

FULLCAST HOLDINGS

Fiscal Year September 2010 Earnings Announcement

November 8, 2010

Agenda

- ◆ **Business Highlights of Fiscal Year September 2010**
- ◆ **Results by Business Segment of Fiscal Year September 2010**
- ◆ **Goals and Earnings Plan for Fiscal Year September 2011**
- ◆ **Attend to Amendment of the Worker Dispatching Law**

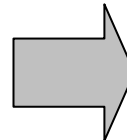
■ Road Map for our “New Three-year Plan”

	FY2009	FY2010	FY2011
Goals	Restructuring of Business Structure	Return to Profits	Earnings Growth
Business Restructuring	Completed		
Financial Restructuring	Continue to Consider Transfer of Fullcast Technology Co., Ltd.		

□ Strategies to Achieve Goals

Start of FY2009

- ◆ Mainly “Short-term operational support business” and “Sales support business”
- ◇ Short-term operational support business
 1. Expand our market share by promoting sales strategies according to the characteristics of our clients
 2. Improve efficiency and productivity by fortifying our management
- ◇ Sales support business
 1. Specialize in business outsourcing, with a focus upon communication services



End of First Half of FY2010

- ◆ Revision of original plans
 - ⇒ Sales of our main products in the Sales support business were sluggish
- ◇ Short-term operational support business
 - Continue business operation based on the strategies designed at the start of the first half
- ◇ Sales support business
 - Implementation of corporate restructuring
 1. Reduce scale of business and concentrate resources
 2. Improve profit through reduction of fixed costs
 3. Launch new businesses
 - ⇒ Realize profits in the 4th quarter

■ Fiscal Year September 2010 Earnings Results

We Achieved Our FY2010 Goal : “Realizing Profits”

Unit: Million yen

	FY2009	FY2010	Change
Net Sales	57,293	36,084	-37.0%
GP	12,840	8,810	-31.4%
SG&A	13,522	7,479	-44.7%
OP	-682	1,331	-
OP (%)	-1.2%	3.7%	-
RP	-925	1,223	-
NP	- 6,870	541	-
Capital Investment	200	128	

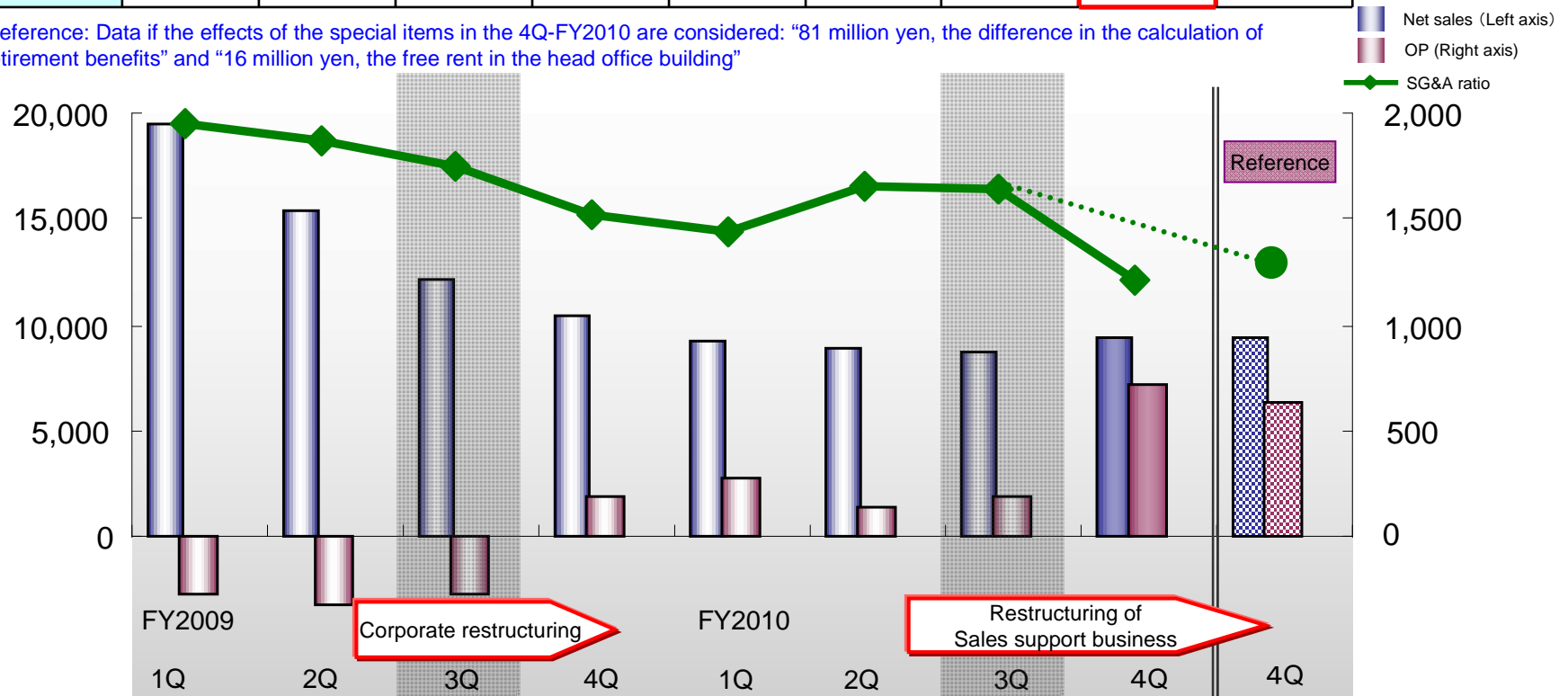
*All shares of the following companies were transferred as follows: Asia Pacific System Research Co., Ltd. and its three consolidated subsidiaries in 1Q-FY9/09, Info-P Co., Ltd in 2Q-FY9/09, Fullcast Finance Co., Ltd., Fullcast Factory Co., Ltd. and FullcastCentral Co., Ltd. in 3Q-FY9/09, Net it works, Inc. in 4Q-FY9/09.

