Fullcast Co., Ltd.

[Disclaimer Regarding Forecast and Projections]

This Consolidated Financial Results includes forecasts, projections and other predictive statements that represent Fullcast's assumptions and expectations in light of currently available information. These forecasts, etc., are based on industry trends, circumstances involving clients and other factors, and they involve risks, variables and uncertainties. The Group's actual performance results may differ from those projected in this Consolidated Financial Results. Consequently, no guarantee is presented or implied as to the accuracy of specific forecasts, projections or predictive statements contained herein.

(財)財務会計基準機構会員

May 10, 2004

Brief Announcement of Consolidated Financial Results for the First Half of the Fiscal Year Ending September 30, 2004

Company name:	Fullcast Co., Ltd.
Stock code:	4848
Stock Exchange listing:	Second Section of the Tokyo Stock Exchange
Address:	Tokyo
URL:	http://www.fullcast.co.jp
President and CEO:	Takehito Hirano
Contact:	Yutaka Kubo, Corporate Executive Officer in charge of management strategy
Telephone:	+81-3-3780-9507 +81-3-5778-7564 (Interpreter)
Board meeting for approving:	May 10, 2004
Accounting Principle:	Japanese GAAP

1. Consolidated Financial Results for the First Half of the Fiscal Year Ending September 30, 2004 (October 1, 2003 – March 31, 2004)

(1) Consolidated business results

	Net sales		Operating income		Ordinary income	
	Millions of yen	YoY change (%)	Millions of yen	YoY change (%)	Millions of yen	YoY change (%)
First half ended March 2004	22,580	20.6	1,594	29.6	1,612	24.4
First half ended March 2003	18,717	51.7	1,230	55.4	1,296	59.3
Year ended September 2003	37,945	—	2,455	—	2,558	—

	Net income for the first half		Net income per share for the first half	Diluted net income per share for the first half
	Millions of yen	%	Yen	Yen
First half ended March 2004	895	65.8	6,702.81	6,676.80
First half ended March 2003	540	102.4	12,393.73	12,367.62
Year ended September 2003	1,196	—	27,373.46	27,118.49

Notes:
1. Investment profit and loss on equity method (millions of yen)
   First half ended March 2004: 1
   First half ended March 2003: 4
   Year ended September 2003: 6
2. Average number of shares outstanding (consolidated)
   First half ended March 2004: 133,597 shares
   First half ended March 2003: 43,582 shares
   Year ended September 2003: 43,715 shares
3. Changes in accounting principles applied: None
4. Each year-on-year (YoY) change represents its relevant change in percentage compared to the same period of the previous year.

(2) Consolidated financial condition

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
First half ended March 2004	16,649	10,049	60.3	74,283.03
First half ended March 2003	15,963	8,029	50.3	183,441.13
Year ended September 2003	15,493	8,719	56.3	198,486.00

Note: Number of shares outstanding

As of March 31, 2004: 135,282 shares
As of March 31, 2003: 43,774 shares
As of September 30, 2003: 43,929 shares

(3) Consolidated cash flows position

	Net cash provided by (used in)			Cash and cash equivalents at end of period
	Operating activities	Investing activities	Financing activities	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
First half ended March 2004	(483)	(204)	379	4,842
First half ended March 2003	343	(483)	84	3,686
Year ended September 2003	1,545	1,604	(1,741)	5,150

(4) Scope of consolidation and application of equity method

Consolidated subsidiaries: 5
Unconsolidated subsidiaries under equity method application: None
Affiliates under equity method application: 1

(5) Changes in the scope of consolidation and affiliates under the equity method

Consolidated subsidiaries
Newly added: None
Excluded: None
Affiliates accounted for under the equity method
Newly added: None
Excluded: None

2. Forecast for Consolidated Financial Results for the Year Ending September 2004 (October 1, 2003 – September 30, 2004)

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Full year	48,000	3,200	1,300

Reference: Estimated net income per common share for the full year: 4,818.37 yen

Note: Figures stated above are rounded down to the nearest million yen.

Estimated earnings per share for the fiscal year ending September 30, 2004 is calculated based on the average number of shares outstanding during the fiscal year after common stocks were split.

The above-mentioned forecast is based on the assumptions and other relevant factors discussed in the "*Outlook for the September 2004 Fiscal Year*" section on page 9.

Attached Material to Consolidated Financial Results for the First Half of the Fiscal Year Ending September 30, 2004

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**Due to large volume of data, please refer to the page indicated by contents.*

Of all plans, forecasts, strategies and others, those which are not historical facts are future outlooks based upon certain conditions and our management's judgement based upon currently available data.
Therefore, we advise that you not rely solely on these outlooks in weighing our business results, corporate value and other factors. Please also be informed that actual financial results may vary widely from these outlooks due to various factors.
Important factors that may have an impact on actual financial results include: (1) The economic situation surrounding the company (index of mining and industrial output, inventory index, etc.) and changes in the employment situation; (2) Fluctuations in interest rates, etc.; (3) Damage to cooperate infrastructure due to disasters, including earthquakes; and (4) Changes in the relevant laws, including the Labor Standards Law and the Worker Dispatch Law, and in interpretations of thereof. However, the factors that may affect the financial results shall not be limited to these.
Furthermore, please bear in mind that notwithstanding new data, future events or any other results whatsoever, we will not always reexamine our outlooks.

1. Results of Operations

Net income rose 65.8% from the same period last year. Consolidated financial results for the first half of the fiscal year ending September 30, 2004 hit an all-time high thanks to steady growth of all business segments.

(1) Operating Highlights in the First Half

First half ended March 31, 2004 (October 1, 2003 – March 31, 2004)
First half ended March 31, 2003 (October 1, 2002 – March 31, 2003)

1) Consolidated operating highlights in the first half

(Millions of yen)

Six months ended March 31	2004	2003	YoY change
Net sales	22,580	18,717	20.6%
Operating income	1,594	1,230	29.6%
Ordinary income	1,612	1,296	24.4%
Current net income	895	540	65.8%
Current net income per share	* ¥6,702.81	¥12,393.73	–

*As of November 20, 2003 we split common shares on a three-for-one-stock-split basis. Current net income per share was calculated on the assumption that the stock split was carried out at the beginning of the period.

Summary

In the first half of the fiscal year ending September 30, 2004 the Fullcast Group was able to continue to increase net sales. This can be attributed to an increase in orders from not only existing but new client companies as well compared to the previous year as a result of a steady recovery of production underpinned by capital investment and exports by Japanese companies. Moreover, as local economy has recovered, orders increased not only from the Tokyo metropolitan area, but from the Tokai and Western Japan regions as well.

This is attributable to the Group's quick response to the client companies' needs in the following:

1. To step up the nationwide service system, expanded business footholds rapidly.
2. Took advantage of the outsourcing needs of client companies actively and made incessant efforts to cut costs; thereby providing services, which go beyond mere temporary staffing and lead to promote streamlining and improve operating efficiency further.

By segment, business performances by all the Spot, Factory and Technology Business segments grew steadily.

Though the ratio of gross income to net sales fell 0.5 percentage points from the same time last year, it stood on a par with the latter half of the previous fiscal year at 28.7%. This can be attributed to the fact that in response to request for volume discount by client companies operating on a nationwide scale, the Fullcast Group was able to get the advantages of our services across to them to make the unit price remain unchanged.

Meanwhile, selling, general and administrative expenses, centered on personnel expenses, increased as the Fullcast Group opened outlets aggressively. The ratio of SG&A expenses to net sales fell 0.9 percentage points from 22.6% of the same time last year to 21.7%, however, thanks to increased net sales.

As a result, operating income margin improved 0.4 percentage points from a year earlier to 7.0%. Net sales increased 20.6% to ¥22,580 million, operating income rose 29.6% to ¥1,594 million and net income increased 65.8% to ¥895 million in the six months ended March 31, 2004.

2) Operating highlight in the first half by business segment

Spot Business

(Millions of yen)

Six months ended March 31	2004	2003	YoY change
Sales to external customers	13,779	11,181	23.2%
Inter-segment	143	231	(37.9%)
Total sales	13,923	11,413	22.0%
Operating income	1,487	1,284	15.8%
Operating income margin	10.7%	11.3%	–

In the Spot Business orders from existing client companies increased while the number of new clients rose as well. As a result, operating results by the segment hit an all-time high on a semiannual basis.

Demand from its primary customers in the physical distribution/warehouse industries continued to be strong, while demand from the advertising and event management industries grew as well. In addition, the Company actively conducted sales activities targeting the food industry to boost orders.

By region, orders in the Tokai region, where business is strong, increased, while those in Western Japan were picking up. Furthermore, in the Spot Business segment of the outsourcing market, demand can be expected to grow further in areas around big cities and in local areas, where production and physical distribution activities are gaining speed. For this reason, the Company increased the speed of growth by opening 47 outlets to meet the customer needs readily in the first half of this fiscal year.

At the end of the first half of this fiscal year there were a total of 127 outlets for the Spot Business across the nation, 122 operated by Fullcast Co., Ltd. and 5 by Fullcast Office Support Co., Ltd., up 54 from the same period last year.

Furthermore, the number of client companies, which adopt the high-quality solution unique to the Group aimed at promoting qualitative improvements; thereby helping them streamline business activities, rose smoothly. This contributed to boosting net sales.

Meanwhile, in terms of income, despite several factors to diminish income, including the cost of opening outlets, the Group made effective use of information technology in stepping up hiring via the Web or mobile devices. Through these, it was able to restrain the cost of employing registered staff members; thereby working hard to reduce SG&A expenses.

As a result, segment sales increased 23.2% from a year earlier to ¥13,779 million and operating income increased 15.8% to ¥1,487 million.

Note: The high-quality solution can be defined as a new style of outsourcing aimed at improving productivity of a company by involving ourselves into improving work efficiency as well.

Factory Business

(Millions of yen)

Six months ended March 31	2004	2003	YoY change
Sales to external customers	5,894	5,263	12.0%
Inter-segment	25	15	70.5%
Total sales	5,920	5,278	12.2%
Operating income	285	280	1.8%
Operating income margin	4.8%	5.3%	–

In the Factory Business segment inquiries from companies increased in the wake of the lifting of a ban on dispatching workers to production line work under the revised Worker Dispatch Law, which took effect as from March 1, 2004. In response to this move, Fullcast Factory Co., Ltd. and Fullcast Central Co., Ltd. made available a program, which allows a client company to choose between dispatching of temporary staffs and providing work by contract; thereby meeting its needs better. As a result, the number of business transactions with new clients rose.

By industry, Fullcast Factory, a specialist company that provides production line work for industries other than the automotive industry, saw orders received increase, centered on assembly of digital consumer electronics, as a result of strong demand for them. Similarly, business performance by Fullcast Central, a specialist company that provides production line work for the automotive industry, grew steadily as well thanks to a steady increase in orders from its main clients.

Though selling, general and administrative expenses increased, centered on personnel expenses and the cost of recruiting, due to opening of new outlets, the Company worked hard to reduce them through staffing more efficiently and others.

As a result, the segment's net sales increased 12.0% from the same time last year to ¥5,894 million and operating income increased 1.8% to ¥285 million. The number of outlets totaled 40 across the nation at the end of the first half of the current fiscal year; 23 operated by Fullcast Factory Co., Ltd., up 6 from a year earlier, and 17 by Fullcast Central Co., Ltd., up 5.

Technology Business

(Millions of yen)

Six months ended March 31	2004	2003	YoY change
Sales to external customers	2,677	1,929	38.8%
Inter-segment	41	39	4.4%
Total sales	2,718	1,969	38.1%
Operating income	89	(13)	–
Operating income margin	3.3%	(0.7%)	–

In the Technology Business mainly specialized in dispatching technical experts, with recovering business performances in the IT/electronics industries and growing demand for digital consumer electronics as the backdrop, its main clients increased investment in R & D and plant and equipment aggressively. As a result, the segment's results continued to be supported by strong demand for dispatching technical experts primarily to develop/design and evaluate/test high-performance cellular phones with camera functionality, DVD recorders with HDD or thin-model televisions.

In addition, technical experts dispatched to the traditional semiconductor device/manufacturing equipment industries began increasing since the second quarter as well. As a result of strong demand for temporary staffing services, unit prices of new orders turned around and rose, while the utilization rate of engineers remained high at as high as 97.1%.

Meanwhile, to ensure technical experts, the Group worked hard to have them stay with the Company for long by presenting a career plan to its existing engineers; thereby making them feel a sense of belonging and motivating them. Furthermore, the Group focused the area to which it dispatches them on the IT/electronics industries to attract those engineers, who wish to work in the specific industry or have the specific type of job, in a bid to increase the number of newly registered engineers.

As a result, segment sales increased 38.8% from the same time last year to ¥2,677 million and operating income was ¥89 million (compared to a deficit of ¥13 million in the previous year).

Note: Net sales represent sales to external customers.

(2) Business Results Highlights for the Second Quarter of the Fiscal Year Ending September 30, 2004

Second quarter ended March 31, 2004 (January 1, 2004 – March 31, 2004)
Second quarter ended March 31, 2003 (January 1, 2003 – March 31, 2003)

1) Consolidated

(Millions of yen)

	2004	2003	YoY change
Net sales	11,331	9,650	17.4%
Operating income	781	592	31.7%
Ordinary income	791	624	26.7%
Current net income	479	208	130.4%
Current net income per share	¥3,606.94	¥4,764.38	–

*As of November 20, 2003 we split common shares on a three-for-one-stock-split basis. Current net income per share was calculated on the assumption that the stock split was carried out at the beginning of the period.

2) By business segment

Spot Business

(Millions of yen)

	2004	2003	YoY change
Sales to external customers	6,770	5,555	21.9%
Inter-segment sales	88	102	(12.9%)
Total sales	6,859	5,657	21.2%
Operating income	693	575	20.5%
Operating income margin	10.1%	10.2%	–

Factory Business

(Millions of yen)

	2004	2003	YoY change
Sales to external customers	2,996	2,804	6.8%
Inter-segment sales	10	6	53.5%
Total sales	3,006	2,811	6.9%
Operating income	147	181	(18.8%)
Operating income margin	4.9%	6.4%	–

Technology Business

(Millions of yen)

	2004	2003	YoY change
Sales to external customers	1,444	1,042	38.5%
Inter-segment sales	41	14	174.2%
Total sales	1,485	1,057	40.5%
Operating income	78	17	357.7%
Operating income margin	5.3%	1.6%	–

Note: Net sales represent sales to external customers.

