

# FULLCAST HOLDINGS

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**Business Results for the 1<sup>st</sup> Quarter  
of the Fiscal Year Ending September 2009**



# Agenda

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- ◆ **Business Highlights of the 1<sup>st</sup> Quarter  
(Oct.-Dec. 2008)**
- ◆ **Results by Business Segments**
- ◆ **Projections for the FY Ending September 2009**

## Business Results for the 1<sup>st</sup> Quarter FY Sep. 2009

Unit: Million yen

	1st Quarter FY September 2008	1st Quarter FY September 2009	Comparison of changes
Net sales	24,433	<b>19,456</b>	-20.4%
Gross profit	5,958	<b>4,561</b>	-23.4%
Selling, General and Administrative Expenses	5,906	<b>4,834</b>	-18.2%
Operating income	51	<b>-273</b>	-
Operating income ratio	0.2%	<b>-1.4%</b>	-
Ordinary income	25	<b>-282</b>	-
Net income for the forth Quarter	9	<b>-1,647</b>	-

Capital investment

144

**97**

## Details of Extraordinary Profits and Losses in the 1<sup>st</sup> Quarter of FY Sep. 2009

Unit: Million yen

Reversal of allowance for doubtful accounts **13**

**Extraordinary income 13**

Loss on sales of stocks of subsidiaries and affiliates **837**

Losses on the closure of offices **241**

Other **119**

**Extraordinary loss 1,197**

**Extraordinary income / loss -1,184**

## Changes in our balance sheet for the 1<sup>st</sup> Quarter FY Sep. 2009

Unit: Million yen

		As of Sep.30 2008	As of Dec.31 2008	Increase and decrease	Compara -son of changes
Current assets		26,441	20,846	-5,595	-21.2%
Fixed assets	Tangible assets and Intangible assets	6,092	4,243	-1,849	-30.3%
	Investment and other assets	4,165	3,421	-744	-17.9%
Total assets		36,697	28,510	-8,187	-22.3%
Current liabilities		19,723	16,559	-3,164	-16.0%
Fixed liabilities		6,005	4,718	-1,287	-21.4%
Total net assets		10,969	7,233	-3,737	-34.1%
Liabilities and net assets		36,697	28,510	-8,187	-22.3%

### Consolidated Cash Flows

	FY Sep/2008	1 <sup>st</sup> Quarter FY/2009
Cash flows from operating activities	-2,194	1,255
Cash flows from investing activities	-466	-464
Cash flows from financing activities	1,263	-2,793
Cash and cash equivalents end of period	11,367	7,875
Free cash flows	-2,660	791

## Changes in our balance sheet for the 1<sup>st</sup> Quarter FY Sep. 2009

### [External environment]

- Production of manufacturing industry sharply fell with the influence of the deterioration of corporate earnings and decreased export.
- Companies have shown a tendency to adjust employment by canceling worker dispatch contracts and suspending renewals of dispatch contracts.

### [Net sales]

- Consolidated sales decreased given the influence of the suspension of the worker dispatch business of Fullcast in the Spot Business, the sale of a subsidiary in the Technology Business, and severe production cuts in the manufacturing sector.

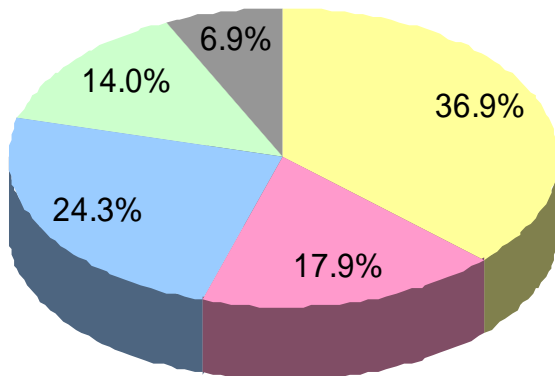
### [Profits]

- Consolidated operating loss was posted as a decrease in gross profit caused by weakened sales could not be offset, although selling, general and administrative expenses were reduced through the consolidation of offices to streamline operations, mainly in the Spot Business.

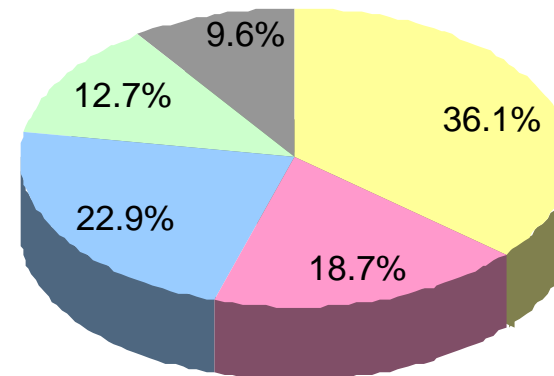
### [Net Profits]

- Loss on transfer of stocks of the subsidiary and loss on closure of offices for consolidation of offices caused extraordinary loss.

