

Aug 25, 2008

Company name: Fullcast Co., Ltd.
Representative: Hiroyuki Urushizaki
President and Representative Director
(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 Shift to a Pure Holding Company through a Corporate Division and Changes in Business Names

Fullcast Co., Ltd. is pleased to announce that a meeting of the Board of Directors held today decided to spin off its operating division and to transfer all businesses to Fullcast HR Institute Co., Ltd. (hereinafter “the Succeeding Company”), a subsidiary. Fullcast has moved forward with procedures for shifting to a pure holding company since it adopted a resolution for preparing for the shift at a Board of Directors meeting held on July 28.

Fullcast plans to change its business name to Fullcast Holdings Co., Ltd. on October 1, 2008 and to remain a listed company. The business name of the Succeeding Company is to be changed to Fullcast Co., Ltd. The spin-off and business name changes are contingent on the approval of extraordinary shareholders’ meetings of the respective companies to be held in late September.

Since the corporate division is designed to enable Fullcast to transfer its operating division to a wholly owned subsidiary, Fullcast has omitted part of disclosure.

1. Purpose of the corporate division

The environment surrounding the human resource services industry has changed significantly. In response, the Group aims to achieve growth by shifting to a pure holding company system. Under the system, the Group will bolster its competitiveness by separating decision making about management and the performance of operations in each business, thereby enhancing corporate governance and accelerating decision making about business strategies and the execution of tactics, and will reorganize the Group flexibly so that it will establish a strong position as a comprehensive outsourcing group consisting of well-balanced business segments, each of which will respond to changes in the environment appropriately and promptly.

The new pure holding company will seek to increase the corporate value of the entire Group perpetually by determining optimization strategies for the entire Group, performing supervisory functions for appropriate business operations, and handling challenges common to the Group.

For the purpose of a shift to a pure holding company structure, refer to the Notice of Resuming the Preparation for the Shift to a Pure Holding Company announced on July 28, 2008.

2. Outline of the corporate division

(1) Schedule of the corporate division

July 31, 2008:	Announcement of the base date of the extraordinary general meeting of shareholders
August 15, 2008:	Base date of the extraordinary general meeting of shareholders
August 25, 2008:	Board of Directors meeting to adopt a resolution for the corporate

Late September 2008:	division and conclusion of the corporate division agreement Extraordinary general meeting of shareholders to approve the corporate division (plan)
October 1, 2008:	Date of corporate division and registration of corporate division (effective date) (plan)

(2) Method of corporate division

The Company breaks up and hands its businesses over to the Succeeding Company, an existing subsidiary.

(3) Allocation in association with the corporate division

Since the Succeeding Company is a wholly owned subsidiary of Fullcast, Fullcast will not issue any new shares for the corporate division.

(4) Capital to be reduced with the corporate division

The capital of Fullcast will not change with the corporate division.

(5) Handling of stock options and bonds with stock options of the company to break up

Fullcast will acquire gratis under Article 275 of the Company Act the first and second stock options issued under the provisions of Articles 280-20 and 280-21 of the Commercial Code before amendments and will carry out the procedure for the cancellation of its own stock options under Article 276 of the Companies Act. The performance of the procedure is contingent on the approval of relevant proposals including the corporate division agreement at an extraordinary general meeting of shareholders of the Company to be held in late September 2008. The following is an outline of the stock options to be cancelled:

Stock option	Number of stock options to be cancelled (As of August 25, 2008)
First stock option	1,818 stock options (1,818 shares)
Second stock option	1,996 stock options (1,996 shares)

(6) Rights and obligations to be taken over by the Succeeding Company

Under the provisions of the corporate division agreement concluded on August 25, 2008, the Succeeding Company will take over all assets and liabilities relating to the operations of Fullcast, including the labor dispatch business and employment placement business, and all rights and obligations accompanying the assets and liabilities.