(3) Outlook for the September 2004 Fiscal Year

Projected consolidated business results for the fiscal year ending September 2004 and current status
(October 1, 2003 – September 30, 2004)

(Millions of yen)

	First half	Original projection for the first half	Rate of progress	Original projection for full year	Rate of progress	**Revised projection for full year**	Rate of progress
Net sales	22,580	20,800	108.6%	43,600	51.8%	**48,000**	47.0%
Ordinary income	1,612	1,430	112.8%	2,920	55.2%	**3,200**	50.4%
Current net income	895	740	121.0%	1,590	56.3%	**1,300**	68.9%

Reference: Estimated current net income per share (full year): 4,818.37 yen

* Estimated current net income per share was calculated on the assumption that stock split, which was implemented on November 20, 2003 (on a three-for-one stock split basis), and stock split, which is slated for May 20, 2004 (on a two-for-one stock split basis), were implemented at the beginning of the accounting period.

Reason

While corporate earnings have continued to be on a track to recovery in the nation's economy, capital investment can be expected to expand. Given the fact that companies in Japan will continue to slash expenses, including personnel expenses, at the same time, the Company believes that demand for personnel outsourcing services will continue to grow.

Under such circumstances, the Group will continue to strive to provide client companies with services, which help them streamline business management and improve operating efficiency; thereby gaining their support. In addition, the Group as a whole will provide them with total solutions for corporate activities ranging from development/design to production and physical distribution to boost net sales and income as well.

In addition, Fullcast will turn Apayours Co., Ltd. into its wholly owned subsidiary through equity swap as of June 1, 2004; thereby stepping up services for the amusement market sector.

On top of these, the Group will provide its staff members with services of its own to encourage them to be registered with it and stay with it for long, while making effective use of IT in taking measures to improve its profit-earning power further.

Through these measures, the Group expects to post consolidated net sales of ¥48,000 million, up 26.5% from a year earlier, consolidated ordinary income of ¥3,200 million, up 25.1%, and consolidated current net income of ¥1,300 million, up 8.6%, for the fiscal year ending September 30, 2004, which is greater than originally projected. For your reference, as Fullcast will turn Apayours into its wholly owned subsidiary through equity swap, a special loss of ¥288 million is expected for amortization of consolidation account adjustment.

The outlook by business segment is as follows:

1) Spot Business

Orders can be expected to continue to grow not only from the physical distribution/warehouse industries, but from the advertising, event management and food industries as well. In addition, as Apayours will become Fullcast's wholly owned subsidiary as of June 1, 2004, orders from the amusement industry can be expected to increase.

Furthermore, in the Spot Business, in response to the customer needs, the Group has been expanding its outlets throughout the nation. With Apayours added to our network, the Group will be able to provide the whole Kyushu region with services; thus, orders will likely increase.

Meanwhile, to step up hiring, the Group will lay a network of outlets actively in and around big cities.

2) Factory Business
Inquiries and orders have been increasing from the manufacturing sector, which is the segment's main client, in the wake of the revised Worker Dispatch Law, which took effect on March 1, 2004. In addition, orders from both new and existing clients have been increasing in the automotive industry; thus, business performance can be expected to grow.

3) Technology Business
Product cycles have become shorter and shorter at the Group's client companies centered on the electronics industry and technical experts employed by them tend to be in shortage. For this reason, the needs for dispatched temporary engineers are on the rise. As regards 150 new graduates the Group hired in April 2004, they are expected to be assigned to their respective posts earlier than the previous year.

Notes:

1. Comparisons with previous-year figures and planned figures are computed as follows:

   Previous-year comparisons = (This fiscal year figure – prior fiscal year figure)/Prior fiscal year figure x 100

2. Estimated current net income per share = Forecast for current net income applicable to common stock/ Estimated number of common stocks outstanding during the fiscal year ending September 30, 2004

Reference

State of Capital Investment

(Unit: Millions of yen)

Investment	**Capital investment for the 1st half of FY2004 ending Sept. 30, 2004 Actual**	Capital investment for the 2nd half of FY2004 ending Sept. 30, 2004 Projection	Capital investment for the fiscal year ending Sept. 30, 2004 Projection	Capital investment for the fiscal year ended Sept. 30, 2003 Actual	Main facilities
	Amount invested	Amount invested (estimate)	Amount invested (estimate)	Amount invested	
Software	**112**	193	306	258	Development of items incidental to a new mission-critical system
Others (ex. tools, instruments, fixtures)	**71**	50	121	225	Purchase of equipment, supplies and PCs for newly opened outlets, and others
Total	**183**	243	427	483	–

Reference

Changes in Business Results (Consolidated)

1. Changes in profit and loss

(Monetary unit: Millions of yen, YoY change: %)

	September 2004 fiscal year				September 2003 fiscal year		September 2002 fiscal year	
	First half	**YoY change**	Full year projection	YoY change	First half	Full year	First half	Full year
Net sales	**22,580**	**20.6**	48,000	26.5	18,717	37,945	12,338	26,319
Cost of sales	**16,091**	**21.5**	–	–	13,243	26,946	8,393	18,285
Gross income on sales	**6,489**	**18.5**	–	–	5,474	10,998	3,944	8,034
SG&A expense	**4,894**	**15.3**	–	–	4,243	8,543	3,153	6,523
Operating income	**1,594**	**29.6**	3,200	30.3	1,230	2,455	791	1,511
Nonoperating income	**81**	**(41.5)**	–	–	138	263	125	262
Nonoperating expenditure	**62**	**(12.9)**	–	–	72	160	103	288
Ordinary income	**1,612**	**24.4**	3,200	25.1	1,296	2,558	814	1,484
Extraordinary income	**38**	**247.6**	–	–	11	166	78	101
Extraordinary loss	**10**	**(88.0)**	–	–	88	173	205	509
Net income before taxes for current fiscal year	**1,640**	**34.5**	–	–	1,219	2,552	687	1,076
Corporate taxes (incl. other adjustments)	**715**	**11.9**	–	–	638	1,272	424	731
Minor shareholders' interests	**29**	**(26.4)**	–	–	40	83	(4)	(1)
Current net income	**895**	**65.8**	1,300	8.6	540	1,196	266	346
Contributing ratio of current net income (%)	**68.9**	–	–	–	45.1	–	76.9	–

2. Changes in ratio to net sales

(Unit: %)

	September 2004 fiscal year		September 2003 fiscal year		September 2002 fiscal year	
	First half	Full year projection	First half	Full year	First half	Full year
Cost of sales	**71.3**	–	70.8	71.0	68.0	69.5
Gross income on sales	**28.7**	–	29.2	29.0	32.0	30.5
SG&A expense	**21.7**	–	22.6	22.5	25.6	24.8
Operating income	**7.0**	6.7	6.6	6.5	6.4	5.7
Ordinary income	**7.1**	6.7	6.9	6.8	6.6	5.6
Current net income	**4.0**	2.7	2.9	3.1	2.2	1.3

3. Changes in consolidated/non-consolidated ratio

(Unit: %)

	September 2004 fiscal year		September 2003 fiscal year		September 2002 fiscal year	
	First half	Full year projection	First half	Full year	First half	Full year
Net sales	**1.66**	1.78	1.66	1.70	1.66	1.78
Operating income	**1.38**	1.52	1.43	1.53	1.27	1.45
Ordinary income	**1.35**	1.52	1.36	1.43	1.21	1.29
Current net income	**1.29**	1.18	1.30	1.31	1.08	1.41

Reference

Quarterly Results of Operations (Consolidated)

Fiscal year ending September 2004

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Oct. – Dec. 2003	Jan. – Mar. 2004	Apr. – June 2004	July – Sep. 2004
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Net sales	11,249	11,331	–	–
Gross profit	3,224	3,265	–	–
Operating income	813	781	–	–
Ordinary income	821	791	–	–
Income before income taxes and minority interests	824	815	–	–
Net income	415	479	–	–
	Yen	Yen	Yen	Yen
Net income per share	3,132.34	3,606.94	–	–
Diluted net income per share	3,124.52	3,592.60	–	–
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Total assets	15,689	16,649	–	–
Shareholders' equity	9,274	10,049	–	–
	Yen	Yen	Yen	Yen
Shareholders' equity per share	69,177.50	74,283.03	–	–
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Cash flows from operating activities	(1,384)	900	–	–
Cash flows from investing activities	(187)	(17)	–	–
Cash flows from financing activities	1,158	(778)	–	–
Cash and cash equivalents at end of period	4,737	4,842	–	–

Note: Net income per share and diluted net income per share for the first and second quarters of the fiscal year ending September 30, 2004 is calculated on the assumption that stock split, which was implemented on November 20, 2003 (on a three-for-one stock split basis), was implemented at the beginning of the accounting period.

Fiscal year ended September 2003

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Oct. – Dec. 2002	Jan. – Mar. 2003	Apr. – June 2003	July – Sep. 2003
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Net sales	9,066	9,650	9,173	10,054
Gross profit	2,652	2,821	2,586	2,938
Operating income	637	592	456	768
Ordinary income	672	624	479	782
Income before income taxes and minority interests	672	547	603	729
Net income	331	208	314	342
	Yen	Yen	Yen	Yen
Net income per share	7,637.99	4,764.38	7,179.04	7,792.92
Diluted net income per share	–	4,754.38	7,098.50	7,710.87
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Total assets	14,766	15,963	13,943	15,493
Shareholders' equity	7,707	8,029	8,332	8,719
	Yen	Yen	Yen	Yen
Shareholders' equity per share	177,402.01	183,441.13	190,057.46	198,486.00
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Cash flows from operating activities	(478)	822	675	526
Cash flows from investing activities	(196)	(287)	1,644	443
Cash flows from financing activities	584	(499)	(1,754)	(71)
Cash and cash equivalents at end of period	3,650	3,686	4,252	5,150

Note: Diluted net income per share (for the 1st quarter) is not reported since there is no outstanding potential stock.

Reference

Changes in Quarterly Business Results by Business Segment

Fiscal year ending September 2004 (October 1, 2003 – September 30, 2004)
Fiscal year ended September 2003 (October 1, 2002 – September 30, 2003)

(Millions of yen)

Spot Business		1st quarter	2nd quarter	3rd quarter	4th quarter	Total
Fiscal year ending September 2004	**(1) Sales to external customers**	**7,009**	**6,770**	–	–	**13,779**
	(2) Inter-segment sales or the amount of transfers	**54**	**88**	–	–	**143**
	Total	**7,064**	**6,859**	–	–	**13,923**
	Operating expenses	**6,270**	**6,165**	–	–	**12,435**
	Operating income or loss (Δ)	**794**	**693**	–	–	**1,487**
	Operating income margin	**11.2%**	**10.1%**	–	–	**10.7%**
Fiscal year ended September 2003	(1) Sales to external customers	5,626	5,555	5,366	5,657	22,205
	(2) Inter-segment sales or the amount of transfers	129	102	51	99	382
	Total	5,755	5,657	5,418	5,756	22,588
	Operating expenses	5,047	5,081	4,976	5,212	20,318
	Operating income or loss (Δ)	708	575	441	544	2,269
	Operating income margin	12.3%	10.2%	8.2%	9.5%	10.0%

Factory Business		1st quarter	2nd quarter	3rd quarter	4th quarter	Total
Fiscal year ending September 2004	**(1) Sales to external customers**	**2,898**	**2,996**	–	–	**5,894**
	(2) Inter-segment sales or the amount of transfers	**15**	**10**	–	–	**25**
	Total	**2,914**	**3,006**	–	–	**5,920**
	Operating expenses	**2,775**	**2,859**	–	–	**5,634**
	Operating income or loss (Δ)	**138**	**147**	–	–	**285**
	Operating income margin	**4.8%**	**4.9%**	–	–	**4.8%**
Fiscal year ended September 2003	(1) Sales to external customers	2,458	2,804	2,503	2,946	10,713
	(2) Inter-segment sales or the amount of transfers	8	6	13	11	39
	Total	2,466	2,811	2,516	2,957	10,752
	Operating expenses	2,367	2,630	2,440	2,721	10,158
	Operating income or loss (Δ)	99	181	76	236	594
	Operating income margin	4.0%	6.4%	3.0%	8.0%	5.5%

Technology Business		1st quarter	2nd quarter	3rd quarter	4th quarter	Total
Fiscal year ending September 2004	**(1) Sales to external customers**	**1,233**	**1,444**	–	–	**2,677**
	(2) Inter-segment sales or the amount of transfers	–	**41**	–	–	**41**
	Total	**1,233**	**1,485**	–	–	**2,718**
	Operating expenses	**1,222**	**1,407**	–	–	**2,629**
	Operating income or loss (Δ)	**11**	**78**	–	–	**89**
	Operating income margin	**0.9%**	**5.3%**	–	–	**3.3%**
Fiscal year ended September 2003	(1) Sales to external customers	887	1,042	1,175	1,207	4,313
	(2) Inter-segment sales or the amount of transfers	24	14	3	446	489
	Total	911	1,057	1,179	1,653	4,802
	Operating expenses	942	1,040	1,108	1,509	4,600
	Operating income or loss (Δ)	Δ30	17	70	144	201
	Operating income margin	Δ3.4%	1.6%	6.0%	8.7%	4.2%

(4) Changes in Consolidated Financial Condition

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
First half ended March 2004	16,649	10,049	60.3	74,283.03
First half ended March 2003	15,963	8,029	50.3	183,441.13

* Shares in the Company were split up on a one-for-three stock split basis as of November 20, 2003.

[Consolidated cash flows]

(Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
First half ended March 2004	(483)	(204)	379	4,842
First half ended March 2003	343	(483)	84	3,686
(Reference)				
Second quarter ended March 2004	900	(17)	(778)	4,842
Second quarter ended March 2003	822	(287)	(499)	3,686

Changes in consolidated financial condition

At the end of the first half of the current accounting period, cash and cash equivalents totaled ¥4,842 million, ¥1,155 million more than the previous year.

Cash flows from operating activities

Net cash used in operating activities in the first half of the current accounting period was ¥483 million, compared with ¥343 million gained in the same time last year.

This was mainly due to the fact that net income before income taxes and minority interests was ¥1,640 million, trade receivable increased ¥963 million (trade payable increased ¥151 million) and income tax paid was ¥1,137 million.

Cash flows from investing activities

Net cash used in investing activities was ¥204 million, compared with ¥483 million used in the previous year.