Net sales by segment for the 1<sup>st</sup> Quarter  
FY/2008



Net sales by segment for the 1<sup>st</sup> Quarter  
FY/2009



Spot Business  
Factory Business  
Technology Business  
Office Business  
Other Business

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- ◆ **Business Highlights of the 1<sup>st</sup> Quarter  
(Oct.-Dec. 2008)**
- ◆ **Results by Business Segments**
- ◆ **Projections for the FY Ending September 2009**

## Spot Business: Earnings Comparison

Unit: Million yen

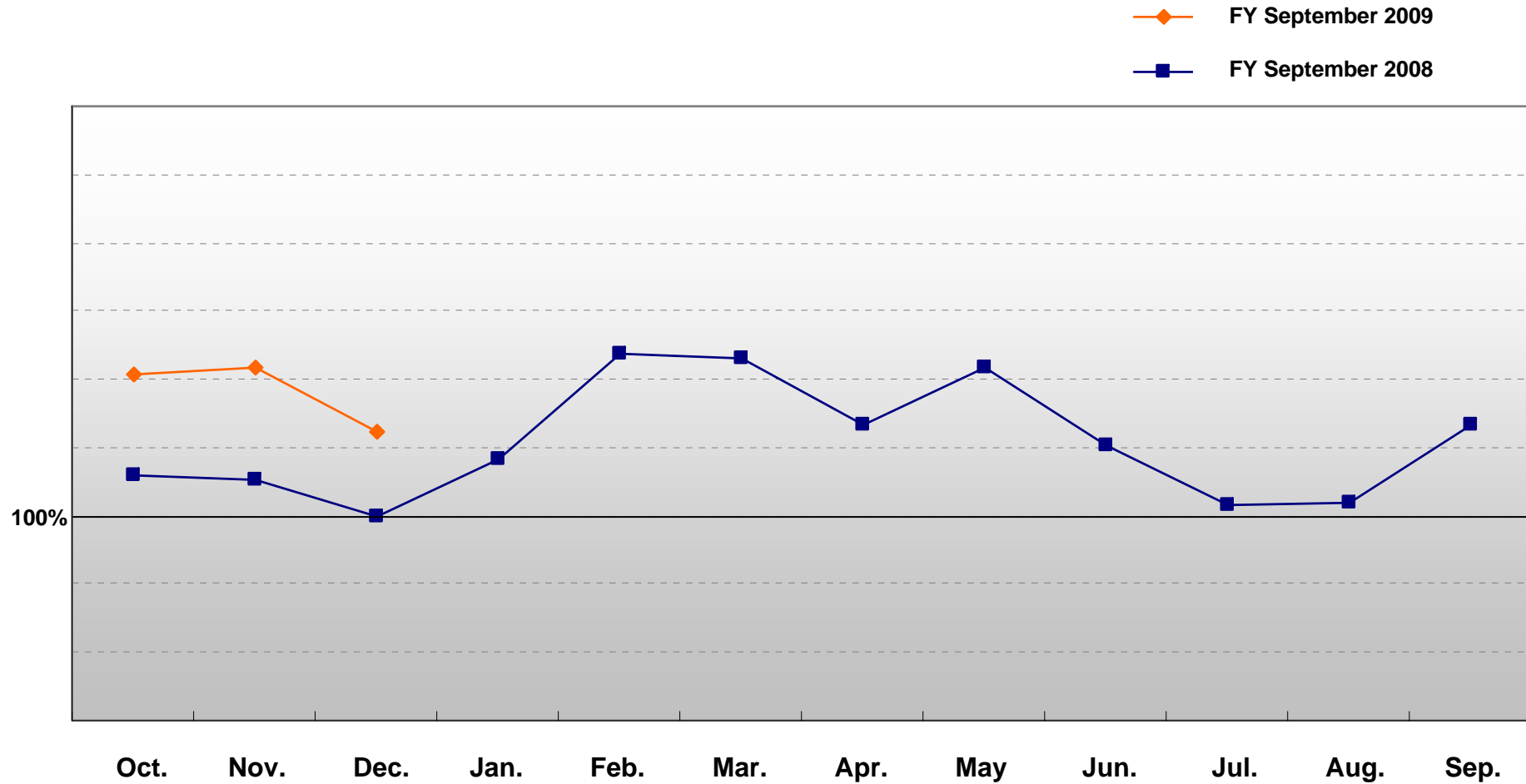
	1stQuarter FY September 2008	1stQuarter FY September 2009	Comparison of changes
Net sales	9,011	7,017	-22.1%
Operating income	72	-281	-
Operating income ratio	0.8%	-4.0%	-

**Fullcast's suspension of worker dispatch business from October 10 to November 9, 2008 influenced the financial results.**

- ◆ **Consolidated the offices and streamlined the operations to reduce selling, general and administrative expenses.**



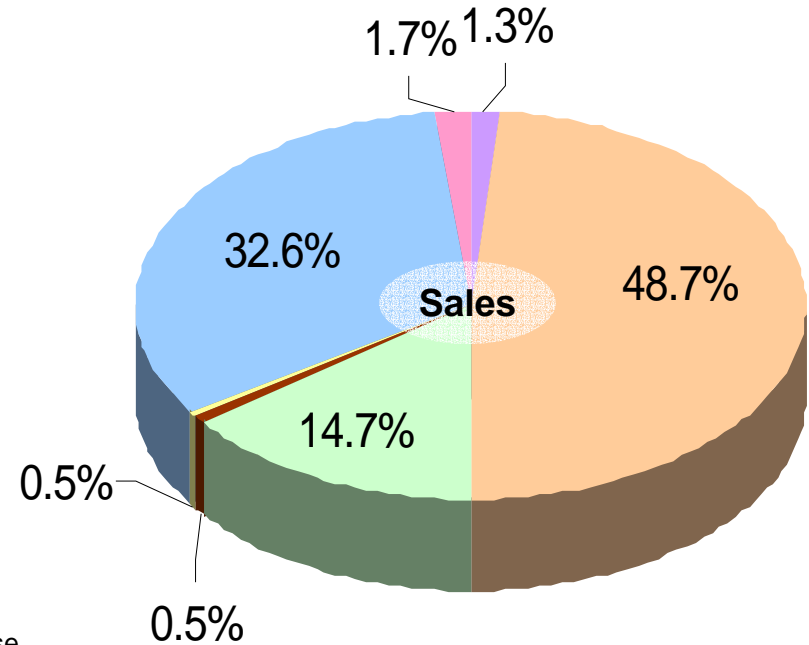
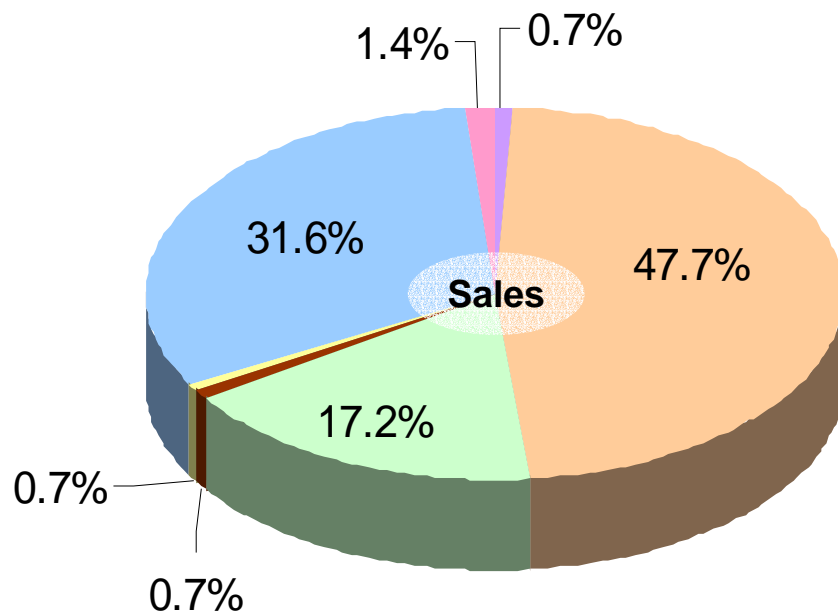
## Spot Business: Trend in the Average Price of Orders