Quarterly Earnings Outlook

Unit: Million yen

	FY2009				FY2010				
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	4Q (Reference*)
Net sales	19,456	15,308	12,107	10,423	9,187	8,848	8,695	9,354	9,354
OP	-273	-323	-273	187	279	136	194	723	626
OP (%)	-1.4%	-2.1%	-2.3%	1.8%	3.0%	1.5%	2.2%	7.7%	6.7%

*Reference: Data if the effects of the special items in the 4Q-FY2010 are considered: "81 million yen, the difference in the calculation of retirement benefits" and "16 million yen, the free rent in the head office building"



■ Summary of Extraordinary Income or Loss in FY2010

Unit: Million yen

Gain on change in equity	359
Gain on sales of subsidiaries and affiliates' stocks	185
Government subsidy received	181
Other	57
Extraordinary income	782
Loss on valuation of investment securities	543
Business structure improvement expenses	343
Allowance for employment adjustment	200
Head office transfer cost	150
Loss on closing of stores	105
Other	144
Extraordinary loss	1,485
Extraordinary income or loss	-703

■ Status of Balance Sheet

Unit: Million yen

	As of Sep.30 2009	As of Sep.30 2010	Increase and decrease	Comparison of changes	Key points in changes
Current assets	10,157	9,737	-420	-4.1%	Cash and deposits increased by ¥103 million Notes and accounts receivable-trade increased by ¥71 million Other current assets decreased by ¥669 million
(Cash and deposits)	(4,914)	(5,017)	(103)	(2.1%)	
(Notes and accounts receivable-trade)	(4,041)	(4,112)	(71)	(1.8%)	
Noncurrent Assets					
Property, plant and equipment	727	474	-253	-34.8%	Software decreased by ¥187 million
Investment and other assets	2,187	1,267	-919	-42.0%	Decrease from revaluation of investments securities, decrease in guarantee deposits and insurance funds
【Total assets】	13,072	11,479	-1,593	-12.2%	
Current liabilities	8,432	7,798	-634	-7.5%	Current portion of long-term loans payable decreased by ¥282 million Accounts payable-other decreased by ¥191 million
(Short-term loans payable)	(3,011)	(3,011)	(0)	(0.0%)	
(Current portion of long-term loans payable)	(2,012)	(1,730)	(-282)	(-14.0%)	
Noncurrent liabilities	2,915	1,190	-1,725	-59.2%	Long-term loans payable decreased by ¥1,730 million
(Long-term loans payable)	(2,400)	(670)	(-1,730)	(-72.1%)	
Equity capital	1,292	1,802	510	39.5%	
Minority interests	432	688	256	59.4%	
【Liabilities and net assets】	13,072	11,479	-1,593	-12.2%	

■ Status of Cash Flows

Unit: Million yen

	FY2009	FY2010
Operating cash flows	1,401	1,951
Investing cash flows	1,573	-348
Financing cash flows	-7,937	-1,651
Cash and cash equivalents end of period	4,914	4,867
Free cash flows	2,973	1,604

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■ Short-term Operational Support Business: Earnings Outlook

Unit: Million yen

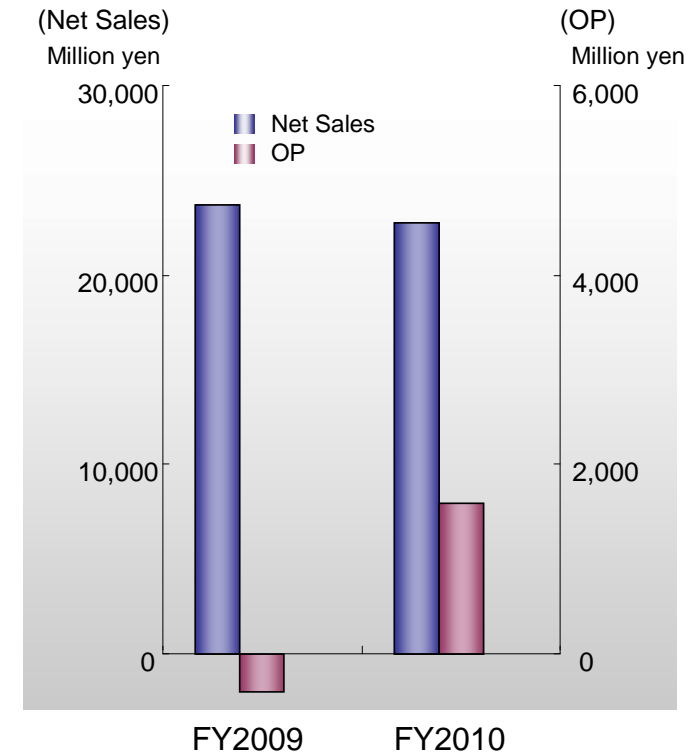
	FY2009	FY2010	Changes
Net Sales	23,891	22,737	-4.8%
OP	-408	1,583	-
OP(%)	-1.7%	7.0%	-

【Earnings comparison, excluding the impact of a subsidiary transfer】

Unit: Million yen

	FY2009	FY2010	Changes
Net Sales	23,666	22,737	-3.9%
OP	-404	1,583	-
OP(%)	-1.7%	7.0%	-

