Brief Announcement of Consolidated Financial Results for the First Quarter of the Term Ending September 2009

January 30, 2009

Company name: Fullcast Holdings Co., Ltd.
Stock exchange listing: First Section of the Tokyo Stock Exchange
Stock code: 4848 URL: http://www.fullcast.co.jp
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Scheduled day for quarterly report submission: February 13, 2009

(Figures are rounded to the nearest one million yen.)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ended December 31, 2008 (October 1, 2008 – December 31, 2008)

(1) Consolidated business results (total sum) (Figures in percentages denote the year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter ended December 2008	19,456	–	-273	–	-282	–	-1,647	–
First quarter ended December 2007	24,433	-12.9	51	-96.3	25	-98.2	9	-98.7

	Net income per share	Diluted net income per share
	Yen	Yen
First quarter ended December 2008	-6,216.70	–
First quarter ended December 2007	35.83	–

(2) Consolidated financial conditions

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
First quarter ended December 2008	28,510	7,233	20.8	22,356.16
Year ended September 2008	36,697	10,969	20.6	28,591.84

(Reference): Shareholders' equity (million yen): First quarter ended December 2008: 5,921 Year ended September 2008: 7,573

2. Dividends

	Dividend per share				
(Base date)	End of Q1	End of Q2	End of Q3	End of FY	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 2008	–	0.00	–	0.00	0.00
Fiscal year ending September 2009	–	——	——	——	——
Fiscal year ending September 2009 (forecast)	——	0.00	–	0.00	0.00

(Note) Revision of the expected dividends in the quarter under review: No

3. Forecast for Consolidated Financial Results for the Year Ending September 30, 2009 (October 1, 2008 – September 30, 2009)

(Percentage figures denote the year-on-year increase or decrease.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Interim	39,960	–	-50	–	-135	–	-1,387	–	-5,236.65
Full-year	81,000	-18.2	870	-47.2	670	-56.2	0	–	0.00

(Note) Revision of the consolidated forecast in the quarter under review: No

4. Others

(1) Important changes of subsidiaries during the term (changes of specified subsidiaries that lead to a change in the scope of consolidation) Yes

New: – company (company name:)

Eliminated: 1 company (company name: Asia Pacific System Research Co., Ltd.)

(Note) For more details, please see Page 5, "4. Other" of "Qualitative Data, Financial Statements and Other Information"

(2) Application of simplified accounting policies and accounting treatment specific to the production of quarterly consolidated financial statements No

(3) Changes in accounting principles and procedures and the presentation method, etc. of consolidated financial statements (those which are included in changes to important matters that will be the bases for preparing quarterly consolidated financial statements)

1) Changes associated with the revision of accounting principles, etc.: Yes

2) Change other than 1): No

(Note) For more details, please see Page 5, "4. Other" of "Qualitative Data, Financial Statements and Other Information"

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the term (including treasury stock) (shares)

First quarter ended December 2008: 275,964 Fiscal year ended September 2008: 275,964

2) Number of treasury stock at the end of the term (shares)

First quarter ended December 2008: 11,100 Fiscal year ended September 2008: 11,100

3) Average number of shares outstanding during the term (consolidated quarter)

First quarter ended December 2008: 264,864 First quarter ended December 2007:264,864

<u>* Explanation about the proper use of financial forecasts and other important notes</u>

* Starting this consolidated fiscal year, "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No.12) and "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No.14) are adopted. In addition, pursuant to the Rules Concerning Quarterly Consolidated Financial Statements, we prepared quarterly consolidated financial statements.

Of all plans, forecasts, strategies and others, those which are not historical facts are future outlooks based upon certain conditions and our management's judgement based upon currently available data.

Therefore, we advise that you not rely solely on these outlooks in weighing our business results, corporate value and other factors. Please also be informed that actual financial results may vary widely from these outlooks due to various factors.

Important factors that may have an impact on actual financial results include: (1) The economic situation surrounding the company (index of mining and industrial output, inventory index, etc.) and changes in the employment situation; (2) Damage to cooperate infrastructure due to disasters, including earthquakes; and (3) Changes in the relevant laws, including the Labor Standards Law and the Worker Dispatch Law, and in interpretations of thereof. However, the factors that may affect the financial results shall not be limited to these.