- The baseline of the average price of our orders was set at 100 in October 2006  
1scale=2%

# Spot Business: Sales distribution

Sales Distribution by Industry



- Moving
- Warehouse
- Distribution
- Cleaning
- Equipment
- Food, event, sales promotion, others
- Amusement, arcade

Share of Our Top 20 Clients

1<sup>st</sup> Quarter FY/2008

**22.8%**

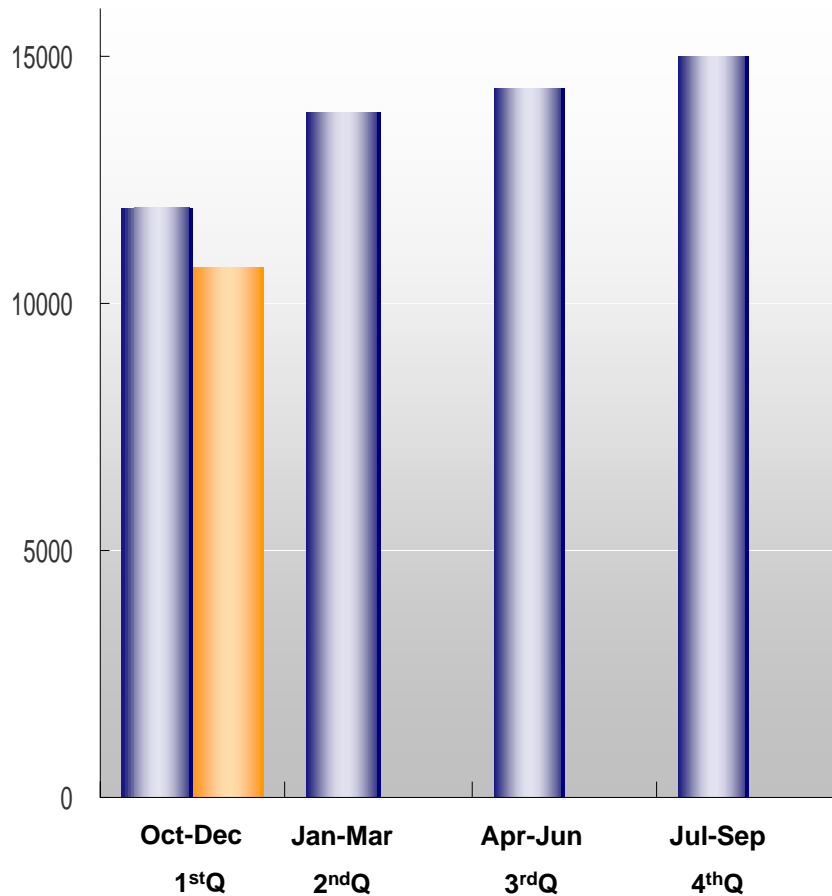
1<sup>st</sup> Quarter FY/2009