【Earnings comparison, excluding the impact of a subsidiary transfer】

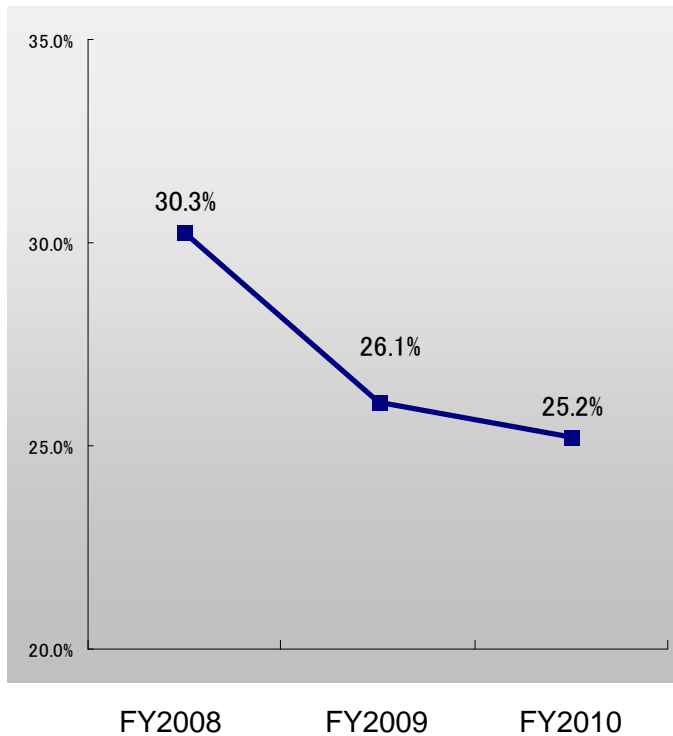


- ◆ **Although sales fell from FY2009, we were able to achieve profits on the back of successful corporate restructuring and sales strategies started in FY2009.**

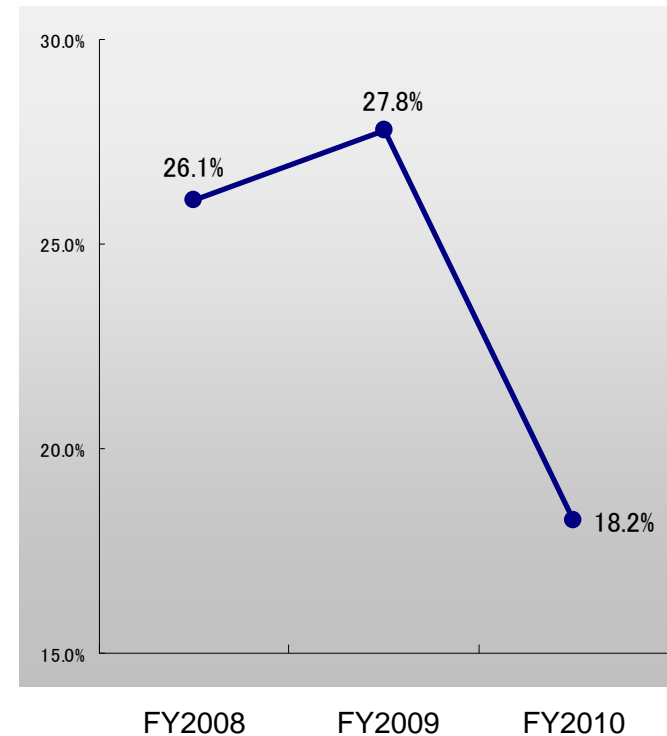
* Along with the change in our business segments during the first quarter of the current fiscal year, we began recording office related human resources services, that were previously included in the "office business" of our office dispatched human resources division, in our "Short Term Operational Support Business" as of the fiscal year September 2009.