This was mainly due to the fact that expenditures incurred to acquire tangible fixed assets as we opened outlets were ¥124 million and those incurred to acquire intangible fixed assets, such as software, were ¥90 million.

Cash flows from financing activities

Net cash provided by financing activities was ¥379 million, compared with ¥84 million gained in the previous year.

The main reason was that while payments of dividends were ¥174 million and repayments of long-term borrowing were ¥151 million, short-term borrowing decreased ¥400 million and revenues from the issuance of shares through the exercise of incentive warrants were ¥349 million.

Trends in Cash Flow Indexes

	First half of FY2004	First half of FY2003 ended September 30, 2003	September 2003 fiscal year	September 2002 fiscal year	September 2001 fiscal year
Shareholders' equity (million yen)	**10,049**	8,029	8,719	7,443	7,725
Shareholders' equity ratio (%)	**60.3**	50.3	56.3	53.4	55.5
Interest coverage (times)	**94.8**	34.3	47.1	19.0	15.0
Dead equity ratio (%)	**18.0**	42.5	18.2	45.1	46.9
Number of debt redemption years	**2.7**	4.1	0.7	6.4	1.6

Shareholders' equity ratio: net assets ÷ gross assets
Interest coverage: (operating income + interest earned + dividend received) ÷ interest paid
Dead equity ratio: interest-bearing debt ÷ net assets
Number of debt redemption years: interest-bearing debt ÷ operating cash flow (before interest and corporate taxes, etc.)

Notes:
1. Each index is calculated based upon consolidated financial figures.
2. For interest payment, the amount of interest paid in the consolidated cash flow statement is used.
3. All the debts added upon in the consolidated balance sheet are included in interest-bearing debt.
4. For operating cash flows (before interest and corporate taxes, etc.), cash flows (before interest and corporate taxes, etc.) from operating activities in the consolidated cash flow statement are used.

Reference

Explanation of Balance Sheet (Consolidated)

The following changes are in comparison with the end of the previous fiscal year ended September 30, 2003.

1. Assets (up ¥1,155 million)

(1) Current assets (up ¥743 million)

Cash and deposits	Down ¥298 million
Notes and accounts receivable trade	Up ¥979 million

(2) Fixed assets (up ¥412 million)

Investment securities	Up ¥412 million

2. Liabilities (down ¥195 million)

(1) Current liabilities (down ¥233 million)

Short-term borrowing	Up ¥400 million
Accrued corporate tax, etc.	Down ¥428 million
Accrued consumption tax, etc.	Down ¥275 million

(2) Fixed liabilities (up ¥37 million)

Long-term loans payable	Down ¥60 million
Deferred tax liability	Up ¥111 million

3. Capital stock (up ¥1,329 million)

Capital surplus reserve	Up ¥719 million

2. Corporate Group

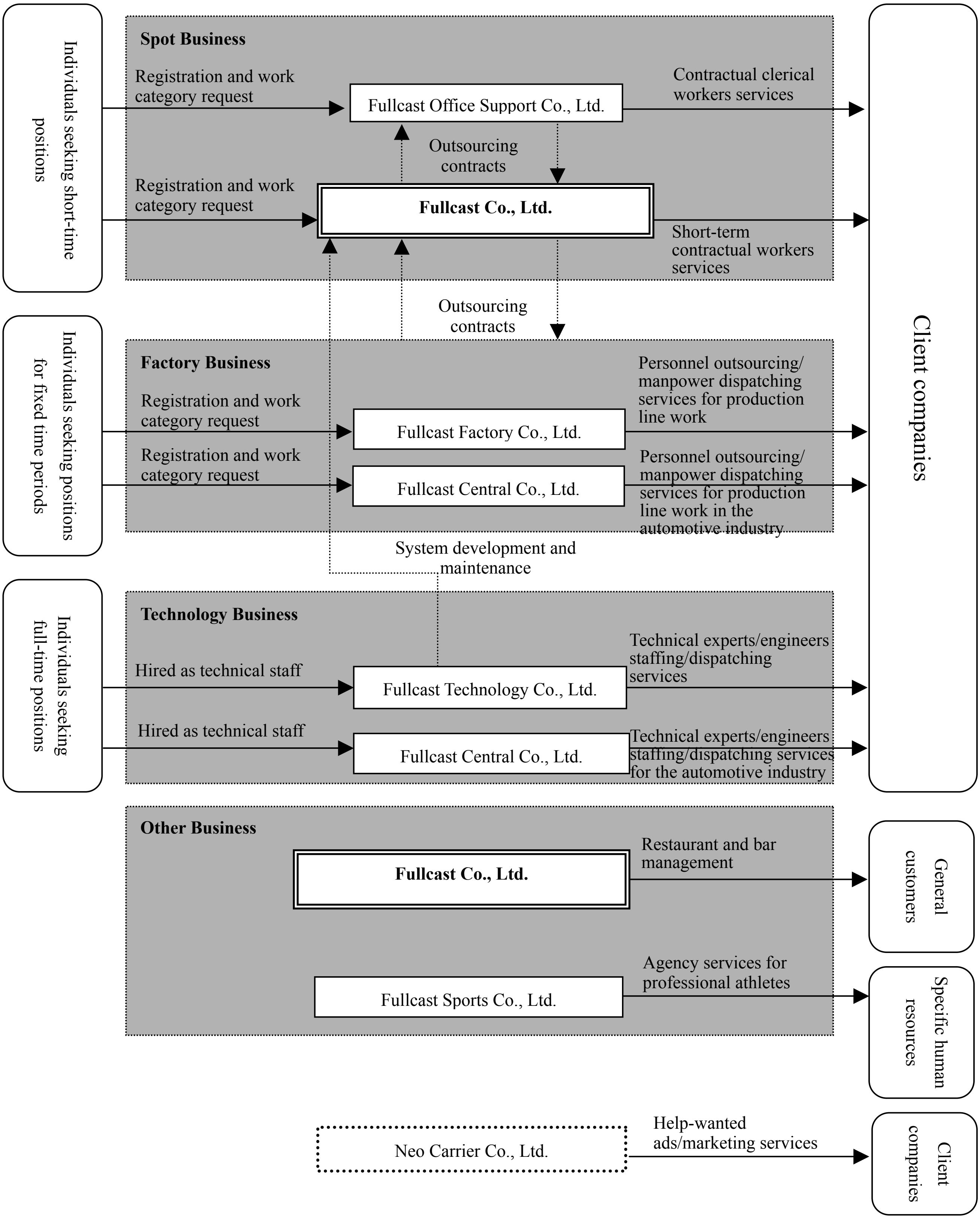
The Group, which is composed of the parent company and affiliated companies, is a comprehensive human resources solution provider. The Group is engaged primarily in the undertaking of short-term projects required during busy periods and to match fluctuations in work volume at client companies in areas such as logistics, events and clerical works. Other major activities include the provision of factory workers and engineers and other technicians.

A breakdown of companies and activities by business segment is as follows.

Overview of business segments

Segment	Group company	Business activities
Spot Business (Short-term Contractual Workers Services)	Fullcast Co., Ltd.	Supplies workers, primarily for blue-collar positions, on a short-term basis as required by clients by providing them with additional work force during busy periods, giving them the flexibility to quickly adapt to fluctuations in work volume. Logistics: Packing and unpacking boxes for moving companies, assisting in office relocations, carrying effects in and out, etc. Warehouse work: Sorting packing and inspection of products, assembly of precision machinery, etc. Sanitation & Cleaning: Concrete curing, cleaning, cleaning of buildings, cleaning of residential buildings and the like Events: Planning and coordinating events, management and removal of booths, etc. Restaurant-related work: Customer service and backyard work
	Fullcast Office Support Co., Ltd.	Specialized in providing/dispatching female contract workers for clerical work, call center positions, sales promotion activities and a variety of office positions.
Factory Business (Personnel outsourcing/dispatching services for production line work)	Fullcast Factory Co., Ltd.	Specialized in offering contractual workers and dispatching them for production line work. Most services are extended to manufacturers in the fields such as seafood and food processing, machinery, electrical machinery, precision devices, chemicals and rubber, textiles and pulp, automobiles and other transportation equipment and steel and other metals, ranging from a handful of workers for a small operation to enough workers to staff an entire production line.
	Fullcast Central Co., Ltd.	Established in April 2002 by Fullcast, Toyota Group member Central Auto Co., Ltd. and Daisho Industry Co., Ltd. as a specialist in the provision/dispatch of workers for automotive plants. Fullcast's ownership is 55.6%.
Technology Business (Technical experts/engineer staffing/dispatching services)	Fullcast Technology Co., Ltd.	Provides engineering-based contractual service and engineer dispatching service, primarily serving the electronics/semiconductor industry, mainly providing production facility workers and hardware/software development engineers as well as system development and consulting services to increase the efficiency of logistics systems and other tasks. Fullcast's ownership is 87.7%.
Other Business	Fullcast Sports Co., Ltd.	Extend agency services centering on the management of soccer players and their transfers to other teams.

A **flowchart of business activities** is shown below:



Notes:

1. Flowchart is current as of March 31, 2004.
2. ——▶ indicates transactions with companies outside the Group and ·······▶ indicates internal transactions, none of which are monetary transactions.
3. ▭ indicates a consolidated subsidiary and ⬚ indicates a company to which the equity method is applied.

Corporate Group

Consolidated subsidiaries

As of March 31, 2004

Company	Address	Capital or investment (millions of yen)	Main business activities	Percentage of voting right (%)	Details
Fullcast Office Support Co., Ltd.	Shibuya-ku, Tokyo	40	Spot Business and others	100.0	• The Company and Fullcast Support mutually place orders for contract work. • The Company sublets part of its leased building for office use. • Management official interlocks: 3 persons
Fullcast Factory Co., Ltd.	Shibuya-ku, Tokyo	100	Factory Business and others	100.0	• The Company and Fullcast Support mutually place orders for contract work. • The Company sublets part of its leased building for office use. • Financial assistance and others: Lending of operating capital • Management official interlocks: 3 persons
Fullcast Central Co., Ltd.	Shibuya-ku, Tokyo	90	Factory Business and Technology Business	55.6	• The Company sublets part of its leased building for office use. • Financial assistance and others: Lending of operating capital • Management official interlocks: 1 person
Fullcast Technology Co., Ltd.	Shibuya-ku, Tokyo	339	Technology Business	87.7	• The Company and Fullcast Support mutually place orders for contract work. • Fullcast Technology develops and maintains the Company's mission-critical system. • The Company sublets part of its leased building for office use. • Financial assistance and others: Lending of operating capital • Management official interlocks: 2 persons
Fullcast Sports Co., Ltd.	Shibuya-ku, Tokyo	40	Other Business	100.0	• Fullcast Sports takes charge of part of the Company's advertising activities. • The Company sublets part of its leased building for office use. • Financial assistance and others: Lending of operating capital • Management official interlocks: 2 persons

Notes:
1. In the details column for the main business activities, given are the names of business segments according to the type of business.
2. Management official interlocks include operating officers of the Company.

Company to which equity method is applied

As of March 31, 2004

Company	Address	Capital or investment (millions of yen)	Main business activities	Percentage of voting right (%)	Details
Neo Carrier Co., Ltd.	Shibuya-ku, Tokyo	37	Other Business	33.8	—

Reference

Apayours Co., Ltd. is scheduled to become Fullcast's wholly owned subsidiary through equity swap as of June 1, 2004. For further details, please refer to "*(8) Key Management Issues*" on page 24.

As of May 10, 2004

Company	Address	Capital or investment (millions of yen)	Main business activities	Percentage of voting right (%)	Details
Apayours Co., Ltd.	Oita City, Oita Prefecture	220	Spot Business	—	• The Fullcast places an order for contract work. • Financial assistance and others: Lending of working capital. • Management official interlocks: 1 person

3. Management Policies

(1) Fundamental Management Policies

The fundamental philosophy of the Group is “to contribute to society by providing employment opportunities that place importance on helping people grow and develop.” The Group aims to remain an organization that can provide employment opportunities where people can shine in any stage of their lines. Another aim is operating with the interests of shareholders in mind so as to maximize shareholder value.

To accomplish these goals, the Group is taking the following actions.

1) As the economy undergoes structural change and workers become more mobile, the Group is using human resources to meet the needs of all client companies while using the human resources business to supply as many motivated workers as possible.

2) As the leader in Japan’s human resources industry, the Group will solidify its position as a human resources organization that can bring about change on a global scale. Furthermore, the Group will never become complacent, always retaining a willingness to take on new challenges.

(2) Fundamental Policy for Allocation of Earnings

As the nucleus of the Group, Fullcast Co., Ltd. places priority on strengthening its financial position and increasing retained earnings as well as returning earnings to shareholders so that they may own shares in the Company over the medium and long terms.

The Company also makes it a rule to determine the amount of a dividend with dividend payout ratio of 20% as standards through taking business performance into consideration, with stable payments of dividends in view.

Retained earnings will be used to enhance internal core systems, such as by developing IT systems that can further raise operating efficiency and through opening new outlets or recruiting and training employees, for the purpose of building a sounder operating base.

Dividend payout ratio for the past 3 years

Fiscal year	Fiscal 2001	Fiscal 2002	Fiscal 2003
Dividend payout ratio (%)	18.5%	44.2%	23.9%

(3) Policy Regarding Reduction in Investment Unit

Fullcast Co., Ltd. regards increasing the liquidity of its stock and attracting a broader range of investors as important issues with regard to its capital policy. Any decision involving a reduction in the investment unit will made in the best interests of shareholders, and will be based on operating results and market conditions, as well as a careful examination of benefits in relation to expenses.

In order to expand the base of individual investors, the board of directors of the Company decided in a board of directors’ meeting on March 8, 2004 to split common shares. They will be split on a two-for-one stock split basis on May 20, 2004, following stock split implemented on a three-for-one stock split basis on November 20, 2003.

(4) Medium- and Long-term Management Issues

As a comprehensive source of human resources solutions, the Group is active primarily in three fields: Spot Business, Factory Business and Technology Business.

In the Spot Business, the Company intends to open outlets rapidly, actively and efficiently, while stepping up hiring of new staff members and improving readiness to respond to the customer needs. In addition, it will expand its business area into the food, event management and amusement industries as well.

In the Factory Business, it places priority on training staff members in a bid to improve readiness to respond to the customer needs; thereby expanding the scale of business.

