ANNUAL
2009
REPORT

Providing the Best Place for People
to Bring Out Their Best

Year ended September 30, 2008

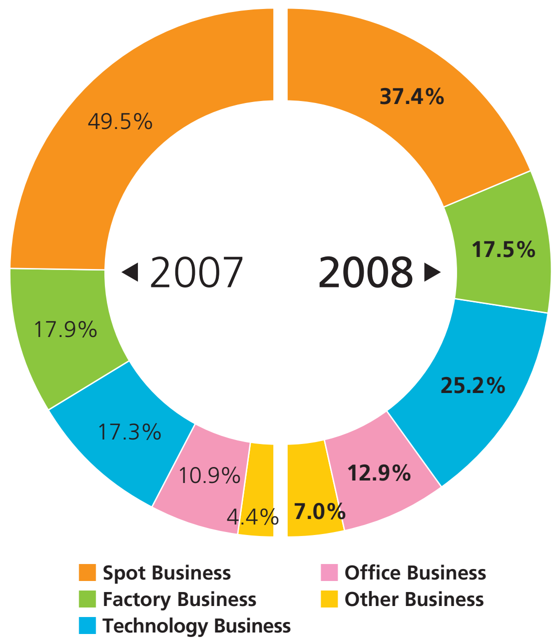
Fullcast Holdings Co., Ltd.

Profile

Since beginning operations in September 1992, the Fullcast Group has been serving a variety of human resource needs as a pioneer of the human resources market in Japan. Today, its business has expanded into the five areas of Spot, Factory, Technology, Office and Other, dispatching a large number of staff members to companies ranging from Japan's leading large corporations to small and medium-sized companies, to provide underlying support for the economy.

Having completed its shift to a pure holding company system in October 2008, the Fullcast Group aims to strengthen its position as a human resources company. We will continue to take on new challenges as we move to the next level.

Percentage of Net Sales by Business Segment



Consolidated Financial Highlights

(Millions of yen)

	2006	2007	**2008**
Net sales	¥90,163	¥108,301	**¥98,989**
Spot Business	49,982	53,634	**37,067**
Factory Business	16,135	19,398	**17,306**
Technology Business	15,169	18,715	**24,931**
Office Business	7,377	11,837	**12,771**
Other Business	1,500	4,717	**6,914**
Operating income	4,715	2,081	**1,647**
Net income (loss)	2,942	(674)	**(2,443)**

2008 Summary

FULLCAST GROUP

- Shifted to a pure holding company system and made a clean start as a reborn group **(see pages 1 to 7)**.
- Is enhancing its presence as an element of social infrastructure in the human resources service industry, which is expected to grow steadily in the longer term **(see pages 8 to 9)**.
- Is aiming to enhance the human resources services it provides with the shift to a pure holding company system **(see pages 10 to 11)**.
- Is promoting its business operations in a broad range of fields as a comprehensive human resources service company **(see pages 12 to 15)**.

Notes concerning Financial Data and Graphs That Appear in This Annual Report

- Monetary amounts indicated in this annual report are rounded to the nearest whole number.
- Unless otherwise indicated, years displayed in graphs represent the fiscal year ended/ending on September 30 of that year.
- Segment-based sales information used in this annual report does not include inter-segment sales.

Notes concerning Forecasts

This annual report contains information about the future, including Fullcast Holdings forecasts, objectives, plans, and strategies. This information is based on determinations made from information currently available, and may differ significantly from past results. Actual business performance is influenced by a variety of factors. Please note that actual results may differ greatly from the forecasts.

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Interview with the Management

Hiroyuki Urushizaki
President and Representative Director

Takehito Hirano
Chairman and Director

First Year of the New Foundation: Aiming to Be the Corporate Group Chosen by Staff and Clients Alike

[Gearing Up for the Shift to a New Business Model]

Question 1

Fullcast was ordered to suspend its worker dispatching business again in violation of the Worker Dispatching Law. Would you please describe the circumstances?

Answer

Fullcast Co., Ltd., the core company of the Fullcast Group, was ordered to suspend its worker dispatching business pursuant to Article 14, Section 2 of the Law for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers (hereafter, the "Worker Dispatching Law") and to improve its worker dispatching operations in accordance with Article 49, Section 1 of the same law by Tokyo Labor Bureau of the Ministry of Health, Labour and Welfare, as of October 3, 2008.

Following this business suspension order, the company was suspended from new sales activities for one month, from October 10 until November 9, 2008. We sincerely apologize for the great inconvenience and concern this has caused to our clients, shareholders and other stakeholders.

The latest business suspension order was issued after the authorities concluded that the company had violated the previous suspension order for worker dispatching operations issued as of August 3, 2007. After checking with the Tokyo Labor Bureau, the supervisory agency, regarding mutual views on the issue, we were told that we had failed to properly enter dates for cases of continued dispatch of workers. The entire Group is committed to ensuring full compliance and adopting measures designed to prevent reoccurrence, to stop such a mistake from happening again. We sincerely seek your understanding, as well as continued guidance and support.

Question 2

Do you intend to exit from short-term worker dispatching operations?

Answer

Reflecting the spread of non-regular employment, especially among younger workers, there has been growing concern in Japan that short-term worker dispatch (the dispatch of workers on a daily basis) would lead to unstable employment of workers. The environment surrounding short-term worker dispatching operations is about to change drastically. Among the measures taken has been the enforcement of the "Guideline for Measures to Be Taken by Worker Dispatch Service Providers and by Companies to Be Provided with Workers for the Stabilization of Workers Employed on a Daily Basis and Workers Dispatched for the Short Term" (hereafter, the "Guideline for Workers Employed on a Daily Basis") on April 1, 2008. The government has also been drawing up a bill to ban the dispatch of day workers in principle.

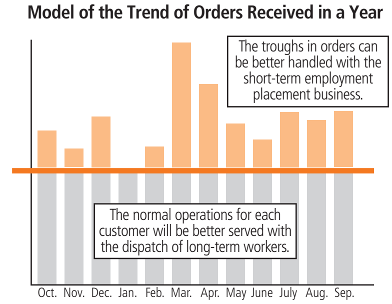
Such moves may be slightly affected by the future outlook of the economy. One thing for certain, however, is that we must change the existing business model for dispatching short-term workers.

At Fullcast, we are determined to revise the short-term worker dispatching operations, which we call the Spot Business, as soon as possible, while keeping an eye on the development of possible revision of the Worker Dispatching Law. According to the view of the Ministry of Health, Labour and Welfare, dispatching day workers is expected to be banned, with only employment placement operations likely be authorized for short-term employment of 30 days or less.

In such circumstances, we plan to gradually withdraw from short-term worker dispatching operations and overhaul the business model to reestablish our operations in this field.

In our assessment, a close scrutiny of the services conducted for short-term worker dispatching will likely reveal a number of cases that can be transformed into medium- and longer-term dispatching. Specifically, we plan to encourage clients who place orders continually to switch orders to medium- and long-term contracts, based on the actual orders from individual clients. In addition, we intend to switch to short-term employment placement operations from conventional short-term dispatching contracts to accommodate fluctuations in clients' business.

Model of the Trend of Orders Received in a Year



Question 3

Answer

Please tell us about the switch to employment placement operations and the impact it will likely have on future earnings.

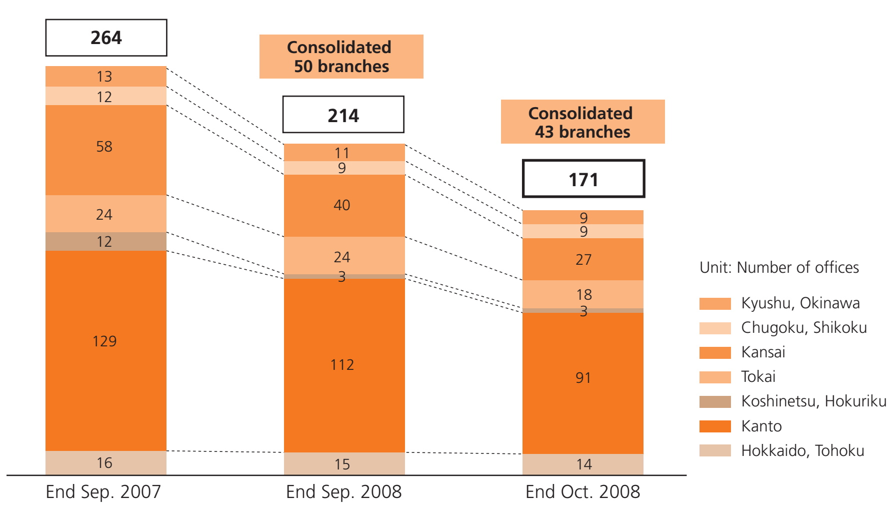
Let us first explain about the schedule for switching operations. We plan to complete setting up a new system near the end of September 2009, while closely watching the development of the planned legislation to ban day worker dispatch in principle. We must first assess the needs of the staff for the dispatch service after switching to employment placement operations, as well as win trust in our service from clients to whom our staff will be dispatched, before setting up a new system. If preparations go smoothly, it may be possible to switch at an early date. In any case, we will take all possible measures before carrying out the switch.

Let us now move to the impact on earnings. Net sales are forecast to decline by some ¥2,000 million for the fiscal year ending September 2009 as a result of the switch from dispatching operations to employment placement operations.

On the other hand, some argue that a longer time span of individual cases will reduce the time and work involved in coordinating them, possibly contributing to lower costs. The staff need to become accustomed to the new operation before they achieve lower costs. We also feel it necessary to watch the actual situation closely.

As the short-term worker dispatching market—the Spot Business—is undergoing changes, we also plan to consolidate the number of our branches. We reduced the number of Spot Business branches across Japan from 264 to 214 by the end of September 2008 by consolidating 50 branches during the fiscal year ended September 2008. We consolidated an additional 43 branches to reduce to a total of 171 by the end of October 2008. By drastically consolidating branches, we aim to establish an optimal system for the new services and cut sales and general administrative expenses, while improving operations at larger branches to make coordinating activities more efficient.

Spot Business: Our Office Consolidation



Question 4

Answer

[The Reborn Fullcast Group]

The Group has shifted to a holding company system. How do you think the Fullcast Group will change?

The Company shifted to a pure holding company structure as of October 1, 2008. The holding company will direct efforts to the following areas: strive to accelerate decision-making on business strategies and carrying out tactics, respond to the external environment speedily, expand the business line-up and bolster the financial position.

Specifically, we will encourage the Group to reorganize itself in a flexible manner to enable each business unit and each operation to address changing environments adequately and speedily. We plan to keep an appropriate balance among segments and strive to expand the Group in a bid to establish a solid position as a comprehensive human resources service group. By working together with the staff more closely than ever before, we aim to provide better one-stop total solutions.

Under the new management structure, we adopted a Medium-Term Management Plan at a Board of Directors meeting held on November 4, 2008. According to this plan, we are committed to restructuring the management foundation with steps to (1) **emphasize compliance** as a basis of management, (2) **transform the business model in the short-term worker dispatch business** and review the conventional policy for expanding the business, and (3) **adopt a more refined business focus, centered on the worker dispatch business**.

Question 5

Answer

Please discuss your understanding of the changing business environment, which forms the basis for the new structure.

The credit crunch triggered by the subprime housing loan problem in the United States is having a considerable impact on the human resource services industry. Some export companies, such as automakers and electrical appliance and electronics companies, have already started to cut back on the number of dispatched workers. Other companies are moving to strengthen alliances through human resources strategies to accommodate changes in business strategies in the long run. Some companies whose business structure has undergone sweeping changes in the last few years are suffering from discrepancies between their existing personnel and the kind of human resources they want. We have received requests from these companies to fill this gap steadily with dispatched workers.

In Japan, baby-boomers and other older workers who helped achieve economic growth in the postwar era will retire by 2015. Japanese society itself is undergoing a drastic demographic change as a result of declining birthrates and aging of the population. While corporate demand for younger workers is growing, a rising number of young people shun regular employment, preferring to choose their work freely and to participate in a freer work structure.

Reflecting the diversifying employment styles, the worker dispatch business is confronting two distinct trends. One is the increased hiring of full-time employees, while the other is an increasing desire among people who are not full-time employees to seek more open forms of work. The short-term market is affected by the economic climate; however, labor diversification and a movement toward services is accelerating in the medium to long term, and a greater number of people are beginning to look more discerningly at the meaning and value of work.

Question 6

What is the business concept of the reborn Fullcast Group?

Answer

To sum it up, we aim to become a company capable of assisting human resources and resolving human resources-related issues. We will strive to assist staff members to achieve their career plans by providing work opportunities that will meet their aspirations and lifestyle, while helping client companies that accept our staff members resolve various problems through consultations on a variety of human resource-related issues and sales activities.

Question 7

What kind of measures are you considering introducing to bolster the compliance system under the new system?

Answer

Compliance in the true sense of the word is about how companies and organizations meet the demand and expectations of society, rather than simply complying with laws and regulations.

In response to the recent administrative guidance, Fullcast Co., Ltd., plans to take the following actions, among others: boost staffing in the Compliance Office, enhance the supervision of branches, adding more functions to the supervising computer system, consolidating branches, and bolstering the internal reporting system. In particular, the internal reporting system is expected to not only receive information about compliance-related issues but also play a role as a consultation window for questions about compliance and related issues for all employees. For active use of this system, we will continue our efforts to keep all employees fully informed about it. We will gradually introduce the scheme to other group companies. As a corporate group accountable to the society, the Fullcast Group will continue to tackle the issue in earnest.

[Medium-Term Management Plan and First Year of the New Foundation]

Question 8

How is the Group business portfolio going to change under the Medium-Term Management Plan?

Answer

The Fullcast Group has announced that it will transform its business model for dispatching short-term workers near the end of September 2009. However, we intend to fulfill our responsibility as the sole main player in this market through employment placement operations and by encouraging the switch to long-term dispatch to continue to meet demand for short-term staffing from many client companies and requests from staff for the dispatch service.

We believe it is vital to leverage comprehensiveness—the Fullcast Group's strongest asset—in carrying out our business to meet more expectations as a corporate group that continues to offer value to both client companies and staff for the dispatch service in the human resources market, which is undergoing rapid change.

We will offer one-stop total solutions in terms of quality and quantity for staffing needs that arise at every stage of the business cycle of client companies. At the same time, we will cater to a variety of work-related needs of staff members looking for work by assisting in career building and life in general, and by offering vocational training. In this way, we hope to enhance our presence as part of the social infrastructure indispensable for society.

[Message to Shareholders]

Question 9

Please tell us about the earnings outlook for next fiscal year.

Answer

We expect consolidated net sales to total ¥81,000 million, down 18.2% year on year, and operating income to decline 47.2% to ¥870 million, while net income is projected at ¥0 million compared with a net loss of ¥2,443 million in the fiscal year under review. Although we were fortunate to keep the impact of the business suspension to a minimum, we expect that the economic slowdown will begin to gradually affect our earnings.

In the Spot Business, we will consolidate branches to enhance business efficiency and curb sales and general administrative expenses, while at the same time accelerating efforts to transform the business model. In the Factory Business, we will seek to provide stable service, as the manufacturing sector is likely to adjust output. In the Technology Business, we will focus on sales activities to raise the capacity utilization rate of engineers for dispatch. In the Office Business, we will direct efforts to expanding sales support services in the light of lower demand for general office workers for dispatch. The Group as a whole will press ahead with the sale of non-business assets, such as securities, in a bid to improve our financial position.

Question 10

Please give us your closing message to shareholders.

Answer

There is no denying that the latest suspension of the worker dispatch business has presented a huge challenge to the Fullcast Group, which has been growing from strength to strength since its foundation. A look back at our history shows that we started from scratch. The Fullcast Group has an overwhelming number of job seekers registered on our records, compared to our competitors, and we have gained trust from many companies, including major corporations.

We must return to our basics and recognize the importance and gravity of our role as a comprehensive human resources service provider to fulfill our responsibility as the leader.

We sincerely regret causing our shareholders serious concern and inconvenience. Realizing that the management must meet your expectations again, we are making a fresh resolve. We ask sincerely for your continued support.

Hiroyuki Urushizaki
President and Representative Director

Takehito Hirano
Chairman and Director

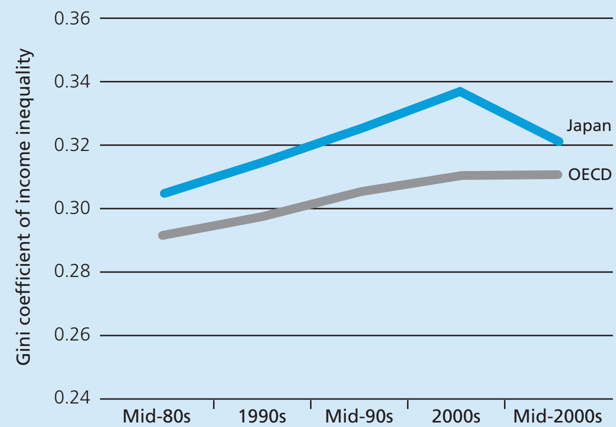
Special Features

The Fullcast Group's Market Environment

Is the Human Resource Services Sector the Root Cause of the "Disparity Society"?

According to the most recent report issued by the Organization for Economic Co-operation and Development (OECD) on income inequality and poverty in OECD countries, Japanese society has been aging rapidly and the population share of elderly people has doubled as pensioners have increased, and the number of children has fallen by one-third over the past 20 years. These changes are behind the rise in inequality. However, income inequality and poverty have declined in Japan over the past five years, reversing a long-term trend toward greater inequality and poverty.

