

March 12, 2007

Company name: Fullcast Co., Ltd.  
Chairman and Takehito Hirano  
Chief Executive Officer:  
(Stock code: 4848; Stock Exchange listing: First Section of the Tokyo Stock Exchange)  
(ADR information: Symbol: FULCY, CUSIP: 35968P100)  
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For Immediate Release:

## **Notice of the Conversion of Info-P Co., Ltd. to a Wholly-Owned Subsidiary by Stock Swap**

Fullcast Co., Ltd. announced today that a meeting of its Board of Directors held on March 12, 2007 resolved to convert Info-P Co., Ltd. to a wholly-owned subsidiary through a stock swap as described below, with an effective date of May 1, 2007.

### Details

#### 1. Aim of Conversion to a Wholly-owned Subsidiary Through Stock Swap

The Fullcast Group is a total human resource outsourcing company that, with a network of 569 offices throughout Japan, the capacity to mobilize more than 1.63 million staff and strong marketing power, offers services such as factory-line contracting, especially short-term contracting, HR services of technical staff and HR services of clerical staff, and the group aims to expand its business operations to improve and expand its HR services division and further consolidate its business position.

Meanwhile, Info-P Co., Ltd. is engaged primarily in the advertising agency business specializing in the pachinko industry, and, based in Tokyo, Nagoya and Fukuoka, the company provides distinctive services to pachinko halls throughout Japan, with the emphasis on solution services, contents services and promotion services.

Fullcast Co., Ltd. decided to convert Info-P Co., Ltd. to a wholly-owned subsidiary via stock swap based on the judgment that by swiftly meeting rising HR demand for attendant staff in the pachinko industry and making use of Fullcast's strengths and through linkage with Info-P's areas of expertise, Fullcast can provide one-stop total solutions to meet the requirements of growing enterprises, thereby delivering solutions to problems related to hall management and creating a significant multiplier effect.

After the stock swap, the Fullcast Group intends to further enhance the group's corporate value as a total outsourcing provider by further improving and expanding its menu of services.

#### 2. Details of Stock Swap

##### (1) Schedule of Stock Swap

Meeting of board of directors to approve stock swap: March 12, 2007

Conclusion of stock swap agreement: Mid-March 2007

General meeting of shareholders to approve stock swap: Late March 2007 Info-P Co., Ltd.

Scheduled date of stock swap (Effective date) : May 1, 2007

A general meeting of shareholders will be held by Info-P Co., Ltd. only, and in compliance with Paragraph 3 of Article 796 of the Company Law, Fullcast Co., Ltd. will proceed with the stock swap without obtaining the approval of its general meeting of shareholders.

(2) Share Exchange Ratio

Company name	Fullcast Co., Ltd. (100% parent company)	Info-P Co., Ltd. (100% subsidiary)
Share exchange ratio	1	0.70

(Notes) 1. Share allocation ratio

0.70 shares of Fullcast Co., Ltd. stock will be allocated for each share of Info-P Co., Ltd. stock. However, there will be no allocation of shares as a result of the stock swap in respect of the 2,707 shares of Info-P Co., Ltd. stock held by Fullcast Co., Ltd.

2. New shares to be issued as a result of the stock swap

2,339 shares of ordinary stock

Fullcast Co., Ltd. will also apply the 2,339 shares it holds as treasury stock to the allocation of shares as a result of the stock swap.

(3) Basis for calculation of share allocation ratio, etc.

Bases, methods and results of calculations

Fullcast Co., Ltd. requested third party institution A.G.S. Consulting Co., Ltd. to calculate the stock swap ratio.

On evaluation of Fullcast Co., Ltd. shares, since Fullcast Co., Ltd. is listed on the Tokyo Stock Exchange, and no irregularities are observed in the process of price formation, A.G.S. Consulting Co., Ltd. calculated the price per share taking full account of evaluations made using the average market share price method, which is a highly objective method of evaluating the shares of a listed company, in respect of the last month (February 13, 2007 ~ March 9, 2007) and the last three months (December 11, 2006 ~ March 9, 2007). The results of this calculation are as follows.

Average market share price: 315,368 yen per share

(Last month: 315,368 yen per share, Last three months: 298,250 yen per share)

On evaluation of Info-P Co., Ltd. shares, since Info-P Co., Ltd. is not a publicly held company, A.G.S. Consulting Co., Ltd. calculated the price per share of 220,000 yen, taking full account of the results of evaluations made using the Discounted Cash Flow (DCF) and similar company comparison methods, which are generally used to evaluate the shares of unlisted companies.