Furthermore, please bear in mind that notwithstanding new data, future events or any other results whatsoever, we will not always reexamine our outlooks.

For the assumptions underlying business forecasts and related issures, please see Page 5, "3. Qualitative Data on Consolidated Business Forecast" of "Qualitative Data, Financial Statements and Other Information."

On January 16, 2009, Fullcast Co., Ltd. (hereinafter, “Fullcast”), a subsidiary of Fullcast Holdings Co., Ltd. completed all improvement reports concerning the order to improve its worker dispatch operations (dated October 3, 2008).
We again express our sincere apologies for the serious problems and concerns this caused our customers, registered staff, shareholders and other stakeholders.
Fullcast appreciates your understanding and your continued advice and support.

1. Qualitative Data on Consolidated Financial Results

In the consolidated accounting period for this first quarter, industrial output fell sharply in response to the decline in exports, and the economic environment deteriorated further. The staffing services sector experienced severe difficulties as companies endeavoring to improve profitability were taking actions such as canceling worker dispatch contracts and suspending the renewal of worker dispatch contracts to adjust employment.
In this environment, the Group sought to accurately identify corporate demand for human resources and to earn orders so that it could provide more employment opportunities, while simultaneously instituting cuts in selling, general and administrative expenses by streamlining operations to stabilize management as quickly as possible. However, Fullcast received an order to suspend its worker dispatch business for one month (Spot Business) and all shares of Asia Pacific System Research Co., Ltd. (hereinafter “Aspac”), which operated a contract software development business, were transferred (Technology Business). With these and other factors, consolidated sales declined to 19,456 million yen (down 20.4% year-on-year). If the influence of the transfer of Aspac is excluded, consolidated sales fell 14.5% year-on-year.
Looking at profits, we sought to reduce selling, general and administrative expenses throughout the Group, centering on Fullcast, with a major consolidation of offices to manage the business appropriately and improve efficiency. Despite these efforts, Fullcast posted a consolidated operating loss of 273 million yen (compared with consolidated operating income of 51 million yen in the year-ago period) and a consolidated ordinary loss of 282 million yen (consolidated ordinary income of 25 million yen in the year-ago period). The quarterly consolidated net loss was 1,647 million yen (consolidated net income of 9 million yen in the year-ago period), reflecting a loss on the sale of shares in affiliates of 837 million yen and a loss on the closure of offices of 241 million yen, which were posted as extraordinary losses.

Financial results by business segment are as follows:

[Spot Business]

In the Spot Business, sales declined to 7,017 million yen (down 22.1% year-on-year), reflecting with the order to suspend worker dispatch business issued to Fullcast. The company reduced selling, general and administrative expenses through a major consolidation of offices and by streamlining the operations, but these efforts could not offset the fall in profits associated with the lower sales. As a consequence, we posted an operating loss of 281 million yen (compared with operating income of 72 million yen in the year-ago period).

[Factory Business]

In the Factory Business, sales were 3,636 million yen (down 16.9% year-on-year), influenced by drastic production cutbacks as the manufacturing sector sought to reduce inventory levels. In terms of profits, we slashed selling, general and administrative expenses by lowering recruiting expenses, etc., but could not completely offset the decline in gross profit caused by the sharp fall in orders. Consequently, the operating loss stood at 1 million yen (against operating income of 51 million yen in the year-ago period).

[Technology Business]

The contract division, which includes the setting up of communication base stations and building of IT infrastructure, posted year-on-year growth, but because of the influence of the sale of Aspac and year-on-year sales decrease in the engineer dispatch division, sales in the Technology Business stood at 4,465 million yen (down 24.7% year-on-year). In terms of profits, although the sale of the subsidiary forced down profits, sales in the contract division rose year-on-year, and operating income in the dispatch division moved into the black from a loss in the year-ago period. As a result, operating income was 247 million yen (up 41.1% year-on-year). Excluding the influence of the transfer of Aspac, sales increased 5.2% year-on-year and operating income surged 98.6%.

[Office Business]

Demand for sales support remained steady, although client companies began to show a tendency to suspend renewals of contracts for clerical staff dispatch in response to weaker corporate earnings. As a result, sales in the Office Business stood at 2,467 million yen (down 28.0% year-on-year). In terms of profits, although we held down selling, general and administrative expenses by setting priorities for the efficient use of expenses, the increase in the allowance for bad debts for the bankruptcies of client companies could not be completely offset. Consequently, we posted an operating loss of 24 million yen (operating income of 198 million yen in the year-ago period).