(7) Expected fulfillment of obligations

The occurrence of events to obstruct the fulfillment of obligations by Fullcast or the possibility of the occurrence of such events after the corporate division has not been recognized.

In addition, we assume that the assets that the Succeeding Company will take over from Fullcast through the corporate division will sufficiently exceed the liabilities that the Succeeding Company will take over. We thus do not see any event that will obstruct the fulfillment of obligations by Fullcast or the Succeeding Company in business activities after the corporate division or the possibility of such events. We therefore believe that both companies will fulfill their obligations to bear after the corporate division.

3. Outline of companies relating to the corporate division (as of August 25, 2008)

(1) Business name	Fullcast Co., Ltd. (Company to break up) (The business name will be changed to Fullcast Holdings Co., Ltd. on October 1, 2008.)	Fullcast HR Institute Co., Ltd. (Succeeding Company) (The business name will be changed to Fullcast Co., Ltd. on October 1, 2008.)
(2) Business	Comprehensive human resources outsourcing	Human resources outsourcing
(3) Established	September 1990	July 1976
(4) Home office address	2-6 Sakuragaokacho, Shibuya-ku, Tokyo	2-5-3 Akasaka, Minato-ku, Tokyo
(5) Representative	Representative Director Hiroyuki Urushizaki	Representative Director Toshiro Miyahara
(6) Capital	¥3,464 million	¥480 million
(7) Number of shares issued	275,964	453,000
(8) Net assets	¥13,139 million (consolidated) (as of June 30, 2008)	¥766million (non-consolidated) (as of June 30, 2008)
(9) Total assets	¥40,264 million (consolidated) (as of June 30, 2008)	¥1,386 million (non-consolidated) (as of June 30, 2008)
(10) End of fiscal year	September 30	September 30
(11) Major shareholders and their shareholding ratios	Takehito Hirano 29.31% State Street Bank & Trust Company (standing agency: Mizuho Corporate Bank Ltd., Kabuto-cho Securities Settlement Office) 7.49% Japan Trustee Services Bank, Ltd. (trust account) 7.09% The Master Trust Bank of Japan, Ltd. (trust account) 2.71% Anan Associates 2.17% Daiki Associates 2.17% Ten Associates 2.17% (as of March 31, 2008)	Fullcast: 100%

4. Outline of the operating division to be spun off

(1) Operating results in the division to be spun off

	Operating division to be spun off (a)	Results for fiscal year ending September 2007 (b)	Ratio (a/b)
Net sales	¥44,429 million	¥44,429 million	100.0%
Gross profit	¥12,747 million	¥12,747 million	100.0%
Operating income	¥1,475 million	¥208 million	709.1%

(2) Classification and amount of assets and liabilities to be spun off (as of June 30, 2008)

Assets		Liabilities	
Classification	Book value	Classification	Book value
Current assets	¥3,578 million	Current liabilities	¥840 million
Fixed assets	¥1,840 million	Long-term liabilities	¥284 million
Total	¥5,417 million	Total	¥1,124 million

5. Status of the Company after the corporate division

- (1) Business name: Fullcast Holdings Co., Ltd.
- (2) Business: Management of subsidiaries engaging primarily in the human resources outsourcing business
- (3) Home office address: 2-6 Sakuragaokacho, Shibuya-ku, Tokyo
- (4) Representative: Representative Director Hiroyuki Urushizaki
- (5) Capital: ¥3,464 million
- (6) End of fiscal year: September 30
- (7) Outlook:

Since the Company will spin off its operating division into a wholly owned subsidiary on October 1, 2008, the corporate division will not affect consolidated results for the fiscal year ending September 30, 2008.

We plan to announce the consolidated results for the fiscal year ending September 30, 2009 in a brief announcement of results for the fiscal year ending September 30, 2008, to be disclosed in early November 2008. Since the Company (non-consolidated) will become a pure holding company, the main revenue in non-consolidated results will be management service fees and dividend income from subsidiaries.

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