■ Short-term Operational Support Business: Gross Margin and SG&A Ratio Trends

Gross margin

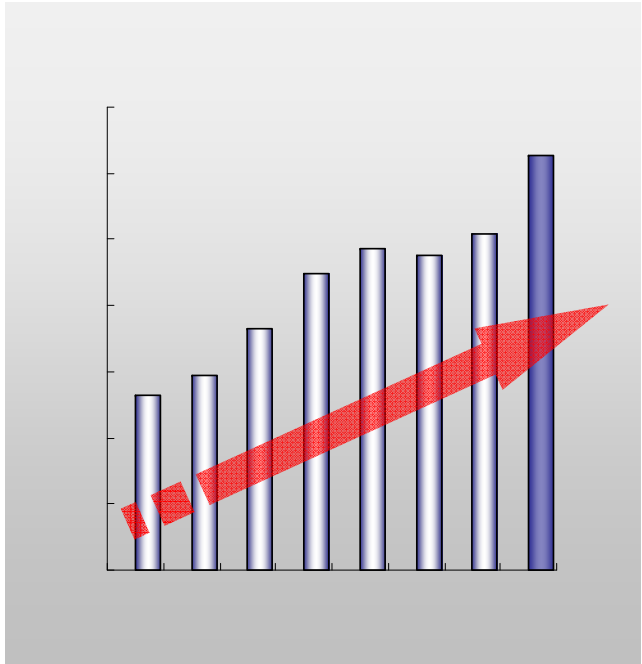


SG&A ratio



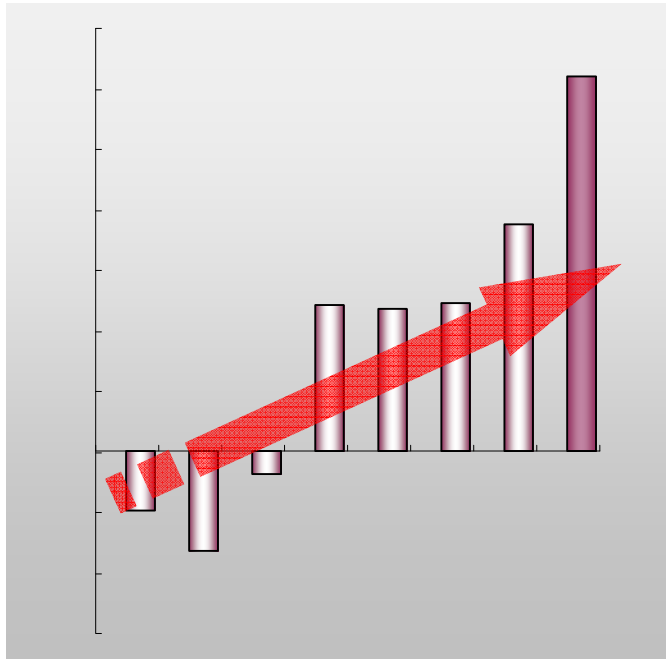
■ Short-term Operational Support Business: Productivity Trends

