal Year September 2006**

**Strong orders from a broad cross-  
section of industries.**

Year-on-year comparison between FY2005 and FY2006

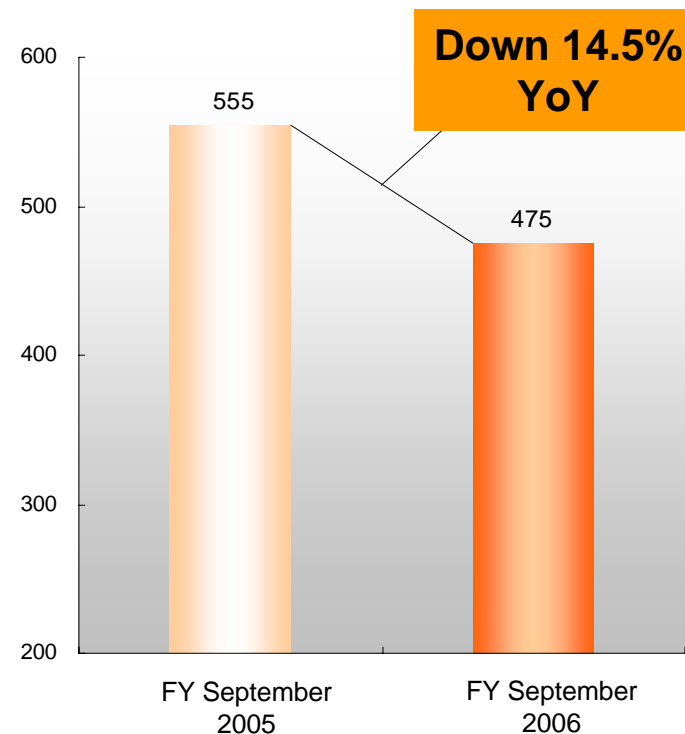
Net sales <sup>\*a</sup>

Unit: Million yen



## Operating income

Unit: Million yen

Operating income ratio <sup>\*b</sup>

4.0%

2.9%

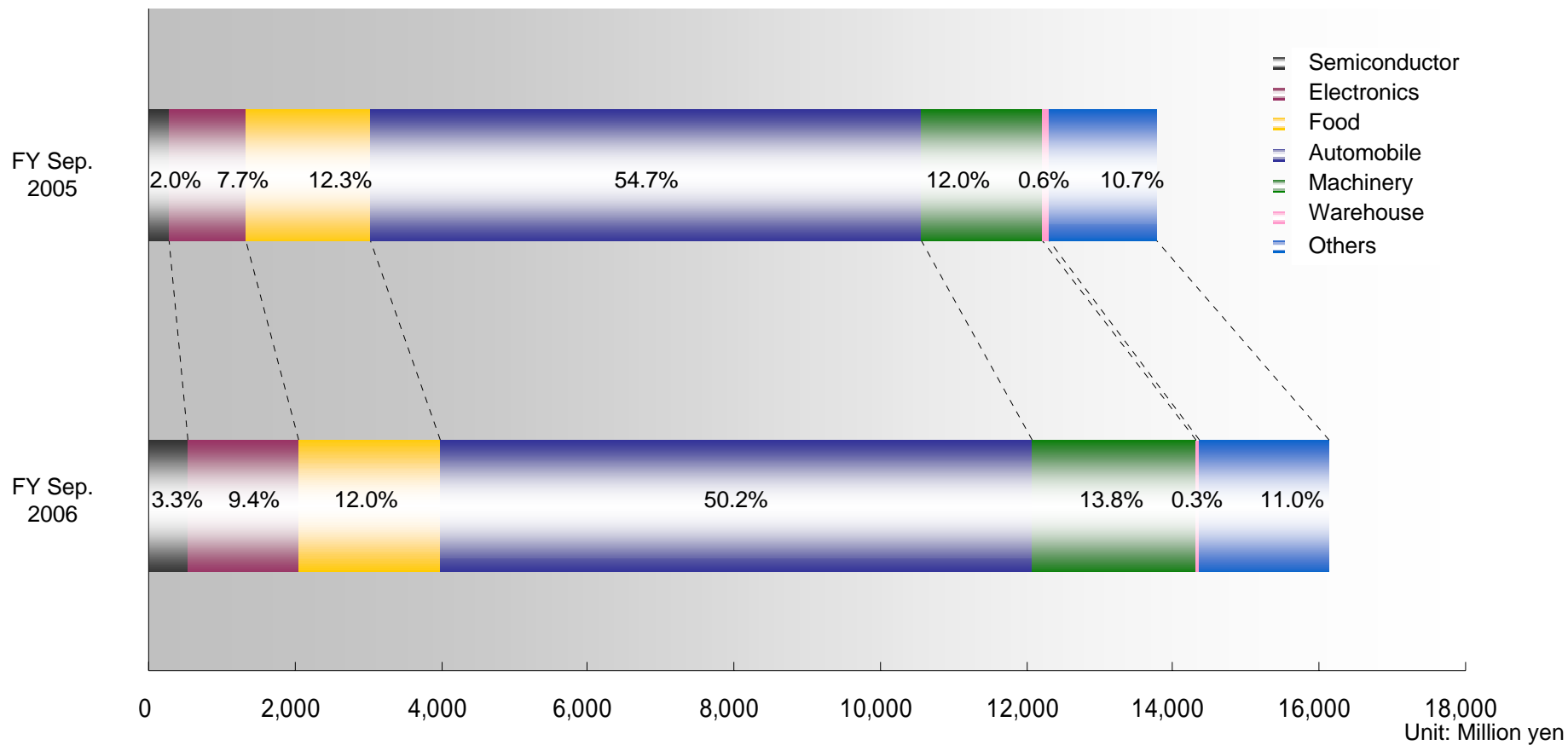
**[Factors behind the lower operating income ratio]**  
**Difficulty in securing staff, resulting in higher recruiting costs**

\*a Net sales represent sales to external customers.