[Other Business]

Orders received by the security guard division fell slightly year-on-year, offset by growth in the advertising agency division for the pachinko sector. Consequently, sales of Other Business were 1,871 million yen (up 10.6% year-on-year). As a result of streamlining operations, among other measures, the operating loss in this segment was reduced to just 4 million yen (compared with an operating loss of 81 million yen in the year-ago period).

2. Qualitative Data on Consolidated Financial Position

[Assets, Liabilities and Shareholders' Equity]

Total assets at the end of the consolidated accounting period of this first quarter declined by 8,187 million yen from the end of the previous consolidated fiscal year, to 28,510 million yen. Shareholder's equity dropped by 1,652 million yen from the end of the previous consolidated fiscal year to 5,921 million yen (shareholder's equity ratio: 20.8%), and shareholders' equity decreased by 3,737 million yen from the end of the previous consolidated fiscal year to 7,233 million yen.

In the assets section, current assets fell by 5,595 million yen from the end of the previous consolidated fiscal year to 20,846 million yen. The reasons are that cash and deposits decreased by 2,103 million yen to 7,775 million yen, that trade notes and accounts receivables shrank by 2,913 million yen to 8,953 million yen and so on. Fixed assets decreased by 2,592 million yen from the end of the previous consolidated fiscal year to 7,665 million yen. The main reasons are as follows: goodwill (consolidated reconciliation account & business rights) decreased by 1,441 million yen, to 1,594 million yen, because of the transfer of all shares of Aspac, guarantee money paid decreased by 206 million yen, to 1,773 million yen, due to the consolidation of offices, and investment and other assets (other) fell by 504 million yen, to 1,870 million yen, with a decrease in the insurance reserve fund associated with the cancellation of insurance.

In the liabilities section, current liabilities declined 3,164 million yen from the end of the previous consolidated fiscal year, to 16,559 million yen. This result reflects a reduction in short-term borrowings of 694 million yen, to 7,450 million yen, a reduction in the current portion of long-term debt of 814 million yen, to 2,054 million yen, a decline in notes payable and accounts payable trade reduced of 435 million yen, to 972 million yen, a fall in accrued bonuses of 740 million yen, to 669 million yen, a reduction in income taxes payable of 336 million yen, to 196 million yen, and other factors. Long-term liabilities were reduced by 1,287 million yen from the end of the previous consolidated fiscal year, to 4,718 million yen, given a decrease in long-term debt by 1,285 million yen to 3,952 million yen with the repayment of debt using part of the funds obtained by the transfer of all the shares of Aspac.

[Cash Flows]

As of the end of the consolidated accounting period of the first quarter under review, cash and cash equivalents (hereinafter “cash”) decreased 2,002 million yen from the end of the previous consolidated fiscal year (In the year-ago period: decreased 1,397 million yen), to 7,875 million yen.

[Cash flows from operating activities]

Cash generated by operating activities was 1,255 million yen (compared with cash used of 2,194 million yen in the year-ago period), reflecting a decrease in accounts receivable of 1,806 million yen (the decline in accounts payable was 131 million yen), a loss on the sale of shares in affiliates of 837 million yen, a decrease in the insurance reserve fund by 342 million yen, a quarterly net loss before income taxes and others of 1,466 million yen, payment of income taxes of 427 million yen (the refund of income taxes was 42 million yen), and a decrease in accrued bonuses of 427 million yen.

[Cash flows from investing activities]

Cash used for investing activities was 464 million yen (compared with cash used of 466 million yen in the year-ago period), attributable to expenses associated with the sale of shares in a subsidiary accompanied by a change in the scope of consolidation of 368 million yen, expenses for the acquisition of tangible fixed assets of 47 million yen, and expenses for the acquisition of intangible fixed assets of 51 million yen.

[Cash flow from financing activities]

Cash used in financing activities was 2,793 million yen (compared with cash generated of 1,263 million yen in the year-ago period), attributable to expenses for the repayment of long-term debt of 2,099 million yen, and a net decrease in short-term borrowings of 694 million yen.