Development of Income Inequality



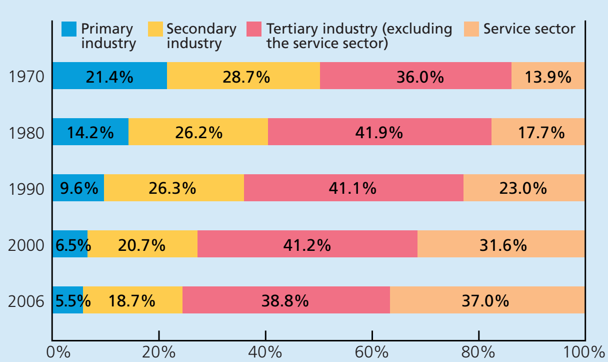
Source: *Growing Unequal:* OECD, 2008. Income is disposable household income adjusted for household size.

The Human Resource Services Industry as an Element of Social Infrastructure

Owing to economic growth, workers in the Japanese labor market have shifted from primary industry toward secondary and tertiary industry, in accordance with what is known as the so-called Petty-Clark Law. The human resource services sector has served to eliminate personnel supply and demand disparities between industries during this period and has absorbed the accompanying changes, contributing significantly to the further growth of the Japanese economy.

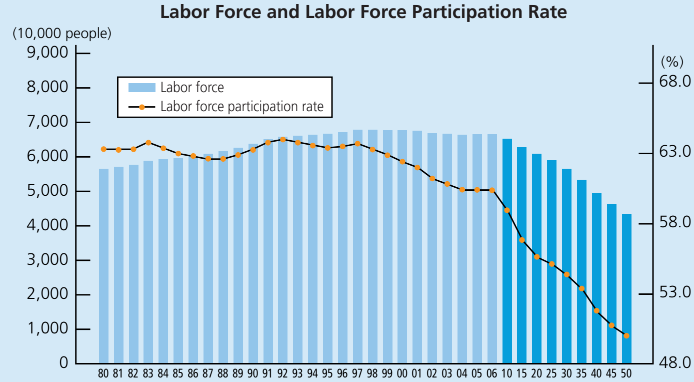
In the future, declining birthrates and aging of the population will continue in Japan, and it is feared that from a structural perspective there will be labor shortages. Since the peak of 1998 the labor force has been decreasing, and as the percentage increases of older people (who generally have a low labor force participation rate), the overall labor force participation rate will steadily decline. It will be an issue for the future to integrate more women, older people and foreign workers into the labor force to compensate for these labor shortages. The human resource services sector is expected to play a social role, as an element of social infrastructure.

Changes in Number of Workers by Industry Category



Source: Fullcast, with reference to the Economic Planning Agency's "System of National Accounts"; numbers indicate percentages of workers in each industry (industry totals).

Labor Force and Labor Force Participation Rate



Notes: 1. Figures up to 2006 are provided by the Ministry of Health, Labour and Welfare's "Labor Force Survey."

2. Figures from 2010 onward are based on the assumption that the labor force percentage will remain similar for the population 15 years and older in 2006, and have been estimated by Fullcast in accordance with future population estimates by the National Institute of Population and Social Security Research.

Will Labor Regulations Continue to Be Tightened in the Future?

Deregulation of the Japanese labor market began effectively in 1986, when the Worker Dispatching Law took effect, and sharply picked up speed with the full liberalization in principle of sectors eligible for dispatched workers in 1999. However, the environment surrounding the short-term worker dispatching business is changing rapidly, as preparations for an amendment of the Worker Dispatching Law are underway, in response to growing public concern that excessive liberalization will result in employment instability.

The Fullcast Group has announced that it will transform its business model for dispatching short-term workers near the end of September 2009. However, we intend to keep fulfilling our responsibility as the only main player in this market through employment placement operations and by encouraging the switch to long-term dispatch, to continue to meet the demand for short-term staffing from many client companies and requests from working staff members for the dispatch service.

Amid increasing concern about a global recession triggered by the subprime housing loan problems, we believe tighter regulations that generate unintended social costs, which will in turn worsen recession, are nothing more than a short-term trend in Japan. As demographic changes and labor shortage problems mount in Japan as a trading nation, the country has no choice but to modify its stance in the longer term.

The Challenges Facing Comprehensive Human Resource Services Companies

We expect the environment surrounding the human resource services business to change substantively, with trends including diversification and an increase in sophistication and specialization, taking advantage of rapidly changing telecommunications technologies, while being affected by sharply declining birthrates and the rapid aging of the population.

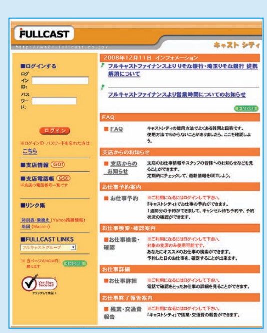
The Fullcast Group stresses compliance as the basis of management and recognizes the need to pursue strategies that optimize our Group's strengths, while responding to the changing human resource market in a flexible manner.

Our Group's strength lies in "comprehensiveness." As the only main player in the short-term worker dispatching market, we are capable of satisfying human resource needs that arise at every stage of the business cycle of client companies in terms of "quality" and "quantity." In hiring staff members, we have established and operate our own portal sites for staff procurement, which enable us to hire the necessary staff in no time, while curbing procurement costs. No other human resource services company boasts such "comprehensiveness."

We will strive to enhance our presence as an element of "social infrastructure" that is chosen by client companies and staff members alike in the human resource services industry, which is undergoing structural changes.

Increased operational efficiency through bundled emailing

Staff convenience and 24-hour management



[Staff support website]

Strengthen recruiting practices via Web-based recruitment

[Group comprehensive recruitment portal]

[Registration type recruitment portal]

[Recruitment portal for production line work]

The largest recruitment platform*

*As compared with domestic human resources services companies

The New Group Management Structure

The Shift to a Pure Holding Company System to Bolster Group Management

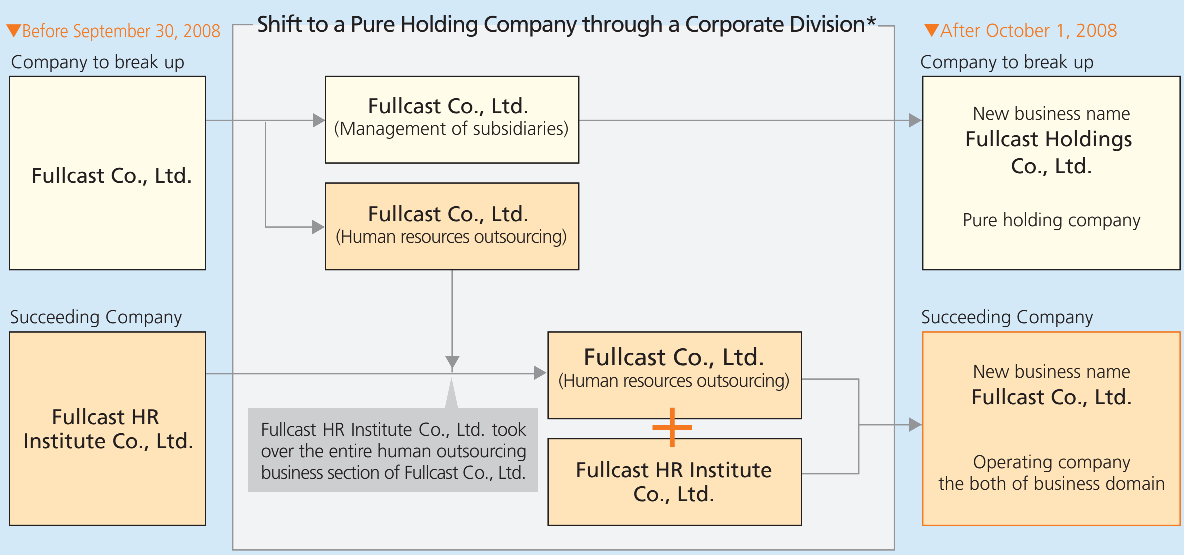
Shift to a Pure Holding Company on October 1, 2008

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. Moreover, it 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 continuously by determining optimization strategies for the entire Group, performing supervisory functions for appropriate business operations, and handling challenges common to the Group.

Transformation Scheme

The entire human outsourcing business section of the former Fullcast Co., Ltd. has been taken over by the former Fullcast HR Institute Co., Ltd., which has been renamed Fullcast Co., Ltd. Dispatch, employment placement and training operations of office workers formerly conducted by the former Fullcast HR Institute Co., Ltd. will continue as part of the office support business division of Fullcast Co., Ltd.



*The corporate division is designed to enable one company to transfer its operating division to another company.

Providing Human Resource "One-Stop Total Solutions" for All Business and Business Type in Terms of "Quality" and "Quantity"

Clients

Development
Planning, design, development, maintenance, production

Manufacturing
Test production, evaluation, manufacturing

Marketing
Events, promotion, sales, administration, distribution, storage

Fullcast Group

Technology Business (Technical Human Resource Services)

This segment provides technical staffing services primarily for the development and production processes of the manufacturing industry. It also offers technical staffing services for the software development process in a variety of industries as well as business solution services and network solution services.	**Fullcast Technology Co., Ltd.** **Net It Works, Inc.**

Factory Business (Factory Line Human Resource Services)

This segment mainly covers manufacturing industries such as fisheries and food, machinery, electric machinery, precision machinery, chemicals and rubber, textiles and pulp, transportation equipment, steel and metals and provides staffing services for production line work.	**Fullcast Factory Co., Ltd.** **Fullcast Central Co., Ltd.**

Spot Business (Short-Term Human Resource Services)

This segment provides short-term staffing services primarily for commodity distribution, warehouse work, moving, production, catering and so forth., meeting demand that arises with changes in the work volume and business cycle of customer companies.	**Fullcast Co., Ltd.** **Top Spot Co., Ltd.** **Oneday Job Style Co., Ltd.** **Casting Bank Co., Ltd.** **Job Choice Tokai Co., Ltd.** **Nisso Co., Ltd.**

Office Business (White-Collar Human Resource Services)

This segment provides office workers services centered on clerical support and other multiple staffing services including staff recruiting services, replacement support, placement support for new graduates and sales support.	**Fullcast Co., Ltd.** **Fullcast Marketing Co., Ltd.** **Marketing Square Co., Ltd.**

Other Business

The Company operates this segment as a value-added business that supplements four other core staffing services businesses.	**Fullcast Finance Co., Ltd.** **Fullcast Advance Co., Ltd.** **Info-P Co., Ltd.**

Human Resource Market

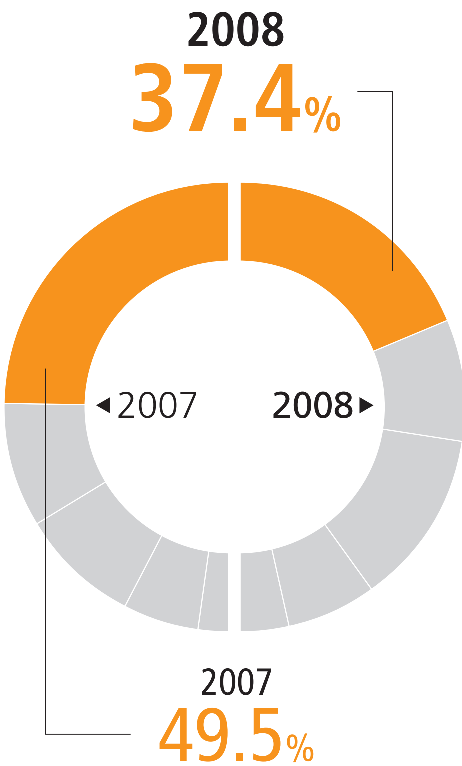
Job training • career coaching • livelihood support

Wide variety of employment needs

Notes: 1. Fullcast Central Co., Ltd. dispatches engineers to the automobile industry and is included in the Technology Business.
2. Office workers services for general clerical work provided by Fullcast Co., Ltd. are classified into the Office Business.
3. Events and sales promotion services operated by Fullcast Advance Co., Ltd. are categorized as the Spot Business.
4. Short-term human resource services by Info-P Co., Ltd. are categorized as the Spot Business.
5. Casting Bank Co., Ltd. and Job Choice Tokai Co., Ltd. are scheduled to be merged with Fullcast Co., Ltd. on February 1, 2009 to enhance client service.

Spot Business (Short-Term Human Resource Services)

Percentage of Net Sales by Business Segment



Net Sales	¥37,067	million
Operating Income	¥1,538	million
Operating Income on Sales	4.1	%

Review of the Fiscal Year Ended September 2008

Demand was strong, mainly in the warehousing and transportation industries, which have been the Group's main clients, and in the retail industry, which used short-term human resource services effectively. However, some companies began recruiting non-regular staff by themselves instead of using dispatched workers, and Fullcast Co., Ltd. continued to receive orders selectively by raising the order standard.

Combined with the effect of transferring a consolidated subsidiary, net sales of the Spot Business were ¥37,067 million (declining 30.9% year on year). Excluding the effect of the transfer of the consolidated subsidiary, the year-on-year decrease was 25.3%.

In terms of profits, expenses were incurred in strengthening the compliance system, with periodic education and training for employees, routine patrols and inspections of workplaces of dispatched workers, as well as compliance checking by a dedicated division. At the same time, operational streamlining was pursued with the widespread integration and closing of offices at the end of the previous fiscal year and this May, to significantly slash selling, general and administrative (SG&A) expenses. However, as this could not offset the effect of smaller sales, operating income declined to ¥1,538 million (down 5.5% year on year).

Future Business Development

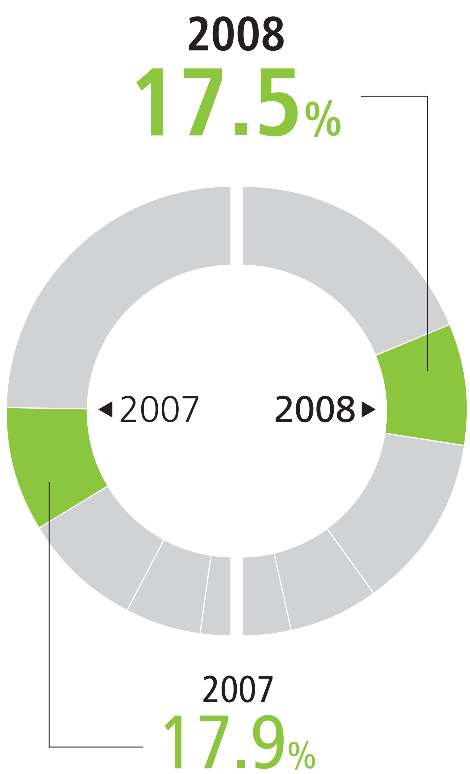
We plan to withdraw from the short-term worker dispatch business (workers hired on a daily basis) near the end of September 2009. The Group is united in its efforts to bolster and strengthen the compliance system. We aim to improve earnings by promoting a shift to medium- and long-term dispatch in the field of light duties and by introducing employment placement and other services to cater to the demand for short-term dispatch.

Demand for human resource outsourcing remains solid, with new orders expected from companies having difficulty in hiring part-time workers directly. The Fullcast Group will continue to emphasize compliance to enhance the trust accorded to it by client companies and to boost orders.

Demand remains firm from staff members who choose temporary dispatch as an employment style that suits their lifestyle. We expect the registration of new staff members to continue to grow with the use of our websites and mobile phone networks, the preferred means of communication among young people.

Factory Business (Factory Line Human Resource Services)

Percentage of Net Sales by Business Segment



Net Sales	¥17,306	million
Operating Income	¥167	million
Operating Income on Sales	1.0	%

Review of the Fiscal Year Ended September 2008

Demand for outsourcing in manufacturing were still strong, but net sales in the Factory Business decreased to ¥17,306 million (down 10.8% year on year), affected by the production adjustment of certain client companies in accordance with product sales conditions.

As for profits, operating income declined to ¥167 million (down 11.8% year on year). Although substantial cuts in SG&A expenses were made by slashing costs for the recruitment of staff in line with trends in orders and by streamlining administrative work, this could not offset a decline in gross profit resulting from lower sales and an increase in welfare expenses to recruit staff and increase the retention of staff.

Future Business Development

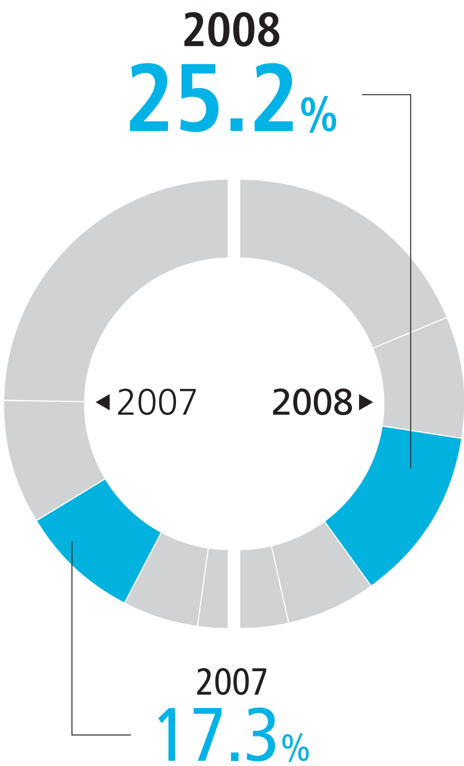
The global economic slowdown and the yen's sharp appreciation have forced the manufacturing industry to strictly adjust their production. Demand for manufacturing outsourcing is projected to remain flat.

We intend to establish a working environment that reflects the needs of workers in an effort to increase the number of people hired and to improve the staff retention rate.

We will direct efforts to nurturing human resources that can meet the sophisticated requests of client companies. We will also work to boost our capability to provide both contract work and dispatch service to enhance our competitive edge.