\*b Operating income ratio is calculated by dividing operating income by external sales

Year-on-year comparison for the FY2005 and FY2006

## Sales breakdown by industry



## Number of customers

FY September 2005

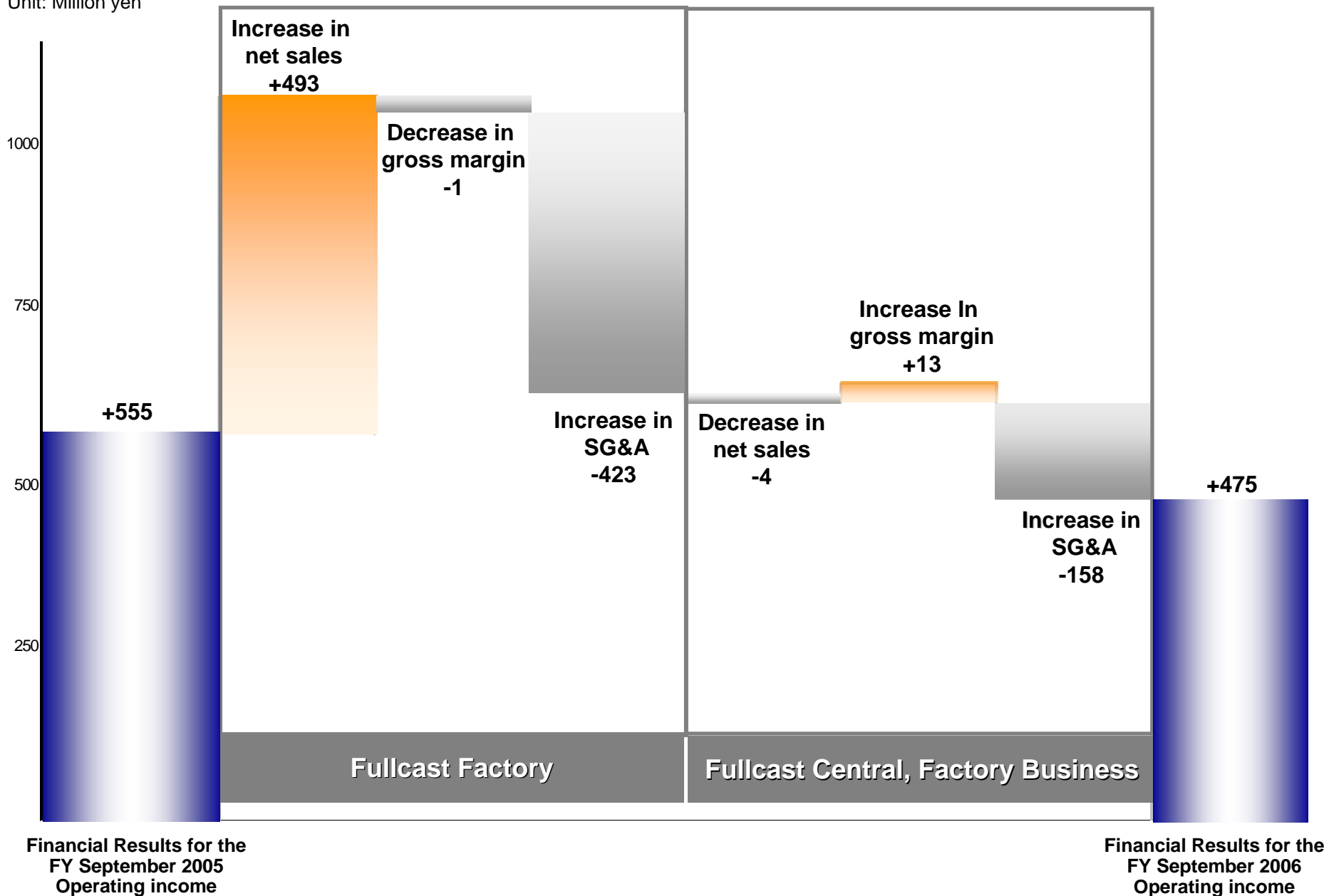
421



FY September 2006

506

Unit: Million yen



Financial Results for the  
FY September 2005  
Operating income

Financial Results for the  
FY September 2006  
Operating income

## **4. Technology Business**

**Results of  
Technology Business Segment  
for the Fiscal Year September 2006**

**The rise in the unit price  
of engineer contracts  
and the effects of M&A  
increased both sales  
and earnings.**