In the Technology Business, Fullcast plans to step up the system for education/training/evaluation of technical experts to be dispatched in a bid to quickly gain new engineers, including new graduates, while expanding the scope of business into the bio/chemical industries as well.

The Group aims at meeting all human resources outsourcing needs that occur during the business cycles of its client companies. More than merely an outsourcing service contractor, the Group is working aggressively to build a framework that can supply “one-stop total solutions” that help maximize the performance of each client company. Building such a framework is how the Group plans to support growth over the medium and long terms. It aims at attaining the group sales of ¥100 billion by the September 2007 fiscal year.

To this end, the Group is taking the following actions.

1) Improving customer satisfaction
2) Expanding upon the menu of human resources services
3) Promoting M & A strategy
4) Improving the quality of staffs through training
5) Promoting an accurate system that can handle the expansion of the scale and areas of business
6) Enhancing the Group’s corporate image and awareness of the Fullcast name

(5) Fundamental Position Regarding Corporate Governance

The Group’s fundamental policy regarding corporate governance is that governance should be conducted for the purpose of ensuring the transparency and efficiency of management from the standpoint of shareholders and all other stakeholders.

Specifically, to create a system better able to adapt to change now taking place in the operating environment, the corporate officer system was adopted. Under this system, the directors are responsible for the oversight of the execution of business operations and decisions involving important management issues. Corporate officers are responsible for the execution of business operations. Moreover, to strengthen the supervisory function for business execution and increase the transparency of management, one external director was elected.

Furthermore, in order to promote the transparency of the Company’s operations, we stepped up investor relations activities by holding an explanatory meeting targeting the press and analysts on a quarterly basis in a bid to make a disclosure of our business activities in a fair and timely manner. To guarantee this, whenever the Company discloses a brief announcement of financial results, it asks an auditing firm to check it in advance, while disclosing information timely based upon the quality management system which meets the ISO9001. The Group strives to disclose information by maintaining information dissemination methods that can accurately convey information to investors. Through this stance, the Group aims to rank first in terms of disclosure activities within its industry.

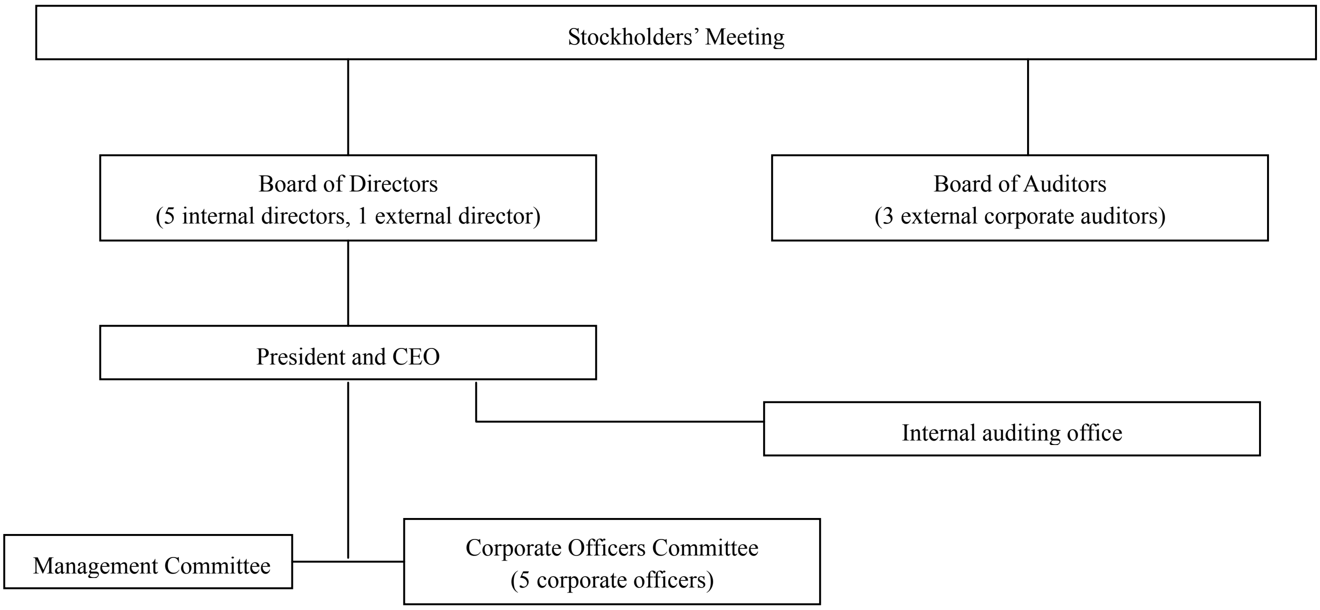
(6) Corporate Governance Status and Actions

Fullcast Co., Ltd. holds meetings of the board of directors twice each month and the corporate officers committee weekly to facilitate speedy decision-making. This system allows the Group to respond with agility to changes in the operating environment. In addition, the management committee made up of the representatives of all Group companies is held monthly to promote the exchange of information and ensure that all companies are operating in line with a single strategy.

To improve the Group’s corporate governance, Sumio Sano was elected as an external director. Mr. Sano is a Sony Corporation advisor who has considerable experience in corporate governance.

The board of auditors is responsible for auditing corporate activities. There are three corporate auditors. Each one comes from outside the Group, having never served as a director, manager or in any other capacity at Fullcast Co., Ltd. or a subsidiary.

Besides the auditor system, to promote sound business operations, the Company established an internal auditing office, which is under direct control of Company President, to audit the Company and its subsidiaries and affiliates.



(As of March 31, 2004)

Our external director and three external auditors own shares in the Company as given below:

(As of March 31, 2004)

Position	Name	Number of shares
External director	Sumio Sano	30
Statutory auditor	Kouji Sasaki	48
Auditor	Yutaka Onda	15
Auditor	Teruho Tougo	18

(7) Key Management Issues

Growth in the scale of the market will not be the only change taking place in the human resources market. The Group also foresees a number of qualitative changes such as increasing diversification, sophistication and specialization, all against a backdrop of rapid advances in information and communications technology.

The Company believes that the lifting of a ban on dispatching workers to production line work, which took effect as from March 1, 2004, will certainly expand the demand for outsourcing blue-collar workers, while encouraging the market to gain speed in growing further.

The Group must respond to these changes in a flexible manner while implementing strategies that anticipate future needs. To accomplish this, the Group will constantly seek new opportunities while expanding its existing business activities.

In concrete terms, the Group will build on its core short-term contractual workers services by using subsidiaries to establish operating bases in market sectors, such as technical experts/engineers contractual and dispatching services, personnel outsourcing services for production line work and contractual and dispatching clerical workers services. At the same time, efforts will focus on seamlessly linking the entire Group, including all new businesses.

Furthermore, the Group will implement M & A strategy or new projects with the goal of expanding the business segments and maximizing the corporate value of the Group as a whole.

By business segment, the Group will work on the following:

Spot Business

1) Strengthen highly value-added services that precisely meet the client company's needs and expand a network of outlets.
2) Strengthen hiring of staffs and make them stay with the Company for long.
3) Promote operating efficiency and reduce SG&A expenses.

Factory Business

1) Improve flexibility through the system that can both handle contractual/dispatching services to precisely meet the client company's needs.
2) Nurture human resources to meet the client company's needs, which become increasingly sophisticated.
3) Provide clients with high-performance business activities, which bring them benefits.

Technology Business

1) Improve educational/training programs targeting technical experts/engineers.
2) Step up engineers engaged in development in the electronics/semiconductor area.

(8) Key Management Issues

(Summary of Key Management Issues Determined/Implemented)

1) Apayours Co., Ltd. will become Fullcast's wholly owned subsidiary through equity swap

   Fullcast will turn Apayours Co., Ltd. into its wholly owned subsidiary through equity swap with the aim at expanding its business activities to improve human resources outsourcing services and strengthen the fiscal structure further.

   Apayours currently provides mainly pachinko parlor operators, event management and sales promotion businesses with unique human resources in the Kyushu region. With Apayours added as Fullcast's wholly owned subsidiary, the Group will be able to step up its services in the Kyushu region, where there have been few outlets to date, and make inroads into the amusement market sector to expand its service menu. Thereby, the Group intends to enhance corporate value of the whole group as a general human resources outsourcing service provider.

Summary of equity swap

Basic agreement to swap shares signed	March 8, 2004
Agreement to swap shares signed	April 12, 2004
Date of equity swap	June 1, 2004
Equity swap ratio	1 share in Apayours will be swapped for 0.68 share in Fullcast. Through this swap, what will be allotted is 2,765 shares of substitute treasury stock (common stock).
Delivered money due to equity swap	None

For its influence on consolidated financial results, please refer to "*Outlook for the September 2004 Fiscal Year*" on page 9.

2) Stock split

In order to improve the liquidity of shares in Fullcast and lower the amount of investment per share; thereby expanding the base of individual investors, the Company will issue new shares through stock split in accordance with a resolution passed by the board of directors of the Company on March 8, 2004.

Summary of stock split

Common shares will be split up on a two-for-one stock split basis on May 20, 2004.

Number of shares to be issued through stock split	Common stock 137,982 shares
Number of shares issued upon stock split	Common stock 275,964 shares
How to split stock	The number of shares owned by shareholders on the list of shareholders and its equivalent as of March 31, 2004 will be split on a two-for-one stock split basis.
Initial dividend reckoning date	April 1, 2004

3) Off-floor distribution of stock

In order to improve the Company's stock distribution situation, off-floor distribution of 1,000 shares was implemented on March 22, 2004. One share each was allotted per purchaser. As a result, the number of shareholders as of March 31, 2004 stood at 3,645.

Reference

The stock situation as of March 31, 2004

Total number of shares outstanding	137,982 shares (275,964 shares upon stock split)
Number of treasury stock owned during the accounting period	Common stock 2,700 shares (5,400 shares upon stock split)

4) Allotment of the stock options

Stock options were issued in accordance with a resolution passed by the 11th regular general meeting of shareholders on December 19, 2003.

These stock options will be issued and allotted free of charge to directors, auditors and employees of the Company and its subsidiaries and affiliates to motivate them to improve business performances and raise their morale further.

Summary of stock options

Date of issue	April 27, 2004
Type of stock intended by the stock options	2,229 common stocks in the Company
Total number of stock options to be issued	2,229 (the number of share per stock option is 1)
Issue price	Free of charge
Amount to be paid when the stock options are exercised	¥288,400 per share
Time period for exercising the stock options	From January 1, 2006 through December 30, 2008
Those eligible to be allotted the stock options	To be allotted to a total of 192 directors, auditors and employees of the Company and its subsidiaries
Total value of stock when new share are issued through the exercise of the stock options	¥642,843,600

4. Manufacturing, Orders Received and Sales

The Group does not have any manufacturing activities and, for the reasons listed below, the Group does not disclose figures for orders received.

1) In the Spot Business, most orders are received one or two days prior to the provision of a service. As a result, there is an extremely short time between the receipt of an order and the posting of the corresponding sales.
2) In the Factory Business and Technology Business, the volume of work performed is frequently revised in accordance with the request of the client company after receipt of an order.

Net Sales

(Millions of yen)

Segment	First half ended March 2004	YoY Change
Spot Business	13,779	23.2%
Factory Business	5,894	12.0%
Technology Business	2,677	38.8%
Other Business	228	(33.4%)
Total	22,580	20.6%

Notes:
1. The above sales figures do not include consumption taxes.
2. Inter-segment transactions were offset.

5. Consolidated Financial Statements for the First Half

(1) Consolidated Balance Sheet for the First Half

(Thousands of yen)

			As of March 31, 2004			As of March 31, 2003			As of September 30, 2003		
			Amount		**%**	Amount		%	Amount		%
	Assets										
I	Current assets										
1	Cash and deposits			**4,352,087**			3,186,639			4,650,781	
2	Trade notes and accounts receivables			**5,998,443**			5,146,872			5,018,484	
3	Securities			**798,681**			897,171			801,233	
4	Inventories			**57,899**			103,007			70,665	
5	Other current assets			**652,504**			982,737			576,139	
	Allowance for doubtful accounts			**(55,627)**			(66,576)			(56,894)	
	Total current assets			**11,803,989**	**70.9**		10,249,853	64.2		11,060,408	71.4
II	Fixed assets										
1	Tangible fixed assets										
(1)	Buildings and structures	*1	**570,811**			672,612			557,871		
	Accumulated depreciation		**143,306**	**427,505**		148,614	523,997		125,378	432,493	
(2)	Machinery and vehicles		**21,198**			23,165			25,900		
	Accumulated depreciation		**9,944**	**11,254**		9,457	13,708		12,791	13,108	
(3)	Furniture and fixtures		**420,550**			345,401			370,929		
	Accumulated depreciation		**234,117**	**186,432**		160,027	185,374		195,676	175,253	
(4)	Land	*1		**606,469**			2,343,411			606,469	
(5)	Constriction in progress			—			2,570			9,720	
	Total tangible fixed assets			**1,231,661**	**7.4**		3,069,062	19.2		1,237,044	8.0
2	Intangible fixed assets										
(1)	Software			**673,471**			325,858			644,336	
(2)	Other			**75,439**			245,312			58,262	
	Total intangible fixed assets			**748,910**	**4.5**		571,170	3.6		702,598	4.5
3	Investment and other assets										
(1)	Investment securities	*2		**1,014,001**			486,220			601,649	
(2)	Insurance reserve fund			**923,991**			—			809,927	
(3)	Other			**948,264**			1,608,431			1,118,276	
	Allowance for doubtful accounts			**(21,438)**			(21,050)			(36,355)	
	Total investment and other assets			**2,864,818**	**17.2**		2,073,602	13.0		2,493,497	16.1
	Total fixed assets			**4,845,390**	**29.1**		5,713,835	35.8		4,433,139	28.6
III	Deferred assets										
1	Discount on bond			—			33			16	
	Total deferred assets			—	—		33	0.0		16	0.0
	Total assets			**16,649,379**	**100.0**		15,963,721	100.0		15,493,565	100.0

(Thousands of yen)