Sales/Labor cost/Yen



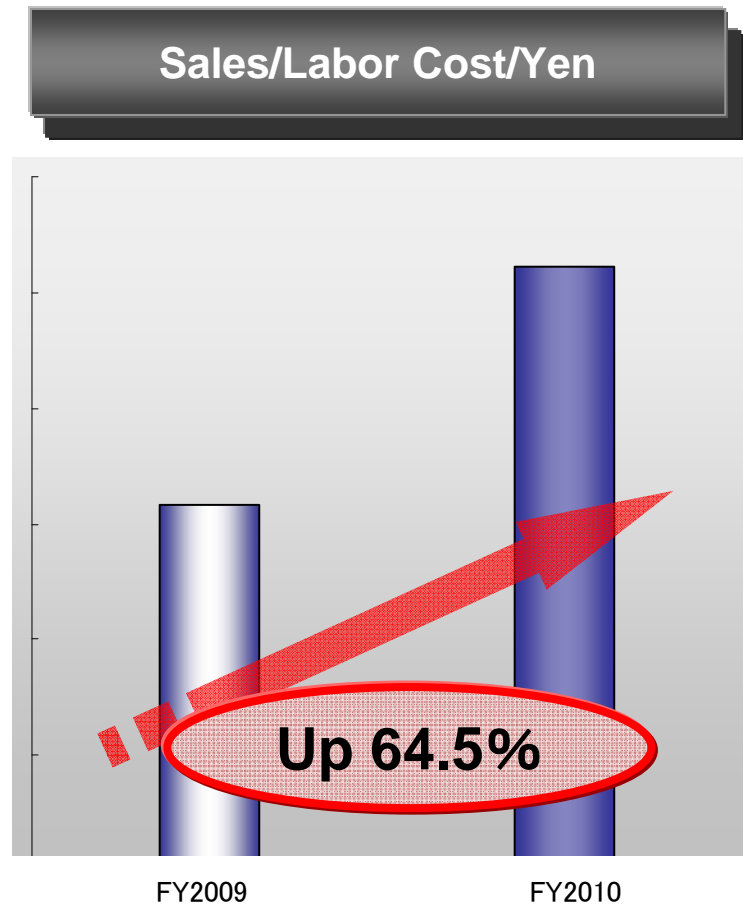
FY2009 FY2010
1Q 2Q 3Q 4Q 1Q 2Q 3Q 4Q

OP/Labor cost/Yen



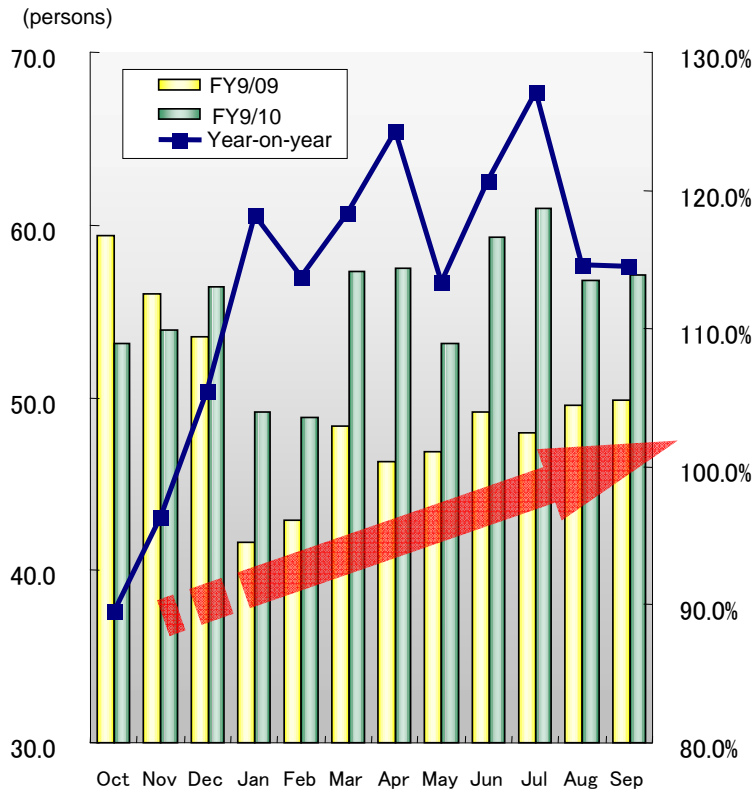
FY2009 FY2010
1Q 2Q 3Q 4Q 1Q 2Q 3Q 4Q

■ Short-term Operational Support Business: Productivity Trends

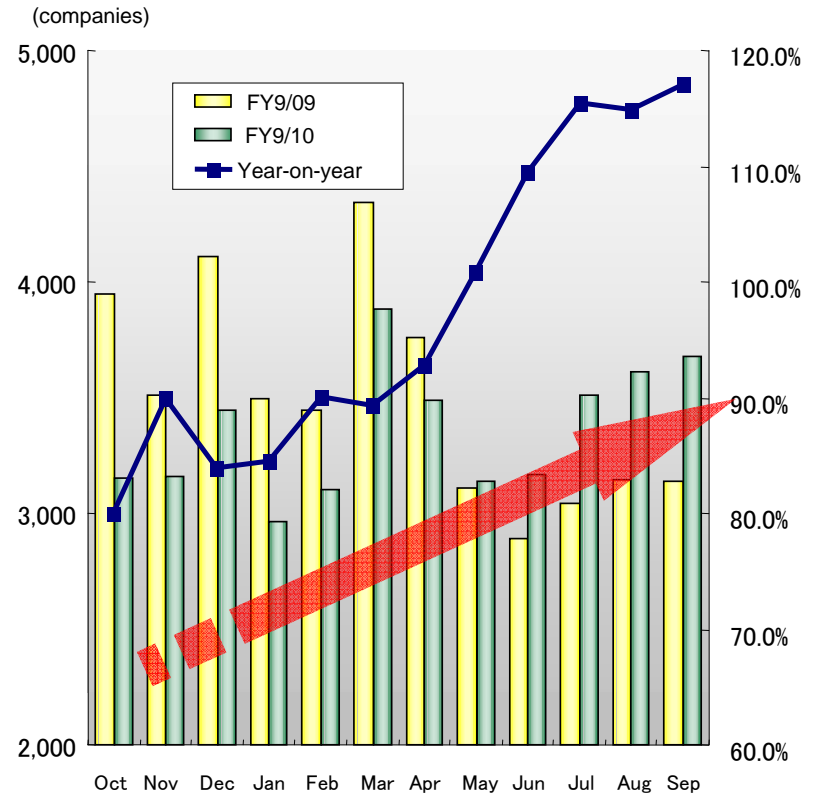


■ Short-term Operational Support Business: Growing Share

Operating workers /Customer



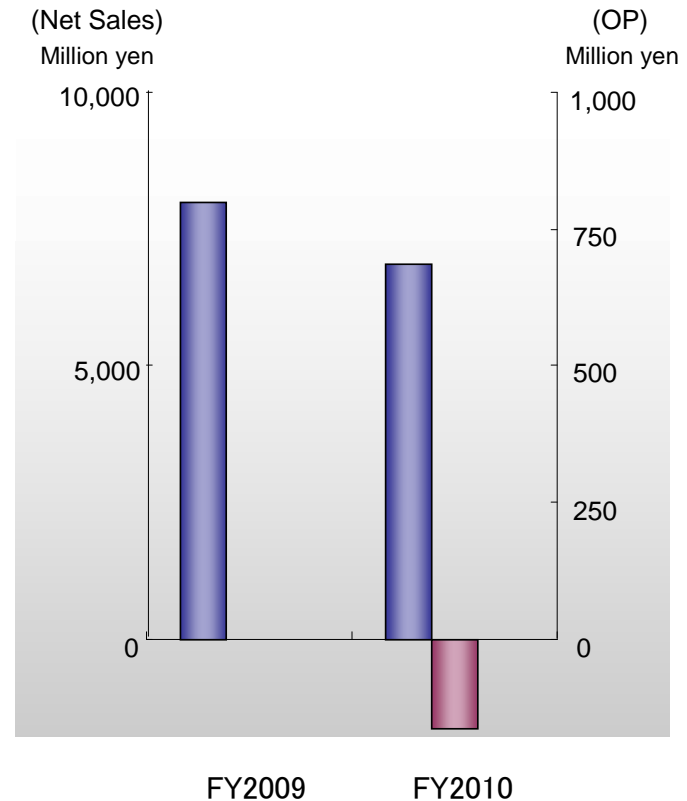
Operating customers



■ Sales Support Business: Earnings Outlook

Unit: Million yen

	FY2009	FY2010	Changes
Net Sales	7,974	6,845	-14.2%
OP	-1	-165	-
OP(%)	-0.0%	-2.4%	-



- ◆ Sales fell from FY2009, because of the sluggish sales of main products and corporate restructuring that was conducted during the third quarter of FY2010.
- ◆ Although corporate restructuring reduced fixed costs, they could not offset the decrease in sales and subsequently an operating loss was incurred.

*Along with the change in our business segment during the first quarter of the current fiscal year, we began recording office related human resources services that were included in the "office business" of our office dispatched human resources division in our "Short Term Operational Support Business" as of the fiscal year September 2009.