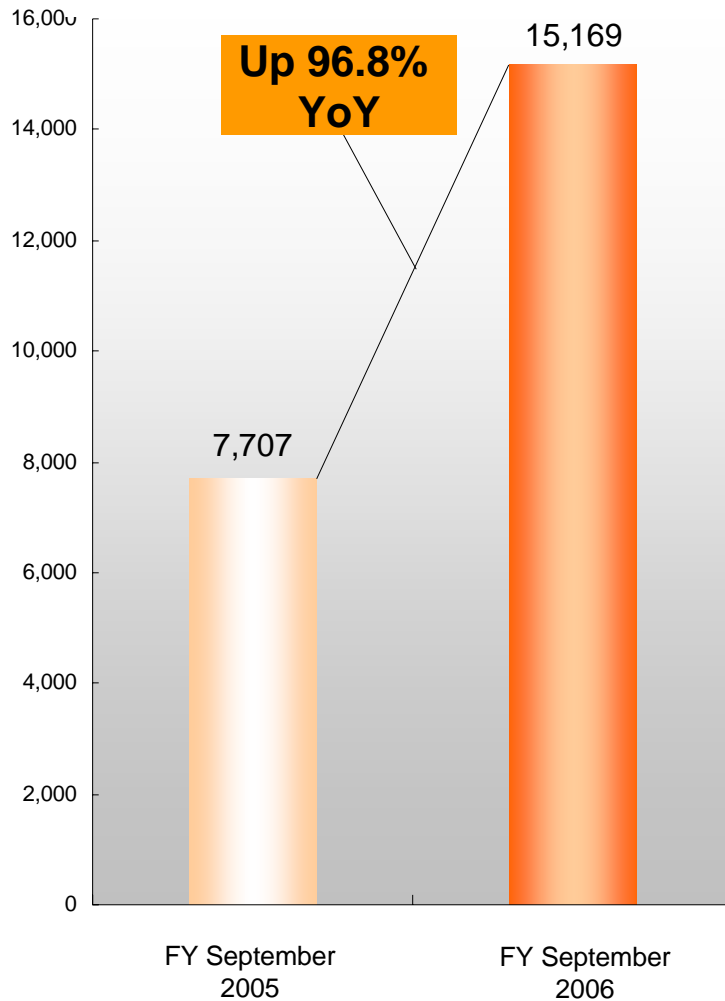


Year-on-year comparison between FY2005 and FY2006

## Net sales

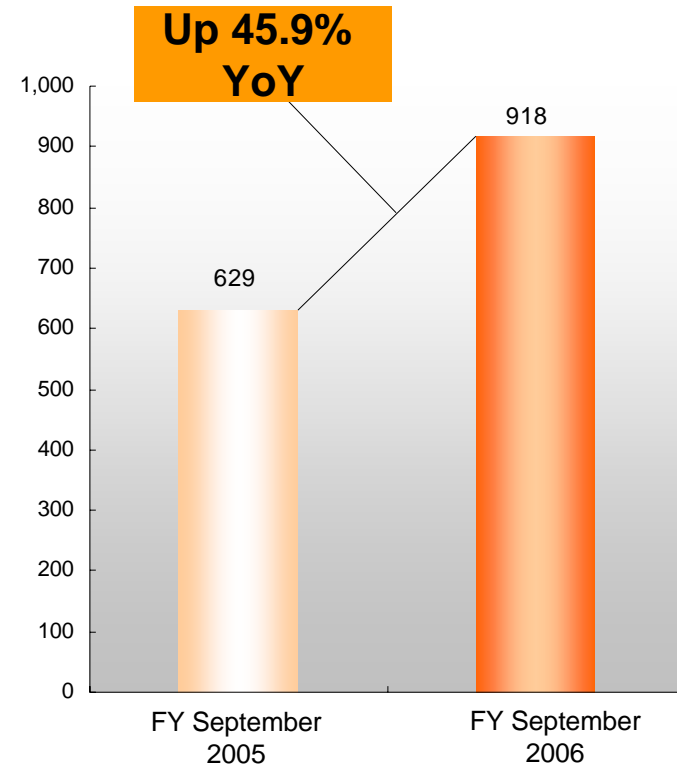
\*a

Unit: Million yen



## Operating income

Unit: Million yen



Operating income ratio \*b

8.2%

6.1%

[Factors behind the lower operating income ratio]

The business mix attributable to M&amp;A

\*a Net sales represent sales to external customers.

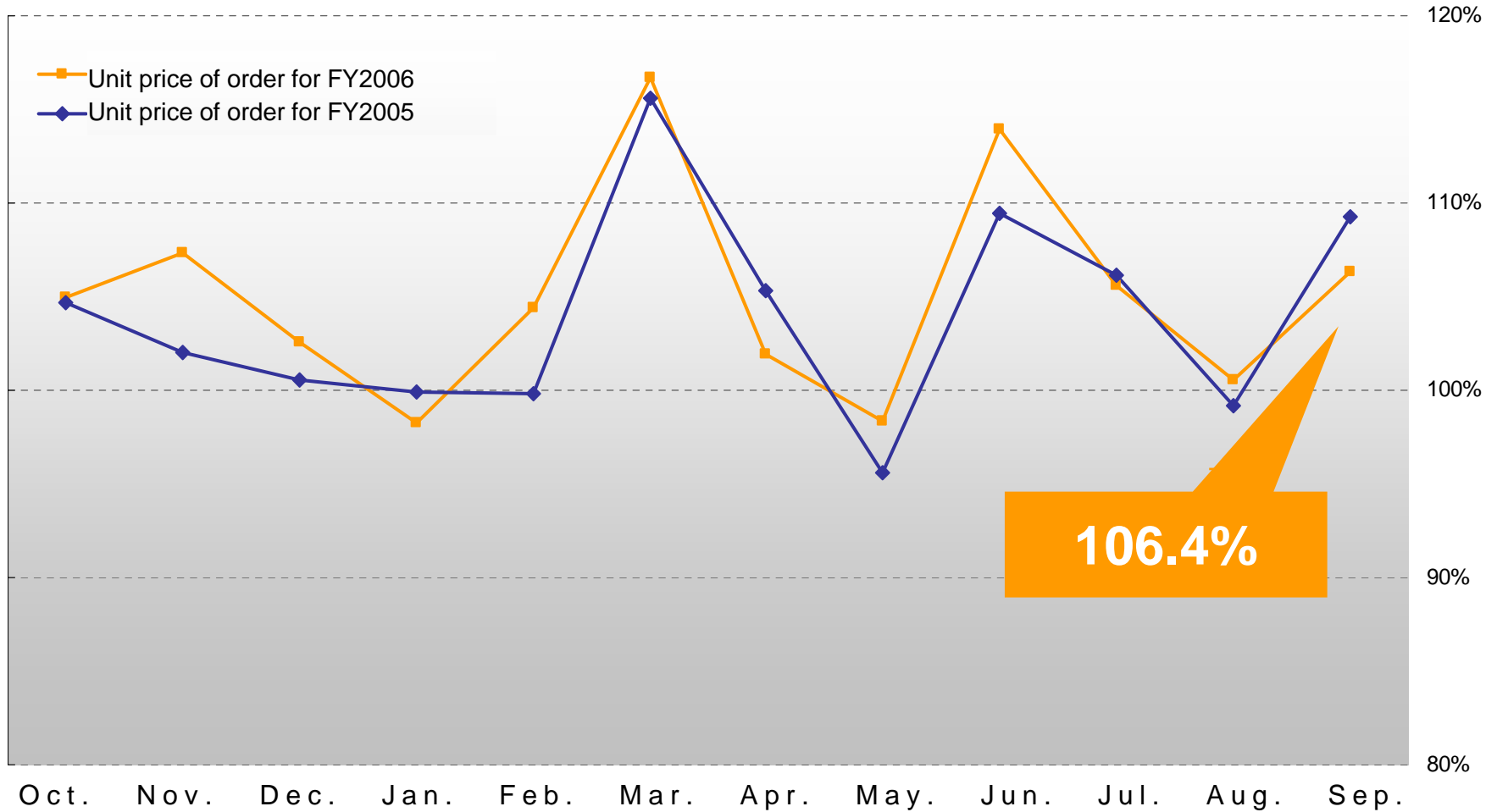
\*b Operating income ratio is calculated by dividing operating income by external sales

(Using average price of order in FY ended Sep. 2001 as 100)

## Unit price of order

Fullcast Technology Co., Ltd.  
Fullcast Central's technical expert dispatching unit