Technology Business (Technical Human Resource Services)

Percentage of Net Sales by Business Segment



Net Sales	¥24,931	million
Operating Income	¥911	million
Operating Income on Sales	3.7	%

Review of the Fiscal Year Ended September 2008

In the contract development division, orders remained flat as the growth of investment stalled in system development in the financial sector. In contrast, sales increased in the engineer dispatch division, although it took time to allocate engineers to companies. Net It Works, Inc., which installs base stations for communications equipment and builds network infrastructure and which has become a consolidated subsidiary, made a strong contribution to sales.

As a result, net sales of the Technology Business climbed to ¥24,931 million (up 33.2% year on year). In terms of profits, despite the increase in profits brought about by the change in the scope of consolidation of Net It Works, Inc., operating income declined to ¥911 million (down 6.9% year on year), driven by an increase in the cost burden associated with a rise in the number of standby employees for dispatching engineers and the increase in personnel and training costs in the contracted development division.

Future Business Development

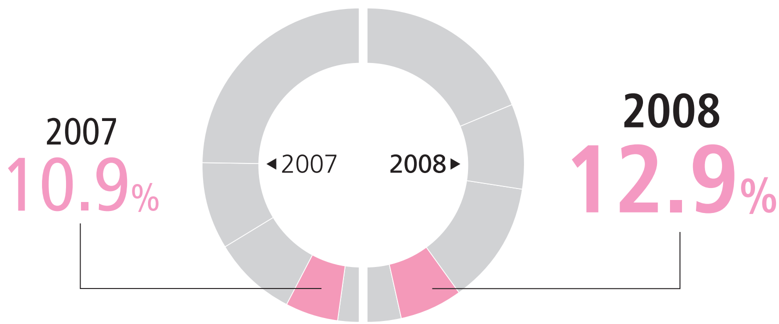
Demand for engineers from development and design departments in the manufacturing sector should remain strong. Orders for engineers who can handle software are likely to increase because of the transferred network engineer assignment business. Demand for the establishment of base stations of communication equipment to introduce new technologies and improve quality should remain strong, so orders from telecommunications industries are likely to expand.

In this segment, we aim to boost our competitiveness by hiring qualified engineers in Japan and abroad, providing training and education of high quality to engineers, and cutting costs and tightening quality control.

At a Board of Directors meeting held on October 14, 2008, Fullcast Holdings Co., Ltd. resolved to accept the tender offer by Canon Electronics Inc. concerning shares of Asia Pacific System Research Co., Ltd. The tender offer was settled and completed on November 17, 2008. As a result, Asia Pacific System Research Co., Ltd. and three other consolidated subsidiaries have been excluded from the scope of consolidation for the fiscal year ending September 2009.

Office Business (White-Collar Human Resource Services)

Percentage of Net Sales by Business Segment



Net Sales	¥12,771	million
Operating Income	¥315	million
Operating Income on Sales	2.5	%

Review of the Fiscal Year Ended September 2008

Because demand has slowed for the dispatch of general office workers to client companies, the office worker dispatch division posted a decline in net sales. In the sales support service department, despite the commencement of recording of allowance for cancellation adjustments to prepare for the return of commission income associated with cancellations in the future, sales expanded as an increase in orders placed by companies seeking to reinforce sales activities for communication equipment products and the like offset the decline in sales associated with the recording of allowance for cancellation adjustments. Consequently, net sales in the Office Business amounted to ¥12,771 million (up 7.9% year on year).

Turning to profits, operating income was ¥315 million (down 54.4% year on year). This was caused by an increase in SG&A expenses associated with the expansion of business and the recording of an allowance for cancellation adjustments in the sales support service department and by the fact that in the general office worker dispatch division the reduction in SG&A expenses could not offset the fall in gross profit associated with the reduction in orders received.

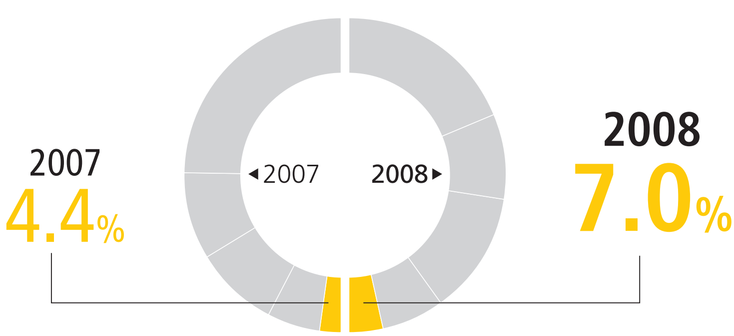
Future Business Development

With rising demand from companies that are stepping up their sales activities for communications equipment and other factors, orders received by sales support business are set to increase.

In the case of hiring trends, we expect that the number of long-term workers employed will rise, in response to the needs of workers.

Other Business

Percentage of Net Sales by Business Segment



Net Sales	¥6,914	million
Operating Loss	¥213	million
Operating Loss on Sales	3.1	%

Review of the Fiscal Year Ended September 2008

Orders in the security guard division, which is run by Fullcast Advance Co., Ltd., leveled off, while Info-P Co., Ltd., which is an advertising agency for the pachinko industry and which became a wholly owned subsidiary in May 2007, produced an increase in net sales. As a result, net sales of the Other Business rose to ¥6,914 million (up 46.6% year on year).

Looking to profits, although efforts were made to reduce SG&A expenses, an operating loss of ¥213 million was posted (compared to an operating loss of ¥146 million in the previous year), attributable to slow improvement in efficiency at Info-P Co., Ltd. after its acquisitions.

Corporate Governance

Status of Corporate Governance

1. Premise

We believe that the basic premise and goal of corporate governance should be to make management transparent and efficient for shareholders and other stakeholders.

Specifically, we have shifted to a pure holding company structure since October 1, 2008, as a way to strengthen our structure to respond to changes that directly affect the management environment. Additionally, from the perspective of enhancing the auditing functions of operational execution in general, we have appointed one external director from September 2008. We have made the length of tenure for directors one year, to clarify management responsibilities and to construct a flexible and optimal management structure capable of responding to changes in the management environment. To make compensation for directors clearly reflect the business results for given periods, we employ a performance-linked director compensation system.

The Company, a pure holding company directing a broad range of human resource services companies, is listed on the First Section of the Tokyo Stock Exchange. In addition, consolidated subsidiary Fullcast Technology Co., Ltd. has been listed on the Jasdaq market. The Group continues to respect the independence of its subsidiaries, and once a month holds a Group representatives meeting, which comprises representatives of the Group companies, to facilitate exchange of information within the Group and ensure consistency of strategies throughout the Group.

2. Overview of the Corporate Organization

Board of Directors Meeting

The Board of Directors, which comprises six directors including one external director, supervises the execution of matters that concern the overall management of the Group and makes decisions on important management matters in determining optimization strategies for the Group and handling challenges common to the Group.

Group Representatives Meeting

The Group representatives meeting, which comprises representatives of the Group companies, is held once a month to facilitate information exchange within the Group and ensure consistency of strategies throughout the Group.

Corporate Auditors Meeting

At the corporate auditors meeting, opinions are exchanged about important matters related to auditing, and the matters are then either deliberated on or decided upon. We also receive reports from independent auditors, as needed, in an effort to enhance mutual cooperation.

Compliance Officer

The compliance officer checks the process of compliance program in daily business and improves compliance awareness across the Group.

Independent Auditor

The Company has concluded an audit contract with KPMG AZSA & Co. to serve as independent auditor in conformity with the Financial Instruments and Exchange Law and the Companies Act, and the Company strives to optimally maintain accounting procedures and internal control systems through periodical audits in addition to confirming accounting issues as needed.

3. Compensation for Directors and Corporate Auditors, and Independent Audit Fees

Compensation for Directors and Corporate Auditors

The Company has a performance-linked director compensation system, and the amount of compensation is determined after review and resolution at the Board of Directors meeting, including external directors.

The detail of compensation for directors and corporate auditors for the fiscal year ended September 2008 was as follows:

Total amount of compensation for directors: ¥61 million (paid out to six directors).

Total amount of compensation for corporate auditors: ¥15 million (paid out to four auditors).

Notes: 1. The limit for compensation for directors is ¥200 million (Ordinary General Meeting of Shareholders resolution, dated April 14, 1999).
2. The limit for compensation for corporate auditors is ¥50 million (Ordinary General Meeting of Shareholders resolution, dated April 14, 1999).
3. Compensation amounts listed above for directors do not include compensation for directors concurrently in charge of duties required as employees.
4. Compensation for directors concurrently in charge of duties required as employees is ¥15 million.

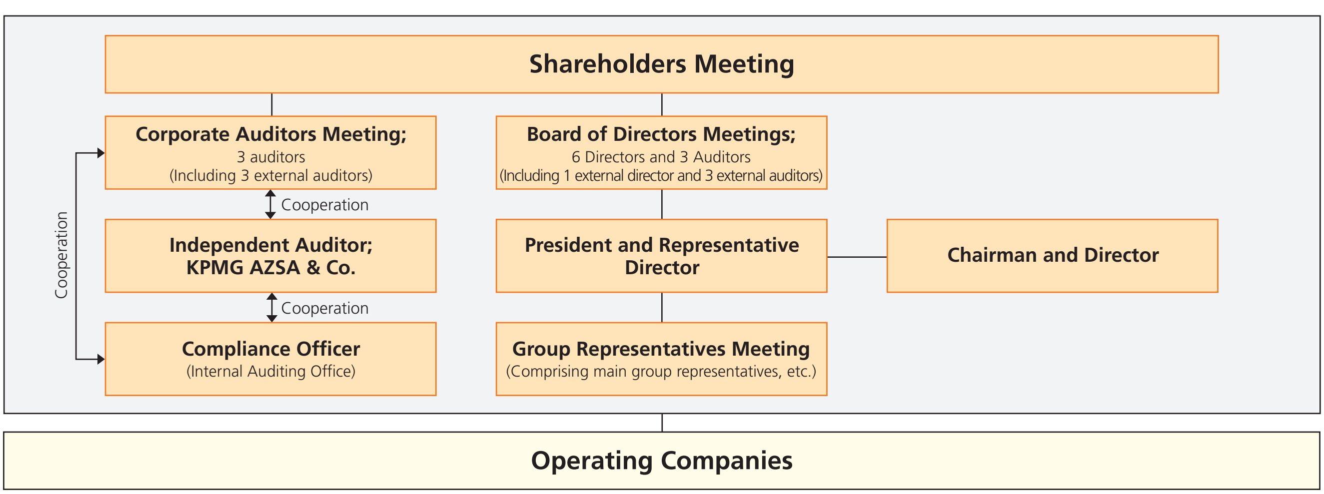
Independent Audit Fees

The Group commissions KPMG AZSA & Co. to serve as independent auditor in conformity with the Financial Instruments and Exchange Law and the Companies Act. There is no conflict of interest among the Group, KPMG AZSA & Co. and its managing partners engaged in the auditing of the Group. The Group has concluded an auditing contract with the auditing firm, based on which we pay audit fees, endeavoring to maintain a proper relationship with the independent audit firms.

The details of audit fees for the fiscal year ended September 2008 were as follows:

1. Compensation for independent auditors involved in the corresponding business year: ¥76 million.
2. Total of amounts payable by the Company and the subsidiaries, and other financial profits: ¥89 million.

Note: As auditing compensation amounts for auditing in accordance with the Companies Act and auditing in accordance with the Financial Instruments and Exchange Law are not divided within auditing agreements between the Company and Independent auditors, compensation for auditing in accordance with the Financial Instruments and Exchange Law is included within the amount indicated in 1 above.



As of October 1, 2008

4. Accountability

We believe that it is important to properly disclose the necessary corporate information to ensure highly transparent management, thus gaining understanding and credibility for our management.

To comply with Tokyo Stock Exchange requirements for disclosure of quarterly financial information, the Company announces its earnings results on a quarterly basis and organizes briefings for the media and financial analysts at the same time.

The management executives of the Company attend the briefings each time to proactively communicate with participants. We have also established a system for disclosing information equally to investors both in Japan and abroad through the Company's official website. Through the abovementioned duties, the Company is striving to exercise the best accountability in the industry.

5. Compliance Structure

The following measure has been taken to ensure compliance and appropriate risk management by the Board of Directors.

- Establish a structure to ensure that directors execute their duties in conformity with laws and regulations and the Articles of Association and to ensure that other operations are conducted properly.

The following measures have been taken to ensure compliance and appropriate risk management by the Board of Directors.

- Actions on matters that may affect the entire company, such as serious irregularities, important accounting estimates, dealings between the Company and directors, and important dealings with subsidiaries, require resolutions by the Board of Directors.
- The Representative Director, Chief Compliance Officer, and directors responsible for risk, must report to the Board of Directors concerning matters such as initiatives for compliance and the appropriate management of risk, and the status of business process facilitation. They must also promptly report to the Board of Directors upon the occurrence of major improper dealings.

The following measures have been taken to facilitate structures for the establishment of compliance.

- The position of Chief Compliance Officer will be established. One supervisor will be established in each of the Group companies.
- Administrative authority regulations will be established, and we will seek to establish an internal checking system that prevents the concentration of authority with particular parties.
- Necessary training corresponding to rank will be implemented for directors, management-level employees and regular employees. In addition, necessary training will be implemented promptly in cases where there is formulation or amendment to related laws, or serious misconduct or incidents occur within the Group or in other companies.
- The Chief Compliance Officer will ensure compliance in operational execution and conduct an internal audit, in accordance with instructions from the Representative Director. The Chief Compliance Officer will also direct efforts to ensuring compliance at each Group company through compliance supervisors assigned to the Group companies.
- From the occurrence of a transaction in each operation to the process of creating financial statements via operational accounting systems, cases in which there is concern that false statements or mistakes may occur will be checked, and systems will be facilitated to ensure that no errors are made and no impropriety occurs. When necessary, a cross-sectional organization to enable this facilitation will be established.

The following measures have been taken to facilitate structures for the establishment of appropriate risk management.

- A director responsible for risk management will be appointed. One supervisor will be appointed in each of the Group companies.
- Guidelines for important information immediately reportable to the Board of Directors and disclosure guidelines will be formulated to enable timely disclosure of important information concerning risk and other matters.
- Risk management regulations will be formulated, and risk management structures will be constructed in accordance with these regulations.

The following measures have been taken to facilitate structures for the storage and management of information.

- The Representative Director will instruct directors and employees to store and manage documents appropriately in accordance with document storage regulations.
- The Company will store and manage the following documents (including electronic records) and related materials for no fewer than 10 years: minutes of the General Meeting of Shareholders, minutes of the Board of Directors meeting, accounting documents, and other documents decided by the directors.
- The directors and auditors will be able to view the documents and materials indicated above at any time.

The following measures have been taken to ensure that directors execute their duties efficiently.

- Directors and auditors will formulate management plans, as the common purpose of all the employees, at a Board of Directors meeting at the beginning of each fiscal year and periodically review the results at Board of Directors meetings.
- The Board of Directors meeting will be held at a fixed time at least once a month and as needed, as the basis of the structure to ensure that directors execute their duties efficiently.
- With regard to business operation based on decisions by the Board of Directors, details concerning who will be in charge, his/her responsibility and the procedures relating to execution will be set out in the organizational rules and the rules on division of duties.

The following measures have been taken to establish a structure to ensure proper operations in the corporate group.

- The Group will formulate an action charter for the employees of the entire Group and focus efforts to instill it among all the employees. Each director of the Group companies will take action so that the charter will become known across the Company and will act voluntarily according to the charter.
- Directors and employees of the Group companies are required to report to the Chief Compliance Officer and a director responsible for risk, in case they have discovered a serious violation of the law and regulations in any of the Group companies or other material matters related to compliance. The Representative Director, Chief Compliance Officer and the director responsible for risk will instruct and supervise investigations concerning the reported matters and decide on appropriate measures, if necessary. The Chief Compliance Officer and the director responsible for risk will report to the Board of Directors and the Board of Auditors, when necessary.
- The Representative Director, Chief Compliance Officer and director responsible for risk will give instructions to ensure that each Group company will have an appropriate internal control system.

The following measures have been taken to ensure effective auditing by corporate auditors.

- Assistants to the corporate auditors will be appointed from among the Company's employees, in case the corporate auditors request the assignment of workers who will assist in the corporate auditors' duties. Assistants to the corporate auditors will not report to directors, and the corporate auditors will evaluate their performance. Approval of the Corporate Auditors Meeting will be required for personnel transfer and disciplinary measures related to these assistants.
- Assistants to the corporate auditors will not concurrently perform any duties related to the Company's business.
- Directors and employees, who have discovered any unlawful matter or matters that may severely damage the Company, are required to promptly report such matters to the corporate auditors.
- Directors and employees must report promptly, when the corporate auditors request reports concerning operational execution.
- Corporate auditors will be able to attend Operating Officers meetings and meetings of Group representatives.

Risks Associated with Businesses

Major potential risk factors for the Group in the course of its operating businesses are described below. However, in view of active information disclosure to investors, the description also includes matters that do not necessarily fall under the category of business risk but are regarded as important for investors in making investment decisions or understanding the Group's business activities. The Group makes the utmost effort to recognize potential business risks, prevent their occurrence and take adequate measures to address them should they emerge nonetheless. The following statement may contain risk factors forecasted for the future, although it is based on our judgment as of the date of reporting this Annual Report.

The Group's Policy for Business Growth

The environment surrounding the human resource services industry in Japan has been changing significantly. In response, the Group shifted to a pure holding company system on October 1, 2008 to divide the decision making of the Group management and the execution of each business for the purpose of improving corporate governance and accelerating decision making with respect to business strategies and the execution of tactics to bolster competitiveness. The Group adopted a more flexible organization so that each business and each operation of the Group can respond to the changing environment appropriately and immediately, with a more refined business focused to establish a strong position as a comprehensive outsourcing group. If it takes more time than expected to reorganize and reinforce the business, or if the contribution to earnings is not made as planned, the Group's earnings are likely to be adversely affected.