**23.0%**

# Spot Business: Trend in Number of Offices and Year-on-Year Rate

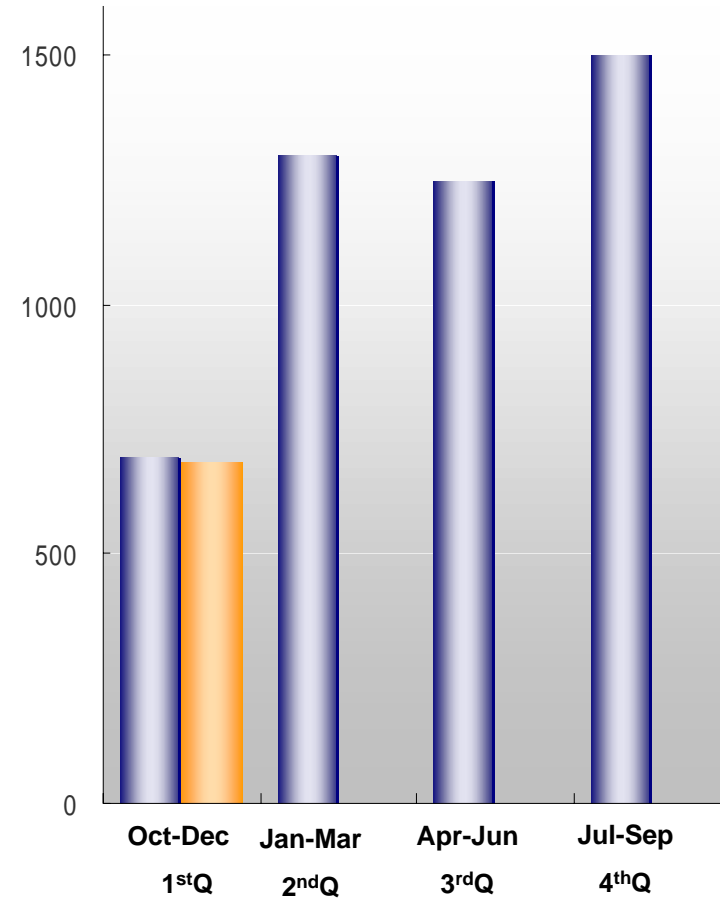
**Changes in number of offices**

- Number of offices actually operating in Sep 2008
- Number of offices actually operating in Sep 2009

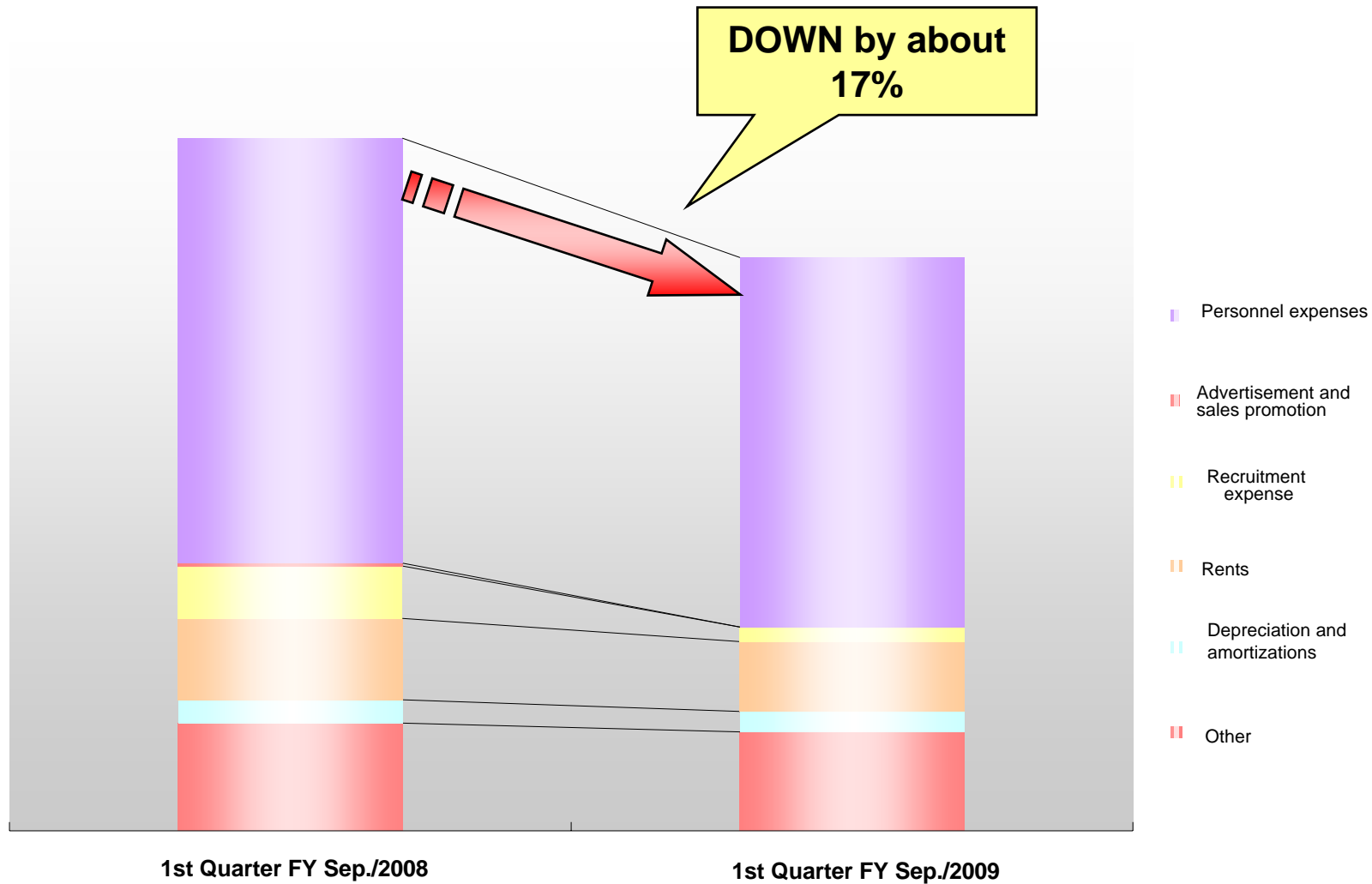


**Changes in number of offices from which orders were newly received**

- Number of offices from which orders were newly received in FY Sep 2008
- Number of offices from which orders were newly received in FY Sep 2009