3. Qualitative Data on Consolidated Business Forecast

Financial results in the first quarter under review were largely in line with the consolidated plan, although there were some variations among business segments. As a consequence, no revision has been made concerning the consolidated business forecast (a cumulative consolidated forecast for the second quarter & full year) of the fiscal year ending September 2009 announced on November 4, 2008.

4. Others

(1) Important changes in subsidiaries during the term (change in specified subsidiaries that led to a change in the scope of consolidation)

Excluded from consolidation: Asia Pacific System Research Co., Ltd.

As all shares of Asia Pacific System Research Co., Ltd. were transferred, the company was excluded from the scope of consolidation.

(2) Adoption of simplified accounting policies and of accounting policies particular to the preparation of quarterly consolidated financial statements

No

(3) Changes in principles, procedures, presentation method etc. of accounting procedures for quarterly consolidated financial statements

1. Adoption of Accounting Standard for Quarterly Financial Reporting etc.

   From this consolidated fiscal year, “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No.12) and “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No.14) are adopted. In addition, pursuant to the “Rules Concerning Quarterly Consolidated Financial Statements,” we prepared the quarterly consolidate financial statements.

2. Adoption of Accounting Standard for Measurement of Inventories

   From the consolidated accounting period of the first quarter under review, “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9, July 5, 2006) are adopted. The standard for measurement has been changed from cost method to cost method (the method of devaluing book price to reflect declines in profitability). The influence of the change on the financial results is marginal.

3. Adoption of Accounting Standard for Lease Transactions

   Accounting procedure for rental transactions had been applied mutatis mutandis for non-transfer-ownership finance lease before. However, “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, (June 17, 1993 (First Committee of Business Accounting Council), Revised on March 30, 2007) and “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16, (January 18, 1994, (Accounting System Committee, the Japanese Institute of Certified Public Accountants), Revised on March 30, 2007) have become applicable for quarterly consolidated financial statements of consolidated fiscal years starting on or after April 1, 2008. Therefore, we adopted the accounting standard etc. from the consolidated accounting period of the first quarter under review with the accounting procedure for usual sales transaction. In terms of the method for depreciating leased assets of non-transfer-ownership finance leases, the fixed amount method is adopted by setting the lease period as durable years and the scrap value as zero. This does not influence the financial results.

   Incidentally, for the non-transfer-ownership finance lease that started before the year when the above accounting standards, etc. were adopted, the accounting procedure for rental transactions continues to be similarly applied.

5. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Million yen)

	End of first quarter under review (December 31, 2008)	Condensed consolidated balance sheets at end of previous fiscal year (September 30, 2008)
ASSETS		
Current assets:		
Cash and deposits	7,775	9,878
Notes and accounts receivable-trade	8,953	11,866
Short-term investment securities	100	100
Merchandise	76	125
Work in process	478	678
Supplies	76	78
Other	3,666	3,951
Allowance for doubtful accounts	-278	-235
Total current assets	20,846	26,441
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	606	638
Tools, furniture and fixtures, net	384	487
Land	793	793
Other	7	9
Total property, plant and equipment	1,790	1,927
Intangible assets		
Goodwill	1,594	3,035
Other	859	1,129
Total intangible assets	2,454	4,165
Investments and other assets		
Guarantee deposits	1,773	1,979
Other	1,870	2,374
Allowance for doubtful accounts	-222	-189
Total investments and other assets	3,421	4,165
Total noncurrent assets	7,665	10,257
Total assets	28,510	36,697

(Million yen)

	End of first quarter under review (December 31, 2008)	Condensed consolidated balance sheets at end of previous fiscal year (September 30, 2008)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	972	1,407
Short-term loans payable	7,450	8,144
Current portion of long-term loans payable	2,054	2,867
Accounts payable-other	2,145	1,945
Accrued expenses	2,270	2,649
Income taxes payable	196	532
Provision for bonuses	669	1,409
Allowance for cancellation adjustments	140	205
Other	664	565
Total current liabilities	16,559	19,723
Noncurrent liabilities		
Long-term loans payable	3,952	5,237
Provision for retirement benefits	555	553
Other	212	216
Total noncurrent liabilities	4,718	6,005
Total liabilities	21,278	25,728
NET ASSETS		
Shareholders' equity：		
Capital stock	3,464	3,464
Capital surplus	2,906	2,906
Retained earnings	2,331	3,978
Treasury stock	-2,747	-2,747
Total shareholders' equity	5,955	7,601
Valuation and translation adjustments		
Valuation difference on available-for-sale ecurities	-33	-28
Total valuation and translation adjustments	-33	-28
Minority interests	1,311	3,396
Total net assets	7,233	10,969
Total Liabilities And Net Assets	28,510	36,697