Fullcast Co., Ltd., which has mainly provided short-term labor dispatch service for light duties, decided to disengage from the short-term worker (so-called "day worker") dispatching business, with a target date of September 30, 2009, in response to changes in the external environment including the enforcement of "Guideline for Measures to Be Taken by Worker Dispatch Service Providers and by Companies to Be Provided with Workers for the Stabilization of Workers Employed on a Daily Basis and Workers Dispatched for the Short Term" (hereafter, the "Guideline for Workers Employed on a Daily Basis") on April 1, 2008 and the increasing argument seeking for the revision (to legislate against the dispatch of day workers in principle) of the Law for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers (hereafter, the "Worker Dispatching Law"). During the fiscal year ending September 2009, Fullcast Co., Ltd. is seeking to gradually shift to "long-term worker dispatch service for light duties" and change its business from day worker dispatch service to "short-term employment placement business, etc." If it takes time to convert the business model, the Group's earnings are likely to be adversely affected.

In addition, to refine the focus to the core worker dispatch business, it was decided to accept the tender offer by Canon Electronics Inc. for the shares of Asia Pacific System Research Co., Ltd., a consolidated subsidiary of Fullcast Holdings Co., Ltd. Since the tender offer was completed effective November 17, 2008, Asia Pacific System Research Co., Ltd. has been excluded from the consolidation.

Based on cautious and preliminary surveys, Fullcast Holdings Co., Ltd. made Fullcast Marketing Co., Ltd. a wholly owned subsidiary in July 2006. In addition, Fullcast Holdings Co., Ltd. proceeded with the acquisition of additional shares of Net It Works, Inc., and revised the scope of consolidation by changing the company from an equity method affiliate to a consolidated subsidiary on June 30, 2007. If the earnings of these companies do not grow as initially expected, if it is necessary to inject a large amount of funds, or if the amortization of goodwill is recorded, the Groups earnings are likely to be adversely affected.

With respect to the goodwill of Fullcast Advance Co., Ltd. (which became a wholly owned subsidiary in May 2006) and Info-P Co., Ltd. (which became a wholly owned subsidiary in May 2007), since these companies could not make the contribution initially expected in the business plan made at the time of the acquisition of the shares, the entire amount was impaired.

Legal Regulations

a) Changes in Legal Regulations

The Company's businesses should conform to such laws as the Labor Standards Law, the Labor Services Temporary Assignment Law, the Workers' Accident Compensation Insurance Law, the Health Insurance Law, the Welfare Pension Insurance Law and other relevant laws. If these laws are revised or if their interpretation is modified following a change in the prevailing social situation in the labor market, the Group may suffer a serious setback in its operations depending on the contents of such revision or any new interpretation. Since April 1, 2008, the "Guideline for Workers Employed on a Daily Basis" and the Enforcement Regulation of the Worker Dispatching Law have been revised. On April 1, 2008, the Guideline for Workers Employed on a Daily Basis was introduced along with a revision to the Enforcement Regulation of the Worker Dispatching Law. In addition, discussion of legislation against the dispatch of day workers in principle has recently taken place.

In the fiscal year ending September 2009, Fullcast Co., Ltd. has sought to shift to the long-term worker dispatch service for light duties and convert its business to the short-term employment placement business, etc., to execute operations in compliance with laws and ordinances. However, if any other revision or modification of interpretation is made in the future, businesses of the Group may be seriously affected.

b) Sharing of Social Insurance Contributions

In terms of social insurance, workers whose contract period is not more than two months and workers whose working hours are less than three-fourths those of ordinary workers are excluded from the application of the Health Insurance Law. The Employees' Pension Insurance Law has similar regulations. In the spot business, as we employ staff for a short period, most are not eligible for social insurance. As Fullcast Co., Ltd. changes its business model to long-term worker dispatch for light duties, however, if the number of staff covered by social insurance increases in the future, the burden of social insurance premiums could become too large to be absorbed by internal means such as streamlining operations and passing the premiums on to prices charged to the customers, and this could seriously affect the performance of the Group.

In addition, the rate of companies' contribution to employee pension premiums will be raised by 0.177% every year to 9.15% in 2017, and then fixed at this rate (according to the revision of the pension system in 2004). Ultimately depending on the exact content, a future revision to the social insurance system could significantly affect the Group's performance, for instance if it entailed a rise in insurance premiums or an expansion of the insurance coverage.

c) Employee Dispatching Service

The Group provides an employee dispatching service with the permission of the Minister of Health, Labour and Welfare in accordance with the Worker Dispatching Law. If the Group should be subject to disqualification, the permission could be cancelled, or orders to close or halt the business could be issued. The Group is committed to compliance and risk management to prevent any violation of laws and ordinances, but if permission should be cancelled or if other measures should be taken, it may become unable to provide the employee dispatching service, and this would seriously affect the performance of the Group.

In terms of the worker dispatch service to manufacturing industries that were approved by the revision of the Worker Dispatching Law enforced on March 1, 2004, worker dispatch exceeding one year in principle (up to three years if certain requirements are met) is not allowed, and the time limits will concentrate in and after March 2009. At that time, if client companies move from indirect employment of dispatched workers to direct employment, the businesses of the Groups may be seriously affected.

On October 3, 2008, Fullcast Co., Ltd. was instructed by the Tokyo Labor Bureau to suspend its worker dispatch business and to improve its worker dispatch operations pursuant to Article 14, Section 2 and Article 49, Section 1 of the Working Dispatching Law. This suspension was lifted as one-month suspension from October 10 to November 9, 2008.

d) Onsite Subcontracting Service

As an onsite subcontracting service provider based on subcontracts, the Group completes its contracted work independently at the direct client company of such contract. In carrying out the work involved, we follow the norm (Notice No. 37 of 1986 issued by Japan's Ministry of Labour) that separates and distinguishes between the employee dispatching and the subcontracting business and other relevant laws and regulations. Prior to executing work, we confirm the details of the subcontracted tasks, such as their content, scope and the stipulated completion date with the client company.

However, in the event that any disparity should occur in the interpretation thereof with a client company as we perform these tasks, it may become difficult or impossible to collect our payment due, which could affect the Group's earnings.

Securing Staff

The population of young people in Japan has been declining from the latter half of the 1980s due to a drop in the birthrate, leading to a decline in the number of children, and this trend is likely to continue, according to forecasts by research institutes. In the Spot Business, the staff is primarily made up of the younger generation aged 18 to 25. Therefore, a decline in the younger generation makes it difficult for the Group to secure the human resources it needs, and if the Group cannot secure the necessary human resources, the Group's earnings are likely to be adversely affected. To cope with this decline in the population of young people, the Group is recruiting staff through websites and mobile phone networks, in a bid to make its staff procurement process more efficient. In the event that the Group is unable to absorb increased expenses from rising wages of staff and costs of recruiting advertisements to promote staff procurement, through internal efforts such as improving operational efficiency and passing the higher cost on to service prices, the Group's earnings may be affected.

Fullcast Co., Ltd. is shifting from short-term worker dispatch to long-term worker dispatch in the field of light duties, and if the Company cannot secure sufficient staff who wish to be employed for a long term, the Group's earnings are likely to be adversely affected.

In cases where client companies of the Group recruit by themselves, where competition intensifies, and where the number of workers who prefer being employed as a regular employee to working as a dispatched worker increases, the Group may not be able to secure the staff it needs in sufficient numbers.

Securing and Retaining Employees

The Group has sought to improve the working environment by reviewing the working regulations to enhance employee training and increase the number of holidays per year to raise the employee retention rate. If the Group cannot secure sufficient human resources, or if the human resources now working for the Group are reduced, it may negatively impact the Group's earnings.

With respect to the engineer dispatch business in the Technology Business, it is essential that the Group secure excellent engineers who can respond to the increasingly sophisticated needs of client companies. The Group seeks to bolster and strengthen the department in charge of recruitment and promote the recruitment of excellent foreign engineers to enhance recruitment activities for engineers. If the recruitment, retention and dispatch of engineers do not proceed according to plan, the Group's earnings are likely to be adversely affected.

Managing the Database on Client Firms and Staff

The Group strives continually to provide staff most suited to the needs of client companies and deploy staff for clients promptly and efficiently. To facilitate this, the Group manages a database that contains information on the staff's work attitudes and experience by job classification as well as on clients.

To be prepared for the eventuality of a malfunction in a server, the Group is equipped with servers having the same functions to back up a database. However, if these servers were simultaneously down due to such trouble as an earthquake or other natural disaster and the system stopped working, the Group's operations would be seriously impeded and its earnings may suffer a serious blow.

We are continuing to invest in the improvement of information systems whenever necessary, in a bid to differentiate ourselves from our peers in terms of costs and services. However, this investment may not always contribute to a growth in sales. Therefore, if we cannot obtain sufficient return on investment, expenditures may not be fully recouped.

To appropriately manage personal information and other data, we are striving to prevent unauthorized access, as well as loss, destruction, falsification or unauthorized disclosure of personal information, by establishing clear handling rules, strictly controlling access rights to the system and stepping up internal inspections. However, if any personal information should ever leak out for whatever reason, the Group would lose the public's confidence, which could be expected to depress sales and give rise to claims for damages. This may have a serious impact on the Group's earnings.

The information control system was strengthened, covering not only personal information but also information assets required to continue business such as customer and sales information. In doing so, the Group continues to improve information security in its business activities.

Workplace Accidents and Transaction-Related Trouble

In the event that a staffperson dies, is injured or becomes ill at work or due to some causes attributable to the work, the Group, as an employer, has the duty to pay compensation according to the relevant laws and regulations including the Labor Standards Law and the Workers' Accident Compensation Insurance Law. (Destination business owners that are our clients bear the employer's liability in accordance with the Industrial Safety and Health Law, and are obliged to protect the safety of staff in accordance with the Civil Code.)

The Group is enhancing staff awareness on safety by promoting occupational health and safety training, as well as safety equipment and releasing bulletins for on-the-job vigilance to prevent injury and illness. To provide better worker protection, the Group has taken out an insurance program to pay agreed claims as a supplement to the workers' accident compensation insurance. However, should an accident not covered by any of this insurance occur, the Group could be forced to pay damages on the grounds of neglecting its duty to safety and be liable for any illegal activity, which are stipulated in labor contracts.

In addition, the Group could be sued or pressured to make other payments, on allegations of staff negligence, of the violation of a contract with a client or of our staff's illegal activities. Although the Group has a compliance system under which personnel in charge of legal affairs can handle various legal risks, the performance may suffer a serious impact through such an accident depending on its nature and the amount of money involved.

Seasonal Factors Affecting the Group's Earnings

In the Spot Business, order volume tends to increase in the second and the fourth quarters of a year due to the nature of the business. To reduce seasonal fluctuations, the Group intends to strengthen services to further contribute to the streamlining of operations of client companies by improving the quality of Group operations, while shifting to the long-term worker dispatch service.

In the Technology Business, accounts are settled on an inspection basis for orders received. (Inspection basis is the basis under which sales are recorded on the date when products [and services] are inspected by the other party [customers].) Thus, both sales and profits show a tendency to increase in the second and fourth quarters, which are key quarters of the fiscal year.

In addition, in the engineer dispatching service business of the Technology Business, the number of technical staff at work affects the Group's earnings. Given the overwhelming number of technicians just out of university who join the Group in April, earnings tend to increase in the second half of the fiscal year as these new technicians are assigned and start working. Moreover, client requests for rate revision as well as the actual implementation of the revised rates for these staff tend to occur in April or thereafter, as most clients close their accounts of settlement in March every year. Therefore, sales and profits in the Technology Business tend to increase in the second half of the fiscal year.

Concerning Notes about Going Concern Premise

On October 3, 2008, Fullcast Co., Ltd. was instructed by the Tokyo Labor 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 on August 3, 2007 by the Tokyo Labor Bureau. As a result, the Group expects that net sales and operating income will decline in the fiscal year ending September 30, 2009, affected by the business suspension of Fullcast Co., Ltd. and the deterioration of the Group's brand image. Since this event has made it difficult for Fullcast Co., Ltd. to refinance borrowings under the same terms as before, Fullcast Holdings Co., Ltd., which became a pure holding company on October 1, 2008, is negotiating with its main banks a revision to the terms of its borrowing in the future. These situations indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

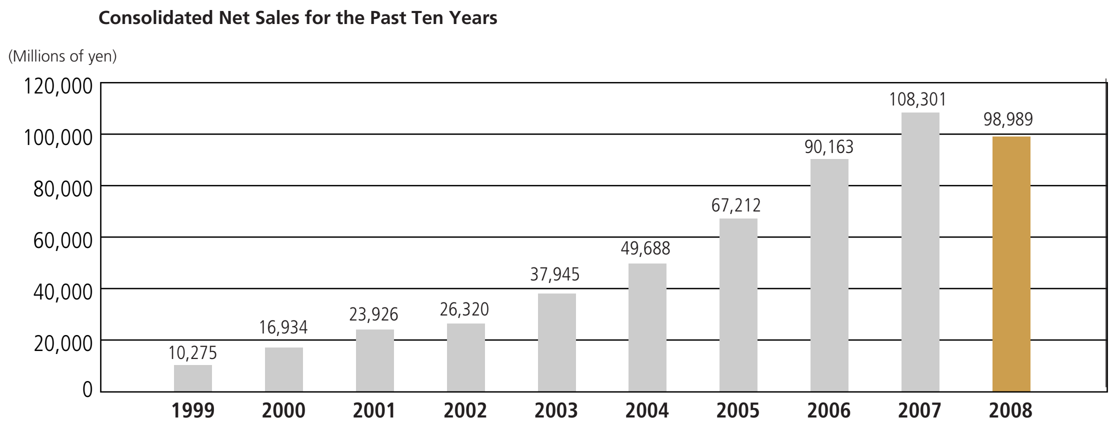
To resolve this situation, Fullcast Co., Ltd. is reducing administrative expenses through management streamlining based on the consolidation and elimination of branch offices, and the Group is making concerted efforts to develop a compliance system and prevent the reoccurrence of similar events as well as restore management stability as soon as possible. Fullcast Holdings Co., Ltd. is also taking steps to raise the funds its needs by selling shares in its consolidated subsidiary, Asia Pacific System Research Co., Ltd. and other assets held by the Group and by managing excess funds such as royalties, dividend income and borrowings from its subsidiaries in a concentrated manner.

The Group believes that the business environment in all Group companies will be normalized through the initiatives above and that credibility impaired by the administrative sanction will be restored in the near future. However, if it takes more time than expected to stabilize management because of difficulties encountered in negotiations to review the terms of loans or for other reasons, the Group's earnings are likely to be adversely affected.

Financial Section

Financial Section

Consolidated Six-Year Financial Summary



(Millions of yen)	2003	2004	2005	2006	2007	**2008**
For the year:						
Net sales	¥37,945	¥49,688	¥67,212	¥90,163	¥108,301	**¥98,989**
Operating income	2,455	3,256	4,560	4,715	2,081	**1,647**
Net income (loss)	1,197	1,512	1,885	2,942	(674)	**(2,443)**
Free cash flows	3,150	(79)	226	(981)	(172)	**(2,488)**
EBITDA	2,843	3,297	4,439	5,476	767	**372**
At year-end:						
Total assets	¥ 15,494	¥ 19,462	¥ 22,556	¥ 37,180	¥ 41,624	**¥ 36,697**
Shareholders' equity*1	8,719	10,978	12,377	14,460	10,287	**7,573**
Total number of shares issued (shares)	44,829	275,964	275,964	275,964	275,964	**275,964**
Per share data*2 (Yen):						
Total net assets	¥198,486.00	¥40,165.04	¥45,286.05	¥52,835.11	¥38,839.30	**¥28,591.84**
Cash dividends applicable to the period	5,000	2,000	2,000	3,000	3,000	**—**
Net income (loss)	27,373.46	5,603.88	6,896.52	10,757.95	(2,536.40)	**(9,222.68)**
Management indicators (%):						
Operating income on sales	6.5	6.5	6.8	5.2	1.9	**1.7**
SG&A expenses to net sales ratio	22.5	21.9	22.4	22.8	23.6	**23.0**
Return on equity (ROE)	14.8	15.4	16.1	21.9	(5.5)	**(27.4)**
Return on assets (ROA)	8.1	8.7	9.0	9.9	(1.7)	**(6.2)**
EBITDA margin	7.5	6.6	6.6	6.1	0.7	**0.4**
Current ratio	186.4	187.1	191.6	183.2	153.1	**134.1**
Equity ratio	56.3	56.4	54.9	38.9	24.7	**20.6**
Interest coverage ratio*3	46.2	58.9	96.6	76.8	18.5	**0.4**
Debt to equity ratio	18.2	24.2	24.4	73.3	158.9	**214.6**
Dividend ratio*4	18.3	35.7	29.0	27.9	—	**—**
Other data (persons):						
Employees	1,118	1,671	2,155	3,304	4,131	**4,293**
Engineers in the Technology Business	548	802	1,003	1,241	1,414	**1,345**

Notes: *1 Shareholders' equity = total net assets – subscription rights to shares – minority interests.
*2 The Company executed a three-for-one stock split on November 20, 2003 and a two-for-one stock split on May 20, 2004. Net income and cash dividends per share are based on the weighted average number of outstanding shares of common stock, as retroactively adjusted for free share distribution and stock splits.
*3 Interest coverage ratio = Cash flows from operating activities before interest and income taxes / interest expenses
The above revised formula is applied in the fiscal year ended September 2007. All figures were retrospectively revised.
*4 Since a net loss is recognized in the fiscal years ended September 2007 and 2008, the dividend ratios for those respective years are omitted.