		As of March 31, 2004		As of March 31, 2003		As of September 30, 2003	
		Amount	**%**	Amount	%	Amount	%
	Liabilities						
I	Current liabilities						
1	Short-term borrowings *1	**1,300,000**		2,182,000		900,000	
2	Current portion of long-term debt *1	**156,148**		677,590		247,314	
3	Accounts payable-other	**1,926,410**		1,892,919		2,059,843	
4	Accrued expenses payable	**951,028**		—		810,182	
5	Income taxes payable	**733,770**		755,587		1,162,544	
6	Accrued bonuses	**425,954**		426,958		449,017	
7	Other current liabilities	**206,793**		973,589		304,446	
	Total current liabilities	**5,700,105**	**34.2**	6,908,644	43.3	5,933,348	38.3
II	Fixed liabilities						
1	Long-term debt *1	**313,272**		469,420		373,386	
2	Allowance for employee retirement benefits	**276,790**		261,506		257,081	
3	Allowance for officers' retirement benefits	**2,399**		1,088		1,739	
4	Other fixed liabilities	**147,215**		190,173		70,189	
	Total fixed liabilities	**739,676**	**4.5**	922,188	5.8	702,395	4.5
	Total liabilities	**6,439,782**	**38.7**	7,830,832	49.1	6,635,744	42.8
	Minority interests						
	Minority interests	**160,440**	**1.0**	102,936	0.6	138,529	0.9
	Shareholders' equity						
I	Common stock	**3,464,100**	**20.8**	3,266,100	20.5	3,289,350	21.3
II	Capital surplus	**2,692,718**	**16.2**	2,490,758	15.6	2,514,473	16.2
III	Retained surplus	**3,984,754**	**23.9**	2,652,280	16.6	3,264,994	21.1
IV	Net unrealized holding gains on securities	**288,550**	**1.7**	1,780	0.0	31,440	0.2
V	Treasury stock	**(380,966)**	**(2.3)**	(380,966)	(2.4)	(380,966)	(2.5)
	Total shareholder's equity	**10,049,157**	**60.3**	8,029,952	50.3	8,719,291	56.3
	Total liabilities, minority interests and shareholders' equity	**16,649,379**	**100.0**	15,963,721	100.0	15,493,565	100.0

(2) Consolidated Profit and Loss Statement for the First Half

(Thousands of yen)

			October 1, 2003 to March 31, 2004			October 1, 2002 to March 31, 2003			October 1, 2002 to September 30, 2003		
			Amount		**%**	Amount		%	Amount		%
I	Net sales			**22,580,961**	**100.0**		18,717,534	100.0		37,945,412	100.0
II	Cost of sales			**16,091,772**	**71.3**		13,243,382	70.8		26,946,684	71.0
	Gross profit			**6,489,189**	**28.7**		5,474,151	29.2		10,998,727	29.0
III	Selling, general and administrative expenses	*1		**4,894,626**	**21.7**		4,243,889	22.6		8,543,412	22.5
	Operating income			**1,594,563**	**7.0**		1,230,261	6.6		2,455,315	6.5
IV	Non-operating income										
1	Interest income		**3,968**			20,124			42,831		
2	Rental income		**12,353**			56,803			77,268		
3	Profit on investment in silent partner		**28,226**			27,609			57,746		
4	Equity in earnings of affiliates		**1,125**			4,429			6,721		
5	Other		**35,338**	**81,013**	**0.4**	29,628	138,595	0.7	79,208	263,775	0.7
V	Non-operating expenses										
1	Interest expense		**16,906**			36,394			53,003		
2	Amortization of software		**2,510**			4,999			10,000		
3	Other		**43,561**	**62,978**	**0.3**	30,895	72,290	0.4	97,428	160,432	0.4
	Ordinary income			**1,612,597**	**7.1**		1,296,566	6.9		2,558,658	6.8
VI	Extraordinary income										
1	Gain on sale of fixed assets	*2	—			3,700			109,486		
2	Gain on sale of investment securities		**29,161**			284			30,685		
3	Reversal of allowances for doubtful accounts		**9,312**			1,350			6,424		
4	Reversal of allowances for employee retirement benefits		—			—			14,906		
5	Reversal of allowances for officers' retirement benefits		—			648			648		
6	Life insurance surrendered value		—	**38,473**	**0.2**	5,084	11,067	0.1	4,806	166,958	0.4
VII	Extraordinary loss										
1	Loss on sales of fixed assets	*3	—			341			341		
2	Loss on disposal of fixed assets	*4	**2,658**			26,568			28,081		
3	Loss on sale of investment securities		**314**			3,225			3,318		
4	Loss on valuation of investment securities		**413**			41,911			43,567		
5	Loss on insurance cancellation		**7,188**			—			—		
6	Loss on relocation of the head office	*5	—			—			81,955		
7	Penalty	*6	—	**10,574**	**0.0**	16,001	88,048	0.5	16,001	173,266	0.5

	October 1, 2003 to March 31, 2004			October 1, 2002 to March 31, 2003			October 1, 2002 to September 30, 2003		
	Amount		**%**	Amount		%	Amount		%
Income before income taxes and minority interests		**1,640,496**	**7.3**		1,219,586	6.5		2,552,349	6.7
Current income taxes	**708,455**			753,852			1,479,602		
Deferred income taxes	**6,585**	**715,040**	**3.2**	(115,135)	638,717	3.4	(207,058)	1,272,543	3.4
Minority interests (or loss)		**29,979**	**0.1**		40,725	0.2		83,175	0.2
Net income		**895,476**	**4.0**		540,143	2.9		1,196,630	3.1

(3) Consolidated Retained Surplus Statement for the First Half

(Thousands of yen)

		October 1, 2003 to March 31, 2004		October 1, 2002 to March 31, 2003		October 1, 2002 to September 30, 2003	
		Amount		Amount		Amount	
	Capital surplus						
I	Capital surplus at beginning of period	**2,514,473**	**2,514,473**	2,486,474	2,486,474	2,486,474	2,486,474
II	Increase in capital surplus						
1	New stock issuance	**178,245**	**178,245**	4,284	4,284	27,999	27,999
III	Capital surplus at end of period		**2,692,718**		2,490,758		2,514,473
	Retained surplus						
I	Retained surplus at beginning of period	**3,264,994**	**3,264,994**	2,199,480	2,199,480	2,199,480	2,199,480
II	Increase in retained surplus						
1	Net income	**895,476**		540,143		1,196,630	
2	Increase in retained surplus for merger of consolidated subsidiary	—		24,763		24,763	
3	Increase in retained surplus on exclusion of equity method	—	**895,476**	—	564,907	0	1,221,395
III	Decrease in retained surplus						
1	Dividends paid	**175,716**		65,169		108,943	
2	Loss on disposal of treasury stock	—	**175,716**	46,938	112,107	46,938	155,881
IV	Retained surplus at end of period		**3,984,754**		2,652,280		3,264,994

(4) Consolidated Cash Flows Statement for the First Half

(Thousands of yen)

		October 1, 2003 to March 31, 2004	October 1, 2002 to March 31, 2003	October 1, 2002 to September 30, 2003
		Amount	Amount	Amount
I	Cash flows from operating activities			
1	Income before income taxes and minority interests	**1,640,496**	1,219,586	2,552,349
2	Depreciation and amortization	**135,439**	113,162	237,265
3	Increase (decrease) in allowance for doubtful accounts	**(16,184)**	10,572	16,196
4	Increase (decrease) in allowance for bonuses	**(23,062)**	113,491	135,550
5	Increase in allowance for employee retirement benefits	**19,709**	32,934	28,509
6	Increase (decrease) in allowance for officers' retirement benefits	**660**	(1,314)	(663)
7	Interest and dividend income	**(8,008)**	(20,124)	(42,976)
8	Interest expenses	**16,906**	36,394	53,003
9	Gain on sale of fixed assets	**—**	(3,700)	(109,486)
10	Loss on sales of fixed assets	**—**	341	341
11	Loss on disposal of fixed assets	**2,658**	26,568	49,292
12	New stock issue expenses and amortization of discount on bonds	**4,320**	82	753
13	Profit on investment in anonymous partnerships	**(28,226)**	(27,609)	(57,746)
14	Gain from sales of investment securities	**(29,161)**	—	(30,685)
15	Loss on valuation of investment securities	**413**	44,911	43,567
16	Amortization of goodwill	**4,258**	3,554	8,717
17	Amortization of consolidated adjustment accounts	**1,331**	9,023	29,166
18	Equity in earnings of affiliates	**(1,125)**	(4,429)	(6,721)
19	Increase in trade receivable	**(963,992)**	(1,202,621)	(1,089,832)
20	Increase (decrease) in inventories	**12,765**	(61,363)	(29,020)
21	Increase in trade payable	**151,848**	492,791	286,790
22	Increase in insurance reserve fund	**(114,064)**	—	(158,977)
23	Other	**(145,482)**	44,835	428,824
	Subtotal	**661,500**	827,090	2,344,220
24	Interest and dividend received	**8,214**	17,980	37,838
25	Interest paid	**(16,076)**	(34,652)	(50,733)
26	Income taxes paid	**(1,137,350)**	(466,774)	(785,495)
	Net cash provided by (used in) operating activities	**(483,711)**	343,643	1,545,830

		October 1, 2003 to March 31, 2004	October 1, 2002 to March 31, 2003	October 1, 2002 to September 30, 2003
		Amount	Amount	Amount
II	Cash flows from investing activities			
1	Purchase of time deposits	**(10,010)**	—	—
2	Purchase of securities	**(298,540)**	(299,700)	(299,700)
3	Proceeds from sales of securities	**300,000**	—	200,000
4	Purchase of tangible fixed assets	**(124,150)**	(126,050)	(188,696)
5	Proceeds from sales of tangible fixed assets	**90**	154,169	1,959,759
6	Purchase of intangible fixed assets	**(90,244)**	(101,425)	(294,696)
7	Proceeds from sales of intangible fixed assets	**72**	—	—
8	Purchase of investment securities	—	(117,474)	(323,934)
9	Proceeds from sales of investment securities	**52,081**	9,269	80,577
10	Purchase of shares in subsidiary	**(1,400)**	—	(27,000)
11	Advanced for loans receivable	**(35,529)**	(4,930)	(6,630)
12	Collection on loans receivable	**3,230**	2,718	504,973
13	Other	**(10)**	—	(329)
	Net cash provided by (used in) investing activities	**(204,412)**	(483,423)	1,604,324
III	Cash flows from financing activities			
1	Increase (decrease) in short-term borrowings	**400,000**	852,900	(429,100)
2	Proceeds from long-term debt	—	200,000	200,000
3	Repayments of long-term debt	**(151,280)**	(960,146)	(1,486,456)
4	Expenditure on redemption of corporate bonds	**(9,900)**	—	—
5	Issuance of common stock	**349,500**	8,400	54,900
6	Proceeds from sales of treasury stock	—	80,050	80,050
7	Payments of dividends	**(174,823)**	(65,169)	(107,156)
8	Payments of dividends to minority shareholders	**(8,000)**	—	—
9	Other	**(26,165)**	(31,428)	(53,361)
	Net cash provided by (used in) financing activities	**379,331**	84,606	(1,741,123)
IV	Exchange gain/loss on cash and cash equivalents	**(11)**	—	—
V	Net increase (decrease) in cash and cash equivalents	**(308,804)**	(55,173)	1,409,030
VI	Cash and cash equivalents at beginning of period	**5,150,894**	3,741,864	3,741,864
VII	Cash and cash equivalents at end of period *1	**4,842,090**	3,686,690	5,150,894

Significant Accounting Policies in the Preparation of the First Half Financial Statements

Item	Oct. 1, 2003 – Mar. 31, 2004	Oct. 1, 2002 – Mar. 31, 2003	Oct. 1, 2002 – Sep. 30, 2003
1. Matters concerning the scope of consolidation	The accompanying financial statements include the accounts of the parent company and all five of its consolidated subsidiaries. Fullcast Office Support Co., Ltd. Fullcast Technology Co., Ltd. Fullcast Sports Co., Ltd. Fullcast Factory Co., Ltd. Fullcast Central Co., Ltd.	The accompanying financial statements include the accounts of the parent company and all five of its consolidated subsidiaries. Fullcast Office Support Co., Ltd. Fullcast Technology Co., Ltd. Fullcast Sports Co., Ltd. Fullcast Factory Co., Ltd. Fullcast Central Co., Ltd. Organizational changes in the first half of the current consolidated fiscal year were as follows: Fullcast With Co., Ltd. and Fullcast System Consulting Co., Ltd. merged on October 1, 2002 and the new entity formed through the merger was named Fullcast Technology Co., Ltd. Fullcast Lady Co., Ltd. was split and transferred a part of its business to the parent company on October 1, 2002. Following the split, the company was renamed Fullcast Office Support Co., Ltd. Fullcast HR Consulting Co., Ltd. was merged by Fullcast Office Support Co., Ltd. on January 1, 2003.	The accompanying financial statements include the accounts of the parent company and all five of its consolidated subsidiaries. Fullcast Office Support Co., Ltd. Fullcast Technology Co., Ltd. Fullcast Sports Co., Ltd. Fullcast Factory Co., Ltd. Fullcast Central Co., Ltd. Organizational changes in the fiscal year were as follows: Fullcast With Co., Ltd. and Fullcast System Consulting Co., Ltd. merged on October 1, 2002 and the new entity formed through the merger was named Fullcast Technology Co., Ltd. Fullcast Lady Co., Ltd. was split and transferred a part of its business to the parent company on October 1, 2002. Following the split, the company was renamed Fullcast Office Support Co., Ltd. Fullcast HR Consulting Co., Ltd. was merged by Fullcast Office Support Co., Ltd. on January 1, 2003.
2.Matters concerning the application of the equity method	(1) The accompanying financial statements include the accounts of the following affiliate accounted for by the equity method. Neo Career Inc.	(1) The accompanying financial statements include the accounts of the following two affiliates accounted for by the equity method. Adgrams Inc. Neo Career Inc.	(1) The accompanying financial statements include the accounts of the following affiliate accounted for by the equity method. Neo Career Inc. Adgrams Inc. sold parts of its shares on September 24, 2003. Due to its declined stockholding ratio as a result, it was excluded from the application of the equity method as of the same date.

