Brief Announcement of Consolidated Financial Results for the First Half of the Term Ending September 2009

May 8, 2009

Company name: Fullcast Holdings Co., Ltd.
Stock exchange listing: First Section of the Tokyo Stock Exchange
Stock code: 4848 URL: http://www.fullcast.co.jp
Representative: Hiroyuki Urushizaki, Director and President
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Scheduled day for quarterly report submission: May 15, 2009
Scheduled day for commencement of dividend payments: –

(Figures are rounded to the nearest one million yen.)

1. Consolidated Financial Results for the First Half of the Fiscal Year Ending September 30, 2009 (October 1, 2008 – March 31, 2009)

(1) Consolidated business results (total sum) (Figures in percentages denote the year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First half ended March 2009	34,764	–	-596	–	-686	–	-2,782	–
First half ended March 2008	49,818	-10.3	741	-69.7	691	-70.8	-103	–

	Net income per share	Diluted net income per share
	Yen	Yen
First half ended March 2009	-10,502.90	–
First half ended March 2008	-389.35	–

(2) Consolidated financial conditions

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
First half ended March 2009	24,451	6,136	19.6	18,095.89
Year ended September 2008	36,697	10,969	20.6	28,591.84

(Reference): Shareholders' equity (million yen): First half ended March 2009: 4,793
: Year ended September 2008: 7,573

2. Dividends

	Dividend per share				
(Base date)	End of Q1	End of Q2	End of Q3	End of FY	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 2008	–	0.00	–	0.00	0.00
Fiscal year ending September 2009	–	0.00			
Fiscal year ending September 2009 (forecast)			–	0.00	0.00

(Note) Revision of the expected dividends in the first half under review: No

3. Forecast for Consolidated Financial Results for the Year Ending September 30, 2009 (October 1, 2008 – September 30, 2009)

(Percentage figures denote the year-on-year increase or decrease.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	59,891	-39.5	-1,100	–	-1,332	–	-5,364	–	-16,620.86

(Note) Revision of the consolidated forecast in the first half under review: Yes

4. Others

(1) Important changes of subsidiaries during the term (changes of specified subsidiaries that lead to a change in the scope of consolidation) Yes

New: – company (company name:)

Eliminated: 1 company (company name: Asia Pacific System Research Co., Ltd.)

(Note) For more details, please see Page 6, “4. Other”

(2) Application of simplified accounting policies and accounting treatment specific to the production of consolidated financial statements Yes

(Note) For more details, please see Page 6, “4. Other”

(3) Changes in accounting principles and procedures and the presentation method, etc. of consolidated financial statements (those which are included in changes to important matters that will be the bases for preparing consolidated financial statements)

1) Changes associated with the revision of accounting principles, etc.: Yes

2) Change other than 1): No

(Note) For more details, please see Page 6, “4. Other”

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the term (including treasury stock) (shares)

First half ended March 2009:	275,964	Fiscal year ended September 2008:	275,964

2) Number of treasury stock at the end of the term (shares)

First half ended March 2009:	11,100	Fiscal year ended September 2008:	11,100

3) Average number of shares outstanding during the term (consolidated quarter)

First half ended March 2009:	264,864	First half ended March 2008:	264,864

<u>* Explanation about the proper use of financial forecasts and other important notes</u>

*Starting this consolidated fiscal year, "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No.12) and "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No.14) are adopted. In addition, pursuant to the Rules Concerning Quarterly Consolidated Financial Statements, we prepared quarterly consolidated financial statements.

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) Damage to cooperate infrastructure due to disasters, including earthquakes; and (3) 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.

For the assumptions underlying business forecasts and related issures, please see Page 6, "3. Qualitative Data on Consolidated Business Forecast" of "Qualitative Data, Financial Statements and Other Information.

1. Qualitative Data on Consolidated Financial Results

The qualitative data on consolidated financial results explains the financial results for the three months from January 1, 2009 to March 31, 2009. For qualitative data on consolidated financial results for the first quarter of the fiscal year ending September 2009, please refer to the Brief Announcement of Consolidated Financial Results for the First Quarter of the Term Ending September 2009 (disclosed on January 30, 2009).

In the consolidated accounting period for this second quarter, the economic environment weakened further, with companies in the manufacturing industry making production adjustments in response to the global economic downturn. With this as a background, the staffing services sector experienced severe difficulties as companies endeavoring to improve profitability took actions such as canceling worker dispatch contracts and suspending the renewal of worker dispatch contracts to adjust employment levels.