Management Discussion and Analysis

Changes in Scope of Consolidation

At the end of the fiscal year ended September 2008, consolidated subsidiaries numbered 19, compared with 20 the previous year. Details of the change are as follows:

- Fullcast Stylish Work Co., Ltd., a consolidated subsidiary, was merged into Nisso Co., Ltd. on January 1, 2008.
- Amusecast Co., Ltd., a consolidated subsidiary, was merged into Info-P Co., Ltd. on May 1, 2008.
- Asia Pacific System Research Co., Ltd., a consolidated subsidiary, established Japan NonStop Innovation Co., Ltd. on May 12, 2008, which is the base date for its addition to scope of consolidation.

Significant Subsequent Events Following the Fiscal Year Ended September 2008

On October 1, 2008, Fullcast Holdings Co., Ltd. (formerly Fullcast Co., Ltd.) shifted to a pure holding company system, by spinning off all of its operations, including the worker dispatching business and the employment placement business, and transferring them to Fullcast HR Institute Co., Ltd. (currently Fullcast Co., Ltd.).

At its meeting held on October 14, 2008, the Board of Directors of Fullcast Holdings Co., Ltd. (the Company) passed a resolution to accept the tender offer made by Canon Electronics Inc. for shares of Asia Pacific System Research Co., Ltd. The tender offer was settled and completed on November 17, 2008. Accordingly, Asia Pacific System Research Co., Ltd. will be excluded from the scope of consolidation starting from the fiscal year ending September 2009. For details, please refer to "Acceptance of the Tender Offer for a Subsidiary's Shares" on page 25.

Order to Suspend the Worker Dispatching Business and Order to Improve Worker Dispatching Operations

On October 3, 2008, the former Fullcast Co., Ltd. was ordered by the Tokyo Labor Bureau to suspend its worker dispatching business and to improve its worker dispatching operations on the grounds that the Company violated the Order to Suspend the Worker Dispatching Business issued by the Tokyo Labor Bureau on August 3, 2007. The specifics of the business suspension order were as follows:

- All branch offices of the former Fullcast Co., Ltd. were ordered to suspend the worker dispatching business for one month (from October 10 to November 9, 2008). The current Fullcast Co., Ltd. resumed all operations from November 10, 2008.
- The current Fullcast Co., Ltd. was ordered to improve its worker dispatching operations.

Worker dispatches for which contracts had been concluded in accordance with the Worker Dispatching Law prior to the date when the business suspension commenced and which had already started before that date, as well as worker dispatching services undertaken by branch offices of the former Fullcast HR Institute Co., Ltd., were not affected by this business suspension order, and normal dispatching operations were maintained.

Events or Situations That Raise A Significant Doubt on the Going Concern Premise

Recognizing that there exists a significant doubt on the going concern premise arising from the above-mentioned Order to Suspend the Worker Dispatching Business and the Order to Improve Worker Dispatching Operations issued to the former Fullcast Co., Ltd., the Company has decided to attach notes in both the Brief Announcement of Consolidated Financial Results and Consolidated Financial Statements for the Fiscal Year Ended September 30, 2008. For details, please refer to "Risks Associated with Businesses" (page 20).

Operating Environment during the Fiscal Year Ended September 2008

During the first half of the fiscal year under review, the economy continued on its recovery path. However, it started to slow down in the second half through the end of the term, as exemplified by deterioration of corporate earnings and weakening of capital investment.

In the human resources service industry, growing public opinion that dispatch of short-term workers (so-called day workers) aggravates employment instability has led to the enforcement of the "Guideline for Measures to Be Taken by Worker Dispatch Service Providers and by Companies to Be Provided with Workers for the Stabilization of Workers Employed on a Daily Basis and Workers Dispatched for the Short Term" (hereafter, the "Guideline for Workers Employed on a Daily Basis") on April 1, 2008. Furthermore, preparation is under way for legislation that in principle bans dispatching of day workers. Thus, the environment surrounding the short-term worker dispatching business is undergoing drastic change.

Against this backdrop, the Fullcast Group has strived to accurately grasp corporate demand for human resources and employment demand associated with diversification of values of individuals, while promoting management that places emphasis on compliance, with a primary focus on execution of business operations in compliance with the "Guideline for Workers Employed on a Daily Basis."

Operating Results for the Fiscal Year Ended September 2008

Net Sales

Both the Technology Business, in which the scope of consolidation was changed following the reclassification of Net It Works, Inc. from an equity method affiliate to a consolidated subsidiary, and the Office Business, in which sales support services turned in a strong performance, posted gains in net sales. In contrast, net sales of the Spot Business and the Factory Business decreased. As a result, consolidated net sales declined ¥9,312 million, or 8.6%, from the previous year, to ¥98,989 million.

For a breakdown of net sales by business segment, please refer to the Review of Operations (pages 12 to 15) and Segment Information (pages 46 and 47).

Operating Expenses and Income

Although cost of sales decreased ¥6,154 million, or 7.6%, from the previous year reflecting a decline in sales, the cost of sales ratio rose 0.8 percentage point, to 75.3% from a year earlier.

Thanks to the cost-cutting efforts made by all Fullcast Group companies, selling, general and administrative (SG&A) expenses declined ¥2,724 million, or 10.7%, with the ratio of SG&A expenses to net sales falling 0.6 percentage point, from 23.6% to 23.0%. However, this could not offset a decrease in gross profit due to lower sales volume. Consequently, operating income amounted to ¥1,647 million, down 20.9% from the previous year.

For a breakdown of operating income by business segment, please refer to the Review of Operations (pages 12 to 15) and Segment Information (pages 46 and 47).

The number of branch offices at the end of the fiscal year under review totaled 349, decreasing by 72 from the previous year-end. These consisted of 214 offices (down 50) for the Spot Business, 47 offices (down 11) for the Factory Business, 25 offices (no change) for the Technology Business, 47 offices (down 11) for the Office Business and 16 offices (no change) for the Other Business.

On a consolidated basis, the number of employees at the fiscal year-end increased by 162 from a year earlier, to 4,293. This total included 1,345 engineers, down 69 from the previous year-end, in the Technology Business.

Other Income (Expenses) and Income (Loss) before Income Taxes and Minority Interests

In the Spot Business, measures were taken to raise operational efficiency and reduce costs, which entailed consolidation and closure of branch offices as well as relocation of head offices of Group companies. This resulted in recording, as an extraordinary loss, temporary expenses consisting of a loss of ¥204 million due to the closure of offices and expenses of ¥236 million associated with the relocation of head offices. Moreover, after reexamining the business plans of three unlisted subsidiaries (Fullcast Advance, Co., Ltd., Info-P Co., Ltd. and Solution Development Co., Ltd.) and determining that excess earning power could not be expected as originally projected, the Company recorded a goodwill impairment loss of ¥1,397 million as an extraordinary loss.

Consequently, the Company posted a loss before income taxes and minority interests of ¥642 million, compared with a loss of ¥293 million in the previous year.

Income Taxes and Minority Interests

Income taxes after the adoption of tax effect accounting increased by ¥1,445 million, or 518.3%, from a year earlier, to ¥1,724 million, due primarily to the effect of the reversal of deferred tax assets by Fullcast Co., Ltd.

Minority interests declined by ¥26 million, or 25.2%, from the previous year, to ¥77 million.

Net Income (Loss)

As a result of the above, the Company recorded a net loss of ¥2,443 million for the fiscal year under review, compared with a net loss of ¥674 million a year earlier. The net loss per share was ¥9,222.68, compared with the previous year's net loss per share of ¥2,536.40.

Change in Accounting Policy of Allowance for Cancellation Adjustments

In the sales support service department of consolidated subsidiary, the return of commission income that are claimed by contracted customers because of the cancellation of short-term contracts by end-customers who have contracts for information and telecommunication services, etc. had been accounted for as a deduction from sales in the fiscal year when the return of commission income was made.

However, since the materiality of the return of commission income is increasing with the growth in transaction volume and it has become possible to reasonably estimate the amount of the return of commission income due to the development of a management system to calculate the cancellation rate of short-term contracts by end-customers, the accounting method has been changed in fiscal year 2008, so that the amount of expected return of commission income based on the actual cancellation rate in the past is recorded as an allowance for cancellation adjustments to calculate the periodic income in a more proper manner.

As a result, gross profit and operating income decreased by ¥205 million ($1,975 thousand) and loss before income taxes and minority interests increased by the same amount in comparison with the amounts recorded by the method in the past.

Financial Position for the Fiscal Year Ended September 2008

Cash Flows

Cash and cash equivalents ("cash") at end of the fiscal year under review totaled ¥9,878 million, decreasing ¥2,887 million from the previous term-end (compared with an increase of ¥837 million in the same period of the previous year).

Cash Flows from Operating Activities

Net cash used in operating activities amounted to ¥1,621 million, compared with net cash provided of ¥1,546 million in the previous year. This was primarily the result of ¥598 million in income taxes refunded, ¥1,534 million in income taxes paid, a decrease of ¥1,293 million in accrued consumption tax and an increase of ¥733 million in trade notes and accounts receivable (accounts payable decreased by ¥1,141 million).

Cash Flows from Investing Activities

Net cash used in investing activities amounted to ¥867 million, compared with ¥1,718 million used in the previous year. This was primarily due to ¥242 million in proceeds from sales of investment securities, which was more than offset by expenditures consisting of ¥416 million in expenditures for property and equipment, ¥294 million in purchase of intangible fixed assets and ¥418 million in expenditures for transferred business.

Cash Flows from Financing Activities

Net cash used in financing activities amounted to ¥399 million, compared with net cash provided of ¥1,009 million in the previous year. This was primarily attributable to a net increase in short-term borrowings of ¥3,132 million, which was more than offset by expenditures consisting of ¥3,333 million in repayment of long-term debt (proceeds from long-term debt amounted to ¥200 million) and ¥266 million in payment of dividends.

Liquidity

Total current assets at the end of the fiscal year under review decreased ¥2,736 million from the previous year, to ¥26,441 million, primarily due to a decrease in cash and cash equivalents of ¥2,887 million, to ¥9,878 million. In contrast, current liabilities amounted to ¥19,723 million, up ¥660 million from a year earlier. This mainly reflected a decrease of ¥2,253 million in other accounts payable, to ¥1,945 million, and an increase of ¥3,130 million in short-term borrowings, to ¥8,144 million.

As a result of the above, working capital (total current assets minus total current liabilities) at the end of the fiscal year under review amounted to ¥6,718 million, down ¥3,396 million from the previous fiscal year-end. Although the current ratio (total current assets divided by total current liabilities multiplied by 100) declined to 134.1%, from 153.1% a year earlier, we believe that the Fullcast Group maintains adequate liquidity necessary to pursue its business activities.

The Company and three consolidated subsidiaries have overdraft contracts with a credit limit of up to ¥10,580 million with their eight banks for the efficient procurement of working capital. Of this credit limit, effective borrowings at the end of the fiscal year were ¥7,314 million, and outstanding non-effective borrowings amounted to ¥3,266 million.

Capital Expenditures

Capital expenditures included development of information systems aimed at improving operational efficiency, and purchase of equipment such as PC terminals at branch offices.

Capital expenditures during the fiscal year under review decreased ¥335 million from the previous year, to ¥710 million, which consisted of ¥294 million for purchase and development of software and ¥416 million for purchase of servers and PC terminals at branch offices.

For the fiscal year ending September 2009, capital expenditures of ¥397 million are projected for purchases of servers and PCs, as was done in the fiscal year under review.

Interest-Bearing Debt

Interest-bearing debt at the fiscal year-end amounted to ¥16,248 million, down ¥3 million from the previous year. Short-term borrowings increased ¥3,130 million compared with a year earlier, to ¥8,144 million, while long-term debt (including current portion of long-term debt) decreased ¥3,133 million, to ¥8,104 million.

Net Assets

Shareholders' equity (total net assets minus subscription rights to shares minus minority interests) at the fiscal year-end declined ¥2,714 million from the previous fiscal year-end, to ¥7,573 million. Net assets also declined ¥2,673 million, to ¥10,969 million. These decreases were primarily attributable to a decrease of ¥2,701 million in retained earnings as a result of the recording of a net loss of ¥2,443 million for the fiscal year under review.

Consequently, the equity ratio (total shareholders' equity divided by the total sum of liabilities and net assets multiplied by 100) declined to 20.6%, from 24.7% a year earlier, while the debt to equity ratio (interest-bearing debt divided by shareholders' equity multiplied by 100) rose to 214.6%, from 158.9% the previous year.

Acceptance of the Tender Offer for a Subsidiary's Shares

A meeting of the Company's Board of Directors convened on October 14, 2008 passed a resolution to accept the tender offer made by Canon Electronics Inc. for all shares of Asia Pacific System Research Co., Ltd., the Company's consolidated subsidiary. The tender offer was settled and completed on November 17, 2008.

The Fullcast Group decided to accept the tender offer as part of its effort to strengthen its financial foundation and to focus more narrowly on its core business, namely worker dispatching services, by effecting a shift to the long-term worker dispatching service in the field of light duties, which has been dominated by short-term workers, as well as by converting its business to short-term employment placement services. A summary of the tender offer appears below.

Summary of Acceptance of the Tender Offer

Number of shares held prior to the tender offer: 5,507,400 shares (Percentage of shares held: 61.18%)

Number of shares for which the tender offer was accepted: 5,507,400 shares (Percentage of shares held: 61.18%)

Number of shares held after the acceptance: — shares (Percentage of shares held: —%)

Note: The tender offer was accepted at a price of ¥650 per share and for an amount of ¥3,580 million.

Fullcast Holdings Co., Ltd.
Consolidated Balance Sheets

As of September 30, 2007 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 1)
ASSETS	2007	**2008**	**2008**
Current Assets:			
Cash and cash equivalents (Note 1)	¥ 12,764	**¥ 9,878**	**$ 95,317**
Time deposits with original maturities over three months	109	**100**	**965**
Trade notes and accounts receivable	11,082	**11,866**	**114,505**
Less – Allowance for doubtful accounts (Note 1)	(145)	**(235)**	**(2,266)**
Inventories (Note 1)	684	**881**	**8,498**
Deferred tax assets (Notes 1 and 9)	1,186	**727**	**7,017**
Other current assets	3,496	**3,224**	**31,110**
Total current assets	29,176	**26,441**	**255,146**
Property and Equipment, at Cost (Notes 1, 4 and 5)**:**			
Land	793	**793**	**7,648**
Buildings and structures	923	**999**	**9,642**
Furniture, fixtures and equipment	1,896	**1,714**	**16,537**
Construction in progress	21	**2**	**25**
Less – Accumulated depreciation	(1,573)	**(1,581)**	**(15,255)**
Total property and equipment	2,060	**1,927**	**18,597**
Investments and Other Assets:			
Investment securities (Notes 1, 2 and 3)	1,492	**1,187**	**11,458**
Intangible fixed assets (Notes 1, 4 and 5)	1,269	**1,129**	**10,896**
Goodwill (Notes 1 and 4)	4,286	**3,035**	**29,291**
Deferred tax assets (Notes 1 and 9)	550	**180**	**1,736**
Other (Note 4)	2,791	**2,798**	**26,996**
Total investments and other assets	10,388	**8,329**	**80,377**
	¥ 41,624	**¥ 36,697**	**$ 354,120**

The accompanying notes to the consolidated financial statements are an integral part of these balance sheets.

LIABILITIES AND NET ASSETS	Millions of yen 2007	2008	Thousands of U.S. dollars (Note 1) 2008
Current Liabilities:			
Short-term borrowings (Notes 5 and 6)	¥ 5,014	**¥ 8,144**	**$ 78,591**
Current portion of long-term debt (Notes 5 and 6)	2,993	**2,867**	**27,670**
Accounts payable —			
Trade	1,287	**1,407**	**13,578**
Other	4,198	**1,945**	**18,769**
Income taxes payable (Notes 1 and 9)	678	**532**	**5,133**
Accrued bonuses (Note 1)	1,395	**1,409**	**13,592**
Allowance for cancellation adjustments (Note 1)	—	**205**	**1,975**
Deferred tax liabilities (Notes 1 and 9)	—	**3**	**33**
Other current liabilities	3,497	**3,211**	**30,980**
Total current liabilities	19,062	**19,723**	**190,321**
Long-term Liabilities:			
Long-term debt (Notes 5 and 6)	8,244	**5,237**	**50,532**
Accrued severance and retirement cost (Notes 1 and 8)	482	**553**	**5,334**
Deferred tax liabilities (Notes 1 and 9)	—	**1**	**8**
Other long-term liabilities	194	**214**	**2,074**
Total long-term liabilities	8,920	**6,005**	**57,948**
Commitments and Contingent Liabilities (Note 7)**:**			
Net Assets (Notes 1, 10 and 14)**:**			
Shareholders' equity			
Common stock;			
Authorized – 1,100,000 shares in 2008			
Issued – 275,964 shares in 2008	3,464	**3,464**	**33,428**
Capital surplus	2,906	**2,906**	**28,043**
Retained earnings	6,679	**3,978**	**38,383**
Less – Treasury stock, at cost; 11,100 shares in 2008	(2,747)	**(2,747)**	**(26,504)**
Total shareholders' equity	10,302	**7,601**	**73,350**
Valuation and translation adjustments			
Net unrealized holding gains (losses) on securities	(15)	**(28)**	**(273)**
Total valuation and translation adjustments	(15)	**(28)**	**(273)**
Minority interests	3,355	**3,396**	**32,774**
Total net assets	13,642	**10,969**	**105,851**
	¥ 41,624	**¥ 36,697**	**$ 354,120**

The accompanying notes to the consolidated financial statements are an integral part of these balance sheets.

