

For Immediate Release:

Merger with Subsidiary (Simplified Merger)

Fullcast Co., Ltd. is pleased to announce that it will merge with its subsidiary Fullcast Growing School Co., Ltd. on January 1, 2007.

Details

1. Objectives of merger

Fullcast Growing School Co., Ltd. manages training, instruction and educational businesses to develop the vocational aptitude of human resources. The decision has been made to absorb Fullcast Growing School Co., Ltd., to refine its operations and minimize its operating costs.

2. Outline of the merger

(1) Merger schedule

Approval of the merger agreement by the Board of Directors: October 31, 2006

Signing of the merger agreement: October 31, 2006

Approval of the merger contract at general shareholders' meetings:

Fullcast Co., Ltd. (surviving company): In accordance with Paragraph 3 of Article 796 (Simplified Merger) of the Company Law, the Company is not required to convene a general shareholders' meeting to obtain approval from its shareholders.

Fullcast Growing School Co., Ltd. (dissolving company): November 17, 2006

Date of merger announcement: November 30, 2006

Date of merger: January 1, 2007

(2) Merger method

Fullcast Co., Ltd. will absorb Fullcast Growing School Co., Ltd., which will be dissolved.

(3) Merger ratio

Fullcast Growing School Co., Ltd. is a wholly owned subsidiary of Fullcast Co., Ltd., which holds all issued shares of Fullcast Growing School Co., Ltd. As no new shares are issued when the merger takes place, a merger ratio will not be calculated. In addition, there will be no additional capital to be injected as a result of the merger.

(4) Handling of stock acquisition rights and corporate bonds with stock acquisition rights

There are no applicable matters with respect to the handling of stock acquisition rights and other rights of Fullcast Co., Ltd. or Fullcast Growing School Co., Ltd.

(5) Outline of accounting

This merger is classed as a transaction between entities under the same parent company in accordance with corporate merger accounting.

3. Overview of the companies involved in the merger

(as of September 30, 2006)

(1) Registered trade name	Fullcast Co., Ltd. (surviving company)	Fullcast Growing School Co., Ltd. (dissolving company)
(2) Business description	General outsourcing of Human resources	Education
(3) Date established	September 1990	March 2002
(4) Location of head office	2-6 Sakuragaoka, Shibuya-ku, Tokyo	2-6 Sakuragaoka, Shibuya-ku, Tokyo
(5) Representative	CEO, Takehito Hirano	Representative Director, Hidenori Ueki

(6) Paid-in capital	3,464 million yen	50 million yen
(7) Total number of shares issued	273,689 shares	1,000 shares
(8) Shareholders' equity	11,937 million yen	15 million yen
(9) Total assets	26,423 million yen	17 million yen
(10) Account closing	September	September
(11) Employees	631	2
(12) Principal customers	Nippon Express Co., Ltd. Yamato Transport Co., Ltd.	-
(13) Principal shareholders and percentage of shares held	Takehito Hirano (29.3%)	Fullcast Co., Ltd. (100%)
(14) Main banks	The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Bank of Yokohama, Ltd. Mizuho Bank, Ltd.	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
(15) Relationship between the companies	Capital	The Company owns 100% of Fullcast Growing School's shares.
	Personnel	The Company seconds directors to Fullcast Growing School Co., Ltd.
	Transactions	Not applicable

(16) Results over the three most recent fiscal years (million yen)

Fiscal year	Fullcast Co., Ltd. (surviving company)			Fullcast Growing School Co., Ltd. (dissolving company)		
	FY9/04	FY9/05	FY9/06	FY3/05	FY9/05	FY9/06
Sales	28,672	35,598	45,064	4	-	3
Operating income (loss)	2,196	2,661	2,827	2	0	(18)
Ordinary income (loss)	2,241	2,761	2,859	2	0	(17)
Net income (loss)	1,310	1,496	1,610	2	0	(17)
Net income (loss) per share (yen)	4,854.49	5,474.94	5,887.84	2,559.75	(152.52)	(17,465.60)
Dividends per share (yen)	2,000	2,000	3,000	-	-	-
Shareholders' equity per share (yen)	36,835.35	40,534.77	43,613.66	21,506.12	21,353.60	15,346.56

* HR Business Academy Co., Ltd. was renamed Fullcast Growing School Co., Ltd. when it became the Company's wholly owned subsidiary on March 31 2005. Fullcast Growing School Co., Ltd. commenced operations in March 2006. The account settlement date of Fullcast Growing School Co., Ltd. was changed from March 31 to September 30 from the term ended September 2005.

4. Status after the merger

- (1) Registered trade name: Fullcast Co., Ltd.
- (2) Business description: General outsourcing of human resources
- (3) Location of head office: 2-6 Sakuragaoka, Shibuya-ku, Tokyo
- (4) Representative: CEO, Takehito Hirano
- (5) Paid-in capital: Unchanged
- (6) Total assets: The impact is immaterial.
- (7) Account closing: Unchanged
- (8) Impact on performance: As the impact of the merger on the full-term consolidated results for the year ending September 2007 will be minimal, our results forecasts remain unchanged.

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