March 8, 2004

To Whom It May Concern:

Apayours to Become Fullcast's Wholly Owned Subsidiary Through Equity Swap

We are writing to inform you that Fullcast Co., Ltd. decided to sign a basic agreement to turn Apayours Co., Ltd. into its wholly owned subsidiary by an exchange of shares in a board of directors meeting on March 8, 2004.

Apayours also decided to conclude the basic agreement to swap shares in a board of directors meeting the same day. The both companies sealed the basic agreement concerned the same day.

The two companies will sign an equity swap agreement by the middle of April 2004 and subject to approval of Apayours' board of directors for the agreement in an extraordinary shareholders meeting slated for late April, stocks will be swapped on June 1, 2004.

Details

1. Purpose of turning Apayours into Fullcast's wholly owned subsidiary

The Fullcast Group is a general human resources service provider with 147 sales offices across the nation, nearly one million registered staff members and strong sales capabilities. It provides personnel outsourcing services for production line work, centered on short-term contractual workers services, and technical/engineer staffing services, and contractual clerical services. In order to improve its personnel outsourcing services and strengthen its fiscal structure even further, it is aiming at expanding upon the group's business activities.

Meanwhile, Apayours is a contractual light-work personnel outsourcing service provider based in Kyushu, while meeting unique human resources outsourcing needed primarily from amusement parlor business operators and event management/sales promotion companies.

Against such backdrop, the two companies have decided to have Apayours become Fullcast's wholly owned subsidiary through equity swap with the aim at strengthening their management base mutually and promoting their growth through respecting each company's independence in business management and mutually complementing management resources each lacks.

Upon equity swap, the Fullcast Group will be able to step up its services in the Kyushu region, where it has traditionally had few sales footholds, and improve its service menu, thereby enhancing the value of the corporate group specialized in offering general personnel outsourcing services even further.

2. Conditions for equity swap and others

(1) Schedule for equity swap

Board of directors meeting to approve the equity swap agreement	Mid-April 2004
Sealing of the equity swap agreement	Mid-April 2004
Shareholders meeting to approve the equity swap agreement	Mid-April 2004* Apayours
Date of equity swap	June 1, 2004

* The shareholders meeting will be held only at Apayours. Fullcast will swap stocks without obtaining approval of the shareholders meeting in compliance with the rules provided under Paragraph 1, Article 358 of the Commercial Code.

(2) Equity swap ratio

	Fullcast (parent company)	Apayours (wholly owned subsidiary)
Equity swap ratio	1	0.3406

Notes:

1. Equity allocation ratio

0.3406 share in Fullcast will be allocated to 1 share in Apayours.

2. Basis for equity swap ratio

The two companies asked Arcadia Group to calculate the equity swap ratio. With its result as reference, the two companies discussed and reached an agreement as given above.

3. Result of calculation by a third party, calculation method applied and basis for calculation

Based upon the market stock average method, Arcadia Group applied the Discounted Cash Flow (DCF) method, the market value net assets pricing method and the similar company comparison method in analyzing the corporate value of the two companies. In consideration of the overall result, it calculated the equity swap ratio.

4. Substitute treasury stocks to be issued through equity swap

Common stocks: 1,382 shares

Stock allocation through equity swap will be conducted without obtaining approval of the shareholders meeting in compliance with the rules provided under Paragraph 1, Article 358 of the Commercial Code.

(3) Amount of money delivered through equity swap

No amount of money will be delivered through this equity swap.

(4) Initial date of reckoning stock dividends

The initial date of reckoning stock dividends involved in new shares to be issued through this equity swap will be April 1, 2004.