■ Technician Dispatch Business: Earnings Outlook

Unit: Million yen

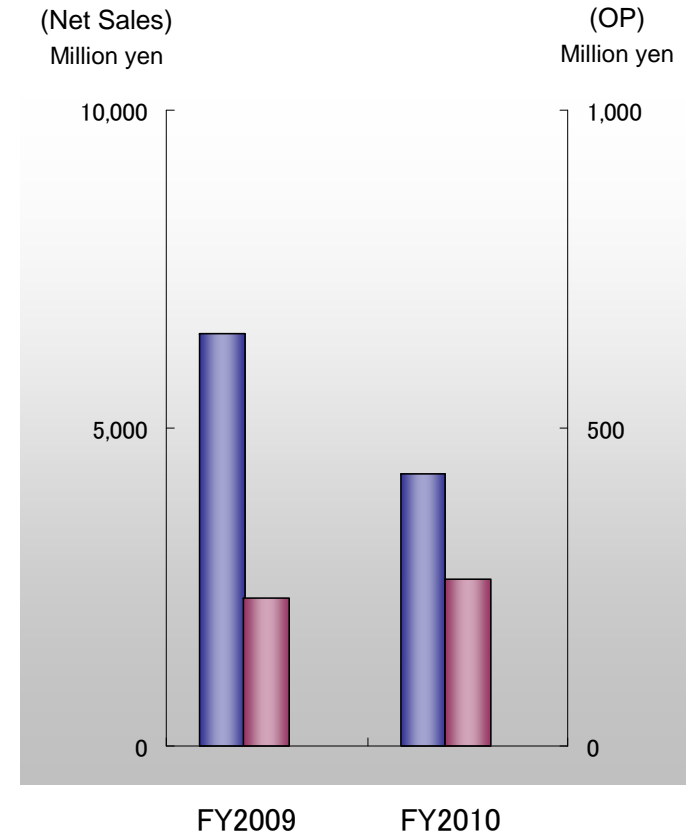
	FY2009	FY2010	Changes
Net Sales	14,074	4,280	-69.6%
OP	685	263	-61.6%
OP(%)	4.9%	6.1%	-

【Earnings comparison, excluding the impact of subsidiary transfer】

Unit: Million yen

	FY2009	FY2010	Changes
Net Sales	6,487	4,280	-34.0%
OP	234	263	12.6%
OP(%)	3.6%	6.1%	-

【Earnings comparison, excluding the impact of a subsidiary transfer】



◆ If the impact from the transferred subsidiaries is excluded, annual operating income grew from FY2009, while sales decreased due to the corporate restructuring in November.

■ Security, Other Businesses: Earnings Outlook

Unit: Million yen

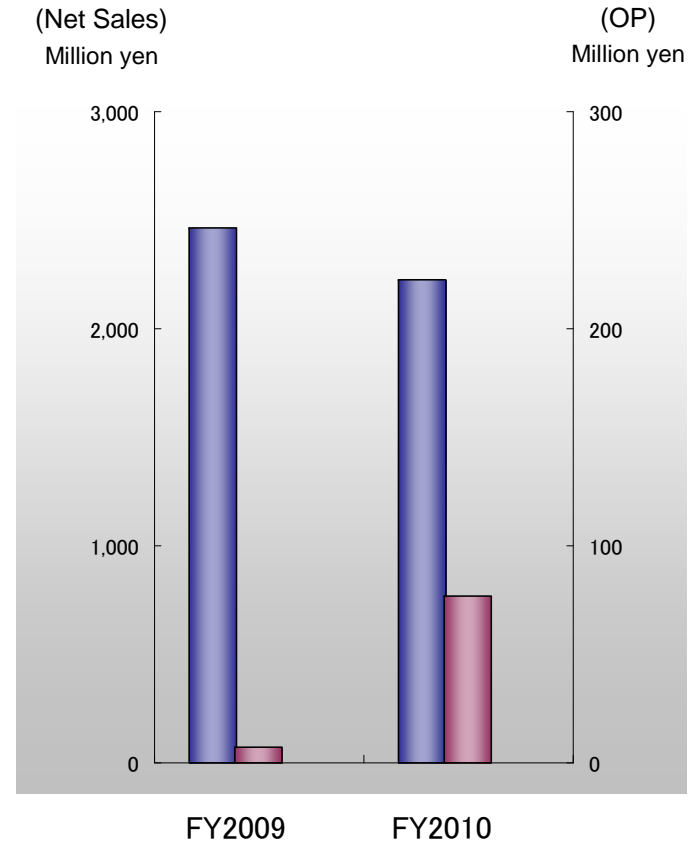
	FY2009	FY2010	Changes
Net Sales	4,693	2,221	-52.7%
OP	63	77	22.2%
OP(%)	1.3%	3.4%	-

【Earnings comparison, excluding the impact of subsidiary transfer】

Unit: Million yen

	FY2009	FY2010	Changes
Net Sales	2,463	2,221	-9.8%
OP	7	77	984.4%
OP(%)	0.3%	3.4%	-

【Earnings comparison, excluding the impact of a subsidiary transfer】



- ◆ If the impact from the transferred subsidiaries is excluded, operating profit rose from FY2009, despite the decline in sales from FY2009.

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■ Group Policy and Goal for FY2011