## Selling, General and Administrative Expenses

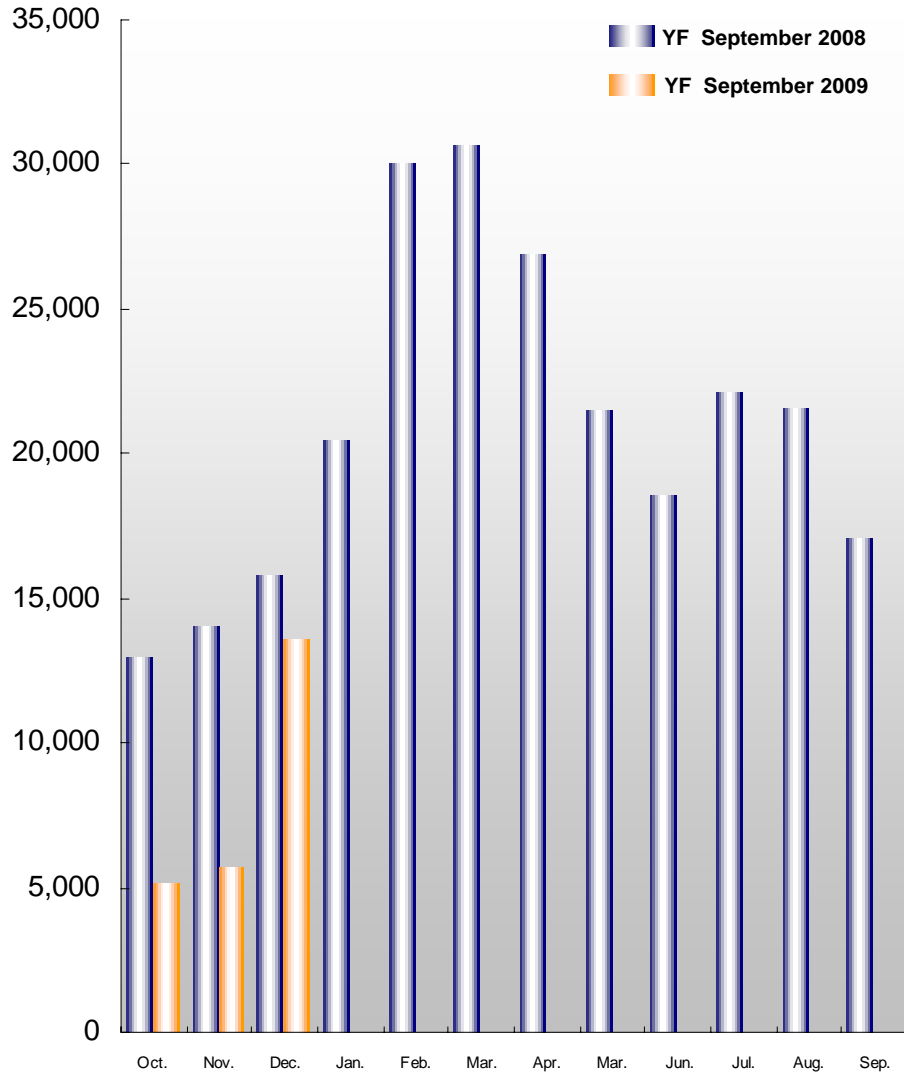


**¥ 4.5 Million Reduction Year-On-Year**

# Spot Business: Number of Newly Registered Worker Trends

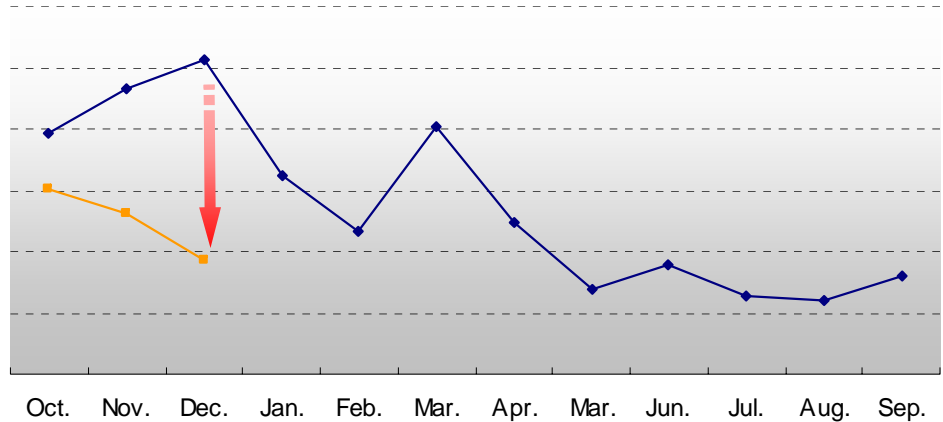
### Number of newly registered workers

Unit: person



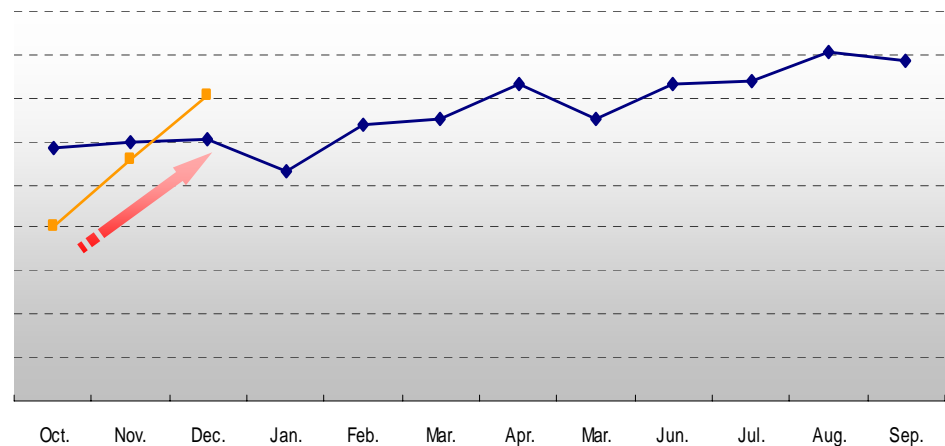
### Unit cost of employment

■ YF September 2008  
■ YF September 2009

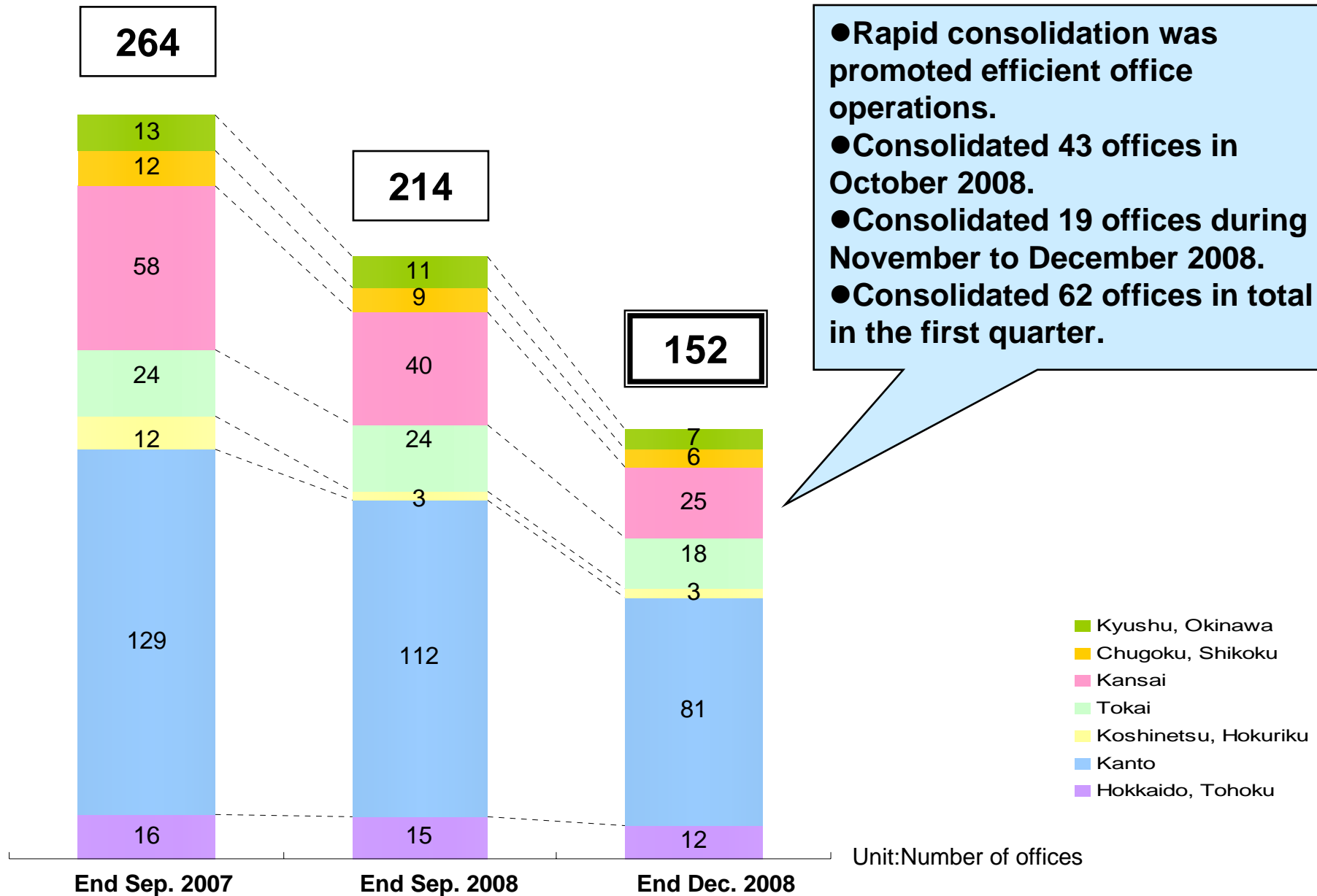


### Ratio of workers registering via portal website

■ YF September 2008  
■ YF September 2009