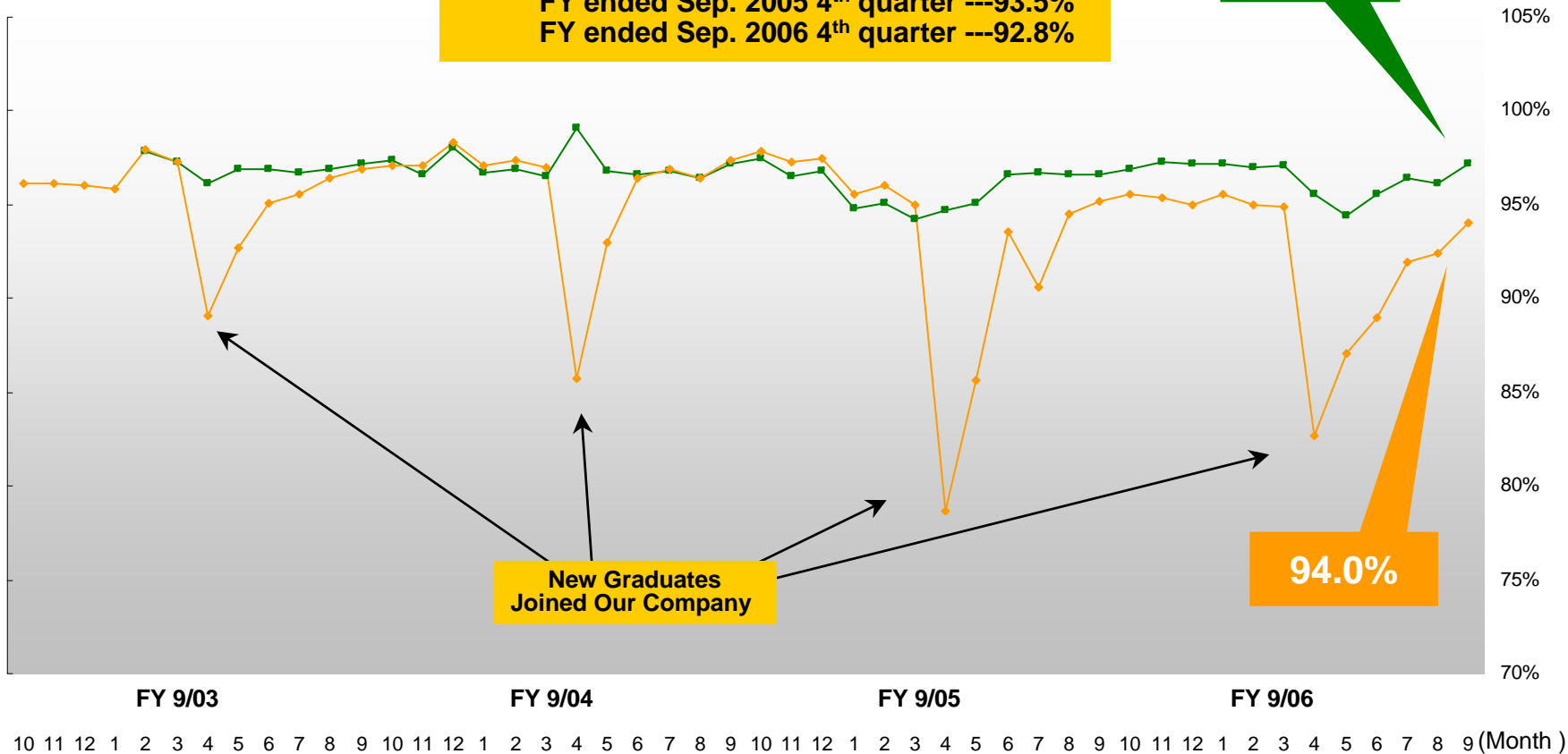
Unit price of order



## Utilization ratio

- Utilization rate (excl. new graduates)
- Utilization rate

Capacity Utilization ratio of dispatched technical staff  
 FY ended Sep. 2005 4<sup>th</sup> quarter ---93.5%  
 FY ended Sep. 2006 4<sup>th</sup> quarter ---92.8%



New Graduates  
 Joined Our Company

97.1%

94.0%

Utilization rate

95.3%

95.5%

92.7%

92.1%

# **Agenda**

**Business Highlights of the Fiscal Year Ended  
September 2006**

**Results by Business Segments**

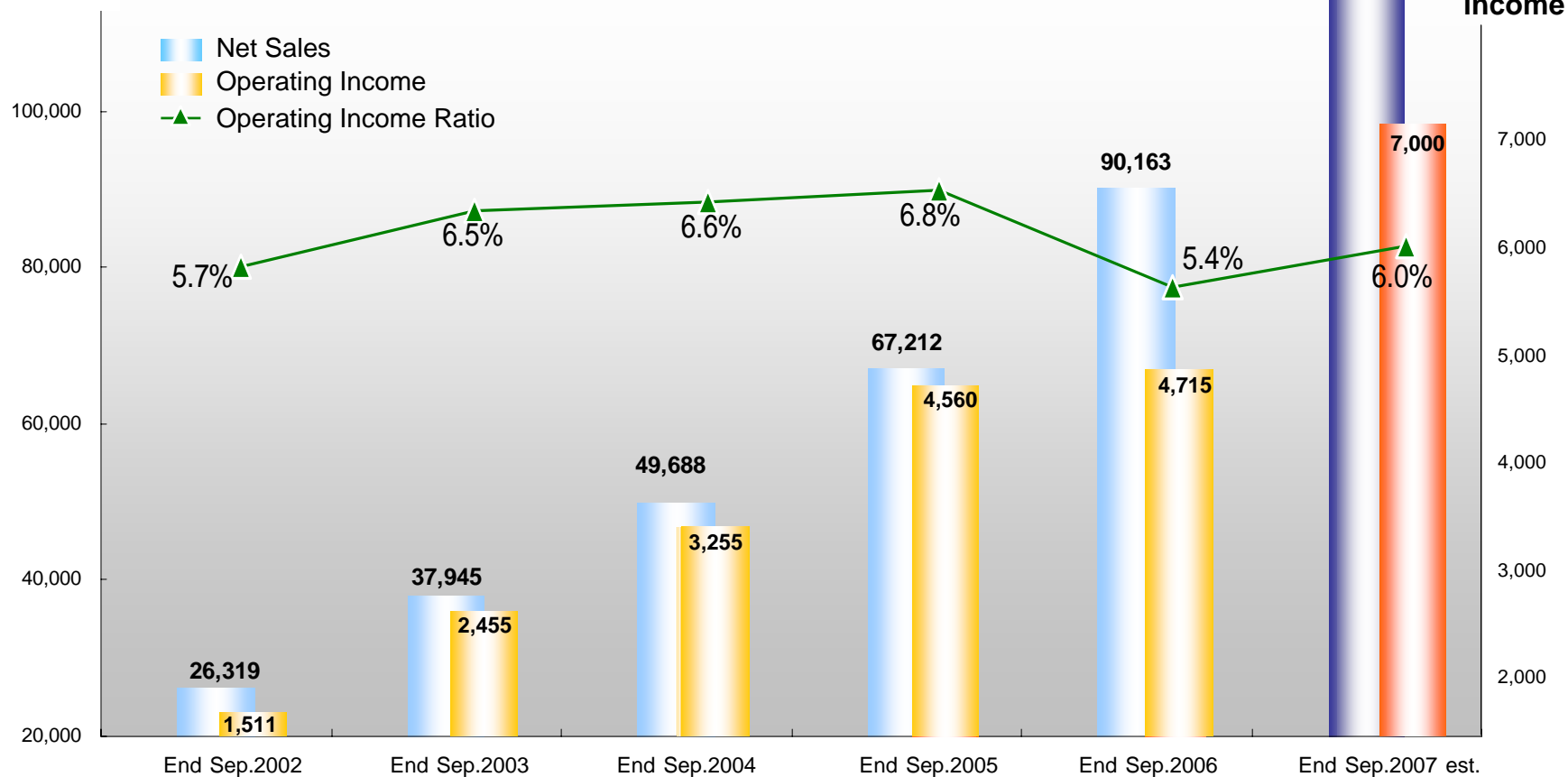
- **Spot Business**
- **Office Business**
- **Factory Business**
- **Technology Business**