Item	Oct. 1, 2003 – Mar. 31, 2004	Oct. 1, 2002 – Mar. 31, 2003	Oct. 1, 2002 – Sep. 30, 2003
	(2) —	(2) The balance sheet dates of affiliates companies differ from the balance sheet date of the Company. Financial statements of their respective first half balance sheet dates are used in the preparation of the consolidated financial statements.	(2) —
3. First half (fiscal year) accounting period of consolidated subsidiaries	The first half balance sheet dates of the consolidated subsidiaries are the same as the first half balance sheet date of the Company.	Same as on the left.	The fiscal year balance sheet dates of the consolidated subsidiaries are the same as the balance sheet date of the Company.
4. Matters concerning significant accounting policies	(1) Valuation criteria and methods for principal assets a. Securities Other securities *Securities with market quotations* Other securities that have market value are carried at fair value on the first half balance sheet date. (Unrealized holding gain or loss is included in shareholders' equity. The cost of securities sold is determined by the weighted-average method.) *Securities without market quotations* Securities without market quotations are stated at cost, cost being determined by the weighted-average method. b. Derivatives Market value method.	(1) Valuation criteria and methods for principal assets a. Securities Other securities *Securities with market quotations* Other securities that have market value are carried at fair value on the first half balance sheet date. (Unrealized holding gain or loss is included in shareholders' equity. The cost of securities sold is determined by the weighted-average method.) Embedded derivatives: Since it is not possible to measure embedded derivatives separately from their respective hybrid host contracts on the financial reporting date, entire contracts are treated as financial instruments and changes in their fair value are reported in net profit or loss. *Securities without market quotations* Same as on the left. b. Derivatives Same as on the left.	(1) Valuation criteria and methods for principal assets a. Securities Other securities *Securities with market quotations* Other securities that have market value are carried at fair value on the fiscal year balance sheet date. (Unrealized holding gain or loss is included in shareholders' equity. The cost of securities sold is determined by the weighted-average method.) Embedded derivatives: Since it is not possible to measure embedded derivatives separately from their respective hybrid host contracts on the financial reporting date, entire contracts are treated as financial instruments and changes in their fair value are reported in net profit or loss. *Securities without market quotations* Same as on the left. b. Derivatives Same as on the left.

Item	Oct. 1, 2003 – Mar. 31, 2004	Oct. 1, 2002 – Mar. 31, 2003	Oct. 1, 2002 – Sep. 30, 2003
	c. Inventories *Raw materials and supplies* Raw materials and supplies are stated at cost determined primarily by the first-in-first-out method. *Work in process* Work in process is stated at cost, cost being determined by the specific identification method.	c. Inventories *Raw materials and supplies* Same as on the left. *Work in process* Same as on the left.	c. Inventories *Raw materials and supplies* Same as on the left. *Work in process* Same as on the left.
	(2) Depreciation method for major depreciable assets a. Tangible fixed assets Declining-balance method Depreciation on buildings (excluding furniture and fixtures) acquired on or after April 1, 1998 is computed using the straight-line method. The useful life of principal assets is as follows: Buildings and structures 3-56 years Machinery and vehicles 2-10 years Furniture and fixtures 2-10 years b. Intangible fixed assets Straight-line method The development costs of software intended for internal use are amortized over an expected useful life of 3-5 years by the straight-line method. As for software intended for commercial use, whichever larger amount is given, amortized value based upon estimated sales over an expected effective life of 3 years, or equated amortized value based upon the remaining marketable life. c. Deferred assets *New stock issue expenses* Expensed as accrued. *Discount on bond* Discount on bond is amortized using the straight-line method in accordance with the provisions of the Commercial Code of Japan.	(2) Depreciation method for major depreciable assets a. Tangible fixed assets Same as on the left. The useful life of principal assets is as follows: Buildings and structures 2-56 years Machinery and vehicles 2-10 years Furniture and fixtures 3-19 years b. Intangible fixed assets Straight-line method The development costs of software intended for internal use are amortized over an expected useful life of 3-5 years by the straight-line method. c. Deferred assets *New stock issue expenses* Same as on the left. *Discount on bond* Same as on the left.	(2) Depreciation method for major depreciable assets a. Tangible fixed assets Same as on the left. The useful life of principal assets is as follows: Buildings and structures 2-56 years Machinery and vehicles 2-10 years Furniture and fixtures 2-19 years b. Intangible fixed assets Straight-line method The development costs of software intended for internal use are amortized over an expected useful life of 3-5 years by the straight-line method. As for software intended for commercial use, whichever larger amount is given, amortized value based upon estimated sales over an expected effective life of 3 years, or equated amortized value based upon the remaining marketable life. c. Deferred assets *New stock issue expenses* Same as on the left. *Discount on bond* Same as on the left.

Item	Oct. 1, 2003 – Mar. 31, 2004	Oct. 1, 2002 – Mar. 31, 2003	Oct. 1, 2002 – Sep. 30, 2003
	(3) Recognition of significant allowances a. Allowance for doubtful accounts To prepare for credit losses on accounts receivable and loans receivable etc., allowances equal to the estimated amount of uncollectible receivables are provided for general receivables based on the historical write-off ratio, and bad receivables based on case-by-case determination of collectibility. b. Accrued bonuses As a means of providing for bonus obligations, the Company designates in the reserve account an amount accrued for the first half among the estimated amount for the fiscal year. c. Allowance for employee retirement benefits To provide for accrued employees' retirement benefits, the Company and part of its consolidated affiliates provide an allowance in the amount deemed to have accrued at the end of the first half based on projected benefit obligations and pension assets at the end of the first half. Actuarial differences are primarily amortized in the fiscal year in which they are recognized.	(3) Recognition of significant allowances a. Allowance for doubtful accounts Same as on the left. b. Accrued bonuses Same as on the left. c. Allowance for employee retirement benefits To provide for accrued employees' retirement benefits, the Company provides an allowance in the amount deemed to have accrued at the end of the first half based on projected benefit obligations and pension assets at the end of the first half. Actuarial differences are primarily amortized in the fiscal year in which they are recognized.	(3) Recognition of significant allowances a. Allowance for doubtful accounts Same as on the left. b. Accrued bonuses As a means of providing for bonus obligations, the Company designates in the reserve account an estimated amount based on the actual bonus expense for the accounting period. c. Allowance for employee retirement benefits To provide for accrued employees' retirement benefits, the Company and part of its consolidated affiliates provide an allowance in the amount deemed to have accrued at the end of the fiscal year based on projected benefit obligations and pension assets at the end of the fiscal year. Actuarial differences are primarily amortized in the fiscal year in which they are recognized. (Additional information) As for one of the consolidated affiliates, to allow the provision of retirement benefits for employees, the amount that can be acknowledged to be accrued at end of this consolidated fiscal year had been appropriated based upon estimated amounts of retirement benefit debts and pension funds at end of this consolidated fiscal year.

Item	Oct. 1, 2003 – Mar. 31, 2004	Oct. 1, 2002 – Mar. 31, 2003	Oct. 1, 2002 – Sep. 30, 2003
			However, the board of directors decided to abolish this retirement benefit program on September 17, 2003. In the wake of this decision, the unused balance of this term of the balance of the retirement benefit allowance at end of this consolidated fiscal year of ¥14,906 thousand was withdrawn to be included in extraordinary income.
	d. <u>Allowance for officers' retirement benefits</u> To provide for accrued officers' severance benefits, the Company and certain consolidated subsidiaries provide an allowance for the aggregate amount payable at the end of the first half pursuant to the Company's rules on officers' retirement benefits.	d. <u>Allowance for officers' retirement benefits</u> Same as on the left.	d. <u>Allowance for officers' retirement benefits</u> To provide for accrued officers' severance benefits, the Company and certain consolidated subsidiaries provide an allowance for the aggregate amount payable at the end of the fiscal year pursuant to the Company's rules on officers' retirement benefits.
	(4) Translation of significant foreign currency-denominated assets and liabilities Foreign currency-denominated monetary assets and liabilities are translated into yen at the exchange rate in effect on the first half balance sheet date. Translation gain or loss is accounted as profit or loss.	(4) Translation of significant foreign currency-denominated assets and liabilities Same as on the left.	(4) Translation of significant foreign currency-denominated assets and liabilities Foreign currency-denominated monetary assets and liabilities are translated into yen at the exchange rate in effect on the fiscal year balance sheet date. Translation gain or loss is accounted as profit or loss.
	(5) Accounting for leases Finance leases other than those which are deemed to transfer the ownership of the leased assets to the lessees, are accounted for by the method similar to that applicable to ordinary operating leases.	(5) Accounting for leases Same as on the left.	(5) Accounting for leases Same as on the left.
	(6) Accounting for major hedges a. <u>Hedge accounting method</u> The company applies the deferred accounting method. Interest rate swap transactions that qualify for special treatment under Note 14 of the "Opinion Concerning Establishment of Accounting Standards for Financial Instruments" are accounted for by the short-cut method.	(6) Accounting for major hedges a. <u>Hedge accounting method</u> Same as on the left.	(6) Accounting for major hedges a. <u>Hedge accounting method</u> Same as on the left.

Item	Oct. 1, 2003 – Mar. 31, 2004	Oct. 1, 2002 – Mar. 31, 2003	Oct. 1, 2002 – Sep. 30, 2003
	b. Hedge method and transactions The hedge method and risk hedge are as follows: *Hedge method:* Interest rate swap *Risk hedged:* Interests on borrowings	b. Hedge method and transactions Same as on the left.	b. Hedge method and transactions Same as on the left.
	c. Hedging policy The Company uses hedge transactions to reduce interest rate risk. The responsible division executes all the derivative transactions the company enters into. Internal audit executive checks the procedures and ascertains the adequacy of individual derivative transactions.	c. Hedging policy Same as on the left.	c. Hedging policy Same as on the left.
	d. Evaluation of hedge effectiveness *Interest rate swap transactions* In principle, the Company assesses the effectiveness of individual hedge transactions at the end of consolidated fiscal year (including interim periods). The Company does not assess the effectiveness of a hedge transaction if there is a high correlation (principal, interest rate, period etc.) and high degree of effectiveness between the hedging instrument and the risk hedged.	d. Evaluation of hedge effectiveness *Interest rate swap transactions* Same as on the left.	d. Evaluation of hedge effectiveness *Interest rate swap transactions* Same as on the left.
	(7) Other significant accounting policies in the preparation of consolidated first half financial statements *Accounting for consumption taxes* All amounts stated are exclusive of national consumption tax and local consumption tax.	(7) Other significant accounting policies in the preparation of consolidated first half financial statements *Accounting for consumption taxes* Same as on the left.	(7) Other significant accounting policies in the preparation of consolidated fiscal year financial statements *Accounting for consumption taxes* Same as on the left.
5. Scope of cash and cash equivalents on first half consolidated cash flows statements	For the purpose of first half consolidated cash flows statements, cash and cash equivalents consists of vault cash, deposits that can be withdrawn on demand, and short-term investments, with original maturities of three months or less, that are readily convertible to known amounts of cash and present insignificant risk of change in value.	Same as on the left.	For the purpose of fiscal year consolidated cash flows statements, cash and cash equivalents consists of vault cash, deposits that can be withdrawn on demand, and short-term investments, with original maturities of three months or less, that are readily convertible to known amounts of cash and present insignificant risk of change in value.

Reclassifications

Item	October 1, 2003 – March 31, 2004	October 1, 2002 – March 31, 2003
Insurance reserve fund	"Insurance reserve fund," reported as a component of "Other" in investment and other assets in the first half of the previous consolidated fiscal year, is reclassified and listed separately as from the first half of the current consolidated fiscal year, given that the amount of "Insurance reserve fund" exceeds 5% of the total assets. The "Insurance reserve fund" for the first half of the previous fiscal year was ¥716,487 thousand.	—
Accrued expenses payable	"Accrued expenses payable," reported as a component of "Other" in current liabilities in the first half of the previous consolidated fiscal year, is reclassified and listed separately as from the first half of the current consolidated fiscal year, given that the amount of "Accrued expenses payable" exceeds 5% of the total of liabilities, minority interest and capital. The "Accrued expenses payable" for the first half of the previous fiscal year was ¥527,453 thousand.	—
Proceeds from sale of investment securities	"Proceeds from sale of investment securities," reported as a component of "Other" in cash flows from operating activities in the first half of the previous consolidated fiscal year, is reclassified and listed separately as from the first half of the current consolidated fiscal year, given that the amount of "Proceeds from sale of investment securities" has increased materiality of impact on consolidated financial statements. The "Proceeds from sale of investment securities" for the first half of the previous fiscal year were ¥284 thousand.	—
Increase in insurance reserve fund	"Increase in insurance reserve fund," reported as a component of "Other" in cash flows from operating activities in the first half of the previous consolidated fiscal year, is reclassified an listed separately as from the first half of the current consolidated fiscal year, given that the amount of "Increase in insurance reserve fund" has increased materiality of impact on consolidated financial statements. The "Increase in insurance reserve fund" for the first half of the previous fiscal year was ¥65,537 thousand.	—

Item	October 1, 2003 – March 31, 2004	October 1, 2002 – March 31, 2003
Increment of deposits	—	"Increment of deposits," reported as a component in cash flows from operating activities in the first half of the previous consolidated fiscal year, is reclassified and listed as a component of "Other" in cash flows from operating activities as from the first half of the current consolidated fiscal year, given that the amount of "Increment of deposits" has decreased monetary materiality of impact on consolidated financial statements. The "Increment of deposits" for the first half of the current consolidated fiscal year was ¥52,133 thousand.
Payment of dividends	—	"Payment of dividends," reported as a component of "Other" in cash flows from financial activities in the first half of the previous consolidated fiscal year, is reclassified and listed separately as from the first half of the current consolidated fiscal year, given that the amount of "Payment of dividends" has increased materiality of impact on consolidated financial statements. The "Payment of dividends" for the first half of the current consolidated fiscal year was ¥89,200 thousand.