In this environment, the Group sought to accurately identify corporate demand for human resources and win orders so that it could provide more employment opportunities. However, the Spot Business did not see any increase in order numbers in late March, which is usually a peak for orders, and consequently orders fell short of plan. Orders also grew at a sluggish pace in the Factory Business and the engineer dispatch division of the Technology Business, strongly influenced by the weak economy. The first quarter transfer of all shares of Asia Pacific System Research Co., Ltd. (hereinafter “Aspac”), which operated a contract software development business, also had an impact. With these and other factors, consolidated sales declined to 15,308 million yen (down 39.7% year on year). If the influence of the transfer of Aspac is excluded, consolidated sales fell 34.6% year on year.

Looking at profits, we sought to reduce selling, general and administrative expenses throughout the Group, with a substantial reduction in personnel expenses and staff recruitment expenses. As these efforts did not offset the impact of lower sales, Fullcast posted a consolidated operating loss of 323 million yen (compared with consolidated operating income of 690 million yen in the year-ago period) and a consolidated ordinary loss of 404 million yen (consolidated ordinary income of 666 million yen in the year-ago period). The quarterly consolidated net loss was 1,135 million yen (consolidated net loss of 113 million yen in the year-ago period), reflecting a loss on the closure of offices of 145 million yen, special severance payments for employees taking early retirement of 101 million yen, and a loss on impairment of goodwill of 85 million yen at consolidated subsidiaries, which were posted as extraordinary losses.

With the aim of stabilizing management promptly through the rationalization of business operations, we implemented various initiatives and established policies for rebuilding our management foundations by encouraging a focus on core competencies in the outsourcing business centered on the manpower dispatch business. Specific measures are as follows.

1. On February 1, 2009, Casting Bank Co., Ltd. and Job Choice Tokai Co., Ltd. merged with Fullcast Co., Ltd. (Disclosed on December 12, 2008: Impact on the Spot Business).
2. On May 1, 2009, Oneday Job Style Co., Ltd. merged with Fullcast Co., Ltd. (Disclosed on March 9, 2009: Impact on the Spot Business).
3. On March 16, 2009, all the shares of Info-P Co., Ltd., whose core operation was a specialist advertising agency business for the amusement industry, were transferred (Disclosed on March 9, 2009: Impact primarily on the Other Business).

4. On April 1, 2009, a joint venture (company name: Telecom Marketing Co., Ltd.) was established by Hikari Tsushin, Inc. and Fullcast Marketing Co., Ltd., a consolidated subsidiary of the Company (Disclosed on March 16, 2009: Impact on the Office Business).
5. To rebuild the earnings structure for the future, employees were reallocated to those business areas with high growth potential, and it was decided to cut the workforce by approximately 350 people throughout the Group (Disclosed on April 9, 2009: Impact on consolidated results).
6. As a restructure of the Group businesses, a policy was implemented for selling Fullcast Technology Co., Ltd. and Net It Works, Inc., which operated the technology business (Disclosed on April 9, 2009: Impact on the Technology Business).

   Among other measures, the sale of Fullcast Factory Co., Ltd. and Fullcast Central Co., Ltd., which operate the factory business, is also under consideration (Disclosed on May 8, 2009: Impact on the Factory Business).
7. On May 8, 2009, all the shares of Fullcast Finance Co., Ltd., which provided credit services and receivables (loans receivable) from this subsidiary, were transferred to third parties (Disclosed on May 8, 2009: Impact on the Other Business).

Financial results by business segment are as follows.

[Spot Business]

In the Spot Business, sales declined to 4,993 million yen (down 45.7% year on year), as the number of orders did not increase in late March when orders are usually the most concentrated. This was despite our efforts to encourage sales by revising the unit order price to expand our market share in an environment of declining demand for human resources services, along with languishing corporate activities. The Company reduced selling, general and administrative expenses by curbing personnel expenses by reducing the rate of bonus pay and by improving operating efficiency, but these efforts did not offset the fall in profits. As a consequence, we posted an operating loss of 329 million yen (compared with operating income of 513 million yen in the year-ago period).