## Spot Business: Our Office Consolidation Plan



## Factory Business: Earnings Comparison

Unit: Million yen

	1stQuarter FY September 2008	1stQuarter FY September 2009	Comparison of changes
Net sales	4,377	3,636	-16.9%
Operating income	51	-1	-
Operating income ratio	1.2%	0.0%	-

**Orders decreased, affected by the sharp reduction of production in manufacturing industry.**

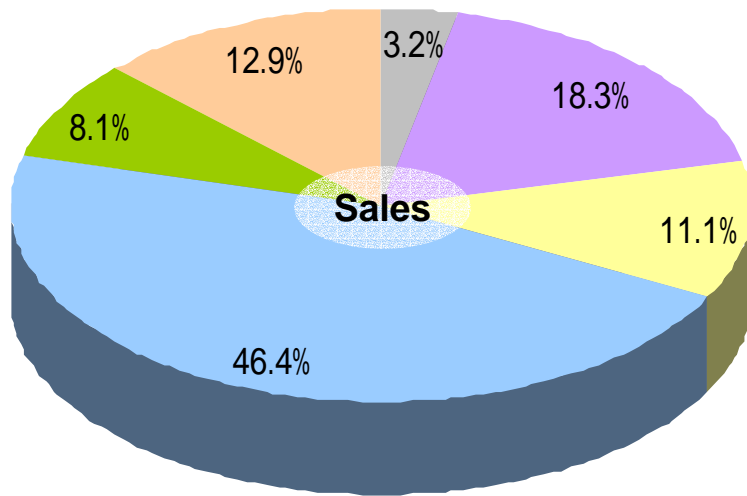
- ◇ **Significantly reduced selling, general and administrative expense by curbing recruiting expenses etc.**