(2) Consolidated Quarterly Profit and Loss Statement
(First quarter of the consolidated fiscal year)

(Million yen)

	First quarter under review (From October 1, 2008 to December 31, 2008)
Net sales	19,456
Cost of sales	14,895
Gross profit	4,561
Selling, general and administrative expenses	4,834
Operating income	-273
Non-operating income	
Real estate rent	64
Dividends income	44
Other	78
Total non-operating income	187
Non-operating expenses	
Interest expenses	62
Rent cost of real estate	56
Equity in losses of affiliates	18
Other	60
Total non-operating expenses	196
Ordinary income	-282
Extraordinary income	
Reversal of allowance for doubtful accounts	13
Other	0
Total extraordinary income	13
Extraordinary loss	
Loss on sales of stocks of subsidiaries and affiliates	837
Loss on valuation of investment securities	53
Loss on insurance cancellation	60
Loss on closing of stores	241
Other	6
Total extraordinary losses	1,197
Income before income taxes and minority interests	-1,466
Income taxes-current	176
Income taxes-deferred	-17
Total income taxes	159
Minority interests in income	21
Net income	-1,647

(3) Consolidated Quarterly Cash Flows Statement

(Million yen)

	First quarter under review (From October 1, 2008 to December 31, 2008)
Net cash provided by (used in) operating activities:	
Income before income taxes and minority interests	-1,466
Depreciation and amortization	148
Amortization of goodwill	56
Loss (gain) on valuation of investment securities	53
Loss (gain) on sales of stocks of subsidiaries and affiliates	837
Equity in (earnings) losses of affiliates	18
Increase (decrease) in allowance for doubtful accounts	102
Increase (decrease) in provision for retirement benefits	26
Increase (decrease) in provision for bonuses	-427
Interest and dividends income	-45
Interest expenses	62
Decrease (increase) in notes and accounts receivable-trade	1,806
Increase (decrease) in notes and accounts payable-trade	-131
Decrease (increase) in insurance funds	342
Increase (decrease) in accrued expenses	-292
Other, net	577
Subtotal	1,667
Interest and dividends income received	45
Interest expenses paid	-72
Income taxes paid	-427
Income taxes refund	42
Net cash provided by (used in) operating activities	1,255
Net cash provided by (used in) investment activities:	
Purchase of property, plant and equipment	-47
Purchase of intangible assets	-51
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-368
Other, net	1
Net cash provided by (used in) investment activities:	-464
Net cash provided by (used in) financing activities:	
Net increase (decrease) in short-term loans payable	-694
Repayment of long-term loans payable	-2,099
Other, net	-0
Net cash provided by (used in) financing activities	-2,793
Net increase (decrease) in cash and cash equivalents	-2,002
Cash and cash equivalents at beginning of period	9,878
ash and cash equivalents at end of period	7,875

From this consolidated fiscal year, "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No.12) and "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No.14) were adopted. In addition, pursuant to the Rules Concerning Quarterly Consolidated Financial Ftatements, we prepared quarterly consolidated financial statements.

(4) Concerning notes about going concern assumption

First quarter of the current consolidated fiscal year (October 1, 2008 – December 31, 2008)

On October 3, 2008, Fullcast Co., Ltd. was instructed by the Tokyo Labour Bureau to suspend its worker dispatching business and to improve its worker dispatching operations, following the Company's violation of the worker dispatching business suspension order issued in August 3, 2007 by the Tokyo Labour Bureau. As a result, the Group expects that net sales and operating income will decline in the fiscal year ending September 30, 2009, influenced by the business suspension of Fullcast Co., Ltd. and the deterioration of the Group's brand image. As of the end of the consolidated accounting period of this first quarter (December 31, 2008), the Group has continued negotiations to review the terms of loan agreements in the future with major financial institutions.

