

March 27, 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:

**Apology and Report Concerning Business Improvement Order  
Issued to Fullcast Co., Ltd.**

Fullcast Co., Ltd. received an order dated March 27, 2007 from the Tokyo Labor Standards Bureau to improve its worker dispatch undertakings pursuant to Paragraph 1 of Article 49 of the Law for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers (“the Worker Dispatching Law”) on the grounds that Fullcast breached the Worker Dispatching Law. We deeply regret the enormous inconvenience we have caused our customers, registered staff and other stakeholders, and we offer our sincere apologies.

The details of the business improvement order are described below. We are taking the order extremely seriously, and are determined to focus all-company efforts on preventing any recurrence of all the problems that prompted the order.

Description

1. Details of disposition

Order to improve worker dispatch undertakings pursuant to Paragraph 1 of Article 49 of the Worker Dispatching Law

2. Facts that prompted the disposition

- (1) At Kofu Branch, on October 7, 2006, in accordance with worker dispatch agreements, we dispatched five workers to undertake security work, which is prohibited under Item 3 of Paragraph 1 of Article 4 of the Worker Dispatching Law, and, in addition, at the same branch, on nine days in the period from October to December 2006 we repeatedly dispatched a total of 66 workers to security work.
- (2) At the Futamatagawa Branch, even though, in response to guidance given by Kanagawa Labor Standards Bureau on the dispatch of workers to construction work undertaken in accordance with worker dispatch agreements on August 12, 2006, we made a correction report on September 19 to the effect that we had notified everyone by internal notice that it was prohibited to engage in worker dispatch undertakings for fields such as construction work and security work, as in (1) above, less than three weeks from such report the dispatch of workers in breach of Paragraph 1 of Article 4 of the Worker Dispatching Law was undertaken, and the corrective measures were not properly implemented.
- (3) In the period from January to December 2006 at 53 branches nationwide we dispatched workers to construction work and security work (including (1) and (2) above), which is prohibited under Item 2 and Item 3 of Paragraph 1 of Article 4 of the Worker Dispatching Law.

- (4) Registration of the establishment of a new office in accordance with Item 1 of Article 11 of the Worker Dispatching Law was not carried out properly.
- (5) We failed to submit a report on worker dispatch undertakings in accordance with Article 23 of the Worker Dispatching Law by the deadline.

### 3. Events leading to disposition

In accordance with instructions issued by the Tokyo Labor Standards Bureau, we conducted a nationwide inspection of work prohibited under the Worker Dispatching Law, and since the facts described in 2. (1) and (3) above were acknowledged, we reported to the Tokyo Labor Standards Bureau.

### 4. Required measures

- (1) We must conduct a general inspection of worker dispatch undertakings started since January 2006 at all offices, and if the dispatch of workers to excluded work prohibited under Item 1 of Article 4 of the Worker Dispatching Law is actually being undertaken, conditional upon taking measures to stabilize the employment of the workers, we must stop this promptly.
- (2) We must clarify how the breaches of the Worker Dispatching Law came about, investigate their cause and take measures to prevent a recurrence.
- (3) To prevent breaches of the Worker Dispatching Law, across the whole Company, heads of units that dispatch workers must take responsibility for gaining a thorough understanding of the system of worker dispatching undertakings, including legislation, and for establishing a legal compliance structure.

### 5. Future measures

We have conducted a general inspection of all our offices and confirm that workers are not being dispatched to excluded work prohibited under Item 1 of Article 4 of the Worker Dispatching Law. Currently we are taking steps such as the following in response to the business improvement order to prevent a recurrence and to establish a legal compliance structure.

#### (1) Establishment of Compliance Promotion Department

From April 1, 2007 we are establishing the Compliance Promotion Department as an organization under the direct jurisdiction of the Managing Director (Chief Administrative Officer) responsible for compliance. As a department dedicated to reinforcing compliance, the Compliance Promotion Department will promote prevention of the recurrence of unlawful operations and legal compliance even at the lowest levels of the organization.

#### (2) Provision of Compliance Training

We have already provided compliance training for a total of 2,440 employees (including part-time employees) at branches throughout Japan. In the first training period (January 28 to February 18, 2007) we provided training that gave an overview of the Worker Dispatching Law, explained its relevance to practical business and reiterated labor standards, and this was attended by a total of 265 managerial staff nationwide. In the second training period (February 10 to February 21, 2007), we provided 129 training sessions in all for a total of 2,175 employees (including part-time employees) at 68 venues throughout Japan in an attempt to reinforce legal compliance even at the lowest levels of the organization.

## 6. Internal disciplinary measures

We are taking this matter very seriously, and have taken the internal disciplinary measures of having both the chairman and the president return 30% of their monthly director's remuneration for three months and the director responsible for compliance return 20% of his monthly director's remuneration for three months.

## 7. Impact on Results

We will announce the impact of this matter on our results as soon as it becomes clear.

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