[Factory Business]

In the Factory Business, sales were 2,214 million yen (down 51.8% year on year), influenced by continued production cutbacks since around the end of the last year, as companies in the manufacturing sector sought to reduce inventory levels. In terms of profits, we slashed selling, general and administrative expenses substantially by lowering recruitment expenses and other costs, but did not completely offset the impact of the fall in sales. Consequently, the operating loss stood at 229 million yen (against operating income of 106 million yen in the year-ago period).

[Technology Business]

Sales in the contract division, which includes setting up communication base stations and building IT infrastructure, remained flat year on year, backed by orders for continued projects, but because of the influence of the sale of Aspac and the year-on-year sales decrease in the engineer dispatch division, largely affected by limited capital expenditure, sales in the Technology Business declined to 4,001 million yen (down 38.4% year-on-year). In terms of profits, although the sale of Aspac forced profits down, overheads were reduced significantly through the restraint on personnel expenses by lowering the rate of bonus pay, along with the reduction of recruitment expenses in the dispatch division. As a result, operating income rose to 384 million yen (up 77.5% year on year). Excluding the influence of the transfer of Aspac, sales fell 11.2% year on year and operating income surged 482.5%.

[Office Business]

Although demand for sales support remained steady, demand from client companies for office worker dispatch weakened because of deteriorated corporate earnings, and this led to a substantial fall in contacts for long-term dispatch. As a result, sales in the Office Business stood at 2,431 million yen (down 30.0% year on year). In terms of profits, despite our efforts to hold down selling, general and administrative expenses through the efficient use of expenses, we posted an operating loss of 20 million yen (down 87.7% year on year).

[Other Business]

Orders received by the security guard division fell year on year, offset by growth in the advertising agency division for the amusement sector. Consequently, sales of Other Business were 1,670 million yen (up 2.4% year on year). As a result of streamlining operations, the operating income in this segment rose to 7 million yen (compared with an operating loss of 38 million yen in the year-ago period).

2. Qualitative Data on Consolidated Financial Position

[Assets, Liabilities and Shareholders' Equity]

Total assets at the end of the consolidated accounting period of this second quarter declined by 4,060 million yen from the end of the consolidated accounting period of the first quarter, to 24,451 million yen. Shareholder's equity dropped by 1,128 million yen, to 4,793 million yen (shareholder's equity ratio: 19.6%), and net assets decreased by 1,097 million yen, to 6,136 million yen.

In terms of assets, current assets fell by 3,244 million yen from the end of the consolidated accounting period of the first quarter, to 17,602 million yen. This is because cash and deposits decreased by 313 million yen, to 7,462 million yen, trade notes and accounts receivables shrank by 1,854 million yen, to 7,098 million yen, and Other in current assets (accrued income and others) fell by 1,059 million yen, to 2,607 million yen. Fixed assets decreased by 816 million yen from the end of the consolidated accounting period of the first quarter, to 6,849 million yen. The main reasons for this are as follows: goodwill decreased by 176 million yen, to 1,418 million yen, because of the write-down of business rights at subsidiaries, guarantee money paid decreased by 172 million yen, to 1,602 million yen, due to the consolidation of offices, and land dropped by 163 million yen, to 630 million yen, because of the sale of company dormitories.

In terms of liabilities, current liabilities declined 2,489 million yen from the end of the consolidated accounting period of the first quarter, to 14,071 million yen. This result reflects a reduction in short-term borrowings of 597 million yen, to 6,853 million yen, a reduction in accrued expenses of 531 million yen, to 1,738 million yen, a fall in accounts payable-other of 349 million yen, to 1,796 million yen, a drop in accrued bonuses of 343 million yen, to 326 million yen, among other factors. Long-term liabilities were reduced by 475 million yen from the end of the consolidated accounting period of the first quarter, to 4,244 million yen, primarily on the back of a decrease in long-term debt by 535 million yen, to 3,417 million yen.

The Company conducted a private placement to its Director and Chairman and Hikari Tsushin, Inc. for the purpose of bolstering its financial basis, and this was completed on April 8, 2009 with a payment of 553 million yen.

[Cash Flows]

As of the end of the consolidated accounting period of the second quarter under review, cash and cash equivalents (hereinafter "cash") decreased by 313 million yen from the end of the consolidated accounting period of the first quarter (in the year-ago period: decreased 1,228 million yen), to 7,562 million yen.