**Projection for the FY ending September 2007**

# Consolidated Net Sales / Operating Income

Unit: Million yen

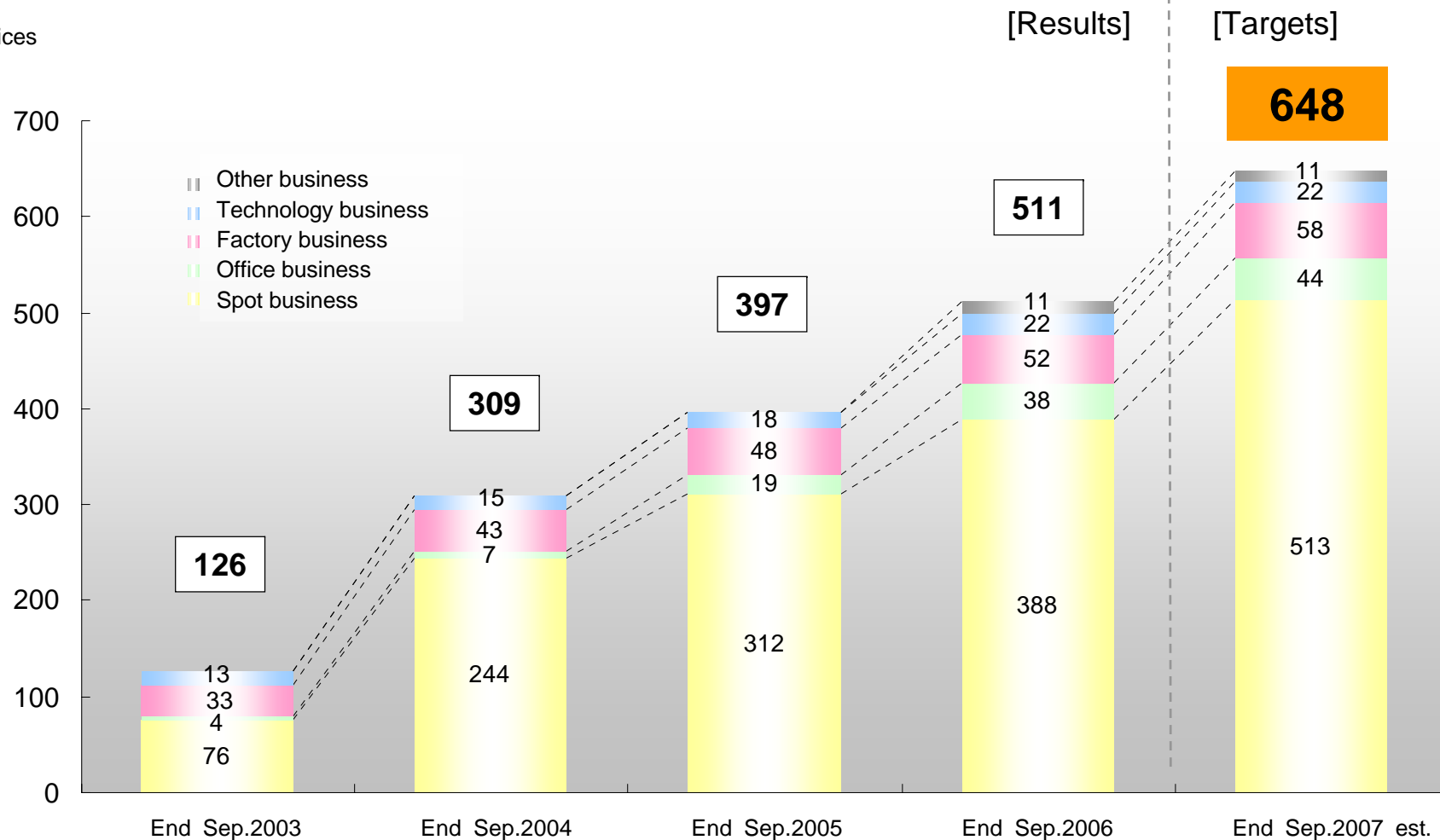
Sales



Spot Business	16,391	22,205	30,814	44,103	49,982	64,300
Office Business	-	-	-	-	7,377	11,600
Factory Business	5,824	10,713	12,234	13,787	16,135	19,300
Technology Business	3,361	4,313	6,212	7,707	15,169	17,550
Other Business	742	712	426	1,615	1,500	3,250

Note: The above plan is our Company's forecasts at the present time; actual results are not guaranteed and they may deviate from these projections.