Supplementary Information

October 1, 2003 – March 31, 2004	October 1, 2002 – March 31, 2003	October 1, 2002 – September 30, 2003
—	(Accounting for treasury stock and reduction of legal reserves) Effective the first half of the current consolidated fiscal year, the Company has adopted the new accounting standards for treasury stock and reduction of legal reserves (Financial Accounting Standard No. 1, Accounting Standard for Treasury Stock and Reduction of Legal Reserves, Business Accounting Deliberation Council, February 21, 2002). The effect of this change on profit/loss is insignificant. (Consolidated first half balance sheets) Effective the first half of the current consolidated fiscal year, the Company has adopted the ammended “Regulations Regading Termonology, Forms and Methods of Preparation of Consolidated Financial Statements”. Accordingly, “Additional paid-in capital” is reclassified as “Capital surplus” and “Retained earnings” is reclassified as “Retained surplus.” (Consolidated first half retained earnings statements) Effective the first half of the current consolidated fiscal year, the Company has adopted the ammended “Regulations Regarding Terminology, Forms and Methods of Preparation of Consolidated Financial Statements.” Accordingly, “Capital surplus” and “Retained surplus” are listed separately in the consolidated retained earings statement. Furthermore, the “Retained earnings at beginning of period” is presented as “Retained surplus at beginning of period”, “Decrease in retained earnings” as “Decrease in retained surplus” and the “Retained earnings at end of period” as “Retained surplus at end of period.” Effective the first half of the current consolidated fiscal year, “Net income,” reporeted as a separate item in prior periods, is reclassified and presented as a component of “Increase in retained surplus”.	—

Notes on Financial Statements

Notes on consolidated balance sheet for the first half

(Thousands of yen)

<table>
<tr><th>As of March 31, 2004</th><th>As of March 31, 2003</th><th>As of September 30, 2003</th></tr>
<tr><td>*1. Assets pledged as collateral
Assets pledged as collateral were as follows:
Buildings and structures 237,933
Land 606,469
Total 844,402

Liabilities corresponding to assets pledged as collateral:
Short-term borrowings 650,000
Long-term debt 361,120
[Current portion of long-term debt] [75,568]
Total 1,011,120</td><td>*1. Assets pledged as collateral
Assets pledged as collateral were as follows:
Buildings and structures 248,481
Land 606,469
Total 854,950

Liabilities corresponding to assets pledged as collateral:
Short-term borrowings 1,440,000
Long-term debt 806,690
[Current portion of long-term debt] [445,570]
Total 2,246,690</td><td>*1. Assets pledged as collateral
Assets pledged as collateral were as follows:
Buildings and structures 243,091
Land 606,469
Total 849,560

Liabilities corresponding to assets pledged as collateral:
Short-term borrowings 500,000
Long-term debt 408,894
[Current portion of long-term debt] [85,558]
Total 908,894</td></tr>
<tr><td>*2.
—</td><td>*2.
—</td><td>*2. Non-consolidated subsidiary and affiliate stock includes the following:
Investment securities 9,791</td></tr>
<tr><td>*3. The Company and one of its consolidated subsidiaries signed an agreement for overdraft with eight banks to procure operating capital efficiently.
The balance of borrowing involved in the agreement for overdraft at the end of this first half is as follows:

Limit of overdraft account 6,050,000
Borrowing 1,200,000
Balance 4,850,000</td><td>*3.
—</td><td>*3. The Company and three of its consolidated subsidiaries signed an agreement for overdraft with seven banks to procure operating capital efficiently.
The balance of borrowing involved in the agreement for overdraft at the end of this consolidated fiscal year is as follows:
Limit of overdraft account 3,700,000
Borrowing 800,000
Balance 2,900,000</td></tr>
</table>

Notes on consolidated profit and loss statement for first half

(Thousands of yen)

Oct. 1, 2003 – Mar. 31, 2004	Oct. 1, 2002 – Mar. 31, 2003	Oct. 1, 2002 – Sep. 30, 2003
*1. Significant components of selling, general and administrative expenses Salaries and wages 1,298,570 Miscellaneous wages 764,429 Legal welfare 200,668 Provision of accrued bonuses 254,193 Retirement benefit expenses 79,190 Provision of allowance for officers' retirement benefit 660 Communications expenses 214,416 Advertisement and sales promotion 69,894 Travel and transportation 244,202 Rents 404,660 Depreciation and amortization 116,024 Recruitment expense 362,470 Provision of allowance for doubtful accounts 19,919	*1. Significant components of selling, general and administrative expenses Salaries and wages 1,067,048 Miscellaneous wages 655,136 Legal welfare 199,726 Provision of accrued bonuses 274,839 Retirement benefit expenses 94,441 Provision of allowance for officers' retirement benefit 544 Communications expenses 185,944 Advertisement and sales promotion 108,805 Travel and transportation 197,702 Rents 290,778 Depreciation and amortization 103,172 Recruitment expense 284,090 Provision of allowance for doubtful accounts 26,577	*1. Significant components of selling, general and administrative expenses Salaries and wages 2,466,512 Miscellaneous wages 1,335,796 Legal welfare 399,544 Provision of accrued bonuses 277,718 Retirement benefit expenses 171,175 Provision of allowance for officers' retirement benefit 1,195 Communications expenses 374,057 Advertisement and sales promotion 158,702 Travel and transportation 421,603 Rents 644,452 Depreciation and amortization 219,535 Recruitment expense 529,884 Provision of allowance for doubtful accounts 40,694
*2. —	*2. Significant components of gain on sale of fixed assets Machinery and vehicles 666 Furniture and fixtures 3,033 Total 3,700	*2. Significant components of gain on sale of fixed assets Machinery and vehicles 666 Furniture and fixtures 3,033 Land 105,786 Total 109,486
*3. —	*3. Significant components of loss on sale of fixed assets Machinery and vehicles 341	*3. Significant components of loss on sale of fixed assets Machinery and vehicles 341
*4. Significant components of loss on disposal of fixed assets Buildings and structures 330 Machinery and vehicles 770 Furniture and fixtures 1,557 Total 2,658	*4. Significant components of loss on disposal of fixed assets Machinery and vehicles 5,103 Furniture and fixtures 3,636 Software 17,828 Total 26,568	*4. Significant components of loss on disposal of fixed assets Buildings and structures 370 Machinery and vehicles 5,164 Furniture and fixtures 4,718 Software 17,828 Total 28,081
*5. —	*5. —	*5. The expenses incurred in relocating the head office include the cost incurred in returning to the original condition, the labor cost and loss on retirement of fixed assets. The details of the loss on retirement of fixed assets, included as a component of the expenses incurred in relocating the head office, are as given below: Buildings and structures 20,543 Furniture and fixtures 667 Total 21,210
*6. —	*6. Penalty on lump-sum advance repayment of debt	*6. Penalty on lump-sum advance repayment of debt

Notes on consolidated cash flows statement for first half

(Thousand of yen)

Oct. 1, 2003 – Mar. 31, 2004		Oct. 1, 2002 – Mar. 31, 2003		Oct. 1, 2002 – Sep. 30, 2003	
*1. Reconciliation of the first half consolidated balance sheet items to cash and cash equivalents in the first half consolidated cash flows statements		*1. Reconciliation of the first half consolidated balance sheet items to cash and cash equivalents in the first half consolidated cash flows statements		*1. Reconciliation of consolidated balance sheet items to cash and cash equivalents in fiscal year consolidated cash flows statements	
Cash and deposits	4,352,087	Cash and deposits	3,186,639	Cash and deposits	4,650,781
Fixed deposits with original maturities of over 3 months	(10,010)	Money Management Fund	300,047	Money Management Fund	300,104
Money Management Fund	300,001	Free Financial Funds	200,004	Free Financial Funds	200,008
Free Financial Fund	200,012	Cash and cash equivalents	3,686,690	Cash and cash equivalents	5,150,894
Cash and cash equivalents	4,842,090				

Securities

First half of the current consolidated fiscal year (as of March 31, 2004)

Securities

1. Securities with market quotations classified as "Other"

(Thousands of yen)

	As of March 31, 2004		
Security	Acquisition cost	Carrying value	Unrealized gain/loss
(1) Equity securities	423,973	910,568	486,594
(2) Debt securities			
JGB's and municipal bonds	—	—	—
Corporate bonds	—	—	—
Other bonds (Note)	—	—	—
(3) Other securities	—	—	—
Total	423,973	910,568	486,594

2. Securities without market quotations classified as "Other"

(Thousands of yen)

Security	Carrying value
Affiliate stock	10,916
Other securities without market quotations (excluding OTC shares)	92,516
Free Financial Fund	200,012
Money Management Fund	300,001
Commercial paper	298,667

Note: The amount after adjustment for impairment is given in "Equity securities" on the consolidated balance sheet for the first half. The amount of impairment was ¥413 thousand.

First half of the previous consolidated fiscal year (as of March 31, 2003)

Securities

1. Securities with market quotations classified as "Other"

(Thousands of yen)

	As of March 31, 2003		
Security	Acquisition cost	Carrying value	Unrealized gain/loss
(1) Equity securities	167,795	170,364	2,568
(2) Debt securities			
JGB's and municipal bonds	—	—	—
Corporate bonds	—	—	—
Other bonds	496,439	496,940	500
(3) Other securities	—	—	—
Total	664,234	667,304	3,069

Notes:

1. The hybrid (combined) instruments (¥200,000 thousand), included as a component of "Other securities," were revalued on the consolidated first half balance sheet date, and revaluation profit and loss is reported. The hybrid (combined) instruments (acquisition cost) are reported at fair value.
2. Equity securities (acquisition cost) are reported at fair value after adjustment for impairment.
   As regards impairment of the equity securities in question, if the market value declines 50% or so compared to the acquisition cost at the end of the first half of the current consolidated fiscal year, they will be impaired and if it declines somewhere between 30% and 50%, they will be impaired to such an extent as deemed necessary in consideration of the possibility of their recovery.
   The amount of impairment was ¥18,900 thousand.

2. Securities without market quotations classified as “Other”

(Thousands of yen)

Security	Carrying value
Affiliate stock	7,500
Other securities without market quotations (excluding OTC shares)	208,536
Free Financial Fund	200,004
Money Management Fund	300,047

Note: The amount after adjustment for impairment is given in “Equity securities” on the consolidated balance sheet for the first half. The amount of impairment was ¥23,011 thousand.

Previous consolidated fiscal year (As of September 30, 2003)

Securities

1. Securities with market quotations classified as “Other”

(Thousands of yen)

	As of September 30, 2003		
Security	Acquisition cost	Carrying value	Unrealized gain/loss
(1) Equity securities	352,155	403,877	51,721
(2) Debt securities			
JGB’s and municipal bonds	—	—	—
Corporate bonds	—	—	—
Other bonds (Note)	300,000	301,120	1,120
(3) Other securities	—	—	—
Total	652,155	704,997	52,841

Note: The hybrid (combined) instruments (¥200,000 thousand), included as a component of “Other securities,” were revalued on the consolidated balance sheet date, and revaluation profit and loss is reported. The hybrid (combined) instruments (acquisition cost) are reported at fair value.

2. Securities without market quotations classified as “Other”

(Thousands of yen)

Security	Carrying value
Affiliate stock	9,791
Other securities without market quotations (excluding OTC shares)	187,980
Free Financial Fund	200,008
Money Management Fund	300,104

Note: The amount after adjustment for impairment is given in “Equity securities” on the consolidated balance sheet.
The amount of impairment was ¥43,567 thousand.

Derivatives

First half of the current consolidated fiscal year (as of March 31, 2004)

The company also enters into interest rate swap transactions. Interest rate swaps which qualify for hedge accounting are not reported.

First half of the previous consolidated fiscal year (as of March 31, 2003)

Contract values and valuation gains and losses on embedded derivatives in hybrid (combined) instruments are reported in the notes to the section on Securities (1. Securities with market quotations classified as “Other”). The company also enters into interest rate swap transactions. Interest rate swaps which qualify for hedge accounting are not reported.

Previous consolidated fiscal year (as of September 30, 2003)

Contract values and valuation gains and losses on embedded derivatives in hybrid (combined) instruments are reported in the notes to the section on Securities (1. Securities with market quotations classified as “Other”). The company also enters into interest rate swap transactions. Interest rate swaps which qualify for hedge accounting are not reported.

Segment Information

(1) Information on the business segments

First half of the current consolidated fiscal year (October 1, 2003 – March 31, 2004)

(Thousands of yen)

	Spot Business	Factory Business	Technology Business	Other Business	Total	Elimination or company total	Consolidated
Net sales and operating income Net sales (1) Sales to external customers	13,779,787	5,894,810	2,677,985	228,377	22,580,961	–	22,580,961
(2) Inter-segment sales or transfers	143,760	25,865	41,000	4,295	214,921	(214,921)	–
Total	13,923,548	5,920,676	2,718,985	232,672	22,795,883	(214,921)	22,580,961
Operating expenses	12,435,808	5,634,918	2,629,177	247,499	20,947,403	38,994	20,986,398
Operating income or loss (Δ)	1,487,740	285,757	89,807	Δ14,826	1,848,479	(253,916)	1,594,563

Notes:

1. The company's business activities are divided as given below for the purpose of internal management.
2. Business segments
   (1) Spot Business: Short-term contractual workers services, short-term employee dispatching services
   (2) Factory Business: Personnel outsourcing services for production line work
   (3) Technology Business: Human resources contracting of technical staff, engineer dispatching services, data communication services
   (4) Other Business: Agency services for professional athletes, restaurant and bar management
3. Of the operating expenses during the consolidated first half accounting period, the amount of funds, which can not be allocated, included in the elimination or company total item is ¥268,180 thousand. It is mainly expenses associated with the administrative departments of the parent company's head office, such as Accounting.

First half of the previous consolidated fiscal year (October 1, 2002 – March 31, 2003)

(Thousands of yen)

	Spot Business	Factory Business	Technology Business	Other Business	Total	Elimination or company total	Consolidated
Net sales and operating income Net sales (1) Sales to external customers	11,181,421	5,263,190	1,929,946	342,974	18,717,534	–	18,717,534
(2) Inter-segment sales or transfers	231,683	15,171	39,261	19,021	305,138	(305,138)	–
Total	11,413,105	5,278,362	1,969,208	361,996	19,022,672	(305,138)	18,717,534
Operating expenses	10,128,804	4,997,761	1,982,863	382,571	17,492,000	(4,728)	17,487,272
Operating income or loss (Δ)	1,284,300	280,601	Δ13,655	Δ20,574	1,530,671	(300,409)	1,230,261

Notes:

1. The company's business activities are divided as given below for the purpose of internal management.
2. Business segments
   (1) Spot Business: Short-term contractual workers services, short-term employee dispatching services
   (2) Factory Business: Personnel outsourcing services for production line work
   (3) Technology Business: Human resources contracting of technical staff, engineer dispatching services, data communication services
   (4) Other Business: Employee search and placement services, agency services for professional athletes, restaurant chain franchisee, etc.

3. Of the operating expenses during the consolidated first half accounting period, the amount of funds, which can not be allocated, included in the elimination or company total item is ¥334,269 thousand. It is mainly expenses associated with the administrative departments of the parent company's head office, such as Accounting.

4. Change of the business segments

   Due to a realignment of the Group business activities, Fullcast discloses its results of operations according to the aforementioned Note 2. "Business segments" as from this fiscal year. The human resources contracting of technical staff and engineer dispatching services, which made up the Technical Business in the September 2002 fiscal year, have been combined with data communication services, which had been included in Other Business in the previous fiscal year, are provided in the Technology Business segment.