[Cash flows from operating activities]

Cash generated by operating activities was 613 million yen (compared with cash used of 378 million yen in the year-ago period), reflecting a quarterly net loss before income taxes and minority interests of 954 million yen, a decrease in accounts receivable of 1,330 million yen (the decline in accounts payable was 203 million yen), and refund of income taxes of 370 million yen.

[Cash flows from investment activities]

Cash generated by investment activities was 219 million yen (compared with cash used of 164 million yen in the year-ago period), attributable to proceeds from the sale of tangible fixed assets of 131 million yen, proceeds from the sale of shares in subsidiaries by a change in the scope of consolidation of 103 million yen, and expenses for the acquisition of intangible fixed assets of 44 million yen.

[Cash flows from financing activities]

Cash used in financing activities was 1,146 million yen (compared with cash used of 686 million yen in the year-ago period), attributable to expenses for the repayment of long-term debt of 549 million yen, and a net decrease in short-term borrowings of 597 million yen.

3. Qualitative Data on Consolidated Business Forecast

As a result of reviewing our plan, taking the current economic outlook and other factors into account in light of events peculiar to the Group, we have revised our consolidated business forecast for the fiscal year ending September 2009 to net sales of 59,891 million yen, operating loss of 1,100 million yen, ordinary loss of 1,332 million yen, and net loss of 5,364 million yen.

For more details, please refer to the “Notice of Revisions to Business Forecast for the Fiscal Year ending September 2009” disclosed today.

4. Others

(1) Important changes in subsidiaries during the term (change in specified subsidiaries that led to a change in the scope of consolidation)

Excluded from consolidation: Asia Pacific System Research Co., Ltd.

As all shares of Asia Pacific System Research Co., Ltd. were transferred, the company was excluded from the scope of consolidation.

(2) Adoption of simplified accounting policies and of accounting policies particular to the preparation of quarterly consolidated financial statements

Simplified accounting policies

Calculation method for depreciation of fixed assets

For assets for which the declining balance method is used, depreciation expenses are calculated by proportionally distributing the amount of depreciation for the consolidated fiscal year to the period.

(3) Changes in principles, procedures, presentation method etc. of accounting procedures for quarterly consolidated financial statements

1.Adoption of Accounting Standard for Quarterly Financial Reporting etc.

From this consolidated fiscal year, "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No.12) and "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No.14) are adopted. In addition, pursuant to the "Rules Concerning Quarterly Consolidated Financial Statements," we prepared the quarterly consolidate financial statements.

2.Adoption of Accounting Standard for Measurement of Inventories

From the consolidated accounting period of the first quarter under review, "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, July 5, 2006) are adopted. The standard for measurement has been changed from cost method to cost method (the method of devaluing book price to reflect declines in profitability). The influence of the change on the financial results is marginal.

3.Adoption of Accounting Standard for Lease Transactions

Accounting procedure for rental transactions had been applied mutatis mutandis for non-transfer-ownership finance lease before. However, "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, (June 17, 1993 (First Committee of Business Accounting Council), Revised on March 30, 2007) and "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16, (January 18, 1994, (Accounting System Committee, the Japanese Institute of Certified Public Accountants), Revised on March 30, 2007) have become applicable for quarterly consolidated financial statements of consolidated fiscal years starting on or after April 1, 2008. Therefore, we adopted the accounting standard etc. from the consolidated accounting period of the first quarter under review with the accounting procedure for usual sales transaction. In terms of the method for depreciating leased assets of non-transfer-ownership finance leases, the fixed amount method is adopted by setting the lease period as durable years and the scrap value as zero. This does not influence the financial results.

Incidentally, for the non-transfer-ownership finance lease that started before the year when the above accounting standards, etc. were adopted, the accounting procedure for rental transactions continues to be similarly applied.

5. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Million yen)

	End of consolidated accounting period for second quarter under review (March 31, 2009)	Condensed consolidated balance sheets at end of previous fiscal year (September 30, 2008)
ASSETS		
Cash and deposits	7,462	9,878
Notes and accounts receivable-trade	7,098	11,866
Short-term investment securities	100	100
Merchandise	77	125
Work in process	399	678
Supplies	71	78
Other	2,607	3,951
Allowance for doubtful accounts	-213	-235
Total current assets	17,602	26,441
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	498	638
Tools, furniture and fixtures, net	303	487
Land	630	793
Other	6	9
Total property, plant and equipment	1,436	1,927
Intangible assets		
Goodwill	1,418	3,035
Other	804	1,129
Total intangible assets	2,222	4,165
Investments and other assets		
Guarantee deposits	1,602	1,979
Other	1,709	2,374
Allowance for doubtful accounts	-121	-189
Total investments and other assets	3,190	4,165
Total noncurrent assets	6,849	10,257
Total assets	24,451	36,697