Unit: Offices



## Capital Investments

Unit: Million yen

	End Sep. 2003	End Sep. 2004	End Sep. 2005	End Sep. 2006	End Sep. 2007 est.
Software	258	298	192	529	630
Office tools, equipment, and other	225	398	384	603	380
<b>Total</b>	<b>483</b>	<b>696</b>	<b>576</b>	<b>1,133</b>	<b>1,010</b>

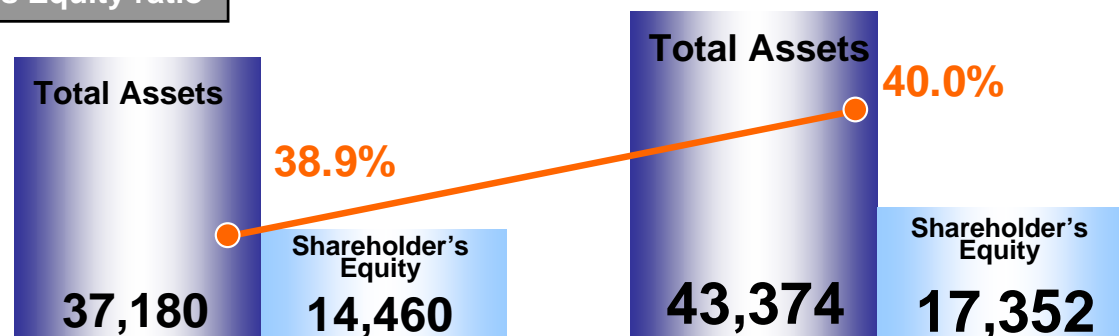
Note: The above plan is our Company's forecasts at the present time; actual results are not guaranteed and they may deviate from these projections.

Unit: Million yen

## Projection for Cash flows

	FY9/06 (Results)	FY9/07 (Projection)
Cash flow from operating activities	2,567	4,361
Cash flow from investing activities	3,548	1,910
Cash flow from financing activities	6,719	674
Cash and cash equivalents end of period	11,906	15,268
Free cash flows	981	2,451

## Projection for the Total Assets / Shareholder's Equity / Shareholder's Equity ratio



Note: The above plan is our Company's forecasts at the present time; actual results are not guaranteed and they may deviate from these projections.

\* Shareholders equity = net assets - subscription rights - minority interests  
Shareholders equity ratio = Shareholders equity / Net assets X 100

Unit: Million yen

	<b>FY9/06 (Results)</b>	<b>FY9/07 (Projection)</b>
<b>Sales</b>	<b>90,163</b>	<b>116,000 (+28.7%)</b>
<b>Operating income</b>	<b>4,715</b>	<b>7,000 (+48.4%)</b>
<b>Ordinary income</b>	<b>4,550</b>	<b>7,000 (+53.8%)</b>
<b>Net income</b>	<b>2,942</b>	<b>3,700 (+25.8%)</b>
<b>EPS:Yen</b>	<b>10,757<sup>.95</sup></b>	<b>13,478<sup>.22</sup></b>
<b>ROE:%</b>	<b>21.9</b>	<b>23.3</b>
<b>Avg. shares O/S</b>	<b>273,503 shares</b>	<b>274,517 shares</b>
<b>Capital investment</b>	<b>1,133</b>	<b>1,010</b>

( ) Growth from the previous year

Note: The above plan is our Company's forecasts at the present time; actual results are not guaranteed and they may deviate from these projections.



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### ADR (American Depositary Receipts) information

Ratio (ADR:ORD) : 100:1

Exchange : OTC(Over-the-Counter)

Symbol : FULCY

CUSIP : 35968P100

Depository : The Bank of New York

101 Barclay Street, New York, NY 10286, U.S.A.

TEL : (212) 815-2077

U.S. Toll Free : (888) 269-2377 (888-BNY-ADRS)



The BANK  
of NEW YORK.

Web Site : [http://www.adrbny.com/dr\\_profile.jsp?cusip=35968P100](http://www.adrbny.com/dr_profile.jsp?cusip=35968P100)

### Inquiries

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**U R L: <http://www.fullcast.co.jp>**

**e-mail : [IR@fullcast.co.jp](mailto:IR@fullcast.co.jp)**

# **Reference Materials**

**Review of Fullcast's Consolidated Operating Results  
for the FY Ended September 2006**

**October 31, 2006**

## Company Profile

Company name	FULLCAST CO.,LTD.
Established	September 14, 1990
Operation commenced	October 1, 1992
IPO	June 15, 2001 (JASDAQ) September 3, 2003 (2nd Section of the Tokyo Stock Exchange) September 1, 2004 (1st Section of the Tokyo Stock Exchange)
Capital	3,464,10 million yen
Shares outstanding	275,964 shares(273,689 shares held by outside shareholders )
Head office	Shibuya-ku, Tokyo, Japan
CEO	Takehito Hirano
Business objectives	Human Resources Solution Provider

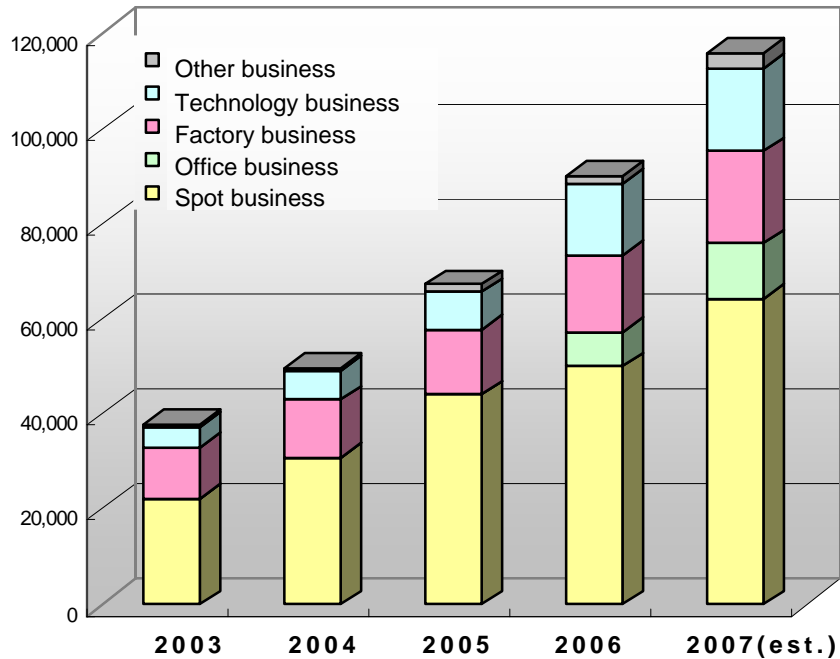
## Group Data

Descriptions of business	I. Spot Business II.Office Business III.Factory Business IV. Technology Business .Other Business
Employees	3,304(including 1,241 dispatched technical engineers)
Registered spot staff	1,541,232 *
No. of offices	551 Offices

\*:The number of registered spot staff does not include the staff in the parlor business.