   Segment information for the consolidated first half of the September 2002 fiscal year would have been as follows, if business segment under the previous-year consolidated first half had been applied.

First half of the consolidated September 2002 fiscal year (October 1, 2001 – March 31, 2002)

(Thousands of yen)

	Spot Business	Factory Business	Technical Business	Other Business	Total	Elimination or company total	Consolidated
Net sales and operating income Net sales (1) Sales to external customers	8,188,226	2,261,460	1,584,486	304,318	12,338,492	–	12,338,492
(2) Inter-segment sales or transfers	194,663	12,725	220,347	21,693	449,429	(449,429)	–
Total	8,382,889	2,274,186	1,804,834	326,011	12,787,922	(449,429)	12,338,492
Operating expenses	7,409,581	2,248,079	1,836,004	343,284	11,836,949	(289,974)	11,546,974
Operating income or loss (Δ)	973,308	26,107	Δ31,169	Δ17,272	950,973	(159,455)	791,517

Previous consolidated fiscal year (October 1, 2002 – September 30, 2003)

(Thousands of yen)

	Spot Business	Factory Business	Technology Business	Other Business	Total	Elimination or company total	Consolidated
Net sales and operating income Net sales (1) Sales to external customers	22,205,911	10,713,647	4,313,317	712,535	37,945,412	–	37,945,412
(2) Inter-segment sales or transfers	382,414	39,293	489,027	53,246	963,982	(963,982)	–
Total	22,588,326	10,752,940	4,802,345	765,782	38,909,394	(963,982)	37,945,412
Operating expenses	20,318,356	10,158,932	4,600,921	741,118	35,819,328	(329,231)	35,490,096
Operating income or loss (Δ)	2,269,970	594,007	201,424	24,663	3,090,065	(634,750)	2,455,315

Notes:

1. The company's business activities are divided as given below for the purpose of internal management.
2. Business segments
   (1) Spot Business: Short-term contractual workers services, short-term employee dispatching services
   (2) Factory Business: Personnel outsourcing services for production line work
   (3) Technology Business: Human resources contracting of technical staff, engineer dispatching services, data communication services
   (4) Other Business: Employee search and placement services, agency services for professional athletes, restaurant chain franchisee, etc.

3. Of the operating expenses during the consolidated accounting period, the amount of funds, which can not be allocated, included in the elimination or company total item is ¥581,355 thousand. It is mainly expenses associated with the administrative departments of the parent company's head office, such as Accounting.
4. Change of the business segments

   Due to a realignment of the Group business activities, Fullcast discloses its results of operations according to the aforementioned Note 2. "Business segments" as from this fiscal year. The human resources contracting of technical staff and engineer dispatching services, which made up the Technical Business in the September 2002 fiscal year, have been combined with data communication services, which had been included in Other Business in the previous fiscal year, are provided in the Technology Business segment.

   Segment information for the consolidated September 2002 fiscal year would have been as follows, if business segment under the previous consolidated fiscal year had been applied.

Consolidated September 2002 fiscal year (October 1, 2001 – September 30, 2002)

(Thousands of yen)

	Spot Business	Factory Business	Technical Business	Other Business	Total	Elimination or company total	Consolidated
Net sales and operating income							
Net sales							
(1) Sales to external customers	16,391,568	5,824,213	3,361,450	742,637	26,319,869	–	26,319,869
(2) Inter-segment sales or transfers	389,366	48,111	356,478	31,591	825,547	(825,547)	–
Total	16,780,935	5,872,324	3,717,928	774,228	27,145,417	(825,547)	26,319,869
Operating expenses	15,032,438	5,720,408	3,740,194	776,720	25,269,762	(460,930)	24,808,831
Operating income or loss (Δ)	1,748,497	151,915	Δ22,266	Δ2,491	1,875,654	(364,617)	1,511,037

(2) Geographic segment information

Geographical segment information is not presented since the Company did not have consolidated subsidiaries or branches offices in other areas or regions than Japan in the current consolidated first half, the previous-year consolidated first half and the previous consolidated fiscal year.

(3) Overseas sales

Overseas sales are not presented since they represent less than 10% of total consolidated net sales in the current consolidated first half, the previous-year consolidated first half and the previous consolidated fiscal year.

Per Share Information

Oct. 1, 2003 – Mar. 31, 2004	Oct. 1, 2002 – Mar. 31, 2003	Oct. 1, 2002 – Sep. 30, 2003
Shareholders' equity per share ¥74,283.03	Shareholders' equity per share ¥183,441.13	Shareholders' equity per share ¥198,486.00
Net income per share (basic) ¥6,702.81	Net income per share (basic) ¥12,393.73	Net income per share (basic) ¥27,373.46
Net income per share (diluted) ¥6,676.80	Net income per share (diluted) ¥12,367.62	Net income per share (diluted) ¥27,118.49

Notes:

1. The following is a reconciliation of net income per share (basic) and net income per share (diluted)

(Thousands of yen)

	Oct. 1, 2003 – Mar. 31, 2004	Oct. 1, 2002 – Mar. 31, 2003	Oct. 1, 2002 – Sep. 30, 2003
Net income	895,476	540,143	1,196,630
Net income (basic)	895,476	540,143	1,196,630
Net income not available to common stock	–	–	–
Average number of common stock outstanding during the period	133,597 shares	43,582 shares	43,715 shares
Net income available to common stock after effect of dilutive stock	–	–	–
Effect of dilutive stock Stock acquisition rights	520 shares	92 shares	411 shares
Increase in common shares	520 shares	92 shares	411 shares
Potential stock not included in the calculation of net income per share (diluted) since it did not have dilative effect.	–	–	–

2. In this reporting first half the Company split common shares on a three-for-one-stock-split basis as of November 20, 2003 (number of shares issued: 89,658).
   Current net income per share (basic) and current net income per share (diluted) were calculated on the assumption that the stock split was carried out at the beginning of the period.
   Per share information for the previous-year consolidated first half the prior consolidated fiscal year calculated on the assumption that this stock split was carried out at the beginning of the previous-year period is given as follows:

Oct. 1, 2002 – Mar. 31, 2003	Oct. 1, 2002 – Sep. 30, 2003
Shareholders' equity per share ¥61,147.04	Shareholders' equity per share ¥66,162.00
Net income per share (basic) ¥4,131.24	Net income per share (basic) ¥9,124.48
Net income per share (diluted) ¥4,122.54	Net income per share (diluted) ¥9,039.49

Subsequent Events

<table>
<tr><th>October 1, 2003 – March 31, 2004</th><th>October 1, 2002 – March 31, 2003</th><th>October 1, 2002 – September 30, 2003</th></tr>
<tr>
<td>1. Stock split
In accordance with the decision by the Company’s board of directors on March 8, 2004, it will float new stock through stock split as given below:

(1) Objective of the stock split
To lower the amount of investment per share; thereby expanding the base of individual investors, as well as increase the liquidity of shares in the Company.

(2) Summary of the stock split
As of May 20, 2004, the Company will split common shares on a two-for-one-stock-split basis according to the following:
a. Number of shares to be increased through the stock split
Common stock: 137,982 share
b. How to split up
The number of shares owned by stockholders listed/recorded on the final list of shareholders and substantial shareholders as of March 31, 2004 will be split on a basis of two-for-one stock split.
c. The initial date of reckoning stock dividends
April 1, 2004
Per share information for the previous consolidated fiscal year if this stock split had been implemented at the beginning of the prior term would have been as follows:

<table>
<tr><th>Oct. 1, 2003 – Mar. 31, 2004</th><th>Oct. 1, 2002 – Mar. 31, 2003</th><th>Oct. 1, 2002 – Sep. 30, 2003</th></tr>
<tr><td colspan="3">Shareholders’ equity per share</td></tr>
<tr><td>¥37,141.51</td><td>¥30,573.52</td><td>¥33,081.00</td></tr>
<tr><td colspan="3">Net income per share (basic)</td></tr>
<tr><td>¥3,351.40</td><td>¥2,065.62</td><td>¥4,562.24</td></tr>
<tr><td colspan="3">Net income per share (diluted)</td></tr>
<tr><td>¥3,338.40</td><td>¥2,061.27</td><td>¥4,519.74</td></tr>
</table>
</td>
<td>—</td>
<td>1. Stock split
In accordance with the decision by the Company’s board of directors on September 8, 2003, it floated new stock through stock split as given below:

(1) Objective of the stock split
To lower the amount of investment per share; thereby expanding the base of individual investors, as well as increase the liquidity of shares in the Company.

(2) Summary of the stock split
As of November 20, 2003, the Company split common shares on a three-for-one-stock-split basis according to the following:
a. Number of shares to be increased through the stock split
Common stock: 89,658 share
b. How to split up
The number of shares owned by stockholders listed/recorded on the final list of shareholders and substantial shareholders as of September 30, 2003 was split on a basis of three-for-one stock split.
c. The initial date of reckoning stock dividends
October 1, 2003
Per share information for the previous consolidated fiscal year if this stock split had been implemented at the beginning of the prior term and per share information for the current consolidated fiscal year if it had been implemented at the beginning of the current term would have been as follows:

<table>
<tr><th>Oct. 1, 2003 – Sep. 30, 2004</th><th>Oct. 1, 2002 – Sep. 30, 2003</th></tr>
<tr><td colspan="2">Shareholders’ equity per share</td></tr>
<tr><td>¥66,162.00</td><td>¥57,109.11</td></tr>
<tr><td colspan="2">Net income per share (basic)</td></tr>
<tr><td>¥9,124.48</td><td>¥2,634.10</td></tr>
<tr><td colspan="2">Net income per share (diluted)</td></tr>
<tr><td>¥9,039.49</td><td>¥2,604.61</td></tr>
</table>
</td>
</tr>
</table>

<table>
<tr><th>October 1, 2003 – March 31, 2004</th><th>October 1, 2002 – March 31, 2003</th><th>October 1, 2002 – September 30, 2003</th></tr>
<tr>
<td>
2. Equity swap
Fullcast signed an agreement to swap shares in accordance with the decision by its board of directors on March 8, 2004 and will turn Apayours Co., Ltd. into its wholly owned subsidiary through equity swap.
Issuance of new shares will be executed without approval of shareholders' general meeting in compliance with Paragraph 1, Article 358 of the Commercial Code of Japan.
The matters concerning this equity swap are given below:

(1) Purpose of equity swap
To mutually complement management resources, step up both companies' fiscal structure and promote growth.

(2) Date of equity swap
June 1, 2004

(3) Ratio of equity swap
<table>
<tr><th></th><th>Fullcast Co., Ltd.</th><th>Apayours Co., Ltd.</th></tr>
<tr><td>Equity swap ratio</td><td>1</td><td>0.68</td></tr>
</table>

(4) Number of substitute treasury stock to be issued
Common stock 2,765 shares

(5) Summary of the company that is to become Fullcast's wholly owned subsidiary
Name: Apayours Co., Ltd.
Business activities:
Light work contractor

(Fiscal year ended May 31, 2003)
(Unit: thousands of yen)
<table>
<tr><td>Net sales</td><td>2,178,090</td></tr>
<tr><td>Ordinary income</td><td>33,503</td></tr>
<tr><td>Current net income</td><td>50,762</td></tr>
<tr><td>Total asset</td><td>525,223</td></tr>
<tr><td>Net asset</td><td>263,853</td></tr>
</table>
</td>
<td></td>
<td>
2. Stock acquisition rights
The Company's board of directors approved the issuance of stock acquisition rights in the 10th regular general meeting of shareholders on December 20, 2002 in accordance with Article 280-20 and 280-21 of the Commercial Code of Japan to directors, auditors and employees of the Company and its subsidiaries and affiliates. This was supposed to take the form of stock options up to 1,200 shares of common stock. However, the board of directors decided not to issue the stock acquisition rights in the form of stock options based upon the said resolution in a board of directors' meeting on November 20, 2003.
The Board of Directors on November 20, 2003 approved the issuance of stock acquisition rights in accordance with Article 280-20 and 280-21 of the Commercial Code of Japan to directors, auditors and employees of the Company and its subsidiaries and affiliates. The resolution passed at the Annual General Meeting of Shareholders held on December 19, 2003.

Details of stock acquisition rights:

(1) Type of shares
Common stock of the Company

(2) Number of shares to be issued under stock acquisition rights
Up to 2,000 shares

(3) Total number of stock acquisition rights to be issued
2,000

(4) Issue price of stock acquisition rights
To be issued without receipt of consideration
</td>
</tr>
</table>

October 1, 2003 – March 31, 2004	October 1, 2002 – March 31, 2003	October 1, 2002 – September 30, 2003
		(5) Amount to be paid upon exercise of stock acquisition rights The amount to be paid upon exercise of the stock acquisition rights (the “exercise price) shall be the amount which is equal to the product of the higher price of either the average of daily closing prices of common stock in regular transactions on the Tokyo Stock Exchange market in the month preceding the month in which the stock acquisition rights are issued (excluding those dates on which no trade was made) or the closing price on the issue date (if there is no closing price on the issue date, the most recent closing price prior to the issue date shall apply) and 1.03. Any fraction less than one yen shall be rounded up to the nearest yen. (6) Exercise period Within five years from the date of issuing the rights, the period will be decided at a meeting of the Board of Directors of the Company. (7) Conditions for exercise a. A person granted the stock acquisition rights must be in the position of director, auditor or employee of the Company, its subsidiary or affiliate at the time of exercise of the stock acquisition rights. b. A person granted the stock acquisition rights shall be deemed to maintain the position of director, auditor or employee of the Company, its subsidiary or affiliate, in case the said person loses this position on account of retirement from office or retirement due to the attainment of retirement age. The Conditions regarding the exercise of the rights by the said person follow the contract mentioned in d. c. If a person who was allocated the rights dies, that person’s successor will be able to exercise the person’s rights. The Conditions regarding the exercise of the rights by the successor follow the contract mentioned in d.

October 1, 2003 – March 31, 2004	October 1, 2002 – March 31, 2003	October 1, 2002 – September 30, 2003
		d. Other conditions regarding exercise of the right follow the contract concluded between the Company and the person allocated the Rights, in accordance with the resolution of the 11th Annual General Meeting of Shareholders and the meeting of the Board of Directors. (8) Restriction on transfer of stock acquisition rights Transfer of stock acquisition rights shall be subject to approval of the Board of Directors.