Under these circumstances, there is a substantial doubt about the going concern assumption.

The suspension of the worker dispatch business ended on November 9, 2008, and with respect to the order to improve the business, the final report on the improvement results was completed on January 16, 2009.

To resolve this situation, Fullcast Co., Ltd. is reducing administrative expenses through management streamlining based on the consolidation and elimination of branch offices, and the Group is making concerted efforts to develop a compliance system and prevent the reoccurrence of similar events as well as restore management stability as soon as possible.

In addition, we used part of the funds generated by the sales of the subsidiary to repay borrowings and to provide working capital to improve our financial position. The Company has centralized control of surplus funds of the Group, and is determined to continue to secure the funds we need by selling Group assets, among other measures.

The Group believes that taking these measures will normalize its overall management environment, retore the trust damaged by the administrative sanctions at the earliest possible stage and dispel the serious doubts about the going concern assumption.

Therefore, the quarterly consolidated financial statements were prepared with the going concern assumption, and the influence of the serious doubts mentioned above was not reflected in the quarterly consolidated financial statements.

(5) Segment information

Information on the business segments

First quarter of the current consolidated fiscal year (October 1, 2008 – December 31, 2008) (Million yen)

	Spot Business	Factory Business	Technology Business	Office Business	Other Business	Total	Elimination or company total	Consolidated
I. Net sales and operating income Net sales (1) Sales to external customers	7,017	3,636	4,465	2,467	1,871	19,456	—	19,456
(2) Inter-segment sales or transfers	77	2	1	3	3	86	-86	—
Total	7,094	3,638	4,466	2,470	1,874	19,542	-86	19,456
Operating expenses	7,375	3,640	4,219	2,493	1,878	19,605	124	19,729
Operating income or loss (-)	-281	-1	247	-24	-4	-63	-210	-273

Notes:
1. The company’s business activities are divided as given below for the purpose of internal management.
2. Business segments
   (1) Spot Business: Short-term employee dispatching services, short-term contractual workers services
   (2) Factory Business: Staffing services for production line work, contracted-out services for production line work
   (3) Technology Business: Engineer dispatching services, human resources contracting of technical staff, data communication services
   (4) Office Business: Clerical manpower dispatching, clerical work contracting
   (5) Other Business: Restaurant and bar management, security services, advertising agency services, etc.

Geographic segment information

Geographical segment information is not presented since the Company did not have consolidated subsidiaries or branches offices in other areas or regions than Japan in the first quarter of the current consolidated fiscal year.

Overseas sales

Overseas sales are not presented given the absence of overseas sales in the first quarter of the current consolidated fiscal year.

(6) Notes about instances of significant changes in the amount of shareholder's equity

There are no relevant matters.

Reference

Financial statements of the first quarter of the previous fiscal year

(1) (Condensed) Consolidated quarterly profit and loss statement

(Million yen)

		First quarter under review (From October 1, 2007 to December 31, 2007)		
	Category	Amount		%
I	Net sales		24,433	100.0
II	Cost of sales		18,475	75.6
	Gross profit		5,958	24.4
III	Selling, general and administrative expenses		5,906	24.2
1.	Salaries and wages	1,610		
2.	Miscellaneous wages	644		
3.	Legal welfare	342		
4.	Provision of accrued bonuses	320		
5.	Retirement benefit expenses	67		
6.	Communications expenses	194		
7.	Advertisement and sales promotion	119		
8.	Travel and transportation	239		
9.	Rents	556		
10.	Depreciation and amortization	151		
11.	Recruitment expense	497		
12.	Provision of allowance for doubtful accounts	21		
13.	Amortization of goodwill	81		
14.	Other	1,065		
	Operating income		51	0.2
IV	Non-operating income		104	0.4
1.	Interest income	5		
2.	Rental income	22		
3.	Other	77		
V	Non-operating expenses		130	0.5
1.	Interest expense	59		
2.	Loss on equity method investments	18		
3.	Other	54		
	Ordinary income		25	0.1
VI	Extraordinary income		20	0.1
1.	Gain on sale of fixed assets	3		
2.	Reversal of allowances for doubtful accounts	17		
VII	Extraordinary loss		37	0.2
1.	Loss on disposal of fixed assets	12		
2.	Loss on valuation of investment securities	1		
3.	Loss on change of share-holding ratio	0		
4.	Penalty	24		
	Income before income taxes and minority interests		8	0.0
	Corporate, residential and enterprise taxes	189		
	Corporate tax adjustment	-238	-49	-0.2
	Minority interests		47	0.2
	Net income		9	0.0