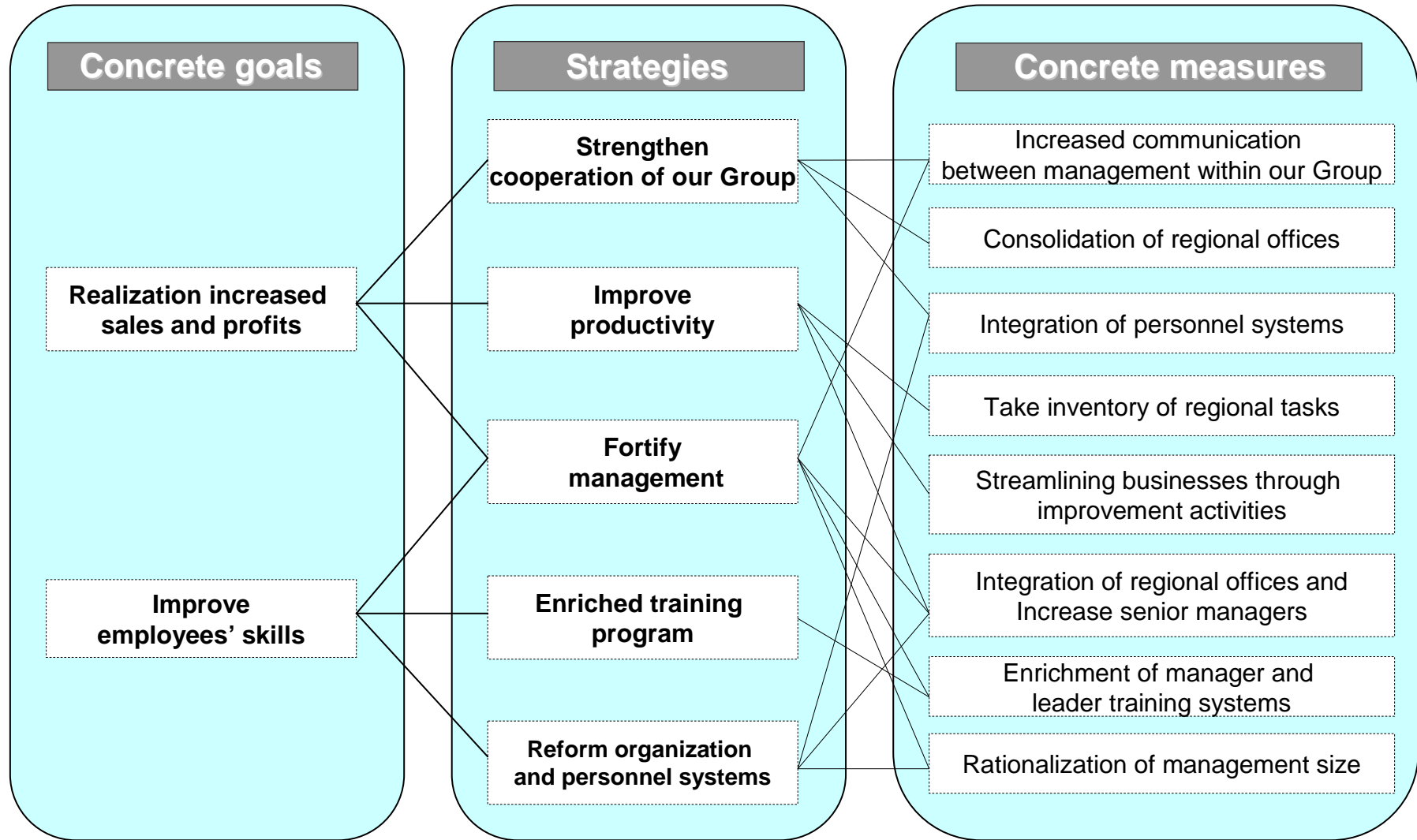
Group policy for FY2011

**Our Group will focus upon
the Short-term operational support
business, which is our original business**

Goal for FY2011

**Increase profit and establish
the foundations for a sustainable business**

Concrete Goals, Strategies and Measures



■ Earnings Estimates for FY2011

Unit: Million yen

	FY2011	FY2010	Change
Net sales	38,393	36,084	6.4%
Segments			
Short-term	25,703	22,737	13.0%
Sales support	5,423	6,845	-20.8%
Technician	4,686	4,280	9.5%
Security	2,580	2,221	16.2%
OP	2,125	1,331	59.6%
RP	2,057	1,223	68.2%
NP	1,749	541	223.4%
EPS	4,544.46	1,405.10	

Unit: Yen

*From FY2011, security and other businesses are changed to security businesses.

◆ **We aim to increase sales and profits by expanding our Short-term operational support business.**

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■ Highlights of the Amendment of the Worker Dispatching Law

Dispatch of daily workers or an employment period of less than 2 months is basically prohibited

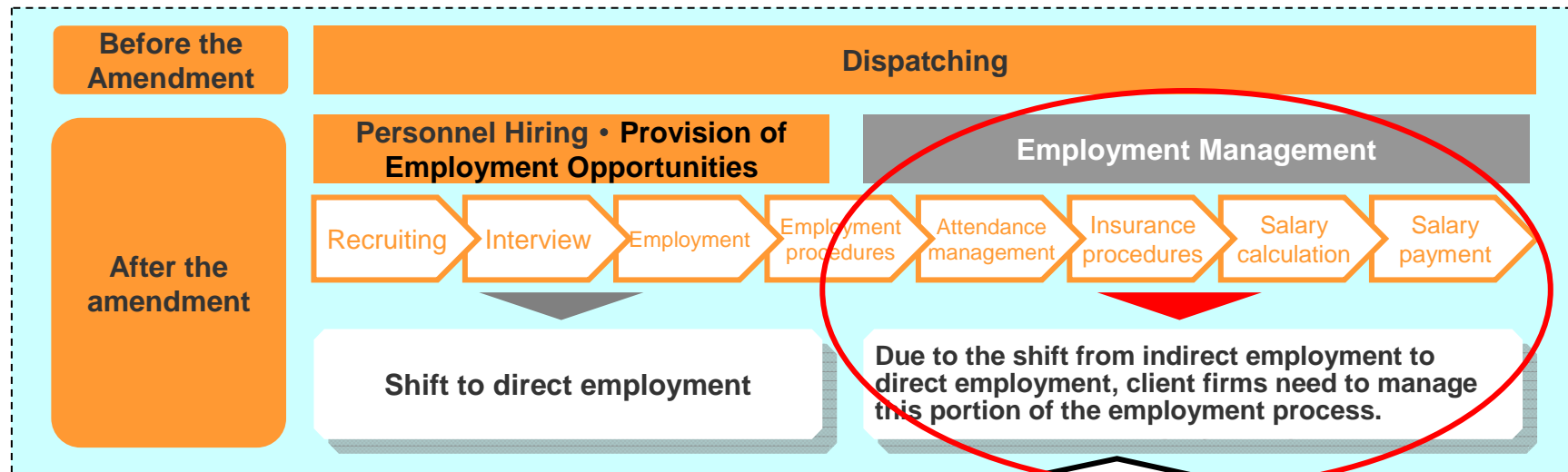
Implementation date of prohibition of daily worker dispatching is within 6 months of official adoption