(Million yen)

	End of consolidated accounting period for second quarter under review (March 31, 2009)	Condensed consolidated balance sheets at end of previous fiscal year (September 30, 2008)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	683	1,407
Short-term loans payable	6,853	8,144
Current portion of long-term loans payable	2,040	2,867
Accounts payable-other	1,796	1,945
Accrued expenses	1,738	2,649
Income taxes payable	205	532
Provision for bonuses	326	1,409
Allowance for cancellation adjustments	101	205
Other	329	565
Total current liabilities	14,071	19,723
Noncurrent liabilities		
Long-term loans payable	3,417	5,237
Provision for retirement benefits	616	553
Other	211	216
Total noncurrent liabilities	4,244	6,005
Total liabilities	18,315	25,728
NET ASSETS		
Shareholders' equity：		
Capital stock	3,464	3,464
Capital surplus	2,906	2,906
Retained earnings	1,196	3,978
Treasury stock	-2,747	-2,747
Total shareholders' equity	4,819	7,601
Valuation and translation adjustments		
Valuation difference on available-for-sale ecurities	-26	-28
Total valuation and translation adjustments	-26	-28
Minority interests	1,343	3,396
Total net assets	6,136	10,969
Total Liabilities And Net Assets	24,451	36,697

(2) Consolidated Quarterly Profit and Loss Statement
Second Quarter Aggregate Period of the Current Consolidated Fiscal Year (October 1, 2008 - March 31, 2009) under review

	(Million yen)
Nat Sales	34,764
Cost of sales	26,834
Gross profit	7,930
Selling, general and administrative expenses	8,526
Operating income	-596
Non-operating income	
Real estate rent	122
Dividends income	45
Other	123
Total non-operating income	289
Non-operating expenses	
Interest expenses	116
Rent cost of real estate	118
Equity in losses of affiliates	34
Other	111
Total non-operating expenses	379
Ordinary income	-686
Extraordinary income	
Reversal of allowance for doubtful accounts	26
Gain on transfer of business	2
government subsidy received	22
Other	0
Total extraordinary income	50
Extraordinary loss	
Loss on sales of stocks of subsidiaries and affiliates	924
Loss on sales of investment securities	13
Loss on valuation of investment securities	55
Loss on sales of noncurrent assets	85
Loss on retirement of noncurrent assets	31
Loss on insurance cancellation	66
Loss on closing of stores	385
Special retirement expenses	101
Allowance for employment adjustment	39
Impairment loss	85
Total extraordinary losses	1783
Loss before income taxes and minority interests	-2,420
Income taxes-current	169
Income taxes-deferred	140
Total income taxes	309
Minority interests in income	53
Net income	-2,782

Second quarter accounting period of the current consolidated fiscal year (October 1, 2008 – March 31, 2009) under review	(Million yen)
Net sales	15,308
Cost of sales	11,939
Gross profit	3,369
Selling, general and administrative expenses	3,692
Operating income	-323
Non-operating income	
Real estate rent	57
Dividends income	0
Other	45
Total non-operating income	102
Non-operating expenses	
Interest expenses	54
Rent cost of real estate	62
Equity in losses of affiliates	16
Other	52
Total non-operating expenses	184
Ordinary income	-404
Extraordinary income	
Reversal of allowance for doubtful accounts	13
Gain on transfer of business	2
Government subsidy received	22
Other	0
Total extraordinary income	36
Extraordinary loss	
Loss on sales of stocks of subsidiaries and affiliates	87
Loss on sales of investment securities	13
Loss on valuation of investment securities	2
Loss on sales of noncurrent assets	85
Loss on retirement of noncurrent assets	25
Loss on insurance cancellation	6
Loss on closing of stores	145
Special retirement expenses	101
Allowance for employment adjustment	39
Impairment loss	85
Total extraordinary losses	586
Loss before income taxes and minority interests	-954
Income taxes-current	-7
Income taxes-deferred	157
Total income taxes	150
Minority interests in income	31
Net income	-1,135