(2) (Condensed) Consolidated quarterly cash flows statement

(Million yen)

Category	First quarter under review (From October 1, 2007 to December 31, 2007) Amount
I Cash flows from operating activities	
1. Income before income taxes and minority interests	8
2. Depreciation and amortization	180
3. Increase (decrease) in allowance for doubtful accounts	-5
4. Increase (decrease) in allowance for bonuses	-429
5. Increase (decrease) in allowance for employee retirement benefits	22
6. Interest and dividend income	-14
7. Interest expenses	59
8. Gain on sale of fixed assets	-3
9. Loss on disposal of fixed assets	12
10. Credit losses	9
11. Loss on valuation of investment securities	1
12. Amortization of goodwill	83
13. Gain and loss on equity method investments	18
14. Loss on change of share-holding ratio	0
15. Increase (decrease) in trade receivable	-148
16. Increase (decrease) in inventories	-247
17. Increase (decrease) in trade payable	-687
18. Increase (decrease) in accrued expenses payable	-119
19. Increase (decrease) in insurance reserve fund	-39
20. Increase (decrease) in accrued income	13
21. Other	-228
Subtotal	-1,512
22. Interest and dividend received	12
23. Interest paid	-59
24. Income taxes paid	-635
Net cash used in operating activities	-2,194
II Cash flows from investing activities	
1. Purchase of time deposits	-1
2. Purchase of tangible fixed assets	-64
3. Proceeds from sales of tangible fixed assets	5
4. Purchase of intangible fixed assets	-85
5. Purchase of acquisition of investment securities	-0
6. Proceeds from collection on equity in investment securities	3
7. Advanced for loans receivable	-433
8. Collection on loans receivable	108
9. Other	1
Net cash used in investing activities	-466
III Cash flows from financing activities	
1. Increase (decrease) in short-term borrowings	2,853
2. Repayments of long-term debt	-1,166
3. Payments of redemption of corporate bonds	-100
4. Proceeds from payment by minority shareholders	1
5. Payments of dividends	-265
6. Payments of dividends to minority shareholders	-59
Net cash provided by financing activities	1,263
IV Exchange gain/loss on cash and cash equivalents	0
V Net increase in cash and cash equivalents	-1,397
VI Cash and cash equivalents at beginning of period	12,764
VII Cash and cash equivalents at end of period	11,367

(3) Segment information

Information on the business segments

First quarter of the previous consolidated fiscal year (October 1, 2007 – December 31, 2007)

(Million yen)

	Spot Business	Factory Business	Technology Business	Office Business	Other Business	Total	Elimination or company total	Consolidated
I. Net sales and operating income Net sales (1) Sales to external customers	9,011	4,377	5,928	3,426	1,691	24,433	—	24,433
(2) Inter-segment sales or transfers	17	0	85	15	27	144	(144)	—
Total	9,028	4,377	6,014	3,440	1,718	24,577	(144)	24,433
Operating expenses	8,956	4,326	5,839	3,242	1,799	24,162	220	24,382
Operating income or loss (-)	72	51	175	198	-81	415	(363)	51

Notes:
1. The company's business activities are divided as given below for the purpose of internal management.
2. Business segments
   (1) Spot Business: Short-term employee dispatching services, short-term contractual workers services
   (2) Factory Business: Staffing services for production line work, contracted-out services for production line work
   (3) Technology Business: Engineer dispatching services, human resources contracting of technical staff, data communication services
   (4) Office Business: Clerical manpower dispatching, clerical work contracting
   (5) Other Business: Restaurant and bar management, security services, advertising agency services, etc.

Geographic segment information

Geographical segment information is not presented since the Company did not have consolidated subsidiaries or branches offices in other areas or regions than Japan in the first quarter of the previous consolidated fiscal year.

Overseas sales

Overseas sales are not presented given the absence of overseas sales in the first quarter of the previous consolidated fiscal year.