Use of dispatch workers in the manufacturing industry and registered temporary workers is basically prohibited
→ **There will be a probationary period of 3-5 years before this amended regulation will be implemented**

■ Influence of the Amendment of the Worker Dispatching Law

The management of workers, which has been dealt with by staffing companies until now, will become the responsibility of client firms

⇒ Especially for those workers desiring short-term staffing positions, it is necessary to manage the employment process appropriately according to the variation in manpower in a short lead time



[Impacts to be Considered]

Deterioration of the working environment

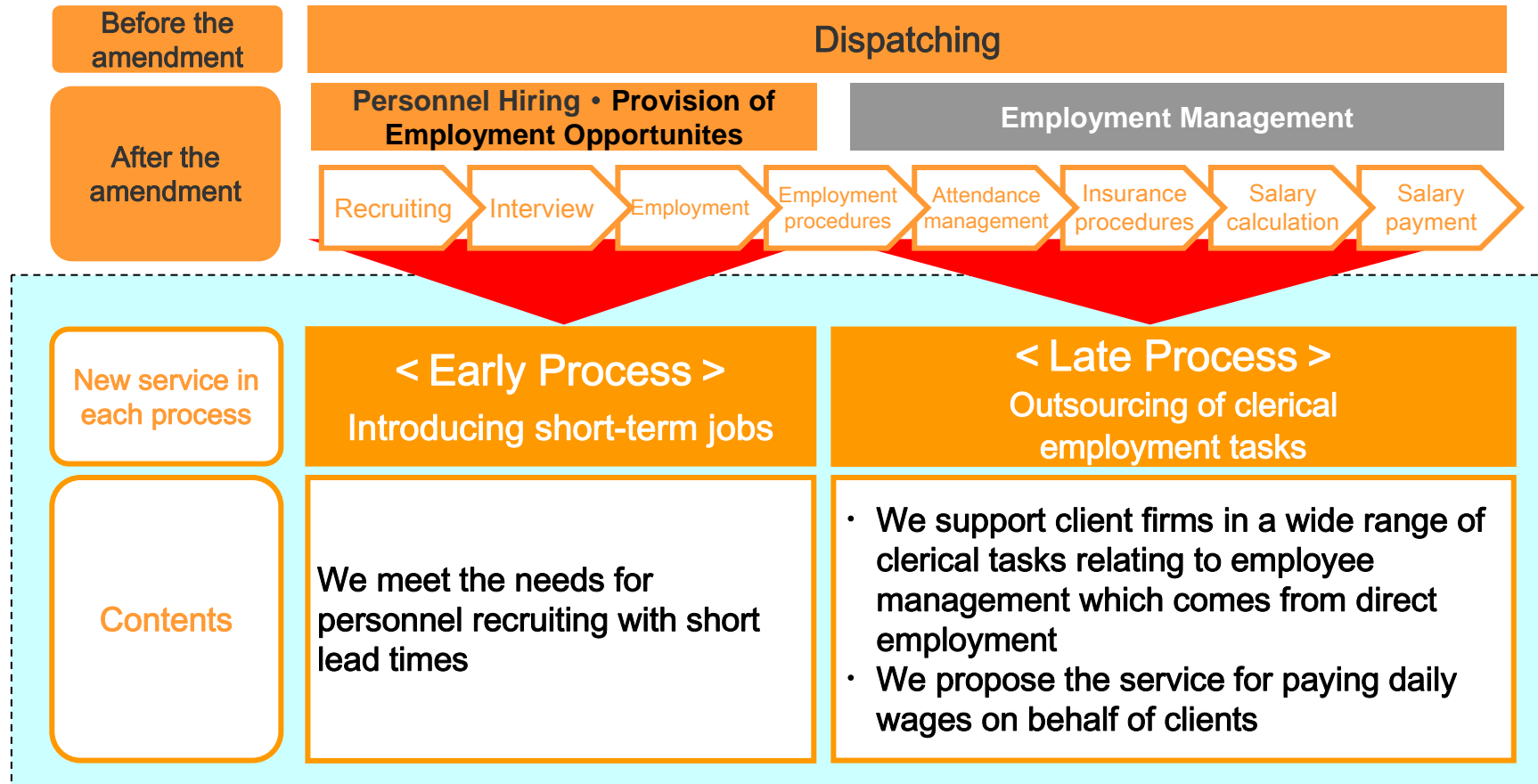
Increased cost and work for client firms to understand and develop a system for managing employees desiring short-term staffing opportunities. If an appropriate system is not developed, work environment conditions may deteriorate.

Increase in the cost of recruiting short-term workers

Paying daily wages to short-term staffing is an important function. If client firms cannot deal with paying wages daily and other issues in the employment process, costs and trouble of employing personnel may increase.

■ Our Strategy for the Amendment of the Worker Dispatching Law

We are preparing new services that respond to the amended Worker Dispatching Act



- ※ 1. Cannot respond to social insurance labor consultant, and other highly specialized professional job applications (Social security procedural outsourcing).
- ※ 2. Salary payment outsourcing service are governed by the Labor Standard Act Article 24 and are in principle prohibited.

FULLCAST HLDGS.



THE BANK OF NEW YORK MELLON

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