## Changes in sales by business segments

Unit: Million yen

Changes in the number of offices  
by business segment

	Sep.30, 2003	Sep.30, 2004	Sep.30, 2005	Sep.30, 2006	Sep.30, 2007(e)
Spot Business	80	251	331	388	513
Office Business	-	-	-	38	44
Factory Business	33	43	48	52	58
Technology Business	13	15	18	22	22
Other Business	-	-	-	11	11
<b>Sum total</b>	<b>126</b>	<b>309</b>	<b>397</b>	<b>511</b>	<b>648</b>

Unit: Million yen

Consolidated Figures	2003	2004	2005	2006	2007(e)
Sales by Spot Business *1	22,206	30,814	44,103	49,982	64,300
Sales by Office Business *1	-	-	-	7,377	11,600
Sales by Factory Business *1	10,714	12,234	13,787	16,135	19,300
Sales by Technology Business*1	4,313	6,212	7,707	15,169	17,550
Other Businesses *1	713	426	1,615	1,500	3,250
<b>Total sales</b>	<b>37,945</b>	<b>49,688</b>	<b>67,212</b>	<b>90,163</b>	<b>116,000</b>
Over previous year (%)	44.2%	30.9%	35.3%	34.1%	28.7%
Operating income	2,455	3,255	4,560	4,560	7,000
Profit margin (%)	6.5%	6.6%	6.8%	3.4%	48.4%
Profit for the current FY	1,197	1,511	1,885	2,942	3,700
EBITDA	2,843	3,297	4,439	5,476	7,998
Shareholder's equity *2	8,719	10,977	12,377	14,460	17,352
ROE (%)	14.8%	15.4%	16.1%	21.9%	23.3%
EPS (Yen)	27,373	<sup>*3</sup> 5,603.88	6,896.52	10,757.95	13,478.19
Dividend (Yen)	5,000	<sup>*4</sup> 2,000	2,000	3,000	4,000

\*1 represents sales to external customers.

\*2 Shareholder's equity = Total net assets-Stock subscription rights-Minority interest

\*3 Calculated by the 1-3 stock split from the stock allocation base date at the end of September 2003.

Calculated by the 1-2 stock split from the stock allocation base date at the end of March 2004. ( ) represents the revised EPS before the split-up.

\*4 As for dividends in the second half, calculated by 1-2 stock split from the stock allocation base date at the end of March 2004.

## Group Overview

## Business Segments Until September 30, 2005

Segment		
Spot Business	Group Company	Fullcast Co., Ltd. Fullcast Office Support Co., Ltd. Apayours Co., Ltd. Other
	Business Activities	<p>Short-term human resources services, as required by clients, providing them with additional work force to adapt to busy periods or fluctuations in work volume.</p> <p>*Fullcast Co., Ltd. provides short-term human resources services, centering on blue-collar labor for distribution, work in warehouses, cleaning, event organizing, etc.</p> <p>*Fullcast Office Support Co., Ltd. engages in personnel outsourcing services for clerical work such as office admin tasks, work in call centers, and sales promotion activities.</p>
Factory Business	Group Company	Fullcast Factory Co., Ltd. Fullcast Central Co., Ltd. Other
	Business Activities	<p>Staffing services for production line work.</p> <p>*Fullcast Factory Co., Ltd. offers staffing for production line work, mostly to manufacturers in fields such as seafood and food processing, machinery, electrical machinery, precision devices, chemicals and rubber, textiles and pulp, automobiles and other transportation equipment and steel and other metals.</p> <p>*Fullcast Central Co., Ltd. provides human resources services for production line work specialized in the automotive sector.</p>
Technology Business	Group Company	Fullcast Technology Co., Ltd. Other
	Business Activities	<p>Technical/Engineer staffing services.</p> <p>Offers IT specialist/engineer staffing services mainly for development and production of hardware and development of software in the semiconductor and electronics-related fields.</p> <p>Also engaged in making distribution systems more efficient by developing related systems and providing consulting services.</p> <p>*Number of dispatched technical engineers:1,003</p>
Other Business	Group Company	Fullcast Telemarketing Co., Ltd. Fullcast Sports Co., Ltd. Other
	Business Activities	Call center business. Extends agency services centering on the management of soccer players and their transfers to other teams, and organizing sports-related events.