(3) Consolidated Quarterly Cash Flows Statement (Million yen)

Second Quarter Aggregate Period of the Current Consolidated Fiscal Year under review

	(From October 1, 2008 to March 31, 2009)
Net cash provided by (used in) operating activities:	
Income before income taxes and minority interests	-2,420
Depreciation and amortization	295
Amortization of goodwill	112
Loss (gain) on valuation of investment securities	55
Loss (gain) on sales of stocks of subsidiaries and affiliates	924
Loss (gain) on sales of investment securities	13
Loss (gain) on sales of noncurrent assets	85
Loss on retirement of noncurrent assets	31
Loss (gain) on transfer of business	-2
Impairment loss	85
Equity in (earnings) losses of affiliates	34
Increase (decrease) in allowance for doubtful accounts	94
Increase (decrease) in provision for retirement benefits	91
Increase (decrease) in provision for bonuses	-749
Interest and dividends income	-49
Interest expenses	116
Decrease (increase) in notes and accounts receivable-trade	3,136
Decrease (increase) in inventories	75
Increase (decrease) in notes and accounts payable-trade	-334
Decrease (increase) in insurance funds	376
Increase (decrease) in accrued expenses	-792
Increase (decrease) in accrued consumption taxes	547
Other, net	166
Subtotal	1,888
Interest and dividends income received	49
Interest expenses paid	-127
Income taxes paid	-354
Income taxes refund	412
Net cash provided by (used in) operating activities	1,868

Second Quarter Aggregate Period of the Current Consolidated Fiscal Year under review
(From October 1, 2008 to March 31, 2009)

Net cash provided by (used in) investment activities:	
Purchase of property, plant and equipment	-55
Proceeds from sales of property, plant and equipment	132
Purchase of intangible assets	-95
Proceeds from sales of investment securities	18
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-265
Proceeds from transfer of business	19
Other, net	1
Net cash provided by (used in) investment activities:	-245
Net cash provided by (used in) financing activities:	
Net increase (decrease) in short-term loans payable	-1,291
Repayment of long-term loans payable	-2,647
Other, net	-0
Net cash provided by (used in) financing activities	-3,939
Net increase (decrease) in cash and cash equivalents	-2,316
Cash and cash equivalents at beginning of period	9,878
Cash and cash equivalents at end of period	7,562

From this consolidated fiscal year, "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No.12) and "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No.14) were adopted. In addition, pursuant to the Rules Concerning Quarterly Consolidated Financial Ftatements, we prepared quarterly consolidated financial statements.

(4) Concerning notes about going concern assumption

The Second Quarter Aggregate Period of the Current Consolidated Fiscal Year (October 1, 2008 - March 31, 2009)

On October 3, 2008, Fullcast Co., Ltd. was instructed by the Tokyo Labour Bureau to suspend its worker dispatching business and to improve its worker dispatching operations, following the Company's violation of the worker dispatching business suspension order issued in August 3, 2007 by the Tokyo Labour Bureau. As a result, the Group expects that net sales and operating income will decline in the fiscal year ending September 30, 2009, influenced by the business suspension of Fullcast Co., Ltd. and the deterioration of the Group's brand image. As of the end of the consolidated accounting period of this first quarter (December 31, 2008), the Group has continued negotiations to review the terms of loan agreements in the future with major financial institutions.

Under these circumstances, there is a substantial doubt about the going concern assumption.

The suspension of the worker dispatch business ended on November 9, 2008, and with respect to the order to improve the business, the final report on the improvement results was completed on January 16, 2009.

To resolve this situation, Fullcast Co., Ltd. is reducing administrative expenses through management streamlining based on the consolidation and elimination of branch offices, and the Group is making concerted efforts to develop a compliance system and prevent the reoccurrence of similar events as well as restore management stability as soon as possible.

In addition, Fullcast Holdings Co., Ltd. appropriated part of the funds obtained by the sale of shares in its subsidiary to the repayment of loans and the remainder to working capital. On April 8, 2009, the Company issued new shares by private placement to improve its financial position. Meanwhile, on April 9, 2009, the Company decided to divest two subsidiaries, including one engaged in the Technology Business, as well as to launch a set of management streamlining initiatives such as the elimination and amalgamation of offices of subsidiaries and the downsizing of the Group workforce. With these measures, the Company aims to strengthen its management foundations and secure the funds it needs, mainly by divesting itself of retained assets.