**Operating loss was posted due to significant decrease in gross profit caused by sales decrease.**

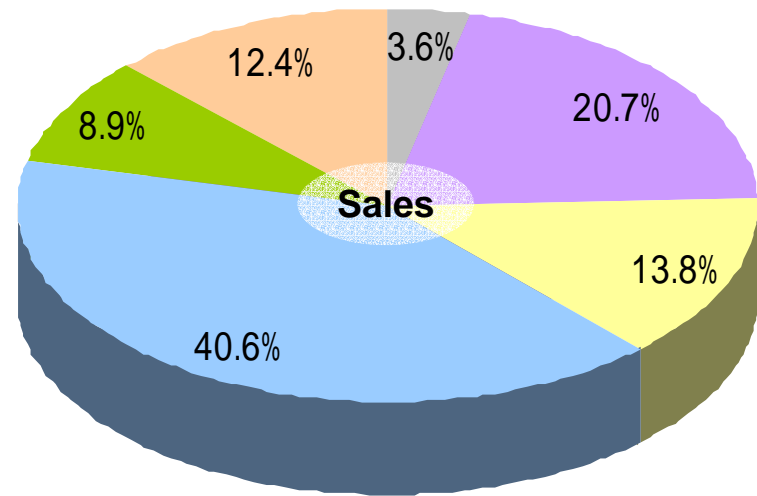
# Factory Business: Sales Distribution

## Sales Distribution by Industry

1<sup>st</sup> Quarter FY/2008



1<sup>st</sup> Quarter FY/2009



## Share of Our Top 20 Clients

1<sup>st</sup> Quarter FY/2008

**56.0%**

1<sup>st</sup> Quarter FY/2009

**55.7%**

- Semiconductor
- Electronics
- Food
- Automobile
- Machinery
- Others



## Technology Business: Earnings Comparison

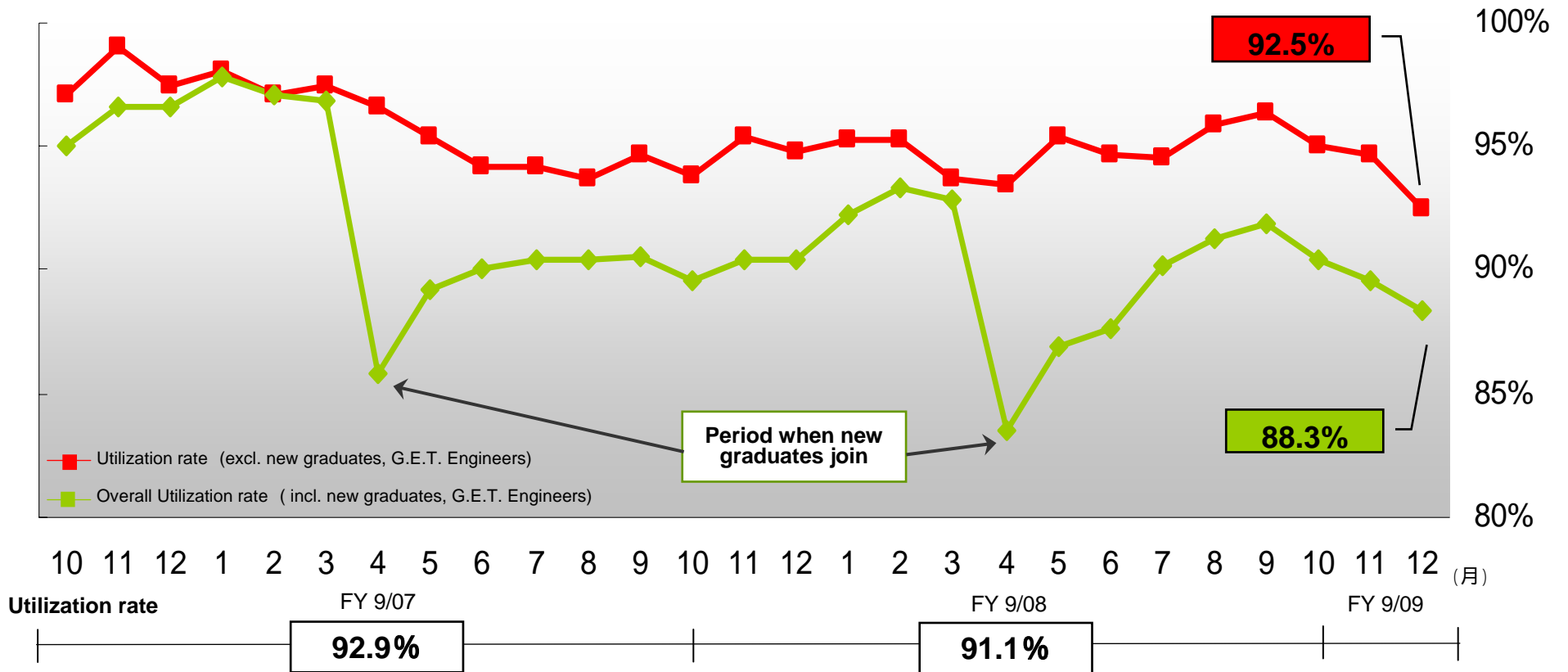
Unit: Million yen

	1stQuarter FY September 2008	1stQuarter FY September 2009	Comparison of changes
Net sales	5,928	4,465	-24.7%
Operating income	175	247	41.1%
Operating income ratio	3.0%	5.5%	-

- ◇ **The contract development division that includes the establishment of communication base stations and the building of IT infrastructure grew year- on-year in terms of sales and profits.**
- ◇ **Sales declined with the sale of the consolidated subsidiary engaged in contracted development business of software.**
- ◇ **In the engineer dispatch division, the operating ratio of engineers declined, influenced by the rapid economic slowdown.**