Fullcast Holdings Co., Ltd.
Consolidated Statements of Operations

Years ended September 30, 2007 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2007	**2008**	**2008**
Net Sales (Note 13)**:**	¥ 108,301	¥ **98,989**	$ **955,220**
Cost of Sales (Note 13)**:**	80,714	**74,560**	**719,488**
Gross profit	27,587	**24,429**	**235,732**
Selling, General and Administrative Expenses (Note 13)**:**	25,506	**22,782**	**219,843**
Operating income (Note 13)	2,081	**1,647**	**15,889**
Other Income (Expenses):			
Interest income	25	**26**	**252**
Interest expense	(208)	**(242)**	**(2,333)**
Rental income	35	**164**	**1,585**
Gain on sales of stock issued by subsidiaries and affiliates	672	**8**	**77**
Loss on change in the Company's interest in consolidated subsidiaries	(6)	**(0)**	**(1)**
Director's retirement cost	(10)	—	—
Impairment loss (Note 4)	(151)	**(1,397)**	**(13,483)**
Loss on reimbursement of administrative expenses	(1,875)	—	—
Loss on cancellation of naming rights	(182)	—	—
Loss on write-down and disposal of assets associated with closure of offices	(350)	**(204)**	**(1,968)**
Loss on valuation of investment securities	(7)	**(276)**	**(2,660)**
Expenses for relocation of head offices	—	**(236)**	**(2,274)**
Other, net	(317)	**(132)**	**(1,280)**
	(2,374)	**(2,289)**	**(22,085)**
Loss before income taxes and minority interests	(293)	**(642)**	**(6,196)**
Income Taxes (Notes 1 and 9)**:**			
Current	1,012	**880**	**8,488**
Deferred	(734)	**844**	**8,144**
Income taxes	278	**1,724**	**16,632**
Net loss before minority interests	(571)	**(2,366)**	**(22,828)**
Minority Interests:	(103)	**(77)**	**(744)**
Net loss	¥ (674)	¥ **(2,443)**	$ **(23,572)**

	Yen		U.S. dollars (Note 1)
Per Share of Common Stock (Notes 1 and 11)**:**			
Net loss	¥ (2,536.40)	¥ **(9,222.68)**	$ **(89.00)**
Diluted net income	—	—	—
Cash dividends applicable to the period	3,000.00	—	—

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Fullcast Holdings Co., Ltd.
Consolidated Statements of Changes in Net Assets

Years ended September 30, 2007 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2007	**2008**	**2008**
Common Stock:			
Beginning balance	¥ 3,464	¥ **3,464**	$ **33,428**
Ending balance	¥ 3,464	¥ **3,464**	$ **33,428**
Capital Surplus (Note 1)**:**			
Beginning balance	¥ 3,100	¥ **2,906**	$ **28,043**
Gain on disposal of treasury stock	120	—	—
Decrease due to exclusion from consolidation	(314)	—	—
Ending balance	¥ 2,906	¥ **2,906**	$ **28,043**
Retained Earnings:			
Beginning balance	¥ 7,992	¥ **6,679**	$ **64,448**
Net loss	(674)	**(2,443)**	**(23,572)**
Cash dividends paid	(935)	**(265)**	**(2,556)**
Increase due to exclusion from consolidation	314	—	—
Increase (Decrease) due to change in the scope of equity -method	(18)	**7**	**63**
Ending balance	¥ 6,679	¥ **3,978**	$ **38,383**
Treasury Stock:			
Beginning balance	¥ (163)	¥ **(2,747)**	$ **(26,504)**
Disposal of treasury stock	620	—	—
Purchase of treasury stock	(3,204)	—	—
Ending balance	¥ (2,747)	¥ **(2,747)**	$ **(26,504)**
Net Unrealized Holding Gains (Losses) on Securities (Note 1)**:**			
Beginning balance	¥ 67	¥ **(15)**	$ **(146)**
Net changes during the period	(82)	**(13)**	**(127)**
Ending balance	¥ (15)	¥ **(28)**	$ **(273)**
Minority Interests (Note 1)**:**			
Beginning balance	¥ 2,817	¥ **3,355**	$ **32,376**
Net changes during the period	538	**41**	**398**
Ending balance	¥ 3,355	¥ **3,396**	$ **32,774**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Fullcast Holdings Co., Ltd.
Consolidated Statements of Cash Flows

Years ended September 30, 2007 and 2008

	Millions of yen		Thousand of U.S. dollars (Note 1)
	2007	**2008**	**2008**
Cash Flows from Operating Activities:			
Loss before income taxes and minority interests	¥ (293)	**¥ (642)**	**$ (6,196)**
Adjustments to reconcile loss before income taxes and minority interests to net cash provided by operating activities:			
Depreciation	852	**772**	**7,452**
Allowance for doubtful accounts	(13)	**30**	**(292)**
Accrued bonuses	205	**14**	**132**
Accrued severance and retirement cost	23	**87**	**842**
Allowance for cancellation adjustments	—	**205**	**1,975**
Interest and dividend income	(34)	**(58)**	**(559)**
Interest expense	209	**242**	**2,333**
Loss on sales and disposal of property and equipment, net	160	**103**	**996**
Loss on valuation of investment securities	7	**276**	**2,660**
Gain on change in share-holding ratio	6	**0**	**1**
Equity in losses of affiliates	39	**20**	**192**
Amortization of goodwill	219	**382**	**3,687**
Impairment loss	151	**1,397**	**13,483**
Other, net	(660)	**(74)**	**(717)**
Changes in current assets and liabilities:			
Trade notes and accounts receivable	2,122	**(733)**	**(7,070)**
Accounts payable	950	**(1,141)**	**(11,008)**
Accrued consumption tax	326	**(1,293)**	**(12,481)**
Other, net	(598)	**(80)**	**(771)**
Sub total	3,671	**(493)**	**(4,757)**
Interest and dividends received	43	**58**	**558**
Interest paid	(199)	**(250)**	**(2,416)**
Income taxes paid	(2,033)	**(1,534)**	**(14,799)**
Income taxes refunded	64	**598**	**5,775**
Net cash provided by (used in) operating activities	¥ 1,546	**¥ (1,621)**	**$ (15,639)**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Fullcast Holdings Co., Ltd.
Consolidated Statements of Cash Flows (Continued)

Years ended September 30, 2007 and 2008

	Millions of yen		Thousand of U.S. dollars (Note 1)
	2007	**2008**	**2008**
Cash Flows from Investing Activities:			
Increase in time deposits	¥ (105)	**¥ (1)**	**$ (12)**
Proceeds from withdrawal of time deposits	33	**11**	**103**
Expenditures for property and equipment	(501)	**(416)**	**(4,018)**
Proceeds from sales of property and equipment	53	**14**	**134**
Purchase of intangible fixed assets	(544)	**(294)**	**(2,833)**
Purchase of investment securities	(1,444)	**(125)**	**(1,206)**
Proceeds from sales of investment securities	15	**242**	**2,338**
Proceeds from maturity of investment securities	—	**100**	**965**
Proceeds from collection of equity in investment securities	25	**3**	**27**
Purchase of stock issued by a subsidiary	(540)	—	—
Payment for loans receivable	(20)	**(440)**	**(4,244)**
Collection of loans receivable	563	**447**	**4,315**
Expenditures resulting from sales of shares of consolidated subsidiaries with change in the scope of consolidation	(23)	—	—
Proceeds resulting from acquisition of shares of consolidated subsidiaries with change in the scope of consolidation	771	—	—
Expenditures for transferred business	—	**(418)**	**(4,032)**
Other, net	(1)	**10**	**98**
Net cash used in investing activities	¥ (1,718)	**¥ (867)**	**$ (8,365)**
Cash Flows from Financing Activities:			
Net increase in short-term borrowings	664	**3,132**	**30,219**
Proceeds from long-term debt	9,000	**200**	**1,930**
Repayment of long-term debt	(4,462)	**(3,333)**	**(32,162)**
Repayments of bonds	—	**(100)**	**(965)**
Proceeds from disposal of treasury stock corresponding to exercise of stock option rights	10	—	—
Payment for purchase of treasury stock	(3,203)	—	—
Contribution from minority shareholders of a consolidated subsidiary	12	**51**	**487**
Payment of dividends	(934)	**(266)**	**(2,563)**
Payments of dividends to minority shareholders from a consolidated subsidiary	(77)	**(83)**	**(797)**
Other, net	(1)	—	—
Net cash provided by (used in) financing activities	¥ 1,009	**¥ (399)**	**$ (3,851)**
Net increase (decrease) in Cash and Cash Equivalents	837	**(2,887)**	**(27,855)**
Cash and Cash Equivalents at Beginning of Period	11,906	**12,764**	**123,172**
Increase in Cash and Cash Equivalents Due to Newly Consolidated Subsidiaries	21	—	—
Effect of Exchange Rate Changes on Cash and Cash Equivalents	0	**1**	**0**
Cash and Cash Equivalents at End of Period	¥ 12,764	**¥ 9,878**	**$ 95,317**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Fullcast Holdings Co., Ltd.
Notes to Consolidated Financial Statements

1. Significant Accounting and Reporting Policies

The following is a summary of the significant accounting and reporting policies adopted by Fullcast Holdings Co., Ltd.[formerly Fullcast Co., Ltd. (the “Company”)] and its subsidiaries (collectively, the “Companies”) in the preparation of the accompanying consolidated financial statements.

(a) **Going Concern**

On October 3, 2008, Fullcast Co., Ltd. was instructed by the Tokyo Labor 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 Labor Bureau. As a result, the Companies expect 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. Since this event has made it difficult for Fullcast Co., Ltd. to refinance borrowings with the same terms as before, Fullcast Holdings Co., Ltd., which became a holding company on October 1, 2008, is negotiating with its main banks a revision to the terms of its borrowing in the future.

These situations indicate the existence of material uncertainty which may cast significant doubt as to the Company’s ability to continue as a going concern.

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 Companies are 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. Fullcast Holdings Co., Ltd. is also taking steps to raise the funds to meet its needs by selling shares in its consolidated subsidiary, Asia Pacific System Research Co., Ltd. and other assets held by the Companies and manage excess funds such as royalties, dividend income and borrowings from its subsidiaries in a concentrated manner.

The Companies believe that the business environment in all Companies will be normalized through the initiatives above and credibility impaired by the administrative sanction will be restored in the near future, so that the substantial doubt about the going concern assumption will be eliminated.

Therefore, the accompanying consolidated financial statements have been prepared on a going concern basis, and do not reflect the impact of the afore-mentioned material uncertainty which may cast significant doubt as to the Company’s ability to continue as a going concern.

(b) **Basis of Presenting the Consolidated Financial Statements**

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan

(“Japanese GAAP”), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

The accompanying consolidated financial statements have been restructured and translated into English with some expanded descriptions from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law. Some supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

In preparing the accompanying consolidated financial statements, certain reclassifications have been made to the consolidated financial statements issued domestically in Japan in order to present these statements in a more familiar form for readers outside Japan. In addition, the accompanying notes include information that is not required under Japanese GAAP, but is presented herein as supplemental information.

The translations of the Japanese yen amounts into U.S. dollars are included solely for the convenience of readers outside Japan, using the prevailing exchange rate at September 30, 2008, which was ¥103.63 to U.S. $1. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

(c) **Principles of Consolidation and Accounting for Investments in Affiliated Companies**

The consolidated financial statements include the accounts of the Company and 19 subsidiaries for the year ended September 30, 2008, and 20 subsidiaries for the year ended September 30, 2007.

All significant inter-company transactions and accounts have been eliminated.

All Companies over which the Company has control through majority voting rights or certain other conditions evidencing control by the Company are regarded as subsidiaries and consolidated.

Investments in an unconsolidated subsidiary and an affiliate (generally 20% - 50% ownership), over which the Company has the ability to exercise significant influence as to operating and financial policies, are accounted for by the equity method.

The equity method is not applied to insignificant affiliate (ICS Research Institute Co., Ltd.) for the year ended September 30, 2008, since they do not have a material effect on consolidated net income and retained earnings in the consolidated financial statement. The investments in the unconsolidated subsidiary and affiliate are stated at cost or less.

In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are recorded based on their fair value at the time the Company acquired control of the respective subsidiaries.

The excess of the cost over underlying net equity of investments in affiliates accounted for on an equity basis is deferred and amortized over the period in which future benefit of investments is estimated to continue. However, it is expensed as incurred in case of minor effect on the consolidated financial statement.

Fullcast Stylish Work Co., Ltd., which had been a consolidated subsidiary, merged with Nisso Co., Ltd. in fiscal year 2008.

Amusecast Co., Ltd., which had been a consolidated subsidiary, merged with Info-P Co., Ltd. in fiscal year 2008.

Japan NonStop Innovation Co., Ltd. was established by Asia Pacific System Research Co., Ltd., which is a consolidated subsidiary, in fiscal year 2008 and newly included in the scope of consolidation from fiscal year 2008.

The Company sold its entire shareholdings in the unconsolidated subsidiary named Southern Cross Management Co., Ltd. to a third party in fiscal year 2008. Therefore, the Company excluded it from the unconsolidated subsidiaries of the Company from fiscal year 2008.

The investment ratio declined with the sales of shareholdings in the affiliate named Fullcast Sports Co., Ltd. (now eAMA Co., Ltd.) in fiscal year 2008. Therefore, the Company excluded it from the affiliates of the Company from fiscal year 2008.

(d) **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, readily available deposits and short-term investments, which are easily convertible into cash and represent insignificant risk of changes in value, with original maturities of three months or less.

(e) **Investment Securities**

Investment securities are classified and accounted for, depending on management’s intent, as follows:

a) securities held for trading purposes (hereafter, “trading securities”), b) debt securities intended to be held to maturity (hereafter, “held-to-maturity debt securities”), c) equity securities issued by subsidiaries and affiliated companies, and d) all other securities not classified under any of the above categories (hereafter, “available-for-sale securities”).

The Companies do not possess trading securities and held-to-maturity debt securities.

Available-for-sale securities whose fair value is readily determinable are stated at fair market value. Unrealized gains and unrealized losses on these securities are reported, net of applicable income taxes, as a separate component of net assets. Realized gains and losses on sale of such securities are computed using moving-average method. Available-for-sale securities whose fair value cannot readily be determined are stated at cost according to the moving-average cost method. Capital injection in investment limited partnerships and other similar associations is evaluated using the net equity on the most recent statement of accounts available on the date of settlement report stipulated in the partnership agreement.

(f) **Allowance for Doubtful Accounts**

Under the Japanese accounting standard for financial instruments, all companies are required to classify receivables into the following three categories and make provision for possible losses.

For receivables from insolvent customers who are undergoing bankruptcy or other collection proceedings or in a similar financial predicament, an allowance for doubtful accounts is provided in the full amount of such receivables, excluding the portion that is estimated to be recoverable due to the existence of collateral or guarantees.

For the unsecured portion of receivables from customers not presently in the above circumstances, but for which there is a high probability of falling into such condition, an allowance for doubtful accounts is provided for individually estimated uncollectable amounts, primarily determined after an evaluation of collateral, guarantees and the respective customer's overall financial condition.

For other receivables, an allowance for doubtful accounts is provided based on the Companies' actual rate of bad debt losses in the past.

(g) **Inventories**

The Companies' goods, raw materials and supplies are stated at cost, which is determined by first-in, first-out method.

The Companies' products in progress and products are stated at specific-identified cost.

(h) **Property and Equipment**

Property and equipment are stated at cost. Depreciation is computed on the declining-balance method over the following estimated useful lives of the assets except for buildings acquired after April 1, 1998, which are computed on a straight-line method.

The estimated useful lives of depreciable assets are as follows:

Buildings and structures:	2 years to 56 years
Furniture, fixtures and equipment:	2 years to 20 years

Ordinary maintenance and repairs are charged to income as incurred and major replacements and improvements are capitalized.

From fiscal year 2008, the Companies depreciate the residual value of property and equipment acquired on or before March 31, 2007, which have been depreciated to their respective depreciable limits in accordance with the Corporation Tax Law of Japan prior to the revision, to memorandum value over a period of 5 years using the straight-line method. The effect of this change on operating income, income before income taxes and minority interests was immaterial for the year ended September 30, 2008.

(i) **Intangible Fixed Assets**

Intangible fixed assets primarily represent the costs of purchased software, which are amortized using the straight-line method over a period of 3 years to 5 years in accordance with their estimated useful lives.

The costs of software for sales are provided at the greater of the amounts computed using: a) the ratio that current unit sales for a product bear to the total of current and anticipated future unit sales for that product, or b) the straight-line method over the remaining estimated economic life of the product (3 years).

(j) **Goodwill**

Goodwill is amortized over the period during which goodwill is considered to be effective. When the amount of goodwill is immaterial, the entire amount is expensed at the time of generation.

(k) **Finance Leases**

Finance leases that do not transfer ownership are accounted for in the same manner as operating leases in accordance with Japanese GAAP. Under Japanese accounting policies for leases, finance leases that are deemed to transfer ownership of the leased property to the lessee are to be capitalized, while other finance leases are permitted to be accounted for as operating lease transactions on condition that certain "as if capitalized" information is disclosed in the notes to the lessee's financial statements.

(l) **Provisions**

Provisions are recognized where a present (legal or constructive) obligation has been incurred which may lead to an outflow of resources, and which can be reasonably estimated. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

(m) **Severance and Retirement Plans**

The Companies provide two types of post-employment benefit plans, unfunded lump-sum payment plans and funded non-contributory pension plans, under which all eligible employees are entitled to benefits based on the level of wages and salaries at the time of retirement or termination, length of service and certain other factors.