The Fullcast Group believes that these initiatives will normalize the management environment of all companies in the Group, restore with maximum speed customer confidence damaged by administrative sanctions, and also remove the substantial doubt about the going concern assumption.

Therefore, the quarterly consolidated financial statements were prepared with the going concern assumption, and the influence of the serious doubts mentioned above was not reflected in the quarterly consolidated financial statements.

(5) Segment information

Information on the business segments

Second quarter accounting period of the current consolidated fiscal year (October 1, 2008 – March 31, 2009)

(Million yen)

	Spot Business	Factory Business	Technology Business	Office Business	Other Business	Total	Elimination or company total	Consolidated
I. Net sales and operating income Net sales (1) Sales to external customers	4,993	2,214	4,001	2,431	1,670	15,308	―	15,308
(2) Inter-segment sales or transfers	14	0	3	3	3	23	(23)	―
Total	5,007	2,214	4,004	2,434	1,672	15,331	(23)	15,308
Operating income or loss (-)	-329	-229	384	20	7	-146	(177)	-323

Second quarter aggregate period of the current consolidated fiscal year (October 1, 2008 - March 31, 2009)

(Million yen)

	Spot Business	Factory Business	Technology Business	Office Business	Other Business	Total	Elimination or company total	Consolidated
I. Net sales and operating income Net sales (1) Sales to external customers	12,010	5,850	8,466	4,898	3,540	34,764	―	34,764
(2) Inter-segment sales or transfers	91	3	4	6	6	109	(109)	―
Total	12,101	5,853	8,470	4,903	3,546	34,873	(109)	34,764
Operating income or loss (-)	-609	-231	631	-3	3	-209	(387)	-596

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 employee dispatching services, short-term contractual workers services
   (2) Factory Business: Staffing services for production line work, contracted-out services for production line work
   (3) Technology Business: Engineer dispatching services, human resources contracting of technical staff, data communication services
   (4) Office Business: Clerical manpower dispatching, clerical work contracting
   (5) Other Business: Restaurant and bar management, security services, advertising agency services, etc.

Geographic segment information

Geographic segment information is not presented since the Company did not have consolidated subsidiaries or branch offices in areas or regions other than Japan either in the second quarter accounting period or the second quarter aggregate period of the current consolidated fiscal year.

Overseas sales

Overseas sales are not presented given the absence of overseas sales both in the second quarter accounting period and the second quarter aggregate period of the current consolidated fiscal year.

(6) Notes about instances of significant changes in the amount of shareholder's equity

There are no relevant matters.

Reference

Financial statements of the first quarter of the previous fiscal year

(1) (Condensed) Consolidated quarterly profit and loss statement

(Million yen)

Category	First half of the previous consolidated fiscal year (October 1, 2007 – March 31, 2008) Amount		%
I Net sales		49,818	100.0
II Cost of sales		37,465	75.2
Gross profit		12,353	24.8
III Selling, general and administrative expenses			
1.Salaries and wages	3,175		
2.Miscellaneous wages	1,248		
3.Legal welfare	575		
4.Provision of accrued bonuses	353		
5.Retirement benefit expenses	124		
6.Communications expenses	384		
7.Advertisement and sales promotion	189		
8.Travel and transportation	483		
9.Rents	1,111		
10.Depreciation and amortization	305		
11.Recruitment expense	1,122		
12.Provision of allowance for doubtful accounts	98		
13.Amortization of goodwill	173		
14.Other	2,272	11,612	23.3
Operating income		741	1.5
IV Non-operating income			
1.Interest income	18		
2.Rental income	60		
3.Other	130	208	0.4
V Non-operating expenses			
1.Interest expense	118		
2. Rent cost	49		
3. New stock issue expenses	1		
4.Loss on equity method investments	24		
5.Other	66	258	0.5
Ordinary income		691	1.4
VI Extraordinary income			
1.Gain on sale of fixed assets	3		
2.Gain on sales of investment securities	80		
3.Reversal of allowances for doubtful accounts	8	91	0.2
VII Extraordinary loss			
1. Loss on disposal of fixed assets	19		
2.Loss on valuation of investment securities	200		
3.Loss on change of share-holding ratio	0		
4.Penalty	24		
5.Loss on impairment of fixed assets	117		
6.Expenses for withdrawal from training base	32	394	0.8
Income before income taxes and minority		388	0.8
Corporate, residential and enterprise taxes	600		
Corporate tax adjustment	-188	412	0.8
Minority interests		79	0.2
Net income (loss)		-103	-0.2