# Technology Business: Capacity Utilization Rate

**Capacity utilization rate of dispatched technical staff**  
 FY ended Sep. 2008 1stQuarter---90.1%  
 FY ended Sep. 2009 1stQuarter---89.5%



## Office Business: Earnings Comparison

Unit: Million yen

	1stQuarter FY September 2008	1stQuarter FY September 2009	Comparison of changes
Net sales	3,426	2,467	-28.0%
Operating income	198	-24	-
Operating income ratio	5.8%	-1.0%	-

- ◇ **Steady inquiries were received in the sales support service area.**
- ◇ **Bankruptcies of client companies affected the business this quarter.**
- ◇ **Demand for clerical staff dispatch decreased with the deteriorated earnings of client companies.**

# Agenda

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(Oct.-Dec. 2008)**
- ◆ **Results by Business Segments**
- ◆ **Projections for the FY Ending  
September 2009**

## Earnings Projections, Other Targets for FY September 2009

Unit: Million yen

	Full year projection for FY Sep.2009
Net sales	<b>81,000</b>
Spot Business	<b>29,980</b>
Factory Business	<b>14,800</b>
Technology Business	<b>17,980</b>
Office Business	<b>11,340</b>
Other Business	<b>6,900</b>
Operating income	<b>870</b>
Ordinary income	<b>670</b>
Net income	<b>0</b>
EPS:Yen	<b>0.00</b>
ROE:%	-
Avg. shares O/S	<b>264,864</b> shares
Capital investment	<b>397</b>

Note: The above plan is our Company's projections at the present time, and our actual results may deviate from this plan.

## Summary

- ◇ **We will restore confidence by making changes which emphasize compliance as a key management issue.**
- ◇ **Fullcast will convert our business model (Increasing the term of employment of short temporary workers, and providing introduction services for short time workers).**
- ◇ **By shifting to a pure holding company system, the Fullcast Group will accelerate its decision-making process for business strategies and its execution of these strategies, respond flexibly to changes in the operating environment to expand our business, and strengthen our financial position.**

# Our goal is to become the service provider of choice



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# FULLCAST HOLDINGS

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## Reference Materials

**Business Results for the 1<sup>st</sup> Quarter  
of the Fiscal Year Ending September 2009**





## Company Profile

As of Dec 31, 2008

Company name	FULLCAST HOLDINGS CO., LTD.
Established	September 14, 1990
Start of operations	October 1, 1992
IPO	June 15, 2001 (JASDAQ) September 3, 2003 ( 2nd Section of the Tokyo Stock Exchange) September 1, 2004 ( 1st Section of the Tokyo Stock Exchange)
Capital	3,464.10 million yen
Shares outstanding	275,964 shares ( 264,864 shares held by outside shareholders )
Head office	Shibuya-ku, Tokyo, Japan
Representative	President: Hiroyuki Urushizaki
Business objectives	Pure holding company directing diversified human resource services companies

## Group Data

Descriptions of business	I. Spot Business   II. Factory Business   . Technology Business . Office Business   . Other Business
Group employees	<b>3,672</b> Of which, 1,296 are engineers and 80 are security guards (Another 1,244 security guards are included among temporary employees for a total of 1,324 security guards.)
Group network	<b>273 Offices</b>

# Group Portfolio

As of Dec.31, 2008

	Company Name	Solution	Outline
-	Fullcast Holdings Co., Ltd.		Determine optimization strategies for the Group, perform supervisory functions for business operations, and handle challenges.
<b>Spot Business</b>	Fullcast Co., Ltd. *1	Dispatch, contract	As the Group's core business, focuses on distribution and warehouse operations.
	Nisso Co., Ltd.	Dispatch, contract	Event-related services, including guidance.
	Casting Bank Co., Ltd.	Dispatch, contract	Community-based brand: short-term human resource services focused in a specific area.
	Top Spot Co., Ltd.	Dispatch, contract	Community-based brand: short-term human resource services focused in a specific area.
	Oneday Job Style Co., Ltd.	Dispatch, contract	Community-based brand: short-term human resource services focused in a specific area.
	Job Choice Tokai Co., Ltd.	Dispatch, contract	Community-based brand: short-term human resource services focused in a specific area.
<b>Factory Business</b>	Fullcast Factory Co., Ltd.	Dispatch, contract	Orders for part of or all line duties in the manufacturing sector.
	Fullcast Central Co., Ltd. *2	Dispatch, contract	Factory line human resource services; focuses on the auto industry.
<b>Technology Business</b>	Fullcast Technology Co., Ltd.	Dispatch, contract	Design and development/subcontracted system development/system consulting services.
	Net it works, Inc.	IT outsourcing	Information processing services/development/operations/maintenance of IT systems.
<b>Office Business</b>	Fullcast Marketing Co., Ltd.	Dispatch, contract	Operations and retail assistance.
	Marketing Square Co., Ltd.	Dispatch, contract	Operations and retail assistance.
<b>Other Business</b>	Fullcast Finance Co., Ltd.	Staff support	Employee welfare system for registered staff. Engaged in credit services.
	Fullcast Advance Co., Ltd. *3	Security business	Human resource services related to security, events and sales promotions.
	Info-P Co., Ltd. *4	Advertisement	Advertising agency service focusing on so-called parlors (pachinko, or Japanese pinball).

\*1. The office workers services for general operations etc. provided by Fullcast Co., Ltd. is classified into the Office Business.

\*2. Fullcast Central dispatches engineers to the automobile industry and is included in the technology business segment.

\*3. Fullcast Advance conducts event and sales promotion services and belongs to the spot business segment.

\*4. Short-term contractual workers services provided by info-p Co., Ltd. are classified as spot business.