Discounted Cash Flow method: 229,239 yen per share

Similar company comparison method: 215,091 yen per share

The two companies considered and discussed the results of the appraisal by A.G.S. Consulting Co., Ltd. and agreed on the exchange ratio outlined in 2.(2) above.

Relationship with appraisal institution

The third-party institution A.G.S. Consulting Co., Ltd. is not classed as a party having an interest in Fullcast Co., Ltd. or Info-P Co., Ltd. as defined in Item 7 of Article 2 of the Consolidated Financial Statement Regulations or Paragraph 16 of Article 8 of the Financial Statement Regulations.

(4) Handling of stock acquisition rights and bonds with stock acquisitions rights of the wholly-owned subsidiary

Any stock acquisition rights issued by Info-P Co., Ltd. will be redeemed without compensation. No bonds with stock acquisition rights have been issued.

### 3. Profile of Companies Involved in Share Exchange

(1) Company name	Fullcast Co., Ltd. (100% parent company) Consolidated	Info-P Co., Ltd. (100% subsidiary) Non-consolidated
(2) Type(s) of business	Total human resources outsourcing	Information distribution and advertising agency
(3) Date of establishment	September 1990	January 1999
(4) Location of head office	2-6 Sakuragaoka, Shibuya-ku, Tokyo	1-21-14 Dogenzaka Shibuya-ku, Tokyo
(5) Representative Director	CEO Takehito Hirano	CEO Eiji Kasai
(6) Capital	3,464 million yen	180 million yen
(7) No. of shares issued	275,964 shares	6,260 shares
(8) Net assets	17,278 million yen	342 million yen
(9) Total assets	37,180 million yen	1,065 million yen
(10) End of fiscal year	September 30	November 30
(11) No. of employees	3,304	123
(12) Main clients	Nippon Express Co., Ltd. Yamato Transport Co., Ltd.	MTI Ltd. Niraku Corporation
(13) Main shareholder and shareholding	Takehito Hirano (29.3%)	Eiji Kasai (56.8%) Fullcast Co., Ltd. (43.2%) (as of March 1, 2007)
(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. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation
(15) Relationship of the companies involved	Capital relationship	Fullcast holds 43.2% of the issued stock of Info-P Co., Ltd.
	Personnel relationship	n/a
	Business relationship	n/a
	Conditions for qualifying as interested party	Since the final day of Fullcast Co., Ltd.'s last business year, Info-P Co., Ltd. has been an affiliate not accounted for using the equity method, because Fullcast Co., Ltd. received shares of Info-P Co., Ltd. by transfer.

(Note) Figures for Fullcast Co., Ltd. are as of September 30, 2006 and figures for Info-P Co., Ltd. are as of November 30, 2006.

#### (16) Performance Over Past 3 Fiscal Years (Unit: million yen)

Period	Fullcast Co., Ltd. (100% parent company) Consolidated			Info-P Co., Ltd. (100% subsidiary) Non-consolidated		
	Year ended September 2004	Year ended September 2005	Year ended September 2006	Year ended November 2004	Year ended November 2005	Year ended November 2006
Sales	49,688	67,212	90,163	2,216	2,728	3,365
Operating income or loss	3,256	4,560	4,715	74	91	-79
Ordinary income or loss	3,293	4,611	4,550	70	94	-64
Net income or loss	1,512	1,885	2,942	10	54	-84
Net income or loss per share (yen)	5,603.88	6,896.52	10,757.95	2,243.42	10,072.68	-13,405.20
Annual dividend per share (yen)	2,000	2,000	3,000	-	-	-
Net assets per share (yen)	40,165.04	45,286.05	52,835.11	25,048.61	68,041.68	54,636.49

#### 4. Post-Share Exchange Status

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|-----------------------------|------------------------------------|
| (1) Company name            | Fullcast Co., Ltd.                 |
| (2) Type(s) of business     | Total human resources outsourcing  |
| (3) Location of head office | 2-6 Sakuragaoka, Shibuya-ku, Tokyo |
| (4) Representative          | CEO Takehito Hirano                |
| (5) Capital                 | 3,464 million yen                  |
| (6) Net assets              | (Unknown at present)               |
| (7) Total assets            | (Unknown at present)               |
| (8) End of fiscal year      | September 30                       |

#### (9) Summary of accounting procedures

The transaction is expected to be classed as an acquisition for accounting purposes, and goodwill will arise from this transaction. The amount is unknown at the present time, and, based on discussion with the audit corporation, Fullcast Co., Ltd. plans to amortize the goodwill at a fixed amount each year over its estimated life.

#### (10) Effect of stock swap on business performance

Fullcast Co., Ltd. plans to give details of the effect of the stock swap on its business performance and its business forecasts as soon as it has definite figures.

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