(2) (Condensed) Consolidated quarterly cash flows statement

(Million yen)

	First half of the previous consolidated fiscal year (October 1, 2007 – March 31, 2008)
Category	Amount
I Cash flows from operating activities	
1.Income before income taxes and minority interests	388
2.Depreciation and amortization	359
3.Increase (decrease) in allowance for doubtful accounts	11
4.Increase (decrease) in allowance for bonuses	-19
5.Increase (decrease) in allowance for employee retirement benefits	53
6.Interest and dividend income	-27
7.Interest expenses	118
8.Gain on sale of fixed assets	-3
9.Loss on disposal of fixed assets	19
10.Credit losses	43
11.Gain on sale of investment securities	-80
12. Loss on valuation of investment securities	200
13. New stock issue expenses	1
14.Amortization of goodwill	177
15.Gain and loss on equity method investments	24
16.Loss on change of share-holding ratio	0
17. Loss on impairment of fixed assets	117
18.Increase (decrease) in trade receivable	-1,773
19.Increase (decrease) in inventories	-58
20.Increase (decrease) in trade payable	-568
21.Increase (decrease) in accrued expenses payable	-154
22.Increase in insurance reserve fund	-10
23. Increase (decrease) in accrued income	-378
24.Decrease in accrued consumption tax	-1,039
25.Other	151
Subtotal	-2,447
26.Interest and dividend received	27
27.Interest paid	-119
28. Income taxes paid	-632
29.Refund of income tax etc.	598
Net cash used in operating activities	-2,572
II Cash flows from investing activities	
1.Purchase of time deposits	-1
2. Proseeds from refund of time deposits	11
3.Purchase of tangible fixed assets	-123
4.Proceeds from sales of tangible fixed assets	5
5.Purchase of intangible fixed assets	-180
6.Purchase of acquisition of investment securities	-124
7. Proseeds from sales of investment securities	181
8.Proceeds from collection on equity in investment securities	3
9. Advanced for loans receivable	-433
10.Collection on loans receivable	440
11.Expense for transferred business	-388
12.Other	-20
Net cash used in investing activities	-630

	First half of the previous consolidated fiscal year (October 1, 2007 – March 31, 2008)
Category	Amount
1.Increase (decrease) in short-term borrowings	2,902
2.Repayments of long-term debt	-1,902
3.Payments of redemption of corporate bonds	-100
4.Proceeds from payment by minority shareholders	1
5.Payments of dividends	-264
6.Payments of dividends to minority shareholders	-59
Net cash used in financing activities	577
IV Exchange gain/loss on cash and cash equivalents	0
V Net increase in cash and cash equivalents	-2,625
VI Cash and cash equivalents at beginning of period	12,764
VII Cash and cash equivalents at end of period	10,139

(3) Segment information

Information on the business segments

First half of the previous consolidated fiscal year (October 1, 2007 – March 31, 2008) (Million yen)

	Spot Business	Factory Business	Technology Business	Office Business	Other Businesses	Total	Elimination or company total	Consolidated
I. Net sales and operating income Net sales								
(1) Sales to external customers	18,207	8,968	12,426	6,897	3,321	49,818	–	49,818
(2) Inter-segment sales or transfers	183	5	173	39	30	430	(430)	–
Total	18,390	8,973	12,599	6,935	3,351	50,248	(430)	49,818
Operating expenses	17,805	8,816	12,208	6,572	3,471	48,871	205	49,077
Operating income	585	157	391	363	- 120	1,377	(636)	741

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 employee dispatching services, short-term contractual workers services
   (2) Factory Business: Staffing services for production line work, contracted-out services for production line work
   (3) Technology Business: Engineer dispatching services, human resources contracting of technical staff, data communication services
   (4) Office Business: Clerical manpower dispatching, clerical work contracting
   (5) Other Business: Restaurant and bar management, security services, advertising agency services, 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 731 million yen. It is mainly expenses associated with the administrative departments of the parent company's head office, such as Accounting.

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 first quarter of the previous consolidated fiscal year.

Overseas sales

Overseas sales are not presented given the absence of overseas sales in the first quarter of the previous consolidated fiscal Segment Information

Information on the business segments