The Company and certain consolidated subsidiaries calculated projected benefit obligation and severance and retirement benefit expenses based on the amounts actuarially calculated using certain assumptions. Actuarial gains and losses are charged to income except for certain consolidated subsidiaries.

(n) **Income Taxes**

Income taxes comprise corporation tax, inhabitant taxes and enterprise taxes.

The provision for income taxes is computed based on the pretax income included in the consolidated statements of operations. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

(o) **Foreign Currency Transaction**

Foreign currency transactions are translated into Japanese yen using the exchange rates in effect at the time of the transactions. All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated at the exchange rates prevailing at the end of each fiscal year and the resulting gains and losses are included in current income.

(p) **Derivative Financial Instruments**

The Companies use derivative financial instruments to manage their exposure to fluctuations in interest rates. Interest rate swaps are utilized by the Companies to reduce interest rate risks. The Companies use derivative transactions only to hedge market risk, and not for speculation or dealing purposes.

The Companies adopt the method that defers gains and losses resulting from changes in fair value of derivative financial instruments until the hedged transactions occur. If interest rate swap contracts are used as hedges and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap is added to or deducted from the interest on the assets or liabilities for which the swap contract was executed.

(q) **Reclassifications**

Certain reclassifications have been made in the accompanying consolidated financial statements to conform to current year presentation, but no change has been made in the application of accounting policies. These reclassifications had no impact on previously reported results of operations or shareholders’ equity.

(r) **Change in accounting policy for allowance for cancellation adjustments**

In the sales support service department of consolidated subsidiary, the return of commission income that are claimed by contracted customers because of the cancellation of short-term contracts by end-customers who have contracts for information and telecommunication services, etc. had been accounted for as a deduction from sales in the fiscal year when the return of commission income was made.

However, since the materiality of the return of commission income is increasing with the growth in transaction volume and it has become possible to reasonably estimate the amount of the return of commission income due to the development of a management system to calculate the cancellation rate of short-term contracts by end-customers, the accounting method has been changed in fiscal year 2008, so that the amount of expected return of commission income based on the actual cancellation rate in the past is recorded as an allowance for cancellation adjustments to calculate the periodic income in a more proper manner.

As a result, gross profit and operating income decreased by ¥205 million ($1,975 thousand) and loss before income taxes and minority interests increased by the same amount in comparison with the amounts recorded by the method in the past.

2. Short-term Investments and Investment Securities

(a) The following tables summarize acquisition costs, book value and fair value of available-for-sale securities with their available fair value as of September 30, 2007 and 2008:

Securities with book value exceeding acquisition costs

Type		Millions of yen						Thousands of U.S. dollars		
		2007			**2008**			**2008**		
		Acquisition costs	Book value	Difference	**Acquisition costs**	**Book value**	**Difference**	**Acquisition costs**	**Book value**	**Difference**
Equity securities	…	¥ 100	¥ 205	¥ 105	**¥ 12**	**¥ 16**	**¥ 4**	**$ 113**	**$ 150**	**$ 37**
Bonds	…	197	198	1	**99**	**99**	**0**	**956**	**960**	**4**
Others	…	—	—	—	—	—	—	—	—	—
		¥ 297	¥ 403	¥ 106	**¥ 111**	**¥ 115**	**¥ 4**	**$ 1,069**	**$ 1,110**	**$ 41**

Securities with book value below acquisition costs

Type		Millions of yen						Thousands of U.S. dollars		
		2007			**2008**			**2008**		
		Acquisition costs	Book value	Difference	**Acquisition costs**	**Book value**	**Difference**	**Acquisition costs**	**Book value**	**Difference**
Equity securities	…	¥ 404	¥ 290	(¥ 114)	**¥ 140**	**¥ 103**	**(¥ 37)**	**$ 1,350**	**$ 992**	**($ 358)**
Bonds	…	—	—	—	—	—	—	—	—	—
Others	…	24	23	(1)	**24**	**19**	**(5)**	**235**	**183**	**(52)**
		¥ 428	¥ 313	(¥ 115)	**¥ 164**	**¥ 122**	**(¥ 42)**	**$ 1,585**	**$ 1,175**	**($ 410)**

(b) The following tables summarize book value of available-for-sale securities without available fair value as of September 30, 2007 and 2008:

	Millions of yen		Thousands of U.S. dollars
	2007	**2008**	**2008**
Non-listed equity securities …………………………	¥ 841	**¥ 863**	**$ 8,332**
Investment in partnerships and associates …………………………	1	—	—
	¥ 842	**¥ 863**	**$ 8,332**

(c) Total sales of available-for-sale securities in the year ended September 30, 2007 amounted to ¥15 million and the related gains amounted to ¥4 million.

Total sales of available-for-sale securities in the year ended September 30, 2008 amounted to ¥234 million ($2,257 thousand) and the related gains amounted to ¥123 million ($1,189 thousand).

3. Investment in Affiliated Companies

At September 30, 2007 and 2008, investment in related companies was as follows:

	Millions of yen		Thousands of U.S. dollars
	2007	**2008**	**2008**
Investment securities	¥ 34	**¥ 87**	**$ 841**

4. Impairment Loss

For the year ended September 30, 2007, the Company and its consolidated subsidiaries recognized ¥151 million of impairment loss on the groups of assets.

(Main assets for which an impairment loss was recognized)

Description	Classification	Location
Business know-how	Goodwill	Shibuya-ku, Tokyo
Franchise membership fees	Other non-current assets	Shibuya-ku, Tokyo

(Amount of impairment loss)

Classification	Millions of yen
Goodwill	¥ 88
Other non-current assets	63
Total	¥ 151

To apply accounting for the impairment of fixed assets, the Group classified assets in accordance with the classification of business segments.
Impairment loss is recognized on the business know-how and franchise membership fees listed above, as future use is no longer anticipated in light of the Company's business policy.
The recoverable amounts of impaired assets are calculated on the basis of the assets' value in use and the recoverable amounts are calculated as zero based on an estimate of future cash flows.

For the year ended September 30, 2008, the Company and its consolidated subsidiaries recognized ¥1,397 million ($13,483 thousand) of impairment loss on the groups of assets.

(Main assets for which an impairment loss was recognized)

Description	Classification	Location
Business property in Other Business	Buildings and structures Furniture, fixtures and equipment Intangible fixed assets	Minato-ku, Tokyo
Business property in Factory Business	Buildings and structures Furniture, fixtures and equipment Intangible fixed assets Leased assets	Kohoku-ku, Yokohama-shi
Business know-how	Goodwill	Shibuya-ku, Tokyo
Business know-how	Goodwill	Toshima-ku, Tokyo
Excess earning power	Goodwill	Minato-ku, Tokyo
Excess earning power	Goodwill	Shibuya-ku, Tokyo
Excess earning power	Goodwill	Toshima-ku, Tokyo

(Amount of impairment loss)

Classification	Millions of yen	Thousands of U.S. dollars
Buildings and structures	¥ **6**	$ **59**
Furniture, fixtures and equipment	**30**	**294**
Intangible fixed assets	**13**	**121**
Leased assets	**63**	**612**
Goodwill	**1,285**	**12,397**
Total	¥ **1,397**	**$ 13,483**

To apply accounting for the impairment of fixed assets, the Group classified assets in accordance with the classification of business segments.
At consolidated subsidiaries, Fullcast Advance Co., Ltd. (Minato-ku, Tokyo) and Fullcast Central Co., Ltd. (Kohoku-ku, Yokohama-shi), cash flows from operating activities have remained negative. As it is difficult to estimate an accurate cash flow from operating activities in the future, the entire book value of fixed assets in Other Business and Factory Business was deemed irrecoverable, and an impairment loss was recognized. At Fullcast Factory Co., Ltd. (Shibuya-ku, Tokyo) and Asia Pacific System Research Co., Ltd. (Toshima-ku, Tokyo), impairment loss was recognized as to the business know-how obtained when the business was acquired, as future use is no longer anticipated in light of the Company’s business policy. In addition, impairment loss of goodwill was also recognized because it became clear that the originally projected excess earning power was no longer expected as a result of the review of business plan conducted by Fullcast Advance Co., Ltd., Info-P Co., Ltd. (Shibuya-ku, Tokyo) and Solution Development Co., Ltd. (Toshima-ku, Tokyo).
The recoverable amounts of impaired assets are calculated on the basis of the assets’ value in use and the recoverable amounts are calculated as zero based on an estimate of future cash flows.

5. Pledged Assets

At September 30, 2007 and 2008, assets pledged as collateral for short-term borrowings and long-term debt were as follows:

	Millions of yen		Thousands of U.S. dollars
	2007	**2008**	**2008**
Buildings and structures	¥ 122	**¥ —**	**$ —**
Land	221	—	—
Intangible fixed assets	131	—	—
Total	¥ 474	**¥ —**	**$ —**

6. Short-term Borrowings and Long-term Debt

Short-term borrowings principally consist of loans to banks generally due within 365 days and bank overdrafts at an average interest rate of 1.08% as of September 30, 2007 and 1.63% as of September 30, 2008.

Long-term debt at interest rates ranging from 1.12% to 3.78% as of September 30, 2007 and from 1.13% to 3.78% as of September 30 2008, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2007	**2008**	**2008**
Unsecured loans, representing obligations principally to banks:	¥ 10,856	**¥ 8,104**	**$ 78,202**
Secured loans, representing obligations principally to banks:	381	—	—
	11,237	**8,104**	**78,202**
Less – Portion due within one year	(2,993)	**(2,867)**	**(27,670)**
	¥ 8,244	**¥ 5,237**	**$ 50,532**

Annual maturities of long-term debt subsequent to September 30, 2009, were as follows:

Year ending September 30	Millions of yen	Thousands of U.S. dollars
	2008	**2008**
2010	**¥ —**	**$ —**
2011	**2,832**	**27,324**
2012	**1,735**	**16,742**
2013	**670**	**6,466**
2014 and thereafter	—	—
Total	**¥ 5,237**	**$ 50,532**

As is customary in Japan, substantially all of the bank borrowings are subject to a general agreement with each bank, which provides, among other things, that the bank may request additional security for the loans concerned and may treat any security furnished to the bank as collateral for all present and future indebtedness and has the right to offset cash deposited against any short-term or long-term debts that become due, and, in case of default or other specified events, against all other debts payable to the bank.

7. Leases

As of September 30, 2007 and 2008, assets leased under non-capitalized financial leases were as follows:

	Millions of yen		Thousands of U.S. dollars
	2007	**2008**	**2008**
Furniture, fixtures and equipment, etc. ……	¥ 557	**¥ 335**	**$ 3,229**
Less accumulated depreciation and amortization ……	(372)	**(236)**	**(2,269)**
Less accumulated impairment loss ……	—	**(63)**	**(612)**
Total	¥ 185	**¥ 36**	**$ 348**

The above “as if capitalized” depreciation and amortization is calculated on the straight-line method over lease terms. If the above leases were capitalized, depreciation and amortization of ¥97 million and ¥85 million ($817 thousand) would have been recorded for the years ended September 30, 2007 and 2008, respectively.

Total lease payments on non-capitalized finance leases were ¥111 million and ¥97 million ($938 thousand) for the years ended September 30, 2007 and 2008, respectively.

Total interest expenses on non-capitalized finance leases were ¥11 million and ¥7 million ($70 thousand) for the years ended September 30, 2007 and 2008, respectively.

Total impairment loss on non-capitalized finance leases were ¥63 million ($612 thousand) for the year ended September 30, 2008.

Obligations under finance leases and accumulated impairment loss on leased assets at September 30, 2007 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2007	**2008**	**2008**
Due within one year ……	¥ 94	**¥ 23**	**$ 222**
Due after one year ……	106	**18**	**178**
Total	¥ 200	**¥ 41**	**$ 400**
Accumulated impairment loss on leased assets ……	¥ —	**¥ 63**	**$ 612**

8. Severance and Retirement Plans

The liabilities for severance and retirement benefits included in the liabilities section of the consolidated balance sheets as of September 30, 2007 and 2008, consist of the following:

	Millions of yen		Thousands of U.S. dollars
	2007	**2008**	**2008**
Projected benefit obligation	¥ 573	**¥ 664**	**$ 6,409**
Less fair value of pension assets	(120)	**(129)**	**(1,248)**
Unrecognized actuarial differences	9	**14**	**134**
Prepaid pension costs	20	**4**	**39**
Liability for severance and retirement benefits	¥ 482	**¥ 553**	**$ 5,334**

Net periodic pension costs for the years ended September 30, 2007 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2007	**2008**	**2008**
Service costs	¥ 228	**¥ 237**	**$ 2,289**
Interest cost on projected benefit obligation	9	**9**	**90**
Expected return on plan assets	(1)	**(1)**	**(12)**
Amortization of actuarial differences	(81)	**(4)**	**(37)**
Contribution to welfare pension fund	69	**59**	**563**
Net periodic pension cost	¥ 224	**¥ 300**	**$ 2,893**

Significant assumptions of pension plans used to determine these amounts for the years ended September 30, 2007 and 2008 were as follows:

	2007	**2008**
Discounted rate	2.1%	**2.1%**
Expected long-term rate of return on plan assets	1.5%	**1.5%**

The Companies also have other pension assets related to welfare pension funds which include acting part of welfare pension insurance, and fair value of the pension assets allocated based on the ratio of total payroll amount of each member corporations as of September 30, 2007, was ¥1,147 million.

Matters concerning the multi-employer pension plan to which contribution is expensed were as follows:

	Millions of yen	Thousands of U.S. dollars
	2008	**2008**
Pension assets	**¥ 42,299**	**$ 408,173**
Benefit obligation based on the calculation of pension financial position	**53,621**	**517,428**
Difference	**¥ (11,322)**	**$ (109,255)**

The major factor for the difference is the balance of prior service costs of ¥8,499 million ($82,010 thousand) based on the calculation of pension financial position. The amortization method of prior service costs used in this plan is a straight-line basis, including interest for 10 years and 4 months.

The ratio of contribution of the Companies to the entire plan is 2.22% from April 1, 2007 to March 31, 2008. The ratio is not the same as the ratio of actual obligation or assets of the Companies.

9. Income Taxes

Since the Company posted net loss before income taxes and minority interests for the years ended September 30, 2007 and 2008, the information of the significant differences between the statutory tax rate and the Companies' effective tax rate is omitted.

Significant components of deferred tax assets and liabilities as of September 30, 2007 and 2008 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2007	**2008**	**2008**
Deferred tax assets:			
Excess bonuses accrued	¥ 630	**¥ 589**	**$ 5,679**
Excess allowance and write-off for doubtful accounts	118	**147**	**1,421**
Accrued enterprise taxes	15	**37**	**359**
Retirement benefits	187	**225**	**2,171**
Allowance for cancellation adjustments	—	**83**	**804**
Excess depreciation	40	**27**	**264**
Unrealized gains on sales of fixed assets	52	**35**	**342**
Tax loss carry-forwards	589	**1,286**	**12,407**
Valuation of available-for-sale securities	146	**123**	**1,188**
Accrued social insurance premiums	100	**102**	**981**
Accrued office taxes	28	**22**	**215**
Impairment loss	56	**98**	**942**
Loss on reimbursement of administrative expenses	68	**—**	**—**
Loss on cancellation of naming rights	74	**—**	**—**
Loss on write-down and disposal of assets associated with closure of offices	120	**—**	**—**
Other	181	**156**	**1,500**
Deferred tax assets (subtotal)	2,404	**2,930**	**28,273**
Valuation allowance	(651)	**(2,023)**	**(19,520)**
Total deferred tax assets	1,753	**907**	**8,753**
Deferred tax liabilities:			
Net unrealized holding gains on securities	(17)	**(4)**	**(41)**
Deferred tax liabilities (subtotal)	(17)	**(4)**	**(41)**
Net deferred tax assets	¥ 1,736	**¥ 903**	**$ 8,712**

10. Net Assets

The Japanese Companies Act requires at least 50% of the issue price of new shares to be designated as the stated capital as determined by resolution of the Board of Directors. Proceeds in excess of amounts designated as stated capital are credited to additional paid-in capital.

The Japanese Companies Act also requires that at least 10% of the aggregate amount of cash dividends and directors’ and statutory auditors’ bonuses which are disbursed as an appropriation of retained earnings allocable to each fiscal period shall be appropriated and set aside as a legal reserve until such reserve plus additional paid-in capital equals 25% of stated capital.

The Japanese Companies Act permits the partial transfer of additional paid-in capital to stated capital by resolution of the Board of Directors. The Japanese Companies Act also permits the transfer of portions of unappropriated retained earnings to stated capital by resolution at the shareholders’ meeting.

A year-end or an interim dividend may be approved by the shareholders after the end of each fiscal period or declared by the Board of Directors. In accordance with the Japanese Companies Act, these dividends and the related appropriations of retained earnings are not reflected in the financial statements at the end of such fiscal or interim period but are recorded at the time they are approved.

The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with the Japanese Companies Act.

11. Per Share Data

Net income and cash dividends per share are based on the weighted average number of outstanding shares of common stock, as retroactively adjusted for free share distribution and stock splits.

Cash dividends per share shown in the accompanying consolidated statements of operations have been presented on an accrual basis and include, in each fiscal period, dividends approved by the shareholders after such fiscal period-end but applicable to the fiscal period then ended. The diluted net income per share is based on the weighted-average number of outstanding shares of common stock and common stock equivalents.

At September 30, 2007 and 2008, diluted net income per share is not disclosed since no warrants or convertible bonds have been outstanding.

12. Derivatives

There were no gains or losses on derivative transactions for the years ended September 30, 2007 and 2008.