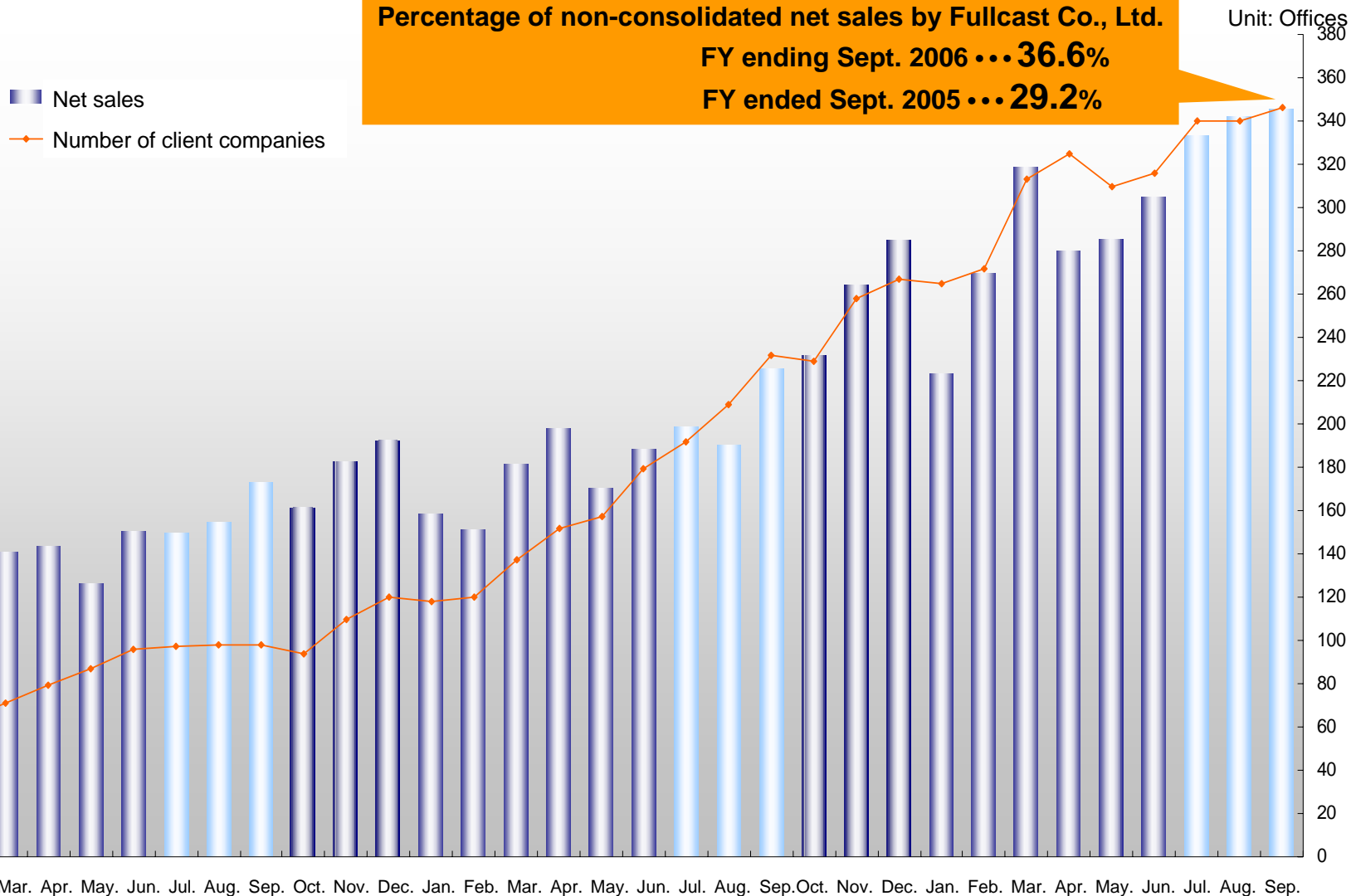
## Business Segments From October 1, 2005

As of Sep. 30, 2006

Segment		
Spot Business	Group Company	Fullcast Co., Ltd. Apayours Co., Ltd. Other
	Business Activities	<p>Short-term human resource services, as required by clients, providing them with additional work force to adapt to busy periods or fluctuations in work volume.</p> <p>Human resources services, centering on blue-collar labor for distribution, work in warehouses, cleaning, event organizing, etc.</p>
Office Business	Group Company	Fullcast HR Institute Co., Ltd Fullcast Marketing Co., Ltd Other
	Business Activities	Offering multiple human resources services ranging from dispatching temporary staff to outplacement and placement services.
Factory Business	Group Company	Fullcast Factory Co., Ltd. Fullcast Central Co., Ltd.
	Business Activities	<p>Staffing services for production line work.</p> <p>*Fullcast Factory Co., Ltd. offers staffing for production line work, mostly to manufacturers in fields such as seafood and food processing, machinery, electrical machinery, precision devices, chemicals and rubber, textiles and pulp, automobiles and other transportation equipment and steel and other metals.</p> <p>*Fullcast Central Co., Ltd. provides human resource services for production line work specialized in the automotive sector.</p>
Technology Business	Group Company	Fullcast Technology Co., Ltd. Asia Pacific System Research Co., Ltd. Other
	Business Activities	<p>Technical/Engineer staffing services.</p> <p>Provides technical staffing services primarily for the development and production processes of the manufacturing industry.</p> <p>It also offers technical staffing services for the software development process in a variety of industries as well as system development and consulting services on a contract basis.</p> <p>*Number of dispatched technical engineers:1,241</p>
Other Business	Group Company	Nihon Sogo Security Guard Co., Ltd. (now Fullcast Advance Co.,Ltd) Other
	Business Activities	Facility security, crowd security and other security operations.

## Change in customized client solutions

Unit: Million yen



Unit: Offices

2004

2005

2006

As of Sep. 30, 2006

## Changes in the number of offices by Segment

		Number of offices										Comparison over the previous year
		End of June 2004	End of Sep. 2004	End of Dec. 2004	End of Mar. 2005	End of June 2005	End of Sep. 2005	End of Dec. 2005	End of Mar. 2006	End of June 2006	End of Sep. 2006	End of Sep. 2005 ~ End of Sep. 2006
Spot Business	Kanto	104	114	139	148	148	143	162	189	180	192	49
	Tokai	24	27	45	44	43	41	42	44	44	44	3
	Kansai	29	45	57	59	60	61	64	70	68	69	8
	Others	41	58	63	68	67	67	67	75	79	83	16
	Total	198	244	304	319	318	312	335	378	371	388	76
Office Business	Kanto	6	6	8	12	12	12	18	18	18	20	8
	Tokai	0	0	1	2	2	2	2	2	1	3	1
	Kansai	0	1	1	3	3	3	5	6	5	6	3
	Others	0	0	0	2	2	2	3	3	2	9	7
	Total	6	7	10	19	19	19	28	29	26	38	19
Factory Business	Kanto	10	11	10	10	12	12	14	14	15	12	0
	Tokai	5	5	7	6	5	5	5	5	6	6	1
	Kansai	4	5	4	5	6	7	7	6	6	6	-1
	Others	23	22	23	22	23	24	25	27	28	28	4
	Total	42	43	44	43	46	48	51	52	55	52	4
Technology Business	Kanto	5	5	3	3	3	3	4	4	4	4	1
	Tokai	1	1	3	4	4	4	4	4	4	4	0
	Kansai	2	2	3	3	3	3	4	4	4	4	1
	Others	5	7	8	8	8	8	10	10	10	10	2
	Total	13	15	17	18	18	18	22	22	22	22	4
Other Business	Kanto									6	6	6
	Tokai									2	2	2
	Kansai									2	2	2
	Others									1	1	1
	Total									11	11	11
		259	309	375	399	401	397	436	481	480	511	114