3. Profile of the companies concerned in equity swap

(1) Company name	Fullcast Co., Ltd. (parent company)	Apayours Co., Ltd. (wholly owned subsidiary)
(2) Main business activities	Short-term contractual workers services (logistics, warehouse work, cleaning, event management, restaurant-related work and others)	Personnel outsourcing assistance services (contractual management/ operation of playgrounds and others)
(3) Date of establishment	September 1990	April 1995
(4) Location of head office	2-6 Sakuragaoka-cho, Shibuya Ward, Tokyo	1-15, 4-chome Chuo-cho, Oita City, Oita Prefecture
(5) Representative	President and Chief Executive Officer Takehito Hirano	President and Chief Executive Officer Hidenori Ueki
(6) Capital	3,289 million yen (as of September 30, 2003)	205 million yen (as of May 31, 2003)
(7) Total number of shares outstanding	44,829 shares (as of September 30, 2003) Common shares were split on a three-for-one-stock-split basis as of November 20, 2003. As a result, increased 89,658 shares.	3,760 shares (as of May 31, 2003)
(8) Shareholders' equity	8,325 million yen (as of September 30, 2003)	263 million yen (as of May 31, 2003)
(9) Total assets	12,368 million yen (as of September 30, 2003)	525 million yen (as of May 31, 2003)
(10) Fiscal term	September 30	May 31
(11) Number of employees	317	138
(12) Main customers	Nippon Express Co., Ltd. Yamato Transport Co., Ltd. and others	Dynam Co., Ltd. YUKO LUCKY WEST and others
(13) Main shareholders and stockholding ratio (as of September 30, 2003)	Takehito Hirano 41.99% The Master Trust Bank of Japan, Ltd. (trust unit) 4.21% Japan Trustee Services Bank, Ltd. (trust unit) 4.15% The Chase Manhattan Bank N.A. London standing proxy Mizuho Corporate Bank Ltd., Kabuto-cho Securities Settlement Office 4.02% Anan Associates 2.27% (As of September 30, 2003)	Hidenori Ueki 38.03% Investment Enterprise Partnerships NIF New Technology Fund 2000/No. 2 13.30% NIF Ventures Co., Ltd. 7.98% Noriyuki Fujikura 5.96% Investment Enterprise Partnerships NIF H Fund No. 1 5.32% (As of May 31, 2003)
(14) Main financing banks	UFJ Bank The Bank of Yokohama Mizuho Bank	Sumitomo Mitsui Banking Corporation Mizuho Bank Fukuoka Bank
(15) Number of shareholders	2,210	35
(16) Relations of the companies concerned	Capital relations	none
	Human relations	none
	Business relations	none

4. Business results for the past 3 years

	Fullcast Co., Ltd. (parent company)			Apayours Co., Ltd. (wholly owned subsidiary)		
Fiscal term	FY ended Sep. 2001	FY ended Sep. 2002	FY ended Sep. 2003	FY ended May 2001	FY ended May 2002	FY ended May 2003
Sales (millions of yen)	15,077	14,814	22,302	893	1,308	2,178
Operating profit (millions of yen)	1,309	1,039	1,608	22	(100)	39
Ordinary profit (millions of yen)	1,239	1,149	1,783	40	(108)	33
Current net profit (millions of yen)	482	246	914	14	(112)	50
Current net profit per share (yen)	11,744.53	5,605.47	20,928.55	12,242	(43,633)	14,868
Annual dividend per share (yen)	2,000	2,500	5,000	0	0	0
Shareholders' equity per share (yen)	167,065.41	162,602.32	189,510.38	129,916	78,177	77,948

Note: The figures given above are calculated on a non-consolidated basis.

5. The state upon equity swap

(1) Company name, business activities, location of the head office, representative

The same as given in "*3. Profile of the companies concerned in equity swap*."

(2) Capital

Company name	Fullcast Co., Ltd.	Apayours Co., Ltd.
Capital	(To be determined)	220,500 thousand yen

(3) Impact on consolidated business results

As of the end of January 2004, Apayours had a total of 15 sales footholds, (up 4 footholds from the same time last year), while its business was growing smoothly. Because it can expect to enjoy synergies from the Fullcast Group in the future, further increase in revenues and profit can be expected.

As for its impact on Fullcast's consolidated business results for the fiscal year ending September 30, 2004, consolidation will start on the assumption that June 1, 2004 is the date of acquisition. For this reason, we expect to book a loss of approx. 260 million yen due to amortization of consolidation account adjustment.

In addition, Fullcast will report its projected consolidated business results for the fiscal year ending September 30, 2004 as soon as it compiles figures.

Sincerely yours,

Takehito Hirano

President & CEO
Fullcast Co., Ltd.
(Stock code: 4848 on the Second Section of the Tokyo Stock Exchange)

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