13. Segment Information

The operating segments reported below are the segments of the Companies for which separate financial information is available and for which operating profit or loss amounts are evaluated regularly by executive management in deciding how to allocate resources and in assessing performance.

The Spot group segment consists of the operation including short-term human resource services and short-term temporary staffing.

The Factory group segment is mainly engaged in the operations of human resource services and temporary staffing for factory line work.

The Technology group segment consists of the operations for IT specialist/engineer staffing services and data communication services.

The Office group segment is mainly engaged in the operations of human resource services and temporary staffing for office work.

The Other segment consists of the business operation including restaurant and bar management, security guard business, advertising agency services and so on.

Geographical segment information was not presented as there was no foreign subsidiary or branch office in the years ended September 30, 2007 and 2008.

Overseas sales information was not presented as there were no overseas sales in the year ended September 30, 2007 and 2008.

Segment information of the Companies for the years ended September 30, 2007 and 2008, was as follows:

	Millions of yen							
2007	Spot	Factory	Technology	Office	Other	Total	Elimination and corporate	Consolidated
Sales to third parties	¥53,634	¥19,398	¥18,715	¥11,837	¥ 4,717	¥108,301	¥ —	¥108,301
Inter-segment sales and transfers	619	17	566	162	8	1,372	(1,372)	—
Total sales	54,253	19,415	19,281	11,999	4,725	109,673	(1,372)	108,301
Cost of sales and selling, general and administrative expenses	52,625	19,226	18,302	11,309	4,871	106,333	(112)	106,221
Operating income (loss)	¥ 1,628	¥ 189	¥ 979	¥ 690	¥ (146)	¥ 3,340	¥(1,260)	¥ 2,080
Identifiable assets	¥10,558	¥4,349	¥15,054	¥ 4,428	¥ 5,004	¥ 39,393	¥ 2,231	¥ 41,624
Depreciation	515	62	195	54	69	895	2	897
Impairment loss	88	—	—	—	63	151	—	151
Capital expenditure	452	41	297	127	34	951	94	1,045

Millions of yen								
2008	Spot	Factory	Technology	Office	Other	Total	Elimination and corporate	Consolidated
Sales to third parties	**¥37,067**	**¥17,306**	**¥24,931**	**¥12,771**	**¥ 6,914**	**¥98,989**	**¥ —**	**¥98,989**
Inter-segment sales and transfers	**296**	**8**	**328**	**62**	**38**	**732**	**(732)**	**—**
Total sales	**37,363**	**17,314**	**25,259**	**12,833**	**6,952**	**99,721**	**(732)**	**98,989**
Cost of sales and selling, general and administrative expenses	**35,825**	**17,147**	**24,348**	**12,518**	**7,165**	**97,003**	**339**	**97,342**
Operating income (loss)	**¥ 1,538**	**¥ 167**	**¥ 911**	**¥ 315**	**¥ (213)**	**¥ 2,718**	**¥(1,071)**	**¥ 1,647**
Identifiable assets	**¥ 8,931**	**¥ 3,986**	**¥15,158**	**¥ 3,629**	**¥ 3,248**	**¥34,952**	**¥ 1,745**	**¥36,697**
Depreciation	**422**	**51**	**259**	**76**	**102**	**910**	**(2)**	**908**
Impairment loss	**—**	**110**	**37**	**—**	**1,250**	**1,397**	**—**	**1,397**
Capital expenditure	**215**	**26**	**690**	**154**	**32**	**1,117**	**11**	**1,128**

Thousands of U.S. dollars								
2008	Spot	Factory	Technology	Office	Other	Total	Elimination and corporate	Consolidated
Sales to third parties	**$357,686**	**$167,000**	**$240,581**	**$123,230**	**$ 66,723**	**$955,220**	**$ —**	**$955,220**
Inter-segment sales and transfers	**2,859**	**72**	**3,164**	**602**	**362**	**7,059**	**(7,059)**	**—**
Total sales	**360,545**	**167,072**	**243,745**	**123,832**	**67,085**	**962,279**	**(7,059)**	**955,220**
Cost of sales and selling, general and administrative expenses	**345,704**	**165,459**	**234,952**	**120,794**	**69,142**	**936,051**	**3,280**	**939,331**
Operating income (loss)	**$ 14,841**	**$ 1,613**	**$ 8,793**	**$ 3,038**	**$ (2,057)**	**$ 26,228**	**$(10,339)**	**$ 15,889**
Identifiable assets	**$ 86,179**	**$ 38,463**	**$146,268**	**$ 35,026**	**$ 31,342**	**$337,278**	**$ 16,842**	**$354,120**
Depreciation	**4,071**	**490**	**2,500**	**731**	**988**	**8,780**	**(17)**	**8,763**
Impairment loss	**—**	**1,061**	**358**	**—**	**12,064**	**13,483**	**—**	**13,483**
Capital expenditure	**2,071**	**255**	**6,660**	**1,483**	**312**	**10,781**	**103**	**10,884**

As set forth in “(r) Change in accounting policy for allowance for cancellation adjustments” in “1.Significant Accounting and Reporting Policies”, in the sales support service department of consolidated subsidiary, the accounting method has been changed in fiscal year 2008, so that the amount of expected return of commission income based on the actual cancellation rate of short-term contracts by end-customers in the past is recorded as an allowance for cancellation adjustments. As a result, net sales and operating income in the Office Business decreased by ¥205 million ($1,975 thousand) in comparison with the amounts recorded by the method in the past.

14. Appropriation of Retained Earnings

Appropriation of retained earnings is not accrued in the financial statements for the period to which they relate, but are recorded in the subsequent accounting period after approval by the Board of Directors. The Company decided not to declare dividends for the fiscal year ended September 30, 2008.

15. Subsequent Events

(a) The Company changed to a holding company based on resolutions by the Board of Directors Meeting held on July 28, 2008 and the extraordinary shareholders' meeting held on September 29, 2008. The Company consequently spun off all of its business, including the labor dispatching business and employment placement business, and transferred them to Fullcast HR Institute Co., Ltd. on October 1, 2008.

(b) At the Board of Directors Meeting held on October 14, 2008, the Company decided to accept the take over bit by Canon Electronics Inc. for all shares of the Company's consolidated subsidiary (Asia Pacific System Research Co., Ltd.) and transferred them on November 18, 2008.

i. Schedule of take over bit

October 15, 2008	Date of public notice of commencement of the take over bit
November 17, 2008	Final date of the take over bit period
November 21, 2008	Settlement date for the take over bit

ii. Summary of take over bit

Purchase price	¥650 per share
Number of shares tendered	5,507,400 shares
Tender amount	¥3,580 million

(c) On October 3, 2008, Fullcast Co., Ltd. was instructed by the Tokyo Labor Bureau to suspend its worker dispatching business and to improve its worker dispatching operations, following the Company's violation of its worker dispatching business suspension order issued on August 3, 2007.

i. Order to suspend worker dispatching business
The former Fullcast Co., Ltd. was instructed to suspend its worker dispatching business at all branches nationwide for 1 month (from October 10, 2008 to November 9, 2008).

ii. Order to improve worker dispatching business
The current Fullcast Co., Ltd. was instructed to improve its worker dispatching business.

Independent Auditors’ Report

To the Shareholders and Board of Directors of Fullcast Holdings Co., Ltd.

We have audited the accompanying consolidated balance sheets of Fullcast Holdings Co., Ltd. and consolidated subsidiaries as of September 30, 2008 and 2007, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Fullcast Holdings Co., Ltd. and subsidiaries as of September 30, 2008 and 2007, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan.

Without qualifying our opinion, we draw attention to the following.
(1) As discussed in Note 1 to the consolidated financial statements as a going concern issue, Fullcast Co., Ltd. was instructed by the Tokyo Labor Bureau to suspend its worker dispatching business and to improve its worker dispatching operations. As a result, the Companies expect that net sales and operating income will decline in the fiscal year ending September 30, 2009. Since this event has made it difficult to refinance borrowings with the same terms as before, Fullcast Holdings Co., Ltd. is negotiating with its main banks a revision to the terms of its borrowing in the future. These situations indicate the existence of material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. The Company’s business plan to deal with the situation and certain other information are disclosed in Note 1. The accompanying consolidated financial statements have been prepared on a going concern basis, and do not reflect the impact of the afore-mentioned material uncertainty which may cast significant doubt as to the Company’s ability to continue as a going concern.
(2) As discussed in Note 1 to the consolidated financial statements, in the sales support service departments of consolidated subsidiaries, the accounting method of the return of commission income that are claimed by contracted customers of the Company because of the cancellation of short-term contracts by end-customers who have a contract for information and telecommunication services, etc., has been changed in fiscal year 2008, so that the amount of expected return of commission income based on the actual cancellation rate in the past is recorded as an allowance for cancellation adjustments.
(3) As discussed in Note 15 to the consolidated financial statements, on October 1, 2008, the Company changed to a holding company and consequently transferred all of its business, including the labor dispatching business and employment placement business, to operating subsidiaries.
(4) As discussed in Note 15 to the consolidated financial statements, at the Board of Directors Meeting held on October 14, 2008, the Company decided to accept the take over bit by Canon Electronics Inc. for all shares of the Company’s consolidated subsidiary (Asia Pacific System Research Co., Ltd.) and transferred them on November 18, 2008.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended September 30, 2008 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 (a) to the consolidated financial statements.

KPMG AZSA & Co.

Tokyo, Japan
December 19, 2008

Corporate Information

Corporate History

1990s~

September	**1990**	Established Resort World Co., Ltd. in Minato-ku, Tokyo.
September	**1992**	Name changed to Fullcast Co., Ltd.
October	**1992**	Started the Spot business (providing short-term contractual workers).
October	**1994**	Moved head office to Shibuya-ku, Tokyo.
January	**1995**	Signed franchise contract with Fullcast Osaka Co., Ltd.
October	**1997**	Established Fullcast Lady Co., Ltd. (incorporated in October 1999 and changed the name to Fullcast Office Support Co., Ltd. in October 2002; merged with Human Resources Research Institute, Inc. and changed the name to Fullcast HR Institute Co., Ltd. [now a consolidated subsidiary, Fullcast Co., Ltd.] in October 2005).
May	**1998**	Kanagawa Shingaku Kenkyukai Co., Ltd. (established in July 1988) renamed Fullcast With Co., Ltd. (now a consolidated subsidiary, Fullcast Technology Co., Ltd.).
January	**1999**	Established Factory Division and started human resource services for factory line work.
November	**1999**	Established Fullcast System Consulting Co., Ltd.

2000s~

September	**2000**	Reorganized the Factory Division as Fullcast Factory Co., Ltd. (now a consolidated subsidiary).
June	**2001**	Conducted IPO and trading of our shares began on the Jasdaq Securities Exchange.
April	**2002**	Established Fullcast Central Co., Ltd. (now a consolidated subsidiary) jointly with Central Motor Co. and Daisho Industry Co., Ltd. to provide human resource services for factory line work specializing in the automotive sector.
October	**2002**	Fullcast With Co., Ltd. and Fullcast System Consulting Co., Ltd. merged and the new firm was named Fullcast Technology Co., Ltd.
		Took over part of sales functions of Fullcast Lady Co., Ltd. through partial absorption and split-up. Fullcast Lady Co., Ltd. specializes in personnel outsourcing services for clerical work. Its corporate name was changed to Fullcast Office Support Co., Ltd.
September	**2003**	Moved head office to Shibuya Mark City.
		Fullcast Co., Ltd. was listed on the Second Section of the Tokyo Stock Exchange.
September	**2004**	Listed on the First Section of the Tokyo Stock Exchange.
October	**2004**	Established Fullcast Finance Co., Ltd. (now a consolidated subsidiary).
		Amusecast Co., Ltd. (now a consolidated subsidiary, Info-P Co., Ltd.) became a wholly owned subsidiary of Fullcast Co., Ltd.
March	**2005**	Human Resources Research Institute, Inc. (now a consolidated subsidiary) became a wholly owned subsidiary of Fullcast Co., Ltd.
June	**2005**	Established an American Depositary Receipt (ADR) program.
October	**2005**	Fullcast Office Support Co., Ltd. and Human Resources Research Institute, Inc. merged to form Fullcast HR Institute Co., Ltd.
		Fullcast Technology Co., Ltd. was listed on the Jasdaq Securities Exchange.
April	**2006**	Opened Fullcast Growing School.
		Zero Co., Ltd. and Fullcast Co., Ltd. established a joint venture, Fullcast Drive Co., Ltd (now an equity method affiliate).
		Obtained naming rights to Fuji International Speedway's entrance to the square and renamed it "Fullcast Gate."
May	**2006**	Nihon Sogo Security Guard Co., Ltd. (now Fullcast Advance Co., Ltd. and a consolidated subsidiary) became Fullcast Co., Ltd.'s wholly owned subsidiary through stock acquisition.
June	**2006**	Exe Outsourcing Corp. (now Fullcast Marketing Co., Ltd. and a consolidated subsidiary) became Fullcast Co., Ltd.'s wholly owned subsidiary through stock acquisition.
July	**2006**	Changed the corporate name of Exe Outsourcing Corp. to Fullcast Marketing Co., Ltd.
September	**2006**	Net It Works Inc. (now a consolidated subsidiary) became an equity method affiliate of Fullcast Co., Ltd. through stock acquisition.
October	**2006**	Nihon Sogo Security Guard Co., Ltd. was renamed Fullcast Advance Co., Ltd.
May	**2007**	Info-P Co., Ltd. became Fullcast Co., Ltd.'s wholly owned subsidiary through stock acquisition.
June	**2007**	Net It Works Inc. became Fullcast Co., Ltd.'s consolidated subsidiary.
January	**2008**	Merged Fullcast Stylish Work Co., Ltd. into Nisso Co., Ltd.
May	**2008**	Merged Amusecast Co., Ltd. into Info-P Co., Ltd.
		Moved head offices of Fullcast Co., Ltd., Fullcast Factory Co., Ltd., Fullcast Central Co., Ltd., Fullcast Technology Co., Ltd. and Fullcast HR Institute Co., Ltd.
October	**2008**	Shifted to a pure holding company. Fullcast Co., Ltd. (now Fullcast Holdings Co., Ltd.) spun off its operating division and transferred all business to Fullcast HR Institute Co., Ltd. Fullcast Co., Ltd. and Fullcast HR Institute Co., Ltd. changed their names to Fullcast Holdings Co., Ltd. and Fullcast Co., Ltd., respectively.

Investor Information (As of September 30, 2008)

CORPORATE DATA

Head office	Fullcast Holdings Co., Ltd. Shibuya Property Tokyu Bldg. 1-32-12 Higashi, Shibuya-ku, Tokyo 150-0011, Japan Tel: +81-3-4530-3830 Fax: +81-3-4530-4837
Established	September 1990
Start of operations	October 1, 1992
Capital	¥3,464 million
President	Hiroyuki Urushizaki
Business Description	Pure holding company directing diversified human resource services companies
Group employees	4,293 (including 1,345 engineers)
Group network	349 branch offices nationwide
Main Group companies	Fullcast Co., Ltd. Fullcast Factory Co., Ltd. Fullcast Central Co., Ltd. Fullcast Technology Co., Ltd. Net It Works Inc. Fullcast Marketing Co., Ltd. Info-P Co., Ltd. Fullcast Advance Co., Ltd.

MANAGEMENT TEAM (As of December 19, 2008)

Board of Directors

Chairman and Director	Takehito Hirano
President and Representative Director	Hiroyuki Urushizaki
Managing Director	Takahiro Ishikawa
Managing Director	Yasushi Kamiguchi
Managing Director	Hiroyuki Tokiwa
Outside Managing Director	Mitsuo Sakai

Corporate Auditors

Auditor (Full-Time)	Kouji Sasaki
Auditor (Part-Time)	Yoshinori Nakajima
Auditor (Part-Time)	Tetsuya Otsuki

Mitsuo Sakai is an Outside Managing Director as provided in Item 15 of Article 2 of the Companies Act.

Kouji Sasaki, Yoshinori Nakajima and Tetsuya Otsuki are Outside Corporate Auditors as provided in Item 16 of Article 2 of the Companies Act.

STOCK INFORMATION

Fiscal year-end	September 30
Annual meeting of shareholders	December
Independent auditor	KPMG AZSA & Co.
Domestic stock listing	Tokyo
Date of record for dividend payout	Interim dividend: March 31 Year-end dividend: September 30
Transfer agent	The Sumitomo Trust & Banking Co., Ltd. 4-5-33 Kitahama, Chuo-ku, Osaka
Transfer office	Stock Transfer Agency Department, The Sumitomo Trust & Banking Co., Ltd. 2-3-1 Yaesu, Chuo-ku, Tokyo
Send mail to	Stock Transfer Agency Department, The Sumitomo Trust & Banking Co., Ltd. 1-10 Nikko-cho, Fuchu-shi, Tokyo 183-8701
Telephone	Toll free: 0120-175-417 (Changes in address etc.; in Japan only) Toll free: 0120-176-417 (Other inquiries; in Japan only) Tel: +81-42-351-2225
Website	http://www.sumitomotrust.co.jp/STA/retail/service/daiko/index.html (Japanese only)
Agent's offices	Head office and nationwide branches of The Sumitomo Trust & Banking Co., Ltd.

ADR (AMERICAN DEPOSITARY RECEIPTS) INFORMATION

Ratio (ADR:ORD)	100:1
Exchange	OTC (Over-the-Counter)
Symbol	FULCY
CUSIP	35968P100
Depositary	The Bank of New York Mellon 101 Barclay Street 22W, New York, NY 10286, U.S.A.
Toll Free	1-888-BNY-ADRS (1-888-269-2377) 1-201-680-6825 (Outside of USA)

FULLCAST HLDGS.

www.fullcast.co.jp

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